

MEMORANDUM

Legislative Division of Post Audit
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TO: Members, House Education Committee
FROM: Scott Frank, Legislative Post Auditor
DATE: Monday, February 18, 2013
SUBJECT: Testimony on HB 2349

I appreciate the opportunity to provide neutral testify on HB 2349, which would add a provision in state law requiring the Legislative Division of Post Audit to conduct three school district efficiency audits each year.

School District Efficiency Audits (Fiscal Year 2010)

The 2005 Legislature created a five-person school audit team within Legislative Post Audit. The team was charged with conducting performance audits of the K-12 education system at the direction of the 2010 Commission, a school finance steering commission the Legislature also created in 2005. From January 2006 through July 2010, the school audit team produced a total of 25 performance audits of the K-12 system, examining a variety of issues such as teacher recruitment, at-risk funding, professional development, and vocational education.

During fiscal year 2010, the school audit team worked almost exclusively on school district efficiency audits. These voluntary audits examined individual school districts to determine if they could achieve cost savings by improving their management of personnel, facilities, or other resources. In all, efficiency audits were scheduled for 10 school districts, but only seven audits were conducted due to the cancellation of the audit function in July 2010. Based on our internal costing calculations, the estimated cost of these seven efficiency audits was about \$360,000.

The school audit team made numerous recommendations to the school districts to improve the efficiency of their operations. Some were relatively non-controversial, such as charging fees that covered actual costs, reallocating maintenance staff to reduce the need for overtime, and expanding the use of procurement cards. Others recommendations, such as closing schools and eliminating low-enrollment course offerings were far more controversial for districts. In total, the audits identified an estimated \$2.4 million in one-time savings or revenue enhancements, and \$6.2 million in ongoing savings.

I have included an April 2012 memo to the House Appropriations Committee which summarizes the audit costs and potential cost savings by school district. I have also included our August 2010 summary report which provides additional details on many of the findings at the seven school districts.

School District Efficiency Audits (Fiscal Year 2013)

The fiscal year 2013 appropriations bill passed by the Legislature during the 2012 session (SB 294) included a proviso requiring Legislative Post Audit to conduct three school district efficiency audits—one small, one medium, and one large school district. These audits were to be voluntary, and conducted in a similar fashion to the fiscal year 2010 audits.

The Legislative Post Audit Committee approved a plan for selecting the three school districts, including a more definitive definition of the three categories of school districts. Small districts would have fewer than 500 students (roughly equivalent to having a 1A or 2A high school), medium districts would have 500-4,000 students (equivalent to 3A-5A), and large districts would have 4,000 or more students (equivalent to 6A or multiple high schools). Districts would be selected on a volunteer basis.

A number of districts inquired about the efficiency audits, and in the end six districts volunteered. Our final selections included St. Francis (small), Southeast (medium), and Kansas City (large). Work began on these audit in October 2012, and the first two reports—St. Francis and Southeast—should be ready for release in early March.

I have included a September 2012 memo to the Legislative Post Audit Committee which provides additional details on the selection process, as well as a copy of the audit scope statement.

Potential Amendments for the Committee's Consideration

To help ensure these projects are best able to meet the needs of both the Legislature and the school districts, I have identified three potential amendments that I would ask the committee to consider if it decides to work on this bill:

- **The committee should consider a technical amendment to clarify that the audits would be conducted by the Legislative Division of Post Audit at the direction of the Post Audit Committee.** As the bill is currently drafted, it requires the committee, rather than our office, to conduct the audits.
- **The committee may want to consider adding language clarifying that the audits are to be voluntary.** My understanding from the committee's discussion last week is that bill's intent is to have school districts volunteer for these audits. As it is currently drafted, the bill does give first preference to voluntary selection, but implies the audits should still be conducted even if there are no volunteers. While we can certainly select the districts ourselves, the dynamic of these audits will be very different if the districts have been selected by us rather than having volunteered.
- **The committee may also want to consider including a sunset provision to ensure the audits only continue as long as there is ongoing legislative interest.** For the past several years many legislators have been very interested in having us conduct school district performance audits. That interest may continue for a long time, but it may not go on forever. Our office's past experience with ongoing statutory audit requirements is that they continue for many years beyond the point where the Legislature has lost interest in the audits. A sunset provision would bring the issue back to the Legislature's attention periodically and give it the opportunity to assess whether the requirement is still needed.

We would be happy to work with the Revisors to help draft language if the committee is interested in any of these potential amendments.



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TO: Members, House Appropriations Committee
FROM: Scott Frank, Legislative Post Auditor
DATE: April 20, 2012
SUBJECT: Supplemental Information About School Efficiency Audits

This memo is in response to the committee's request for more information about the school district efficiency audits conducted by Legislative Post Audit's school audit team. I've tried to summarize information about the nature of those audits, the estimated savings realized by the districts, and the cost of conducting the audits.

The School Audit Team

Legislative Post Audit's five-person school audit team was formed in January 2006 and remained active through July 2010 when its final reports were released. During that time, the team produced a total of 25 performance audits of K-12 education at the direction of the 2010 Commission.

School District Efficiency Audits

During its final year (July 2009 to July 2010), the school audit team worked almost exclusively on school district efficiency audits. These voluntary audits examined individual school districts to determine if they could achieve cost savings by improving their management of personnel, facilities, or other resources. In all, efficiency audits were scheduled for 10 school districts, but only seven audits were conducted due to the cancellation of the audit function in July 2010.

Audit Recommendations and Potential Savings

The school audit team made numerous recommendations to the school districts to improve the efficiency of their operations. Some were relatively non-controversial, such as charging fees that covered actual costs, reallocating maintenance staff to reduce the need for overtime, and expanding the use of procurement cards. Others recommendations, such as closing schools and eliminating low-enrollment course offerings were far more controversial for districts. In total, the audits identified an estimated \$2.4 million in one-time savings or revenue enhancements, and \$6.2 million in ongoing savings (see **Attachment A** for a breakdown by school district).

It appears that the seven school districts have implemented many of the audit recommendations. Using our annual follow-up work as of June 2011 to determine which recommendations had been implemented and our original projections to estimate the savings, we estimate almost \$1.5 million in annual savings has been realized by those districts (see **Attachment A**). At this point, it does not appear that any of the one-time savings and revenue enhancement ideas have been implemented. This is not surprising, because most of the one-time savings are tied to the more controversial recommendations, such as closing a school and selling the building.

Also, it is important to keep in mind a couple of points about these savings figures. First, the figures are based on our original estimates and the actual savings have not been tested or verified. Also, it's possible that the districts may have implemented additional recommendations after we conducted our follow-up work.

Audit Resources and Costs

Because of Legislative Post Audit's unstable budget situation in 2009 and 2010, the school audit team was only staffed at about 3.5 FTE during the time the school efficiency audits were being conducted. In total, the staff put in about 5,800 hours on the seven audits, which cost an estimated \$362,000 to complete.

Reconstituting the School Audit Team

As we have previously indicated, reconstituting a five-person school audit team would require \$433,000 in the first year (\$10,000 in one-time equipment costs and \$423,000 in ongoing staffing, facility, and travel costs). Obviously, a smaller team would be less expensive but would also produce fewer audits and recommendations.

At this time it is unclear whether there is any demand among school districts for efficiency audits. As mentioned above, there were audits scheduled for three districts that were cancelled when the program ended. In addition, our office had informal conversations with several other districts about efficiency audits, but none were scheduled. However, we have had no discussions with any school districts since July 2010 about school district efficiency audits.

