



SCHOOL DISTRICT PERFORMANCE AUDIT REPORT

**K-12 Education: Efficiency Audit of the
Concordia School District**

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
July 2010**

Legislative Post Audit Committee

Legislative Division of Post Audit

THE LEGISLATIVE POST Audit Committee and its audit agency, the Legislative Division of Post Audit, are the audit arm of Kansas government. The programs and activities of State government now cost about \$13 billion a year. As legislators and administrators try increasingly to allocate tax dollars effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by Legislative Post Audit helps provide that information.

We conduct our audit work in accordance with applicable government auditing standards set forth by the U.S. Government Accountability Office. These standards pertain to the auditor's professional qualifications, the quality of the audit work, and the characteristics of professional and meaningful reports. The standards also have been endorsed by the American Institute of Certified Public Accountants and adopted by the Legislative Post Audit Committee.

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

The Legislative Post Audit Committee and the Legislative Division of Post Audit have launched an initiative to identify ways to help make State government more efficient. If you have an idea to share with us, send it to ideas@lpa.ks.gov, or write to us at the address above.

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July 15, 2010

To: Members, Legislative Post Audit Committee

Senator Terry Bruce, Chair
Senator Anthony Hensley
Senator Derek Schmidt
Senator Chris Steineger
Senator Dwayne Umbarger

Representative John Grange, Vice Chair
Representative Tom Burroughs
Representative Ann Mah
Representative Peggy Mast
Representative Virgil Peck Jr.,

This report contains the findings, conclusions, and recommendations from our completed performance audit, *K-12 Education: Efficiency Audit of the Concordia School District*.

The report also contains appendices showing detailed information for non-instructional operating costs for the Concordia school district and its peer districts, along with best practices for school district efficiencies.

The report includes several recommendations for the Concordia school district. We would be happy to discuss these recommendations or any other items in the report with any legislative committees, individual legislators, or other State officials.

A handwritten signature in black ink, appearing to read 'S. Frank'. The signature is stylized and cursive.

Scott Frank
Interim Legislative Post Auditor

READER'S GUIDE

<i>The Big Picture</i>		<i>The Details</i>	
Audit Highlights	The highlights sheet, inserted in each report, provides an overview of the audit's key findings	"At-a-Glance Box"	Used to describe key aspects of the audited agency; generally appears in the first few pages of the main report
Conclusions and Recommendations	Located at the end of the audit questions, or at the end of the report	Side Headings	Point out key issues and findings
Agency Response	Included as the last Appendix in the report	Charts, Tables, and Graphs	Visually help tell the story of what we found
Table of Contents, and lists of figures and appendices	Lets the reader quickly locate key parts of the report	Narrative Text Boxes	Highlight interesting information or provide detailed examples

This audit was conducted by Laurel Murdie, Alex Gard, and Lindsay Rousseau. Joe Lawhon was the audit manager. If you need any additional information about the audit's findings, please contact Laurel Murdie at the Division's offices.

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

In July 2009, our office released a school district performance audit examining the efficiency of school districts' operations. As originally directed by the 2010 Commission, that audit would have consisted of two phases. The first phase called for analyzing district staffing and expenditure data to identify areas where spending for districts appeared to be out-of-line compared with their peers. The second phase called for following up on a sample of districts to evaluate their processes in the areas that appeared to be out-of-line to determine if there were ways they could reduce costs without affecting their ability to provide high-quality education to their students.

In April 2009, the Commission directed us to suspend the follow-up part of the audit to alleviate concerns some superintendents had expressed about having an efficiency audit conducted while they were trying to address funding cuts from the State. However, in May 2009 the Commission discussed the fact that some districts may want to take advantage of the external review an efficiency audit could provide in helping them look for opportunities to operate more efficiently. The Commission subsequently directed us to contact school districts to see if any of them would like to volunteer for an external efficiency audit.

Officials from the Concordia school district contacted us and requested an efficiency audit. This school district performance audit answers the following question:

Could the Concordia school district achieve cost savings by improving the management of its non-instructional personnel, facilities, or other resources?

Because district officials asked us to look at all spending areas—including instruction—we modified the original question to include all types of district expenditures. The other spending areas include student support, instruction support, district-level administration, school-level administration, operations and maintenance, transportation, and food services.

To help answer this question, we identified peer districts that are demographically similar to the Concordia school district and compared them on various measures of efficiency. That allowed us to identify areas where the spending or resources used by the Concordia

school district appeared to be out of line. We also conducted site visits to interview district officials and staff, observe various administrative and operational processes, and tour a number of the district's facilities.

A copy of the scope statement for this audit approved by the 2010 Commission is included in *Appendix A*.

We conducted this performance audit in accordance with generally accepted government auditing standards, except that we didn't fully assess the reliability of certain data provided by the Concordia school district, including high school class rosters, detailed personnel data, and maximum building capacities. As a standard part of our preliminary testing of those data, we reviewed the data for reasonableness, duplication, and inconsistencies. That preliminary testing didn't disclose any systematic problems that would suggest the data were grossly inaccurate.

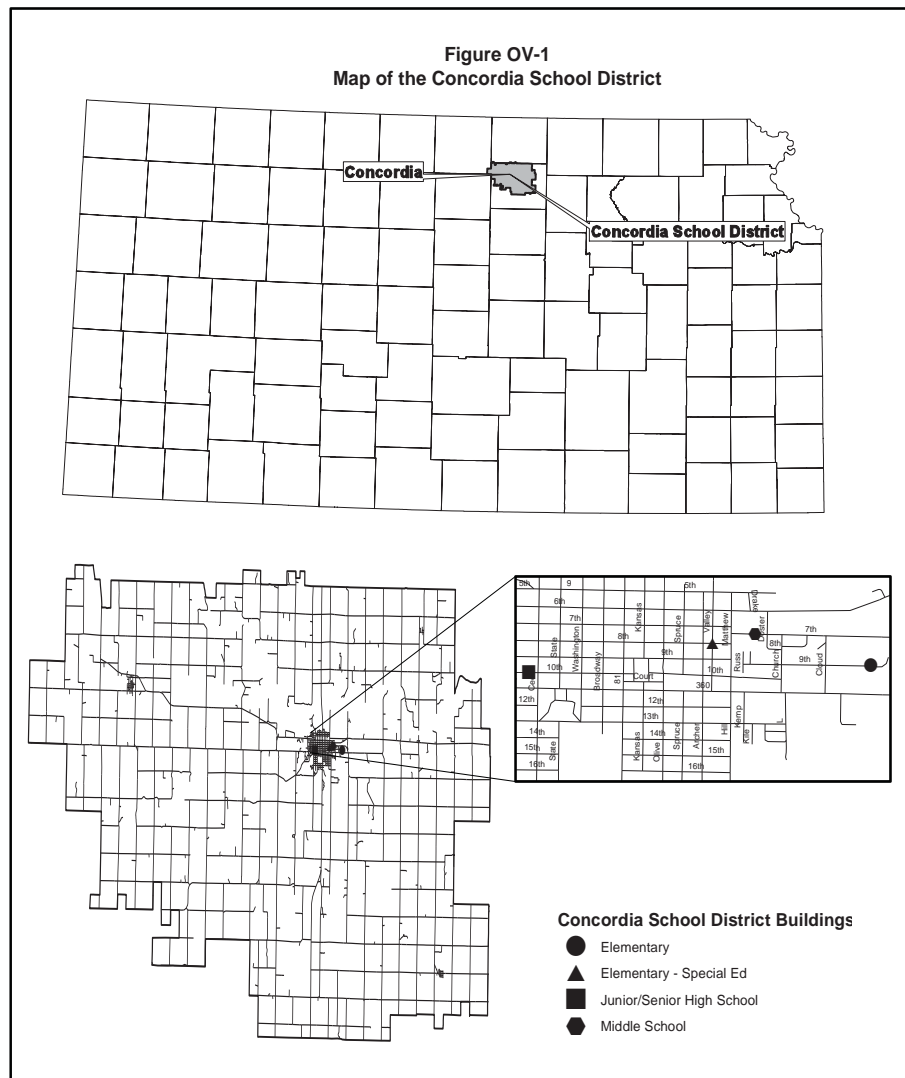
The standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our findings begin on page 5, following a brief overview of the Concordia school district.

Overview of the Concordia School District

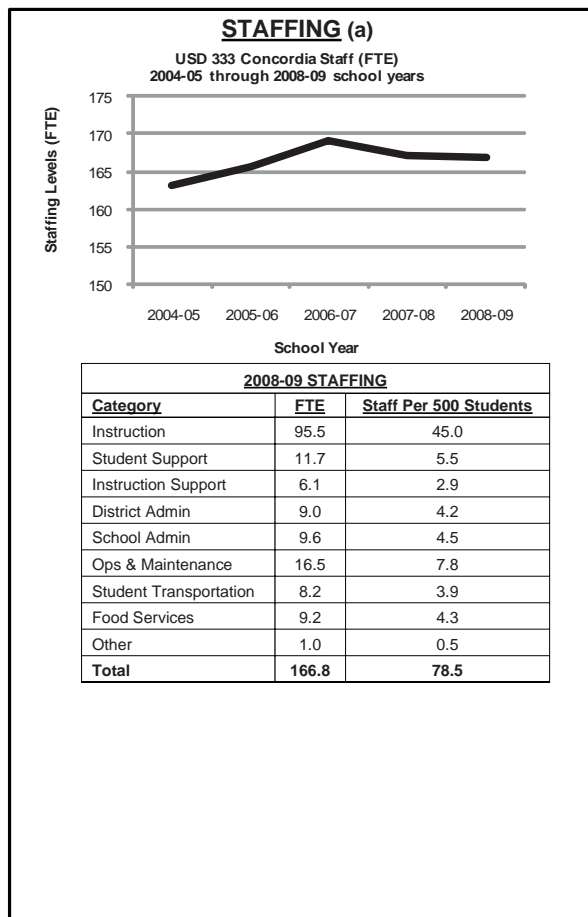
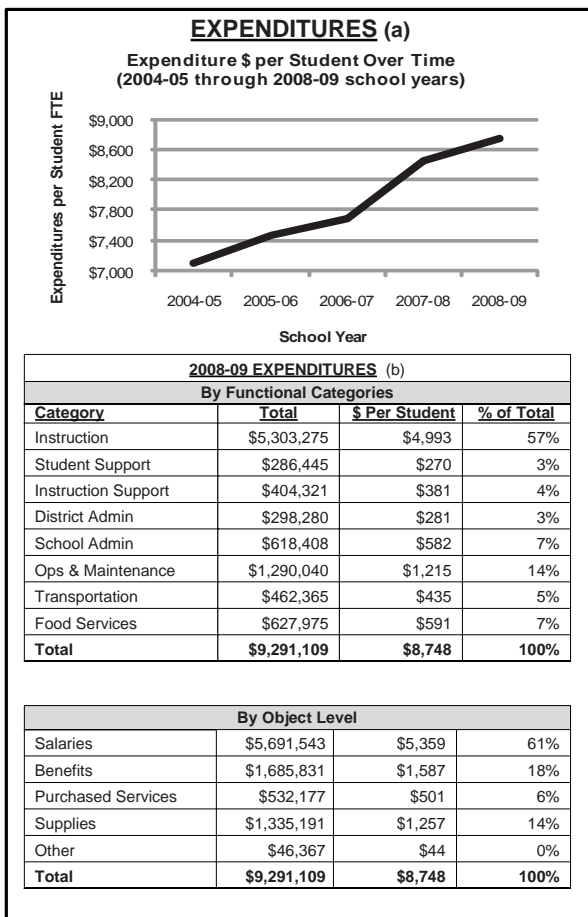
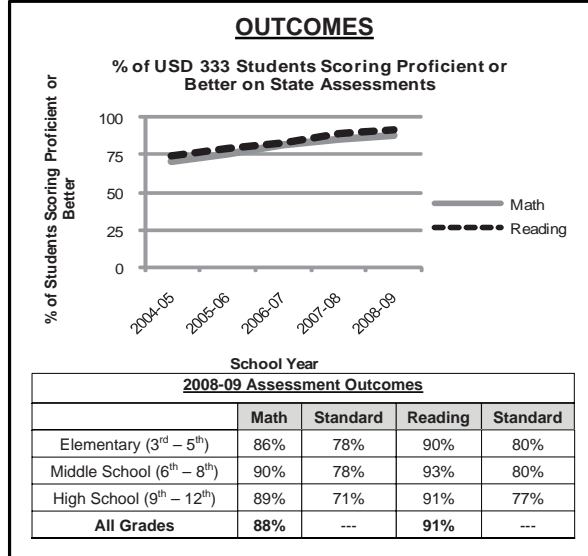
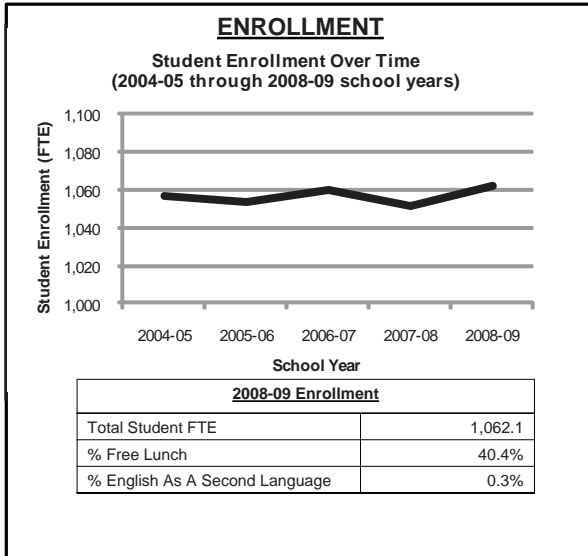
The Concordia school district is located in north central Kansas and includes portions of Cloud, Republic, and Jewell counties. The school district had 1,069 full-time-equivalent students for the 2009-10 school year, and employed about 186 staff, including 94 full-time-equivalent certified teachers.

