



# ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION  
SCHOOL DISTRICT EFFICIENCY REVIEW

**Horry**

**District Report**

6/16/2017





## OUTLINE

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

## 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.
- 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 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.

## PROJECT OVERVIEW (CONTINUED)

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➤ 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.

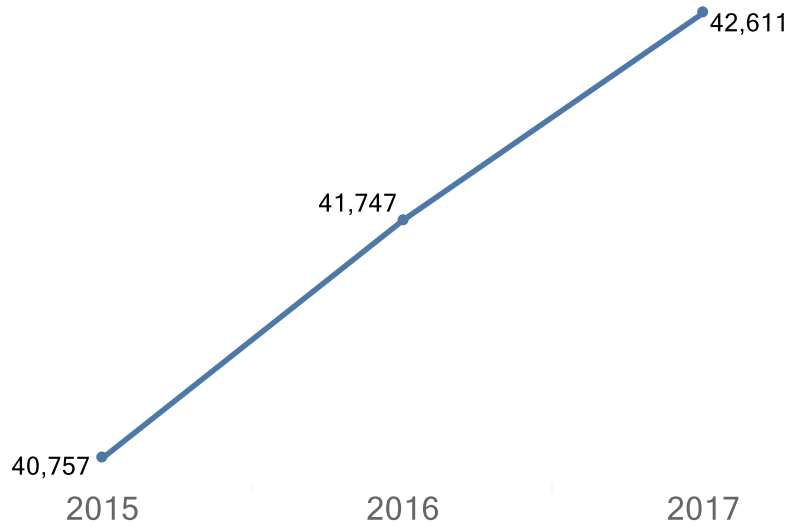
### ➤ Sources of Data and Savings Estimates

- 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, 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.

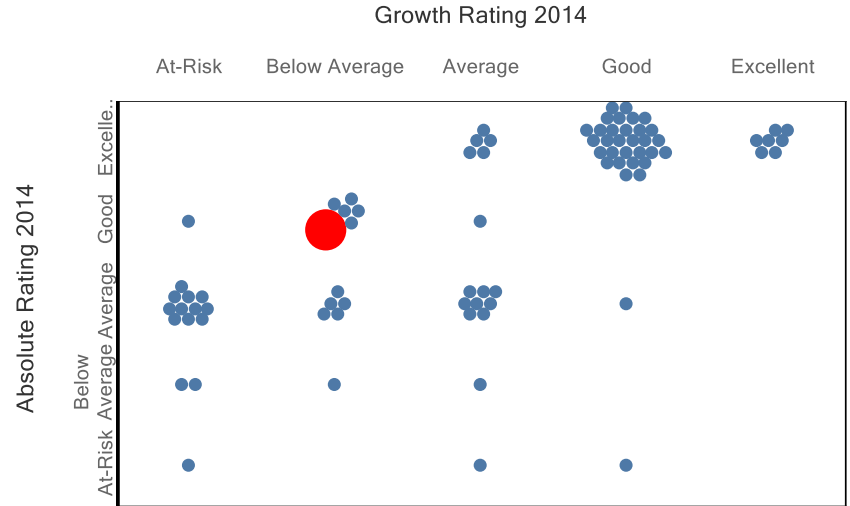
# EXECUTIVE SUMMARY

## HORRY

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



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



### General Info

Number of Schools <sup>[2]</sup>	51
% Poverty <sup>[1]</sup>	64.6%
% Disability <sup>[1]</sup>	14.4%
\$ Per Student <sup>[2],[3]</sup>	\$13,311
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$10,753

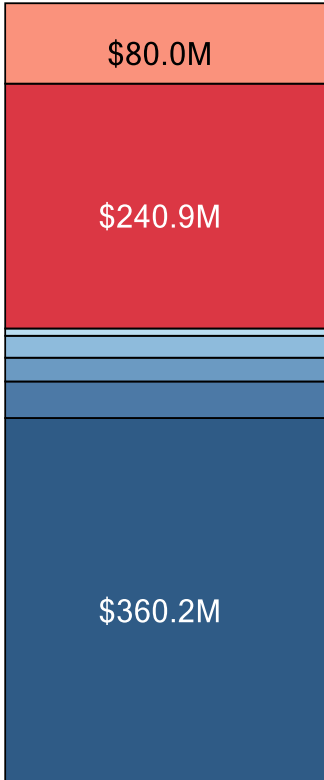
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	10.2
Students Per Overhead FTE <sup>[2],[4]</sup>	324.0
Students Per School Support FTE <sup>[2],[4]</sup>	36.9
Students to Total FTE <sup>[2],[4]</sup>	7.8

# EXECUTIVE SUMMARY

## HORRY

**Sources of Funds<sup>[5]</sup>**  
\$770.4M



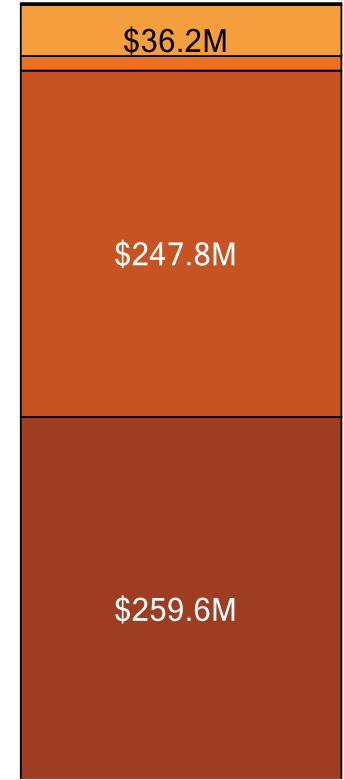
2015-2016

**Use of Funds - Type<sup>[3]</sup>**  
\$555.7M



2015-2016

**Use of Funds - Function<sup>[3]</sup>**  
\$555.7M



2015-2016

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

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

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

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## HORRY

\$555.7M  
Total

\$63.8M  
In-Scope

\$491.9M  
Not In-Scope

*11.5% of total spend is within scope of the efficiency review:*

	In Scope Spend <sup>[3]</sup>	Procurement Component
Finance	\$2,107,981	\$195,119
Human Resources	\$5,626,627	\$408,960
Overhead	\$2,400,887	\$910,194
Transportation	\$17,682,347	\$719,499
Procurement (Community Services, Instruction, Support Services)	\$36,010,573	\$36,010,573
<b>TOTAL</b>	<b>\$63,828,415</b>	<b>\$38,244,345</b>

\* totals may not tie due to rounding

# DISTRICT OVERVIEW AND OVERHEAD

## HORRY

### GOALS, CHALLENGES & ACHIEVEMENTS

#### District Goals

**Vision:** To be a premier, world-class school system in which every student acquires an excellent education.

- **Curriculum & Instruction:** Provide research-based curriculum and instructional methods that facilitate achievement for all students.
- **Student Assessment:** Provide a comprehensive assessment system that monitors and documents performance and uses these results to improve student performance and school effectiveness.
- **District Resources:** Provide the human, financial, and physical resources and services necessary to support the District's vision and purpose of achievement for all students.
- **Stakeholder Relations:** Foster effective communications and relationships with and among stakeholders.
- **Quality Leadership:** Provide governance and leadership that promote student performance and school/system effectiveness.

#### Achievements

- **Awards:** In FY16 3 of the state's 5 national blue ribbons schools were from Horry County.
- **School Renovation:** The District implemented an Educational Capital Improvement Sales Tax through a county referendum to generate a 1% local sales and use tax for the schools.
- **Student Performance:** Set strategies in motion for improving student performance on the state and national assessments.
- **Instruction and Support Services:** Provided instructional and support services for over 1800 additional students in the past two years.

#### Challenges

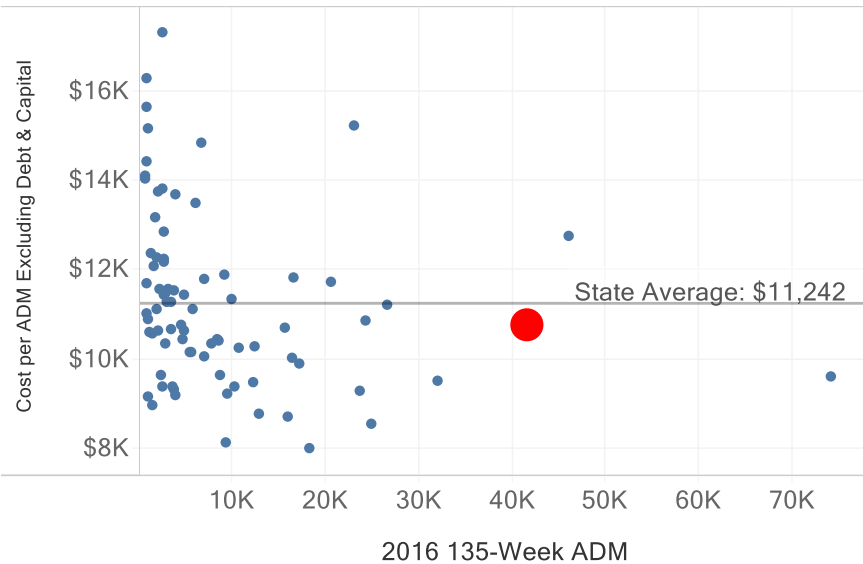
- **Closing Achievement Gaps:** The District is working on ways to close the gap.
- **Funding:** The District estimates that over \$70 million in funding was impacted by Act 388.
- **Recruiting and Retention:** The District has challenges recruiting teachers and minority applicants and has over 200 teachers in the TERI program, which will put additional pressures on the recruiting.
- **Medicaid Reimbursements:** Handling Medicaid reimbursements presents challenges due to the need for Third Party billing to determine if there is private insurance before issuing payment.

# EXECUTIVE SUMMARY

## HORRY

### KEY OBSERVATIONS

#### Per Pupil vs. Enrollment



#### District Size and Minimum Costs

##### Minimum Cost Base:

The larger size of the District enables increased efficiencies and effectiveness for the organization as the fixed cost structure of the District is spread across a large number of students.

##### Resource Utilization:

In general, the District utilizes its resources in a way that allows for increased efficiencies and effectiveness. Transactional processes are generally centralized creating efficiencies. Resources are able to specialize in functional areas.