ATTACHMENT A
K-12 Education: Voluntary Efficiency Audits of Schools
Estimated Savings Realized by Seven School Districts

School District Report Date	Summary of Significant Recommendations <i>(I) indicates the recommendation was implemented by the school district</i>	Potential Savings Identified		Estimated Savings Realized (a)		Resources	
		One-Time	Annual	One-Time	Annual	Staff Hours	Est. Cost
Derby Dec 2009	<ul style="list-style-type: none"> * Change to a "traditional" schedule at the high school rather than a block schedule * Fill class sections closer to capacity at the high school (I) * Consolidate administrative buildings * Replace librarians with library aides and share librarians among buildings (I) * Hire part-time staff or contract out for energy audits (I) * Stop providing and laundering maintenance uniforms (I) 	\$288,000	\$1,018,000	\$0	\$381,000	1,604	\$98,758
Ellinwood Jan 2010	<ul style="list-style-type: none"> * Fill class sections closer to capacity at the high school (I - partially) * Close the elementary school * Eliminate positions no longer needed because of low elementary enrollment * Automate paper-driven processes, including payroll and purchasing (I) * Maximize the use of business procurement cards to generate cash back (I) 	\$2,000,000 (b)	\$537,000	\$0	\$133,000	1,080	\$66,526
Renwick April 2010	<ul style="list-style-type: none"> * Implement a "traditional" class schedule at both high schools (I) * Close an elementary school and one high school * Offer fewer supplemental contracts for activities such as coaching or advising (I) * Competitively purchasing insurance, including property and liability (I) * Automate paper-driven processes, including payroll and timekeeping (I) 	~	\$1,958,000	~	\$221,000	826 (c)	\$50,888
Winfield April 2010	<ul style="list-style-type: none"> * Change to a "traditional" schedule at the high school * Fill class sections closer to capacity at the high school (I) * Close one elementary school and the intermediate school * Reduce the number of nurses and social workers to align with peers (I - partially) * Provide health insurance coverage for part-time staff if they work more hours (I) * Reduce the number of activity routes by filling buses and reducing trips (I) 	~	\$2,020,000	~	\$215,000	826 (c)	\$50,888
Concordia July 2010	<ul style="list-style-type: none"> * Fill class sections closer to capacity at the high school (I) * Move the preschool program to the elementary school (I) * Offer fewer supplemental contracts for activities such as coaching or advising (I) * Hire a full-time staff member to reduce overtime costs for maintenance (I) 	~	\$236,000	~	\$236,000	498 (d)	\$31,629
Riley County July 2010	<ul style="list-style-type: none"> * Take steps to make the district's food service program self-sufficient (I) * Change to a "traditional" class schedule at the high school (I - partially) * Move the central office to a school building and sell office as a residence * Offer fewer supplemental contracts for activities such as coaching or advising (I) * Use power-saving options and auto shut-off settings on electronics (I) 	\$136,000	\$242,000	\$0	\$189,000	498 (d)	\$31,629
Clifton-Clyde July 2010	<ul style="list-style-type: none"> * Fill courses and eliminate low-enrollment courses at the high school (I - partially) * Hire an additional employee to reduce overtime costs for custodial work * Charge for pre-school and kindergarten breakfasts to generate revenue 	~	\$232,000	~	\$113,000	498 (d)	\$31,629
Total		\$2,424,000	\$6,243,000	\$0	\$1,488,000	5,830	\$361,947

(a) Savings estimates are based on districts reporting the recommendations they had implemented as of June 2011 (except Derby which is as of June 2010).

(b) This is the county appraised value of the elementary school property. Selling the building for anything close to this value will be difficult because of the recession and current market conditions.

(c) The Renwick and Winfield audits were done as a single project consuming 1,653 audit hours and costing a total of \$101,775.

(d) The Concordia, Riley County, and Clifton-Clyde audits were done as a single project consuming 1,494 audit hours and costing a total of \$94,886.



SCHOOL DISTRICT SUMMARY REPORT

K-12 Education: Voluntary Efficiency Audits of School Districts— A Summary Report of Seven School Districts

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
August 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.

The Legislative Post Audit Committee is a bipartisan committee comprising five senators and five representatives. Of the Senate members, three are appointed by the President of the Senate and two are appointed by the Senate Minority Leader. Of the Representatives, three are appointed by the Speaker of the House and two are appointed by the Minority Leader.

Audits are performed at the direction of the Legislative Post Audit Committee. Legislators

or committees should make their requests for performance audits through the Chairman or any other member of the Committee. Copies of all completed performance audits are available from the Division's office.

LEGISLATIVE POST AUDIT COMMITTEE

Senator Terry Bruce, Chair
Senator Anthony Hensley
Senator Derek Schmidt
Senator Chris Steineger
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Representative Virgil Peck Jr.

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Scott Frank, Interim Legislative Post Auditor

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.

You won't receive an individual response, but all ideas will be reviewed, and Legislative Post Audit will pass along the best ones to the Legislative Post Audit Committee.

The Legislative Division of Post Audit supports full access to the services of State government for all citizens. Upon request, Legislative Post Audit can provide its audit reports in large print, audio, or other appropriate alternative format to accommodate persons with visual impairments. Persons with hearing or speech disabilities may reach us through the Kansas Relay Center at 1-800-766-3777. Our office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.



LEGISLATURE OF KANSAS
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August 30, 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.,

As you know, we completed a total of seven school district efficiency audits during fiscal year 2010. The enclosed report, *K-12 Education: Voluntary Efficiency Audits of School Districts—A Summary Report of Seven School Districts* contains a summary of our findings from the following districts:

- Derby (December 2009)
- Ellinwood (January 2010)
- Renwick (April 2010)
- Winfield (April 2010)
- Concordia (July 2010)
- Riley County (July 2010)
- Clifton-Clyde (July 2010)

We would be happy to discuss the findings presented in this report with any legislative committees, individual legislators, or other State officials.

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

These audits were conducted by Laurel Murdie, Brenda Muirhead, Lindsay Rousseau, and Alex Gard. Scott Frank and Joe Lawhon were the audit managers. 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:

Voluntary Efficiency Audits of School Districts— A Summary Report of Seven School Districts

Answer in Brief:

We conducted efficiency audits of seven school districts at the direction of the 2010 Commission. We found that none of the districts had a systematic process for managing efficiency. We identified a number of opportunities for districts to operate more efficiently, and the largest savings come from cutting teachers. All seven districts potentially could save money by changing their high school class schedules or course offerings and by using their buildings more efficiently. In addition, several districts could save money by making their food service programs more self-sufficient. Finally, we identified several other areas where districts could become more efficient and save money. These and other findings are described in more detail in the sections that follow.

We Conducted Efficiency Audits of Seven School Districts at the Direction of the 2010 Commission

