



# ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION  
SCHOOL DISTRICT EFFICIENCY REVIEW

**Anderson 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

## ANDERSON 04

### PROJECT OVERVIEW

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

# EXECUTIVE SUMMARY

## ANDERSON 04

### PROJECT OVERVIEW (CONTINUED)

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

## PROJECT OVERVIEW (CONTINUED)

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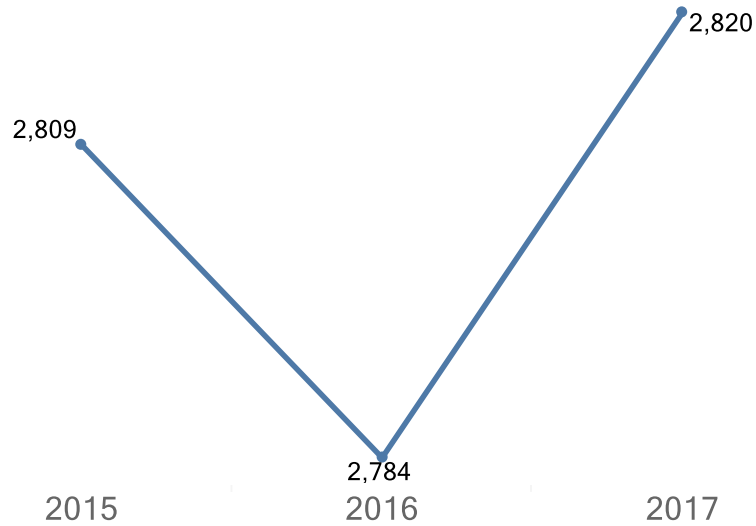
### ➤ Sources of Data and Savings Estimates:

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

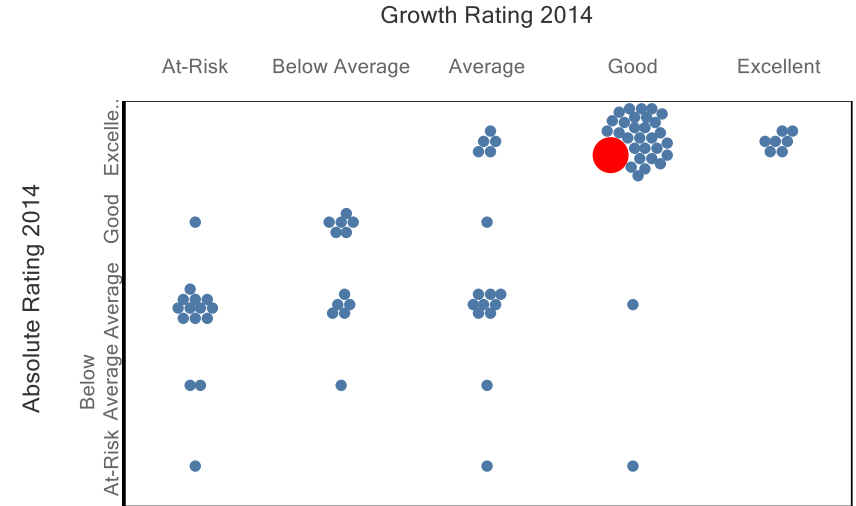
# EXECUTIVE SUMMARY

## ANDERSON 04

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



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



### General Info

Number of Schools <sup>[2]</sup>	6
% Poverty <sup>[1]</sup>	58.3%
% Disability <sup>[1]</sup>	16.4%
\$ Per Student <sup>[2],[3]</sup>	\$16,456
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$11,420

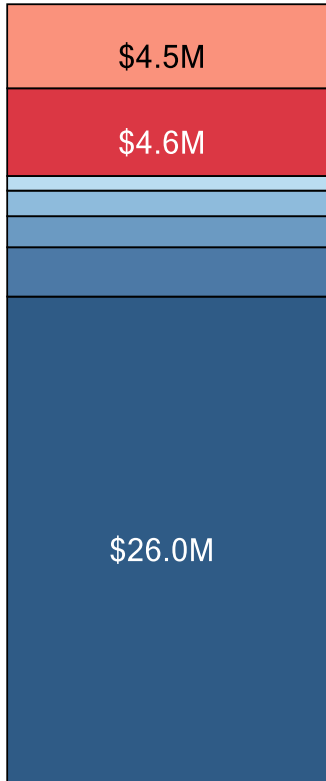
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	9.0
Students Per Overhead FTE <sup>[2],[4]</sup>	235.0
Students Per School Support FTE <sup>[2],[4]</sup>	45.5
Students to Total FTE <sup>[2],[4]</sup>	7.3

# EXECUTIVE SUMMARY

## ANDERSON 04

**Sources of Funds<sup>[5]</sup>**  
**\$41.5M**



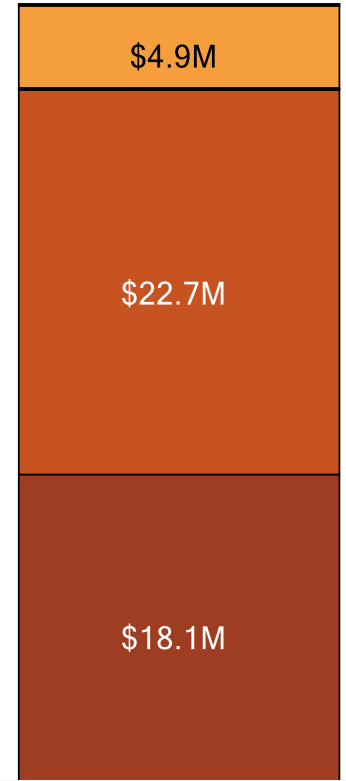
2015-2016

**Use of Funds - Type<sup>[3]</sup>**  
**\$45.8M**



2015-2016

**Use of Funds - Function<sup>[3]</sup>**  
**\$45.8M**



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

## ANDERSON 04

\$45.8M  
Total

\$6.3M  
In-Scope

\$39.5M  
Not In-Scope

*13.7% of total spend is within scope of the efficiency review:*

	In Scope Spend <sup>[3]</sup>	Procurement Component
Finance	\$376,975	\$54,470
Human Resources	\$193,522	\$23,860
Overhead	\$523,852	\$153,279
Transportation	\$816,894	\$78,917
Procurement (Community Services, Instruction, Support Services)	\$4,382,824	\$4,382,824
<b>TOTAL</b>	<b>\$6,294,067</b>	<b>\$4,693,350</b>



# EXECUTIVE SUMMARY

## ANDERSON 04

### GOALS, CHALLENGES & ACHIEVEMENTS

#### District Goals

**Mission:** Anderson School District 4 is the ideal choice for families, offering personalized learning and global opportunities. We are dedicated to whole child education and to providing the vital 21st Century skills students need for college, careers, and a successful life.

- 1. Facilities:** Secure funding to build a new middle school.
- 2. Security:** Mitigate security risks by providing perimeter protection, additional School Resource Officers and gating systems to prevent unauthorized personnel from entering school grounds.
- 3. Digital Engagement:** Increase student engagement in digital learning from 10% to 92%.
- 4. Student Achievement:** Ensure 100% of students meet grade-level expectations on state-wide and national assessments.
- 5. Staff Qualification:** Maintain 100% highly-qualified teacher and staff status

#### Achievements

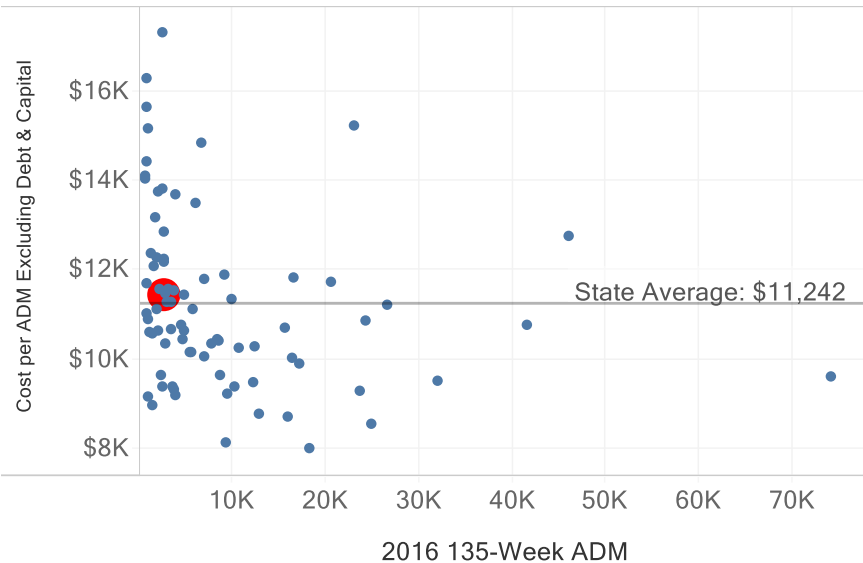
- **Absolute Growth Rating:** Rated Excellent on the South Carolina Absolute Rating Scale and Good on the Growth Rating Scale in 2014.
- **Technology:** Created a 1:1 technology device initiative using Chromebooks and iPads in grades 2-12.
- **AdvancEd:** Received AdvancED accreditation in 2014.
- **Local Option Sales Tax:** In partnership with the other Anderson school districts, the Anderson County School Districts were able to pass a 1% nominal sales tax to help finance debt service and capital improvement needs

#### Challenges

- **Teaching Force:** Like others in the State, the District is faced with challenges associated with the statewide teacher shortage. This problem will become even more heightened when the TERI program expires
- **Bus Driver Shortage:** The District is faced with a qualified and reliable bus driver shortage, similar to neighboring areas.