#### 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.

# EXECUTIVE SUMMARY

## HORRY

### OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
<b>Finance</b>	<ul style="list-style-type: none"> <li>• <b>Financial Management:</b> The District has strong financial management practices. The District regularly has clean audits, strong internal controls, performs regular monitoring of financial performance and regularly seeks ways to improve financial operations. The fund balance is strong at 21%, which is above the statewide average of 18.7%.</li> <li>• <b>Lean Staffing:</b> The Department has been overseen by the Chief Financial Officer for the past 4 years. The stability and knowledge of the finance leadership has allowed the department to operate with a small team and focus on driving efficiencies in financial operations.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• <b>Moderate Staffing:</b> The Human Resources function is adequately staffed with the positions required to support recruiting, retention, personnel relations and benefits. With strong teacher retention rates and low difficulty in recruitment, the department is able to operate with a smaller team.</li> <li>• <b>Recruiting and Retention:</b> The District has an better able to recruit teachers than other districts in South Carolina, which is partly attributable to the desirable location, higher teacher salaries, and the use of signing bonuses.</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• <b>Transportation Management:</b> Historically, the District has experienced bus driver shortages, with 10-15% vacancies. The District does not have enough drivers to maintain a pool of substitute drivers and does not maintain dual employment for drivers.</li> <li>• <b>Transportation Routing:</b> The District currently uses ESRI directions and routing services software for simple point-to-point routing and is building a routing software solution with route optimization capabilities at a high cost. While the District uses staggered bus routes, all school times start within an hour.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> Significant resources are dedicated to Procurement. The District takes advantage of some state contracts and collaboration with other districts but maintains local optimization as a priority.</li> <li>• <b>Strategic sourcing:</b> The District is focused on achieving best value with vendors through proactive strategic sourcing strategies. The District would benefit from increased buying power from greater collaboration across districts.</li> </ul>
<b>Overhead</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The Superintendent has led the District since January 2015, serving as the Deputy Superintendent of Operations previously. A large staff of 7 direct reports to the Superintendent has allowed the district to innovate and drive a culture of improvement.</li> <li>• <b>Collaboration:</b> The District participates with other districts through the SCSBA and other associations, but does not substantively collaborate with other districts.</li> </ul>

# EXECUTIVE SUMMARY

## HORRY

### EFFICIENCY RECOMMENDATIONS

*District investment in people, process and technology will help improve the effectiveness of the district's overall processes and operations.*

EFFICIENCY RECOMMENDATIONS			
FINANCE	HUMAN RESOURCES	PROCUREMENT	TRANSPORTATION
<p><b>Process Improvements:</b> Consider alternative Requisition and Purchase Order management models for small purchases .</p> <p>Develop a strategic process to search out and review potential grant opportunities and require all employees to receive payroll via direct deposit.</p> <p><b>Staffing/Organization:</b> Train individuals on systems and processes and cross-train staff to be able to do multiple functions.</p>	<p><b>System Enhancements:</b> Automate benefits related transaction processing and explore incremental opportunities to further drive down remaining manual processes through additional customization efforts.</p> <p><b>Process Improvements:</b> Implement incentive programs to help recruit and retain teachers and remain competitive.</p> <p><b>Staffing and Organization:</b> Train/cross-train personnel on recruiting, talent management and professional development strategies.</p>	<p><b>Process Improvements:</b> Create an advisory board that oversees cooperative purchasing within the state.</p> <p>Further leverage state contracts and collaboration across district to optimize spend.</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 routing software for route optimization and GPS and security cameras on all buses for increased safety.</p> <p><b>Process Improvements:</b> Expand staggered bell times to reduce cost and shorten wait and ride times for students.</p> <p><b>Staffing / Organization:</b> Create dual employment opportunities and other incentives to help address bus driver shortage. Use an automated calling system to fill needed driver substitute vacancies.</p>

# EXECUTIVE SUMMARY

## HORRY

### 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. Actual savings may vary based on implementation decisions.

FINANCE AND HUMAN RESOURCES	PROCUREMENT	TRANSPORTATION
<ul style="list-style-type: none"> <li>• A&amp;M conducted interviews and analyzed personnel rosters and expenses to understand the intersection of people, process and technology within the District.</li> <li>• A&amp;M estimated potential savings that could be realized after implementation of recommended process, policy and technology changes based upon past experience implementing similar initiatives, comparison of staffing and spend against peer benchmarks and discussion with the District. A&amp;M also estimated investments required to achieve savings based upon prior experience.</li> <li>• In addition, while A&amp;M evaluated potential synergies from a regional shared services model for transactional activities, after considering the District’s size, current staffing levels and uniqueness of processes, policies and technology, A&amp;M is not recommending implementation of this approach at this time.</li> </ul>	<ul style="list-style-type: none"> <li>• A&amp;M reviewed the District disbursement register and reviewed a limited sampling of vendor invoices to gain an understanding of the Districts procurement spend.</li> <li>• On a limited basis, A&amp;M reviewed rates paid to individual vendors by multiple districts.</li> <li>• In order to estimate savings, A&amp;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&amp;M on strategic sourcing.</li> </ul>	<ul style="list-style-type: none"> <li>• A&amp;M used data provided by the state to analyze the district route mileage, frequency, timing, and volume to compare with benchmarks across the state.</li> <li>• A&amp;M evaluated opportunities for savings based upon comparison of benchmarks across the state that took into consideration the location, population and geographic profile of the each district.</li> <li>• Savings estimates were not provided in instances where the District was in line with benchmark targets and was using both routing software and leveraging staggered bell times.</li> </ul>

# EXECUTIVE SUMMARY

## HORRY

### CONCLUSION: ESTIMATED ONE-TIME INVESTMENT AND ANNUAL SAVINGS

*Investment and savings ranges shown below reflect estimates of the impacts of A&M recommendations for process, technology and policy changes. 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.*

	Est. One-Time Investment		Est. Net Annual Savings	
	Low	High	Low*	High
Finance	\$0 -	\$5,000	\$0 -	\$0
Human Resources	0 -	0	0 -	0
Procurement	0 -	0	382,400 -	1,912,200
Transportation – District	N/A -	N/A	155,000 -	232,000
<b>District Total</b>	<b>0</b>	<b>5,000</b>	<b>537,400</b>	<b>2,144,200</b>
Transportation – State	68,000 -	383,400	26,700 -	206,400
<b>Total</b>	<b>\$68,000</b>	<b>\$388,400</b>	<b>\$564,100</b>	<b>\$2,350,600</b>

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

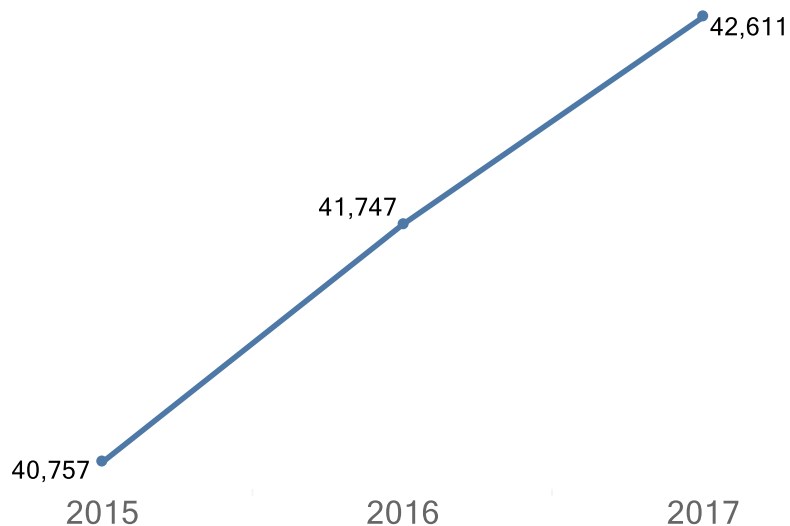


## OUTLINE

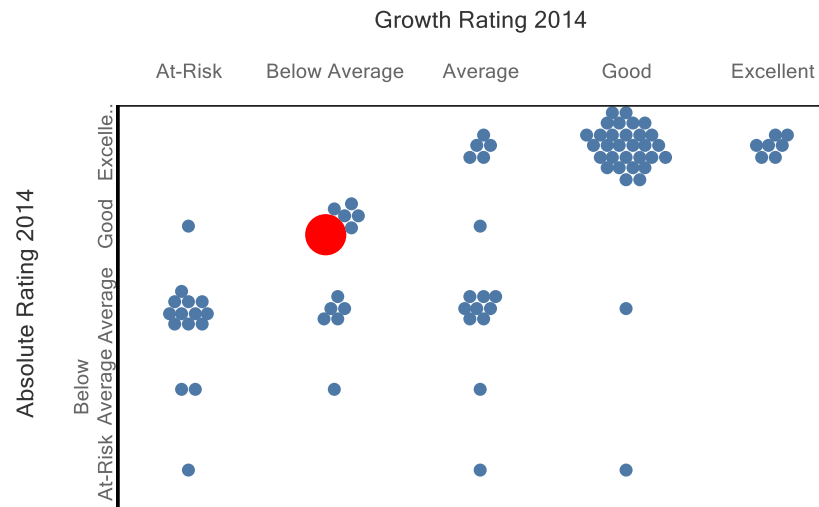
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# DISTRICT ADMINISTRATION AND PERFORMANCE HORRY

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



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



## General Info

Number of Schools <sup>[2]</sup>	51
% Poverty <sup>[1]</sup>	64.6%
% Disability <sup>[1]</sup>	14.4%
\$ Per Student <sup>[2],[3]</sup>	\$13,311
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$10,753

## Administration

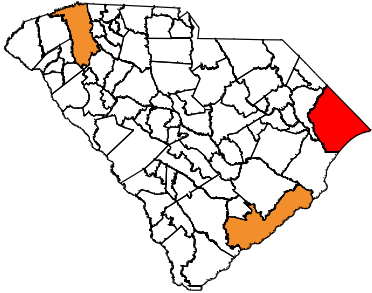
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Students to Total FTE <sup>[2],[4]</sup>	7.8

# DISTRICT BENCHMARKING

## HORRY

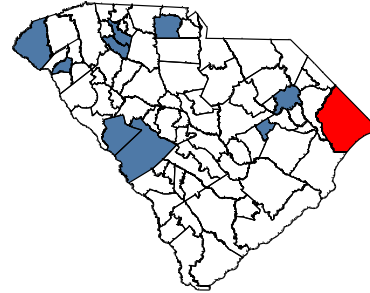
### Enrollment (> 40,000)

Charleston  
Greenville  
Horry



### Poverty (60% - 65%)

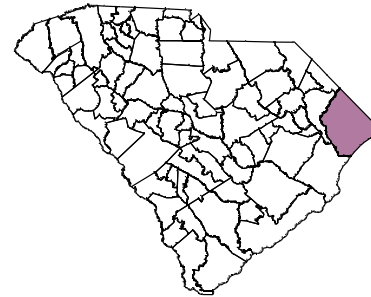
Aiken  
Anderson 05  
Clarendon 03  
Edgefield  
Florence 01  
Horry  
Oconee  
Spartanburg 04  
Spartanburg 06  
York 01



### Phase 1 (No)

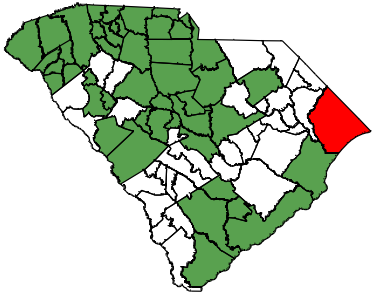
Aiken	Greenwood 52
Anderson 01	Horry
Anderson 02	Kershaw
Anderson 03	Lancaster
Anderson 04	Lexington 01
Anderson 05	Lexington 02
Beaufort	Lexington 03
Calhoun	Lexington/Richland 05
Charleston	Newberry
Cherokee	Oconee
Chester	Pickens
Colleton	Richland 01
Darlington	Richland 02
Dorchester 02	Spartanburg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

Sumter  
Union  
York 01  
York 02  
York 03  
York 04



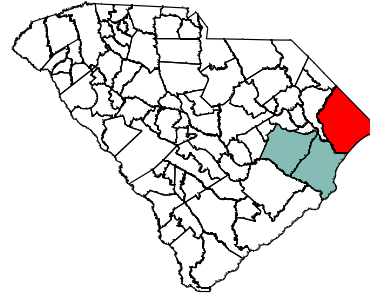
### County (Horry)