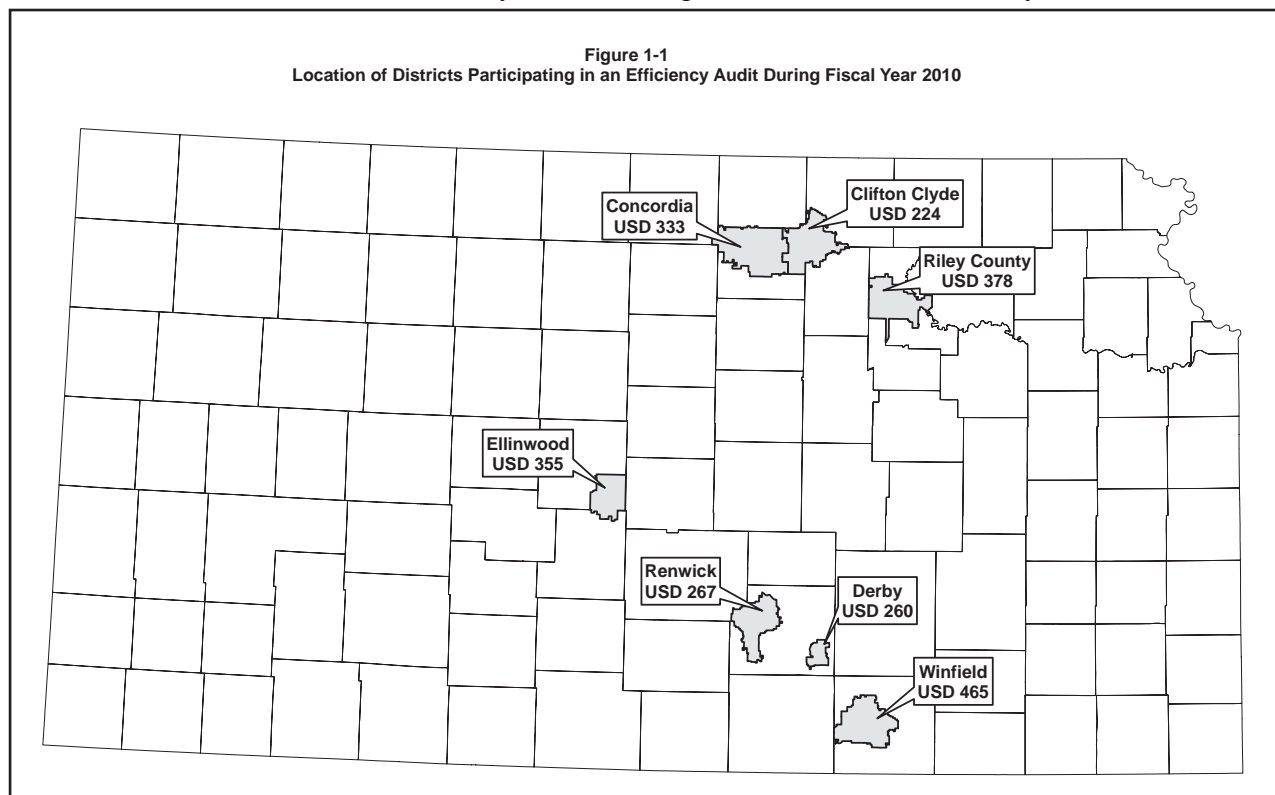
In July 2009, our office released a school district performance audit examining the efficiency of school districts' operations. As originally directed by the 2010 Commission, the audit would have consisted of two parts. The first part called for analyzing district staffing and expenditure data to identify areas where spending for districts appeared to be out-of-line compared with their peers. The second part called for following up on a sample of districts to evaluate areas that appeared to be out-of-line.

During that audit, the Commission directed us to suspend the second 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, the Commission also directed us to contact school districts to see if any of them would like to volunteer for an external efficiency audit. In response, slightly more than a dozen school districts contacted us and volunteered for such a review.

We completed a total of seven efficiency audits during fiscal year 2010 at the following districts:

- Derby (December 2009)
- Ellinwood (January 2010)
- Renwick (April 2010)
- Winfield (April 2010)
- Concordia (July 2010)
- Riley County (July 2010)
- Clifton-Clyde (July 2010)

The districts' locations are shown in *Figure 1-1*. This report contains a summary of the findings from the seven efficiency audits.



***None of the
Seven Districts
Had 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 have become more interested in how efficiently districts operate—particularly in light of the budget shortfalls facing governments at all levels. The school efficiency audits we conducted focused on helping identify ways that districts could *provide the same quality of educational services using fewer resources, or ways to use 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. A model for a good efficiency management process is summarized in *Figure 1-2* on the next page.

While most districts we visited have taken a number of positive steps to become more efficient and control costs, each lacked a systematic approach for evaluating and managing efficiency. For example, several districts had recently reviewed their energy usage and related policies in an attempt to reduce their energy costs. Also, all the districts had made spending cuts to address budget shortfalls, including cutting both certified teaching positions and classified staff such as custodians and cooking staff.

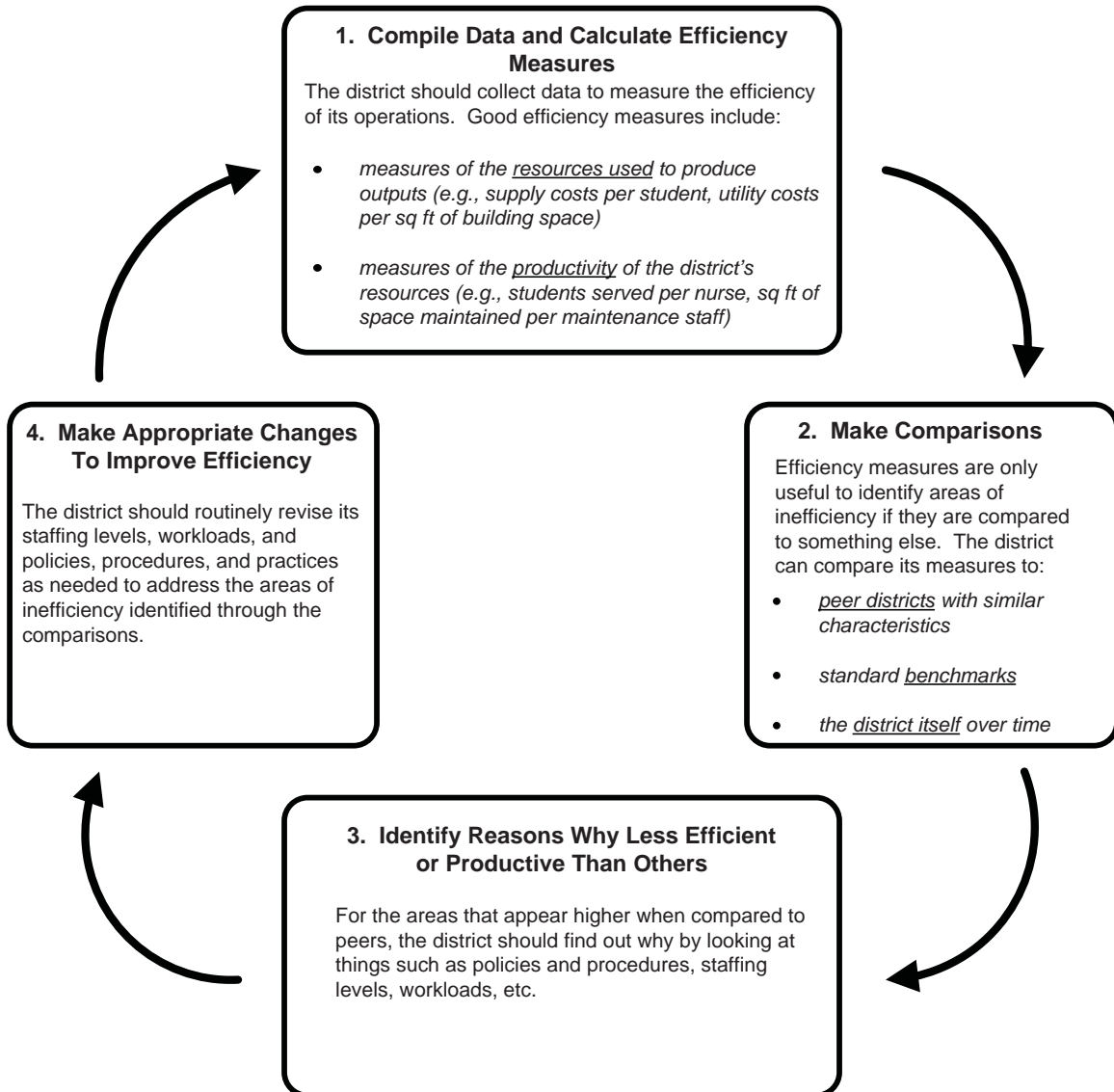
Despite those efforts, we noted that none of the districts had a fully developed process for reviewing and managing the efficiency of their operations. The following are some of the common issues we found:

- **While most districts looked at spending data at a high level, they didn't calculate measures of efficiency.** For example, officials didn't calculate how much they spent on a per-student basis for administration, operations and maintenance, transportation, and food service.
- **Most districts only made limited comparisons with the data they compiled.** In general, district officials tended to compare their spending data to spending in previous years, but they didn't compare themselves against peer districts or benchmarks. 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/>). Districts can use information on enrollment levels to calculate and make meaningful comparisons regarding specific types of per-student spending.
- **Most districts didn't have a systematic process for routinely revising policies, procedures, and practices as needed to address areas of efficiency.** Several district officials told us that while they don't have this kind of process in place, they were interested in implementing such a process. Other district officials told us they rely on suggestions from outside entities, such as the Kansas Association of School Boards. Finally, one district thought such a formal process was unnecessary.