Figure OV-1 provides a map of the district, and **Figure OV-2** summarizes the district's enrollment, outcomes, expenditures, and staffing levels for the past five years.

Because of the many cooperative arrangements for special education services that exist between some districts, including special education expenditures or staff would create distortions in the efficiency measures used throughout this report. Therefore, we've excluded them from all our analyses, including **Figure OV-2**.



**Figure OV-2
Selected Information for the Concordia School District**



(a) Excludes costs and staff associated with special education.
 (b) Expenditures include the following funds: general fund, federal revenues, supplemental general fund, four-year-old at-risk, K-12 at-risk, bilingual education, virtual education, capital outlay, driver training, food service, professional development, summer school, vocational education, gifts and grants, contingency reserve, textbook rent and student revolving, and the extraordinary school program. Costs associated with transfers or property and equipment expenditures are not included.

Source: LPA analysis of Kansas State Department of Education assessment scores and staffing data, and school district expenditure and staffing data.

Could the Concordia School District Achieve Cost Savings By Improving the Management of Its Personnel, Facilities, or Other Resources?

Answer in Brief:

The Concordia school district has taken some positive steps to become more efficient and control costs, but like other districts we've reviewed, it lacks a systematic approach for evaluating and managing efficiency. Overall, the district's non-instructional spending per student and staffing levels are higher than its peers. We identified a number of opportunities for the district to operate more efficiently and reduce its costs. For example, if the district chose to fill high school classes closer to capacity, it could save at least \$190,000 each year. In addition, the district potentially could save about \$12,000 each year if it chose to move its preschool to another building. Finally, before purchasing new bus route planning software, the district needs to weigh the cost and benefits of owning and using the software. These and other findings are described in more detail in the sections that follow.

School Districts Should Have a Systematic Process for Managing Efficiency

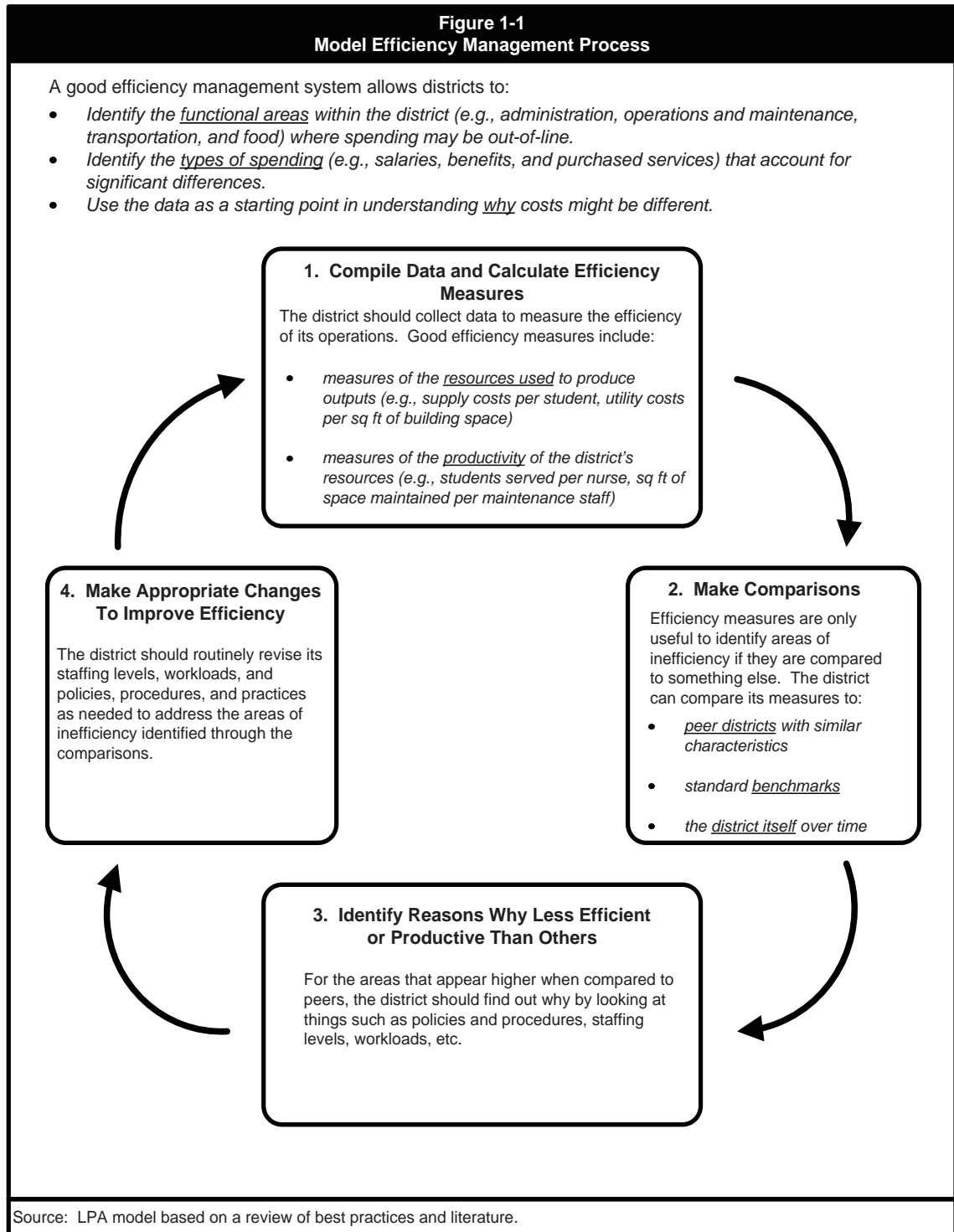
Although most evaluations of school districts tend to focus on how well the districts educate students, oversight bodies and citizens increasingly are becoming more interested in how efficiently districts are operating—particularly in light of the budget shortfalls that are facing governments at all levels. School efficiency audits focus on ways in which districts can change the way they currently operate to *essentially provide the same quality of educational services using fewer resources, or to allow their existing resources to become more productive*. If fewer resources are needed, districts can use the savings either to reduce costs or to redirect those resources to other more important activities.

Measures of efficiency are calculated ratios that capture the relationship between inputs (the resources used) and outputs (the things accomplished or produced). For educational entities, the primary measures of efficiency are things like expenditures per student, staff per student, and number of activities per employee (for example, classes taught per teacher or meals served per food service worker).

One important aspect of assessing efficiency is comparing these measures to those of peers with similar characteristics, to standard benchmarks, and to the district itself over time. This allows a district to see how it compares, and to explore reasons why it may spend more in certain areas. A district also can make adjustments to its policies, procedures, and practices to ensure it not only provides the best education for its students, but also the best value for taxpayers.

In addition, as districts move towards greater computerization, it's important for them to look at how streamlined and automated their processes are.

A model for a good efficiency management process is summarized in *Figure 1-1*.



While the Concordia school district has taken a number of positive steps to become more efficient and control costs, it lacks a systematic approach for evaluating and managing efficiency.

According to district officials, the district has taken the following steps over the past several years to improve its efficiency:

- **Improved business processes**—District officials told us they recently were able to get most employees to use electronic deposit for their payroll checks. In addition, the district uses electronic grade cards and progress reports at the junior-senior high, and only prints out paper copies of these documents upon request. The district has eliminated paper newsletters and corresponds with most of its staff and many of its board members electronically. Finally, the district uses an electronic time-keeping system for most employees—hand-scanners allow employees to clock in and out.
- **Energy savings**—District officials told us they have upgraded district facilities to become more energy-efficient, including upgrades to windows and electrical systems, installation of temperature control software and controls at its high school building, and installation of timed thermostats.
- **Joint or competitive purchasing**—District officials told us that over the past few years, they have solicited bids for most of the district's insurance needs. In addition, the district is a member of the Kansas Joint Utilities Management Program (KJUMP), the natural gas purchasing consortium managed by the Kansas Association of School Boards, which can help lower the district's natural gas costs. Finally, the district purchases instructional, custodial, and food supplies through the Smoky Hill Education Service Center, which purchases supplies competitively for a number of school districts.
- **Reduced transportation costs**—Officials report they have reduced the number of buses used when traveling to activities or athletic events by transporting multiple teams on one bus. In addition, the district eliminated routes that were used to transport students from athletic practices or other after-school activities to home.
- **Sold district property**—The district recently closed and sold the building that housed its alternative high school program. That program was relocated into a part of the central office space which was remodeled for that purpose.
- **Temporarily closed its pool**—When Concordia High School was built in 1929, it included an indoor swimming pool that the district has maintained since that time. For the 2009-10 school year, district officials “mothballed” the swimming pool and they estimate doing so saved the district about \$8,000.

Despite these efforts, we noted the Concordia school district doesn't have the kind of systematic process that would allow it to better review and manage the efficiency of its operations as illustrated in *Figure 1-1*. Specifically:

- **While district officials review spending data at a high level, they don't calculate measures of efficiency**—District officials told us they compare costs over time, but they don't calculate efficiency measures. For example, officials don't calculate how much the district spends on a per-student basis for administration, operations and maintenance, transportation, and food service. While the data they compile may be useful, those data don't measure how efficiently the district uses its resources.
- **District officials don't use the data to make comparisons with peers, standards, and benchmarks**—District officials told us they don't compare themselves against peer districts or benchmarks, but they plan to start making these types of comparisons in the near future. While not readily compiled on a per-student basis, spending data for all Kansas school districts is available through the *Comparative Performance and Fiscal System*, located on the State Department of Education's website (<http://cpfs.ksde.org/cpfs/>). Information on district enrollment levels can be used to calculate and make meaningful comparisons of specific types of spending with respect to enrollment size.
- **The district doesn't have a systematic process to routinely revise its policies, procedures, and practices as needed to address areas of efficiency**—District officials told us they have the Kansas Association of School Boards (KASB) review the district's policy manual and suggest changes, and they use the superintendent e-mail list as a resource for ideas about current and new policies. However, district officials don't routinely revise policies, procedures, or practices to manage for efficiency.

The Concordia School District's Non-Instructional Spending and Staffing Levels Are Higher Than Its Peers In Most Areas

To compare the district's efficiency measures to other districts, we selected 10 peers whose demographics were similar in terms of size, property values, and concentration of poverty and students with limited English proficiency. *Appendix B* provides a list of the peer districts, a demographic comparison of the Concordia school district to its peers, and a more detailed description of how we selected the peers.

