Internal Audit of the Human Resources Function

for Alexandria City Public Schools

PREPARED AND SUBMITTED BY:

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

Contents

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

Section 1 – Introduction

In May 2016, Gibson Consulting Group, Inc. (Gibson/audit team) was engaged to conduct functional performance audits for the following Alexandria City Public Schools (ACPS/the division) functions: facilities, procurement, and payroll. In January 2018, Gibson's was engaged to conduct a functional performance audit of the human resources function. As such, the scope of this audit did not include the process of paying employees after they have been hired, but rather on the core human resources functions associated with recruiting, hiring, supporting, and retaining employees, including position control and compensation and benefits management.

The audit team wishes to thank the ACPS leadership and staff for their assistance in conducting this audit and the Board Chair and Vice Chair for overseeing this important work.

Audit Scope and Approach

The primary objective of this human resources audit was to evaluate overall efficiency and effectiveness of ACPS' human resources function, including compliance with applicable board policies and regulations, and to identify opportunities for improvement. Seven major areas of human resource management were analyzed:

1. Organizational Structure, Staffing and Management Practices

2. Information Technology

3. Compliance with Laws and Regulations

4. Recruiting, Hiring and Onboarding

5. Employee Evaluation, Discipline and Separation

6. Compensation and Benefits Management

7. Position Control

As part of the review, the audit team conducted the following activities:

- Conducted a project kick-off meeting to orient the Human Resources Department staff on the project objectives, scope, key activities, and timeline.

- Collected and analyzed data provided by ACPS, as well as publicly available data from the Virginia Department of Education (VDOE) website.

- Conducted 29 individual and small group interviews with department administrators, staff, and other department stakeholders; a complete list of interviewees is contained in Appendix A.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

- Benchmarked ACPS to other school divisions using data from the Washington Area Boards of Education (WABE), as well as to industry benchmarks available from the Society of Human Resource Management (SHRM).

- Conducted audit tests to corroborate key HR processes, obtain evidence of documentation maintenance, and validate compliance with ACPS board policy. Table 1 provides a summary of the audit tests that were performed. Gibson utilized a non-statistical approach to determine sample size and guide sample selection for each audit tests. Multiple factors were considered in the determination of sample sizes including perceived risk, population size, expected errors, and required client effort.

Table 1. Summary of Audit Tests

Audit Test	Sample Size	Test Description
Test 1: Personnel Files	30	A sample of personnel files was obtained and reviewed to ensure that all key documents (i.e. application, employee recommendation, resume, fingerprint receipt, etc.) were retained within the file.
Test 2: Employee Appraisals	30	A sample of employees was selected and queried in *Perform*. The audit team performed testing to ensure appraisals were conducted in accordance with board policy.
Test 3: Employee Access	N/A	A listing of employees with access to HR and Payroll menus in MUNIS was obtained to determine the appropriateness of access levels.
Test 4: Workers Compensation Claims	6	The support for a sample of workers' compensation claims was obtained and reviewed to ensure timely reporting of the claims and proper documentation.
Test 5: Timesheet Edits	15	A sample of edits made to timesheets was selected to ascertain the appropriateness and validity of the changes made.

Executive Summary

Alexandria City Public Schools is a growing school division with a diverse student population of more than 15,800 students. It is the largest employer in the City of Alexandria, with over 2,400 staff, including 1,350 teachers. Employee salaries and benefits account for 83.2 percent of ACPS' $292.5 million operating budget.

The Human Resources (HR) department within ACPS is responsible for the comprehensive set of managerial activities and tasks related to attracting, developing, and retaining a highly effective and diverse workforce. Most of these tasks are administrative in nature, so the efficiency with which staff are able to perform their day-to-day activities is largely driven by the adequacy of current information systems and processes. Commendably, the school division recently invested in and implemented an on-line applicant tracking system, an employee records management system, and an on-line performance evaluation system. However, the lack of integration with other key systems has resulted in inefficient HR business processes that require manual and/or duplicate data entry, system workarounds using Excel

spreadsheets, and paper-based personnel action forms and approval processes, all of which are time-consuming and error-prone. A lack of standard operating procedures for many business processes further exacerbates this issue.

From a more strategic human resources management perspective, ACPS experiences persistently high teacher turnover—over half of all teachers that terminated in 2016-17 had been employed by the school division for less than three years. Turnover is costly and places excessive demands on the systems and processes for attracting, developing, and retaining a quality workforce. Further, novice teachers who are most at risk of leaving the school system are more heavily concentrated in the most challenging schools serving the highest need students. Enhancing the teacher mentor program and offering a more robust and seamless onboarding program for new employees are some retention strategies that should be considered. Research shows that starting salary is an important variable for teachers new to the profession; commendably, starting salaries for beginning teachers in ACPS with advanced degrees are higher than many neighboring school divisions. The school division also offers incentives such as additional pay step increases and annual bonuses to more effectively recruit and retain some hard to fill positions.

The HR Department is not currently positioned to adequately address these and other challenges because it lacks a long-term operational plan that would serve as a guide for decision-making as well as a tool to evaluate and monitor progress towards departmental goals and objectives, which have not been formally established. The HR Department does not have a performance measurement system to monitor the efficiency and effectiveness of its operations. Lastly, the HR Department does not routinely solicit feedback and assess satisfaction levels with the quality of services provided to its customers, which is critical to any customer service organization.

Table 2 provides a summary of all the recommendations contained in this internal audit report, along with a priority level suggested by Gibson based on perceived risk and/or impact to the organization. Ultimately, the board will need to determine the priority with which recommendations are implemented.

Table 2. Summary of Audit Recommendations and Risk Assessment

No.	Priority	Audit Recommendation
1	High	Develop a comprehensive HR plan that establishes departmental goals and objectives aligned to the long-term human capital needs of ACPS.
2	Medium	Enhance a performance measurement system for all core functions of HR.
3	Medium	Develop and maintain operational guidelines and SOPs for all major functions of the Human Resources Department.
4	Medium	Enhance the professional development program to meet the on-going training needs of HR staff.
5	Medium	Expand the use of customer satisfaction surveys and send them to customers after every interaction with the HR Department.
6	High	Streamline HR business processes either through implementation of an integrated time and attendance scheduling software or by developing interfaces between existing systems.
7	Medium	Establish a plan to digitize all personnel files and budget accordingly.

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

No.	Priority	Audit Recommendation
8	Medium	Implement MUNIS Workflow to automate approval processes.
9	Medium	Implement practices to proactively identify and address the root causes of employee turnover and use this data to inform recruit and retention strategies.
10	Medium	Review teacher assignment strategies that place the most inexperienced teachers in the highest need schools and classrooms.
11	Medium	Implement strategies to more competitively recruit and hire Hispanic teachers.
12	Medium	Establish processes for systematically reviewing and updating job descriptions to ensure that they accurately reflect assigned roles, responsibilities, reporting relationships, and position qualifications.
13	Medium	Ensure that all required forms and relevant documentation and communications are also available in Spanish, Arabic and Amharic.
14	High	Develop and coordinate an employee onboarding program that supports all new employees through their first year on the job.
15	Medium	Enhance the Teacher Mentor Program to more effectively support new teachers and veteran teachers new to the school, school division, or teaching assignment.
16	Low	Establish a schedule for conducting salary surveys for the different classifications of employees.
17	High	Shift responsibility for processing manual time sheets from HR to Payroll.
18	Medium	Continue to routinely monitor benefit programs to manage costs.
19	Low	Update the ACPS Employee Handbook to include the names and contact information of the Compliance Officer and the Alternate Compliance Officer.
20	Medium	Purchase 2018 labor law posters and distribute to all ACPS schools and facilities.
21	High	Ensure all personnel files are complete and implement processes to collect all required documentation that are missing from personnel files.
22	Medium	Improve monitoring of appraisal compliance and hold supervisors accountable.
23	High	Ensure a proper segregation of duties by limiting the access of some HR staff in MUNIS.
24	Low	Implement more robust monitoring of workers compensation claims for compliance.
25	Low	Redesign the process for editing a timesheet by a supervisor.

Each of the above recommendations is discussed in detail throughout the remainder of this report, which is organized into the following sections:

2. HR Department Organization and Management
3. Information Technology and Business Processes
4. Strategic Human Resource Management
5. Compensation and Benefits Management
6. Compliance and Audit Testing

# Section 2 – HR Department Organization and Management

Background

Alexandria City Public Schools (ACPS) serves a diverse student population of more than 15,800 students from 118 different countries speaking 120 languages. ACPS is comprised of 12 elementary schools, 2 middle schools, 1 pre-K through 8 school, and one high school (with two campuses). ACPS is the largest employer in the City of Alexandria, with over 2,400 staff, including 1,350 teachers. Over the past three years, student enrollment increased 6.4 percent, while the total number of division employees increased 4.2 percent (see Figure 1).

Figure 1. ACPS Student Enrollment and Division Employees, 2016 to 2018

	2015-16	2016-17	2017-18
Enrollment	14,857	15,418	15,802
Employees (FTEs)	2,313.8	2,394.4	2,410.3
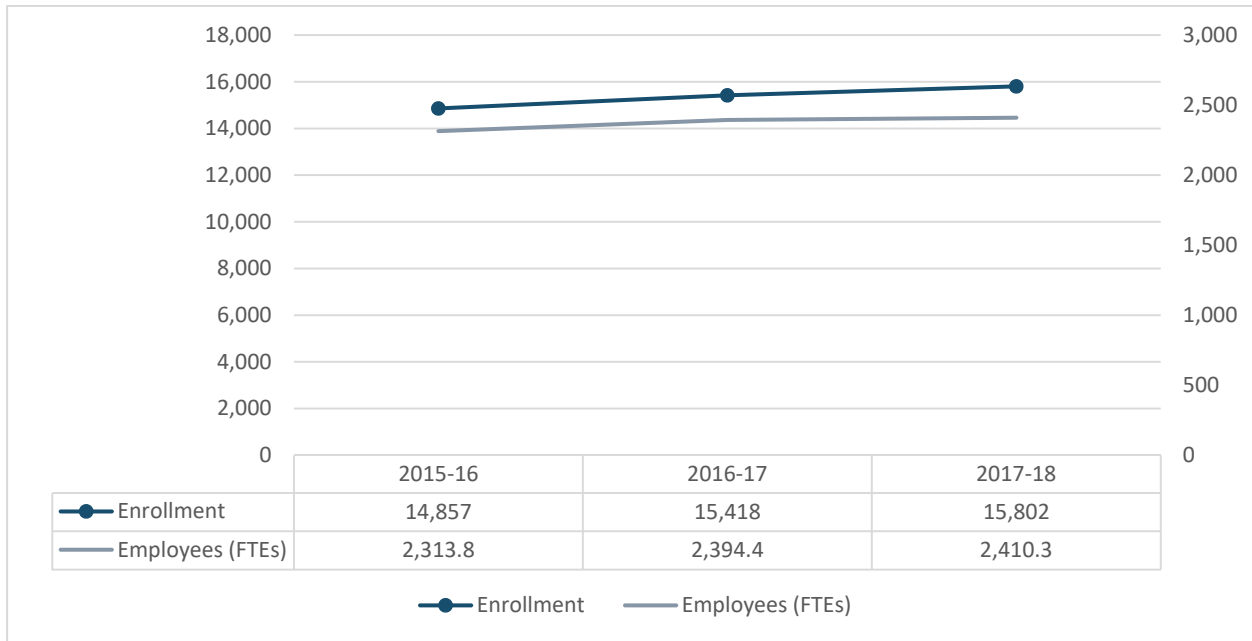
Source: ACPS Human Resources Department (Data Request #16) and Virginia Department of Education (VADOE) website.

As shown in Figure 2, ACPS teachers account for the largest employee group (53.3 percent) followed by support staff (30.9 percent).

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Figure 2. ACPS Employee FTEs, 2018
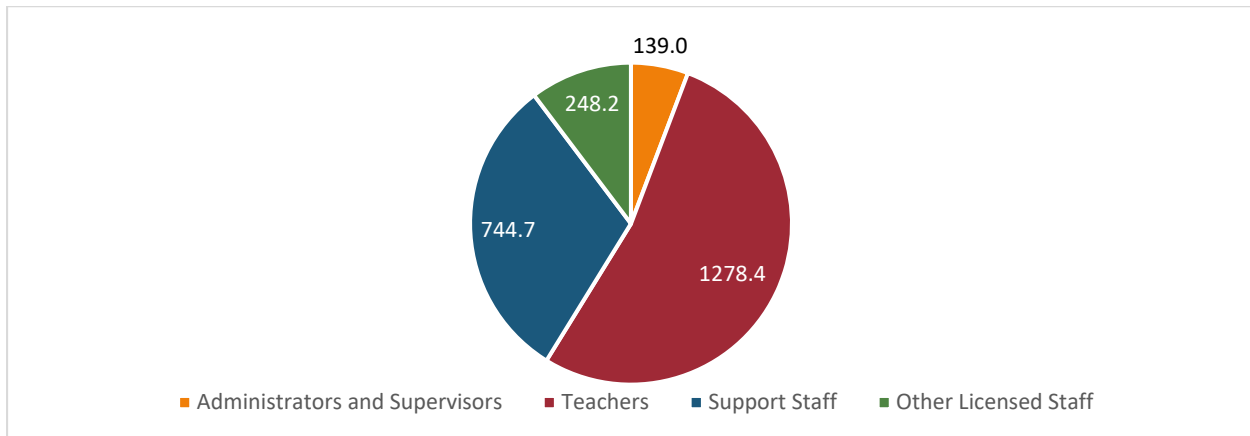
Source: ACPS Human Resources Department (Data Request #16).

In 2017-18, ACPS operated with a total budget of $292.5 million, which represents a 6.7 percent increase from 2014-15 expenditures; employee salaries and benefits accounted for approximately $243.4 million, or 83.2 percent of ACPS' total operating budget.

Table 3. ACPS Operating Expenditures, 2015 to 2018

Object	2014-15	2015-16	2016-17	2017-18 Budgeted
Salaries	$154,008,799	$162,743,752	$170,059,337	$176,261,385
Benefits	$58,774,568	$56,178,212	$59,578,967	$67,124,816
Purchased Services	$35,078,124	$38,328,409	$43,429,661	$16,340,838
Internal Services	$11,249	$14,223	$23,996	$99,587
Other Charges	$10,730,311	$9,711,607	$11,877,246	$10,325,535
Materials and Supplies	$11,656,631	$11,990,351	$12,818,783	$13,981,991
Capital Outlay	$3,245,409	$4,615,020	$7,197,407	$6,389,031
Other Uses of Funds	$484,508	$240,505	$(2,692,048)	$1,959,561
Total Expenditures	**$273,989,599**	**$283,822,079**	**$302,293,349**	**$292,482,744**

Source: ACPS Expenditures Report (Data Request #1).

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Organizational Structure and Staffing

The ACPS Human Resources Department (HR Department) is "*dedicated to selecting, recruiting and retaining exceptional employees who exemplify the vision and goals of ACPS in meeting the educational, emotional, and social needs of the students of the City of Alexandria*."[1] The HR Department is organized into three units, each of whom perform the following functions:

- **Employment Services** – Posting position vacancies; recruiting and initial screening of job applicants; onboarding and processing new employees; conducting background checks; managing employee licensure and certifications; managing student internships; developing and maintaining job descriptions.

- **Employee Relations** – Handling employee complaints and grievances; ensuring ADA accommodations; conducting employment verifications; managing the employee performance evaluation process; maintaining personnel records.

- **Employee Compensation and Benefits** – Determining salaries and maintaining salary schedules; conducting compensation marketability research; managing employee benefit programs; processing employee promotions, transfers, leaves, resignations, retirements, and other life events.

In addition, the HR Department staff are also responsible for:

- Recommending personnel policies and developing accompanying procedures for implementation;
- Ensuring compliance to federal, state and local regulations regarding personnel operations;
- Responding to human resources inquiries from ACPS employees; and,
- Preparing materials for human resources recommendations to the School Board.

The HR Department has 14 employees and is led by a Chief Human Resources Officer (CHRO) who reports to the Superintendent. Figure 3 presents the HR Department's current organizational structure.

---

[1] https://www.acps.k12.va.us/hr/

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

Figure 3. ACPS Human Resources Department Organizational Structure, 2018
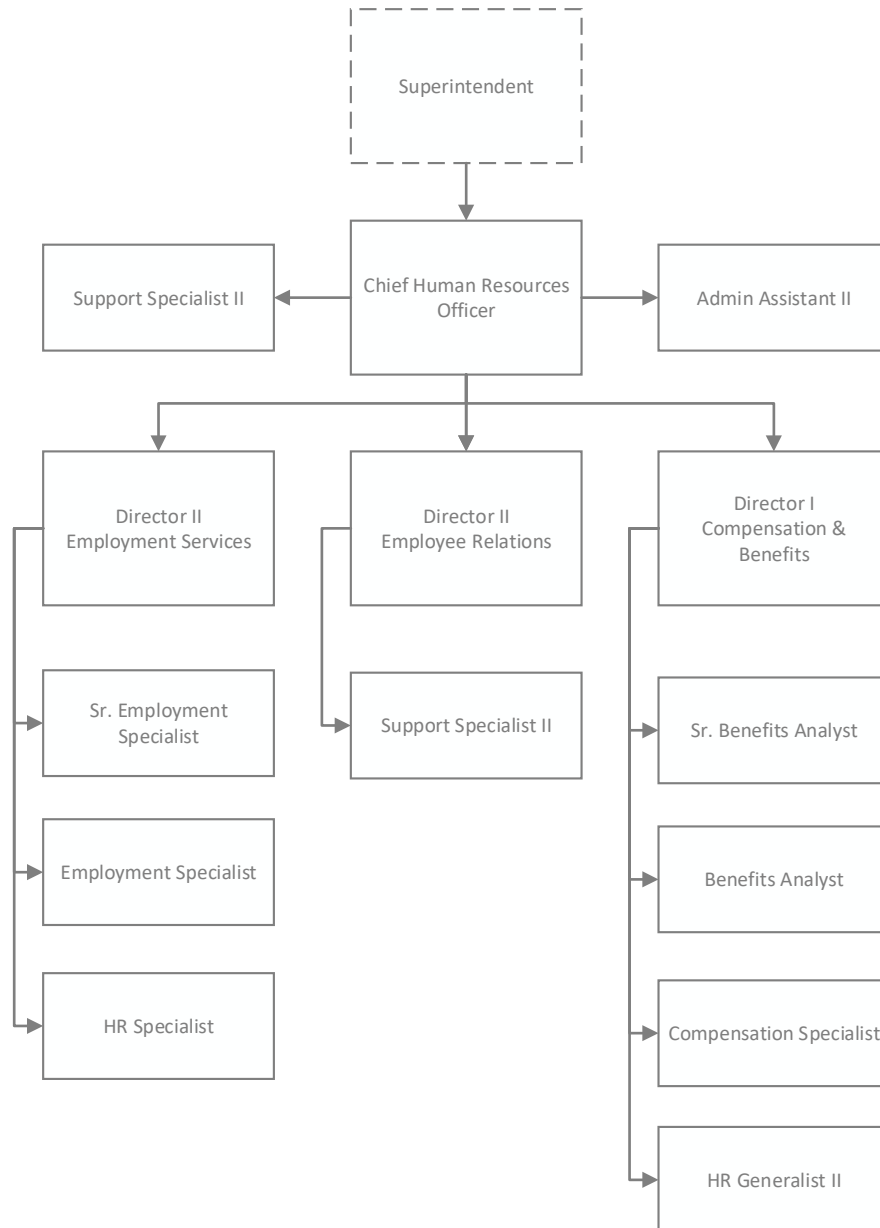
Source: ACPS (Data Request #15). *Note: The Admin Assistant II position also provides administrative/receptionist support to other ACPS departments located on the 5th floor of the central administration building.

