



ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION
SCHOOL DISTRICT EFFICIENCY REVIEW

Florence 04

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

FLORENCE 04

PROJECT OVERVIEW

- This document contains observations and recommendations completed in conjunction with the School Efficiency Review conducted for the South Carolina Department of Education and pursuant to Part 1B Section 1 Proviso 1.92 of the FY2016-17 General Appropriations Act.

- The scope of the District Efficiency Review focused on the following central operations: **(1) Finance; (2) Human Resources; (3) Procurement; (4) Transportation; and (5) Overhead.**
 - Instruction, Food, Facilities and Technology functions were outside the scope of this efficiency review.
 - Facilities and Technology Assessments were completed in accordance with Part 1B of Proviso 1.92 and are separate from this report.

- A&M's review focused on identifying opportunities across the operational areas noted above that would yield:
 - 1. Increased Effectiveness and Efficiency**
 - Improved processes that would enable increased levels of service to the District's students and teachers and enhance financial controls and financial stewardship of the District's funds and assets.
 - A&M considered potential opportunities that could be realized both in the current state and in a situation where the District chooses to collaborate with other nearby or like-minded districts.

 - 2. Cost Avoidance and / or Cost Savings**
 - Enhanced processes and structures that would enable the District to realize savings and/or avoid potential costs in the future, including consideration of potential investments required to mitigate ongoing cost exposure.

PROJECT OVERVIEW (CONTINUED)

- A&M conducted School Efficiency Reviews of 79 of the 82 school districts in the State across two phases, each of which approximated nine weeks. Phase I included 32 districts (all Plaintiff districts) and Phase II 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)

➤ 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

FLORENCE 04

CURRENT STATE OF DISTRICT

- Florence 04 is located in Timmonsville, SC with an enrollment of 637 students and a FY15 Per Pupil expense of \$13,261 (excluding debt and capital).
- The District was placed under state control in FY16 after a state of emergency was declared for two of the three schools in the Florence Four district. The Interim Superintendent has replaced staff at schools and is committed to addressing past deficiencies.
- The District has also had past issues with financial viability and financial controls as evidenced by a negative fund balance in FY15, multiple multi-year Material Weaknesses noted on FY15 audited financial statements, and the FY16 audit was not completed until April 2017. During the course of this review the District worked to complete their audit with final notification issued on April 7th.
- The District has had recent changes in administrative leadership and systems of areas subject to this efficiency review, including Finance and Human Resources.

1. Changes in Leadership

- The District has an Interim Superintendent and a Director of Finance that is in her first full year at the District.
- During the course of the A&M interviews, the Director of Human Resources left the District and has since been replaced.

2. Changes in Systems

- The State has required the District to change ERP systems and migrate from Cougar Mountain to SmartFusion.
 - With the changes, much of the data that was required to compile analysis was either not yet available or unable to be provided in a format that would allow for analysis. Examples of this include, information on historical vendor-related spending and personnel rosters.
- As a result, analysis of key metrics and benchmarking against other Districts can not be completed at this time.
 - A&M's observations and recommendations included on the following pages reflect only high level commentary that are primarily based on FY15 audited financials, conversations with the new Finance Director, former Director of Human Resources and the Interim Superintendent. We have included FY16 benchmarks of South Carolina districts for comparisons.

EXECUTIVE SUMMARY

FLORENCE 04

Goals, Challenges & Achievements

District Goals

Mission: To foster an environment that encourages student achievement resulting in career and college ready students.

1. **Increase Student Learning:** Achieve 10% annual growth in student achievement and improve graduation rate by 20%.
2. **Reduce Class Size:** Achieve 15:1 class sizes in primary school and 20:1 in upper grades.
3. **Financial Management:** Complete an unmodified audit for FY16.
4. **Community Involvement:** Continue to be an instrumental figure in the community providing instrumental resources to both parents and students.

Achievements

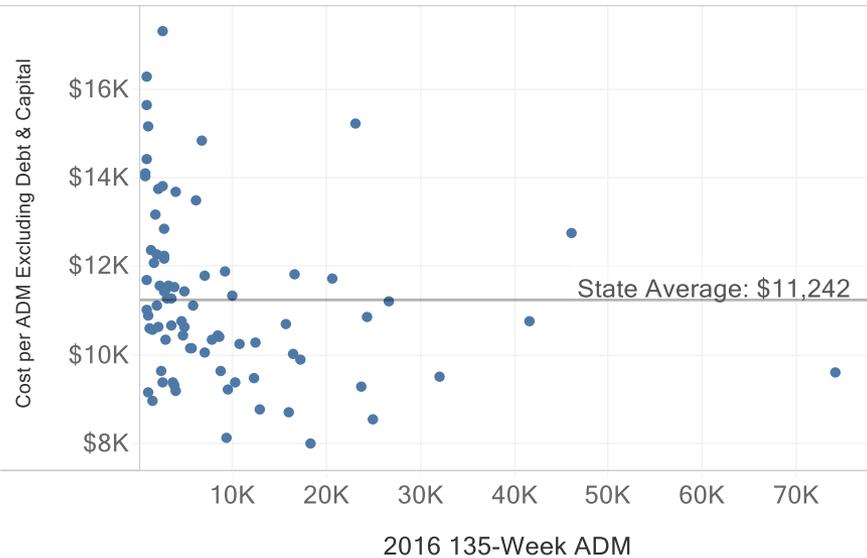
- **Crisis Management:** The leadership has made sweeping changes to bring the schools back on track from the accreditation issues from last year.
- **Atmosphere for Learning:** Fostered an atmosphere that is conducive to learning growth.
- **Dual Credit Program:** The District has a dual enrollment partnership with Florence-Darlington Technical College that allows students to gain credits for both their high school and college programs.
- **Collaboration:** FSD4 is part of the Pee Dee consortium and district leaders meet to discuss issues impacting each district.

Challenges

- **Financial Situation:** The District's current financial position may limit its ability to make investments in the near term.
- **Decreasing Enrollment:** The District has experienced significant declines in enrollment over the past 3 years (approximately 10%).
- **Teacher Recruitment:** The District has challenges attracting teachers in high needs areas and competition from both surrounding areas and other locations. In addition, the District has received negative press over its use of international teachers.
- **Public Relations:** It is very challenging for district leadership to create a presence in the community as a result of competition from larger districts in the area.