Using enrollment, staffing, and expenditure data for the 2008-09 school year (the most recent year for which complete data were available for our audit fieldwork), we calculated a variety of efficiency measures for the Concordia school district and its peers in the following areas: instruction, district- and school-level administration, instructional and student support, operations and maintenance, student transportation, and food service. We excluded

expenditures related to special education because cooperative arrangements between some districts can create distortions in the efficiency measures. In addition, we excluded property and equipment purchases because they can be very uneven from year-to-year.

Figure 1-2 summarizes our findings for these comparisons. Detailed efficiency measures for each district can be found in **Appendix B**.

As the figure shows, total spending per student for the Concordia school district was higher than the average of its peers, and Concordia's non-instructional spending per student was about \$300 more than the average of its peers. That's mostly because Concordia's spending per student for student support, instructional support, operations and maintenance, and food services was higher than its peers. Here's why:

- Spending for student support was higher because the Concordia school district has more staff compared to peer districts; therefore it pays more in salaries and benefits for these staff. Student support staff include counselors, nurses, school resource officers, and social workers.
- Spending for instructional support was higher than its peers because the district recently added staff, including a testing coordinator to help the district report data to the State, and information technology (IT) staff to help teachers implement and use technology in the classroom. The district also added library staff as support for reading—a subject area regularly tested when determining whether a district has made adequate yearly progress in State assessment results.
- Spending for operations and maintenance was higher than its peers because the district has more staff per 500 students than its peers. In addition, as a district policy, most of the custodial and maintenance staff are guaranteed to work four hours of overtime per week. Possible savings options for this area are discussed in **Figure 1-3**.
- Spending for food was higher than its peers because the district's food service program spent more on supplies. For the 2008-09 school year, the district transferred \$25,000 from its local option budget to supplement the program. Officials were aware of the circumstances that necessitated the transfer and told us they monitored the program during the 2009-10 school year. They said the food program wouldn't require any transfers for the 2009-10 school year.

We Identified a Number Of Opportunities for the Concordia School District To Operate More Efficiently and Reduce Costs

According to district officials, the Concordia school district needs to cut between \$400,000 and \$600,000 from its 2010-11 budget because of the current fiscal crisis. To help the district identify savings opportunities, we reviewed the efficiency measures described in the previous section, interviewed district officials and staff, and

**Figure 1-2
Concordia School District Efficiency Measures as Compared to Its Peers for the 2008-09 School Year**

Spending Area		Concordia	Peer Average (a)	Compared to Peers
Instructional Spending				
Instruction	Spending per Student (b)	\$4,993	\$5,203	Instruction expenditures per student were lower than the average of its peers, while its staffing levels were higher than its peers.
	Staff per 500 Students	45.0	42.5	
Non-Instructional Spending				
Student Support	Spending per Student (b)	\$270	\$234	Student support expenditures per student and staffing levels were higher than the average of its peers.
	Staff per 500 Students	4.1	2.7	
Instructional Support	Spending per Student (b)	\$381	\$260	Instructional support expenditures per student and staffing levels were higher than the average of its peers.
	Staff per 500 Students	2.9	2.1	
District-Level Administration	Spending per Student (b)	\$281	\$366	District-level administration expenditures per student were lower than the average of its peers, while its staffing levels were higher than its peers.
	Staff per 500 Students	4.2	3.0	
School-Level Administration	Spending per Student (b)	\$582	\$607	School-level administration expenditures per student and staffing levels were lower than the average of its peers.
	Staff per 500 Students	4.5	5.2	
Operations and Maintenance	Spending per Student (b)	\$1,215	\$1,073	Operations and maintenance expenditures per student and staffing levels were higher than the average of its peers.
	Staff per 500 Students	7.8	6.3	
Transportation (c)	Spending per Student (b)	\$435	\$363	Transportation expenditures and staffing levels were higher than the average of its peers.
	Staff per 500 Students	3.9	2.8	
Food Services	Spending per Student (b)	\$591	\$543	Food services expenditures were higher than the average of its peers, while its staffing levels were lower than its peers.
	Staff per 500 Students	4.3	5.3	
Total Non-Instructional Spending	Spending per Student (b)	\$3,755	\$3,446	Overall, the Concordia school district's <u>non-instructional</u> expenditures per student and staffing levels were higher than its peers.
	Staff per 500 Students	31.7	27.4	
TOTALS	Spending per Student (b)	\$8,748	\$8,649	Overall, the Concordia school district's expenditures per student and staffing levels were higher than its peers.
	Staff per 500 Students	76.7	69.9	

(a) Peer average does not include Concordia and, in a few instances, excludes districts with extremely high or low cost outliers.
 (b) Expenditures do not include any costs associated with special education or properties and equipment.
 (c) Student transportation is shown here to make the total spending complete and not for comparison purposes. The factors we used to identify the peer districts for this table (enrollment, poverty, prevalence of English language learners) aren't the most relevant factors for transportation. Finally, the peer average does not include districts contracting for transportation services.

Sources: LPA analysis of data provided by the Kansas Department of Education and the Concordia school district.

conducted site visits to observe various processes and tour a number of the district's facilities. We also reviewed audits and research conducted in other states to compile a list of best practices for improving efficiency, which are summarized in *Appendix C*.

Based on this work, we identified a number of opportunities for savings, which are summarized in *Figure 1-3* on the next page. Several 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 dire economic condition, many districts already are facing cuts for existing staff. Identifying ways in which they can operate more efficiently may allow them to make more targeted cuts, which could lessen the impact on their ability to provide high-quality instruction. Some of the more significant opportunities are described in more detail in the following sections.

By Filling and Combining Class Sections, the District Potentially Could Save at Least \$190,000 a Year Concordia school district officials told us that the district is switching from a "block" class schedule at its junior/senior high school to a "traditional" schedule for the coming 2010-11 school year. The differences between the district's current block schedule and the traditional schedule that it will implement this fall are summarized in *Profile 1-1*.

Profile 1-1
Beginning 2010-11, the Concordia School District Will Switch from a Block Schedule to a Traditional Schedule at Its Junior/Senior High School

The district's block schedule for the 2009-10 school year was made up of the following components:

- Each day was divided into four 92-minute class periods (or "blocks").
- There were two class schedules which alternated each day. Students attended four of their eight classes on one day, and the other four on the alternating day.
- There were a total of eight blocks, including one advisory section, each semester.

Under that block schedule, the eight blocks for teachers broke down like this:

- Teachers taught five classes, for an average of 230 minutes per day.
- Teachers supervised one advisory period, for an average of 46 minutes per day.
- Teachers received two planning periods, for a total of 92 minutes per day

Under the new traditional schedule, each day will be made up of eight periods. The eight blocks for teachers will break down like this:

- Teachers will teach six classes, for a total of 300 minutes per day.
- Teachers will supervise one advisory period, for a total of 20 minutes per day.
- Teachers will receive one planning period, for a total of 50 minutes per day, as called for in the negotiated agreement.

While the district has plans to move to a traditional schedule for 2010-11, the superintendent told us that, as part of the negotiated teacher agreement process, the district has agreed not to eliminate teaching positions in the first year. After that, the district plans to reduce staff through attrition.

**Figure 1-3
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 and Combining Existing Class Sections at Concordia Senior High School Potentially Could Save At Least \$190,000 – For the 2010-11 school year, the district is moving from a block schedule to a traditional schedule, and is increasing each teacher's workload from five classes to six per year. Though the district would need fewer teachers to teach the same number of class sections, officials agreed not to cut teaching positions to get the change approved by the teachers. If in addition to moving to a traditional schedule, the district filled its classes closer to its own set capacities, the district potentially could save \$114,000 because it would need fewer teachers. If it also combined sections for the lowest-enrollment classes, it could save an additional \$76,000. See pages 11-15 for more details.</p>	\$190,000
Facilities	
<p>Moving Its Preschool Potentially Could Save the District About \$12,000 Each Year – Currently, the Lincoln building, a former elementary school, houses the district's preschool program. To make room for the district's preschool program at the district's current elementary school, district officials said they could move the sixth grade classes to the junior/senior high building, and move the fourth grade classes to the current fifth/sixth grade building. This would create enough space at the elementary school to accommodate the preschool, potentially allowing the district to save about \$12,000 annually. See pages 16-18 for more details.</p>	\$12,000
<p>Taking Steps to Reduce or Defray Utility Costs in Its Buildings Potentially Could Save Money – While the district has upgraded its climate control systems and taken steps to make its buildings more energy efficient, we noted more things the district could do. District officials said the district hasn't done an energy efficiency review in the past five years. The district potentially could save money by reviewing its energy usage, and by implementing energy conservation policies, like timers on lights, energy savings options on computers, and limiting the number of personal appliances.</p>	(a)
Personnel	
<p>Paying Stipends for Cell Phones and Limiting the Number of Them Potentially Could Save \$6,500 – The district paid about \$9,900 during the 2009-10 school year for 22 cell phones. If the district paid reasonable stipends and limited the number of staff eligible for stipends (giving them to staff who might need to be contacted outside of regular business hours, like the Superintendent or Transportation Director), it potentially could save \$6,500. The amount of savings might be affected by any reimbursement the district receives from participating in the E-Rate program, a federal program which reimburses schools for communications costs. In this audit, we didn't have time to fully pursue this issue.</p>	\$6,500
<p>Hiring a Full-Time Staff Member to Reduce the Need for Custodial/Maintenance Overtime Potentially Could Save \$11,500 - The district guarantees four hours of overtime per week for custodial and maintenance staff to try to reduce staff turnover. It paid an average of \$54,000 per year in overtime for custodial and maintenance employees over two years. If the district hired a full-time staff member, it potentially could save \$11,500 per year in overtime costs.</p>	\$11,500
<p>Offering Fewer Supplemental Contracts Potentially Could Save At Least \$14,500 - For the 2010-11 school year, the district has contracted to pay its staff \$290,000 in supplemental pay for time they spend outside the classroom on activities like coaching sports teams or advising yearbook. This is less than the \$430,000 it spent during the 2009-10 school year. Although this doesn't make these activities more efficient--the decision to cut supplemental contracts is really a policy issue--the district potentially could save money by cutting supplemental pay by another 5%, or a total of \$14,500, though it may need to renegotiate its contract with its teachers to do so. Other options which could result in greater savings include eliminating positions from the most expensive activities based on costs per student (\$17,000) or based on the amount paid out per supplemental contract (\$20,000).</p>	\$14,500
Business Processes	
<p>Automating Paper-Driven Processes Potentially Could Save Money - Recently the district has taken several steps to eliminate paper processes, including using electronic deposit for payroll, and using an electronic time-keeping system, as well as eliminating paper newsletters to patrons. However, the district still relies heavily on paper for many of its administrative functions, including payroll registers, bill paying, and human resources. If it relied less on paper and used electronic processes such as electronic storage and electronic bill-pay, it could save staff time, paper, postage, and storage space.</p>	(a)

