



# ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION  
SCHOOL DISTRICT EFFICIENCY REVIEW

**Anderson 01**

**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

## ANDERSON 01

### PROJECT OVERVIEW

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- 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

## ANDERSON 01

### PROJECT OVERVIEW (CONTINUED)

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- 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.

## PROJECT OVERVIEW (CONTINUED)

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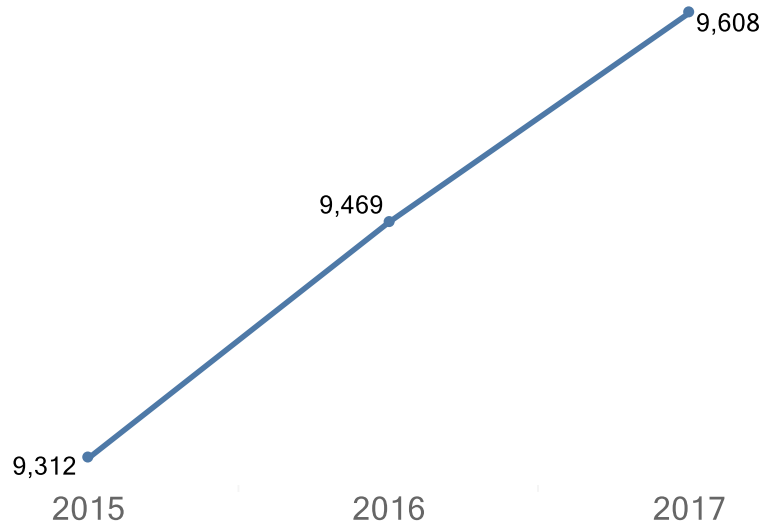
### ➤ Sources of Data and Savings Estimates:

- 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.

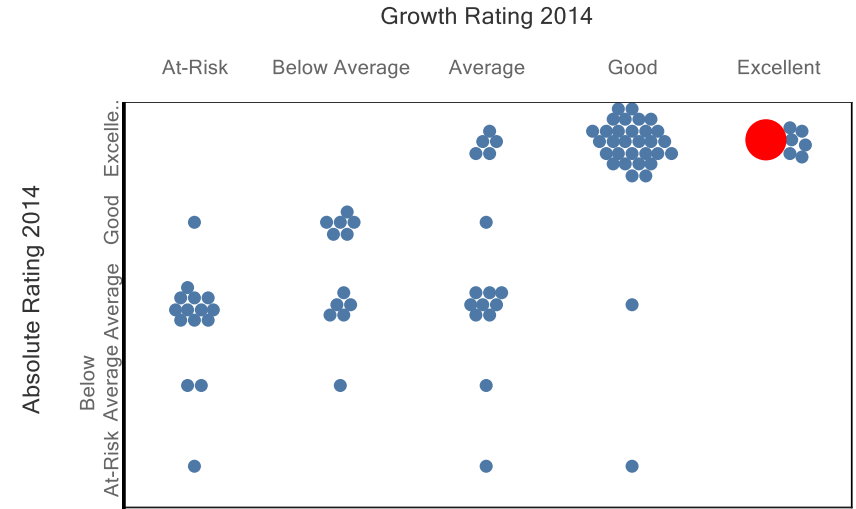
# EXECUTIVE SUMMARY

## ANDERSON 01

### Average Daily Membership<sup>[2]</sup>



### Student Achievement<sup>[1]</sup>



### General Info

Number of Schools <sup>[2]</sup>	14
% Poverty <sup>[1]</sup>	48.2%
% Disability <sup>[1]</sup>	12.2%
\$ Per Student <sup>[2],[3]</sup>	\$9,444
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$8,115

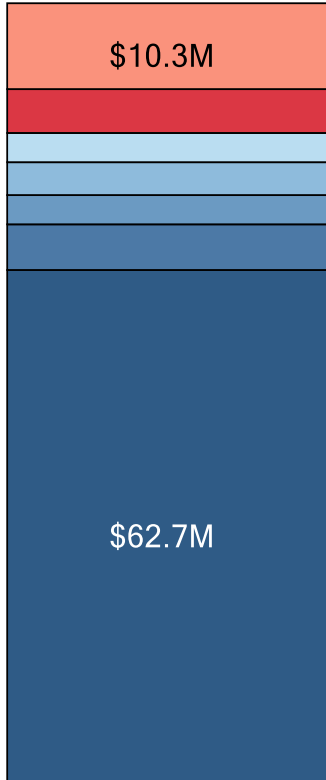
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	11.6
Students Per Overhead FTE <sup>[2],[4]</sup>	413.7
Students Per School Support FTE <sup>[2],[4]</sup>	58.8
Students to Total FTE <sup>[2],[4]</sup>	9.5

# EXECUTIVE SUMMARY

## ANDERSON 01

Sources of Funds<sup>[5]</sup>  
\$95.3M



2015-2016

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

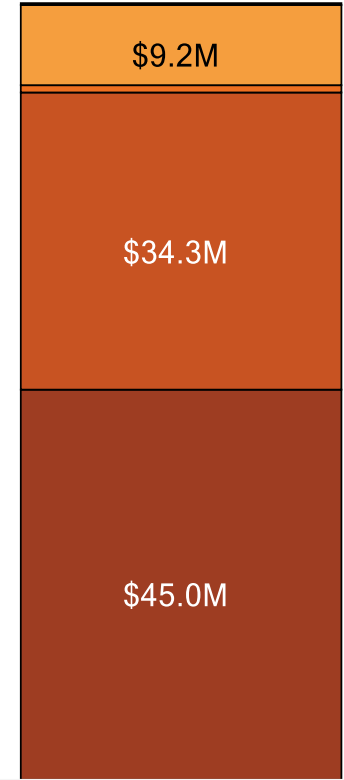
Use of Funds - Type<sup>[3]</sup>  
\$89.4M



2015-2016

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

Use of Funds - Function<sup>[3]</sup>  
\$89.4M



2015-2016

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

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## ANDERSON 01

\$89.4M  
Total

\$10.0M  
In-Scope

\$79.5M  
Not In-Scope

*11.1% of total spend is within scope of the efficiency review:*

	In Scope Spend <sup>[3]</sup>	Procurement Component
Finance	\$660,651	\$35,234
Human Resources	\$362,066	\$63,403
Overhead	\$710,973	\$194,861
Transportation	\$1,684,653	\$83,744
Procurement (Community Services, Instruction, Support Services)	\$6,543,844	\$6,543,844
<b>TOTAL</b>	<b>\$9,962,187</b>	<b>\$6,921,086</b>

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## ANDERSON 01

### GOALS, CHALLENGES & ACHIEVEMENTS

#### District Goals

**Mission:** Anderson School District One is committed to a tradition of excellence by providing world class knowledge, skills and life characteristics based on the individual needs of each student.

1. **Graduation Rates:** Maintain the district graduation rate to stay at or above 90% with the goal of all graduates being College & Career Ready.
2. **Reading:** Improve ESOL student reading levels across the district
3. **Family Literacy Program:** Strengthen parent involvement in the learning process of preschool children
4. **AP Testing:** Improve the percentage of AP Exams with a score of 3 or higher each year from 2015 - 2020.
5. **SAT Testing:** Improve SAT/ACT scores to a level above the state and national average

#### Achievements

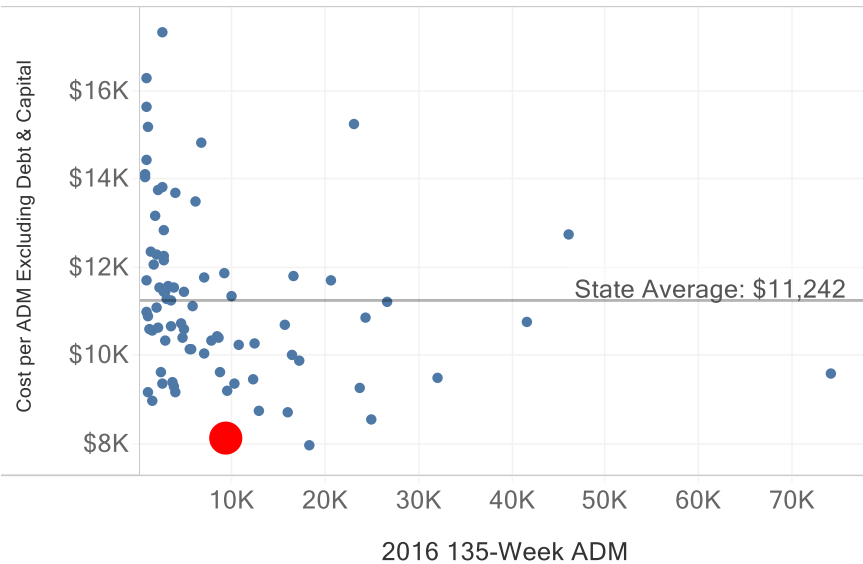
- **AdvanceEd:** Received AdvancEd. accreditation in 2015.
- **Graduation Rates:** Graduation rates have improved under current Superintendent's direction (93.1%)
- **State Report Card:** The district was rated Excellent on the South Carolina Absolute and Growth Rating Scale in 2014.
- **Local Option Sales Tax:** Through partnership, the Anderson County school districts were able to pass a 1% nominal sales tax to help finance debt service and capital improvement needs. Since its passing, the school districts have collected \$45 million.

