

In the Cause of
Kalima Jenkins, et al.
vs.
State of Missouri, et al.
Case No. 77-0420-CV-W-4

Report of the Desegregation Monitoring Committee
for the Period July 1, 1990 - June 30, 1991

Eugene E. Eubanks, General Chairperson

Budget Committee

Kenneth Kraft, Chair
Patricia Jordan
Thomas Bixby

Education Committee

Miguel Sancho, Chair
Deborah Neal
John Cozad

Desegregation Committee

James Oglesby, Chair
Javier Perez, Jr.
Susan Stanton

VIDT Committee

Carl DiCapo, Chair
Charles James
Ed Stoll

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**BUDGET SUBCOMMITTEE PRELIMINARY REPORT
TO THE COURT FOR YEAR SIX**

Members

Kenneth W. Kraft, Chair
Patricia Jordan
Thomas Bixby
Ed Stoll

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INTRODUCTION

This report of the Budget Subcommittee will not only be an overview of Year Six but also a summary of the first six years of the desegregation plan.

As Year Six draws to a close, it is again appropriate to state that although some progress is still being made in the area of financial services, physical facilities and security, much still remains to be done. It seems that each time the District encounters a problem, instead of determining the cause and trying to correct that, it treats the symptoms by hiring more personnel.

A presentation of financial data on Years One, Two, Three, Four, Five and Six will be made. The financial data for Years One through Four will be made as of June 30, 1990, and for Years Five and Six, the data will be as of April 30, 1991. The data for Years One through Four have been taken from the Arthur Andersen and Company Audit Report for the Year Ended June 30, 1990.

The District is still undergoing change in its modified accrual accounting system. This is reflected in the data presented which still shows expenditures being charged to previous years. There comes a time when the books need to be closed and the efforts focused on the current year and the subsequent year. This is especially true given the fiscal condition of the operating budget.

This report will also include such other information that the Committee feels should be brought to the attention of the Court.

Also, the Committee will present its recommendations for the consideration and requested support of the Court.

SECTION I - PROGRAMS

YEAR ONE

Fiscal Year Ended June 30, 1986

	<u>Budget</u>	<u>Life-to-Date</u>	<u>Unexpended</u>
AAA	\$ 4,738,500	\$ 4,040,142	\$ 698,358
Class Size Reduction	2,000,000	1,969,497	30,503
Summer School	641,550	631,365	10,185
Full Day Kindergarten	1,092,000	993,409	98,591
Before and After School Tutoring	104,400	74,123	30,277
Early Childhood Education	894,909	416,409	478,500
Effective Schools	4,025,000	3,578,111	446,889
Magnet Schools	85,000	78,527	6,473
Public Relations	30,000	12,358	17,642
Staff Development	<u>500,000</u>	<u>514,827</u>	<u>(14,827)</u>
Totals	<u>\$14,111,359</u>	<u>\$12,308,768</u>	<u>\$1,802,591</u>
Percentage		87.226	12.774

Year One has been closed and there were no expenditures charged to it during the fiscal year which ended June 30, 1990.

YEAR TWO

Fiscal Year Ended June 30, 1987

	<u>Budget</u>	<u>Life-to-Date</u>	<u>Unexpended</u>
AAA	\$ 8,790,697	\$ 7,356,460	\$1,434,237
Class Size Reduction	4,000,000	3,548,273	451,727
Summer School	1,196,000	890,475	305,525
Full Day Kindergarten	1,594,496	1,517,759	76,737
Before and After School Tutoring	104,400	90,041	14,359
Early Childhood Education	1,551,786	1,463,975	87,811
Effective Schools	5,275,000	4,564,949	710,051
Magnet Schools	12,972,727	12,716,394	256,333
Long-Range Magnets	8,315,936	4,924,197	3,391,739
Public Relations	<u>30,000</u>	<u>33,550</u>	<u>(3,550)</u>
Totals	<u>\$43,831,042</u>	<u>\$37,106,073</u>	<u>\$6,724,969</u>
Percentage		84.657	15.343

Year Two has been closed and there were no expenditures charged to it during the fiscal year ended June 30, 1990.

YEAR THREE

Fiscal Year Ended June 30, 1988

	<u>Budget</u>	<u>Life-to-Date</u>	<u>Unexpended</u>
AAA	\$ 6,292,614	\$ 5,519,625	\$ 772,989
Class Size Reduction	8,450,135	5,355,377	3,094,758
Summer School	1,295,764	1,213,426	82,338
Full Day Kindergarten	1,826,964	1,329,130	497,834
Before and After School Tutoring	233,759	272,280	(38,521)
Early Childhood Education	3,102,178	2,744,845	357,333
Effective Schools	6,555,000	5,935,260	619,740
Magnet Schools	12,257,529	11,137,471	1,120,058
Long-Range Magnets (2)	17,340,592	14,720,374	2,620,218
Public Information	30,000	33,422	(3,422)
Magnet School Transportation	5,658,667	5,376,304	282,363
Interest Cost	957,700	991,025	(33,325)
Relocation Cost	454,687	319,768	134,919
Teacher Salary Package (1)	7,146,646	4,778,667	2,367,979
Maintenance Plan (1)	2,239,877	1,668,757	571,120
Special Education (1)	869,189	510,653	358,536
DMC	<u>64,057</u>	<u>64,057</u>	<u>-0-</u>
Totals	<u>\$74,775,358</u>	<u>\$61,970,441</u>	<u>\$12,804,917</u>
Percentage		82.861	17.139

During the fiscal year ended June 30, 1990, expenditures in the amount of \$189,887 were charged to Year Three, and \$568,025 were deducted.

(1) These programs were originally budgeted in the operating fund to be funded by the income tax surcharge revenues. When the income tax surcharge was eliminated and refunded by the State, these expenditures were transferred to the desegregation fund and designated as desegregation expenses. The budget is reflected here to correspond with the actual expenditures.

(2) Expenditures include \$72,308 of extended day costs questioned by the DMC. These were 100% subsidized from operating budget sources in September 1990.

(1) Life-to-date expenditures are modified cash basis through April 30, 1991. Expenditures include actual cash disbursements and accounts payable. Expenditures do not include encumbrances or accruals.

(2) The desegregation budget is subject to revisions through District Court order and reflects the court-ordered increase (decrease) from original approved program budgets.

(3) The November 2, 1989 Court Order disallowed as desegregation expense \$8,050,281 of this budget which represents the base costs of operating traditional programs. The District is solely liable for this \$8,050,281 which is included in the budget amount reflected above. The District has filed a motion with the U.S. District Court to amend this order. The order was stayed pending the results of a court-ordered management study of the District's operating budget.

(4) The August 4, 1989 Court Order approved the District's request that the District will submit its transportation funding request when final figures are available at the end of each year. The District has not yet gone to Court for Program Year Five; therefore, the budget amount has not been approved by the Court.

(5) This budget amount represents the court-ordered budget for summer security. The District is also charging incremental costs for data processing and finance personnel and costs for a central receiving warehouse to this program as the District feels these costs are related to the desegregation programs. These costs were disallowed by the Court as desegregation costs, therefore, the State does not provide funding for this program as it is 100% subsidized from operating sources. These costs were moved to the operating budget for Year Six.

YEAR SIX

Fiscal Year Ending June 30, 1991

	<u>Budget</u> (2)	<u>Life-to-Date</u> (1)	<u>Unexpended</u>
AAA	\$ 6,569,389	\$ 3,391,386	\$ 3,178,002
Class Size Reduction	4,683,986	1,934,591	2,749,395
Summer School	1,510,323	1,508,533	1,790
Full Day Kindergarten	1,773,185	703,612	1,069,573
Extended Day	453,000	240,631	212,369
Early Childhood Education	3,598,491	1,683,352	1,915,139
Effective Schools	7,350,000	3,994,735	3,355,265
Magnet Schools	15,694,833	7,973,711	7,721,122
Long-Range Magnets	43,246,424	22,971,613	20,274,811
District Communications	31,125	27,035	4,090
Base Budgets	14,867,645	7,186,072	7,681,573
DMC	104,164	84,172	19,992
Interest Cost	788,068	107,656	680,412

Debt Service	14,921,978	14,877,574	44,404
Research and Evaluation	5,414	2,930	2,484
Magnet School Transportation (3)	-0-	12,390,540	(12,390,540)
Teachers Salaries	5,147,646	4,423,376	724,271
Maintenance Plan	2,239,877	1,439,427	800,450
Special Education Compliance	869,189	604,576	264,613
Summer Security	124,580	110,733	13,847
Security-New Initiative	170,531	105,733	64,798
Salary Package	32,000,000	20,761,959	11,238,041
VIDT	22,934	-0-	22,934
Management Study	<u>182,500</u>	<u>182,500</u>	<u>-0-</u>
Totals	<u>\$156,355,282</u>	<u>\$106,706,447</u>	<u>\$49,648,835</u>
Percentage		68.2	31.8

(1) Life-to-date expenditures are modified cash basis through April 30, 1991. Expenditures include actual cash disbursements and accounts payable. Expenditures do not include encumbrances or accruals.

(2) The desegregation budget is subject to revision through District Court Order and reflects the court-ordered increase (decrease) from the original approved program budgets.

(3) The August 4, 1989 Court Order approved the District's request that the District shall submit its transportation funding request when final figures are available at the end of each year.

SECTION II - PROGRAM FUNDING

KCMSD AND STATE FUNDING

In December 1988, the District, in cooperation with the State, changed the procedure for the monthly bank drawdowns. The District went to a daily drawdown instead of a semi-monthly drawdown. In the process, the District uses a general reconciliation at the end of each month. This procedure consolidates all desegregation expenditures for the month irrespective of fiscal years. Separate desegregation reports by fiscal year are submitted, but not in a timely manner. They are received by the DMC and the State usually four to six weeks after the reconciliation statements.

The following financial data was taken from the Comprehensive Annual Financial Report for the Year Ended June 30, 1990, as prepared by Arthur Andersen & Co., and financial data prepared by the DMC auditors for Years Five and Six.

	<u>Life-to-Date</u>	<u>State</u>	<u>KCMSD</u>
Year 1	\$ 12,308,768	\$ 9,192,910	\$ 3,115,858
Year 2	37,106,073	23,409,942	13,696,131
Year 3	61,970,441	38,648,502	23,321,939
Year 4	89,940,596	41,587,925	48,352,671
Year 5	100,795,806	48,462,279	52,333,527
Year 6	<u>92,067,624</u>	<u>34,968,269</u>	<u>57,099,355</u>
Totals	\$394,189,308	\$196,269,827	\$197,919,481
KCMSD Share Paid by State		<u>31,921,928</u>	<u>(31,921,928)</u>
Totals		\$228,191,755	\$165,997,553
Percentage		57.889	42.111

As of February 28, 1991, the District share of desegregation expenditures paid by the State due to joint and several liability was \$31,921,928 which does not include the approximately \$29,795,143 of income surcharge revenues that were refunded by the State.