**Figure 1-3
Summary of Areas Identified for Improved Efficiencies
and Estimate of Savings**

Potential Area for Achieving Cost Savings and Improving Efficiency	Estimated Annual Savings
Business Processes Continued	
Modifying Its Existing Purchasing Practices Potentially Could Save Money - <i>The district does limited bulk purchasing through a local service center, but doesn't pair with neighboring districts to do joint purchasing for other items, like diesel fuel. Doing so potentially could save the district money.</i>	(a)
Maximizing the Use of Business Procurement Cards Potentially Could Save \$1,800 - <i>The district uses procurement cards, but doesn't receive a cash-back rebate. We estimated the district could have received at least \$1,800 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 that procurement card for purchases from vendors that accept it.</i>	\$1,800
Competitively Purchasing Workers Compensation Insurance Potentially Could Save Money - <i>The district spent about \$46,000 on workers compensation in 2008-09, but it hasn't shopped around for or bid out its workers compensation 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 provider.</i>	(a)
Transportation Services	
Bidding Out Vehicle Maintenance Potentially Could Save Money - <i>The district spent an average of \$86,000 on bus and vehicle parts and labor over the past two years. The district doesn't competitively shop for repairs; instead, district officials told us they use a local repair shop. If the district competitively shopped for the parts or labor costs, it potentially could save money.</i>	(a)
Analyzing the District's Needs for Bus Route Planning and Competitively Shopping Based on Those Needs Potentially Could Save Money - <i>District officials said they are looking for new bus route planning software to replace its older software. The district should do a cost-benefit analysis to determine whether it's more cost-effective to purchase software or to do the planning manually. See pages 18-19 for more details.</i>	(a)
Implementing Controls for District Vehicles Potentially Could Save Money - <i>Several district vehicles are assigned to staff who are allowed to take the vehicles home. Currently, the district doesn't have controls in place to ensure that the vehicles are used solely for district purposes.</i>	(a)
Competitively Purchasing Vehicle Fuel Potentially Could Save Money - <i>The district has spent an average of \$90,000 per year on vehicle fuel over the past two years. The district has one unleaded gasoline bulk tank at its central bus facility, but no diesel fuel tanks. District officials told us they don't competitively bid the diesel fuel. Instead, the district uses one local station because the station is near the central bus facility, and because the bus drivers are able to navigate the stalls more easily. Officials said they are considering replacing its bulk unleaded tank with a bulk diesel tank. It potentially could save money by doing this, or by negotiating for a lower rate with its fuel providers.</i>	(a)
Information Technology	
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 told us they had several virtualized computer network servers at the middle and junior/senior high schools, but no virtualized computers. Officials said they were interested in virtualizing computers at the elementary and middle schools in the future. Because high school students have their own laptops, virtualization isn't possible. The district should explore virtualization as an option before it purchases new computers for those buildings.</i>	(a)
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 older and less efficient individual printers for staff and has a lease agreement on centralized copy machines already. Setting a deadline by which the individual printers would be removed from buildings potentially could save money on a more immediate basis.</i>	(a)

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

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

In previous school efficiency audits, we found that switching to a traditional schedule potentially could save money because each teacher would teach an additional class section during the year, meaning that fewer teachers would be needed to teach the same number of sections. We also learned that education research has found no positive effect (and perhaps even a negative effect) on student performance under a block schedule.

In moving to a traditional class schedule, the district won't realize immediate savings because it agreed not to cut teaching positions for the 2010-11 school year. While the district has plans to move to a traditional schedule for 2010-11, the superintendent told us that, as part of the negotiated teacher agreement process, the district has agreed not to eliminate teaching positions in the first year. After that, the district plans to reduce staff through attrition.

By filling its class sections closer to the district's set enrollment capacities and combining its lowest-enrollment sections, the district potentially could save almost \$190,000 per year in salary costs. While the district's contract with its teachers doesn't set a mandatory or preferred number of students per class section, district officials have set the maximum enrollment levels for each section offered at the high school. Depending on the section, the enrollment capacity for the types of classes we examined can range from 15 for a college-level math class to 24 for a social science class. We used those maximums to estimate the potential savings from filling sections closer to capacity.

In comparing actual enrollment levels for these sections with the capacity set by the district, we noted that many weren't full. As illustrated in *Figure 1-4*, certain categories, like business or math, had a lower percent of the available seats filled than other categories, like science. For our estimates, when we "filled" sections closer to the capacities set by the district, most of them still weren't completely filled. For example, social science classes went from 71% filled to 84% filled. Overall, the percent of available seats filled in the subject areas we looked at went from 67% filled to 80% filled.

We analyzed the potential cost savings if the district switched to a traditional schedule, filled its sections closer to their enrollment capacities, and combined its lowest-enrollment sections based on the schedule for the 2009-10 school year. Our analysis showed that because the district would need fewer class sections, it would need 3.5 fewer teachers and it could save almost \$190,000 per year.

Figure 1-4
Estimated Potential Savings from Reducing the Number of Class Sections Offered
Based on a Traditional Schedule Using the 2009-10 Class Schedule

Subject Area (a)	Traditional Schedule Based on Current # of Sections			Traditional Schedule Based on Reduced # of Sections			Potential Savings	
	Sections Offered	% of Seats Filled	# of FTE Teachers Actual (b)	Sections Needed	% of Seats Filled	# of FTE Teachers Needed (b)	FTE Teachers (c)	\$\$ (d)
Business	11	45%	1.8	7.5	72%	1.3	0.5	\$25,349
Family & Consumer Science	3	68%	0.5	2.5	82%	0.4	0.0	\$0
Fine Arts	13	61%	2.2	10	75%	1.7	0.5	\$25,349
Industrial Arts	12.5	59%	2.1	9	86%	1.5	0.5	\$25,349
Language Arts	31	73%	5.2	28.5	79%	4.8	0.5	\$25,349
Math	24	59%	4.0	20	73%	3.3	0.5	\$25,349
Physical Ed / Health	13	72%	2.2	10.5	89%	1.8	0.5	\$25,349
Science	17	84%	2.8	17	84%	2.8	0.0	\$0
Social Science	19.5	71%	3.3	16.5	84%	2.8	0.5	\$25,349
Subtotals	144	67%	24.0	121.5	80%	20.3	3.5	\$177,443
Additional savings if the district doesn't have to buy back any planning time								\$12,400
ESTIMATED ANNUAL SAVINGS FROM REDUCING THE NUMBER OF SECTIONS ON A TRADITIONAL SCHEDULE							\$189,843	
<p>(a) We excluded the following types of classes: online, independent or structured study, special education, seminar, teacher aide, and office aide sections.</p> <p>(b) For this analysis, we put all teachers on an FTE basis. For example, a teacher who teaches three sections would be a .5 FTE teacher for that subject.</p> <p>(c) We used the following rounding rules to calculate the difference in FTE teachers needed under the current schedule v. the schedule if classes were filled: if the difference was less than 0.4, the number was rounded down to the lowest whole number. If the number was equal to or between 0.4 and 0.799, the number was rounded to the nearest 0.5. If the number was equal to or greater than 0.8, the number was rounded up to the nearest whole number.</p> <p>(d) Savings based on 2009-10 average contractual teacher salary and benefits of \$50,698, as provided by the State Department of Education.</p> <p>Source: LPA analysis of class enrollment data and teacher salary data, as provided by the Concordia school district and State Department of Education.</p>								

As we noted earlier, the district agreed not to cut positions when moving to a traditional schedule in the upcoming school year. However, if officials choose to increase the number of students in certain course sections, it could reduce teaching positions by not filling certain positions when staff in that subject area leave the district. The district also wouldn't have to pay \$12,400 per year for two high school teachers to teach extra class sections, as it did during the 2009-10 school year.

As always, the district could use any savings to reduce its overall expenses, increase teacher salaries, pay for needed programs, or fund other priorities it might identify.

Moving Its Preschool Students to the Elementary School Potentially Could Save the District About \$12,300 a Year

Since 2000-01, the Concordia school district’s enrollment has decreased by about 13%, from 1,236 FTE students to 1,069 FTE students for the 2009-10 school year. Because of this decline, we looked for options the district could consider for reducing its building space, including combining or closing buildings.

The Concordia school district has four school buildings: the Lincoln building, an elementary school, a fifth-sixth grade building, and a junior-senior high school building. All buildings are within the city limits of Concordia. The buildings and their current enrollments are listed in *Figure 1-5*.

Figure 1-5 Concordia School District's School Buildings		
School	Grades	FTE Enrollment 2008-09
Concordia Junior-Senior High School	7 to 12	384
Concordia Middle School	5 to 6	145
Concordia Elementary	K to 4	508
Lincoln Elementary	Pre K	26
Total (a)		1,062
(a) Total doesn't add due to rounding.		
Source: Kansas Department of Education.		

Based on our analysis of building capacities and enrollments by grade, we determined the only reasonable option for reducing space involved the district’s Lincoln building. Several of the district’s programs operate out of the Lincoln building, including the district’s preschool and licensed daycare programs. This building also houses the local Head Start and Parents and Teachers programs, and the Learning Cooperative of North Central Kansas (LCNCK)—the special education cooperative hosted by the Concordia school district.

Based on our analysis, the district could move its preschool students to its elementary building if some grades were shuffled between buildings. We compared the classroom space currently used in these buildings to the student capacities provided by the district for all its classrooms. In general, the district sets classroom capacities at 20 students for kindergarten through third grade, and at 24 for all other grades. We also walked through the buildings to see how the classrooms are used. In addition, during our visit, we reviewed floor plans of the buildings and spoke with district officials about how the buildings and classrooms were used.

To make room for the preschool students at the elementary school, the district would need to move its sixth grade to the junior-senior high school, and move its fourth grade to the building currently used as

Figure 1-6
Estimated Costs and Savings Associated with Moving Preschool Students Out of the Lincoln Building

	Staff FTE	Savings
Operating Savings		
Custodial Staff (a)	0.3	\$6,200
Utilities - Electricity		\$2,100
Utilities - Natural Gas		\$3,300
Utilities - Water and Trash		\$700
One-Time Costs		
Moving Expenses		(b)
Remodeling the Middle/High School		(b)
Total Annual Savings		
FIRST-YEAR TOTAL		\$12,300
FIVE-YEAR TOTAL		\$61,500

(a) Custodial costs are shared with other building occupants. Staff FTE listed here represents the district's portion.
 (b) We were unable to estimate these one-time costs within the time allowed for this audit. The costs likely are very minimal.

Source: LPA analysis of Concordia school district data.

a fifth and sixth grade building. This would allow enough space in the elementary school for some of the programs currently in the Lincoln building, including the preschool, licensed day care, and the Parents as Teachers programs. Vacating the space at the Lincoln building could potentially save the district about \$12,300 in utility and custodial costs. These costs are detailed in *Figure 1-6*.

While closing the Lincoln Building may not be practical, the district could lease the vacated space to current or new tenants. As a part of our

analysis, we discussed the idea of closing and selling the building with district officials. They expressed several concerns including:

- **The Concordia school district hosts the special education cooperative and benefits most from the cooperative's services**—If the Lincoln building was closed, the district would have to find another suitable place to house the special education cooperative. Slightly more than 50% of the students serviced by the special education cooperative are Concordia school district students.
- **The district's costs might increase**—If the cooperative has to move locations, costs to member districts, including the Concordia school district, potentially could increase.
- **The district might not be able to sell the Lincoln school building**—Selling a school building may be difficult because of the recession and current real estate market conditions. In the past several years, the district has sold two buildings—its former alternative high school building and its “kindergarten cottage.” According to district officials, the alternative high school building sold quickly because it was zoned for small business use. The kindergarten cottage sold because it was a smaller building that had been zoned for residential use and the purchaser converted it into a house.

District officials acknowledged they might be able to lease the space vacated by the district to other tenants. If the district leased the vacant space to the current tenants, the special education cooperative

likely would pass those additional costs on to the other member districts, including Concordia. On the other hand, if the district could find new tenants to lease the vacant space, it wouldn't need to shift any additional costs to the special education cooperative

District officials told us that they hadn't discussed the idea of reshuffling grades between buildings with the local board of education or community members, which would be the biggest hurdle in implementing this idea. They also said that the community may be more open to listening to this type of proposal than they would have been in years past given current economic conditions.

***Before Purchasing New
Bus Route Planning
Software, The District
Needs To Weigh Costs
and Benefits***

School districts have different options for planning the routes their drivers will take when transporting students to and from school. Some districts plan the routes manually—literally looking at paper maps and using push-pins to identify stops and relying on staff members who have lived in the community for many years to identify the best routes. Other districts use software to help plan the routes. The software can be used to automatically consider requirements set by the district, such as the length of time each student will be on the bus and what the pick-up and drop-off points will be.

The Concordia school district currently uses a combination of staff members' knowledge of the area, paper maps, and computer software to design its bus routes. Because the software is eight years old and was designed by a former employee who no longer services it, the district is considering replacing its routing software. District officials said they found one software program they like, but that it was very expensive.