Horry



### Region (Waccamaw)

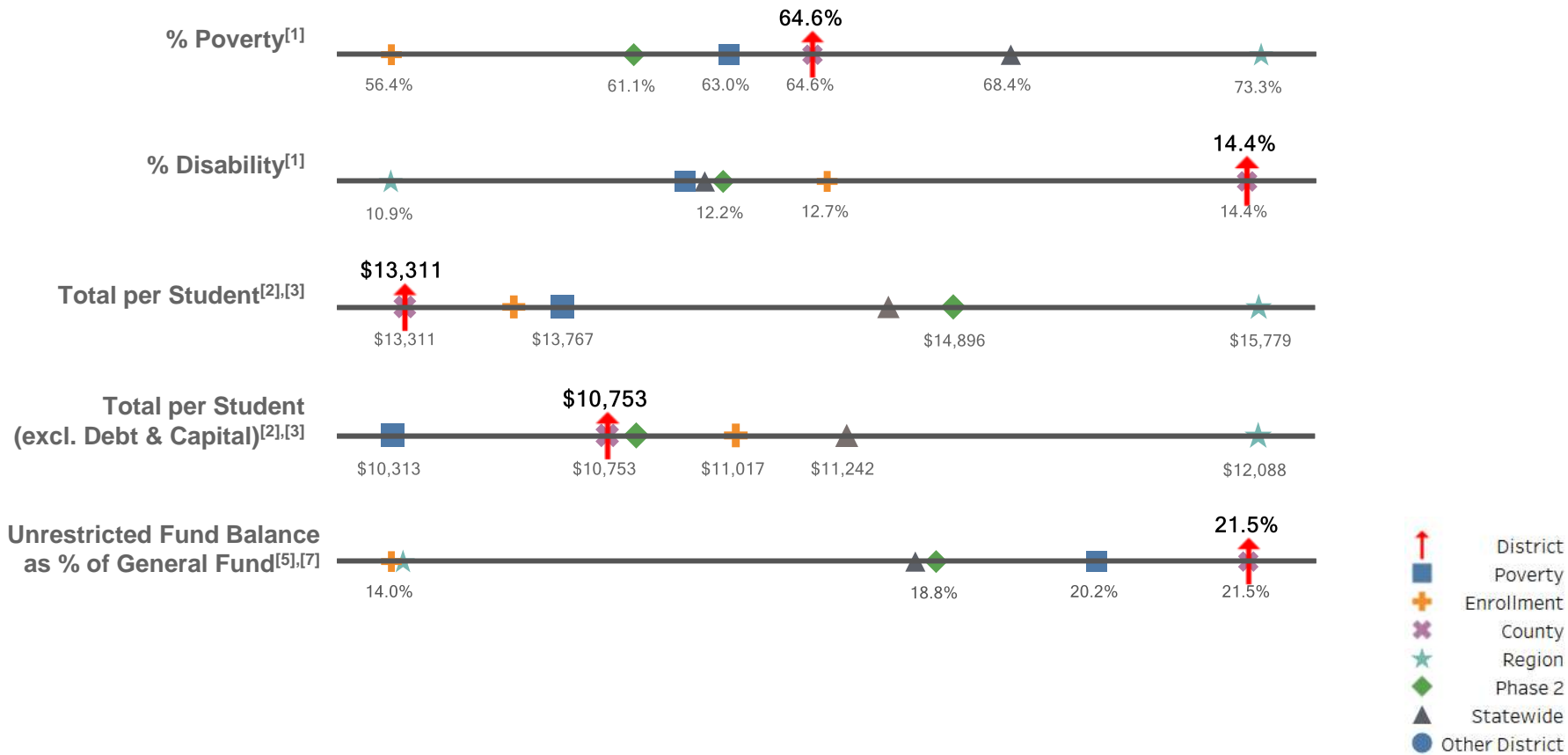
Georgetown  
Horry  
Williamsburg



# DISTRICT OVERVIEW HORRY

## KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

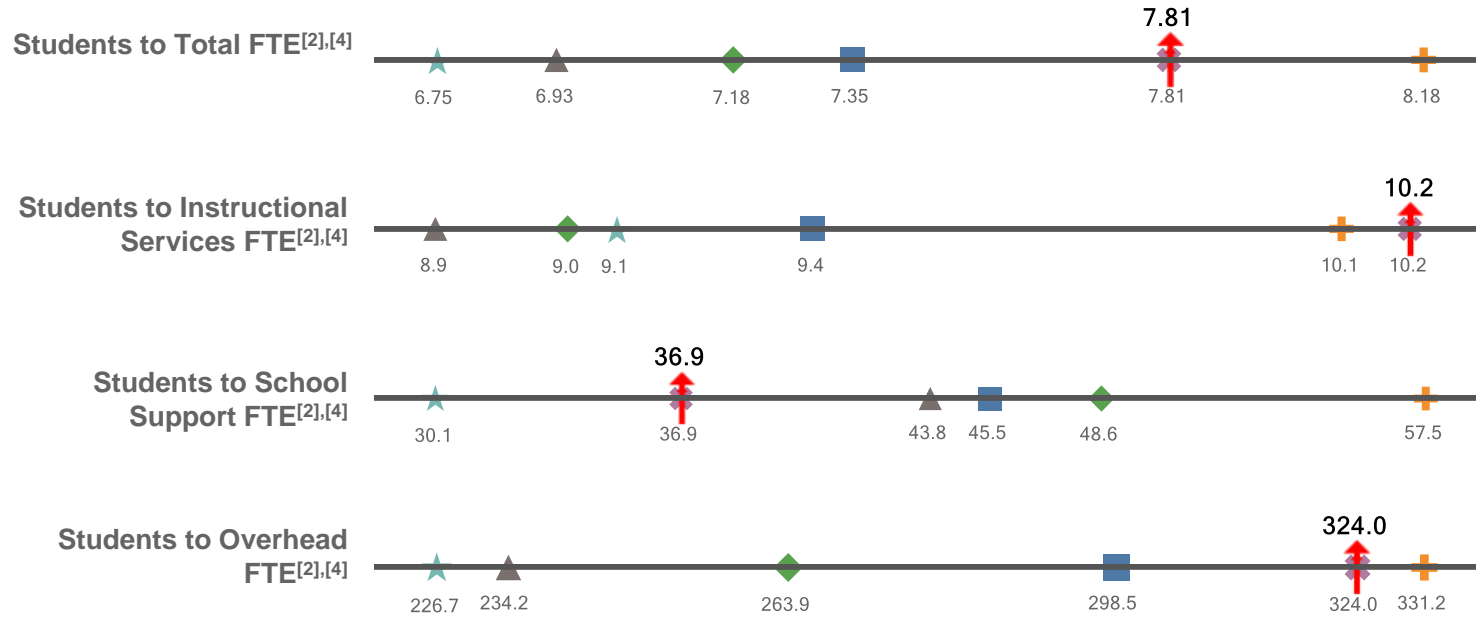
*The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.*



# DISTRICT OVERVIEW

## HORRY

### KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



# DISTRICT OVERVIEW AND OVERHEAD HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Enrollment Trends</b>	<ul style="list-style-type: none"> <li>• <b>3-year Enrollment Trend:</b> The District's enrollment has increased by 1,854 students, or 4.5%, over the past 3 years.</li> <li>• <b>Student Demographics:</b> The District's level of poverty is lower than the state and regional average but is higher than the enrollment band average. While the District's disability percentage is higher than state, regional, and enrollment band averages.</li> <li>• <b>Competition:</b> There are four charter schools in the District and another charter planned to open in FY18-19; however, the charter schools have capped enrollment levels and the total enrollment is less than 2% total district enrollment.</li> <li>• <b>Long-term Planning:</b> The District prepares long term (i.e., 10 year) enrollment projections to help inform long-term planning.</li> <li>• <b>Strategic Planning:</b> The District prepares the district level plan and each school develops strategic plans / school renewal plans, with actionable steps to achieve the plan.</li> </ul>	<ul style="list-style-type: none"> <li>• The District maintains a robust strategic planning process that takes into account many of the community's stakeholders and tie in closely with the budgeting process. The strategic planning process can be enhanced through integration of student data to establish goals and strategies.</li> </ul>
<b>District Funding and Resource Allocation</b>	<ul style="list-style-type: none"> <li>• <b>Per Pupil Expenses:</b> When excluding debt and capital, the District has a moderate per pupil of \$10,753 relative to both the statewide average of \$11,242 and the averages of districts with similar demographics.</li> <li>• <b>Unrestricted Fund Balance:</b> The District has an unrestricted fund balance that is 21.5% of general fund revenues. The fund balance is above the statewide average of 18.6%, resulting in strong financial stability.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand on the existing resource allocation practices and leverage key performance indicators to estimate reasonable growth requests in District Office staff.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>District Funding and Resource Allocation (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Resource Allocation:</b> The District uses a resource allocation formula driven by the Budgeted Enrollment On Campus (BEOC) for school based personnel but only adds resources to the District Office on an incremental or as needed basis.</li> <li>• <b>Student to FTE:</b> The Student to Total FTEs of the District of 7.81 is lower than the enrollment peer group average, but higher than statewide and regional averages. The high FTE per pupil is an indication that the District is operating efficiently.</li> <li>• <b>Student to Instructional Services FTE:</b> The Student to Instruction Services ratio of 10.2 is slightly higher than the enrollment peer group average of 10.1 and much higher than the statewide average of 8.9 due to the higher cost of average teacher salaries relative to peer districts.</li> <li>• <b>Student to Support Services FTE:</b> The Student to Support Services ratio is lower than enrollment peer group and state averages due to the efficiencies in overhead, finance and the lower number of Facilities maintenance workers required to operate the schools.</li> <li>• <b>Student to Overhead FTE:</b> The Student to Overhead Ratio of 324 is lower than enrollment peer group because of the higher fixed cost structure required to operate this larger district.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider reallocation of resources to shift resources toward instructional staff and streamline the Support Services and Overhead functions.</li> </ul>
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Role of Superintendent:</b> The Superintendent's has 7 direct administrative reports that include: (a) Staff Attorney; (b) Chief Human Resources Officer; (c) Chief Financial Officer (d) Chief Support Services Officer (e) Chief Information and Accountability Officer; (f) Chief Instructional Support Services Officer; and Chief Academics Officer (g) who oversees the Principals.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should consider investing in additional data warehousing functionality to incorporate additional relevant datasets into the centralized analytic function, thereby, increasing the analytic capability of the Accountability and Testing Function.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD HORRY

