Performance Audit

for the Anne Arundel County Public Schools

PREPARED AND SUBMITTED BY:

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP
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Chapter 1 – Introduction

In January 2020, the Anne Arundel County Public Schools (AACPS) contracted with Gibson Consulting Group (Gibson) to conduct a Performance Audit to evaluate the efficiency and effectiveness of selected functional areas related to the governance and administration of AACPS. This performance audit, which was conducted over a seven-month period, included an in-depth analysis of governance and the central office organizational structure of AACPS, as well as the financial management, human resources, and information technology functions of the school system.

This introductory Chapter provides an executive summary of Gibson’s performance audit recommendations, the project scope and objectives, and a description of Gibson’s approach and methodology.

Gibson wishes to thank the Board, AACPS leadership, and staff for their assistance in conducting this performance audit, particularly during these challenging times.

Executive Summary

AACPS has highly experienced and very dedicated staff. The majority of individuals interviewed during this project have 20 years or more of experience, and most of the experience has been with AACPS. Based on our short time visiting with them, it was obvious that they enjoy working for AACPS, working with each other, and dedicating their professional careers to a common cause of helping students succeed.

One of the driving factors for this study appears to be the governance transition from an appointed board to an elected board. There are many factors that have made this transition particularly challenging, including the lack of sufficient Board member training (for all members), the Board not following its own policies or best practices with respect to Board meeting management, a policy manual that does not clearly segregate legal versus local policies, and a wide range of perceptions among Board members about their role in governing AACPS. This performance audit contains recommendations to improve this governance transition as it migrates towards a fully elected Board by December 2020.

In its 2018-23 Strategic Plan, AACPS has a driving value to maximize the efficiency and effectiveness of its business practices. However, the driving values are not accompanied by effective strategies to make this happen, and with one exception (Purchasing), there were no performance measures or targets used by the departments to hold themselves accountable for increasing efficiency and effectiveness. The AACPS budget process focuses primarily on the incremental changes from the prior year, and does not incorporate measures to evaluate the efficiency of the “core” budget over time. These factors appear to have contributed to inefficient work processes that resemble those of a generation ago – highly manual and paper-intensive processes that do not maximize the use of technology – across all areas reviewed in this performance audit. These processes have sustained high demands for clerical positions that have likely contributed to AACPS having 100 more clerical positions relative to its student population than its peers.
This notwithstanding, AACPS ranks in the middle on Administration expenditures per student compared to its peer LEAs, and is within one percent of the State average measure. Based on the performance audit, this appears to be due more to the experience and dedication of its people than its processes.

This report contains recommendations to help AACPS better achieve its driving value of maximum operating efficiency and effectiveness through the implementation of a performance management framework and a new approach to process improvement.

In this context, below are the major recommendations of the performance audit, by area:

**Governance**

- Differentiate legal versus local policies to streamline the policy update process;
- Establish board training requirements and strategy;
- Implement several strategies to improve Board meeting efficiency and effectiveness;
- Expand the role of the Board’s internal audit function to more closely align with its mission and increase its value to the Board;
- Include more administrative performance measures and targets in the Strategic Plan to drive specific actions to better support performance accountability;
- Consider long-term organizational changes to improve accountability in senior district administration;
- Implement complaint tracking system to ensure responsiveness; and
- Consider additional long-term changes to the organization of senior academic management.

**Financial Management**

- Realign the Payroll Department to report under Financial Operations;
- Streamline financial management processes;
- Purchase integrated financial reporting tools;
- Improve segregation of duties within Accounts Payable;
- Separate system administration tasks from accounting functions;
- Create a performance management plan for Financial Management;
- Use a third-party service to deposit cash at schools;
- Streamline review and approval processes and thresholds;

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1 Administration expenditures as defined by the Maryland State Department of Education most closely mirror the scope of this performance audit, and includes Board governance, senior management, financial management, human resources, and technology.
▪ Implement a payroll timekeeping module;
▪ Streamline purchase order and Procurement Card processing through increased use of technology;
▪ Require Board approval of budget priorities;
▪ Incorporate efficiency measurement into the budget process and budget document;
▪ Adopt a fund balance policy for the General Fund; and
▪ Streamline the budget transfer process.

**Human Resources**

▪ Restructure Human Resources to better support the strategic management of AACPS’ human capital;
▪ Establish a human capital management plan and performance management framework;
▪ Develop an employee recruitment and retention plan;
▪ Streamline human resource processes;
▪ Digitize personnel records;
▪ Standardize new employee orientation and onboarding processes;
▪ Standardize position review and reclassification process; and
▪ Administer surveys to measure customer satisfaction with human resources services.

**Information Technology**

▪ Develop a long-range technology plan and performance accountability framework;
▪ Reorganize the Technology Division to establish a more logical alignment of functions that better support accountability;
▪ Develop a campus technology support staffing formula based on the number of devices and student enrollment;
▪ Develop technology Service Level Agreements to establish customer expectations for all technology services; and
▪ Create a Project Management Office to enable the LEA to achieve organization-wide operational efficiency and effectiveness.

The opportunity for cost savings from improved efficiency can best be seen in the comparison of AACPS clerical staff ratios to its Maryland peers. While these positions include staff from areas outside the scope of this performance audit, the comparison confirms the existence of manually intensive activities – and related clerical staff demands – across AACPS. Figure 1.1 compares the AACPS ratio of students to clerical/secretarial staff to its peers. The lower the ratio, the higher the staff levels relative to the student
population. The AACPS ratio (135.3) is 15.5 percent below the peer average (160.1), and 10 percent below the second lowest peer (150.5).

**Figure 1.1. Ratio of Students to Clerical/Secretarial Staff, AACPS and Maryland Peer LEAs, 2019-20**

Source: Maryland State Department of Education website

If AACPS was able to achieve a clerical/secretarial staff ratio equal to the peer average, approximately $3 million a year in potential savings could be achieved.

Other factors will influence the fiscal impact of recommendations made in this report:

- Virtually all of the savings identified will require investments in technology to achieve, and the cost of the technology and a reasonable estimate of resulting savings for individual departments are highly dependent on the AACPS requirements and the software purchased or developed.

- Due to the targeted scope of work in selected areas, the net fiscal impact of the report recommendations is likely a net investment, and savings may have to be achieved in other larger areas (operational areas, schools) to support the investment, particularly if other funding sources are not obtained. The total staff count of all the areas subject to this performance audit represents less than 3 percent of AACPS total staffing.

- The recommendation to incorporate efficiency measures into the budget process will likely identify savings opportunities outside the scope of this study.

The remainder of this Chapter presents the project objectives, scope, and approach for this performance audit.

**Project Objectives and Scope**

The primary objective of this performance audit is to evaluate AACPS’ governance structure, central office organization, and the financial management, human resources, and information technology functions of
the school system, and to make recommendations for improving the efficiency and effectiveness of operations. The scope of this project addressed the following areas:

- **Governance and Management** – This area addresses how decisions are made at the board and senior administrative levels, the information that is used to drive those decisions, the policies and regulations that guide the decisions, and how stakeholders are consulted and informed. Governance and management also include setting the long-term direction of a school system, through coordinated collaborative planning efforts to set long-term goals, measurable objectives, and establish an accountability system for performance. Other areas incorporated into the scope of this review include Board of Education practices; Public Information Office responsiveness to stakeholder questions and communications; organizational structure; communication and collaboration between departments; and strategic planning and processes.

- **Senior Academic Staff** – This area includes a review of the AACPS central office support organization structure for academic programs and school oversight, academic performance management, instructional decision-making and accountability, and curriculum implementation and monitoring processes.

- **Financial Management** – This area includes an assessment of the AACPS accounting (internal controls, accounting systems, accounts payable, payroll, and financial reporting), internal audit, budgeting, purchasing, and insurance management functions.

- **Human Resources Management** – This area includes an assessment of the AACPS current staffing levels, efficiency and effectiveness of recruiting and onboarding functions, human resources compliance, staffing formulas, job descriptions, position classifications and reclassification processes, and customer services.

- **Information Technology** – This area includes an assessment of the effectiveness of current information systems to satisfy business and management information needs; technology infrastructure and security; technology support; selection and implementation of application software; technology inventory and device management.

### Project Approach and Methodology

The recommendations included in this report were informed by the following information gathering and analytical activities.

**Data Analysis and Benchmarking**

Gibson collected and analyzed historical data provided by AACPS, which included five years of budget and expenditure data, position data, school data, student data, and student performance data. Other types of information reviewed and analyzed included AACPS organizational charts; job descriptions; strategic planning documents; Board meeting minutes; policies and administrative guidelines; departmental performance measures and reports; departmental planning documents; standard operating procedures; labor agreements; salary schedules; and, an inventory of technology hardware and software applications.
To provide additional context, Gibson also benchmarked AACPS to six peer school districts, which were selected in collaboration with AACPS based on similarity in size and demographics. Gibson also compared AACPS’ key indicators to the State average, where applicable. All comparisons were made using publicly available data from the Maryland State Department of Education (MSDE). Table 1.1 provides a brief summary of the comparator school districts.

### Table 1.1. Profile of Benchmark LEAs, 2018-19

<table>
<thead>
<tr>
<th>LEA</th>
<th>Enrollment</th>
<th>FARM %</th>
<th>SWD %</th>
<th>EL %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Arundel</td>
<td>83,300</td>
<td>33.4</td>
<td>10.0</td>
<td>6.7</td>
</tr>
<tr>
<td>Baltimore County</td>
<td>113,814</td>
<td>46.6</td>
<td>13.0</td>
<td>7.1</td>
</tr>
<tr>
<td>Frederick</td>
<td>42,713</td>
<td>28.2</td>
<td>10.8</td>
<td>7.1</td>
</tr>
<tr>
<td>Howard</td>
<td>57,907</td>
<td>23.8</td>
<td>9.8</td>
<td>5.9</td>
</tr>
<tr>
<td>Montgomery</td>
<td>162,680</td>
<td>35.7</td>
<td>12.3</td>
<td>18.1</td>
</tr>
<tr>
<td>Prince George's</td>
<td>132,667</td>
<td>63.5</td>
<td>10.8</td>
<td>20.7</td>
</tr>
</tbody>
</table>

Source: Maryland Department of Education

Note: FARM is Free and Reduced Meal Students; SWD is Students with Disabilities; and EL is English Language Learners.

### Interviews and Focus Group Sessions

In March 2020, the audit team was on-site and conducted 62 individual interviews and 13 focus group sessions with AACPS Board members, the Superintendent, Deputy Superintendents, Chief Communications and Operations Officers, Associate and Assistant Superintendents, Regional Assistant Superintendents, Executive Directors, Directors, and other central office administrators and staff, principals, and teachers. The primary objective of the interviews and focus group sessions was to gather anecdotal information about the AACPS operations to identify areas of strength and opportunities for improvement. A complete list of interviewees and focus group sessions can be found in Appendix A – List of Interviews, Focus Groups and School Visits.

### Report Organization

The remainder of this report is organized into the following chapters and appendices:

Chapter 2 – Governance (includes Senior Academic Staff)

Chapter 3 – Financial Management

Chapter 4 – Human Resources Management

Chapter 5 – Information Technology

Appendix A – List of Interviews and Focus Groups
Chapter 2 – Governance

Governance refers to the processes of regulation, organization, and management. Both the board and superintendent have governance responsibilities – the superintendent manages the school system, and the board oversees this responsibility in the context of representing the public’s interest. This Chapter addresses board and administrative governance, and senior academic management.

Board Governance

Background

Anne Arundel County Public Schools (AACPS) is currently governed by a 9-member Board, including one student member. While many school systems have student board members, AACPS is the only board nationwide that gives the student member equal voting rights. Currently, there are four elected Board members, four members appointed by the Governor, and the student member is selected annually by the Chesapeake Regional Association of Student Councils and must be confirmed by the Governor.

In 2018, Maryland State law changed, converting AACPS from an 8-adult appointed Board to a 7-adult elected Board over a two-year period. Four members were voted in during the November 2018 election. Three additional members will be determined by an election in November 2020. The annual selection process for the student member, and the related voting rights of the student member, remain unchanged.

Local school boards in Maryland have been converting from appointed boards to either fully elected or partially elected boards for decades. Of the five peer school boards selected for comparison in this study, two (Prince George’s County and Baltimore County) have a mix of appointed and elected board members; the remaining peers (Howard County, Montgomery County, and Frederick County) have elected board members.

The governance responsibilities of board members are established in Section 4-108 of the Education Article of the Annotated Code of Maryland. The four broad categories of duties include:

- To the best of its ability carry out the applicable provisions of this article and the bylaws, rules, regulations, and policies of the State Board.
- Maintain through its county a reasonably uniform system of public schools that is designed to provide quality education and equal opportunity for all children.
- Subject to this article and the applicable bylaws, rules, and regulations of the State Board, determine, with the advice of the county superintendent, the educational policies of the county school system.
- Adopt, codify, and make available to the public bylaws, rules, and regulations not inconsistent with State law, for the conduct and management of the county public schools.
Other legal responsibilities include the establishment of curriculum guides and courses of study (based on the recommendation of the superintendent), appointment of a county superintendent of schools, and the preparation of an annual report on the condition, current accomplishments, and needs for improvement of the schools, as well as a statement of the business and financial transactions of the county board. The board is also responsible for adopting the annual operating and capital budgets, which ultimately must be approved by the Anne Arundel County Executive, as well as the County Council.

The AACPS Board typically meets in a general session twice per month on the first and third Wednesday’s of each month. Other workshops or special meetings may be called. All Board meetings are open to the public. General session Board meetings are televised, live streamed, and allow public input. Other Board meetings are audiotaped and do not have public input. Board meeting minutes document the results of each meeting and are posted on the AACPS web site. AACPS uses a software product – BoardDocs – to publish information related to Board meetings.

The Board has two committees appointed by the Board President – the Budget Committee and the Policy Committee. The Budget Committee monitors the development of the annual operating and capital budgets. The Policy Committee reviews new policies and policy changes before they are adopted by the full Board. These committee meetings are also public meetings.

The Board has an Executive Assistant and one additional staff position that support several Board functions, including Board meeting management (e.g. post notices for Board meetings, assemble and distribute Board meeting packets, take meeting minutes, and track time of public input), communications between the Board and other external and internal stakeholders, and Board planning, among many other responsibilities.

The Board also has an Internal Audit function that reports directly to it. This unit, comprised of a Director and three other staff, conducts audits of School Activity Funds and other selected audits requested by the Board. The Internal Audit function and the Executive Assistant personnel are the only positions that report to the Board. All other AACPS positions report to the Administration.

Over the past 18 months, the transition from an appointed Board to an elected Board has been challenging, and this appears to have been a primary factor in prompting this study and the inclusion of governance in the scope of work. Other factors made the situation more difficult:

- There is a mix of elected and appointed Board members, each with the knowledge that in December 2020 all members will be elected. The Board is operating under a temporary governance structure that was dictated by State law.
- Two members defeated in the November 2018 election were appointed Board members and will continue in their appointed term until December 2020. It is highly unusual for a Board member to be sitting on the same dais with the member that defeated them.
The 2018 election occurred in the middle of the school year, as will the 2020 election. Prior appointed terms started during the summer, allowing more time for Board training and onboarding before the school year starts.

There are significant differences of opinion among Board members — not in all cases related to whether they are elected or appointed — regarding the role of the Board in governing AACPS, and their responsibilities and obligations as individual members of the Board.

In this section, recommendations are made to improve the efficiency and effectiveness of board governance that can be applied to any board — elected or appointed.

**Recommendations**

**Recommendation 2.1: Differentiate legal and local policies to support more efficient policy updates.**

AACPS Board policies and administrative regulations appear on the District web site. The primary difference between the two is that a Board policy must be adopted by the Board; administrative regulations may be independently developed and approved by the Superintendent, although they are reviewed by the Policy Committee and the Board.

Each Board policy has similar components, including a purpose, the issue the policy addresses, the Board's position, and implementation considerations. At the bottom of each policy is the policy history, including revision dates, and notes on the policy history.

The Board Policy Committee is charged with reviewing recommendations for new policies or policy changes. Recommendations may be initiated by the Board, a Board member, the Superintendent, or the Superintendent’s designee. Policies and changes are reviewed based on specific criteria established in AACPS Board Policy BF – Policy Setting. Regulation BF-RA provides guidance related to the Administration’s policy development and implementation responsibilities. Four Board members are appointed to the Policy Committee, and other AACPS employees attend the Policy Committee meetings, including:

- Superintendent
- Legislative and Policy Counsel
- Internal Auditor
- Citizen Advisory Committee (CAC) Representative
- Board Attorney

Others may be invited to provide input on specific policies. These committee meetings are open to the public.

In 2013, a process was implemented to review all Board policies on a 7-year schedule. However, while specific Board policies reference the policy history (at the bottom of each policy), there are no references
in the policy to the policy being reviewed – unless it was changed. For example, Board Policy BI – Board Evaluation was adopted in 2011, with no indication that it has been reviewed since then.

Policies to be reviewed by the Policy Committee are determined during the summer and scheduled throughout the remainder of the school year. Policy Committee meetings occur monthly. The current effort to review and update policies required a significant commitment of time by the Policy Committee as well as the entire Board. Based on interviews with Policy Committee participants, the Policy Committee previously addressed three to five policies in each meeting; in more recent meetings this has dropped to one to two policies on average. There are several perceptions as to why this has happened:

- Perceptions that policies are guidelines even though many are legally required;
- Perceptions that only legally required policies are enforceable by the Board;
- Perceptions that the Board has decision authority, or should have it, over regulations;
- Perceptions of certain legal advice being ignored, as well as perceptions that legal advice is not consistently reliable;
- Perceptions that much of the policy discussion taking place in the Policy Committee is unnecessarily repeated in the General Session Board meeting.

The majority of Board policy guidance is driven by State or Federal law. Other policies can be developed by local boards of education to supplement legal requirements unless they are in conflict with them. Based on a review of the AACPS Board policies, there is no distinguishing of legally required and local policies, and few policies have specific statutory references other than “State law.” As a result, it is difficult to determine which portion of the policy is legally required and which portion is locally developed. This lack of distinction has caused the Policy Committee and the Board to devote a significant amount of time to discussing policy provisions that legally cannot be changed.

Some state school board associations, including the Texas Association of School Boards (TASB), develop suggested “legal” policies for all local school boards to adopt. They cite the specific statutory references and include the statutory language. These associations charge a fee to school boards for providing updated legal policies annually, but the cost is nominal in comparison to the amount of time otherwise spent by each school system to develop their own legal policies. The Maryland Association of Boards of Education (MABE) does not provide this service to local boards of education.

Based on a review of peer Local Education Agency (LEA) board policy manuals, all five reference legal citations in policy but none differentiate the legal versus local portion of the policy. With the exception of one peer, each policy manual has a substantially different table of contents and varying levels of policy details.

AACPS should differentiate legal versus local policies to focus their efforts on policies that they have control over. Each policy area may have a legal and/or local policy in addition to an administrative regulation. This differentiation should substantially reduce the amount of time devoted to policy reviews.
and updates. Fort Bend Independent School District in Houston, Texas provides an example of how legal and local policies are delineated based on their subscription to TASB’s policy online service. ¹

Other implementation considerations:

- The Board Policy Committee should not need to spend time reviewing administrative regulations. These can be approved independently by the Superintendent. If there are topics in administrative regulations that the Board wants to influence, they can create a local policy. Administrative regulations, before finalized, should be reviewed by the General Counsel to ensure that there are no inconsistencies or conflicts between the administrative regulations and the applicable Board policy, but no other review by the Board Policy Committee is necessary.

- The Board Handbook should not contain any legal or local policies. The Handbook may reference the existence of those policies but should not attempt to replicate them. This requires additional updating of the Handbook each time an applicable policy changes. The Board Handbook should contain only recommended guidelines or procedures. Any element of Board procedure or individual Board member guidance that is required should be converted to a local policy.

- In addition to separating legal and local policies, specific legal references should be made to specific sentences or sections in the policy. A legal policy may include legal citations from multiple sources, and it should be clear within the legal policy which citation relates to which legal requirement.

- The Policy Committee should consider different formats and level of detail for policies, not just from other Maryland LEAs but also from other states. Several of the peer LEAs have policies that provide much more guidance, and in more areas, than those provided by AACPS. Some tend to group their policies by major area instead of breaking down, and cross-referencing, specific policies. Other LEAs provide a definition of terms at the beginning of each policy.

- Indicate at the bottom of each policy the date of the most recent policy review, and whether or not the policy was changed. This will establish that the policy was subject to review and can help support accountability for reviewing policies every seven years unless dictated more frequently by changes in law.

Recommendation 2.2: Establish board training requirements and strategy.

HB1300 “Blueprint for Maryland’s Future” was passed by the Maryland General Assembly this year. It was vetoed by the Governor due to COVID-19 but is ultimately expected to pass. Among many other initiatives, this bill requires the Maryland State Department of Education to establish leadership training for board of education members over the next several years. Currently, however, board member training in Maryland and in AACPS is voluntary. Maryland law requires at least one board member to attend Open Meetings Act training, but this is not required of all board members.

¹ Fort Bend Independent School District Policy Online: [https://pol.tasb.org/Home/Index/483](https://pol.tasb.org/Home/Index/483)
For individual board members, there are no minimum requirements for the number of training hours, nor are there requirements as to the type of training board members are to receive. Because training is voluntary, AACPS does not track Board training hours, nor is there any local policy related to Board member training.

The AACPS Board Handbook contains a section on Board Attendance at Conferences/Professional Development. This section contains the following guidance:

- Funds are earmarked for Board professional development.
- If schedules permit, Board members typically attend two school board conferences per year.
- Alternative education opportunities may be chosen by individual Board members.
- Board members are required to file a written report to the Board Executive Assistant within 14 days of completion of the professional development that includes benefits achieved.
- When attending a conference, the Board member is expected to attend and fully participate in the workshops and other professional development opportunities or risk full reimbursement.

The Maryland Association of Boards of Education (MABE) is the primary source of training for AACPS Board members. Each year, MABE offers conference training on a variety of subjects relevant to board governance, current or anticipated events, and other topics of interest. Additional Board Service Academies are provided throughout the year. The 2020 MABE Board Service Academy offerings are listed below:

- Key Work of School Boards – core skills of effective boards
- Open Meetings Act – legal requirements
- Telling Your Story – a communications guide for school boards
- Equity Academy: The Individual Perspective – viewing equity through the lens of the student and reviewing new statewide requirements for an educational equity policy
- Parliamentary Procedure – using Robert’s Rules of Order to make your board meetings more efficient and productive
- The Trust Edge for School Districts – strategies to gain trust through deepening relationships and committed teams
- Legislative Policy Implications – overview of 2020 Maryland legislative session and new requirements
- Effective Board Teamwork – learning how to work with different personality types to ensure meeting functionality and goal completion
- Equity: The Board Governance Role – how to effectively use the governance role to impact your school system
Kirwan Regional Academy – news on major anticipated legislation

Board Chair/Superintendent Relationship – how to help ensure a successful working relationship

Student New Board Orientation – essentials of school law, policy, finance, and advocacy, among others

Ethics – discussion of Maryland ethics laws, policy requirements, and consequences for non-compliance

Adult New Board Orientation - essentials of school law, policy, finance, and advocacy, among others

The National School Board Association (NSBA) also provides training online and through conferences.

With the exception of at least one Board member required to attend the Open Meetings Act training, selection of board training topics is left to the discretion of individual Board members. There are no formal or informal mechanisms to determine collective training needs at the Board level. Similar to how teachers and staff identify certain training needs, the Board could use a self-evaluation to identify training needs. Board Policy BI requires that the Board conduct a self-evaluation annually; however, this self-evaluation has not occurred in the past two years.

In addition to training opportunities, onboarding of AACPS Board members relating to AACPS-specific information is conducted by the Administration when they take office. The onboarding occurs over a four-day period whereby Board members rotate through individual meetings with the administrative team. Some new Board members stated that this was not enough, and the Administration acknowledged that a better plan was being developed to accomplish a more comprehensive onboarding during a busy part of the year.

The AACPS Board needs to formalize a Board training program, codified in Board policy, which contains the following elements:

- Minimum number of annual training hours – minimum of 20 hours annually;
- Required training for new Board members (e.g., board legal responsibilities, parliamentary procedure, board policies, board handbook);
- Required periodic training for all Board members (e.g., legislative updates);
- Definition of Board training requirements based on annual Board self-evaluation;
- Review of individual and Board-level training program for the subsequent school year – against requirements; and
- Tracking and reporting of individual Board member training hours and topics.

Board members should still have the flexibility to attend courses of interest; however, minimum technical training should be required of all Board members.
A more structured training program will provide significant benefits to the AACPS Board, particularly in light of the transition to an elected Board in December 2020, at which time no Board member will have more than two years’ experience. It will also likely impact the success of other governance recommendations contained in this report.

The Board should reinstate its annual retreat to conduct a self-evaluation and also to learn how to work effectively with each other in governing AACPS in the coming year. The Board should consider the approach of the Florida Master Board program to structure this retreat. This extensive board training program contains elements that have helped Florida school boards govern more effectively and efficiently.²

**Recommendation 2.3: Streamline Board meetings to improve their effectiveness.**

AACPS Board meetings have taken more time since the transition to elected Board members began. Some of this increase is expected due to the introduction of new governing styles, the swearing in of new members during the middle of the 2018-19 school year, and the lack of sufficient time for the Board to be trained and to learn how to work together.

Figure 2.1 presents the length of 44 general session Board meetings between January 10, 2018 (11 months before the election) and March 4, 2020 (16 months after the election). The Board meeting time in the chart reflects the total recorded time in the Board meeting video, which includes executive sessions, public input, and any break time. The average length of general session Board meetings up through November 2018 (orange bars below) was 2 hours and 18 minutes. The average general session Board meeting time since then was 5 hours and 2 minutes. Four Board meetings since November 2018 have lasted more than 7 hours, and two Board meetings prior to the election lasted a half an hour or less.

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² Florida Master Board Program: [https://fsba.org/master-board-mb-program/](https://fsba.org/master-board-mb-program/)
Shorter Board meetings may not always be favorable, as this could indicate lack of sufficient oversight by the Board and perceptions of rubber-stamping approval of action items recommended by the Administration. However, long Board meetings lose their effectiveness as the hours mount. In some instances, the latter agenda items do not get the attention or focus they deserve because the meeting has lasted so long.

Gibson interviewed Board members, researched Board meeting legal requirements, and reviewed the videos of several general session Board meetings before and after the Board transition to better understand the possible causes for the increase in Board meeting time. The following areas present opportunities to make Board meetings more efficient and effective.

**Board Workshops**

AACPS currently uses Board workshops to address specific items. For example, during the March 10 Board workshop, the entire meeting was devoted to a transportation audit report. Board workshops are less formal, are audio recorded but not videotaped, are not posted to the Board meeting calendar on the AACPS web site, and public comment is generally not part of the agenda unless it meets the “discussion of merit” requirement.

Other school systems use board workshops to improve the efficiency and effectiveness of regular (general session) board meetings. Below are attributes of these meetings:

- All items planned for discussion or action are presented at a board workshop before the general session. Questions are asked at workshops, direction is provided (by the board as a whole) to the administration to clarify or modify information for the subsequent general session board meeting.
- No action items are considered at board workshops — it is a work session for the board to better prepare themselves and the administration for the general session meeting.

- Board workshops take place in a conference room setting in the board room, as opposed to the board members being seated at the dais. This allows for more informal conversations between board members and administrators.

- The public is invited, and the meetings are posted on the calendar, videotaped, and meeting minutes posted on the AACPS web site.

AACPS should use Board workshops in lieu of the first general session Board meeting each month.

**Public Comment**

AACPS general session Board meetings provide two types of opportunities for the public to speak, although an individual speaker can speak several times. At the beginning of the meeting, public input on non-agenda items can be offered. Each speaker is limited to three minutes, and no speaker can speak twice. At the end of each agenda item, an opportunity to provide input is offered to the public. This is also limited to three minutes.

Maryland State Education Law does not require local boards of education to receive public comment, nor does it require a minimum time period if public input is allowed. The State Open Meetings Act similarly does not specify a minimum time to be set aside for individual comments or collective comments, unless required to do so by a separate legal statute. The Open Meetings Act references only the public’s ability to “observe the deliberative process and the making of decision by the public body at open meetings.”

AACPS Board Policy BCB states the following with respect to public input:

- A period for public comment shall be set aside during regular Board meetings, at a time to be determined by the Board President.

- Written copies of public comments may be presented to the Board.

- Public comments shall also be permitted after official presentation of each item on the Board agenda.

- The Board President, in consult with the Board, may determine procedures to be used to organize public comment during Board meetings. Such procedures shall be posted publicly in the Board meeting room.

Some Maryland local boards of education manage their public input differently from AACPS. The AACPS Communications Department researched practices of 16 LEAs in Maryland during 2018-19. Ten of the 16 had no limit on the number of speakers. Three of the 16 LEAs researched are included in this performance audit’s peer group. Below are the approaches applied by these three peer LEAs:

- Baltimore County Public Schools selects 10 speakers from a drawing at the beginning of the meeting and allows 3 minutes per speaker.
Anne Arundel County Public Schools – Performance Audit

- Prince George’s County Public Schools limits the number of speakers to 18, based on a first-come first-serve basis. Speakers are allowed 3 minutes to present their views.
- Howard County Public Schools allows 5 speakers, and 3 minutes per speaker.

Several observations were made regarding public input at AACPS Board meetings, along with implementation strategies that will improve the efficiency and effectiveness of Board meetings and maximize the value of public input to the governance process.

- The primary purpose of board meetings is to govern and make decisions. Inviting public input for non-agenda items does not serve board members in this decision-making process. There are other opportunities, including providing written comments or complaints to the board or the administration, or separate public forums, for the public to express their views on non-agenda items. The public input time devoted to non-agenda items at the beginning of the meeting does not add value to the objectives of the meeting and should be discontinued.

- Public input on agenda items can serve board members in the decision-making process. However, this input is invited after the agenda item and often after a vote on the item. Accordingly, it does not support the decision-making process. This input should be consolidated and moved to the beginning of the board meeting so that members of the community do not have to wait for the agenda item to be heard.

- During public input observed during Board meetings, the Board engaged with the individual providing the input, and at times engaged the Administration. In one instance observed, a motion was made as a result of public input. The purpose of public input is to receive it, not address it or resolve it. At the time the input is provided, neither the Board members nor the Administration may have all the facts necessary to respond to the individual. Accordingly, responding is risky. Engaging some public speakers and not others may also foster perceptions of inequity. The Board should not engage with individuals providing input during Board meetings. An expression of appreciation for the input, and in some instances a referral for an administrator to follow up at a later date, is sufficient.

- During some public input, the same or very similar testimony may be provided by multiple individuals. Boards have the ability to manage public input in order to maximize the expression of different points of view. This will also help manage the time dedicated to public input. Currently, other than a general policy regarding the “organization” of public input, there is nothing in AACPS policy or practice that would prevent 100 or more individuals coming to the microphone with the same message.

While not required by law, public input is an important element of the governance process at AACPS. The Board currently has the ability – through procedural directives executed by the Board President in consultation with the Board – to more effectively manage the public input process to maximize the value to the Board and improve the efficiency and effectiveness of Board meetings.
Parliamentary Procedure

AACPS Board Policy BCD – Board Quorum and Rules of Order state that “Robert’s Rules of Order Newly Revised” shall govern the conduct of meetings in all cases to which they are applicable and in which they are not inconsistent with the rules and regulations contained in this publication.”

Based on observations of Board meeting videos, AACPS does not consistently follow Robert’s Rules of Order during Board meetings. Gibson viewed the videos of two Board meetings, one during 2018 (pre-election) and one in 2020. Two violations were noted in the 2018 meeting; sixteen were noted in the 2020 meeting. Since November 2018, three of the eight AACPS Board members reported attending Parliamentary Procedures training, according to the Board Executive Assistant.

The Board should consistently apply Robert’s Rules of Order at all general session Board meetings as required by policy. Several implementation strategies would help improve consistency:

▪ Eliminate ambiguity in Board policy. Board Policy BCD should state the specific exceptions for using Robert’s Rules of Order in general session Board meetings, if any exist.
▪ All new Board members should be required to attend Parliamentary Procedures training from MABE within the first 30 days upon being sworn into office.
▪ All other Board members should be required to attend Parliamentary Procedures training from MABE no less than every two years.
▪ The Board attorney should monitor compliance with Robert’s Rules of Order during AACPS Board meetings, and notify the Board President immediately when an exception occurs. The Board attorney should also document exceptions, and communicate them to the Board monthly until consistency has been established. After this occurs, the communication can be done quarterly or annually. These communications should be a part of the Board’s annual self-evaluation.