The Concordia school district should do a cost-benefit analysis before making the decision to either purchase new software or switch to a manual route planning process. In the time available for this audit, we couldn't determine whether the Concordia school district should replace its current bus route planning software. However, we did review best practices and contact bus route software companies about the various options available to school districts.

Best practices indicate that districts should weigh two factors when making the decision about whether to invest in computerized routing software as an alternative to manually planning routes. Those factors are:

- **The cost of acquiring and maintaining the computer software program**—These costs include time spent collecting and entering student address data, electronic storage space and maintenance, technical support, and the software cost itself—including the one-time purchase price and recurring annual costs for updates and software licenses.
- **The cost of manually developing and analyzing alternative bus routes**—Costs include time spent by staff members analyzing different options.

We contacted several bus route planning software companies and found the level of sophistication and service varied, as did the prices. One company’s representative told us that its planning software could use student data to suggest school starting and ending times to maximize the district’s use of its buses and drivers. Another software system wasn’t as sophisticated, but could identify bus stops most likely to limit students’ time walking to and from the stops. The prices for these software products ranged from \$2,000 to \$10,000.

Conclusion:

Although the Concordia school district has taken positive steps to become more efficient and reduce its costs, we found a number of additional opportunities for the district to become even more efficient. The most significant of these involves filling classes closer to capacity at the high school, which would affect the number of teachers the district needs. The district has already taken a step in that direction by moving from a block schedule to a traditional schedule for the 2010-11 school year, although it has agreed not to eliminate any teaching positions in the first year. This decision could have an impact on students and that would need to be taken into consideration. Another opportunity for savings would require the school board to make a decision about the number of buildings the district operates. Taking actions in the other areas we identified, such as reducing the number of cell phones, hiring full-time staff member to reduce custodial/maintenance overtime, and competitively purchasing fuel, should allow the district to reduce its costs without affecting the educational services it provides. Savings from any of these areas can be used to reduce costs or to fund other, more important needs.

Recommendations:

Related to Efficiency Management:

1. To help ensure that the district is able to identify opportunities to improve the efficiency of its operations on an ongoing basis, the Concordia school district should develop a systematic efficiency management process. Such a process should include:
 - a. regularly compiling efficiency measures, such as various spending and staffing measures per student
 - b. periodically comparing the district's performance to peer districts with similar characteristics, standard benchmarks (where available), and the district's own measures over time
 - c. making changes to the district's staffing, workloads, policies, procedures, and practices as necessary to address the areas identified through the comparisons

Related to Student Instruction:

2. Because of the potential for operating more efficiently and achieving significant cost savings, the Concordia school board and school district officials should consider the following options for changing how high school classes are offered:
 - a. limit the number of sections of each class it offers to fill classes closer to the district's capacity standards
 - b. regularly evaluate course loads and consider eliminating courses which have consistently low enrollments

Related to Facilities:

3. Because of the potential for operating more efficiently and achieving significant cost savings, the Concordia school board and school district officials should consider the following options related to facilities the district operates:
 - a. move its preschool from the Lincoln building to the district's elementary school
 - b. take steps to reduce or defray utility costs in its buildings, including implementing energy conservation policies, timers on lights, using energy savings options on computers, and limiting the number of personal appliances

Related to Personnel:

4. Because of the potential for reducing personnel costs without affecting the educational services it provides to students, the Concordia school board and school district officials should consider the following:
 - a. pay stipends for cell phones and limit the number of cell phones
 - b. hire an additional full-time employee to reduce the need for custodial/maintenance overtime
 - c. offer fewer supplemental contracts

Related to Business Processes:

5. Because of the potential for operating more efficiently and reducing costs without affecting the educational services it provides to students, the Concordia school district should consider the following:
 - a. develop and use electronic processes for administrative functions, such as bill paying and human resources
 - b. modify its purchasing practices by pairing with neighboring districts to jointly purchase items like food, fuel, and supplies
 - c. use a business procurement card with a cash-back rebate. In doing so, the district should negotiate for the maximum cash-back rebate rate and monthly credit limits it can obtain, and explore ways for making as many purchases as possible with its procurement cards to generate cash rebates
 - d. competitively purchase workers' compensation insurance

Related to Transportation Services:

6. To help reduce its transportation costs, the district should:
 - a. competitively purchase vehicle maintenance
 - b. analyze the need for bus route planning and competitively shop based on those needs
 - c. implement better controls for district vehicles to ensure that the vehicles are used solely for district purposes
 - d. competitively purchase vehicle fuel

Related to Information Technology

7. Because of the potential for operating more efficiently and achieving significant cost savings, the Concordia school district officials should consider the following options related to information technology:
 - a. use virtualized computers to simulate multiple computers, cutting down on hardware costs
 - b. phase out individual inkjet printers and replace them with networked printer/copier units

APPENDIX A

Scope Statement

At its meeting on May 28, 2009, the 2010 Commission directed the Legislative Division of Post Audit to contact school districts to solicit volunteers for an external efficiency audit to help them identify opportunities to operate more efficiently. Officials from the Concordia school district contacted us to arrange for such an audit. This appendix contains the scope statement that outlines our work.

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

In July 2009, our office released a school district performance audit examining the efficiency of school districts' operations. As originally directed by the 2010 Commission, that audit would have consisted of two phases. The first phase called for analyzing district staffing and expenditure data to identify areas where spending for districts appeared to be out-of-line compared with their peers. The second phase called for following up on a sample of districts to evaluate their processes in the areas that appeared to be out-of-line to determine if there were ways they could reduce costs without affecting their ability to educate students.

In April 2009, the Commission directed us to suspend the follow-up part of the audit to alleviate concerns some superintendents had expressed about having an efficiency audit conducted while they were trying to address funding cuts from the State. However, in May 2009, the Commission discussed the fact that some districts may want to take advantage of the external review an efficiency audit could provide in helping them look for opportunities to operate more efficiently, and subsequently directed us to contact school districts to see if any of them would like to volunteer for an external efficiency audit.

Officials from the Concordia school district contacted us and requested an efficiency audit to help them identify ways they could reduce costs without affecting the education they provide students. This school district performance audit answers the following question:

- 1. Could the Concordia school district achieve cost savings by improving the management of its personnel, facilities, or other resources?** To answer this question, we would identify peer districts that are demographically similar to the Concordia school district, and compare them on various measures of efficiency to identify areas where the district's spending or resources appear to be out of line. We will conduct at least one site visit to interview district officials and staff, observe various administrative and operational processes, and tour facilities to identify opportunities for the district to save money without affecting its ability to educate students. We would conduct additional testwork as needed.

Estimated Resources: 3 staff (6-8 weeks)

APPENDIX B

Detailed Information for Operating Costs For the Concordia School District and Its Peers

This appendix contains a description of the methodology we used to select the 10 peer districts against which we compared the Concordia school district, along with the demographic information for each of the districts.

To select peers for the Concordia school district, we did three things:

- We calculated the following demographic measures for all Kansas school districts.
 - *total enrollment*
 - *percent of students who are eligible for free lunches*
 - *percent of students who have limited English proficiency*
 - *total assessed property value per student*
- We developed a statistical model to identify the districts that were most similar to the Concordia school district based on those measures.
- Finally, we consulted with district officials from the Concordia district to identify any additional districts they considered peers and added them to the list.

The list of peers is included in this appendix on page 26.

To compare the district against its 10 peers, we calculated a variety of efficiency measures for each district. Our methodology is described here:

- **When compiling efficiency measures for the districts, we focused on six functional areas: district-level administration, school-level administration, instructional support, student support, operations and maintenance, and instruction.** We looked at 2008-09 expenditure, enrollment, and staffing data for each of the areas. We used the data to calculate our primary unit of measurement, which was cost per student. We looked at total expenditures per student, but also at object level expenditures, like salaries, benefits, purchased services, and supplies. We also looked at total staff in each area, and staff per 500 students. Our calculations for the Concordia school district and its peers are included in this appendix.
- **We didn't analyze student transportation.** We didn't analyze the student transportation program because the factors driving transportation spending are so different from those driving other cost areas, that a different methodology would be required to identify transportation-specific peers. We could not complete that analysis within the time allotted for this audit.

Guidance on Using the Detailed Information For Operating Costs To Compare School Districts on Various Measures of Efficiency

We envision that school districts included in our review can use the comparative data in this appendix to at least preliminarily identify cost areas where spending may be out-of-line. We also anticipate that districts that were not included can use our methods to calculate their own efficiency measures.

Here is some guidance on how to use the comparative efficiency measures in this appendix (or the measures done by individual districts on their own):

- **Identify the functional areas of the district where costs may be out-of-line—** Functional areas represent the major activities of a district, and include such areas as administration, operations and maintenance, transportation, and food service. A simple set of efficiency measures can be calculated by dividing total spending in each area by the enrollment of the district. Districts can then compare their per-student expenditures to their peers to identify where their costs appear to be low or high.
- **Identify the types of spending that account for significant differences—**This can be done by comparing costs on a per-student basis at a more detailed level, such as looking at spending for specific object codes such as salaries, benefits, purchased services, and supplies.
- **Use the data to help them understand why costs might be different—**For example, more spending per student for salaries could mean that a district has more employees on average, or that it pays its employees more on average, or that it contracts out for some services that other districts carry out in-house with district staff. More spending per student on benefits may mean the district offers a more lucrative benefits package than other districts. In order to really understand these differences, a district would want to follow up with its peers to find out what they actually do differently.

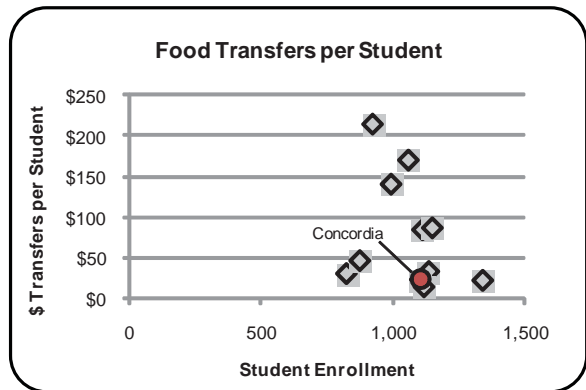
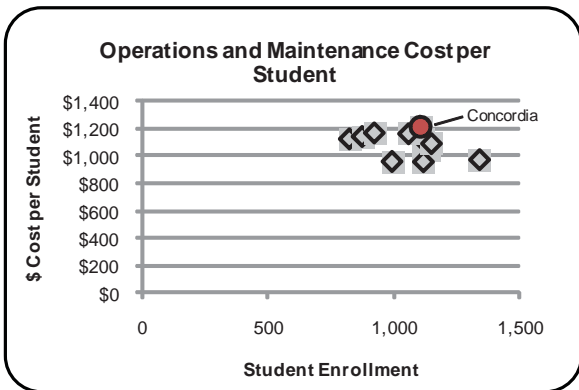
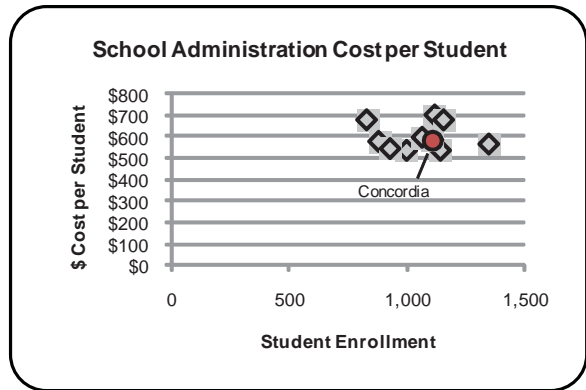
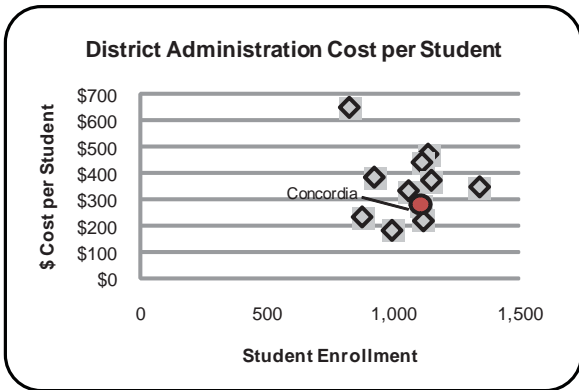
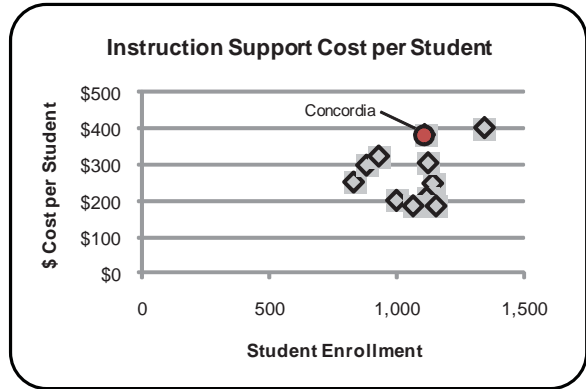
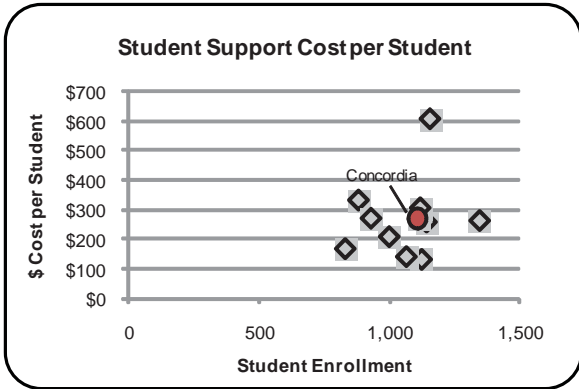
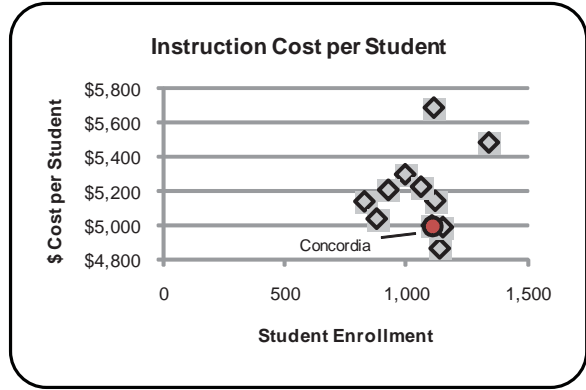
In general, costs per student should decrease as enrollments increase. As districts review the various efficiency measures for their non-instructional operating costs, they should keep in mind that economies of scale should apply—larger districts may spend more in total, but they should spend less on a per-student basis than smaller districts. While there is a fair amount of variation in costs, the general trend is for costs to decrease as enrollments increase.