The above amounts reflect the \$24,563,168 of protested taxes for 1988 and 1989 which were refunded to the State, and credits in the amount of \$1,464,744 due the State.

SECTION III

CAPITAL IMPROVEMENT PROGRAM

Phase IV Project Budget - Court Order November 12, 1986

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
Bingham	\$ 2,740,411	\$ 2,255,725	\$ (484,686)
Central Middle	4,643,582	4,499,788	(143,795)
Fairmount, et al	254,398	255,337	939
Mt. Washington	39,388	38,347	(1,041)
Gladstone	4,568,834	5,163,517	594,683
Lincoln South	3,039,292	2,745,564	(293,728)
Northeast	5,500,126	5,657,168	157,042
Paseo Middle	5,605,163	6,663,775	1,058,612
Southeast Middle	2,971,380	2,596,317	(375,063)
West Elementary	<u>6,598,470</u>	<u>6,673,063</u>	<u>74,593</u>

Subtotals	\$35,961,043	\$36,548,600	\$ 587,557
Estimated PMT costs	<u>1,654,208</u>	<u>1,654,208</u>	<u> </u>
Total Phase IV	\$37,615,251	\$38,202,808	\$ 587,557
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Construction Costs	\$30,461,732	\$ 3,555,195	\$ 1,684,951
Asbestos Abatement	75,115	75,115	-0-
Soils, Surveys, etc.	214,913	314,674	99,761
Contingency	1,621,063	-0-	(1,621,612)
Architect/Engineering Fees	2,198,612	2,613,145	414,533
Advertising	12,000	21,374	9,374
Furniture	1,377,609	1,277,609	-0-
PMT Costs	<u>1,654,208</u>	<u>1,654,208</u>	<u>-0-</u>
Totals	<u>\$37,615,251</u>	<u>\$38,202,808</u>	<u>\$ 587,557</u>
Percent Over Budget		1.6%	
Percent Expended		64.5%	

Phase IVA Project Budget - Court Order April 29, 1987

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
School of the Arts	\$4,481,487	\$4,261,872	\$(219,614)
PMT Costs	<u>206,148</u>	<u>206,148</u>	<u> </u>
Totals	\$4,687,635	\$4,468,021	\$(219,614)
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Construction Costs	\$3,267,231	\$3,555,195	\$ 287,964
Asbestos Abatement	489,307	195,562	(293,745)
Soils, Surveys, etc.	16,336	-0-	(16,336)
Contingency	196,034	196,034	-0-
Architect/Engineering Fees	291,378	282,616	21,238
Advertising	1,200	3,200	2,000
Furniture	250,000	225,300	(24,700)
PMT Costs	<u>206,148</u>	<u>206,148</u>	<u>-0-</u>
Totals	<u>\$4,687,635</u>	<u>\$4,468,021</u>	<u>\$(219,614)</u>
Percent Over Budget		4.9%	
Percent Expended		100.0%	

Phase IVC Project Budget - Court Orders November 12, 1986 and April 20, 1989

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
Central High	\$22,991,511	\$25,085,779	\$ 2,094,268
PMT Costs	656,399	656,399	-0-
Contingency	<u>2,347,462</u>	<u>-0-</u>	<u>(2,347,462)</u>
Totals	\$25,995,372	\$25,742,178	\$ (253,194)
<hr/>			
Construction Costs	\$20,242,813	\$22,838,843	\$ 2,596,032
Soils, Surveys, etc.	180,714	266,766	86,052
Contingency	602,380	-0-	(602,380)
Architect/Engineering Fees	1,214,569	1,222,020	7,451
Advertising	1,200	8,313	7,113
Furniture	749,835	749,835	-0-
PMT Costs	<u>656,399</u>	<u>656,399</u>	<u>-0-</u>
Totals	<u>\$25,995,372</u>	<u>\$25,742,178</u>	<u>\$ (253,194)</u>
Percent Under Budget Using Contingency		1.0%	
Percent Over Budget Without Contingency		9.1%	
Percent Expended		65.6%	

Phase V Project Budget - Court Order September 15, 1987

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
Southeast Annex	\$ 899,973	\$ 1,032,665	\$ 132,692
New Faxon	4,199,245	4,108,534	(71,443)
Longan, Phillips, Meservey	1,269,320	1,163,549	(105,772)
Melcher	1,482,950	1,225,831	(257,120)
North Rock Creek/Korte	3,009,313	3,009,313	-0-
Southwest High	9,451,793	11,112,095	1,660,303
PMT Costs	888,328	888,328	-0-
Contingency Transfer	<u>2,500,000</u>	<u>-0-</u>	<u>(2,500,000)</u>
Totals	\$23,681,654	\$22,540,315	\$(1,141,339)

Construction Costs	\$16,471,120	\$19,651,398	\$ 3,180,278
Asbestos Abatement	422,683	368,823	(53,860)
Soils, Surveys, etc.	110,718	159,374	48,656
Contingency	934,163	-0-	(934,163)
Architect/Engineering Fees	1,044,466	1,141,516	97,050
Advertising	7,200	9,748	2,548
Furniture	321,128	321,128	-0-
PMT Costs	888,328	888,328	-0-
Contingency Transfer	2,500,000	-0-	(2,500,000)
Phase XI Korte	<u>981,850</u>	<u>-0-</u>	<u>(981,850)</u>
Totals	<u>\$23,681,654</u>	<u>\$22,540,315</u>	<u>\$(1,141,339)</u>
Percent Over Budget		5.0%	
Percent Expended		89.2%	

Phase VI Project Budget - Court Order September 15, 1987

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
New Knotts	\$ 4,258,523	\$ 4,621,439	\$ 362,916
New Attucks	4,269,825	4,707,685	437,860
King Middle/Weeks	1,647,514	1,652,021	4,507
New Pitcher	5,853,858	5,509,989	(343,869)
Garfield	3,618,751	3,166,839	(451,913)
Paige Elementary (Southeast I)	5,953,237	6,205,010	251,773
Nowlin Middle	2,711,391	2,864,249	152,858
Paseo High	14,654,188	20,862,428	6,208,240
Three Trails	1,251,641	1,236,451	(15,190)
KC Tech/MATHS	14,129,144	13,164,747	(964,397)
Troost	2,448,123	2,375,882	(72,242)
Wheatley	1,414,142	1,347,322	(66,820)
Middle School I	10,237,792	11,200,296	962,505
Woodland	4,377,620	4,250,901	(126,719)
PMT Costs	<u>3,533,984</u>	<u>3,533,984</u>	<u>-0-</u>
Totals	<u>\$80,359,734</u>	<u>\$86,719,244</u>	<u>\$6,359,510</u>
Totals	<u>\$85,464,160</u>	<u>\$88,998,845</u>	<u>\$3,534,685</u>

Construction Costs	\$64,482,909	\$73,268,291	\$8,785,382
Asbestos Abatement	945,286	936,398	(8,888)
Soils, Surveys, etc.	506,730	978,214	471,484
Contingency	3,295,726	-0-	(3,295,726)
Architect/Engineering Fees	4,067,565	4,460,399	392,833
Advertising	18,000	32,424	14,424
Furniture	3,509,534	3,509,534	-0-
PMT Costs	<u>3,533,984</u>	<u>3,533,984</u>	<u>-0-</u>
Totals	<u>\$80,359,734</u>	<u>\$86,719,244</u>	<u>\$6,359,510</u>
Percent Over Budget		8.3%	
Percent Expended		46.0%	

Phase VII Project Budget - Court Order September 15, 1987

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
East High	\$ 7,496,505	\$ 8,298,302	\$ 801,798
Northeast Middle	6,612,200	6,900,808	288,608
Richardson	1,467,631	1,426,859	(40,772)
Southeast High	6,849,930	7,542,745	692,814
Van Horn	6,559,681	7,325,393	765,712
Westport Middle	5,327,597	5,766,731	439,134
Westport High	7,556,023	7,668,854	112,831
Meservey	859,122	762,282	(96,840)
East & Southeast Stadiums	984,965	857,240	(127,725)
Linwood	930,566	952,918	22,352
Linwood West	1,138,437	1,138,557	120
Banneker (Southeast II)	5,056,615	5,250,213	193,598
Holliday (Southeast III)	6,492,956	7,028,247	535,291
Carver (New Elementary I)	4,655,251	4,356,358	(298,893)
New Elementary II	4,305,636	4,305,637	1
Trailwoods (Elementary III)	4,305,636	4,305,637	1
Norman Center	3,422,654	3,422,654	0
Robeson (Middle School II)	7,684,294	7,930,949	246,655
PMT Costs	<u>3,758,462</u>	<u>3,758,462</u>	<u>-0-</u>
Totals	\$85,464,160	\$88,998,845	\$3,534,685

Construction Costs	\$69,455,810	\$76,124,897	\$6,669,088
Asbestos Abatement	1,291,739	1,291,738	(1)
Soils, Surveys, etc.	502,828	998,906	496,078
Contingency	3,761,732	-0-	(3,761,732)
Architect/Engineering Fees	4,392,281	4,511,803	119,522
Advertising	21,600	33,329	11,729
Furniture	2,279,709	2,279,709	-0-
PMT Costs	<u>3,758,462</u>	<u>3,758,462</u>	<u>-0-</u>
Totals	<u>\$85,464,160</u>	<u>\$88,998,845</u>	<u>\$3,354,685</u>
Percent Over Budget		4.3%	
Percent Expended		21.2%	

Phase VIII Project Budget - Court Order July 2, 1990

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
Nowlin Middle	\$ 3,131,750	\$ 3,131,750	\$ -0-
Fairmount	2,177,806	2,203,199	25,393
Mt. Washington	276,936	284,439	7,503
Bryant	964,300	492,143	(472,157)
Dunbar	608,575	608,537	(38)
Fairview	1,125,570	1,125,570	-0-
Longfellow	1,674,359	1,674,320	(40)
Askew	2,119,309	2,119,309	-0-
PMT Costs	<u>555,616</u>	<u>555,616</u>	<u>-0-</u>
Totals	\$12,634,220	\$12,194,881	\$(439,339)
Construction Costs	\$10,576,724	\$10,509,405	\$ (67,319)
Soils, Surveys, etc.	72,884	72,806	(78)
Contingency 6%	634,603	223,837	(410,766)
Architect/Engineering Fees	784,793	823,617	38,824
Advertising	9,600	9,600	-0-
PMT Costs	<u>555,616</u>	<u>555,616</u>	<u>-0-</u>
Totals	<u>\$12,634,220</u>	<u>\$12,194,881</u>	<u>\$(439,339)</u>
Percent Over Budget		3.5%	
Percent Expended		1.5%	

