



# ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION  
SCHOOL DISTRICT EFFICIENCY REVIEW

**Anderson 03**

**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 03

### 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 03

### 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.

# EXECUTIVE SUMMARY

## ANDERSON 03

### PROJECT OVERVIEW (CONTINUED)

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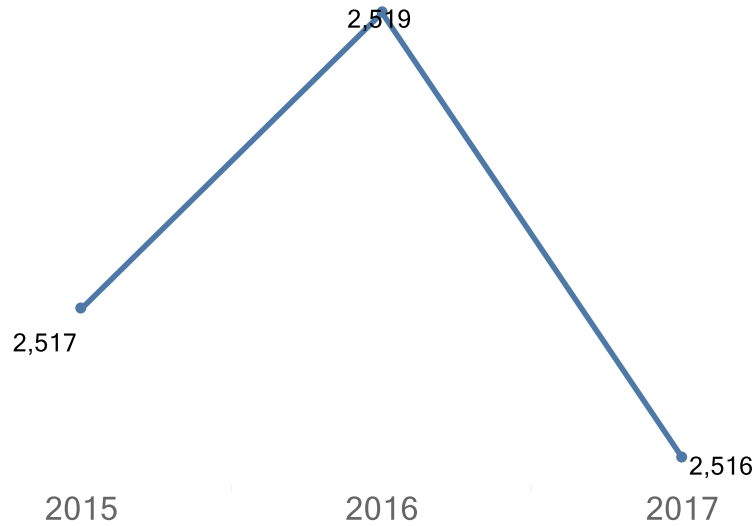
#### ➤ Sources of Data and Savings Estimates:

- 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.

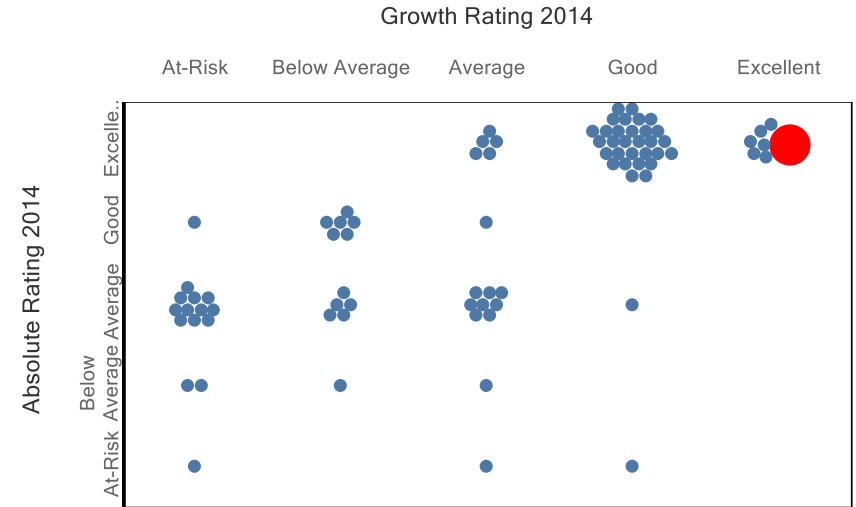
# EXECUTIVE SUMMARY

## ANDERSON 03

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



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



### General Info

Number of Schools <sup>[2]</sup>	5
% Poverty <sup>[1]</sup>	72.7%
% Disability <sup>[1]</sup>	14.9%
\$ Per Student <sup>[2],[3]</sup>	\$13,275
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$9,623

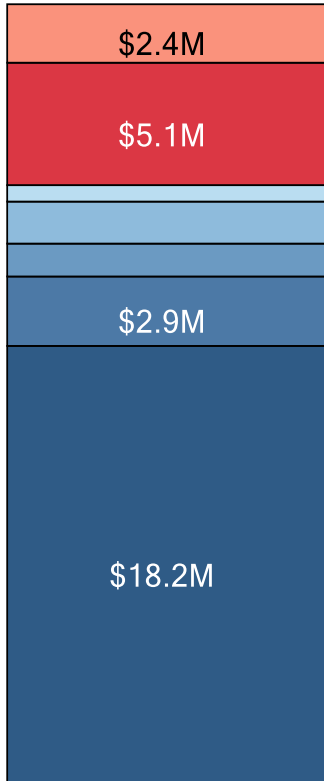
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	9.2
Students Per Overhead FTE <sup>[2],[4]</sup>	247.9
Students Per School Support FTE <sup>[2],[4]</sup>	32.5
Students to Total FTE <sup>[2],[4]</sup>	7.0

# EXECUTIVE SUMMARY

## ANDERSON 03

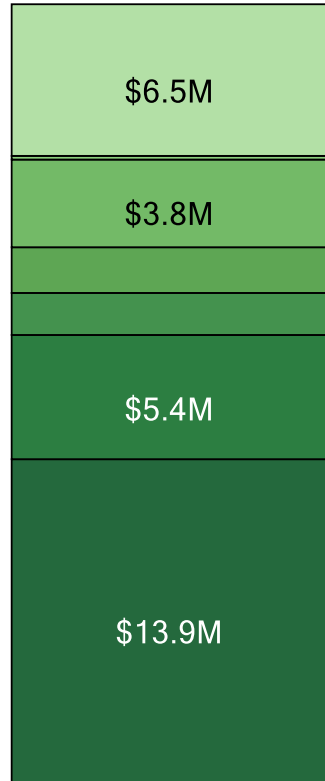
Sources of Funds<sup>[5]</sup>  
\$32.5M



2015-2016

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

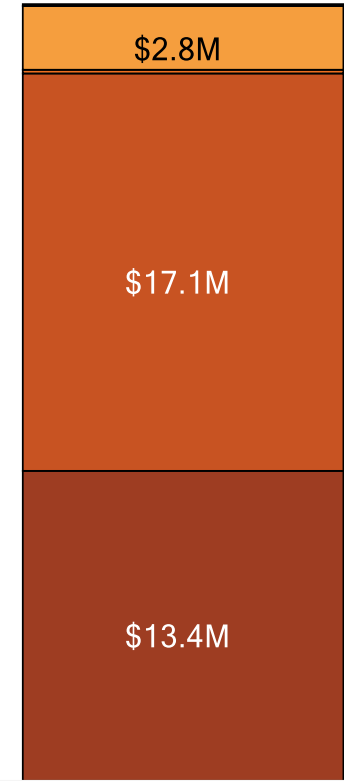
Use of Funds - Type<sup>[3]</sup>  
\$33.4M



2015-2016

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

Use of Funds - Function<sup>[3]</sup>  
\$33.4M



2015-2016

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

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## ANDERSON 03

\$33.4M  
Total

\$4.0M  
In-Scope

\$29.5M  
Not In-Scope

*11.8% of total spend is within scope of the efficiency review:*

	In Scope Spend <sup>[3]</sup>	Procurement Component
Finance	\$300,125	\$65,291
Human Resources	\$59,530	\$2,575
Overhead	\$412,267	\$167,522
Transportation	\$899,846	\$26,335
Procurement (Community Services, Instruction, Support Services)	\$2,284,792	\$2,284,792
<b>TOTAL</b>	<b>\$3,956,560</b>	<b>\$2,546,515</b>

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## ANDERSON 03

### GOALS, CHALLENGES & ACHIEVEMENTS

#### District Goals

**Mission:** Anderson School District Three takes pride in creating teaching and learning environments for the purpose of imparting World Class Knowledge and Skills into South Carolina Graduates who display the passion for the Life and Career Characteristics required to make a meaningful contribution to the community and society as a whole.

**Goals:**

1. **Post-Grad:** Create a seamless pathway for students to go from graduation to higher education or work.
2. **Literacy:** Have every child reading on grade level by the third grade.
3. **STEM:** Improve and expand the STEM program.
4. **Professional Development:** Support student instruction and assist certified staff with aligning professional development, technology proficiency, and certificate renewal plans.
5. **Attendance:** Improve teacher and student attendance.