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

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OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
Finance	<ul style="list-style-type: none"> • Staffing / Processes: The Director of Finance is in her first year at the District. The Finance organization operates on a lean budget and is thinly staffed to support its scope of roles and responsibilities. The District leverages SmartFusion, but manually tracks time before and processes purchase orders before entering into the ERP. • Financial Management: The District had 12 Material Weaknesses listed on their FY15 audit report, with nine of these weaknesses being noted for multiple years and eight recurring for three years or more. The District confirmed final approval of their FY16 audit on April 7th, 2016.
Human Resources	<ul style="list-style-type: none"> • Staffing / Processes: The Director of Human Resources started in March replacing the previous Director who left in February. The District does not leverage much technology for Human Resources processes as the old Director preferred to handle many employee issues personally. • Recruiting and Retention: The District's average teacher salary is below the statewide average, but above the Pee Dee regional average. The District has a significantly higher teacher to student ratio than the statewide average with a teacher return % under 80%.
Transportation	<ul style="list-style-type: none"> • Transportation Management: The state directly pays for costs of bus purchasing, maintenance, fuel costs and a portion of driver salaries. • Routing: The District runs multiple routes to pick up city students first and rural students second. The District does not use routing software to evaluate route efficiency.
Procurement	<ul style="list-style-type: none"> • Staffing / Processes: The District does not have resources focused directly on procurement. • Strategic Sourcing: The District was unable to provide a vendor list in a format that was conducive to A&M performing an analysis on vendors.
Overhead	<ul style="list-style-type: none"> • Staffing: The District office is very thinly staffed. The Interim Superintendent is supported by an Administrative Assistant. The Interim Superintendent has spent most of her time leading the District turn around through leadership changes while searching for a full-time Superintendent to replace her heading into FY18. • Collaboration: The District is part of the Pee Dee Consortium where district leaders meet to share best practices.

RECOMMENDATIONS

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

Modernize School District Operations

- Invest in technology
 - New 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.
 - Implement a 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

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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>System Enhancements: Provide training for the staff to better utilize modules to financial systems to facilitate automated purchase to payments processes.</p> <p>Process Improvements: Modernize processes to limit manual activities and strengthen internal controls.</p> <p>Staffing/Organization: Train/cross-train district personnel on key financial functions to increase the capabilities and effectiveness of the teams.</p>	<p>System Enhancements: Implement new technologies to automate HR processes such as integrated applicant sourcing, tracking and on-boarding.</p> <p>Process Improvements: Formalize plans to implement and enhance incentive programs to help navigate teaching shortages and increase recruitment and retention rates.</p> <p>Staffing and Organization: Train/cross-train school personnel on recruiting, talent management and professional development strategies.</p>	<p>Process Improvements: Leverage state contracts and group purchasing organizations.</p> <p>Enable other districts to purchase off individually negotiated contracts.</p> <p>Monitor compliance with major contracts and analyze spending distribution on an ongoing basis to identify opportunities for potential savings.</p>	<p>System Enhancements: Implement new routing software.</p> <p>Process Improvements: Complete analysis (in conjunction with use of routing software) to find the most efficient routes.</p> <p>Hazard Routes: Consider using activity buses to run high hazard routes to decrease costs.</p>

EXECUTIVE SUMMARY

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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>Accounts Payable and Payroll: Shared Processing; Standardized and automated workflow on approvals</p> <p>Potential to add in:</p> <ul style="list-style-type: none"> Accounting Entries Financial Reporting General Oversight ERP Systems Grant Compliance and Claiming 	<p>Benefits Coordination: Shared Processing and Support</p> <p>Potential to add in:</p> <ul style="list-style-type: none"> Intl. Recruiting: H1B Process or collaborative System Licenses for Recruiting, Substitute Management, and on-boarding Sharing of instructional resources across varying classroom models 	<p>Purchasing Coordination: 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>Transportation: Shared administrative resources</p> <p>Facilities/ Maintenance: Shared staffing of key maintenance positions across districts (e.g, HVAC, Electrician, Plumbing)</p> <p>Technology: Shared oversight and support functions</p> <p>Curriculum: 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

FLORENCE 04

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.

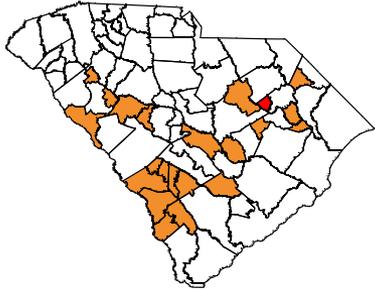


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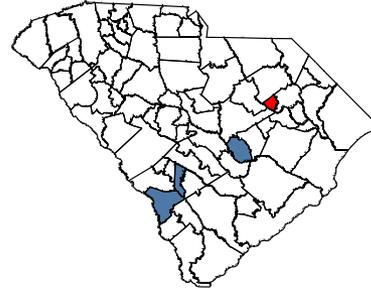
DISTRICT BENCHMARKING

FLORENCE 04



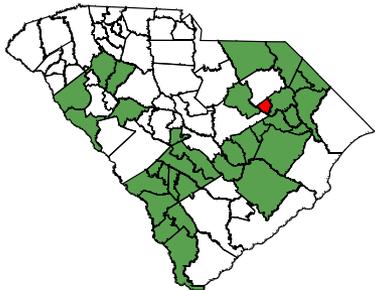
Enrollment (< 2,500)

Allendale	Florence 04
Bamberg 01	Florence 05
Bamberg 02	Greenwood 51
Barnwell 19	Greenwood 52
Barnwell 29	Hampton 01
Barnwell 45	Hampton 02
Calhoun	Lee
Clarendon 01	Lexington 03
Clarendon 03	McCormick
Dillon 03	Saluda
Dorchester 04	
Florence 02	



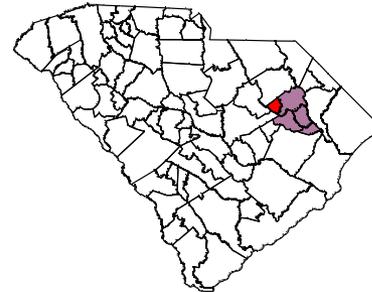
Poverty (>90%)

Allendale
Bamberg 02
Clarendon 01
Florence 04



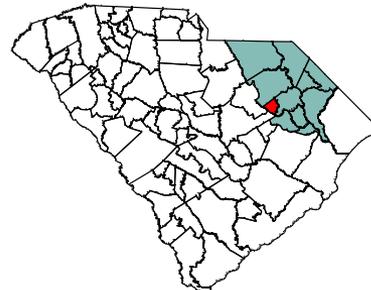
Phase 1 (Yes)

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



County (Florence)

Florence 01
Florence 02
Florence 03
Florence 04
Florence 05



Region (Pee Dee)

