



# Legislative Post Audit School District Performance Audit Report Highlights

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

## Report Highlights

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### Audit Concern

Officials from the Winfield 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 Winfield school district is located about 50 minutes southeast of Wichita in south central Kansas in Cowley County.*

*The school district has 2,360 full-time-equivalent students for the 2009-10 school year.*

*For 2009-10, the district employed a total of 447 total staff, including 223 full-time-equivalent certified teachers.*

Estimated Potential Cost Savings as a Result of This Audit:

\$2 million per year

**AUDIT QUESTION:** *Could the Winfield 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 pages 2 and 3.
- The most significant area in which the district potentially could save about \$1.4 million involves closing two schools and reducing space in its central office.

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 at least \$280,000 each year by moving its high school from a block schedule to a more traditional schedule and filling classes to capacity, thus eliminating several class sections. With a traditional schedule, teachers would teach more classes each week (seven instead of six) and they would have less planning time each day (44 minutes instead of 88 minutes). Contractually, the district is required to provide one class period per day for planning.

<b>Summary of Areas Identified for Improved Efficiencies</b>	
<b>Potential Area for Achieving Cost Savings and Improving Efficiency</b>	<b>Estimated</b>
<b>Student Instruction</b>	
<b>Changing to a Traditional Schedule at Winfield High School</b> – <i>If the district changed to a traditional schedule, it would need 2.5 fewer teachers. The remaining teachers would each teach an additional class (seven instead of six). The classes, number of class sections, and students per class wouldn't change. See report pages 18-21 for more details.</i>	\$154,000
<b>Switching to a Traditional Class Schedule at Winfield High School and Reducing the Number of Class Sections Offered</b> – <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, the district potentially could realize these savings. See pages 22-23 for more details.</i>	\$129,000
<b>Facilities</b>	
<b>Closing Country View Elementary School</b> – <i>The district appears to have enough physical space in its other elementary buildings to close Country View Elementary and move those students to the other three elementary schools. Closing a school building is one of the most difficult and divisive decisions a school board can make, and the impact on students and the community would have to be taken into account. See report pages 13-16 for more details.</i>	\$867,000
<b>Closing Winfield Intermediate School</b> – <i>The district appears to have enough physical space in its elementary buildings and at its middle school to close Winfield Intermediate, and move the fifth grade classes back into the elementary buildings, while moving the sixth grade classes up into the middle school. See report pages 15-17 for more details.</i>	\$580,000
<b>Taking Steps to Reduce or Defray Utility Costs for Its Central Office</b> – <i>The district's central office is housed in a building that is much larger than what is needed. The district shares some of the space with a special education cooperative (but doesn't charge it), while the rest of the space is vacant. The building's utility costs averaged \$52,000 a year for the last two years, all of which the district paid. By taking steps to defray the costs of this building, such as closing off unused space, charging the cooperative rent, or relocating to a more suitable space, the district could save money. See pages report 17-18 for more details.</i>	(a)
<b>Invoking a Hardship Clause in a Contract With Southwestern College to Defer \$50,000 a Year in Lease Payments</b> – <i>The district has a long-term lease with Southwestern College to use its football facility. This arrangement costs the district \$100,000 per year; however, the district may be able to reduce its lease payments to \$50,000 in the short term in cases of financial difficulty, which is about the equivalent of one teaching position. The district would have to repay any deferred payments within three years of the end of the lease agreement. See report page 27 for more details.</i>	\$50,000
<b>Personnel</b>	
<b>The District Has Significantly More Student Support Staff Than Its Peers</b> – <i>Winfield has more than double the number of student support staff of its peer districts, including four nurses and six social workers. District officials told us this was to provide support to students who might not have access to such services at home. Although this is a policy issue and not an efficiency issue, if the district took reasonable steps to reduce the overall number of support staff, it potentially could save money. See page 24 for more details.</i>	\$180,000
<b>Toughening Its Health Insurance Eligibility Requirements</b> – <i>The district could reduce health insurance costs by either pro-rating the amount it pays for part-time staff based on the number of hours they work, or by increasing the minimum number of hours employees must work per week to be eligible for benefits. District officials estimated that if they increased the threshold to 30 hours per week (it's currently 17.5 hours), 20-25 employees would no longer qualify for coverage, which would save the district money.</i>	\$84,000
<b>Reducing Vehicle Allowances</b> – <i>For each of the past two years, the district paid out an average of \$14,500 in vehicle allowances to the district administrators. Other districts pay their administrators vehicle allowances, though their allowances are generally not as large as those received by Winfield. Although this is a policy issue and not an efficiency issue, if these were reduced to the amount that some other districts pay, Winfield would spend up to \$7,200 less per year.</i>	\$7,200
<b>Implementing Better Controls for District Vehicles</b> – <i>Several district vehicles are assigned to staff, including maintenance staff who are allowed to take the vehicle home. Currently, the district has no or very little controls in place to ensure that the vehicles are used for district purposes.</i>	(a)
<b>Reducing Cell Phone Stipends</b> – <i>Winfield spends about \$10,000 per year on cell phone stipends for various administrative staff. Because this isn't critical to the educational mission, the district could reduce these costs by eliminating stipends altogether, or giving them to a few select staff, or reducing overall stipend amounts. If it reduced all the current stipends by 50%, it could save about \$5,000 per year.</i>	\$5,000