#### Achievements

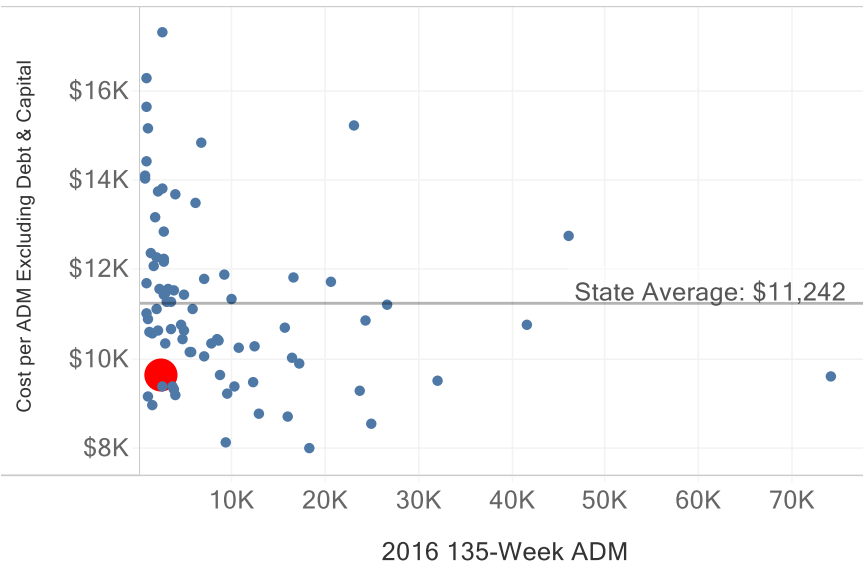
- **AdvanceEd:** Received AdvancEd. accreditation in 2015.
- **Pre-K:** Increased Pre-K curriculum from half-day to a full-day schedule.
- **Graduation Rates:** Graduation rates have improved under the current Superintendent's direction.
- **State Report Card:** The district was rated Excellent on the South Carolina Absolute and Growth Rating Scale in 2014.
- **Local Option Sales Tax:** Through a partnership, the Anderson County School Districts were able to pass a 1% nominal sales tax to help finance debt service and capital improvement needs.

#### Challenges

- **Personnel:** Need additional personnel, especially with the 1:1 technology initiative rollout.
- **Revenues:** Stagnant taxes due to a lack of industry in the area.
- **Infrastructure:** Aging buildings require frequent maintenance and upkeep.

## 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

## ANDERSON 03

### 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 a substantial unrestricted fund balance relative to districts of similar size.</li> <li>• <b>Staffing / Processes:</b> The Finance organization is adequately staffed and the District supports operations by leveraging technology to automate processes.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• <b>Staffing / Processes:</b> Like other small districts, the District has extremely limited levels of resources dedicated to Human Resources. The District does not leverage technology to automate recruiting 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 through local university partnerships.</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.</li> <li>• <b>Manual Routing:</b> Like other smaller districts, the District does not not have routing software.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The District does not have any resources dedicated solely to Procurement. Purchasing is the responsibility of the Finance Director and Assistant Superintendent.</li> <li>• <b>Strategic Sourcing:</b> The District has low leverage with vendors due to low purchasing volumes and mostly purchases off state contracts.</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 including the Superintendent, a Deputy Superintendent and a secretary.</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 03

### 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>Staffing / Organization:</b> Train/cross-train personnel on key financial functions to increase the capabilities and effectiveness of the teams.</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>Staffing / Organization:</b> Train/cross-train personnel on recruiting, talent management and professional development strategies.</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>System Enhancements:</b> Implement new routing software, GPS and security cameras on all buses.</p>

# EXECUTIVE SUMMARY

## ANDERSON 03

### 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 03

### 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 03

### 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	\$0 -	\$5,000	\$29,800 -	\$89,300
Human Resources	7,500 -	17,500	(68,000) -	6,000
Procurement	0 -	0	71,100 -	144,300
Transportation – District	N/A -	N/A	30,000 -	45,000
<b>District Total</b>	<b>7,500</b>	<b>22,500</b>	<b>62,900</b>	<b>284,600</b>
Transportation – State	8,000 -	39,600	27,200 -	58,000
<b>Total</b>	<b>\$15,500</b>	<b>\$62,100</b>	<b>\$90,100</b>	<b>\$342,600</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.*



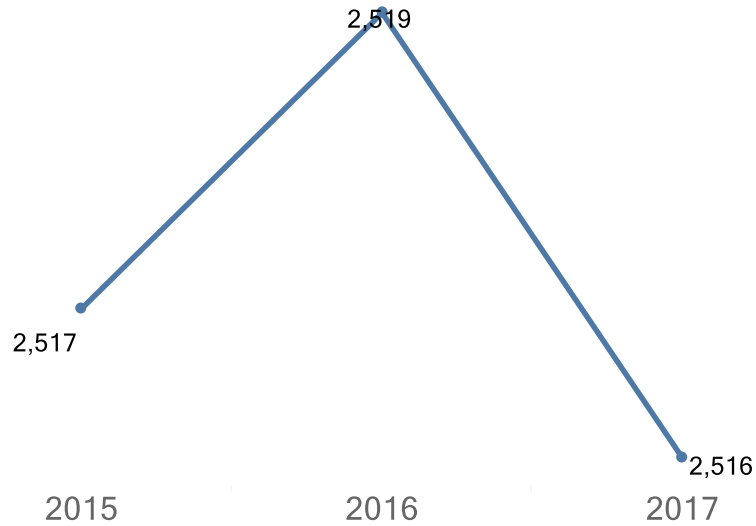
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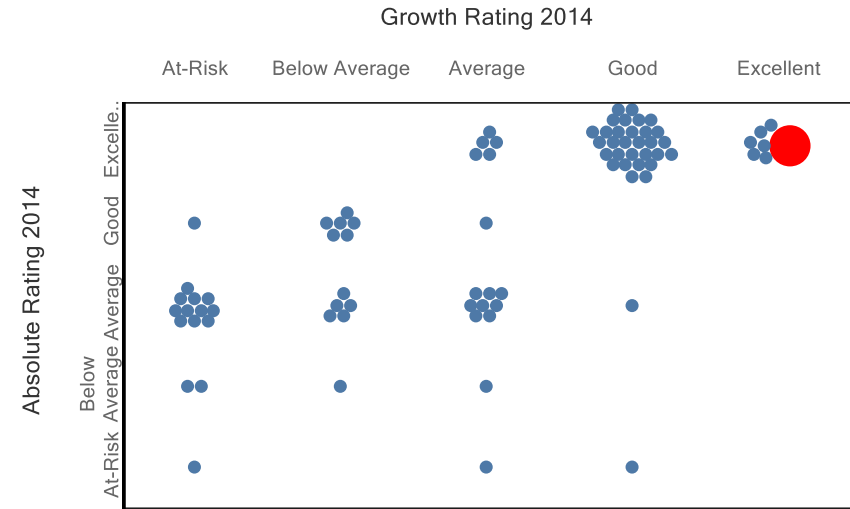
# DISTRICT ADMINISTRATION AND PERFORMANCE

## ANDERSON 03

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



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



### General Info

Number of Schools <sup>[2]</sup>	5
% Poverty <sup>[1]</sup>	72.7%
% Disability <sup>[1]</sup>	14.9%
\$ Per Student <sup>[2],[3]</sup>	\$13,275
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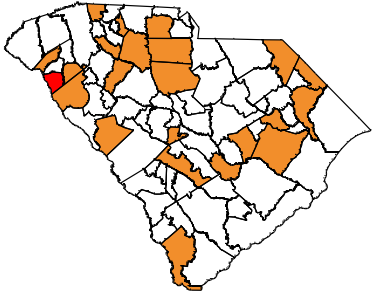
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	9.2
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# DISTRICT BENCHMARKING

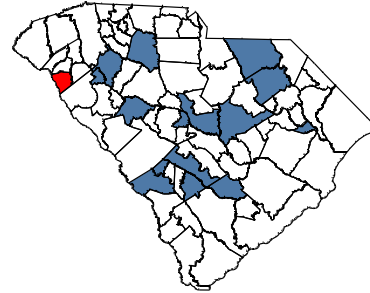
## ANDERSON 03

### Enrollment (2,500 - 5,000)



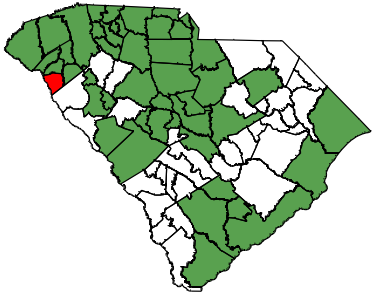
Abbeville 60	Lexington 04
Anderson 02	Marion 10
Anderson 03	Marlboro
Anderson 04	Orangeburg 03
Chester	Orangeburg 04
Clarendon 02	Spartanburg 01
Dillon 04	Spartanburg 03
Edgefield	Spartanburg 04
Fairfield	Union
Florence 03	Williamsburg
Jasper	York 01
Laurens 56	

### Poverty (70% - 75%)



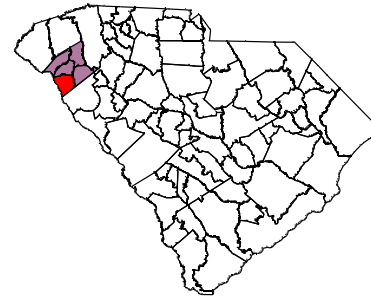
Anderson 03	Laurens 55
Bamberg 01	Lexington 02
Barnwell 29	Orangeburg 04
Barnwell 45	Richland 01
Chesterfield	Saluda
Darlington	Sumter
Dorchester 04	Union
Florence 05	
Greenwood 51	

### 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	
Cherokee	Newberry
Chester	Oconee
Colleton	Pickens
Darlington	Richland 01
Dorchester 02	Richland 02
Dorchester 04	Spartanburg 01
Edgefield	Spartanburg 02
Fairfield	Spartanburg 03
Georgetown	Spartanburg 04
Greenville	Spartanburg 05
Greenwood 50	Spartanburg 06
Greenwood 51	Spartanburg 07

