



ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION
SCHOOL DISTRICT EFFICIENCY REVIEW

Abbeville 60

District Report

6/16/2017





OUTLINE

- I. Executive Summary
- II. District Overview and Overhead
- III. Financial Management
- IV. Human Resources
- V. Procurement
- VI. Transportation

EXECUTIVE SUMMARY

ABBEVILLE 60

PROJECT OVERVIEW

- This document contains observations and recommendations completed in conjunction with the School Efficiency Review conducted for the South Carolina Department of Education and pursuant to Part 1B Section 1 Proviso 1.92 of the FY2016-17 General Appropriations Act.
- The scope of the District Efficiency Review focused on the following central operations: **(1) Finance; (2) Human Resources; (3) Procurement; (4) Transportation; and (5) Overhead.**
 - Instruction, Food, Facilities and Technology functions were outside the scope of this efficiency review.
 - Facilities and Technology Assessments were completed in accordance with Part 1B of Proviso 1.92 and are separate from this report.
- A&M's review focused on identifying opportunities across the operational areas noted above that would yield:
 - 1. Increased Effectiveness and Efficiency**
 - Improved processes that would enable increased levels of service to the District's students and teachers and enhance financial controls and financial stewardship of the District's funds and assets.
 - A&M considered potential opportunities that could be realized both in the current state and in a situation where the District chooses to collaborate with other nearby or like-minded districts.
 - 2. Cost Avoidance and / or Cost Savings**
 - Enhanced processes and structures that would enable the District to realize savings and/or avoid potential costs in the future, including consideration of potential investments required to mitigate ongoing cost exposure.

EXECUTIVE SUMMARY

ABBEVILLE 60

PROJECT OVERVIEW (CONTINUED)

- A&M conducted School Efficiency Reviews of 79 of the 82 school districts in the State across two phases, each of which approximated nine weeks. Phase 1 included 32 districts (all Plaintiff districts) and Phase 2 included 47 districts. Three districts did not participate due to previously completed efficiency reports: Clarendon 1 (Plaintiff), Lexington 4 (Plaintiff) and Dorchester Two.
- The review conducted by A&M included 2 partial day site visits in order to meet with district personnel to understand their organizations, processes and approaches.
- The report identifies two themes that will help drive greater efficiency and effectiveness in school districts:
 1. **Modernize:** A series of one-time investments in technology that must be made in order to enhance processes and drive operational efficiency.
 2. **Collaborate:** Small districts must perform and support a fixed, minimum cost structure that does not allow them to benefit from economies of scale available to larger districts. There are a range of opportunities for cross-district collaboration that will realize efficiencies and generate the highest level of savings. Efficiencies and effectiveness will increase as the number of districts collaborating increases.
- This analysis presents two types of estimates:
 1. **Investments** in school district modernization necessary to drive future cost savings; and
 2. **Net savings** from implementation of a shared services model for functions within the scope of this study.

EXECUTIVE SUMMARY

ABBEVILLE 60

PROJECT OVERVIEW (CONTINUED)

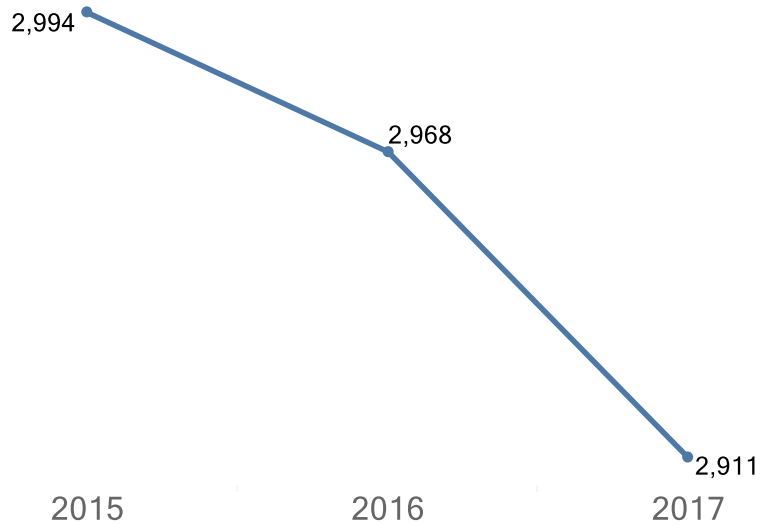
➤ Sources of Data and Savings Estimates:

- A&M based the recommendations included in this report on data received from both the State and the District.
 - State provided data: FY16 revenue and expenditure data submitted by districts to the State, 3-year historical enrollment/average daily membership data, FY16 school transportation routes by district.
 - District provided data: FY17 personnel rosters, FY16 disbursements by vendor, vendor contracts and invoices, and various operational and financial metrics tracked and maintained by the districts.
- Many districts were unable to provide all of the data requested. As a result of data limitations, savings estimates calculated rely on aggregate expenditure data to derive estimates for potential savings.
- Savings estimates are based on a series of assumptions about changes in process and staffing levels (stand-alone and multi-district) that will vary upon implementation. Variation from the amounts presented as net savings are likely in the event a shared services model is implemented.

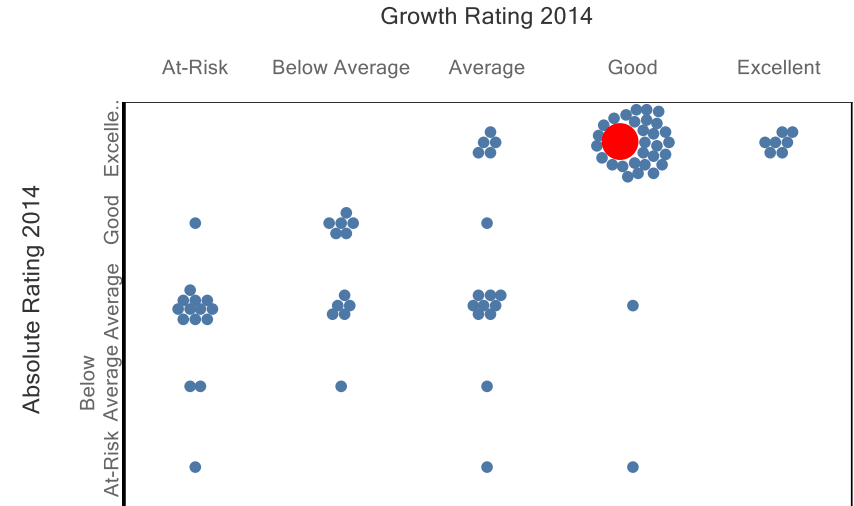
EXECUTIVE SUMMARY

ABBEVILLE 60

Average Daily Membership^[2]



Student Achievement^[1]



General Info

Number of Schools ^[2]	8
% Poverty ^[1]	66.8%
% Disability ^[1]	4.1%
\$ Per Student ^{[2],[3]}	\$11,073
\$ Per Student Excluding Debt & Capital ^{[2],[3]}	\$10,325

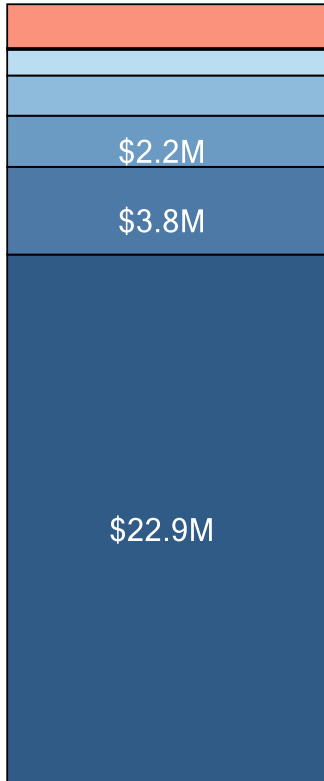
Administration

Students Per Instructional Services FTE ^{[2],[4]}	8.6
Students Per Overhead FTE ^{[2],[4]}	327.5
Students Per School Support FTE ^{[2],[4]}	41.7
Students to Total FTE ^{[2],[4]}	7.0

EXECUTIVE SUMMARY

ABBEVILLE 60

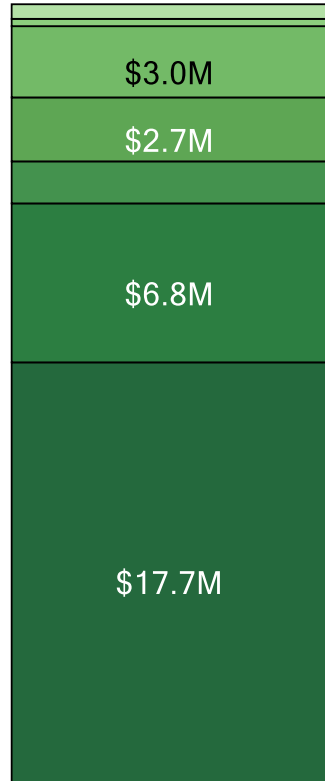
Sources of Funds^[5]
\$33.7M



2015-2016

- Debt Service Fund
- Capital Projects Fund
- Pupil Activity Fund
- Food Service Fund
- Education Improvement Act Fund
- Special Revenue Fund
- General Fund

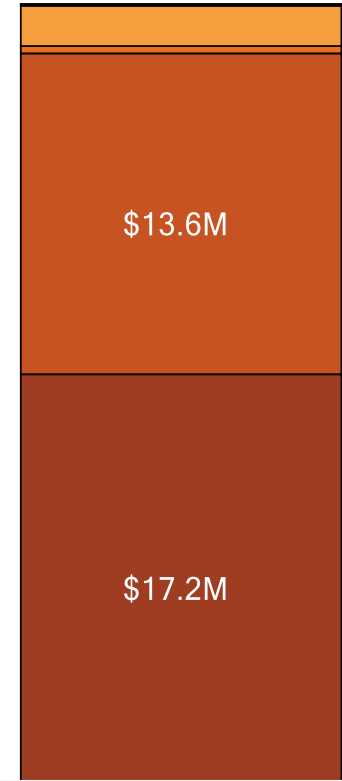
Use of Funds - Type^[3]
\$32.9M



2015-2016

- Capital Outlay
- Transfers
- Other Objects
- Supplies and Materials
- Purchased Services
- Employee Benefits
- Salaries

Use of Funds - Function^[3]
\$32.9M



2015-2016

- Community Services
- Debt Services
- Other Charges
- Support Services
- Instruction

EXECUTIVE SUMMARY

ABBEVILLE 60

\$32.9M
Total

\$4.7M
In-Scope

\$28.2M
Not In-Scope

14.3% of total spend is within scope of the efficiency review:

	In Scope Spend ^[3]	Procurement Component
Finance	\$249,251	\$40,548
Human Resources	\$158,343	\$5,669
Overhead	\$305,226	\$114,310
Transportation	\$608,782	\$15,076
Procurement (Community Services, Instruction, Support Services)	\$3,364,889	\$3,364,889
TOTAL	\$4,686,491	\$3,540,492

EXECUTIVE SUMMARY

ABBEVILLE 60

GOALS, CHALLENGES & ACHIEVEMENTS

District Goals

Mission: The mission of the Abbeville County School District is to develop proficient, creative, self-motivated students by providing quality educational opportunities in a safe and nurturing environment that supports innovation and lifelong learning.

1. **Student Achievement:** Provide effective ELA, Math, Science, and Social Studies instructional programs for grades 3-8 and increase the High School graduation rate from 83.6% in 2013-2014 to 90% in year 2018-2019.
2. **Teacher Recruitment:** Increase the percentage of all core academic subject area teachers who are highly qualified as defined by ESEA in the appropriate content and level from the baseline of 89.8% in 2013 to 100% by the 2018-2019 school year.
3. **Professional Learning:** Develop and implement a plan to assist staff in providing high quality literacy skills to meet the needs of all students.
4. **Parent & Family Involvement:** Promote a positive school climate by increasing or maintaining the percentage of parents/guardians attending parent conferences district wide.
5. **Highly Qualified Personnel:** Recruit, select, train, and evaluate highly qualified and properly certified personnel.
6. **Technology:** Provide reliable and efficient technology systems, hardware and infrastructure for instructional for grades 3-8.

Achievements

- **Student Achievement:** Consistently achieves high performance (well above state average) for elementary school reading, math and science performance on test scores as reflected in the state scorecard.
- **Parent Involvement:** Fosters an environment that has enabled the District to maintain high levels of parental involvement; the percentage of parents/guardians attending parent conferences district wide ranges from 95% - 100%.
- **Instructional Resources:** Has achieved a better than average student to teacher ratio, demonstrating a commitment to stated goals around student achievement.
- **Absolute Growth Rating:** The district was rated Excellent on the South Carolina Absolute Rating Scale and Good on the Growth Rating Scale in 2014.