Although the HR Department has experienced some employee turnover in recent years, the total number of positions within the department has remained constant at 14 FTEs. Table 4 shows the employee-to-HR ratio, which represents the number of every 100 employee FTEs per HR FTE in the school division.

Table 4. HR-to-Employee Ratio, 2016 to 2018

Metric	2015-16	2016-17	2017-18
Division Employees (FTE)	2,313.8	2,394.4	2,410.3
Human Resources FTE	14.0	14.0	14.0
100 Employees-to-HR Ratio	**1.65**	**1.71**	**1.72**

Source: ACPS Staff Rosters (Data Request #16).

The Society of Human Resource Management (SHRM), an internationally recognized membership organization focused on human resource management, released its 2017 Human Capital Benchmarking Report survey findings, which includes formulas for benchmarking the efficiency and effectiveness of an HR operation.[2] For context, the median employee-to-HR ratio reported by SHRM is 1.58 and ACPS' employee-to-HR ratio is within 1 FTE of meeting this benchmark. Additional staffing efficiencies could be achieved through the improved use of technology and business processes, which is discussed further in *Section 3 – Information Technology*.

Human Resources Expenditures

Table 5 shows that HR Department's actual operating expenditures have remained relatively flat from 2014-15 to 2016-17 and are budgeted to increase in 2017-18, mostly driven by an increase in employee benefits (which is consistent with the division-wide average). Purchased Services (which primarily includes expenditures on advertising, other professional services, human resources management services, equipment maintenance and repair, printing, etc.) also increased.

Table 5. Human Resources Department Operating Expenditures, 2014-15 to 2017-18

Department 7100	2014-15	2015-16	2016-17	2017-18 Budgeted
Salaries	$1,086,169	$ 1,096,700	$1,133,071	$1,178,631
Benefits	$378,875	$345,051	$373,619	$429,267
Purchased Services	$54,744	$63,673	$71,608	$90,967
Internal Services	$744	$1,458	$441	$1,450
Other Charges	$67,024	$53,938	$45,084	$55,802
Materials and Supplies	$26,560	$42,683	$71,693	$60,096
Capital Outlay	-	-	$713	$116
Total HR Expenditures	**$1,614,117**	**$1,603,503**	**$1,696,228**	**$1,816,329**

Source: ACPS Expenditures Report (Data Request #1).

The HR expense-to-FTE ratio represents the amount of human resource dollars spent per school division employee FTE. This ratio has increased slightly over the past three years and is below the SHRM median

---

[2] https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2017-Human-Capital-Benchmarking.pdf

of $1,344 and within the SHRM 25th percentile ranking of $758.[3] This metric suggests that ACPS is spending less on the human resources management function than other organizations that are included in the SHRM benchmark.

Table 6. HR Expense-to-Division FTE Ratio, FY2016 to FY2018

Metric	2015-16	2016-17	2017-18
Human Resources Expenditures (7100)	$1,603,503	$ 1,696,228	$1,816,329
Division Employees (FTE)	2,313.8	2,394.4	2,410.3
HR Expense-to-FTE Ratio	**$693.02**	**$708.41**	**$753.57**

Source: ACPS Expenditures Report (Data Request #1) and ACPS Staff Rosters (Data Request #16).

In addition to HR Department (Department code 7100) expenditures, there are division-wide human resource expenditures that are captured within Department code 7199. These include substitute salaries, reserve workers' compensation, retiree and other benefits, and temporary employees. Table 7 shows the total division-wide HR operating expenditures for 2015 to 2017, and budgeted expenditures for 2018. There was a large increase in expenditures from 2016 to 2017 primarily due to substitute salaries. Prior to 2017, substitute expenditures were reported at the school or department level, so the dramatic increase shown in Table 7 is attributed to changes in accounting practices.

Table 7. Division-wide Human Resources Department Operating Expenditures, FY2015 to FY2018

Department 7199	2014-15	2015-16	2016-17	2017-18 Budgeted
Salaries	$125,298	$170,736	$2,863,010	$2,733,221
Benefits	$4,434,926	$3,201,755	$4,388,207	$4,964,067
Purchased Services	$610,311	$442,402	$410,895	$387,208
Materials and Supplies		-	-	$10,000
Total Division-wide HR Expenditures	**$5,170,534**	**$3,814,893**	**$7,662,112**	**$8,094,496**
Prior Year Percent Δ	**-**	**-26.2%**	**100.8%**	**5.6%**

Source: ACPS Expenditures Report (Data Request #1).

After adjusting for changes in accounting practices, further analysis does show that substitute expenditures increased 19.1 percent from 2015 to 2017 but are budgeted to decrease 8.9 percent from 2017 to 2018 (see Table 8). Relative to the number of teachers and paraprofessionals, however, total spend on substitutes increased 7.2 percent from 2016 to 2017 and is budgeted to decrease again in 2018.

---

[3] Ibid.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Table 8. Substitute Salary Expenditures, 2015 to 2018

All Schools/Departments	2014-15	2015-16	2016-17	2017-18 Budgeted
Substitute Salaries	$2,776,392	$2,999,606	$3,306,669	$3,012,228
Teacher/Paraprofessional FTE	n/a*	1549.3	1570.4	1506.7
Substitute $ per Teacher/Para FTE	n/a	$1,991	$2,134	$1,918

Source: ACPS Expenditures Report (Data Request #1). *Position data was not available for 2014-15.

An analysis of substitute usage by reason codes shows that the highest percent of substitutes are required for sick days, personal leave, FMLA/other long-term leave, position vacancy, professional leave – other duties, and professional learning. With the exception of FMLA/other long-term leave and position vacancy, all other categories appear to be trending in a positive direction.

Table 9. Substitute Usage by Reason Code, 2016 to 2018

Reason Code	2015-16	2016-17	2016-17
Administrative Leave	0.05%	0.05%	0.00%
Annual Leave	0.04%	0.04%	0.08%
Child Study/IEP Meeting	0.18%	0.18%	0.16%
FMLA/Other Long-term Leave	10.75%	10.75%	14.19%
Jury Duty/Court Leave	0.28%	0.28%	0.37%
Leave w/o Pay	0.00%	0.00%	0.04%
Other	0.00%	0.00%	0.01%
Professional - Teachers College Writing Project	0.27%	0.27%	0.00%
Student Support Meeting	0.03%	0.03%	0.00%
Personal Leave	16.08%	16.08%	14.81%
Professional Learning	11.77%	11.77%	9.54%
Professional Leave - Other Duties	10.54%	10.54%	10.30%
Sick	37.47%	37.47%	35.95%
Vacancy	11.32%	11.32%	13.17%
Workers' Compensation	1.22%	1.22%	1.19%

Source: ACPS Substitute Usage Reports, 2015-16 – 2017-18.

The HR Department should better monitor absenteeism trends and implement strategies to reduce absenteeism rates and the associated costs, including paying out unused sick leave annually; rewarding excellent attendance with monetary incentives; restricting leave to days other than Mondays and Fridays; requiring medical certification for leave taken on Mondays and Fridays; and, including absenteeism as part of the employee performance evaluations.

Audit Findings and Recommendations

Finding 1: The HR Department does not have a long-term operational plan to serve as a guide for decision-making as well as a tool to evaluate and monitor progress towards department goals and objectives.

The *ACPS Strategic Plan 2020* is the foundation document for all actions of the school division. It directs the actions that the division takes in meeting the goals and aspirations of the Alexandria community and guides the activities of employees and leaders as well as the expenditure of all funds entrusted to the School Board.[4] The HR Department plays a significant and integral role in helping the school division accomplish *Goal 3: An Exemplary Staff*. This goal includes six objectives, each with a series of key performance indicators which are monitored and tracked annually via the *ACPS 2020 Scorecard*. They are:

3.1.   Staff Recruitment and Retention: ACPS will hire the best employees possible and create an environment that motivates, competitively compensates, and retains them.

3.2.   Collaborative Instructional Achievement: ACPS will nurture a school culture in which professionals collaborate closely to share knowledge, skills, and best practices aimed at improving student achievement.

3.3.   Individual Professional Development Opportunities and Strategic Plan Focus: ACPS will expand professional development opportunities that include self-identified goals and that provide teachers and other staff members with multiple opportunities for improving their individual effectiveness and that respond to Strategic Plan priorities.

3.4.   Staff Wellness: ACPS will promote the health and wellbeing of all members of the staff.

3.5.   Leadership Development: ACPS will establish programs to identify talent and provide opportunities for future leadership roles.

3.6.   Staff Evaluation and Performance Improvement: ACPS will provide multiple opportunities for all employees to receive feedback and coaching on their performance and resources needed to improve and excel.

The HR Department currently has a *Recruit and Retention Plan* for the 2017-18 school year that outlines specific actions for sourcing candidates and retaining employees, including measures of effectiveness for both. However, this plan is limited in that it does not address all aspects of an effective human resources management function, such as HR department staffing and training requirements, HR technology requirements and needs, staffing trends and forecasted needs for non-instructional employees,

---

[4] ACPS website https://www.acps.k12.va.us

succession planning for key positions, compensation strategies, benefits management, professional development needs, etc. As one of the school division's core support functions, the HR Department should have an operational plan that articulates short and long-term goals and objectives for the department and sets the framework for the human resource activities required to meet the long-term human capital needs of the division.

Recommendation 1: Develop a comprehensive HR plan that establishes departmental goals and objectives aligned to the long-term human capital needs of ACPS.

A comprehensive departmental plan should be developed through a collaborative process that includes the HR Department management and staff, with input from division leadership and other stakeholders, and should serve as a link between overall human resource management and the division-wide goals outlined in ACPS' strategic plan.

The plan should address the HR Department's immediate and long-term goals and objectives for all major areas of responsibility, including employee recruitment and retention, compensation and benefits, professional development, management of personnel files, employee relations, use of technology, performance measurement, etc. Departmental initiatives (or actions) for accomplishing each objective, including resource and funding requirements, priority level, and proposed timelines should also be included. Once developed, it is important that management establish a process for reviewing and updating the plan annually. It should be a "living" document that can evolve as needs are forecasted to change.

Management Response: We agree with the finding. The Human Resources team believes this is a priority and will begin the comprehensive planning process. The objectives will be aligned with the ACPS 2020 Strategic Plan, the Virginia Department of Education's annual Continuous School Improvement Planning and ACPS' newly formed Human Resources Five Year Plan.

Target Completion Date: December 01, 2018

Finding 2: The performance management system maintained by the HR Department is not sufficient to monitor the efficiency and effectiveness of HR operations and processes.

Performance measurement is the process of collecting, analyzing, and reporting information regarding the performance of an individual, group, system, or process. In June 2015, the Board adopted the ACPS 2020 strategic goals and objectives and implemented the use of a scorecard to establish key performance indicators (KPIs) for each strategic plan objective. These KPIs (which were updated in April, 2017) are intended to inform division performance in the specific objective area on an annual basis.

As described previously, *Goal 3: Exemplary Staff* includes six objectives and 17 KPIs focused on recruiting, developing, supporting, and retaining a staff that meets the needs of every student. Seven of the 17 KPIs

on the scorecard are based on the results of the TELL Survey, which is administered bi-annually.[5] The remaining 10 KPIs include:

- 3.1.1 % of full-time classroom positions filled with well-qualified teachers on the first day of school.

- 3.1.2 Percentage of new teachers hired before June 30th of each year.

- 3.1.3 Student-teachers placed in ACPS.

- 3.1.4 Beginning teacher salaries at the Master's Level in Northern Virginia.

- 3.1.6 % of teachers retained by ACPS annually.

- 3.4.1 % of staff participating in staff wellness plan.

- 3.5.1 By July 2016, develop and vet leadership development plan; set goals and targets.

- 3.5.2 Identify internal candidates prepared for school leadership roles and increase the number each year of the life of this Strategic Plan.

- 3.6.1 % of eligible licensed staff evaluation processes completed on time.

- 3.6.2 % of eligible support staff employees with documented evaluations completed on time.

Outside of these KPIs, however, the audit team did not find evidence that the HR Department has set performance targets or *routinely* tracks and monitors performance indicators to assess the efficiency and effectiveness of day-to-day operations and functions.

Recommendation 2: Enhance a performance measurement system for all core functions of HR.

The CHRO should collaborate with the department directors to define appropriate KPIs and establish performance targets to better enable management to evaluate the efficiency and effectiveness of all HR functions over time. There are literally hundreds of performance indicators that management could monitor and track to evaluate the department's overall efficiency and effectiveness. The key, however, is to monitor, track, and report on only those measures that are most critical to assessing how well the department is meeting its stated goals and objectives (which should be articulated in the departmental plan, as described previously). Below are some commonly tracked and reported HR metrics for consideration:

- Number of school division employees per human resources employee FTE

- HR Department cost per division employee (FTE)

- Number of employment applications processed per year

---

[5] The Teaching, Empowering, Leading and Learning (TELL) Survey is an online, anonymous survey administered to all licensed, school-based educators in a district or state.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

- Number of applications per hiring source

- Average days from position vacancy posting to offer to hire notification

- Average days from recommendation by hiring manager to employee start date

- Average cost per hire

- Non-certified teachers as a percentage of total teachers

- Novice teacher turnover rate (one year or less)

- Turnover rate for non-licensed employees

- Percent of novice teachers at Title I campuses

- Percent of HR customer survey responses by rating (e.g., satisfied)

- Percentage of teachers by ethnicity compared to percentage of students by ethnicity

- Teacher absentee days per year, by campus

- Substitute costs per teacher, by campus (dollar amount and percentage of salaries and wages)

- Benefits cost as a percentage of total salaries and wages

- Number of Workers Compensation claims processed per claims FTE

In addition to determining which KPI's are most useful, the HR Department will need to ensure that systems and processes are in place to support the collection, validation, and analysis of data.

Management Response: We agree with the finding. The Human Resources team will be strategic in targeting those data that are needed to ensure we are measuring the outcomes we are striving to obtain. Additionally, it is important that these data align with the ACPS 2020 Strategic Plan and any new strategic goals set by the school division.

Target Completion Date: July 01, 2019

Finding 3: The Department does not have a formalized operations procedures manual.

A formalized operations procedures manual should include operational guidelines and standard operating procedures (SOPs) for all processes that staff should follow when carrying out their work. According to interviews with department staff and a review of available documentation, detailed processes and procedures have not been formally developed for many important HR functions, such as document filing, employee relations activities, and employee pay adjustments. Having a standard operating procedures manual is critical, not only for employee training purposes and to ensure that staff work efficiency, but also because many of the functions within HR deal with regulatory requirements that could present compliance risks if procedures are not followed and tasks are not performed to a standard.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Recommendation 3: Develop and maintain operational guidelines and SOPs for all major functions of the Human Resources Department.

Existing documentation needs to be reviewed, assessed for gaps, and updated and/or developed as needed. All documentation should be thoroughly reviewed and vetted by department management and stored electronically in CANVAS, the school division's learning management system (LMS).

Management Response: We agree with the finding. The Department of Human Resources has guidelines and manuals for each area of Employment Relations, Employment Services, and Compensation and Benefits. We will ensure that we include in these manuals the operational guidelines and standard operating procedures (SOPs) for all processes that staff should follow when carrying out their daily work.

Target Completion Date: July 01, 2019

Finding 4: Human Resources staff do not receive sufficient training relevant to their jobs.

The HR Department provides very few formal professional development opportunities or on-going training for its staff. Other than on-the-job training and the utilization of a subcontractor to provide consulting services and technical expertise to Employment Services staff related to licensure regulations, no other formal training by outside experts in the areas of HR legal matters, HR standards or best practices, or on the human resources information system (HRIS) is regularly scheduled or provided to ACPS HR staff. The lack of professional development was further corroborated during interviews with department staff, who also expressed a desire for more training and collaboration through department-wide meetings (which currently occur three times per year). Based on a review of expenditure data, the audit team noted that the HR Department has not incurred any staff development expenditures since 2014-15 ($2,000), which appears to validate this finding.

Recommendation 4: Enhance the professional development program to meet the on-going training needs of HR staff.

Some of the benefits of an on-going formal training program include maintaining or advancing employee knowledge and skills, increasing job satisfaction, providing internal promotion opportunities, and attracting new talent. The HR Department should identify the training needs of HR staff, determine how those needs can be met, and budget accordingly to ensure allocation of sufficient resources. Staff within the HR Department would also benefit from more frequent (i.e., monthly) department-wide meetings to provide technical or legislative updates, and improve communications, teamwork, and employee morale. This information should be included in the HR Department's operating plan, which is discussed in Recommendation 1.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Management Response: We agree with the finding. The professional development plan will incorporate two separate sections to meet this finding. The first part is the Departmental Goal for training for all Human Resources employees. The second is individual professional development for each employee. The Departmental Goal will align with the ACPS 2020 Strategic Plan. Each employee's job is specialized; the individualized professional development will focus on the employee's area within Human Resources. This focused professional development for the staff will allow the employees to have input on their professional growth while gaining additional knowledge that is relevant to their position.

Target Completion Date: January 01, 2019

Finding 5: The HR Department does not routinely solicit feedback and assess satisfaction levels with the quality of services provided to its customers.

Soliciting customer feedback is a proactive and important way to ensure that services are meeting the needs of customers. The goal of a customer service survey is to measure customer satisfaction and identify any problems so that they can be corrected. In a human resources department, hiring managers, applicants, current and former employees, substitutes, and retirees are all considered customers. The Employee Relations unit within the HR Department includes a link to a customer feedback survey to anyone that sends an email to the director, but this is limited in scope in that it only references services provided by Employee Relations. The unit reported 64 survey responses from January 2017 to January 2018.