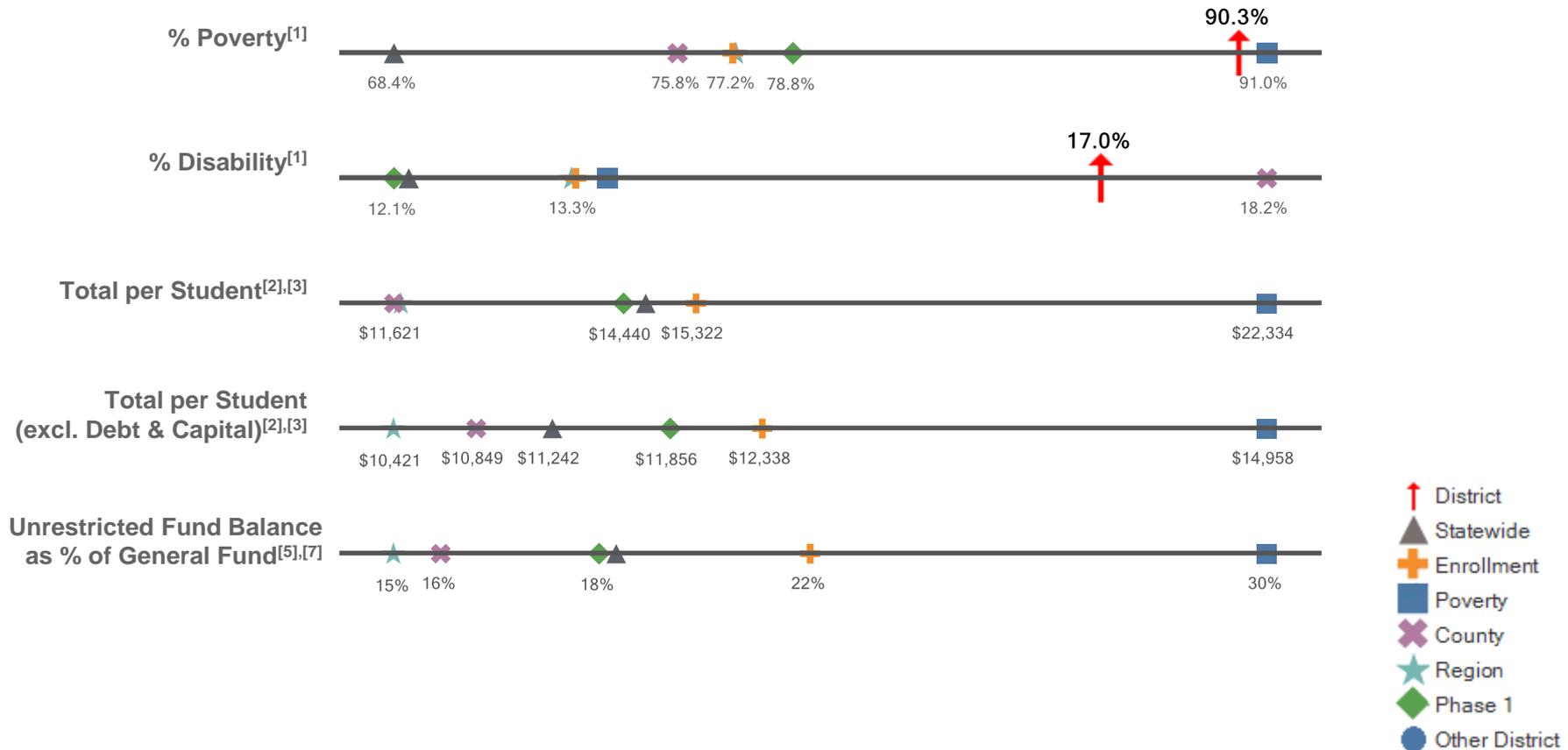
Chesterfield	Marlboro
Darlington	
Dillon 03	
Dillon 04	
Florence 01	
Florence 02	
Florence 03	
Florence 04	
Florence 05	
Marion 10	

DISTRICT OVERVIEW

FLORENCE 04

KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

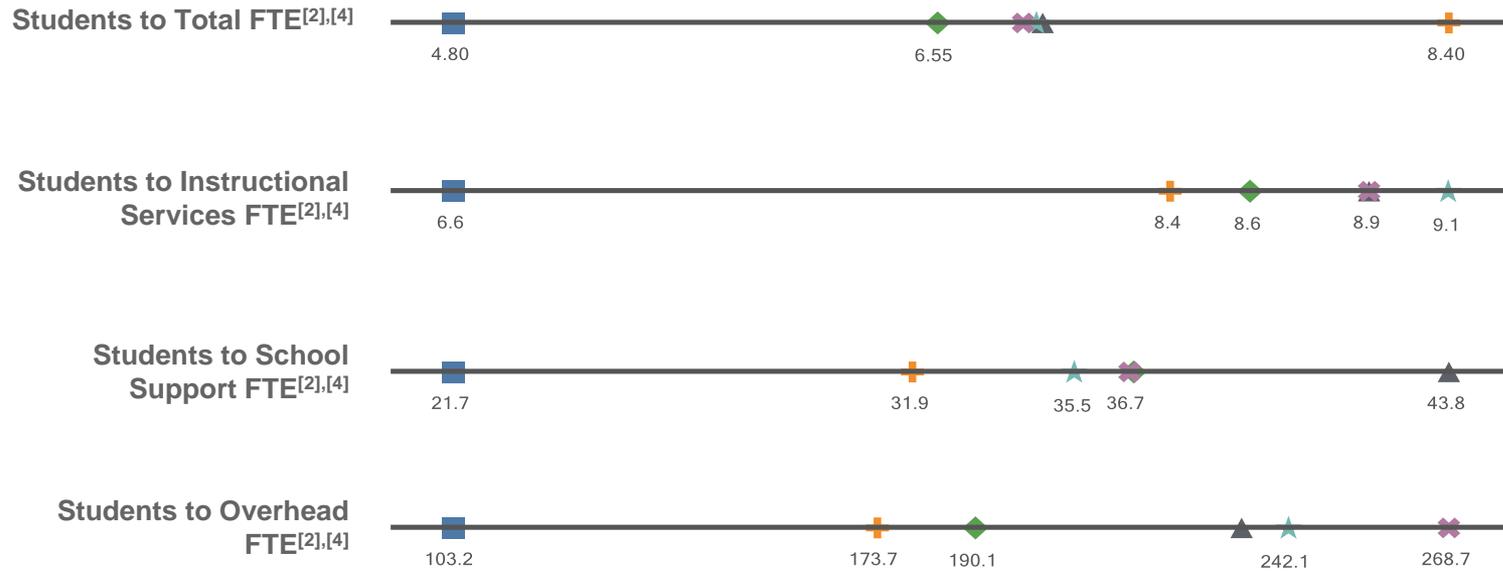
The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 1 and (g) other districts.



DISTRICT OVERVIEW

FLORENCE 04

KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



- ↑ District
- ▲ Statewide
- ✚ Enrollment
- Poverty
- ✖ County
- ★ Region
- ◆ Phase 1
- Other District

DISTRICT OVERVIEW AND OVERHEAD

FLORENCE 04

Summary of Observations and Recommendations

	Observations	Recommendations
Enrollment Trends	<ul style="list-style-type: none"> • 3-year Enrollment Trend: The District's enrollment has decreased by 72 or 10% over the past 3 years to 637 students. • Student Demographics: 90.3% of the district's enrollment qualifies for Medicaid services and/or free or reduced lunch and 17% of the FY16 population received special education services. • Long-term Planning: The District does not prepare long term enrollment projections to help inform long-term planning 	<ul style="list-style-type: none"> • Given the recent trends in enrollment the district should develop a long-term enrollment forecast to anticipate and better plan for enrollment changes, ensuring long term financial stability.
District Funding and Resource Allocation	<ul style="list-style-type: none"> • Financial Viability: The District's declining enrollment trend combined with past issues with financial management and internal control left its fund balance negative at the end of FY15. While A&M does not yet have visibility into the year end FY16 fund balance, the FY15 levels leave the District in a weak financial position with limited ability to adapt to adverse changes in enrollment or funding. • Per Pupil Expenses: The District's FY15 Per Pupil Expense is \$13,261 when excluding debt and capital. the District has a high Per Pupil Expense relative to peers. • Unrestricted Fund Balance: The District's Unrestricted Fund Balance of -2.5% of the general fund for FY15, which was significantly below FY16 average of Phase 1 districts. A&M was unable to obtain the FY16 fund balance as the District is still completing its audit. 	<ul style="list-style-type: none"> • To ensure the ongoing financial viability and stability of the District is maintained, the District should prepare a three to five year financial plan that allows for both rebuilding of its fund balance and appropriate investments in academic resources.