Phase IX Project Budget - Court Order July 2, 1990

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
Bancroft	\$3,068,530	\$3,068,530	\$ -0-
Border Star	2,896,008	2,896,008	-0-
Moore	2,471,088	2,471,088	-0-
PMT Costs	<u>388,039</u>	<u>388,039</u>	<u>-0-</u>
Totals	\$8,823,664	\$8,823,664	\$ -0-
Construction Costs	\$7,395,124	\$7,838,832	\$ 433,708
Soils, Surveys, etc.	44,476	44,475	(1)
Contingency 6%	443,707	-0-	(433,707)
Architect/Engineering Fees	548,718	548,718	-0-
Advertising	3,600	3,600	-0-
PMT Costs	<u>388,039</u>	<u>388,039</u>	<u>-0-</u>
Totals	<u>\$8,823,664</u>	<u>\$8,823,664</u>	<u>\$ -0-</u>
Percent Over(Under) Budget		0%	
Percent Expended		1.5%	

Phase IXa Project Budget - Court Order July 2, 1990

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
Chick	\$1,931,131	\$1,931,131	\$ -0-
Graceland	1,680,445	1,680,445	-0-
McCoy	1,984,387	1,984,387	-0-
Ladd	1,401,457	1,401,457	-0-
PMT Costs	<u>321,881</u>	<u>321,881</u>	<u>-0-</u>
Totals	\$7,319,301	\$7,319,301	\$ -0-
Construction Costs	\$6,129,406	\$6,497,171	\$ 367,765
Soils, Surveys, etc.	40,647	40,647	-0-
Contingency 6%	367,765	-0-	(367,765)
Architect/Engineering Fees	454,802	454,802	-0-
Advertising	4,800	4,800	-0-
PMT Costs	<u>321,881</u>	<u>321,881</u>	<u>-0-</u>

Totals	<u>\$7,319,301</u>	<u>\$7,319,301</u>	<u>\$ -0-</u>
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Percent Over(Under) Budget	0%
Percent Expended	0%

Phase X Project Budget - Court Order November 14, 1990

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
Delano	\$ 828,797	\$ 828,797	\$ -0-
James	2,477,522	2,477,522	-0-
Phillips	474,466	474,466	-0-
Blenheim	2,177,447	2,177,447	-0-
Pinkerton	2,052,009	2,052,009	-0-
Scarritt	1,923,647	1,923,647	-0-
Whittier	2,303,802	2,303,802	-0-
PMT Costs	<u>562,934</u>	<u>562,934</u>	<u>-0-</u>
Totals	\$12,800,624	\$12,800,624	\$ -0-

Construction Costs	\$10,719,619	\$11,318,369	\$ 598,750
Soils, Surveys, etc.	71,098	71,098	-0-
Contingency 6%	643,177	-0-	(643,177)
Architect/Engineering Fees	795,396	839,823	44,427
Advertising	8,400	8,400	-0-
PMT Costs	<u>562,934</u>	<u>562,934</u>	<u>-0-</u>
Totals	<u>\$12,800,624</u>	<u>\$12,800,624</u>	<u>\$ -0-</u>

Percent Over(Under) Budget	0%
Percent Expended	0%

Phase XI Project Budget - Court Order November 14, 1990

<u>Projects</u>	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
Franklin	\$ 632,587	\$ 632,587	\$ -0-
Korte	2,540,938	2,540,938	-0-
Korte Add Funding	981,850	981,850	-0-
West Rock Creek	1,519,208	1,519,208	-0-

Wheatley	1,026,937	1,026,937	-0-
Longan	2,385,354	2,385,354	-0-
Melcher	1,808,403	1,808,403	-0-
Sugar Creek	2,569,593	2,569,593	-0-
Three Trails	1,412,405	1,412,405	-0-
PMT Costs	<u>684,355</u>	<u>684,355</u>	<u>-0-</u>

Totals	\$15,561,630	\$15,561,630	\$ -0-
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Construction Costs	\$12,171,546	\$12,868,716	\$ 697,170
Soils, Surveys, etc.	80,858	80,858	-0-
Contingency 6%	730,293	33,123	(697,170)
Architect/Engineering Fees	903,129	903,129	-0-
Advertising	9,600	9,600	-0-
PMT Costs	<u>684,355</u>	<u>684,355</u>	<u>-0-</u>

Totals	<u>\$15,561,630</u>	<u>\$15,561,630</u>	<u>\$ -0-</u>
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Percent Over(Under) Budget	0%
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Percent Expended	0%
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CAPITAL IMPROVEMENT PROGRAM SUMMARY

	<u>Budget</u>	<u>Total Costs</u>	<u>Over(Under)</u>
Phase IV	\$ 37,615,251	\$ 38,202,808	\$ 587,557
Phase IVa	4,687,635	4,468,021	(219,614)
Phase IVc	25,995,372	25,742,178	(253,194)
Phase V	25,995,372	25,742,178	(1,141,339)
Phase VI	23,681,654	22,540,315	6,359,510
Phase VII	80,359,734	86,719,244	3,534,685
Phase VIII	12,634,220	12,194,881	(439,339)
Phase IX	8,823,664	8,823,664	-0-
Phase IXa	7,319,301	7,319,301	-0-
Phase X	12,800,624	12,800,624	-0-
Phase XI	<u>15,561,630</u>	<u>15,561,630</u>	<u>-0-</u>
Totals	<u>\$314,943,245</u>	<u>\$323,371,511</u>	<u>\$8,428,266</u>

The above data were taken from the monthly report prepared by the District's Capital Improvement Program Budget Analyst, dated May 17, 1991. The budgets presented are the working budgets used by the PMT in tracking the progress of the individual projects and the total costs are the anticipated costs for completion of the projects. These figures are not consistent with the figures that appear in the general ledger of the District. The figures do not reflect all the charges that are made to the capital improvement program.

The following data were taken from the District's financial services CIP closed book drawdown report as of April 30, 1991, which is the vehicle used to access state funding of the program and is based on the figures that appear in the District's general ledger:

	<u>Revised Budget</u>	<u>Life-to-Date Expenditures</u>
Project Management Team	\$ 12,050,548	\$ 11,038,190
Furniture	8,335,119	4,150,839
Capital Facility Planners	8,880,139	2,040,660
CIP Phases I and II	37,000,000	36,236,748
1986-87 Magnet CIP Phase III	13,787,554	14,812,661
Long Range CIP Phase IV	58,765,314	43,891,661
Jewish Community Center CIP Phase IVa	7,169,987	6,966,179
Long Range CIP Phase IVb	60,932,305	42,369,359
Long Range CIP Staging	2,141,480	2,165,394
Long Range CIP Staging FY1990	7,511,153	2,649,955
Long Range CIP Phase V	21,757,528	20,009,746
Long Range CIP Phase VI	76,519,483	42,657,352
Long Range CIP Phase VII	81,356,083	23,732,111
Long Range CIP Phase VIII	12,078,604	54,171
Long Range CIP Phase IX	8,435,625	130,311
Long Range CIP Staging FY1991	5,158,498	4,268,550
Long Range CIP Staging FY1992	-0-	17,032
Asbestos	<u>36,976,832</u>	<u>13,325,572</u>
Totals	<u>\$458,856,252</u>	<u>\$270,515,902</u>

Capital Improvement Program funding per District's records:

State	\$141,139,286
KCMSD	<u>129,376,616</u>
Total	<u>\$270,515,902</u>

SECTION IV

COMPREHENSIVE FINANCIAL ANNUAL REPORT

Fiscal Year Ending June 30, 1990

The Comprehensive Financial Annual Report was the work of the certified public accounting firms Arthur Andersen & Company and Sellers & Company. The audit was conducted in accordance with generally accepted auditing standards. The audit included assessing the accounting principles used by the District and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation.

The auditors noted in their report that management was projecting an expenditure level in its operating funds for fiscal year 1991 in excess of its anticipated revenues and budgetary beginning fund balance. This deficit spending is projected for each year through at least 1994. It was also noted that management was developing a plan to reduce non-instructional expenses as well as seeking additional funding from the Court. However, there were no figures included in the report.

The auditors recognized the following contingencies:

1986-87 Magnet Base Budget Costs

The amount of base budget expenses disallowed by the Court relative to fiscal years 1989 and 1990 was \$15,855,000. The Court, however, stayed its previous order requiring reimbursement to the State as the District has been unable to identify a funding source for these costs.

Subsequent to June 30, 1990, the Court identified an alternative funding source to repay the District's base budget liability. The Court ordered the 1988 and 1989 desegregation-related protested taxes be paid directly to the State. This has been done.

The base budget costs for fiscal year 1991 continue to be charged to the desegregation programs. The 1991 budget for these 1986-87 magnet base budget costs is approximately \$8,507,000.

Capital Improvement Program Overruns

In some instances, the expenditures have or projected to exceed the court-ordered budgets. It was also noted that the \$150 million 1988 leasehold revenue bond issue would not be sufficient to fund the District's projected share of future desegregation costs to be incurred under the Court's long-range capital improvement program. The debt service on this bond issue is being funded from the \$1.95 property tax levy. A future funding source for the estimated shortfall has not yet been identified. Under the joint and several liability provisions of the court order, the State would be required to fund the shortfall.

Teachers Salary Increases

In September 1987, the Court provided the District with the funds to provide salary increases for all District teachers, including those teachers not within the desegregation program. The Court also ordered that the increase would be allowable as desegregation costs. The State contends that the increases exceeded the court-approved increase in fiscal years 1989 and 1990 by \$686,000 and \$860,000 respectively. The excess has been charged as desegregation costs. A difference of opinion exists between the State and the District as to whether or not the excess should be charged as desegregation costs.

Other Tax Allocations

As a result of the implementation of the \$1.95 tax levy, certain taxes other than personal and real property tax were affected by the increased levy. The State questioned the allocation of the financial institution tax, state assessed railroad and utilities tax, locally assessed railroad and utility tax, and the tax on the premiums of domestic stock insurance companies between the operating and desegregation funds.

Subsequent to year end, the Court upheld the State's position and ordered that approximately \$2,777,000 should be allocated to the desegregation fund. However, the execution of the order was suspended pending further court orders. This obligation has been recognized as a long term debt on the books of the District as accrued claims and judgments.

State Auditor's Findings

The Missouri State Auditor completed a special review of desegregation expenditures for fiscal year 1988. In her report certain desegregation costs were questioned, including the teachers' salary increases, goods and services purchases on an emergency basis outside normal district bidding procedures, and other costs. The Court has not ordered such costs to be repaid and thus, no liability has been established.

Special Desegregation Program Audits

At the request of the Desegregation Monitoring Committee independent auditors were employed to review certain desegregation programs. Disallowed program costs that resulted from these audits were approximately \$125,000 which were funded by a district transfer from its operating funds to the desegregation funds in 1990.