Feedback provided by employees during interviews and focus groups with respect to their satisfaction with the quality of services provided by the HR Department can be characterized as mixed—some employees were extremely pleased with their interactions with department staff while others expressed frustration. A consistent point of frustration expressed by nearly everyone interviewed is one HR employee's voicemail that states "*Due to a high volume of requests, please allow 5 to 10 business days for a response…",* and then goes on to direct callers to send an email. This was validated by the review team. Whether the feedback is positive or negative, the HR Department does not currently have a process in place to solicit feedback for all services provided by all employees in the department and therefore has no good indicator of customer satisfaction.

Recommendation 5: Expand the use of customer satisfaction surveys and send them to customers after every interaction with the HR Department.

The HR Department should modify the existing Employee Relations customer survey so that it is relevant for all services provided by the department. A link to the on-line survey should be automatically emailed to every employee after each interaction with HR staff (whether via email or telephone). The customer satisfaction survey should be researched-based and include, at a minimum, the following elements:

- Customer employee group (e.g., teacher, administrator, support staff)
- Date and reason for contacting the HR

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

- HR Department employee contacted

- Qualifying questions about the interaction (e.g., did the provider greet you with a friendly, professional manner?)

- Whether or not their issue was resolved

- Time it took to resolve the issue

- Overall satisfaction level with services provided

- Suggestions for improvement (open ended)

Results can be automatically summarized into a management report that should be monitored weekly, or more often if needed. Issues can be addressed timely and customers will appreciate being asked for their feedback.

Management Response: We agree with the finding. The Department of Human Resources plans to implement a brief customer satisfaction survey that will provide productive and useful feedback to assist the department in its mission. All Human Resources employees will provide a link to the survey as a part of their signature line in their emails. This survey will also be placed on the Department of Human Resources' homepage on the ACPS website.

Target Completion Date: January 01, 2019

Section 3 – Information Technology and Business Processes

Background

Information technology plays an important role in human resource management, as most functions are process-based and administrative in nature. The efficiency with which staff are able to perform their day-to-day activities is largely driven by the adequacy of current information systems and processes. As technology improves and systems become more automated and integrated, HR departments have the opportunity to operate more efficiently and move beyond administrative tasks to more *strategic* human resources management.

Below is a detailed description of the systems and software applications used by ACPS' HR Department:

- **MUNIS** (Tyler Technologies): Implemented in 2013, MUNIS is the school division's cloud-based, integrated enterprise resource system (ERP) for the core business functions of finance, payroll, human resources, and budget. The HR Department primarily uses the Human Resources, Payroll, and Employee Self-Service modules in MUNIS. The Employee Self-Service module allows employees to:

  - View pay and pay stubs;

  - Update and change W-4 tax withholding statements when there are changes in personal or financial status;

  - Change address and update contact information, including emergency contacts; and,

  - Change insurance coverage during the open enrollment period.

- **PeopleAdmin**, formerly **TalentEd**: Licensing and initial exploratory use of this suite of applications began in 2014 and ultimately resulted in the launch of the Division's online application and tracking system.

  - *Recruit & Hire* is an online platform that HR uses to post job openings and collect electronic applications.

  - *Records*, which was launched in July 2017 and fully functional in April 2018, is an online platform that manages the electronic storage of HR personnel records, including the ability to complete onboarding tasks, contracts, and other forms online.

  - *Perform* is an online platform that the Division uses to facilitate employee performance evaluations. Use of it began in school year 2017-18.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

- **Time Clock Plus** (Data Management, Inc.): A computerized time and attendance system (or suite) that all employees use to record their attendance at work. Both exempt and non-exempt employees are required to use TCP, but exempt employees are only required to clock in once daily. The program includes a suite of web applications and optional hardware. *WebClock* allows employees to clock in and out on their computer, while *TimeClock* is a wall-mounted version with a touch screen. *TimeClock Manager* is used for administrators and managers to review hours, enter leave, run reports, and send hours to payroll.

- **Smartfind/Substitute Absence Manager** (eSchool Solutions): Substitute Absence Manager (SAM) automatically schedules substitutes for absent teachers, paraprofessionals, and all other employees authorized for substitute placement. Employee absentee data is also maintained and reported in SAM.

- **LiveScan** (Virginia State Police): ACPS utilizes electronic fingerprinting to capture fingerprints and palm prints without ink and paper so that criminal history background checks of all employees can be conducted through the electronic network of the Virginia State Police (VPS). Having its own secure and dedicated computer, server and router, the system electronically identifies employees and then transmits names, other demographic information and fingerprints captured in the ACPS HR office to the FBI's National Crime Information Center (NCIC).

- **CANVAS** (Instructure): Managed by the IT Department, CANVAS is used as a division-wide intranet learning management system for all full-time ACPS employees and some long-term teacher substitutes. Dashboards within the electronic framework of CANVAS are set up for the Curriculum and Instruction, Financial Services, and HR departments so that each department can post employee information, training videos, forms, directions, templates, etc. HR has created two dashboards or access points specific to HR processes and procedures. One HR dashboard provides instructions, guidelines, and requirements for recruiting and hiring; advertising a vacancy; and screening applicants. It also provides suggested techniques for conducting interviews and provides forms to recommend new hires. The second HR dashboard on CANVAS simply provides the user's specific questions or inquiries to the HR pages on the division's website.

- **Wufoo** (Wufoo.com): An online form builder that provides tools for users to design and build online forms that are attached to the website and electronically routed to receivers.

- **Zimbra** (Synacor): The server system and software used division-wide for email services.

- **Professional Learning Management System** (TrueNorthLogic): Although this software is managed in another ACPS department, HR uses PLMS to track licensed users' accumulation of recertification points earned for completed professional learning activities. PLMS manages registration for professional development workshops, courses, and other learning opportunities. Access to PLMS is given to both licensed and support employees, including substitutes, who can register for courses available.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

- **E-Verify** (U.S. Department of Homeland Security): E-Verify is a web-based system required of all public entities in the Commonwealth of Virginia and is used to confirm employment eligibility by comparing information provided on an employee's Form I-9 (Employment Eligibility Verification) to data maintained by U.S. Homeland Security and the Social Security Administration.

Audit Findings and Recommendations

Finding 6: Key information systems do not interface which has resulted in inefficient HR business processes.

The lack of integration between MUNIS, TCP, and SAM is well-documented in Gibson's *October 2017 Internal Audit of the Payroll Function* report. Nearly every step in the payroll process, which involves the Finance, HR and IT departments, requires the extensive use of spreadsheets to validate the data and facilitate the transfer of data from one system to another.

Since that report was issued, leadership from each of the three departments meets bi-weekly in TCP/MUNIS workgroup meetings to address problems caused by the lack of systems integration and to discuss opportunities for minimizing manual data entry. One option under consideration is to replace TCP in favor of *ExecuTime*, the MUNIS time and attendance module. Since *ExecuTime*, if purchased, would be fully integrated with the financial modules and has the ability to record and report accumulated leave balances in real time, it would eliminate many manual data entry activities, reduce the need to import and export data using Excel spreadsheets, and address employee concerns with inconsistent leave balances that are reported from different systems.

In addition to the payroll process, there are other HR processes that require manual and/or duplicate data entry because systems do not interface. For example, the same employee data entered into *Recruit & Hire*, the online applicant tracking system, does not automatically populate the same personnel data fields in the MUNIS HR and Payroll modules. These data must be manually keyed in and entered by HR specialists once the applicant has been recommended for hire. After that, the same data is again manually entered by HR in both *TCP* and *SAM*. Similarly, personnel data required by *LiveScan* for fingerprinting and *E-Verify* to confirm eligibility for employment is also manually entered. Not only are these processes inefficient, each time data is manually keyed into a system or otherwise manipulated, the probability for error or oversights increases.

Recommendation 6: Streamline HR business processes either through implementation of an integrated time and attendance scheduling software or by developing interfaces between existing systems.

ACPS, through the work of the TCP/MUNIS workgroup, should continue to evaluate whether or not the *ExecuTime* software application will meet the business requirements of the Finance and HR departments. The workgroup should also evaluate the feasibility and cost of developing interfaces between existing systems and then determine which approach would be the best solution. Because these activities are technical in nature, they need to be initiated and led by the IT Department with input from both HR and Finance.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Management Response: We agree with the finding. The Department of Human Resources will collaborate with the Finance and Technology departments to implement ExecuTime, which will replace our current time management system, Time Clock Plus. The ExecuTime program is an integrated system that works with MUNISs.

Target Completion Date: December 01, 2019

Finding 7: Employee files are not fully digitized.

Maintaining employee documents in electronic form has obvious benefits, including cost, ease of accessibility, storage efficiency, and security, and best practice HR organizations operate in a paperless environment. The HR Department is moving in this direction with the very recent implementation of *Records*, the on-line platform that manages the electronic storage of HR personnel records. At present, all personnel and employment files, forms, contracts, and related documents of all employees hired since April 2018 are maintained electronically in *Records*. Personnel files for other current and former employees are still in paper form and stored in filing cabinets in the HR Department or in an off-site storage facility in either paper or microfiche. Management does not have plans to digitize these files but rather intends to move to a paperless environment over time through employee attrition.

Recommendation 7: Establish a plan to digitize all personnel files and budget accordingly.

Employee files are subject to audits, regulations, controls, and specific retention periods, and relying on digital files instead of paper files dramatically reduces the burden of compliance. The rationale and benefits of moving to a paperless system should also be considered for *all* employee files:

- Security
- Disaster preparedness/recovery
- Cost reduction
- Easy storage and access
- Improved customer service
- Time-saving

Scanning and archiving all the individual papers within current personnel folders can be both time consuming and costly, but it can be implemented in phases that are manageable in terms of resources and budget. Eliminating the archaic paper filing system should be articulated as a goal in the departmental plan, as discussed in Recommendation 1 in *Section 2 – HR Department Organization and Management*.

Management Response: We agree with this finding. Replacing our paper files with electronic files will allow the Human Resources department to efficiently and effectively keep and retain employee information. The initial estimated cost of scanning these files is $40,000, followed by the cost of hiring a temporary employee to prepare files by ensuring all essential elements are a part of the file, and then

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

preparing the files for scanning ($50,000 - $60,000.) Finally, an approximate cost of $5,000 will be needed for the batch upload of scanned personnel files into "Records" The approximate total cost of the project is $105,000.

Target Completion Date: *July 01, 2020*

Finding 8: ACPS is not maximizing workflow functionality within MUNIS for position change requests and other approval processes.

Position management is the process of how positions are created and maintained within an organization, and position control refers to a system of electronically tracking personnel and budget information based on positions rather than employees. An effective position control system improves budget management and control processes throughout the organization, while strengthening accountability and enhancing fiscal responsibility. In ACPS, the HR Department is responsible for controlling a position while the Budget Office is responsible for controlling the dollars associated with a position.

If at any time during the fiscal year there is a need to request a new position, move an existing position to a new program, eliminate a position, or change any components attached to an individual position (e.g., location, funding source, G/L number), the requestor completes a position control personnel action form, which is available on CANVAS, and emails it to HR where the form is printed, approved or rejected, and if approved, signed by the CHRO or Employee Relations Director. The form is then sent to the Budget Office for review. If there is no impact on the budget, the request is approved, signed, and returned to HR. The CHRO or HR representative takes the form with approval signatures from both HR and Budget to the Superintendent and/or executive leadership team for discussion and final approval by the superintendent. With final approval, the signed form is emailed back to the requestor, HR, and Budget. The approved changes are then entered into MUNIS by the Budget Office. Although parts of the position control process are managed outside of the system, ACPS does maintain position control. However, reliance on paper and/or email transmittals between departments for approvals is not necessary since automated workflow functionality currently exists within MUNIS.

Recommendation 8: Implement MUNIS Workflow to automate approval processes.

Automated routing of approvals within the position management module will improve communications, streamline processes, and increase productivity. Approval processes should be reviewed and documented, and then the system can be configured accordingly. Staff will need to be trained on this new functionality before it is fully implemented.

Management Response: *We agree with the finding. The workflow process is in place for the new-hire process. Other workflow processes will take the cooperation of finance and technology to complete. The collaboration between these departments has been productive in the MUNIS-TCP bi-weekly meetings.*

Target Completion Date: *July 01, 2019*

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Section 4 – Strategic Human Resources Management

Background

Human resources management (HRM) refers to the comprehensive set of managerial activities and tasks related to recruiting, selecting, developing, supporting, rewarding, and retaining a high quality and diverse workforce. HR departments that practice *strategic* human resources management perform these activities in support of the long-term goals and objectives of individual departments and within the context of the school division's strategic framework. The *ACPS Strategic Plan 2020* emphasizes the value of recruiting, developing, supporting, and retaining staff (Strategic Plan Objective 3.1 and Objective 3.5).

The HR Department developed a *Recruit and Retention Plan* for the 2017-18 school year that outlines specific actions for sourcing candidates and retaining employees, including measures of effectiveness for both. However, there are some limitations to the current plan in that it does not adequately address all aspects of *strategic* human resource management, which would include initiatives for developing, supporting, and rewarding employees, among other things. The need to develop a comprehensive HR plan was discussed in *Section 2 – HR Department Organization and Management*. Some of the specific elements that need to be addressed related to recruitment and retention are discussed further in some of the recommendations below.

Audit Findings and Recommendations

Finding 9: ACPS' high teacher turnover rate is attributed to teachers who have been employed at ACPS less than 3 years.

Persistently high staff turnover is costly and places excessive demands on the systems and processes for attracting, developing, and retaining a quality workforce. In 2016-17, the turnover rate (including retirements) for all licensed staff was 15 percent, which ranged from 4 percent at Charles Barrett Elementary School to 24 percent at the Jefferson Houston K-8 School. This is 2 percent higher than the previous year but is one percent lower than the 16 percent historical average.[6]

A more detailed analysis of employee data showed that 19.9 percent of the 201 teachers that terminated last year did so within their first year of teaching at ACPS; 50.2 percent of all teachers that terminated last year did so within their first 3 years of teaching at ACPS; and, 72.1 percent of teachers that terminated had been employed at ACPS less than 5 years (see Figure 4).

---

[6] Source: ACPS School Board Turnover Report, December 2017 (Data Request #26).

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Figure 4. Percent of Teacher Terminations by Years Teaching in ACPS, July 2016 to June 2017
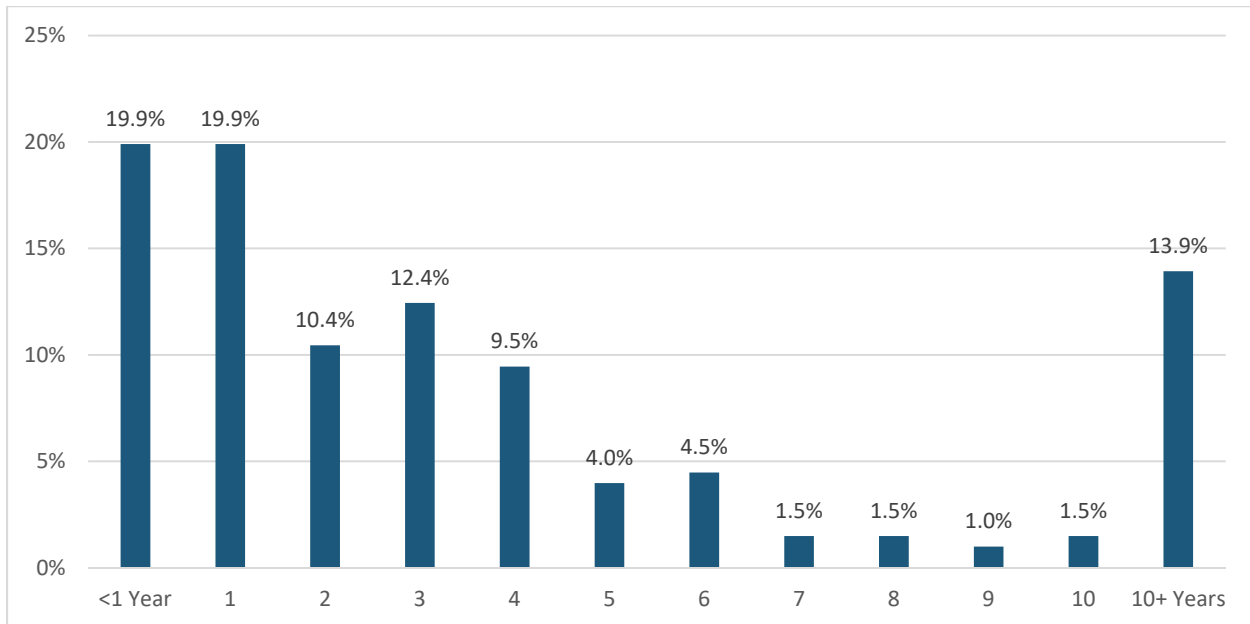
Source: ACPS Termination Report, Data Request #25.

Further analysis of data shows that 70.2 percent of teachers that terminated within the first three years of teaching at ACPS resigned for personal reasons (41.6 percent) or other employment (28.7 percent). This data indicates a need to better understand the key drivers for teachers leaving the school division at different points in their career and what differentiated strategies ACPS could implement to improve retention.

Figure 5. Teacher Terminations by Termination Code and Years at ACPS, July 2016 to June 2017
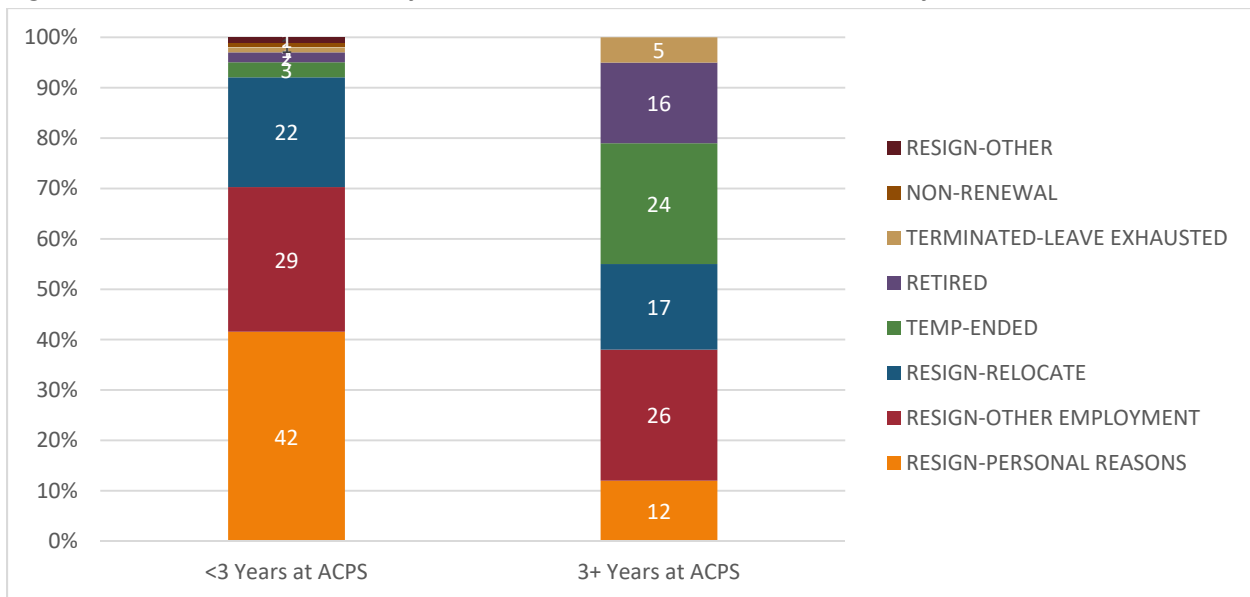
Source: ACPS Termination Report, Data Request #25.