Board Member Technology

According to the AACPS administration, all Board members were offered an AACPS laptop. However, some did not accept it, returned it, or do not consistently use it. One Board member uses a personally owned device, which limits the ability of AACPS to establish information security for that equipment. As a result of this hybrid approach, Board meeting materials are currently provided in hard copy form to each Board member.

The Board owns and uses a commonly used software product called BoardDocs for posting agendas and supporting materials on its web site. However, BoardDocs is not relied on by all Board members to access information electronically. There are several benefits of using BoardDocs to electronically view Board materials:

▪ **Efficiency.** There are obvious efficiency benefits from the avoidance of photocopying, assembling binders, and distributing hard copy materials to each Board member.
▪ **Search Capability.** *BoardDocs* allows the use of search terms to locate specific words or phrases throughout the history of Board materials posted. This significantly streamlines the amount of time needed by Board members in researching the historical or current record of Board meeting topics that are important to them.

▪ **Accomplishing a Strategic Plan Objective.** The third driving value of the AACPS Strategic Plan states that AACPS is “committed to continuing the prudent development, deployment, and evaluation of streamlined business processes and procedures to maintain resource stewardship excellence while striving to increase our efficiency, productivity, and service levels.” All Board members should use these technology tools provided by AACPS to increase their efficiency in accessing information, eliminate the time dedicated by the Administration in developing and distributing hard copy documents, and demonstrate the Board’s commitment to this driving value.

**Recommendation 2.4: Expand the role of AACPS Internal Audit.**

The mission of the Internal Audit Office – as established in the Internal Audit Charter – is “to provide independent, objective assurance and consulting services designed to add value and improve Anne Arundel County Public Schools operation.” This unit reports to the Board, which most recently approved the charter in 2017-18. Internal Audit is responsible for conducting School Activity Funds audits, assisting with employee investigations led by the Human Resources Department, coordinating external audits, and conducting other audits either identified based on risk or those selected by the Board.

The Internal Audit function is led by a Director, with three positions (one Lead Auditor and two Auditor positions) supporting the Director. The staffing in this unit has remained constant for the past five years, but its total expenditures have declined due to retirement of the Lead Auditor in 2016-17, the promotion of an Internal Auditor to that position, and the hiring of a staff Internal Auditor. In 2018-19, total internal audit expenditures were $382,501, down $55,977 (or 12.8 percent) from 2014-15. Approximately 98 percent of the unit’s budget relates to staffing costs.

The Internal Audit Charter outlines a broad scope of responsibility for the function, including:

▪ Risks are appropriately identified and managed.

▪ Significant financial, managerial, and operational information is accurate, reliable, and timely.

▪ Employees’ actions are in compliance with Board policies, Administrative Regulations, plans, procedures, standards, and applicable laws and regulations.

▪ Resources are acquired economically, used efficiently, and adequately protected.

▪ Programs, plans, and objectives are achieved.

▪ Quality and continuous improvement are fostered in the organization’s control process.

This charter is a strong guiding document that is consistent with standards established by the Institute of Internal Auditors (IIA). AACPS Board Policy DF also establishes requirements for internal audit, which
specifies that “the internal auditing staff of the Board shall audit the financial records of all schools periodically but no less than every 24 months.” Every two years, the Internal Audit Office conducts a risk assessment of School Activity Funds to determine which schools should be audited in the first year. The most recent organization-wide risk assessment was conducted five years ago. Organization-wide risk assessments are generally done every five to seven years.

The scope of activities as defined in the Audit Charter is sufficiently broad to address all organizational risks across all program and operational areas. In practice, however, the demands of Policy DF related to School Activity Funds consume most of the internal audit time, and the unit’s primary skill sets are built around these needs. As a result, the intended coverage of the internal audit function – as expressed in the Internal Audit Charter – cannot reasonably be achieved.

The most significant implication of this is that the AACPS Board is increasingly seeking to evaluate specific programs and functions on its own, such as safety and security, student bullying, diversity and inclusion, and transportation. Each of these four areas are now standard reports at AACPS Board meetings. Because of the limited capacity of the current internal audit function, the Board has no other options to evaluate these areas that are of interest to them.

A second implication is that both the Board and the Administration are commissioning outside consultants on their own to conduct work within the scope of the internal audit mission. The Administration may have needs beyond what an internal audit function can provide, such as a facilities condition assessment or technology requirements study, but any independent performance audit or review should be considered within the purview of internal audit based on its current mission and scope of responsibility.

The capacity of the internal audit function should be increased to be consistent with its mission. This can be achieved through the following implementation strategies.

**Organization-wide Risk Assessment**

The AACPS Internal Audit Charter should be amended to require an organization-wide risk assessment every five to seven years. The scope of this risk assessment, commensurate with the scope of work defined in the Internal Audit Charter, should address every program, operational, and administrative area in the school system. This risk assessment will generate an audit plan that is more impactful to AACPS, focusing on its highest needs system-wide.

The risk assessment should involve the interviewing of each Board member, Executive Team member, and department head individually, as well as analyzing key organizational, operational, and performance information related to each unit. Each area should be evaluated against the following nine risk factors:

- Potential for fraud or theft
- Risk of inaccurate data and reporting
- Risk of non-compliance
- Risk of failing to meet program or project goals and objectives
- Health and safety risk
- Risk of being inefficient
- Management risk
- Potential for litigation
- Risk of negative public sentiment

The result of this assessment will be a risk matrix whereby each area is weighted against the above nine risk factors. An example of this matrix is presented in Table 2.1. The risk scores on the far right of the table are ranked highest to lowest risk, suggesting an order of audit sequencing. There are 28 program, operational, and administrative areas listed below, but this list is customized for each school system and may also include narrower topics.

Table 2.1. Sample Risk Assessment Matrix and Scoring

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Source: Gibson Consulting Group

This approach to risk assessments will help the Board achieve its mission for internal audit by helping establish a mechanism for system-wide continuous improvement. This supplements, not supplants, the Student Activity Fund risk assessments currently conducted by the Internal Audit Office every two years.

**Internal Audit Capacity**

There are two primary ways for AACPS to build the necessary capacity to achieve its internal audit mission – expand internal staffing or supplement internal staffing with outside contracted services. AACPS is currently applying the latter approach, but not through the internal audit function. This performance was requested by – and is being managed by – the Board, but other recent consulting projects identified in
the prior organization-wide internal audit risk assessment (Human Resources and Transportation) have been managed by the AACPS Administration.

The advantage of an in-house approach is that the Board has 24/7 access to its entire Internal Audit team at all times. This approach is also a lower cost approach due to higher hourly rates of contractors. The advantages of outsourcing primarily relate to the ability to bring in top experts for each field of study and the variable cost nature of the expenditure. If the Board needs to temporarily reduce its investment in internal audit, it may do so without the reduction of staff.

Implementation Monitoring and Follow-up

The Internal Audit Charter specifies that the function should “establish a follow-up process to track and monitor the effective implementation of management action related to important issues and recommendations.” Because the Student Activity audits are conducted at each school every 24 months, implementation of prior recommendations can be reasonably monitored through the subsequent audit. For other audits or studies, there is no systematic method for tracking the implementation of audit recommendations by the various departments. This information is important to the senior Administration and the Board to ensure that recommendations are implemented as designed and that anticipated benefits are achieved. Below are suggested strategies to more effectively monitor the implementation of audit recommendations:

- Require quarterly updates from staff.
- Apply a standard template (spreadsheet) for providing updates, including the recommendation, responsibility for implementation, calendar timetable, percent complete, links to evidence that help validate the status of implementation, and any comments by staff.
- The Internal Audit Office should review these updates quarterly to ensure they: (1) are provided timely; (2) are complete; and, (3) represent reasonable progress based on prior progress reports.
- Those areas not showing – or able to demonstrate – sufficient progress on recommendations should be subject to a follow-up audit.

Some school systems use an implementation dashboard to more easily track the ongoing status of recommendations. The following exhibits present samples of screenshots from the dashboards that show high-level progress over multiple years (Figure 2.2), a current summary by audit area (Figure 2.3), and an example of a detailed progress report for an individual area (Figure 2.4).
Figure 2.2. Sample Audit Implementation Dashboard Screenshot – Multi-Year Global View

Figure 2.3. Sample Audit Implementation Dashboard Screenshot – Current Summary by Audit Area

Source: Gibson Consulting Group
There are several benefits of the dashboard:

- All departments report status using the same information fields. Without a structured approach, Gibson has found that different departments report status differently using different manual or automated tools.

- The dashboard has links to documents that can demonstrate implementation. This allows the Administration and Board to validate self-reported status, and in some cases may influence the necessity for a follow-up audit.

- The drillable features of the dashboard allow users to select items based on audit area and priority, and obtain more information at the recommendation level, if desired.

This dashboard can provide full transparency to the Administration and the Board regarding the Internal Audit Program, and will help ensure accountability for implementation.

**Board Audit Committee**

The AACPS Board should establish a Board Audit Committee with the sole purpose of overseeing the internal audit function as it expands its value to the Board and its impact on the organization.
committee will review risk assessment reports and audit reports before they are submitted to the full Board, monitor the implementation of recommendations by the Administration, develop audit plans to be approved by the full Board, and evaluate in-house Internal Audit staff and any outside contractors. The committee can be formed and organized in a manner consistent with other Board committees, and audit committee meetings should occur no less than quarterly. Each year, the committee should review its charter and recommend any updates to the full Board. An audit process map should be developed that guide the communication between the Auditor, the Board Audit Committee, and Administration during the execution of audits. A sample process flow is presented in Figure 2.5.

**Figure 2.5. Sample Internal Audit Process Flow**

![Sample Internal Audit Process Flow Diagram](image)

Source: Gibson Consulting Group

**Administration**

**Background**

The AACPS senior Administration plays an important part of the governance process in that the Executive Team has primary responsibility for the achievement of goals, the execution of work in an efficient manner, and compliance with Board policies that guide operations. In this section several elements of administrative governance are evaluated:

- Planning and Performance Measurement
- Organizational Structure
- Administrative Regulations
- Communications
Budgeting is evaluated in the Financial Management Chapter of this report. The above areas are discussed further below.

Planning and Performance Measurement

AACPS is guided by a 5-year Strategic Plan that was adopted by the Board of Education in February 2018. Through this planning process, input was collected from parents, students, the business community, staff, and the Board of Education to guide the organization in making and prioritizing decisions. The Strategic Planning document contains mission and vision statements, as well as the driving values for the organization. The mission of AACPS is to “nurture and educate all of our students to be well-prepared for community engagement, career entry, and college – ultimately empowering them to create a better quality of life for themselves, their communities, and the next generation.”

There are three driving values for AACPS:

- **All Means All**
  - All Students, Families, Employees, and Community Members Feel Welcome
  - Diversity is Invited, Nurtured, and Celebrated
  - Everyone in the AACPS Family Fosters Student Growth
- **Ready, Set, Launch! All Students are Prepared for College, Career, and Community**
  - Inside the Classroom
  - Beyond the Classroom Walls
- **Sound Stewardship**
  - AACPS Business Practices are Designed for Quality, Effectiveness, and Efficiency

Seventeen indicators of success and related strategies were developed, along with underlying metrics to demonstrate progress. In 2017-18, AACPS school leaders were requested to choose two to five indicators of success (from the list of 17) that will drive the school improvement efforts for the following year. At least one indicator must be related to Relationships/Readiness and one related to Rigor/Readiness. Schools develop goals for each indicator, develop action steps, identify resource needs, assign responsibility, and define measurements of effectiveness using a standard template.

Organizational Structure

The AACPS Superintendent’s contract states that the Superintendent “shall perform his duties as necessary for the efficient and effective management of the school system...in a manner consistent with State law, Maryland State Board of Education bylaws, and the county Board’s policies, regulations, decisions and instructions.” Other responsibilities include:

- Have charge of the administration of the schools under the direction of the Board.
- Serve as executive officer, secretary, and treasurer of the Board.
- Direct, assign, and transfer teachers and other employees of the schools.
- Hire all personnel, subject to the approval by the Board.
- Recommend Board policies and implement regulations deemed necessary for the effective operation of the school system.
- In consultation with the Board, organize, reorganize, and arrange the administrative and supervisory staff, including instruction and business affairs.

The organizational structure defines the reporting relationships within the school system, and establishes levels of accountability for performance. Figure 2.6 presents the AACPS central office organizational structure for 2019-20. This structure was put in place in the 2018-19 school year, whereby four senior management positions report to the Superintendent. There are two deputy positions, one over student and school support, and the other over academics and strategic initiatives. A Chief Operating Officer position oversees virtually all non-academic affairs, including Technology and Information Systems, Facilities Management, Financial Management, Food and Nutrition Services, and Transportation. A Chief Communications Officer oversees the Communications Office, the Office of the Legislative and Policy Counsel, and Design and Print Services.

**Figure 2.6. AACPS Organizational Structure, 2019-20**

Source: AACPS LEA Organizational Chart, 2019-20
Schools report to one of six regional Assistant Superintendent positions under the Deputy Superintendent of Student & School Support. Each of these Assistant Superintendent positions oversee a geographic cluster of elementary schools, middle schools, and high schools.

**Administrative Regulations**

An administrative regulation is a guidance or procedure issued by the Superintendent regarding the implementation of Board policies, the Code of Maryland Regulations (COMAR), and laws relating to the operations of schools. The Board authorizes the Superintendent to issue Administrative Regulations for adopted Board policies as necessary. Administrative regulations do not require Board adoption.¹

Not all Board polices require a corresponding administrative regulation. For example, under Section D – Fiscal Management, there are 25 Board policies and 14 administrative regulations. Administrative regulations are different from operating procedures, which are developed at the department level.

**Communications**

The Chief Communications Officer is responsible for developing, implementing, and monitoring comprehensive communications plans, both internally and externally, for the Board of Education, Superintendent of Schools, and the school system’s departments and offices. This position acts as the school system’s official spokesperson as required by the Superintendent, and coordinates communications with the Maryland State Department of Education, other LEAs, and local government entities.² The Chief Communications Officer for AACPS oversees the Communications function, as well as Design and Print Operations, which include TV production and graphic design. In addition to the Chief Communications Officer, there are five staff positions in Communications, and more than 20 positions supporting Design and Print Operations.

The Communications Office also processes open records requests, tracks social media, and answers calls from the general public – some of which are received directly; others referred from another source (e.g., Board member, Superintendent’s Office). Operating expenditures for the Communications Office were approximately $616,000 in 2018-19, and expenditure and staff levels have remained flat since 2015-16, increasing only $4,000 since then.

**Recommendations**

**Recommendation 2.5: Establish specific performance targets and timetables for strategic plan indicators to better support performance accountability.**

Virtually all of the 17 Strategic Plan Indicators in essence represent specific performance objectives to “increase” the level of performance, activity, or participation. For example, Indicator 6 is to “increase the percentage of students in Grades 3-8 who meet or exceed expectation on standardized reading, language

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¹ AACPS web site: [http://aacpschools.org/boardpolicies/](http://aacpschools.org/boardpolicies/)
² AACPS Chief Communications Officer Job Description, May 1, 2015
arts, and mathematics assessments.” Indicator 10 is to “increase the percentage of students attending school on a daily basis.” These indicators are both specific and measurable, important characteristics for supporting accountability. Each year, data dashboard reports are to be prepared showing how ACCPS is doing against each of the 17 indicators. To date only 2018-19 baseline year data has been reported for most metrics, and not all indicators have corresponding results. While some data (survey results) were not collected until the baseline year, other metrics such as standardized test scores and attendance rates have been collected for years. The AACPS reports on “How We Are Doing” showed a three-year trend to demonstrate any progress in year one of the Strategic Plan for any areas where historical data is available.

While virtually all Strategic Plan Indicators point to an objective of increasing a level of performance, none of the “increase” indicators state how much of an increase is to be achieved and over what period of time. This constrains accountability at every level of the organization since these indicators drive school and department-level performance. AACPS needs to more specifically define outcome measures and timetables for achievement. For example, a 5-year growth target in standardized math scores should be established at the LEA level, overall and by grade. Forty-three percent of AACPS 7th grade students passed the MCAP assessment in 2018-19. It is not clear from the Strategic Plan what the five-year performance goal is for 7th graders or what level of increase is desired. Very small percentage performance gains could be achieved annually and the related indicator would technically be met. The longer-term target will help establish annual and long-term expectations, and also drive the allocation of resources to grade levels and content areas falling short of their performance targets than others.

Another factor inhibiting performance accountability is the school selection of a subset of two to five indicators. While schools need to focus on the most important indicators for their school, they should have performance targets and related activities for all Strategic Plan Indicators. Otherwise, achievement of LEA-level performance targets may be at risk simply due to the lack of selection by schools.

For the functional areas included in the scope of work – Financial Management, Human Resources, and Technology – one indicator, Indicator 17, relates to effective business practices and fiscal prudence. This indicator states that “external organizations will validate AACPS’ effective business practices and fiscal prudence.” Evidence of success of this indicator is demonstrated through the application and receipt of the following certifications and awards related to areas included in the performance audit:

- The National Procurement Institute’s Achievement of Excellence in Procurement Award

This indicator and related strategies do not sufficiently drive the goal of either effective business practices or fiscal prudence. The financial reporting certificates are solely for financial reporting, or the disclosure of information in financial reports. These certificates, while effectively acknowledging the transparency of information contained in these reports, do not speak to the efficiency (fiscal prudence) of LEA operations or the effectiveness of any business practices.
The Purchasing award is based on the submission of specific performance measures and other information, and does not reflect on effective business practices. However, performance targets are not established in the Purchasing Department, or any other departments included in the scope of this performance audit. While academic indicators stress improvement of performance, there is no corresponding charge to operating departments for improvement in effective business practices or fiscal prudence. This omission likely contributes to several findings and recommendations regarding such practices contained in the applicable Financial Management, Human Resources, and Technology Chapters of this report.

Effective business practices and fiscal prudence can and should be measured for each functional area of AACPS, through efficiency metrics, effectiveness metrics, and customer surveys of departmental performance. Historical trends can be analyzed, benchmark comparisons can be made against industry standards and peer LEAs, and performance improvement targets can be established and measured against actual performance annually. This approach will support the accountability for efficiency and effectiveness for all AACPS operational and administrative areas. The Financial Management, Human Resources, and Technology Chapters of this report each contain suggested efficiency and effectiveness measures to support the implementation of this recommendation.

**Recommendation 2.6: Consider long-term organizational changes to improve accountability.**

Given the series of events that have transpired during the past several months related to COVID-19, AACPS should weigh the suggestions below for organization changes against other temporary and potentially permanent changes caused by management’s ongoing response. The goal of this recommendation is to provide guidance for long-term organizational changes.

In defining their organizational structure, superintendents can and should consider elements of personal preference as well as organizational theory. Some superintendents are more hands-on; others prefer to delegate more responsibility. Superintendents and boards may also consider organizational options in the context of internal (programs and operations) and external (board and community) job demands, as well as what would benefit schools the most. At times these factors may create competing organizational demands.

Political pressure and other outside influences can affect the superintendent’s development of an organizational structure. Public perceptions of a “bloated” or “inefficient” central administration are common accusations, but often reflect a lack of understanding of the need to effectively manage large, complex organizations. This notwithstanding, these perceptions can affect the number of leadership positions in a school system.

In addition to policy guidance and superintendent preferences, several principles of organizational theory were applied by Gibson in the analysis of the AACPS current organizational structure and the consideration of alternative structures. These are discussed briefly below.
Logical Alignment of Functions

Logical alignment of functions speaks to whether the aggregation of responsibilities makes sense and can be suited to the particular skill sets of leadership positions. For example, facilities maintenance, custodial services, grounds care, and energy management are often aligned under facilities management services. This represents a logical alignment of functions since each are related to the operation and maintenance of school facilities, and are often required to coordinate with each other in their daily operations.

Some school systems create functional alignments to achieve particular objectives. For example, special education is sometimes aligned under student services instead of academic programming, since this particular program offers both. Since special education is the largest and most complex categorical program, it is sometimes aligned under student services to provide organizational relief to the academic program leadership.

The alignment of technology functions has also challenged many school systems. Some see it as primarily an administrative or operational function; others view it primarily as an academic function to ensure a student-centered focus. In some school systems, technology reports directly to the superintendent to reflect its growing importance and avoid real or perceived organizational bias.

The risk of misaligning a function is that the leadership position over that function may not have the skill requirements that support effective supervision and oversight of that function. This, in turn, could limit the unit’s effectiveness and ability to achieve stated goals and objectives. Another risk of misalignment is that it can create organizational barriers that constrain necessary communications with other related departments.

There are no absolutes in logically aligning functions, but the factors above should be considered so that the organizational structure effectively supports, not inhibits, accountability.

Span of Control

Span of control refers to the number of direct reports to a supervisory position. Several factors can affect organizational span of control, some of which relate to the leadership position and others that relate to the staff positions reporting to it. These are described briefly below.

Subordinate Staff Factors

- **Similarity of Functions** – this refers to the degree that subordinate positions are similar or different. As the differences increase, the span of control decreases. This factor suggests that a supervisor over bus drivers can and should have a higher span of control than a chief officer over several different operational areas.

- **Spatial Spread of Subordinates** – this factor refers to the geographic dispersion of the subordinates and their related units that report to a supervisor. While technology has helped reduce the impact of spatial dispersion, the geographic separation of functions makes it more
difficult to supervise. Accordingly, the higher the geographic dispersion, the lower the span of control.

- **Complexity of Functions** – this variable relates to the nature of duties being performed by subordinate positions, and the degree of difficulty in performing them in a manner that meets or exceeds expectations. Generally, the greater the complexity the lower the span of control.

- **Position Qualifications** – this factor refers to the quality of skills in the subordinate position and the requisite need to closely or only loosely supervise. The higher the quality of skills in the subordinate position, the higher the span of control since less time is needed to oversee these positions.

**Supervisory Factors**

- **Coordination** – this variable relates to the supervisory position itself, and the extent to which the supervisor must work to foster coordination among the units in achieving common goals. The more time the supervisor needs to foster coordination, the lower the span of control.

- **Planning** – this factor refers to the time requirements of the supervisor in working with subordinate units to establish plans and budgets for the subordinate units. Consideration is given to the seasonal nature of planning, as well as the ability to lean on subordinate positions to conduct most of the planning and budgeting efforts on their own. Accordingly, as the time requirements for the supervisor increase, the span of control decreases.

**Delineation of Line versus Staff Functions**

Organizational charts for large organizations should distinguish “line” versus “staff” functions. A line function is a major function responsible for the day-to-day operations of the organization. For a school system, line functions include academic programming, instruction, administration (e.g., human resources, financial management, purchasing) and operational activities (e.g., facilities, nutrition services, transportation). While coordination among these functions is important, each unit is independently managed.

Staff functions are those that support the entire organization, such as communications, planning, and legal services. Staff functions are typically shown at the top of the organizational chart, even though these areas are generally smaller and leadership positions may have less responsibility (and lower pay grades) than line function leaders over larger and more complex units.

If staff functions are aligned under line functions, this may create real or perceived conflicts of interest regarding their support for the entire organization. Accordingly, it is important in an organization to identify staff functions and ensure that they are separately aligned in the organizational structure.

**Organizational Leveling**

Organizational leveling helps demonstrate equity in an organizational structure. This is achieved in two ways. First, position titles (e.g., chief officer, associate superintendent) and responsibilities should be commensurate across the organization. For example, in a leadership hierarchy of assistant
superintendent, director, coordinator, and supervisor, supervisors would ideally report to coordinators, coordinators to directors, and directors to assistant superintendents. If supervisors report directly to assistant superintendents, this could be perceived as a position of equal importance as a director position on the organizational chart since it reports to the same position.

Second, the same position titles should visually be at the same horizontal level on an organizational chart. Otherwise, it could be perceived that one position is more important or more senior than the other, also contributing to perceived inequities.

The above goals are often challenging in drawing organizational charts, but attempts should be made to ensure that the organizational chart reflects appropriate and equitable levels of authority for managerial positions.

A school system’s central office organizational structure is the primary driver for administrative spending. The Maryland State Department of Education separately identifies “administration” from “mid-level administration” in its functional expenditure codes for LEAs. While the scope of the administration function based on the state’s definition is broader than the senior organizational leadership (it includes business and other centralized support), it does provide a benchmark for general administration costs.

AACPS administration expenditures per student fall in the middle of its peer group and very close to the state average. Figure 2.7 compares AACPS administration expenditures per student to its five peer districts and the State average for 2017-18, the most recent year available from the State. AACPS ranks third highest of the six LEAs at $397 per student, and less than one percent over the State average of $394 per student.

**Figure 2.7. Administration Expenditures per Student, AACPS, Peer LEAs and State Average, 2017-18**

![Bar chart showing administration expenditures per student for various districts and the state average.](chart)

Source: Maryland State Department of Education

While each LEA is unique in the way it organizes its administration, the benchmark comparisons above suggest that AACPS’s central organizational structure has average operating efficiency. Figure 2.8 presents
AACPS administration expenditures per student over the past five years based on the same state data. This shows that administration expenditures per student have remained fairly flat since 2013-14, increasing by 3.9 percent over five years or less than 1 percent annually on average.

**Figure 2.8. Administration Expenditures per Student, AACPS, 2013-14 to 2017-18**

![Bar chart showing administration expenditures per student from 2013-14 to 2017-18.]

Source: Maryland State Department of Education

Figure 2.9 presents Gibson’s assessment of the AACPS central organizational chart, which is a replicate of the current organizational chart presented earlier in this Chapter. The review team made several observations based on the analyses of the logical alignment of functions, span of control, staff versus line functions, and organizational leveling. The numerical references on the chart are explained below. The green shaded positions represent “staff” functions as defined above.
Figure 2.9. Gibson Assessment of Current AACPS Organizational Structure

Source: AACPS LEA Organizational Chart, 2018-19; Gibson Consulting Group (references)

- **(1) Chief officer reporting to another chief officer position** – currently the Chief Information Officer reports to the Chief Operating Officer. Two management positions of the same level should not report to each other. This structure implies that one officer position is more senior than the other, and could be perceived as an inequity.

- **(2) Apparent illogical alignment of functions** – several functions appear to be misaligned. First, Human Resources, an administrative function, is aligned under Student and School Support. A more logical alignment would be under the Chief Operating Officer (like Financial Operations) or as a direct report to the Superintendent (which is recommended). Second, the Instructional Data function is a direct report to the Chief Operating Officer. This unit is an instructional service function that should be aligned under the Chief Academic Officer (see related discussion later in this Chapter in the Senior Academic Management section). Third, Compensatory Education, an academic program that includes Title 1 funded programs, is aligned under Student and School Support instead of Academics and Strategic Initiatives. Fourth, School Security is aligned under the Deputy Superintendent of Student and School Support. School Security is an operating unit, and should be aligned with the LEA’s Safety function under Facilities. Fifth, professional growth and development is a human resources function that should be aligned under that unit.
● **(3) Positions with lower spans of control** – there are three senior management positions with a span of control of less than five positions: the Superintendent (4); the Deputy Superintendent of Academics and Strategic Initiatives (2); and the Chief Communications Officer (3). The other two chief officer positions have a span of control of 5 and 7 positions.

● **(4) Split accountability risk** – the division of academic responsibility authority between a leader over schools and a leader over curriculum presents a risk of split accountability for student performance. The current position responsible for developing the curriculum and ensuring its fidelity of implementation has no direct or indirect authority over schools to ensure this happens. Many school systems use this dual model successfully; in other school systems this structure promotes lack of communication and conflict between curriculum development and school oversight.

● **(5) Potentially under-graded position relative to level of organizational importance** – two positions, the Director of Financial Operations and the Executive Director of Human Resources, are generally higher-graded positions in an organization the size of AACPS. While these units are smaller than others from a staffing perspective, their importance to the organization (resource allocation) and major decisions justifies greater importance on the organizational chart.

To address these observations, combined with other observations made in separate chapters of this report, AACPS should consider an alternate alignment of functions that accomplishes the following objectives:

- A more logical alignment of similar technical functions that will better support accountability.
- Slightly increased and more balanced spans of control to improve organizational efficiency without overloading key management positions.
- Separate identification and alignment of “staff” functions (e.g., legal, communications) under a Chief of Staff position.
- Consolidation of academic and school leadership to ensure alignment of instructional support and school oversight and maximization of school-level implementation fidelity.
- Consolidation and elevation of human resource functions from Student and School Support and Academic and Strategic Initiatives to a direct report to the Superintendent.
- Separation and elevation of financial management from Operations to a direct report to the Superintendent.
- Separation of the Chief Information Officer from the Chief Operating Officer to a direct report to the Superintendent, reflecting this function’s importance in LEA decision-making and the transition to higher efficiency levels and use of technology.
- Alignment of Student Data under the Chief Academic Officer, representing a more logical alignment and consolidation of instructional-related functions.
A long-term proposed functional alignment for AACPS is presented in Figure 2.10. This alignment, along with other factors, should be used by AACPS leadership to develop a long-term organizational chart, along with a migration plan to transition to it over the next several years.

**Figure 2.10. Long-Term Proposed Functional Alignment**

Source: Gibson Consulting Group

**Recommendation 2.7: Implement complaint tracking system to ensure responsiveness.**

Calls and complaints received by the Communications Office are referred to the appropriate office or department for a response. However, neither the information related to the original call/complaint nor the AACPS response, is entered into any information system for tracking purposes. These automated tracking systems provide several benefits:

- Automation supports immediate assignment of complaints/requests.
- Outstanding requests or complaints can be easily identified by the number of days in open status.
- The AACPS response (if applicable) can be verified.
- Response times can be measured to support accountability.
- The nature of the complaint or call can be tracked to identify trends in information needs or complaints, as well as the source of the complaint (student, parent, teacher, other staff).
- Consolidated, multi-channel complaint tracking, including those received by phone, e-mail, online portal, or web form.
- On a sample basis, follow-up calls can be made by the Communications Office to verify that a response was made (if necessary) and that the requestor is satisfied with the response and the timeliness of it.

AACPS should procure a complaint tracking system to streamline the complaint tracking process and improve its effectiveness in supporting accountability and decision-making.

**Senior Academic Management**

Part of the scope of this performance review includes a more detailed assessment of AACPS’ central office support organization structure for academic programs and school oversight. This scope was limited to senior academic staff positions and did not include a review of any academic programs or the implementation of those programs at schools. Accordingly, the assessment of senior academic management focused on the leadership positions under the Deputy Superintendent of Academics and Strategic Initiatives and certain units reporting under the Deputy Superintendent of Student and School Support.

**Academics and Strategic Initiatives**

The Deputy Superintendent for Academics and Strategic Initiatives is responsible for the direct supervision of the departments/divisions of Curriculum and Instruction, Advanced Studies and Programs, Professional Growth and Development (PGD), and Partnerships, Development and Marketing. Each of these departments/divisions are described further below.

**Curriculum and Instruction**

The Assistant Superintendent of Curriculum and Instruction reports to the Deputy Superintendent of Academics and Strategic Initiatives, and oversees all Pre-K through Grade 12 educational programs within AACPS. The Division of Curriculum and Instruction is comprised of the following departments/offices:

- Curriculum
- Instruction
- Special Education
- Curriculum and Assessments Office

The Assistant Superintendent supervises the following seven positions: Director of Curriculum, Director of Instruction, Director of Special Education, Manager of Assessments, Project Manager of Digital E-curriculum, Project Specialist of Curriculum and Instruction, and .34 FTE Technician/Administrative of Curriculum and Instruction. In FY 2019, the Division of Curriculum and Instruction included 179.3 FTE and total expenditures of $61.7 million, $45.3 million of which is for special education.
The Director of Special Education provides oversight, supervision, and direction in the delivery of special education and related services for students with disabilities. The Director supervises the following seven positions: Senior Program Manager of Infants/Toddlers Preschool Program, Program Manager of Special Education Compliance and Legal Issues, four Coordinators, and a Special Education Support Analyst.

The Curriculum and Assessments Office assists teachers and content coordinators in the development of and analysis of all curriculum-based assessments. According to AACPS’ 2020-21 operating budget, the Manager of Assessments also oversees the coordinators for the Dance, Health, Music, PE, and Visual Arts programs.

**Advanced Studies and Programs**

The Assistant Superintendent for Advanced Studies and Programs oversees the administration, implementation, responsiveness, program design, and budget for all of AACPS’ advanced studies and programs, which includes:

- Advanced learner programs (ALP)
- Advanced Placement (AP) programs
- Advancement Via Individual Determination (AVID) program
- Biomedical allied health programs
- Co-curricular programs
- Enhancing elementary excellence programs
- Home instruction
- International Baccalaureate (IB) programs
- Instructional technology
- Performing and visual arts (PVA)
- Service learning and mentorship
- Signature programs
- Science, Technology, Engineering, and Mathematics (STEM) programs
- Strategic initiatives

The Assistant Superintendent supervises the following seven positions: Director of Advanced Studies and Programs, Coordinator of PreK-12 Advanced Learning, Coordinator of Academic Support, Senior Manager of Instructional Technology, Senior Manager of Strategic Initiatives, Manager of Service Learning and Mentorships, Signature Programs, and Enhancing Elementary Excellence.
Professional Growth and Development

The Executive Director for Professional Growth and Development (PGD) is responsible for directing and coordinating engaging professional development programs for school-based and central office administrators and staff at all levels and for all employee groups. Programs managed through this department include: new teacher development and support, teacher development, teacher leadership, leadership development, professional development schools program, and graduate cohorts. Additionally, the Executive Director oversees the administration of the Carver Professional Development Training Center and collaborates with all departments and schools to provide professional development consulting services. The Executive Director has two direct reports, the Director of Organizational Learning and the Director of Leadership.