## KEY OBSERVATIONS

### Per Pupil vs. Enrollment



### District Size and Minimum Costs

#### Minimum Cost Base:

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

#### Resource Utilization:

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

### Opportunities for Improvement

#### Modernize / Process Improvements:

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

#### Collaboration / Maximizing Efficiencies:

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

# EXECUTIVE SUMMARY

## ANDERSON 04

### OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
<b>Finance</b>	<ul style="list-style-type: none"> <li>• <b>Financial Management:</b> The District has a strong financial position with sufficient cash on hand and a substantial unrestricted fund balance relative to peer districts of similar size.</li> <li>• <b>Staffing / Processes:</b> The finance department is adequately staffed. However, the District should implement software to automate purchase approvals.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• <b>Staffing / Processes:</b> The District is adequately staffed with one full-time Human Resources director. The District should implement technology that supports candidate sourcing through onboarding.</li> <li>• <b>Challenges with Recruiting and Retention:</b> The District experiences general challenges associated with teacher shortages. However, the District does not rely on staffing agencies to fill positions and instead uses its close proximity to large universities to help feed the pipeline.</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• <b>Transportation Management:</b> The State directly pays for costs of bus purchasing, maintenance, fuel and a portion of driver salaries. The majority of districts are grappling with a shortage of drivers.</li> <li>• <b>Routing:</b> Like other smaller districts, the District does not have routing software.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The District does not have any full time. resources dedicated to purchasing. Procurement is the responsibility of the Finance director.</li> <li>• <b>Strategic Sourcing:</b> The District has low leverage with vendors due to low purchasing volumes, and mostly purchases off state contracts.</li> </ul>
<b>Overhead</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The Office of the Superintendent is adequately staffed including the Superintendent and a secretary.</li> <li>• <b>Collaboration:</b> Formally, the Anderson County Districts passed a Local Option Sales Tax together, providing funding for debt service and capital needs. Informally, the Districts meet regularly to discuss problems and troubleshoot.</li> </ul>

## RECOMMENDATIONS

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

### **Modernize School District Operations**

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

### **Collaborate Across Districts**

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

# EXECUTIVE SUMMARY

## ANDERSON 04

### MODERNIZATION RECOMMENDATIONS

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

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

# EXECUTIVE SUMMARY

## ANDERSON 04

### COLLABORATION RECOMMENDATIONS

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

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

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

# EXECUTIVE SUMMARY

## ANDERSON 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.

# EXECUTIVE SUMMARY

## ANDERSON 04

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

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

	MODERNIZE Est. One-Time Investment		COLLABORATE Est. Net Annual Savings	
	Low	High	Low*	High
Finance	\$17,500	\$32,500	\$37,700	\$113,100
Human Resources	7,500	17,500	0	19,700
Procurement	0	0	135,100	271,200
Transportation – District	N/A	N/A	18,000	28,000
<b>District Total</b>	<b>25,000</b>	<b>50,000</b>	<b>190,800</b>	<b>432,000</b>
Transportation – State	7,000	30,000	20,700	44,000
<b>Total</b>	<b>\$32,000</b>	<b>\$80,000</b>	<b>\$211,500</b>	<b>\$476,000</b>

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

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





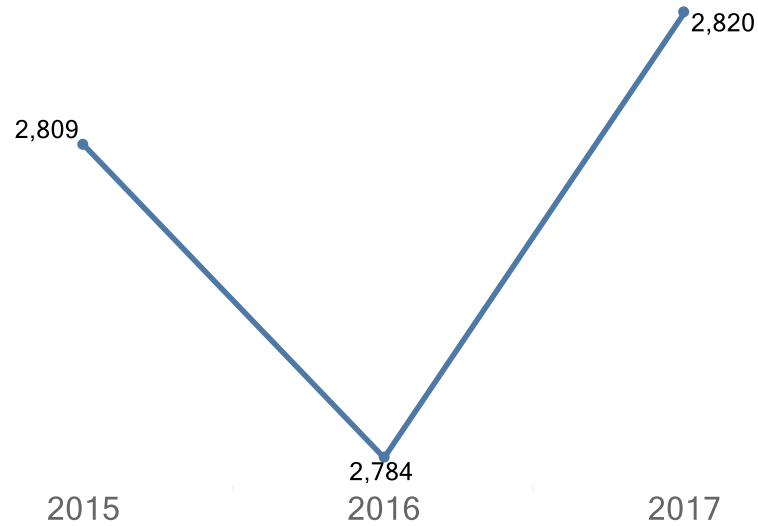
## OUTLINE

- I. Executive Summary
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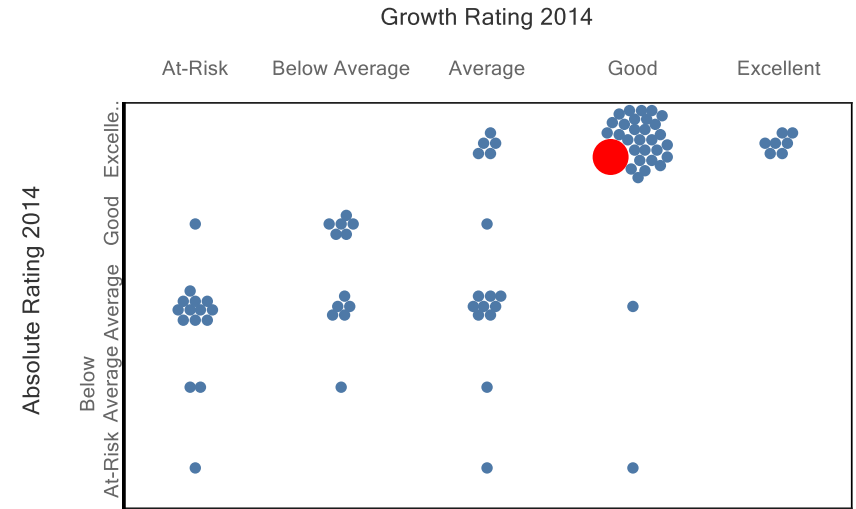
# DISTRICT ADMINISTRATION AND PERFORMANCE

## ANDERSON 04

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



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



### General Info

### Administration

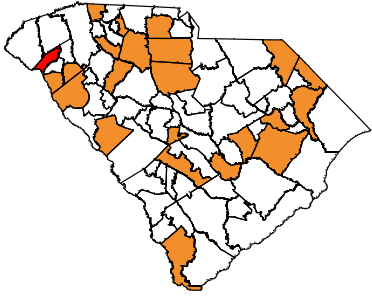
<b>Number of Schools<sup>[2]</sup></b>	<b>6</b>
<b>% Poverty<sup>[1]</sup></b>	<b>58.3%</b>
<b>% Disability<sup>[1]</sup></b>	<b>16.4%</b>
<b>\$ Per Student<sup>[2],[3]</sup></b>	<b>\$16,456</b>
<b>\$ Per Student Excluding Debt &amp; Capital<sup>[2],[3]</sup></b>	<b>\$11,420</b>

<b>Students Per Instructional Services FTE<sup>[2],[4]</sup></b>	<b>9.0</b>
<b>Students Per Overhead FTE<sup>[2],[4]</sup></b>	<b>235.0</b>
<b>Students Per School Support FTE<sup>[2],[4]</sup></b>	<b>45.5</b>
<b>Students to Total FTE<sup>[2],[4]</sup></b>	<b>7.3</b>

# DISTRICT BENCHMARKING

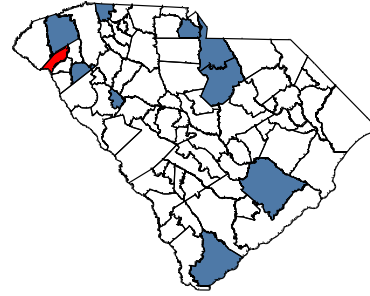
## ANDERSON 04

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



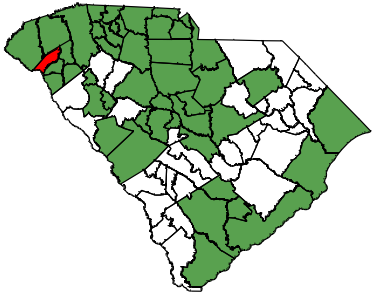
- |              |                |
|--------------|----------------|
| Abbeville 60 | Lexington 04   |
| Anderson 02  | Marion 10      |
| Anderson 03  | Marlboro       |
| Anderson 04  | Orangeburg 03  |
| Chester      | Orangeburg 04  |
| Clarendon 02 | Spartanburg 01 |
| Dillon 04    | Spartanburg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

### Poverty (55% - 60%)



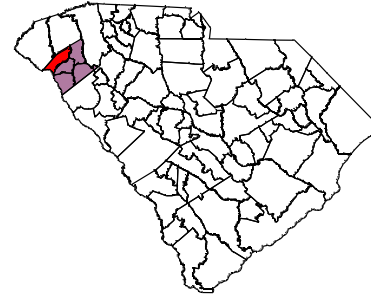
- |                |         |
|----------------|---------|
| Anderson 02    | York 03 |
| Anderson 04    |         |
| Beaufort       |         |
| Berkeley       |         |
| Greenwood 52   |         |
| Kershaw        |         |
| Lancaster      |         |
| Pickens        |         |
| Spartanburg 01 |         |

### Phase 1 (No)



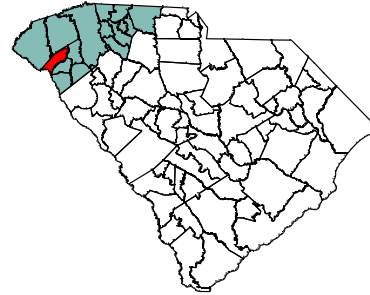
- |               |                       |
|---------------|-----------------------|
| Aiken         | Greenwood 52          |
| Anderson 01   | Horry                 |
| Anderson 02   | Kershaw               |
| Anderson 03   | Lancaster             |
| Anderson 04   | Lexington 01          |
| Anderson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

