



Legislative Post Audit School District Performance Audit Report Highlights

K-12 Education:
Efficiency Audit of the Renwick School District

Report Highlights

April 2010 • 10PA05.1

Audit Concern

Officials from the Renwick school district requested an efficiency audit to help them identify ways they could reduce costs without affecting the education they provide students.

Other Relevant Facts

The Renwick school district is located about 10 miles northwest of Wichita. It includes portions of both Reno and Sedgwick Counties.

The school district has 1,946 full-time-equivalent students for the 2009-10 school years.

For 2009-10, the district has 280 staff, of which 138 are full-time-equivalent certified teachers.

Estimated Potential
Cost Savings as a
Result of This Audit:

\$ 1.96 million per year

AUDIT QUESTION: *Could the Renwick school district achieve cost savings by improving the management of its personnel, facilities, or other resources?*

AUDIT ANSWER and KEY FINDINGS:

- We identified several significant opportunities for the district to operate more efficiently and reduce costs. Many of the options would result in cutting teaching positions, which clearly can affect the ways in which instruction is provided.

However, given the State's economic condition, many districts are already facing cuts for existing staff. We've tried to identify ways the district could make more targeted cuts which could lessen the impact on their ability to provide high-quality instruction. These opportunities are summarized in the accompanying figure on page 3.

- The most significant area in which the district potentially could save about \$1.6 million involves closing one of the districts' four K-8 school buildings as well as Garden Plain High School.

Although there's a lot of potential for savings, it's important to keep in mind that closing a school building is one of the most difficult and divisive decisions a school board and community can make, and the impact on the students and community must be taken into account when making such a decision.

- The next most significant area: the district potentially could save about \$288,000 by moving its high schools from a block schedule to a more traditional schedule and filling classes closer to capacity, which would eliminate the need for several class sections. With a traditional schedule, teachers would teach more classes each year (seven instead of six) and they would have less planning time each day (45 minutes instead of 90 minutes). The district is contractually required to provide only 40 minutes of planning time each day.