DISTRICT OVERVIEW AND OVERHEAD

FLORENCE 04

Summary of Observations and Recommendations

	Observations	Recommendations
Staffing / Organization	<ul style="list-style-type: none"> • Role of Superintendent: The Superintendent is operating in an interim capacity and is focused getting the District back on sound academic and financial footing. • District Office Positions: In addition to the Superintendent, The District office is supported by the following 6 key positions: <ul style="list-style-type: none"> - Finance Officer - Human Resources Manager - Title I / Special Funds Coordinator - Transportation Supervisor/Driver - Administrative Assistant - Receptionist 	<ul style="list-style-type: none"> • Develop a long term plan for district leadership across all key positions, including Superintendent. • Consider review and reorganization of other direct support areas of the Superintendent which are outside of the scope of this report, in order to optimize resources and responsibilities.
Collaboration	<ul style="list-style-type: none"> • Informal Networks: The Superintendent participates in coordinates with other regional superintendents on an informal basis. 	<ul style="list-style-type: none"> • Consider implementing a regional shared service model that allows for sharing of resources and systems that require 1) specialized skills or 2) are highly transactional



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FINANCIAL MANAGEMENT

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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 1 and (g) other districts.

Unrestricted Fund Balance as % of General Fund^{[5],[7]}



Days Cash on Hand^{[3],[7]}



Days Grants Receivable Outstanding^{[5],[7]}



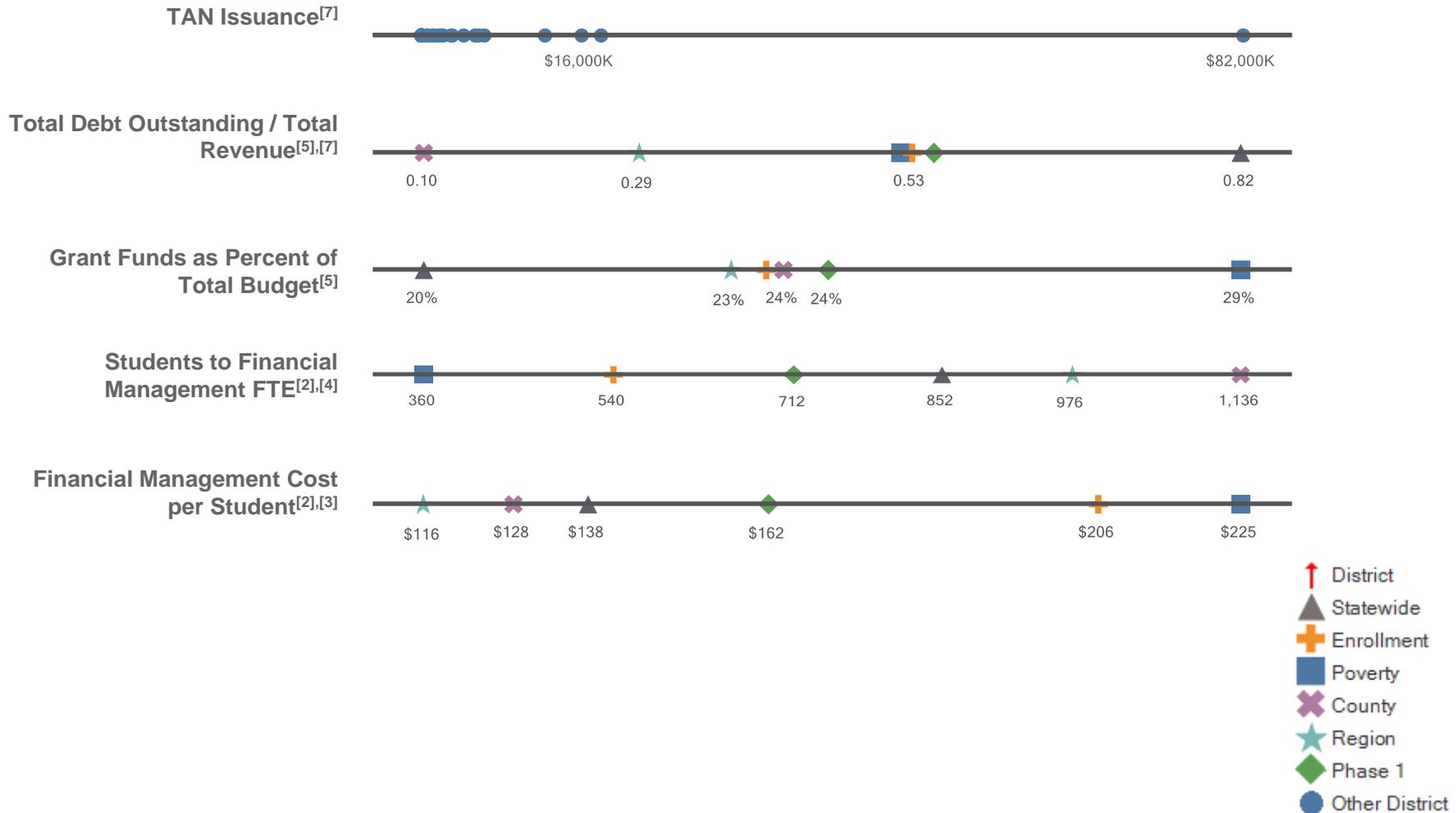
Days Payables Outstanding^{[3],[7]}



FINANCIAL MANAGEMENT

FLORENCE 04

KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



Summary of Observations and Recommendations

	Observations	Recommendations
Payroll and Accounts Payable	<ul style="list-style-type: none"> • Payroll: The District currently runs payroll on a monthly basis. The District makes 100% of its payroll payments via direct deposit and leverages a self service payroll platform for employees. • Timekeeping: Time tracking is currently managed via manual processes and entered into the payroll system by the Finance department. The overtime is reviewed manually by both the Director of Finance and the Superintendent. • Purchasing: The district currently uses a centralized purchase order system for all purchase orders except Technology. School employees input the purchase orders into the SmartFusion system and the approvals are processed digitally. Technology purchase orders are done on paper and processed manually. • Inventory: The District does not track inventory of technology, furniture or textbooks. 	<ul style="list-style-type: none"> • Implement an automated time-tracking functionality that integrates with the payroll system in order to eliminate the need for manual time sheets and reduce the added time with implementation of semi-monthly payroll. • Require technology purchase orders to be processed digitally through SmartFusion. • Implement standard policies and procedures around managing physical inventory and ensure that the District Finance organization is part of the overall process.