**Figure 1-2
Model Efficiency Management Process**

A good efficiency management system allows districts to:

- Identify the functional areas within the district (e.g., administration, operations and maintenance, transportation, and food) where spending may be out-of-line.
- Identify the types of spending (e.g., salaries, benefits, and purchased services) that account for significant differences.
- Use the data as a starting point in understanding why costs might be different.



Source: LPA model based on a review of best practices and literature.

We Identified a Number of Opportunities For Districts To Operate More Efficiently, and the Largest Savings Come From Cutting Teachers

To help districts identify savings opportunities, we calculated various efficiency measures, interviewed district officials and staff, and conducted site visits to observe various processes and toured 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 B***.

Based on this work, we identified a number of opportunities for savings at each of the seven districts. They are summarized in ***Figure I-3*** on the next page.

As the figure shows, the largest savings opportunities come from the areas of student instruction and facilities. In either area, savings are achieved by reducing the number of certified teachers. For example, fewer teachers would be needed if a district changed how it scheduled high school courses (converting from a block to a traditional schedule) or if it closed a building.

In the sections that follow we provide more specific details about some of the most significant findings.

All Seven Districts Potentially Could Save Money By Changing Their High School Class Schedules or Course Offerings

In general, high schools tend to have a higher cost per student than elementary schools because high schools need more teachers to teach the variety of courses offered. Because of this, we took a close look at the schedules used by the high schools to see if they could be arranged more efficiently and save money.

Overall, we found that school districts have a number of different options for realizing significant savings at their high schools. However, because the savings options would affect the number of teachers the district needs, implementing these changes would require some tough decisions for school boards. We've summarized the options below.

- **Converting from a block schedule to a traditional schedule could save some districts money because fewer teachers would be needed to teach the same number of courses.** Courses at the high school level are typically offered in either a "traditional" or "block" schedule. Under a traditional high school schedule, students typically go to the same 7 or 8 courses every day, with each class lasting about 40-60 minutes. Beginning in the mid-1990s, many high schools switched over to a block schedule, where students take fewer classes each day, but for longer blocks of time.

As shown in the first line of ***Figure 1-4*** on page 10, three of the districts we reviewed could realize savings by switching from a block schedule to a traditional schedule (a fourth district, Concordia, already is in the

Figure 1-3
Summary of Areas Identified for Improved Efficiencies and Estimate of Savings
(Includes Information from the Seven School Efficiency Audits Conducted December 2009 to July 2010)

Potential Area for Achieving Cost Savings and Improved Efficiency	Clifton-Clyde 224	Derby 260	Renwick 267	Concordia 333	Ellinwood 355	Riley County 378	Winfield 465
Student Instruction							
Converting From a Block Schedule To a Traditional Schedule at the High School - See page 10 for more details.	(a)	\$600,000	\$95,000	(a)	~	~	\$154,000
Filling Course Sections Closer to Enrollment Capacities Without Changing Schedules - See page 10 for more details.	\$45,000	\$200,000	\$238,000	(a)	\$120,000	\$24,000	\$128,000
Converting From a Block Schedule To a Traditional Schedule and Filling Existing Course Sections Closer to Enrollment Capacities - See page 10 for more details.	(a)	\$200,000	\$288,000	\$190,000	~	\$96,000	\$129,000
Facilities							
Closing or Taking Steps to Reduce Costs in the:							
Pre-School	~	~	~	\$12,000	~	~	~
Elementary School	(b)	~	\$755,000	~	\$390,000	~	\$867,000
Intermediate School	~	~	~	~	~	~	\$580,000
Middle School	~	~	~	~	~	~	~
High School	~	~	\$800,000	~	~	~	~
Other Building	\$1,100	\$24,000	~	~	~	\$136,000 (c)	(a)
<i>See page 11 for more details.</i>							
Taking Steps To Reduce or Defray Utility Costs in Its Buildings - Using power savings options, such as automatic shut-off settings on computers and monitors, turning off lights at night, and competitively shopping for utilities.	(b)	(b)	~	(b)	~	\$9,100	~
Developing a Preventative Maintenance and Work Order System - Such a system helps ensure that equipment is operating optimally and can help minimize maintenance costs.	~	~	~	~	(b)	~	~
Charging Appropriate Fees for Community Use of District Facilities - Fees should cover staff and utility costs.	~	(b)	~	~	~	~	~
Personnel							
Offering Fewer Supplemental Contracts - These contracts are for the time teachers spend outside the classroom on activities like coaching sports teams or advising yearbook.	~	~	\$12,000	\$14,500	\$12,000	\$8,500	~
Hiring a Full-Time Staff Member To Reduce the Need for Custodial/Maintenance Overtime - Instead of paying existing staff overtime, hire new full-time staff.	\$4,300	\$9,500	~	\$11,500	~	~	~
Reducing the Number of Support Staff To Be More In-Line with Peer Districts - Reduce staff (for example nurses and social workers), to be more in line with like-sized peer districts.	~	~	~	~	~	~	\$180,000

Figure 1-3
Summary of Areas Identified for Improved Efficiencies and Estimate of Savings
(Includes Information from the Seven School Efficiency Audits Conducted December 2009 to July 2010)

Potential Area for Achieving Cost Savings and Improved Efficiency	Clifton-Clyde 224	Derby 260	Renwick 267	Concordia 333	Ellinwood 355	Riley County 378	Winfield 465
Personnel							
Using Librarian Aides in Place of Some Librarians - Librarian aides cost less and could help reduce instruction support costs.	~	\$160,000	~	~	~	~	~
Changing Health Insurance Eligibility Requirements - Pro-rating the amount paid for benefits for part-time staff or increasing the minimum number of hours worked to be eligible for benefits could save money.	~	~	~	~	~	~	\$84,000
Paying Stipends for Cell Phones and Limiting the Number of Them - Giving phones only to staff who may need to be contacted outside regular hours and paying reasonable stipends toward phones costs.	~	~	~	\$6,500	~	\$5,600	\$5,000
Reducing Vehicle Allowances, Eliminating Unnecessary Mileage Reimbursements - Reduce allowances and pay mileage only when contractually necessary.	~	~	~	~	\$300	~	\$7,200
Implementing Better Controls for District Vehicles - Have controls in place to ensure that vehicles are used solely for district purposes.	~	~	~	(b)	~	~	(b)
Reevaluating Policies for Buying Back Unused Leave From Staff - At the end of the school year, some districts buy back unused personal and sick leave. Change to the policy to reduce how much is bought back.	~	~	(b)	~	\$12,500	~	~
Business Processes							
Automating Paper-Driven Processes - Districts could save money by converting paper processes to electronic processes such as electronic deposit for payroll, electronic time-keeping systems, and sending paper newsletters to patrons.	\$1,100	\$5,000	(b)	(b)	(b)	(b)	\$1,000
Maximizing the Use of Business Procurement Cards - Procurement cards with cash-back rebates can be used to generate revenue.	\$500	\$12,000	\$1,000	\$1,800	\$500	\$1,150	\$1,000
Modifying Existing Purchasing Practices - Pairing with neighboring districts to jointly purchase supplies and negotiate lower costs on supplies and other items.	(b)	~	~	(b)	~	(b)	(b)
Competitively Purchasing Property or Liability Insurance - Because districts spend a substantial amount in this area, regularly soliciting bids or competitively shopping is a good practice.	(b)	~	(b)	(b)	(b)	~	(b)
Developing and Using an Inventory System for Equipment, Supplies, and Assets - Districts should keep an up-to-date inventory of supplies and equipment to reduce the cost of replacing lost or stolen items.	(b)	~	~	~	~	~	(b)