**Demographic information for the Concordia School District and Its Peers
2008-09 School Year**

USD # and Name	Student Enrollment (FTE)	% Free Lunch Students	% Bilingual Students	Assessed Property per Student
248 - GIRARD	996.5	34.2%	0.2%	\$34,626
309 - NICKERSON	1,139.4	42.0%	4.3%	\$55,244
333 - CONCORDIA	1,062.1	40.4%	0.3%	\$43,614
365 - GARNETT	1,107.2	35.0%	0.0%	\$53,936
367 - OSAWATOMIE	1,121.0	41.5%	0.0%	\$40,275
404 - RIVERTON	827.5	36.7%	0.3%	\$34,991
434 - SANTA FE TRAIL	1,115.2	28.3%	0.1%	\$41,312
447 - CHERRYVALE	878.2	35.4%	0.0%	\$28,165
493 - COLUMBUS	1,152.6	39.6%	0.0%	\$49,866
503 - PARSONS	1,343.4	47.0%	0.0%	\$39,680
508 - BAXTER SPRINGS	926.5	45.0%	0.9%	\$27,808

Source: LPA analysis of district information provided by the Department of Education.

APPENDIX B
The Concordia School District
And Its Peers'
2008-09 Graphed Cost Information



Source: LPA analysis of school district expenditure, enrollment, and revenue data from the Kansas Department of Education

2008-09 OPERATING EXPENDITURES PER STUDENT FOR CONCORDIA AND ITS PEERS

MEASURES (a)	SCHOOL DISTRICTS										
	Girard (248)	Nickerson (309)	Concordia (333)	Garnett (365)	Osawatimie (367)	Riverton (404)	Santa Fe Trail (424)	Cherryvale (447)	Columbus (493)	Parsons (503)	Baxter Springs (508)
Sorted by:											
Enrollment (FTE)	996.5	1,138.3	1,062.1	1,101.4	1,121.0	826.6	1,114.4	878.0	1,150.6	1,333.0	926.5
Primary Efficiency Measure:											
Expenditures per FTE											
	Instruction										
Expenditure Breakdown											
Salaries	\$4,103	\$3,843	\$3,555	\$3,655	\$4,102	\$4,136	\$3,978	\$4,023	\$3,953	\$4,460	\$3,512
Employee Benefits	\$407	\$652	\$1,066	\$863	\$661	\$701	\$509	\$679	\$653	\$371	\$1,098
Purchased Services	\$336	\$68	\$90	\$168	\$17	\$394	\$213	\$114	\$213	\$168	\$220
Supplies	\$448	\$232	\$280	\$422	\$355	\$412	\$323	\$361	\$153	\$482	\$359
Other	\$0	\$64	\$2	\$30	\$0	\$43	\$9	\$53	\$11	\$0	\$13
Avg Expend per Student	\$5,294	\$4,858	\$4,993	\$5,138	\$5,134	\$5,666	\$5,033	\$5,221	\$4,983	\$5,481	\$5,202
Staffing Information											
Total Instruction Staff	73.0	93.5	95.5	99.4	99.0	69.2	95.0	78.0	98.0	121.2	77.0
# staff/500 students	36.6	41.1	45.0	45.1	44.2	41.9	42.6	44.4	42.6	45.5	41.6
	Student Support										
Expenditure Breakdown											
Salaries	\$155	\$216	\$217	\$105	\$124	\$259	\$280	\$124	\$297	\$227	\$190
Employee Benefits	\$12	\$28	\$48	\$24	\$25	\$43	\$39	\$19	\$67	\$18	\$53
Purchased Services	\$41	\$12	\$1	\$2	\$18	\$2	\$10	\$0	\$185	\$5	\$0
Supplies	\$4	\$5	\$4	\$3	\$0	\$3	\$5	\$1	\$60	\$4	\$10
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12	\$21
Avg Expend per Student	\$211	\$261	\$270	\$134	\$171	\$309	\$335	\$144	\$610	\$266	\$274
Staffing Information											
Total Student Support Staff	5.0	5.9	8.7	2.8	8.0	7.3	8.1	2.0	6.1	8.8	4.0
# staff/500 students	2.5	2.6	4.1	1.3	3.6	4.4	3.6	1.1	2.7	3.3	2.2
	Instruction Support										
Expenditure Breakdown											
Salaries	\$121	\$181	\$224	\$214	\$197	\$95	\$197	\$123	\$118	\$266	\$225
Employee Benefits	\$8	\$16	\$64	\$48	\$24	\$40	\$31	\$16	\$19	\$18	\$61
Purchased Services	\$49	\$1	\$46	\$14	\$13	\$54	\$47	\$21	\$47	\$68	\$13
Supplies	\$23	\$49	\$45	\$27	\$16	\$9	\$22	\$25	\$0	\$48	\$22
Other	\$0	\$0	\$1	\$0	\$0	\$9	\$0	\$0	\$0	\$0	\$0
Avg Expend per Student	\$200	\$247	\$381	\$303	\$250	\$208	\$297	\$185	\$185	\$400	\$322
Staffing Information											
Total Inst Support Staff	5.0	4.9	6.1	3.5	4.0	3.6	5.6	3.5	3.7	8.5	3.5
# staff/500 students	2.5	2.2	2.9	1.6	1.8	2.2	2.5	2.0	1.6	3.2	1.9
	District-Level Administration										
Expenditure Breakdown											
Salaries	\$118	\$217	\$155	\$138	\$219	\$192	\$135	\$186	\$160	\$211	\$205
Employee Benefits	\$16	\$33	\$44	\$27	\$21	\$25	\$13	\$25	\$40	\$29	\$70
Purchased Services	\$51	\$197	\$33	\$50	\$262	\$213	\$82	\$89	\$152	\$66	\$75
Supplies	\$0	\$26	\$23	\$7	\$148	\$4	\$7	\$7	\$3	\$16	\$0
Other	\$0	\$0	\$25	\$0	\$0	\$9	\$0	\$30	\$20	\$29	\$36
Avg Expend per Student	\$186	\$474	\$281	\$222	\$651	\$443	\$237	\$336	\$375	\$350	\$387
Staffing Information											
Total Dist Admin Staff	5.0	7.0	9.0	6.4	2.0	4.3	7.1	6.5	9.2	10.0	6.5
# staff/500 students	2.5	3.1	4.2	2.9	0.9	2.6	3.2	3.7	4.0	3.8	3.5

2008-09 OPERATING EXPENDITURES PER STUDENT FOR CONCORDIA AND ITS PEERS

MEASURES (a)	SCHOOL DISTRICTS										
	Girard (248)	Nickerson (309)	Concordia (333)	Garnett (365)	Oswatomie (367)	Riverton (404)	Santa Fe Trail (424)	Cherryvale (447)	Columbus (493)	Parsons (503)	Baxter Springs (508)
Sorted by:											
Enrollment (FTE)	996.5	1,138.3	1,062.1	1,101.4	1,121.0	826.6	1,114.4	878.0	1,150.6	1,333.0	926.5
Primary Efficiency Measure: Expenditures per FTE											
School-Level Administration											
Expenditure Breakdown											
Salaries	\$498	\$428	\$436	\$516	\$580	\$570	\$479	\$521	\$563	\$513	\$375
Employee Benefits	\$35	\$87	\$105	\$99	\$83	\$78	\$58	\$64	\$90	\$40	\$125
Purchased Services	\$0	\$7	\$27	\$45	\$0	\$46	\$31	\$1	\$10	\$10	\$0
Supplies	\$0	\$12	\$9	\$18	\$12	\$3	\$7	\$6	\$11	\$0	\$41
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Avg Expend per Student	\$533	\$534	\$582	\$678	\$675	\$697	\$575	\$594	\$675	\$563	\$542
Staffing Information											
Total School Admin Staff	8.0	8.4	9.6	12.2	12.0	9.0	11.1	10.5	14.8	14.0	9.0
# staff/500 students	4.0	3.7	4.5	5.5	5.4	5.4	5.0	6.0	6.4	5.3	4.9
Operations and Maintenance											
Expenditure Breakdown											
Salaries	\$342	\$501	\$409	\$358	\$388	\$497	\$322	\$577	\$455	\$475	\$495
Employee Benefits	\$24	\$135	\$177	\$117	\$61	\$101	\$52	\$146	\$86	\$37	\$168
Purchased Services	\$315	\$114	\$253	\$129	\$134	\$164	\$563	\$196	\$287	\$127	\$38
Supplies	\$277	\$301	\$375	\$352	\$539	\$361	\$202	\$240	\$260	\$333	\$465
Other	\$0	\$0	\$1	\$0	\$0	\$1	\$1	\$0	\$0	\$0	\$0
Avg Expend per Student	\$958	\$1,051	\$1,215	\$956	\$1,122	\$1,123	\$1,140	\$1,160	\$1,088	\$971	\$1,166
Utility Costs per Student											
Water / Sewer	\$12	\$27	\$24	\$34	\$34	\$32	\$20	\$30	\$18	\$25	\$8
Heating	\$38	\$92	\$67	\$124	\$103	\$18	\$40	\$43	\$70	\$45	\$33
Electricity	\$175	\$147	\$221	\$142	\$337	\$288	\$120	\$119	\$190	\$181	\$201
Staffing Information											
Total Ops and Maintenance Staff	10.0	25.0	16.5	14.6	1.0	10.5	14.0	10.7	15.0	20.0	13.0
# staff/500 students	5.0	11.0	7.8	6.6	0.4	6.4	6.3	6.1	6.5	7.5	7.0
Food Expend per FTE (b)	\$550	\$550	\$591	\$470	\$656	\$600	\$579	\$273	\$563	\$560	\$630
Total Non-Instructional Costs (c)	\$2,639	\$3,117	\$3,319	\$2,764	\$3,525	\$3,381	\$3,162	\$2,692	\$3,495	\$3,110	\$3,319
Total Instructional Costs	\$5,294	\$4,858	\$4,993	\$5,138	\$5,134	\$5,686	\$5,033	\$5,221	\$4,983	\$5,481	\$5,202
Total Costs per FTE (d)	\$7,932	\$7,975	\$8,313	\$7,903	\$8,659	\$9,067	\$8,195	\$7,912	\$8,478	\$8,591	\$8,521