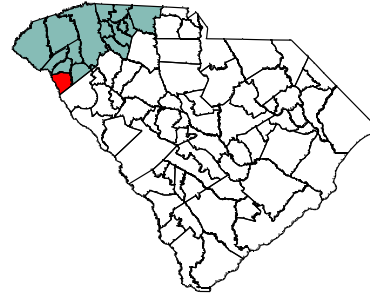
Sumter
Union
York 01
York 02
York 03
York 04



### 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 03

### KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

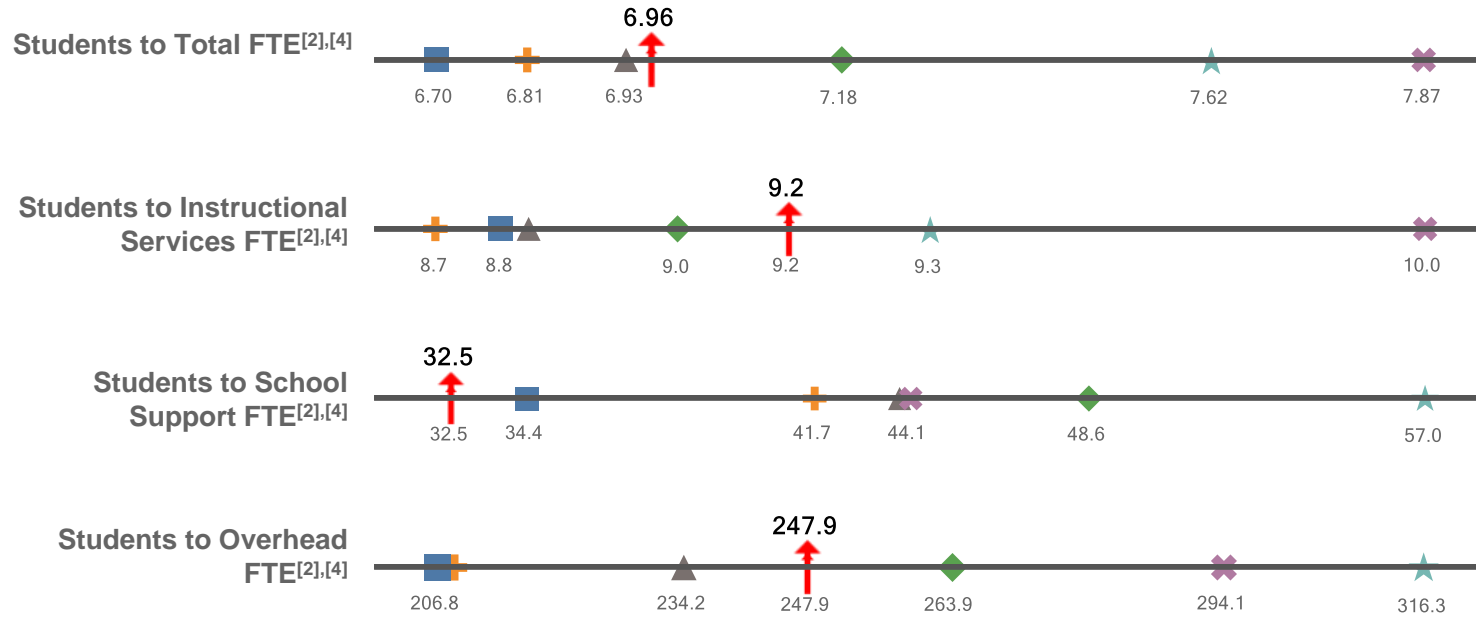
*The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.*



# DISTRICT OVERVIEW

## ANDERSON 03

### KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



- ↑ District
- Poverty
- + Enrollment
- × County
- ★ Region
- ◆ Phase 2
- ▲ Statewide
- Other District

# DISTRICT OVERVIEW AND OVERHEAD ANDERSON 03

## 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 remained constant over the past 3 years with total enrollment currently measured at 2,516.</li> <li>• <b>Student Demographics:</b> The District has a special needs population of 14.9% that is higher than the state average of 12% and has a high poverty rate of 72.7%.</li> <li>• <b>Competition:</b> There are no private schools or charter schools in the vicinity.</li> <li>• <b>Other Demographic:</b> The District has an increasing ESOL population and a McKinney-Vento population of about 120 students.</li> <li>• <b>Long-term Planning:</b> The District prepares long-term enrollment projections to help inform long-term planning.</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 of \$9,623 is lower than the statewide average of \$11,242.</li> <li>• <b>Unrestricted Fund Balance:</b> The District has an unrestricted fund balance that is 20.1% of general fund revenues. The fund balance is higher than the statewide average, resulting in increased financial flexibility.</li> </ul>	

# DISTRICT OVERVIEW AND OVERHEAD ANDERSON 03

## 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 lower than county peers at 7.0, but higher than the statewide average and enrollment peers.</li> <li>• <b>Student to Instructional Services FTE:</b> The ratio is lower than county peers at 9.2 but higher than the statewide average and the average of districts with a similar enrollment size due to a strategic decision to invest in smaller class sizes at each school.</li> <li>• <b>Student to School Support FTE:</b> The Student to School Support ratio is 32.5 is lower than peer group due to a larger number of bus drivers. Anderson 3 has the largest geographic area requiring more routes for student transportation.</li> <li>• <b>Student to Overhead FTE:</b> The Student to Overhead Ratio is higher than the statewide average and enrollment peers at 247.9.</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 spread across many functions. In particular, the Superintendent spends a significant amount of time dealing more with non-academic issues such as supporting the Human Resources function, rather than with strategic issues focused on student achievement.</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 addition of one resource to support the Superintendent and allow for incremental support to the leadership team. This additional resource can help assist in Human Resource development.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## ANDERSON 03

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Legal:</b> The District has no legal department. If legal advice is required, the District retains outside counsel to provide support.</li> <li>• <b>Turnover:</b> Superintendent Hipp has overseen the District for the past year and has been with the District in total for 29 years in different capacities.</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 five elected members.</li> <li>• <b>Training:</b> New Board Members are required to attend certain trainings. Existing Board Members are not required to attend training; however, they do pursue training independently such as workshops for legal/procedural updates.</li> </ul>	<ul style="list-style-type: none"> <li>• Require all Board Members to attend annual training to enable members to become impactful members.</li> </ul>
<b>Philanthropy and Business Engagement</b>	<ul style="list-style-type: none"> <li>• <b>Relationships:</b> The District works closely with local area businesses and charitable organizations to provide training, workforce opportunities, mentorship or scholarships to students. The Superintendent has established relationships within all facets of community for student and district support.</li> <li>• <b>Business Engagement:</b> The District maintains formal partnerships with area businesses such as Michelin, BOSCH, Timken and ElectroLux for mentorship programs and financial assistance. Business engagement brought the school district almost \$200,000 in the last fiscal year.</li> <li>• <b>Philanthropic Engagement:</b> The District maintains partnerships with local philanthropic organizations as well, such as United Way, Americorp and Golden Harvest food.</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 03

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Informal Networks:</b> The Superintendent 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 is building a shared career center in collaboration with Anderson 4 and Anderson 5 expected to open in FY19. Anderson 5 will serve as the fiscal agent of the new career center, and Anderson 3 will pay for a portion of the cost proportional to enrollment.</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 mills). 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>Headcount:</b> The District shares one FTE, a food service director, with Anderson 2. The district has considered sharing other FTEs across the Anderson County districts.</li> <li>• <b>Local Government:</b> The school based SROs were sourced locally through the municipality resulting in a \$20,000 cost saving per school officer, \$100,000 on aggregate.</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
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- IV. Human Resources
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- 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.*

629 : 1

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

Financial FTE<sup>[4]</sup>

\$119 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>	4.0
Personnel Expense <sup>[3]</sup>	\$230,971
Non-Personnel Expense <sup>[3]</sup>	\$69,154
Total Financial Expense <sup>[3]</sup>	\$300,125