Challenges

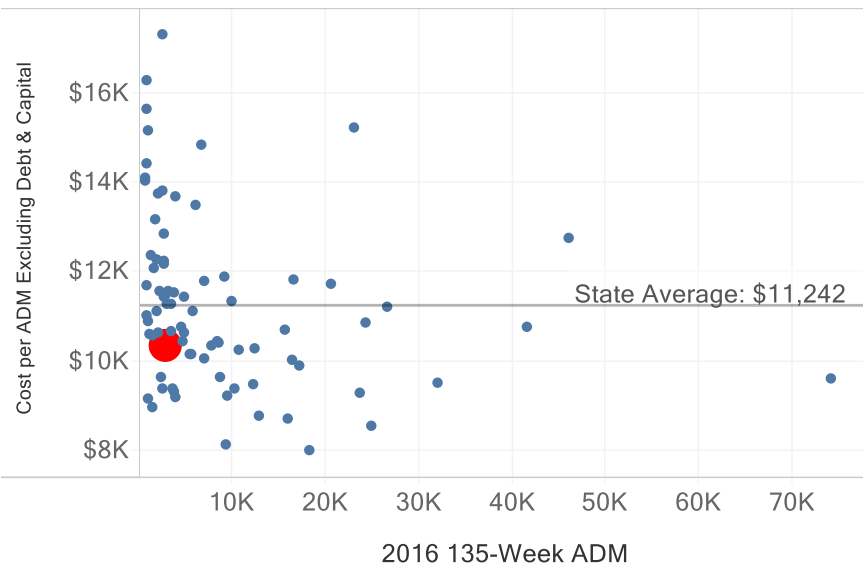
- **Teacher recruitment:** Difficult to attract teachers in high needs areas.
- **Declining Enrollment:** 83 students lost in the past three years.
- **Transportation Equipment and Staff:** Aging bus fleet and bus drivers.
- **Age of the Facilities:** Aging of buildings, resulting in the need for expensive ongoing maintenance and improvements. New funding is required to make longer term fixes.
- **Limited Administrative Resources:** District administrative personnel must perform multiple functions due to limited staffing levels.

EXECUTIVE SUMMARY

ABBEVILLE 60

KEY OBSERVATIONS

Per Pupil vs. Enrollment



District Size and Minimum Costs

Minimum Cost Base:

The District must perform and support a fixed, minimum cost structure and does not benefit from economies of scale available to larger districts.

Resource Utilization:

The small size of the District requires resources to be leveraged within and across functional areas and often resources wear multiple hats in order to complete key processes.

Opportunities for Improvement

Modernize / Process Improvements:

The District has the opportunity to implement new technologies and streamline processes in order to enhance overall effectiveness of support functions.

Collaboration / Maximizing Efficiencies:

Given the small size and spending base of the District, there are a range of collaboration opportunities for cross-district collaboration that will provide the greatest ability to realize efficiencies and generate the highest level of savings. The greater the number of districts collaborating, the greater the efficiencies and effectiveness.

EXECUTIVE SUMMARY

ABBEVILLE 60

OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
Finance	• Financial Viability: The District reports a strong fund balance. A decline in enrollment will require the District to be prudent with long term financial planning and fund balance reserves in order to navigate through any unanticipated events. • Limited Staffing / Manual Processes: The District's lean staffing structure combined with an under-utilization of technology contribute to a need to modernize financial processes.
Human Resources	• Challenges with Recruiting and Retention: General challenges associated with teaching shortages are exacerbated by the rural nature of the school district and the lower relative teacher salary compared to larger districts nearby. There is a reliance on agencies for placement on hard-to-staff positions and international teachers to fill vacancies. • Limited Staffing / Manual Processes: The District has limited staffing levels with few staff that are fully dedicated to Human Resources.
Transportation	• Transportation Management: The State directly pays for costs of bus purchasing, maintenance, fuel and a portion of driver salaries. The District is grappling with a shortage of drivers. • Manual Routing: The District does not have routing software that can be used to help drive routing efficiencies.
Procurement	• Staffing and Organization: The District has limited, if any, resources dedicated to Procurement. • Strategic Sourcing: Low leverage with vendors due to low purchasing volumes. Contracts are negotiated without volume discounts / rebates. There is significant off-contract purchasing and limited collaboration across districts.
Overhead	• Staffing and Organization: Approximately 1.5 FTE in the office of the Superintendent, including the Superintendent. • Collaboration: The District engages in some informal collaboration with other Superintendents.

RECOMMENDATIONS

School districts' efficiencies identified during the review can best be summarized into two key categories: Modernize and Collaborate

Modernize School District Operations

- Invest in technology
 - New statewide bus routing software
 - Purchase new or expand existing technologies to minimize “paper-pushing”
 - Drive data quality improvements across district financial and personnel systems
- Streamline people and processes around new technology

Collaborate Across Districts

- Districts can achieve greater economies of scale in administrative (Finance and HR) and procurement functions.
 - Implement a regional shared service model that includes Finance, HR and procurement (at a minimum)
 - Strengthen purchasing collaboration through dedicated volume
- Collaboration will not only drive cost savings, but will increase the effectiveness of the services.

EXECUTIVE SUMMARY

ABBEVILLE 60

MODERNIZATION RECOMMENDATIONS

District investment in modernization will help improve the effectiveness of their overall processes and operations on a stand-alone basis.

MODERNIZATION RECOMMENDATIONS			
FINANCE	HUMAN RESOURCES	PROCUREMENT	TRANSPORTATION
System Enhancements: Update software versions and / or add modules to the financial systems to facilitate both automated and purchase to payment processes, integrated timekeeping, and payroll and position control functionality. Process Improvements: Modernize processes to limit manual activities and strengthen internal controls. Staffing and Organization: Train/cross-train personnel on the key financial functions to increase the capabilities and effectiveness of the team.	System Enhancements: Enhancements to existing technologies may streamline manual processes. Process Improvements: Formalize plans to implement and enhance incentive programs to help navigate teaching shortages and increase recruitment and retention rates. Staffing and Organization: Train/cross-train personnel on recruiting, talent management and professional development strategies.	Process Improvements: Leverage state contracts and group purchasing organizations to optimize spend. Enable other districts to purchase off individually negotiated contracts. Negotiate discounts / rebates for tiered levels of spending using minimum buying commitments as appropriate. Monitor compliance with major contracts and analyze spending distribution on an ongoing basis to identify opportunities for potential savings.	System Enhancements: Implement new routing software, GPS, and security cameras on all buses. Process Improvements: Staggered Bell Times: Complete analysis (in conjunction with use of routing software) to evaluate potential financial benefits of using routing software. Staffing and Organization: Implement staggered bell times and routing software to make routes more efficient and reduce the number of bus drivers necessary for operation.

EXECUTIVE SUMMARY

ABBEVILLE 60

COLLABORATION RECOMMENDATIONS

Organizational effectiveness and cost savings opportunities can increase through formal collaboration efforts between districts.

REGIONAL COLLABORATION OPPORTUNITIES			
FINANCE	HUMAN RESOURCES	PROCUREMENT	OTHER AREAS
Accounts Payable and Payroll: Shared Processing; Standardized and automated workflow on approvals Potential to add in: • Accounting Entries • Financial Reporting • General Oversight • ERP Systems • Grant Compliance and Claiming	Benefits Coordination: Shared Processing and Support Potential to add in: • Intl. Recruiting: H1B Process or collaborative • System Licenses for Recruiting, Substitute Management, and on-boarding • Sharing of instructional resources across varying classroom models	Purchasing Coordination: Collaborate on market intelligence, pricing opportunities, RFP management, contract negotiations, contract management and minimum buying commitments Capitalize on volume discounts and rebates Shared analysis of spending, monitoring and optimization of pricing	Transportation: Shared administrative resources Facilities/ Maintenance: Shared staffing of key maintenance positions across districts (e.g, HVAC, Electrician, Plumbing) Technology: Shared oversight and support functions Curriculum: Shared research and development functions

Governance structures, service level agreements and implementation plans will vary based upon the range of services included and the districts participating in a collaborative model.

EXECUTIVE SUMMARY

ABBEVILLE 60

APPROACH TO SAVINGS

GENERAL APPROACH TO ESTIMATING INVESTMENTS AND SAVINGS

- Investments and cost savings were estimated based on interviews with District personnel across each functional area, using financial and operational data received from both the state and each district.
- Data provided was benchmarked and analyzed to understand costs, productivity and utilization.
- For more detail on methodology, see Appendix A. Actual savings may vary based on implementation decisions.

FINANCE AND HUMAN RESOURCES

- A&M conducted interviews and analyzed personnel rosters and expenses to understand the intersection of people, process and technology within each district.
- A&M estimated a range of potential synergies from district collaboration based on average district spend in key finance and HR functional areas. Synergies will be realized when participating district resources are pooled in a Shared Service Center. For purposes of this analysis, A&M calculated the District level savings by estimating the level of resources that would be required to support two average sized smaller districts at the low end and five districts of varying sizes at the high end.

PROCUREMENT

- A&M reviewed the District disbursement register and reviewed a limited sampling of vendor invoices to gain an understanding of the District's procurement spend.
- On a limited basis, A&M reviewed rates paid to individual vendors by multiple districts.
- In order to estimate savings, A&M leveraged the information gathered above and then applied potential savings rates to key spend categories. Savings rates were based upon past experience that our clients have achieved by partnering with A&M on strategic sourcing.

TRANSPORTATION

- A&M used data provided by the State to analyze district route mileage, frequency, timing, and volume to estimate potential efficiencies available through the implementation of routing software and staggered bell times.
- Benchmarks were established based on districts currently using routing software and staggered bell times.
- Savings were estimated based on a target benchmark for the District that took into consideration the location, population and rural profile of the each district.
- Estimates include savings for bus drivers, fuel, maintenance and buses.

EXECUTIVE SUMMARY

ABBEVILLE 60

CONCLUSION: ESTIMATED ONE-TIME INVESTMENT AND ANNUAL SAVINGS

Preliminary investment and savings estimates for your District are shown below.

	MODERNIZE Est. One-Time Investment			COLLABORATE Est. Net Annual Savings		
	Low		High	Low*		High
Finance	\$10,000	-	\$25,000	\$25,200	-	\$75,500
Human Resources	0	-	5,000	0	-	16,300
Procurement	0	-	0	87,000	-	182,400
Transportation – District	N/A	-	N/A	29,000	-	43,000
District Total	10,000		30,000	141,200		317,200
Transportation – State	17,000	-	52,000	30,600	-	65,900
Total	\$27,000	-	\$82,000	\$171,800	-	\$383,100

* A negative savings amount reflects the need to hire additional resources if collaboration with other districts is not pursued.

Investment and savings ranges shown above reflect preliminary estimates of impacts of A&M recommendations. These amounts are subject to change based upon the implementation strategies selected. In addition, potential costs associated with additional planning activities are not reflected in these estimates.