2008-09 COST FOR FOOD SERVICES: CONCORDIA SCHOOL DISTRICT AND PEERS

MEASURES (a)	SCHOOL DISTRICTS										
	Girard (248)	Nickerson (309)	Concordia (333)	Garnett (365)	Oswatimie (367)	Riverton (404)	Santa Fe Trail (424)	Cherryvale (447)	Columbus (493)	Parsons (503)	Baxter Springs (508)
Enrollment (FTE)	996.5	1,136.3	1,062.1	1,101.4	1,121.0	826.6	1,114.4	878.0	1,150.6	1,333.0	926.5
Primary Efficiency Measure:											
Actual Transfers per FTE	\$140	\$33	\$24	\$15	\$31	\$85	\$47	\$170	\$87	\$23	\$214
Expenditure Breakdown											
Salaries	\$221	\$190	\$178	\$190	\$280	\$254	\$196	\$0	\$237	\$243	\$226
Employee Benefits	\$16	\$40	\$71	\$71	\$63	\$52	\$39	\$0	\$50	\$21	\$90
Purchased Services	\$3	\$1	\$1	\$0	\$0	\$3	\$2	\$0	\$0	\$0	\$0
Supplies	\$311	\$318	\$376	\$209	\$313	\$280	\$338	\$273	\$276	\$296	\$314
Other	\$0	\$0	\$4	\$0	\$0	\$1	\$4	\$0	\$0	\$0	\$0
Avg Expend per Student (b)	\$550	\$550	\$591	\$470	\$656	\$600	\$579	\$273	\$563	\$560	\$630
Staffing Information											
Total Food Service Staff	11.0	11.5	9.2	8.5	17.0	11.0	8.8	10.5	8.9	12.6	11.0
# staff/500 students	5.5	5.1	4.3	3.9	7.6	6.7	3.9	6.0	3.9	4.7	5.9
Revenue Information											
Average Lunch Price	\$1.75	\$2.17	\$1.92	\$2.30	\$2.37	\$1.73	\$2.28	\$1.95	\$1.93	\$2.30	\$1.77
% eligible free lunches	34.2%	42.0%	40.4%	35.0%	41.5%	36.7%	28.3%	35.4%	39.6%	47.0%	45.0%
% of sales non reimbursable (c)	26.3%	5.4%	18.8%	6.0%	12.2%	0.0%	10.6%	12.9%	33.4%	48.2%	10.6%
Meals/Snacks Served											
# of Breakfasts served	47,534	66,682	59,723	58,714	89,357	46,902	56,392	45,166	55,317	77,315	56,308
# of Lunches served	121,425	167,631	154,729	146,113	167,343	114,702	164,039	109,274	144,488	157,345	125,622
# of Snacks served	-	6,218	14,004	-	-	4,541	15,983	4,427	16,163	3,092	948

(a) Expenditures for property and equipment are excluded.
 (b) Due to rounding, adding the individual measures may not equal the total shown.
 (c) Nonreimbursable sales are sales of food items that are not reimbursable under the National School Lunch Program, including sales to adults and a la carte items like fruit, pizza slices, and salad.
 Source: LPA analysis of data provided by the Department of Education and individual school districts for the 2007-08 and 2008-09 school years.

APPENDIX C

List of Operational Best Practices for School Districts

This appendix contains a detailed list of best practices to help school districts identify ways they can operate more efficiently. We gathered these ideas from our office's previous audits, other states' audits, and other resources, like the Centers for Disease Control and the Association of School Business Officials.

The best practices are arranged in tables by functional area, including administration, support services, operations and maintenance, food services, and student transportation. This isn't an exhaustive list of ideas for cost savings, and it will continue to evolve as we conduct more efficiency audits and identify additional ways districts can save money.

**Appendix C
Best Practices for School District Efficiency**

Administration

The district should manage efficiency at the district level.	<p>The district should:</p> <ul style="list-style-type: none"> • Compile data and calculate efficiency measures, like expenditures per student or staff per 500 students • Compare the measures against peers, standard benchmarks, or the same measures for the district over time • Routinely revise staff needs, policies, and workloads based on the comparison
The district should maintain reasonable administrative staffing levels.	<p>The district should:</p> <ul style="list-style-type: none"> • Routinely compare staffing levels on a per-student basis over time and make changes as needed • Routinely compare staffing levels to peer districts and available benchmarks and make changes as needed <p>The district could consider:</p> <ul style="list-style-type: none"> • Developing a staffing formula for administrative positions
The district should pay reasonable salaries.	<p>The district should:</p> <ul style="list-style-type: none"> • Compare salary levels for all levels of staff to peer districts and available benchmarks and realign salaries to stay in line • Share staff across buildings when possible <p>The district could consider:</p> <ul style="list-style-type: none"> • Contracting out for some work, if it would be less expensive than having in-house staff do the tasks
The district should keep the cost of benefits at a reasonable level.	<p>The district should:</p> <ul style="list-style-type: none"> • Routinely collect bids for health insurance • Routinely compare health plans and premiums to peer districts and available benchmarks • Take steps to make the employee pool is healthy to improve the risk pool to keep insurance premiums down <p>The district could consider:</p> <ul style="list-style-type: none"> • Limiting the number of part-time staff who are eligible for benefits • Limiting the amount of sick and vacation leave staff can accrue
The district should avoid excessive overtime costs.	<p>The district should:</p> <ul style="list-style-type: none"> • Develop and enforce district-level overtime pay controls, like placing limits on the overtime pay each department can have and requiring supervisor approval before paying the overtime <p>The district could consider:</p> <ul style="list-style-type: none"> • Using temporary, substitute, or contracted staff for busy times of year • Changing hourly staff who have a lot of overtime to a set salary, if possible according to the district's human resources department • Developing expected workloads for each staff person and implementing controls to be sure those targets are generally being met • Contracting with outside vendors to provide labor for some work that would otherwise cause overtime in the district • Adjusting work schedules around the workloads
The district should minimize supply costs.	<p>The district should:</p> <ul style="list-style-type: none"> • Take bids on items the district buys in bulk • Use the State purchasing contract when possible • Buy items in bulk if a discounted rate is offered • Print items like business cards, letterhead, and stationary in house • Maintain and continually update a district-wide inventory of supplies that is accessible to all staff

Administration (Continued)

<p>The district should establish and maintain efficient processes for administrative tasks.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Use a business procurement card with a cash-back rate to make purchases • Maximize the cash-back rate it can get from its procurement card issuer • Maximize use of business procurement card to maximize the cash back • Reduce processing and record storage costs by automating administrative tasks, like using financial management and student data software • Go “paperless” by using electronic ways of communication with staff, parents, and local board of education members when possible • Use a centralized system to collect school building data to collect it more quickly, improve accuracy, and save time on entering it • Develop policies and guidelines for processes within the district and consistently enforce them • Encourage payroll through electronic depositing. For those employees who don’t want their pay deposited electronically, issue a payroll debit card. <p>The district could consider:</p> <ul style="list-style-type: none"> • Outsourcing administrative tasks like payroll or purchasing to a local government office <ul style="list-style-type: none"> ◦ <i>For example, Clarke County in Virginia partnered with its local school division to combine some central office functions, like finance, purchasing, and budget development, to increase efficiency.</i> • Partnering with other school districts for administrative tasks, like payroll or purchasing • Entering joint-purchasing agreements with other organizations for bulk items, like fuel, or more expensive items, like computers or audio-visual equipment
<p>The district should establish and maintain efficient technology practices.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Only assign multiple computers to staff for whom there is a demonstrated need. • Have most staff use shared network printers. For staff who need their own printer, the district should provide a high-quality, ink-efficient printer if they will print large volumes, and a less expensive printer if they don’t print very much. • Use refillable ink cartridges for printers whenever possible. <p>The district could consider:</p> <ul style="list-style-type: none"> • Using Voice-Over-Internet Protocol (VOIP) for phone service, where a district can use its Internet connection to place phone calls. • Purchasing ink cartridges from third party vendors, if the products are less expensive

Support Services

<p>The district should provide instruction support services efficiently.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Share instructional support staff, like librarians, curriculum specialists, and instructional coaches, across buildings when possible • Keep staffing levels in line with district peers and available benchmarks. • <i>See best practices for staffing levels, salaries, benefits, and supplies in the “Administration” section.</i> <p>The district could consider:</p> <ul style="list-style-type: none"> • Sharing staff between districts when possible, like staff whose responsibilities include developing curriculum • Contracting with a local education service center for some support services
<p>The district should provide student support services efficiently.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Share student support staff, like social workers, nurses, and counselors, across buildings when possible • Keep staffing levels in line with district peers and available benchmarks <ul style="list-style-type: none"> ◦ <i>For example, the Center for Disease Control recommends one school nurse per 750 students.</i> • <i>See best practices for staffing levels, salaries, benefits, and supplies in the “Administration” section.</i> <p>The district could consider:</p> <ul style="list-style-type: none"> • Using licensed practical nurses (LPN’s) or health aides under the supervision of a registered nurse instead of staffing full-time registered nurses at each school building

Operations and Maintenance

<p>The district should provide custodial services for district facilities and grounds efficiently.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Close off any building space it doesn't use and limit custodial services for that space • Identify ways to reduce supplies costs <ul style="list-style-type: none"> ○ <i>For example, the district could set up mixing stations for cleaning supplies to control the amounts being use, or buy custodial supplies in bulk</i> • Keep staffing levels in line with standard benchmarks <ul style="list-style-type: none"> ○ <i>For example, the Association of School Business Officials (ASBO) recommends basing staffing about one full-time custodian per 20,000 square feet, though the type of flooring, size of storage areas, age of buildings, and other variables could change the standard. The ASBO also sets out work time standards for offices, floors, bathrooms, stairs, walls, blinds, windows, and light fixtures in its Custodial Methods and Procedure Manual.</i> • <i>See best practices for salaries, benefits, overtime, and supplies in the "Administration" section.</i> <p>The district could consider:</p> <ul style="list-style-type: none"> • Contracting out for some deeper cleaning projects, if it would be less expensive than having in-house staff do them • Outsourcing custodial work, if it would be less expensive than having in-house staff do the work
<p>The district should maintain facilities and grounds efficiently.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Develop and maintain a long-term preventive maintenance plan and follow it • Develop an automated system for receiving and responding to maintenance requests • <i>See best practices for salaries, overtime, benefits, and supplies in the "Administration" section.</i> <p>The district could consider:</p> <ul style="list-style-type: none"> • Contracting out for some work, like mowing or plumbing work, if it would be less expensive than having in-house staff do the tasks • Outsourcing maintenance work, if it would be less expensive than having in-house staff do the work
<p>The district should provide specialized maintenance services efficiently.</p>	<p>The district could consider:</p> <ul style="list-style-type: none"> • Contracting out for some specialized projects, if it would be less expensive than having in-house staff do them
<p>The district should minimize energy costs.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Do an energy audit of the district facilities, or contract out for one • Regularly monitor facility energy usage and act quickly to reduce consumption when energy use is excessive • Develop a long-term energy plan to address facilities that aren't energy efficient • Develop and maintain a long-term energy conservation plan to address energy inefficiencies • Work with its energy providers to identify energy efficient benchmarks, and implement actions to reach those benchmarks • Develop energy conservation policies for staff in the district and enforce them <ul style="list-style-type: none"> ○ <i>For example, restrict what personal appliances staff can have in their classrooms or offices, use centrally located thermostats to control temperatures across a building, and initiate a campaign to turn off lights and computers when rooms in district facilities are not in use.</i> • Routinely check, clean, and repair heating and cooling systems, and update when necessary • Close off areas of buildings that aren't used so the district doesn't pay to heat and cool those spaces
<p>The district should ensure that it is receiving the best energy rates possible.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Ask its energy providers about discounts or rebates, and take advantage of any that are offered • Get an education rate from its electricity provider for each of its buildings, when available <p>The district could consider:</p> <ul style="list-style-type: none"> • Joining a natural gas purchasing consortium, like the Kansas Association of School Board's Kansas Joint Utility Management Program (KJUMP), if using the consortium would be less costly