## 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 an attorney on staff. If additional legal support is required, the District utilizes external firms.</li> <li>• <b>Communications Function:</b> The District has a Chief Information and Accountability Officer who oversees the Communications function.</li> <li>• <b>Data and Accountability Function:</b> The District maintains a central function to analyze PowerSchool data, student performance, and assess MAP testing. The District has not implemented a centralized data warehousing function to facilitate the analytic function due to the changes in testing at the state level.</li> <li>• <b>Turnover:</b> The Superintendent has acted in the position for the District since January 2015 and was officially appointed in June 2015. Prior to that, he was the Deputy Superintendent for District Operations for over 3 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Create a performance based dashboard that integrates academic data into the existing operational reporting structure to better track how the execution ties to the strategic planning process.</li> <li>• The District should consider the development of a centralized Data Warehouse in support of the Accountability and Testing function to incorporate additional relevant datasets (i.e., enrollment, student characteristics, district characteristics, financial, operational, etc.) into the centralized analytic function, thereby, increasing the analytic capability of the Accountability and Testing Function. This investment should be coordinated with the rollout of the State DOE’s longitudinal data tools in the next 1-2 years.</li> </ul>
<b>Board of Education</b>	<ul style="list-style-type: none"> <li>• <b>Board Composition:</b> The District has one of the largest boards in the state with 12 members. The members are elected to four year terms in partisan elections that are staggered every two years with the public electing the board chairman. Each board member represents an area of the County rather than the whole.</li> <li>• <b>Board Compensation:</b> The Board Members of the District are paid \$15,966 annually, a 66% increase from their prior salaries.</li> <li>• <b>Training:</b> Board attend SCSBA training, and additional training is provided to members in specialized areas (i.e., Finance, Human Resources, etc) on a periodic basis.</li> </ul>	<ul style="list-style-type: none"> <li>• Have Board of Education attend specialized training to enable members to become impactful members of the board.</li> <li>• The District should develop “One-Horry” training to help the board be more cognizant of the district as a whole versus the 11 election districts and school attendance areas.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Philanthropy and Business Engagement</b>	<ul style="list-style-type: none"> <li>• <b>Philanthropy:</b> The District was provided a \$100,000 endowment from Audrey Bailey Warner to provide scholarships to Green Sea Floyds High School.</li> <li>• <b>Business and Community Development:</b> While, the District does not maintain a dedicated function for business and community development activities, the district has implemented the Career And Technology Education (CATE) programs within the district and conducts an annual technology fair with members of the local business community to highlight technical achievements in robotics and app development.</li> <li>• For the majority of business development activities, the District relies on the principals to develop and maintain business relationships and sponsorships with local businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should establish a Business and Community Engagement function within the district office to further expand and cultivate philanthropic and business relationships to generate additional funding and support for the District.</li> <li>• The District should consider opportunities to engage in Public Private Partnerships to increase funding to the District, using innovative programs like Cell Tower Leasing program, expansion of the Energy Efficiency programs and/or find ways to leverage District assets in conjunction with local businesses to further improve the District's financial position.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• The District participates with other districts through the SCSBA and other groups, but does not substantively collaborate with other districts.</li> <li>• <b>Career Center:</b> The District does not have a shared career center.</li> <li>• <b>Special Education:</b> The District does not coordinate with other area districts on Special Education programs</li> <li>• <b>Headcount:</b> The District does not share staff with other districts.</li> </ul>	



## OUTLINE

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

FINANCIAL MANAGEMENT OVERVIEW

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

1,332 : 1

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

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

\$50 per Student

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

Key statistics for metrics

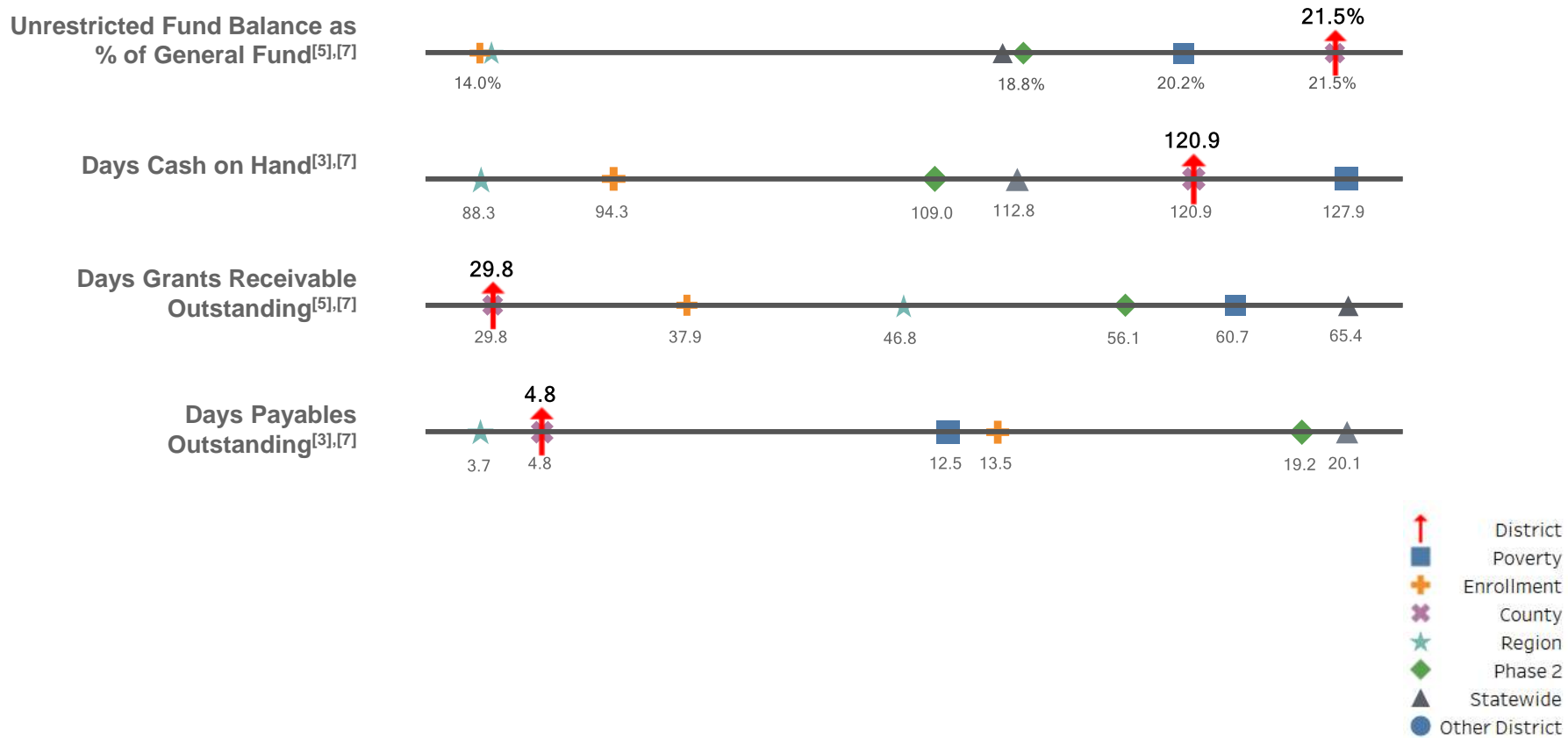
Financial FTEs <sup>[4]</sup>	32.0
Personnel Expense <sup>[3]</sup>	\$1,976,425
Non-Personnel Expense <sup>[3]</sup>	\$248,192
Total Financial Expense <sup>[3]</sup>	\$2,224,617

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 HORRY

## KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

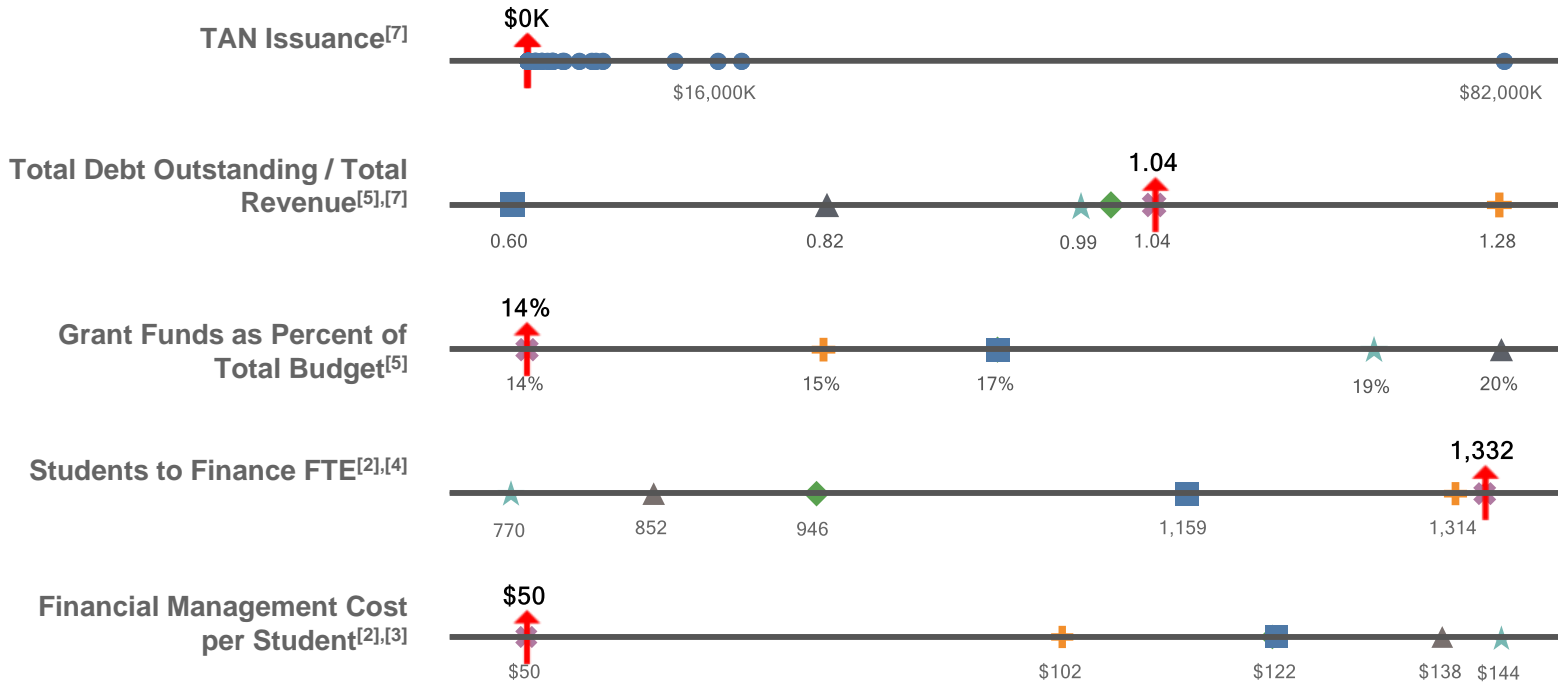
The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.



