



Legislative Post Audit Performance Audit Report Highlights

K-12 Education:
Efficiency Audit of the Clifton-Clyde School District

Report Highlights

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Audit Concern

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

Other Relevant Facts for Question 1

The Clifton-Clyde school district is located in north-central Kansas and includes portions of Clay, Cloud, Republic and Washington counties.

The school district had about 281 full-time equivalent students for the 2009-10 school year.

For 2009-10, the district employed about 57 staff, including 28 full-time equivalent certified teachers.

Estimated Potential
Cost Savings as a
Result of This Audit:

\$ 232,000 per year

AUDIT QUESTION 1: *Could the Clifton-Clyde school district achieve cost savings by improving the management of its personnel, facilities, or other resources?*

AUDIT ANSWER and KEY FINDINGS:

- We identified several opportunities for the district to operate more efficiently and reduce costs. A few 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 the next page.

- The most significant area in which the district potentially could reduce its costs involves combining existing class sections at the high school, and filling those classes closer to set capacities. In all, the district could save about \$225,000 per year, by making the necessary changes.
- Another opportunity involves moving the fourth grade students from their classroom in an outbuilding into the main elementary school building. The district may be able to save about \$1,000 per year by relocating these students.

Other areas where the district might be able to make changes to reduce its costs include: analyzing whether it is cost-effective to hire another employee instead of paying overtime to custodial staff (savings of \$4,300); automating paper-driven process (savings of \$1,100); and maximizing the use of business procurement cards (savings of \$500).

We Recommended

We recommended the Clifton-Clyde school district develop a systematic efficiency-management process to help it identify opportunities to improve the efficiency of its operations.

We made several recommendations to the Clifton-Clyde school district to address the cost savings opportunities identified in this audit.

Agency Response: In general, district officials agreed with our findings.

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

Potential Area for Achieving Cost Savings and Improving Efficiency	Estimated Annual Savings
Student Instruction	
<p>Filling Existing Course Sections at Clifton-Clyde High School <u>and</u> Eliminating Low Enrollment Courses Potentially Could Save Up to \$225,000 - <i>If the district filled its course sections closer to the capacities it sets <u>and</u> eliminated some departments with very low enrollments, the district potentially could realize these savings.</i></p>	\$225,000
Facilities	
<p>Closing Outbuildings at the Clifton-Clyde Middle and High Schools Potentially Could Save the District Money on Utilities - <i>The district appears to have enough physical space in its middle school building to move fourth graders from their classroom in an outbuilding into the main middle school building. We couldn't quantify the savings from this option. The district also appears to have enough space in its high school building to move its art and weights classes from their classrooms in an outbuilding and to the main high school building. The district could close these buildings and potentially save at least \$1,100 annually on utilities.</i></p>	\$1,100
<p>Taking Steps To Reduce or Defray Utility Costs in Its Buildings Potentially Could Save Money – <i>The district doesn't have formal policies in place regarding energy consumption. Implementing such policies, like turning off lights at night and on weekends, restricting the use of personal appliances, and setting the power-save options on computers, potentially could save money.</i></p>	(a)
Personnel	
<p>Hiring an Additional Employee Instead of Paying Existing Staff Overtime Potentially Could Save \$4,300 Per Year - <i>The district paid at least \$13,000 in overtime costs to custodial staff in the 2009-10 school year. If it was able to hire another part-time custodian, it could save \$4,300.</i></p>	\$4,300
Business Processes	
<p>Automating Paper-Driven Processes Potentially Could Save Money - <i>The district relies heavily on paper for many of its administrative functions, including purchasing, payroll, time-keeping, and bill paying. 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. In addition, if it convinced staff to use electronic deposit for their paychecks instead of paper checks, the district could save up to \$1,100 a year.</i></p>	\$1,100
<p>Competitively Purchasing Property and Liability Insurance and Worker Compensation Insurance Potentially Could Save Money - <i>The district spent about \$66,000 on property and liability insurance and workers' compensation insurance during the 2009-10 school year. The district might be able to get a better price for its insurance by soliciting bids or competitively shopping for insurance.</i></p>	(a)
<p>Maximizing the Use of Business Procurement Cards Potentially Could Save \$500 - <i>The district uses procurement cards, but doesn't receive a cash-back rebate. We estimated the district could have received at least \$500 in cash-back rebates in each of the past two years if it used a procurement card with a cash-back rebate, and then used its procurement cards for purchases from vendors that accept them.</i></p>	\$500
<p>Modifying Its Existing Purchasing Practices Potentially Could Save Money - <i>The district has a purchase order approval process, but doesn't have any policies that require teachers to competitively shop for the products they order. Having such policies, and spot-checking prices on random orders, potentially could save money. In addition, while the district does bulk purchasing through a service center for items like instructional supplies and food, it potentially could achieve additional savings if it arranged or took part in other joint purchasing arrangements with other entities for items like milk or fuel.</i></p>	(a)
<p>Developing and Using an Inventory System for Equipment, Supplies, and Assets Potentially Could Save Money - <i>The district doesn't keep an up-to-date inventory of equipment and supplies. If it kept an inventory of supplies and equipment, district staff could use it to keep track of what the district already owns so staff don't make duplicative purchases. An up-to-date inventory of its computers, printers, and other costly machines would allow the district to manage its assets.</i></p>	(a)

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

Potential Area for Achieving Cost Savings and Improving Efficiency	Estimated Annual Savings
Transportation Services	
<p>Competitively Shopping for Vehicle Maintenance Potentially Could Save Money - <i>The district spent an average of \$16,700 on bus and vehicle parts and repairs over the past two years. The district doesn't competitively shop for repairs; instead, district officials told us they use a local repair shop that provides excellent service. If the district competitively shopped for the parts or labor costs, it potentially could save money.</i></p>	(a)
Information Technology	
<p>Using Virtualized Computers Potentially Could Save Money- <i>Virtualized computers allow a single computer to be configured to simulate multiple computers, cutting down on hardware costs. District officials indicated interest in virtualized computers, but expressed concerns about limited processing power. Other districts have used virtualized computers successfully.</i></p>	(a)
<p>Phasing Out Individual Printers and Replacing Them with Networked Printer/Copier Units Potentially Could Save Money- <i>The district is in the process of phasing out inefficient individual printers, which can be extremely inefficient because the ink is expensive. However, the district is continuing to pay for inkjet cartridges and is providing limited service on the printers. Currently, the district has a lease agreement for centralized copy machines. Setting a deadline to remove the individual printers from buildings potentially could save money sooner.</i></p>	(a)
Food Service	
<p>Charging for Pre-School and Kindergarten Breakfasts Potentially Could Generate About \$7,700 in Revenue - <i>For the 2008-09 school year, the district transferred about \$28,000 from its local option budget to cover shortfalls in the food service program. This is the equivalent of a 0.5 FTE teacher's salary. For the past several years, the district has provided free breakfasts to all pre-kindergarten and kindergarten students. If it had charged for those breakfasts in 2008-09, the district could have generated \$7,700. If, in addition to charging for breakfasts, the district took additional steps to make its food program more efficient, it could save even more money.</i></p>	(a)
TOTAL	\$232,000

(a) Because of time constraints, we were unable to quantify the potential savings for this area.

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

**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.

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