- Sumter
- Union
- York 01
- York 02
- York 03
- York 04



### County (Anderson)

- Anderson 01
- Anderson 02
- Anderson 03
- Anderson 04
- Anderson 05



### Region (Appalachian)

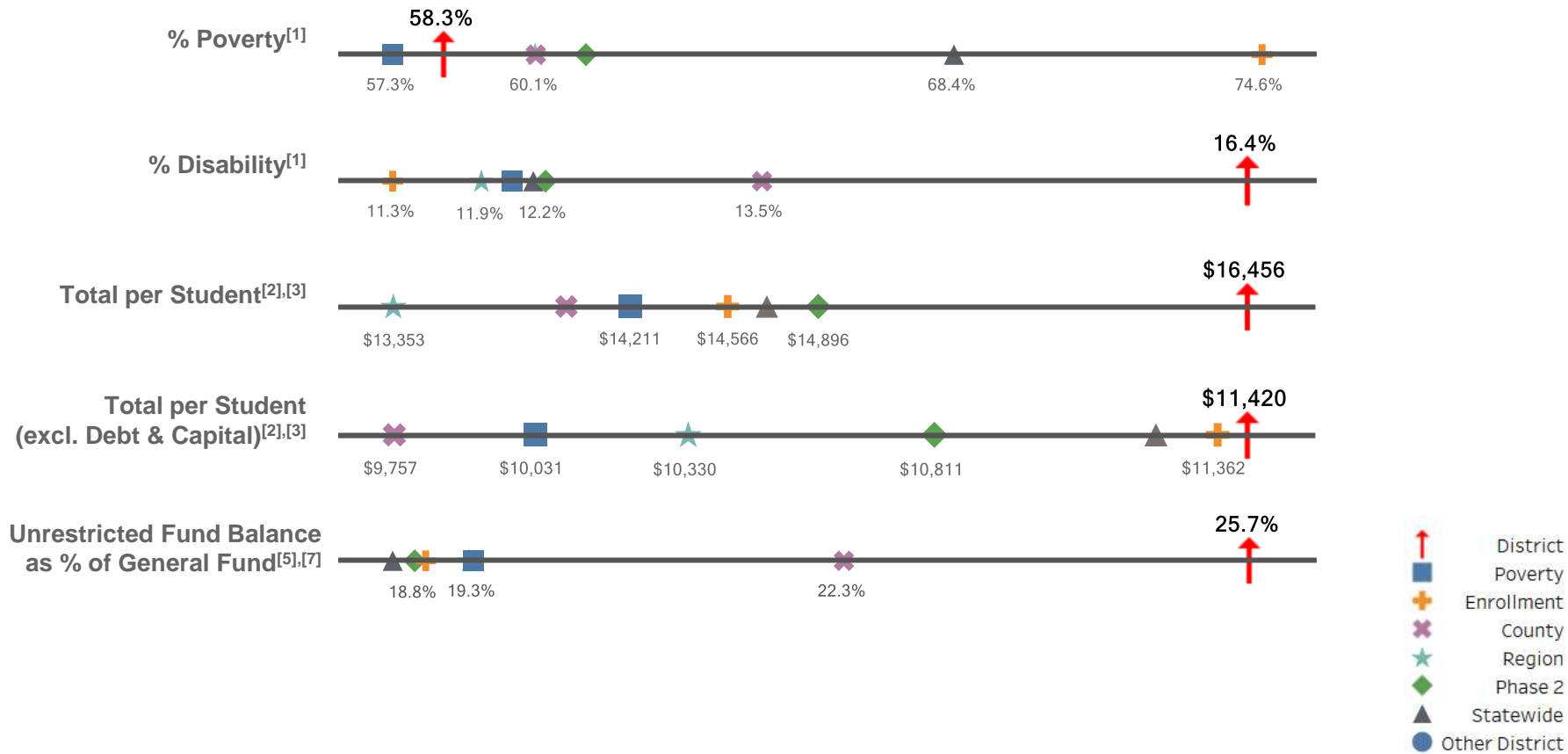
- |                |                |
|----------------|----------------|
| Anderson 01    | Spartanburg 02 |
| Anderson 02    | Spartanburg 03 |
| Anderson 03    | Spartanburg 04 |
| Anderson 04    | Spartanburg 05 |
| Anderson 05    | Spartanburg 06 |
| Cherokee       | Spartanburg 07 |
| Greenville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

# DISTRICT OVERVIEW

## ANDERSON 04

### KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

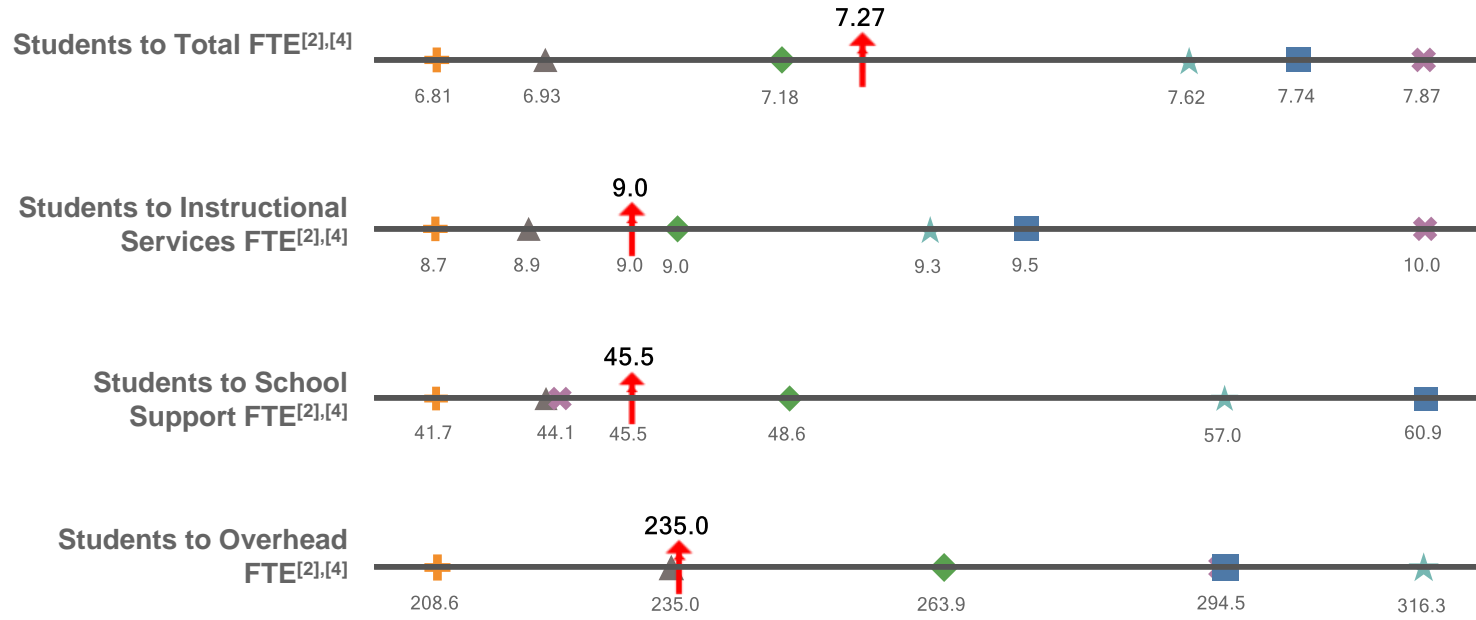
*The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.*



# DISTRICT OVERVIEW

## ANDERSON 04

### KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



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

# DISTRICT OVERVIEW AND OVERHEAD

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Enrollment Trends</b>	<ul style="list-style-type: none"> <li>• <b>3-year Enrollment Trend:</b> The District's enrollment has remained relatively stable increasing less than 0.5% in the past 3 years. Current enrollment reports 2,820 students.</li> <li>• <b>Student Demographics:</b> The District has a poverty rate of 58%, down from the previous two years but has an increasing special needs population representing 16.4% of total enrollment. The district has a small ESOL population compared to surrounding areas.</li> <li>• <b>Competition:</b> There is only one private Christian school in the District; however, Anderson 4 does not expect enrollment to be affected. There are no charter schools in the District.</li> <li>• <b>Long-term Planning:</b> The District prepares a long term enrollment projections to help inform long-term planning.</li> </ul>	
<b>District Funding and Resource Allocation</b>	<ul style="list-style-type: none"> <li>• <b>Per Pupil Expense:</b> When excluding debt and capital, the District per pupil expenses is \$11,420 which is similar to the statewide average of \$11,420 and districts of similar size of \$11,362.</li> <li>• <b>Unrestricted Fund Balance:</b> The District has an unrestricted fund balance that is 25.7% of general fund revenues. The fund balance is significantly higher than the statewide average and enrollment peers resulting in increased financial flexibility.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure the financial stability of the District is maintained, the District should prepare a three to five year financial plan that allows for investment in critical areas of academics and operations while still maintaining a strong fund balance.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD ANDERSON 04

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>District Funding and Resource Allocation (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Student to FTE:</b> The Student to Total FTEs of the District is higher than the statewide average, but lower than county and enrollment peers at 7.3.</li> <li>• <b>Student to Instructional Services FTE:</b> The Student to Instruction ratio is 9.0 which is lower than county but slightly higher than the statewide average and enrollment peers.</li> <li>• <b>Student to School Support FTE:</b> The Student to Support Services ratio is higher than county and enrollment peers and the statewide average, which indicates a smaller peripheral staff expenses.</li> <li>• <b>Student to Overhead FTE:</b> The Student to Overhead Ratio of 235.0 is similar to the statewide average but lower than county.</li> </ul>	
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Role of Superintendent:</b> The Superintendent's job is spread across many functions; however, the Superintendent focuses much of her efforts on academic and achievement strategies as well as community engagement.</li> <li>• <b>Communications Function:</b> There is no Communications support for the Superintendent's office. The function resides solely with the Superintendent and the Assistant Superintendent.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider an additional resource dedicated to communications to allow for incremental support to the leadership team.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Legal:</b> The District has no legal department. If legal advice is required, the District retains outside counsel to provide support.</li> <li>• <b>Turnover:</b> The Superintendent has overseen the District for the past 2 years.</li> </ul>	
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• <b>Board Pay:</b> The Board Members of the District are not compensated.</li> <li>• <b>Board Composition:</b> The Board is composed of five elected members.</li> <li>• <b>Training:</b> Board members are not required to attend training; however, the Board is very involved in attending National School Board Conferences and pursuing training independently.</li> </ul>	<ul style="list-style-type: none"> <li>• Have all members of the Board of Directors attend annual training to enable members to become impactful members of the board.</li> </ul>



# DISTRICT OVERVIEW AND OVERHEAD

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Informal Networks:</b> The District regularly communicates with the other Anderson County superintendents. The Anderson School Districts collaborated to pass the 1% Local Option Sales Tax which helps each district fund debt service and capital improvement needs.</li> <li>• <b>Career Center:</b> The District is building a shared career center in collaboration with Anderson 3 and Anderson 5 expected to open in FY19. Anderson 5 will serve as the fiscal agent of the new career center and Anderson 4 will pay for a portion of the cost proportional to enrollment.</li> <li>• <b>Special Education:</b> The District coordinates with other area districts on Special Education programs, and is currently sending a few students to the Greenville area for special education.</li> <li>• <b>Alternative School:</b> The Anderson County School Districts share an alternative school. The county board serves as the fiscal agent and is largely funded by its own county mileage (2 mills). However, the county bills each school district for the remainder of expenses based on enrollment and the exact number of days the student attended alternative school.</li> <li>• <b>Headcount:</b> The District does not share certain FTEs with area districts.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider implementing a regional shared service model that allows for sharing of resources and systems that 1) require specialized skills or 2) are highly transactional.</li> <li>• Consider shared Chief Development Officer across districts.</li> <li>• Consider sharing the cost of police officers with the county/town to save on security FTE costs.</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.*

940 : 1

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

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

\$135 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>	3.0
Personnel Expense <sup>[3]</sup>	\$317,850
Non-Personnel Expense <sup>[3]</sup>	\$59,125
Total Financial Expense <sup>[3]</sup>	\$376,975