Figure 1-3
Summary of Areas Identified for Improved Efficiencies and Estimate of Savings
(Includes Information from the Seven School Efficiency Audits Conducted December 2009 to July 2010)

Potential Area for Achieving Cost Savings and Improved Efficiency	Clifton-Clyde 224	Derby 260	Renwick 267	Concordia 333	Ellinwood 355	Riley County 378	Winfield 465
Transportation Services							
Purchasing Vehicle Fuel Competitively - <i>Districts spend a substantial amount in this area and competitively shopping for fuel and buying fuel in bulk, when possible, is a good practice.</i>	~	~	(b)	(b)	(b)	(b)	(b)
Shopping Around for Bus or Vehicle Maintenance Services - <i>Competitively shopping for maintenance services can ensure that districts save money on repairs.</i>	(b)	~	~	(b)	(b)	(b)	~
Reducing the Number of Activity Routes - <i>Districts could reduce the number of activity trips by filling buses.</i>	~	~	\$7,200	~	~	~	\$8,000
Analyzing the Need for Bus Route Planning and Competitively Shop for those Needs - <i>Computerized route planning software can be expensive. Before initially buying or replacing existing software, districts should do a cost-benefit analysis to determine whether it's a cost-effective purchase.</i>	~	~	~	(b)	~	~	~
Food Services							
Improving the Efficiency of the Food Service Program - <i>Food service programs should be self-supporting. See page 12 for more details.</i>	(b)	~	~	~	(b)	\$122,000	(b)
Charging for Breakfasts and Lunches to Generate Revenue - <i>By charging for all pre-kindergarten and kindergarten student breakfasts, the Clifton-Clyde school district could generate revenue each year. By charging for foreign exchange students' lunches and pre-school teacher lunches, Winfield school district could also generate revenue.</i>	\$7,700	~	~	~	~	~	\$9,700
Information Technology							
Expanding the Use of Virtualized Computers - <i>Virtualized computers allow a single computer to simulate multiple computers, cutting down on hardware costs.</i>	(b)	~	(b)	(b)	~	(b)	~
Phasing Out Individual Printers and Replacing them With Networked Printer/Copier Units - <i>Inkjet printers are extremely inefficient because ink is expensive. Setting a deadline to remove the individual printers could save money sooner.</i>	(b)	~	~	(b)	~	(b)	~

Figure 1-3
Summary of Areas Identified for Improved Efficiencies and Estimate of Savings
 (Includes Information from the Seven School Efficiency Audits Conducted December 2009 to July 2010)

Potential Area for Achieving Cost Savings and Improved Efficiency	Clifton-Clyde 224	Derby 260	Renwick 267	Concordia 333	Ellinwood 355	Riley County 378	Winfield 465
Miscellaneous							
Reducing the Use of Personal Appliances - <i>Small appliances such as refrigerators and microwaves can consume a lot of electricity. Banning their use could reduce energy costs.</i>	~	~	(b)	(b)	~	~	~
Invoking a Hardship Clause in a Contract - <i>The Winfield school district could temporarily reduce the payments on its lease by \$50,000 per year, if it invoked a hardship clause in the lease.</i>	~	~	~	~	~	~	\$50,000
Sharing Resources With Other Districts - <i>Districts could share staff and other resources, such as equipment.</i>	~	~	~	~	(b)	~	~
Stop Providing Maintenance Staff Uniforms - <i>The Derby school district could save money if it didn't provide and launder uniforms for these staff.</i>	~	\$6,600	~	~	~	~	~
Printing Business Cards In-House - <i>Districts could save money if they print their own business cards.</i>	~	\$1,000	~	~	~	~	~
Stop Purchasing Bottled Water - <i>Stop purchasing bottled water if it is for convenience only.</i>	~	~	~	~	\$500	~	~

(a) Concordia will change to a traditional schedule beginning 2010-11, but, to get the change approved by teachers, has agreed not to cut teaching positions. Clifton-Clyde currently uses a "traditional" high school class schedule, so there's not savings to be had from switching.
 (b) We were unable to quantify the potential savings in this area.
 (c) These are one-time revenues generated from closing and selling Riley County's central office building.

Source: Summary of findings from the following K-12 Education: School Districts Efficiency Audits: 09PA14 Derby; 09PA16 Ellinwood; 10PA05.1 Renwick; 10PA05.2 Winfield; 10PA06.1 Concordia; 10PA06.2 Riley County; 10PA06.3 Clifton-Clyde.

process of making this change). The potential annual savings range from \$95,000 to \$600,000. These districts could save money because each teacher would teach at least an additional course each semester, making it possible to teach the same number of courses with fewer staff. However, because teachers would have less planning time than they do under a block schedule and would have to prepare for an additional class, making this change may require renegotiating teacher contracts.

Finally, although block scheduling is popular, in our work from a previous audit we saw that education research has found no positive effect (and perhaps even a negative effect) on student performance under a block schedule (see *K-12 Education: Alternative Models for Organizing Middle School and High School*, available at http://www.kslegislature.org/postaudit/audits_perform/07pa02a.pdf).

- **Most districts could save salary costs by filling course sections closer to capacity.** Generally, districts' contracts with teachers don't set a mandatory or preferred number of students to be enrolled in each course section taught. Instead, district officials set their own limits. In comparing actual enrollment levels for some classes, we noted that

many of the course sections weren't full. Districts could reduce their costs by filling classes closer to capacities and eliminating their lowest enrollment courses. Because fewer courses would be needed, the districts would need fewer teachers and could save on salary costs.

We analyzed the potential cost savings if districts filled courses closer to enrollment capacities. As shown in the second line of **Figure 1-4**, six of the seven districts could realize some salary savings by taking this action. The potential annual savings range from \$24,000 to \$238,000.

Figure 1-4 Summary of Savings Options Related to Changing High School Classes or Course Offerings							
Savings Option	Clifton-Clyde 224	Derby 260	Renwick 267	Concordia 333	Ellinwood 355	Riley County 378	Winfield 465
Converting From a Block Schedule To a Traditional Schedule at the High school - <i>Switching could save some districts money because fewer teacher would be needed to teach the same number of courses.</i>	(a)	\$600,000	\$95,000	(b)	\$0	\$0	\$154,000
Filling Course Sections Closer to Enrollment Capacities Without Changing Schedules - <i>Districts that chose to keep block schedules can still realize savings by filling course sections closer to enrollment capacities. For smaller districts that already have a traditional schedule or for whom switching wouldn't necessarily yield savings, filling courses to capacity would result in salary savings because fewer teachers would be needed to teach the remaining courses.</i>	\$45,000	\$200,000	\$238,000	(b)	\$120,000	\$24,000	\$128,000
Converting From a Block Schedule To a Traditional Schedule <u>and</u> Filling Existing Course Sections Closer to Enrollment Capacities - <i>Some districts potentially could save even more after switching to a traditional schedule, by filling courses closer to enrollment capacities. Our analysis was limited to only to <u>core</u> classes (not electives), so there may be even more potential savings if all courses were filled closer to capacity.</i>	(a)	\$200,000	\$288,000	\$190,000	\$0	\$96,000	\$129,000
<p>(a) Clifton-Clyde current uses a "traditional" high school class schedule, so there's no savings to be had from switching. (b) Concordia will change to a traditional schedule beginning 2010-11, but to get the change approved by teachers, it has agreed not to cut teaching positions.</p> <p>Source: Summary of findings from the following K-12 Education: School Districts Efficiency Audits: 09PA14 Derby; 09PA16 Ellinwood; 10PA05.1 Renwick; 10PA05.2 Winfield; 10PA06.1 Concordia; 10PA06.2 Riley County; 10PA06.3 Clifton-Clyde.</p>							

All Seven Districts Potentially Could Save Money By Using Their Buildings More Efficiently

Buildings are expensive to operate and maintain, therefore it's important for districts to control costs by not operating more building space than they need. However, closing a school building is one of the most difficult and divisive decisions a school board and community can make. District patrons are very likely to be strongly against such a move because of the negative impact on the community and the areas served by the school. However, because of the current economic recession, districts have been looking at this option to help them operate more efficiently and reduce costs. Obviously, such decisions can't be made in a vacuum, and the impact on the students and communities must be taken into account.