Under the Financial Statistical Section of the report the following data was included:

General Government Expenditures by Function for the KCMSD

	<u>FYE 1989</u>	<u>FYE 1990</u>
Instruction	\$ 99,897,653	\$108,256,756
Support Services	51,869,281	61,070,073
Administration	15,578,832	18,727,177
Operation of Facilities	21,342,481	23,226,682
Pupil Transportation	21,553,272	22,973,388
Capital Outlay	47,440,105	83,854,753
Debt Service	17,885,581	17,903,470
Community and Adult Services	<u>7,279,355</u>	<u>3,947,177</u>
Totals	<u>\$282,846,560</u>	<u>\$339,959,476</u>

The Library became a separate entity on November 29, 1988; therefore, only approximately one-half year's expenditures are included for FYE 1989 for Community and Adult Services.

General Revenue By Source

	<u>FYE 1989</u>	<u>FYE 1990</u>
Local Revenue	\$132,028,086	\$122,633,652
County Revenue	2,499,162	2,269,280
State Revenue	108,053,878	169,126,348
Federal Revenue	19,099,508	16,217,189
Received Other Districts	262,492	179,272
Other	<u>452,108</u>	<u>-0-</u>
Totals	<u>\$262,395,234</u>	<u>\$310,425,741</u>

SECTION V

Memorandum on Accounting Procedures,
Internal Accounting Controls and
Other Business Matters

As a part of the Comprehensive Annual Financial Report for the fiscal year ending June 30, 1990, the auditors considered the internal control structure. Their consideration did not entail a detailed study and evaluation of any of its elements and was not made for the purpose of making detailed recommendations or evaluating the adequacy of the District's internal control structure to prevent or detect all errors or irregularities.

While the purpose of their consideration of the internal control structure was not to provide assurances thereon, certain matters came to their attention that was reported to the District.

A material weakness is a significant deficiency in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Material Weaknesses in Existence but Corrected by Year End

Inadequate procedure to assure control over financial data input.

Routine balancing of data input between used departments and data processing was not established and followed on a timely basis.

Month-end processing of transactions was not coordinated between accounting and data processing to assure all transactions for the month had been processed and balanced.

General ledger trial balances by fund were not prepared monthly until the last two months of the fiscal year.

Monthly audit trails were not in place for all source transactions (e.g. payroll, payables, purchasing, stores issues, journal vouchers, etc.).

Monthly reports of transactions processed were not run and balances to the general ledger's account.

Material Weaknesses in Existence not Corrected by Year End

Program Managers were not charged with reviewing monthly reports for their areas of responsibility and assisting in correction and monitoring of charges to their programs on a timely basis.

Training of personnel in all aspects of the EDP system and its use was deficient, non-existent, or lacked proper documentation to help the employees.

Inadequate procedures to assure control over the recording, record retention and input of attendance data.

Physical inventories of books and supplies were not performed and reconciled to the perpetual records.

An up-to-date listing of the District's furniture and equipment is not currently maintained and reconciled to the general ledger.

Communications of District policy and procedures between the school and general office requires improvement. This includes the information needed to code and process transactions involving payroll, attendance, transportation, purchases, inventories, construction, furniture, etc. A lack of discipline and enforcement thereof exists and will be counterproductive

to the integrity of data processed until such procedures are adhered to.

Some of the more significant material weaknesses and the District's responses need to be pointed out to the Court:

Interim Review of Budget v. Actual Information

During the auditor's tests of budgets and review of budget department procedures, the following observations were made:

- . Interim budget review of program, department and grant budgets is not done on a timely basis and instances where expenditures appear close to budgeted levels are not communicated to applicable program administrators on a timely basis. Recommend timely review.
- . Interim reviews of budgeted versus actual revenues are not performed on a timely basis to ensure revenues are being received timely or notify program administrators or departments of revenue shortfall in order to adjust expenditures accordingly. Recommend timely review.
- . Year-end reviews of budget versus actual performances and current year revenue and expense comparisons to the prior year are performed but not formally documented. Recommend formal documentation of these results which could be used in the budget process for the next year as well as in providing a summary financial overview to District management and the Board of Directors.
- . Notification of expenditures in excess of budget are not communicated in a timely manner to the department, program administrator or school. Notification of budget overruns should be communicated immediately to the applicable program, department or school. Such communications should be documented in writing to verify budget reviews are being performed on a timely basis.

District's Response:

Budget versus actual reports are provided to program administrators on a monthly basis. Informal interim reviews are conducted with managers that are not meeting revenue projections for special revenue programs. In the future we will provide formal documentation and reports to verify budget reviews. Additionally, a standing committee (working program and budget committee) representing all departments and area superintendents has been formed and utilized to communicate budget versus actual exceptions.

DMC Comments:

During a meeting held to discuss the report the District was asked why the reports referred to above were not being used. The reply was rather vague but one got the impression that the program administrators were complacent about their responsibilities to manage their budgets. This attitude has been prevalent in the District since day one of the desegregation plan. There are exceptions, however.

Capital Improvement Program - Payment Application Review

Contractors are paid based on payment applications submitted for completed portions of the work. Many applications reviewed in the course of the audit were incomplete, filled out incorrectly or lacked supporting documentation. Examples include: change orders not reflected on the payment applications, detail data submitted did not agree to summary information on the payment application, detail data not clerically accurate. This indicated an inadequate review of the payment applications prior to paying the contractor.

Procedures outlining the review procedures to be performed and supporting documentation to be required before a payment will be processed should be followed more closely. Documentation of these procedures could be accomplished through a checklist.

District's Response:

The process of reviewing applications submitted for payment is four-tier:

1. The architect reviews applications and certifies that the percentage of work recorded is actually completed.
2. The PMT analyzes the supporting document provided and confirms the information submitted.
3. The District engineering department reviews the documentation and requests payment.
4. The CIP payment center processes the payment.

This audit finding has been brought to the attention of each of the District representatives indicated above, and a more thorough examination will be made of payment applications submitted and retained in the CIP files.

We are in the process of revising our procedures for submitting and reviewing payment requests so that payments will be processed in a more efficient and effective manner. As a result, procedures outlining the review procedures to be performed and supporting documentation required will be developed.

DMC Comments:

We are now completing the sixth year of the Capital Improvement Program and the District is just now getting around to developing an efficient and effective procedures for managing the funds provided for the improvement of the physical facilities of the District. This is another indication of the lack of importance the District personnel place on management of the resources provided. The attitude has been prevalent throughout the CIP program that money is no object and the Court will provide all that is necessary, and no one will take any punitive actions if we are sloppy in our work habits. There is no strong feeling of responsibility to manage the funds in a cost-efficient manner.

File Maintenance

In addition to maintaining documentation for construction payments, the CIP department should also maintain key documents for each construction project (e.g. approved drawings, original contracts/change orders, final approvals and sign-off by District, etc.). The auditors noted instances in which key documents could not be located and were not filed in an organized manner. Lack of formal documentation creates the risk that projects will not be completed in accordance with District or Court guidelines.

Written procedures should be established and executed to ensure all required documentation of each project is maintained by the District.

District's Response:

The Oversight Team is in the process of drafting written procedures of the maintenance of construction payments and related project documentation such as change orders, drawings, etc.

DMC Comments:

Six years into the program and the District Oversight Team is just now getting around to developing procedures that should have been in place five years ago. Another example of the lack of competency of the District leadership and sense of responsibility.

Purchase Order Authorization

Purchase orders were not always properly approved. Contract employees rather than District employees signed the purchase orders and employees who generated the purchase orders were also approving them.

District's Response:

Procedures have been developed and implemented restricting authorizations of purchase orders to supervisory-level employees in the District.

DMC Comments:

Again this illustrates a do-nothing attitude until someone calls the District's hand on the inefficient manner in which they were managing the District's finances.

DESEGREGATION

Monitoring of Budget Line Items and Expenditures

The auditors noted several instances where actual expenditures exceeded the budgeted amount. The risk exists that the District would become financially obligated for budget overruns.

They also noted several instances in which desegregation expenditures were miscoded to an incorrect program year account code. Improper coding results in the misstatement of expenditures and also creates the risk that expenditures would be disallowed by the Court.

The exceptions noted above as well as observations noted during the audit indicate that procedures to monitor budget line items and desegregation expenditures are not operating effectively. Prior to the authorization of expenditures, the budget should be reviewed to ensure funds are available. The personnel charged with the duty of coding expenditures to the applicable program years should be aware of the proper account codes for the different program years, as well as the cut-offs of the program years.

On an overall basis, each program director or individual responsible for desegregation expenditures should receive budget versus actual reports on a timely basis. These reports should be reviewed by the program director to ensure program expenditures are reasonable and have been charged to the correct account code. Any discrepancies or unusual fluctuations should be investigated and reconciled on a timely basis.

District's Response:

The budget department monitors expenditures against budget. Budget determines if the account code is correct, if dollars are available and if, because of timing of revenues or other reasons, an expenditure may exceed budget for a short time only. Although directors and program managers are constantly educated in appropriateness, coding and transfer procedures, the extreme complexity of the account code structure caused by the reporting requirements of the desegregation plan has resulted in programs which are almost unmanageable.

Budget has recently established a fund control section which will begin to deal with the potential problems identified. Additionally, if the recent court filing for the establishment of a single budget is approved, the risk of miscoding expenditures will be dramatically reduced as the single budget will be much more manageable.

DMC Comments:

The committee is adamantly opposed to a single budget for the District. We are of the opinion that it is not in the public interest to make the District a permanent ward of the state, which would be the outcome of the single budget concept. The District can do more than it has to make a sincere effort to reduce the budget line items and simplify the budget. Also, the District is just using the unmanageability of the budget as an excuse for its directors' and program managers' failure to do their jobs responsibly.

The committee has not attempted to review within this report all of the material weaknesses noted by the auditor, but to highlight some which are illustrative of the problems which still exist in the District. The attitudes of many employees still are negative toward the desegregation plan and until these attitudes change the weaknesses will remain. The District has a hard time focusing on the real causes that underlie the weaknesses, and is prone to give lip service to solving the problems and continue to focus on the symptoms.

Some of the other weaknesses noted by the auditors dealt with: data processing; general fixed assets; general ledger; inventory; investments; payroll/personnel; purchasing; resource allocation; activity funds; attendance reporting; and transportation reporting.

SECTION VI - DMC'S FINANCIAL ANALYST SPECIAL REVIEWS

During the course of the year situations arose or matters were brought to our attention within the District that the committees of the DMC were of the opinion warranted further investigation or interpretation. A brief narrative follows on each of the concerns that were reviewed:

Internal Audit Staff

In reviewing the District's internal audit department the suggestion was made that the reporting lines of authority should be revised to permit more independent action. At the time of the review the staff reported directly to the superintendent, and concentrated most of its effort in auditing individual school activity funds. While the integrity of these funds should be assured by District policies and procedures from theft or abuse, the reviews of \$10,000 funds for 100 schools pales in comparison to the combined \$250 million dollar per year operating and desegregation budgets, as well as the \$100 million per year capital improvement program.