#### Challenges

- **Bus Driver Shortage:** The District is faced with a qualified and reliable bus driver shortage, similar to neighboring areas.
- **Enrollment:** Keeping up with the demands of high enrollment growth
- **ESOL Population:** Large ESOL population, keeping up with associated personnel demands
- **Classroom Size:** The District maintains larger classroom sizes due to of lower per pupil revenues

## 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 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 size of the District, there are a range of 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

## ANDERSON 01

### OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
<b>Finance</b>	<ul style="list-style-type: none"> <li>• <b>Financial Management:</b> The District is financially stable with significant cash on hand and a substantial unrestricted fund balance relative to districts of similar size.</li> <li>• <b>Staffing / Processes:</b> The department is adequately staffed to support the scope of its roles and responsibilities. The District should seek to leverage software to integrate timekeeping into the payroll system and automate purchasing workflow approvals.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• <b>Staffing / Processes:</b> The Human Resources organization is an adequately staffed team overseen by the Assistant Superintendent for HR. The District does not currently have technology in place to streamline application, recruiting and onboarding processes.</li> <li>• <b>Challenges with Recruiting and Retention:</b> The District experiences general challenges associated with teacher shortages. However, the District is able to fill vacancies annually, without relying on staffing agencies. The District invests in above average teacher salaries.</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• <b>Transportation Management:</b> The State directly pays for costs of bus purchasing, maintenance, fuel and a portion of driver salaries. The majority of districts are grappling with a shortage of drivers.</li> <li>• <b>Routing:</b> The District utilizes routing software to map out the most efficient routes. The transportation director leverages software system and data efficiently to make informed, strategic decisions.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The District has one person in the Finance department dedicated to purchasing.</li> <li>• <b>Strategic Sourcing:</b> As a larger district, contracts are negotiated with volume discounts where possible.</li> </ul>
<b>Overhead</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The Office of the Superintendent is adequately staffed with a Superintendent, Assistant Superintendent and a secretary. The District has a significantly lower cost per pupil than peers.</li> <li>• <b>Collaboration:</b> Formally, the Anderson County Districts passed a Local Option Sales Tax together, providing funding for debt service and capital needs. Informally, the Districts meet regularly to discuss problems and troubleshoot.</li> </ul>

## RECOMMENDATIONS

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

### **Modernize School District Operations**

- Invest in technology
  - New state-wide 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.
  - Regional shared service model that includes Finance, HR and procurement (at a minimum)
  - Strengthened purchasing collaboration through dedicated volume
- Collaboration will not only drive cost savings, but will increase the effectiveness of the services.

# EXECUTIVE SUMMARY

## ANDERSON 01

### MODERNIZATION RECOMMENDATIONS

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

MODERNIZATION RECOMMENDATIONS			
FINANCE	HUMAN RESOURCES	PROCUREMENT	TRANSPORTATION
<p><b>System Enhancements:</b> Update software versions and / or add modules to financial systems to facilitate automated and purchase to payments processes, integrated timekeeping and payroll and position control functionality.</p> <p><b>Process Improvements:</b> Modernize processes to limit manual activities and strengthen internal controls.</p> <p><b>Staffing/Organization:</b> Train/cross-train personnel on key financial functions to increase the capabilities and effectiveness of the teams.</p>	<p><b>System Enhancements:</b> Implement new technologies to automate HR processes such as integrated applicant sourcing, tracking and on-boarding.</p> <p><b>Process Improvements:</b> Formalize plans to implement and enhance incentive programs to help navigate teaching shortages and increase recruitment and retention rates.</p>	<p><b>Process Improvements:</b> Leverage state contracts and group purchasing organizations to optimize spend.</p> <p>Enable other districts to purchase off individually negotiated contracts.</p> <p>Negotiate discounts / rebates for tiered levels of spending.</p> <p>Monitor compliance with major contracts and analyze spending distribution on an ongoing basis to identify opportunities for potential savings.</p>	<p><b>Process Improvements:</b> Consider the implementation of staggered routes for morning drop-offs as well.</p>

# EXECUTIVE SUMMARY

## ANDERSON 01

### 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
<p><b>Accounts Payable and Payroll:</b> Shared Processing; Standardized and automated workflow on approvals</p> <p><b>Potential to add in:</b></p> <ul style="list-style-type: none"> <li>Accounting Entries</li> <li>Financial Reporting</li> <li>General Oversight</li> <li>ERP Systems</li> <li>Grant Compliance and Claiming</li> </ul>	<p><b>Benefits Coordination:</b> Shared Processing and Support</p> <p><b>Potential to add in:</b></p> <ul style="list-style-type: none"> <li>Intl. Recruiting: H1B Process or collaborative</li> <li>System Licenses for Recruiting, Substitute Management, and on-boarding</li> <li>Sharing of instructional resources across varying classroom models</li> </ul>	<p><b>Purchasing Coordination:</b> Collaborate on market intelligence, pricing opportunities, RFP management, contract negotiations, contract management and minimum buying commitments</p> <p>Capitalize on volume discounts and rebates</p> <p>Shared analysis of spending, monitoring and optimization of pricing</p>	<p><b>Transportation:</b> Shared administrative resources</p> <p><b>Facilities/ Maintenance:</b> Shared staffing of key maintenance positions across districts (e.g, HVAC, Electrician, Plumbing)</p> <p><b>Technology:</b> Shared oversight and support functions</p> <p><b>Curriculum:</b> Shared research and development functions</p>

*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

## ANDERSON 01

### 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

## ANDERSON 01

### 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	\$65,800	\$197,500
Human Resources	7,500	17,500	0	36,800
Procurement	0	0	207,000	409,900
Transportation – District	N/A	N/A	21,000	31,000
<b>District Total</b>	<b>17,500</b>	<b>42,500</b>	<b>293,800</b>	<b>675,200</b>
Transportation – State	0	0	24,000	37,000
<b>Total</b>	<b>\$17,500</b>	<b>\$42,500</b>	<b>\$317,800</b>	<b>\$712,200</b>

\* 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.*



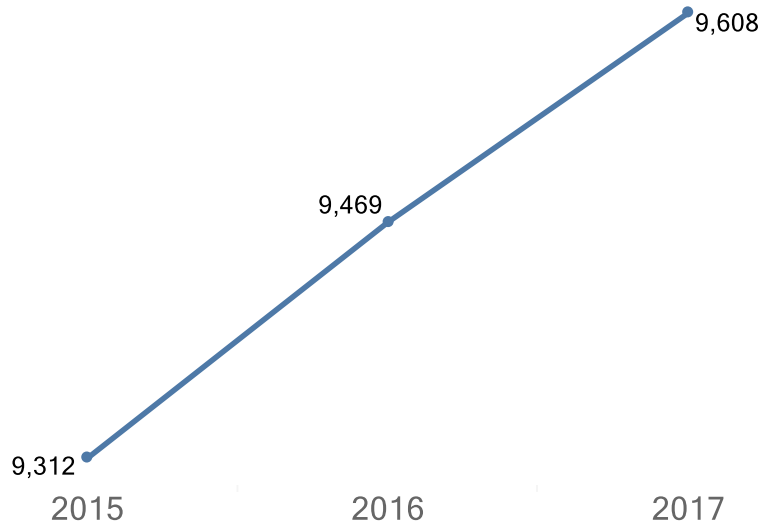
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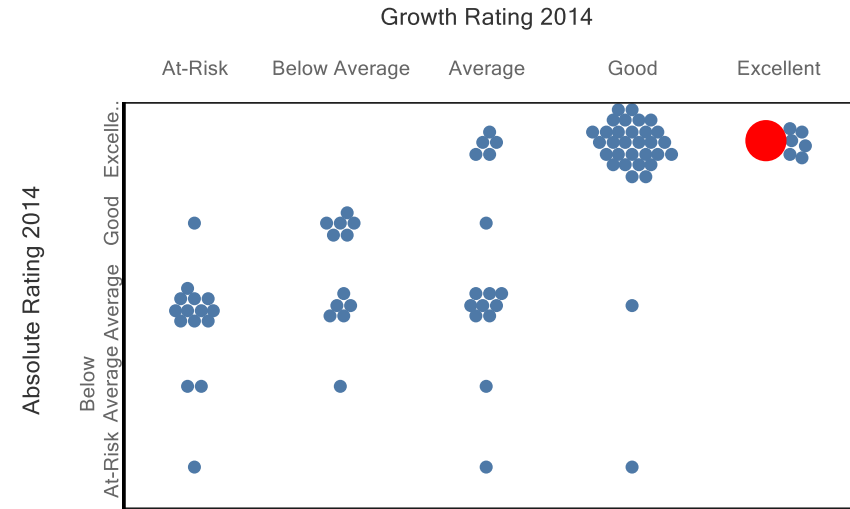
# DISTRICT ADMINISTRATION AND PERFORMANCE

## ANDERSON 01

### Average Daily Membership<sup>[2]</sup>



### Student Achievement<sup>[1]</sup>



### General Info

Number of Schools <sup>[2]</sup>	14
% Poverty <sup>[1]</sup>	48.2%
% Disability <sup>[1]</sup>	12.2%
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\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$8,115

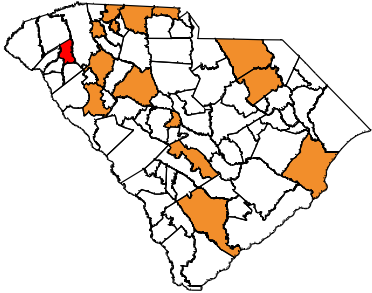
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	11.6
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# DISTRICT BENCHMARKING

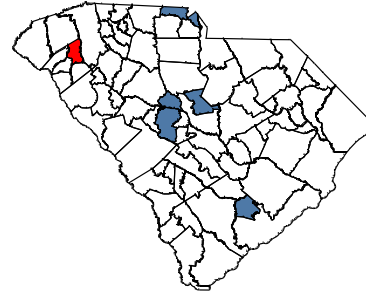
## ANDERSON 01

### Enrollment (5,000 - 10,000)



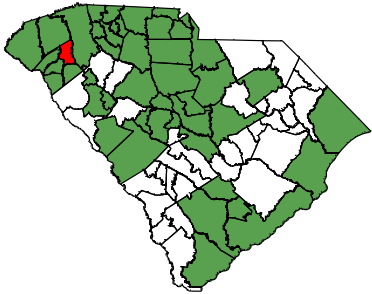
Anderson 01	Orangeburg 05
Cherokee	Spartanburg 02
Chesterfield	Spartanburg 05
Colleton	Spartanburg 07
Darlington	York 02
Georgetown	
Greenwood 50	
Laurens 55	
Lexington 02	
Newberry	