FINANCIAL MANAGEMENT

FLORENCE 04

Summary of Observations and Recommendations

	Observations	Recommendations
Grants Management	<ul style="list-style-type: none"> • Federal Funds: 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 with grants administrators to ensure that claims are made on a timely manner in order to maximize cash flow. • Grants Monitoring: Review of expenditures against grant requirements is conducted by the grants coordinator, with limited review by the Finance department. 	<ul style="list-style-type: none"> • Create improved grants tracking reports that compares award amount, budget, YTD and cumulative expenditures, claims processed and amounts for each grant • Require finance to provide for a secondary review process before paying for grant funded activities or submitting claims for reimbursement on grants.
Internal Controls	<ul style="list-style-type: none"> • F/S Audit: The District was still in the process of trying to complete the FY16 Audit during A&M visits; however, A&M was notified that the District received final approval of their FY16 audit on April 7th, 2016. The prior year FY15 audit showed that there was a Material Weakness related to Segregation of Duties due to limited staffing. This Weakness has been noted since 2006. • Other Findings: The District's 11 Material Weaknesses in FY15 related to control deficiencies in the following areas: <ul style="list-style-type: none"> • 5 Years - Monthly Bank Reconciliations and Revenue Reporting and Claims • 4 Years - Financial Monitoring • 3 Years - Balance Rolls Forwards, Expenditure Classification, Journal Entry, and Expenditures Documentation. • 2 Years - Fund Out of Balance • 1 Year - Retirement Contributions, IRS Tax Deposits, and Payroll History • State Control: The state took control over the district and required the District to implement a new financial system, SmartFusion. 	<ul style="list-style-type: none"> • Complete review of all financial processes and controls and implement standard policies to ensure implementation of best practices over financial reporting and controls. • Implement processes to ensure that all previously identified internal control weaknesses are mitigated. • Implement budget position control to ensure controls around hiring of individuals. • Require that claims are processed monthly for all grant areas in order to: (a) maximize cash flow, (b) identify any potential issues with submissions as early as possible. • See Grants Management recommendations.

Summary of Observations and Recommendations

	Observations	Recommendations
Cash Management	<ul style="list-style-type: none"> • Cash Forecasting: The District does not have a formalized weekly cash flow forecasting process. • Grants Receivable Outstanding: The FY15 District's Grants Receivables Outstanding was 166.5 Days. This would be one of the worst ratios in amongst the Phase 1 districts for FY16. • Days Cash on Hand: The District's FY15 Days Cash on Hand was 29 Days. This is lower than the FY16 Phase 1 district average. 	<ul style="list-style-type: none"> • 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.
Budget	<ul style="list-style-type: none"> • Budget Planning: 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. • Fiscal Monitoring: Budget owners have real time visibility into budget availability when approving purchase orders in SmartFusion. The availability is based on YTD spending and commitments through purchase orders. 	<ul style="list-style-type: none"> • Prepare zero-based and / or performance based budget annually to ensure resources are aligned with strategic priorities and expenses are anticipated and planned for. • Prepare monthly financial reports and variance analysis. Reports should be shared with district leadership and each department head on monthly basis. • Prepare quarterly reforecasts to better anticipate changes in financial position and hold meetings with budget owners to facilitate discussion about potential spending changes and reduce the time it takes to complete the annual budget.

FINANCIAL MANAGEMENT

FLORENCE 04

Summary of Observations and Recommendations

	Observations	Recommendations
Technology	<ul style="list-style-type: none"> • ERP: The District uses the SmartFusion accounting software system, however, processes remain manual for time-keeping and payroll. The District has changed ERP three times in the past 3 years. In FY15, the District used SmartFusion before switching to Cougar Mountain to save costs. The State mandated the District to use SmartFusion in FY17. 	<ul style="list-style-type: none"> • 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.
Regional Collaboration	<ul style="list-style-type: none"> • The District does not coordinate with others in the region on any transaction processing or finance related activities. • The district is part of the Pee Dee Consortium in which the finance directors of individual districts meet quarterly to discuss various topics. 	<ul style="list-style-type: none"> • 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)



OUTLINE

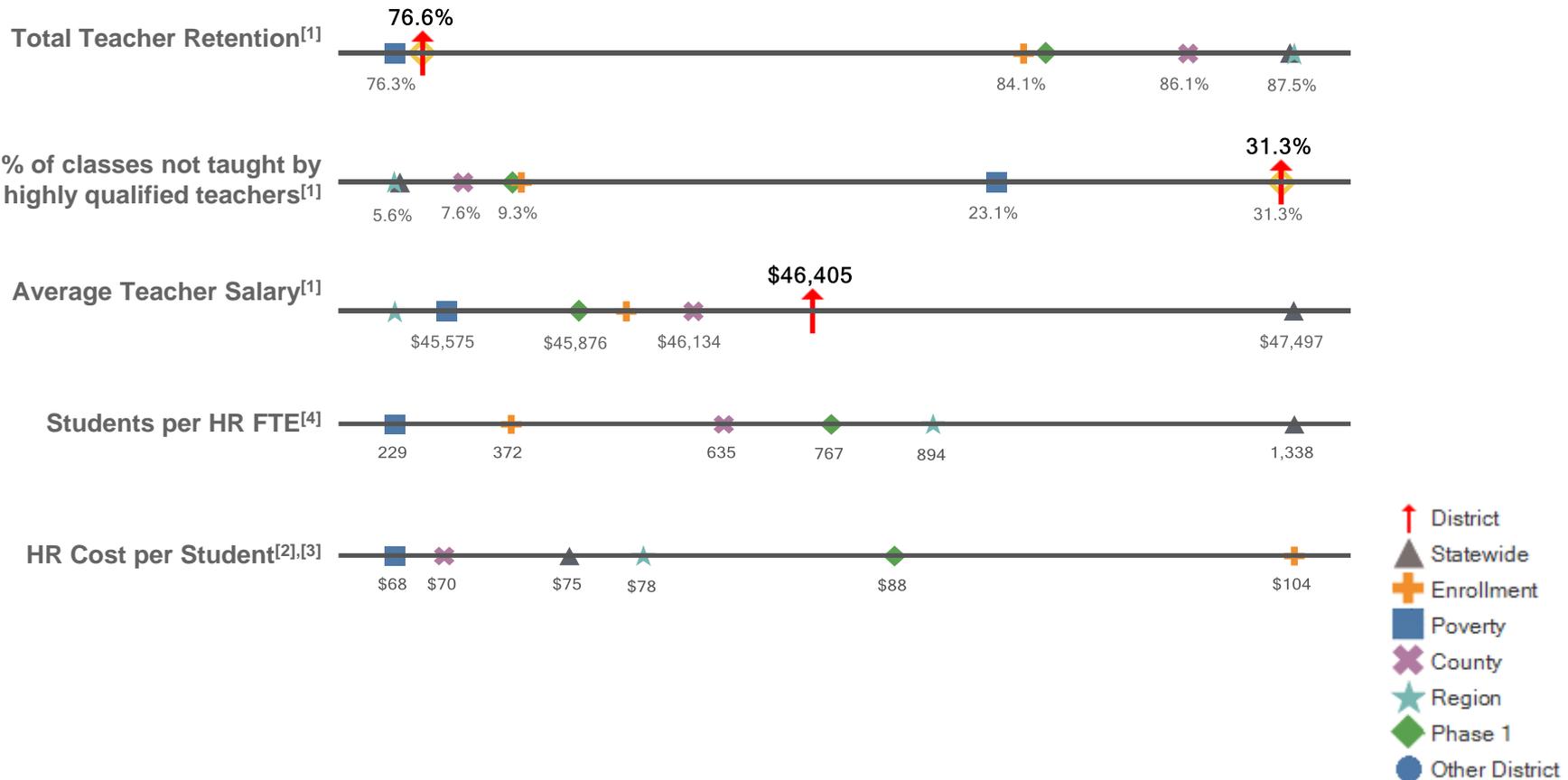
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HUMAN RESOURCES