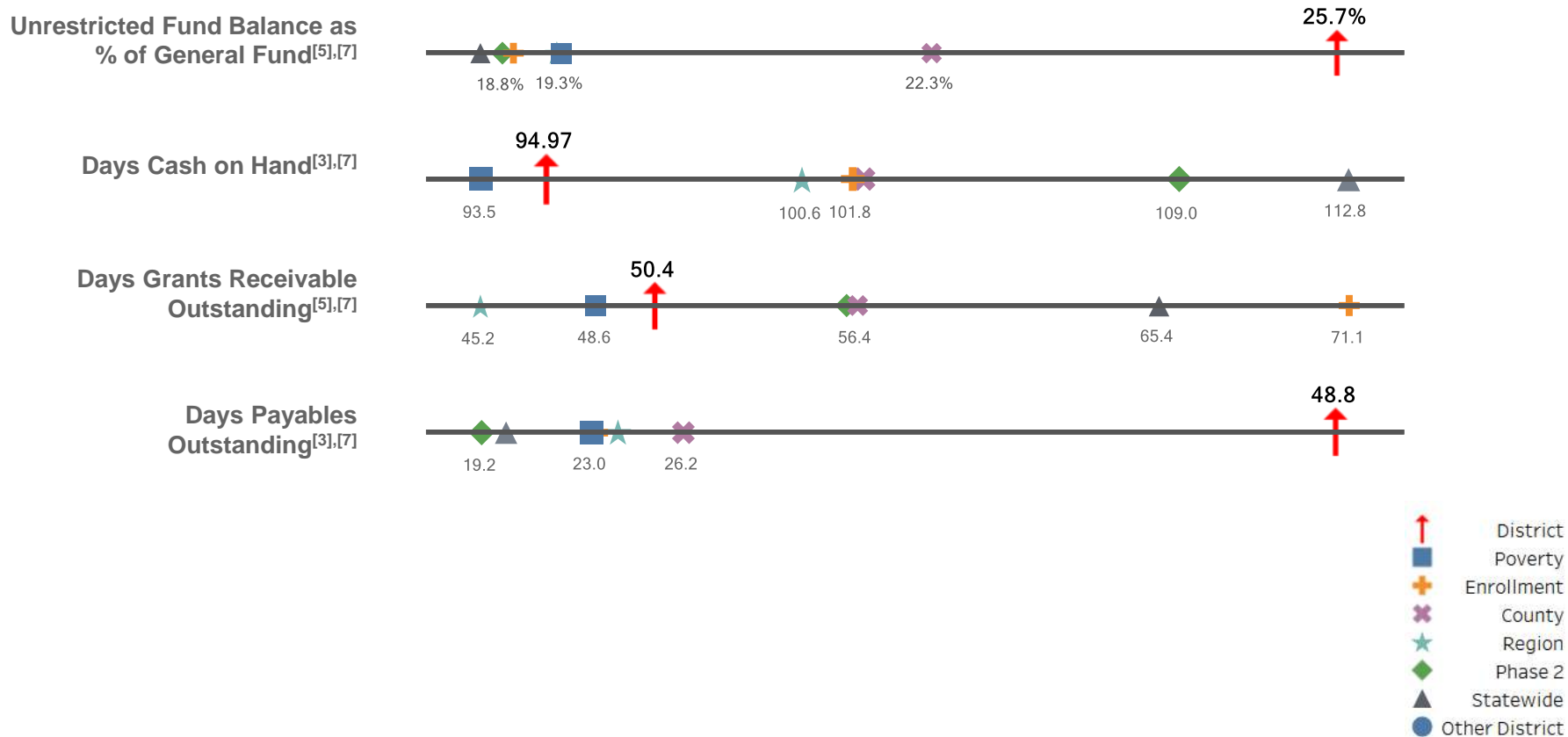
NOTE: FTEs shown in the table above reflect dedicated finance staff only; Financial expenses shown above reflect amounts coded to the finance department. In some instances districts may include salary and benefit related charges that are not related to dedicated Finance costs in their totals.

# FINANCIAL MANAGEMENT

## ANDERSON 04

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

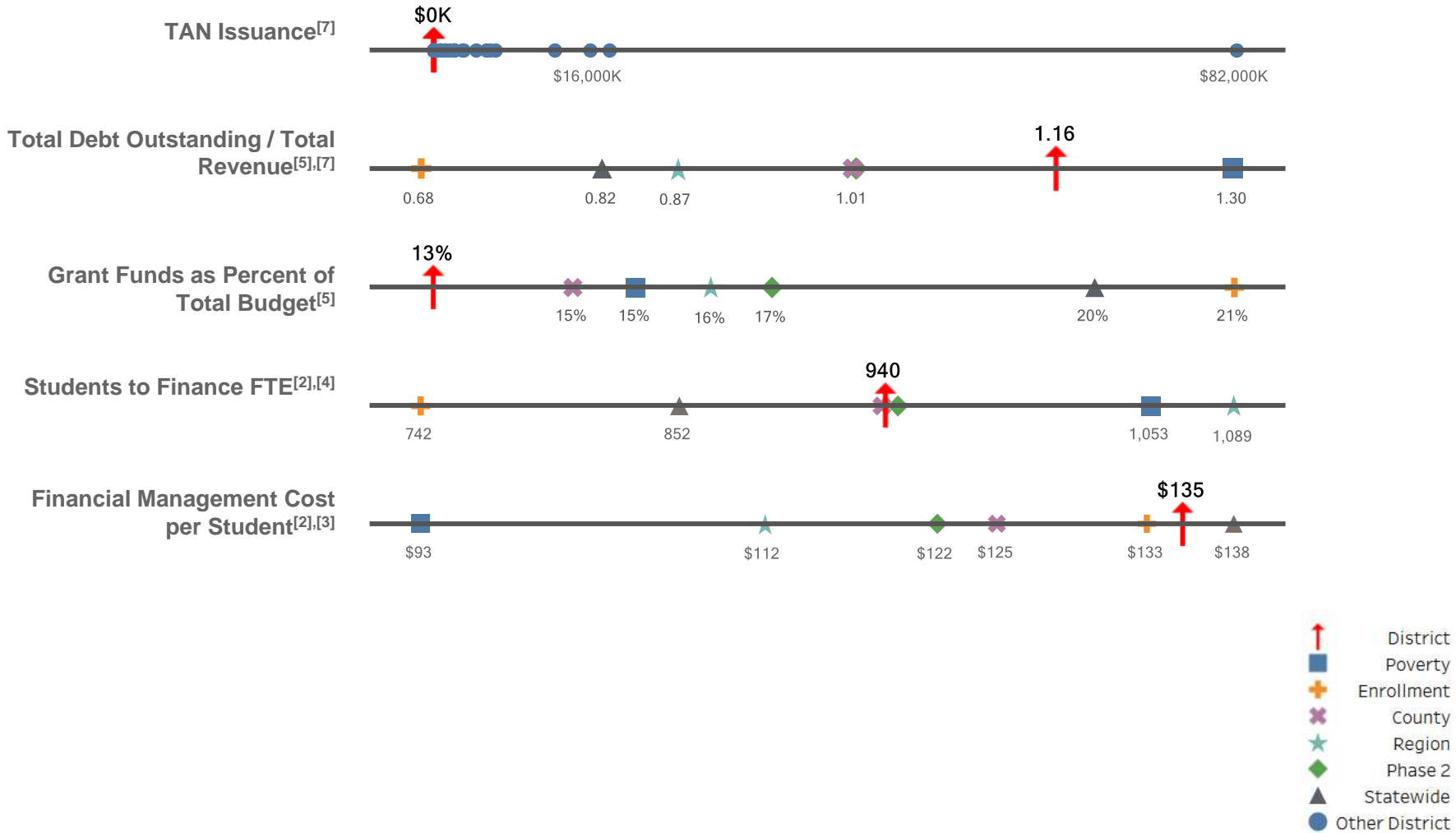
The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.



# FINANCIAL MANAGEMENT

## ANDERSON 04

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



# FINANCIAL MANAGEMENT

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The Finance organization operates on a lean budget and is thinly staffed to support its scope of roles and responsibilities that include, accounting, payroll, accounts payable, budget, treasury, procurement and financial reporting. The District operates finance with a Chief Finance Officer, and 2 additional FTEs managing Accounts Payables and Payroll. The Chief Finance Officer oversees all purchasing and procurement functions as well.</li> <li>• <b>Turnover:</b> The department has had 2 finance directors in the past 3 years.</li> <li>• <b>Finance Cost Per Pupil:</b> The Finance Cost per Pupil for the District is \$135 which is close to the statewide average of \$138 and districts of similar size of \$133.</li> <li>• <b>Student Per Finance FTE:</b> The Student to Financial Management FTE ratio is 940 which is higher than the statewide average and districts of similar size.</li> <li>• <b>School-Based Staff:</b> Each school has an assigned bookkeeper to handle school-based transactions.</li> </ul>	<ul style="list-style-type: none"> <li>• Review staff capabilities on an annual basis and ensure individuals are provided with training on systems and processes and cross-train individuals to be able to do multiple functions.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"> <li>• <b>Payroll:</b> The District currently runs payroll on a semi-monthly basis for custodial staff and bus drivers. The District moved to monthly payroll for teachers and administrative staff two years ago to decrease payroll runs.</li> <li>• <b>Direct Deposit:</b> 100% of employees are on direct deposit.</li> <li>• <b>Self Service:</b> The District utilizes an employee self service payroll platform; therefore, employee initiated payroll changes are all processed electronically with appropriate levels of approval.</li> <li>• <b>Timekeeping:</b> Time tracking for hourly employees is managed via manual processes such as time cards and spreadsheets. Time is manually input into the payroll system by the finance department.</li> <li>• <b>Purchasing:</b> The District utilizes a centralized purchase order process for purchases. Schools are able to secure items and services in accordance with district and state regulations which are then approved by appropriate personnel and district financial management. Workflow approvals are manual.</li> <li>• <b>Pcard:</b> The District runs a limited Pcard program with less than 15 cards in circulation. Each card has a daily limit as well as a transaction limit. Receipts and credit card statements must be submitted for each purchase and must be approved by a supervisor as well as the CFO.</li> <li>• <b>Employee Reimbursements:</b> The department is piloting automatic employee reimbursements to increase automation.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement an automated time-tracking functionality, such as a biometric timeclock, that integrates with the payroll system in order to eliminate the need for manual time sheets.</li> <li>• Implement policies that require use of a centralized purchase order system by schools and administrative personnel. Leverage automated purchase order work flow systems that can be integrated with the financial systems.</li> <li>• Ensure all outstanding Pcards are issued by one financial institution to leverage a rebate incentive.</li> <li>• Increase the volume of purchases done by Pcard to leverage a rebate incentive.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"> <li>• <b>Inventory:</b> The District does not use bar code scanning; however, all technology outstanding and grant-purchased equipment is tracked via code. The District also tracks all other assets worth &gt;\$5,000 in Harris SmartFusion.</li> <li>• <b>Reviews:</b> The District does not conduct centralized inventory processes. Inventory is managed directly by schools who communicate with the District office on supply needs.</li> <li>• <b>Textbooks:</b> The schools manage textbook inventory directly within the state Destiny system.</li> <li>• <b>Risk Management:</b> The District has formal risk management policies in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement standard policies and procedures around managing physical inventory and ensure that the District Finance organization is part of the overall process.</li> <li>• Conduct regular inventory reviews.</li> <li>• Implement RFID barcode scanning to keep track of electronic equipment outstanding.</li> </ul>