### Poverty (<50%)



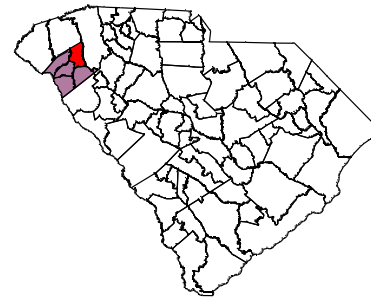
Anderson 01
Dorchester 02
Lexington 01
Lexington/Richland 05
Richland 02
York 02
York 04

### Phase 1 (No)



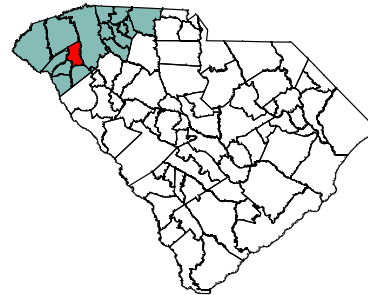
Aiken	Greenwood 52
Anderson 01	Horry
Anderson 02	Kershaw
Anderson 03	Lancaster
Anderson 04	Lexington 01
Anderson 05	Lexington 02
Beaufort	Lexington 03
Calhoun	Lexington/Richland 05
Charleston	Newberry
Cherokee	Oconee
Chester	Pickens
Colleton	Richland 01
Darlington	Richland 02
Dorchester 02	Spartanburg 01
Dorchester 04	Spartanburg 02
Edgefield	Spartanburg 03
Fairfield	Spartanburg 04
Georgetown	Spartanburg 05
Greenville	Spartanburg 06
Greenwood 50	Spartanburg 07
Greenwood 51	

Sumter
Union
York 01
York 02
York 03
York 04



### County (Anderson)

Anderson 01
Anderson 02
Anderson 03
Anderson 04
Anderson 05



### Region (Appalachian)

Anderson 01	Spartanburg 02
Anderson 02	Spartanburg 03
Anderson 03	Spartanburg 04
Anderson 04	Spartanburg 05
Anderson 05	Spartanburg 06
Cherokee	Spartanburg 07
Greenville	
Oconee	
Pickens	
Spartanburg 01	

# DISTRICT OVERVIEW

## ANDERSON 01

### KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

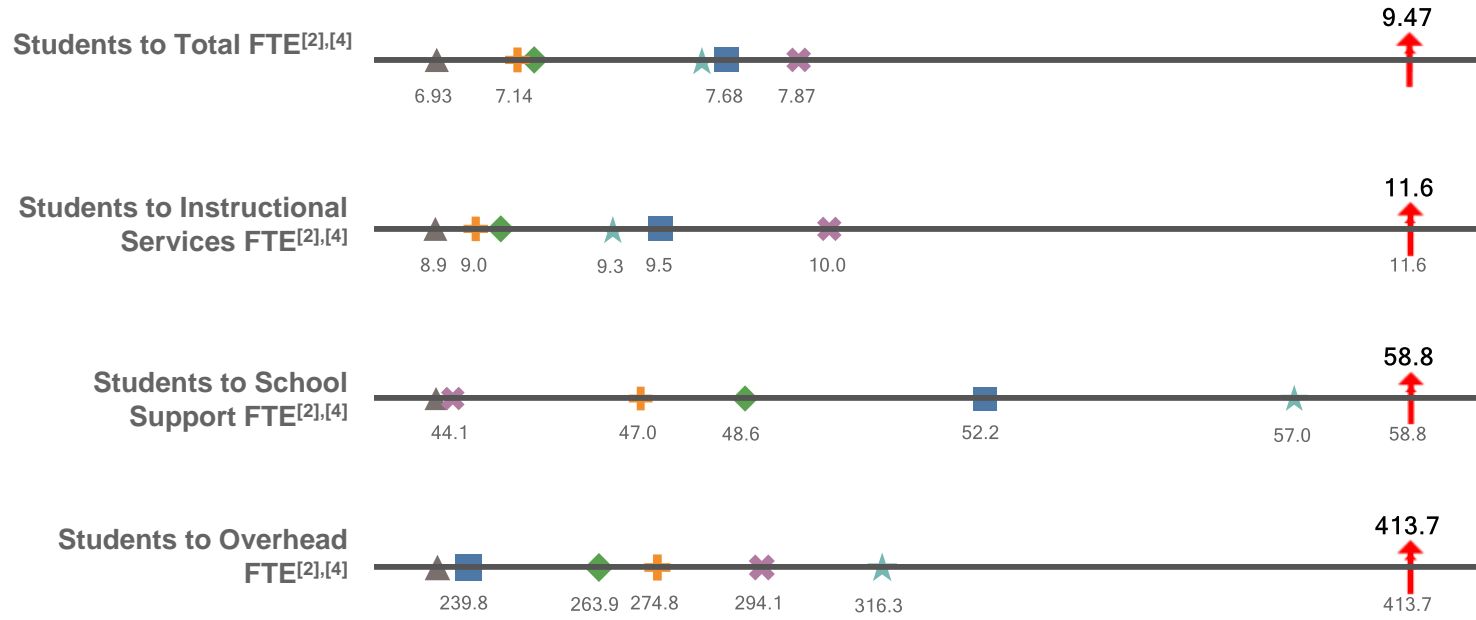
*The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.*



# DISTRICT OVERVIEW

## ANDERSON 01

### KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



# DISTRICT OVERVIEW AND OVERHEAD

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Enrollment Trends</b>	<ul style="list-style-type: none"> <li>• <b>3-year Enrollment Trend:</b> The District's enrollment has increased by 296 or 3.2% over the past 3 years.</li> <li>• <b>Student Demographics:</b> While the District has a lower poverty rate than county peers 48.2% and a special needs population in line with the rest of the state 12.2%. The district also has a growing ESOL population of 5.6%.</li> <li>• <b>Competition:</b> There are no private schools or charter schools in the area.</li> <li>• <b>Long-term Planning:</b> The District prepares informal long term enrollment projections to help inform long-term planning. The district uses historical growth rates of 1.5-2.5% as the assumption.</li> </ul>	
<b>District Funding and Resource Allocation</b>	<ul style="list-style-type: none"> <li>• <b>Per Pupil Expense:</b> When excluding debt and capital, the District Per Pupil expense is \$8,115 which is one of the lowest per pupil amounts in the state.</li> <li>• <b>Unrestricted Fund Balance:</b> The District has an unrestricted fund balance that is 22.3% of general fund revenues. The fund balance is above the statewide average resulting in increased financial flexibility and stability.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD ANDERSON 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>District Funding and Resource Allocation (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Student to FTE:</b> The Student to Total FTEs of the District is 9.5 which is higher than the statewide average of 6.9 and higher than districts of similar size at 7.1.</li> <li>• <b>Student to Instructional Services FTE:</b> The ratio is 11.6 is higher than the statewide average and county peers indicating larger classroom sizes.</li> <li>• <b>Student to School Support FTE:</b> The Student to School Support ratio is 58.8 which is higher than the statewide average and county peer group.</li> <li>• <b>Student to Overhead FTE:</b> The Student to Overhead Ratio is 413.7 which is higher than the statewide average and county peer group indicating low administrative overhead.</li> </ul>	
<b>Staffing / Organization (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Role of Superintendent:</b> The Superintendent's job is more heavily focused on the academic needs of students and community engagement. The Office of the Superintendent is supported by an Assistant Superintendent who has multiple directors reporting up.</li> <li>• <b>Communications Function:</b> There is no communications support for the Superintendent's office. The Function resides solely with the Superintendent.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider an additional resource dedicated to communications to allow for incremental support to the leadership team.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Legal:</b> District has no legal department. If legal advice is required, the District retains outside counsel to provide support.</li> <li>• <b>Turnover:</b> Superintendent has overseen the District for the past 4 years.</li> </ul>	
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• <b>Board Pay:</b> The Board Members of the District are not paid.</li> <li>• <b>Board Composition:</b> The Board is composed of seven elected officials each serving a four year term. One member of the school board is a director of the State School Board Association.</li> <li>• <b>Training:</b> Board Members are not required to attend training beyond the basic state requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Have Board of Directors attend annual training to enable members to become impactful members of the board.</li> </ul>
<b>Philanthropy and Business Engagement</b>	<ul style="list-style-type: none"> <li>• <b>Relationships:</b> The District maintains formal partnerships with area businesses. The Superintendent has established relationships within all facets of community for student and District support.</li> <li>• <b>Business Engagement:</b> The District works closely with Bosch to provide training, workforce opportunities for students interested in mechatronics. The school implemented a mechatronics curriculum at the career center which was paid for by state legislature. Bosch, upon graduation, hires students. In a separate partnership with Bosch, the company provides grant opportunities for the STEM program.</li> <li>• <b>Philanthropic Engagement:</b> The District works with philanthropic organizations such as United Way for the Backpack Backpack program and the local YMCA to provide daycare.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should establish a Business and Community Engagement function within the district office to maintain and cultivate philanthropic and business relationships to generate additional funding and support for the district.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Informal Networks:</b> The District regularly communicates with the other Anderson County superintendents. The Anderson school districts collaborated to pass the 1% Local Option Sales Tax which helps each district fund debt service and capital improvements among other things.</li> <li>• <b>Career Center:</b> The District shares a career center with Anderson 2.</li> <li>• <b>Alternative School:</b> The Anderson County school districts share an alternative school. The County Board serves as the fiscal agent and is largely funded by its own county mileage (2 mils). However, the county bills each school district for the remainder of expenses based on enrollment and the exact number of days the student attended alternative school.</li> <li>• <b>Special Education:</b> The District does not coordinate with other area districts on Special Education programs.</li> <li>• <b>Headcount:</b> The District does not share FTEs with surrounding area districts.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider implementing a regional shared service model that allows for sharing of resources and systems that 1) require specialized skills or 2) are highly transactional.</li> <li>• Consider shared Chief Development Officer across districts.</li> </ul>