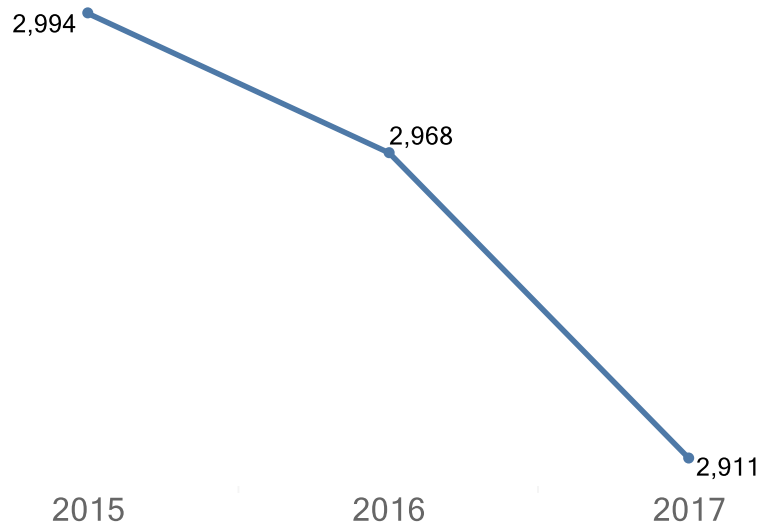
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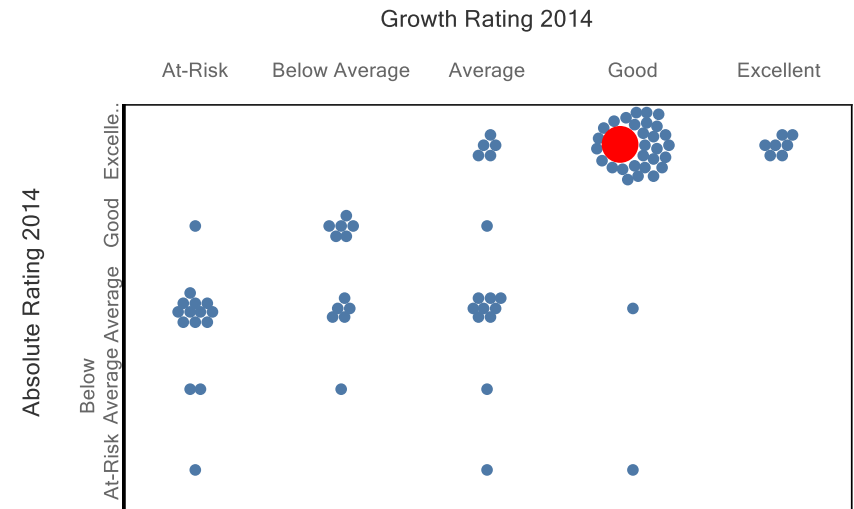
DISTRICT ADMINISTRATION AND PERFORMANCE

ABBEVILLE 60

Average Daily Membership^[2]



Student Achievement^[1]



General Info

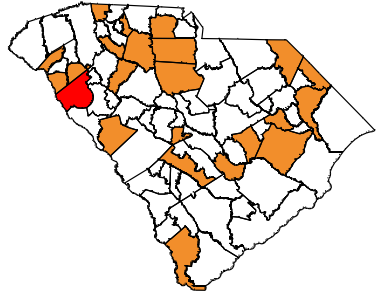
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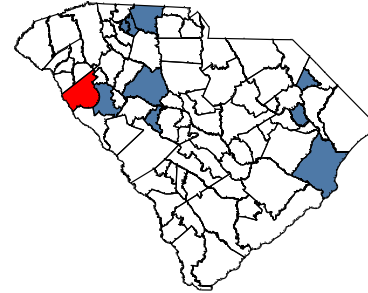
DISTRICT BENCHMARKING

ABBEVILLE 60



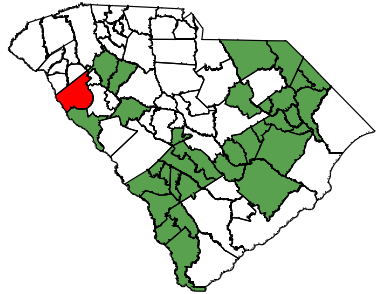
Enrollment (2,500 - 5,000)

Abbeville 60	Lexington 04
Anderson 02	Marion 10
Anderson 03	Marlboro
Anderson 04	Orangeburg 03
Chester	Orangeburg 04
Clarendon 02	Spartanburg 01
Dillon 04	Spartanburg 03
Edgefield	Spartanburg 04
Fairfield	Union
Florence 03	Williamsburg
Jasper	York 01
Laurens 56	



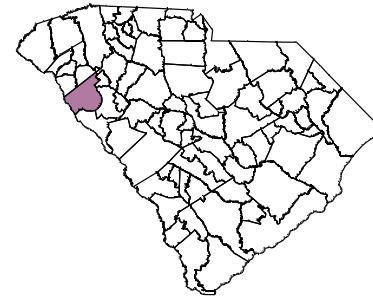
Poverty (65% - 70%)

Abbeville 60
Cherokee
Dillon 03
Florence 02
Georgetown
Greenwood 50
Lexington 03
Newberry
Spartanburg 03
tanburg 07



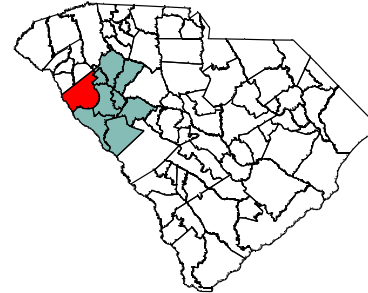
Phase 1 (Yes)

Abbeville 60	Hampton 01
Allendale	Hampton 02
Bamberg 01	Jasper
Bamberg 02	Laurens 55
Barnwell 19	Laurens 56
Barnwell 29	Lee
Barnwell 45	Lexington 04
Berkeley	Marion 10
Chesterfield	Marlboro
Clarendon 01	McCormick
Clarendon 02	Orangeburg 03
Clarendon 03	Orangeburg 04
Dillon 03	Orangeburg 05
Dillon 04	Saluda
Florence 01	Williamsburg
Florence 02	
Florence 03	
Florence 04	
Florence 05	



County (Abbeville)

Abbeville 60



Region (Upper Savannah)

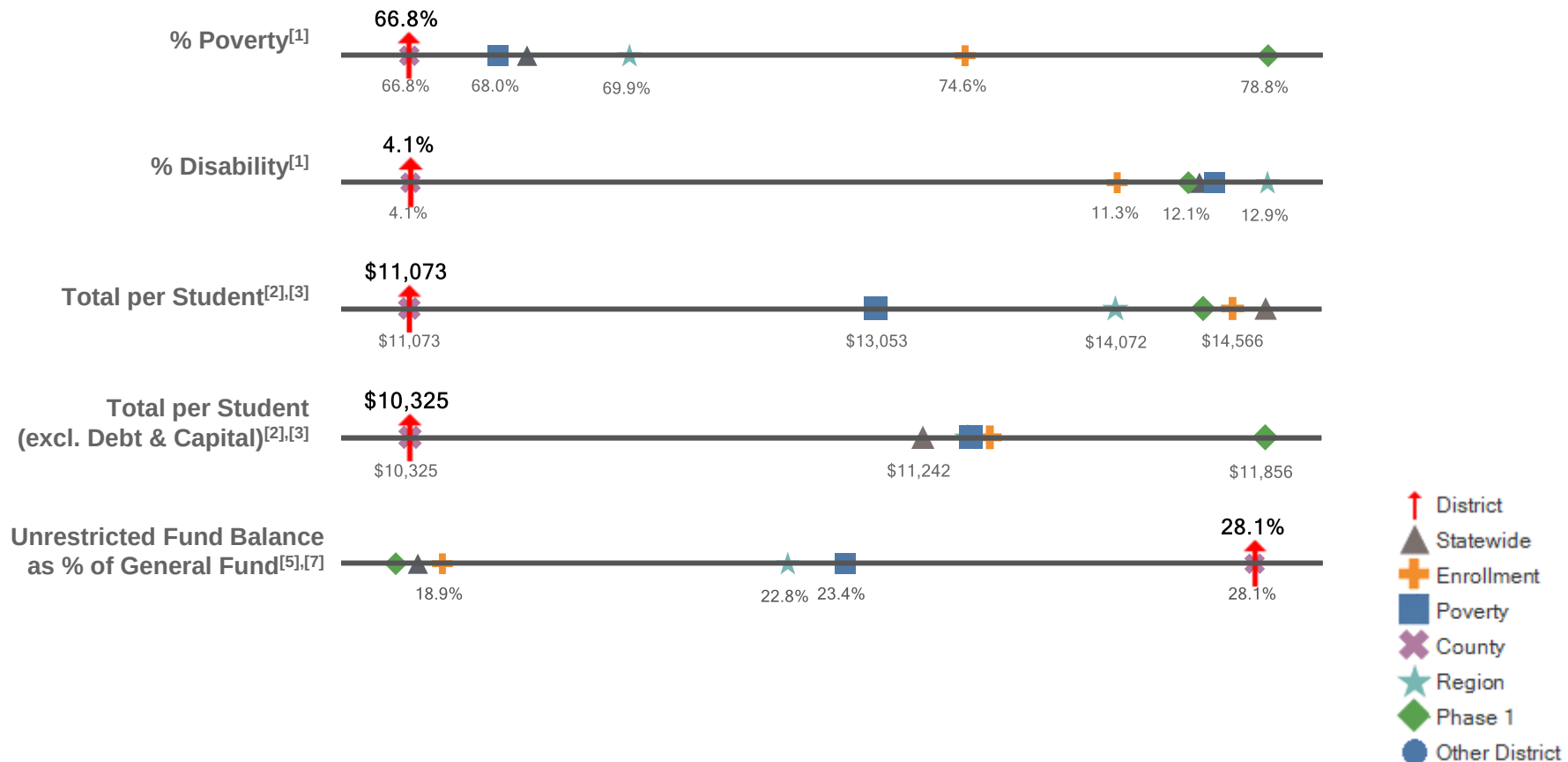
Abbeville 60
Edgefield
Greenwood 50
Greenwood 51
Greenwood 52
Laurens 55
Laurens 56
McCormick
Saluda

DISTRICT OVERVIEW

ABBEVILLE 60

KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

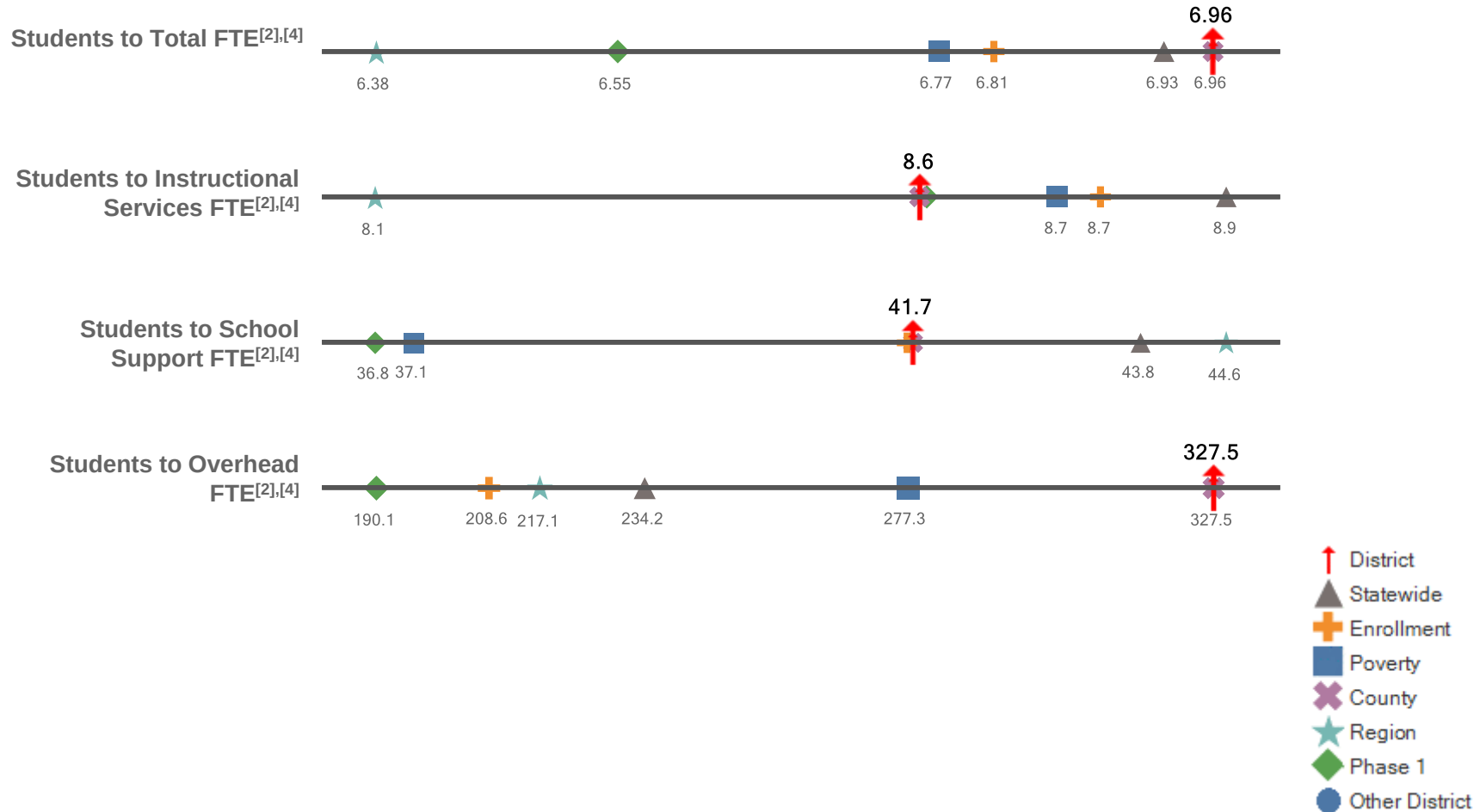
The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 1 and (g) other districts.