To be a truly independent tool for improving District efficiency and precluding waste and abuse, the internal audit staff should be reporting independently to an audit subcommittee of the Board of Education. This reorganization would provide three different improvements in the internal audit function:

1. Management may not indirectly or directly influence the assignment or conclusions of the audit staff, who would be actually reporting on management successes or failures.
2. Additional operating authority and access is conferred upon the internal audit staff by the delegation or authority and direct review of projects by the audit subcommittee of the Board.
3. Greater accountability for resolving audit problems or system weaknesses would be demanded of District staff.

One major potential problem with this structure results if the Board decides to politicize the actions of the internal audit staff in order to portray an individual, group of individuals, or department in a bad light for its own personal reasons. The risk of this happening in light of the intense media scrutiny is more than offset by the independence provided by the reorganization. This is underscored by the overwhelming acceptance of this internal audit structure throughout the private sector.

Furniture Audit

The review of capital furniture expenditures disclosed two overpaid purchase orders to H & W Equipment Company totalling over \$130,000. The District has reconciled the purchases, deliveries and invoices, and has entered into an agreement with the company to be repaid for the overpayment. (DMC note: As of the date of this report the District has not received repayment and at last request could not assure the DMC when this would be done. Approximately eight months have passed since the DMC analyst uncovered this overpayment.) The District chose to absorb the cost of the overpaid purchase orders into its operating budget, to be subsequently repaid. The District extended a credit to the capital improvements fund in the amount of \$131,158.87. Interest totalling \$11,759 was also reimbursed to the CIP fund. The State was given credit also in the amount of \$65,579 as its 50% share of the cost, which had been paid through the expenditure drawdown procedure.

The problems that gave rise to the above overpayments still exist as material weaknesses in district procedures. The District had suggested implementing a review system for all large/material purchase orders in order to identify any potential problems. At the time of the review in January 1991, this had not been done and no assurances had been given that it would be done. Accordingly, the quantity override system weakness will continue to exist.

Extended Day Audit

This review, which was an extension of the previous review of several selected long range magnet school extended day programs, was started in the Fall of 1990. The previous review of selected schools resulted in the identification of expenditures which were in the opinion of the DMC inappropriate extended day costs. Consequently, the DMC took exception and requested that the District reimburse the desegregation budget for these costs. This was done.

The current review was completed and presented to the DMC in March 1991, and to the District for its response. The response as of the preparation of this report has not been received. The review revealed similar findings as did the previous report, and for Years Three and Four, \$32,457 and \$44,859 inappropriate expenditures had been spent. Pending receipt of the District's response, the DMC will reserve taking any action.

Computer Sole Source Procurements

This review was initiated by the DMC as the result of allegations made against the District that computer purchases were made without going through the competitive bidding process, which resulted in the District paying more than was necessary.

Certain procedures were followed in the development of the review which included:

Obtaining copies of the purchase orders, requisitions, and related specifications for sole source procurement for three high schools;

Specifications for 51 line item purchases, including computer systems, peripheral and accessory equipment, software, and network cabling and installations were reviewed.

For comparison, four large direct-channel vendors were selected with gross unit sales in excess of 100,000 unit sales per year.

Equal or better systems were identified than those specified by the District, and compared purchase prices to determine the cost effectiveness of the sole source procurement. In those instances where systems were not completely identical, prices were adjusted up or down to reflect the relative retail cost upwards or downwards. Where comparable pricing could not be obtained, those line items were excluded from the review.

The review results were as follows:

Total for 51 line items:	
Total requisition value	\$1,016,486
Actual purchase order value	1,072,530
Percentage tested	78.2%

Reviewed values:	
Requisition value	\$ 794,803
Actual purchase order value	827,975
Purchase order reviewed	77.2%
Lost savings, per review	Hi \$ 288,738
	Lo 117,358

The lost saving as computed represent only the adjusted prices available for those particular vendors selected for comparative purposes.

The sole purpose of the review was to attempt to show the District that sole source procurement was not cost-effective and not in the best interest of the District or the State. Although, when discussed with all parties, the District attempted to discredit and personally attacked the auditor. We believe the point was made that the Board by permitting sole source procurement was party to the abuse of discretion that occurred in this matter.

Other Non-Audit Projects - Not Yet Completed:

Review of Recruitment Efforts

A request was made to evaluate the effectiveness of the District's \$100,000 personnel recruitment effort.

Personal Service Contracts

It was brought to the attention of the DMC that personal service contracts had been issued to employees of the District for services outside their regular positions which, in essence, paid them the regular full salaries for more than one position, i.e. two directorships.

Travel Advance Procedures

The DMC was concerned that the travel advance procedures were being abused and that the proper reviews were not taking place. The original conclusion found that as long as weekly balancing procedures are performed and adequately supervised, the procedures in place should not allow inappropriate charges to the wrong fund, or allow travel advance reimbursements to be credited to a different fund than where the travel originated. This procedure applies only to District employees.

Board of Education travel advances and vouchers are reviewed by the secretary to the Board only, and cannot be questioned by others.

As situations arise which, in the opinion of the DMC, warrant an audit, investigation or review, the services of an outside independent auditor will be utilized.

SECTION VII - COMMENTARY

The Budget Subcommittee has been an active committee this past year with all members participating. When practical to do so, all parties have been invited to committee meetings. On rare occasions where the internal workings of the District were discussed, it was determined that this could be handled in a more candid and forthright manner in closed session. This has proven to be a viable and successful approach. Over the years the committee has been able to establish a positive rapport with District personnel, especially in the area of financial services.

We are of the opinion that many individuals in the District are working hard and putting in many hours each week in an effort to correct the ills that have befallen the District through mismanagement. We are not always in agreement with the approaches that are proposed and are not hesitant in voicing our opinions and suggestions. We have found some of the people responsive to our suggestions, and others who take offense.

The Budget Subcommittee regularly monitors the placement of purchase orders as they are reflected in the Consent Items on the Board of Education's meeting agendas. The members are also very concerned about change orders to construction contracts as these seem to be more than normally necessary. It is apparent from reviewing the circumstances which give rise to the change orders that inadequate planning has taken place as well as appropriate review prior to seeking bids. Many of the change orders include omissions and errors in architectural design, failure to adhere to building codes and regulations, and changes in the structural needs of the building after construction has started. The committee is particularly concerned that those persons responsible for errors should bear the cost of correction. This is not always the case and the committee is of the opinion that the District and the PMT do not put forth the required effort to see that the District is reimbursed for the additional expense. Since the State shares the costs, the State is being penalized for this lack of effort.

The committee also looks closely at hiring outside consultants which the District is prone to do whenever a new task comes before it, rather than calling upon its own personnel to do the job. We have yet to receive a logical explanation for this approach to problem solving. We usually get the response that "our people are too busy." Too busy to

do the District's work? It is about time that somebody sets some priorities for what has to be done to get and keep the District moving in a positive direction.

Recently the District proposed to hire consultants for \$175,000 to make a space needs study. Another case involved contracting with the Urban League for \$150,000 to train District personnel in handling furniture related to staging for the next year. These two proposals we understand are on hold.

Still under consideration is a contract with Servicemaster and Woodley Building Maintenance to take over the maintenance and custodial operation of the District at a start-up cost in excess of \$300,000, money which the District does not have. Incidentally, this contract was not competitively bid which has raised some concerns in industrial circles and from companies that would have liked to have had an opportunity to bid.

The Board of Education recently approved signing a contract, upon the recommendation of the new superintendent, with IBM at a cost of \$750,000 per year for three years to finish upgrading the data processing system. This process has been going on for four years at a cost in excess of \$2 million, the bulk of which was provided by The Hall Foundation. They became discouraged with the progress being made and withdrew.

This contract, which has a direct effect upon all of the schools and their reporting of attendance, has been taken exception to by some high schools as making their reporting function more difficult at a great deal more expense. This matter is not yet closed. With a district that is admittedly millions of dollars out of balance, to engage in expensive long term contracts is ludicrous.

In the committee report for Year Four the following statements were made: "The District has a major problem in that more attention needs to be given to eliminating the significant number of pieces of paper which require processing. The District has lost control over its system of requisitions and purchasing. Although the problem is recognized by some persons, it is certainly not true of those persons who are in a real position to affect change. The answer does not lie in the employment of additional personnel." These statements still hold true in Year Six and are supported in the management study by Deloitte & Touche.

Over the years the committee has attempted to reach an agreement with the District on closing out each fiscal year promptly. We thought we had an understanding that Year Six would be closed as of June 30, 1991, with all purchase orders cleared and payments made by October 31, 1991. Each year we have been asked for an extension of time so that the District could expend the funds allotted for that year, even though the fiscal year had ended. We were assured that if we granted such an extension for Year Five, Year Six would be closed on time. Comes now the District asking that it be granted a 60-day extension to issue purchase orders after June 30, 1991, and a 60-day extension to pay its bills. The District has continually failed to correct the problems that give rise to the need for such an extension. This has been going on ever since the inception of the desegregation plan and will continue to go on as long as the DMC agrees.

The Joint Review Committee, composed of members of the Budget and Education Subcommittees, has been very active this year. It was primarily set up to review budget transfers and Effective School program expenditures. However, it has taken a more broad role in dealing with the requests for budget carryovers and related matters as well as the budget transfer process.

SECTION VIII - RECOMMENDATIONS

Some of the recommendations may seem redundant from previous years, however, they are still relevant today.

1. The KCMSD should be required to encumber funds (issue formal purchase orders for the current fiscal year) no later than 60 days prior to the end of the fiscal year, June 30th.
2. The KCMSD should be required to clear all outstanding obligations of record on June 30th of each fiscal year within 120 days subsequent to that date, and no payments made after that date without the express approval of the DMC.
3. The KCMSD should be required to take such action as is necessary to provide for much greater internal auditing to protect against possible waste, abuse fraud in expending the resources provided by the Court. As long as millions of dollars are allocated to the desegregation remedy, the opportunity for misuse is prevalent.

4. The KCMSD should be required to see that the superintendent and his cabinet assume their rightful responsibility to see that the operating and desegregation funds are spent in a cost-effective manner, and that budgets are managed properly. With the hiring of a new superintendent this requirement is a necessity.
5. The KCMSD should be required to present a long-range plan for funding the school district after the Court steps aside and ceases to provide the funds.
6. The Court seriously consider beginning the weaning process by making less resources available to the District in those programs in which the District has demonstrated that it cannot utilize all the resources in a cost-effective manner.
7. The KCMSD should be required to submit a plan for the implementation of the findings in the Deloitte & Touche Management Study.