The HR Department, with the assistance of a third-party contractor, administers employee exit surveys to all employees voluntarily separating from ACPS to gain better insight as to the reasons for position turnover. According to the 2016-17 exit survey results (which had an 80 percent response rate), 27 percent of licensed staff that left ACPS cited "reasons unrelated to ACPS" as the primary contributing factor, while just 6 percent cited "compensation/pay" and "employee benefits" as contributing factors. Interestingly, 67 percent of survey respondents cited a variety of other contributing factors such as "school division policies and practices", "lack of recognition, appreciation, and respect", "principal or manager" and "excessive workload or hours"—all of which are variables related to an employee's working conditions, which ACPS has the ability to manage and control. Addressing unsatisfactory working conditions is necessary to improving employee retention and therefore warrants further review. The HR Department provided anecdotal information that suggest that some employees may leave the school division due to the high cost of living in Alexandria or the long commute for those living outside of the city.

The Teaching, Empowering, Leading and Learning (TELL) survey is also administered every two years to all licensed, school-based educators by the Virginia Department of Education (VADOE) to analyze educator perceptions of teaching and learning conditions in ACPS schools. Although the survey is not specifically focused on the Human Resources Department, teaching conditions are an important variable in teacher retention. ACPS reports a 76 percent response rate.

Recommendation 9: Implement practices to proactively identify and address the root causes of employee turnover and use this data to inform recruit and retention strategies.

The HR Department should seek to further disaggregate exit survey response data in ways that would give a clearer picture of employee turnover and mobility. For example, exit survey results are currently reported by employee group: licensed staff (overall and by school), support staff, administrators, and all ACPS staff. However, all employees (but particularly teachers) need different types of supports at different phases in their career path. Isolating first-year teacher responses from more experienced teacher responses, as an example, could yield new insights about teacher turnover. Additionally, the exit survey should include a final question that asks "Is there anything that would have persuaded you to stay at this school/school division?"

In addition to understanding why employees leave, it is equally important to understand why employees choose to stay and what might cause them to leave. For example, recent research indicates that teachers with positive perceptions about their working conditions are much more likely to stay at their current school than teachers who are more negative about their working conditions.[7] "Stay" interviews are a more positive approach to soliciting feedback from employees and are designed to engage valuable employees *before* they leave. Knowing that new or inexperienced teachers are at-risk of voluntarily terminating, for example, ACPS should conduct stay interviews with all teachers within their first 6 months of employment. ACPS can proactively address unsatisfactory working conditions for all employees by asking them what they want/need to be successful, which may change based on where they are at in their career lifecycle.

---

[7] https://files.eric.ed.gov/fulltext/ED509680.pdf

Again, presenting a clear picture of why employees choose to stay is essential to developing effective strategies for attracting and retaining top talent. Finally, ensuring that there is a process in place for ACPS management to review and address the results of both types of interviews/surveys is essential.

Management Response: We agree with the finding. The Department of Human Resources will work collaboratively with the Department of Curriculum and Instruction's Talent Development Team to discuss the actions needed to implement retention and mentoring plans for our teachers.

Target Completion Date: August 01, 2020

Finding 10: Novice teachers are more heavily concentrated in the most challenging schools serving the highest need students.

Research has clearly shown that quality teaching matters to student learning, and that teacher quality has been consistently identified as the most important school-based factor in student achievement.[8] There is also extensive research that demonstrates that teaching experience is associated with student achievement gains and other measures of success, such as school attendance, and experienced teachers have a positive impact on the performance of their peers and are more likely to confer benefits to their colleagues, their students, and the school as a whole.[9] Figure 6 shows that ACPS appears to have a healthy mix of both new and experienced teachers.

Figure 6. Percent of Teachers by Step/Years Teaching Experience, 2017
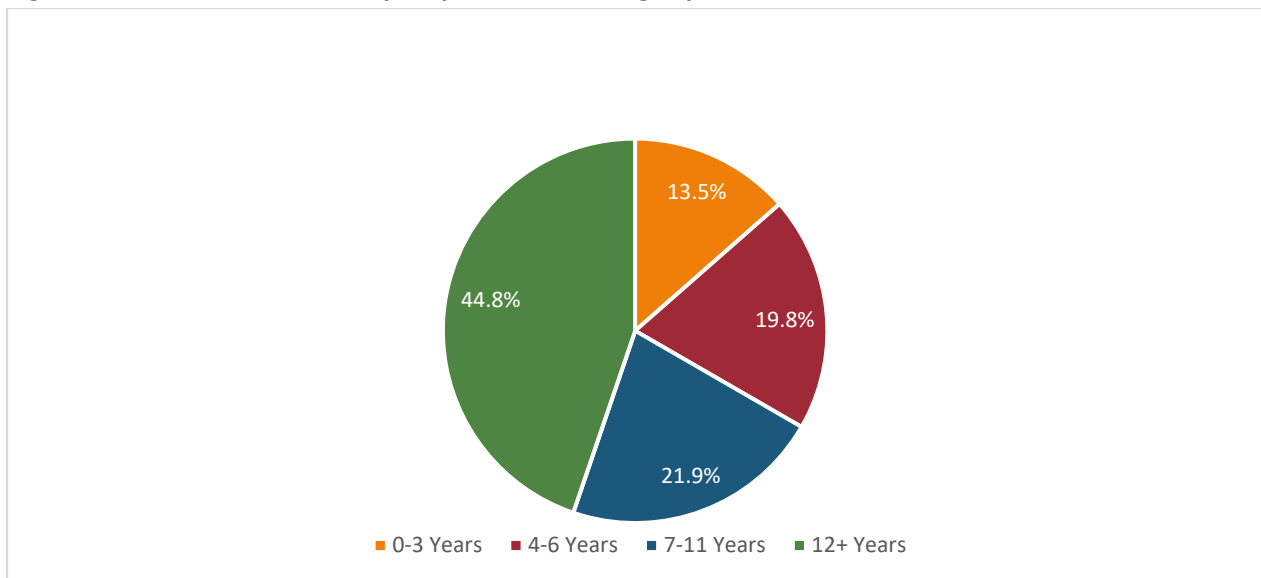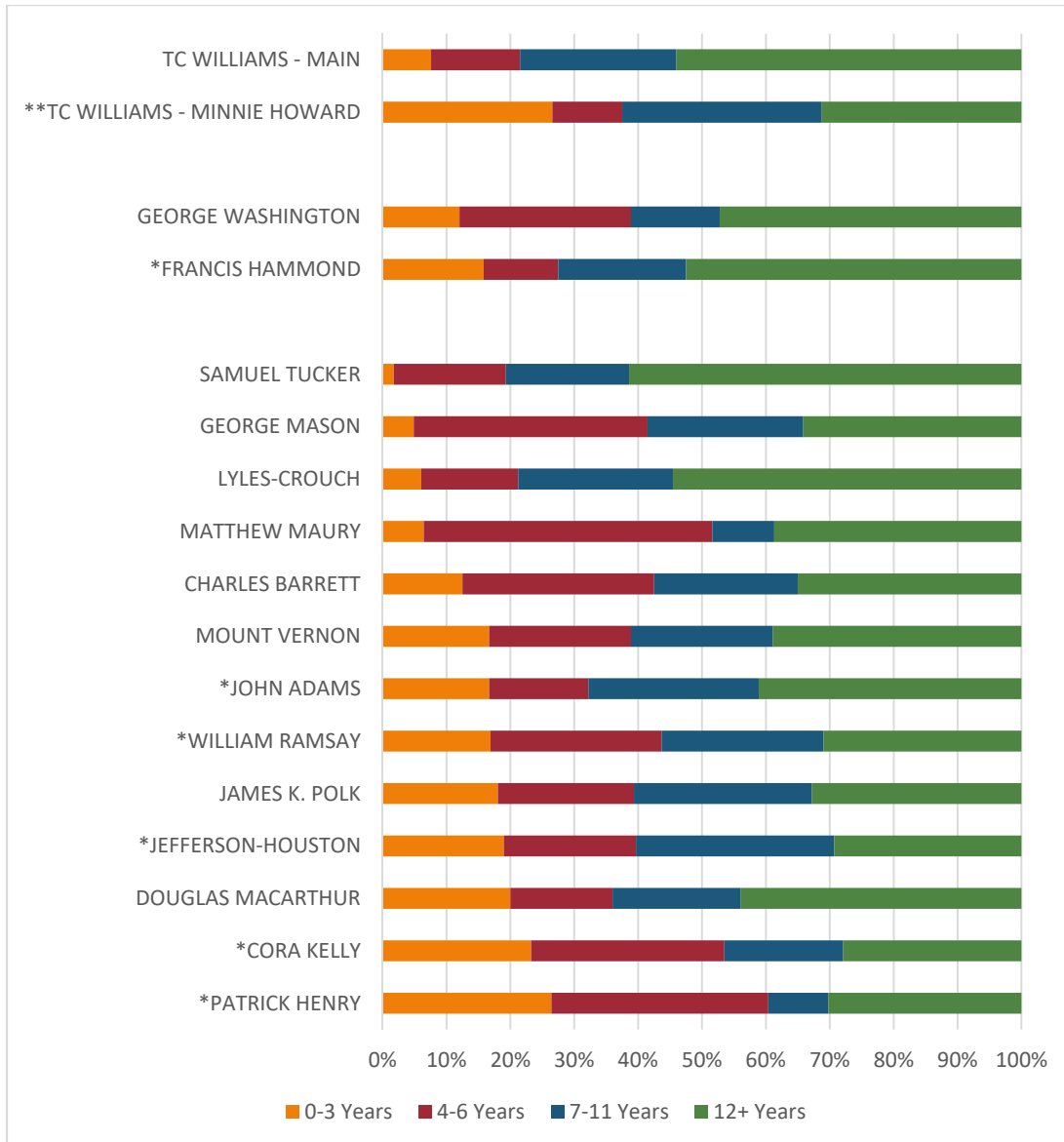

Source: ACPS Position Data, Data Request #16. *A teacher's step on ACPS salary schedule is used as a proxy for teaching experience.

---

[8] https://www.edweek.org/media/eperc_qualityteaching_12.11.pdf
[9] https://www.edweek.org/ew/articles/2015/03/25/new-studies-find-that-for-teachers-experience.html

As shown in Figure 7, the distribution of novice teachers (i.e., less than 3 years of teaching experience) varies across schools, with higher concentrations of inexperienced teachers in schools serving the highest percentage of economically disadvantaged students (i.e., Title 1 schools) and 9th grade students (i.e., Minnie Howard is 9th grade only), which is a critical transition year. Disparities in teacher experience and credentials put low-income students at a disadvantage and can perpetuate achievement gaps.

Figure 7. Percent of Teachers by Step/Years Teaching Experience by Campus, 2017

Source: ACPS Position Data, Data Request #16.
Note: *Indicates a Title I campus. **Minnie Howard serves 9th grade only.

Recommendation 10: Review teacher assignment strategies that place the most inexperienced teachers in the highest need schools and classrooms.

To address this issue, ACPS should:

- Create incentives (e.g., stipends) to attract and retain highly effective teachers (and principals) in the neediest schools.

- Give preferential treatment to Title I schools during the recruiting and hiring process.

- Ensure that recruits are the right fit for the school by requiring demonstration or sample performance lessons with students to better evaluate teacher candidates. It is estimated by HR that approximately half of ACPS principals include a demonstration lesson as part of their hiring process.

- Prioritize teacher assignment strategies that match teachers' knowledge, skills, and attitudes with the population of students that they will teach.

- Address teacher assignment strategies in the *Recruit and Retention Plan*.

Management Response: We agree with the finding. The Department of Human Resources is working with the Department of Curriculum and Instruction's Title I Team to develop strategies to increase the number of experienced teachers in high need schools.

Target Completion Date: March 01, 2019

Commendation 1: ACPS has a more diverse teaching force than the State average particularly with respect to African American teachers.

A growing body of research suggests children benefit in many ways from having a teacher of the same race or ethnicity. Published studies, for example, suggest black students do better in reading and math and are less likely to be suspended from school when they have black teachers.[10] ACPS, like many school systems, seeks to have a workforce that reflects the diversity of its student population. This priority is clearly stated on the division website: "*We must seek to reflect in our workforce the diversity of our community and meet the diverse needs of a multicultural student body.*"[11] Commendably, the percentage of teachers that are black or African American closely mirrors the student population (see Figure 8 below), and the percentage of principals and assistant principals that are black or African American exceeds the student population by 13.7 percentage points. Further, ACPS also appears to have a more diverse teaching workforce than the State average where 85 percent of teachers are White, 10 percent are Black, 2 percent

---

[10] https://journalistsresource.org/studies/society/education/minority-teachers-students-same-race-research.
[11] https://www.acps.k12.va.us/Page/1664

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

are Hispanic, 3 percent are represented by two or more races, and 2 percent represent all other races combined.[12]

Finding 11: ACPS has significant differences between student and teacher demographics for Hispanics and other minorities.

Seventy-two percent of students in ACPS are minority, while 35.3 percent of teachers are minority. Hispanic and other minorities are particularly underrepresented in the teaching population, as only 11.5 percent of teachers are from these groups compared to 45 percent of students (see Figure 8). Alternatively, school leadership reflects a more diverse population, with 52.2 percent of principals and assistant principals being minority.

Figure 8. Percent of Students, Teachers and Principals by Race/Ethnicity, 2017-18
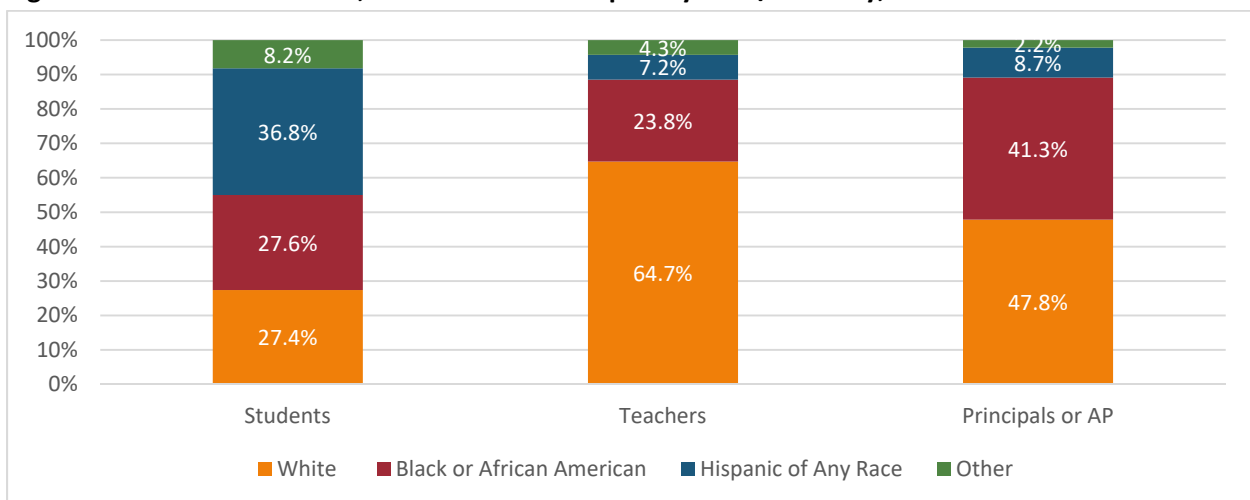
Source: ACPS Data Request #16 and VADOE Division Summary by Ethnicity Report, 2017-18.

Attracting a diverse candidate pool is challenging and school systems actively compete for these limited resources. In 2016-17, ACPS representatives actively recruited at 33 colleges and universities. Of these, however, only three are considered historically black colleges or universities (HCBUs)—Howard University (Washington, DC), Spelman College (Atlanta, Georgia), and Virginia State University (Petersburg, Virginia). The Department also sent representatives to Puerto Rico and to the University of Central Florida, both of which have large Hispanic populations.

---

[12] https://cdn.americanprogress.org/wp-content/uploads/2014/05/TeacherDiversity.pdf

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Recommendation 11: Implement strategies to more effectively recruit, hire and retain Hispanic teachers.

Increasing the diversity of ACPS' teaching workforce will require adjustments to its current recruitment and retention strategy to focus on a more diverse talent pool. Just as technology influences innovation in the private sector, so too must it influence innovation in ACPS' human capital system. In order to attract quality talent, ACPS must use strategic recruitment systems that engage top candidates through targeted outreach and technology. For example, ACPS currently utilizes Facebook and Twitter social media platforms, which is good, but they also happen to be the most popular social media platforms and are used by all of ACPS' competition. To effectively compete for highly sought-after resources, ACPS should seek to better understand the behavior and norms of today's workforce and apply a different approach. Some trending social media platforms that are popular with teachers, for example, include Instagram, edConnect, Edmodo, TedEd, Vimeo, YouTube, TeacherTube, and LinkedIn, just to name a few.

The HR Department should also collaborate with the Department of Student Services, Alternative Programs, and Equity (who oversees the Equity and Cultural Competence Program) to review interviewing and hiring procedures and protocols to ensure racial and cultural sensitivity. The HR Department should ensure that hiring managers throughout the division are trained on these issues.

The HR Department should increase attendance at diversity job fairs that have high percentages of Hispanic teachers to help address the 29.6 percentage point gap in Hispanic student and teacher representation. Attending job fairs in New York City is currently being explored.

Research shows that individuals are more likely to recruit those with experiences and backgrounds similar to their own.[13] According to the *2017-18 Recruit and Retention Plan*, the HR Department plans to create and implement a "Refer a Teacher" program. While the benefits of this program should be available to all teachers, the HR Department should specifically market this program to high performing minority teachers in the school division to increase the diversity in the teacher talent pool.

Finally, statistics regarding the effectiveness of each hiring source should be tracked and monitored.

Management Response: We agree with the finding. The Department of Human Resources agrees that ACPS needs to continue to actively recruit minority teachers. We will maintain our efforts to recruit black and other minority candidates. As our division data suggest, increased focus needs to be given to hiring Hispanic teachers. The ratio of Hispanic teachers to students is our most disproportionate minority category of teacher ratios.