DISTRICT OVERVIEW

ABBEVILLE 60

KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



DISTRICT OVERVIEW AND OVERHEAD

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Enrollment Trends	• 3-Year Enrollment Trend: The District's enrollment has declined 2.8% from 2,994 students in FY15 to 2,911 in FY17. • Student Demographics: 66.8% of students live in poverty (below statewide average), with a low rate of students with disabilities (4.1%). • Long-term Planning: The deferred maintenance costs of two high schools (Abbeville and Dixie) represent a significant financial burden to the District.	• Given the recent trends in enrollment, the District should develop a long-term enrollment forecast to anticipate and better plan for enrollment changes, ensuring long term financial stability.
District Funding and Resource Allocation	• Financial Viability: Despite a strong fund balance, the District's overall size and declining enrollment trend will require it to be prudent with long term financial planning and fund balance reserves in order to navigate through any unanticipated events. • Per Pupil Expenses: When excluding debt and capital, the District has low Per Pupil Expenses of \$10,325 relative the statewide average of \$11,242 and the enrollment band average of \$11,362. • Unrestricted Fund Balance: The District's unrestricted fund balance of 28.1% of general fund revenues is higher than the statewide average of 18.6% and the enrollment band average of 18.9%.	• To ensure the financial stability of the District is maintained, the District should prepare a three to five year financial plan that allows for investment in critical areas of academics and operations while still maintaining a strong fund balance.

DISTRICT OVERVIEW AND OVERHEAD

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
District Funding and Resource Allocation (cont'd)	• Resource Allocation: The District maintains a favorable Student to Instructional FTE ratio and a very favorable Student to Overhead FTE ratio, indicating an overall efficient allocation of resources. • Student to FTE: The District's Student to Total FTE ratio of 6.96 is on par with the statewide average but is slightly higher than the enrollment band average of 6.81. • Student to Instructional Services FTE: The Student to Instructional Services FTE ratio of 8.6 is below the statewide and enrollment band averages. • Student to School Support FTE: Student to Support FTE ratio of 41.7 is below the statewide average of 43.8 but on par with the enrollment band average. • Student to Overhead: FTE Student to Overhead FTE ratio of 327.5 is significantly higher than statewide and enrollment band averages.	• Consider review and analysis of other direct support areas of the superintendent which are outside of the scope of this report.

DISTRICT OVERVIEW AND OVERHEAD

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Staffing / Organization	• Role of Superintendent: The Superintendent is supported by directors of finance, human resources, transportation and facilities who manage a lean operation with few direct reports. • Communications Function: Communications support for the Superintendent's office is managed collectively by the administration. • Legal: District has no legal department. If legal advice is required, District utilizes external firm to provide support. • Turnover: The Superintendent is in his third year.	• Consider review and analysis of other direct support areas of the superintendent which are outside of the scope of this report.
Board of Directors	• Board Composition: 9 District Board members each serve a 4-year term. • Board Compensation: The School Board is not paid (this district is one of 30 districts that does not compensate board members).	• Have the Board of Directors attend annual training to enable members to become impactful members of the board.
Collaboration	• The District does coordinate with other regional superintendents through WPEC. • Career Center: The District does have a shared career center. • Special Education: The District does coordinate with other area Districts on Special Education programs to some extent through WPEC.	• Consider implementing a regional shared service model that allows for sharing of resources and systems that require 1) specialized skills or 2) are highly transactional.



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FINANCIAL MANAGEMENT OVERVIEW

The Finance organization is directly responsible for overall fiscal management, resource allocation, budgeting, accounting, financial reporting, payroll, purchasing, accounts payable and cash flow and debt management.

970 : 1

District Students (ADM)^[2]

Financial
FTE^[4]

\$84 per Student

Cost of Total Financial Spend^[3] per Student
(ADM)^[2]

Key statistics for metrics

Financial FTEs ^[4]	3.0
Personnel Expense ^[3]	\$208,703
Non-Personnel Expense ^[3]	\$40,548
Total Financial Expense ^[3]	\$249,251

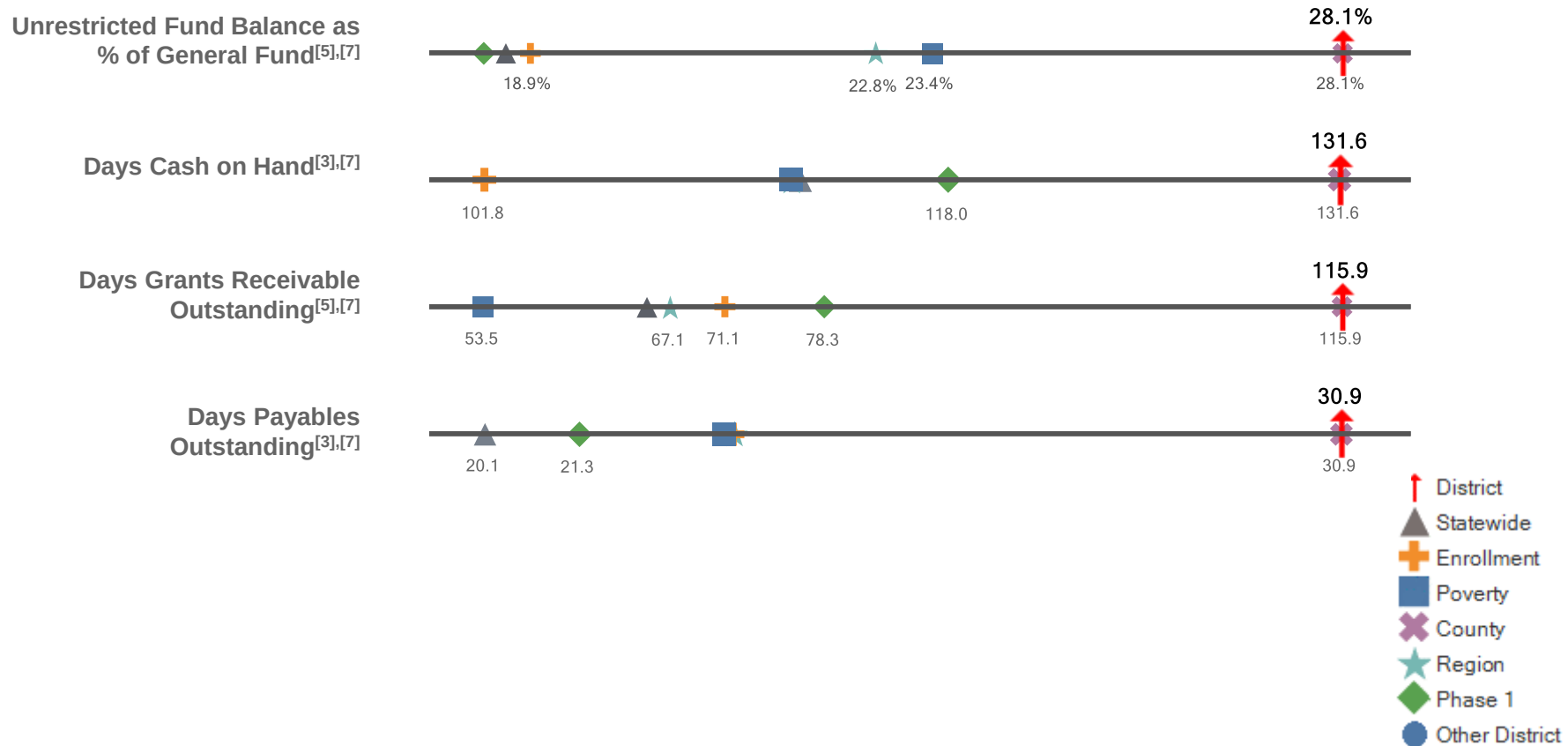
NOTE: FTEs shown in the table above reflect dedicated finance staff only; Financial expenses shown above reflect amounts coded to the finance department. In some instances districts may include salary and benefit related charges that are not related to dedicated Finance costs in their totals.

FINANCIAL MANAGEMENT

ABBEVILLE 60

KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

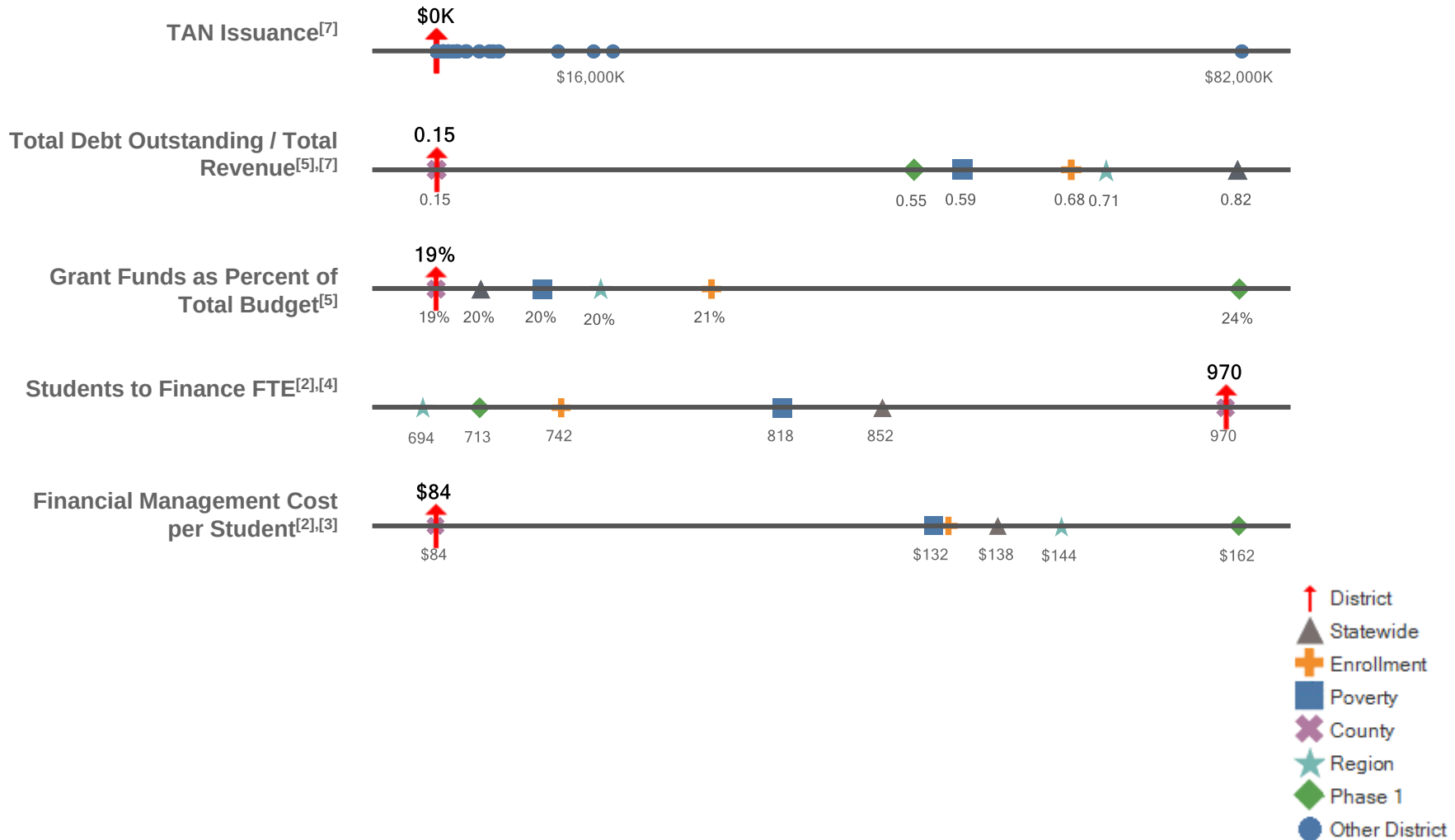
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FINANCIAL MANAGEMENT

ABBEVILLE 60

KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Staffing / Organization	• Organization: The Finance organization is a lean organization responsible for the scope of its roles and responsibilities over accounting, payroll, accounts payable, budget, treasury, procurement and financial reporting. This is reflected both in the relatively low Finance Cost per Pupil FTE and the relatively high Student per Finance FTE. • Finance Cost Per Pupil: The District's Finance Cost per Pupil of \$84 is low relative to the statewide and enrollment band averages. • Student Per Finance FTE: The Student to Financial Management FTE ratio of 970 is considerably more favorable than the statewide and enrollment band averages.	• Consider adding modules to existing Harris SmartFusion ERP system to improve efficiency of business functions (purchase order processing, payroll) and better integrate with Human Resource functions (hiring, substitute teacher management, benefits). • Review staff capabilities on an annual basis and ensure individuals are provided with training on systems and processes and cross-train individuals to be able to do multiple functions.
Payroll and Accounts Payable	• Payroll: The District runs payroll on a monthly basis. • Time tracking: The District leverages AESOP for time-keeping and payroll functionality. • Purchasing: The District has centralized purchasing in place and leverages the SmartFusion purchasing module. • Pcards: The District utilizes a very minimal Pcard program, which is monitored by the finance department. • Inventory: The District does not maintain a warehouse and does not scan / barcode assets.	• Implement policies that require use of a centralized purchase order system by schools and administrative personnel. Leverage automated purchase order work flow systems that can be integrated with the financial systems. • Ensure all district employees with purchasing responsibilities are trained and have access to the SmartFusion purchasing module to help streamline the requisition and approval process. • Evaluate the usefulness of barcode scanning to track assets.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Grants Management	• Grant Revenue %: Grant revenues account for approximately 19% of the budget which is on par with the statewide average. • The District contracts with an external grant-writer who works to ensure the District is abreast of available grants.	• Create improved grants tracking reports that compare award amount, budget, YTD and cumulative expenditures, and outstanding receivable balances for each grant.
Internal Controls	• Financial Statements Audit: No material weaknesses found. • Position Control: The District has position control, ensuring that positions are added to the District only with proper approvals.	
Cash Management	• Cash: The District invests excess cash balances in a Local Investment Pool to maximize earnings. • Days Cash on Hand: The District has a strong cash balance, with 131.6 days of cash on-hand, which is high relative to statewide average of 112.8. • Grants Receivable Outstanding: The District has a Days Grants Receivable Outstanding of 115.9, which is significantly higher than the statewide average of 65.4. • Reporting: The District does not have a formalized weekly cash flow forecasting process. • Investments: The District maintains cash investments with the Country Treasurer.	• Implement processes to file for grant (state and federal) reimbursements on a monthly basis in order to maximize cash flow.