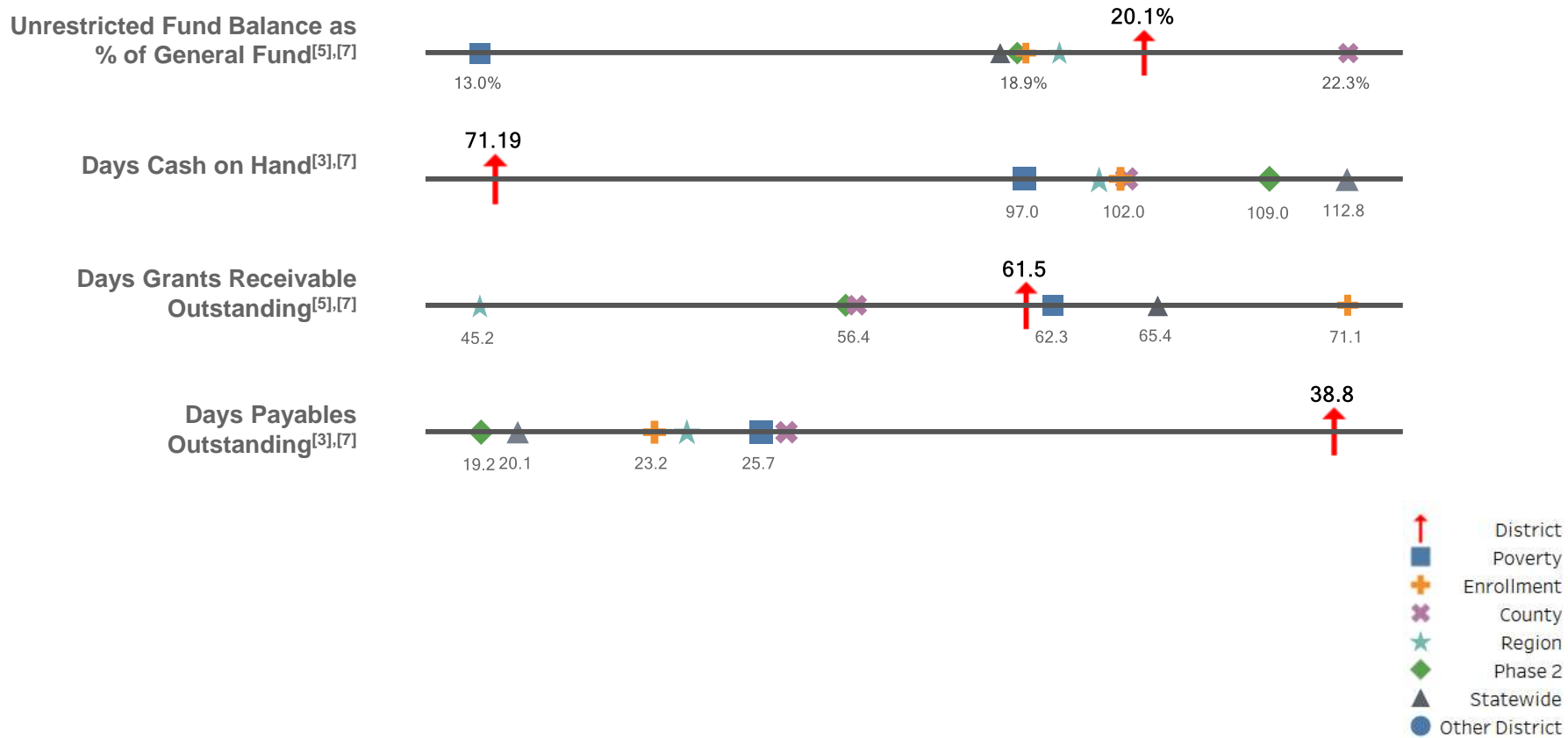
NOTE: FTEs shown in the table above reflect dedicated finance staff only; Financial expenses shown above reflect amounts coded to the finance department. In some instances districts may include salary and benefit related charges that are not related to dedicated Finance costs in their totals.

# FINANCIAL MANAGEMENT

## ANDERSON 03

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

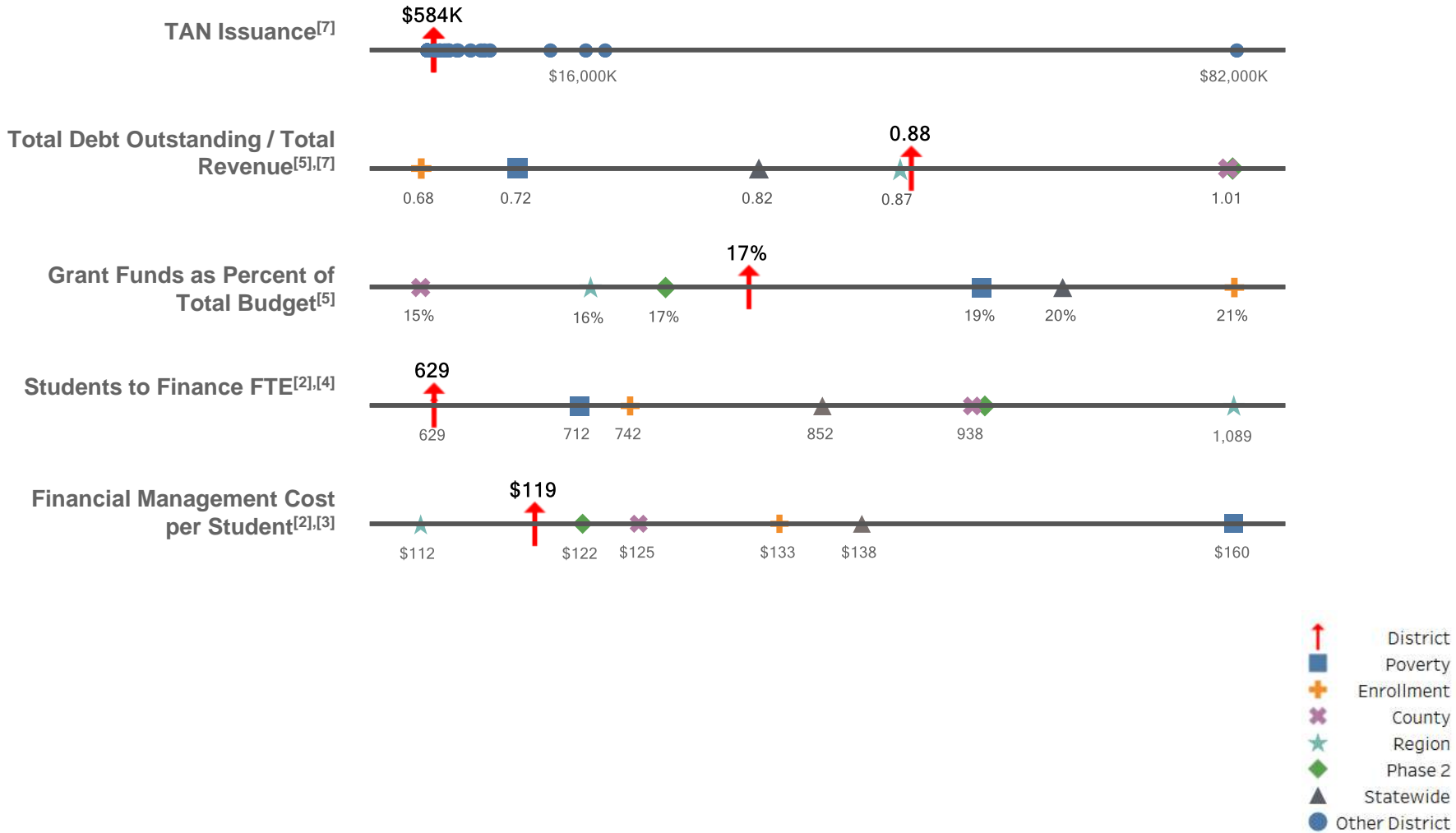
The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.



# FINANCIAL MANAGEMENT

## ANDERSON 03

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



**SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS**

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The Finance organization operates on a lean budget and is thinly staffed to support its scope of roles and responsibilities that include, accounting, payroll, accounts payable, budget, treasury, procurement and financial reporting. The department is composed of one director, a food services accountant and two FTEs dedicated to accounts payable, grants management and payroll processing.</li> <li>• <b>Turnover:</b> Department has had 1 lead finance director in past 5 years. The finance director has been with the department for 14 years.</li> <li>• <b>Student Per Finance FTE:</b> The Student to Financial Management FTE ratio is 629 which is less than the state, county and districts of similar size.</li> <li>• <b>Finance Cost Per Pupil:</b> The Finance Cost per Pupil for the District is \$119 which is lower than the state, county and districts of similar size.</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 formal training on systems and processes and cross-train individuals to be able to do multiple functions.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 03

### 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 monthly and bi-monthly basis. Custodians and food service employees are paid semi-monthly, and all other staff are paid monthly.</li> <li>• <b>Direct Deposit:</b> The District is on 100% direct deposit.</li> <li>• <b>Employee Self-Service:</b> The District uses an employee self service payroll platform; therefore, employee initiated payroll changes are all processed automatically.</li> <li>• <b>Timekeeping:</b> Time tracking is currently managed automatically via Attendance on Demand for all employees who are either paid hourly or who qualify for overtime. Recorded time flows directly through the payroll system and is monitored by the finance department.</li> <li>• <b>Purchasing:</b> The District has a centralized purchase order system. The high-school, middle-school, district and federal grant related purchases all flow through Doc-E-Fill. However, elementary schools are not using that service yet. Schools are able to secure items and services &lt;\$2,500 in accordance with district and state regulations with the principal's approval. Approval for a purchase &gt;\$2,500 requires district-level approval and may need to be bid publicly.</li> <li>• <b>PCard:</b> The finance department implemented a Pcard program in FY17. There are 4-5 cards in circulation with additional cards available for check-out if needed. All cards are centralized to one bank in order to leverage a rebate incentive. The department expects a rebate of about \$9,500 in FY17.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement an automated time-tracking functionality for the workforce not currently using the timekeeping system. Ensure integration with the payroll system in order to eliminate manual time input for payroll.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 03