# FINANCIAL MANAGEMENT

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Grants Management</b>	<ul style="list-style-type: none"> <li>• <b>Grants Revenue %:</b> Grant revenues provide 13% of revenue for the District making this district less reliant on grant funds than its peers.</li> <li>• <b>Federal Funds:</b> Federal program coordinators (outside of Finance) are primarily responsible for ensuring that special funds are used in compliance with regulations prior to payments being processed. The finance department collaborates closely with grants administrators to ensure that claims are made on a timely manner in order to maximize cash flow.</li> <li>• <b>Indirect Costs:</b> The District charges indirect costs at the standard rate against large federal grants such as Title I.</li> <li>• <b>Grants Monitoring:</b> Review of expenditures against grant requirements is conducted by the grants coordinator, with a secondary review by the Finance department.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider hiring a grant writer that can be shared with other nearby districts to help drive applications for competitive grant opportunities.</li> <li>• Create improved grants tracking reports that compares award amount, budget, YTD and cumulative expenditures, and outstanding receivable balances of each grant.</li> <li>• Require that claims are processed monthly for grants that are eligible for monthly submission in order to: (a) maximize cash flow; (b) identify any potential issues with submissions as early as possible.</li> </ul>

# FINANCIAL MANAGEMENT

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• <b>Audit Findings:</b> The District was not found to have material weaknesses in its latest audited financial statements.</li> <li>• <b>Position Control:</b> The District does not have the position control function within Harris SmartFusion.</li> <li>• <b>Cash Policy:</b> The District encourages school bookkeepers to make daily deposits and mandates that schools cannot hold more than \$200 overnight. Each school and the district office has a safe to secure cash if needed.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement annual review of processes to ensure segregation of duties over key areas of internal control.</li> <li>• Implement budget position control within Harris SmartFusion to ensure controls around hiring of individuals.</li> </ul>
<b>Cash Management</b>	<ul style="list-style-type: none"> <li>• <b>Days Cash on Hand:</b> The days cash on hand of 95.0 which is lower than the statewide average and county peers, but still reasonable.</li> <li>• <b>Cash Flow Monitoring:</b> The District performs monthly cash flow forecasting that is presented to the board.</li> <li>• <b>Grants Receivable Outstanding:</b> The Days Grants Receivable Outstanding of 50.4 days is similar to enrollment peers, but lower than the statewide average. The District submits grant reimbursements quarterly.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement cash flow forecast to monitor weekly receipts and disbursements to help maximize investments earnings</li> <li>• Require that claims are processed monthly for all grants that can be submitted monthly in order to: (a) maximize cash flow; (b) identify any potential issues with submissions as early as possible.</li> </ul>

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Cash Management (cont'd)</b>	<ul style="list-style-type: none"><li>• <b>Days Payable Outstanding:</b> The District's Days Payables Outstanding is higher than than peers at 48.8 days outstanding. The District strives to pay bills weekly, except during low liquidity months.</li><li>• <b>Cash:</b> The District invests cash balances in the local government investment pool.</li><li>• <b>Debt:</b> The total debt load as a percent of revenues is higher than state and county peers at 116%. The District does not expect the debt load to increase in the near term.</li><li>• <b>TAN:</b> The District did not issue TANs this past year to assist with liquidity needs during cash low point. In the past has leveraged SCAGO to assist with bond issuance.</li></ul>	

# FINANCIAL MANAGEMENT

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Budget</b>	<ul style="list-style-type: none"><li>• <b>Budget Planning:</b> The annual budget process begins with a roll-forward of the prior year expenses. The budget team works extensively with department heads to assess any new needs that are anticipated for the new fiscal year.</li><li>• <b>Fiscal Monitoring:</b> The District does not perform monthly or quarterly closes. However, financial reports comparing budget to actuals and cash balances are shared monthly with key leaders including the school board.</li></ul>	<ul style="list-style-type: none"><li>• Prepare zero/performance based budget annually to ensure resources are aligned with strategic priorities and expenses are anticipated and planned for.</li><li>• Create tools for weekly cash flow monitoring to help monitor liquidity through pre-tax receivable months.</li></ul>

# FINANCIAL MANAGEMENT

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>ERP:</b> The District currently uses Harris SmartFusion for general accounting, payroll and accounts payable. It also uses Harris SmartFusion to facilitate employee self service for payroll matters. The District has been able to successfully transition to automated work processing in much of its processes; however, it is still currently using manual processes for time-keeping and procurement. The finance department's goals are to automate procurement and workflow approval of requisitions. The District is currently evaluating options for automated time keeping systems as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Explore opportunities to upgrade Harris SmartFusion to enhanced functionality that provides automated workflow and approval of purchase orders.</li> <li>• Complete process to select an automated and integrated time keeping system and implement prior to start of the next school year.</li> </ul>
<b>Regional Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Informal Networks:</b> The District does not coordinate with others in the region on any transaction processing or finance related activities but regularly meets with the rest of the Anderson County CFOs to discuss problems districts are facing and troubleshooting.</li> <li>• <b>Consortiums:</b> The District is part of the State Business Officers Association where finance directors of individual districts meet quarterly to discuss various topics.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other districts within the region. This could include the following: (a) accounts payable (including purchasing workflow and approval); (b) payroll processing and (c) financial system licenses (potential for volume discounts).</li> </ul>



## OUTLINE

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## HUMAN RESOURCES OVERVIEW

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

2,820 : 1

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

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

\$70 per Student

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

### Key statistics for metrics

Human Resources FTEs <sup>[4]</sup>	1.0
Personnel Expense <sup>[3]</sup>	\$169,662
Non-Personnel Expense <sup>[3]</sup>	\$23,860
Total Human Resources Expense <sup>[3]</sup>	\$193,522

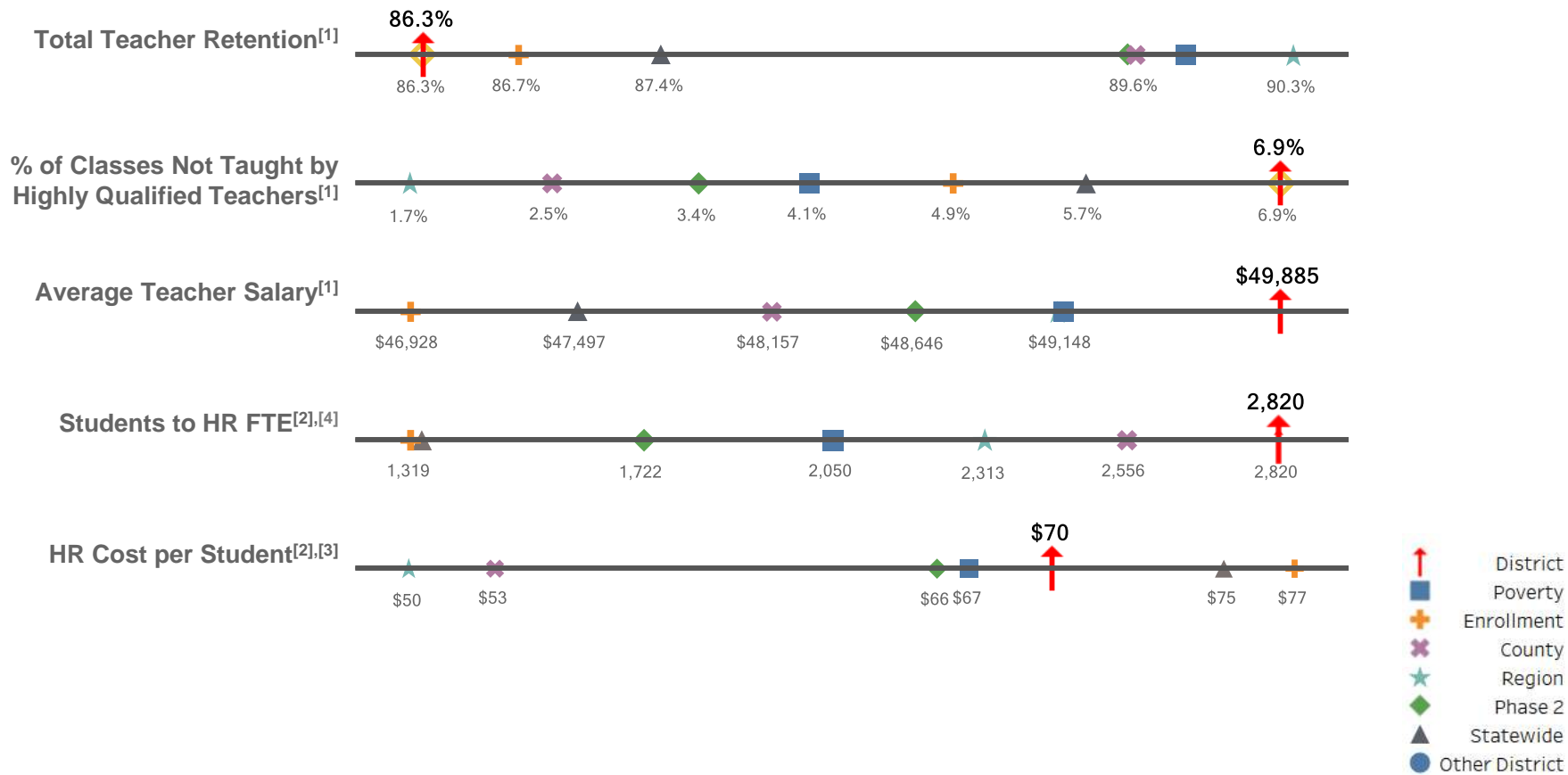
NOTE: FTEs shown in the table above reflect dedicated HR staff only; Financial expenses shown above reflect amounts coded to the HR department. In some instances districts may include salary and benefit related charges that are not related to dedicated HR costs in their totals.