FINANCIAL MANAGEMENT

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Budget	• Budget Planning: The annual budget process begins with a roll-forward of the prior year expenses. The budget team works extensively with department heads and principals to assess any new needs that are anticipated for the new fiscal year, as well as analyzes enrollment and expected revenues. • Fiscal Monitoring: The District produces budget to actual variance reports monthly, performs regular variance analysis and meets with key department heads to review expenses.	• Prepare zero-based and / or performance based budget annually to ensure resources are aligned with strategic priorities and expenses are anticipated and planned for.
Technology	• ERP: The District uses the Harris SmartFusion accounting software system; however, processes remain manual for payroll and invoice approval.	• Explore opportunities to better utilize the existing SmartFusion accounting software and / or upgrade to enhanced functionality that provides automated workflow and approval of purchase orders.
Regional Collaboration	• The District does not coordinate with others in the region on any transaction processing or finance related activities.	• Consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other Districts within the Region. This could include the following: (a) Accounts Payable (including purchasing workflow and approval); (b) Payroll processing and (c) Financial system licenses (potential for volume discounts).



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HUMAN RESOURCES

ABBEVILLE 60

HUMAN RESOURCES OVERVIEW

The Human Resources function is responsible for managing the District workforce and is directly responsible for teacher recruitment and retention, ensuring proper certification of personnel, supporting benefits management and coordinating personnel transactions.

1,764 : 1

District Students (ADM)^[2]

Human
Resources
FTE^[4]

\$53 per Student

Cost of all HR personnel^[3] per Student (ADM)^[2]

Key statistics for metrics

Human Resources FTEs ^[4]	1.7
Personnel Expense ^[3]	\$152,674
Non-Personnel Expense ^[3]	\$5,669
Total Human Resources Expense ^[3]	\$158,343

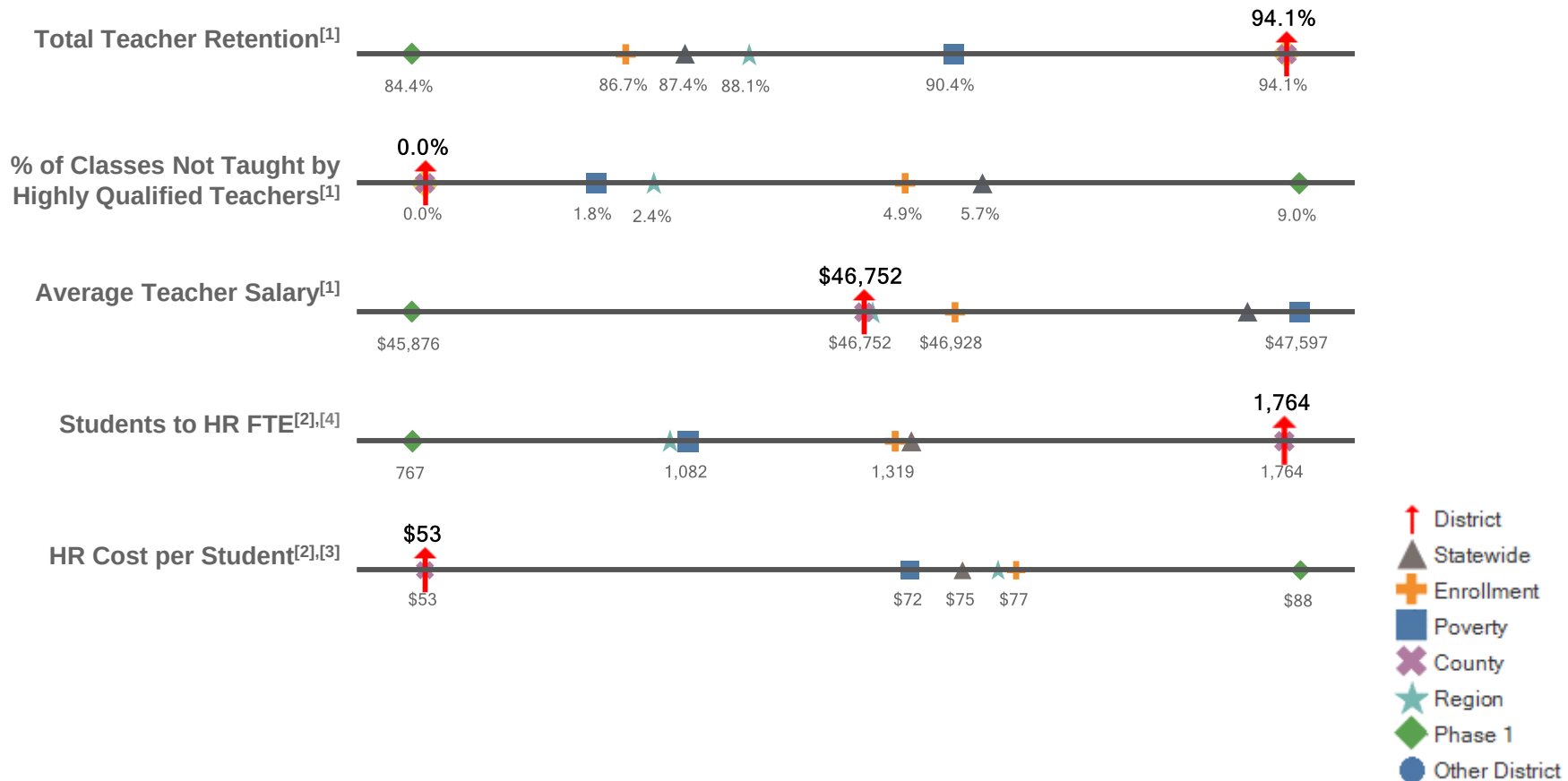
NOTE: FTEs shown in the table above reflect dedicated HR staff only; Financial expenses shown above reflect amounts coded to the HR department. In some instances districts may include salary and benefit related charges that are not related to dedicated HR costs in their totals.

HUMAN RESOURCES

ABBEVILLE 60

KEY PERFORMANCE INDICATORS: HUMAN RESOURCES

The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 1 and (g) other districts.



HUMAN RESOURCES

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Staffing / Organization	• Organization: The Human Resources function is a lean organization with limited staffing to support recruiting, retention, personnel relations, professional, benefits and professional development activities. • Human Resources Cost Per Pupil: The HR Department's per pupil of \$53 is low relative to the statewide and enrollment band averages. • Student Per Human Resources FTE: The Student per HR FTE ratio of 1,764 is high relative to the statewide and enrollment band averages.	• Review staff capabilities on an annual basis and ensure individuals are provided with training on systems and processes and cross-train individuals to be able to do multiple functions.
Recruiting and Retention	• Recruiting: Similar to other school Districts in the State, recruiting teachers into the District is challenging. • Teacher Salary: The average teacher salary is slightly lower than peers; however, the District strategically allocates more funding as a percentage of expenditures to salaries to address need.	• Consider compensation study and / or implementation of incentive programs to recruit and retain teachers that could include: (a) Signing Bonuses that Vest over a Period of Time to Encourage Retention; (b) Housing Incentive signing; (c) Tuition Reimbursement; (d) Differentiated Salaries for Hard to Staff Positions; (e) Innovative Professional Development Programs.
Technology	• Abbeville utilizes CERRA (statewide system) recruiting and resume screening. • Aesop is used for substitute management.	• The District should consider additional technology for recruiting, application screening, processing and onboarding.
Benefits	• 70% of an FTE is dedicated to benefits administration.	• Benefits administration process could be automated via establishment of employee portal. Employees could be responsible for updates and information would be linked directly to payroll.

HUMAN RESOURCES

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Collaboration	The District does not collaborate with other nearby school Districts on recruiting, human resource system licenses, or arrangements with international or local staffing agencies.	- Consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other Districts within the Region. This could include: - Benefits Coordination - Human Resources System Licenses - H1B Process for International Teachers - Consider creating a regional recruitment and training center focused on teacher recruitment across regional group of Districts.



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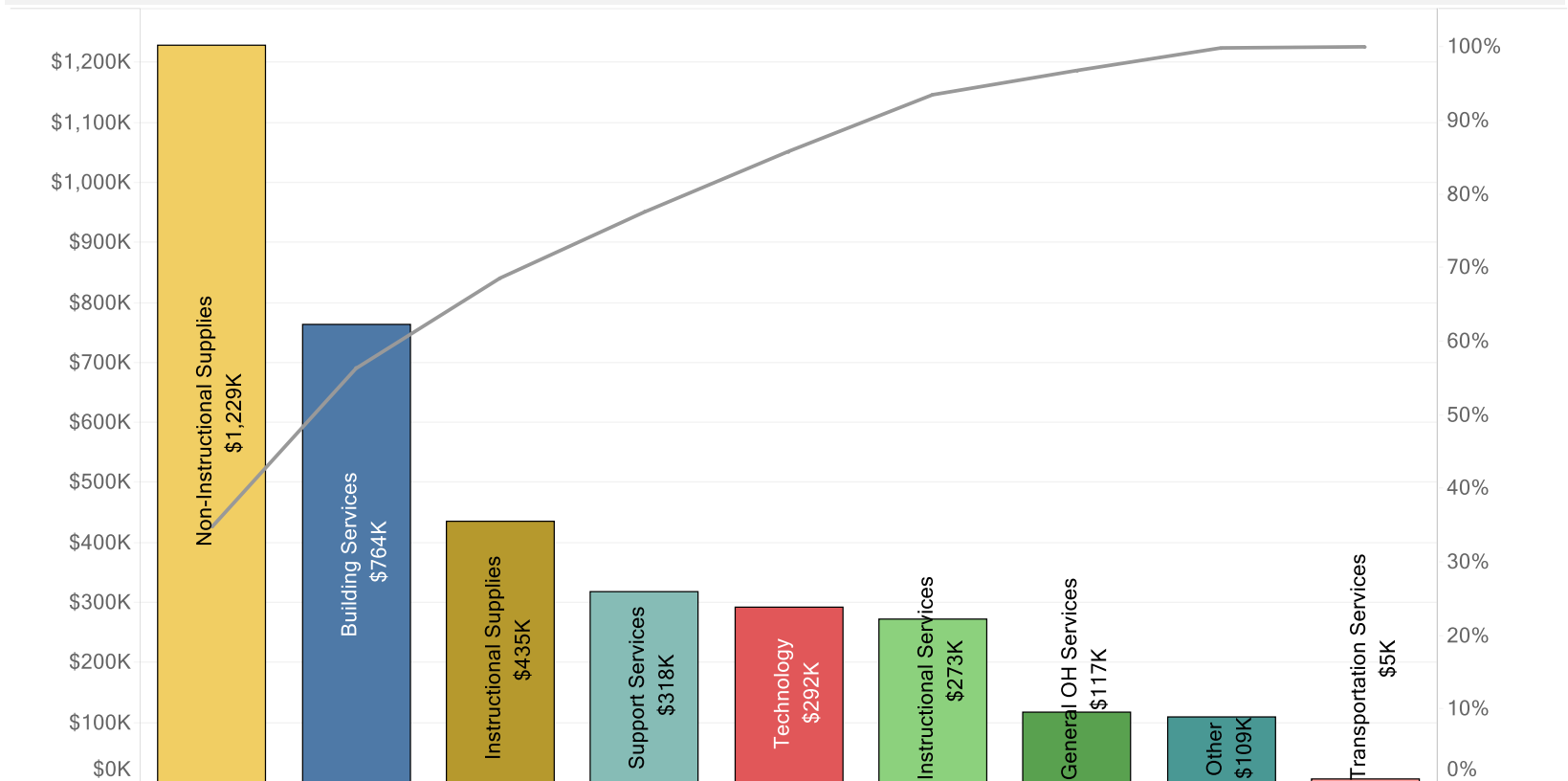
PROCUREMENT

ABBEVILLE 60

PROCUREMENT OVERVIEW

The District is responsible for purchasing all goods and services in accordance with procurement regulations. The chart below shows the District's in scope procurement spend by major category for FY16.