## OUTLINE

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

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.*

1,068 : 1  
District Students (ADM)<sup>[2]</sup> Financial FTE<sup>[4]</sup>

\$70 per Student

Cost of Total Financial Spend<sup>[3]</sup> per Student (ADM)<sup>[2]</sup>

Key statistics for metrics	
Financial FTEs <sup>[4]</sup>	9.0
Personnel Expense <sup>[3]</sup>	\$625,417
Non-Personnel Expense <sup>[3]</sup>	\$35,234
Total Financial Expense <sup>[3]</sup>	\$660,651

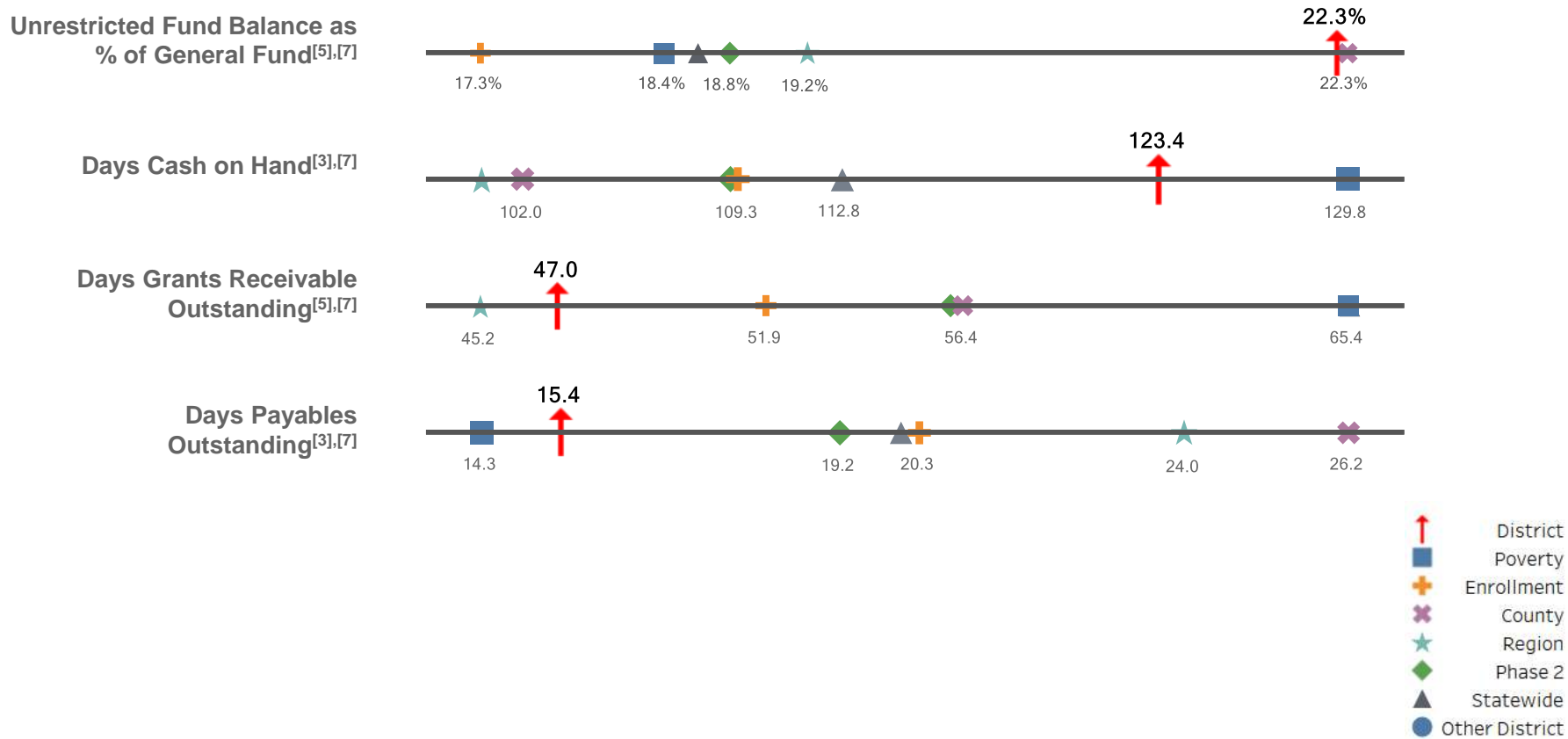
NOTE: FTEs shown in the table above reflect dedicated finance staff only; Financial expenses shown above reflect amounts coded to the finance department. In some instances districts may include salary and benefit related charges that are not related to dedicated Finance costs in their totals.

# FINANCIAL MANAGEMENT

## ANDERSON 01

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

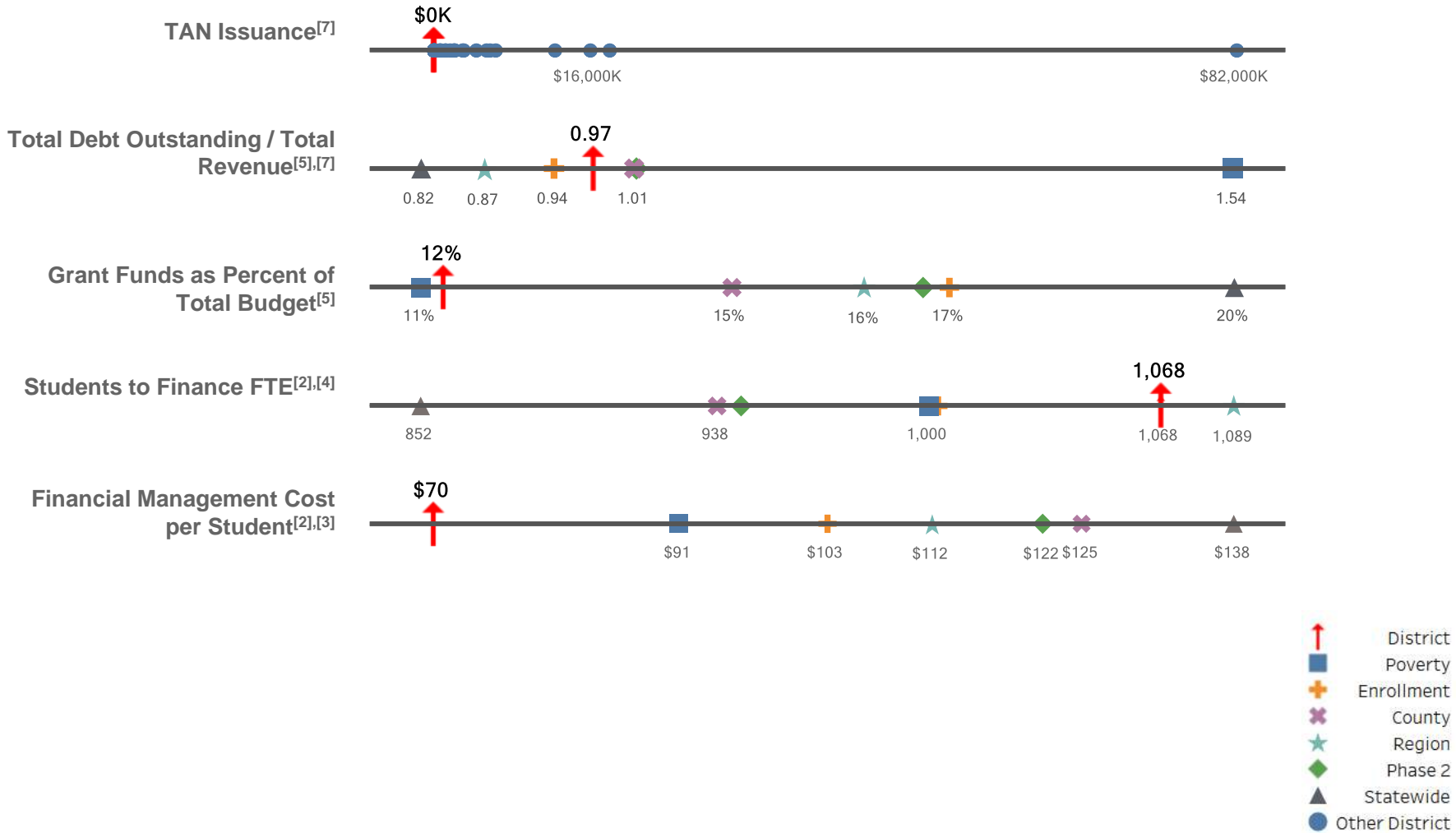
The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.