# FINANCIAL MANAGEMENT

## HORRY

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



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

# FINANCIAL MANAGEMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Staffing:</b> The Finance Department is adequately staffed to support the scope of its roles and responsibilities over accounting, payroll, accounts payable, budgetary services, and procurement.</li> <li>• <b>Turnover:</b> Department has been overseen by the Chief Financial Officer for the past 4 years.</li> <li>• <b>Finance Cost Per Pupil:</b> The Finance cost per pupil of \$50 for the District is much lower than the state average of \$138 and lower than the enrollment benchmark of \$102.</li> <li>• <b>Student per Finance FTE:</b> The student to financial management FTE ratio of 1,332 is higher than the statewide average of 852 and enrollment peer group average of 1,314, indicating efficient operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Review staff capabilities on an annual basis and ensure individuals are provided with training on systems and processes and cross-train individuals to be able to do multiple functions.</li> </ul>
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"> <li>• <b>Payroll:</b> The District currently runs payroll on a semi-monthly basis and uses exception based reporting for payroll processes.</li> <li>• The District must receive direct deposit authorization in writing or through the payroll portal and estimates that approximately 4% of employees receive payments via check (not direct deposit).</li> <li>• The District does use an online self service payroll platform, enabling employee initiated changes for direct deposit. W-4 tax information and pay notices.</li> </ul>	<ul style="list-style-type: none"> <li>• Require all employees to receive payroll via direct deposit. In addition, eliminate the physical mailing of check stubs to employees.</li> </ul>

# FINANCIAL MANAGEMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Timekeeping:</b> Time tracking is currently managed via Oracle's PeopleSoft module and leave tracking is through the Smartfind Express application. The District conducts semi-annual certifications for employees funded from federal programs which is a manual process.</li> <li>• <b>Purchasing:</b> The District currently use a centralized purchase order system with 3-way match. As the procurement process is managed by the PeopleSoft procurement module, all purchase requisitions must be attached to a pre-approved vendor in the system and reviewed before a purchase order is finalized and sent out.</li> <li>• The District does not allow sole source purchasing unless it is identified that there is only a single provider; this must be verified and approved by the Procurement department, the Chief Financial Officer, and Superintendent.</li> <li>• <b>Pcard:</b> The District utilizes a Pcard program, which makes up about 4% of its spending with vendors. The District placed \$7.4 million in spend on the cards last year with \$80,000+ in rebates. The District requires requisitions and POs for Pcard purchases.</li> <li>• <b>Inventory:</b> The District tracks assets over \$5,000 including vehicles and buildings and where there is a federal requirements to track the assets over \$200 a system is used. In addition, the District uses RFID tagging for asset tracking of technology .</li> <li>• <b>Warehouse:</b> The value of assets in the warehouse is estimated to be less than \$250,000. The District will dispose of surplus assets through Govdeals.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider alternative Requisition and Purchase Order management models for small purchases (i.e., below \$2,500) to enable Pcard purchases without issuance of a requisition and purchase order. Steps to consider include (a) signatures by principals and department heads attesting to following the P-card policies; (b) establishing processes for matching daily transaction downloads to the appropriate chart of account; (c) disallowing Pcard transactions in the last 1 -2 months; (d) submitting receipts to central office for review and compliance checks.</li> <li>• The District should seek out opportunities to expand on the use of the Pcard program through increased use of Pcard's for centralized spend categories and adoption of the updated Procurement Code limits (see Procurement section).</li> </ul>

# FINANCIAL MANAGEMENT

## HORRY

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Risk Management:</b> The District uses SCIRF and SCSBIT to provide property and casualty and workers compensation coverage, respectively. The District uses high deductibles of \$50,000 and \$100,000 to manage the cost of coverage.</li> <li>• The District has procedures for workers compensation management and claims, and the District works with SCIRF to make claims for property and casualty.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand on the existing risk management policies and procedures to include: (a) risk assessment and management; (b) safety and loss prevention review; (c) insurance claims handling and processes; (d) insurance policy review and negotiation.</li> </ul>
<b>Grants Management</b>	<ul style="list-style-type: none"> <li>• <b>Grants Revenue %:</b> Grant revenues provide 14% of revenue for the District, making them less reliant on grant funds than both the state average of 20% and districts with similar demographics.</li> <li>• <b>Federal Funds:</b> Significant federal grants (i.e., Title I, IDEA, NSLP) are managed by a program director. These individuals are responsible for managing grant compliance, executing on the program, and monitoring and reporting.</li> <li>• <b>Indirect Costs:</b> The District uses the State negotiated indirect cost ratio to charge indirect costs against federal grants.</li> <li>• <b>Grants Monitoring:</b> Review of expenditures against grant requirements is conducted by the grant managers and finance staff in the District's central office.</li> <li>• <b>Other:</b> The District relies on site based staff and grant writers to identify possible grant writing opportunities, which must be approved by the CFO or Superintendent after review of the Maintenance of Effort for the proposed grant.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should develop a strategic process to search out and review potential grant opportunities at the federal and state level or through private foundations and raise awareness with the site based staff of the potential opportunities.</li> </ul>

# FINANCIAL MANAGEMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Grants Management (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Grants Management Process:</b> School site grant managers and bookkeepers must work closely with their assigned central office grant accountant to ensure that expenditures and reports align with grant award accountability.</li> <li>• Grant applications over \$2,500 must be processed and approved through the District Grant Facilitator, then reviewed by a designated group in the central office, and signoff by the CFO or Superintendent. The District has hired 1-2 grant writers (i.e., ex principals as contractors) to help construct the grant applications.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should develop a strategic process to search out and review potential grant opportunities at the federal and state level or through private foundations and raise awareness with the site based staff of the potential opportunities.</li> </ul>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• <b>F/S Audit:</b> The District was not found to have any material weaknesses or findings in its latest audited financial statements.</li> <li>• <b>Internal Audits:</b> In addition to the external review of 1/3 of the individual schools by the external auditor, the Finance office conducts internal audits of each school's receipts and disbursements on a biennial basis.</li> <li>• <b>Position Control:</b> The District maintains position control, ensuring that each new hire must have a position associated with the hiring decision. The addition of any new position must be approved by the Chief Financial Officer or the Superintendent. The vacancies are reviewed via the staffing report on a monthly basis by the schools and district office.</li> <li>• <b>Other:</b> The District has a robust set of internal controls laid out in its Financial Services manual for handling of cash, checks and debit cards.</li> </ul>	

# FINANCIAL MANAGEMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Cash Management</b>	<ul style="list-style-type: none"> <li>• <b>Days Cash on Hand:</b> The District has a strong cash balance with 120.9 days cash on hand.</li> <li>• <b>Fund Balance:</b> The District has a \$90 million fund balance with \$77 million unassigned or 21.5% of the general fund. The District has a Board approved Fund Balance policy that requires a 15% minimum fund balance designation.</li> <li>• <b>Grants Receivable Outstanding:</b> The District submits grant reimbursements on a monthly basis and has a much better Days Grants Receivable Outstanding of 29.8 than the state average of 65.4, indicating that the submissions have better compliance.</li> <li>• <b>Days Payable Outstanding:</b> The Districts Days Payables Outstanding is better than peers at 4.8 DPO.</li> <li>• <b>Cash:</b> Cash is paid from the state to the central depository accounts with the County. The District will receive vouchers for those funds, and the Treasurer is responsible for investing the excess cash through local government investment pools.</li> <li>• <b>Debt:</b> The District's debt to revenue ratio of 1.04 is higher than the statewide average of 0.82 and lower than the average of districts with similar enrollment levels of 1.28.</li> <li>• The District CFO is chairman of the board of SCAGO but does not utilize SCAGO to assist with the district's bond issuance efforts</li> <li>• <b>TAN:</b> The District did not issue TANs this past year to assist with liquidity needs during cash low point.</li> </ul>	<ul style="list-style-type: none"> <li>• There are no district specific recommendations for cash management.</li> </ul>

# FINANCIAL MANAGEMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Budget</b>	<ul style="list-style-type: none"> <li>• <b>Budget Planning:</b> The District uses a modified Zero Based Budgeting Approach, where the majority of the costs are projected based on a bottoms up build for the coming fiscal year, with fixed cost and select line items handled on an incremental basis.</li> <li>• <b>Forecast Model:</b> The annual budget process begins with enrollment projections that are made by the Planning Services department at each of the 53 sites.</li> <li>• <b>Resource Allocation Model:</b> Based on these projections Budgetary Services applies District formulas to determine the amounts allocated to personnel and non-personnel expenditures. The Learning Services department determines special fund allocations by school.</li> <li>• <b>Budget Prioritization:</b> Directors are each responsible for a portion of the budget and receive the budget recommendations based on the resource allocation modeling and adjustments needed to accommodate for new schools. The budget officers are given the opportunity to weigh in on budget decisions and justify needs.</li> <li>• <b>Fiscal Monitoring:</b> The PeopleSoft financial and budgeting system allows for budget officers to produce budget to actual variance reports on an as needed basis to monitor spend and track results. The District must report to the board quarterly, and rely on oversight by the budget officers rather than monthly meetings with to review expenses.</li> <li>• The District prepares a very robust comprehensive budget and has won several awards for presentation and reported content.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand the zero-based and / or performance based budgeting approach to expand on the KPIs and workload drivers, estimate central office staff and expenses, and align with the strategic plan.</li> <li>• The District should consider conducting a school equity analysis annually to ensure that all each individual school is receiving its fair share of resources based on the student needs of the school. The analysis would compare school-based FTEs, salaries and non-personnel spending across student type, school size, school level and overall across the District.</li> </ul>

# FINANCIAL MANAGEMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>ERP:</b> The District uses Oracle’s PeopleSoft system, which allows for customization. The District has implemented the finance, human resources, budget prep and cash receipt modules, and developed customized student accounts receivable and student activity fund add-ons.</li> <li>• The District implemented a customized ASCC (after school childcare) program for student attendance and payment handling.</li> <li>• The PeopleSoft system has automated workflow processes based on fund, department, and program that will route requisitions for approvals to the Principals, the Program Manager, and Superintendent based on level.</li> <li>• <b>Capital Investment:</b> The District has identified the budget requirement and funding to upgrade or enhance the system moving forward.</li> </ul>	<ul style="list-style-type: none"> <li>• Explore incremental opportunities to further drive down remaining manual processes (e.g., check issuance, purchase orders for Pcard usage, etc) through additional customization efforts.</li> </ul>
<b>Regional Collaboration</b>	<ul style="list-style-type: none"> <li>• The District participates in the South Carolina Association of School Business Officials organization. The CFO has developed extensive relationships with the CFO’s of other SC School Districts.</li> <li>• The District does not coordinate with others in the region on any transaction processing or finance related activities.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should consider establishing a shared resource with other districts for the cost of Medicaid Specialists to oversee the Medicaid billing and reimbursement processes.</li> </ul>