While visiting the seven school districts, we toured buildings and analyzed how space was used. Based on our analyses and observations, we identified potential savings at all seven districts, whether it was through closing a school building or making more efficient use of administrative space. **Figure 1-5** summarizes our findings and the potential savings options for these districts.

As the figure shows, the amount of potential savings varied significantly, from about \$1,100 a year in utility costs by closing an out-building at Clifton-Clyde High School, to \$867,000 a year in building and staffing costs by closing an elementary school in Winfield. Another interesting example was in Riley County, where the district might be able to sell its central office building—a former residential home—and generate about \$136,000 in one-time revenue.

**Figure 1-5
Summary of Savings Options Related to Buildings**

Savings Option	Clifton-Clyde 224	Derby 260	Renwick 267	Concordia 333	Ellinwood 355	Riley County 378	Winfield 465
Closing a <u>School</u> Building							
Pre-School	~	~	~	\$12,000	~	~	~
Elementary School	(a)	~	\$755,000	~	\$390,000	~	\$867,000
Intermediate School	~	~	~	~	~	~	\$580,000
Middle School	~	~	~	~	~	~	~
High School	~	~	\$800,000	~	~	~	~
Closing <u>Other</u> Buildings							
Administrative Building	~	\$24,000	~	~	~	\$136,000 (b)	(a)
Outbuilding - Instruction	\$1,100	~	~	~	~	~	~

(a) We were unable to quantify the potential savings in this area.
(b) These are one-time revenues generated from closing and selling Riley County's central office building.

Source: Summary of findings from the following K-12 Education: School Districts Efficiency Audits: 09PA14 Derby; 09PA16 Ellinwood; 10PA05.1 Renwick; 10PA05.2 Winfield; 10PA06.1 Concordia; 10PA06.2 Riley County; 10PA06.3 Clifton-Clyde.

Several Districts Potentially Could Save Money By Making Their Food Service Programs More Self Sufficient

An efficient food service program should be self-sufficient—it should generate enough revenues to cover costs. The primary factors that affect costs are similar to those for other areas—staffing and supply costs. The factors that affect revenues include meal prices, sales to visitors and district staff, a la carte sales (for example, individual pizza slices and salad bars), and the number of students who receive free or reduced-price lunches. If a program isn't self-sufficient, the district must subsidize it with operating funds that could be used for other purposes, such as hiring additional teachers.

**Figure 1-6
Food Service Program Information
for Districts Participating in an Efficiency Audit
2008-09 School Year**

School District	Total Meals Served (a)	Revenue Transfers (b)			Average Lunch Price	Avg Food Expend Per Student
		Total	Per Student	Peer Rank (c)		
Derby (260)	913,470	\$0	\$0	1 of 12	\$1.80	\$415
Renwick (267)	272,636	\$0	\$0	1 of 18	\$1.98	\$420
Concordia (333)	214,452	\$25,000	\$24	3 of 11	\$1.92	\$591
Clifton-Clyde (224)	55,432	\$28,000	\$96	1 of 11	\$1.85	\$540
Ellinwood (355)	71,834	\$57,253	\$134	7 of 14	\$1.92	\$518
Winfield (465)	427,136	\$110,300	\$46	14 of 16	\$2.18	\$543
Riley County (378)	105,008	\$242,804	\$376	13 of 13	\$2.17	\$816

(a) Includes breakfast and lunch.
 (b) Amounts transferred from general fund or local option budget to supplement district's food service program. Districts that transfer money into their food service programs are less efficient than those that don't.
 (c) This district's rank when compared to peers (peers aren't listed here). The lower the rank, the more inefficient the district's food service program. Both Derby and Renwick school districts each had several peer districts who also transferred \$0.

Source: LPA analysis of data provided by the Department of Education and individual school districts for the 2008-09 school year.

Figure 1-6 provides key information about the food service programs at each of the seven districts. As the figure shows, five of the seven districts transferred money to shore up their food service funds in 2008-09. Of those, three districts—Ellinwood, Riley County, and Winfield—each transferred more than most of their peers. Making their food services program more efficient would allow the districts to reduce the amount transferred to subsidize the program. We identified several options for helping to reduce the need to subsidize food services, which are summarized below:

- **Consult with peer districts that operate a more self-sufficient food service program**—District officials struggling to make their food service program self-supporting should find out what other districts do to operate self-sufficiently.

- **Set lunch prices at a level that comes closer to covering food service costs, and charge for extras**—Charging prices that are more closely aligned to the actual cost to produce meals will help make food services programs more self-sufficient.
- **Implement portion control**—This was an important issue at the Riley County school district, where at the high school, after being served the main entrée, students and staff are allowed to take as much as they want from the salad bar and fruit bar for one price—\$2.17.
- **Jointly purchase food supplies and milk**—If area school districts combined their purchasing power, they might be able to get quantity discounts that they otherwise wouldn't be able to get on their own.
- **Consider implementing a central kitchen**—Central kitchens can reduce the need for duplicate appliances as well as the need for additional staff to prepare food.

*We Identified
Several Other Areas
Where Districts
Could Become
More Efficient and
Save Money*

In addition to the more significant areas for savings described earlier, we identified a number of other opportunities for school districts to reduce costs. Although these are unlikely to produce huge savings, they're also less likely to negatively affect districts' ability to provide high-quality instruction. They include:

- **Automating paper-driven business processes**—Most districts continue to rely heavily on paper for administrative-related functions, including purchasing, payroll, and student records. If districts relied less on paper and used electronic processes such as scanning and e-mail, they could save staff time, paper, postage, and storage space.

For example, for each of the past two school years, the Ellinwood school district spent more than \$10,000 on postage. Offering parents a choice about how they receive official correspondence could cut down on mailings. The Concordia school district recently started using an electronic time-keeping system for most employees—hand-scanners allow employees to clock in and out and have reduced staff time for processing paper timecards.

- **Competitively purchasing transportation-related services**—Besides salaries for bus drivers, the largest transportation-related expenses are fuel and vehicle maintenance. Many of the districts we reviewed didn't consistently shop around for bus maintenance services or competitively purchase their fuel.
- **Better use of information technology**—Many districts could benefit from using virtualized computers. Virtualized computers allow a single computer to be configured to simulate multiple computers, minimizing hardware costs. In addition, nearly all districts we visited still used individual inkjet printers. These printers can be extremely inefficient because the ink is expensive. Phasing-out these printers would save the districts money.

- **Sharing resources with other entities**—Whenever entities engage in the same types of activities or provide the same types of services, there can be opportunities to coordinate activities or share resources. For example, if located close enough together, districts potentially could share teachers or maintenance staff. For smaller districts struggling with small course enrollments—such as the Ellinwood and Clifton-Clyde school districts—sharing staff may help reduce costs.
- **Reducing cell phone costs by reducing the number of phones or using stipends**—The Winfield, Riley County, and Concordia school districts each could take steps to reduce costs in this area. For example, each of these districts could reduce the total number of cell phones in use and save by issuing cell phones only to critical staff. In addition the Winfield school district could save by reducing the stipend it pays for cell phones, while the Riley County and Concordia school districts could offer stipends to partially pay for cell phones, instead of paying the entire cost.
- **Maximizing the use of business procurement cards**—All seven districts could benefit from making better use of business procurement cards. By using cards that provide cash-back rebates to cover purchases from vendors that accept the cards, the districts could have received annual rebates ranging from \$500 for each of the Clifton-Clyde and Ellinwood school districts to \$12,000 for the Derby school district.
- **Reduce overtime costs by hiring full-time staff**—For example, by assigning part-time work to a full-time network manager, the Derby school district guaranteed that the employee would be paid overtime. The Concordia school district guaranteed four hours of overtime per week for custodial and maintenance staff with two or more years experience at the district. Finally, the Clifton-Clyde school district also paid custodial staff overtime. If new full-time staff were hired—instead of paying existing staff overtime—the Derby school district likely would have saved about \$9,500, the Concordia school district would have saved about \$11,500, and the Clifton Clyde school district would have saved about \$4,300.