Operations and Maintenance (Continued)

<p>The district should avoid using excessive administrative space.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Routinely evaluate workspace per staff person and provide adequate space, and close off or sell unneeded space <ul style="list-style-type: none"> ◦ <i>For example, the Kansas Department of Administration provides both high-level and detailed workspace standards based on functions performed by staff. The Department's high-level office space standard is an average of 210-250 square feet of useable space per person. That standard includes not only actual office space, but also hallways, break rooms, conference rooms, and the like. Detailed workspace standards by positions are available on the Departments website, at http://www.da.ks.gov/fm/dfm/forms/OfficeSpaceStandards.htm.</i> • Store records electronically whenever possible, or store them as cheaply as is reasonable, depending on the type of records being stored
<p>The district should avoid using excessive school building space.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Routinely evaluate student occupancies at school buildings against maximum capacities, and consolidate buildings where practical <p>The district could consider:</p> <ul style="list-style-type: none"> • Limiting the number of class sections offered or consolidating those sections when only a few students enroll • Entering into an inter-district contract with another district to establish shared schools to save on transportation, insurance, staff costs, and purchased services

Food Services

<p>The district should have a self-sustaining food program.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Charge enough to cover the costs of the food program • Take advantage of federal commodities when possible • Reduce food costs (<i>see next section</i>) • Limit its meal allowances for staff <p>The district could consider:</p> <ul style="list-style-type: none"> • Offering <u>nutritious</u> a la carte options to increase sales • Improving marketing of food to increase sales • Operating its own vending machines rather than contracting with an outside vendor
<p>The district should minimize its food costs.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Develop and maintain a running inventory of all food products • Use a first-in, first-out system for stocking inventory • Use portion control to reduce waste
<p>The district should take steps to manage its program efficiently.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Ensure that food program management staff receive appropriate training in areas like food safety, production control, inventory, meal count procedures, receiving and storing food and supplies, and customer service • Ensure that all food program staff receive proper food service training • <i>See best practices for salaries, overtime, benefits, and supplies in the "Administration" section.</i> <p>The district could consider:</p> <ul style="list-style-type: none"> • Establishing a central kitchen to store goods and make meals • Sharing a food services director with another district, if feasible • Sharing a cafeteria manager between schools

Student Transportation

<p>The district should take steps to manage its program efficiently.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Use an appropriately-sized vehicle to transport students, like using a van instead of a bus to transport smaller groups • Arrange school start and end times to minimize the number of buses needed to transport students • Do a cost-benefit analysis to find out if would be more efficient over time for the district to contract out its program or operate its own busing program • See <i>best practices for staffing levels, salaries, benefits, overtime, and supplies in the "Administration" section.</i> <p>The district could consider:</p> <ul style="list-style-type: none"> • Transporting only those students who live more than 2.5 miles from their schools, unless safety is an issue • Increasing vehicle insurance deductibles, if premiums costs decrease
<p>The district should run the most efficient bus routes possible.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Plan the most direct routes to transport students to and from school • Use computerized software to plan routes, if time it takes for staff to plan the route by hand would cost more than the software • Pick up students from central locations, instead of going from door to door, unless safety is an issue • Fill buses as much as possible to reduce the number of buses running at any one time, including activity trips <p>The district could consider:</p> <ul style="list-style-type: none"> • Reimbursing parents for driving students more than two and a half miles to or from school rather than providing a transportation program
<p>The district should minimize its fuel costs.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Buy fuel in bulk • Partner with local government entities to jointly purchase fuel • Have a no-idling policy for its buses
<p>The districts should take actions to prolong district vehicles' "lives."</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Require staff to log miles traveled per trip for <u>all</u> district vehicles, and have supervisors monitor the mileage to be sure the trips are reasonable • Do routine maintenance on district vehicles as often as called for by the manufacturer, and not more often • Do a cost analysis on parking district vehicles in a secure compound overnight or on weekends <p>The district could consider:</p> <ul style="list-style-type: none"> • Purchasing quality used vehicles to replace older vehicles, weighing the short-term convenience versus the reduced life span of used buses
<p>The district should minimize its maintenance costs.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Collect and monitor data on oil changes, routine servicing and all repairs and warranty work to help it make informed decisions on whether it is cost-effective to make expensive repairs on older vehicles <p>The district could consider:</p> <ul style="list-style-type: none"> • Contracting out for specialized maintenance costs, like glass repair, rebuilding transmissions or engines, radiator work, among others.

APPENDIX D

Agency Response

On July 2, 2010, we provided a copy of the draft audit report to the Concordia school district. Its response is included in this appendix.

In general, the district agreed with our findings and recommendations, although for many recommendations officials indicated they would submit proposals to the local school board, or conduct additional research themselves. We will determine the extent to which the district implements these recommendations as part of our normal follow-up process.

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BEVERLY
MORTIMER
Superintendent
Of Schools

July 9, 2010

Mr. Scott Frank
Interim Legislative Post Auditor
800 Southwest Jackson Street, Suite 1200
Topeka, Kansas 66612-2212

Dear Mr. Frank,

The Board of Education, Administration, and Staff of USD 333 would like to thank you and the Post Audit Team for the opportunity to participate in this efficiency audit. We have worked hard to find efficiencies throughout the district, especially with the financial challenges we have faced in the last year. We were successful in identifying areas that we could operate with more efficiency, but our participation in this process has allowed us look in areas that we previously had not considered. The process also gave us the chance to look deeper into our procedures to evaluate our current practices, and identify new possibilities. The Post Audit Team was a great group to work with, and provided explanations and updates throughout the process.

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Recommendations Related to Efficiency Management

1. The district should develop a systematic efficiency management process.

Response: The district will consider implementing a systematic efficiency management process. Overall, an efficiency management process, as described in the report, would assist the district with identifying patterns of spending in our districts as well as comparison to similar districts. Other districts can be used as resources for evaluating our programs and procedures. These comparisons can be helpful, but should be examined with caution since some differences can result from variations in finance reporting in different school districts.

Recommendations Related to Student Instruction

2. The district should consider options for changing how high school classes are offered.

Response: We have taken our first major step to address this issue. The Board and teachers agreed to change from the modified block schedule to a traditional

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schedule. The change will result in teachers teaching 6 sections, rather than the current 5 sections, beginning with the 2010-11 school year. The change allows us to offer more sections, with the goal to absorb some staff resignations and retirements in order to operate more efficiently. For the 2010-11 school year we were able to absorb 2 ½ teaching positions (retirements/resignations) because of the change in the master schedule.

A second option that we plan to explore involves virtual or online courses. We just completed our first year of a one-to-one laptop initiative for students in grades 9-12. The recent purchase of a computerized learning system will allow us the flexibility to offer more than 40 courses online. The primary reason for the purchase was to give staff and students access to current curriculum materials and resources, since textbooks are so expensive and often out-of-date by the time they arrive. But, this software will also give us options and resources to replace low enrollment courses.

Over the next few years the district will face low class-size challenges at Concordia High School. CHS will have two small classes (approx. 60 students in each grade) move through the building. Difficult decisions will need to be made as to whether programs are maintained or dropped. (Enrollment will increase once the two small classes move through; to approx. 80-100 students per grade level.) The community and staff take great pride in offering comprehensive educational opportunities to the students, and will be involved in this on-going process.

Recommendations Related to Facilities

3. The district should consider options related to facilities, including moving preschool from the Lincoln building to the elementary school and take steps to reduce or defray utility costs in the buildings.

Response: The Board of Education and district advisory councils will study the feasibility of moving district services out of the Lincoln building, moving 4th grade to the middle school, and moving the 6th grade to the jr./sr. high school. This change would involve every school in the district and time should be taken to consider the effects of such a shift. The buildings would all physically accommodate the grade levels, but the district will evaluate its philosophy in grade level organization in the buildings.

The district will explore options for conducting an energy audit to assist with a strategic plan to continue to reduce or defray utility costs. Each year the district has taken steps to become more energy efficient, with careful consideration in window and roof replacements. The district replaced the heating system and added a cooling system to the jr./sr. high building, originally built in 1929. During that process the Board felt that it was worth the investment to add software for managing the system, and training for district staff to operate that system. The heating and air systems are now monitored and controlled by computer; on-site and at remote locations. This results in more efficient heating and cooling at all times of day and year-round. The district will also work with staff to reduce the number of personal appliances, where possible.

Recommendations Related to Personnel

4. The district should consider changing procedures for cell phones, custodial/maintenance overtime, and offer fewer supplemental contracts.

Response: The Board is currently evaluating options to its current practice of providing district cell phones to some employees. A survey was recently given to schools around the state to research current cell phone practice in Kansas schools. Although there was a lot of variety in district procedures, many districts do pay stipends. The district will consider the recommendations made by the Post Audit Committee before taking action to revise the procedures.

All custodial/maintenance positions were offered as 44 hour positions, in the past. This was the competitive edge the district used to compete for workers in the community. In recent years the district has eliminated the extra four hours of overtime pay when replacing some custodial/maintenance positions. The district will consider further reductions in the practice and evaluate regular salaries, as well as savings by eliminating the practice of automatic overtime.

The district reduced supplemental salaries by \$140,000, including some extended contracts, for the 2010-11 school year. These reductions were a direct result of the current financial situation, and participant numbers in extra-curricular activities. The district will continue to monitor participant numbers and program costs to see if additional supplemental positions can be cut.

Recommendations Related to Business Processes

5. The district should consider options for purchasing practices.

Response: The district has changed many office functions to be electronic over the last year, such as electronic hand-scanning to replace paper time cards and direct deposit/e-mail of statements to all employees in the payroll process. These efforts will continue, as other possible functions are identified.

The district will continue to explore bulk purchasing opportunities and seek cooperative ventures with neighboring districts for purchasing options.

The district has taken steps to replace current procurement cards with cards that offer cash-back rebates.

The district will explore options for purchasing workers compensation insurance. However, several years back the district did go through this process and changed vendors. After a short time, the vendor indicated that they could not provide this insurance at the same costs. As a result, the district went back to the previous vendor. Costs were higher but the service was also more reliable.

Recommendations Related to Transportation Services

6. The district should reduce costs in vehicle maintenance, analyzing bus route planning, implementing controls for district vehicles, and competitive purchase of fuel.

Response: Currently, the district divides vehicle maintenance across the local business community. This is a local expectation. The district will consider options related to more efficient vehicle maintenance.

The district will evaluate a variety of bus routing software programs to determine if the cost of the software would be more efficient than the current methods of planning.

The district will give consideration to procedures to ensure that district vehicles are used for school district purposes.

The district has plans to convert the bulk gas tank to diesel, since most district vehicles are diesel. The district will also explore options related to fuel discounts from local vendors when fuel is purchased at the pump.

Recommendations Related to Information Technology

7. The district should consider using virtualized computers and phasing out individual inkjet printers.

Response: The district will explore options of using virtualized computers to simulate multiple computers.

The district will begin to phase-out the use of individual inkjet printers, and replace them with networked printers/copiers. Copiers in the buildings are currently networked, but the physical distance from classrooms to the copiers will also need to be evaluated.

Superintendent Bev Mortimer will be in attendance at the committee meeting in Topeka to answer any questions. The district does not disagree with any of the findings, but we would like to request the opportunity to briefly speak to the committee.

Sincerely,



Beverly Mortimer, Superintendent