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# HUMAN RESOURCES HORRY

## HUMAN RESOURCES OVERVIEW

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

1,608 : 1

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

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

\$135 per Student

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

### Key statistics for metrics

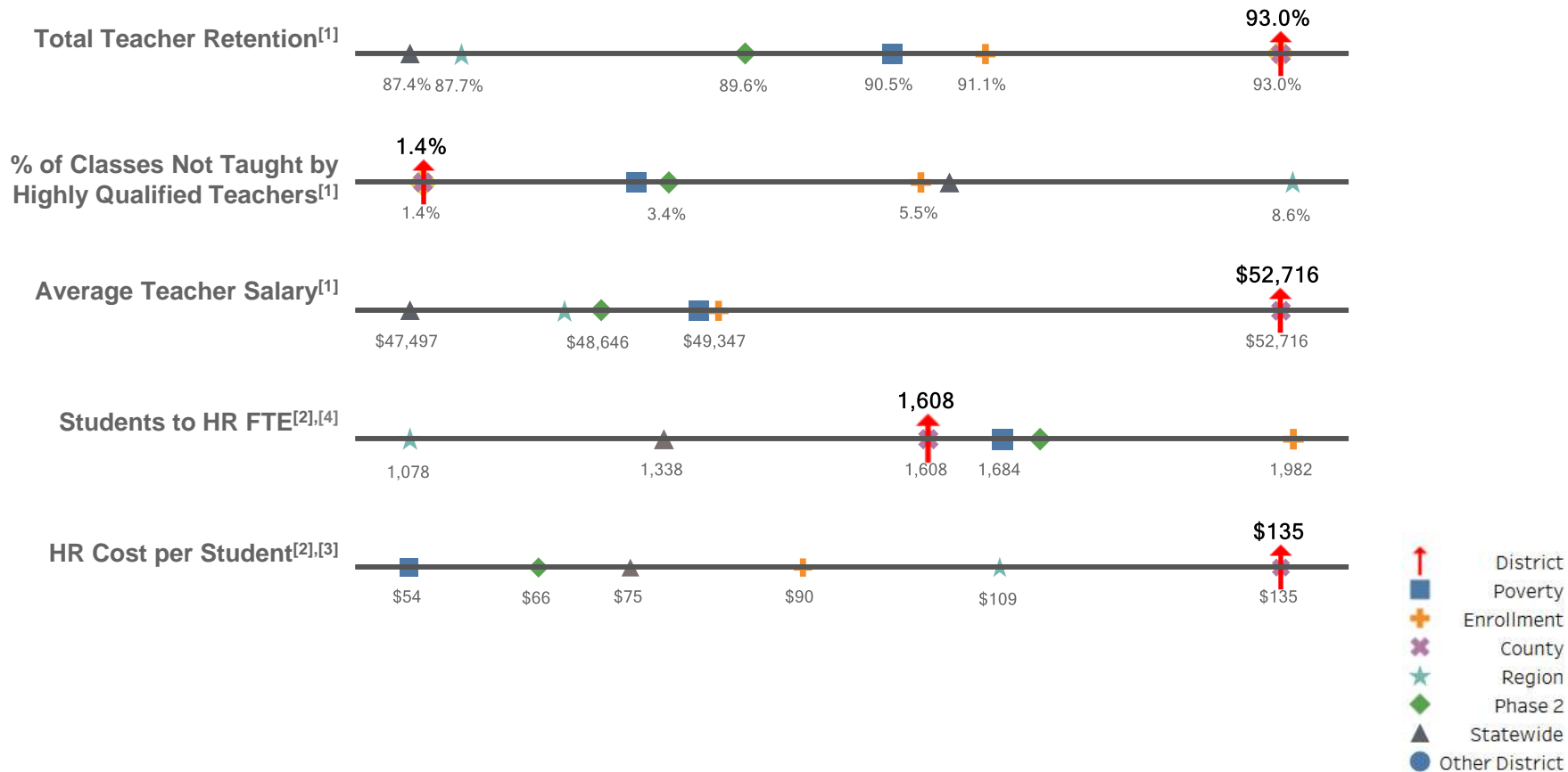
Human Resources FTEs <sup>[4]</sup>	26.5
Personnel Expense <sup>[3]</sup>	\$5,208,985
Non-Personnel Expense <sup>[3]</sup>	\$417,642
Total Human Resources Expense <sup>[3]</sup>	\$5,626,627

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 HORRY

## 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 HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Staffing:</b> The Human Resources function is adequately staffed with the positions required to support recruiting, retention, personnel relations and benefits.</li> <li>• <b>Human Resources Cost Per Pupil:</b> The HR Department's per pupil of \$135 is very high relative to districts with similar levels of enrollment average of \$90 and the state average of \$75. This is due to the full \$3 million workers' compensation expense being booked in HR rather than allocated out to the function codes.</li> <li>• <b>Students per Human Resources FTE:</b> The District's Student per HR FTE ratio of 1,608 is higher than the statewide average but lower than the enrollment band average.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should begin allocating worker's compensation expenditures to the individual function codes to ensure that cross district benchmarking is presenting data in a similar structure and format.</li> </ul>
<b>Recruiting and Retention</b>	<ul style="list-style-type: none"> <li>• <b>Recruiting and Retention:</b> Similar to other school districts in the state, recruiting teachers and specifically minority teachers into the District is a challenge. While the District entered the year with 25 vacancies, the teacher retention rate of 93% is much higher than the State and higher than peer district levels, indicating that recruiting and retention is a smaller challenge in comparison to the rest of the State due to higher teacher salaries and the use of signing bonuses.</li> <li>• The average teacher salary is on the higher end of the scale relative to other districts, making the District's teaching positions very attractive to both in and out-of-state candidates.</li> <li>• The longevity of many of the District leadership increases the likelihood of ensuing retirements. The District does leverage the Aspiring Principals Academy and ensure that first year principal's receive mentorship from one of the C-Suite staff in the District.</li> </ul>	<ul style="list-style-type: none"> <li>• Given the tenure and success of the current leadership team, the District should establish a succession plan to ensure past progress is embedded long-term in the organization.</li> <li>• Consider incentive programs to recruit and retain teachers that could include: (a) signing bonuses and (b) innovative professional development programs.</li> </ul>

# HUMAN RESOURCES HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Recruiting and Retention (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Data Analysis:</b> The HR Department uses information from their HRIS systems to develop trends for things such as hiring, recruitment and retention. In addition, the team uses benchmarking, the CERRA survey, and after job fair exit surveys to supplement the data analysis around recruiting efforts.</li> <li>• The District does not require the use of international teachers, staffing agencies to fill hard to staff services or substitute management services to fill vacant positions.</li> <li>• The District expects to see a wave of retirements in the near term and has 261 staff that are impacted by the TERI program, with another 85 At-Will employees. While the District is working to manage the transition, it does not have a formal Succession Plan in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Due to the significant percentage of teachers in the TERI program who are expected to retire in the next five years, develop a workforce plan for hard to fill positions that may include: hiring early to ensure continuity of student education, sponsoring high performing teacher training to enable a promotion, and partnering with staffing services to meet the needs of the students in case a gap in employment arises.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• The District leverages Oracle's PeopleSoft ERP system for Human Resources (HRIS) including PeopleSoft - Workforce Administration, Manager Self Service, Payroll for North America, Workforce Development, Reporting Tools.</li> <li>• The District also uses AppliTrack for applicant tracking, SmartFind Express for absence and substitute management and SoftDocs for employee self service functionality in which an employee may view their payroll stub &amp; W2 forms and submit certain payroll documents.</li> </ul>	<ul style="list-style-type: none"> <li>• Explore incremental opportunities to further drive down remaining manual processes (e.g., check issuance, purchase orders for Pcard usage, etc) through additional customization efforts.</li> </ul>

# HUMAN RESOURCES HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Benefits administration is an activity that operates within the Finance function. There are five Payroll and Benefits Accounts Managers who spend part of their time performing tasks related to the administration of benefits.</li> </ul>	<ul style="list-style-type: none"> <li>In collaboration with other large districts in the state, work with PEBA to automate benefits related transaction processing to include: (a) Acceptance and processing of electronic signatures; (b) Integration of benefit changes into District financial systems.</li> <li>Establish a 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>The District and school staff attend state level meetings and serve on committees where they are afforded opportunities to collaborate with and learn from other districts across the State but does not collaborate with other school districts on recruiting, human resource system licenses, or for professional development.</li> </ul>	<ul style="list-style-type: none"> <li>Consider creating a regional training center focused on teacher training across regional group of districts.</li> </ul>



## OUTLINE

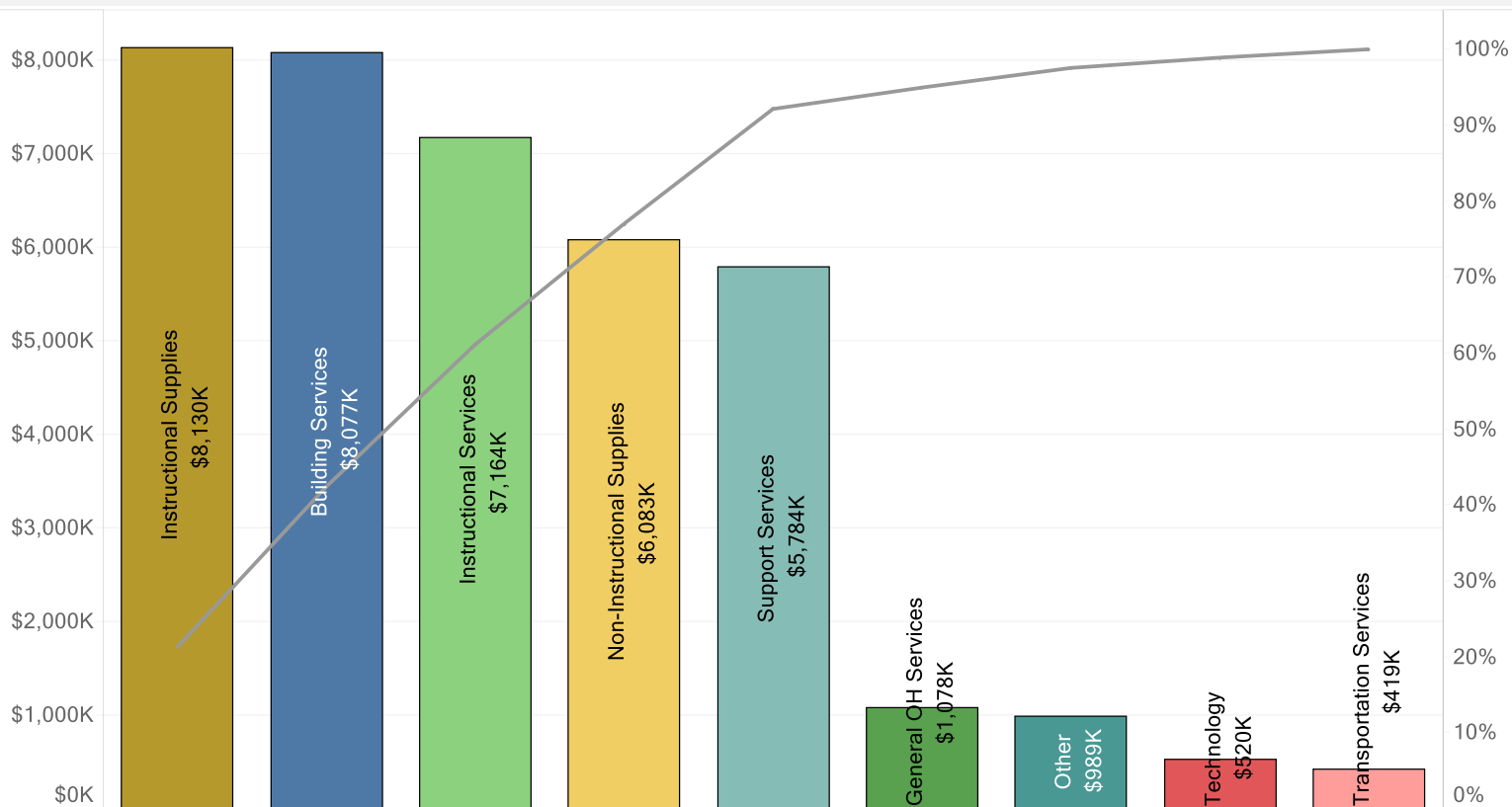
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# PROCUREMENT HORRY