# HUMAN RESOURCES

## ANDERSON 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 2 and (g) other districts.





# HUMAN RESOURCES

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The Human Resources function operates on a lean budget with limited staffing to support recruiting, retention, personnel relations, professional, benefits and professional development activities. The Human Resources function is run by one director and is supported by two additional FTEs dedicated to accounts payable, payroll and grants management functions.</li> <li>• <b>Human Resources Cost Per Pupil:</b> The HR cost per pupil of \$70 is slightly lower than the statewide average and districts with similar enrollment levels.</li> <li>• <b>Student per Human Resources FTE:</b> The Student to HR FTE ratio of 2,820 is higher than the state average and districts with similar enrollment levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Review staff capabilities on an annual basis and ensure individuals are provided with training on systems and processes and cross-train individuals to be able to do multiple functions.</li> </ul>
<b>Recruiting and Retention</b>	<ul style="list-style-type: none"> <li>• <b>Teacher Recruitment:</b> Similar to other school districts in the State, recruiting teachers into the District is challenging. The District does not employ international teachers or leverage staffing agencies to fill hard to staff services but has multiple partnerships with nearby universities to feed the pipeline.</li> <li>• The District primarily leverages university partnerships to attract and retain teachers, principally by extending student teaching positions to college juniors and seniors who tend to stay for a full-time teaching position. The District actively uses social media as a method for recruiting as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider compensation study and / or implementation of incentive programs to recruit and retain teachers that could include: (a) signing bonuses that vest over a period of time to encourage retention; (b) housing incentive signing; (c) tuition reimbursement; (d) differentiated salaries for hard to staff positions; (e) innovative professional development programs.</li> </ul>

# HUMAN RESOURCES

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Recruiting and Retention</b>	<ul style="list-style-type: none"> <li>• <b>Average Teacher Salary:</b> The average teacher salary is higher than the state and county average at \$49,885.</li> <li>• <b>Vacancies:</b> While the District faces difficulty in recruiting new teachers due to the statewide shortage, there are currently no vacancies.</li> <li>• <b>TERI Expiration:</b> The District anticipates a large teacher shortage in FY19 once the Teacher Employee Retention Incentive program expires in June 2018 which was designed for employees who wanted to work post-retirement for up to five years. The district currently employs 26 teachers who will be ineligible to work in FY19.</li> <li>• <b>Online Platforms:</b> The District actively uses the state CERRA platform and social media as a method for recruiting as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct exit interviews to gather information on the causes of employee attrition, and use the results of the process to formulate an effective teacher retention plan.</li> <li>• Anticipate increased staffing needs in FY19 based on TERI program expiration, and begin recruitment process early to avoid mid-schoolyear vacancies.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>State Network:</b> The District utilizes CERRA (statewide system) recruiting and resume screening.</li> <li>• <b>HR Software:</b> The District does not leverage technology support systems for recruiting, or application processing. The District is currently investigating Frontline technology as an option and expects to implement the system by the end of the calendar year.</li> <li>• <b>Substitute Management:</b> AESOP is used for substitute management which seamlessly integrates teacher absence management, substitute placement, and payroll.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement technology to help enhance and automate recruiting and on-boarding.</li> </ul>

# HUMAN RESOURCES

## ANDERSON 04

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• <b>Benefits Administration:</b> Administration is automated through the employee self-service portal.</li> </ul>	<ul style="list-style-type: none"> <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>• <b>Informal Networks:</b> The District does not collaborate with other nearby school districts on recruiting, human resource system licenses, or arrangements with international or local staffing agencies. The District does, however, meet regularly with county peers to discuss problems, trouble-shooting and general knowledge sharing.</li> <li>• <b>Professional Development:</b> The Anderson County districts frequently share professional development opportunities among one another and share costs per enrollee (i.e. one principal leadership training annually for all five districts, two or three induction trainings annually for all five districts).</li> </ul>	<ul style="list-style-type: none"> <li>• Consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other districts within the region. This could include:               <ul style="list-style-type: none"> <li>- Benefits Coordination</li> <li>- Human Resources System Licenses (Frontline)</li> </ul> </li> <li>• Consider creating a regional recruitment and training center focused on teacher recruitment across regional group of districts.</li> </ul>



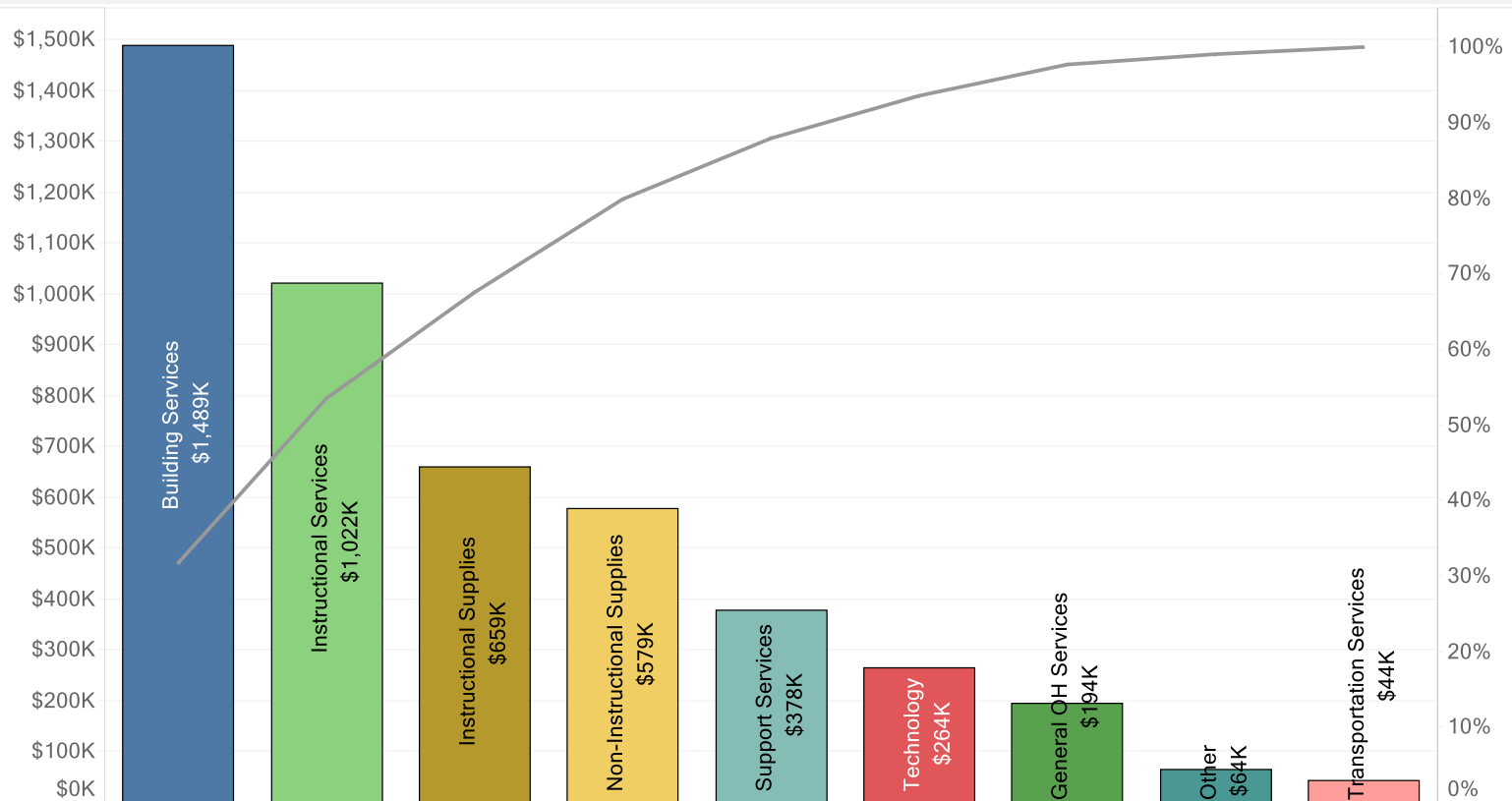
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PROCUREMENT OVERVIEW

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

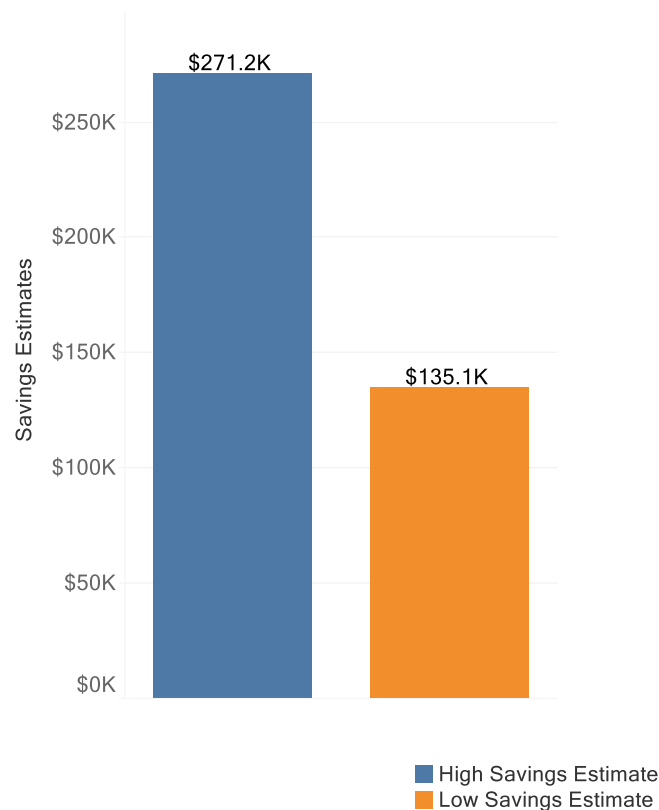
District In Scope Total Procurement Spend<sup>[3]</sup> = \$4,693,350



## ESTIMATED PROCUREMENT SAVINGS

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

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



# PROCUREMENT ANDERSON 04

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Organization / Staffing</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The District’s finance function oversees purchasing and procurement. The District does not have any staff solely focused on purchasing activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage additional resources to better optimize procurement functions. See General Collaboration and Regional Collaboration below.</li> </ul>
<b>Spending by Vendor</b>	<ul style="list-style-type: none"> <li>• <b>Vendors:</b> Spending is fragmented across more than 1,500 vendors; however, the top 10 make up more than 80% of total spending.</li> <li>• <b>Aggregated Purchases:</b> The District makes aggregated purchases for goods that are utilized by multiple schools. Each school is able to buy smaller scale purchases limited by budget allocation and subject to the \$2,500 transaction limit. Anything over \$2,500 must be purchased by the district.</li> <li>• The District coordinates large scale supply purchases in order to leverage volume-bulk purchases.</li> </ul>	<ul style="list-style-type: none"> <li>• Standardize requirements and specifications for commonly purchased goods in order to streamline the number of vendors used, aggregate buying power within the District and enable volume pricing discounts. Contract options may take the form of: (a) state contracts; (b) stand-alone negotiated contracts; (c) negotiated contracts done in collaboration with surrounding districts.</li> <li>• The procurement function should conduct ongoing analysis of non-personnel spending, including review of spending by transaction and dollar volume to determine potential candidates for formal contracting and price negotiation to enable better pricing and cost savings. Examples of metrics that could inform analysis include: (a) vendor concentration (# of vendors comprising 80% of spend); (b) % of vendor spending negotiated through formal RFP process; (c) average POs per vendor.</li> <li>• Perform annual review of vendor performance (on time, completion, quality) to assess opportunities to reduce or eliminate non-value add services.</li> <li>• Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts.</li> </ul>