Conclusion:

The current fiscal situation—which may linger for some time—makes it critical for school districts to find ways to make their operations more efficient. The purpose of these seven school efficiency audits was to find ways in which districts can change the way they currently operate so they can provide the same quality of educational services using fewer resources, or so they can use their existing resources more productively. We hope that the findings of these audits can help school districts through that process.

Having an ongoing efficiency management process is essential to improving efficiency. A well-developed process should include calculating efficiency measures, comparing those measures to peers and benchmarks, and systematically making changes as needed. None of the seven districts we looked at had such a process, and it's unlikely that most districts in the State have one either.

Unfortunately, very few of the largest opportunities for savings are painless. Through these audits, many of the options we've identified for significant savings are the result of cutting teaching positions, which clearly can affect the ways in which instruction is provided. Nevertheless, by pro-actively identifying ways in which they can operate more efficiently, districts may be able to make more targeted cuts, which could lessen the impact on their ability to provide high-quality instruction.

APPENDIX A

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 10 school districts contacted us to arrange for such an audit. In total, we completed seven efficiency audits during fiscal year 2010. This appendix contains the scope statement that outlined our work for those audits.

SCOPE STATEMENT

K-12 Education: Voluntary Efficiency Audits of Kansas School Districts

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 Derby, Ellinwood, Renwick, Winfield, Concordia, Riley County, and Clifton-Clyde school districts 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 answered the following question:

- 1. Could school districts achieve cost savings by improving management of non-instructional personnel, facilities, or other resources?** To answer this question, we would review efficiency audits from other states, talk with district officials, and compare districts' non-instructional staffing and expenditures to peers to identify areas where the districts could potentially save money. We would evaluate the districts' practices in each of the areas we've identified to see if there are ways the districts could use fewer resources without affecting their ability to educate students.

APPENDIX B

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 B
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> • See best practices for salaries, benefits, overtime, and supplies in the "Administration" section. <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 • See best practices for salaries, overtime, benefits, and supplies in the "Administration" section. <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)

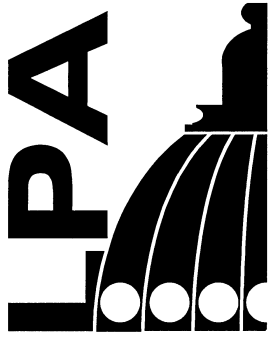
<p>The district should avoid using excessive administrative space.</p>	<p>The district should:</p> <ul style="list-style-type: none"> • Routinely evaluate workspace per staff person and provide adequate space, and close off or sell unneeded space <ul style="list-style-type: none"> ◦ <i>For example, the 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 • <i>See 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.



MEMORANDUM

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TO: Members, Legislative Post Audit Committee
FROM: Scott Frank, Legislative Post Auditor
DATE: September 20, 2012
SUBJECT: Update on School District Efficiency Audits

Budget Proviso

As you may recall, the fiscal year 2013 appropriations bill passed during this past session (SB 294) included a proviso which requires Legislative Post Audit to conduct three school district efficiency audits. These voluntary audits would be similar to the series of seven school district efficiency audits our office conducted from July 2009 to June 2010. The proviso specifically requires:

- Legislative Post Audit will conduct three school district efficiency audits during fiscal year 2013.
- The districts will include one small, one medium, and one large school district. [These categories were not defined in the proviso.]
- The Legislative Post Audit Committee will decide how to select the districts, but selection must first be on a voluntary basis.

Selection Process

At its July 7 meeting, the Post Audit Committee approved a plan for selecting the three school districts. That plan entailed:

- Our office would send a letter to all school board presidents and district superintendents to solicit volunteers for the audits. Volunteers would be taken up until September 1.
- We would select one volunteer from each of the following enrollment categories:
 - *Small Districts* (fewer than 500 students) – Roughly equivalent to districts with a 1A or 2A high school.
 - *Medium Districts* (500-4,000 students) – Roughly equivalent to districts with a 3A, 4A, or 5A high school.
 - *Large Districts* (4,000 or more students) – Roughly equivalent to districts with a 6A high school or multiple high schools.

In the event that there was more than one volunteer in an enrollment category, we would select a district at random from all volunteers within that category. In the event that there were no volunteers in a category, we would select a district at random from all school districts in that category.

- We would finalize our selections by September 15.

Districts Selected

A number of districts inquired about the efficiency audits, and in the end six districts volunteered. Those volunteers included:

- Small Districts
 - St. Francis (selected)

- Medium Districts
 - Newton
 - Southeast (selected)
 - Wamego
 - Parsons

- Large Districts
 - Kansas City (selected)

St. Francis and Kansas City were selected for the small and large categories by default. We held a random lottery to select the medium district and the Southeast school district was chosen. The three districts that were selected, along with the other districts that were not selected, were formally notified this week.

Current Schedule

We will begin work on the school district efficiency audits in the middle of October. The approved scope statement for this work is attached. Most of our fieldwork will be conducted between November 2012 and January 2013. We currently project that the final reports would be ready in late April, around the time of the veto session.

SCOPE STATEMENT

K-12 Education: Efficiency Audit of Selected School Districts

During fiscal year 2010, the Legislative Division of Post Audit conducted voluntary efficiency audits of school districts. Officials from several school districts volunteered for the audits as a way to help them identify ways they could reduce costs without affecting the education they provide students. In total, seven school district efficiency audits were conducted. Among other things, these audits found potential savings related to food service programs, high school scheduling, and consolidating administrative functions into a single building.

During the 2011 legislative session, legislators expressed an interest in having us perform an efficiency audit similar to those performed in 2009 and 2010. As a result of that interest, the Legislature included a proviso in the fiscal year 2013 appropriations bill requiring an audit of three school districts by the end of the fiscal year.

This school district performance audit answers the following question:

- 1. Could selected school districts achieve significant cost savings by improving resource management, and what effect would those actions have?** To answer this question, we would select three school districts for review (one small, one medium, and one large), with preference given to districts that voluntarily requested an audit. We would interview district officials, tour facilities, and compare each district's staffing and expenditures to its peers to identify areas where the district could potentially save money. We would evaluate each district's practices in the areas we identified to see if there are ways the districts could use fewer resources without significantly affecting their ability to educate students. Further, we would interview school district officials and others to identify the potential effect those actions might have on the local community, teachers, parents, and students. Finally, we would survey school districts to identify what types of efficiency measures they have already taken to reduce costs. We would perform additional work in this area as necessary.

Estimated Resources: 3 LPA staff

Estimated Time: 6 months (a)

- (a) *From the audit start date to our best estimate of when it would be ready for the committee. This time estimate includes a two-week agency review period.*

Questionnaire Instructions for School District Efficiency Audit

This questionnaire is part of the school district efficiency audit. Your responses will help us gain a better sense of how your district operates and help direct us toward areas where you may be able to save money. Please answer the questions to the best of your knowledge and don't hesitate to contact the audit staff if you need assistance.

Johnathan Reeves is the contact person for this questionnaire and can be reached by phone at **785-296-7978** or by e-mail at **Johnathan.Reeves@lpa.ks.gov** Thank you in advance for your time.

The questionnaire document has eight tabs with questions pertaining to specific efficiency areas. We have tried to tailor the answer formats to fit each question. Please mark the appropriate box for each yes or no question and/or provide additional information as requested. If any of the questions are unclear or if you want to provide more information, please contact LPA staff.