DESEGREGATION SUBCOMMITTEE PRELIMINARY REPORT
TO THE COURT FOR YEAR SIX

Members

Dr. James Oglesby, Chair
Javier Perez, Jr.
Susan Stanton
Carl DiCapo

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INTRODUCTION

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- I. 1990-91 Non-Minority Recruitment
- II. Transportation
- III. Capital Improvements
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INTRODUCTION

Year Six of the desegregation monitoring process began with focus on the global aspects of the implementation of the court-ordered desegregation plan. Recognizing that the Court approved desegregation plan is a "bottom up" plan targeting school improvements at the building level, the Desegregation Subcommittee directed its attention to the administrative organization and its effectiveness in implementing the desegregation plan. The KCMSD's administrative organization lacked personnel in some very key positions. The District continues to have difficulty in the areas of personnel, procurement, transportation, and the timely implementation of the capital improvements plan.

Superintendent Garcia began Year Six of the monitoring process expressing a great deal of optimism that the effectiveness of the administration was basically good, that the organization was addressing the implementation of the desegregation plan and would eventually achieve success. Upon closer review, the organizational structure was not providing direction to deliver quality services to the buildings and ultimately to the classrooms. The District did not have key administrative personnel in place at a very critical time in the planning process for opening school in the Fall of 1990. At least two Area Superintendents had resigned and positions such as the Executive Director of Human Resources (Personnel), a Director of Recruitment and Marketing, and a Director of Transportation remained vacant or filled by an interim. The new administration had begun to fill these key positions toward the end of Year Six, although, the Desegregation Subcommittee has expressed dissatisfaction with a number of appointments and what appears to be an organization that moves closer to a "top down" administration.

SUMMARY OF YEAR SIX

I. 1990-91 Non-Minority Recruitment

The year 1990-91 was a difficult year to determine whether desegregation was actually occurring in the KCMSD, Year Six of the court-ordered plan. The District still does not have systems in place that can accurately track students. Desegregation Subcommittee members assess that progress is slow and below expectation due to the lack of attention given to student retention. In addition, any progress in enrollment and recruitment to some popular elementary magnet schools does not carry over to the middle and high schools.

In the DMC's July 1990 report to the Court, the District reported data which indicated that the total student membership was 34,850, with 26,065 minority students, 8,785 non-minority students, yielding a 74.8% minority student population. At the September 20, 1990 DMC meeting, after the start of the 1990-91 school year, then Superintendent Garcia reported that the "overall" minority enrollment for the District was 74.6%. In a November 9, 1990 Enrollment Data Analysis report to the DMC, the minority enrollment for the District was listed as 74.7%.

The KCMSD reported to the DMC that of the 1,100-plus non-minority students who applied for admission, 794 were placed, but only 545 actually showed up. Significantly, the 545 breaks down as 106 high school, 135 middle school, and 304 elementary school. This, if accurate, indicates that attrition continues to occur at a high level. The District reported that the four top reasons for student withdrawals were: (1) students wanted to stay in neighborhood schools; (2) safety; (3) transportation; and (4) distance from home to school.

The Desegregation Subcommittee believes that the recruitment effort lacked qualified and strong leadership in Year Six, however, there is optimism about the potential for improvement under the new Executive Director. It is worth noting that the publicity elements of the recruitment campaign received recognition by several industry and professional organizations for their excellence. This and ongoing observations suggest that it was not the "public campaign" that was weak -- but the execution of the effort at all levels. This would include the recruiting office, school buildings, and magnet office.

Parents and students whose awareness and interest were raised by the publicity campaign and then made some contact with the District were likely to be disappointed by the experience that followed. In summary, it must be noted that recruitment outcomes for the KCMSD were clearly less than satisfactory.

II. Transportation

Transportation, a vital component of the desegregation plan, continued to be a problem area. The Desegregation Subcommittee began identifying issues early in Year Six to determine whether concerns were being addressed in a timely fashion to ensure that the opening of school would proceed in an orderly manner.

The much proclaimed Edulog system was only partially implemented. Initial routing and pick up problems, while fewer than in previous years, remained high enough to generate negative publicity and parent distrust and concern. An equally alarming issue which arose, however, is the administration of contracts, accounting, audit practices, and billing procedures, all of which combine to generate a sense of mistrust and belief that there is mismanagement which costs the taxpayers dearly.

III. Capital Improvements

Once again the CIP program remains behind schedule as the KCMSD continues to experience delays in land acquisition, bidding and construction. The Desegregation Subcommittee, throughout Year Six, has questioned the number and amount of change orders on projects in an effort to determine the underlying reasons behind this repeated occurrence.

IV. Purchasing

Minimal progress was made in the processing of purchasing orders, however, key supplies were still not available in many schools by school opening. The Desegregation Subcommittee viewed these shortcomings as serious obstacles in the District's ability to attract non-minority students to the magnet schools, thus impacting negatively on the desegregation of the KCMSD. It is clear that recommendations such as those set forth in the audit by Deloitte & Touche must be put in place if this structural problem in purchasing is to be addressed.

V. Enrollment Data

The Desegregation Subcommittee continues to monitor the following four major components in determining whether desegregation is actually occurring in the KCMSD:

1. Changes in racial make-up of the student population in KCMSD.
2. Changes in racial make-up of the 90% or more minority schools.
3. Compliance of KCMSD with the desegregation requirements at magnet schools with specific goals of 60% minority and 40% majority.
4. Compliance of KCMSD with the desegregation requirements at magnet schools with specific goals to reduce the percent of minority students attending a school by at least 2% per year.

Total Student Membership

	<u>Majority Students</u>	<u>Minority Students</u>	<u>Total Students</u>	<u>% Minority Students</u>
1987-88	9,172	26,257	35,429	74.1%
1988-89	9,148	25,974	35,122	74.0%
1989-90	8,785	26,065	34,850	74.8%
1990-91	8,891	26,207	35,098	74.7%

The above figures represent an increase of 106 majority students and an increase in minority students of 142, with a total increase of 248 student population for 1990-91. The percentage of minority students declined by .1%.

Ninety Percent (90%) Minority Schools

	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>
1987-88	20	5	25
1988-89	16	5	21
1989-90	13	8	21
1990-91	11	5	16

The District appears to be making modest progress toward reducing the total number of 90%-plus minority schools. The total for 1989-90 was 21, reduced by four to total 16 for 1990-91. A breakdown of the 16 remaining schools that are over 90% for 1990-91

include nine traditional elementary schools. The KCMSD would be well advised to review the status of the traditional elementary schools and assess the effect of magnetizing these schools, with special attention given to theme and location.

Racial Compliance Standard

	<u>Total Magnet Schools</u>	<u>Meets Goal</u>	<u>Does Not Meet Goal</u>
Elementary Schools	35	16	19
Middle Schools	11	0	11
High Schools	10	3	7

As can be seen from the above table, 19 (54%) elementary schools did not meet their racial quota; all (100%) of the middle schools failed to meet their racial quota; and seven (70%) of the high schools did not meet their racial quotas. These figures further demonstrate the District's difficulty in retention and recruitment of non-minority students beyond the elementary level. In fact, it must candidly be reported to the Court that after six years of effort and massive expenditure of resources the KCMSD had made only minimal progress toward the desegregative objectives ordered by the Court. The Desegregation Subcommittee attributes these shortcomings both to serious incompetency in the administration in the KCMSD and also to less than full commitment to the desegregation goals by a significant number of personnel in the KCMSD.

**EDUCATION SUBCOMMITTEE PRELIMINARY REPORT
TO THE COURT FOR YEAR SIX**

Members

Dr. Miguel Sancho, Chair
Deborah Neal
John Cozad
Chuck James

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I. INTRODUCTION

In many respects, the past experience of the implementation of the desegregation plan was, for the most part, repeated this year.

The physical facilities, equipment and other educational resources provided by the Court move the KCMSD toward the ranks of the best equipped school district in the region, if not the country. The conversion of the material resources into higher levels of achievement and desegregation continues at a slower than acceptable pace, and it must be reported that on standardized test measures the scores in the KCMSD for 1990-91, there were more cases where the achievement of students on the ITBS declined than where there was improvement.

As this committee has observed in the past, several factors have slowed the progress expected from the investment in the educational activities and plant. First of all, the lack of adequate administrative infrastructure to support so ambitious an effort continues to be a significant factor in the partial implementation of the plan. Secondly, the need to place students in some school regardless of their interest, commitment and preparation for a given magnet theme complicates the instructional task at the school and classroom level in the magnet school. Thirdly, the retention of seniority consideration in assigning administrators and teachers to magnet schools too often leads to mismatches between the demands of the job and the capacity of the personnel. Fourthly, the degree of attention paid by the Board of Education to non-educational factors in decision-making distracts from the main task. Fifthly, the lack of an adequate and effective evaluation process for administrators and other staff provides limited accountability. Lastly, the continuing sense of impermanence, transition and crisis which accompanies the search and appointment of a fourth superintendent during the period of the desegregation plan absorbs the energy of administrators at the Central Office and school level.

Despite the factors which interfere with full and successful implementation of the court orders, there continues to be a steady improvement in the quality of the educational opportunities offered the children of the KCMSD. In a number of cases the quality of program, level of instruction and facilities combine to make District schools superior to what is available anywhere else in the metropolitan area. But it also must be noted that

based on academic performance the KCMSD continues to offer the worst of education in the metro Kansas City area.

The problems described above have been ongoing and described in previous reports to the Court. Although it is noted the KCMSD continues to be less than forthcoming in acknowledging serious deficiencies and then addressing them forthrightly, one underlying factor contributing to the problems has been the great number of tasks which have needed to be accomplished in a relatively compressed time period. The District is now headed by an administration which needs to get a large constellation of issues under control. Some deliberate slowing of the pace of implementation might result in a higher quality educational product.

RECOMMENDATION: The District and the Court consider a revision of the time frame for the implementation of the Long Range Magnet Plan (LRMP).

II. ADMINISTRATIVE TRANSITION

Pursuant to court orders the DMC involved itself in the monitoring of the process by which the Board of Education selected its new superintendent. The DMC and the Education Subcommittee in particular have examined the new administration's reorganization chart. It has also had conversations with the individuals named to fill key positions on the chart.

The initial concept driving the administrative chapters of the LRMP rested on the notion that the integrity of the magnet schools and programs required administrators fully sold on and committed to magnet theme implementation. (Magnet school is a term with several definitions: In the LRMP magnet programs are tied closely to an academic area or discipline more than to an educational delivery system or clientele.) The original administrative structure ordered by the Court as part of the LRMP set up a fairly complete administrative apparatus for the magnet schools to exist along side the traditional school structure. The history of magnet programs is that, in most cases, after an initial effort the magnet schools slowly lose their distinctiveness, becoming less and less distinguishable from enrichment programs of some sort. This structure was intended to guard against this loss of focus.