**Summary of Areas Identified for Improved Efficiencies
and Estimate of Total Savings**

Potential Area for Improving Efficiency or Achieving Cost Savings	Estimated Annual Savings
Student Instruction	
Changing to a Traditional Schedule at Both High Schools - <i>If the district changed to a traditional schedule, it would need 1.5 fewer teachers at Andale High School. The remaining teachers would each teach an additional class (seven instead of six). The classes offered, number of class sections, and students per class wouldn't have to change. See pages 12-16 for more details.</i>	\$95,000
Switching to Traditional Class Schedules and Reducing the Number of Class Sections Offered - <i>If, in addition to moving to a traditional schedule, the district also filled its classes closer to the capacities it sets for the classes and eliminated some classes with very low enrollments at both high schools, the district could potentially realize these savings. See pages 16-17 for more details.</i>	\$288,000
Facilities	
Closing an Elementary School - <i>The district appears to have enough physical space in its elementary buildings to close one elementary school and relocate those students to the other three elementary schools. Closing a school building is one of the most difficult and divisive decisions a school board and community can make and the impact on students and the community must be taken into account. See pages 17-22 for more details.</i>	\$755,000
Closing Garden Plain High School - <i>The district appears to have enough physical space in its Andale High School building and adjacent outbuildings to close Garden Plain High School. See pages 22-24 for more details.</i>	\$800,000
Personnel	
Offering Fewer Supplemental Contracts - <i>The district paid out \$390,000 in supplemental contracts during 2009-10. Although this is not an efficiency issue and is instead a policy issue, the district potentially could save money by cutting five assistant coaching positions for activities with the highest net costs per student. These activities include yearbook, wrestling, boys and girls basketball, and cross country.</i>	\$12,000
Reevaluating the District's Policy of Buying Back Unused Leave From Staff - <i>At the end of each school year, the district buys back unused personal and sick leave from all staff. Rates vary from \$22.50 per day for classified staff to \$50 per day for administrators. Over the past two years, the district has spent an average of \$39,000 per year to buy back unused leave from current and retiring staff. Renwick could potentially save money if it changed its policy on purchasing unused leave. See pages 24-25 for more details.</i>	(a)
Business Processes	
Automating Paper-Driven Processes - <i>The district relies heavily on paper for many of its administrative functions, including purchasing and printing payroll registers. If it relied less on paper and used electronic processes such as scanning and e-mail, it could save staff time, paper, postage, and storage space. See page 25 for more details.</i>	(a)
Competitively Purchasing Property and Liability Insurance - <i>The district spent an average of \$264,000 per year on property, liability, and workers' compensation insurance over the past two years, but it hasn't shopped around for an insurance agent or bid out insurance in the past few years. The district might be able to get a better price for its insurance by soliciting bids or competitively shopping for another insurance agent.</i>	(a)
Maximizing the Use of Business Procurement Cards Potentially Could Save \$1,000 - <i>The district uses procurement cards but currently doesn't receive cash-back rebates on its purchases. We estimated the district could have received at least \$1,000 in cash-back rebates in 2008-09 if it had a cash-back provision, and then used its procurement cards for purchases from vendors that accept them.</i>	\$1,000
Transportation Services	
Purchasing Vehicle Fuel Competitively - <i>Renwick has spent an average of \$100,000 per year on vehicle fuel over the past two years. The district has no central fueling location, and it is paying pump price for its fuel. District transportation staff used to call around to find the lowest fuel costs, but stopped doing so. Officials should resume that practice. The district could also potentially save money by negotiating a lower fuel price, and it should conduct additional research into purchasing a fuel tank for its vehicles to see if it would be more cost-effective.</i>	(a)
Reducing the Number of Activity Routes - <i>The district spent about \$72,000 on activity routes in 2008-09. If the district could find a way to reduce expenditures in this area by even 10%--by filling buses to capacity on activity trips or by reducing the number of activity trips--we estimated it could save \$7,200 per year.</i>	\$7,200
Miscellaneous	
Enforcing the District's Policy on Personal Appliances - <i>The district recently put a policy in place to ban personal appliances in classrooms, such as small refrigerators which can consume a lot of electricity. However, we saw some during our site visit.</i>	(a)
Expanding the Use of Virtualized Computers - <i>Virtualized computers allow a single computer to be configured to simulate multiple computers, cutting down on hardware costs. The district currently uses two virtualized computers, but stopped adding more because of concerns over using virtual machines to administer State assessments. Officials from the Department of Education told us they could fix districts' issues with using virtualized computers, so the district should resume its plans to use more of them.</i>	(a)
TOTAL	\$1,958,200

(a) We were unable to quantify the potential savings for these areas.

Source: LPA's review of the Renwick school district's budget data, staffing levels, enrollment, and physical characteristics of buildings, along with a review of best practices.

We Recommended

- We recommended that the Renwick school district develop a systematic efficiency-management process to help identify opportunities to improve the efficiency of its operations.
- We also made several recommendations to the Renwick school board to consider the cost savings opportunities we identified.

Agency Response: *In general, the district agreed with our findings. However, the district disagreed with the way we presented research from an earlier performance audit, K-12 Education: Alternative Models for Organizing Middle Schools and High Schools. The district's response states that the seven studies we relied upon from the prior audit "did not differentiate between 'A/B' and '4x4' block scheduling." We reviewed the underlying research from that previous audit, and provided the research to the district. In that review, we found that five of the seven studies did look at both 'A/B' and '4x4' block scheduling. After careful review of the response and our audit working papers, we think our representation of that research is appropriate.*

**DO YOU HAVE AN IDEA FOR
IMPROVED GOVERNMENT EFFICIENCY OR COST SAVINGS?**

If you have an idea to share with us, send it to ideas@lpa.ks.gov, or write to us at the address shown. We will pass along the best ones to the Legislative Post Audit Committee.

**LEGISLATIVE DIVISION OF
POST AUDIT**

800 SW Jackson
Suite 1200
Topeka, Kansas 66612-2212
Telephone (785) 296-3792
FAX (785) 296-4482
E-mail: LPA@lpa.ks.gov
Website:
<http://kslegislature.org/postaudit>

Barbara J. Hinton,
Legislative Post Auditor

For more information about this
audit report, please contact
Laurel Murdie
(785) 296-3792
Laurel.Murdie.@lpa.ks.gov