Target Completion Date: February 01, 2019

---

[13] http://www.businessinsider.com/managers-hire-people-who-remind-them-of-themselves-2014-5.

Commendation 2: ACPS offers incentives such as additional pay step increases to recruit and retain hard to fill special education teacher positions.

For salary placement of licensed staff, ACPS recognizes every year of work applicable to the position being filled up to 12 years, and special education teachers qualify for an additional step. Additional pay step increases and signing bonuses (which are currently under consideration) can be an effective strategy for addressing teacher recruitment and retention challenges.

Commendation 3: Recent implementation of a new on-line applicant tracking system has streamlined the hiring process, reduced paper, and improved communications to hiring managers and applicants.

Recruit and Hire, which is part of the *People Admin* suite of Talent Management products, is an online platform that ACPS uses to post job openings, collect applications, set up interviews, send notifications to applicants and make request to hire. The new system replaced *WinOcular* and was fully implemented during the 2016-17 school year. Feedback with hiring managers during interviews and focus groups suggests a high level of satisfaction with the new applicant tracking system in terms of efficiency in job postings, communications, and applicant processing.

Moving forward, it is important that HR management utilize system reports to closely monitor and track the status of applicants throughout the hire process to ensure that the process continues to operate efficiently and all communications with hiring managers and applicants are relevant and timely.

Finding 12: The HR Department does not have a clearly-defined process or schedule for reviewing and updating job descriptions.

One of the primary responsibilities of the HR Department is the maintenance of job descriptions for all positions within the school division. However, a review of more than 350 job descriptions found that many had not been updated in more than 5 years, some longer. At present, job descriptions are reviewed updated ad hoc by administrators when posting positions or as part of the reclassification process of individual employees.

Well-written and updated job descriptions can be a highly effective tool for managing the school division's recruiting, hiring, and performance evaluation processes. Job descriptions help employees get a sense of their job responsibilities, what is expected of them, and the standards by which they will be evaluated and rewarded. They can also be useful in developing recruiting materials, orientation and training programs, and ensuring consistency and equity among positions. Job descriptions are also helpful in ensuring compliance with the Americans with Disabilities Act (ADA) and the Fair Labor Standards Act (FLSA) and can help to mitigate employee complaints related to compensation or EEOC charges, among other things.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Recommendation 12: Establish processes for systematically reviewing and updating job descriptions to ensure that they accurately reflect assigned roles, responsibilities, reporting relationships, and position qualifications.

In collaboration with other departments, the HR Department should establish a plan to review and revise job descriptions every two years, or more often and as needed when working conditions change or when a key position becomes vacant. The HR Department should also ensure that position descriptions are integrated with the recruiting, hiring, performance, and compensation processes.

Management Response: We agree with the finding. The Department of Human Resources will begin a process of having all departments review and update the job descriptions for their respective departments. Additionally, this will include an annual process of updating any positions that have changed during that year.

Target Completion Date: July 01, 2019

Finding 13: Some personnel forms and other ACPS benefits provided to employees during recruiting and new employee orientation are not readily available in languages other than English.

As more and more non-English speakers and those with limited English skills apply for and accept jobs in ACPS, such as in custodial and student nutrition positions, the need for bilingual communications, applications, and personnel forms (especially in Spanish, Arabic and Amharic) increases.

Employment forms required by the federal government, such as W-2 Standard Deductions and Form I-9 Immigration, are already available in Spanish. ACPS benefits documents from health insurance carriers typically include the standard foreign language assistance notice. For example, the ACPS Summary of Benefits and Coverage from its health insurance providers states "*We provide free services to help you communicate with us. Such as, letters in other languages or large print. Or, you can ask for an interpreter. To ask for help, please call the number contained within this Summary of Benefits and Coverage (SBC).*" However, this message itself is only written in English.

Recommendation 13: Ensure that all required forms and relevant documentation and communications are also available in Spanish, Arabic and Amharic.

ACPS already provides a significant amount of documentation and information for families on its website in English, Spanish, Arabic, and Amharic. The employee handbook, safety manuals, and other required personnel forms should also be available in these languages.

Management Response: We agree that all forms should be translated. The translation of these forms should include budgetary support initially and annually.

Target Completion Date: July 01, 2019

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Finding 14: ACPS does not have an effective employee onboarding program that is consistently implemented across departments.

The HR Department currently implements an employee new hire orientation (NHO) program that typically occurs within the first week of employment, is transactional in nature, and is focused on completing the required paperwork for employment. NHO for benefit-eligible employees is coordinated by the Compensation and Benefits unit (offered as group session) and NHO for casual employees is coordinated by the Employee Services unit (scheduled individually by appointment).

During NHO, employees are fingerprinted, issued ID badges, and provided with an overview of the school division's tools and resources, school board and other policies, and information systems, including TCP, SAM, Zimbra, and CANVAS; benefit-eligible employees are also provided with additional information on the school division's benefit programs. In response to a personnel action in MUNIS, the Information Technology Department sends an email to all new hires with their log-in credentials to TCP, SAM, Zimbra, and others as required.

The HR Department does not collaborate with other departments to ensure that orientation for all new employees is effective and seamless—this is left at the discretion of other departments or school administrators. For example, new teachers attend a new teacher orientation that is coordinated by the Curriculum and Instruction Department; other orientation activities are at the discretion of the principal or department management.

Different from an orientation, onboarding is the process of helping new hires adjust to the social and performance aspects of their new jobs by ensuring they have what they need to be successful. It typically starts from their first day of employment and lasts through their first year. Research shows that organizations that have an effective onboarding program retained 91 percent of their first-year employees.[14] The fact that 20 percent of teachers that left ACPS in 2016-17 did so within their first year of employment suggests that a more effective approach to onboarding and supporting new employees is needed. While other departments will need to be involved in developing an effective onboarding program, HR should take the lead in coordinating and monitoring division efforts.

Recommendation 14: Develop and coordinate an employee onboarding program that supports all new employees through their first year on the job.

Successful onboarding should be a key component to ACPS' strategic human resource management strategy. With the high cost of employee turnover, effectively integrating new employees into the school division and culture is important to ensuring their success. The HR Department should be responsible for developing and coordinating a comprehensive onboarding program that is coordinated and seamlessly integrated with the goals and objectives of all departments. In collaboration with other central office departments, the HR Department should develop a formal onboarding plan (similar to the *Recruit and*

---

[14] Society of Human Resources Management.

Retention plan) that outlines the specific goals, responsibilities, timeline, and supports that should be available to all new employees. This process could be developed and refined based on the results of the "Stay" interviews discussed previously in Recommendation 9. By setting a standard for onboarding, ACPS can improve retention rates by helping to ensure that *all* new employees are properly introduced to the important aspects of ACPS' values, culture and people.

Management Response: The Department of Human Resources will work collaboratively with the Department of Curriculum and Instruction's Talent Development Team to discuss how it can reach out to all departments to ensure that it includes all necessary components of a successful employee on-boarding program.

Target Completion Date: July 01, 2020

Finding 15: The Teacher Mentor program is not implemented with consistency or fidelity.

Teacher induction programs are essential for helping beginning teachers successfully transition to the classroom and remain in teaching. In fact, research shows that it is more cost effective to provide teacher induction programs that reduce teacher attrition than to fund recruitment and hiring initiatives to replace departing teachers.[15]

Through the Office of Talent Development, ACPS offers a Teacher Mentoring Program aimed at supporting first-year teachers and teachers new to the school division so that they can successfully integrate into the work of ACPS. The goals of the program are to:[16]

- Integrate new teachers into the culture and climate of schools and school division.

- Continue to develop and practice effective teaching strategies to meet the needs of all learners.

- Enhance teachers' practice through professional learning and reflection on their practice and on student learning.

- Increase and improve recruitment, success, and retention of new teachers to ACPS.

- Promote and develop teacher leadership in the division.

- Improve student outcomes across all schools and ensure that every student succeeds.

Each new teacher is provided a mentor and each mentor has a mentor coordinator. Mentors are required to be a certified teacher or administrator who have at least three years of teaching experience. They are paid a stipend, which ranges from $600 to $900 per year, depending on whether their mentee teacher is novice or just new to the division. Mentors are responsible for providing instructional support,

---

[15] https://eric.ed.gov/?id=ED467748
[16] ACPS 2017-18 Mentoring Handbook.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

professional support, and personal support to mentees and are encouraged to spend 60 to 90 minutes per week mentoring.

Mentor coordinators work with the school principal to assign mentors to mentees and generally monitor the implementation of the program at their school to assure that new teachers receive the support they need. Mentor coordinator stipends are paid based on the number of mentors at the school and range from $700 if there is just one mentor to $1,600 for more than 20 mentors at a school.

Although the Teacher Mentor program has been in place for several years, recent changes were made to correct some of the deficiencies with implementation. For example, time and effort logs were introduced to mitigate some mentors and mentor coordinators from being paid a stipend without having fulfilled their required obligations. In addition, training began this past year on the Santa Cruz model for effective mentoring program, which focuses on the details of successful mentoring through providing a focus on the teacher improving their instructional practices, clarifying ACPS and their school expectations, and providing social and emotional support. However, training is not mandatory and it is estimated by Talent Development that only one-third of mentor coordinators attended training last year.

Recommendation 15: Enhance the Teacher Mentor Program to more effectively support new teachers and veteran teachers new to the school, school division, or teaching assignment.

Although recent changes to the Teacher Mentor Program are positive, some additional enhancements should be considered:

- Extend the mentor-mentee partnership beyond one year, ideally up to three years, when teachers are most at risk of leaving the profession and need the most support.

- Solicit feedback from mentor coordinators, mentors and mentees to assess the effectiveness of the program.

- Require mentor coordinators to attend training sessions as a prerequisite for the stipend.

- Review mentor-teacher assignment strategies to ensure that they are appropriately paired. Ensure that all principals are involved in this process and monitor the success of the partnership.

Management Response: The Department of Human Resources will work collaboratively with the Department of Curriculum and Instruction's Talent Development Team to institute some of the recommendations presented by Gibson. The mentor program will continue to focus on first year teachers in ACPS and the program providing additional supports beyond the first year of teaching.

Target Completion Date: July 01, 2020

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

Commendation 4: ACPS offers a tuition assistance program for licensed staff in the priority areas of ELL, Special Education, Math, Reading, Honors/Talented and Gifted, and Educational Leadership.

In 2017-18, ACPS spent $313,241 on employee education and tuition assistance programs (object 528025). Tuition assistance is available to licensed employees that request reimbursement for coursework that meets the instructional and program goals and priorities aligned to the *ACPS 2020 Strategic Plan*, Characteristics of High Performing School Districts, and the 12 Priorities of the Curriculum and Instruction Office. Tuition assistance is also available to support non-licensed staff who are seeking academic credits, continuing education updates, or attending workshops/seminars outside of the work place to update their job skills or enhance their job expertise.

Commendation 5: ACPS supports teachers pursuing National Board Certification.

The National Board Certification (NBC) program offers support to accomplished teachers who want to pursue this advanced certification. This program offers a monthly support course that assists the teachers through this process. A teacher can receive from 45 to 180 recertification points by completing this process. After completion, a teacher is eligible for Department of Education sponsored stipends that include a first year of $5,000 and $2,500 for years 2 through 10. Additionally, ACPS provides a $2,200 Bonus for years 1 to 10. In 2017-18, ACPS spent $32,075 on supporting teachers pursuing National Board Certification.

Commendation 6: The HR Department recently implemented an on-line performance evaluation system, *Perform*, and is currently implementing evaluation processes for non-licensed staff.

The Virginia Board of Education, in the *Guidelines for Uniform Performance Standards and Evaluation Criteria for Teachers* and the *Virginia Standards for the Professional Practice of Teachers,* establishes guidelines for teacher, principal and superintendent performance standards and evaluation criteria to assist school divisions in implementing educator evaluation systems.[17] There are no established State guidelines or standards for non-licensed staff.

In 2015-16, ACPS implemented *Perform*, an on-line platform that is part of the *PeopleAdmin* suite of products used to facilitate employee performance evaluations. Prior to implementation, performance evaluations for licensed staff was a paper-based process. In 2017-18, the HR Department began implementing on-line evaluations for non-licensed staff, using a modified version of the teacher evaluation tool. Compliance with required evaluation timelines is discussed further in *Section 6 – Compliance and Audit Testing*. This was the first time that a support evaluation process is fully automated through electronic verification, which should allow for better tracking the completion of these evaluations. The 2018-19 school year will be the first year that performance evaluations for non-licensed staff will be mandatory.

---

[17] http://www.doe.virginia.gov/teaching/performance_evaluation/index.shtml

Section 5 – Compensation and Benefits Management
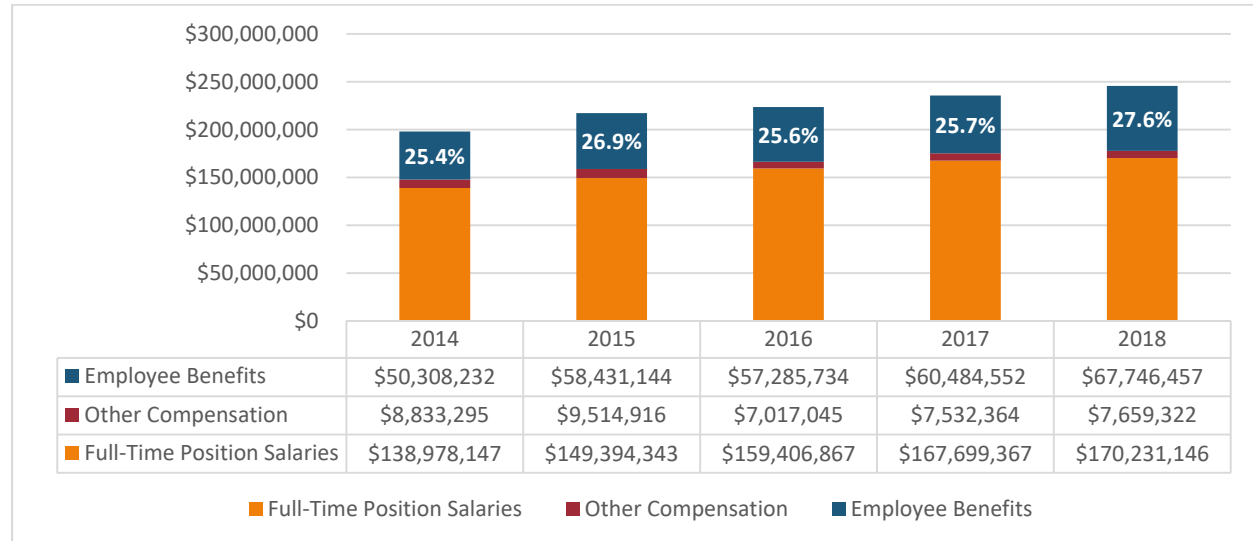
Background

The Human Resources Department manages the division's various forms of compensation (e.g., contract pay, base pay, stipends) to ensure competitive and equitable salary and classification. The Compensation and Benefits unit within HR is responsible for administering salary notifications and adjustments, including step and/or market rate increases; managing employee leave and disability programs, benefit and wellness programs, employee assistance programs, retirement programs, and tuition reimbursement programs; overseeing the position classification review process; and, ensuring compliance with respect to all federal, state and local laws governing wages and work hours.

Employee Compensation

The Division's total compensation and benefits has steadily increased over the past five years, which is illustrated in Figure 9. Benefits as a percent of total compensation remained relatively constant from 2014 to 2017 but increased almost 2 percent from 2017 to 2018.

Figure 9. ACPS Expenditures for Compensation Accounts, 2014 to 2018

	2014	2015	2016	2017	2018
■ Employee Benefits	$50,308,232	$58,431,144	$57,285,734	$60,484,552	$67,746,457
■ Other Compensation	$8,833,295	$9,514,916	$7,017,045	$7,532,364	$7,659,322
■ Full-Time Position Salaries	$138,978,147	$149,394,343	$159,406,867	$167,699,367	$170,231,146

Source: WABE Guides FY2014-2018, Washington Area Boards of Education (WABE). *Other Compensation includes hourly and part-time accounts.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

There are four Board-approved salary schedules that assign all full-time employee positions to pay grades and their accompanying experience steps:

- *Administrator – Licensed (LAS)*: 9 pay grades, 10 Steps – Principals, assistant principals, other school-based supervisors, and central-office licensed professionals (coordinators, directors, executive directors, licensed chief officers, etc.)

- *Administrator – Support (SAS)*: 14 pay grades, 18 steps – Non-instructional program supervisors, analysts, managers, technicians, coordinators, directors, assistant directors, non-licensed chief officers, etc.

- *Teachers:* Teachers, counselors, librarians, instructional coaches, other licensed instructional staff

    – Bachelor's Degree – 23 Steps

    – Master's Degree – 24 Steps

    – Master's + 30 Semester Hours and/or Doctorate – 24 Steps

- *Support Staff*: 35 pay grades, 21 steps - Administrative assistants, clerks, paraprofessionals, custodial, school nutrition, bus drivers, skilled maintenance, coordinators of support programs, etc.

Each year, after an informal analysis of how ACPS salaries compare with other school divisions and the local market, the CHRO and the Chief Financial Officer (CFO) collaborate to determine any potential salary adjustments, which are then recommended to the Board by the Superintendent and the CFO. In addition, the rates of pay for casual employees are also established, maintained, and monitored by HR. Casual employees are hired on a non-contractual part-time basis, and include positions such as teacher substitutes, bus driver substitutes, school nutrition substitutes, interns, after-school tutors, security monitors, and Standards of Learning (SOL) testing monitors. In 2018, a 2.6 percent step increase for all employees was approved by the ACPS Board.

Audit Findings and Recommendations

Commendation 7: ACPS' average teacher and principal salaries are competitive with neighboring school systems.

Table 10 shows the 2017-18 average teacher and principal salaries for ACPS compared to 14 other school divisions and districts. ACPS ranks near the top of the list for both teacher and principal salaries; only Arlington County and Falls Church City (teachers only) have higher average salaries. Although not shown in the table below, ACPS is the only WABE school division to have 7.25 teacher contract hours per day (compared to 7.5 hours per day for other school divisions), which can be seen as a competitive

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

advantage.[18]

Table 10. Average Teacher and Principal Salaries, 2017-18

School Division/District	Average Teacher Salary	School Division/District	Average Principal Salary
Arlington County	$78,617	Arlington County	$147,632
Falls Church City	$77,157	**Alexandria City**	**$139,548**
Alexandria City	**$74,738**	Fairfax County	$135,399
Fairfax County	$68,883	Manassas Park City	$129,167
Prince William County	$65,902	Loudoun County	$123,344
Loudoun County	$65,678	Prince William County	$122,781
Manassas Park City	$59,552	Falls Church City	$120,342
State Average	$56,351	Spotsylvania County	$115,312
Hanover County	$56,106	State Average	$99,727
Spotsylvania County	$54,284	Richmond City	$93,977
Montgomery County, MD	$52,111	Hanover County	$92,734
Prince George's County, MD	$51,148	Roanoke City	$91,385
Roanoke City	$51,061	Hampton City	$89,103
Hampton City	$50,312	Montgomery County, MD	$82,055
Richmond City	$49,079	Prince George's County MD	$78,248

Source: Virginia Department of Education 2017-18 Teacher Salary Report. *Data comparing the salaries of licensed central office administrators (excluding salaries of superintendents) is not publicly reported.