Partnerships, Development and Marketing

The Director of Partnerships, Development and Marketing Department oversees the following functions:

- Grant development
- School and family partnerships
- Business and community partnerships
- Fundraising
- Marketing
- Community outreach
- The international student and family welcome center
- Translation/interpretation services
- Employee recognition programs
- Volunteer management
- Providing support to the 21st Century Education Foundation

The Director supervises the following five positions: Senior Manager of School and Family Partnerships, Senior Manager of Business and Community Partnerships, Business and Communications Specialist, Marketing Specialist, and a Development Support Specialist. Total expenditures for FY 2019 (including the Office of School and Family Partnership) was approximately $4.4 million.

Student and School Support

The Deputy Superintendent of Student and School Support is responsible for the direct supervision of the departments/divisions of School Performance, Student Support Services, Equity and Accelerated Student Achievement, Human Resources, and School Security. Within the Division of Student and School Support, the scope of this performance review includes the Office of School Performance (discussed below) and Human Resources (addressed in Chapter 4 – Human Resources).
School Performance

The Associate Superintendent of School Performance directs the organization, administration, staffing, and supervision of all AACPS schools and centers. The Associate Superintendent has a span of control of 14 direct reports; however, 12 of these represent two position types — six Regional Assistant Superintendents and six Directors of School Performance. The other two positions reporting directly to the Associate Superintendent of School Performance are the Manager of School Performance Resources and a Coordinator of Athletics and Extracurricular Programs.

The Regional Assistant Superintendents are responsible for the direct supervision and evaluation of school principals. They work collaboratively with the Directors of School Performance, who provide coaching to school principals to ensure that schools create the structure, leadership, and culture necessary to accelerate all students and eliminate gaps. Campuses are assigned to one of six geographic regions and are supported by a Regional Assistant Superintendent and Director of School Performance (approximately 20 schools per region). Through this structure, AACPS provides differentiated supports to schools, which are assigned to one of three tiers based on identified needs of the campus. AACPS has established an Executive Oversight Committee (EOC) to provide more systemic supports and monitoring for the highest need campuses (i.e., Tier 1). This is an effective school support structure that assigns support and oversight resources based on needs.

Recommendation

Recommendation 2.8: Consider additional long-term changes to the organization of senior academic management.

Below are recommended long-term changes to the senior academic management organization at AACPS. Some of these changes are included in the long-term LEA reorganization recommendation in the previous section.

- Consolidate leadership positions over curriculum and instruction.

The Director of Curriculum supervises six coordinators across the following content areas: elementary integrated mathematics, secondary mathematics, science, career and technology (CTE), and environmental literacy and outdoor education. The Director of Instruction supervises seven coordinators across the following content areas: digital media, early childhood and school readiness, middle school English language arts, high school English language arts, English language acquisition, elementary reading, social studies, and world and classical languages. The director responsibilities for both of these departments are nearly parallel, yet their position titles suggest a different scope of responsibilities (e.g., one focused on instruction and the other focused on curriculum). In practice, both director positions are responsible for overseeing the curriculum development and revision processes for their respective content areas, in addition to some other responsibilities.
• **Realign Professional Learning under Human Resources since its scope of responsibility extends beyond instruction.**

Because this Professional Learning has a wide and systemic impact to build the capacity of all staff within AACPS, this function should be realigned under the HR Division. In combination with this recommendation, Gibson also recommends elevating the HR Division within the organizational structure to expand its role to focus more on the strategic human resources management within AACPS. This recommendation is discussed in more detail in *Chapter 4 – Human Resources.*

• **Realign the Instructional Data unit under the Chief Academic Officer.**

This unit is responsible for student data, student information support, student testing, and research and evaluation. While some functions (e.g., open records requests, certain research activities) relate to districtwide responsibilities, the vast majority of this unit’s responsibilities relates to students. This unit is currently aligned under the Chief Operating Officer. Under the proposed realignment, the research and testing functions remain organizationally independent of curriculum and schools, but are still part of the instructional scope of responsibility residing with the Chief Academic Officer.

• **Realign School and Family Partnerships under Student Services.**

As described above, Partnerships, Development and Marketing provides a wide range of activities – most of which appear to be misaligned under the Division of Academics and Strategic Initiatives. For example, the Office of School and Family Partnerships, which provides outreach and support for linguistically diverse families, including the provision of interpretation and translation services, an international student and family welcome center, and bilingual facilitators, would be better aligned under Student Support Services within the Division of Student and School Support. Further, responsibility for employee recognition programs would be better aligned within the Division of Human Resources. The other major functions within this Department (business development and community partnerships) are primarily staff functions that provide support to the entire organization (as described previously). As such, this unit should be rebranded under a new title (e.g., Development and Marketing) to report to a Chief of Staff position.

• **Upgrade the Special Education Director position to reflect higher level of responsibility.**

The scope of this Special Education Director’s responsibilities does not appear to be commensurate with other director positions (e.g., Director of Advanced Studies and Programs). Given the size of this department ($45.3 million operating budget), the classification of the Special Education Director position should be considered for upgrade.

• **Realign the position management function under the Manager of School Performance Resources to Human Resources.**

The Manager of School Performance Resources is responsible for determining school-based position allocations and maintaining position control using *On-Line Roster,* a proprietary application developed by AACPS’ Information Technology Department. This function is
disconnected from the Division of Human Resources, which should be responsible for managing all of the school system’s human capital resources, including the establishment of staffing ratios, position allocations, and position control. This recommendation is also addressed in Chapter 4 – Human Resources.

- **Modify the position title of the Director of Advanced Studies and Programs to clarify responsibilities.**

  The Director of Advanced Studies and Programs oversees AACPS’ three magnet programs (IB, STEM, and PVA) and the JROTC, yet the position title does not reflect this. Further, this position title should not be the same as the Assistant Superintendent position title, which more accurately reflects the position’s scope of responsibilities.
Chapter 3 – Financial Management

Introduction

In order to maximize the effectiveness of financial resources and plan for future needs, school systems must rely on sound financial management. An effective financial management function ensures timely and accurate financial reporting, adequate internal controls, efficient accounting operations that maximize the use of technology, and sound financial decision-making.

This Chapter provides commendations and recommendations related to six aspects of financial management of Anne Arundel County Public Schools (AACPS):

- Financial Management, Accounting, and Reporting
- Accounts Payable
- Payroll
- Purchasing
- Budgeting
- Insurance Management (the only risk management function under Financial Management)

Overall, financial management and payroll remain overly manual functions within AACPS that succeed due to the experience and knowledge of its dedicated staff. Many processes rely on paper forms or spreadsheets when more automated and streamlined options exist. The reliance on manual processes is inefficient and prevents the implementation of stronger internal controls. Paper documents necessitate the use of granular review controls to ensure that forms are completed fully and accurately. Though review controls are necessary and good at detecting errors, preventative controls should be implemented to restrict the possibilities of errors.

It is possible that some solutions are already included in the existing software owned by AACPS, though implementation has not been sufficiently explored by the local education agency (LEA). The Finance, Human Resources, and Technology Departments will likely need to collaborate to determine what solution is feasible, efficient, and effective.

Financial Overview

At AACPS, financial management is a major undertaking, as the LEA manages a budget of more than $1.2 billion (all funds). LEAs in Maryland are funded through a combination of Federal, State, and County programs, as LEAs do not have the authority to levy taxes. Federal revenues are provided through programs and grants. These funds are used to target specific student populations and needs, most notably economically disadvantaged students (Title I grants) and special education students (IDEA grants). The State of Maryland allocates funds to LEAs through general education aid, targeted education aid, and
other aid. General education aid is intended to provide LEAs with a minimum level of funding (determined by the State) needed to provide essential services. The Foundation Program is the funding base for general aid and is formula-driven, using the number of full-time students enrolled in an LEA and the wealth of an LEA to determine a minimum per-pupil funding level and the LEA’s share. Targeted education aid is used to give LEAs funds to provide services to students with special needs. Other aid supports student transportation, nutrition, adult education, and more. Counties are required by State law to provide a share of LEA costs, which is accomplished through the maintenance of effort (MOE) requirement. MOE dictates that a county must appropriate the greater of either the local share of foundation program, discussed above, or the per pupil amount provided in the prior year. Figure 3.1 provides the estimated revenue summary, showing how much of AACPS’ projected fiscal year 2019-20 revenue was attributable to each revenue source.

Figure 3.1. AACPS Estimated Revenue Percentage by Source, 2019-20

Source: AACPS, 2019

LEA budgets are divided into “funds” that represent funding sources. The General Fund is the LEA’s primary operating fund and is supported by state and county revenues, as discussed in the paragraph above. Other major funds include Federal Funds (e.g., Title I, student nutrition), Capital Funds (e.g., construction, school buses), and Internal Service Funds (e.g., health insurance, workers compensation). Figure 3.2 presents the expected distribution of AACPS funds for the 2019-20 budget.

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1 The overview of how LEAs in Maryland are funded was obtained from *Funding Formulas and Revenue Streams: A Primer on Public School Finance in Maryland* by Laura Checovich, September 2016.
The 2019-20 estimated revenue allocated to the General Fund is $1.15 billion, which is a 7.3 percent increase over the approved 2018-19 budget.

The amount of actual revenue per student, shown in Figure 3.3 below, has increased each year since 2015-16, rising from $15,703 per student to $17,632 per student in 2018-19. The 2019-20 budgeted revenue per student showed a decrease, dropping by 4.4 percent.

Source: Calculated using data from the Anne Arundel County Public Schools FY2020 Approved Operating and Capital Budget

Source: AACPS Comprehensive Annual Financial Reports, 2015-16 to 2018-19; FY2020 Approved Operating and Capital Budget; Maryland School Department of Education (MSDE) website
Revenues per student for AACPS and five peer LEAs are presented in Figure 3.4 below. To ensure comparability, the review team used data from the State of Maryland to calculate the metric. This has resulted in a variance of $669 per student when comparing the AACPS revenue per student included in Figure 3.3 above to the amount included in Figure 3.4 below. AACPS receives the second lowest revenue per student among the peers.

**Figure 3.4. Total Revenue per Student (Non-Charter), AACPS and Peers, 2017-18**

<table>
<thead>
<tr>
<th>LEA</th>
<th>Revenue per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montgomery</td>
<td>$21,312</td>
</tr>
<tr>
<td>Howard</td>
<td>$18,017</td>
</tr>
<tr>
<td>Prince George's</td>
<td>$17,882</td>
</tr>
<tr>
<td>Baltimore County</td>
<td>$17,392</td>
</tr>
<tr>
<td>Anne Arundel</td>
<td>$17,261</td>
</tr>
<tr>
<td>Frederick</td>
<td>$17,238</td>
</tr>
</tbody>
</table>

Source: MSDE Selected Financial Data Maryland Public School SY 2017-2018 Part 1; MSDE Enrollment_2018.csv

General fund expenditures by type or object of expenditure are presented in Table 3.1. On average, General Fund expenditures have increased by 3.1 percent annually over the past five years. The largest increase occurred in 2017-18, when expenditures were 5.2 percent greater than the prior year amount. Over five years, expenditures increased by $128.0 million or 12.9 percent. Salaries and wages expenditures account for, on average, 60 percent of all General Fund expenditures. Employee benefits are included under ‘Other Charges,’ according to guidance provided by the Maryland State Department of Education.

Employee compensation expenditures, comprised of salaries, wages, and benefits, account for an average of 81 percent of General Fund expenditures. Salaries and wages have increased by an average of 1.9 percent each year, with the largest change occurring in 2018-19 when a 3.7 percent increase occurred. Employee benefit expenditures have increased nearly every year, with the exception of 2018-19, when expenditures decreased by 5.6 percent. Contracted services expenditures have increased by 31.5 percent since 2014-15, or by an average of 7.1 percent annually. Supplies and materials expenditures experienced a 16.7 percent increase in 2017-18, followed by a decline of 2.8 percent in 2018-19.
Table 3.1. AACPS General Fund Expenditures by Object, 2014-15 to 2018-19

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$610,568,459</td>
<td>$612,998,353</td>
<td>$624,777,175</td>
<td>$635,943,133</td>
<td>$659,284,803</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$197,238,793</td>
<td>$204,985,426</td>
<td>$220,596,968</td>
<td>$246,784,182</td>
<td>$232,969,307</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>$73,484,069</td>
<td>$78,311,920</td>
<td>$82,449,927</td>
<td>$86,609,982</td>
<td>$96,632,621</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>$45,367,907</td>
<td>$45,914,504</td>
<td>$47,108,570</td>
<td>$54,954,978</td>
<td>$53,428,807</td>
</tr>
<tr>
<td>Other Charges (Less Employee Benefits)</td>
<td>$36,686,384</td>
<td>$34,078,295</td>
<td>$34,591,387</td>
<td>$37,366,587</td>
<td>$38,993,625</td>
</tr>
<tr>
<td>Lands, Buildings, and Equipment</td>
<td>$2,161,774</td>
<td>$2,156,196</td>
<td>$7,974,536</td>
<td>$8,071,679</td>
<td>$8,180,531</td>
</tr>
<tr>
<td>Transfers</td>
<td>$24,783,203</td>
<td>$23,753,421</td>
<td>$22,981,094</td>
<td>$24,501,243</td>
<td>$28,848,504</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$990,290,590</strong></td>
<td><strong>$1,002,198,115</strong></td>
<td><strong>$1,040,479,657</strong></td>
<td><strong>$1,094,231,784</strong></td>
<td><strong>$1,118,338,198</strong></td>
</tr>
</tbody>
</table>

Source: Five-year expenditure data provided by AACPS management, 2020

General fund expenditures per student increased by $807 per student or 6.4 percent between 2014-15 and 2018-19, as shown in Figure 3.5. A decrease in expenditure per student occurred in 2015-16, when the metric reduced by 1.2 percent.

![General Fund Expenditures per Student (Non-Charter), AACPS, 2014-15 to 2018-19](chart.png)

Source: Five-year expenditure data provided by AACPS management, 2020

When compared to peers, AACPS has lower General Fund expenditures per student, as seen in Figure 3.6. Only Frederick County Public Schools expends fewer dollars per student than AACPS.
Figure 3.6. General Fund Expenditures per Student (Non-Charter), AACPS and Peers, 2017-18

Source: MSDE Selected Financial Data Maryland Public School SY 2017-2018 Part 2; MSDE Enrollment_2018.csv

Financial Management, Accounting, and Reporting

Organization and Structure

The Financial Operations Department is responsible for the financial management of the LEA, which is accomplished through the budgeting, accounting, accounts payable, purchasing, and insurance management functions. The Department is also responsible for the third-party billing function, single textbook adoption function, and the Minority and Small Business Enterprise Office (MSBE). The Financial Operations organizational chart is presented in Figure 3.7. The blue boxes indicate functions that are within this Financial Management, Accounting, and Reporting section of the performance audit. Budgeting, Procurement, and Insurance Management are discussed separately in this Chapter, and the other units are not included in the scope of this performance audit.

The Director of Financial Operations is the leader of financial management within AACPS and reports to the Chief Operating Officer. The Director of Financial Operations has ten direct reports, including an Administrative Associate. The Finance Department is led by the Supervisor of Finance, who is responsible for the accounting, financial reporting, accounts payable, and insurance management functions. The Supervisor of Purchasing is responsible for procurement activities. The Director of Financial Operations directly supervises the Budget office, with the assistance of the Lead Analyst.
The Director of Financial Operations is responsible for the following primary job duties:

- Directs the planning and development of the annual operating and capital budget.
- Directs programs of procurement.
- Directs the development and revision of accounting systems, and administers the accounting systems and fiscal reporting.
- Monitors financial activity.
- Directs all insurance risk management activities.
- Maintains a continuous evaluation of programs and procedures for efficiency, effectiveness, responsiveness, and economy.
The financial management function (areas shaded in Figure 3.7 above) has experienced a reduction in full-time equivalent employees (FTEs) since 2015-16, as shown in Table 3.2 below. The Finance Department decreased from 22 FTEs to 20 FTEs.

Table 3.2. Financial Management FTE Count by Department, 2015-16 to 2019-20

<table>
<thead>
<tr>
<th>Department</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>22</td>
<td>22</td>
<td>20</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Financial Operations</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
<td><strong>24</strong></td>
<td><strong>22</strong></td>
<td><strong>23</strong></td>
<td><strong>22</strong></td>
</tr>
</tbody>
</table>

Source: Five-year staffing data provided by AACPS management, 2020

The General Fund expenditures for the departments listed in Table 3.2 above are presented in Table 3.3 below. Expenditures increased by 8.2 percent between 2014-15 and 2018-19, and have increased annually. Salaries and wages account for nearly 70 percent of the departmental expenditures and have increased annually by an average of 3.1 percent. Contracted services expenditures are for the external audit fee and have increased by 5.3 percent since 2014-15. Supplies and materials expenditures have fluctuated over the previous five years, increasing by 31.4 percent in 2015-16 and decreasing by 42.7 percent in 2017-18. The primary expenditures included in this object relate to CGI Advantage Financial licensing and maintenance. Other charges are primarily comprised of professional development and subscription and dues expenditures. Expenditures in this category decreased by 25 percent between 2014-15 and 2016-17, then increased by 74 percent in 2017-18.

Table 3.3. Financial Management Expenditures, General Fund, 2014-15 to 2018-19

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$1,630,370</td>
<td>$1,745,944</td>
<td>$1,709,157</td>
<td>$1,792,163</td>
<td>$1,836,494</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>$100,942</td>
<td>$102,973</td>
<td>$102,830</td>
<td>$101,280</td>
<td>$106,696</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>$634,439</td>
<td>$833,542</td>
<td>$888,519</td>
<td>$509,161</td>
<td>$619,258</td>
</tr>
<tr>
<td>Other Charges</td>
<td>$19,626</td>
<td>$20,995</td>
<td>$14,679</td>
<td>$25,497</td>
<td>$19,588</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,385,377</strong></td>
<td><strong>$2,703,454</strong></td>
<td><strong>$2,715,186</strong></td>
<td><strong>$2,428,101</strong></td>
<td><strong>$2,582,036</strong></td>
</tr>
</tbody>
</table>

Source: Five-year expenditure data provided by AACPS management, 2020

Note: The figures in the table may not sum to the total due to rounding.

Several units play a key role in financial management, accounting, and reporting activities. The organizational chart of the Finance Department is shown in Figure 3.8.
Figure 3.8. Finance Department Organizational Chart

Source: AACPS, 2020

Note: The Senior Accountant for Food and Nutrition Services reports to the Lead Accountant but is included as an employee of Food Services based on the organizational charts and staffing data provided. This organizational chart was modified to reflect the reporting relationships confirmed during interviews.

The Supervisor of Finance is supported by a Finance Technician, who is responsible for monitoring cash transactions. The Supervisor of Finance is responsible for the following primary job duties:

- Supervises staff charged with carrying out the financial responsibilities for AACPS.
- Oversees adoption of GASB pronouncements.
- Supervises maintenance of accounts and fiscal controls.
- Plans and supervises preparation of the Comprehensive Annual Financial Report (CAFR) and coordinates with external auditors.
- Supervises the preparation of required and informational financial statements of various funds.
- Oversees the schedule of cash requirements.
- Supervises the review of potential expenditures for budget accuracy and fund availability.
- Supervises coordination between accounting, finance, and non-financial divisions.
- Continuously reviews accounting systems and procedures for effectiveness, and recommends improvements when necessary.
- Coordinates audits performed by county, state, federal, and external financial and compliance auditors.

The Finance Department is split into three primary areas: Financial Operations, Accounting, and Insurance Management (discussed separately in this Chapter). Financial Operations are led by the Lead Accountant of Financial Processing and Operations, who is responsible for managing CGI Advantage Financial access, school activity funds, construction accounting, fixed asset accounting, self-insurance accounting, accounts payable, and accounts receivable. Accounting, excluding construction, fixed assets, and self-insurance, is led by the Lead Accountant of Financial Reconciliations and Special Programs. This Lead Accountant is responsible for managing accounting for food services and the General Fund, payroll, charter schools, grants, trusts, and agency funds. The Lead Accountant also oversees the check review process, which is discussed in detail later in this report.

Though not included in the organizational chart above, financial secretaries are critical to financial management practices at schools. This position is responsible for activity fund reconciliations, depositing funds, performing inventories, and purchasing goods or services. Some financial secretaries perform payroll-related tasks, which are discussed later in this Chapter. All financial secretaries report to the campus principal, but are supported by the School Activity Funds Accountant.

FTE counts, excluding any vacant positions, for the Finance Department are presented in Table 3.4. Staffing has remained mostly unchanged since 2015-16.

**Table 3.4. Finance FTE Count by Role, 2015-16 to 2019-20**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Lead Accountant</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Senior Accountant</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>School Activity Fund Personnel</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Staff Accountant</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Accounting Technician</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Finance Technician</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Accounts Payable Personnel</td>
<td>8</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Accounts Receivable Personnel</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22</strong></td>
<td><strong>22</strong></td>
<td><strong>20</strong></td>
<td><strong>21</strong></td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

Source: Five-year staffing data provided by AACPS management, 2020
Recommendation 3.1: Realign the Payroll Department to report under Financial Operations.

The ability to create and pay employees should not be included within the same department, as this increases the opportunity for fraud through creating fictitious employees. The payroll function in AACPS is currently aligned under the Human Resources Department, granting that Department complete control over each phase of employee pay. Human Resources should be responsible for setting up new employees, assigning the initial wage rate, and approving subsequent changes to employee wages. Payroll employees in the Finance or Accounting Department are generally responsible for inputting the related data into a payroll system and correcting errors with employee paychecks. This segregation of duty mitigates the risk of fraud by limiting the possibility for creating fictitious employees, as no one department has the ability to create an employee, assign salary and additional pay, and edit paychecks. Segregation of duties is a critical risk mitigation control within the employee compensation process. Though compensating controls such as role-based access controls and periodic audits exist, removing the payroll function from Human Resources would further strengthen internal control.

Aligning the payroll function under Financial Operations will increase the strength of internal controls over the payroll process, due to strengthening the segregation of duties. Further, the alignment is logical due to the close interaction between the payroll function and the Payroll Accountant, who reports to the Lead Accountant of Financial Reconciliations and Special Programs. Additionally, realigning the payroll function would foster greater communication and collaboration between the Accounts Payable and Payroll personnel, which is a necessary step for the implementation of Recommendation 3.2.

Financial Reporting and Information Systems

AACPS uses CGI Advantage Financial, a web-based financial management information system, to support its financial operations. AACPS uses many modules provided by the information system, including general accounting, budget control, accounts payable, fixed assets, and cash management. There are likely opportunities for increasing the use of the existing information system, which is discussed in detail later in this Chapter.

Each year, the District must undergo an external audit of its financial statements. A “clean” or unqualified opinion by the external auditor is the most desired, as this opinion states that the financial statements are reasonable within materiality limits. AACPS has consistently received clean audit opinions on its financial statements, and this is a good indicator of sound accounting practices.

AACPS posts online its Comprehensive Annual Financial Reports, which includes the auditor’s report and many other schedules containing or explaining supplemental financial and operating information. AACPS has consistently received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International on its annual financial reporting. The District’s Comprehensive Annual Financial Report must meet specified requirements to be eligible for these awards.
Recommendation 3.2: Streamline financial management processes.

Many processes within financial management are manual in nature, relying on the completion of paper documents or Excel workbooks. The use of manual processing results in process inefficiencies, and also prevents the implementation of preventive internal controls, increasing the likelihood of errors. Each change discussed below will require a high level of departmental collaboration between Finance and Technology. The development of a Project Management Office (PMO) to facilitate and manage these efforts is discussed further in Chapter 5 – Information Technology. Once changes are made to the processes discussed below, standard operating procedures (SOP) should be amended or created to reflect the new process. The SOPs should be published on the intranet, job positions and job descriptions should be modified accordingly, and employees should be trained on the new processes.

Cash Management

Cash management includes monitoring cash levels in multiple bank accounts, recording cash receipts, deposits, and outflows, and managing investments. The LEA primarily uses Bank of America (BOA) for banking needs. AACPS has five different accounts open with BOA. One account is used for disbursements to vendors and employee reimbursements, one account is used for deposits, two accounts are used for payroll expenditures, and one account is used for flexible spending arrangements. Additionally, idle cash is held in a Maryland State Local Government Investment Pool (MGLIP) account with PNC. MGLIP follows the investment guidelines set up by the Maryland State Treasurer. Below are the major procedures for cash management:

- Daily, the Finance Technician will log on to CashPro, Bank of America’s online account platform. The Finance Technician will print a report that includes every transaction from the previous day that impacted the primary disbursement account. The Finance Technician will input the cash transactions onto a spreadsheet and provide the spreadsheet to the Supervisor of Finance. This review is performed to ensure that cash balance can cover projected disbursements for the week. If additional funds are needed to cover disbursements, funds will be transferred from the MGLIP account by the Supervisor of Finance.

- Weekly, the Accounts Receivable Technician will receive a spreadsheet from the Finance Technician that lists all cash receipts and deposits. The Finance Technician will download a report from CashPro that includes all cash deposits and receipts and use this information to populate the spreadsheet. The Accounts Receivable Technician is responsible for recording cash receipts and deposits within the CGI Advantage Financial Cash Module and, upon receipt of the weekly spreadsheet, will compare the receipt and deposit activities included on the spreadsheet to activity included in CGI Advantage Financial.

- Monthly, bank account reconciliations are performed by accountants and reviewed by the Supervisor of Finance to ensure that cash is accurately reflected in the general ledger. These reconciliations are performed on spreadsheets and use information generated from CGI Advantage Financial.
The above processes are heavily dependent on paper and spreadsheets. AACPS should investigate the full capabilities of the Cash Module within *CGI Advantage Financial*. Many cash management systems allow for easy uploads of banking transactions from many online banking portals. Using a data interface would remove the risk that a transaction is incorrectly recorded on a spreadsheet and reduce the amount of time needed to monitor cash transactions.

**Accounts Payable**

Accounts Payable is responsible for disbursing funds to pay for goods and services provided by vendors or to reimburse employees for expenditures that qualify for reimbursement. Below are descriptions of the major processes related to vendor payments:

- The Purchasing Department will generate a purchase order (PO) in *CGI Advantage Financial*. The purchase order is printed out on a quadruplicate form. Purchasing retains one copy, Accounts Payable receives one copy, and the requesting campus/department receives two copies. (See separate assessment of the AACPS purchasing function later in this Chapter.)

- Typically, invoices will be received by the Accounts Payable Department, though on occasion the requesting campus/department will receive the invoice. If the invoice is e-mailed, the invoice is printed out to facilitate the three-way match and check review process, which is discussed later. When Accounts Payable does obtain the invoice, a staff member will enter the invoice details into *CGI Advantage Financial*. The information system will then compare the invoice cost, by line item, to the PO, by line item. If any line item on the invoice does not match to the purchase order, the system will flag the variance and the AP staff will request that the campus or department change the requisition, allowing the purchase order to be changed by the Purchasing Department. The vendor can also be contacted if the review shows a pricing error occurred. A corrected purchase order will be printed out and provided to the AP staff.

- When the items are received by the campus or department, a receiving copy of the PO is sent to AP. AP will compare the item quantities and description to the invoice. If there is a discrepancy, the campus/department will be contacted, as well as the vendor. In instances of partial delivery, vendors can submit invoices for only what has shipped which can cause variances in received quantity and order quantity. In such an instance, the payment process will be continued for the invoiced and shipped items; however, the PO will be left open for the receipt of the remaining quantity.

- Once the three-way match has been verified, AP will generate a payment voucher in *CGI Advantage Financial*. The voucher and check will be printed and combined with the vendor invoice

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2 Gibson received conflicting information on the Accounts Payable process. During interviews, Gibson learned that the information system will flag variances as a first step in the three-way match process. AP personnel would then be the first individuals to try and correct variances. Management later commented that the system does not have this capability and the three-way match process is completely manual, resulting in accounting personnel being the first individuals to detect errors and address variances. The discrepancies in this process does not impact the recommendation.
and purchase order. This payment pack is delivered to two employees within the Financial Reconciliations and Special Programs Department. These employees, who have other job responsibilities, will review each payment to ensure that the check and voucher are accurate and authorized, agreeing to the underlying documentation provided. If authorization errors are found or if supporting documentation was not provided, corrected documentation must be obtained prior to payment. Other errors, such as incorrect budget coding or payment values, require AP to void the check and the corresponding voucher. A new check and voucher are resubmitted to the control group, who will reperform their inspection. After all variances are corrected, payment will be delivered to the vendor via mail for paper checks or through an Electronic Funds Transfer. 

A process map of the current payable process to a vendor is presented in Figure 3.9.

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3 Gibson received conflicting information regarding acceptable variances between purchase orders and invoices. Staff interviewees stated that an exact match is required for payment; however, management stated that a $1 threshold is in place.
Figure 3.9. Vendor Payment Process

Source: Gibson Consulting Group, 2020

4 As discussed in Footnote 3, Gibson received conflicting information regarding certain aspects of the Vendor Payment process.
The process for reimbursing employees is different, although some commonalities exist:

- First, an employee must complete a reimbursement form for the type of expense, e.g. mileage, travel, etc. Supporting documentation, such as receipts, is attached and the form is signed by the preparer.

- The employee’s supervisor must then sign the reimbursement form. Depending upon the type of reimbursement, such as out-of-state or overnight trips, additional approval may be needed.

- The reimbursement form, along with any attached supporting documentation, is then sent through interoffice mail to the control group in accounting. The control group will review the form and supporting documentation to validate that appropriate approval and authorization was given from supervisors, the account number included on the form is accurate, and the account has sufficient funds available for the reimbursement. If any errors are noted, the control group will e-mail the preparer and request clarification or additional documentation. Corrections will be made to the form depending upon the additional evidence provided.

- After the control group is satisfied, the form and supporting documentation is provided to Accounts Payable, who will generate the check and provide the payment pack (as discussed in Figure 9) to the control group for review.

- Finally, a check will be mailed to the employee.  

As seen in Figure 3.9 and the discussion above, the Accounts Payable Department will either disburse funds using a paper check or an EFT. Table 3.5 provides the total number of disbursements that occurred in 2018-19, separated by method of disbursement. The majority of payments were made via paper checks, which use more resources than EFT payments.

### Table 3.5. Disbursements by Method, 2018-19

<table>
<thead>
<tr>
<th>Method</th>
<th>Count</th>
<th>% of Count</th>
<th>Value</th>
<th>% of Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper Check</td>
<td>18,573</td>
<td>74.5%</td>
<td>$124,469,787</td>
<td>12.7%</td>
</tr>
<tr>
<td>EFT</td>
<td>6,341</td>
<td>25.5%</td>
<td>$856,884,421</td>
<td>87.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,914</td>
<td>100%</td>
<td><strong>$981,354,208</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>

The manual nature of accounts payable processing has attributed to inefficiencies when compared to peers. Figure 3.10 presents the Accounts Payable departmental cost per $100,000 of operating revenue for AACPS and the Council of the Great City Schools (COGCS) averages. This is an operational efficiency measure that is driven largely by the number of Accounts Payable FTEs. The number of FTEs within Accounts Payable is driven by many factors, including system automation and organizational structure.

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5 Overview of employee reimbursement process obtained from Employee Reimbursement Flow Chart.pdf, provided by AACPS staff.
AACPS is in the third quartile of the range, indicating that the operational efficiency, based on this metric, is below average.

Figure 3.10. Accounts Payable Cost per $100,000 of Total District Operating Revenue, AACPS and COGCS Averages, 2017-18

Source: Managing for Results in America’s Great City School, 2019; Statement of Revenues, Expenditures and Changes in Fund Balance, General Fund, AACPS Comprehensive Annual Financial Report, 2017-18; Five-year expenditure data provided by AACPS management, 2017-18

The vendor payment and employee reimbursement processes should be re-engineered to reduce the reliance on paper documents. The process of printing out invoices, purchase orders, and vouchers should be eliminated. The individuals in the control group should be able to access all needed information electronically. Further, paperless receiving should be investigated. The campus or departmental personnel responsible for receiving the ordered items should be able to confirm receipts within CGI Advantage Financial. This would eliminate the need for a paper receiving form to be sent to Accounts Payable, reducing the amount of time between invoice date and payment date.