Many members of the DMC questioned the administrative reorganization implemented by the last administration because it represented a move away from the structure which would protect the special character of magnet schools.

The present administrative organizational chart contains elements which might be seen to move still further from the original concept in a number of ways.

While the new administration is acknowledged to have experience in magnet school education, it is not necessarily in the type of discipline specific magnets present in this case. The strategy being implemented by the current head of the district is to select generalists for the highest level administration. Similarly, most of those with line authority in the instructional apparatus have been described as generalists, while individuals with specific magnet theme expertise are to be in a consulting relationship with those in authority.

It may be that the integrity of the magnet programs can be maintained under this setup, but it is much more probable that the individual specialized theme justifying massive expenditure of resources will be lost.

A commitment to full implementation of academic theme magnet school program, such as that detailed in the LRMP, might require some modification in the organizational structure now in place. There also needs to be a review by the KCMSD of the staffing patterns that have moved from emphasis on magnet theme specialists as administrators to a greater emphasis on generalists as administrators.

RECOMMENDATION: The administration should evaluate the administrative structure with respect to its effectiveness in supporting a discipline based magnet program. This is especially true for the organization under the office of Associate Superintendent for Instruction.

RECOMMENDATION: Administrative personnel with commitment and background in discipline based magnet programs should be given greater line authority.

A. Administrative Infrastructure - Procurement.

The study submitted by Deloitte & Touche details what has been reported to the Court in the past. In particular the difficulties in getting all necessary equipment and supplies to the school absorbs the energy of the principals and teachers who must make up

the differences. New magnet programs in particular continue to be vulnerable to shortages of this kind (e.g. Holliday Montessori). The DMC has asked the Court to intervene more than once to give priority to the needs of the educational program over the convenience of the procurement process. Nevertheless, the educational impact of late deliveries and misplaced orders continues to be severe. The structural problems remain. The likelihood of shortfalls in this area, with continuing negative fallout on the education of the students, is very great.

RECOMMENDATION: The Court should cause the KCMSD to implement the Deloitte & Touche, or similar restructuring of the procurement operation.

B. Administrative Infrastructure - Personnel.

While the KCMSD does include a number of excellent teachers the intention of the LRMP was to revitalize the teacher corp of the District, in part, by attracting individuals with varied experience from outside the District. The intention of the Court in ordering improvements in the salary structure was to increase the attractiveness of the District to non-Kansas City area residents. However, the last school year did not see a marked change in the pattern of recruitment of teaching personnel. In fact, the District has been without a top administrator in the personnel operation for a very long period. An appointment to this key position has been recently made.

Some improvements have occurred. The Teacher Tuition Reimbursement Program (TTRP), while getting off to a slow start, has this year begun to show results in the recruitment and placement of new teachers. This program and the Teacher Tuition Assistance Program (TTAP) have had more clearly defined goals, more consonant with the intentions of the court orders, and have been better administered than previously. The Montessori programs, in particular, have benefitted from the use of these programs. However, a lack of a coherent Staff Utilization Plan has detracted from the overall progress in preparing the teacher corps to participate fully and effectively in the renewal of the district.

III. STAFFING

The existing patterns of staffing continue to produce superficial implementation of magnet themes at many schools. Principals and teachers assigned on the basis of seniority or other-than-educational criteria struggle with generating acceptable educational plans for new magnet schools. School administrators not knowledgeable or committed to magnet themes spend their energies on projects not related to implementation of the theme. As in previous years, administrative resources needed elsewhere are drawn in to cover the deficiency, producing deficiencies elsewhere. It should also be noted that the latest reorganization process used by the KCMSD to fill a number of senior positions did not include legitimate national searches as required by the Court. It is clear that the expectation was that the 1990-91 salary increase would provide an opportunity for the KCMSD to be more competitive at the national level in attracting outstanding talented individuals for administrative and teaching positions. It is even more apparent that legitimate national searches are required in order to have a chance of attracting the best talented persons available for the positions. Communications and data available from the KCMSD demonstrate that KCMSD failed to adequately conduct national searches for senior positions in the reorganization.

We note the bargaining unit and the administration for 1992-93 have come to an agreement which may modify the existing seniority requirements, and allow staffing of magnet schools to proceed with attention to magnet theme needs.

RECOMMENDATION: Serious commitment to implementation of the LRMP will require more attention to the magnet theme background and commitment of principals and teachers at magnet schools.

RECOMMENDATION: The District needs to take seriously the court orders regarding magnet theme preparation of school principals.

IV. EVALUATION

The District and the DMC have relied to a considerable extent on the products of the Evaluation Office of the District. These evaluations have been produced on a program by program basis adhering to the schedule ordered by the Court in the LRMP. This internal form of evaluation has been remarkably objective, given the politicized environment of any

school district. The findings of the District's evaluators have by and large been confirmed by the independent observations of a number of outside evaluating agencies, including the DMC.

This program by program evaluation, as ordered by the Court, continues to be a necessary tool for the review and modification of the several aspects of the desegregation orders. Many of the programs ordered by the Court are radically different from one another and in some cases singular, if not unique. The formative and summative reviews are a basis of changing, extending or curtailing programs which have absorbed large quantities of material and financial resources. While general, undifferentiated evaluation modes may also have utility, program by program review remains a necessary check.

The Court has approved the employment of two educational evaluators by the DMC. These positions have become increasingly necessary and valuable as the scope of the task of monitoring has increased. The DMC plans to retain and consider some expansion of these positions.

V. ACHIEVEMENT

Unfortunately, the magnet programs, effective school, class size reduction, summer school, etc., along with a 20% increase in staff salaries, have not produced the results hoped for at this time. Achievement scores have not advanced district-wide as one would hope, given the resources available. Moreover, achievement in specific areas do not correlate well with magnet theme. Math and science scores are not necessarily higher at math/science magnet schools, nor do communications magnets yet produce higher reading scores.

The falling achievement levels among the highest achieving quartile of the student population in both secondary and elementary schools are particularly disturbing. The District is apparently not providing for the brightest and most able students.

It is likely that lack of full implementation as envisioned by the LRMP has a great deal to do with this. The transition period in a plan of this magnitude is a long one.

The District plans some new initiatives for raising achievement levels, although it must be acknowledged that achievement scores for 1990-91 were abysmal at grades above

Grade Three. In fact, KCMSD reports that 72% of the cohort groups on standardized tests achieved growth of less than one year during 1990-91. Intervention programs have been tried in various forms and at various levels in the KCMSD (SWAS, Early Childhood, Chapter III). These programs have been generally modestly successful in improving achievement levels among the students participating in them. The programs generally involve alternative teaching modes, a cadre of specially chosen and committed teachers, and highly favorable student/teacher ratios. One experimental program at the middle school level (where achievement falls sharply) involves a one-on-one relationship with a non-teacher, volunteer mentor. This program has been especially successful in turning the achievement levels of the students involved around and of raising the academic climate of the school in which it is housed.

Programs such as these, when implemented appropriately, can add to the desegregative attractiveness of the schools in which they are housed in particular and of the system in general. Higher level of academic achievement give validity to the discipline based magnet themes.

RECOMMENDATION: The District should continue to develop intervention and alternative programs aimed at raising the achievement levels and academic climate of schools. In reviewing such programs as part of the desegregation effort, the Court should consider them to be desegregatively attractive in themselves and as a potential factor in increasing the attractiveness of the magnet system overall.

VI. LINCOLN ACADEMY

The admissions criteria for Lincoln Academy continues to be based on random selection from the pool of applicants above the 50th percentile on certain standardized tests. In practice this has led to admission of academically marginal students for Lincoln Academy, a high rate of demission, and the expenditure of large resources of staff time and effort on a lower achieving portion of the student body. At the same time capable minority and non-minority students have been denied the enriched academic environment Lincoln provides due to the luck of the draw.

A more rational and useful admissions policy might include higher standardized test scores and other academic factors which brings in the most qualified minority and non-minority students.

RECOMMENDATION: The District should revise the admission policy for Lincoln Academy to reflect higher admission standards.

VII. SPECIAL EDUCATION

The KCMSD is under court order to include partially abled students in the magnet program as much as is practical given the demands of particular programs. The District this year moved, with some prodding by a number of constituencies, to comply with this requirement and with other federal requirements. Space constraints led to some anomalies and perhaps to clear violations of aspects of the LRMP. The District has expressed a commitment to continue to move toward mainstreaming. The Education Subcommittee will expect to receive reports from the District and the State relative to progress and new directions this effort will take.

VIII. SUMMER SCHOOL

The summer school program for 1990-91 continues to be an eclectic program whose successful implementation is hindered by the selection of facilities with no or partial air-conditioning, the use of non-regular school year principals, and a traditional curriculum which emphasizes remediation, not enrichment.

The elementary schools appear to have some focus with their instructional programs, but there is little effort to use summer school as a recruitment tool to attract private or parochial in-district students or majority suburban students. Clearly, recruitment efforts need to also continue at higher grade levels to increase the majority student enrollments and to combat student attrition.

The middle school program has presented the District with some serious challenges. In fact, the increasing number of marginal or retained students at the middle and senior school level requires that the District re-evaluate its goals to attract new students to the District via enrichment courses. Absenteeism is a serious problem for many of these students during the regular school year and continues during summer school. Thus, low

average daily attendance and disruptive student behavior suggest that the instructional goals are not being met, nor is the environment or program desegregatively attractive to non-district students.

At the senior level, summer school enrichment is limited to one to two regular school year electives and is designed for the student who wants to acquire or needs additional course credits.

IX. NEW THEMES

The intention of the Court in ordering a magnet program was to have the KCMSD offer programs unique in the metropolitan area and attractive to non-minority parents. The initial thrust of the magnets was largely toward academic based themes: science, math, fine arts, engineering, foreign language, computers. Some other themes tied more closely to mode of instruction than to a discipline (e.g. Latin Grammar) were also implemented.

As the District approaches a review of the magnet schools programs and considers implementing "magnetizing" of new schools, the Court might well consider that desegregative attractiveness lies in a number of programs and educational delivery modes not tied to specific academic disciplines. The Court has approved a number of programs along these lines. The latin grammar theme has been mentioned, the greek academy - in one of its variations, is another, some alternative/intervention programs have come forward. In addition there are other innovations (e.g. with length of day, with calendar) which might prove to be highly attractive to non-minority parents not now patronizing the system.

X. DISTRICT-WIDE TASK FORCES

Since its formation, the district-wide task forces have matured and begun to evaluate long-range program issues (e.g. curriculum development for K-12, staff development, program vision and articulation, teacher and student recruitment, etc.). The task forces have become dynamic forums for uniting theme principals and teaching staff to share success and elicit group support to correct or ameliorate program shortcomings. Overall, the task force chairpersons have been excellent facilitators this year for

accomplishing "behind the scene" improvements or building-level support for magnet program implementation. It is hoped that the task force program assessments, recommendations for improved instruction and staff enthusiasm for the theme are not neglected as KCMSD moves towards a reorganization.