## 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.*

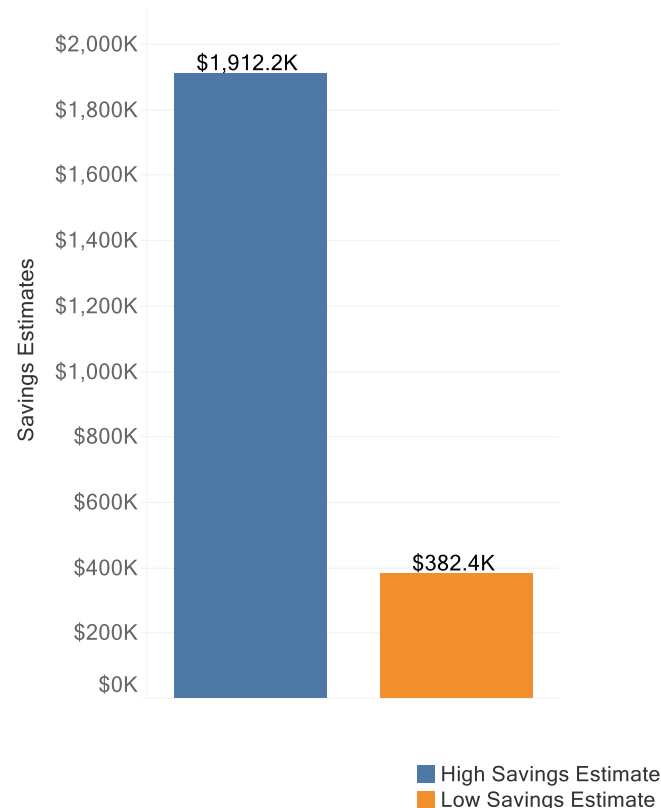
District In Scope Total Procurement Spend<sup>[3]</sup> = \$38,244,345



**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	1.0%	5.0%
Non-Instructional Supplies	1.0%	5.0%
Instructional Supplies	1.0%	5.0%
Instructional Services	1.0%	5.0%
Support Services	1.0%	5.0%
Technology	1.0%	5.0%
Other	1.0%	5.0%
Overhead Services	1.0%	5.0%
Transportation Services	1.0%	5.0%



# PROCUREMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Organization / Staffing</b>	<ul style="list-style-type: none"> <li>The District has seven full time resources focused directly on procurement and is able to rely on these resources to maximize purchasing activities.</li> </ul>	<ul style="list-style-type: none"> <li>Leverage additional resources to better optimize procurement functions. See collaboration section for Advisory Board recommendation.</li> </ul>
<b>Spending by Vendor</b>	<ul style="list-style-type: none"> <li>The District does not maintain a significant data or analytic function within the procurement organization, relying primarily on experience or anecdotal discussions to drive savings in various procurement categories.</li> <li>Spending efforts are made based upon the individual buyer, with local optimization as the main priority. Aggregated purchasing decisions across districts could be increased through better contract management on site based procurements and standardization in certain areas such as maintenance and construction.</li> </ul>	<ul style="list-style-type: none"> <li>The procurement function should conduct ongoing analysis of non-personnel spending, including review of spending by transaction and dollar volume to determine potential candidates for formal contracting and price negotiation to enable better pricing and cost savings. Examples of metrics that could inform analysis include: (a) vendor concentration (# of vendors comprising 80% of spend); (b) % of vendor spending negotiated through formal RFP process; (c) average POs per vendor.</li> <li>Perform annual review of vendor performance (on time, complete, quality) to assess opportunities to reduce or eliminate non-value add services.</li> <li>Standardize 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>Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts.</li> </ul>

# PROCUREMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Spending by Vendor (cont'd)</b>	<ul style="list-style-type: none"> <li>The District uses the old procurement code that requires 3 verbal or written quotes for purchases in excess of \$1,500. In addition, the current procurement code requires a minimum of 15 days to lapse prior to the notification of a contract award.</li> <li>The District is constrained by the existing Consolidated Procurement Code and state procurement guidance in efforts to seek out favorable pricing through Group Purchasing Organizations (e.g. US Communities) by requiring advertising through SCBO and limiting participation to SC Companies.</li> </ul>	<ul style="list-style-type: none"> <li>The District should adopt the new South Carolina procurement code, enabling expanded limits from \$1,500 to \$2,500, thereby, reducing the number of required quotes annually by 33%.</li> <li>Further, the District should work with the state procurement officials to promote the value of cooperative purchasing and advertise opportunities through SCBO. Ultimately, the State legislature will need to consider revisions to the code to enable use of this type of collaboration.</li> <li>Consider use of commitments of minimum buying levels to facilitate negotiations of discounts and rebates over specified buying thresholds. Add provisions that include tiering and volume discounts/rebates in all new contracts</li> <li>Where appropriate, include Most Favored Nation (MFN) clauses into contracts that require the vendor to provide the District pricing that is no higher than the price it provides to any other buyer, now or during the term of the agreement.</li> </ul>

# PROCUREMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Spending by Category</b>	<ul style="list-style-type: none"> <li>• <b>Building and Maintenance:</b> The District was the lead district for the Janitorial Equipment and Supplies contract, participated in a carpet bid with Lancaster and a design / install bid with Berkley, uses the state contract for building testing and inspection, and issued an RFP for construction services at various facilities.</li> <li>• <b>Food Services:</b> The District participates with the SCPA for food service and products and participated in a food service sanitation product bid but does not collaborate with other districts for the purchase of dairy or bread.</li> <li>• <b>Energy:</b> The District does not fix rates for natural gas contracts</li> <li>• <b>Instructional Support Services and Supplies - Procurement Exemptions:</b> The District leverages discounts through the SC School District Procurement Group which has group contracts with: School Specialty, Office Depot, ACE Educational, Bender-Burkot and Blick Art Materials for Educational Supplies and Materials.</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 with Dell Marketing, LLC to make its purchases.</li> <li>• The District purchase through state contract and 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. Cooperative purchasing agreements could also result in a more streamlined procurement process and potential volume savings.</li> <li>• Coordinate purchasing of instructional services through coordinated procurements with the large procurement districts to maximize the potential for volume discounts.</li> <li>• Require instructional software purchases to conform to standard procurement guidelines for bids and proposals in order to enable to best pricing. Coordinate purchasing of instructional software with surrounding districts to maximize potential for volume discounts.</li> <li>• <b>Standardization of Technology:</b> The greatest saving potential can be realized through rollout of low cost/high quality technology options that are standardized across a geographic region. Standardize recommended technology options with nearby districts in order to leverage benefits of coordinated purchasing and volume discounts. Decisions made by individual districts regarding roll-out of 1:1 initiatives vary greatly in cost per device and total cost of ownership.</li> <li>• Capitalize on potential for greater discounts on technology that is purchased using state contracts by leveraging special discount provisions that are identified in state contracts that are subject to negotiation. Evaluate opportunities to generate savings on ancillary services (accessories, warranties, break-fix, etc.) as part of procurement negotiations.</li> </ul>

# PROCUREMENT HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Spending by Category (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Non-instructional Supplies - Contracting Vehicles:</b> The District uses the state contract for many non-instructional supply categories (i.e., furniture, office supplies, managed print services, vehicles, and medical supplies and equipment, etc)</li> </ul>	
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• The District participates in SCAGPO, the SCPA, and the Procurement Directors meeting coordinated with other large procurement districts on RFPs. The District also utilizes state contracts for purchasing but does not employ formal partnerships with guaranteed volume or participation levels with other districts to procure goods and services.</li> </ul>	<ul style="list-style-type: none"> <li>• The State procurement districts should work with the State to create an advisory board that oversees cooperative purchasing within the state with representation from the State, Districts, and potentially Higher Education institutions to identify and pursue specific sourcing categories. The group would identify categories to pursue collectively, name specific districts as lead on a particular sourcing effort, and consolidate the spend across districts. The procurements would be made available to all districts, but advisory board members would be rotated on a periodic basis with some regular sitting advisory board members from the state, regional cooperatives, and largest districts.</li> </ul>



## OUTLINE

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

# TRANSPORTATION HORRY

## 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.*

15 Years

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

\$424 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>	442.0
Personnel Expense <sup>[3]</sup>	\$15,441,096
Non-Personnel Expense <sup>[3]</sup>	\$2,241,251
Total Transportation Expense <sup>[3]</sup>	\$17,682,347

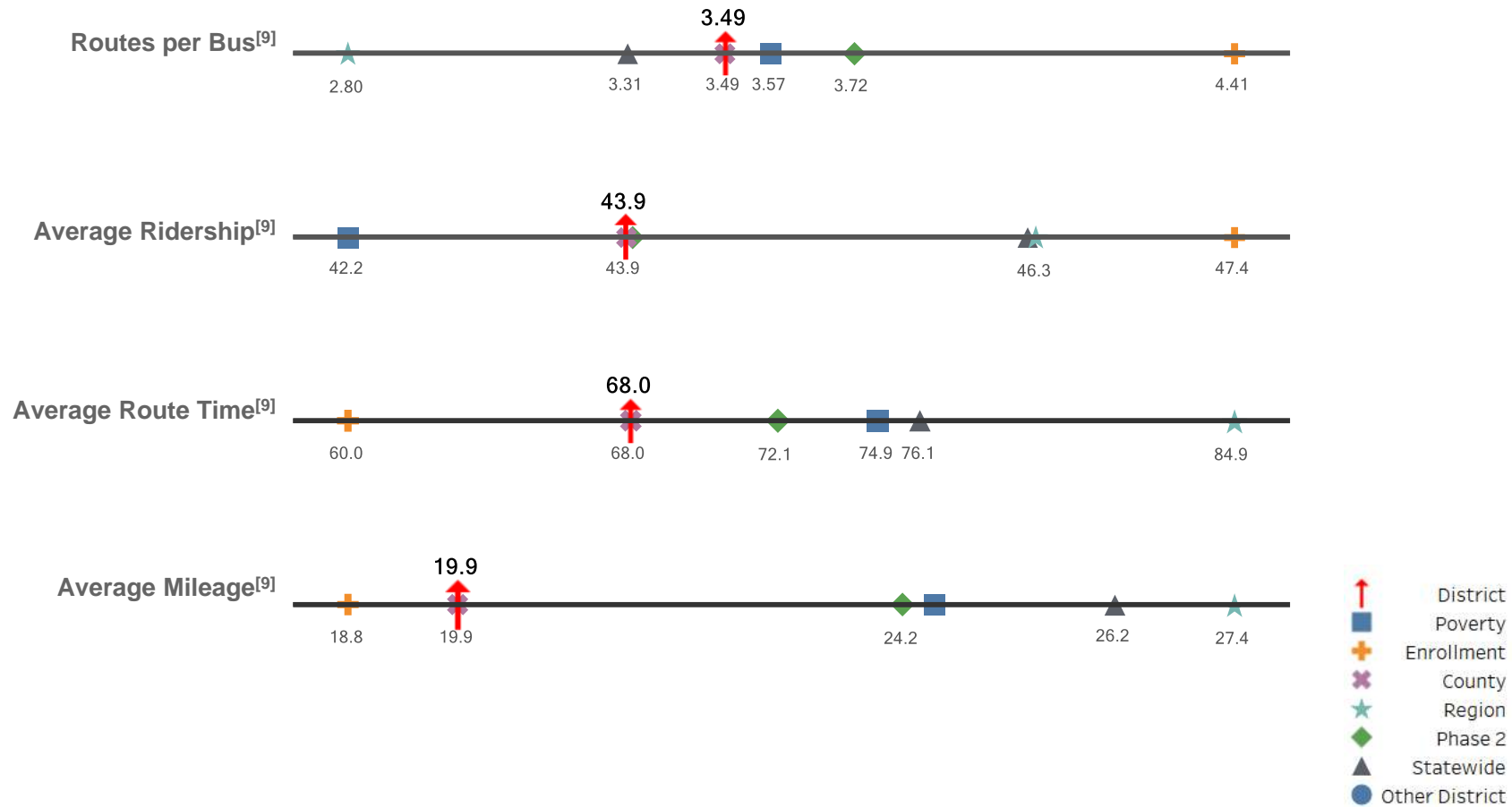
NOTE: FTEs reflected in table above may not reflect dually employed bus drivers.