Employee reimbursements should be changed in two primary ways. First, the use of paper reimbursement forms and submitting hard copy receipts should be eliminated. CGI Advantage Financial does have travel and expense management functionality. This module should be investigated by the LEA, as it may allow for automated workflows to be created. A more efficient reimbursement workflow that maximizes the use of technology is presented in Figure 3.11. AACPS should reimburse employees through the payroll process instead of generating paper checks.
Automated systems and processes allow for transaction level controls to be implemented. For example, if a process like the one presented in Figure 3.11 was implemented for employee reimbursements, a control could be implemented that prevents the employee from using a budget code that does not have available funds or is invalid. The current process relies on manual reviews to catch such instances.

**Recommendation 3.3: Purchase integrated financial reporting tools.**

During interviews, Gibson discovered that the creation of the comprehensive annual financial report (CAFR) relies on a system of linked spreadsheets, which are populated by Senior Accountants, Lead Accountants, and the Supervisor of Finance. The process of creating and reviewing the CAFR consumes much of August and September. Though the spreadsheets that form financial statements and notes are linked to source data, there is a risk that data links can break and result in errors. This risk results in a more granular review control that could detect a formulaic error. The LEA should consider acquiring a third-party reporting software, which can automate many aspects of CAFR production. The current financial information system, *CGI Advantage Financial*, does have a CAFR/Financial Reporting module, but it is not used by AACPS.

**Recommendation 3.4: Improve segregation of duties within Accounts Payable.**

The creation of vendors in the *CGI Advantage Financial* system is the primary responsibility of the Purchasing Department. However, the review team obtained a list of employees with the ability to add or...
edit vendor profiles and noted the inclusion of one Accounts Payable personnel. This presents a segregation of duties risk given that the Department also processes payments to vendors, thus increasing the risk that a fictitious vendor could be created and paid. AACPS should remove the ability to add or edit vendors from the Accounts Payable staff. This would properly segregate the creation and modification of vendors with the processing of payments to those vendors.

**Recommendation 3.5: Separate system administration tasks from accounting functions.**

System administration encompasses many tasks, such as monitoring and allocating system resources, performing data backups, providing user access, and managing user accounts. Employees in an approval role should not have the capabilities to create user accounts and edit access levels, as this weakens the segregation of duties. During interviews, the audit team discovered that the Lead Accountant of Financial Processing and Operations is responsible for approving access requests and granting access to *CGI Advantage Financial*, as well as creating and managing user accounts. Employees request access by completing a request form and submitting it to Accounting. A Senior Accountant serves as back-up for the Lead Accountant and assists with creating user accounts.

The ability to create user accounts and grant access should not belong to either accountant position, which are both responsible for extensively using *CGI Advantage Financial* in daily tasks and are in a position to approve or deny access requests. The risk of having these abilities in one position is that the individual could increase their own, or someone else’s, access level with little or no oversight. There is no evidence that this situation has occurred at AACPS; however, steps should be taken to reduce this risk.

User access requests for *CGI Advantage Financial* should be included within the LEA’s *Heat* ticketing system. The Lead Accountant could receive tickets that include an electronic request form, grant their approval or denial, and then the ticket is routed to the Technology Application Group for user account creation or modification. This would eliminate the segregation of duties concern with the current process and reduce reliance on a paper, manual process.

**Recommendation 3.6: Create a performance measurement plan for Financial Management.**

Performance measurement is an important aspect of ensuring customer satisfaction of any department. Effective performance reporting helps to improve the efficiency and effectiveness of district operations and provides district leadership, the Board, and the general public more insight as to what is going on behind the numbers in the budget line items. Performance measurement also helps district leadership hold departments accountable for results. Sound performance measurement encompasses many phases of activities. The LEA should first create and document goals for the various functions of financial management. The goals should include specific and measurable objectives and performance indicators. For example, a goal for the Accounts Payable function could be to become more efficient, the objective could be to reduce the time it takes to pay vendors to no more than 30 days, and the performance indicators could be the average number of days to pay vendors and the number of payments made in more than 30 days. It is important that each goal have at least one objective and performance indicator so that the progress can be measured and tracked. The specific objectives should include timelines by
which completion is expected. Other examples of Key Performance Indicators (KPIs) for Accounts Payable are included below:

- AP Cost per $100k Revenue
- AP Cost per Invoice
- Invoices – Days to Process
- Invoices processed per FTE per month
- Accounts Payable cost per $100k spend
- District FTEs per Accounts Payable FTE
- Cost per Accounts Payable FTE
- Average dollar value of invoices processed
- Number of invoices received electronically vs. manually
- Number of invoices paid electronically vs. manually
- Average time to approve from receipt to payment
- Discounts captured as a percentage of discounts offered

By creating a plan with all the items listed above, Financial Management will be able to set priorities, focus effort and resources, strengthen operations, ensure collaborative work toward common goals, communicate intended results, define success, and assess and adjust the Department’s direction in response to changes within the Department.

Recommendation 3.7: Use a third-party to deposit cash.

Financial Secretaries are incurring unnecessary risks and ineffectively spending working hours depositing cash each day at the bank. Financial Secretaries are responsible for many duties, including placing and receiving orders, performing textbook inventories, preparing bank deposits, tracking cash collections, and reconciling activity funds. Some Financial Secretaries also act as the timekeeper for the campus, which is discussed later in the Payroll section of this Chapter.

Each campus is allotted one Financial Secretary, who reports to the Principal, and is responsible for following rules and procedures published in the School Activity Funds Manual. The manual is updated annually by the Financial Processing and Operations group, and reviewed by the Supervisor of Finance and by the Director of Internal Audit. The manual states that Financial Secretaries should generally deposit cash on the same day it is received. During interviews, many Financial Secretaries stated that they are travelling to the bank each day to deposit cash. This not only spends valuable working hours in transit or waiting at the bank, which could be spent performing other tasks, but also increases risk to the staff member and to the LEA.
The LEA should outsource the physical depositing of cash to a third-party. First, a cost-benefit analysis should be performed by the LEA, comparing the wages paid to staff to deposit cash to the cost of using a third-party. If a third-party will be used, additional depositing procedures will be needed. Figure 3.12 presents a potential process flow if a third-party is used.

The Financial Secretary could follow the same procedures for counting and recording deposits that are currently included in the manual. However, a deposit bag will likely be needed to facilitate the use of a third-party. The deposit slip would need to be placed in the deposit bag, along with any currency and checks. This bag could then be placed in a safe until the cash is picked up. Typically, campuses with the most cash collecting activities (high schools, large middle schools) would have a pick-up three to four times a week. Elementary schools would generally have a pick-up two times a week. A window of time should be agreed upon for each campus so that Financial Secretaries can plan for the deposit to be prepared. Prior to pick-up, the deposit number, date, and amount should be recorded by the Financial Secretary in a log book. When the third-party arrives, the log book is initialed by the driver. The third-party then deposits the cash at the bank. The Financial Secretaries would provide the deposit information to the AR Technician, who would perform the reconciliation process as discussed in Recommendation 3.2.

**Figure 3.12. Third-Party Deposit Process**

Source: Gibson Consulting Group, 2020

**Recommendation 3.8: Streamline review and approval processes and thresholds.**

There are many review controls in place within financial management at AACPS. Although this is an effective way to detect errors and ensure accuracy, the rigor of some controls are not cost-beneficial and result in unnecessary workloads and increased processing times. Further, the granular level at which review controls operate lessen the time that can be spent on analyzing errors and developing strategies for error prevention.

One example is the three-way match process, which is the process through which the purchase order, invoice, and receiving report are “matched” to ensure that the quantity and price of goods received are aligned. This current process, depicted in Figure 3.13, requires an exact match (to the penny) for payment to occur. *CGI Advantage Financial* has the capability to set automated thresholds for accepting or rejecting invoices when comparing to the purchase order. According to one interview, this capability is turned on and set at 10 percent, meaning that anything under or over a ten percent price variance will be
automatically flagged by the system. However, the AP staff is performing an additional layer of review and not processing payments if “any” differences occur between the invoice and purchase order.⁶

**Figure 3.13. Three-Way Match Process**

Minor differences between invoices and purchase orders should be allowed to reduce the review burden on existing AP staff and decrease the processing time for invoices.

Another example is the disbursement review process, discussed in Recommendation 3.2. This process is performed for every payment, regardless of amount. If any variance is found, the payment must be voided, a new payment generated, and then the packet is resubmitted to review. This is a timely process that results in AP staff and accounting staff spending valuable resources, including time and paper, to review or re-review transactions of a potentially nominal amount. AACPS should implement a review threshold for disbursements, only subjecting payments above a certain amount to the control group’s review. AACPS should also implement an acceptable payment variance, based on a percentage or amount. These changes would reduce the time spent on reviewing small transactions and voiding payments with nominal variances, allowing the control group to better track errors. Once errors are tracked by the control group, a root-cause analysis should be performed. This would provide guidance on why errors are occurring within vendor payments, highlighting potential training needs for AP staff.

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⁶ As discussed earlier in Footnote 2 and Footnote 3, Gibson obtained conflicting information regarding the three-way match process and the existence of a $1 allowable variance. These conflicts do not impact the recommendations provided by Gibson.
Payroll

Background

The Payroll Department is responsible for the processing of paychecks to more than 10,000 employees every two weeks. The organizational chart for the Payroll Department is displayed in Figure 3.14. The AACPS Payroll Department is led by the Payroll Manager, who reports to the Senior Manager of Human Resources Operations. The Payroll Manager is supported by one Assistant Manager, one HR Support Specialist, seven Payroll Process Support Specialists, and one temporary Payroll Clerk.

Figure 3.14. Payroll Department Organization Chart

According to the Payroll Manager Job Description, the role of the Payroll Manager is to supervise, direct, and oversee the process of payroll production and required reporting in accordance with Federal, State, and other laws. Specific duties include:

- Monitors, maintains, and updates Payroll-related HR systems tables.
- Manages impact of system upgrades on Payroll processes and coordinates changes with Technology.
- Conducts training with Principals, timekeepers, and business managers on Payroll processes and related systems.
▪ Manages cancellations of checks and direct deposits in Advantage HR and verifies backup documents.
▪ Coordinates payroll runs with Technology.
▪ Performs mathematical computations, computing costs, and adjusting, balancing, and reconciling information to ensure the accuracy of data.
▪ Leads and analyzes annual and quarterly federal and state tax reporting process.

The staffing trend for the Payroll Department is presented in Table 3.6. The Payroll Department underwent a change in structure in 2018-19. Previously, management of the payroll function was separated into two positions. One manager was tasked with overseeing system upgrades, payroll data table changes, and coordinating with the Technology Department. The other manager would oversee more of the day-to-day operations and provide training. In 2018-19, the manager position was consolidated and an assistant manager position was created. Outside of this structural change, staffing has remained consistent since 2015-16.

Table 3.6. Payroll FTE Count by Role, 2015-16 to 2019-20

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager of Payroll Process Operations</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Manager of Payroll Systems Operations</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Assistant Manager of Payroll</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Specialist of Payroll Process Support</td>
<td>6.3</td>
<td>6.3</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Specialist of HR Support</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>9.3</td>
<td>9.3</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Five-year staffing data provided by AACPS management, 2020

The Payroll Process Support Specialists are responsible for processing bi-weekly pay runs and supplemental pay runs for all employees. Additionally, they manage Sick Leave Banks for four different bargaining groups, Family and Medical Leave Act (FMLA) leave and Job Protecting Alternative Leave (JPAL), and various other leave types. They also ensure 10-month employees are paid for their contractual days, making necessary modifications for those hired after the year starts or those who leave before the end of the year. In addition, they monitor hours worked by part-time permanent employees to ensure contracted hours per FTE are worked. Each Specialist is assigned a group of schools, with one Specialist being responsible for all central office employees. The primary contact points for the Specialists are
timekeepers. The timekeeper role is typically filled by the Financial Secretary or Business Manager at a campus and by a secretary within departments. The timekeeper is responsible for performing data entry tasks and submitting supporting documentation to the Payroll Department. A more in-depth discussion of the timekeeper role occurs later in this Chapter.

The AACPS Payroll Department staff are each responsible for approximately 1,025 employees. Figure 3.15 compares this number to peer LEAs. Frederick County Public Schools was excluded from the analysis, as Payroll staffing data was not available. Relative to peer LEAs, AACPS has a larger Payroll staff given the overall size of the LEA. However, the size of an LEA is not the only driver for the size of the AACPS Payroll Department. The amount of technology used in payroll processing, the number of pay schedules for staff, and the number of supplemental pay runs all contribute to the needed number of payroll staff.

**Figure 3.15. FTEs per Payroll FTE, AACPS and Peer LEAs, 2018-19**

<table>
<thead>
<tr>
<th>LEA</th>
<th>FTE Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montgomery</td>
<td>2,058</td>
</tr>
<tr>
<td>Prince George's</td>
<td>1,388</td>
</tr>
<tr>
<td>Baltimore County</td>
<td>1,294</td>
</tr>
<tr>
<td>Howard</td>
<td>1,199</td>
</tr>
<tr>
<td>Anne Arundel</td>
<td>1,025</td>
</tr>
</tbody>
</table>

Source: Approved Operating Budgets for MCPS, PGCPS, BCPS, HCPS, 2018-19; Five-year staffing data provided by AACPS management, 2020

Another productivity measure for payroll departments is the number of paychecks processed per month per payroll FTE. Figure 3.16 provides the calculated measure for AACPS and the quartiles included in the Council of Great City Schools (COGCS). When compared to the COGCS quartiles, AACPS is in the upper quartile of number of paychecks processed per FTE, indicating higher than average efficiency.

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7 Calculated by dividing the 2018-19 Total FTE Count of 10,254.6 by the number of Payroll FTEs (10)
Figure 3.16. Paychecks Processed per FTE per Month, AACPS and COGCS, 2017-18

Source: Council of Great City Schools Managing for Results 2019; Five-year staffing data provided by AACPS management, 2020; Payroll processing data provided by AACPS management, 2017-18

Recommendation 3.9: Implement a timekeeping module.

The relative efficiency of the Payroll Department, as seen in Figure 3.16, is most likely attributed to the experience, effort, and skills of the Payroll staff and not the payroll process itself. The current payroll process is overly reliant on manual data entry, paper documents, and granular review controls. Table 3.7 provides an overview of the physical documents or spreadsheets that are used during the Payroll cycle.

Table 3.7. Overview of Documents Used in the Payroll Cycle

<table>
<thead>
<tr>
<th>Name</th>
<th>Format</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timesheet</td>
<td>Generated in Excel but printed out</td>
<td>Serves as a record of hours worked each pay period. Submitted to Payroll each pay period.</td>
</tr>
<tr>
<td>Daily Absence Report</td>
<td>Generated in SmartFind Express System but printed out</td>
<td>Used by timekeepers to reconcile leave and absences per the timesheet to the Substitute Reporting System.</td>
</tr>
<tr>
<td>Permanent Employee Payment Request (Blue Sheet)</td>
<td>Generated in Excel but printed out</td>
<td>Used by timekeepers to record overtime hours worked or compensatory time to be paid for a pay period. Submitted to Payroll each pay period.</td>
</tr>
<tr>
<td>Temporary Employee Payment Request (Green Sheet)</td>
<td>Generated in Excel but printed out</td>
<td>Used by timekeepers to record time to pay for temporary employees. Submitted to Payroll each pay period.</td>
</tr>
<tr>
<td>Name</td>
<td>Format</td>
<td>Purpose</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>--------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Leave Authorization Form</td>
<td>Fillable PDF document or printed out</td>
<td>Used by employees to request leave. This form must be signed by the supervisor.</td>
</tr>
<tr>
<td>Leave Transmittal Form</td>
<td>Fillable PDF document that is printed out</td>
<td>Used by timekeepers to record certain types of leave. This form is sent to Payroll each pay period if needed.</td>
</tr>
<tr>
<td>Supporting Documentation for Leave</td>
<td>Hard copy</td>
<td>Qualifying requests for leave must be accompanied by supporting documents, such as a doctor’s note or death certificate. All support is provided in hard copy to Payroll.</td>
</tr>
</tbody>
</table>

Source: AACPS intranet payroll guidance; Gibson interviews with AACPS staff, 2020

This recommendation references various terms, which occur at different times relative to pay day. The following data is important to define prior to discussing the payroll process:

- Pay period – Ten-day period commencing on a Wednesday and ending on a Tuesday.
- Pay day – Payment occurs on the Wednesday that is two weeks after the pay period’s last day for those employees who are paid two weeks behind. For most employees, this occurs the day after the pay period ends. Unit III staff and temporary employees are paid two weeks behind.
- Red bag – A physical bag that is sent to Payroll by campuses and departments which contains many of the documents discussed in Table 7 above.
- Pay file – An output file generated by CGI Advantage Human Resources (HR) that is sent to Bank of America on the Friday before pay day for direct deposit processing.

Though some employees are required to note their clock-in and clock-out times, employee pay is based on a “negative pay” assumption. This means that employees are paid based on the assumption that they worked all of their scheduled hours in a pay period.

The payroll process is presented in Figure 3.17 and described further below.
Figure 3.17. Payroll Process

The Payroll Department will create timesheets for each campus or department on SharePoint, the LEA’s intranet. Timekeepers are e-mailed a link to their respective timesheets, which they will then print out. The sign-in and sign-out requirements vary based on the bargaining unit of each employee. Table 3.8 provides these requirements. An in-depth description of each bargaining unit can be found in Chapter 4 – Human Resources.

Table 3.8. Time Reporting Requirements by Bargaining Unit

<table>
<thead>
<tr>
<th>Bargaining Unit</th>
<th>Time Reporting Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 1 – Teachers Association of Anne Arundel County (TAAAC)</td>
<td>All employees must initial in and out each workday.</td>
</tr>
<tr>
<td>Unit 2 – Association of Education Leaders (AEL)</td>
<td>All employees must initial in and out each workday.</td>
</tr>
<tr>
<td>Unit 3 – American Federation of State, Federal and Municipal Employees (AFSCME)</td>
<td>All employees must indicate their time of arrival and departure each workday.</td>
</tr>
<tr>
<td>Unit 4 – Secretaries and Assistant Association of Anne Arundel County (SAAAAC)</td>
<td>All employees must indicate their time of arrival and departure each workday.</td>
</tr>
<tr>
<td>Unit 5 – Professional Support Staff/Senior Staff</td>
<td>All school-based employees must sign in and out each workday.</td>
</tr>
</tbody>
</table>

Source: Interviews with AACPS staff, 2020
Bargaining Unit | Time Reporting Requirements
--- | ---
 | others must initial next to their name at the end of the pay period.
 **Unit 6 – Executive Staff** | All others must initial next to their name at the end of the pay period.

Source: Timekeeper Payroll Guidelines: Entering Payroll, AACPS 2019

Leave must be documented on the timesheet by using leave codes, which correspond to a leave reason. Leave codes have individual documentation requirements, and many leave types require advance approval. The timekeeper will review leave codes that have been included on the timesheet to verify accuracy and approval. The timesheet is then reviewed and approved by the campus or department supervisor. The timekeeper will record any leave that was taken within **CGI Advantage HR**, unless the leave was already recorded in the **Substitute and Employees Management System (SEMS)**. The timekeeper will reconcile timesheets to reports from SEMS to verify that absence coding is consistent. The timekeeper and supervisor must complete their tasks by the close of business on the last day of the pay period. After all leave has been entered, the timekeeper will submit the “red bag” to Payroll using interoffice mail. The “red bag” must be received by the Thursday after the pay period ends, though timekeepers can submit additional documentation until the Monday after the pay period ends. After the “red bag” is received, Payroll staff will first sort all of the documents, which can take between seven and eight hours per **Payroll Process Support Specialist**. The Specialists will then generate a report from **CGI Advantage HR** that includes the recorded leave for the pay period. Specialists will then begin their audit process, which incorporates the following steps:

- Inspect timesheets for sign-offs and approvals
- Inspect supporting documentation for leave to validate that it was valid and authorized
- Compare leave per timesheet to the leave report to validate that all leave was entered into **CGI Advantage HR**
- Review the leave codes applied to validate that the correct leave code was used

If errors are found, the Specialists will communicate with timekeepers to determine what correct leave code should be applied or will request additional documentation to support the applied leave code. Specialists will then review “Blue Sheets” and “Green Sheets” to determine what hours should be used to calculate extra-pay, including overtime or compensatory time. These hours are input into an uploaded spreadsheet, by day and employee, which is then uploaded to **CGI Advantage HR**. Specialists will then generate multiple reports during this “pending” phase, between input of pay data and generation of the pay file. These reports will highlight duplicate payments and employees receiving multiple payments. Specialists will review these reports and correct any errors. The Payroll Manager will then e-mail the Technology Department to give them the approval to generate the Pay File. The Pay File is generated overnight and is reviewed the next day by Payroll staff. Staff will generate a Payroll Report that shows what manual entries were performed during the payroll process, including line-item details for payments showing which account codes will be impacted during the payroll run. All manual entries and payroll
deductions will be reviewed by an individual who did not make the adjustment. If errors are noted during this process, they will either be addressed on the next paycheck, or the paycheck will be removed from the Pay File and a paper check will be cut to the employee. After all errors are resolved, the Pay File is sent to Bank of America for direct deposit processing.

The payment amount to an employee will change if an employee does not sign-in on the timesheet. For every absence on the timesheet, the employee must provide a reason for the absence. Certain absences, such as sick leave in excess of three days, must be supported by the leave authorization form and supporting documentation. These absences are entered into CGI Advantage HR and reported by the timekeeper for the campus or department to Payroll on the Leave Transmittal Form. If an employee does not provide support for an absence, that time is coded as “lost time.” Penalties for “lost time” include formal reprimands, suspensions, and termination.

For an employee to be compensated for time in excess of their standard working hours, a Permanent Employee Payment Request (Blue Sheet) must be submitted to Payroll. This form is created by the timekeeper based upon information included on the Timesheet. The employee’s supervisor must sign off on the form, which is then sent on to the Operations Department for additional review and approval. The Operations Department will return the form to the timekeeper, who will submit the approved Blue Sheet to the Payroll department in the “red bag.”

Payroll Process Support Specialists will manually calculate the number of overtime hours by day by employee. The overtime hours are keyed into a spreadsheet, which is uploaded to CGI Advantage HR. This overtime process is depicted in Figure 3.18.
Figure 3.18. Overtime Payroll Process

Source: Documented using information from interviews and process documentation on the AACPS intranet, Gibson Consulting, 2020

The payroll process discussed and depicted above requires a significant amount of manual processing, data entry, and manual intervention by timekeepers within campuses and departments and the Payroll staff. A timekeeping system that is integrated with CGI Advantage HR would provide many benefits. A timekeeping system could eliminate, or greatly reduce, the need for manual timesheets and decrease payroll processing times. Figure 3.19 presents a proposed payroll process, and assumes the purchase of a new integrated timekeeping system, and that pay is for duties previously performed. Under this process, no paper forms are prepared as employees enter time directly into the system. (Only salaried employees enter exceptions under the new process; all hourly employees enter direct time.) Completed timesheets are electronically routed through the system for approvals, and if time is not reported, notices are automatically sent to the employee to enter their time. Overtime hours would be calculated automatically, removing the need for Payroll to manually calculate and upload additional hours.
Separate from increases in processing efficiency, an integrated timekeeping system improves internal controls over the payroll cycle. A payroll system built upon exception-based, or negative, reporting does not represent an effective control for time management. Utilizing an active time reporting system for hourly employees will provide more accurate time reporting, decreasing the probability of incorrect reporting and over accrual of time.

Additionally, AACPS has many review controls to determine if leave and overtime is accurately recorded. However, detective controls are not as effective as preventive controls, as invariably some errors will occur due to the high amount of human involvement in the review process. The timekeeping system could be configured to alert employees about missing time, as included in Figure 19, but could also restrict the amount of weekly hours to their standard scheduled hours. If the employee inputs more hours than standard, a corresponding overtime approval would be needed. Similarly, controls around the leave codes could be implemented, which could automatically calculate the leave hours based on collective bargaining agreements. Requirements to upload certain supporting documents based on the chosen leave code could also be configured within the timekeeping system, reducing the number of absences that do not have sufficient proof. Internal controls over payroll could also be strengthened by transitioning employees that are paid in advance for their service to being paid for services already rendered. This would result in pay being calculated based on actual leave incurred during an earning period, limiting the need for leave corrections or adjustments.

**Purchasing**

The AACPS Purchasing Department is responsible for the procurement of goods and services ranging from $200 million to $330 million each year. Purchasing at AACPS is highly regulated, guided by state laws, local
Board policy, and administrative regulations. The following represent the major AACPS Board legal and local policies and administrative regulations (RA) related to the purchasing function:

- **Policy DE Purchasing Authority** – delegates the responsibility of the Superintendent to designate a Purchasing Officer to carry out the responsibilities of all purchasing activities.

- **DE-RA Purchasing Authority** – designates the Supervisor of Purchasing as the AACPS Purchasing Officer, and requires all purchasing contracts to be signed by the Superintendent or the Supervisor of Purchasing. This regulation also specifies the responsibilities of the Purchasing Office to include the review, modification, and approval of all solicitations for the purpose of clarity, open competition, development of least restrictive specifications, and all matters that encourage an open, fair, and competitive procurement environment.

- **Policy DEA Purchasing Procedures** – specifies procedures and parameters for the purchasing function, including the requirement that all contracts exceeding $100,000 shall be reported to the Board for approval. Contracts between $25,000 and $100,000 inclusive shall be approved by the Purchasing Officer and reported to the Board for review. All contracts less than $25,000 shall be approved by the Purchasing Officer without reporting to the Board.

- **Policy DEB Bidding Procedures** – requires the bidding procedures employed by AACPS to encourage a highly competitive procurement environment and that the most appropriate bidding procedure will be used.

- **DEB-RA Bidding Procedures** – requires the Supervisor of Purchasing to consider the use of available surplus property, cooperative agreements, warehouse supplies, agreements with other governmental entities, and existing master agreements prior to expending resources for bidding or other competitive solicitation process.

- **Policy DEC Vendor Relations** – requires that the relationships developed between vendor representatives and AACPS employees, and/or vendor representatives and Board members be supportive and fair to any and all qualified participants.

- **DEC-RA Vendor Relations** – provides additional definition and procedures related to bidding opportunities, gifts, and disputes.

The Purchasing Department maintains a 71-page procedures manual that was most recently revised in 2018. This manual is a very comprehensive guide that describes all elements of the purchasing methods, procedures, and limitations.

The Purchasing Department is led by a Purchasing Supervisor, which reports to the Director of Financial Operations. There are 13 FTE positions in the Department, including a Lead Buyer, three Senior Buyers over different types of purchases, three Senior Technicians, and five Buyer positions. Staffing has remained fairly constant over the past five years, declining by 1 FTE since 2015-16. Figure 20 presents the current organizational chart for the Purchasing Department.
The Purchasing Supervisor is responsible for the overall supervision and control of the purchasing process, works with departments to establish purchasing specifications, researches new materials and equipment and their usefulness in the school system, finds sources of supplies, supervises the maintenance of vendor lists, and promotes the standardization of purchases.

**Commendation 1:** The AACPS Purchasing Department tracks performance measures that have contributed to best practice awards by the National Procurement Institute.

One of the strategies in the AACPS 2018-23 Strategic Plan is that “AACPS will adhere to the procurement and purchasing best practices guidelines as established by the National Procurement Institute (NPI) as it relates to professionalism, productivity, innovation e-procurement, and leadership. Evidence of success will be demonstrated by applying for and receiving the NPI’s Achievement of Excellence in Procurement Award.”

The Purchasing Department has consistently received this award for its best practices in purchasing. The award contains 18 criteria and five key performance measures that require the submission of operating statistics, staffing information, and survey results. Below are the five NPI performance measure targets and AACPS’ performance against each.

- **At least 80 percent of total procurement transactions will be made via procurement card.** Procurement Cards (or P-Cards) are a type of commercial credit card that allows organizations to take advantage of the existing credit card infrastructure to make electronic payments for goods
and services. It provides more controls than a regular credit card and is a much more efficient method of purchasing, particularly for lower dollar items. AACPS achieved a P-Card transaction usage (as a percentage of total purchasing transactions) of 83.4 percent 2017-18 and showed an increase from 80.7 percent since 2014-15.

- **At least 67 percent of procurement professional will be professionally certified.** Ten of thirteen Purchasing Department employees (77 percent) are professionally certified.
- **Requisitions will be processed within 10 days of receipt.** Average AACPS processing time is less than five days.
- **At least 60 percent of procurement requirements will be processed through term contracts.** AACPS reports a rate of 71 percent.
- **99 percent of awarded contracts will not be protested.** Between 2014-15 and 2017-18, AACPS achieved rates of 98 percent to 100 percent, with an average of 99 percent over the four-year period.

The 2017-18 vendor and (internal) customer surveys also showed satisfaction with the Purchasing Department. The in-house survey applied a scale of 1 to 5, with 5 being the highest level of satisfaction. AACPS received an overall satisfaction rating of 4.4. The vendor survey applied a scale of 1 to 4, with 4 representing the highest level of satisfaction. AACPS received a 3.4 overall rating from its vendors.

This demonstration of best practices is important in two respects. First, it demonstrates – through the use of performance measures – the efficiency and effectiveness of the AACPS Purchasing Department. Second, it provides an example for other AACPS departments and programs to follow.

**Recommendation 3.10: Increase the use of automation to streamline purchase order and Procurement Card processing.**

Purchase orders and Procurement Cards (P-Cards) are the two primary mechanisms to purchase goods and services at AACPS. While the District has effectively increased its use of P-Cards to improve efficiency, additional opportunities exist to streamline both the purchase order and P-Card processes. These are described below.

**Purchase Order Processing**

AACPS uses the CGI financial information system to initiate its purchase order process originating in schools or departments. Requestors enter a purchase requisition on CGI and obtain the necessary approvals before submission to the Purchasing Department for purchase order processing. At this point, the process converts from an automated process to a largely manual one.

The Purchasing Department staff prints the requisition forms and attaches supporting documentation. Supporting documentation for each purchase requisition is either hand-delivered, e-mailed, or scanned (construction requisitions only) and attached to the applicable requisition form. The requisition packages are distributed to the Senior Purchasing Technicians based on the type of purchase; however, construction
requisitions are sent directly to the Senior Buyer for Construction. Requisitions less than or equal to $25,000 are processed by the Senior Purchasing Technicians. Those above $25,000 are processed by the Lead Buyer or one of the Senior Buyers. If required quotes have not been obtained by the requestor, the Purchasing Department obtains the quotes. Other compliance requirements, as well as account coding, are also verified.

The Lead Buyer and Senior Buyer positions review all transactions and convert the purchase requisition to a purchase order. Completed purchase order forms are printed overnight and distributed to the applicable Lead Buyer or Senior Buyer position for approval. Once approved, all purchase orders and supporting documentation are sent to the Purchasing Supervisor for review and approval. After approval, all purchasing forms and supporting documentation are filed in the Purchasing Department and other copies of purchasing forms are distributed.

This process is unnecessarily manual. The CGI system supports the online review and approval of purchase orders, as well as the attachment of scanned supporting documentation. The manual processes involving the copying, assembly, distribution, review, and approval can all be converted to online processes.

The impact of this manual approach is that more positions are needed to process the paperwork. The Council of Great City Schools publishes self-reported performance measures each year for the nation’s participating urban school systems. One of these measures is the cost per purchase order transaction. Figure 3.21 presents the AACPS cost and compares it to the COGCS lowest quartile average (most efficient), median, and highest quartile average for 2017-18. AACPS is below the highest quartile average but is significantly above the median.

**Figure 3.21. Cost per Purchase Order, AACPS and COGCS Averages, 2017-18**

Source: AACPS NPI Performance Measures; COGCS Managing for Results, 2019, for the period 2017-18

AACPS should begin a process re-engineering effort to streamline its processes and maximize the use of available technologies.
**P-Card Processing**

AACPS currently has 754 individual P-Card accounts and 859 “ghost” card accounts. A ghost card is not assigned to an individual, but to an authorized supplier where approved personnel can purchase items.

The P-Card process, similar to the purchase order process, requires excessive manual intervention and paperwork and does not maximize the use of existing technologies. The performance audit team reviewed the P-Card process and made the following observations:

- All supporting documentation for P-Card transactions is currently provided in hard copy, according to the Purchasing Office Procedures Manual (p. 31). This requires end-users to make copies, and submit them with the billing statement received to the approving official. This documentation could be photographed and attached to a P-Card transaction from a smartphone.
- AACPS is not fully utilizing the P-Card financial institution’s software to process P-Card payments. Instead, an in-house system was developed to help accomplish this task.

By streamlining the P-Card documentation process and maximizing the use of the financial institution’s software, AACPS can improve the efficiency over the P-Card process as it continues to expand its use.

