

## Summary of Peer Review – Operations

*Seattle Public Schools has completed a number of academic and operations **peer reviews**. These reviews, which have been performed by national experts, show us what we are doing well and point out how we can improve.*

*The recommendations from each peer review will inform the district's strategic planning process, so changes and improvements to individual programs will advance our overall vision for academic achievement.*

### The Subject

#### Operations

This peer review study evaluated how Seattle Public Schools manages its core **business operations**:

- Human resources
- Finance
- Information technology

Managing these business operations effectively is essential to provide high-quality education to our students. The school district is a large organization, with nearly 46,000 students, more than 7,000 staff members and more than 100 school buildings. The district must have processes in place to hire and pay teachers and other staff, to budget and keep track of money, and to manage information on grades, bus routes, building maintenance and students' school assignments.

### The Reviewer

The operations study was conducted by a team of nearly two dozen reviewers from the **Council of the Great City Schools**. The Council, which was founded in 1956, is a coalition of 66 of the nation's largest urban public school systems. The Council supports member districts with research, communications, curriculum and management assistance and has conducted nearly 150 instructional, management and operational reviews over the last several years. For the SPS review, the Council assembled a team of senior managers from districts around the country with extensive experience in human resources, finance and information technology.

## Summary

After studying SPS business operations, the reviewers made a number of recommendations for the future. Key recommendations included:

**Human resources:** Audit the district's new payroll system and integrate it with recruiting efforts and substitute teacher assignments. Develop a business plan that is focused on meeting the needs of principals in recruiting and supporting teachers and other school staff. Streamline the district's recruiting and hiring processes to make it easier to identify and hire top-quality staff.

**Finance:** Develop a priority-based budget that is guided by the priorities set in the district's strategic plan. Strengthen district audits to better track and report on district spending. Adopt modern purchasing strategies to improve efficiency and save money.

**Information technology:** Develop a district-wide governance and decision-making structure for IT planning and purchases to ensure that IT decisions support academic goals. Review purchasing decisions—and decisions about whether to purchase ready-made software or develop custom-built applications—to reduce costs and increase efficiency.

## Study Methods

To conduct Seattle's operations review, the members of the review team **interviewed** about 170 district staff; **visited** district offices to observe work conditions and practices; and **reviewed** thousands of documents related to the district's business operations. The reviewers released their report in April 2008.

## Findings and Recommendations

The reviewers focused on the district's three primary business functions: human resources, finance and information technology.

### Human resources

The reviewers praised the actions taken by SPS leaders to identify and address the challenges the human resources department is facing. They noted that those challenges include the department's high turnover in recent years and the lack of customer service to help principals in individual schools with their hiring and staff needs.

The reviewers noted that the new HR/payroll system, which was launched in 2007, was underfunded and has experienced a number of problems. They also noted that the district's decentralized approach to hiring teachers (with teachers interviewing

at each school rather than at a central district office) is inefficient and may cause SPS to lose qualified teacher candidates to other districts.

The reviewers recommended that SPS:

- **Fill vacant positions** with qualified human resources professionals.
- **Audit the new payroll system** and then take action to correct any underpayment or overpayment or other problems.
- **Integrate the payroll system** with recruiting and substitute teacher functions to avoid duplicating information and effort.
- **Develop a business plan** that is focused on meeting the needs of customers (that is, principals in individual schools).
- **Streamline the district's recruiting and hiring processes** to make it easier to identify and hire top quality staff.

## Finance

The reviewers commended SPS for its good financial health and long-term financial forecasting. They noted that the board's finance committee provides strong leadership and guidance. And they praised the purchasing unit's focus on customer service. The reviewers did identify a number of areas in which SPS could strengthen its financial operations, however. They noted that the district does not have short-term priorities to guide budgeting and spending, and district staff do not always have the information they need to track expenses and prepare financial reports and audits. They also noted that the district does not have sufficient controls on purchasing and payroll.

The reviewers recommended that SPS:

- **Develop a priority-based budget** that is guided by the priorities set in the district's strategic plan.
- **Reorganize the department** to allow staff to focus on specific tasks (though provide cross-training so work can continue when staff are absent); then develop performance indicators for their work.
- **Strengthen district audits** (both internally and externally) to better track and report on district spending.
- **Adopt modern purchasing strategies** to improve efficiency and save money.

## Information technology

The reviewers commended SPS for a robust wide area network, a "can-do" attitude around technology and a well-equipped data center with good security. However, they expressed a number of concerns about the district's department of technology services. They noted that high turnover in the department and a lack of clarity about the needed skill sets for IT staff had led to confusion about roles and responsibilities and a limited strategic vision for how technology should be used throughout the district.

They noted that technology plans were not always coordinated with academic plans, and there were no clear processes for making decisions about new projects. They noted that the district was not always strategic about purchasing new equipment and software and, in particular, expressed concern that the district continues to develop custom-built applications (particularly for functions that must be taken off the outdated VAX system) rather than purchasing ready-made software.

The reviewers recommended that SPS:

- **Reorganize the department** and evaluate the necessary skill sets for staff by studying the work that is actually performed, and then fill key positions.
- **Develop a district-wide governance and decision-making structure** for IT planning and purchases.
- **Coordinate IT with academic goals** by developing a business plan that supports the district's strategic plan priorities.
- **Review purchasing and application development decisions** to determine ways to reduce costs and increase efficiency.

#### **Next Steps**

The operations peer review was carried out as part of the **Seattle Public Schools' strategic planning process**. The strategic plan is being developed to help the school district strengthen academic achievement for all students by allowing us to assess where we are now, develop a list of priorities for improvement and then take action. The strategic plan will be adopted by the school board in June 2008 and will be carried out over the next several years.