# PROCUREMENT ANDERSON 04

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Spending by Vendor (cont'd)</b>	<ul style="list-style-type: none"><li>The District is part of the National Cooperative Purchasing Alliance to leverage better pricing. The District does not currently use the alliance for any contracts.</li></ul>	<ul style="list-style-type: none"><li>Consider use of commitments of minimum buying levels to facilitate negotiations of discounts and rebates over specified buying thresholds. Add provisions that include tiering and volume discounts/rebates in all new contracts</li><li>Seek opportunities to better leverage buying power by participating in Group Purchasing Organizations (e.g. US Communities). Areas to consider for potential collaboration include: (a) Food (if not currently using a GPO, Supplies, Technology). Based upon experience across other school systems and districts, purchases made through suitable Group Purchasing Organizations for supplies and equipment typically yield savings.</li></ul>



SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<p><b>Spending by Category</b></p>	<ul style="list-style-type: none"> <li>• <b>Building and Maintenance:</b> The District uses local vendors for facilities and maintenance projects.</li> <li>• <b>Food Services:</b> The District contracts with a national food services vendor, Chartwells, for all food service related purchasing. Chartwells is able to leverage its own bulk-purchasing power for better rates.</li> <li>• <b>Instructional Support Services and Supplies - Procurement Exemptions:</b> The District does not require procurement of instructional support software and services to be placed out to bid based on nature of software needs. 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 to lease computer products. This provides flexibility in exchanging equipment for newer technology. The District does not coordinate technology purchases with other nearby districts.</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinate purchasing if facilities services such as HVAC, electrical and plumbers with surrounding districts to maximize the potential for volume discounts.</li> <li>• Require instructional software purchases to conform to standard procurement guidelines for bids and proposals in order to enable to best pricing. Coordinate purchasing of instructional software with surrounding districts to maximize potential for volume discounts.</li> <li>• <b>Standardization of Technology:</b> The greatest saving potential can be realized through rollout of low cost/high quality technology options that are standardized across a geographic region. Standardize recommended technology options with nearby districts in order to leverage benefits of coordinated purchasing and volume discounts. Decisions made by individual districts regarding roll-out of 1:1 initiatives vary greatly in cost per device and total cost of ownership. Sized across a geographic region.</li> <li>• Capitalize on potential for greater discounts on technology purchased using state contracts by leveraging special discount provisions that are identified in state contracts that are subject to negotiation. Evaluate opportunities to generate savings on ancillary services (accessories, warranties, break-fix, etc.) as part of procurement negotiations.</li> </ul>

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<p>Spending by Category (cont'd)</p>	<ul style="list-style-type: none"> <li>• <b>Non-instructional Supplies - Contracting Vehicles:</b> The District uses state contract vehicles for the majority of its non-instructional supplies. For items that are not available for purchase through state contracting vehicles, the district requires the buyer to obtain three vendor bids and will generally contract with the lowest bidder.</li> </ul>	
<p>Regional Collaboration</p>	<ul style="list-style-type: none"> <li>• <b>Shared Purchasing:</b> The Anderson County districts partner together to procure certain goods and services such as paper goods and waste management services.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider combining resources to create a regional procurement function across districts that is charged with reviewing and optimizing spending through ongoing market intelligence on pricing opportunities, contract RFP management, contract negotiations, contract management.</li> <li>• A regional collaboration model would allow for districts to further capitalize on volume discounts and rebates on areas of spend that would include:             <ul style="list-style-type: none"> <li>- Technology</li> <li>- Instructional Software and Services</li> <li>- Instructional Staffing</li> <li>- Supplies</li> </ul> </li> </ul>



## OUTLINE

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

# TRANSPORTATION

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

# TRANSPORTATION ANDERSON 04

## TRANSPORTATION OVERVIEW

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

# 13 Years

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

# \$293 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>	25.0
Personnel Expense <sup>[3]</sup>	\$737,977
Non-Personnel Expense <sup>[3]</sup>	\$78,917
Total Transportation Expense <sup>[3]</sup>	\$816,894

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

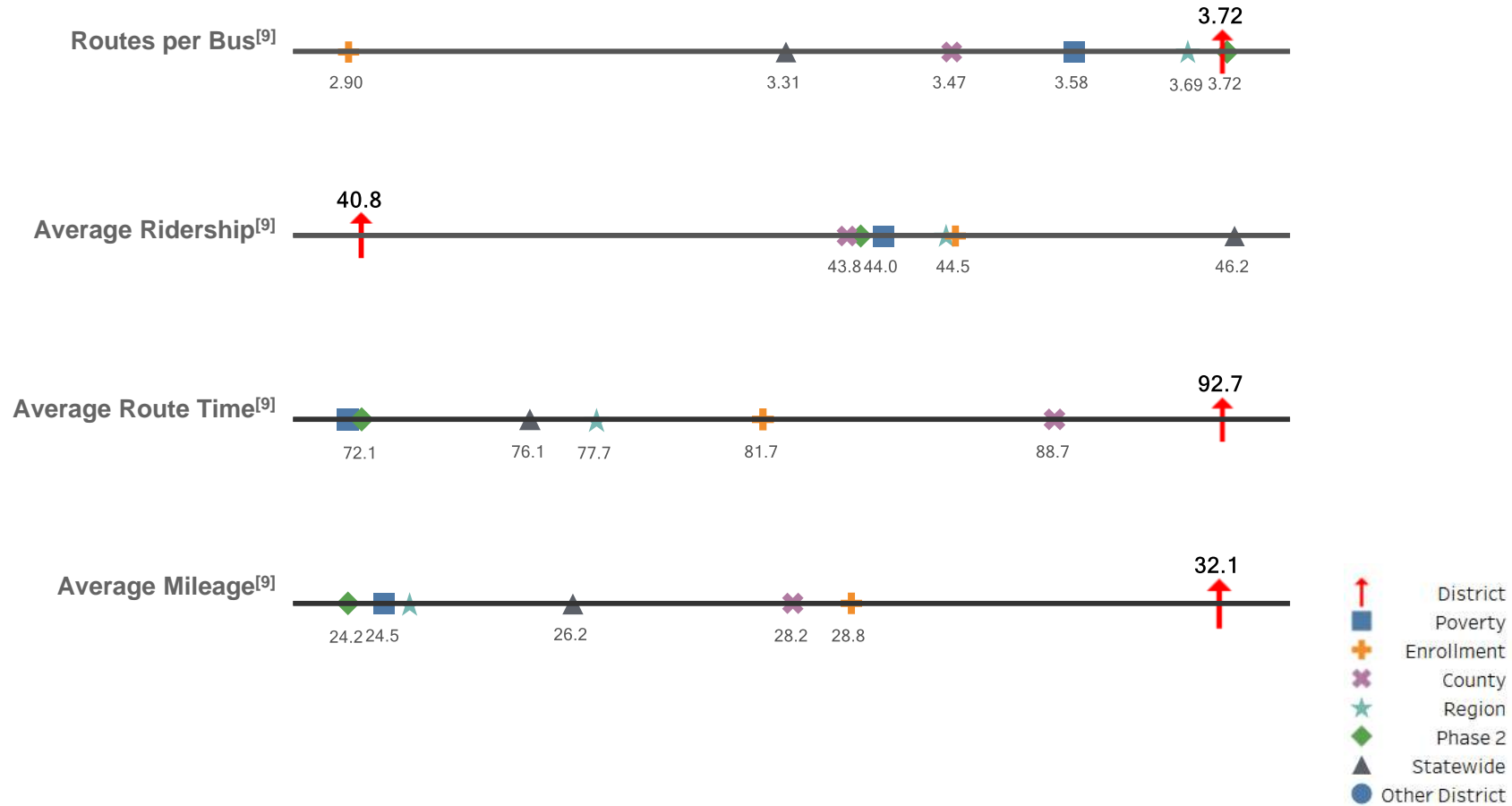
Key statistics for State Routes	# Buses <sup>[9]</sup>	# Routes <sup>[9]</sup>	Routes per Bus <sup>[9]</sup>	Ridership <sup>[9]</sup>	Avg Ridership <sup>[9]</sup>	Avg Route Time (including dead time) <sup>[9]</sup>	Avg Mileage per Bus <sup>[9]</sup>
Regular	15.1	56	3.7	2,285	41	93	32
Special Needs	3.0	9	3.0	77	9	Not-Available	46
Other	2.9	10	3.4	232	23	Not-Available	25
Total	21.0	75	3.6	2,594	N/A	N/A	N/A

# TRANSPORTATION

## ANDERSON 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 ANDERSON 04

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Administration:</b> Transportation is run by one administrator and an assistant.</li> <li>• <b>Recruiting:</b> While the District has a difficult time recruiting bus drivers, the District does not currently have any vacancies.</li> <li>• <b>Dual Employment:</b> The District creates opportunities for full-time employment as an incentive to recruit and retain drivers. Bus drivers are frequently employed as aides, food workers or custodians to offer full employment opportunities at the District.</li> <li>• <b>Substitute Pool:</b> The District has a very limited pool of substitute drivers (one full-time, one part-time), therefore, routes are frequently adjusted to deal with the shortage. The district incentivizes full-time drivers to maintain perfect attendance by awarding a cash bonus.</li> <li>• <b>Staggered Routes:</b> The District runs staggered bus routes with the earliest routes serving elementary schools starting as early as 6:00am. Bells are staggered with elementary school starting and dismissing first, followed by middle school and then the high school.</li> <li>• <b>Driver Pay:</b> Bus drivers are currently paid a starting rate of \$12.08, approximately \$4.33 above state reimbursement levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a substitute/back up driver pool in collaboration with nearby districts.</li> <li>• Use an automated calling system to fill needed driver substitute vacancies.</li> </ul>