**Budgeting**

The 2019-20 AACPS budget is $1.43 billion, including $1.27 billion for operations and $165 million for capital improvements. The operating budget is primarily supported by the unrestricted General Fund, while restricted funds for special purpose grants, health care, and food services comprise the balance.

State revenues per student have been flat in recent years, increasing from $6,829 per student in 2013-14 to $7,065 in 2018-19, an increase of 3.4 percent or approximately 0.7 percent annually on average. County funding is subject to a Maintenance of Effort (MOE) requirement, whereby the County must fund no less than the prior year’s level plus an amount for student enrollment growth based on a formula. In 2019-20, the MOE requirement was $691.5 million.

Several AACPS Board Policies relate to the budgeting process:

- **Policy DB** – Establishes the Superintendent’s responsibility for budget development of Operating and Capital Budgets
- **Policy DBA** – Establishes procedures and deadlines for the development of a long-range Capital Improvement Plan and the annual Capital Budget
- **Policy DBB** – Establishes procedures and deadlines for the development of the annual Operating Budget
- **Policy DBC** – Defines the proper execution of budget transfers within the operating and capital accounts
The AACPS budget is developed according to a calendar, and involves AACPS and Anne Arundel County. Below is the sequence of major events in the budget development and approval process. This process takes approximately 10 months from the initiation of AACPS budget development activities in August to the approval of the budget by the AACPS Board by July 1.

<table>
<thead>
<tr>
<th>Month</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td>AACPS Budget Process Begins -- 6 Stages of Development and Review</td>
</tr>
<tr>
<td>December</td>
<td>Presentation of Superintendent’s Budget to the Board of Education</td>
</tr>
<tr>
<td>January</td>
<td>Public Budget Hearings (2)</td>
</tr>
<tr>
<td></td>
<td>Board Budget Workshop</td>
</tr>
<tr>
<td></td>
<td>Preliminary State Funding for Following Year Established</td>
</tr>
<tr>
<td>February</td>
<td>Discussion of Board of Education Budget Amendments</td>
</tr>
<tr>
<td></td>
<td>Board of Education Approval</td>
</tr>
<tr>
<td>March 1</td>
<td>Submit Budget to County Executive</td>
</tr>
<tr>
<td>May 1</td>
<td>County Executive Submits Budget to County Council</td>
</tr>
<tr>
<td>May</td>
<td>County Council Public Hearings</td>
</tr>
<tr>
<td>June 15</td>
<td>Deadline for County Council Approval</td>
</tr>
<tr>
<td>June 30</td>
<td>Deadline for AACPS Board Approval</td>
</tr>
</tbody>
</table>

The capital budget process follows a similar process, but also requires approval of the Governor’s Office and the State’s General Assembly.

The funding/budget priorities are established by the Superintendent and included in the budget instructions to staff at the beginning of the budget process. For the 2020-21 budget, the following priorities were established by the Superintendent and presented in the AACPS budget development instructions:

- Compensation enhancements
- Teachers for enrollment growth
- Social/Emotional/Mental Health support for schools
- Support for Special Education Students
Support for English Language Learners
Expanding Pre-K opportunities
Expanding/Enhancing Elementary Excellence (EEE) initiatives
District 203 initiatives

Figure 3.22 presents the AACPS original budget, final budget, and actual expenditures for the past five years. Each year, the original budget was less than the final budget, and actual expenditures were lower than both budgets. This is not uncommon, as vacancies for budgeted positions occur throughout the year. AACPS has consistently demonstrated its ability to spend within its appropriate budget over the past five years.

Figure 3.22. AACPS Original Budget, Final Budget, and Actual Expenditures, General Fund, 2014-15 to 2018-19 ($ billions)

Source: AACPS Comprehensive Annual Financial Reports, 2014-15 to 2018-19

Budget development falls under the responsibility of the Chief Operating Officer, with assistance from the Director of Financial Operations and Budget Office staff. AACPS Budget Office expenditures and staffing levels have remained constant over the past several years. In 2018-19, actual expenditures for the Budget Office were $376,000, up from $353,000 in 2014-15, an increase of 6.5 percent over a four-year period or approximately 1.5 percent annually. Virtually all of the Budget Office expenditures (99 percent) are devoted to staffing costs.

The Budget Office consists of four positions – a Lead Budget Analyst, two Senior Analysts, and an additional Analyst position. Each of these positions report to the Director of Financial Operations. This staffing approach has remained unchanged over the past five years. Budget Office staff are assigned to individual departments to support them in the development and monitoring of their respective budgets. In addition to budget development, the Budget Office also processes budget transfers and reviews and analyzes the monthly budget to actual reports, among other duties.
School budgets are developed using staff allocation formulas, as well as non-staff allocation formulas for materials and supplies. For example, the average classroom teacher ratio for Grades 1-3 is 25 students per teacher for each elementary school. Similarly, basic elementary supplies are funded at $32.00 per student across elementary schools, and middle school science supplies are budgeted based on $594.00 per science teacher. Other non-staff line items, such as music transportation and high school athletics, are budgeted based on flat dollar amounts per school.

**Recommendation 3.11: Require Board approval of budget priorities.**

Under the current approach, the Superintendent consults individually with each Board member regarding their budget priorities. However, the Board as a whole does not approve AACPS budget priorities, resulting in the lack of singular guidance for the Superintendent in developing a budget that must ultimately be approved by the Board.

Prior to the initiation of the budget process, the Board should conduct a workshop to develop budget priorities for the following year. Input should be sought during the workshop from County budget officials and the County Council, since the County also approves the budget. The priorities should also be ranked in the event that needed funding is not available to support all of them. The finalized list of priorities should be an action item during a summer Board meeting and approved before the budget process begins.

This process should help align County, Board, and Administration priorities at the beginning of the process, and should reduce the amount of time spent on Board amendments and proposed County changes later in the budget development and approval process.

**Recommendation 3.12: Incorporate efficiency measurement and analysis into the budget process and budget document.**

The third Driving Value of the 2018-23 AACPS Strategic Plan states that “AACPS business practices are designed for quality, effectiveness, and efficiency.” The primary strategy (Strategy 17) for this driving value is the validation of efficiency by external organizations; there are no strategies that drive internal measurement of efficiency. As shown in Figure 6 earlier in this Chapter, AACPS is the second lowest in General Fund spending per student in comparison to the five peer LEAs. While there are many other variables that affect the comparison, this ranking suggests that at the global level, AACPS is more efficient in its spending than most of its peers. Only one other area included in the scope of this performance audit – Purchasing – tracks efficiency and other performance measures, but these are not used to establish or justify budgets for this area.

The performance audit team reviewed the budget documents prepared by the administration and presented to the Board. Several observations were made regarding the content and format of the budget information:

- **The AACPS budget process focuses primarily on the incremental differences from the prior year.**
  The budget process begins with the loading of the current year budget into the prospective year
The core budget may be changed based on current situations, but the primary focus of the budget process is on the incremental changes from the prior year—an approach which appears to be similar to the County budget development process. This approach implicitly assumes that the core budget reflects optimum efficiency, which may or may not be true.

- **The AACPS budget and accompanying documents do not contain measures to prove its level of operating efficiency.** Other chapters in this report identify recommendations to establish performance and efficiency measures to ensure that each department is held accountable for high quality and timely performance as well as efficient operating practices. Efficiency measures for each department and program should be incorporated into the budget process to ensure that the core budget reflects efficient operating practices.

- **The number of historical periods presented in the budget is insufficient to identify efficiency or other trends.** In the 2020-21 budget information presented to the Board, there are five columns of budget information representing a 3-year time period: (1) 2018-19 Actual Expenditures; (2) 2019-20 Approved Budget; (3) 2020-21 Proposed Budget; (4) the dollar change from 2019-20 to 2020-21; and (5) the percentage change from 2019-20 to 2020-21. While this format meets the County requirements, the number of years is insufficient to analyze trends. The Board’s review of the annual operating budget needs to be conducted within the context of a 5-year historical period so spending and efficiency trends may be identified and explained by the Administration. This longer-term data is available but not included in the information provided to the Board.

- **The budget workbook is provided to the Board in a hard copy format.** Each year the Board budget book is printed, bound in a 3-ring binder, and provided to each Board member. The proposed budget should be presented to the Board not only in an electronic form, but in a format that is conducive to their review. This is most commonly achieved through the development of a budget dashboard that reflects a 5-year history of spending and staffing levels for each department, program, and school, as well as a 5-year history of the efficiency measures described above. Certain high-level effectiveness measures may also be included. AACPS currently has an automated budget module that offers dashboard capabilities (see related recommendation below).

For the past three years, AACPS has used a module of the CGI financial information system to support the development of its budget. This module has the capability for departments to enter their budgets directly into the system, and for the Budget Office to review and edit these budget entries online. Several other features of the CGI budget module, however, are not currently being used:

- **Performance Management**—allows organizations to track performance measure targets and results, and can crosswalk financial information between budget activity views and strategic plan views of LEA spending.

- **Salary and Benefit Forecasting**—enables tracking and forecasting of agency personnel costs, including benefits. This feature was used by AACPS until the system could not adjust for union
negotiations. At this point, this functionality was abandoned and the process returned to a manual approach.

- **Business Intelligence** – monitors key performance indicators through role-based dashboards, and supports drill-down capability to conduct detailed budget analysis more efficiently.\(^8\)

These features should be implemented to maximize the benefits of the software and the commensurate value to the efficiency of the budget process and the budget document.

The implementation strategies above will help the AACPS administration develop operating budgets that demonstrate efficiency to its Board and to its taxpayers, and will help the Board more easily review and consider budget requests. The AACPS Budget Office will need to assume primary responsibility for the collection and validation of efficiency data, the calculation of metrics, and the development of the budget dashboard. Once Recommendation 14 (see below) is implemented, Budget Office staff time demands will be reduced and can be redirected towards efficiency measurement and analysis. The AACPS Internal Audit Department should periodically audit the accuracy of efficiency measures included in the proposed budget.

**Recommendation 3.13: Adopt a General Fund balance policy.**

The AACPS General Fund balance has fluctuated over the past five years, but was approximately at the same level at the end of 2018-19 as it was at the end of 2014-15. Figure 3.23 presents the historical trend of the year-end General Fund balance since 2014-15. Between 2014-15 and 2016-17, the General Fund balance increased by 76.4 percent; since then it has declined 43.6 percent. As a percentage of annual operating expenditures, the General Fund balance has ranged from to 1.4 percent (in 2018-19) to 2.5 percent (in 2016-17).

\(^8\) CGI web site: [https://www.cgi.com/sites/default/files/brochures/cgi-momentum-performance-budgeting.pdf](https://www.cgi.com/sites/default/files/brochures/cgi-momentum-performance-budgeting.pdf)
Currently, there is no policy or administrative regulation guiding AACPS in the management of its General Fund balance levels. Maryland law does not establish minimum levels for LEA General Fund balances, nor does the County require a minimum level. Further, no local board policy defines criteria for the General Fund balance, such as the need for an end-of-year revenue source heading into the subsequent fiscal year. Several states apply standards—and assign financial performance grades—for maintaining adequate fund balances. In the absence of such accountability measures in Maryland, AACPS should assume the responsibility for holding itself accountable for maintaining a reasonable and healthy General Fund balance.

In consultation with County budget officials and the County Council, AACPS should adopt a local board policy defining criteria for the General Fund balance as a whole, as well as the unrestricted components. This policy should help stabilize fund balances, and in turn AACPS financial stability, over time.

**Recommendation 3.14: Streamline the budget transfer process.**

Maryland LEAs are prohibited from transferring budgeted funds between the 16 state-defined categories of spending. However, transfers within these categories can occur through a budget transfer process. The performance audit team reviewed the budget transfer process and made the following observations:

- All budget transfers, regardless of dollar amount, are subject to the same review and approval process. This results in a significant amount of management time being spent approving low-dollar transfers. Approval levels should be established based on dollar ranges.

- Some line item accounts are part of budget groupings—often referred to as control accounts. Budget transfers for line items under the same control account are not required; however, in practice these transfer requests still occur. This results in an unnecessary increase in the volume of budget transfer requests, and consumes the time of the Budget Office and approvers on transactions that can be avoided. Automation of the budget transfer process would allow users to view these control accounts and avoid making unnecessary transfer requests.
• The budget transfer process is a manual, paper-intensive process. Hard copy budget transfer forms are completed by the requester and submitted to the Budget Office. This paperwork is processed by the Budget Office and physically routed to others for review and approval. The manual process is also more prone to errors due to the lack of online edit controls to minimize errors. Automation of the budget transfer process would increase the efficiency and accuracy of budget transfer requests and processing.

The CGI financial information system has the capability to support automated budget transfers; however, it is not being used. Through the implementation of this feature, combined with the other implementation strategies above, AACPS could significantly increase the efficiency of its budget transfer process. This would in turn free up Budget Office time to spend on more value-added activities, such as historical budget and performance measure analysis.

Insurance Management

AACPS is exposed to various types of risk, including injuries to employees, damage to or theft of property, errors and omissions, natural disasters, and now pandemics. To protect against many of these risks, AACPS has insurance. Since 1990, AACPS and Anne Arundel County have participated in a Self-Insurance Agreement to consolidate their programs of insuring against various casualty and other risks in order to minimize the expenditure of appropriated funds and to achieve other efficiencies. The County meets virtually all of AACPS insurance needs, either through the Anne Arundel County self-insurance fund or through the procurement of commercial insurance purchased by the County. Other than student accident insurance (less than $30,000 a year), AACPS does not procure any insurance internally.

Several AACPS Board Policies and administrative regulations relate to property, casualty, and other insurance placement, including:

• Policy EC – Insurance Management establishes the responsibility to provide adequate insurance coverage to protect the interests of the Board of Education
• Policy ECA – establishes the responsibility to obtain optional Student Accident Insurance
• Regulation ECA-RA – requires all students participating in interscholastic sports have health insurance or obtain Student Accident Insurance
• Policy JEB – Student Accident and Injury Reporting establishes responsibility for schools to report student injuries
• Regulation JEB-RA – provides student accident reporting procedures

The following types of coverages are provided or purchased through the Self-Insurance Agreement with the County:

• Coverage provided through the Anne Arundel County Self-Insurance Fund
  – Workers’ Compensation
− General Liability
− Vehicle Liability and Physical Damage
− Professional Liability/Errors and Omissions
− Employment Practices
− Underground Storage Tank Environmental Liability

▪ Commercial Insurance Coverage Provided through the County
  − Real Property
  − Boiler and Miscellaneous Property
  − Private Bus Contractors (Liability only)
  − Employee Dishonesty Bond
  − Superintendent Bonds (for AACPS and State)
  − Builders Risk
  − Employee Travel Accident Coverage
  − Experience-Based Career Accident Policy
  − Annapolis JROTC Bond
  − Meade JROTC Bond

Because of its contracting arrangement with the County, the Insurance Management Office at AACPS is small. The function consists of two staff positions, a Risk Management Specialist and an Insurance Assistant. Insurance Management is aligned under the Supervisor of Finance, which reports to the Director of Financial Operations.

According to the job description, the AACPS Risk Management Specialist is responsible for “administering the commercial, liability, and workers’ compensation insurance oversight functions, and assisting and coordinating with the Anne Arundel County Government Risk Management Division in managing the Board’s commercial and self-insurance programs.” These responsibilities include the identification and interpretation of accident and injury trend, problems, and claims history to ensure efficient claims management, as well as assisting and providing input to the County on underwriting and RFP specifications for insurance purchased by the County. The Risk Management Specialist also:

▪ Assists departments, employees, and managers with implementing contractual and risk control techniques against known and identified hazards.
▪ Provides technical assistance and evaluation related to insurance and risk management issues including review of vendor contracts, certificates of insurance, and potential activities (e.g., planned field trips).
Investigates accidents or incidents involving fire, surety, and casualty losses, employee and student injuries, and unsafe conditions.

Reviews governmental regulations, laws, and ruling concerning insurance, analyzes their impact on the Board and its programs, and participates in the implementation of appropriate actions to remain in compliance.

Oversees the AACPS workers’ compensation program coordination with the County’s Risk Management Division and Human Resources as well as other school system staff in coordinating the return to work of employees injured on the job to full duty and transitional/light duty work assignments, and assist with employee counseling options as needed.

Serves as the AACPS representative on the Anne Arundel County Self-Insurance Fund Committee.

The Insurance Assistant reports to the Risk Management Specialist. The primary function of this position is the processing of, and coordination between, the County and AACPS on workers’ compensation, vehicle, and general liability claims. These types of claims are entered into the County claims management system (STARS) at the campus or department level. The Insurance Assistant processes the claims and forwards them to the County, usually on the same day.

If any fraud is suspected regarding any reported claims, the County is notified and will investigate accordingly. AACPS relies on tips from AACPS management, work colleagues or others, including those submitted through the AACPS fraud hotline (managed by the Human Resources Department).

AACPS total insurance expenditures have declined since 2014-15, from $8.3 million to $8.0 million. Figure 3.24 presents insurance expenditures by major insurance category from 2014-15 to 2018-19 (actual) and 2019-20 (budgeted).

Figure 3.24. AACPS Insurance Expenditures, 2014-15 through 2019-20 (Budgeted), General Fund

Source: Five-year expenditure data provided by AACPS management, 2020

Workers’ compensation expenditures represent the majority of total insurance costs. These expenditures fluctuate year-to-year depending on the fund’s experience (the number, cost, nature of claims averaged out over 5 years), County claims administration, and Office of Law costs, but this self-insurance fund has
historically had sufficient reserves to pay claims. Figure 3.25 presents Workers’ Compensation incurred claims for the past 4 years, showing a decline of 27 percent since 2015-16. Incurred claims include claims paid plus outstanding reserves. The volume of Workers’ Compensation claims has also declined during the same time period, from 1,064 to 980, a reduction of 7.9 percent.

**Figure 3.25. AACPS Workers’ Compensation Claims Incurred, 2015-16 through 2018-19**

The current insurance management approach with the County avoids additional AACPS staffing needs that would otherwise be needed to operate this function independently. Accordingly, no recommendations are made for this unit.
Chapter 4 – Human Resources Management

Introduction

The Human Resources (HR) Division of Anne Arundel County Public Schools (AACPS) is one of the most critical support functions within the school system, as salaries and benefits account for approximately 80 percent of the total operating expenditures. Gibson’s review of the AACPS human resources function included an assessment of the HR Division’s organizational structure and staffing, use of information systems and technology, recruiting and onboarding practices, position classification, position control, staffing allocations, and customer satisfaction.

The HR Division’s organizational placement within the Division of Student and School Support is somewhat unusual but is reflective of its role within the organization, which appears to be more administrative and transactional in nature. Several important functions related to the management of AACPS’ human capital and its capacity to influence the employee experience within the organization are performed by other departments or staff outside of the HR Division. Within the HR Division, some of the functions and responsibilities are misplaced and/or misaligned. The HR Division also lacks a long-term plan aligned with the AACPS Strategic Plan, which is necessary to drive long-term decision-making, resource allocations, and the achievement of measurable performance objectives. Overall, many of the key business processes managed by the HR Division are paper-driven and inefficient due to the lack of integration between information systems and/or the underutilization or unavailability of functionality within existing systems. The position classification process is currently being reviewed and revised, which will help to maintain internal equity in job roles and responsibilities across the organization. This Chapter offers several recommendations to address these and other issues:

- Restructure the HR Division to better facilitate the strategic management of AACPS’ human capital resources.
- Develop a long-term human capital management strategy and plan that establishes goals, objectives, and key performance indicators aligned to the long-term human capital needs of AACPS.
- Develop a more comprehensive recruitment and retention plan to serve as a roadmap for attracting, recruiting, developing, and retaining a highly qualified and diverse workforce.
- Streamline HR business processes through implementation of more integrated systems and automated workflow.
- Employ a contemporary records management platform to create digital files for all personnel records.
- Streamline and standardize the new employee orientation and onboarding processes.
- Standardize the position review and reclassification process.
Administer surveys to measure customer’s satisfaction with HR’s performance in providing a wide range of services.

The remainder of this Chapter provides background information related to AACPS and the HR Division and discusses these recommendations in greater detail.

**Background**

AACPS is the second largest employer in Anne Arundel County, with over 10,500 staff, including 5,700 teachers. Over the past five years, the total number of AACPS employees and students increased at nearly the same rate each year at 5.7 percent. The student-staff ratio over this time period was at or near 8.1.

**Figure 4.1. AACPS Student Enrollment and Employees, 2015-16 to 2019-20**

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment</td>
<td>80,372</td>
<td>81,398</td>
<td>82,777</td>
<td>83,307</td>
<td>84,984</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>9,982.8</td>
<td>10,115.5</td>
<td>10,121.3</td>
<td>10,254.6</td>
<td>10,555.8</td>
</tr>
</tbody>
</table>

Source: Maryland State Department of Education (MDSE) 2020 Staff Employed at Schools and Central Office Levels
Maryland Public Schools Annual Report, October 15, 2019

Figure 4.2 shows that AACPS teachers account for the largest employee group (54.8%) followed by other support staff (18.8%).

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1 Maryland State Department of Education (MDSE) 2020 Staff Employed at Schools and Central Office Levels
Maryland Public Schools Annual Report, October 15, 2019. Reported FTE includes all positions, with the exception of temporary and hourly personnel and contractual personnel with less than a school-year contract.
Figure 4.2. AACPS Employees, 2019-20

Source: MSDE website

Figure 4.3 shows the percent of teachers by total years of teaching experience. AACPS appears to have a healthy mix of both new and experienced teachers. Teachers with fewer than five years of teaching experience comprise 32.7 percent of all AACPS teachers, while teachers with more than 30 years of teaching experience (and eligible to retire) account for 3.5 percent.

Figure 4.3. LEA Teachers by Years of Experience, 2019-20

Source: MSDE website

Student-staff ratios are used as indicators of staffing efficiency. A staffing ratio that is lower than benchmarks is an indicator of staffing inefficiency, while a staffing ratio that is higher than benchmarks indicates staffing efficiency. These comparisons should be viewed with caution, however, as some
differences in student-staff ratios across Local Education Agency’s (LEAs) could be attributed to the use of contracted service providers for some functions. Compared to LEA benchmarks, AACPS has fewer employees relative to its student population (i.e., higher student-staff ratio), indicating higher overall staffing efficiency.

Figure 4.4. LEA Student-Staff Ratio, 2019-20

Table 4.1 below shows the student-staff ratio for select employee groups. The AACPS student-staff ratio for all instructional staff positions (including teachers) is near the LEA benchmark average, while the student-staff ratio for all non-instructional staff positions is well above the benchmark LEA average – indicating higher staffing efficiency. The AACPS staffing ratios for administrative/supervisor positions (which includes the Superintendent, Deputy Superintendent, Associate Superintendent, Assistant Superintendent, Directors, Coordinators, supervisors, administrators, principals, assistant principals and other school-based administrators) is also well-above the LEA average, while the student-staff ratio for secretary/clerk positions is well-below the LEA average, indicating lower staffing efficiency.

Table 4.1. LEA Student-Staff Ratios, 2019-20

<table>
<thead>
<tr>
<th>LEA</th>
<th>Total Enrollment</th>
<th>Teachers</th>
<th>Total Instructional Staff</th>
<th>Total Non-Instructional Staff</th>
<th>Secretaries/Clerks</th>
<th>Administrators/Supervisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Arundel</td>
<td>84,984</td>
<td>14.7</td>
<td>11.0</td>
<td>29.9</td>
<td>135.3</td>
<td>190.5</td>
</tr>
<tr>
<td>Baltimore County</td>
<td>115,038</td>
<td>15.1</td>
<td>11.2</td>
<td>22.7</td>
<td>150.5</td>
<td>153.0</td>
</tr>
<tr>
<td>Frederick</td>
<td>43,828</td>
<td>16.3</td>
<td>10.7</td>
<td>24.6</td>
<td>154.4</td>
<td>153.2</td>
</tr>
<tr>
<td>Howard</td>
<td>58,868</td>
<td>13.6</td>
<td>9.2</td>
<td>29.6</td>
<td>154.7</td>
<td>152.3</td>
</tr>
<tr>
<td>Montgomery</td>
<td>165,267</td>
<td>14.6</td>
<td>10.7</td>
<td>23.8</td>
<td>176.8</td>
<td>225.5</td>
</tr>
<tr>
<td>Prince George's</td>
<td>135,962</td>
<td>14.6</td>
<td>11.5</td>
<td>20.4</td>
<td>163.9</td>
<td>181.0</td>
</tr>
</tbody>
</table>
The Maryland State Department of Education (MSDE) regulations provide that all LEA employees must be assigned to bargaining units unless they hold positions classified as confidential or managerial. A position is confidential if its responsibilities involve access to specific information regarding AACPS’ collective bargaining process, and a position is managerial if its primary responsibilities involve system-level decision-making. Unaffiliated employees not covered by a negotiated agreement are represented in Units 5 and 6. Most AACPS staff, however, are employed through collective bargaining agreements, depending on their job function. The Board of Education recognizes four employee organizations as exclusive representatives to serve as the negotiating agent for the salaries, hours, and working conditions of the employees named within the designated bargaining Units 1 through 4.

- **Unit 1 – Teachers Association of Anne Arundel County (TAAAC)** represents certificated professional employees who spend more than 50 percent of their required working hours in one or more of the following activities: instructing students; preparing, processing, and distributing learning materials for students; planning activities for students; guiding and counseling students; diagnosing and helping to solve adjustment and learning problems of students; mentoring teachers; or, serving as a resource teacher.

- **Unit 2 – Association of Education Leaders (AEL)** represents certificated professional employees who spend less than 50 percent of their required working hours instructing students; preparing, processing, and distributing learning materials for students; planning activities for students; guiding and counseling students; supervising the discipline of the student population or providing other assigned administrative tasks; or, diagnosing and helping to solve adjustment and learning problems of students provided they also meet other specified criteria.

- **Unit 3 – American Federation of State, Federal and Municipal Employees (AFSCME)** represents permanent custodial, maintenance, food service, bus driver, bus attendant, warehouse, mail, print shop, and transportation employees in pay grades 1 through 14 who regularly work an average of four or more hours per day.

- **Unit 4 – Secretaries and Assistant Association of Anne Arundel County (SAAAAC)** represents permanent substitutes, teacher assistants, computer lab technicians, secretarial/clerical, and technical employees in pay grades 2 through 13 who work 15 or more hours per week. This unit does not include secretaries in the Superintendent’s Office or temporary employees.

- **Unit 5 – Professional Support Staff/Senior Staff** includes professional staff, such as senior managers, managers, assistant managers, specialists, analysts, administrators, accountants, auditors, buyers, recruiters, executive secretaries, etc.

### LEA Benchmark Average

<table>
<thead>
<tr>
<th>LEA Benchmark Average</th>
<th>Total Enrollment</th>
<th>Teachers</th>
<th>Total Instructional Staff</th>
<th>Total Non-Instructional Staff</th>
<th>Secretaries/Clerks</th>
<th>Administrators/Supervisors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>14.8</td>
<td>10.7</td>
<td>24.2</td>
<td>160.1</td>
<td>173.0</td>
</tr>
</tbody>
</table>

Source: MSDE website
• **Unit 6 – Executive Staff** includes executive staff, such as the Superintendent, Deputy Superintendents, Associate Superintendents, Assistant Superintendents, Regional Assistant Superintendents, Chiefs, Executive Directors, Directors, and Supervisors.

AACPS also employs many temporary, non-traditional hourly, and per diem employees who are not a part of one of the six employee groups listed above. Per diem employees include, but are not limited to, substitute teachers, home and hospital teachers, and interpreters.

Table 4.2 below shows the total number of AACPS employees by bargaining unit. Unit 1 employees (teachers) account for 64.9 percent of all school system employees. Unit 5 employees (professional staff) had the highest percent increase (12.7%) over the past four years, followed by Unit 1 employees (8.5%). The total number of employees in Units 2 (non-teaching certificated professionals), 3 (operations staff), and 6 (executive staff) decreased from 2015-16 to 2019-20.

### Table 4.2. AACPS Employees (FTE) by Bargaining Unit, 2015-16 and 2019-20

<table>
<thead>
<tr>
<th>Bargaining Unit</th>
<th>2015-16</th>
<th>2019-20</th>
<th>% Representation 2019-20</th>
<th>Percent ∆ 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 1</td>
<td>6,344.0</td>
<td>6,882.4</td>
<td>64.9%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Unit 2</td>
<td>322.0</td>
<td>311.0</td>
<td>2.9%</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Unit 3</td>
<td>1,233.5</td>
<td>1,221.2</td>
<td>11.5%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Unit 4</td>
<td>1,584.1</td>
<td>1,658.0</td>
<td>15.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Unit 5</td>
<td>422.0</td>
<td>475.7</td>
<td>4.5%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Unit 6</td>
<td>50.0</td>
<td>49.0</td>
<td>0.5%</td>
<td>-2.0%</td>
</tr>
<tr>
<td><strong>Total FTE</strong></td>
<td>9,955.6</td>
<td>10,597.3</td>
<td>100.0%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Source: AACPS Position Roster (Data Request #4)

AACPS’ 2018-19 annual operating expenditures were $1.12 billion, which represents a 12.9 percent increase from 2014-15 expenditures. Over this time period, employee salaries and wages (excluding benefits) increased eight percent but declined from 61.7 percent to 59.0 percent as a percentage of AACPS’ total operating budget.

### Table 4.3. AACPS Operating Expenditures by Object, 2014-15 to 2018-19

<table>
<thead>
<tr>
<th>Object</th>
<th>2014-15</th>
<th>2018-19</th>
<th>Percent ∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000 Salaries and Wages</td>
<td>$610,568,459</td>
<td>$659,284,803</td>
<td>8.0%</td>
</tr>
<tr>
<td>2000 Contracted Services</td>
<td>$73,484,069</td>
<td>$96,632,621</td>
<td>31.5%</td>
</tr>
<tr>
<td>3000 Supplies and Materials</td>
<td>$45,367,907</td>
<td>$53,428,807</td>
<td>17.8%</td>
</tr>
<tr>
<td>4000 Other Charges</td>
<td>$233,925,177</td>
<td>$271,962,932</td>
<td>16.3%</td>
</tr>
<tr>
<td>5000 Lands Buildings and Equipment</td>
<td>$2,161,774</td>
<td>$8,180,531</td>
<td>278.4%</td>
</tr>
<tr>
<td>8000 Transfers</td>
<td>$24,783,203</td>
<td>$28,848,504</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

2 These figures differ slightly from the MSDE figures presented previously due to different data sources.
Anne Arundel County Public Schools – Performance Audit

<table>
<thead>
<tr>
<th>Object</th>
<th>2014-15</th>
<th>2018-19</th>
<th>Percent Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Expenditures</td>
<td>$990,290,589</td>
<td>$1,118,338,198</td>
<td>12.9%</td>
</tr>
<tr>
<td>1000 Salaries and Wages as % of Total Spend</td>
<td>61.7%</td>
<td>59.0%</td>
<td>-2.7%</td>
</tr>
</tbody>
</table>

Source: AACPS Expenditures Report (Data Request #1)

AACPS provides employees and retirees of the school system and their qualifying dependents with competitive benefits programs and services. AACPS’ healthcare is fully self-insured, and benefits are paid from the Health Care Self-Insurance Fund. Employee benefits are captured in 10 sub-object account codes within Object 4000 Other Charges. Table 4.4 below shows that AACPS’ expenditures for employee benefits have increased $40.4 million, or 20.5 percent, from 2014-15 to 2018-19. Most of this increase ($31.2 million) is attributed to an increase in employee health insurance costs, followed by an increase in employee retirement fund contributions ($8.3 million). As a percentage of total salaries and wages, benefits have increased three percentage points.