FLORENCE 04

KEY PERFORMANCE INDICATORS: HUMAN RESOURCES

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



HUMAN RESOURCES

FLORENCE 04

Summary of Observations and Recommendations

	Observations	Recommendations
Staffing / Organization	<ul style="list-style-type: none"> • Staffing: The Human Resources function operates on a lean budget with limited staffing to support recruiting, retention, personnel relations, professional, benefits and professional development activities. The district has one Director of Human Resources. The current Director of Finance recently started in March 2017. • Human Resources Cost / Pupil: The District's FY16 budgeted Human Resources Cost Per Pupil was \$122, which is higher than the District's peers. For budgeting, the HR and Finance were budgeted in the same department. This number represents half of the budget. • Student to Human Resources FTE: The District's Student to Human Resources FTE is 637, which is lower than the Phase 1 district average, but higher than Phase 1 district's with similar enrollment. 	<ul style="list-style-type: none"> • Review staff capabilities on an annual basis and ensure individuals are provided with training on systems and processes and cross-train individuals to be able to do multiple functions.
Recruiting and Retention	<ul style="list-style-type: none"> • Recruiting: Similar to other school districts in the State, recruiting teachers into the District is challenging. The district leverages staffing agencies to fill hard to staff services (Physical Therapy, Occupational Therapy, etc.). • Average Teacher Salary: The average teacher salary is \$46,400, which is below the state average, making it more difficult for the district to compete for incoming teachers. 	<ul style="list-style-type: none"> • 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.

HUMAN RESOURCES

FLORENCE 04

Summary of Observations and Recommendations

	Observations	Recommendations
Technology	<ul style="list-style-type: none"> The District leverages TalentEd and CERRA for recruiting, application screening, processing and onboarding. The district was using SmartFusion in FY15, then switched to Cougar Mountain in FY16 due to pricing concerns. The state has mandated that they use SmartFusion in FY17. The District has a self self service portal, but only two employees have been using it. 	<ul style="list-style-type: none"> Implement technology to help enhance and automate recruiting, on-boarding, substitute management and time tracking processes that are currently manual Implement an automated time tracking system that can interface directly with the payroll system. Require employees to use the self service portal for payroll inquiries.
Collaboration	<ul style="list-style-type: none"> 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 is part of the Pee Dee Consortium in which the finance directors of individual districts meet quarterly to discuss various topics. 	<ul style="list-style-type: none"> 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"> - Benefits Coordination - Human Resources System Licenses (Frontline) - H1B Process for International Teachers



OUTLINE

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

PROCUREMENT

FLORENCE 04

Summary of Observations and Recommendations

	Observations	Recommendations
Organization / Staffing	<ul style="list-style-type: none"> The District does not have any staff solely focused on purchasing and procurement 	<ul style="list-style-type: none"> Leverage additional resources to better optimize procurement functions. See Regional Collaboration below.
Spending by Vendor	<ul style="list-style-type: none"> Spending efforts are made based upon the individual buyer, with lowest costs the main priority. Aggregated purchasing decisions across districts are not made. 	<ul style="list-style-type: none"> Requirements: 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. Timing: Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts. Minimum Commitments: Consider use of commitments of minimum buying levels to facilitate negotiations of discounts and rebates over specified buying thresholds. Add provisions that include tiering and volume discounts/rebates in all new contracts Group Purchasing: Seek opportunities to better leverage buying power by participating in Group Purchasing Organizations (e.g. US Communities). Areas to consider for potential collaboration include supplies and technology.

PROCUREMENT

FLORENCE 04

Summary of Observations and Recommendations

	Observations	Recommendations
Spending by Category	<ul style="list-style-type: none"> Building and Maintenance: The District uses numerous individual contractors and to provide general and specialized maintenance support. Instructional Support Services and Supplies: The District does not require procurement of instructional support software to be placed out to bid. The District does not procure these services and software in collaboration with any other districts. Technology: The District is expanding its one to one initiative and is leveraging a state contract with a reseller. The District does not coordinate technology purchases with other nearby districts. 	<ul style="list-style-type: none"> Coordinate purchasing of facilities services such as HVAC, electrical and plumbers with surrounding districts to maximize the potential for volume discounts. Alternatively, consider hiring key trades positions of HVAC, Plumbing and Electrician in collaboration with a nearby district and sharing resources. 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. Coordinate purchasing of instructional services with surrounding districts to maximize the potential for volume discounts. Standardization of Technology: The greatest saving potential can be realized through rollout of low cost/high quality technology options, that are standardized across a geographic region. Standardize recommended technology options with nearby districts in order to leverage benefits of coordinated purchasing and volume discounts.

Summary of Observations and Recommendations

	Observations	Recommendations
Spending by Category	<ul style="list-style-type: none"> • Non-instructional Supplies: 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. 	<ul style="list-style-type: none"> • Consider a review of additional supplier options (e.g., Amazon’s new K12 offering, US Communities, Office Depot, etc.). • Consider standardizing with one supplier to achieve additional volume discounts. • Analyze supply spend with neighboring districts and approach vendors with minimum volume commitments for additional discounts.
Collaboration	<ul style="list-style-type: none"> • The District does not partner with other districts to procure goods and services. 	<ul style="list-style-type: none"> • Consider combining resources to create a regional procurement function across districts that is charged with reviewing and optimizing spending through ongoing market intelligence on pricing opportunities, contract RFP management, contract negotiations, contract management. • A regional collaboration model would allow for districts to further capitalize on volume discounts and rebates on areas of spend that would include: <ul style="list-style-type: none"> • Technology • Instructional Software and Services • Instructional Staffing • Supplies