# TRANSPORTATION ANDERSON 04

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Routing and Bus Management</b>	<ul style="list-style-type: none"> <li>• <b>Routing Software:</b> The District does not utilize routing software.</li> <li>• <b>GPS Tracking:</b> The District has GPS capability on its buses but cannot use that function in real-time.</li> <li>• <b>Driver Communication:</b> The District provides cell phones to drivers to contact drivers while on routes.</li> <li>• <b>Security Cameras:</b> The District has security cameras on all buses (playback only, not real-time).</li> <li>• <b>Stop-Arm Cameras:</b> The District does not have stop-arm cameras on buses.</li> <li>• <b>Activity Buses:</b> The District uses state fuel for activity buses that utilize diesel and are then invoiced by the state. The District fuels activity buses that require gasoline independently of the state.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement routing software to ensure most efficient routes.</li> <li>• Install real-time GPS on buses to monitor bus routes.</li> <li>• Install stop-arm cameras to assess tickets to drivers passing buses.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Informal Networks:</b> The Anderson County transportation heads meet regularly to discuss problems, troubleshooting and general knowledge-sharing.</li> <li>• <b>Homeless Transportation:</b> The District collaborates with surrounding districts on out-of-district McKinney-Vento homeless student transportation coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage the State maintenance hubs for activity buses</li> </ul>



# APPENDIX A: SAVINGS METHODOLOGY



# APPENDIX A: SAVINGS METHODOLOGY

## ANDERSON 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

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➤ **State-wide Benchmarking Data:**

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

➤ **Implementation:**

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

**SAVINGS ANALYSIS BY FUNCTIONAL COMPONENT**

---

**PEOPLE**

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

**TECHNOLOGY**

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

**Functional Review  
Operating Model Components**



**PROCESS**

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

**ORGANIZATION**

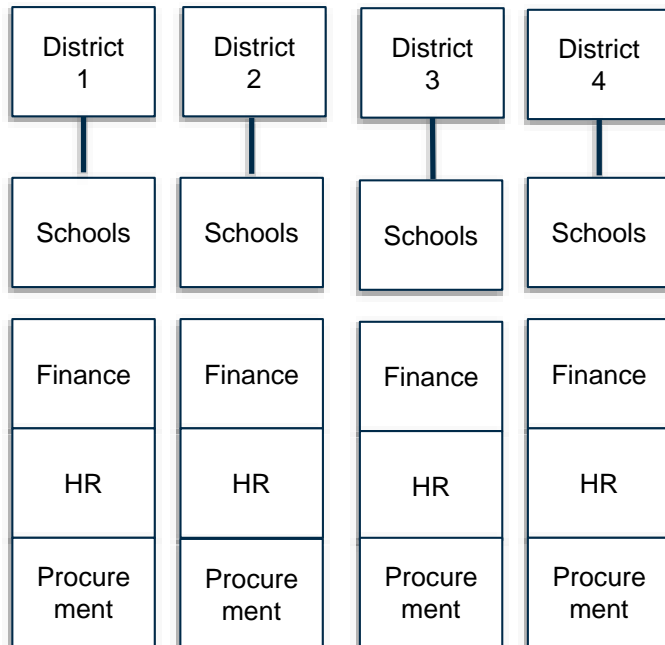
An analysis of each organization's staffing levels on an As-Is Basis, against peer benchmarks, and in a regional collaborative model were conducted to assess overall efficiency and effectiveness.

## COLLABORATION: SHARED SERVICE MODELS

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

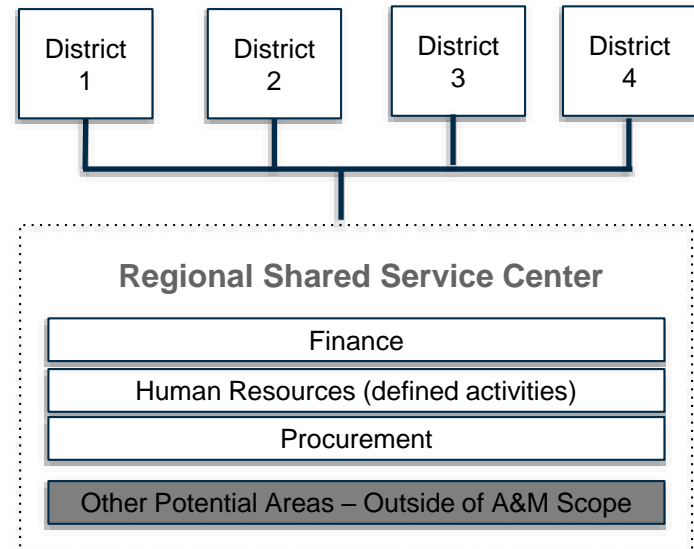
### CURRENT STATE: STAND ALONE DISTRICT

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



### COLLABORATION ALTERNATIVE

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



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

# APPENDIX A: SAVINGS METHODOLOGY

## ANDERSON 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 <sup>(1)</sup>	4.75	4.00	0.75
Total Spend <sup>(1)</sup>	\$468,856	\$427,128	\$41,728
Savings %			8.9%

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

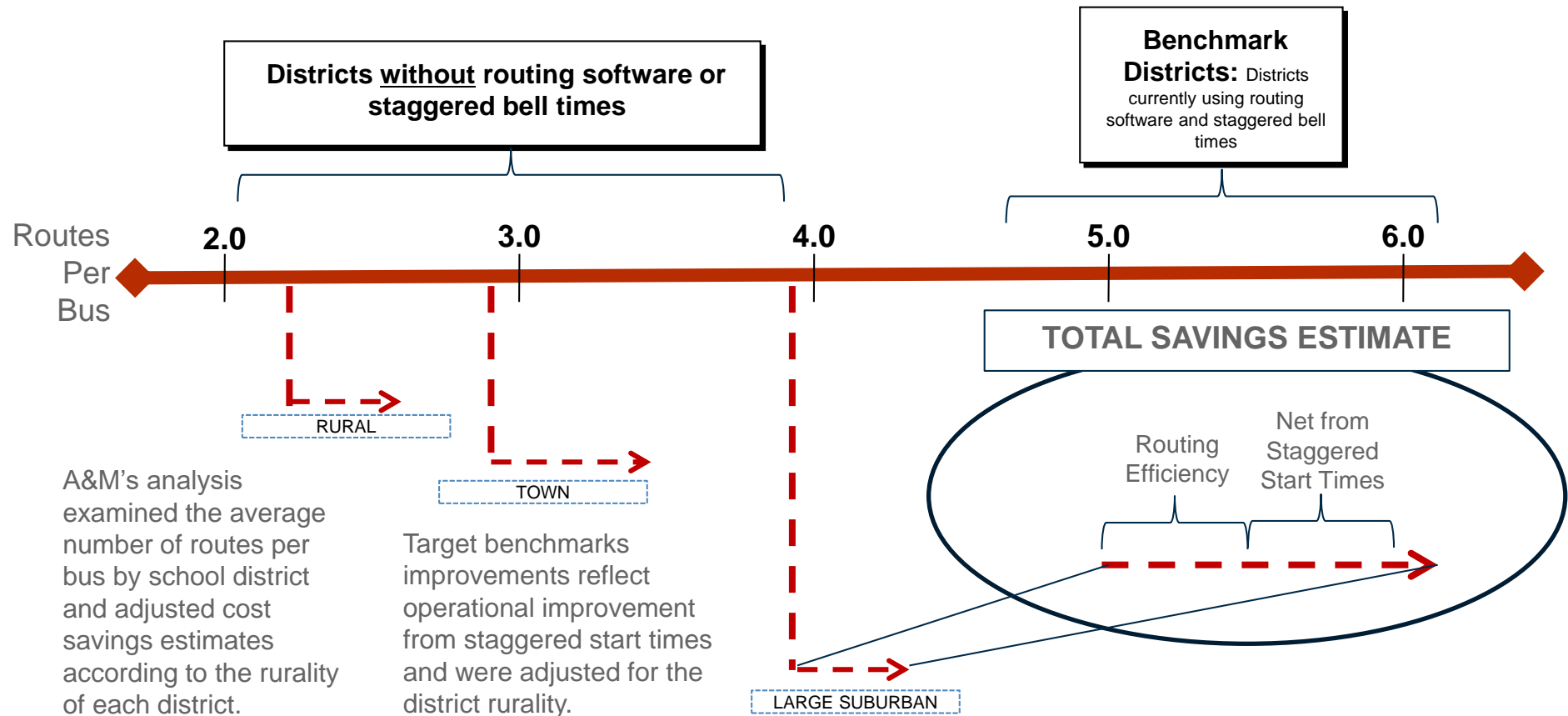
	Financial Management Collaboration: Five Districts [1 Large, 1 Med, 3 Small]		
	Current State	Collaboration Model	Savings
# of Districts	5	5	NA
Total ADM	21,000	21,000	NA
Total FTEs <sup>(2)</sup>	18.9	13.0	6.0
Total Spend <sup>(2)</sup>	\$2,409,840	\$1,684,478	\$725,326
Savings %			30.1%

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

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

TRANSPORTATION ROUTING: SAVINGS APPROACH

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



# APPENDIX A: SAVINGS METHODOLOGY

## ANDERSON 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

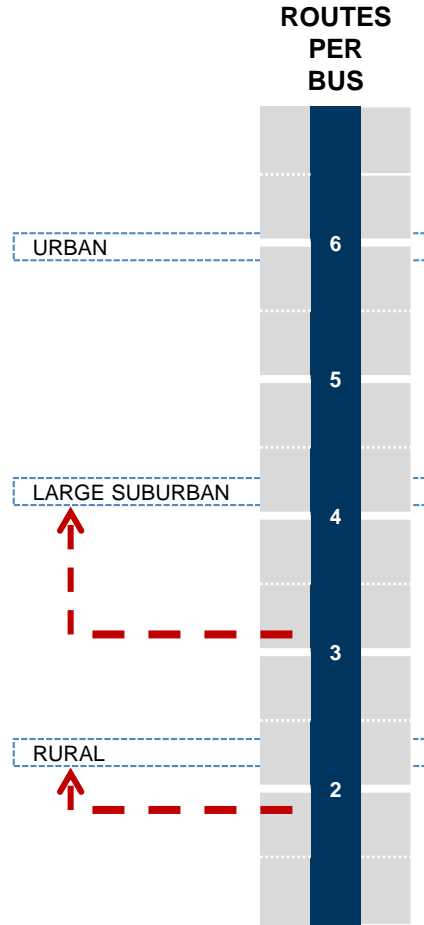
## ANDERSON 04

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



#### DISTRICT EXAMPLE COST SAVINGS OPPORTUNITIES FROM STAGGERED SCHOOL START TIMES

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

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

# APPENDIX A: SAVINGS METHODOLOGY

## ANDERSON 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

## ANDERSON 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

## ANDERSON 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

## ANDERSON 04

### Sources [2],[3]

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

### Sources [2],[4]

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

# APPENDIX B: FORMULAS DEFINED

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