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"> <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>Inventory:</b> The District does not conduct recurring centralized inventory processes. A manual inventory review is conducted annually.</li> <li>• <b>Risk Management:</b> The District has informal risk management programs in place such as PublicSchoolWORKS; however, there are no formal written risk management policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement standard policies and procedures around managing physical inventory and ensure that the District finance organization is part of the overall process.</li> <li>• The District should consolidate Risk Management policies and procedures into a formal document.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 03

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Grants Management</b>	<ul style="list-style-type: none"> <li>• <b>Grants Revenue %:</b> Grant revenues provide 17% of revenue for the District, making this district less reliant on grant funds than its 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. Grant monitoring is largely the responsibility of the end-user; although, the Finance department does a secondary review and submits claims.</li> <li>• <b>Grants Monitoring:</b> Review of expenditures against grant requirements is conducted by the grants coordinator, with a secondary review by the Finance department.</li> <li>• <b>Claims:</b> Reimbursement claims are submitted quarterly.</li> <li>• <b>Indirect Costs:</b> The District charges indirect costs against large federal grants at the state negotiated rate.</li> </ul>	<ul style="list-style-type: none"> <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 03

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• <b>Audit Findings:</b> The District was not found to have material weaknesses in recent audited financial statements. The district strives to maintain an appropriate segregation of duties with limited staff.</li> <li>• <b>Position Control:</b> The District has the position control within Harris SmartFusion.</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 budget position control to ensure controls around hiring of individuals.</li> </ul>
<b>Cash Management</b>	<ul style="list-style-type: none"> <li>• <b>Days Cash on Hand:</b> The District has a stable cash balance with 71.2 days cash on hand, lower than county peers and the statewide average</li> <li>• <b>Cash Flow Monitoring:</b> The District reviews cash flow forecasts on a monthly basis. In addition, it generally needs to utilize Tax Anticipation Notes to help manage working capital through December of the school year.</li> <li>• <b>Grants Receivable Outstanding:</b> The Grants Receivable Days Outstanding 61.5 days which is lower than districts of similar size and the statewide average. The District submits grant reimbursements quarterly for all grants.</li> <li>• <b>Days Payable Outstanding:</b> The Districts Days Payables Outstanding is 38.8 days. The District pays bills weekly, except during low liquidity months when outflows need to be managed.</li> <li>• <b>Cash:</b> The District invests a portion of cash balances in the state local investment pool and invests the remainder in a CD with a local bank.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement cash flow forecast to monitor weekly receipts and disbursements to help maximize investments earnings and minimize draw on TANs.</li> <li>• Implement processes to file for grant (state and federal) reimbursements on a monthly basis in order to maximize cash flow and ensure grant funds are optimized and spent in accordance with appropriate guidelines.</li> <li>• Invest excess cash balances in the state local investment pool to maximize earnings at times when cash balances are at peak</li> </ul>

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Cash Management (cont'd)</b>	<ul style="list-style-type: none"><li>• <b>Debt:</b> The total debt load as a percent of revenues is higher than the statewide average at but lower than county peers.</li><li>• <b>SCAGO:</b> The District utilizes SCAGO to assist with bond issuance efforts.</li><li>• <b>TAN:</b> The District issues TANs annually to assist with liquidity needs during cash low point during pre-tax receivable months.</li></ul>	

**SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS**

	Observations	Recommendations
<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 school principals and department heads to assess any new needs that are anticipated for the new fiscal year including ESOL population estimates. The District does not use a resource allocation model.</li>   <li>• <b>Fiscal Monitoring:</b> The District does not perform monthly or quarterly closes. However, financial reports comparing budget to actual by line item are shared monthly with key leaders including the school board.</li>   <li>• <b>Budget Amendments:</b> The budget is informally amended throughout the fiscal year with line item flexibility; however, the bottom line budget number remains unchanged unless for new grant estimates.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue performance based budget annually to ensure resources are aligned with strategic priorities and expenses are anticipated and planned for.</li>   <li>• Include five-year capital plan into annual budget process.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 03

### 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 all general accounting, payroll and accounts payable, and employee self service for payroll matters. The District also leverages Attendance on Demand to facilitate automated timekeeping. The District has been largely able to successfully transition to automation in much of its processes and is using Doc-E-Fill for automatic processes for procurement, including workflow approval of requisitions.</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 and troubleshoot problems districts are facing.</li> <li>• <b>Consortium Participation:</b> The District is part of the WPEC Consortium in which the finance directors of individual districts meet regularly to discuss various topics.</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 03

## 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.*

2,516 : 1

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

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

\$24 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>	1.0
Personnel Expense <sup>[3]</sup>	\$56,955
Non-Personnel Expense <sup>[3]</sup>	\$2,575
Total Human Resources Expense <sup>[3]</sup>	\$59,530

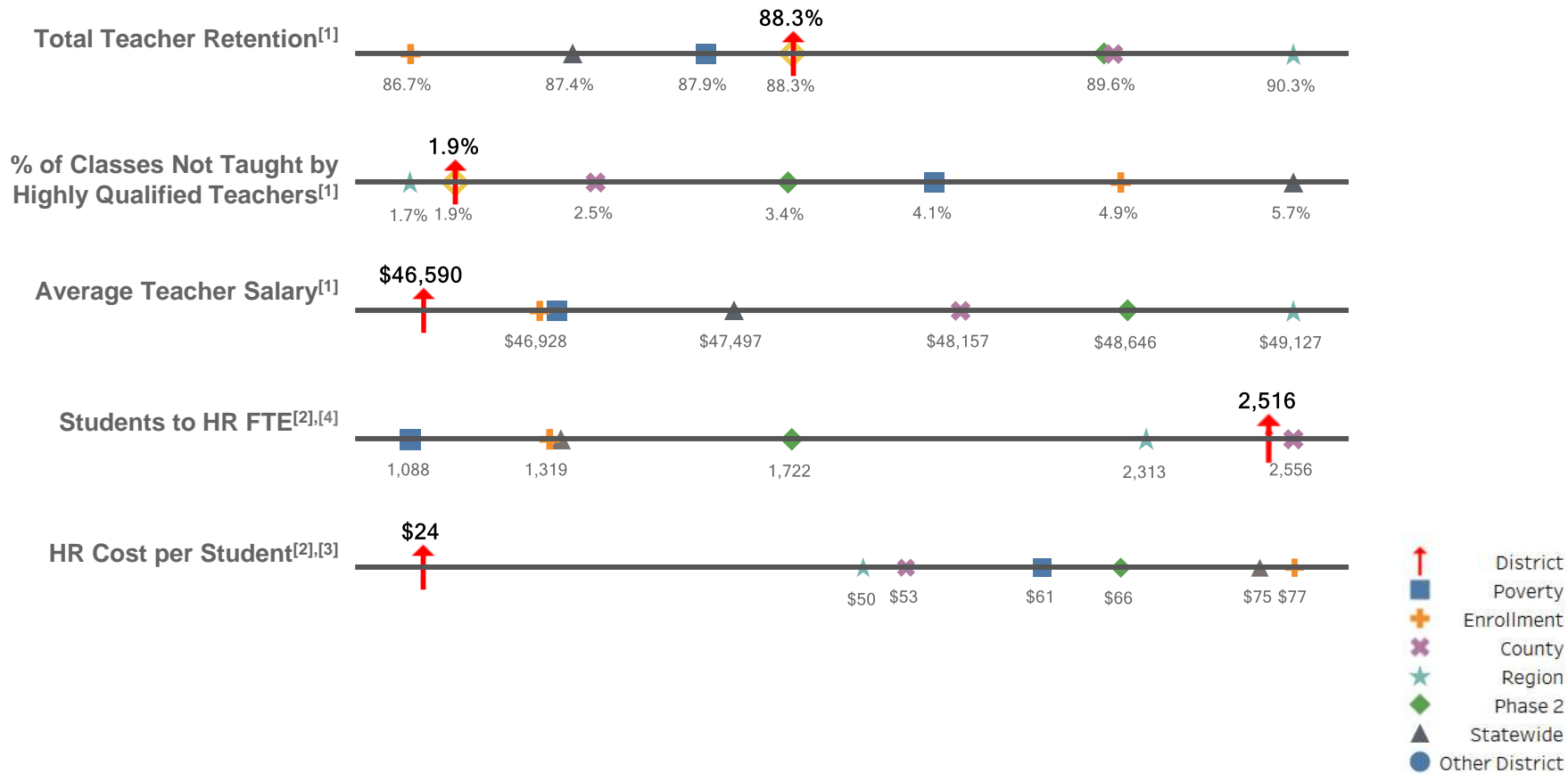
NOTE: FTEs shown in the table above reflect dedicated HR staff only; Financial expenses shown above reflect amounts coded to the HR department. In some instances districts may include salary and benefit related charges that are not related to dedicated HR costs in their totals.