# FINANCIAL MANAGEMENT

## ANDERSON 01

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



# FINANCIAL MANAGEMENT ANDERSON 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The Finance organization is adequately staffed to support the scope of its roles and responsibilities over accounting, payroll, accounts payable, budget, treasury, procurement and financial reporting. The department is composed of a finance director and 7 additional FTEs dedicated to Accounts Payable, Payroll, Purchasing, Grants and Benefits.</li> <li>• <b>Turnover:</b> The department has had 1 lead finance directors in past 3 years.</li> <li>• <b>Finance Cost Per Pupil:</b> The Finance cost per pupil for the district is significantly lower than enrollment and county peers at \$70 per child.</li> <li>• <b>Student Per Finance FTE:</b> The student to financial management FTE ratio is higher relative to peers at 1,068 indicating efficient operations.</li> <li>• <b>School-based Staff:</b> Each school has an assigned bookkeeper to handle school-based transactions.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"> <li>• <b>Payroll:</b> The District currently runs payroll on a bi-monthly and monthly basis. Teachers and administrative staff are paid monthly. Maintenance, custodial, substitute teachers and bus drivers are paid bi-monthly. At the end of the school year most employees will move to monthly payroll.</li> <li>• <b>Direct Deposit:</b> All FTEs of the District are on direct deposit, except for substitute teachers.</li> <li>• <b>Employee Self-Service:</b> The District uses a self service payroll platform, therefore employee initiated payroll changes are all processed electronically.</li> <li>• <b>Timekeeping:</b> Timekeeping for non-exempt employees is tracked via school-check in. School bookkeepers must input into payroll manually.</li> <li>• <b>Purchasing:</b> The District utilizes a centralized purchase order system for purchases. Schools are able to secure items and services in accordance with district and state regulations which are then approved by appropriate personnel and district financial management. Workflow approvals are manual.</li> <li>• <b>Pcard:</b> The District does not utilize a Pcard program, however the district is currently piloting a limited run with First Citizens bank.</li> </ul>	<ul style="list-style-type: none"> <li>• Utilize Harris SmartFusion and AESOP substitute management software's ability to synchronize automated payroll.</li> <li>• Implement an automated time-tracking functionality that integrates with the payroll system in order to eliminate manual time input for payroll.</li> <li>• 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.</li> <li>• Given the purchasing volume of the District, expand and promote the use of the Pcard program with a single financial institution to leverage a rebate incentive.</li> </ul>

**SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS**

	Observations	Recommendations
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"> <li>• <b>Inventory:</b> The District conducts weekly centralized inventory processes. The finance department runs a weekly automated inventory review as well as a reorder report to help manage supplies. Inventory is managed by the district and also self-managed by schools.</li> <li>• <b>Warehouse:</b> The District has a warehouse to hold supplies (custodial, art, school, etc.) housing 418 different types of products. The warehouse is managed by a manager. The total inventory is currently worth approximately \$145,000.</li> <li>• <b>RFID Tagging:</b> The District bar codes technology for asset tracking as well as any asset worth over \$5,000. These assets are logged in Harris SmartFusion.</li> <li>• <b>Textbook Management:</b> Textbooks are managed independently by schools through the state Destiny system.</li> <li>• <b>Risk Management:</b> The District has formal risk management policies in place. Deductible levels are of \$5,000 and is insured by SCSBIT.</li> </ul>	

**SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS**

	Observations	Recommendations
<p><b>Grants Management</b></p>	<ul style="list-style-type: none"> <li>• <b>Grants Revenue %:</b> Grant revenues provide 12% of revenue for the District making this District less reliant on grant funds than its county and enrollment peers.</li> <li>• <b>Federal Funds:</b> Federal program coordinators (outside of Finance) are primarily responsible for ensuring that special funds are used in compliance with regulations prior to payments being processed. The finance department collaborates closely with grants administrators to ensure that claims are made on a timely manner in order to maximize cash flow and that money is used per the terms of the grant.</li> <li>• <b>Indirect Costs:</b> The District charges indirect costs against federal grants (Title I, IDEA and USDA) at the state negotiated rate.</li> <li>• <b>Grants Monitoring:</b> The finance department provides grant users budget to actual reports, although grant users are able to pull the information independently as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to have the finance department to provide for a secondary review process before paying for grant funded activities or submitting claims for reimbursement on grants.</li> <li>• Consider hiring a grant writer that can be shared with other nearby districts to help drive applications for competitive grant opportunities.</li> <li>• Require that claims are processed monthly for grants that are eligible for monthly submission in order to: (a) maximize cash flow; (b) identify any potential issues with submissions as early as possible.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• <b>Audit Findings:</b> Although there was no material weakness cited in the last audit, the auditor recommends the District should monitor the segregation of duties between school-based bookkeepers and cash-intake.</li> <li>• <b>Mitigation:</b> Each school is audited almost every other year to check for fraud. A district-level accountant has started to perform an annual internal audit as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement annual review of processes to ensure segregation of duties over key areas of internal control.</li> <li>• Implement processes to ensure that identified internal control weaknesses are mitigated.</li> </ul>
<b>Cash Management</b>	<ul style="list-style-type: none"> <li>• <b>Days Cash on Hand:</b> The District has a strong cash balance with 123.4 days cash on hand is higher than the statewide average.</li> <li>• <b>Cash Flow Monitoring:</b> The District performs formalized weekly cash flow forecasting process.</li> <li>• <b>Grants Receivable Outstanding:</b> The District has a better Days Grants Receivable Outstanding than peers at 47.0. The District submits grant reimbursements quarterly.</li> <li>• <b>Days Payable Outstanding:</b> The Districts Days Payables Outstanding is better than peers at 15.4 days indicating timely payments are made.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement processes to file for grant (state and federal) reimbursements on a monthly basis (that are able to be claimed on a monthly basis) in order to maximize cash flow and ensure grant funds are optimized and spent in accordance with appropriate guidelines.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Cash Management (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Cash:</b> The District invests cash balances in the State Local Investment Pool and in CDs (&lt;\$250,000 to comply with insurance policy). Although the CDs reduce liquidity, the District has ample cash balances to mitigate. The District strategically invests in CDs as it provides a higher return than the LGIP.</li> <li>• <b>Debt:</b> The total debt load as a percent of revenues is higher relative to the statewide average at 97%.</li> <li>• <b>TAN:</b> The District has not issued TANs over the last several years to assist with liquidity needs during cash low point. The district monitors cash effectively during low-liquidity months to minimize draws on short term lines of credit.</li> </ul>	
<b>Budget</b>	<ul style="list-style-type: none"> <li>• <b>Budget Planning:</b> The annual budget process begins with a roll-forward of the prior year expenses. The budget team works extensively with department heads to assess any new needs that are anticipated for the new fiscal year. The annual budget process is also linked with the capital needs plan.</li> <li>• <b>Fiscal Monitoring:</b> The District does not perform monthly or quarterly closes. However, financial reports comparing budget to actual are shared monthly with key leaders such as the Superintendent, school principals and the school board.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue preparing zero/performance based budget annually to ensure resources are aligned with strategic priorities and expenses are anticipated and planned for.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>ERP:</b> The District currently uses Harris SmartFusion for general accounting, payroll and accounts payable and also leverages Harris SmartFusion to facilitate employee self service for payroll matters. The District has been able to successfully transition to automated work processing in much of its processes, however, it is still currently using manual processes for purchase order workflows.</li> </ul>	<ul style="list-style-type: none"> <li>• 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, automated time tracking that links directly with the payroll system.</li> </ul>
<b>Regional Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Informal Networks:</b> The District does not coordinate with others in the region on any transaction processing or finance related activities, but regularly meets with the rest of the Anderson County CFOs to discuss problems districts are facing and troubleshooting.</li> <li>• <b>Consortiums:</b> The District is part of SCAGBO in which the finance directors of individual districts previously meet annually to discuss how to navigate the financial landscape.</li> </ul>	<ul style="list-style-type: none"> <li>• 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)</li> </ul>



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# HUMAN RESOURCES

## ANDERSON 01

### 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.*

3,203 : 1

District Students (ADM)<sup>[2]</sup>

Human  
Resources  
FTE<sup>[4]</sup>

\$38 per Student

Cost of all HR personnel<sup>[3]</sup> per Student (ADM)<sup>[2]</sup>

#### Key statistics for metrics

Human Resources FTEs <sup>[4]</sup>	3.0
Personnel Expense <sup>[3]</sup>	\$297,498
Non-Personnel Expense <sup>[3]</sup>	\$64,568
Total Human Resources Expense <sup>[3]</sup>	\$362,066

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

## ANDERSON 01

### 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 2 and (g) other districts.



# HUMAN RESOURCES

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The Human Resources function operates on a lean budget with adequate staffing to support recruiting, retention, personnel relations, benefits and professional development activities. The department is led by the Assistant Superintendent, a Human Resources director and is supported by three additional FTEs.</li> <li>• <b>Human Resources Cost Per Pupil:</b> The HR cost per pupil of \$38 for the District is lower than the statewide average and the average for districts with similar enrollment levels indicating lower costs for HR functions.</li> <li>• <b>Student per Human Resources FTE:</b> The student to HR FTE ratio of 3,203 is high relative to the state average of 1,338 and the average of districts with similar enrollment levels of 1,712 indicating the District's ability to manage Human Resource functions efficiently.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Recruiting and Retention</b>	<ul style="list-style-type: none"> <li>• <b>Teacher Recruitment:</b> Similar to other school districts in the State, recruiting teachers into the District is challenging, however the District does not face midyear vacancies and is able to fill positions prior to a new schoolyear. The District does not need to leverage staffing agencies to fill hard to staff services.</li> <li>• The District primarily utilizes partnerships with nearby universities such as Clemson and Anderson to feed the pipeline as well as PACE and ABC Teach.</li> <li>• <b>Average Teacher Salary:</b> The average teacher salary is above the state and county average at \$48, 861.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

# HUMAN RESOURCES

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Recruiting and Retention</b>	<ul style="list-style-type: none"> <li>• <b>Vacancies:</b> The District filled 112 positions prior to the current school year and currently has 7 vacancies throughout the district. The District has a 92% retention rate.</li> <li>• <b>Exit Interviews:</b> The District occasionally performs exit interviews upon resignation for a non-relocation or retirement resignation.</li> <li>• <b>Online Platforms:</b> The District actively uses the state CERRA platform and social media as a method for recruiting as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct exit interviews to gather information on the causes of employee attrition, and use the results of the process to formulate an effective teacher retention plan.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>HR Software:</b> The District does not utilize a software system for recruiting, application screening, processing and onboarding.</li> <li>• <b>Substitute Management:</b> The District utilizes AESOP for substitute management.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement technology to help enhance and automate recruiting, on-boarding, substitute management and time tracking processes that are currently manual</li> <li>• Implement an automated time tracking system that can interface directly with the payroll system.</li> <li>• Capitalize on functionality provided by Frontline technology to fully automate the application to onboarding process.</li> </ul>