Further analysis shows that ACPS teachers with a bachelor's degree are also paid higher than teachers in all other school systems except Washington DC at steps 5 and 15 (shown in Figure 10). Starting salary for novice teachers (step 1) is lower than seven of the benchmark districts – Washington DC, Loudon County, Falls Church City, Arlington County, Fairfax County, Prince George's County, and Prince William County. Starting salary is an important variable for teachers new to the profession. In fact, 80 percent of newly hired teachers reported on the 2018 ACPS Recruiting Survey that salary was "very important" when seeking employment.

---

[18] FY 2018 WABE Guide.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Figure 10. Teacher Salary with Bachelor's Degree, 2017 Pay Steps 1, 5 and 15
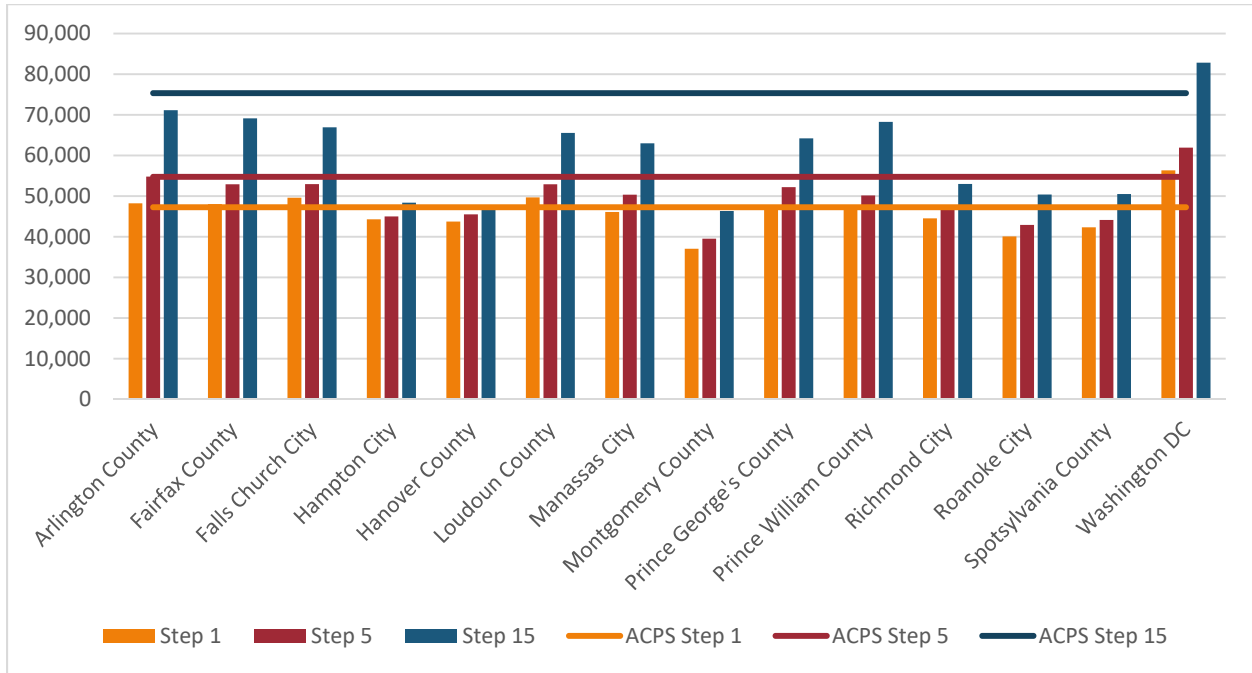
Source: 2017 Salary Schedules downloaded from division/district websites.

Despite ACPS' lower starting salary, it takes less time to get to the top of the teacher pay scale (i.e., 23 steps) in ACPS than all other benchmark school divisions, except Prince George's County. Typically, each step equals one year of service, but advancement to the next higher step is dependent upon the availability of adequate funding and local policies governing step advancement. Although ACPS' starting salary for teachers with a bachelor's degree ranked 7th in comparison to other school division, its top salary ranked 4th – and teachers can advance to the highest step at a faster rate than in other school divisions. This is important to note as a recruitment incentive.

Table 11. Teacher Salary and Step Comparison with Bachelor's Degree, 2017

Division/District	Starting Salary	Top Salary	Number of Steps
Prince George's, MD	$47,781	$64,214	20
Alexandria City	**$47,242**	**$84,823**	**23**
Prince William County	$47,724	$10,287	28
Manassas City	$46,078	$95,897	30
Loudoun County	$49,674	$94,237	30
Montgomery County, MD	$37,051	$60,477	31
Roanoke City	$40,073	$65,709	34
Spotsylvania County	$42,314	$92,326	40
Richmond City	$44,525	$74,585	41
Hanover County	$43,749	$73,603	41
Washington DC	$56,313	$82,838	*
Fairfax County	$48,012	$67,585	*
Arlington County	$48,228	$66,910	*
ACPS Rank from Top	**7th**	**4th**	**2nd**

Source: 2017 teacher salary schedules downloaded from division/district websites. *Information not available.

As shown in Figure 11, beginning teachers (step 1) with a master's degree in ACPS are paid more than teachers in most other school systems, except Washington DC, Loudon County, and Falls Church City. Having beginning teacher salaries at the master's level above mid-point is listed as one of the Division's key performance indicators in the *ACPS 2020 Scorecard*. More experienced teachers with a master's degree are also paid higher than teachers in all other school systems except Washington DC (at step 5) and Arlington County, Washington DC, and Falls Church City (at step 15).

Figure 11. Teacher Salary with Master's Degree, 2017 Pay Steps 1, 5 and 15

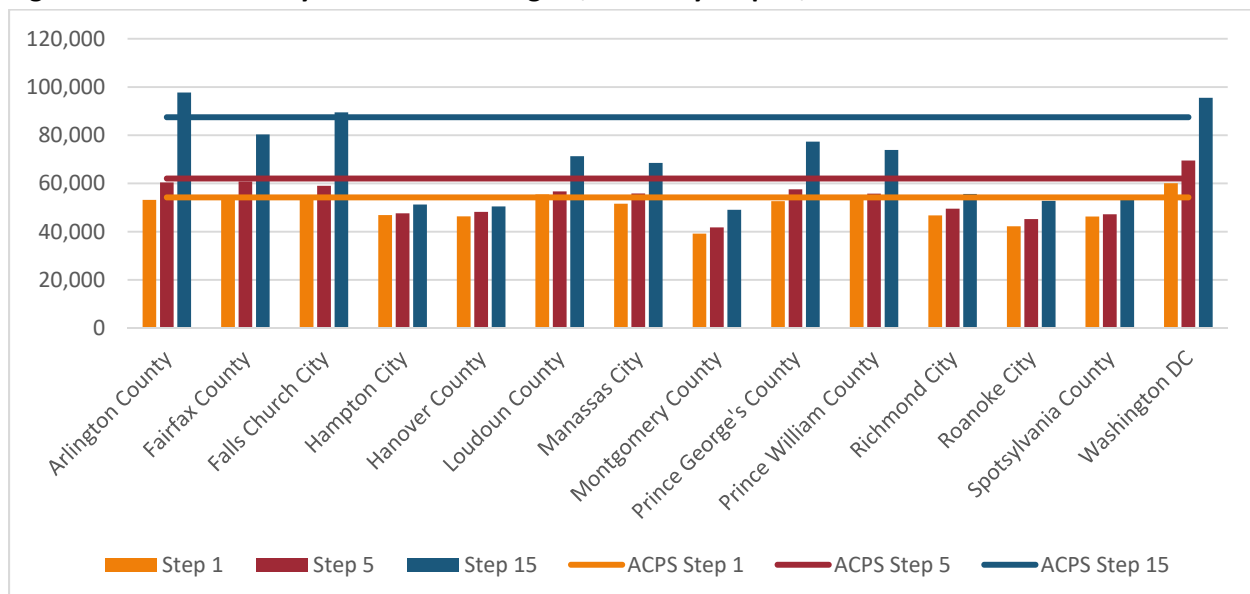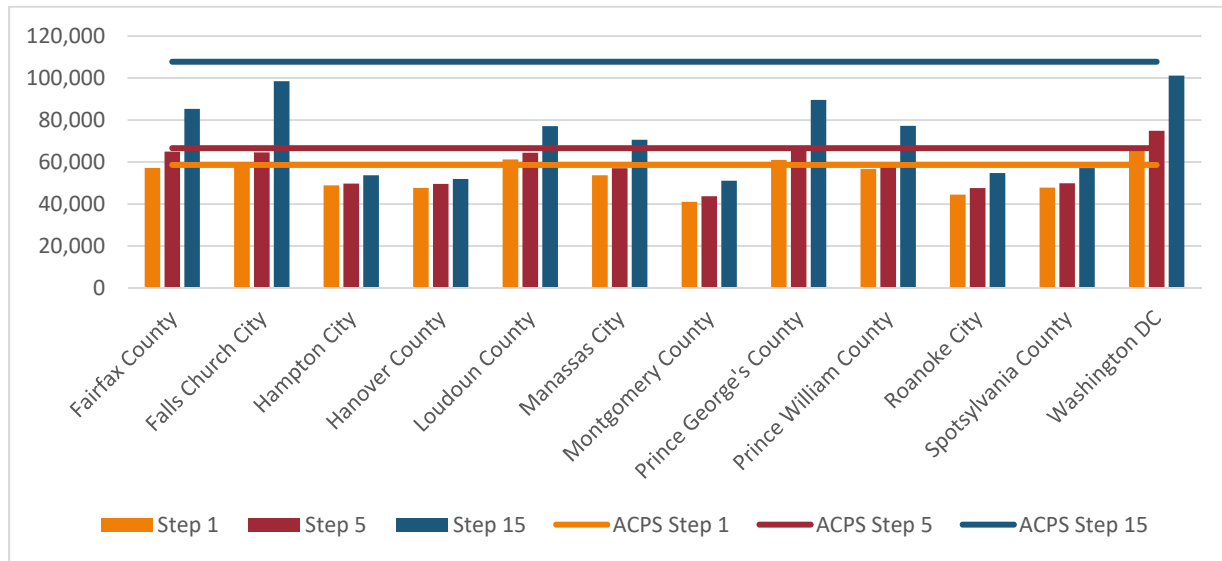Source: 2017 Salary Schedules downloaded from division/district websites.

Experienced teachers (step 15) in ACPS with a doctorate degree are paid more than teachers in all of the

benchmark school systems. At step 5, ACPS ranks just below Washington DC and Prince George's County. Starting salary for novice teachers (step 1) with a doctorate degree in ACPS are below four of the benchmark districts: Washington DC, Loudon County, Prince George's County, and Falls Church City.

Figure 12. Teacher Salary with Doctorate Degree, 2017 Pay Steps 1, 5 and 15

Source: 2017 Salary Schedules downloaded from division/district websites.

Finding 16: ACPS has not conducted a recent salary survey.

A salary survey is a standard method of finding out what other organizations are paying in salaries and benefits for specific jobs or job classes. Salary surveys can provide useful benchmarking information for determining the prevailing pay rates and benefits of other school divisions, municipalities, and the private sector so that the Division can ensure that its compensation plans are competitive for recruiting, hiring, and retaining employees.

The HR Department conducted a job analysis and classification study in 2003-04, but that study did not include a salary survey. Since then, the HR Department has conducted some very limited telephone and/or email questionnaires to benchmark employee salaries. The HR Department also reviews the *WABE Guide*, which is published annually and includes salary and benefit data for all Washington Area Board of Education districts. However, the WABE data is limited in that it primarily focuses on instructional positions (principals, assistant principals, teachers, instructional assistants, and substitutes) and only one non-instructional position (bus drivers). It does not include any market data for other public or private sector entities. Without a market reference point for non-instructional positions, ACPS cannot be assured that its compensation levels are competitive (paying too little may result in difficulty recruiting and retaining staff) or appropriate (paying too much may result in elevated operating costs).

Recommendation 16: Establish a schedule for conducting salary surveys for the different classifications of employees.

The Society of Human Resources Management recommends that employers examine their overall compensation structure at least every three to five years to determine whether or not it is still aligned with the labor market.[19] ACPS may purchase results of surveys conducted by a variety of organizations proficient in the collection, analysis and distribution of salary data, or it may choose to conduct its own salary survey. Gibson recommends that ACPS budget to conduct a salary survey at least every five years and on a rotating schedule for the different classifications of positions (starting with non-instructional positions since they have not been recently reviewed). Generally, the cost of a salary study that is conducted by professional compensation specialists is based on the number of non-licensed support position titles in the current pay structure and the number of employees assigned to each. For ACPS, the cost of conducting a salary survey is estimated at $20,000 to $45,000, although the estimated fiscal impact of implementing any salary adjustments would likely be significant.

Management Response: We agree with the finding. We highly recommend ACPS adopt a rotating salary survey/analysis of the all job classes. However, it is highly recommended that prior to completing a salary survey there is a budgetary commitment to support both the survey and the implementation of any increases recommended in the results of the completed surveys.

Target Completion Date: July 01, 2020

Finding 17: HR staff process manual timesheets resulting in an inadequate segregation of duties.

A functioning system of internal controls helps to reduce the risk of error, misuse or fraud. For this reason, best practice organizations segregate key duties and responsibilities to different personnel. This means that employees that are responsible for maintaining HR data should not have access to the payroll system, be involved in the payroll process, distribute payroll checks or make hiring or termination decisions. ACPS currently lacks these internal controls because all manual timesheets are submitted to the HR Department, with the exception of the Transportation employees, which are submitted to Payroll. The HR administrative assistant certifies that the rate of pay and funding source for each timesheet is correct and then sends to Payroll for processing payment. Each pay period, HR processes an estimated 475 to 610 manual timesheets for casual, part-time, and temporary employees. A recommendation to streamline the payroll process and require all employees to utilize TCP when recording time was made in Gibson's *2017 Internal Audit of the Payroll Function* report, but this has not yet occurred.

---

[19] *Joanne M. Sammer, Updating Salary Structure: When, Why and How?* May 21, 2013. Society for Human Resource Management.

Recommendation 17: Shift responsibility for processing manual time sheets from HR to Payroll.

In the short-term, ACPS should improve internal controls and assign all responsibility for processing all manual timesheets to the Payroll Department. In the long-term, ACPS should eliminate the use of manual timesheets altogether. This may be possible once the system integration issues (discussed in *Section 2 – Information Technology and Business Processes*) are fully resolved.

Management Response: We agree with the finding. The Department of Human Resources will collaborate with the Department of Financial Services to shift responsibility for processing manual time sheets to the Payroll Department.

Target Completion Date: December 01, 2018

Benefits Management

Offering affordable, comprehensive, and competitive benefit plans is essential to attracting and retaining employees. ACPS provides employees with a combination of mandatory and optional benefit programs, and eligibility for these programs varies based on an employee's full or part-time status, position and/or employee group. A brief description of these plans is outlined below:[20]

- **Health Insurance Plans** – Employees who are scheduled to work at least 20 hours per week are eligible to participate in the ACPS group health insurance plans. In determining coverage and rates of premiums, an employee who works 30 hours or more per week are considered full-time employees and they pay the full-time health insurance rates. An employee scheduled to work between 20 and 29 hours per week is considered a part time employee and the part time health insurance rates apply. ACPS offers optional medical coverage through two providers: Kaiser and United Healthcare (UHC), both of whom offer prescription drug coverage. ACPS also offers an optional dental plan (provided through CareFirst) and an optional vision plan (provided through EyeMed). Table 12 shows the employee participation rates for ACPS' health insurance plans for each employee group.

---

[20] ACPS Benefits Summary Report, May 2017.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Table 12. Employee Health Insurance Participation Rates (Kaiser and United Healthcare)

Employee Group	Participation Rate
Full Time Licensed Employee	75.6%
Full Time Support Employee Grade Below 25	86.4%
Full Time Administrator and Support Employee Grade 25+	84.8%
Part Time Licensed Employee	36.7%
Part Time Support Employee Grade Below 25	23.1%
Part Time Administrator & Support Employee Grade 25+	50.0%
Total	**77.6%**

Source: ACPS Data Request #30.

- **Flexible Spending Accounts (FSAs)** – Employees can set aside part of their salary before Social Security, Federal and State taxes to pay for eligible health and dependent care expenses. These FSA accounts are administered by Total Administrative Services Corporation (TASC).

- **Leave Program** – The ACPS leave program includes sick leave, personal leave, and annual leave.

- **Disability Program** – ACPS offers both short and long-term benefits to eligible employees through the Hartford Life Company.

- **Employee Assistance Program (EAP)** – This program provides confidential assistance to employees and their family with personal concerns that may adversely impact employees' work performance, and their well-being. Assessment, short term counseling, and referral services and are offered through the disability program with the Hartford.

- **Long Term Care Insurance** – Sponsored by the Virginia Retirement System, this optional insurance pays for covered expenses for long term care services whether they are received at home, in the community, or in a nursing facility.

- **CommonWealth One Credit Union** - ACPS has partnered with the credit union to offer employees a wide range of financial options, including savings, investments, checking, convenience services, student accounts, Visa, auto and RV loans, personal, home equity, and mortgage loans.

- **Life Insurance** – Through Virginia Retirement System (VRS) and Minnesota Life Basic, ACPS offers life and accidental death and dismemberment (AD&D) insurance for employees and/or their dependents.

- **Retirement and Savings Plans** – The Virginia Retirement System (VRS) is a mandatory benefit program sponsored by the Commonwealth of Virginia. Full-time, benefit-eligible employees working at least 30 hours per week are eligible for the VRS retirement plan. The ACPS Supplemental Retirement plan is a mandatory defined benefit retirement plan and requires employees to contribute 1.5 percent of their salary. ACPS has partnered with TSA Consulting Group (TSACG) for the administration of the 403(b) and 457(b) savings plans.

Finding 18: ACPS has a higher benefit percentage than most neighboring school divisions.