<b>Summary of Areas Identified for Improved Efficiencies</b>	
<b>Potential Area for Achieving Cost Savings and Improving Efficiency</b>	<b>Estimated</b>
<b>Business Processes</b>	
<b>Automating Paper-Driven Processes</b> – <i>The district relies heavily on paper for many of its administrative functions, including purchasing, payroll, and student records. 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.</i>	(a)
<b>Offering A Parental Opt-Out Program For District Mailings</b> – <i>On average for each of the past two years, the district spent \$39,000 per year on postage. In addition, it's likely that the district could save even more money if it starting paying some of its bills online instead of with a paper check sent through the mail.</i>	\$1,000
<b>Competitively Purchasing Property and Liability Insurance</b> – <i>The district spent about \$240,000 per year on property, liability, and workers' compensation insurance in the past two 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)
<b>Maximizing the Use of Business Procurement Cards</b> – <i>The district uses procurement cards, and receives a cash-back rebate, but prefers to use existing lines of credit for its purchases. We estimated the district could have received at least \$1,000 in cash-back rebates in each of the past two years if it used its procurement cards for purchases from vendors that accept them.</i>	\$1,000
<b>Modifying Its Existing Purchasing Practices</b> – <i>District staff appear to have great latitude when purchasing items. Staff are reimbursed without having to show that they checked prices for a competitive rate. The district might be able to achieve savings if it required staff to competitively shop for items before purchasing them. In addition, the district could achieve savings if it arranged or took part in joint purchasing arrangements with area entities.</i>	(a)
<b>Developing and Using an Inventory System for Equipment, Supplies, and Assets</b> – <i>The district doesn't keep an up-to-date inventory of equipment and supplies. In addition, the district owns several valuable paintings, but doesn't have a good tracking system to ensure that the paintings aren't lost or stolen.</i>	(a)
<b>Transportation Services</b>	
<b>Purchasing Vehicle Fuel Competitively</b> – <i>The district spent an average of \$120,000 on vehicle fuel over the past two years. The district used to competitively shop for fuel, but stopped after one of its two bidders consistently came in lower. The district may be able to save money if it started competitively shopping for fuel again.</i>	(a)
<b>Transportation Services Continued</b>	
<b>Reducing the Number of Activity Routes</b> – <i>The district has spent an average of \$83,000 on activity routes between 2007-08 and 2008-09. If the district could reduce the total number of activity trips by even 10%--by filling buses when taking multiple athletic teams to the same event or by overall reduction in trips, for example--we estimated it could save \$8,000 per year</i>	\$8,000
<b>Food Service</b>	
<b>Improving the Efficiency of the Food Service Program</b> – <i>For the 2008-09 school year, the district transferred about \$110,000 from its local option budget to cover shortfalls in the food service program. This is the equivalent of two teachers' salaries. If the district could improve the efficiency of the program, it could reduce or eliminate the need for transfers, which would save the district money or free up money to be used for other district needs. See report pages 25-27 for more details.</i>	(a)
<b>TOTAL</b>	<b>\$2,020,900</b>
(a) We were unable to quantify the potential savings for these areas.	

## We Recommended

- We recommended that the Winfield 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 Winfield school board to consider the cost savings opportunities we identified.

**Agency Response:** *In its response, the district raised a number of issues with our findings. After carefully reviewing the response and our audit working papers, we think our conclusions and recommendations are 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](mailto: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.

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