Purchasing

1 Do you take competitive bids for good and services?

Yes		No	
-----	--	----	--

a. If so, please describe which ones you bid out in the box below:

--

b. If you take bids, in the box below, please explain how often you rebid:

--

2 Do you partner with other school districts or other organizations to jointly purchase goods or services?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

--

3 Have you had to pay any late fees for bills in the past few years?

Yes		No	
-----	--	----	--

4 Do you use procurement cards (for example, credit cards) to purchase any goods and services?

Yes		No	
-----	--	----	--

a. If so, what kinds of things do you purchase with procurement cards? Please describe in the box below:

--

b. How much did you spend using procurement cards last year?

--

c. Do you receive cash back for your purchases made with the card?

Yes		No	
-----	--	----	--

d. What is the cash-back rate?

--

Compensation

1 Do you allow overtime for hourly employees?

Yes		No	
-----	--	----	--

If so, please describe how that is authorized or controlled:

2 Do you limit the amount of vacation/sick time administrative staff can accrue?

Yes		No	
-----	--	----	--

If so, what are those limits?

Insurance

Health Insurance

1 Do you provide any health insurance to:

a. Any part-time employees?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

b. Any temporary employees?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

2 What are the current monthly premiums for your health insurance plan?

	Employee Share	District Share	Total Premiums
<u>Single employee coverage</u>			
<u>Group coverage (covers dependents)</u>			

3 How many employees are eligible for your health insurance plan? How many participate?

	Eligible	Participate	Participation Rate
<u>Single employee coverage</u>	/		/
<u>Group coverage (covers dependents)</u>	/		/
<u>Total</u>		0	0%

Has your participation rate been fairly stable over the past several years? If not, please describe:

4 Did you take competitive bids for your current health insurance plan?

Yes		No	
-----	--	----	--

a. If so, how long ago?

b. When do you plan to rebid your health insurance plan?

5 Do you currently pool with any other school districts or other organizations to purchase health insurance?

Yes		No	
-----	--	----	--

a. If so, with whom?

b. If not is there any particular reason that you don't?

Property Insurance

1 Did you take competitive bids for your current property insurance?

Yes		No	
-----	--	----	--

a. If so, how long ago?

b. When do you plan to rebid your property insurance?

2 What is your current deductible?

a. Have you changed your deductible in recent years?

Yes		No	
-----	--	----	--

b. If so, from what to what?

Vehicle Insurance

1 Did you take competitive bids for your current vehicle insurance?

Yes		No	
-----	--	----	--

a. If so, how long ago?

b. When do you plan to rebid your vehicle insurance?

2 Please provide the following information about your vehicle insurance:

	Total # of vehicles	Total premium cost
Buses		
Non-Bus Vehicles		

3 What are your current deductibles?

a. *Collision:*

b. *Comprehensive:*

c. *For comprehensive, is there a deductible for each individual vehicle, or one for the entire fleet?*

Workers Compensation Insurance

1 Did you take competitive bids for your current workers compensation insurance?

Yes		No	
-----	--	----	--

a. *If so, how long ago?*

b. *When do you plan to rebid your workers compensation insurance?*

Communications

1 Do you communicate electronically with:

a. District staff?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

b. Parents?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

c. School Board members?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

2 For any of the above groups, do you provide any of the same information both electronically and in hard copy?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

3 How many cell phones does your district have?

4 What is the total monthly bill for those cell phones?

5 Do you use Voice-Over-Internet Protocol [VOIP] for your phone service?

Yes		No	
-----	--	----	--

6 Please select the option below that best describes your participation in Kan-Ed:

a. Not a member	
b. A member, but not fully connected (able to access some services)	
c. A fully connected member (able to access all services)	

Information Technology

1 Do any of your staff have multiple computers (excluding staff that work in computer labs)?

Yes		No	
-----	--	----	--

If so, in the box below, please describe who does:

--

2 Do any of your staff have a printer assigned to them individually (in addition to any shared network printers)?

Yes		No	
-----	--	----	--

If so, in the box below, please describe who has their own printer, and what type of printer:

--

3 Have you purchased, or do you plan to purchase, any customized software products? (This could include either administrative software or teaching software.)

Yes		No	
-----	--	----	--

If so, please explain who does in the box below:

--

4 Do you use virtualization (using software to simulate multiple computers on the same physical computer) for any of your computers and/or servers?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

--

Internet Connectivity

1 Do you have a high-speed connection (i.e., not dial-up) to the Internet?

Yes		No	
-----	--	----	--

2 If so, what is the size of the connection in megabits per second (Mbps)?

3 What do you pay each month for your Internet connection?

4 Does Kan-Ed currently help pay for your Internet connection?

Yes		No	
-----	--	----	--

5 Do you get E-rate to help pay for your Internet connection?

Yes		No	
-----	--	----	--

6 In the box below, please describe any other issues regarding your Internet connection:

Support Services

Support Services for Students

1 Please select the option below that best describes how you provide support services for your *students* (for example, nursing, counseling, social work):

a. In-house staff only

b. Contract or share with other districts or other organizations

If you contract or share for services, please describe in the box below:

c. Other

If "other," please describe in the box below:

2 Please select the option below that best describes how your student support staff are distributed throughout the district:

a. Share staff across buildings

b. Staff in each building

c. Other

If "other," please describe in the box below:

3 Do you use community services such as the local health department to provide some support to students?

Yes No

If so, please describe in the box below:

Support Services for Staff

1 Please select the option below that best describes how you provide support services for your teachers (for example, curriculum development, instructional coaching, library and media):

a. In-house staff only

b. Contract or share with other districts or other organizations

If you contract or share for services, please describe in the box below:

c. Other

If "other," please describe in the box below:

2 Please select the option below that best describes how your instructional support staff are distributed throughout the district:

a. Share staff across buildings

b. Staff in each building

c. Other

If "other," please describe in the box below:

Operations and Maintenance

1 Do you contract out any of your operations and maintenance work?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

--

2 Do you purchase any of your utilities through a consortium or other group purchasing arrangement?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

--

3 Do you receive any special discounts from your utility companies (e.g., special rates for schools)?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

--

4 Do you have any underutilized or vacant buildings?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

--

5 Have you had an energy audit in the last 5 years?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

--

Transportation

Student Transportation

Providing Transportation

1 Do you contract out any part of your transportation services?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

2 Do you bus any students who live within 2.5 miles of their schools?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

3 Do you use automated software to plan your bus routes?

Yes		No	
-----	--	----	--

4 Do you pick up students in common bus stops or do you go house to house?

5 How many of your non-bus vehicles (e.g. passenger vans) are used to transport students?

Vehicle Maintenance

1 Do you contract out any vehicle maintenance?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

Activity Trips

1 Do you have all student groups ride the same bus when they're going to the same place? (Example: cheerleaders, band, and sports teams together)

Yes		No	
-----	--	----	--

If no, please describe in the box below:

2 Do you use smaller vehicles (such as small buses or passenger vans) to transport small groups of students to activities?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

Staff Transportation

1 How many of your non-bus vehicles are used for staff or administrator travel?

2 Do you permanently assign vehicles to any administrators or staff?

Yes		No	
-----	--	----	--

a. If so, what's the reason for permanently assigning them vehicles?

b. Are they allowed to keep the district vehicles at home?

Yes		No	
-----	--	----	--

c. If they are allowed to keep the vehicles at home, please explain in the box below:

Miscellaneous

1 Do you bill Medicaid for any of the special education services you provide?

Yes		No		N/A	
-----	--	----	--	-----	--

If you answered no or N/A, in the box below, please explain why you don't bill Medicaid (for example, you are part of a special education cooperative):

--

2 Have you issued any bonds in recent years?

Yes		No	
-----	--	----	--

If so, did you take competitive bids for the bond-financing services?

Yes		No	
-----	--	----	--

3 Please select the option below that best describes how you issue paychecks:

a. Paper checks only	
b. Automatic payroll deposits only	
c. Either paper checks or automatic payroll deposits	

4 Besides payroll, do you pay any of your other bills electronically?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

--

5 Do you print your own materials such as stationary and business cards in-house (as opposed to using an outside printing company)?

Yes		No	
-----	--	----	--

If so, please describe in the box below:

--