ACPS' employee benefit programs are an integral part of an employee's total compensation because the school division either pays the entire cost of the plan or has employees contribute a small portion of the premium costs for their coverage. Each year, the Washington Area Board of Education group issues surveys to its members to publish the annual WABE Guide, which includes comparable information for school divisions in a standardized format. According to WABE survey data, ACPS pays a higher percentage of health care premium costs (Point of Service and HMO Family) than all other WABE school divisions except Montgomery County. ACPS also pays a higher percentage of dental insurance premium costs than some but not all of the WABE school divisions, and pays for 100 percent of both short- and long-term disability premiums, which some other school division offer as well. This can be a competitive advantage when recruiting employees, but it may also indicate a potential savings opportunity if ACPS were to contribute at levels closer to peer school divisions.

Table 13. Percent of Benefits Paid by School Division

WABE School Division	Point of Service Family	HMO Family	Dental Insurance	Short Term Disability	Long Term Disability
Alexandria	**80%**	**80%**	**57%**	**100%**	**100%**
Arlington County	62%	69%	35%	100%	100%
Fairfax County	75%	75%	70%	100%	0%
Falls Church City	75%	75%	0%	100%	100%
Loudon County	71%	n/a	82%	100%	0%
Manassas City	64%	73%	[1]	0%	100%
Manassas Park City	55%	61%	[2]	0%	[3]
Montgomery County	83%	88%	83%	0%	0%
Prince George's County	80%	n/a	80%	n/a	n/a
Prince William County	61%	70%	95%	100%	100%

Source: FY 2018 WABE Guide. [1] Manassas City Public Schools district includes dental and vision insurance in health insurance. In addition, the district offers a stand-alone dental plan with 40% paid by employee, and 60% by employer; [2] Included in Health Insurance; [3] Manassas Park City Schools district's long-term insurance is covered at 40% of salary by the district.

The WABE Guide also compares teacher benefit costs as a percent of teacher salary. Table 14 compares ACPS to the surrounding school divisions using: 1) a hypothetical teacher salary of $65,000, and 2) the actual average teacher salary for each school division. By both measures, ACPS' benefits account for a higher percentage of total teacher compensation than they do in most of the neighboring school systems.

Table 14. Employer Costs for Hypothetical and Actual Average Teacher Salary, 2018

WABE School Division	Benefit Pct. of Hypothetical Salary	Benefit Pct. of Actual Salary
Alexandria	**53.16%**	**48.89%**
Arlington County	45.82%	42.24%
Fairfax County	53.38%	51.15%
Falls Church City	57.65%	52.87%

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

WABE School Division	Benefit Pct. of Hypothetical Salary	Benefit Pct. of Actual Salary
Loudon County	58.44%	57.37%
Manassas City	48.72%	48.58%
Manassas Park City	45.08%	46.78%
Montgomery County	52.71%	47.64%
Prince George's County	43.31%	42.08%
Prince William County	50.79%	50.43%
ACPS Rank (Low to High)	**7th**	**6th**

Source: FY 2018 WABE Guide.

Recommendation 18: Continue to routinely monitor benefit programs to manage costs.

The rising costs of benefits continues to be a concern for nearly every employer across the county, so ensuring that effective processes are in place to review and competitively bid insurance programs is essential. To address the rising costs of employee benefits and to better manage benefit programs, the Compensation and Benefits staff meet every fall with each of the health insurance carriers and third-party administrators to review past claims and expenses. Carriers provide ACPS with information related to benefits utilization and expenses, medical and prescription drug trends, catastrophic claims and related case management, as well information on claim prevalence and comparisons of ACPS costs to public sector norms. Using this information, ACPS works with carriers to develop strategies to manage cost increases. For example, ACPS recently implemented *Real Appeal,* a weight loss program with United Healthcare focused on lifestyle change. ACPS also engages Aon Consultants to review claims and set up premium equivalent rates for the self-insured health plan. HR discusses rate changes with ACPS Financial Services Department and these rates are approved by the Board via the budget process each year.

Management Response: We agree with the finding. This is a part of the annual budget process and will continue to work with the Department of Financial Services in meeting this goal.

Target Completion Date: October 01, 2018

Commendation 8: ACPS recently implemented an employee wellness program to encourage a healthy lifestyle and weight loss and offers a variety of other benefits to employees.

In July 2017, the ACPS benefits department implemented *Real Appeal*, a healthcare benefit for weight loss through UnitedHealthcare insurance that is available to United Healthcare members. Employees and their spouses and dependents 18 and older who have ACPS UnitedHealthcare insurance and a body mass index (BMI) of 23 or higher can participate in the program at no cost. The year-long program includes a personal transformation coach; an online portal with resources, mobile app integration, and an online support group as well as a Real *Appeal* Success Kit that includes guides, fitness DVDs, a personal blender, cooking tools, and a scale for weigh-ins. In the first year of *Real Appeal*, 132 ACPS employees registered, and of this number, 114 reported weight losses. The gross total was 681 pounds. In July 2018, 125 had enrolled for the new year.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

In addition to insurance and wellness programs, ACPS provides additional benefits to its employees. For example, ACPS offers tuition assistance for licensed employees (teachers and administrators) who wish to further their professional knowledge by taking college or university courses. Teachers who take classes in reading, special education, math, gifted education, or teaching English learners may have the cost of their classes reimbursed by the division. Paraprofessional and support employees may be eligible for tuition reimbursement (up to $700 per year) if they seek academic credits and continuing education updates, or if they attend workshops or seminars outside of their workplace to update their job skills or enhance their job expertise. Other benefits offered by ACPS include:

- Teacher Loan Forgiveness programs provided by the Federal Loan Forgiveness Program and administered by the Virginia Department of Education.

- PerkSoft employee discounts on products and services such as restaurants, groceries, car maintenance. Employees sign up for PerkSoft online with the address provided on the HR website.

- Monthly $40 transportation subsidy provided by the City of Alexandria to encourage ACPS employees to walk, bike, vanpool, carpool or take mass transit to work. ACPS employees sign up for the subsidy through GO Alex, an online portal.

- Free use of Alexandria Recreation Centers includes all City of Alexandria gyms as well as a swimming pool at another City recreational center.

- Free use of the gym for full-time central office employees at Braddock Place which is located adjacent to the building that houses ACPS administrative offices.

Commendation 9: ACPS appears to have effective workers' compensation management practices.

The Compensation and Benefits unit is responsible for managing the ACPS' workers' compensation program to track employee's leave, liaise with the third-party administrator, and ensure that work restrictions are accommodated. The unit is also responsible for preparing annually the Survey of Occupational Injuries and Illness (OSHA 300/A) report in accordance with OSHA guidelines and reporting the results to OSHA and the Virginia Department of Labor.

Workers' compensation insurance covers workers who suffer work-related injuries or illnesses. By law, Virginia school divisions are required to maintain workers' compensation insurance coverage. In ACPS, workers compensation is self-funded, which means the school division assumes the financial risk of paying the health care costs plus administrative costs of the claims for benefits. Table 15 shows the total case-based workers' compensation reserves, which is the amount set aside to pay the cost of open workers' compensation claims.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Table 15. ACPS Case-based Reserve Workers' Compensation Expenditures

Year	Expenditure Amount
2014-15	$889,707
2015-16	$951,872
2016-17	$886,689

Source: ACPS Expenditures Report (Data Request #1). *Full year expenditure data for 2017-18 was not available.

The audit team examined the Division's workers' compensation claims to identify any significant trends or areas of concern. Over the past 5 years, the total number of claims fluctuated both in number and average amount per claim, shown in Table 16.

Table 16. Summary of Worker's Compensation Claims, 2012-13 to 2016-17

Year	Number of Claims	Total Gross Claims Incurred	Number of Report-Only Claims ($0 Incurred)	Number of Claims >$10K	Percent of $ Gross Claims Incurred Accounted for by Claims >$10K
2012-13	77	$1,119,919	9	10	91.3%
2013-14	107	$662,498	11	7	80.8%
2014-15	110	$384,524	6	6	64.0%
2015-16	92	$964,801	7	14	88.0%
2016-17	155	$394,765	66	8	65.5%
Total	**541**	**$3,526,507**	**99**	**45**	**82.6%**

Source: ACPS Workers' Compensation Claims Report (Data Request #33). *Full year of workers' compensation claims data for 2017-18 was not available.

This analysis yielded the following observations:

- A relatively few (45) number of claims account for 82.6 percent of the total gross value of claims incurred. ACPS contracts with State National Insurance Company to handle and provide payment for any claim in excess of $450,000 and is required to report annually to them any claim in excess of $225,000. ACPS contracts with the CorVel Corporation to serve as a third-party administrator (TPA).

- ACPS workers' compensation cost per employee of $417[21] is 17 percent higher than the 2015-16 median workers' compensation cost per employee of $357 presented in the 2017 Council of Great City Schools (COGS) report (total spend in the upper quartile is $498 and spend in the lower quartile $198).[22]

- The sharp increase in the number record-only claims (60 claims with $0 gross incurred) may be an indicator of improved management and reporting practices. Ensuring that all incidents are
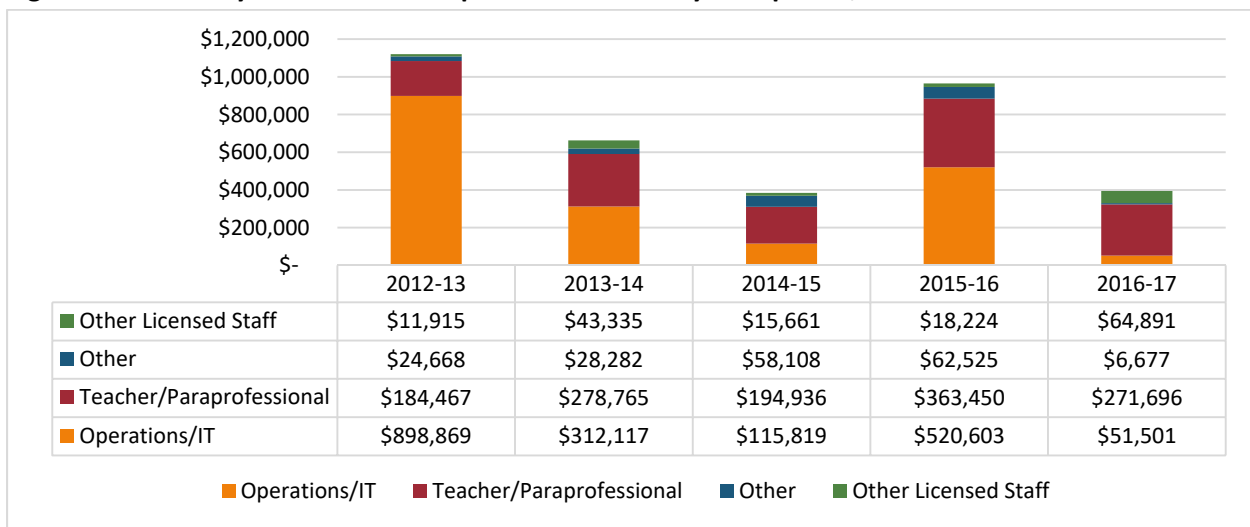
---

[21] ACPS 2015-16 gross claims incurred ($964,801) divided by the total number of employees (2,313) in 2015-16.

[22] 2017 Managing for Results in America's Great City's Schools (Results from 2015-16).

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

reported is an effective management practice for proactively identifying and addressing hazardous conditions.

▪ Operations (i.e., transportation, facilities, custodial, school nutrition) and information technology staff had $51,501 gross claims incurred in 2016-17, which is significantly lower than the gross claims incurred in any of the previous four years. This may be the result of improved safety practices within those departments. As discussed previously, the high value of gross claims incurred in 2012-13 can be attributed to 4 claims greater than $124,000 each, with the single largest claim at $376,015. Similarly, the high gross claims incurred in 2015-16 for operations/IT staff can be attributed to 3 claims greater than $124,000 each.

Figure 13. Summary of Worker's Compensation Claims by Occupation, 2011-12 to 2016-17

	2012-13	2013-14	2014-15	2015-16	2016-17
■ Other Licensed Staff	$11,915	$43,335	$15,661	$18,224	$64,891
■ Other	$24,668	$28,282	$58,108	$62,525	$6,677
■ Teacher/Paraprofessional	$184,467	$278,765	$194,936	$363,450	$271,696
■ Operations/IT	$898,869	$312,117	$115,819	$520,603	$51,501

Source: ACPS Workers' Compensation Claims Report (Data Request #33). *Full year of workers' compensation claims data for 2017-18 was not available.

▪ Across all 5 years, John Adams Elementary school had the highest total number of workers' compensation claims (88) and the third highest total amount of claims incurred ($379,974). Of the 88 claims, 29 occurred in 2016-17 and 84 percent of those were filed by teachers or paraprofessionals. Since many of these claims appear to have resulted from incidents with students with special needs, ACPS may need to further investigate whether additional staff training or safety equipment (e.g., bite sleeves) is needed.

▪ Gibson's audit testing found that not all claims are filed within 10 days after the employee's absence from work or receipt of notice of occupational disease as required by the *Code of Virginia, §65.2-900 A*. This issue and corresponding recommendation is discussed further in *Section – 6 Compliance and Audit Testing*.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Section 6 – Compliance and Audit Testing

Background

Laws and regulations at the federal, state, and local levels regulate how school divisions ensure equal employment, make hiring decisions, pay wages, address and meet the special needs of employees, assess performance, and provide the guaranteed protections provided by current laws and regulations. The ACPS board charges the HR Department for monitoring and ensuring compliance these laws, regulations, and rules. The board's local policy pertaining to personnel and employment are located primarily in Section G (Personnel) of its policy manual, which is posted on the school division's website.

Summary of Key Laws and Regulations

The most important federal laws pertaining to employment that requires ACPS compliance and that HR monitors include:

- *Title VII of the Civil Rights Act of 1964* prohibits employers from discriminating in hiring, hiring or pay based on a person's race, religion, sex, or national origin. It also prohibits sexual harassment.

- The *Fair Labor Standards Act (FLSA)* sets the federal minimum wage and requires time-and-a-half overtime pay for hourly employees who work more than 40 hours in a week.

- The *Family Medical Leave Act (FMLA)* provides that eligible employees – those with at least a year of service – can take up to 12 weeks per year of unpaid, job-protected time off for the birth of a child or adoption of a child or to care for themselves or a sick child, spouse or parent who has a serious health condition.

- The *Age Discrimination in Employment Act* prohibits employers from discriminating in any way against applicants or employees older than 40 because of their age.

- The *Americans with Disabilities Act (ADA)* prohibits job discrimination against qualified people with disabilities (i.e., those who can perform the job's essential functions with or without a reasonable accommodation).

- The *Uniformed Services Employment and Reemployment Rights Act (USERRA)* makes it illegal to discriminate against employees who volunteer or are called to military duty. Whenever reservists return from active military duty tours of less than five years, they must be reemployed in their previous job or one that is equal to it.

- The *Equal Pay Act (EPA)* requires that female employees receive the same pay as male employees for equal work or jobs that require equal skill, effort, and responsibility.

- The *Occupational Safety and Health Act (OSHA)* requires employers to run a business free from recognized hazards.

- The *Pregnancy Discrimination Act (PDA)* prohibits job discrimination based on pregnancy, childbirth and related medical conditions.

- The *Immigration Reform and Control Act (RCA)* makes it illegal to hire and employ illegal aliens and requires that employers verify identification and workplace eligibility of all new hires by completing I-9 forms.

In the Commonwealth of Virginia, additional employment law requirements or conditions already required by federal law are rare. The few employment laws of Virginia are codified under *Title 40 – Labor and Employment* and specifically in *Chapter 1 (Department of Labor and Industry)* and *Chapter 3 (Protection of Employees)*. The Virginia statutes that are relevant for school divisions are:

- § 40.1-11.1 (2017) Provides penalties for employers who hire employees without proper verification and identification (i.e., illegal immigrants) and requires that all job applications contain a question that asks if the prospective employee is legally eligible to work in the United States.

- § 40.1-11.2 (2017) All public agencies in Virginia must use the electronic internet-based E-Verify program to enter information from a new hire's Form I-9 so that E-Verify can compare the information against records available to the Department of Homeland Security and the Social Security Administration.

- § 40.1-27.1 (2017) The discharge of an employee who has been absent due to a work-related injury is prohibited.

- § 40.1-28 (2017) Employers cannot require an employer to pay for a medical examination as a condition of employment.

- § 40.1-28.7:2 (2017) Employers must allow crime victims leave to attend criminal proceedings.

- § 40.1-28.7:4 (2017) Prevents employers from releasing personal identifying information of their employees: home telephone number, mobile telephone number, email address, shift times, or work schedule.

Additionally, in 2016 the Alexandria City Council adopted a "Living Wage" ordinance that applies to ACPS. City of Alexandria Code Sections 3-3-31.1 and 3-3-61.1 requires that any provider of services to or contracts on any City-owned or City-controlled properties must pay its hourly employees a minimum wage of $14.13 per hour as a "Living Wage."

Several ACPS board policies govern the Human Resource Department and processes. Following is an overview of the key policies.

- **Policy AC** establishes that the Division is committed to nondiscrimination with regard to age, race, national origin, ancestry, and other human capital factors.

- **Policy GB** establishes that ACPS is an equal opportunity employer committed to nondiscrimination in recruitment, selection, hiring, pay, promotion, retention, and other personnel actions.

- **Policy GBA/JFHA** states that the Division prohibits sexual harassment and any other type of harassment of any kind to school personnel or student at school or any school sponsored activity.

- **Policy GBLA** states that any resident may file a complaint regarding an employee of the division, to the Superintendent, Chief Human Resources Officer, or other designee.

- **Policy GBN** establishes that it is the desire of the Division to recruit, hire, and retain the best qualified candidates for available positions. The procedures for application are to be provided on the ACPS Human Resources Department website.

- **Policy GCDA** states that the Division will not hire or continue employment of any part-time, full-time, temporary, or permanent personnel who are deemed unsuited due to criminal conviction.

- **Policy GCL** states that the Division will provide a program of high-quality professional development for all staff.

- **Policy GCN** states that every licensed staff member will be evaluated on a regular basis at least as frequently as required by law. Detailed evaluation procedures shall be provided on the Human Resources website.

- **Policy GDN** establishes that all support staff will be evaluated on an annual basis and the Superintendent shall assure that procedures for support staff evaluations are developed and included within the Division's policy manual.

Audit Findings and Recommendations

Gibson reviewed and analyzed over 70 documents and data provided by the HR Department in response to a comprehensive data request. The team also reviewed all the federal and state laws and local policies, including each of the personal policies in Section G of the ACPS Board Policies, as well as references to other policies in other sections, and compared them to HR practices, protocols, and procedures to assess compliance. Further, the audit team reviewed files maintained by the employee relations unit regarding EEOC, ADA, FMLA, and employee grievances. Randomly selected files of individual employees who had previously requested services or made written complaints were examined for content, timelines, documentation, status, and resolution.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

In addition, the audit team audited select transactions and data to corroborate processes described in interviews, obtain tangible evidence of how documentation is maintained within the HR Department, and evaluate compliance with applicable laws, policies and procedures.