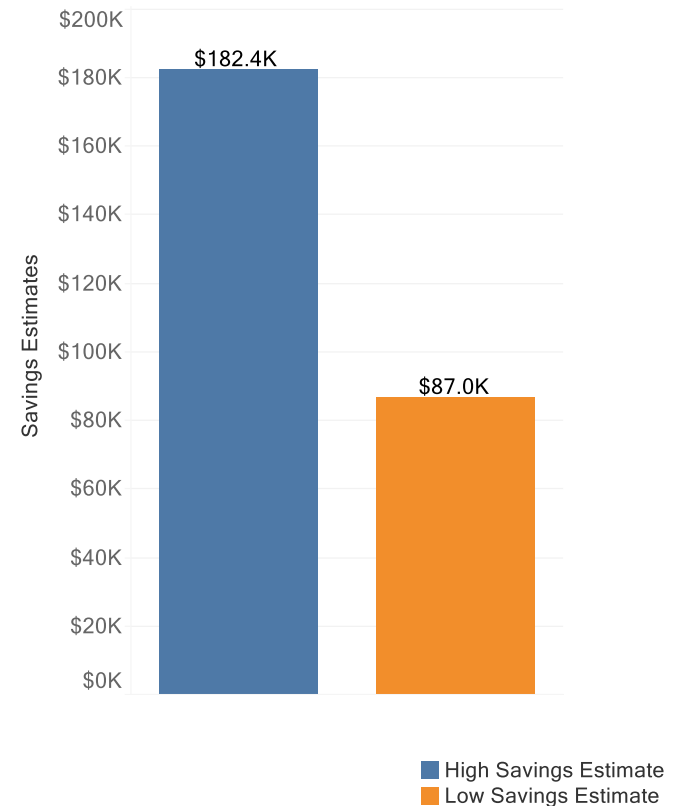
District In Scope Total Procurement Spend = \$3,540,492



ESTIMATED PROCUREMENT SAVINGS

The FY16 expense totals (shown on the previous page), in conjunction with review of the District's disbursement register, conversations with the District and A&M past experience help form the basis for savings potential estimated by A&M.

Range of Savings Based A&M Strategic Sourcing Experience ^[8]		
	Low	High
Building Services	2.6%	5.8%
Non-Instructional Supplies	2.0%	4.4%
Instructional Supplies	2.0%	4.4%
Instructional Services	4.8%	8.0%
Support Services	2.1%	5.0%
Technology	2.7%	5.0%
Other	3.0%	5.8%
Overhead Services	2.7%	5.4%
Transportation Services	2.2%	6.8%



SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Organization / Staffing	Procurement is spread across departments with directors holding responsibility for their area, e.g. food services, technology, facilities (paper supplies, construction services), human resources (professional services).	Leverage additional resources to better optimize procurement functions. See General Collaboration and Regional Collaboration below.
Spending by Vendor	Vendor Spend: Vendor spend is fragmented across 80+ vendors, while 25 vendors comprise approximately 80% of total spending. - Spending efforts are made based upon the individual buyer, with local optimization as the main priority. Aggregated purchasing decisions across Districts are not made.	- Standardize requirements and specifications for commonly purchased goods in order to streamline the number of vendors used, aggregate buying power within the District and enable volume pricing discounts. Contract options may take the form of: (a) state contracts; (b) stand-alone negotiated contracts; (c) negotiated contracts done in collaboration with surrounding districts. - Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts. - Consider use of commitments of minimum buying levels to facilitate negotiations of discounts and rebates over specified buying thresholds. Add provisions that include tiering and volume discounts/rebates in all new contracts Group Purchasing: Seek opportunities to better leverage buying power by participating in Group Purchasing Organizations (e.g. US Communities). Areas to consider for potential collaboration include: Supplies and Technology.

PROCUREMENT

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Spending by Category	• Building and Maintenance: Abbeville contracts through local vendors. • Food Services: The District does not collaborate with other Districts for the purchase of dairy or bread. • Energy: The District does not fix rates for natural gas contracts. • Technology and Software: Abbeville (like other Districts) does not currently leverage cross-district pricing for SW licensing such as SmartFusion or other technology needs. • Non-instructional Supplies - Contracting Vehicles: The District purchases the majority of its non-instructional supplies outside of available state contracting vehicles (Quill) under the belief that it can receive comparable, if not better pricing.	• Standardization of Technology: The greatest saving potential can be realized through rollout of low cost/high quality technology options that are standardized across a geographic region. Standardize recommended technology options with nearby Districts in order to leverage benefits of coordinated purchasing and volume discounts. • Coordinate purchasing of instructional services with surrounding Districts to maximize the potential for volume discounts. • Consider establishing fixed rate contract for natural gas. • Coordinate purchasing of facilities services such as HVAC, electrical and plumbers with surrounding Districts to maximize the potential for volume discounts.

PROCUREMENT

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Regional Collaboration	- The District does not partner with other Districts to procure goods and services. Professional Services: The District is a member of WPEC.	- Consider combining resources to create a regional procurement function across Districts that is charged with reviewing and optimizing spending through ongoing market intelligence on pricing opportunities, contract RFP management, contract negotiations, contract management. - A regional collaboration model would allow for districts to further capitalize on volume discounts and rebates on areas of spend that would include: - Technology - Instructional Software and Services - Instructional Staffing - Supplies



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TRANSPORTATION

ABBEVILLE 60

TRANSPORTATION OVERVIEW: STATE VS. DISTRICT

Responsibility for school transportation operations is uniquely shared by the State and the District. The cooperative relationship allows school transportation to maximize operational efficiencies by leveraging economies of scale and regionalizing bus operations across small districts.

Transportation Operations	State Responsibility	District Responsibility
Bus Purchases	Provides buses for regular, special needs and other routes. Statute requires buses be replaced every 15 years.	Activity buses and any incremental buses for routing
Daily Administration	None	Student transportation enrollment; daily administration
Bus Drivers	Base pay, certification standards and training	Hiring
Routing	Routing software for districts	Determination of routes
Maintenance	Regional maintenance shops for State-owned buses	Responsible for maintaining district purchased buses
Fuel	Fuel provided for State-owned buses	- Fuel must be purchased for district-owned bus - District must pay for "hazard" routes
Safety Cameras	None	District must purchase
GPS / Bus Tracking	None	District must purchase
Stop-arm cameras	None	District must purchase
Radios / cell	None	District must purchase

TRANSPORTATION

ABBEVILLE 60

TRANSPORTATION OVERVIEW

The District is responsible for the administration of student transportation which includes bus routing, hiring of bus drivers and daily coordination of student transportation.

14 Years

Avg. Age of State Provided Bus Fleet^[9]

\$205 per Student

Cost of District incurred transportation related expenses. State related expenses are excluded ^{[2],[3]}

Key statistics for metrics

Transportation FTEs ^[4]	0.3
Personnel Expense ^[3]	\$593,706
Non-Personnel Expense ^[3]	\$15,076
Total Transportation Expense ^[3]	\$608,782

NOTE: FTEs reflected in table above may not reflect dually employed bus drivers.

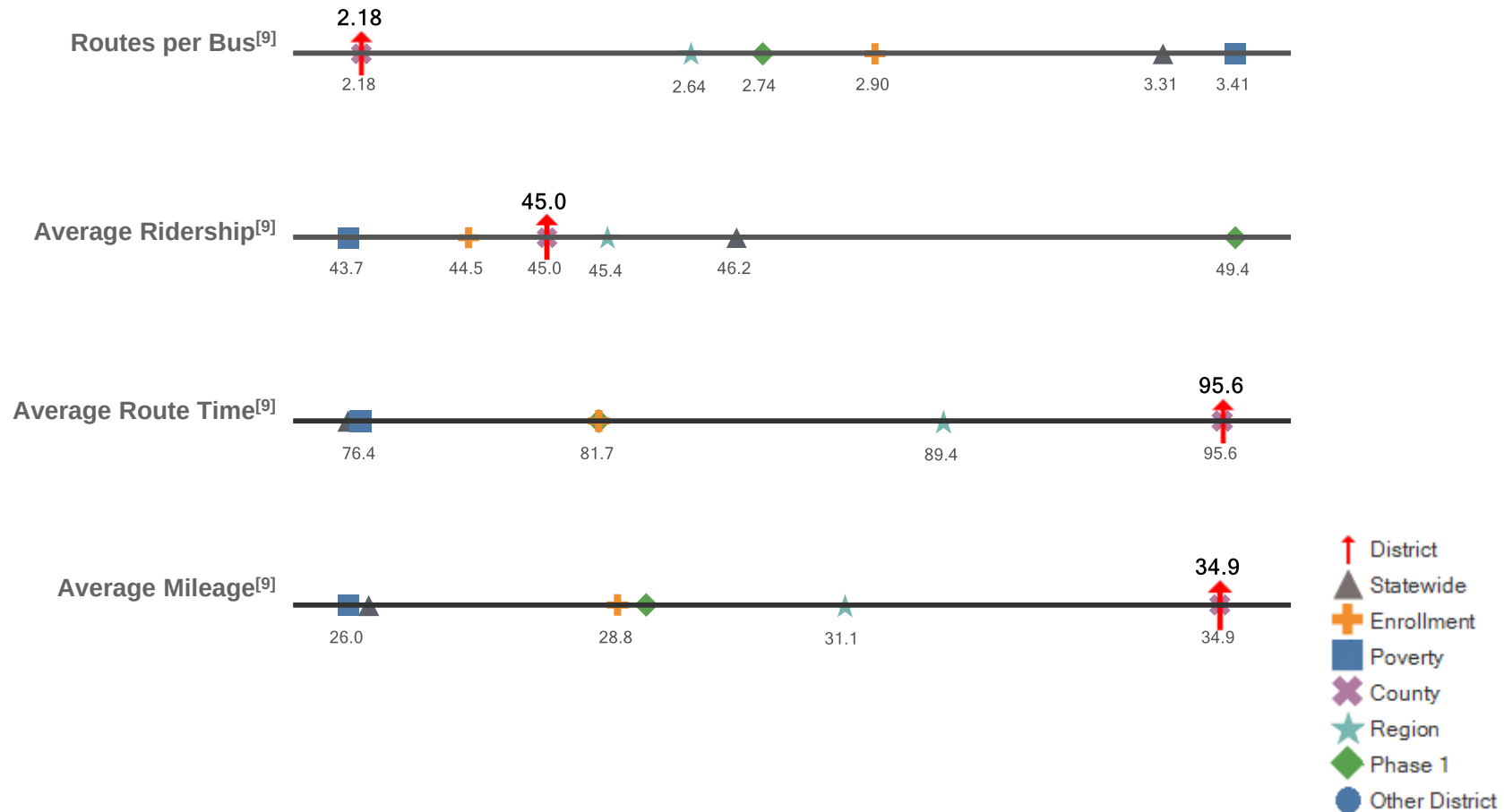
Key statistics for State Routes	# Buses ^[9]	# Routes ^[9]	Routes per Bus ^[9]	Ridership ^[9]	Avg Ridership ^[9]	Avg Route Time (including dead time) ^[9]	Avg Mileage per Bus ^[9]
Regular	25.7	56	2.2	2,520	45	96	35
Special Needs	3.0	7	2.3	45	6	Not-Available	55
Other	2.3	9	4.0	91	10	Not-Available	17
Total	31.0	72	2.3	2,656	N/A	N/A	N/A

TRANSPORTATION

ABBEVILLE 60

KEY PERFORMANCE INDICATORS: REGULAR ROUTES ONLY

The metrics below show how the District compares to other districts for key operating metrics on transportation routing for general education students.