# HUMAN RESOURCES

## ANDERSON 03

### 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 03

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The District does not have any dedicated staff focused on Human Resources. The Human Resources duties reside with the Superintendent and one administrative person (coded to the Human Resources function).</li> <li>• <b>Student per Human Resources FTE:</b> The student to HR FTE ratio of 2,516 is high relative to the state average and districts with similar enrollment levels, indicating fewer personnel dedicated to HR.</li> <li>• <b>Human Resources Cost Per Pupil:</b> The HR cost per pupil of \$24 for the District is significantly lower than the statewide average districts with similar enrollment levels due to the lack of full time dedicated personnel.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider the addition of a dedicated Human Resources Director to alleviate the Superintendent's time and better support recruiting, retention, personnel relations, benefits and professional development activities.</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. The District does not hire international teachers nor does it leverage staffing agencies to fill hard to staff services. However, the District does contract out for mental health, psychologist and classified substitute positions.</li> <li>• The District primarily leverages university partnerships to attract and retain teachers, principally by extending student teaching positions to college juniors and seniors who are interested in a full-time position with the district</li> <li>• <b>Retention:</b> Employee retention in the District has increased over the past few years which is aided by the small community feel of the District.</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 03

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Recruiting and Retention</b>	<ul style="list-style-type: none"> <li>• <b>Vacancies:</b> While the District faces difficulty in recruiting new teachers due to the statewide shortage, the District was able to fill 25 open positions prior to the current school year and currently has no vacancies.</li> <li>• <b>TERI Expiration:</b> The District currently employs 12 teachers who will be affected by the program expiration. The District anticipates increased staffing needs in FY19.</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> <li>• <b>Exit Interviews:</b> The District has implemented exit interviews this year and will continue to gather information on the causes of employee attrition. The District will use the results of the process to formulate an effective teacher retention plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Anticipate increased staffing needs in FY19 based on TERI program expiration and begin recruitment process early to avoid mid-schoolyear vacancies.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>HR Software:</b> The District does not leverage technology support systems for recruiting, application processing or onboarding.</li> <li>• <b>Substitute Management:</b> The District utilizes Attendance on Demand for substitute placement which seamlessly integrates absence management, substitute placement and payroll.</li> <li>• <b>State Platform:</b> The District utilizes CERRA (statewide system) recruiting and resume screening.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement technology to help enhance and automate recruiting, and on-boarding processes that are currently manual.</li> <li>• Capitalize on functionality provided by Frontline technology to fully automate the application to onboarding process.</li> </ul>

# HUMAN RESOURCES

## ANDERSON 03

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• <b>Administration:</b> Administration is typically done by the Superintendent’s secretary. The District uses an employee self-service portal which automates much of benefits processing.</li> <li>• <b>Ineligible Dependents:</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> <li>• <b>Consortium Participation:</b> The District participates in the WPEC Consortium where HR Directors meet regularly to discuss various matters.</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>



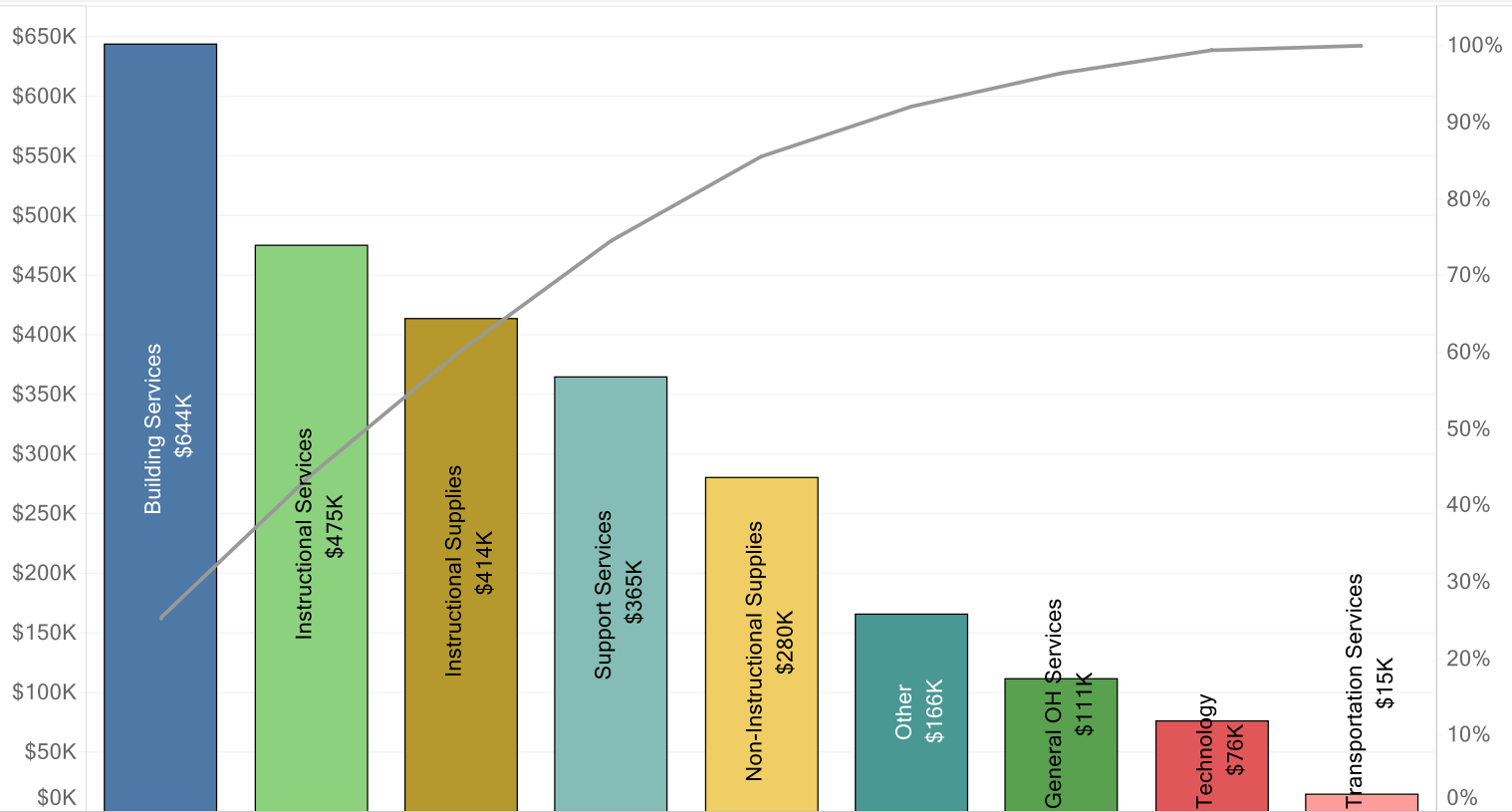
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PROCUREMENT OVERVIEW

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.

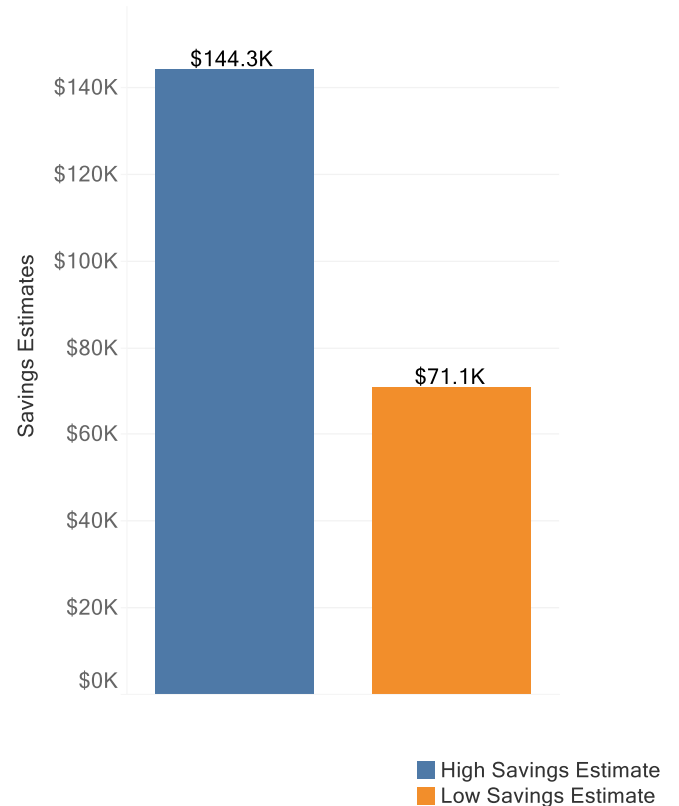
District In Scope Total Procurement Spend<sup>[3]</sup> = \$2,546,515