Finding 19: The names and contact information of the ACPS Compliance Officer and Alternate Compliance Officer are not published in the ACPS Employee Handbook.

ACPS Board Policy GB (Equal Employment Opportunity/Non-Discrimination) states that ACPS is an equal opportunity employer, committed to non-discrimination in recruitment, selection, hiring, pay, promotion, retention, or other personal actions affecting employees or candidates for employment. Regulations provide for the appointment of a Compliance Officer and an Alternate Compliance Officer responsible for receiving, investigating, and acting upon complaints of discrimination prohibited by policy. Board Policy GB requires, among other things, that "*all students and their parent/guardian be notified annually of the names and contact information of the compliance officers*." A review of accompanying regulations and the ACPS Employee Handbook identify only the Chief Human Resources Officer as the Compliance Officer and the Director of Employee Relations as the Alternate Compliance Officer, however, neither their names nor their contact information is included.

Of note, it was learned during interviews that the ACPS Employee Handbook was first developed and published on CANVAS in March 2018. Prior to this, the HR Department did not maintain a division-wide employee handbook.

Recommendation 19: Update the ACPS Employee Handbook to include the names and contact information of the Compliance Officer and the Alternate Compliance Officer.

Since the ACPS Employee Handbook is maintained electronically on CANVAS, it should be a relatively easy task to include the names and contact information for the CHRO and the Employee Relations Director in the appropriate section of the handbook.

Management Response: We agree with the finding. The employee handbook has been updated with the names and contact information of the Compliance Officer and the Alternate Compliance Officer.

Target Completion Date: Completed

Finding 20: Updated 2018 labor law posters have not been purchased or distributed for display at all ACPS administrative offices, campuses, and other facilities.

Virginia labor law is specific to the state and is passed by the state legislature. Updates to state labor laws generally occur in combination with the federal law, but state law tends to be broader in scope. To be in legal compliance, employers in the state of Virginia are required to display the 2018 mandatory labor law posters. There are specific posting guidelines as to how to posters must be displayed; if these guidelines are not satisfied an employer may face fines and/or citations. Virginia law requires employers to display the following labor law posters:

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

- Virginia Unemployment Compensation Act (UC)

- Virginia Occupational Safety and Health Act (VOSH)

- Virginia Department of Social Services (VDSS)

- Virginia Workers' Compensation (WC)

- Fair Labor Standards Act (FSLA)

- Employee Polygraph Protection Act (EPPA)

- Service Contract Act and Public Contractors Act

- Davis-Bacon Contracts Act

- Family Medical Leave Act (FMLA)

- Migrant and Seasonal Agricultural Worker Protection Act (MSPA)

- Equal Employment Opportunity (EEO)

Recommendation 20: Purchase 2018 labor law posters and distribute to all ACPS schools and facilities.

As an equal opportunity employer, ACPS must ensure compliance with all federal laws regarding workplace poster requirements. The HR Department should purchase updated federal and state postings in both English and Spanish, and distribute to all ACPS campuses, facilities, and administrative buildings. The HR Department must ensure that posters are placed in conspicuous locations at each site where they can be readily observed by employees and applicants, ensuring they understand their rights and responsibilities under Federal employment laws.

Management Response: *We agree with the finding. New labor law posters have been purchased.*

Target Completion Date: *Completed*

Audit Test Results

The audit team executed five audit tests related to the human resources function. The purpose of audit testing is to corroborate the processes described in interviews, obtain tangible evidence of how documentation is maintained within the HR Department, and evaluate compliance with applicable laws, policies and procedures.

Gibson utilized a non-statistical approach to determine sample size and guide sample selection for each audit tests. Multiple factors were considered in the determination of sample sizes including perceived risk, population size, expected errors, and required client effort. As a statistical approach was not used, the exceptions discovered through testing cannot be extrapolated across the entire population.

Test 1 – Personnel Files

Finding 21: Audited personnel files did not contain all required documentation per the HR personnel file check list.

The HR Department creates a personnel file for every ACPS employee and utilizes a check list to ensure that all required documentation is included in the file. HR staff are supposed to review each file and sign the check list to confirm that the file is complete prior to filing it in the HR file room (or in *Records*). The objective of this audit test was to validate whether or not employee files contain all of the following required documents:

- Application
- Resume
- References
- Employee Records
- I-9
- Social Security Card Copy
- Computer Agreement
- Sexual Harassment Agreement
- Authorization to Release
- Fingerprint Copy
- Fingerprint Results
- Negative TB Results
- Central Registry Search Returned (CPS Form)
- File Audit Results
- Annual Appraisals
- Termination Worksheet and Letter

The test population included all former and current ACPS employees as of February 2018. The randomly selected sample population included 30 employees in the following position categories: licensed professionals (e.g., teachers, nurses), administrators (e.g., principals, assistant principals), support staff (e.g., bus drivers, business services staff), and casual labor (i.e., hourly employees). For each employee included in the sample, the audit team obtained and reviewed the contents of their personnel file (both electronic and paper documents). The list of required documents varied somewhat for each employee depending on their position category, hire date, and the date the documents was required by HR to be included in a personnel file.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Gibson's personnel file audit found that 18 of the 30 audited personnel files had incomplete documentation. Table 17 lists the number of personnel files missing each of the required documents.

Table 17. Personnel File Audit Test Exceptions

Required Document	Number of Files Missing Required Documentation (n=30)
Resume	7
I-9	1
Computer agreement	3
Authorization to Release	3
Fingerprint copy	7
Fingerprint results	6
Negative TB results	3
Central Registry Search Returned (CPS Form)	5
File Audit results	8
Annual Appraisals	1

Source: Employee file review by Gibson Consulting Group.

Recommendation 21: Ensure all personnel files are complete and implement processes to collect all required documentation that are missing from personnel files.

ACPS recently implemented an on-line personnel file management system, *Records,* which should mitigate this issue moving forward. As stated in *Section 3 – Information Technology and Business Processes*, however, Gibson recommends that ACPS establish a plan to digitize all personnel files and budget accordingly to implement. In the interim, HR staff should perform a comprehensive personnel file review to ensure that all required documentation has been appropriately collected and maintained. Newly required forms that communicate division policies, such as the Sexual Harassment Agreement, should be emailed to every current employee who currently does not have it on file.

Management Response: We agree with the finding. The Department of Human Resources will review and collect any documentation from existing personnel files that may have required employment information. The new electronic personnel files allow the Department of Human Resources to monitor and complete all filing of necessary employment paperwork.

Target Completion Date: July 01, 2020

Test 2 – Employee Appraisals

Finding 22: Licensed staff are not consistently evaluated in accordance with Board Policy.

The objective of this test was to assess the compliance with the ACPS' appraisal policies and procedures. The evaluations are required by law §22.1-303 Probationary Terms of Service for Teachers and §22.1-295 - Employment of Teachers, and ACPS policies are adopted from these two state codes:

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

- Board Policy GCN requires all licensed staff to be evaluated on a regular basis at least as frequently as required by law.

- Board Policy GCG states that probationary teachers must be evaluated at least annually during their three years of probation.

The HR Department developed appraisal guidelines and procedures for the different employee groups: probationary teachers, continuing contract teachers, specialists, and administration/support. These appraisal procedures are outlined in the *Review of Observation Requirements TGAS* and *Timeline for Evaluation Tasks* documents, which contain information on when to conduct appraisals and when to submit them to the HR Department. The appraisal requirements determined by the HR Department are outlined below.

Probationary Teachers (first three years)

- Two walkthroughs are performed (Test 1)

- Two formative observations are performed (Test 2)

- Summative evaluation is performed prior to May 1st (Test 3)

- Signed by the evaluator and employee (Test 4)

Continuing Contract Teachers

- Two formative observations each year (Test 1)

- Summative evaluation is performed in year 3 of the 3-year cycle (Test 2)

- Signed by the evaluator and employee (Test 3)

Specialists

- Two recorded observations (Test 1)

- Signed by the evaluator and employee (Test 2)

To test compliance of appraisal completion, the audit team selected a total of 30 employees and reviewed their performance evaluations for 2015-16 through 2017-18, the three most recent years of the full performance evaluation cycle. The population for the testing was a report of employees as of February 2018. The audit team then applied filters on the employee group attribute to exclude administration and support staff, since the first year for mandatory annual evaluations is 2018-19. The sample population of 30 employees included 12 probationary teachers, 13 continuing contract teachers, and 5 specialists. Eight of the probationary teachers were also observed for continuing contract appraisal compliance, resulting in a total of 21 continuing contract samples.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Probationary Teachers (sample size = 12)

Table 18 provides the testing results for the probationary teacher group. As evidenced in the table, three teachers met all performance evaluation requirements; four teachers failed one of the tests described previously; three teachers failed two tests; and, two teachers failed three tests. No sample failed all four tests. More specifically:

- Eight teachers did not have a sufficient number of documented walkthroughs.

- Three teachers did not have a sufficient number of formative observations.

- Four teachers did not have a sufficient number of summative evaluations.

- One teacher did not have an appropriately signed evaluation.

- Three teachers met all appraisal requirements.

Table 18. Summary of Audit Test Results for Probationary Teachers

	Failure Occurrence				
	No tests	One test	Two Tests	Three Tests	Four Tests
Number of Teachers	3	4	3	2	0

Continuing Contract Teachers (sample size = 21)

Table 19 provides the testing results for the continuing contract teacher group. As evidenced in the table, six teachers met all appraisal requirements; ten teachers failed one of the tests described previously; and, five teachers failed two tests. No sample failed all three tests. More specifically:

- 15 teachers did not have a sufficient number of formative observations.[23]

- Five teachers did not have a sufficient number of summative evaluations.

- Six teachers met all appraisal requirements.

Table 19. Summary of Audit Test Results for Contract Teachers

	Failure Occurrence			
	No tests	One test	Two Tests	Three Tests
Number of Teachers	6	10	5	0

---

[23] It is important to note that observations, while required for the summative evaluation, are not always archived in TalentEd because ACPS is only required to archive the summative evaluation.

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Specialists (sample size = 5)

Table 20 provides the testing results for the specialist group. As evidenced in the table, one teacher met all appraisal requirements and four teachers failed one of the tests described previously. No sample failed both tests. More specifically:

- Four specialists did not have a sufficient number of observations.

- One specialist met all appraisal requirements.

Table 20. Summary of Audit Test Results for Specialists

	Failure Occurrence		
	No tests	One test	Two Tests
Number of Specialists	1	4	0

Summary of All Test Results

Table 21 summarizes the number of all non-compliant or missing appraisals across all three testing groups. When considering the employee groups in aggregate, only 4 out of 30 employees met all appraisal requirements. Fourteen employees were missing one or two appraisals; 10 employees were missing between three to five appraisals; and, 2 employees were missing more than five appraisals.

Table 21. Stratification of Appraisal Samples by Non-Compliant Appraisal Count

	Number of Non-Compliant or Missing Appraisals per Sample			
	0	1-2	3-5	>5
Number of Samples	4	14	10	2

Recommendation 22: Improve monitoring of appraisal compliance and hold supervisors accountable.

A significant percentage of employee files included in the audit test sample for licensed staff lack documentation for summative evaluations, which is required by HR to be archived in TalentEd. To address this issue, the Department should provide additional training to supervisors and staff to more explicitly set expectations around the performance appraisal process and then principals and other supervisors should be held accountable for implementing all components of the performance management system in accordance with Board policy. The HR Department should also consider requiring all documentation (e.g. formative observations) to be archived in TalentEd and then continue to monitor and report on appraisal compliance. ACPS has established this as a priority in Objective 3.6 of the *ACPS 2020 Strategic Plan*: *Staff Evaluation and Performance Improvement: ACPS will provide multiple opportunities for all employees to receive feedback and coaching on their performance and resources needed to improve and excel.*

Management Response: We agree with the finding. The Department of Human Resources will work with its current employee evaluation software program, Perform, to implement additional reminders to supervisors of upcoming deadlines. The Department of Human Resources will provide an annual timeline of suggested deadlines to teachers and administrators. Additionally, it will provide ongoing training and

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

reminders to administrators regarding essential due dates. Many of the required dates can be automatically set up through the TalentEd Perform system. These automated updates will provide administrators with notifications each Sunday regarding any outstanding evaluation tasks. Finally, periodic dashboard results will be provided to the lead operational directors that give a snapshot of administrator's evaluation progress. The Department of Human Resources will continue to facilitate the support needed to keep ACPS within compliance throughout the year.

Target Completion Date: *December 01, 2018*

Test 3 – Access Levels

Finding 23: Some HR employees have access in MUNIS to edit employee pay data, which is an inappropriate segregation of duties.

The objective of *Test 3 – Access Levels* was to ensure that access to key menus within MUNIS is properly restricted to the appropriate personnel. The audit team obtained a listing of all district employees with access to MUNIS and the level of access that they have. The results of this analysis found that a total of 9 Human Resources employees, including the CHRO and two directors, have access to edit an employee's pay data, including starting salaries, pay adjustments such as raises, and stipends. These same employees also have access to edit an employee's individual paycheck. Three individuals in the Payroll Department can edit individual paychecks, but only through the use of a personnel action form sent by HR. The HR Department is responsible for setting up employees in MUNIS, including employees' initial pay rates, and therefore HR personnel should not also have access to edit individual paychecks.

Recommendation 23: Ensure a proper segregation of duties by limiting the access of some HR staff in MUNIS.

There is a current risk that HR personnel could create a fictitious employee and issue pay, as current access levels in MUNIS allow the 9 HR employees to set up employee files, enter initial pay, and edit individual paychecks. HR personnel duty considering pay should be restricted to setting up the initial pay rate. Changes to employees' paychecks is a payroll function, thus access to edit paychecks should be restricted to Payroll personnel. In addition, the CHRO's and Director's edit access should be removed. Because these individuals are in an oversight capacity, the ability to edit pay data is inappropriate.

Management Response: *We agree with the finding. The Department of Human Resources will collaborate with the Department of Financial Services to properly delineate access protocols.*

Target Completion Date: *December 01, 2018*

GIBSON

AN EDUCATION CONSULTING & RESEARCH GROUP

Test 4 – Workers' Compensation Claims

Finding 24: Workers' compensation claims are not always submitted in the required 10-day timeframe.

The objective of this test was to review the documentation retained and the process of handling workers' compensation claims. The audit team obtained a list of all workers' compensation claims in 2017 and 2018 and sampled five claims for review. According to the *Code of Virginia, §65.2-900 A*, the first report of injury or illness must be filed within 10 days after the employee's absence from work or receipt of notice of occupational disease. Two of the six tested claims were reported after 10 days. All claims included multiple claim status reports from the employees' medical provider.

Recommendation 24: Implement more robust monitoring of workers' compensation claims for compliance.

The results of this test make it evident that there is a lack of monitoring workers' compensation claims for compliance in the HR Department. Through the review of claims, the audit team identified instances of non-compliance with the reporting requirements promulgated by the State of Virginia. The HR Department should implement procedures to monitor workers compensation reporting.

Management Response: We agree with the finding. The Department of Human Resources will work strategically with our administration to inform them of the obligations ACPS is required to report under the Worker Compensation Law. The Department of Human Resources has purchased and implemented the I-Sight software program. I-Sight is case management software that provides database management for ACPS to manage its workman's compensation, Family and Medical Leave, Americans with Disabilities Act, discrimination, harassment and disciplinary investigations.

Target Completion Date: December 01, 2018

Test 5 – Timesheet Edits

Finding 25: Edits made to hours worked by employees are not reviewed or sufficiently substantiated.

During interview and focus groups, several employees claimed that their timesheets were inappropriately edited by their supervisors without their knowledge in an attempt to reduce their overtime hours. The implication that employees were not being paid for actual hours worked warranted further investigation. While supervisors are permitted to change an employee's timesheet, supporting documentation must be maintained for each timesheet edit.

The audit team requested and obtained the *Hours Audit Log* for 2016-17 and 2017-18. This report was generated from *TimeClock Plus*, ACPS timekeeping system, and includes all edits made to timesheets. The audit team then excluded all salaried employees to determine the test population. Fifteen edits were then selected for testing. The audit team requested supporting documentation for each edit to determine if the change was appropriately justified. The results of the test were as follows:

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

- No supporting documentation was provided for the timesheet edit samples.

- Six samples had management responses that stated the employee had forgotten to clock in or out. Thus, the supervisor made the change.

- Two samples had management responses that stated the employee clocked in too early without permission.

- Seven samples had management responses that confirmed there was no known reason for the edit.

Recommendation 25: Redesign the process for editing a timesheet by a supervisor.

Management should consider changing the routing of a timesheet edit so that it requires approval by the supervisors' department lead and notifies the employee that a change has been made. Supervisors must document why a change was made and the department lead should periodically review a sample of edits each pay period and review with employees to validate that the change that was made was appropriate.

Management Response: We agree with the finding. The Department of Human Resources will collaborate with the Payroll Department to define the process for editing employees' timesheets.

Target Completion Date: December 01, 2018

Appendix A

The audit team wishes to thank ACPS leadership and staff for their assistance in conducting this audit.

Interviews

The audit team conducted interviews with the following ACPS staff:

- Dr. Lois Berlin, Interim Superintendent

- Joseph Makolandra, Chief Human Resources Officer

- Jim Loomis, Director, Employment Services

- Sandra Hardeman, Director, Employee Relations

- ThuHang Nguyen, Director, Compensation and Benefits

- Nia Smith and Lisa Audet, Personnel Records

- Tamiko Hudson, Licensure

- Claudia Kotchick, Employment Specialist

- LaTavia Willis, Employment Specialist

- Vickie Florence, Administrative Assistant

- Deborah Gardner, Sr. Benefits Analyst

- Georgina Meyers, HR Generalist

- Cindy Flores, HR Customer Service Representative

- J. Helena Beyersdorf-Hottle, Benefits Analyst

- Beth Cooke, Compensation

- Michael Herbstman, Chief Financial Officer

- Mandeep Gill, Payroll Manager

- Charles Stone, Director, Pupil Transportation

- Cynthia Hormel, Director, Food Services

- Debra Lane, Director, Talent Development

- Gary Estep, Applications Support Specialist and Daniel Fugar, Business Systems Analyst

- Gerald Mann, Director of Secondary School Instruction and Dr. Lisa Piehota, Director of Elementary School Instruction

- Dawn Lucas, President of Education Association of Alexandria (EAA); Francis Chase, Past President of EAA; and, Mary Gaddis, EAA Leadership for Support Staff

GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

Focus Group Session

The audit team conducted the following group interviews; participants were randomly selected by the Gibson audit team.

- Principals

- First-year teachers (i.e. less than one year)

- Experienced teachers (i.e., more than 5 years)

- Paraprofessionals

- Central office directors

- Support staff