

School/Working with community

► FROM PAGE 8A

Increases in health insurance premiums related to the district's ongoing early-retirement incentive program and increasing workers' compensation insurance costs. Though fewer property taxes were collected in the last two years, the income tax surtax increased from just more than \$2.9 million in 2005 to nearly \$6.5 million in 2007.

Overall, property and income taxes increased 1.39 percent between 2004-05 and 2005-06, and 1.06 percent between 2005-06 and this school year.

The percentages did not keep up with inflation, as measured by the Consumer Price Index. Inflation was 3.33 percent and 3.4 percent in the same years.

This year, Cedar Rapids has the second-lowest property tax levy rate of Iowa's eight largest districts. Cedar Rapids schools also have the second-lowest property tax levy rate this year when compared with 10 other Linn County districts.

Graham projected in the most recent budget that the district will receive the largest portion of its revenues this school year from state sources, followed by property taxes, other local sources, federal sources and, finally, income surtaxes.

Personnel costs

The Cedar Rapids school district has the second-largest number of students in Iowa. Its teachers are paid consistently above the state average. "It is unreasonable to think we won't provide raises for our work groups in amounts that will keep us competitive regionally," Markward said.

Between 2003-04 and this school year, the district's administrative costs grew an average of about 3.9 percent per year. The costs slightly outpaced inflation and the growth rate for new money over the same period.

Along with the increase in the number of teachers, support personnel — teacher aides, bus drivers, custodians and others — also increased in the last three years.

Efficiencies

The district's overarching strategic plan has five goals, one of which is to "operate with fiscal integrity, efficiency and effectiveness."

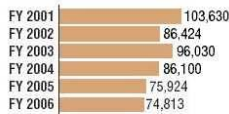
Administrators actively seek feedback from experts on how the district can become more efficient and effective. Three main groups scrutinize the district in this way — a Cedar Rapids Area Chamber of Commerce group, private-sector experts in quality and business working with a state-based group, and similar experts working with goals established by Congress.

The task force

A group of community and business leaders examined district operations and finances to look for efficiencies. The 15-member School Efficiency Task Force presented 76 recommendations to the school board in February 2005. The school board appointed the

Budgets and funding

School energy efficiency trends



Source: Cedar Rapids school district records
Gazette graphic

Cedar Rapids school district budgets



Note: In December 2000, voters approved a \$46 million bond issue. In 2001, the district sold \$10 million of the bonds and, in 2002, administrators sold the remaining \$36 million of those bonds. In 2006, the district refinanced the first two bond issues by selling \$31.4 million in school refunding general obligation bonds. This saved taxpayers \$1,532,679 in interest costs over the life of the bonds.

Source: Comprehensive Annual Financial Reports for the Cedar Rapids school district. Includes all fund transfers.
Gazette graphic

group at the suggestion of the Cedar Rapids Area Chamber of Commerce.

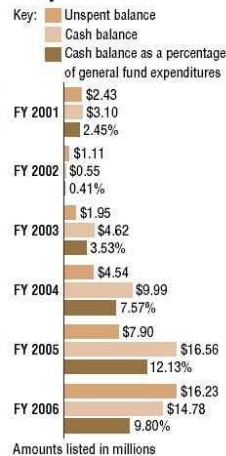
The group studied the district's business operations, representing more than \$38 million of the district's expenditures in 2003-04 — about 23 percent of the budget.

As of last count, district groups had told the school board that they would implement 40 of the 76 recommendations. Administrators agreed to modify and implement 16 recommendations. Nine will not be implemented. The district continues to work on the others.

The task force was co-chaired by Al Dalziel, owner of Al's Full Service, and Ralph Russell, president of Howard R. Green Co. "My impression is they've done quite well implementing things we've suggested," Russell said. "My biggest disappointment has been the inability to get some collaboration in transportation with Five Seasons."

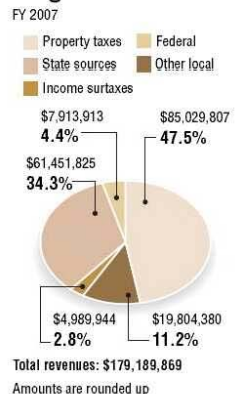
The task force recommend-

General fund unspent balance



Source: District records
Gazette graphic

Cedar Rapids district budgeted revenues



Source: District financial records
Gazette graphic

ed partnering with Five Seasons Transportation, the city bus service, on routes for school and field trips as a cost-saving move. The district decided to not partner because parents strongly resisted, Russell said.

Russell also saw hope in the school sharing a telecommunications network with the city and county. Construction is under way to run a joint fiber-optic cable between some buildings.

Representatives from the district, city and county meet weekly, said Jay Marino, Cedar Rapids schools' associate superintendent for organizational effectiveness and accountability.

The task force also recommended that the district increase participation in its medical insurance plans. This summer, Ann Feldmann, human resources director, announced that new district employees in many categories no longer will be offered an option driving up district health insurance costs.

In another area, the district's Graphics and Printing Department has streamlined its monthly billing data process. Department supervisor Robin Rieke said the department moved from a manual to a computerized process. She negotiated a better price for a certain kind of paper.

Graham said "a real hallmark" change recommended by the task force was moving from a paper system to a completely electronic system for things such as purchasing and inventory.

In the past, any district employee who wanted to order books, computers, office supplies, paper or other supplies had to fill out a paper request. The board approved an e-procurement system in September, to be implemented in the coming year. Graham said an estimated \$2.50 will be saved per transaction.

Other feedback

Under Markward, the district applies every other year to the Iowa Recognition for Performance Excellence for feedback on improvement efforts. The district received a bronze achievement level award in 2006 for performance excellence.

"This report will provide much of the basis for our improvement efforts in the coming year," Markward said recently.

The process closely mirrors the Malcolm Baldrige National Quality Program's Education Criteria for Performance Excellence, which Markward also began using when he arrived.

Both programs judge organizations by the same criteria and provide feedback.

"Although our primary emphasis is and always will be on the improvement of teaching and learning, we also utilize the criteria to address all facets of our operation, including budgetary and financial results," Markward said.

The challenges

"We are controlling our spending while we are facing the biggest educational challenge public educators have ever encountered," Markward said, referring to No Child Left Behind regulations.

Federal government officials have not funded the law at the levels they originally said they would, while mandating that schools meet ever-increasing levels of achievement each year.

"The challenge is increasing levels of learning for all students while the percentage of students receiving free or reduced lunch (a measure of poverty) increases, numbers of students whose first language is not English increase, and the number of students ... from large urban areas increase," Markward said.

"Test score results indicate gains in many areas. As each of our schools become accustomed to and deploy our continuous improvement principles, these indicators will continue to move in a positive direction."

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