**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 03

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Organization / Staffing</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The procurement function is housed within the finance department and is the responsibility of the finance director and Assistant Superintendent.</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 1,300 vendors; however, the top 15 make up more than 80% of total spending.</li> <li>• <b>Aggregated Purchasing Decisions:</b> The District makes aggregated purchases for materials that are consumed by multiple schools within the district. 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 requires district level approval.</li> <li>• <b>Purchasing Policies.</b> Any purchase over \$50,000 must be competitively bid by RFP. The district does less than five RFPs per year, mainly for capital-needs driven contracts.</li> <li>• <b>State Contracts:</b> The District frequently leverages state contracts to attain the best possible pricing. Due to the District's small size, it cannot attain a volume based discount.</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, completion, quality) to assess opportunities to reduce or eliminate non-value add services.</li> <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> </ul>

# PROCUREMENT ANDERSON 03

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Spending by Category</b>	<ul style="list-style-type: none"> <li>• <b>Building and Maintenance:</b> In the past, the District has leveraged the larger districts' existing contracts to attain better pricing.</li> <li>• <b>Food Services:</b> All food service products are bid in collaboration with Anderson 2. The District is also a part of the Palmetto Buying Group.</li> <li>• <b>Instructional Support Services and Supplies - Procurement Exemptions:</b> The District requires 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.</li> <li>• <b>Technology – Standardization:</b> The District is expanding its 1:1 initiative and is leveraging a state contract for direct purchases through Dell. The District utilizes state contracts to purchase through resellers as well.</li> <li>• The District does not coordinate technology purchases with other nearby districts.</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinate purchasing of facilities services such as HVAC, electrical and plumbers with surrounding districts to maximize the potential for volume discounts.</li> <li>• Coordinate purchasing of instructional services with surrounding districts to maximize the 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>

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<p><b>Regional Collaboration</b></p>	<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> <li>• <b>'Piggybacking':</b> Where possible, Anderson 3, as one of the smallest of the Anderson County districts, tries to piggyback off of larger districts' procuring to leverage a volume discount such as chiller maintenance, furniture and fixtures, and water treatment.</li> <li>• <b>Informal Networks:</b> The District uses the procurement department of Anderson 5 as a resource when needed.</li> <li>• <b>Consortium Participation:</b> The District participates in the WPEC Consortium.</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 03

### 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	<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>
Daily Administration	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Student transportation enrollment; daily administration</li> </ul>
Bus Drivers	<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>
Routing	<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>
Maintenance	<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>
Fuel	<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>
Safety Cameras	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>District must purchase</li> </ul>
GPS / Bus Tracking	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>District must purchase</li> </ul>
Stop-arm cameras	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>District must purchase</li> </ul>
Radios / cell	<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.*

12 Years

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

\$357 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>	35.0
Personnel Expense <sup>[3]</sup>	\$873,188
Non-Personnel Expense <sup>[3]</sup>	\$26,658
Total Transportation Expense <sup>[3]</sup>	\$899,846

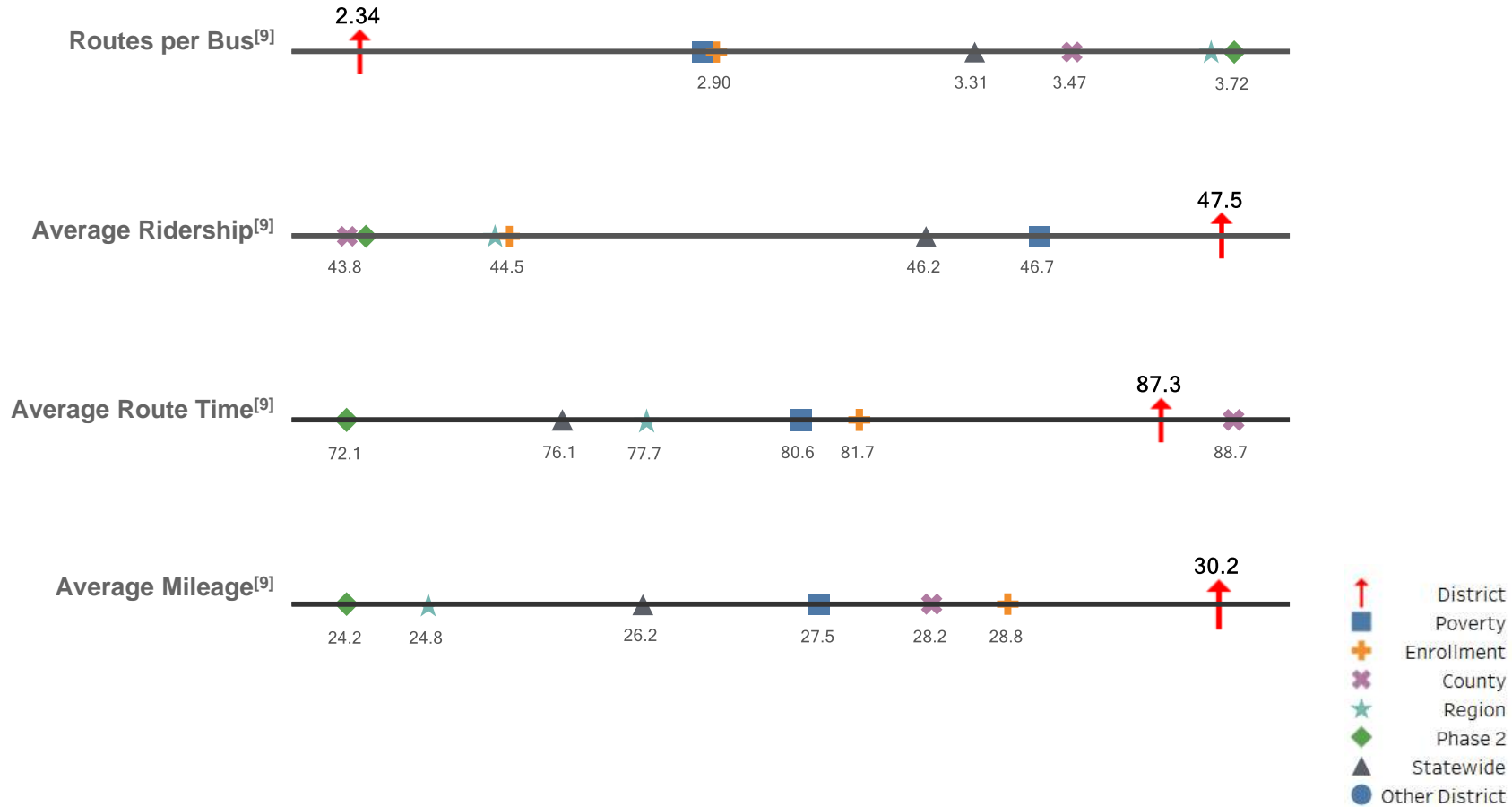
NOTE: FTEs reflected in table above may not reflect dually employed bus drivers.

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	23.5	55	2.3	2,610	47	87	30
Special Needs	5.0	11	2.2	143	13	Not-Available	48
Other	1.0	2	2.0	10	5	Not-Available	24
Total	29.5	68	2.3	2,763	N/A	N/A	N/A

# TRANSPORTATION ANDERSON 03

## 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 03

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Vacancies:</b> While the District has a difficult time recruiting bus drivers, the District currently does not have any vacancies.</li> <li>• <b>Recruiting:</b> The District incentivizes potential new-hires to join the District by providing partial pay for the time taken to become CDL certified and go through training.</li> <li>• <b>Substitute Pool:</b> The District maintains a small pool of four substitute drivers and two special needs aides who serve as substitutes as well when needed. Transportation administrators are CDL licensed as well.</li> <li>• <b>Dual Employment:</b> Bus Drivers are frequently employed as aides, food workers or custodians to offer full-time employment opportunities at the District.</li> <li>• <b>Staggered Routes:</b> The District does not run staggered bus routes. Elementary, Middle School and High School students ride together with the earliest routes starting as early as 6:25 am. Despite a shared route, bell times are staggered with elementary school starting the earliest and dropped off the earliest.</li> <li>• <b>Driver-Pay:</b> Bus drivers are currently paid a starting rate of \$11.32, approximately \$3.57 above state reimbursement levels, however lower than county peers.</li> <li>• <b>Administration:</b> Transportation is run by one administrator with assistance from two drivers who serve as routing coordinators.</li> <li>• <b>Avg. Route Time:</b> The geographic size of the District makes bus routes longer than the statewide average.</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 03