TRANSPORTATION

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Staffing / Organization	• Recruiting: The District has a difficult time recruiting bus drivers. The District currently has 5 vacancies. • Substitute Drivers: The District does not have a pool of substitute drivers; therefore, routes are frequently adjusted daily to deal with the shortage. • Bus Routing: The District runs staggered bus routes with the earliest routes starting as early as 5:00 am. • Organization: Transportation is run by one administrator.	• As incentive to recruit and retain bus drivers, create opportunities for full-time employment. Bus drivers in other Districts in the State are dual employed serving in aide, food services and / or maintenance roles when not driving buses. • Implement a substitute/back up driver pool in collaboration with nearby Districts. • Use an automated calling system to fill needed driver substitute vacancies.

TRANSPORTATION

ABBEVILLE 60

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Routing and Bus Management	• Routing Software: The District does not utilize routing software. • Tracking: The District does not have GPS on its buses. • Communications: The District provides cell phones (radios or other) to drivers to contact drivers while on routes. • Security: The District does have security cameras on all buses. • The District does not have stop-arm cameras on buses. • Activity Buses: The District does not use the State fuel for activity buses.	• Implementation of staggered bell times will 1) reduce the number of drivers needed, 2) eliminate the need for double bus runs, 3) reduce the number of buses needed, 4) allow students to ride with peers of their own age, and 5) shorten ride times for students. • Merging high schools would eliminate redundant trips. • Implement routing software to ensure most efficient routes. • Install GPS on buses to monitor bus routes and ensure most efficient route. • Install stop-arm cameras for student safety.
Collaboration	• The District leverages state-funded transportation fleet and maintenance. • The District does not collaborate with surrounding Districts and in fact Districts compete for bus drivers based on hourly-wage rate offered across District lines.	• Consider partnering with Districts that are also transporting children to other out of District placements.

APPENDIX A: SAVINGS METHODOLOGY



APPENDIX A: SAVINGS METHODOLOGY

ABBEVILLE 60

APPROACH TO SAVINGS

GENERAL APPROACH TO ESTIMATING INVESTMENTS AND SAVINGS

- Investments and cost savings were estimated based on interviews with District personnel across each functional area and using financial and operational data received from both the State and each district.
- Data provided was benchmarked and analyzed to understand costs, productivity and utilization.
- For more detail on methodology, see Appendix A.

FINANCE AND HUMAN RESOURCES

- A&M conducted interviews and analyzed personnel rosters and expenses to understand the intersection of people, process and technology within each district.
- A&M estimated a range of potential synergies from district collaboration based on average district spend in key finance and HR functional areas. Synergies will be realized when participating district resources are pooled in a Shared Service Center. For purposes of this analysis, A&M calculated the District level savings by estimating the level of resources that would be required to support two average sized smaller districts at the low end and five districts of varying sizes at the high end.

PROCUREMENT

- A&M reviewed the District disbursement register and reviewed a limited sampling of vendor invoices to gain an understanding of the District's procurement spend.
- On a limited basis, A&M reviewed rates paid to individual vendors by multiple districts.
- In order to estimate savings, A&M leveraged the information gathered above and then applied potential savings rates to key spend categories. Savings rates were based upon past experience that our clients have achieved by partnering with A&M on strategic sourcing.

TRANSPORTATION

- A&M used data provided by the State to analyze the District route mileage, frequency, timing, and volume to estimate potential efficiencies available through the implementation of routing software and staggered bell times.
- Benchmarks were established based on districts currently using routing software and staggered bell times.
- Savings were estimated based on a target benchmark for the District that took into consideration the location, population and rural profile of the each district.
- Estimates include savings for bus drivers, fuel, maintenance and buses.

APPROACH TO SAVINGS: OTHER CONSIDERATIONS

➤ **State-wide Benchmarking Data:**

- A&M has compiled a robust set of benchmarks and metrics to compare staffing and spending levels at each district. A&M has provided the State Education Department with access to a live database and analytics dashboard to enable cross-district analytics and gain further insights into the rationale behind A&M's observations and recommendations.

➤ **Implementation:**

- Implementation of certain recommendations included in this report will require one-time investments in order to achieve savings. A&M has developed preliminary estimates for these costs that will likely need to be refined as additional information regarding decisions on implementation plans and approach become available.

SAVINGS ANALYSIS BY FUNCTIONAL COMPONENT

PEOPLE

Estimates were developed by function and by sub-function to determine staffing levels on a stand-alone basis and post-implementation of a regional shared services model.

TECHNOLOGY

Technology investments were identified based on the need to automate processes for each function and determination of shared costs by school district.

Functional Review Operating Model Components



PROCESS

Assessment of the degree of manual processes used by each function, identification of improvements to those functions, and new operating models (such as staggered bell times) were recommended.

ORGANIZATION

An analysis of each organization's staffing levels on an As-Is Basis, against peer benchmarks, and in a regional collaborative model were conducted to assess overall efficiency and effectiveness.

APPENDIX A: SAVINGS METHODOLOGY

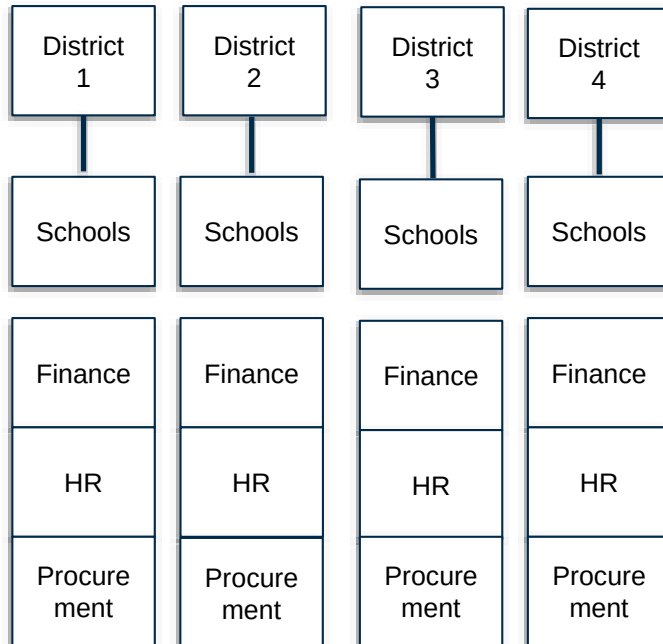
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COLLABORATION: SHARED SERVICE MODELS

Given the limited spending across the different areas within scope and the fixed cost requirements of these functions, it is necessary to consider collaboration alternatives when looking for ways to optimize efficiency.

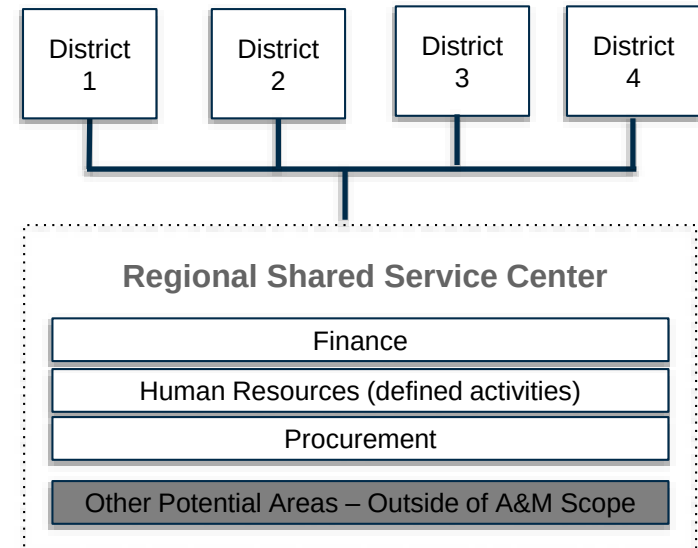
CURRENT STATE: STAND ALONE DISTRICT

Infrastructure for transactional processes repeated in individual districts; limited economies of scale



COLLABORATION ALTERNATIVE

Shared expertise and improved controls leverages scale to reduce aggregate costs and enhance efficiency



Collaboration provides a pathway to optimizing effectiveness and efficiencies across processes, capturing economies of scale, increasing standardization and addressing common challenges faced by all districts.

APPENDIX A: SAVINGS METHODOLOGY

ABBEVILLE 60

SHARED SERVICES MODEL: SAVINGS APPROACH

Cost savings potential from a Shared Services Model will vary greatly depending upon: (1) the number of districts; (2) the sizes of districts opting to work together and (3) the services functions that are included in the shared services center.

In order to develop a range of savings that a collaboration model would yield, A&M considered collaborations of multiple types and amounts of districts. An example of the range of options considered for financial management collaboration is shown below.

	Financial Management Collaboration: Two Districts [Both Small]		
	Current State	Collaboration Model	Savings
# of Districts	2	2	NA
Total ADM	2,500	2,500	NA
Total FTEs ⁽¹⁾	4.75	4.00	0.75
Total Spend ⁽¹⁾	\$468,856	\$427,128	\$41,728
Savings %			8.9%

(1) Total FTEs and Total Spend based upon average FTEs of average spend of two small districts (less than 2,500 enrollment). Actual results may vary depending upon districts opting to collaborate.

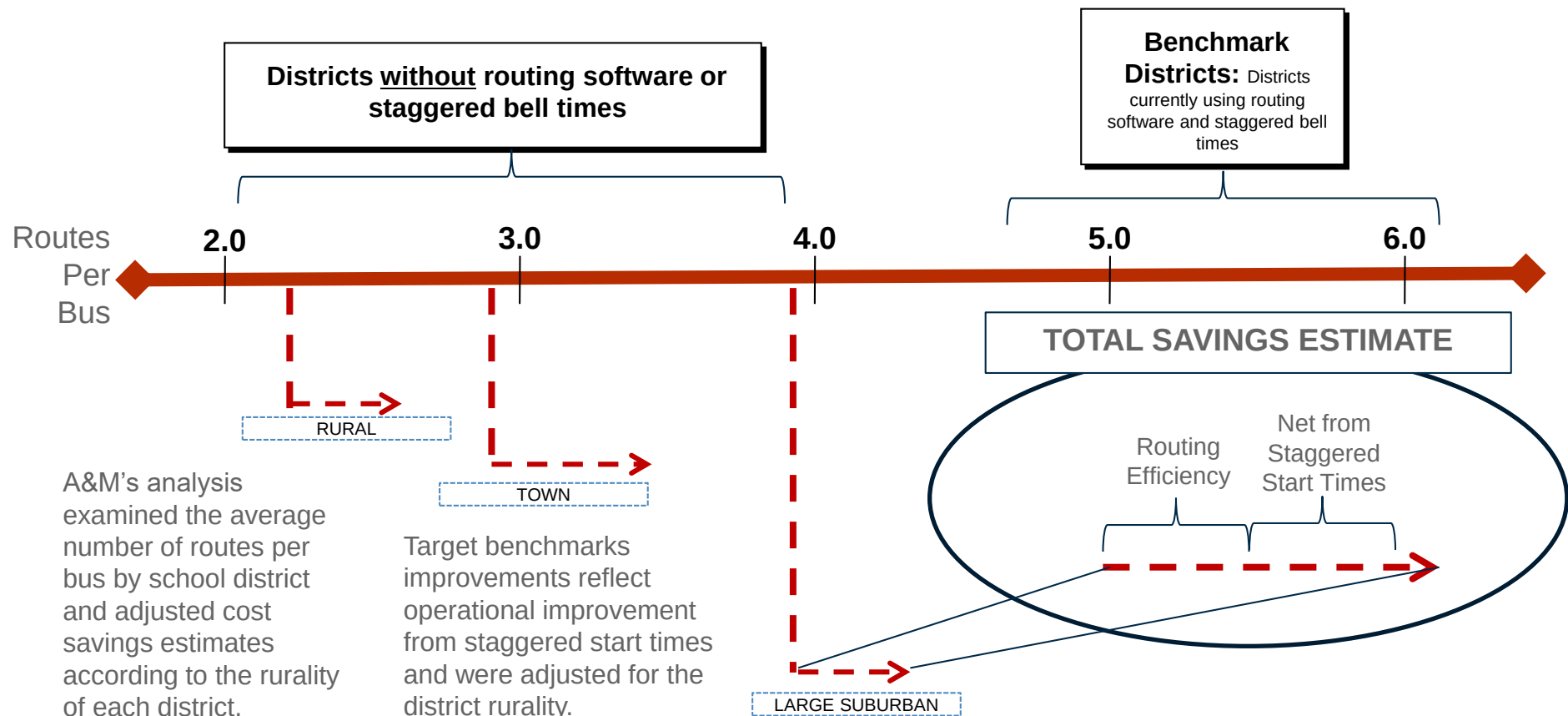
	Financial Management Collaboration: Five Districts [1 Large, 1 Med, 3 Small]		
	Current State	Collaboration Model	Savings
# of Districts	5	5	NA
Total ADM	21,000	21,000	NA
Total FTEs ⁽²⁾	18.9	13.0	6.0
Total Spend ⁽²⁾	\$2,409,840	\$1,684,478	\$725,326
Savings %			30.1%

(2) Total FTEs and Total Spend based upon average FTEs and average spend of one large district (>10,000 ADM), one medium district (between 5,000 and 10,000 ADM) and 3 small districts (less than 2,500 enrollment).