OUTLINE

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TRANSPORTATION

FLORENCE 04

TRANSPORTATION OVERVIEW: STATE VS. DISTRICT

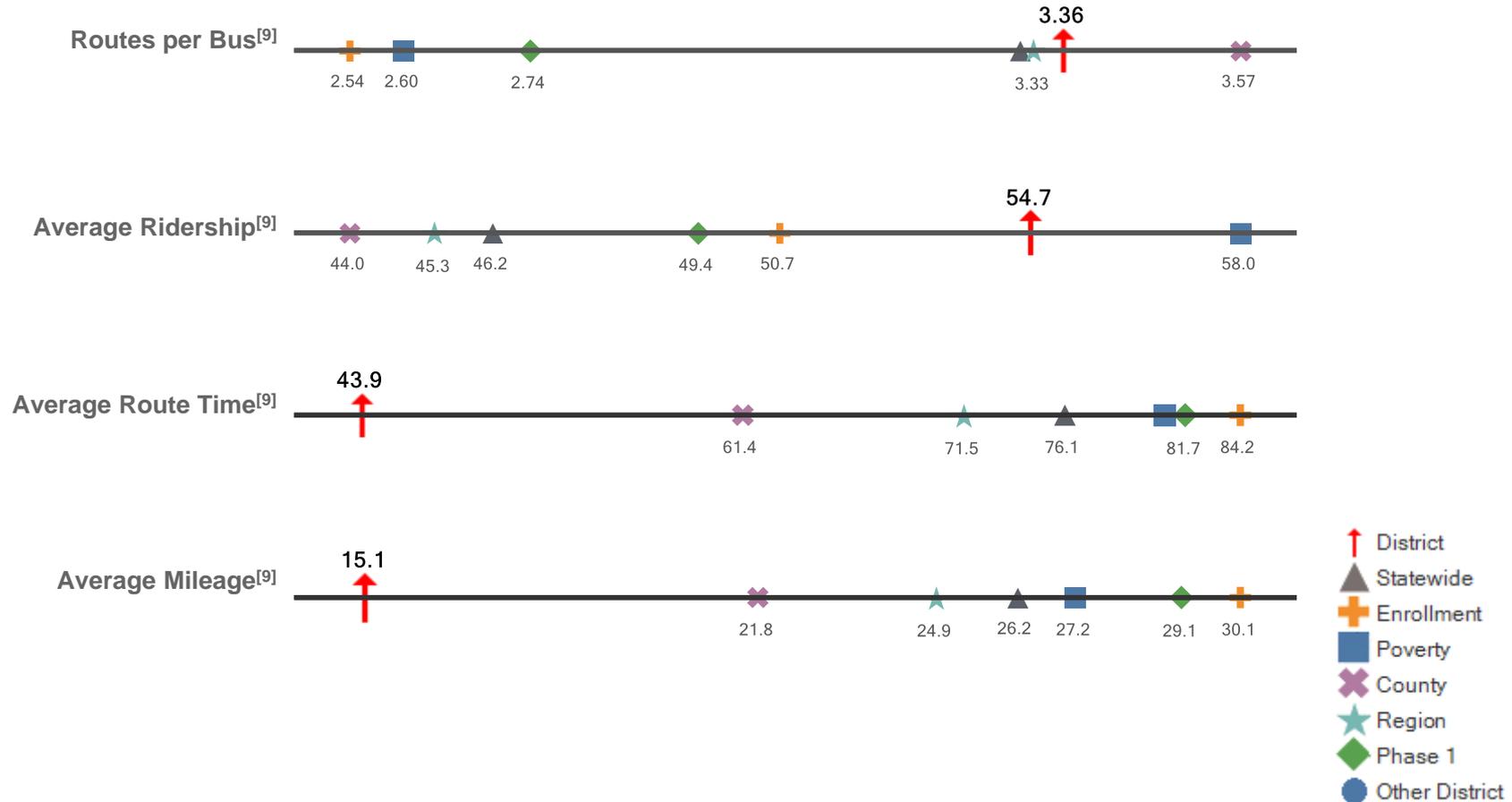
Responsibility for school transportation operations is uniquely shared by the State and the District. The cooperative relationship allows school transportation to maximize operational efficiencies by leveraging economies of scale and regionalizing bus operations across small districts.

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

TRANSPORTATION FLORENCE 04

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

FLORENCE 04

Summary of Observations and Recommendations

	Observations	Recommendations
Staffing / Organization	<ul style="list-style-type: none"> The District has a difficult time recruiting bus drivers. Transportation is run by one administrator who also is a driver. 	<ul style="list-style-type: none"> As incentive to recruit and retain bus drivers, create opportunities for full-time employment. Bus drivers in other districts in the State are dual employed serving in aide, food services and / or maintenance roles when not driving buses.
Routing and Bus Management	<ul style="list-style-type: none"> The District does not utilize routing software. The District runs routes to pick up the city students first, then picks up the rural students. 	<ul style="list-style-type: none"> Consider implementation of staggered bell times that will allow for 1) a reduction in the number of drivers needed, 2) eliminate the need for double bus runs, 3) Reduce the number of buses needed, 4) allow students to ride with peers of their own age, and 5) shorten ride times for students Implement routing software to ensure most efficient routes Ensure all buses are equipped with GPS to monitor bus routes and ensure most efficient route if GPS is not already installed.
Collaboration	<ul style="list-style-type: none"> The District does not collaborate with surrounding districts 	<ul style="list-style-type: none"> Consider partnering with surrounding districts on shared bus usage. Potential areas include: share transport of students attending out of district placement and activity buses.

APPENDIX A: SAVINGS METHODOLOGY



APPENDIX A: SAVINGS METHODOLOGY

FLORENCE 04

APPROACH TO SAVINGS

GENERAL APPROACH TO ESTIMATING INVESTMENTS AND SAVINGS

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

FINANCE AND HUMAN RESOURCES

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

PROCUREMENT

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

TRANSPORTATION

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

APPROACH TO SAVINGS: OTHER CONSIDERATIONS

➤ **State-wide Benchmarking Data:**

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

➤ **Implementation:**

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

SAVINGS ANALYSIS BY FUNCTIONAL COMPONENT

PEOPLE

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

TECHNOLOGY

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

**Functional Review
Operating Model Components**



PROCESS

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

ORGANIZATION

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

APPENDIX A: SAVINGS METHODOLOGY

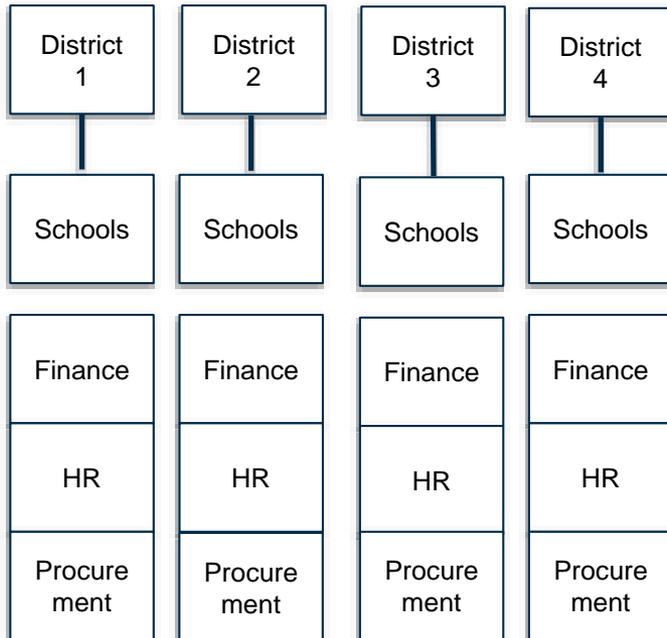
FLORENCE 04

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.