# HUMAN RESOURCES

## ANDERSON 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• <b>Employee Self-Service:</b> Benefits administration process is automated via employee self-service portal. Employees are responsible for updates and information is linked directly to payroll. Additionally, administration is overseen by two benefits coordinators.</li> <li>• <b>Dependent Review:</b> The District has an established process with PEBA to conduct a local review of benefit plans for ineligible dependents.</li> </ul>	
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Informal Networks:</b> The District does not collaborate with other nearby school districts on recruiting, human resource system licenses, or arrangements with international or local staffing agencies. The District does however meet regularly with county peers to discuss problems, trouble-shooting and general knowledge sharing.</li> <li>• <b>Professional Development:</b> The Anderson County districts frequently share professional development opportunities among one another and share costs per enrollee (i.e. one principal leadership training annually for all five districts, two or three induction trainings annually for all five districts, seat offerings for guest speakers)</li> </ul>	<ul style="list-style-type: none"> <li>• 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:               <ul style="list-style-type: none"> <li>- Benefits Coordination</li> <li>- Human Resources System Licenses (Frontline)</li> </ul> </li> </ul>



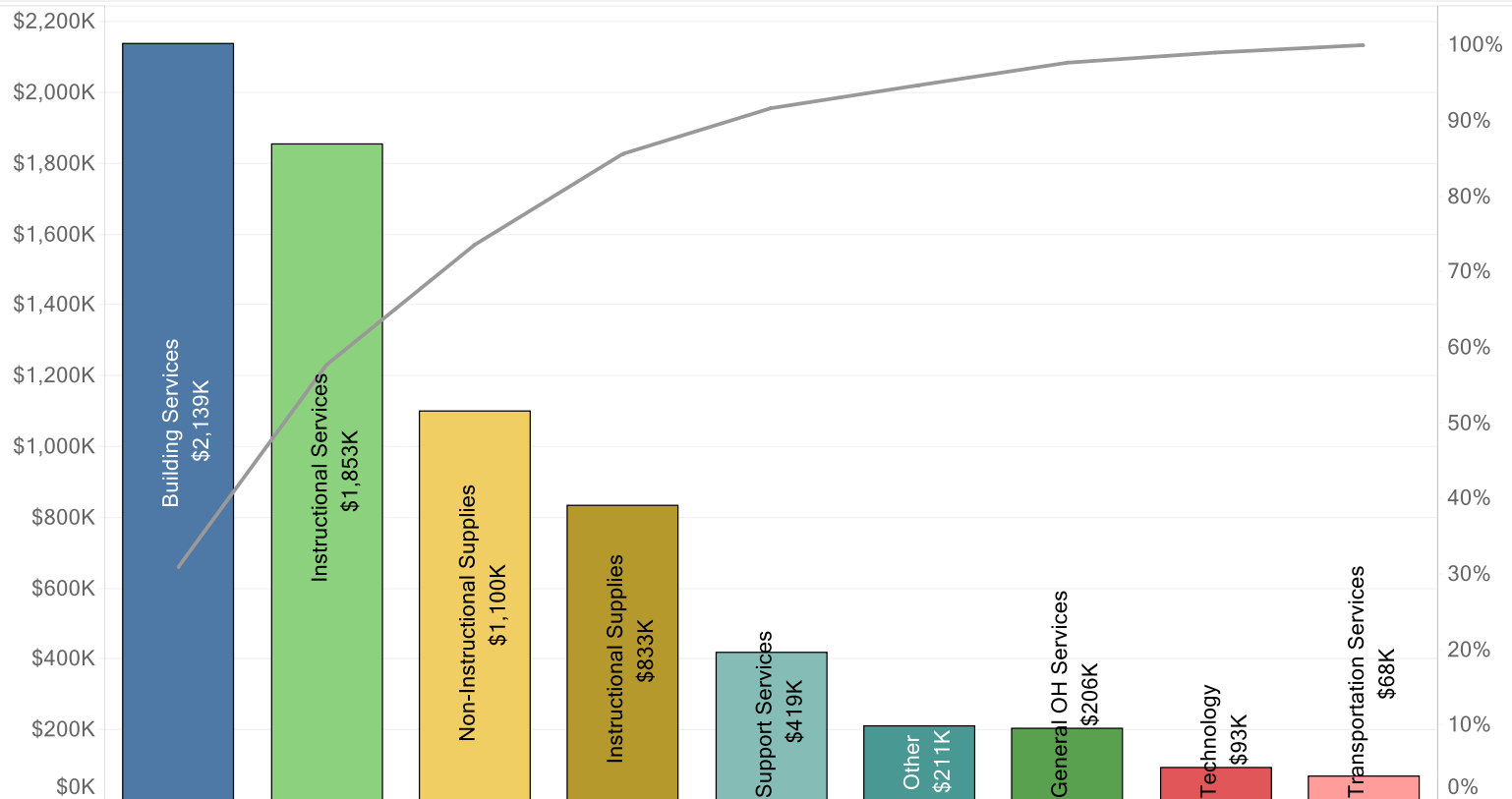
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PROCUREMENT OVERVIEW

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.

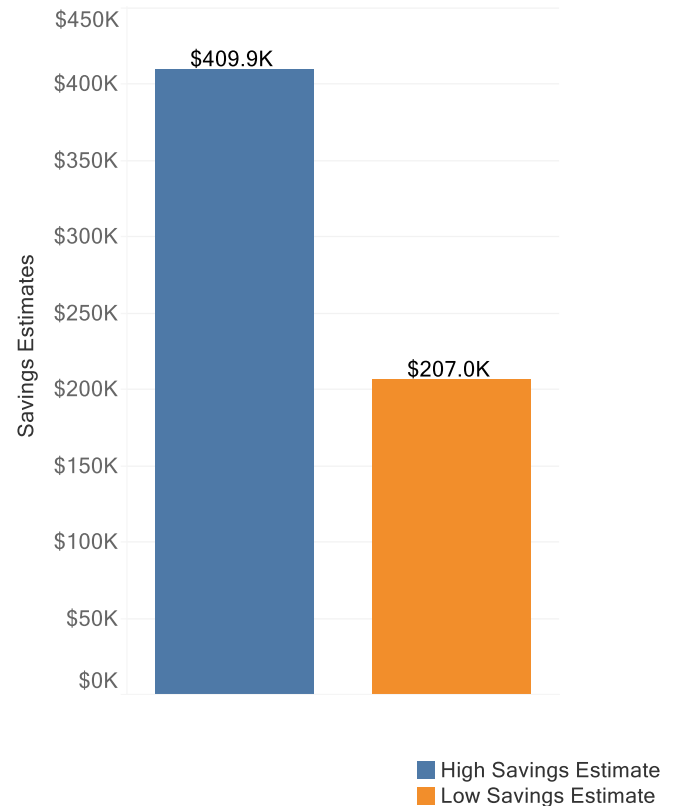
District In Scope Total Procurement Spend<sup>[3]</sup> = \$6,921,086



**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 <sup>[8]</sup>		
	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%



# PROCUREMENT ANDERSON 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Organization / Staffing</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The District has one FTE resource focused directly on procurement and maximizing purchasing activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage additional resources to better optimize procurement functions. See General Collaboration and Regional Collaboration below.</li> </ul>
<b>Spending by Vendor</b>	<ul style="list-style-type: none"> <li>• <b>Vendors:</b> Spending is fragmented across more than 1,200 vendors, however, the top 50 make up more than 80% of total spending.</li> <li>• <b>Aggregated Purchases:</b> The District makes aggregated purchases for goods that are utilized by multiple schools. Each school is able to buy smaller scale purchases limited by budget allocation and subject to the \$2,500 transaction limit. Anything over \$2,500 must be purchased by the district.</li> <li>• The District coordinates large scale supply purchases in order to leverage volume-bulk purchases.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The procurement function should conduct ongoing analysis of non-personnel spending, including review of spending by transaction and dollar volume to determine potential candidates for formal contracting and price negotiation to enable better pricing and cost savings. Examples of metrics that could inform analysis include: (a) vendor concentration (# of vendors comprising 80% of spend); (b) % of vendor spending negotiated through formal RFP process; (c) average POs per vendor.</li> <li>• Perform annual review of vendor performance (on time, complete, quality) to assess opportunities to reduce or eliminate non-value add services.</li> <li>• Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts.</li> </ul>

PROCUREMENT  
ANDERSON 01

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Spending by Vendor (cont'd)		<ul style="list-style-type: none"><li>• 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</li><li>• The District should work with the state procurement officials to promote the value of cooperative purchasing and advertise opportunities through SCBO. Ultimately, the state legislature will need to consider revisions to the code to enable use of this type of collaboration.</li></ul>

# PROCUREMENT ANDERSON 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Spending by Category</b>	<ul style="list-style-type: none"> <li>• <b>Building and Maintenance:</b> Maintenance handles most maintenance and HVAC in house. The District does not partner with others when outside contractors are needed for a larger-scale project.</li> <li>• <b>Food Services:</b> Food is purchased through Palmetto Purchasing Group and Dairy is through Lexington County (consortium purchasing).</li> <li>• <b>Instructional Support Services and Supplies - Procurement Exemptions:</b> The District does not require procurement of instructional support software and services to be placed out to bid.</li> <li>• The District does not procure these services and software in collaboration with any other districts. [Confirm services].</li> <li>• <b>Technology – Standardization:</b> The District is expanding its 1:1 initiative and is leveraging a state contract with Apple to make its purchases.</li> <li>• The District does not coordinate technology purchases with other nearby districts.</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinate purchasing if facilities services such as HVAC, electrical and plumbers with surrounding districts to maximize the potential for volume discounts.</li> <li>• Require instructional software purchases to conform to standard procurement guidelines for bids and proposals in order to enable to best pricing. Coordinate purchasing of instructional software with surrounding districts to maximize potential for volume discounts.</li> <li>• <b>Standardization of Technology:</b> 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. Decisions made by individual districts regarding roll-out of 1:1 initiatives vary greatly in cost per device and total cost of ownership. Sized across a geographic region.</li> <li>• Capitalize on potential for greater discounts on technology that is purchased using state contracts by leveraging special discount provisions that are identified in state contracts that are subject to negotiation. Evaluate opportunities to generate savings on ancillary services (accessories, warranties, break-fix, etc.) as part of procurement negotiations.</li> </ul>