Table 4.4. AACPS Employee Benefit Expenditures, 2014-15 to 2018-19

<table>
<thead>
<tr>
<th>Object</th>
<th>2014-15</th>
<th>2018-19</th>
<th>Percent Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>4010 Tuition Allowance</td>
<td>$1,713,003</td>
<td>$1,660,167</td>
<td>-3.1%</td>
</tr>
<tr>
<td>4050 Employee Health Insurance</td>
<td>$113,131,357</td>
<td>$142,994,799</td>
<td>26.4%</td>
</tr>
<tr>
<td>4053 Health Care Portability Fee</td>
<td>$58,428</td>
<td>$73,677</td>
<td>26.1%</td>
</tr>
<tr>
<td>4054 PCORI &amp; Reinsurance Fees</td>
<td>$1,185,764</td>
<td>$0</td>
<td>-</td>
</tr>
<tr>
<td>4100 Insurance-Workers Compensation</td>
<td>$6,936,091</td>
<td>$6,158,179</td>
<td>-11.2%</td>
</tr>
<tr>
<td>4141 Leave Payout To 403(B) Plan</td>
<td>$2,425,288</td>
<td>$1,879,245</td>
<td>-22.5%</td>
</tr>
<tr>
<td>4180 Retirement Fund Contributions</td>
<td>$24,345,888</td>
<td>$29,646,570</td>
<td>21.8%</td>
</tr>
<tr>
<td>4181 Pension Administrative Fee</td>
<td>$1,399,615</td>
<td>$1,622,844</td>
<td>15.9%</td>
</tr>
<tr>
<td>4190 Social Security Contributions</td>
<td>$45,515,856</td>
<td>$48,686,924</td>
<td>7.0%</td>
</tr>
<tr>
<td>4310 Unemployment Insurance</td>
<td>$527,503</td>
<td>$246,902</td>
<td>-53.2%</td>
</tr>
<tr>
<td>Total Benefit Expenditures</td>
<td>$197,238,793</td>
<td>$232,969,307</td>
<td>18.1%</td>
</tr>
<tr>
<td>Benefits as a % of Total Salaries and Wages</td>
<td>32.3%</td>
<td>35.3%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Source: AACPS Expenditures Report (Data Request #1)

**HR Division Organization and Management**

The mission of the HR Division is “to recruit and retain a talented, qualified and diverse workforce; to provide employees with a full range of human resource services, including but not limited to payroll, benefits, reporting, investigations, records management, and legal compliance; and to utilize the most effective and efficient processes in our efforts toward supporting AACPS’ goals”. The HR Division is led by an Executive Director who reports to the Deputy Superintendent for Student and School Support. The Executive Director serves on the Superintendent’s Executive Team and is responsible for leading,

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3 AACPS FY2021 Operating Budget.
managing, and directing all programs, processes, activities, and benefits managed by the HR Division. Other duties and responsibilities include:⁴

- Establishing the mission of the HR Division, and promoting and monitoring mission goals within the HR Division and in the AACPS organization.
- Managing and providing leadership to the major functional areas of Human Resources.
- Overseeing the administration of all payroll and benefits, retirement systems, and other insurances and programs subject to federal and state laws and regulations.
- Working collaboratively with other organization leaders to develop and improve programs, processes, and service delivery to school system employees and candidates for employment.
- Remaining current on research and trends affecting Human Resources management and organizational development and implementing structural/program changes as appropriate.
- Serving as an internal consultant to other departments on issues affecting staffing, classification, performance evaluation, position management, salary administration, and other HR-related issues.
- Establishing performance and process improvement goals for each of the major functional areas of Human Resources and developing methodology for monitoring and improving individual and organizational performance for efficiency and effectiveness.
- Initiating new HR-sponsored programs and benefits in keeping with the needs of the organization and available resources.

The HR Division is comprised of 65 full-time equivalent (FTE) employees which are organized into the six functional units described below. Figure 4.5 shows the current organizational structure of the HR Division.

- **Employee Relations** includes 3 FTE and is responsible for negotiations and contract administration for employee bargaining Units 1 through 4, terms of employment for Units 5 and 6, management of employee grievances and complaints, and the 4-205(c) appeal process.
- **Human Resources Operations** includes 21 FTE and is responsible for determining employee salaries and maintaining salary schedules, processing payroll, managing employee and retiree benefits, including the Supplemental Retirement Plan and wellness programs, providing retirement information and guidance preparing retirement forms, and managing job descriptions and position classifications.
- **Human Capital Management** includes 20 FTE and is responsible for posting position vacancies, recruiting and conducting initial screening of job applicants, and onboarding and processing new employees as well as determining employee salaries for hires and promotions, processing transfers, resignations, and terminations.

⁴ Executive Director job description (last updated 9/1/2016).
- **Records Management and Quality Control** includes 9 FTE and is responsible for maintaining personnel records, managing employee licensure and certifications, and overseeing the human resources information systems.

- **Employee Performance and Conduct Management** includes 5 FTE and is responsible for conducting background checks, employee investigations, and managing the employee ID badge and fingerprinting programs. This unit also oversees the implementation of the employee performance evaluation process, and employee discipline.

- **EEO Compliance** includes 5 FTE and is responsible for managing AACPS’ integrated leave and disability programs, handling Equal Employment Opportunity (EEO) complaints and investigations, and overseeing and ADA accommodations.
Figure 4.5. Human Resources Department Organizational Chart, 2019-20

Source: AACPS
The total number of HR Division employees increased 7.8 percent (4.0 FTE) from 2015-16 to 2019-20. A common measure of productivity in human resources is the total number of employees divided by the total number of HR staff. Table 4.5 below shows the HR-to-employee ratio, which represents the number of HR staff per 100 employees supported by HR in the school system (excluding Payroll staff). This analysis shows that the number of HR Division FTE increased at a slightly higher rate than the increase in the total number of AACPS employees.

### Table 4.5. HR FTEs per 100 Employees, 2015-16 to 2019-20

<table>
<thead>
<tr>
<th>Metric</th>
<th>2015-16</th>
<th>2019-20</th>
<th>Percent ∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>School System Employees (FTE)</td>
<td>9,956</td>
<td>10,597</td>
<td>6.4%</td>
</tr>
<tr>
<td>Human Resources FTE*</td>
<td>51.0</td>
<td>55.0</td>
<td>7.8%</td>
</tr>
<tr>
<td>HR FTEs-per-100 Employees (Employees / 100 / HR FTE)</td>
<td>1.95</td>
<td>1.93</td>
<td>-1.0%</td>
</tr>
</tbody>
</table>

Source: AACPS Position Roster (Data Request #4)

*Excludes Payroll staff

**HR Division Expenditures**

The HR Division’s 2018-19 annual operating expenditures were $8.3 million, which represents a 17.3 percent increase from 2014-15 expenditures. Further analysis of AACPS data shows that the increase in Object 1000 is primarily attributed to an increase in Support Specialist and Senior Manager positions; the increase in Object 2000 is primarily attributed to an increase in legal fees and healthcare consulting services; the increase in Object 3000 is attributed to an upgrade in the HR Division’s HR/financial management system that occurred in 2018-19; and, the increase in Object 4000 is primarily attributed to new requirements related to employee background checks.

### Table 4.6. AACPS Division of Human Resources Operating Expenditures, 2014-15 to 2018-19

<table>
<thead>
<tr>
<th>Object</th>
<th>2014-15</th>
<th>2018-19</th>
<th>Percent ∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000 Salaries and Wages</td>
<td>$5,431,260</td>
<td>$5,901,759</td>
<td>8.7%</td>
</tr>
<tr>
<td>2000 Contracted Services</td>
<td>$340,407</td>
<td>$536,174</td>
<td>57.5%</td>
</tr>
<tr>
<td>3000 Supplies and Materials</td>
<td>$1,074,409</td>
<td>$1,527,235</td>
<td>42.1%</td>
</tr>
<tr>
<td>4000 Other Charges*</td>
<td>$259,562</td>
<td>$367,942</td>
<td>41.8%</td>
</tr>
<tr>
<td>5000 Lands Buildings and Equipment</td>
<td>$0</td>
<td>$1,263</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total HR Operating Expenditures</strong></td>
<td><strong>$7,105,638</strong></td>
<td><strong>$8,334,373</strong></td>
<td><strong>17.3%</strong></td>
</tr>
</tbody>
</table>

Source: AACPS Expenditures Report (Data Request #1)

*4000 Other Charges excludes all benefit sub-objects

Another common measure of productivity in human resources is the HR expense-to-FTE ratio, which represents the amount of human resource dollars spent per school system employee FTE. This ratio has increased 14 percent over the past five years.
Table 4.7. HR Expense-to-Division FTE Ratio, 2014-15 to 2019-20

<table>
<thead>
<tr>
<th>Metric</th>
<th>2014-15</th>
<th>2018-19</th>
<th>Percent Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources Expenditures</td>
<td>$7,105,638</td>
<td>$8,334,373</td>
<td>17.3%</td>
</tr>
<tr>
<td>School System Employees (FTE)</td>
<td>9,956</td>
<td>10,240</td>
<td>2.9%</td>
</tr>
<tr>
<td>HR Expense-to-FTE Ratio</td>
<td>$714</td>
<td>$814</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

Source: AACPS Expenditures Report (Data Requests #1 and #4)

*2019-20 represents budgeted expenditures

In 2017, an assessment of the HR Division was conducted by an external consultant which resulted in six recommendations that included increasing HR staffing levels, investing in a document management system, reconfiguring the physical layout of the office, installing a fire suppression system, streamlining the payroll process by utilizing digital timesheets, and implementing a cross-functional team to address the report’s recommendations. At the time of Gibson’s performance evaluation, the HR Division had installed a fire suppression system, and had negotiated new contract language regarding Family and Medical Leave Act (FMLA) policies with employee bargaining units, and initiated some streamlining of the payroll process through the development and implementation of the Temporary Employee Reporting and Processing System (TERPS) application.

Recommendations

Recommendation 4.1: Restructure the HR Division to better facilitate the strategic management of AACPS’ human capital resources.

As part of Gibson’s review of the organizational structure of the HR function within AACPS, the audit team evaluated the organizational placement of the HR Division and related functions within the central office organization, as well as the logical alignment of functions within the HR Division.

The HR Division’s organizational placement within the Division of Student and School Support is somewhat unusual because it is reporting to a department that oversees educational leadership and school management. Of the five benchmark LEAs selected for comparison, three of the LEAs have their HR function reporting directly to the superintendent (Baltimore County, Howard County, and Prince George’s County). Frederick County and Montgomery County have their HR function aligned under areas of business services and operations. Three of the benchmark LEAs have their HR function led by a Chief position, while one of the LEA’s has its HR function led by an Associate Superintendent position. Only Frederick County (the smallest of the benchmark LEAs with 43,000 students) has a director-level position leading the HR function. Two of the LEAs (Howard County and Montgomery County) explicitly align their professional development function within HR. Table 4.8 below shows the HR reporting structures for each of the benchmark LEAs.
The placement of the HR Division within AACPS’ central office organization is reflective of its role within the organization, which appears to be more administrative and transactional in nature. Many important functions related to the management of AACPS’ human capital and its capacity to influence the employee experience within the organization, such as position control, staffing allocations, employee recognition programs, professional development, and leadership development programs, are all performed by other departments or staff outside of the HR Division. Each of these functions are discussed briefly below.

- **Position control**, which is the process of tracking information based on positions rather than employees for budgeting purposes, is currently the responsibility of the Manager of School Performance Resources, within the Office of School Performance (OSP), and the Budget Office. However, the Executive Director of HR does lead a committee weekly to review all non-school based vacancies within the school system, prior to the posting or filling of a position.

- Development of **staffing formulas and allocating positions** to campuses are also under the purview of the Manager of School Performance Resources. Both of these processes are automated through the use of AACPS’ proprietary information system, *Online Roster*.

- **Employee recognition programs** are currently the responsibility of the Partnerships, Development and Marketing Department.

- **New teacher development and mentorship programs** (e.g., Right Start Advisor program) and **leadership development programs** are all managed by the Department of Professional Growth and Development (PGD) within the Division of Academics and Strategic Initiatives, as is the

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**Table 4.8. Comparison of LEA Human Resources Reporting Structures, 2020**

<table>
<thead>
<tr>
<th>LEA</th>
<th>HR Leadership Position Title</th>
<th>Direct Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Arundel</td>
<td>Executive Director of Human Resources</td>
<td>Deputy Superintendent of Student and School Support</td>
</tr>
<tr>
<td>Baltimore County</td>
<td>Chief Human Resources Officer</td>
<td>Superintendent</td>
</tr>
<tr>
<td>Frederick County</td>
<td>Director of Human Resources</td>
<td>Chief of Staff and Legal Counsel</td>
</tr>
<tr>
<td>Howard County</td>
<td>Chief Human Resources and Professional Development Officer</td>
<td>Superintendent</td>
</tr>
<tr>
<td>Montgomery County</td>
<td>Associate Superintendent for Human Resources and Development</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>Prince George’s County</td>
<td>Chief Human Resources Officer</td>
<td>Superintendent</td>
</tr>
</tbody>
</table>

Source: LEA websites
coordination of all staff development programs for administrators, teachers, and staff at all levels within the organization.

The HR Division’s lack of involvement in position control, the development of staffing formulas, or position allocations – functions that are traditionally administered or facilitated by HR departments – is not common and does not represent best practice. Further, while training and employee development programs are widely recognized as fundamental components of human resources management, the HR Division appears to be mostly disconnected from organizational efforts to develop, train, and retain AACPS’ workforce. The mission of the HR Division references broad responsibilities, but the diffusion of several HR functions across the organization inhibits the Executive Director’s ability to be accountable for them.

An important first step to improving the impact and influence of the HR Division is to elevate it within the central office organization and to restructure it so that it reflects an expanded and more strategic role within AACPS. The Executive Director position should be reclassified to a higher classification (e.g., chief, assistant superintendent) and report to the Superintendent or Chief Operating Officer and be given the authority to make decisions and recommendations impacting staffing, compensation, and all aspects of personnel management. This recommendation is also addressed in Chapter 2 – Governance.

The audit team analyzed the HR Division’s existing organizational structure with respect to the logical alignment of key functions and spans of control and identified several opportunities for improvement.

- The placement of the payroll function within the HR Division creates unnecessary risk, as employees responsible for creating employees within the personnel management system and paying employees within the same system should ideally not be organized within the same department. Although system security controls currently prohibit Payroll staff from adding employees, it is recommended that the payroll function be realigned under Financial Operations to ensure segregation of duties and improve internal controls. This specific recommendation is discussed further in Chapter 3 – Financial Management.

- The six organizational units within the HR Division reflect a specialization of responsibilities; however, some of the functions within them do not appear to be logically aligned. For example, the Records Management and Quality Control unit oversees teacher licensure and certifications, which is currently performed by two Certification Specialists and two Certification Technicians, who are not certified educators themselves. Most certifications programs require extensive participation in professional development and coursework related to instruction. The manner in which the program is currently being managed is from a compliance perspective (e.g., addressing completion of activities and if the teaching candidate has met all requirements for certification). For these reasons, certification responsibility would be better aligned under the Human Capital Management/Staffing unit, as this group is overseen by a certified educator and is responsible for the recruitment of instructional staff. In the long term, AACPS may want to consider reclassifying these positions to a professional level, which would be best practice. Within this unit, Gibson recommends aligning staff into “centers of excellence,” such as certified/licensed professionals,
paraprofessionals, auxiliary staffing, and substitutes, to encourage expertise of pay, negotiated agreements for the employee group, certification and licensure requirements, and work calendars.

Figure 4.6 below illustrates the recommended organizational changes and the realignment of functions within it. At the top of the organizational chart, the HR Division is led by either an Assistant Superintendent or Chief Human Resources Officer, reporting to either the Chief Operating Officer or the Superintendent. Gibson recommends that the HR Division be reorganized into six units: Staffing, Compensation and Position Control, Employee Services, Employee Relations, Compliance, and Performance Management and Professional Development. The responsibilities of each unit are shown below. Additional considerations would need to be given to the redistribution of current roles and responsibilities of the positions within the Division. This would include redefining job descriptions, skills, or qualifications required, and position classification if necessary. By doing so, the opportunity for growth and/or career pathways within the departments or the division as a whole becomes inherently evident.

Figure 4.6. Division of Human Capital Management, Recommended Organizational Structure (by Function)

Source: Gibson Consulting Group

Recommendation 4.2: Develop a long-term human capital management strategy and plan that establishes goals, objectives, and key performance indicators aligned to the long-term human capital needs of AACPS.
AACPS’ 2018-23 Strategic Plan states that the school system’s overarching goal is “to elevate all students and eliminate all gaps.” Three driving values and high-level strategy action steps guide how the school system plans to reach this goal, while the performance indicators and metrics outlined in the five-year plan are intended to track and measure progress. AACPS’ Strategic Plan is addressed more broadly in Chapter 2 – Governance of this report.

A review of AACPS’ Strategic Plan found that only two of the 17 indicators address the management of the school system’s human capital resources, and one indicator specifically addresses the efficiency of the school system’s business processes. Under these indicators, the school system’s Strategic Plan does not fully establish goals and objectives for the efficient and effective management of its human capital resources, nor does it include a sufficient number of metrics to meaningfully track and measure progress in this area.

- **Indicator 12 – Increase the Diversity Within and Across all Workforce Units in the Anne Arundel County Public School System.** Indicator 12 identifies the following targeted strategy and the role of the Division of Human Resources in accomplishing AACPS’ goal: “Establish and implement a robust diverse recruitment, hiring, and nurturing (sustaining) plan for your school or office in collaboration with the AACPS Human Resources Department.” In the “How Are We Doing?” portion of the Strategic Plan posted on the school system’s website, AACPS publishes a description of recent accomplishments (as a downloadable PDF file), which may or may not include metrics. With respect to Indicator 12, AACPS published a “Workforce Recruitment” report, which includes a brief description of recruitment activities aimed at increasing diversity, as well as statistics related to the diversity of new hires, diversity of job fair attendees, and the retention rate for diverse educators.

- **Indicator 15 – Increase the Number of Comprehensive Classrooms which are Enrolled At or Below AACPS Recommended Student-to-Teacher Ratios.** Indicator 15 focuses on class size reduction and the role of the Office of School Performance (OSP) and the Instructional Data Division (IDD) in accomplishing this strategy. The District’s “Class Size Reduction (Student-Teacher Ratio)” report shows the number of teaching positions requested and approved over the past four years.

- **Indicator 17 – External Organizations Will Validate AACPS’ Effective Business Practices and Fiscal Prudence.** Indicator 17 aims to measure AACPS’ third driving value, Sound Stewardship – AACPS Business Practices are Designed for Quality, Effectiveness, and Efficiency—however, there are no strategies or indicators that specifically address the efficiency or effectiveness of AACPS’ human resources functions or processes.

The HR Division also lacks a comprehensive human capital management strategy and plan that would serve as a framework to drive long-term decision-making and resource allocations. The HR Division provided the audit team with a copy of its Recruitment Plan (discussed further in Recommendation 3 below), which lists the recruitment activities undertaken for the different bargaining units. The AACPS
FY2020-21 operating budget lists the following budget outcomes for Human Resources; however, these are mostly operational activities that define what HR should do, not what they should achieve.

- Recruit and retain a highly diversified workforce using systemic support programs and initiatives.
- Establish systemic guidelines for the hiring process to ensure consistency and diverse staff representation.
- Provide background investigations and employee conduct and performance management services to ensure a higher quality workforce and a safer environment for all students.
- Provide support for teachers interested in opportunities for professional growth through National Board Certification and other professional development and leadership opportunities.
- Provide employees with competitive benefits programs and services.
- Maintain accurate and efficient payroll and employee records.
- Support AACPS’ strategic initiatives for academic achievement, safe and supportive learning environments, highly qualified diverse workforce, community engagement, and sound, efficient, and effective business practices.
- Maintain a Human Resources Management System that accurately pays employees, maintains records, and provides precise reporting.

The budget document also specifies additional outcomes for Employee Benefits and Employee Relations. Employee Benefits outcomes include:

- Provide employees with competitive benefit programs and services and promote employee wellness.
- Identify, evaluate, and recommend additional optional benefit programs (e.g., disability insurance, employee assistance plans).
- Identify, evaluate, and recommend opportunities for cost savings to both employees and the school system.
- Adhere to the terms and conditions of all BOE negotiated agreements, policies, and regulations regarding employee benefits – health insurance, life insurance, and tuition assistance.
- Adhere to the regulations and laws governing benefits.

Employee Relations outcomes include:

- Serve as the Chief Negotiation for the BOE with four employee bargaining units.
- Operate Labor Management Committee (LMC) and Joint Study Groups in order to facilitate collaborative relationships with employee groups and to deal with complex, sensitive issues such as health care cost management, compensation analysis, workload distribution, and employee classification reviews.
• Establish procedures to assist supervisors in managing employee conduct and performance.
• Establish procedures to ensure appropriate and timely processing of employee complaints and grievances.
• Develop databases to improve management practices and ensure employees’ continuing confidence.

The HR Division currently does not have a multi-year strategy and plan that it uses to hold itself accountable for the achievement of specific, measurable performance objectives. As a core support function for AACPS, the HR Division should have a strategy and plan that articulates short and long-term goals and objectives and sets the framework for the human resource activities required to meet the long-term human capital needs of the school system. It is recommended that the HR Division develop a three- to five-year plan, in support of and in alignment with AACPS’ Strategic Plan. The plan should address the HR Division’s immediate and long-term goals and objectives for all major areas of responsibility, including employee recruitment and retention, compensation and benefits, professional development, file storage and maintenance, employee relations, information systems and data, performance measurement, etc. Departmental initiatives for accomplishing each objective, including resource and funding requirements, priority level, proposed timelines and progress check points should also be developed. It is important that management establish a process for reviewing and updating the plan annually; it should be a “living” document that can evolve as needs are forecasted to change.

An important element of this plan should be the establishment of performance indicators, metrics, and benchmarks to measure and track the efficiency and effectiveness of all HR functions. Performance measurement is the process of collecting, analyzing, and reporting information regarding the performance of an individual, group, system, or process. AACPS’ HR Division currently reports on a variety of performance indicators related to teacher recruitment and workforce diversity. The HR Division is also responsible for submitting data to meet federal and state reporting requirements related to the experience, certification, and effectiveness of teachers. Beyond these indicators, however, the audit team did not obtain evidence that the HR Division has a comprehensive performance measurement system in place to routinely monitor and track the efficiency and effectiveness of all HR operations.

Because the HR function is process-based in nature, there are literally hundreds of performance indicators that have been developed to evaluate the overall efficiency and effectiveness of HR processes and functions. The key, however, is to monitor, track, and report on only those measures — or Key Performance Indicators (KPIs)—that are most critical to assessing how well the HR Division is meeting its stated goals and objectives (which should be articulated in the operational plan, as described previously). Below are examples of KPIs, some of which are currently tracked by the HR Division:

• Employee attrition and turnover
• Vacancies or hard-to-fill positions
• Workers’ comp report only vs. loss time
• Teacher attendance vs. substitute utilization
In addition to these KPIs, the audit team recommends that the HR Division develop a more robust set of other indicators and metrics using a balanced scorecard approach that includes efficiency and effectiveness indicators for each major function. For each indicator, performance targets should be established in order to measure whether or not expectations are being met. It is also important to benchmark current performance against past performance. In addition to determining which indicators are most useful, the HR Division will need to ensure that systems and processes are in place to support the collection, validation, and analysis of data.

Below are some commonly tracked and reported HR indicators and metrics for consideration, some of which are currently tracked by the HR Division.

Table 4.9. Human Resources Metrics by Function and Domain

<table>
<thead>
<tr>
<th>Function</th>
<th>Domain</th>
<th>Efficiency and Effectiveness Indicators and Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent Acquisition</td>
<td>Job Postings</td>
<td>▪ How applicants learned about the position</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Number of employee referrals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Number of applications started but not completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Number of reference responses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Vacancy-to-Fill Rates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Number of offers accepted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Number of offers declined</td>
</tr>
<tr>
<td></td>
<td>Job Boards</td>
<td>▪ Job posting sites/boards utilized by position type</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Number of applicants attributed to alternative job</td>
</tr>
<tr>
<td>Recruiting Program</td>
<td>Job Fairs by Event</td>
<td>▪ Positions being recruited for</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Number of applicants interviewed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Number of recruitments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Cost-per-recruitment</td>
</tr>
<tr>
<td>New Hires</td>
<td>Employee Profile</td>
<td>▪ Experience in same or like position</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Demographics (gender, ethnicity)</td>
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<tr>
<td></td>
<td></td>
<td>▪ Number who reside in district</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Education level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Certification/Licenses</td>
</tr>
<tr>
<td>Employee Satisfaction</td>
<td>Attrition</td>
<td>▪ Number of separations by campus/department</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Reasons employees leave</td>
</tr>
<tr>
<td></td>
<td>Retention</td>
<td>▪ Longevity of staff</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Reasons employees stay</td>
</tr>
<tr>
<td></td>
<td>Employee Satisfaction Survey</td>
<td>▪ Survey response rates by employee group/campus, department</td>
</tr>
<tr>
<td>Function</td>
<td>Domain</td>
<td>Efficiency and Effectiveness Indicators and Metrics</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Customer Service</td>
<td>Customer Satisfaction Survey</td>
<td>- Responsiveness of HR staff (Time)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Ability to provide answer or solution</td>
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<tr>
<td></td>
<td></td>
<td>- Response rates</td>
</tr>
<tr>
<td>Compensation</td>
<td>Salary Review</td>
<td>- Comparison to other school districts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Comparison to like industry</td>
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<tr>
<td></td>
<td></td>
<td>- Equity within pay bands/groups</td>
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<tr>
<td></td>
<td></td>
<td>- Number of mid-year salary changes</td>
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<tr>
<td></td>
<td></td>
<td>- Reason for mid-year salary changes</td>
</tr>
<tr>
<td>Benefits</td>
<td>Utilization</td>
<td>- By benefit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- By employee group</td>
</tr>
<tr>
<td></td>
<td>District Contribution</td>
<td>- Comparison to other school districts</td>
</tr>
<tr>
<td>Employee Relations</td>
<td>Grievances</td>
<td>- Number of grievances by type/reason</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of grievances by location</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of grievances resolved at each level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of grievances granted remedy requested (full)</td>
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<tr>
<td></td>
<td></td>
<td>- Number of grievances granted remedy requested (in part)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of grievances remedy denied</td>
</tr>
<tr>
<td>Investigations</td>
<td></td>
<td>- Misconduct reason</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number resulting in termination</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number resulting in return to assignment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Days employee on administrative leave</td>
</tr>
<tr>
<td>Employee Services</td>
<td>EEOC</td>
<td>- Number of EEO complaints by reason</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of EEO complaints withdrawn</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of EEO complaints resolved without litigation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of EEO complaints elevated to litigation</td>
</tr>
<tr>
<td>Leave</td>
<td></td>
<td>- Leave utilization by reason</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Leave taken as doc pay</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Leave by location</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Leave by employee group</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td></td>
<td>- Number of reported workplace injuries by reason</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of reported workplace injuries by employee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of employees that return to work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of reported workplace injuries no loss time</td>
</tr>
<tr>
<td>Catastrophic Leave Program</td>
<td></td>
<td>- Number of requests by reason</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of requests by employee group</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of requests by location</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of requests granted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of requests denied</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of days requested – granted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of days requested – denied</td>
</tr>
<tr>
<td>Position Control</td>
<td>Positions Added</td>
<td>- Number added annually by position</td>
</tr>
<tr>
<td></td>
<td>Positions Discontinued</td>
<td>- Number discontinued annually by position</td>
</tr>
<tr>
<td></td>
<td>Positions</td>
<td>- Number by funding source</td>
</tr>
</tbody>
</table>
Function | Domain | Efficiency and Effectiveness Indicators and Metrics
---|---|---
 | | • Number full-time/part-time
• Number of temporary or non-traditional hourly
• Number by location, by position type

Source: Gibson Consulting Group

**Recommendation 4.3: Enhance recruitment and retention plan to include best practices.**

A recruitment and retention plan should serve as a blueprint for attracting, recruiting, developing, and retaining a highly effective and diverse educator workforce. The plan should be relevant to the current year’s data and reflect the immediate staffing needs of the school system. It should outline the critical activities to ensure timely placement and lasting retention of quality staff. Best practice recruitment and retention plans contain the following major components:

- A description of the objectives and standards that will be used to measure the success of the recruitment and retention plan. This includes a nuanced list of performance indicators such as retention rates, turnover rates, position days-to-fill, etc.
- A workforce needs assessment that identifies immediate staffing needs as well as anticipated changes over the next three to five years due to retirement and attrition. This should address all employee groups. Annual student performance data and enrollment growth should drive the recruitment of instructional staff.
- A description of the attributes of the “ideal” candidate, which includes the knowledge, skills, and abilities needed for the position beyond the minimum qualifications of the position. Recruitment of certified educators should be data-driven based on the performance needs of students by subgroup.
- Identification of recruitment sources and activities, along with an analysis of the results of past efforts (e.g., cost per hire by source).
- An outline of the financial and staffing resources needed for annual recruitment activities.
- A description of the roles and responsibilities of all staff involved in the recruitment and hiring process (e.g., HR personnel, hiring managers).
- A description of the processes and procedures and associated timelines for recruiting, hiring, and onboarding a new employee.
- A description of the school system’s retention strategies, such as compensation and benefits, onboarding and orientation, career development, supervision and support structures, recognition programs, wellness programs, etc.

A review of the AACPS recruitment plan and strategy document provided to the audit team found that it lacks many of these essential components. The school system’s current recruitment plan includes: 1) a bulleted list of positions in the HR Division; 2) a brief description of the primary recruiting activities performed by staff in the Division (e.g., posting open positions, attending hiring events); 3) a list of 113
hiring events Unit 1 specialists have attended (or will attend) this year; 4) a bulleted list of the post-hiring event activities performed by HR staff (e.g., follow-up with applicants); and, 5) the following four metrics: number of Unit 1 employees hired, number of Unit 1 vacancies by 10/1, number of current Unit 1 vacancies, and the number of resignations of teachers hired this school year. In and of itself, this document does not effectively communicate the current and future staffing needs of AACPS, and it does not address employee turnover and retention strategies, which appear to be primary drivers in the demand for new teachers.

In 2018-19, AACPS had an overall employee turnover rate of 10 percent (1,054 positions) across all bargaining units. Table 4.10 below shows the turnover rate for each bargaining unit. Unit 3 employees (operational staff) had the highest turnover rate at 14 percent, followed by Unit 1 employees (teachers) at 11 percent.

Table 4.10. AACPS Employee Turnover Rate, 2018-19

<table>
<thead>
<tr>
<th>Bargaining Unit</th>
<th>Number of Employees</th>
<th>Percent Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 1</td>
<td>661</td>
<td>11%</td>
</tr>
<tr>
<td>Unit 2</td>
<td>20</td>
<td>6%</td>
</tr>
<tr>
<td>Unit 3</td>
<td>195</td>
<td>14%</td>
</tr>
<tr>
<td>Unit 4</td>
<td>154</td>
<td>10%</td>
</tr>
<tr>
<td>Unit 5</td>
<td>23</td>
<td>5%</td>
</tr>
<tr>
<td>Unit 6</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,054</strong></td>
<td><strong>10%</strong></td>
</tr>
</tbody>
</table>

Source: AACPS DR#49

The HR Division utilizes 44 codes to capture the reasons employees separate from AACPS. Although most of these codes are dictated by the MDSE, this coding structure appears excessive, as it is difficult to differentiate which reasons are “controllable” by the school system (e.g., dissatisfaction with present position or school system, dissatisfaction with teaching, teaching in another MD county) and “not controllable” by the school system (e.g., retirement, personal illness, moving). Moreover, some of the reason codes are not necessarily mutually exclusive (e.g., moving and teaching elsewhere, or teaching elsewhere and dissatisfaction with present position or school system). Nevertheless, an analysis of data provided by the HR Division shows that in 2018-19, 23.6 percent of separations were attributable to retirements, 21.8 percent due to teachers teaching elsewhere, 13.3 percent due to employee misconduct or non-renewals, 10.7 percent had no reason given, and 7.6 percent due to moving. The remaining 33.6 percent of employees separated due to a wide range of other reasons (encompassing 18 reason codes). The audit team was unable to analyze separations by bargaining unit, campus, or department. As currently presented, the data does not provide the depth of information needed to determine the rationale for why employees stay or leave AACPS, and this information is not used by management to inform AACPS’ retention strategies.

The HR Division, with the assistance of a third-party contractor (ExitRight), administers employee exit surveys to all employees voluntarily separating from AACPS to gain better insight as to the reasons for turnover. According to the 2019 exit survey results (which had a 77 percent response rate), 48 percent of
all employees that left AACPS cited “reasons unrelated to AACPS” as the primary contributing factor, while 13 percent cited “compensation/pay,” and 12 percent cited “principal or supervisor” as contributing factors. While these factors were cited as the primary reasons across all bargaining units, Unit 2 employees (17%) also cited “limited promotional opportunities at AACPS” as a primary reason for leaving AACPS. Ideally, strategies to address employee turnover should be included in the school system’s recruitment and retention plan.

Tables 4.11 and 4.12 compare AACPS’ 2019-20 salary schedules for teachers with a bachelor’s degree and a standard professional certificate to other LEAs. AACPS’ starting salary ranks fifth in comparison to other LEAs, while its top salary ranks second. However, it takes AACPS teachers slightly longer to advance to the highest step than in other school systems. Typically, each step equals one year of service, but advancement to the next higher step is dependent upon the availability of adequate funding and local policies governing step advancement.