XI. EFFECTIVE SCHOOLS

For the last few years, Effective Schools proposals have maintained status quo efforts. The former superintendent issued directives to school principals to improve tests at certain grade levels which traditionally have had low scores (e.g. third, fifth, ninth and twelfth grades). Thus, priority was given to working with remedial students in these grades.

The District has indicated that it is currently evaluating the use of Effective Schools monies and measurement towards school-based goals in 1991-92. The new basal for reading is literature-based, and teachers and reading resource staff are anxious for inservice training. At this time it is clear that the expected realization of the Effective Schools program (achievement at grade level by students) has not been achieved.

XII. FACTORS AFFECTING PROGRAM IMPLEMENTATION

Recruitment efforts have been intensified since a new director was brought on board and recruiters are out of the Central Office and into the schools to direct tours. The recruitment strategy is based on individual schools and not on specific themes. Consequently, inter-school, not intra-school, competition occurs particularly when KCMSD non-minority enrollments begin to decrease at grades six and nine. Theme loyalty is a critical issue for themes such as the Foreign Language/International Studies programs which have foreign language proficiency entrance requirements. Also, program administrators have argued that the failure to encourage feeder pattern continuation at grades six and nine has resulted in reducing the number of electives for advanced students and increasing introductory level courses for the large number of incoming students.

Additionally, a serious concern that affects the overall implementation of programs is the organization and level of support staff assigned according to program level (elementary, middle, senior) versus student population at the building. At a middle school

with 238 students, there is a principal, an assistant principal, two secretaries, a coordinator of instruction, a coordinator of curriculum, a counselor, a home school coordinator, and a community liaison. At an elementary school with over 550 students, there is a principal, a secretary, and an instruction assistant. The KCMSD continues to follow traditional staff assignments rather than acknowledge specific building and theme requirements to ensure program success.

XIII. NEW PROGRAMS

Rogers Academy, as a first year magnet, embodies both the best and worst of a middle school program. The curriculum articulated in the Planning Task Force document is both rigorous and multi-disciplinary; however, ongoing administrative personnel changes, the turbulent activities of the School Advisory Committee, as well as the inexperience of many new teaching faculty has had an impact on the instructional program and staff morale. Despite outstanding resources and low student/teacher ratios, the lack of KCMSD supervisory level intervention in 1990-91 suggests that the issue of building leadership will continue to be a concern next Fall.

Richardson and Banneker Computers Unlimited elementary programs are in their first year of implementation and are off to an excellent start. Van Horn School of Engineering and Technology is also in its first year of implementation. Van Horn has a new principal and has recently completed renovation to convert one of the campus buildings in to a technology center. All three schools have moved rapidly to meet desegregation goals (60/40), the principals are instruction leaders and building managers, and the computer labs are installed and being used by both teachers and students.

Southeast Health Professions continues to build on its affiliation with several hospitals, health associations and medical advisory and resource staff personnel. Building limitations have restricted the scope of the program, but renovations for the addition of an emergency room and several medical labs will enhance theme attractiveness in the Fall of 1991.

Northeast Middle Global Studies is also a first year magnet and an alternative to the Foreign Language program. The curriculum encompasses world cultures, environmental,

conflict and world issues and appears to reflect progress towards developing a middle school program with magnet electives and exploratory courses.

Harold Holliday Montessori. The first year of implementation for grades pre-K to K was hampered by the late delivery of Montessori materials including essential language and skill development materials. These materials did not arrive for use until after November 1, 1990, which seriously delayed the implementation of the program. Complicating this situation, classroom teachers were pulled from their teaching assignments for up to eight weeks on a full- and half-time basis to receive training to complete their Association of Montessori International Certification. Additionally, the program is currently housed in a temporary facility in which there were initial delays in the completion of the renovation process, and classroom teachers purchased fans at their own expense for the comfort of themselves and their students.

Metropolitan Advanced Technical High School (MATHS) has completed its first year of operation as an advanced and technical studies program for grades nine and ten. Many of the problems that have been encountered in implementing the themes at MATHS have been the direct result of KCMSD's Human Resources Department's inability to employ a curriculum coordinator, a coordinator of instruction, and a vocational specialist to assist the principal and the teaching staff. As a consequence of not having these essential personnel during the 1990-91 school year, fundamental and critical curriculum and instructional issues have only been slightly addressed. Additionally, much of the equipment that was needed to operationalize the basic and vocational skills laboratories for grades nine and ten arrived at various points in the school year, which limited instruction. As of May 1991, there were still several basic skills laboratories that were not totally completed.

Classical Greek Magnet Cluster for 1990-91 consisted of three elementary schools (Pitcher, Paige and Woodland) and one middle school (Robeson) in operation. On a day to day operational level the classical greek elementary schools have a very mixed track record of successes and failures. At Pitcher there have been excellent examples of a model student council governance program, gymnastic and swimming. Paige's physical development programs have been severely limited by the temporary facility that houses its student body. Woodland also has been limited in the types of physical and athletic skills

that can be developed because of physical facility difficulties and, most notably, their athletic fields have not been completed. However, Woodland does have a strong reading program. Because of the varying degrees of success in the elementary greek cadre, the reaction has been that the schools are beginning to share ideas and develop common programs.

Robeson's strength lies in the program, resource teaching staff, who have worked diligently under the direction of the principal and coordinator of curriculum, to develop a viable core and theme curriculum that can be infused across the various grade levels.

Central High Classical Greek's planning process was successfully completed during the 1990-91 school year. Without doubt, the planning process was a relatively smooth interplay of administrators, teachers, parents and community-based participants that equally shared their expertise and perspectives to produce the final planning document. The final document per se was based on an adaptation of the perceived Greek concepts of building "a sound mind in a sound body."

George Washington Carver Latin Grammar presently is being housed in temporary quarters during its first year of implementation. The facility has presented the staff at the school with its only serious obstacle. As was conceived in the LRMP, Carver has strong codes of conduct and dress with each student being required to wear a uniform that was furnished by the KCMSD. A structured learning environment is in place with curriculum emphasis being placed on basic skills attainment, mastery learning, problem solving and decision making. Latin has been infused across the basic skills areas and is offered on a daily basis.

Martin Luther King Latin Grammar has successfully completed its first school year as a Latin Grammar college preparatory magnet school. There was evidence to suggest that an exemplary effort was made to implement the major missions and provisos of the LRMP and the site-based planning document that was prepared by the task force. These included an emphasis on traditional basic skills, reasonable standards of behavior and conduct, and vigorous homework assignments.

Westport Communications/Writing Middle School has completed its first year of operation as a communications/writing magnet school. Considering the physical conditions

with which the site-based administration and teaching staff had to labor under, it must be assessed that they did a reasonably adequate job of implementing the communications/writing theme as proscribed in their site planning document and LRMP. Because of the use of the annex concept there were some curriculum trade-offs in the theme areas made with the 125 eighth grade students that were housed at the annex. Given the fact that temporary laboratory facilities were set up for T.V. and photographic production for the 1990-91 school year, the students did receive hands-on experiences in these areas as required in the LRMP.

East Environmental Science and Agribusiness High School has completed its first year of implementation as an environmental science magnet program. From an extensive analysis of the five environmental science program goals that were proffered for attainment during the first year of implementation, there was evidence presented to support the propositions that they were somewhat successful in achieving these goals. The East agribusiness theme was artfully planned and outlined and brought to a conclusion. The agribusiness planning document is ambitious and strikes a healthy balance between providing theoretical and hands-on experiences and/or practicums in the various fields of agribusiness that would lead to immediate entry into the world of work or further training through postsecondary educational experiences.

Trailwoods Environmental Science Elementary, formally referred to as Elementary III, has completed its first year of implementation as a K-5 environmental science magnet elementary school. From a desegregation perspective, Trailwoods has a minority/non-minority enrollment ratio of 56/44%, and has been successful in attracting 29 interdistrict and intradistrict non-minority students. Operationally and conceptually, Trailwoods would be described as a traditional school with an environmental science theme. To offset this concern, key district-level science personnel have begun to offer the staff at Trailwoods technical assistance in bringing about a smoother implementation of the theme. With continued progress in this direction, Trailwoods has the potential to continue to offer a desegregatively attractive environment.

Westport Business and Communications Technology High School has completed its first year of operation as a business magnet program. The business theme was besieged

with a host of personnel, logistical, construction and procurement problems that tended to negate the staff's efforts to totally implement the theme. For example, the occupational business skills computer laboratories were not operational until after March 31, 1991, which are key components of the theme's program as described in the LRMP. Compounding the problems that existed at Westport, the program was without the services of a permanent building principal for the vast majority of the school year. Two individuals served as principal of Westport on an interim basis.

The planning process for the communications magnet theme at Westport was completed during the 1990-91 school year under the auspices of the site planning task force. Much of the work of the task force was most difficult considering the fact that one of the interim principals was responsible for chairing the proceedings and providing the leadership and making provisions for the planning elements until such time as a program administrator was hired in late December 1990, to assist in alleviating some of the planning burdens. However, a concerted effort was made by the planning task force to meet timelines and to consider each of the planning provisos that were called for in the LRMP. The final planning document is strong in some of the five curriculum strand areas of the communications theme, while other areas leave much to be desired, such as the graphic arts strand and in the integration of the communications theme and the basic academic core areas.

**VIDT SUBCOMMITTEE PRELIMINARY REPORT
TO THE COURT FOR YEAR SIX**

Members

Carl DiCapo, Chair
Chuck James
Ed Stoll

SUMMARY

The Missouri City transfer plan for 1990-91 was a huge success. The superintendent of the Missouri City School District initially expressed reservations regarding involvement with the committee. However, after having visited the school, the superintendent has been quite friendly, helpful and supportive of the DMC.

Missouri City did experience some transportation problems with the State. The VIDT Subcommittee feels that the State should not have been so rigid during the initial implementation of such a plan.

One VIDT student has graduated from Missouri City and one will transfer for personal reasons, leaving eight returning students for 1991-92. It is expected that two additional students will be added to the original eight, thereby retaining 10 students in the program for 1991-92.

In January 1991, the VIDT Subcommittee invited suburban school districts to a meeting to discuss the Independence and North Kansas City transfer plans. Eleven districts were present at the meeting and it appeared that some headway would finally be made. Unfortunately, the committee was embarrassed by the State's position which included informing the suburban school districts that they should not go through the VIDT Committee, but rather through the Court, as the State intended to do with its own plan. The committee is troubled by the lack of information provided by the State regarding progress. The North Kansas City and Independence VIDT plans were submitted to the Court. The Court has rejected the Independence and North Kansas City plans.

As a result of the activities of the past year, the VIDT Committee is not optimistic about the future of new VIDT plans.