# PROCUREMENT ANDERSON 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Spending by Category (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Non-instructional Supplies - Contracting Vehicles:</b> The District purchases the majority of its non-instructional supplies outside of available state contracting vehicles under the belief that it can receive comparable, if not better pricing. Once a year the district places a bid to see if they can attain better pricing that state contracts.</li> </ul>	
<b>Regional Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Shared Purchasing:</b> The Anderson County districts partner together to procure certain goods and services such as paper goods and waste management services.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• A regional collaboration model would allow for districts to further capitalize on volume discounts and rebates on areas of spend that would include:               <ul style="list-style-type: none"> <li>- Technology</li> <li>- Instructional Software and Services</li> <li>- Instructional Staffing</li> <li>- Supplies</li> </ul> </li> </ul>



## OUTLINE

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

# TRANSPORTATION

## ANDERSON 01

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

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.*

13 Years

Avg. Age of State Provided Bus Fleet<sup>[9]</sup>

\$178 per Student

Cost of District incurred transportation related expenses. State related expenses are excluded <sup>[2],[3]</sup>

Key statistics for metrics

Transportation FTEs <sup>[4]</sup>	55.0
Personnel Expense <sup>[3]</sup>	\$1,595,605
Non-Personnel Expense <sup>[3]</sup>	\$89,048
Total Transportation Expense <sup>[3]</sup>	\$1,684,653

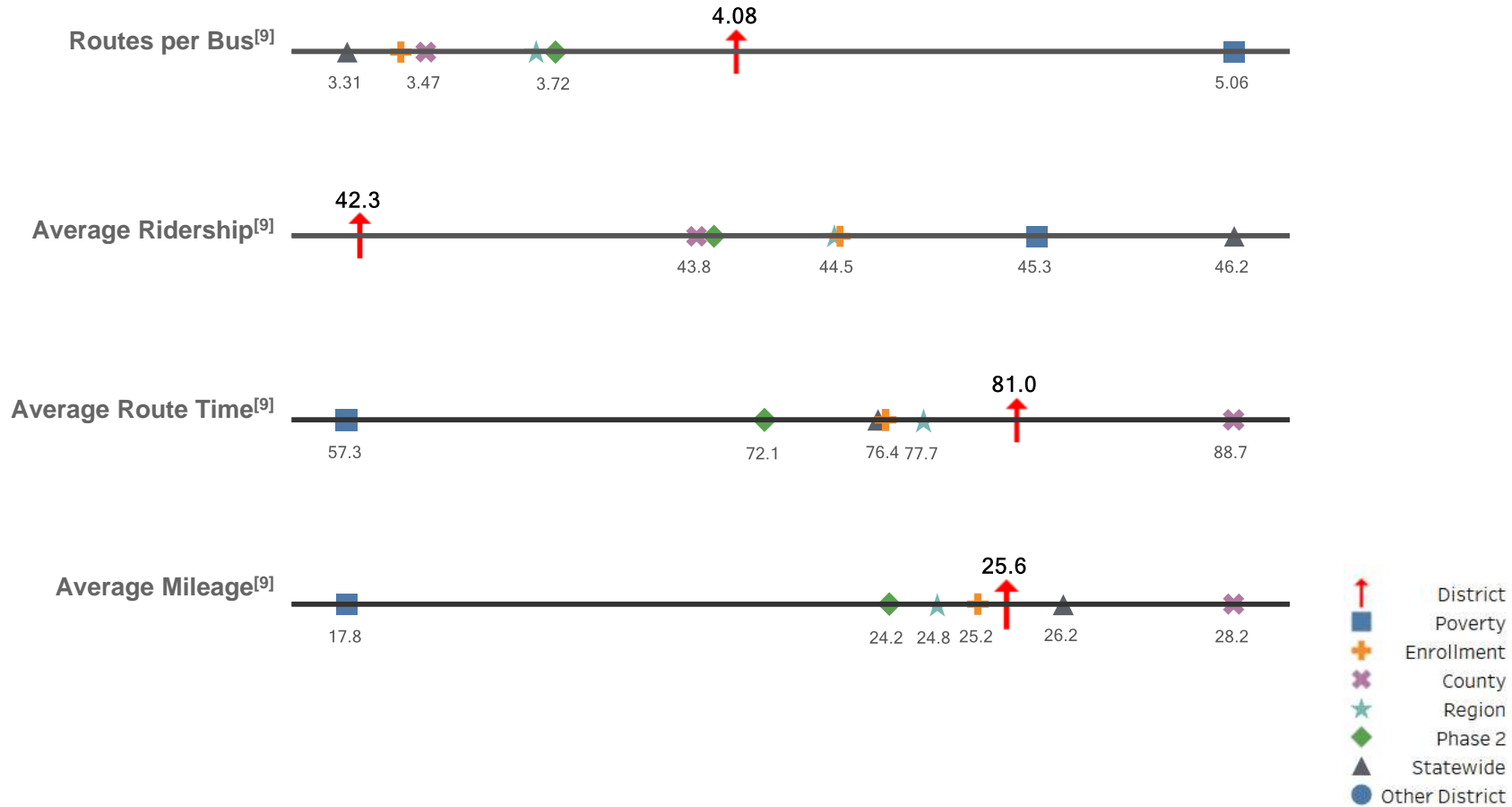
NOTE: FTEs reflected in table above may not reflect dually employed bus drivers.

Key statistics for State Routes	# Buses <sup>[9]</sup>	# Routes <sup>[9]</sup>	Routes per Bus <sup>[9]</sup>	Ridership <sup>[9]</sup>	Avg Ridership <sup>[9]</sup>	Avg Route Time (including dead time) <sup>[9]</sup>	Avg Mileage per Bus <sup>[9]</sup>
Regular	23.8	97	4.1	4,105	42	81	26
Special Needs	6.1	21	3.5	117	6	Not-Available	36
Other	14.7	71	4.8	2,141	30	Not-Available	25
Total	44.6	189	4.2	6,363	N/A	N/A	N/A

# TRANSPORTATION ANDERSON 01

## 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 ANDERSON 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Administration:</b> Transportation is run by one administrator and an administrative assistant.</li> <li>• <b>Recruitment:</b> Similar to the rest of the state, the District has a difficult time recruiting bus drivers and currently has 3 vacancies.</li> <li>• <b>Attendance:</b> Driver attendance in the District is strong with only a few full day absences recorded in the FY16 school year.</li> <li>• <b>Substitute Pool:</b> The District maintains a pool of 10 substitute drivers to help deal with shortages. Beyond that, there is a special needs aide who doubles as a substitute when needed. In a worst case scenario, parents are notified of route changes.</li> <li>• <b>Dual Employment:</b> The District does not dual-employ bus drivers, however, all drivers are guaranteed 30 hours of driving.</li> <li>• <b>Staggered Routes:</b> The District runs staggered bus routes. In the morning students ride together with the earliest routes starting as early as 6:00am, however afternoon routes are staggered. Bell times are staggered as well with elementary school starting earliest at 8:00am.</li> <li>• <b>Driver Pay:</b> Bus drivers are currently paid a starting rate of \$12.00, approximately \$4.25 above state reimbursement levels.</li> <li>• <b>Fleet:</b> Received 7 new State-owned buses this school year. Maintenance and turnaround at the state hubs take too long which forced the District to purchase two buses of its own to avoid a disturbance of routes.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a substitute/back up driver pool in collaboration with nearby districts.</li> <li>• Use an automated calling system to fill needed driver substitute vacancies.</li> </ul>

# TRANSPORTATION ANDERSON 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Routing and Bus Management</b>	<ul style="list-style-type: none"> <li>• <b>Routing Software:</b> The District utilizes Transfinder routing software to map out the most efficient routes.</li> <li>• <b>GPS Tracking:</b> The District has live-feed GPS capability on its buses.</li> <li>• <b>Driver Communication:</b> The District provides two-way radios to drivers to contact drivers while on routes.</li> <li>• <b>Security Cameras:</b> The District has two security cameras on each bus, one focused on the driver and one facing back to passengers.</li> <li>• <b>Stop-Arm Cameras:</b> The District does not have stop-arm cameras.</li> <li>• <b>Activity Buses:</b> The District does not use the State fuel for activity buses. The District would have to drive its vehicles to the State fueling hub which reduces the cost-effectiveness of the State fuel rate.</li> </ul>	<ul style="list-style-type: none"> <li>• Install stop-arm cameras to assess tickets to drivers passing buses.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Informal Networks:</b> The Anderson County transportation heads meet regularly to discuss problems, troubleshooting and general knowledge-sharing.</li> <li>• <b>Homeless Transportation:</b> The District collaborates on out-of-district McKinney-Vento homeless student transportation coordination.</li> </ul>	

# APPENDIX A: SAVINGS METHODOLOGY



# APPENDIX A: SAVINGS METHODOLOGY

## ANDERSON 01

### 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

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➤ **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**

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**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