**Table 4.11. Salary Schedule for Teachers with a Bachelor’s Degree and a Standard Professional Certificate, 2019-20**

<table>
<thead>
<tr>
<th>LEA</th>
<th>Starting Salary</th>
<th>Top Salary</th>
<th>Number of Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Arundel</td>
<td>$47,836</td>
<td>$66,846</td>
<td>13</td>
</tr>
<tr>
<td>Baltimore County</td>
<td>$49,472</td>
<td>$56,305</td>
<td>10</td>
</tr>
<tr>
<td>Frederick</td>
<td>$46,000</td>
<td>$58,910</td>
<td>18</td>
</tr>
<tr>
<td>Howard</td>
<td>$48,519</td>
<td>$65,019</td>
<td>12</td>
</tr>
<tr>
<td>Montgomery</td>
<td>$50,503</td>
<td>$66,848</td>
<td>10</td>
</tr>
<tr>
<td>Prince George's</td>
<td>$48,498</td>
<td>$65,177</td>
<td>12</td>
</tr>
<tr>
<td><strong>AACPS Rank</strong></td>
<td><strong>5th</strong></td>
<td><strong>2nd</strong></td>
<td><strong>5th</strong></td>
</tr>
</tbody>
</table>

Source: MSDE

Both starting salaries and top salaries for teachers with a master’s degree rank fourth and fifth, respectively, amongst the comparison school systems.

**Table 4.12. Salary Schedule for Teachers with a Master’s Degree, 2019-20**

<table>
<thead>
<tr>
<th>LEA</th>
<th>Starting Salary</th>
<th>Top Salary</th>
<th>Number of Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Arundel</td>
<td>$50,743</td>
<td>$90,811</td>
<td>25</td>
</tr>
<tr>
<td>Baltimore County</td>
<td>$50,638</td>
<td>$94,509</td>
<td>30</td>
</tr>
<tr>
<td>Frederick</td>
<td>$47,500</td>
<td>$89,842</td>
<td>32</td>
</tr>
<tr>
<td>Howard</td>
<td>$51,984</td>
<td>$101,409</td>
<td>29</td>
</tr>
<tr>
<td>Montgomery</td>
<td>$55,537</td>
<td>$103,931</td>
<td>25</td>
</tr>
<tr>
<td>Prince George's</td>
<td>$53,469</td>
<td>$93,761</td>
<td>21</td>
</tr>
<tr>
<td><strong>AACPS Rank</strong></td>
<td><strong>4th</strong></td>
<td><strong>5th</strong></td>
<td><strong>2nd (Tie)</strong></td>
</tr>
</tbody>
</table>

Source: MSDE
According to the 2019 PDK Poll on Public’s Attitudes Toward the Public Schools, there is a direct correlation between teacher pay and retention. The HR Division’s recruitment and retention plan should address compensation as a lever for employee recruitment and retention.

**Recommendation 4.4: Streamline HR business processes through implementation of more integrated systems and automated workflow.**

Information technology plays an important role in human resource management, as most functions are process-based and administrative in nature. The efficiency with which staff are able to perform their day-to-day activities is largely driven by the adequacy of current information systems and processes. The audit team’s high-level assessment of the HR Division’s key business processes found that in some cases, 1) existing functionality of commercial-off-the-shelf (COTS) software applications is underutilized; 2) systems do not interface or are not fully integrated; or, 3) technology is non-existent. The review team also noted that the HR Division utilizes many proprietary applications that have been developed by the Information Technology (IT) Division.

The audit team identified several business processes that are inefficient and/or at risk of data integrity due to manually keying data into multiple systems (duplicate data entry), relying on paper rather than automated processes, or using “shadow systems” (e.g., Excel) in lieu of existing system functionality. Below is a summary description of the primary systems and software applications used by the Division of Human Resources in its day-to-day transactional operations, as well as some examples of process deficiencies identified by the audit team.

**Enterprise Resource Planning (ERP) System and Human Resources Management**

*CGI Advantage* is a cloud-based, integrated enterprise resource planning (ERP) system used by AACPS for its core business functions of financial management, human resources management, and budgeting. AACPS currently utilizes the following modules within the suite of applications: *Financial, Performance Budgeting, Human Resources Management (HRM), Employee Self-Service (ESS), and infoAdvantage.*

*CGI Advantage HRM* is a web-based human resources, payroll, and benefits management solution used by many state and local government entities. First implemented in 1989, the system has undergone two major upgrades. Although *CGI Advantage HRM* serves as the school system’s functional payroll system, it is limited in that it is not integrated with a timekeeping system, thereby resulting in the use of “green sheets” and “blue sheets” to capture time and process payment requests for temporary employees or employees who log time above their regular schedule. An in-house application called TERPS, formally referred to as “green sheets,” is used to reduce dual entry of payroll for hourly and temporary employees.

The *CGI Advantage Employee Self-Service (ESS)* module allows employees to access and view their HR and payroll related data, and in some cases, submit a change and/or enter new data. Although the functionality exists, *CGI Advantage ESS* is not currently being utilized to process employee leave requests.

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Employees also do not have the ability to change their personal contact information or designate what personnel information they approve to be released publicly. However, employees are able to initiate changes to their direct deposit, generate check history, generate W2’s, and view assignment history and pay information.

The CGI Manager Self-Service (MSS) allows managers to access employee contact information, and approve and monitor their employee’s leave and overtime. This module is not currently implemented in AACPS, but is currently under review by management. This module would allow managers the ability to submit reassignment and/or personnel change requests online, which would provide a better mechanism for audit and review. Instead, all personnel actions are entered into a Microsoft Word template, which is then emailed to HR, who then manually keys the data into CGI Advantage HRM.

CGI infoAdvantage is a query and reporting solution that incorporates a built-in data warehouse. HR Division management reports that this system currently meets their reporting requirements.

Benefits Administration

Benelogic is a third-party administrator (TPA) for online benefits enrollment and maintenance. The platform is a bridge between the employer and benefits providers to manage employee elections, covered dependent information, plans, premiums, and qualifying events. Benelogic is employed every year for open enrollment for employees to make benefit elections. Additionally, Benelogic is available to new hires to enroll in benefits. Employees may attach digital documents to confirm eligibility of dependents for coverage. At this time, employees are not given the ability to initiate qualifying event changes within the platform. Instead, they are required to complete a paper form and submit it to HR to be processed. There are workflows within the platform that would allow an employee to submit supporting documents, which could be reviewed by HR within the system. To perform this function within the system would improve processing time and create data that could be beneficial in the annual benefits selection process. All changes in Benelogic, whether made directly by the employee or by Benefits staff, are integrated with CGI Advantage to establish enrollment records and premium deductions from pay.

Absence Management System

SmartFind Express (SFE) is a cloud-based substitute management system that provides automated callout and online absence management to fill openings due to teacher absences with qualified substitutes. SFE has the capability to manage employee absences and find and assign substitutes, giving the school system the ability to track data like substitute effectiveness and substitute utilization by campus and teacher. When calling out, teachers have the option to select a particular substitute or to request that the system assign a substitute. The teacher is notified when a substitute is secured and is able to communicate directly with the substitute within the system regarding lesson plans, etc. SFE is not integrated with CGI Advantage, thereby requiring that employee absences be entered into two separate platforms: SFE to secure a substitute and then again in CGI Advantage to manage employee leave and substitute pay. This process requires dual entry of data, which is inefficient. CGI Advantage is not structured in a way that would allow for an easy integration with SFE. To address this, the IT Department developed a Temporary Employee Reporting and Processing System (TERPS), which eliminates the need for “green sheet” pay
request forms for all temporary, non-standard hourly employees. A time clock system would allow a substitute to clock in and out for assignments; instead, the campus must enter the substitute hours in TERPS to activate the payroll process for the substitute. Payroll uses TERPS and manually audits against SFE reporting that the substitute actually showed up for the assignment. TERPS could be eliminated if these systems were integrated.

**Applicant Tracking System**

*PowerSchool Unified Talent Applicant Tracking* (formerly known as *HR Navigator*) is an online platform used to automate job postings, review applications, provide notifications, and collect references, and is designed to integrate with other platforms within the *PowerSchool* suite of HCM systems. The *Unified Talent* platform allows AACPS to automate much of the application, recommendation to hire, and onboarding processes; however, some functionality, such as applicant screening, interview scheduling, letters of intent, and onboarding (discussed further in Recommendation 6 below), is not being utilized. For example, when a new employee is hired, the individual’s demographics and assignment information is manually keyed into *CGI Advantage HRM* to set up the new employee payroll and leave (dual data entry process). A paper process in place to set up employee records, as well as a file checklist, is still utilized to create paper files for digital information that is collected and/or generated as part of the application and new hire process.

**Performance Management System**

AACPS utilizes *PowerSchool Unified Talent Perform* as its online teacher evaluation software system. HR is not involved in the development or data analysis of performance evaluations. The evaluation process for professional educators requires multiple components that occur throughout the school year, including goal setting, walkthroughs, formal observations, growth plans, and summative conferences. *Perform* allows the employee and manager to access the information in real time. Feedback from walkthroughs is immediately accessible to a teacher, which provides the teacher the opportunity to make adjustments to instruction in an efficient manner. Educators are able to build out digital portfolios of artifacts demonstrating growth. There is robust reporting that could help HR in addressing employee satisfaction, possible concerns with managers, and compliance for certification and/or teacher pay incentives. However, HR is only responsible for filing printed digital copies from *Perform* to file it in the employee's personnel folder.

The Employee Relations unit utilizes the Collaborative Achievement Plan (CAP) system growth plan for teachers, which includes much of the same functionality as *Unified Talent*. Employee growth plans, however, are managed separately from the performance evaluation platform, which diminishes the intent to directly correlate interventions to improve employee performance. Information Technology writes the query and report, and accountability runs the report and uploads to *Unified Talent* (annually). Information Technology (IT) is currently in the process of automating the upload to run daily.

**Time and Attendance Management**

AACPS does not have an automated time management system. Instead, paper timesheets are used (“blue sheets” and “TERPS formally known as green sheets”) to capture time for temporary, nonstandard hourly
employees or employees who log time above their regular schedule. By not having a district-wide time management platform, HR is required to manually audit all time sheets and leave requests. A TimeKeeper distribution list (Microsoft Excel spreadsheet) is used to track all employees who are required to submit timesheets. If a time and attendance system was utilized and integrated to CGI, then distribution lists would be managed within the system’s organization structure and would not have to be manually built and distributed. To continue paper processes in an organization of this size is a tremendous risk for fraud and inaccuracy in employee pay. There is no way to determine employee attendance on a given day at any location (which could be a safety concern in the event of a critical incident at a campus, such as a shooting or a natural disaster). In regards to the budget impact, many positions within a school system require time and effort tracking for categorical funding sources (e.g., special education, Title I, etc.). With manual entry of time sheets at the campus level, there is a potential the hours could be billed to incorrect budget codes. With an effective time management system, pay code tables could be tied to the position.

**Fingerprinting and Employee Background Checks**

All new employees of AACPS are required to undergo a fingerprint-supported background investigation conducted through County, State, Federal, and commercially sourced agencies to determine employment eligibility. The Investigations unit within HR utilizes a TPA, Ft. Meade Security Check, to conduct criminal history background checks and fingerprinting. Current systems and processes appear to meet staff needs.

In summary, AACPS needs to re-engineer its HR processes, eliminate manual and paper-intensive tasks, and maximize the use of current software capabilities. To address many of these system and process deficiencies requires the collaborative effort of HR, Finance, and IT. The development of a Project Management Office (PMO) to facilitate and manage these efforts is discussed further in Chapter 5 – Information Technology. In addition, AACPS should review positions with the IT Department to identify a single source human resources information system (HRIS) analyst position.

One of AACPS’ driving values articulated in the 2018-23 Strategic Plan is Sound Stewardship, which strives to ensure that business practices are designed for quality, effectiveness, and efficiency. As technology improves and systems become more automated and integrated, the HR Division has the opportunity to not only operate more efficiently but also reallocate its efforts to focus more on strategic human resources management.

**Recommendation 4.5: Employ a contemporary records management platform to create digital files for all personnel records.**

Records management is the practice of identifying, classifying, archiving, preserving, and destroying records. The importance of maintaining accurate, thorough, and confidential personnel records is articulated in Board Policy GAB (Personnel Records), which states that the Division of Human Resources is charged with the responsibility of maintaining a personnel record for each Board employee, and this record, and any associated electronic records, shall contain all pertinent information. Policy GAB further assigns responsibility to the Division of Human Resources for establishing the contents of personnel records, maintaining the confidentiality of the records, regulating access to the records, and ensuring
compliance with state and federal regulations with regard to the records. Policy GAB-RA (Personnel Records) establishes procedures for governing the maintenance of personnel records, including the contents, confidentiality, access, and retention.

The scope of this Performance Audit did not include an audit of individual personnel records to ascertain whether or not employee records are being stored and maintained in accordance with Board Policy. Of note, the HR Division reports that an external audit of employee personnel records has not been formally conducted, but that HR staff periodically conduct self-audits to ensure compliance. However, the audit team did review how AACPS maintains and retains personnel records for current and former employees.

Management and retention of employee personnel records is the responsibility of the Senior Manager of Records Management and Quality Control. At present, personnel records for current and former employees are stored as paper files in filing cabinets located in three separate storage rooms at the AACPS central office building (located at 2644 Riva Road, Annapolis), or at an off-site warehouse facility. HR Division management estimates that personnel records consume approximately one-half mile of linear footage within this building, which many agree is at maximum capacity for staff and storage. A previous audit of the HR Division (conducted in 2017) noted that employee records were not properly protected against damage due to fire. This has since been corrected with the installation of a fire suppression system (i.e., sprinkler system) in 2018.

Board Policy GAB requires AACPS to retain personnel records in accordance with state and federal law and regulations. The current records management practice of AACPS retains employee personnel records for a minimum of five years beyond the date of final employment. The HR Records Retention Schedule provided to the audit team suggests that some personnel records are being retained significantly longer than what is required by AACPS Board Policy, Federal, or State of Maryland record retention requirements. For example, the AACPS HR Records Retention Schedule states that employee personnel folders, benefit folders, medical files, driver files, grievance files, workers compensation files, and payroll records be retained seven years after separation of employment and 10 years if the employee is terminated, and then destroyed. Federal requirements state that most of these records are to be maintained for three years (or less in some cases), while the State of Maryland requires most of these records to be maintained for five years (or less in some cases). Further, the retention schedule provided to the audit team did not include a schedule of when and which records are relocated off-site or are purged and destroyed.

Maintaining employee documents in electronic form has obvious benefits, including reduced cost (in the long term), ease of accessibility, storage efficiency, and security, and best practice HR organizations operate in a paperless environment. Further, employee files are subject to audits, regulations, controls, and specific retention periods, and relying on digital files instead of paper files dramatically reduces the burden of compliance.

**Recommendation 4.6: Streamline and standardize the new employee orientation and onboarding processes.**
All new permanent and temporary employees of AACPS attend a mandatory New Employee Processing Session prior to their start date. The New Employee Processing Session is managed by the Transition Specialist within the HCM unit of HR. Sessions are held bi-weekly and are approximately four or more hours in length, during which time all paperwork is completed and submitted, including tax forms, direct deposit, Form I-9, etc. New employees are also fingerprinted for the required criminal history background checks. During the session, new employees spend more than an hour watching a series of SafeSchools videos about AACPS, workplace safety, and ethics. In Gibson’s focus group sessions with newly-hired teachers, many felt that this experience could be improved by allowing employees to 1) submit required paperwork in advance online, and 2) watch the required videos online at home. While submitting new hire paperwork is unavoidable, most of the new employees described feeling “overwhelmed” during this process. Of note, most employment documentation is submitted to AACPS in paper form. Further, these newly-hired AACPS teachers said that much of their time during the New Employee Processing Session was spent “waiting around” while others met with HCM staff to complete their paperwork.

At the campus level, however, new employee orientation and onboarding is inconsistent. Focus group participants reported a wide range of experiences – some significantly more positive than others. For example, some newly hired teachers said their campuses were well-prepared for their arrival. Principals or administrators had been in communication with them via e-mail prior to their first day, provided campus “swag” upon arrival, and greeted them in a “welcoming way.” On the contrary, other new teachers said they were not given a tour of the school, not provided with a room key, and generally did not feel welcomed. Regarding the school system’s information systems, such as TIENET, some focus group participants reported difficulty accessing the system because they were not initially provided with a username and passcode, while all focus group participants expressed the need for more training on how to navigate and use this platform. Teachers who started mid-year tended to report a more negative experience.

Different from new hire orientation, onboarding is the process of helping new hires adjust to the social and performance aspects of their new jobs by ensuring they have what they need to be successful. In fact, research shows that organizations that have an effective onboarding program retained 91 percent of their first-year employees. Effective onboarding programs typically start from the first day of employment and last through an employee’s first year.

While the HR Division is responsible for the transactional details of hiring new employees, such as ensuring paperwork is completed and employee data is correctly entered into CGI Advantage HRM, other departments within AACPS are responsible for employee onboarding activities. The Office of Professional Growth and Development provides an annual New Teacher Orientation program (Right Start Advisor Program) during the summer, while the Divisions of Transportation and Food and Nutrition Services provide orientation for new employees in their respective areas. New teachers provided mostly positive feedback to Gibson regarding the school system’s Right Start Advisor Program.

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6 Society of Human Resources Management.
Successful employee orientation and onboarding should be a key component to AACPS’ strategic human resource management strategy (as described previously). With the high cost of employee turnover, effectively integrating new employees into the school system and culture is important to ensuring their success. The HR Division should be responsible for developing a comprehensive onboarding program that is coordinated and seamlessly integrated with the goals and objectives of all departments and campuses. Specifically, the HR Division should:

- Utilize technology to streamline the New Employee Processing Session. The *Unified Talent Hire* platform allows for the collection of most required employment documents, such as transcripts, service records, resumes, references, criminal history verification, and documents all correspondence with new hires prior to their start date. The addition of the *Unified Talent Records* module would allow for a completely paperless onboarding process, thus eliminating the need for in-person HR processing. *Records* is equipped to manage and electronically collect I9’s, W4’s, Social Security number verification, driver's license information, direct deposit information, benefits enrollment, all compliance training and/or acknowledgments, employee handbook and policy information, job descriptions, etc. There are other similar platforms; however, it is recommended to utilize module functionality within the same platform for integration of information.

- Allow new employees to access and view required SafeSchools videos and compliance trainings at their convenience. (Of note, management reports that effective 2020-21 school year, all new employees will watch safe schools’ videos at home, will complete all paperwork and bring it with them to processing, and have the opportunity to meet with benefits and retirement personnel when turning in their paperwork.)

- Provide checklists to departments and campuses to guide their orientation and onboarding processes. (Of note, management reports that they have begun to implement this recommendation since the initiation of the performance audit).

- Survey new employees to solicit anonymous feedback regarding their experience during the first week or month on the job. This will help to identify any patterns across departments or campuses, and will provide a fresh perspective on opportunities to improve practices.

- The role of HR in the onboarding process should include the following components:
  - New hire processing (e.g., required documents and/or information management to establish the applicant as an employee);
  - Introduction to the organizational culture (e.g., defining and sharing the profile of an AACPS employee/educator, a welcome video from the Superintendent); and,
  - Compliance (e.g., required pieces of training and acknowledgments, handbook, policy, child abuse awareness, sexual harassment, etc.).
Recommendation 4.7: Standardize the position review and reclassification process.

Positions are classified to facilitate organizational structure, position control, and salary management. Proper classification assists in maintaining internal equity related to the overall responsibility and scope of a job, and placement in an appropriate salary level on the school system’s salary schedule. Each position is generically defined by an established class (or grade) specification, and specifically defined by a job description that delineates the essential functions of the job and the actual duties the position’s incumbent must perform. Position classification typically occurs when a new position is created. Reclassification of an existing position is generally considered when there have been substantial and permanent changes to the work being performed.

The HR Operations Specialist is primarily responsible for administering all activities related to position classifications, including conducting individual, group, and organizational studies; participating in job analysis and desk audits; assigning jobs to pay grades; and writing and revising job descriptions. At the time of this performance audit, a freeze on all position reclassifications was in effect because the HR Division is in the process of reviewing and revising its position reclassification procedures. Until the freeze, all reclassification requests were initiated by department managers and submitted to HR throughout the year. Managers lacked clear guidelines on the criteria for requesting a position reclassification, and the “ad hoc” process made it difficult for HR to plan for and prioritize reclassification requests. Further, AACPS did not have an annual budget amount set aside for position reclassifications, which could result in a significant fiscal impact. For example, if the reclassification review resulted in an upgrade to the job, all affected employees received a five percent upgrade in pay and were placed on the step in the grade closest to the newly calculated rate.

HR’s self-assessment also identified deficiencies related to the frequency and consistency with which job descriptions are reviewed, as well as the process for maintaining them. Currently, job descriptions are only reviewed at the initiation of managers, or to post a vacancy. This has resulted in inconsistencies in which jobs are evaluated and possible inequities in “like” jobs across AACPS. The HR Division identified 119 positions associated with 3,774 employees that have not been updated in more than seven years. Job descriptions are currently maintained in SharePoint, which requires that they be manually uploaded and reviewed. Not only is this process inefficient, but it also does not enable analysis or reporting on job descriptions by unit, grade, last update date, keywords, etc.

To address these issues, the HR Division intends to 1) establish a standard eight-year job description review process and cycle; 2) reinstitute a formal process for conducting job evaluations; 3) explore the purchase of a job description management application software; 4) participate in compensation surveys; and, 5) increase HR staffing levels to reflect the increase in workload associated with the revised processes and procedures. HR intends to develop a communication and training plan as part of the implementation of revised procedures.

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7 AACPS Human Resources Operations Specialist job description (last updated 3/1/2019).
Gibson fully supports the HR Division’s initiative to develop a standardized approach for conducting job analyses and reviews, developing an annual budget for reclassifications, and automating the maintenance and storage of job descriptions. HR should also explore existing functionality of the job template/description tool within the *Unified Talent* application to determine whether or not it will meet its needs. By using the platform tools, AACPS would have a database of job descriptions to build upon.

In addition to the current efforts to implement a job description review and position reclassification process, the work should include:

- Depersonalization of job descriptions to ensure that they are written for the position and not for the individual occupying the position (which is evident in many of the job descriptions reviewed by Gibson).
- All federally funded or categorically funded positions require the oversight, collection, and documentation of acknowledgment of job descriptions by division overseeing federal programs and grants.
- Classification based upon level of responsibility, budgetary, or personnel oversight.
- Documentation of presentation to and approval by the Board of Education.

**Recommendation 4.8: Administer surveys to measure customer’s satisfaction with HR’s performance in providing a wide range of services.**

The audit team solicited feedback from a cross-section of AACPS employees at all levels in the organization during interviews and focus groups to gauge their level of satisfaction with the quality and efficiency of the various services provided to them by the HR Division. With few exceptions, employees were generally very positive in their attitudes toward the HR Division and characterized the HR staff as “customer friendly,” “accessible,” and “always willing to help.” While this anecdotal feedback is favorable, there were some general concerns expressed by employees related to some business process inefficiencies associated with employee onboarding, licensure and certifications, payroll, and position reclassifications. The HR Division does not currently solicit feedback from its various customer groups – which includes current and former employees, retirees, temporary staff, job applicants, and department hiring managers – so it is unable to systematically measure the degree to which customers are satisfied with the level and/or quality of services and communications they receive from the HR Division.

Soliciting customer feedback through the use of a survey is a proactive and important way to measure the satisfaction and effectiveness of the services provided by the HR Division, and to identify strengths and areas in need of improvement. A link to an online survey should be included on the AACPS website as well as emailed to customers after each interaction with HR. Customer service survey results can be automatically summarized into a management report that should be monitored monthly, or more often if needed. Survey results should also be incorporated into the Division’s performance measurement process, in addition to the results of an annual employee engagement survey.
Chapter 5 – Information Technology

Introduction

The use of technology has enabled school systems to enhance operational, instructional, and business efficiency and effectiveness. Technological advances in hardware and software, combined with increasingly affordable pricing, allows school systems of all sizes to use information systems to perform vital functions. An effective information system provides many benefits, including more efficient operations through speed of processing, increased management information and analysis to support decision-making, the ability to integrate programs more seamlessly, and the ability to provide highly efficient communications systems. Technology can help automate manual activities and reduce the clerical demands of transaction processing, allowing more time to be spent on analyzing than processing data.

The Anne Arundel County Public Schools (AACPS) Technology Division is very responsive to the organization, always stepping forward to satisfy the requests of programs and departments, and to provide a robust technology infrastructure. However, as discussed in previous chapters, the departments subject to this performance audit continue to operate in a highly manual, paper-intensive process – contrary to the Strategic Plan goal of optimum efficiency. While the departments are primarily responsible for their processes and related efficiency, the Technology Division could be providing a more visionary role in determining how current and emerging technologies can help streamline processes and even improve departmental effectiveness. This Chapter offers several recommendations to help accomplish this:

- Develop a long-range technology plan and performance accountability framework.
- Reorganize the Technology Division to establish a more logical alignment of functions that better supports accountability.
- Develop a campus technology support staffing formula based on devices and enrollment.
- Develop a Service Level Agreement for all technology services.
- Create a Project Management Office (PMO) to enable LEA to achieve organization-wide operational efficiency and effectiveness.

The remainder of this Chapter provides background information related to the Technology Division, and discusses these recommendations in greater detail.

Background

The Anne Arundel County Public School’s technology function is primarily supported by the Technology Division; however, two other divisions have a role in supporting the technology function – The Office of Instructional Technology (OIT), which is under the Curriculum and Instruction Division, supports
instructional technology needs at schools; and the Instructional Data Division, which manages the Local Education Agency’s (LEA) Student Management System’s (SMS) user support function.

The Technology Division is led by the Chief Information Officer (CIO), who reports to the Chief Operations Officer (COO). Although the CIO does not directly report to the Superintendent, this position is part of the Superintendent’s executive team which meets twice a month, where they discuss major district initiatives and issues. The CIO also has a standing meeting with the Superintendent quarterly. The CIO meets with Senior Managers weekly, and the Senior Manager of OIT attends these weekly meetings.

The Technology Division’s primary functions are organized into the following five groups:

- **Technology Applications** – supports all LEA-wide applications such as the SMS and Enterprise Resource Planning (ERP) system, also known as the finance and human resources system. In addition to application support, this unit develops custom applications to meet the information system needs of the LEA.

- **Technology Support Services** – manages the LEA-wide technology help desk and the campus-based Technology Support Technicians who provides technology support to their assigned campuses.

- **Telecommunications and Business Management** – supports audio visual equipment, the phone system (including cell phones), and manages the LEA computer refresh plan and e-rate applications. This unit also manages the division’s budget.

- **Technology Operations** – manages LEA-wide wired and wireless networks, related equipment, and cabling, and provides operational application support.

- **Information Security** – responsible for all technology security functions and provides support for AACPS servers and data storage needs.

Figure 5.1 presents the high-level organizational chart of the Technology Division.
Figure 5.1. Technology Division Organizational Chart (High-Level)

Source: AACPS, Technology Division organizational chart, 2020

According to the February 2020 technology inventory report, the Technology Division supports and maintains 87,794 computers (desktops and laptops) and 24,749 other instructional devices including interactive whiteboards and projectors. Figure 5.2 presents the different types of computer devices supported.

Figure 5.2. Number of AACPS Computers by Type, 2019-20

Source: AACPS, Technology Inventory reports, February 2020

Figure 5.3 presents the distribution of other instructional device types supported.
Figure 5.3. Total Number of AACPS Other Instructional Devices, 2019-20

Source: AACPS, Technology Inventory reports, February 2020

Over the past five years, AACPS Technology Division staffing levels have remained unchanged at 78 FTE positions. Campus-based Technology Support Technician positions have increased by 4.5 FTEs since 2015-16. Table 5.1 presents the Technology Division staff counts, campus-based Technology Support Technician counts, and changes by position, for 2015-16 and 2019-20.

Table 5.1. AACPS Technology Division Staff FTE for Position Categories, 2015-16 to 2019-20

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<th>2019-20</th>
<th>Change</th>
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<td>1.0</td>
<td>1.0</td>
<td>0</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>5.0</td>
<td>5.0</td>
<td>0</td>
</tr>
<tr>
<td>Manager</td>
<td>1.0</td>
<td>1.0</td>
<td>0</td>
</tr>
<tr>
<td>System Administrator</td>
<td>8.0</td>
<td>8.0</td>
<td>0</td>
</tr>
<tr>
<td>Analyst</td>
<td>28.0</td>
<td>26.0</td>
<td>(2)</td>
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<tr>
<td>Specialist</td>
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</tr>
<tr>
<td>Technician</td>
<td>8.0</td>
<td>8.0</td>
<td>0</td>
</tr>
<tr>
<td>Programmer</td>
<td>2.0</td>
<td>3.0</td>
<td>1</td>
</tr>
<tr>
<td>Secretary</td>
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<td>1.0</td>
<td>0</td>
</tr>
<tr>
<td>Technology Division Total</td>
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<td>0</td>
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<tr>
<td>Technology Support Technician</td>
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<tr>
<td>Grand Total</td>
<td>146.5</td>
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</table>

Source: AACPS, Technology Division staff and position data from 2015-16 to 2019-20

While staffing has remained constant, AACPS has made significant investments in technology equipment and infrastructure over the past five years. Technology Division operating expenditures increased from $27.2 million in 2014-15 to $45.7 million in 2018-19, an increase of 68 percent. Approximately $7.6 million of the $18.4 million increase was related to investments in communication infrastructure including internet service, fiber, and phone lines. An additional $9 million was invested in 19,000 Chromebooks, various wireless and networking equipment, and cabling related to school-based wireless infrastructure. Table 5.2 presents AACPS Technology Division operating expenditures by object type for 2014-15 and
2018-19, along with the percentage change. It is important to mention that Technology Division expenditures do not include employee benefits. Employee benefits expenditures for the entire LEA are reported under a separate budget category.

**Table 5.2. AACPS Technology Division Operating Expenditures, 2014-15 to 2018-19**

<table>
<thead>
<tr>
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<td>3000 Supplies and Materials</td>
<td>$4,637,540</td>
<td>$9,696,321</td>
<td>109%</td>
</tr>
<tr>
<td>4000 Other Charges</td>
<td>$2,859,089</td>
<td>$10,513,249</td>
<td>268%</td>
</tr>
<tr>
<td>5000 Lands Buildings and Equipment</td>
<td>$788,837</td>
<td>$4,887,704</td>
<td>520%</td>
</tr>
<tr>
<td>Total</td>
<td>$27,264,273</td>
<td>$45,690,602</td>
<td>68%</td>
</tr>
</tbody>
</table>

Source: AACPS, Technology Division expenditures data from 2014-15 to 2018-19

Table 5.3 presents the Technology Division operating expenditures as a percentage of total operating expenditures in 2014-15, 2018-19, and the 2019-20 budget. Although Technology Division expenditures increased in proportion to total operating expenditures from 2014-15 to 2018-19 (for reasons described above), the 2019-20 budget returned to the 2014-15 spending percentage.

**Table 5.3. Technology Division Operating Expenditures as a % of Overall Operating Expenditures, 2014-15, 2018-19, and 2019-20 Budget**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Division</td>
<td>$27,264,273</td>
<td>$45,690,601</td>
<td>$32,157,696</td>
</tr>
<tr>
<td>AACPS</td>
<td>$926,562,337</td>
<td>$1,037,616,887</td>
<td>$1,112,100,200</td>
</tr>
<tr>
<td>Technology Expenditure as a % of Total Expenditures</td>
<td>2.9%</td>
<td>4.4%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Source: AACPS, Technology Division expenditures data from 2014-15 to 2019-20 budget

AACPS peer groups organize their technology functions differently and thus limit the relevance of spending and staffing comparisons. Non-recurring technology investments also limit the usefulness of peer comparisons. The following organizational differences were noted during a review of peer LEA technology functions:

- One LEA technology division included instructional technology.
- Other peer LEAs focused more on infrastructure functions only.
- School-based technology support staff was part of the central Technology Division in some peers and part of the school-based staff in others.
Recommendations

Recommendation 5.1: Develop a long-range technology plan and performance accountability framework.

The third driving value of the AACPS 2018-23 Strategic Plan states that “AACPS Business Practices are designed for Quality, Effectiveness and Efficiency….and we are committed to continuing the prudent development, deployment, and evaluation of streamlined business processes...” As described in other chapters of this report, this driving value is not sufficiently supported by strategies to make this happen, and as a result, many of the processes in the areas subject to this performance audit are highly manual, paper-intensive, and inefficient. While the primary responsibility for efficiency rests with the operating departments (e.g., Financial Services and Human Resources), technology obviously plays an important role in helping AACPS achieve this goal.