## 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 the state provided routing program but does not have routing software.</li> <li>• <b>GPS Tracking:</b> The District does not have functioning GPS on its buses. The district received GPS from the state, but they are not capable of tracking.</li> <li>• <b>Driver Communication:</b> The District provides cell phones to drivers to contact drivers while on routes.</li> <li>• <b>Security Cameras:</b> The District has multiple security cameras on all buses.</li> <li>• <b>Stop-Arm Cameras:</b> The District has stop-arm cameras on some buses where routes have problems with traffic circumvention.</li> <li>• <b>Activity Buses:</b> The District uses the State fuel for activity buses.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement routing software to ensure most efficient routes.</li> <li>• Install GPS on buses to monitor bus routes.</li> <li>• Install stop-arm cameras on all buses for enhanced child-safety.</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 and troubleshoot problems and share general knowledge..</li> <li>• <b>Homeless Transportation:</b> The District collaborates on out-of-district McKinney-Vento homeless student transportation coordination.</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage the State maintenance hubs for activity buses.</li> </ul>

# APPENDIX A: SAVINGS METHODOLOGY



# APPENDIX A: SAVINGS METHODOLOGY

## ANDERSON 03

### 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**

**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

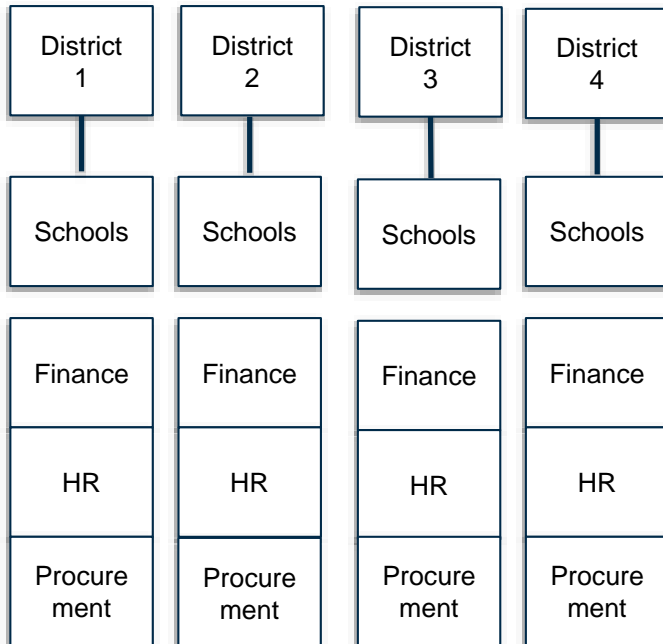
## ANDERSON 03

### 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.*

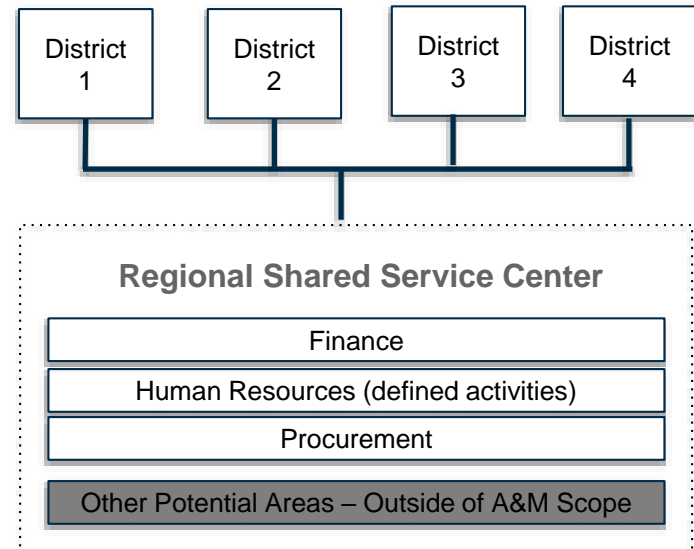
#### CURRENT STATE: STAND ALONE DISTRICT

*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 03

### 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.*

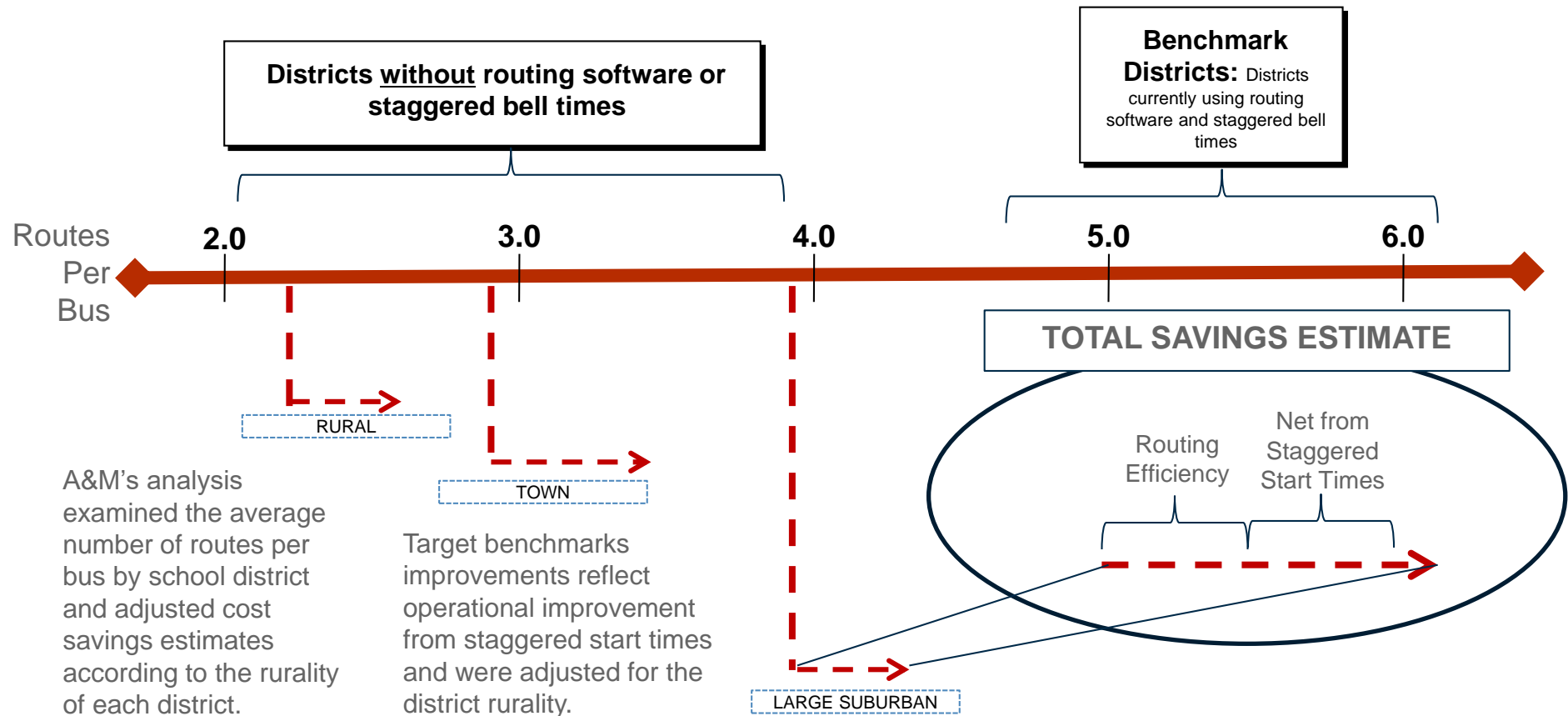
	Financial Management Collaboration: Five Districts [1 Large, 1 Med, 3 Small]		
	Current State	Collaboration Model	Savings
# of Districts	5	5	NA
Total ADM	21,000	21,000	NA
Total FTEs <sup>(2)</sup>	18.9	13.0	6.0
Total Spend <sup>(2)</sup>	\$2,409,840	\$1,684,478	\$725,326
Savings %			30.1%

*(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 03

### 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

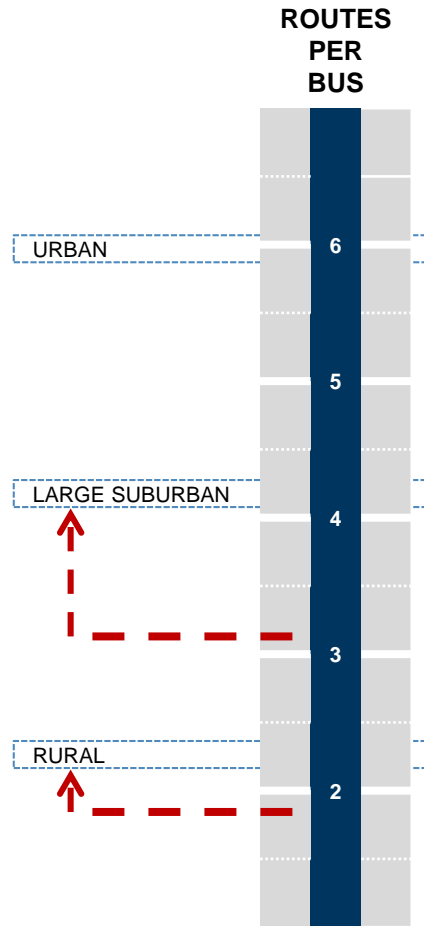
## ANDERSON 03

### 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
<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 03

### 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 03

### 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 03

### [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 03

### 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 03

### 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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