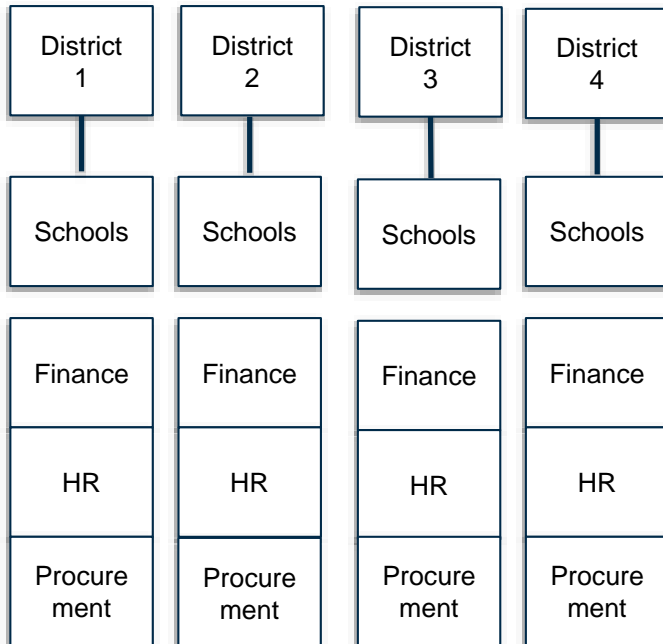
## ANDERSON 01

### 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.*

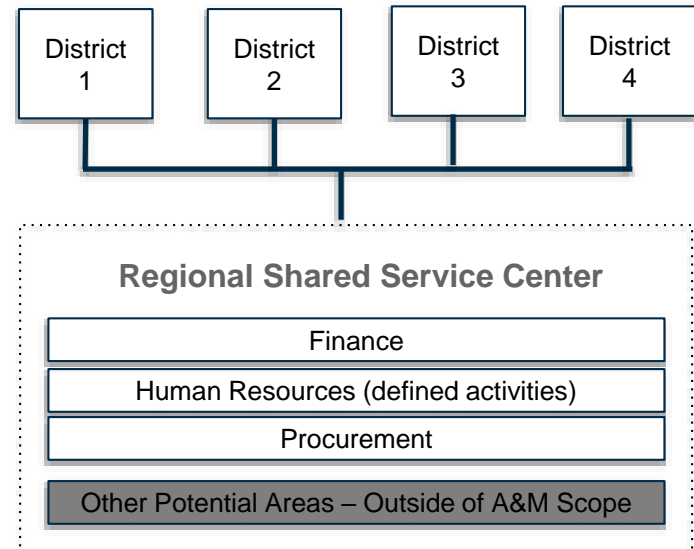
#### CURRENT STATE: STAND ALONE DISTRICT

*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

## ANDERSON 01

### 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 <sup>(1)</sup>	4.75	4.00	0.75
Total Spend <sup>(1)</sup>	\$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.*

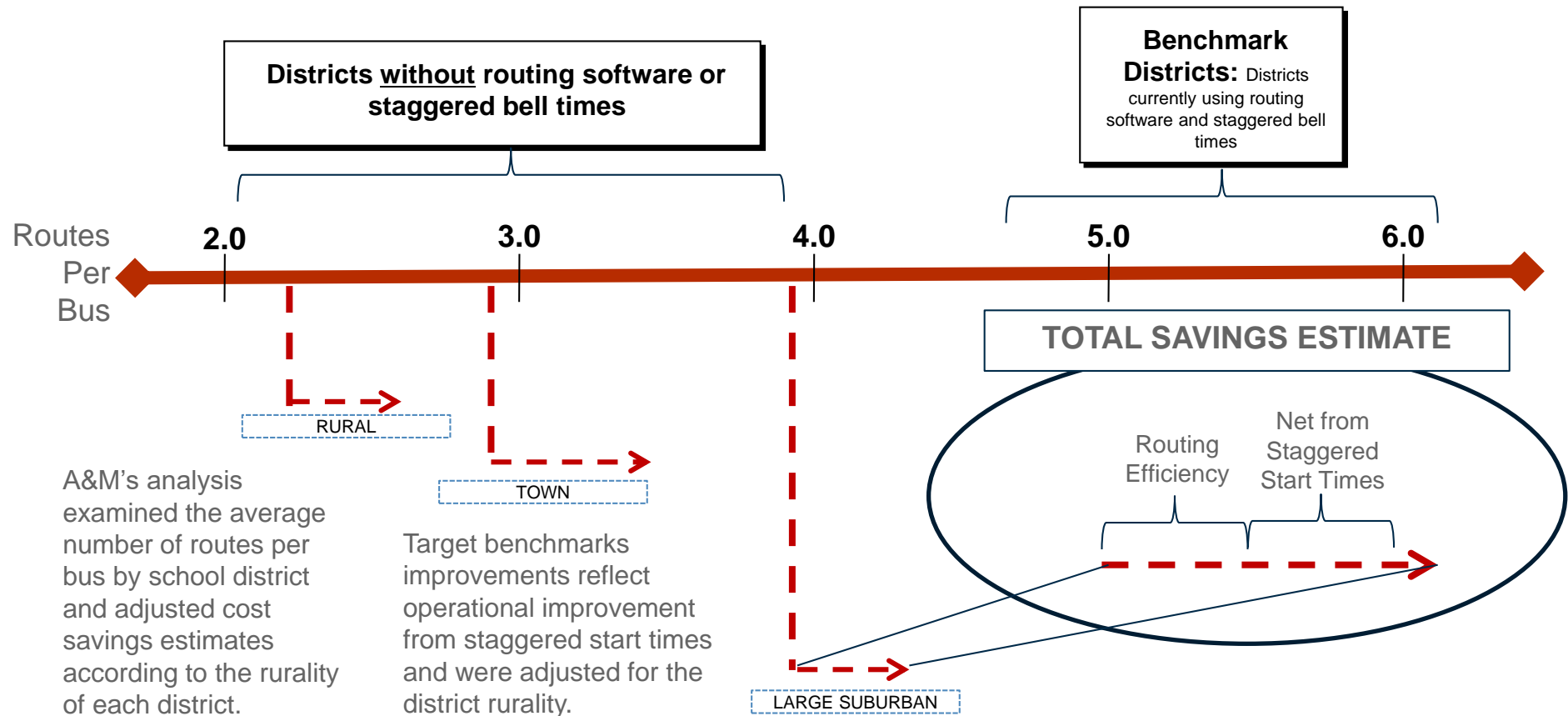
	Financial Management Collaboration: Five Districts [1 Large, 1 Med, 3 Small]		
	Current State	Collaboration Model	Savings
# of Districts	5	5	NA
Total ADM	21,000	21,000	NA
Total FTEs <sup>(2)</sup>	18.9	13.0	6.0
Total Spend <sup>(2)</sup>	\$2,409,840	\$1,684,478	\$725,326
Savings %			30.1%

*(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

## ANDERSON 01

### 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

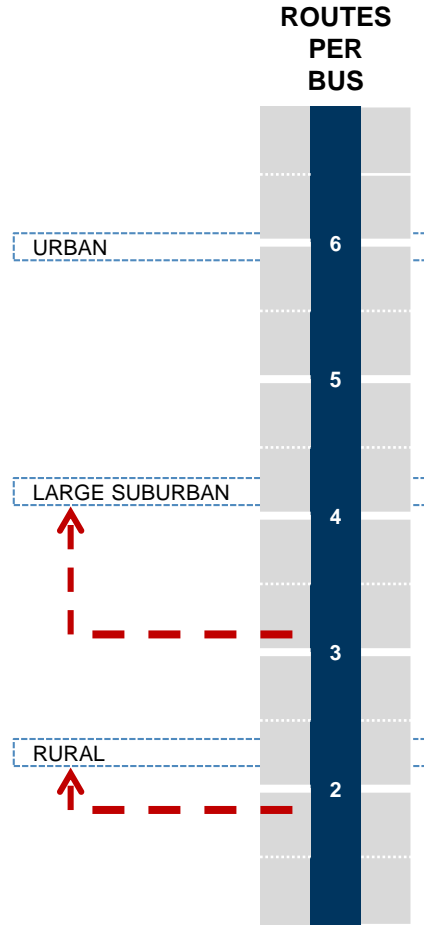
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### TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

#### 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 benchmark 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
<b>DRIVERS</b>	2.0	\$ 19,390	\$ 23,133	\$ 15,647
<b>FUEL</b>	-	\$ 0.15	\$ -	\$ -
<b>MAINTENANCE</b>	2.0	\$ 4,138	\$ -	\$ 8,276
<b>BUSES (COST AVOIDANCE)</b>	-	\$ 60,000	\$ -	\$ -
<b>TOTAL</b>			\$ 23,133	\$ 23,923

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

# APPENDIX A: SAVINGS METHODOLOGY

## ANDERSON 01

### 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

## ANDERSON 01

### 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

## ANDERSON 01

### [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

## ANDERSON 01

### Sources [2],[3]

- \$ Per Student = Total Cost <sup>[3]</sup> / FY 16 135-Day ADM <sup>[2]</sup>
- \$ Per Student Excluding Debt & Capital = Total Cost <sup>[3]</sup> / FY 16 135-Day ADM <sup>[2]</sup> (Where Fund Name ≠ “Capital Projects Fund” or “Debt Service Fund”)
- Financial Management Cost per Student = Total Cost <sup>[3]</sup> (Where A&M Functional Group = “Financial Management” and Fund Name ≠ “Capital Projects Fund” or “Debt Service Fund”) / FY 16 135-Day ADM <sup>[2]</sup>
- HR Cost / Student = Total Cost <sup>[3]</sup> (Where Function Code = “Human Resources”) / FY 16 135-Day ADM <sup>[2]</sup>
- Transportation Cost / Student = Total Cost <sup>[3]</sup> (Where A&M Functional Group = “Transportation”) / FY 16 135-Day ADM <sup>[2]</sup>

### Sources [2],[4]

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

# APPENDIX B: FORMULAS DEFINED

## ANDERSON 01

### 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 =  $\text{Fund balance – unrestricted}^{[7]} / \text{General Fund Revenue}^{[5]}$
- 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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