Preliminary estimates, excluding costs of one-time investments related to technology and organizational changes, of potential savings from collaboration of financial management functions across districts range from 8.9% to 30.1%.

TRANSPORTATION ROUTING: SAVINGS APPROACH

Implementation of new routing software can help districts optimize existing routes and evaluate alternative routing strategies, such as staggered bell times.



APPENDIX A: SAVINGS METHODOLOGY

ABBEVILLE 60

TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

Savings from Routing Efficiencies

A&M analyzed districts' route mileage, frequency, timing and volume to estimate potential efficiencies available through the implementation of routing software.

This analysis separates the district and state portions of estimated cost savings according to the amount of reimbursement the state provides to each district.

Fuel and maintenance savings are based on state cost per vehicle mile.

The reduction in buses is the result of a reduction in the need to purchase new buses per year across the plaintiff districts.

DISTRICT EXAMPLE OF COST SAVINGS OPPORTUNITIES FROM ROUTING SOFTWARE

DISTRICT A	VOLUME	UNIT	DISTRICT	STATE
DRIVERS	5.0	\$ 19,390	\$ 55,051	\$ 37,238
FUEL	43,560	\$ 0.15	\$ -	\$ 6,749
MAINTENANCE	43,560	\$ 0.34	\$ -	\$ 14,595
BUSES (COST AVOIDANCE)	1.0	\$ 60,000	\$ -	\$ 60,000
TOTAL			\$ 55,051	\$ 118,582

Cost savings from more efficient routing are significant, with savings shared between the districts and the State.

APPENDIX A: SAVINGS METHODOLOGY

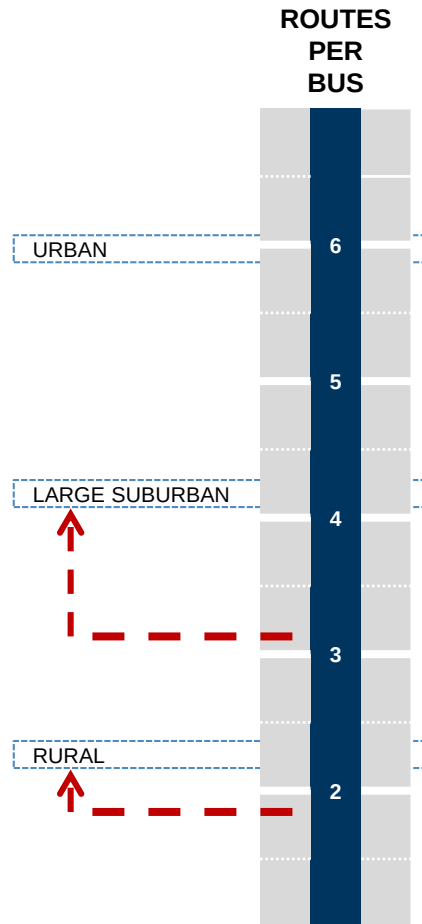
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TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

Savings from Increased Utilization:

A&M's analysis examined the average number of routes per bus by school district and adjusted cost savings estimates according to the rurality of each district.

Target benchmarks improvements are shown in the graphic to the right reflecting operational improvement and adjusting for the district rurality.



DISTRICT EXAMPLE COST SAVINGS OPPORTUNITIES FROM STAGGERED SCHOOL START TIMES

DISTRICT A	VOLUME	UNIT	DISTRICT	STATE
DRIVERS	2.0	\$ 19,390	\$ 23,133	\$ 15,647
FUEL	-	\$ 0.15	\$ -	\$ -
MAINTENANCE	2.0	\$ 4,138	\$ -	\$ 8,276
BUSES (COST AVOIDANCE)	-	\$ 60,000	\$ -	\$ -
TOTAL			\$ 23,133	\$ 23,923

Staggered bell times would help reduce routes and the number of buses required.

APPENDIX A: SAVINGS METHODOLOGY

ABBEVILLE 60

COLLABORATION: PURCHASING COORDINATION AND AGGREGATION

Given the size of many of the individual districts, there is little leverage to negotiate best pricing or invest in resources needed to develop or implement a defined procurement strategy. These districts would benefit from greater purchasing coordination, aggregation of buying power and minimum commitments in order to improve overall pricing.

EXAMPLES OF STATE-WIDE PROCUREMENT OPPORTUNITIES

Example 1: Differentiated Pricing in Professional Services

District	Labor Rate Mark-up for Temporary Staff
District A	0.43 to 0.49
State Contract	0.40
District B	0.39

- At a minimum, many districts could benefit from leveraging State contracts. Districts could additionally benefit from favorable pricing negotiated by other districts.

Example 2: Volume Discounts and Rebates with a Technology Vendor

Minimum \$ Value	Discount
\$50,000	1%
\$100,000	2%
\$200,000	4%
\$500,000	6%
\$1,000,000	8%

- Nearly all districts could benefit from additional discounts by aggregating spend statewide.

APPENDIX A: SAVINGS METHODOLOGY

ABBEVILLE 60

PURCHASING COORDINATION AND AGGREGATION: SAVINGS APPROACH

In order to develop a range of savings that a purchasing consortium would yield, A&M estimated savings based on current district spend and applied savings ranges based on the experience that our clients have achieved by partnering with A&M on strategic sourcing.

To determine actual savings amounts by District, A&M applied the savings ranges to FY16 expenditure data from the State. The expenditure data from the State is summarized at function and major object codes.

Given the approach to estimate savings was a top-down approach rather than a bottom-up approach of savings by vendor, the estimates of savings achieved through purchasing coordination are high-level estimates.

	Range of Savings: A&M Strategic Sourcing Experience	
	Low	High
Building Services	3.2%	7.2%
Non-Instructional Supplies	2.5%	5.5%
Instructional Supplies	2.5%	5.5%
Instructional Services	6.0%	10.0%
Support Services	2.6%	6.2%
Technology	3.4%	6.3%
Other	3.7%	7.3%
Overhead Services	3.4%	6.7%
Transportation Services	2.8%	8.5%

Preliminary estimates of potential savings from increased collaboration of purchasing across districts range from 2.0% to 5.1%.

APPENDIX B: DATA SOURCES



APPENDIX B: DATA SOURCES

ABBEVILLE 60

[1] FY 16 District Report Card

[2] State-provided enrollment numbers:

- **FY 15 135-Day ADM:** The only use of the FY 15 enrollment numbers is for the enrollment trend
- **FY 16 135-Day ADM:** All calculations made using FY 16 expense data and enrollment data rely on the FY 16 135-Day ADM
- **FY 17 45-Day ADM:** All calculations made using FY 17 personnel data and enrollment data rely on the FY 17 135-Day ADM

*Number of schools calculated using state ADM files

[3] State-provided FY 16 district expenses

*In-scope procurement and categorization is determined by a mapping completed by A&M based on expense function & object codes. These values exclude all expenses where fund code = 400, 500, or 700 (Debt, Capital, and Pupil Activity funds respectively).

[4] District-provided FY 17 personnel rosters

[5] State-provided FY 16 district revenue

[6] A&M Functional Area Mapping

If "Function Code" begins with 1## Then "Instruction"

If "Function Code" = 252, 257, or 259 Then "Financial Management"

If "Function Code" = 264 Then "Human Resources"

If "Function Code" = 231, 232, 261, 262, or 265 Then "Overhead"

If "Function Code" = 251 or 255 Then "Transportation"

If "Function Code" begins with 2## and not in lists above Then "Support Services"

If "Function Code" begins with 3## Then "Community Services"

If "Function Code" begins with 4## Then "Other"

If "Function Code" begins with 5## Then "Debt"

[7] FY 16 Comprehensive Annual Financial Report (CAFR)

[8] Historical A&M Procurement Savings and assumption of district collaboration in the procurement function

[9] FY 16 State-provided transportation data

APPENDIX B: FORMULAS DEFINED

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Sources [2],[3]

- $\$ \text{ Per Student} = \text{Total Cost}^{[3]} / \text{FY 16 135-Day ADM}^{[2]}$
- $\$ \text{ Per Student Excluding Debt \& Capital} = \text{Total Cost}^{[3]} / \text{FY 16 135-Day ADM}^{[2]}$ (Where Fund Name $\neq$ "Capital Projects Fund" or "Debt Service Fund")
- $\text{Financial Management Cost per Student} = \text{Total Cost}^{[3]}$ (Where A&M Functional Group = "Financial Management" and Fund Name $\neq$ "Capital Projects Fund" or "Debt Service Fund") / $\text{FY 16 135-Day ADM}^{[2]}$
- $\text{HR Cost / Student} = \text{Total Cost}^{[3]}$ (Where Function Code = "Human Resources") / $\text{FY 16 135-Day ADM}^{[2]}$
- $\text{Transportation Cost / Student} = \text{Total Cost}^{[3]}$ (Where A&M Functional Group = "Transportation") / $\text{FY 16 135-Day ADM}^{[2]}$

Sources [2],[4]

- $\text{Students Per Instructional Services FTE} = \text{FY 17 45-Day ADM}^{[2]} / \text{FTE}^{[4]}$ (Where Category Description = "Instruction," "Instructional Staff Services," "School Administration," or "Pupil Services")
- $\text{Students Per Overhead FTE} = \text{FY 17 45-Day ADM}^{[2]} / \text{FTE}^{[4]}$ (Where Category Description = "Gen Admin," "Finance," "Technology," "Central Services," or "Human Resources")
- $\text{Students Per School Support FTE} = \text{FY 17 45-Day ADM}^{[2]} / \text{FTE}^{[4]}$ (Where Category Description = "Food Services," "Facilities," "Transportation", "Support Services" or "Community Services")
- $\text{Students to All Positions} = \text{FY 17 45-Day ADM}^{[2]} / \text{FTE}^{[4]}$
- $\text{Students To Total FTE} = \text{FY 17 45-Day ADM}^{[2]} / \text{FTE}^{[4]}$
- $\text{ADM to Financial FTE} = \text{FY 17 45-Day ADM}^{[2]} / \text{FTE}^{[4]}$ (Where Category Description = "Finance")
- $\text{ADM to HR FTE} = \text{FY 17 45-Day ADM}^{[2]} / \text{FTE}^{[4]}$ (Where Category Description = "Human Resources")

APPENDIX B: FORMULAS DEFINED

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Source [5]

- Grant Funds as Percent of Total Budget = $((\text{Total Special}^{[5]} + \text{Special EIA Revenue}^{[5]}) / \text{Total Revenue Excluding})$ Where Fund Name $\neq$ "Capital Projects Fund" or "Debt Service Fund"
 - * Special Revenue = Fund Code 200
 - * Special EIA Revenue = Fund Code 300
 - * Debt & Capital = Fund Code 400 & 500

Source [3],[7]

- Days Cash on Hand = $(\text{Cash: Unrestricted, general fund}^{[7]} + \text{Investments: general fund}^{[7]} + \text{AR: County}^{[7]}) / (\text{General Fund Expenditures}^{[3]} / 365)$
 - *General Fund Expenditures = expenses where fund code = 100
- Days Payable Outstanding = $(\text{Accounts Payable: General Fund}^{[7]} / (\text{Non-Personnel Expenditures}^{[3]} / 365))$
 - *Non-Personal Expenditures = expenses where Object Code between 300 – 700

Source [5],[7]

- Unrestricted Fund Balance as % of General Fund = $\text{Fund balance} - \text{unrestricted}^{[7]} / \text{General Fund Revenue}^{[5]}$
- Grants Receivables Days Outstanding = $(\text{Grants Receivable from State}^{[7]} + \text{Grants Receivable from Federal}^{[7]}) / (\text{total grant funds from statewide revenues}^{[5]}/365)$
 - *Total Grant Fund From Statewide Revenue is revenue where fund code = 200 & 300
- Total Debt Outstanding/Total Revenue = $\text{Total Debt Outstanding}^{[7]} / \text{Revenue}^{[5]}$ (Where Fund Name $\neq$ "Capital Projects Fund" or "Debt Service Fund")

Source [9]

- Routes Per Bus = $\text{Number of Routes}^{[9]} / \text{Number of Buses}^{[9]}$
- Average Ridership = $\text{Total Ridership}^{[9]} / \text{Number of Routes}^{[9]}$
- Average Route Time = $\text{Total Route Minutes}^{[9]} / \text{Number of Routes}^{[9]}$
- Average Mileage Per Bus = $\text{Total Route Miles}^{[9]} / \text{Number of Buses}^{[9]}$

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