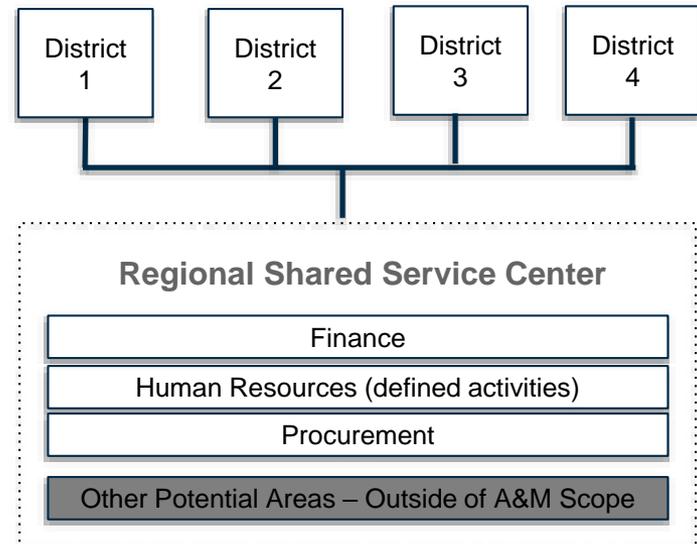
CURRENT STATE: STAND ALONE DISTRICT

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

FLORENCE 04

SHARED SERVICES MODEL: SAVINGS APPROACH

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

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

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

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

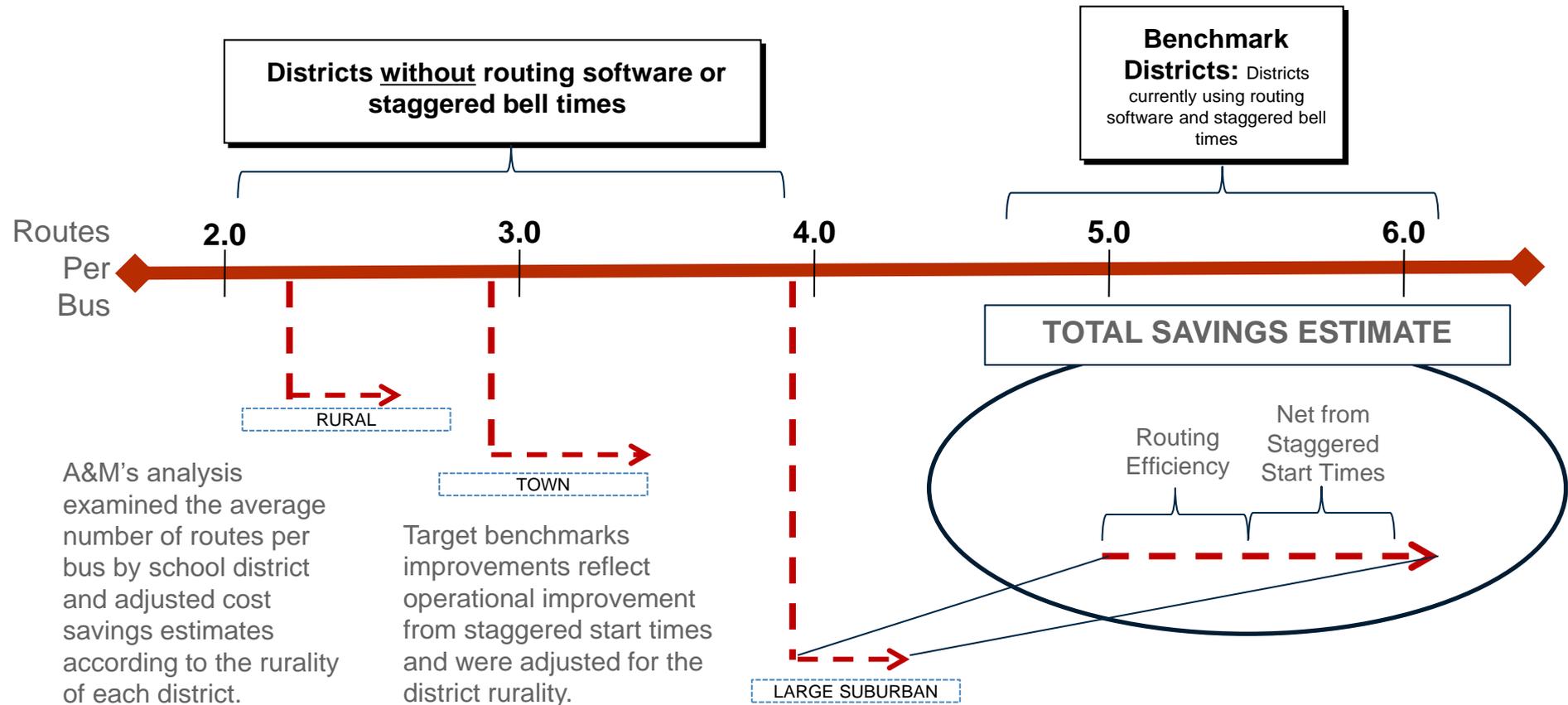
	Financial Management Collaboration: Five Districts [1 Large, 1 Med, 3 Small]		
	Current State	Collaboration Model	Savings
# of Districts	5	5	NA
Total ADM	21,000	21,000	NA
Total FTEs⁽²⁾	18.9	13.0	6.0
Total Spend⁽²⁾	\$2,409,840	\$1,684,478	\$725,326
Savings %			30.1%

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

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

TRANSPORTATION ROUTING: SAVINGS APPROACH

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



APPENDIX A: SAVINGS METHODOLOGY

FLORENCE 04

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

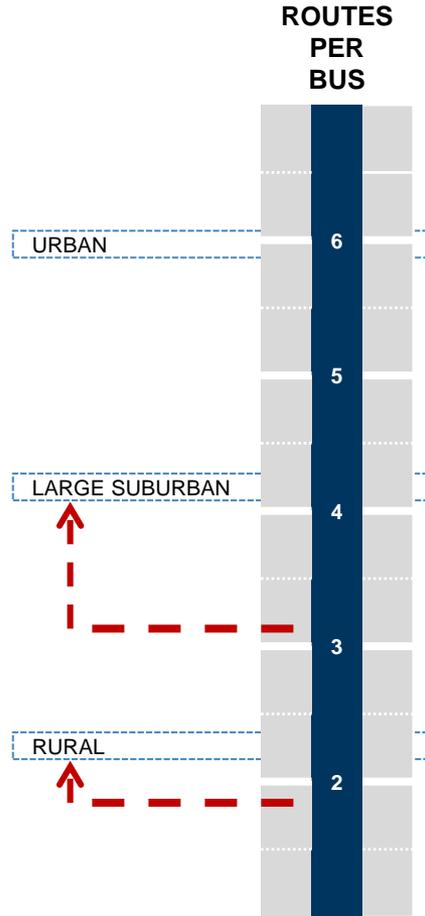
FLORENCE 04

TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

Savings from Increased Utilization:

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

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



DISTRICT EXAMPLE COST SAVINGS OPPORTUNITIES FROM STAGGERED SCHOOL START TIMES

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

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

APPENDIX A: SAVINGS METHODOLOGY

FLORENCE 04

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

FLORENCE 04

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

FLORENCE 04

[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

FLORENCE 04

Sources [2],[3]

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

Sources [2],[4]

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

APPENDIX B: FORMULAS DEFINED

FLORENCE 04

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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