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	236.3	824	3.5	36,145	44	68	20
Special Needs	45.4	185	4.1	916	5	Not-Available	24
Other	23.7	80	3.4	1,461	18	Not-Available	32
Total	305.4	1,089	3.6	38,522	N/A	N/A	N/A

# TRANSPORTATION HORRY

## 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 HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>The District maintains a fleet of 50 buses for all non-standard state coverage, a set of spare buses for emergencies and to replace buses in need of maintenance, and an additional fleet of 71 activity buses.</li> <li>The overall cost per student of \$424 is significantly higher than the statewide average of \$280 per student indicating opportunities for improvement in bus operations costs.</li> <li>The District has a difficult time recruiting bus drivers. The District currently has 40-60 or 10-15% vacancies on any given day.</li> <li>The District does not have enough drivers to maintain a pool of substitute drivers; therefore, routes are frequently adjusted daily to deal with the shortage.</li> <li>The District does not maintain dual employment for Bus Drivers and paid \$561,479 in driver overtime in FY16.</li> <li>Bus drivers are currently paid a starting rate of 11.76, approximately \$4 above state reimbursement levels. The District has a significant range of pay with the highest pay going up to \$27.63.</li> <li>Transportation is run by a transportation director, manager, and field operations lead.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>As the District staffing ratios improve with the implementation of route optimization solutions, 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 HORRY

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Routing and Bus Management</b>	<ul style="list-style-type: none"> <li>The District uses ESRI directions and routing services software for simple point-to-point routing, and AcrGIS Enterprise Suite of Programs (ArcMap, ArcGIS Server, Network Analyst, ArcGIS GeoEvent Server, ArcGIS Geospatial Analyst, and ArcGIS Pro).</li> <li>The District is reviewing additional routing software solutions with route optimization capabilities and child identification.</li> <li>The District runs staggered bus routes, with the earliest routes starting as early as 7:30am. Given all schools start within an hour, there is the possibility of expanding bell times to drive efficiency into the transportation operations.</li> <li>The District does not have GPS on its buses.</li> <li>The District provides radios to drivers to contact drivers while on routes.</li> <li>Most of the State and county owned school buses have camera systems, but the District does not have stop-arm cameras on buses.</li> <li><b>Activity Buses:</b> The District does not use the State fuel for activity buses.</li> </ul>	<ul style="list-style-type: none"> <li>Expand on the staggered bell times will 1) reduce the number of drivers needed, 2) eliminate the need for double bus runs, 3) reduce the number of buses needed, 4) allow students to ride with peers of their own age, and 5) shorten ride times for students</li> <li>Consider the implementation of new routing software to optimize the most efficient routes.</li> <li>Install GPS on buses to monitor bus routes and ensure most efficient route.</li> <li>Install stop-arm cameras on buses to increase child safety and security on bus.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>The District does not collaborate with surrounding districts for transportation.</li> </ul>	<ul style="list-style-type: none"> <li>Consider partnering with districts that are also transporting children to other out of district placements.</li> </ul>

# APPENDIX A: SAVINGS METHODOLOGY



# APPENDIX A: SAVINGS METHODOLOGY

## HORRY

### 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. Actual savings may vary based on implementation decisions.

FINANCE AND HUMAN RESOURCES	PROCUREMENT	TRANSPORTATION
<ul style="list-style-type: none"> <li>• A&amp;M conducted interviews and analyzed personnel rosters and expenses to understand the intersection of people, process and technology within the District.</li> <li>• A&amp;M estimated potential savings that could be realized after implementation of recommended process, policy and technology changes based upon past experience implementing similar initiatives, comparison of staffing and spend against peer benchmarks and discussion with the District. A&amp;M also estimated investments required to achieve savings based upon prior experience.</li> <li>• In addition, while A&amp;M evaluated potential synergies from a regional shared services model for transactional activities, after considering the District’s size, current staffing levels and uniqueness of processes, policies and technology, A&amp;M is not recommending implementation of this approach at this time.</li> </ul>	<ul style="list-style-type: none"> <li>• A&amp;M reviewed the District disbursement register and reviewed a limited sampling of vendor invoices to gain an understanding of the Districts procurement spend.</li> <li>• On a limited basis, A&amp;M reviewed rates paid to individual vendors by multiple districts.</li> <li>• In order to estimate savings, A&amp;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&amp;M on strategic sourcing.</li> </ul>	<ul style="list-style-type: none"> <li>• A&amp;M used data provided by the state to analyze the district route mileage, frequency, timing, and volume to compare with benchmarks across the state.</li> <li>• A&amp;M evaluated opportunities for savings based upon comparison of benchmarks across the state that took into consideration the location, population and geographic profile of the each district.</li> <li>• Savings estimates were not provided in instances where the District was in line with benchmark targets and was using both routing software and leveraging staggered bell times.</li> </ul>

# APPENDIX A: SAVINGS METHODOLOGY

## HORRY

### APPROACH TO SAVINGS: OTHER CONSIDERATIONS

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➤ **State-wide Benchmarking Data:**

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

➤ **Implementation:**

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

### SAVINGS ANALYSIS BY FUNCTIONAL COMPONENT

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#### PEOPLE

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

#### TECHNOLOGY

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

### Functional Review Operating Model Components



#### PROCESS

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

#### ORGANIZATION

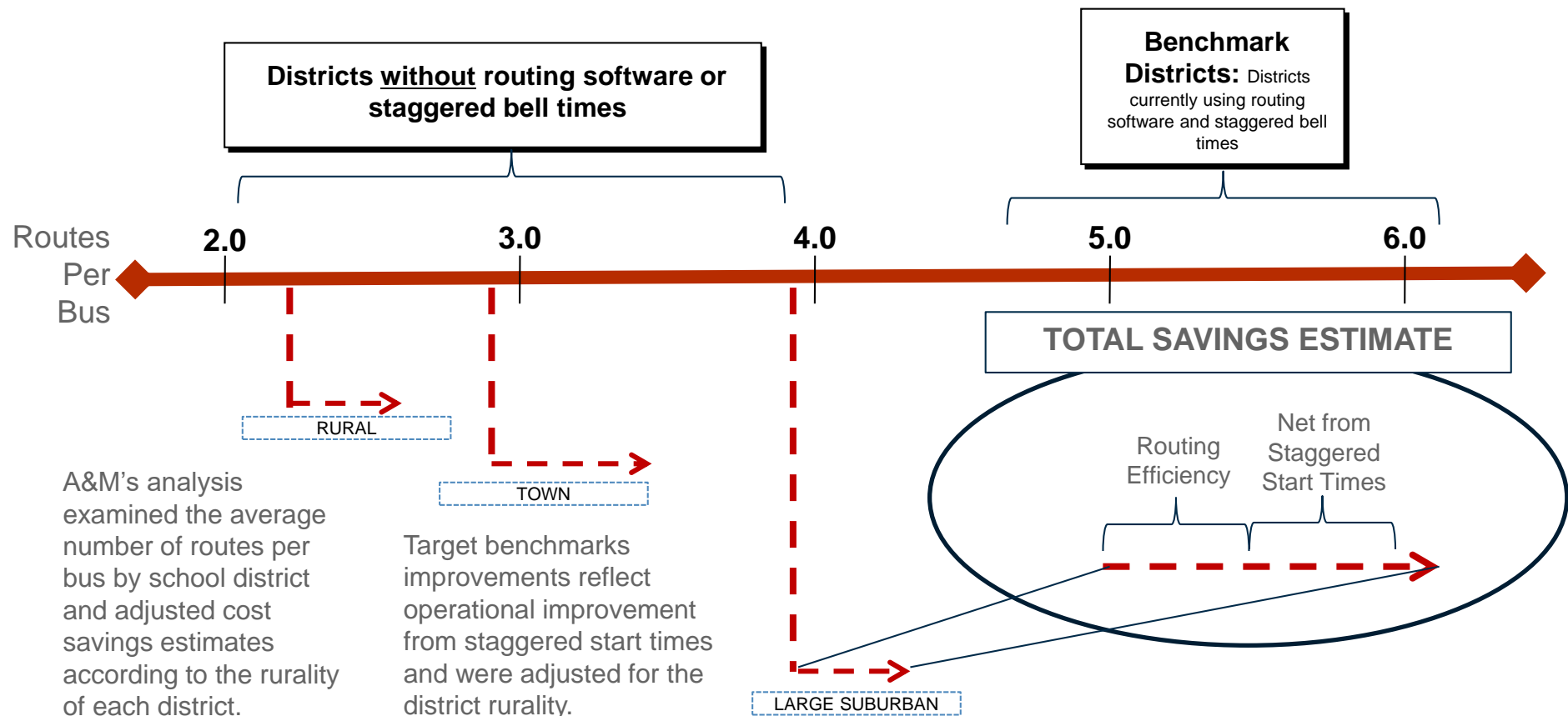
An analysis of each organization's staffing levels on an As-Is Basis, against peer benchmarks, and in a regional collaborative model were conducted to assess overall efficiency and effectiveness.

# APPENDIX A: SAVINGS METHODOLOGY

## HORRY

### 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

## HORRY

### 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

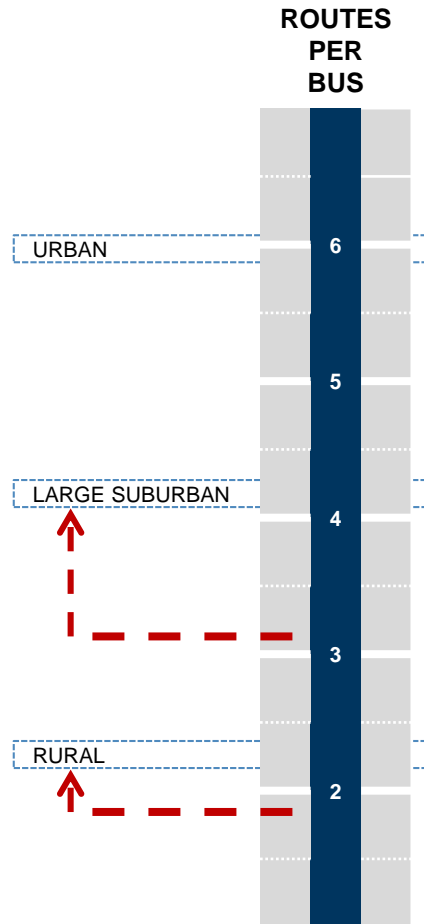
## HORRY

### 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

## HORRY

### 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

## HORRY

### 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	1%	5%
Non-Instructional Supplies	1%	5%
Instructional Supplies	1%	5%
Instructional Services	1%	5%
Support Services	1%	5%
Technology	1%	5%
Other	1%	5%
Overhead Services	1%	5%
Transportation Services	1%	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

## HORRY

### [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

## HORRY

### 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

## HORRY

### Source [5]

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

### Source [3],[7]

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

### Source [5],[7]

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

### Source [9]

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

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