Currently, the Technology Division does not have a long-term plan that aligns with the AACPS Strategic Plan. The AACPS Operating Budget provides budget outcomes and goals for each division, including the Technology Division. Below are the Technology Division’s budget outcomes/priorities for the 2020-21 AACPS Operating Budget:

- Work with all facets of the AACPS Instructional and Business Communities to ensure that all Technology Solutions developed to satisfy needs are properly designed, constructed, tested, implemented, and supported.
- Continue to expand the refresh program for computer equipment where equipment (desktop and laptop computers, monitors, servers) are leased through a multi-year agreement. At the end of the lease term, the existing equipment is replaced with new equipment at little or no additional cost.
- Increase number of computers in the refresh program and additional school-based technology needs.
- Add data threat protections on the AACPS network to include:
  - Internet Service Providers – Distributed Denial of Service attacks (DDoS)
  - Email System – Advanced Threat Protection (ATP)
  - Network – Advanced Malware Protection and Intrusion Prevention System (IPS)
  - These preventative measures will help alleviate unwanted malicious electronic attacks that expose AACPS to serious data breaches in systems including Human Resources, Payroll, and Student Information Systems
- Continue to expand and support the very successful implementation of Chromebooks in support of the many instructional initiatives that take advantage of the low-cost technology, from online instructional websites and digital textbooks to online testing.
Beyond these outcomes, there are no other short-term or long-term planning documents that guide the technology function. There are several shortcomings with the current approach. First, the list above reflects planned outcomes for the coming year, but does not look beyond that. For the Technology Division to adequately meet the objectives of the five-year Strategic Plan, it too must have a long-term plan. The lack of a longer-term plan inhibits the ability to demonstrate the Technology Division’s alignment with the AACPS Strategic Plan and its role in improving efficiency and effectiveness.

Second, the scope of the outcomes above do not address all areas of the scope of responsibility of the Technology Division. Each organizational unit of the Technology Division should be included in a technology planning document.

Third, there are no short-term or long-term measurable performance objectives that could be used to hold the Division accountable for performance.

The Technology Division should create a long-range vision and technology plan to ensure that Information Technology (IT) strategy appropriately aligns with the AACPS driving values. The plan should consider current and prospective organizational technology needs, existing and emerging technologies, staffing, and other resource requirements, and include goals and measurable performance objectives for each component of the Technology Division. Table 5.4 presents sample components of a long-term technology plan.

### Table 5.4. Long-Term Technology Plan Components and Examples

<table>
<thead>
<tr>
<th>Technology Strategic Plan Components</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional and operational support drivers and business needs</td>
<td>One-to-One device ratio</td>
</tr>
<tr>
<td></td>
<td>Standardized Smart classroom</td>
</tr>
<tr>
<td></td>
<td>Data-driven decision-making</td>
</tr>
<tr>
<td></td>
<td>Achieving automated and paperless processes</td>
</tr>
<tr>
<td>Guiding Principles</td>
<td>Service and customer oriented</td>
</tr>
<tr>
<td></td>
<td>Accountable</td>
</tr>
<tr>
<td></td>
<td>Balance security needs with collaboration needs</td>
</tr>
<tr>
<td>Strategic Goals</td>
<td>Efficient and reliable infrastructure</td>
</tr>
<tr>
<td>Objectives for each goal</td>
<td>Streamline data center operations and infrastructure by leveraging cloud computing so we can achieve scalable, cost-efficient, and rapidly deployable computing capabilities</td>
</tr>
<tr>
<td>Implementation strategies to achieve objectives</td>
<td>Adopt and implement server virtualization technologies to reduce physical server footprint and energy costs; Migrate list of applications to externally hosted cloud-based platforms</td>
</tr>
<tr>
<td>Metrics for each implementation strategy/objective to measure achievement</td>
<td>Percentage of the population of servers that are hosted on virtual servers versus physical servers; Percentage of Applications that are hosted internally compared with those hosted externally in the cloud</td>
</tr>
</tbody>
</table>

Source: Gibson Consulting Group, 2020
Key Performance Indicators (KPI) will help measure progress against the measurable objectives. Some common performance indicators tracked for school system technology functions include:

**Support Group**
- Average Age of Computers
- Devices per Employee
- Devices per Student
- Break/Fix Staffing Cost per Ticket
- Help Desk Staffing Cost per Ticket
- Average Technology Support Ticket Resolution Time

**Operations Group**
- WAN – Availability
- WAN – Utilization
- WAN Latency/Performance

**Telecommunications and Business Group**
- IT Spending per Student
- IT Spending Percent of District Budget

**Applications Group**
- Major Application Percentage Uptime
- On-time Project Completion Percentage
- Planned Hours versus Time Spent
- Number of Change Requests

**Information Security Group**
- Number of Incidents Reported
- Days to Patch
- Time to Detection
- Time to Resolution

KPIs should allow management to gauge the effectiveness of various functions, help achieve organizational goals, and measure progress against its plan.
Recommendation 5.2: Reorganize the Technology Division to establish a more logical alignment of functions that better supports accountability.

As discussed in the Governance Chapter of this report, there are two primary principles applied in the development of organizational charts – logical alignment of functions, and span of control. Logical alignment of functions speaks to whether the aggregation of responsibilities makes sense and can be suited to the particular skill sets of leadership positions. The risk of misaligning a function is that the leadership position over that function may not have the skill requirements that support effective supervision and oversight of that function. This, in turn, could limit the unit’s effectiveness and ability to achieve goals and objectives. Another risk of misalignment is that it can create organizational barriers that constrain necessary communications with other related departments, making the unit more people-dependent than process-dependent. There are no absolutes in logically aligning functions, but the factors above should be considered so that the organizational structure effectively supports, not inhibits, accountability.

Span of control refers to the number of direct reports to a supervisory position. Several factors can affect organizational span of control, including the degree of complexity or homogeneity of the reporting functions, the size (in terms of personnel and/or spending) of the reporting functions, and physical location of staff.

In its quest to achieve balanced spans of control in the Technology Division, some technology functions have been aligned to meet this objective at the expense of a more logical alignment of functions. The benefit of the current approach is that each of the Senior Managers have multiple positions reporting to them, reflecting a more balanced level of responsibility commensurate with the senior manager position level. The disadvantage of this approach is that some units are fundamentally different from the intended scope and responsibility of the senior manager positions to which they report. As described above, this can limit the technical leadership over these areas and put organizational goals and objectives at risk.

There are three areas where functions are misaligned – under Information Security, Technology Operations, and Telecommunications and Business Management. Each of these areas are discussed below.

Information Security

System Administration is inappropriately aligned under Information Security. This group maintains and supports the LEA’s storage equipment and servers, and manages the LEA network operating system – Microsoft Active Directory. Microsoft Active Directory allows users to have secure access to LEA resources, as well as email servers. The group is also responsible for ensuring that the LEA’s networks, data, applications, and technology infrastructure are secure and properly protected against potential attacks from inside and outside the LEA. The organizational chart for Information Security is presented in Figure 5.4.
The Information Security function is a high-risk function in AACPS that supports the entire technology infrastructure. However, because of the highly specialized and focused nature of this area, it does not require significant staff to support it. The risk and potential impact of information security breaches justifies its level as a Senior Manager reporting directly to the Chief Information Officer. However, in an attempt to provide a span of control commensurate with other senior manager positions, the entire Systems Administration unit is aligned under Information Security. This function does not directly relate to the scope of responsibility of Information Security, and other units of technology operations (Network Services) are aligned under a different group.

The Systems Administration and related server operating functions are more similar to, and should be aligned with, Network Services under the Technology Operations Senior Manager, as they are part of Technology Operations.

**Technology Operations**

The System Analyst and Computer Technicians are inappropriately aligned under Network Operations. The organizational chart for Technology Operations is presented in Figure 5.5. While the job titles imply computer (technology) operations, these positions are responsible for batch processing and printing, as
well as back-up services, among other functions supporting legacy systems. Most of the batch processing and printing functions are related to software applications.

**Figure 5.5. Technology Operations Organizational Chart**

These positions (shaded above) would be more logically aligned under Technology Applications. Depending on the direction in the long-range technology plan (see Recommendation 1), these positions may be reconstituted.

**Telecommunications and Business Management**

The audio/visual (AV) and telephone support functions are inappropriately aligned under the Telecommunications and Business group. Figure 5.6 presents the organizational structure of the Telecommunications and Business group. The AV Equipment Manager/Technician and Telephone Field Specialist provide support for AV equipment and LEA telephones. The Senior Manager of this group fulfills critical but unrelated business and project responsibilities such as managing the computer device refresh plan, the LEA e-rate application, and the Division’s budget.
The AV equipment and the telephone support function should be aligned with the other device support functions under the Technology Support Services group. This will give the Technology Support Services Senior Manager the ability to manage and coordinate all device support. The remaining business functions should continue to serve in a direct reporting capacity to the CIO since this function, like Information Security, supports all technology areas. Due to the functional changes under this group, changing the title of the senior manager from “Telecommunications and Business Management” to “Business Management and Technology Initiatives” would be better suited.

Additional implementation strategies related to the organizational structure are discussed below:

**Technology Applications**

The Technology Applications group of the Technology Division maintains and supports more than 80 critical LEA-wide applications, including the core business and student information systems (CGI Advantage Finance, CGI Advantage Human Resources, and PowerSchool Chancery for student management). The group also maintains and supports more than 53 in-house developed custom applications. Figure 5.7 presents the Technology Applications group organizational chart. There are five areas in the Technology Applications group. Each area is led by a Senior Systems Analyst Team Leader who is responsible for their area and its applications. Underneath these team leaders there are collectively twelve Senior System Analyst positions, one Programmer Analyst position, one Technical Analyst, and one Business Application Analyst. This group also has two Database Administrators that support the entire group.

Below is an overview of each area within the Technology Application group:

- **Financial Systems** – supports all aspects of the CGI financial system and its modules
- **Student Systems** – maintains and supports the AACPS’s Student Management Systems and its modules
- **Human Resources** – maintains and supports the CGI Human Resources system and its components
- **SharePoint** – manages and supports the District’s SharePoint intranet portal
- **School Support Services** – supports and manages information systems for Food Services, Transportation and Facilities

All areas configure and customize the information systems they are responsible for based on the requirements and needs of AAPCS users.

**Figure 5.7. Technology Applications Group Organizational Chart**

There are 13 programmers (Programmer or Senior Programmer Analyst) collectively under the team leads. However, these programmers are not distributed evenly among areas. For example, Human Resources has five programmers, Student Systems has four, Finance has two, and SharePoint and School Support Leads have one programmer each. Dedicating these technical resources to each area may have benefits including specialization and familiarity with the supported systems and functionality. However, the current approach can also foster inequity when the project workload for each area does not match the staff levels it needs. Since the Technology Application group standardizes its development platform to .NET across all areas, the group can and should utilize a more flexible staffing allocation to include “floater” programmers that can serve multiple areas. The group should dedicate two programmers to Finance, Human Resources, and Student Systems, and one programmer to SharePoint and School Support Systems, and convert the remaining five programmer positions to floater positions. This will allow the
Technology Application Senior Manager to better deploy these programmer resources where the project needs are.

**Technology Support Services**

There are some software applications being developed for other AACPS divisions by the Technology Support Services group. This group maintains and supports student and staff devices, including desktops, Chromebooks, laptops, and printers for the entire LEA – with assistance from campus-based Technology Support Technicians. In addition to opening technology support tickets, the Help Desk staff troubleshoots hardware and all in-house application support questions. The Technology Support Services group is also responsible for all administrative application training and hardware repair services. The organizational structure for Technology Support Services is presented in Figure 5.8.

**Figure 5.8. Technology Support Services Organizational Chart**

![Organizational Chart of Technology Support Services]

Source: AACPS, Technology Division organizational chart, 2020

According to the job description, the Senior User Support Specialist (shaded above) is responsible for the development of *New Remedy Action Request System* (ARS) applications and supporting existing applications. *New Remedy ARS* is a rapid development platform where software applications can be developed. The Technology Division’s ticketing system is developed under this platform, as well as other Technology Division needs including the school technology inventory capturing program. Based on interviews with AACPS staff, there are other divisions which are seeking to draw on the expertise of this capability to build similar programs for their use. Although these activities are part of the job description...
and automating manual processes are needed for AACPS, any application or program development activities outside the control of the Technology Applications group may create a security risk for the organization. The applications or programs that are developed for other divisions by the Technology Support Services group may not go through the same software development life cycle steps, including testing. Further, it is difficult to apply the same development methodology and rigor if applications or programs are developed by different Technology Division groups. The Division should move any positions that have application or program development responsibilities supporting other divisions under the Technology Applications group.

Figure 5.9 presents the proposed organizational structure for the AACPS Technology Division based on the proposed recommendations above. The new alignments are reflected by the shaded boxes on the chart.

Figure 5.9. Proposed AACPS Technology Division Organization Structure

Source: Gibson Consulting Group

Similar to other organizational changes recommended in this report, the above chart should be considered a long-term goal of the Technology Division, and any planned reorganizations, attrition, or changes prompted by other factors should consider these recommended realignments.
Recommendation 5.3: Develop a campus technology support staff formula based on devices and enrollment.

Campus technology support is divided into two geographic regions – a south region and north region. Each Senior Technology Support Specialist is responsible for their own region. Under each region, campuses are divided into three sections which are based on the school feeder patterns, and each section is supported by a Technology Support Specialist. Based on the staffing formula of 0.5 FTE for elementary campuses and 1 FTE for secondary campuses, 74 campus-based Technology Support Technicians (TST) report to their Technology Support Specialist – in addition to their campus principals – to provide consistent technology support across campuses.

TSTs are responsible for maintaining and supporting all campus technology. They also act as the liaison between the campus and central office technology division personnel related to technology issues.

The current allocation formula for TST positions creates workload inequities across schools. An analysis of the LEA’s staffing data shows that all schools have TST position allocations consistent with the LEA’s staffing formula over the past 5 years. Elementary schools each have 0.5 FTE, and most high and middle schools have 1 FTE. LEA’s special schools and other locations have 0.5 or less FTE. Table 5.5 presents TST staff counts (FTEs) by school type for the past five years.

Table 5.5. Instructional Technology Specialist FTE by School Level, 2015-16 to 2019-20

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>37.8</td>
<td>37.6</td>
<td>38.0</td>
<td>38.3</td>
<td>38.3</td>
<td>77</td>
<td>0.49</td>
</tr>
<tr>
<td>Middle</td>
<td>15.2</td>
<td>15.4</td>
<td>17.0</td>
<td>17.0</td>
<td>18.0</td>
<td>19</td>
<td>0.94</td>
</tr>
<tr>
<td>High</td>
<td>12.0</td>
<td>11.0</td>
<td>12.0</td>
<td>12.0</td>
<td>13.0</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
<td>3.7</td>
<td>3.7</td>
<td>11</td>
<td>0.3</td>
</tr>
<tr>
<td>Grand Total</td>
<td>68.5</td>
<td>67.5</td>
<td>70.5</td>
<td>71.0</td>
<td>73.0</td>
<td>120</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: AACPS, Staffing Data, 2015-16 to 2019-20

Note: The last column is a ratio between the 2019-20 FTEs and the 2019-20 number of schools.

The two primary drivers of TST workload are the number of students and the number of devices supported. Figure 5.10 illustrates the large variations in workload – based on the number of students (x-axis) and devices (y-axis) supported by 0.5 FTE – across elementary schools. The workload of a half-time position ranges from 219 students and 370 devices, to 679 students and 1,318 devices.
Figure 5.10. Number of students and devices supported by 0.5 TST FTE in Elementary Schools

Source: AACPS Staffing Data and AACPS device inventory report, Spring 2020

Figure 5.11 presents the variation of secondary schools TST workloads using the same measures. The workload for 1 FTE ranges from 657 students and 1,119 devices to 2,281 students and 2,577 devices.

Figure 5.11. Number of students and devices supported by 1 TST FTE in Secondary Schools

Source: AACPS Staffing Data and AACPS device inventory report, Spring 2020

The Technology Division has developed a staffing plan that adds additional TSTs based on number of students and devices without reducing any schools existing support levels. The plan adds 18 FTEs in three phases. Table 5.6 presents the Technology Division’s proposed TST staffing plan.
Table 5.6. Technology Division Proposed TST Staffing Plan

<table>
<thead>
<tr>
<th>Phase</th>
<th>Requested FTE</th>
<th>Staffing Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>7</td>
<td>Staff all schools with &gt;=750 &lt;=1400 Devices/Enrollment with 1.0 FTE TST position</td>
</tr>
<tr>
<td>Phase 2</td>
<td>3</td>
<td>Staff all schools with &gt;=1400 &lt;=2000 Devices/Enrollment with 1.5 FTE TST positions</td>
</tr>
<tr>
<td>Phase 3</td>
<td>8</td>
<td>Staff all schools with &gt;=2000 Devices/Enrollment with 2.0 FTE TST positions</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td></td>
</tr>
</tbody>
</table>

Source: AACPS Technology Division, Spring 2020

Although the Technology Division’s plan allocates support staff based on devices and/or enrollment, it does not address the inequity among schools that have less than 750 devices or students.

As described above, AACPS has divided TST support into north and south regions, and each region is divided into three feeding pattern school groups – resulting in six groups. AACPS should allocate TST staff to these groups based on the 1,400 devices or students to 1 FTE formula instead of allocating FTE to each school. The Technology Support Specialist who manages the TSTs in each group can manage the support of their schools based on the number of FTEs they receive according to the ratio. Based on this formula, not all elementary schools will have 0.5 FTE regardless of their enrollment or device count. Instead, the support staff will be allocated based on the device and enrollment numbers. Table 5.7 shows the current and proposed TST FTE numbers based on the 1,400 to 1 support staff ratio.

Table 5.7. Current and Proposed TST staffing allocations

<table>
<thead>
<tr>
<th>School Type</th>
<th>Current Staffing</th>
<th>1400 to 1 Ratio</th>
<th>FTE Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>38.5</td>
<td>36.4</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Secondary</td>
<td>31</td>
<td>39.4</td>
<td>8.4</td>
</tr>
<tr>
<td>Total</td>
<td>69.5</td>
<td>75.8</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Source: Gibson Consulting Group, AACPS Technology division staff data, Spring 2020

Recommendation 5.4: Develop a Service Level Agreement for all technology services.

The primary purpose of a service level agreement (SLA) is to provide an objective measure of performance and service accountability, and is a best practice applied by many school systems.

A well-defined SLA generally has the following components:

- Service definition and service hours
- Priority definitions based on impact and urgency
- Response and resolution target times
- Service provider team member responsibilities
- Escalation process
Service measuring and reporting

The AACPS Technology Division does not have a written SLA with their customers for their technology services. Without such an agreement, it is difficult to measure the Division’s technical service performance against expectations and determine appropriate staffing levels.

The Division’s technology work order system has detailed information regarding the work order tickets. According to the last two years of work order data (shown in Table 5.8), the Division had resolved 73,048 tickets in 2017-18 and 72,969 tickets in 2018-19. Average days to close a ticket were 7.16 and 6.59 in those years.

**Table 5.8. Total Number of Closed Work Orders and Average Days to Close**

<table>
<thead>
<tr>
<th>Category</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Closed Work Orders</td>
<td>73,048</td>
<td>72,969</td>
</tr>
<tr>
<td>Average Days to Close</td>
<td>7.16</td>
<td>6.59</td>
</tr>
</tbody>
</table>

Source: AACPS Technology Division work order system data

Table 5.9 presents the average number of days to close tickets by category. There are some categories where the average number of days to close a ticket was much higher than the others. Since there is no prioritization guidance, it is not possible to determine of those categories with longer average close days, which tickets were low priority and which ones were more critical time-sensitive tickets.

**Table 5.9. Average Days to Close by Work Order Category**

<table>
<thead>
<tr>
<th>Categories</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network/Internet</td>
<td>1.17</td>
<td>1</td>
</tr>
<tr>
<td>Services (Media)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Printer / Printing</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Hardware</td>
<td>1.12</td>
<td>1.09</td>
</tr>
<tr>
<td>Other Calls</td>
<td>2.85</td>
<td>1.14</td>
</tr>
<tr>
<td>Software</td>
<td>2.19</td>
<td>1.4</td>
</tr>
<tr>
<td>Networking</td>
<td>1.9</td>
<td>1.44</td>
</tr>
<tr>
<td>User ID/Password</td>
<td>2.41</td>
<td>1.73</td>
</tr>
<tr>
<td>Services (TST)</td>
<td>7.46</td>
<td>5.88</td>
</tr>
<tr>
<td>Services (TIS)</td>
<td>10.37</td>
<td>9.86</td>
</tr>
<tr>
<td>No Category Information Provided</td>
<td>8.39</td>
<td>10.58</td>
</tr>
<tr>
<td>Services (AV Repair)</td>
<td>9.54</td>
<td>18.07</td>
</tr>
<tr>
<td>Repair - PC</td>
<td>22.95</td>
<td>24.53</td>
</tr>
<tr>
<td>Repair - Other</td>
<td>34.19</td>
<td>36.73</td>
</tr>
<tr>
<td>Projects (TIS)</td>
<td></td>
<td>58.5</td>
</tr>
<tr>
<td>Repair - Printer</td>
<td>65.12</td>
<td>67.75</td>
</tr>
</tbody>
</table>

Source: AACPS Technology Division work order system data
Due to the different services provided across the Technology Division groups, different service level agreements may be needed for different services. The Division should also include priority designations for each service type. Figure 5.12 provides a sample framework for assigning priorities to services based on the impact and urgency of the service. This framework can be used to support SLA definition, and also be used by help desk staff to properly classify work orders during the work order creation process.

### Figure 5.12. Sample Priority Definitions

<table>
<thead>
<tr>
<th>Impact</th>
<th>Extensive</th>
<th>Significant</th>
<th>Moderate</th>
<th>Localized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service is out for Enterprise</td>
<td>Service is out for many users or degraded for Enterprise</td>
<td>Service is out for 1 user or degraded for many</td>
<td>Service is degraded for 1 user</td>
<td></td>
</tr>
<tr>
<td><strong>Urgency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Critical</strong></td>
<td>Priority - Critical</td>
<td>Priority - High</td>
<td>Priority - Medium</td>
<td>Priority - Medium</td>
</tr>
<tr>
<td>Based on event</td>
<td>Respond – 1 H</td>
<td>Respond – 4 H</td>
<td>Respond – 8 H</td>
<td>Respond – 8 H</td>
</tr>
<tr>
<td></td>
<td>Resolve – 5 H</td>
<td>Resolve – 35 H (1.5 D)</td>
<td>Resolve – 97 H (4 D)</td>
<td>Resolve – 97 H (4 D)</td>
</tr>
<tr>
<td><strong>High</strong></td>
<td>Priority - High</td>
<td>Priority - High</td>
<td>Priority - Medium</td>
<td>Priority - Low</td>
</tr>
<tr>
<td>Required</td>
<td>Respond – 4 H</td>
<td>Respond – 4 H</td>
<td>Respond – 8 H</td>
<td>Respond – 8 H</td>
</tr>
<tr>
<td></td>
<td>Resolve – 35 H (1.5 D)</td>
<td>Resolve – 35 H (1.5 D)</td>
<td>Resolve – 97 H (4 D)</td>
<td>Resolve – 172 H (7 D)</td>
</tr>
<tr>
<td><strong>Medium</strong></td>
<td>Priority - Medium</td>
<td>Priority - Medium</td>
<td>Priority - Medium</td>
<td>Priority - Low</td>
</tr>
<tr>
<td>Important</td>
<td>Respond – 8 H</td>
<td>Respond – 8 H</td>
<td>Respond – 8 H</td>
<td>Respond – 8 H</td>
</tr>
<tr>
<td><strong>Low</strong></td>
<td>Priority - Medium</td>
<td>Priority - Low</td>
<td>Priority - Low</td>
<td>Priority - Low</td>
</tr>
<tr>
<td>Desirable</td>
<td>Respond – 8 H</td>
<td>Respond – 8 H</td>
<td>Respond – 8 H</td>
<td>Respond – 8 H</td>
</tr>
</tbody>
</table>

Source: An example of priority definitions, response, and resolution targets from an IT support organization

The Division should also run periodic reports from the work order system to measure response and resolve times by priority and compare actual performance to the service level targets. The Division should publish the results to its customers and let them know how each group is performing against its service level targets established in SLAs.

**Recommendation 5.5: Create a Project Management Office (PMO) to enable the LEA to achieve organization-wide operational efficiency and effectiveness.**

The Technology Division’s application group has dedicated team leads and programmers who are assigned to finance and human resources functions. According to the application list, they not only support and maintain several commercial applications including the LEA’s Finance and Human Resources application (CGI Advantage and its modules), but they also developed 28 custom applications for users of these functions. Using both types of applications, human resources and finance functions are still relying on manual, paper-intensive processes that are labor intensive. In addition to manual processes, there are several stand-alone systems that these functions use which do not integrate with other systems. As a result, dual data entry into multiple systems may occur. Further, there are modules within the application
software that AACPS owns that can automate manual processes, but that are not implemented. These process inefficiencies are discussed in the respective chapters of this report.

Neither Human Resources, Financial Services, nor Technology has been able to dedicate sufficient resources to the re-engineering of processes and the maximization of currently owned or available software. A Project Management Office (PMO) can help achieve the goal of maximizing efficiency through the use of technology. The primary objective of the PMO should be to maximize the efficiency of its work processes as stipulated in the AACPS Strategic Plan.

The PMO can achieve this by helping evaluate the needs and requirements of individual functions and also by evaluating the needs and requirements of the school system as a whole. This system-wide perspective will allow the PMO office to help design and implement systems and solutions that are integrated and work closely with each other.

The PMO unit should be a separate unit outside of technology. Since many of the projects may involve multiple functional and technical groups, the PMO should report directly to the Chief Operations Officer. This will better support the ability of the PMO to work across multiple functional areas. The PMO unit should have a formal multi-step application project evaluation process that rigorously evaluates the projects which can reduce AACPS’ manual processes. A typical application project evaluation process is described below.

The initial step in the project evaluation process is the “needs assessment.” In this step, users articulate their needs based on the LEA’s instructional and strategic goals. This step allows the project owner to state key information about the project to the larger audience. Below is an outline of information and questions the project owner needs to capture during the “needs assessment” step.

- **Scope of need**
  - Describe the need
  - Describe the project benefits (AACPS vision and goals)
  - Target audience
  - How many schools or offices will be impacted
  - Funding
  - Timeline

- **Service and support needs**
  - What types of resources can you provide for the project?
  - What type of resources and assistance do you need from the Technology Division?

- **Project owner information**
  - Primary contact
Based on the information gathered during the needs assessment step, the PMO unit puts the project through a three-step vetting process.

**Step 1:** The PMO unit reviews the user’s needs and creates a project scope document. The scope helps identify potential resources and solutions for the project. Additionally, in this step, the unit verifies the information provided by the project sponsor and collects additional information that is necessary for the scope of the project.

**Step 2:** The PMO unit reviews the proposed project and tries to find a solution that will deliver the highest value with the least amount of resources. During this step the unit looks to see if the LEA’s existing application(s) or solution(s) can address the project’s needs. If there is no existing application, the team seeks to determine if an off-the-shelf commercial product(s) can be used to address the needs of the users. The PMO may recommend a custom development solution if there is no reasonable way to address user needs with an existing solution, or seek to better understand cost-benefit of the requirement to determine if an alternate and less expensive approach can be applied. If the recommended solution involves utilizing a vendor, the PMO will request detailed technical information from the vendor in order to properly assess the project. The information collected during this step includes hardware, software, network, database, security, support, and training.

**Step 3:** The PMO unit, working closely with the Technology Division, will identify the technical components (e.g., servers, support, and network) of the solution. The Technology Division will determine what technologies are going to be used and assess their impact on the existing technology infrastructure.

Upon completion of these steps, the PMO unit sends the recommended solutions to be reviewed by the AACPS senior leadership for consideration and approval to proceed as a project. This process ensures the proposed project will work with the existing technology, and that the most cost-effective solution for meeting user needs and maximizing process efficiency is achieved.

The PMO unit should consist of individual(s) who are experienced and knowledgeable with Project Management Body of Knowledge (PMBOK) guides and standards.
Appendix A: List of Interviews and Focus Groups

AACPS Interviews

The review team conducted interviews with the following Anne Arundel County Public Schools staff:

- Kim Abner, Senior User Support Specialist
- Rida Alvi, Student Board Member
- Denise Andersen, Manager of Payroll
- Debra Angevine, Insurance Assistant
- Candace Antwine, Board Member
- Dr. George Arlotto, Superintendent
- Krishna Bappanad, Supervisor of Finance
- Greg Barlow, Chief Information Officer
- Michele Batton, Assistant Superintendent of Curriculum and Instruction
- Fred Bednarik, Senior Manager of Support Services
- Michael Borkoski, Senior Manager of Information Security
- Patrick Brennan, Senior Systems Analyst – Team Leader School Support Services
- Dave Burkins, Senior Manager of Telecommunications and Business Management
- Kristy Chewning, Senior Systems Analyst – Team Leader SharePoint
- Mary Jo Childs, Purchasing Supervisor
- Susan Chittim, Senior Manager of Human Capital Management
- Melissa Comella, Lead Budget Analyst
- Michelle Corkadel, Board President
- Jessica Cuches, Executive Director of Human Resources
- Marlene Durholz, Lead Accountant – Financial Reconciliations & Special Programs
Anne Arundel County Public Schools – Performance Audit

▪ Jason Dykstra, Executive Director of Instructional Data
▪ Sally Egan, Assistant Superintendent of Student Support Services
▪ Melissa Ellis, Board Vice President
▪ Charles Fallin, Senior Technology Support Specialist
▪ Lorraine Faris, Senior Manager of Human Resources Operations
▪ Walter Federowicz, Director of Internal Audit
▪ Maisha Gillins, Executive Director of Equity and Accelerated Student Achievement
▪ Sandy Grzesik, Senior Systems Analyst – Team Leader of Human Resources
▪ Kevin Hamlin, Director of Advanced Studies and Programs
▪ Wendy Harris, Senior Information Security Specialist
▪ Diane Howell, Board Executive Assistant
▪ Julie Hummer, Board Member
▪ Monique Jackson, Deputy Superintendent of Student and School Support
▪ Connie Johnson, Clerk Lead Accounting
▪ Don Keefe, Senior Network Analyst – Network Services
▪ Kathy Kelly, Senior Systems Analyst – Team Leader Student System
▪ Sarah Kivett, Senior Manager of Employee Performance/Conduct Management
▪ Bruce Lamartin, Risk Management Specialist
▪ Skip Lee, Director of Curriculum
▪ Robert Leib, Board Member
▪ Keith Lewnes, Senior Systems Analyst – Team Leader Financial System
▪ Theresa Lofton, Manager of Benefits
▪ Dawn Lucarelli, Associate Superintendent of School Performance
▪ John Magnus, Senior Manager of Technology Operations
- Helen Mateosky, Executive Director of Professional Growth and Development
- Carol Ann McCurdy, Director of Partnerships, Development and Marketing
- Maureen McMahon, Deputy Superintendent of Academics and Strategic Initiatives
- Bob Mosier, Chief Communications Officer
- Kathleen Orndorff, Senior Manager of Records Management and Quality Control
- Jeanette Ortiz – Legislative and Policy Counsel
- Manish Patel, Senior Systems Administrator Team – Leader-System Administration
- Bobbi Pedrick, Director of Special Education
- Laurie Pritchard, Director of Legal Services
- Melisa Rawles, Director of Employee Relations
- Elisa Ringenbach, Senior Accountant – Financial Systems and Reporting
- Dana Schallheim, Board Member
- Angelia Smack, Technician Finance
- Asha Smith, Senior Manager of EEO Compliance
- John Smith, Lead Accountant – Financial Processing and Operations
- Matt Stanski, Director of Financial Operations
- Sharon Stratton, Director of Instruction
- Alex Szachnowicz, Chief Operating Officer
- Mary Tillar, Assistant Superintendent of Advanced Studies and Programs
- Chinyere Ugoh, Auditor – Lead
- Randy Vernet, Senior Network Analyst – Team Leader Network Services
- Leslie Yambor, Senior Help Desk Specialist Training
AACPS Group Interviews

The review team conducted the following group interviews; participants were randomly selected by Gibson Consulting Group, Inc. using a position roster provided by AACPS:

- Budget Senior Analysts and Analyst II
- Classified/Administrative Staff
- Clerk III Accounting
- Directors of School Performance
- Elementary Principals
- Financial Secretaries
- Lead/Senior Buyers
- New Teachers
- Purchasing Staff
- Regional Assistant Superintendents
- Secondary Principals
- Senior Accountants - Sr Acct Payroll and Grants, Sr Acct Special Programs, Sr Acct Trust & Agency
- Specialist Payroll Process Support
- Supervisors (Transportation, Food and Nutrition Services, Maintenance, Operations/Logistical Support, School Security)
- Technology Support Technicians

Anne Arundel County Interviews

The review team conducted interviews with the following Anne Arundel County staff:

- Jim Beauchamp, Budget Director
- Nicole Liening, Risk Management Director