



# ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION  
SCHOOL DISTRICT EFFICIENCY REVIEW

**Spartanburg 01**

**District Report**

6/16/2017



ALVAREZ & MARSAL



## OUTLINE

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

# EXECUTIVE SUMMARY

## SPARTANBURG 01

### PROJECT OVERVIEW

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

# EXECUTIVE SUMMARY

## SPARTANBURG 01

### PROJECT OVERVIEW (CONTINUED)

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

# EXECUTIVE SUMMARY

## SPARTANBURG 01

### PROJECT OVERVIEW (CONTINUED)

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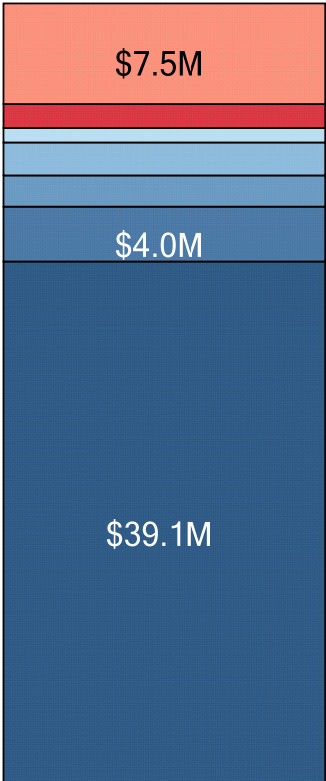
➤ **Sources of Data and Savings Estimates:**

- 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 SPARTANBURG 01

**Sources of Funds<sup>[5]</sup>**  
**\$58.3M**



2015-2016

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

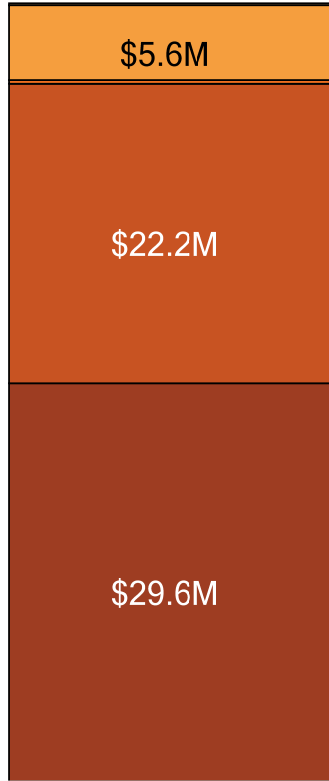
**Use of Funds - Type<sup>[3]</sup>**  
**\$57.7M**



2015-2016

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

**Use of Funds - Function<sup>[3]</sup>**  
**\$57.7M**



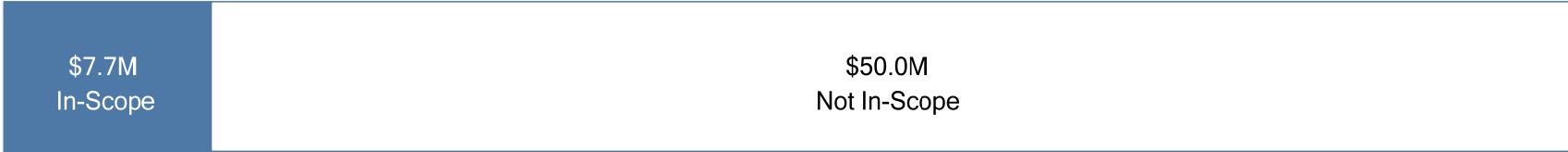
2015-2016

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

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## SPARTANBURG 01



*13.3% of total spend is within scope of the efficiency review:*

	In Scope Spend <sup>[3]</sup>	Procurement Component
Finance	\$626,666	\$129,706
Human Resources	\$195,371	\$26,800
Overhead	\$528,137	\$153,260
Transportation	\$791,517	\$8,208
Procurement (Community Services, Instruction, Support Services)	\$5,531,687	\$5,531,687
<b>TOTAL</b>	<b>\$7,673,378</b>	<b>\$5,849,661</b>

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## SPARTANBURG 01

### GOALS, CHALLENGES & ACHIEVEMENTS

#### District Goals

- Mission Statement:** Our mission is to provide a quality, student-centered education.
- **Student Achievement:** The District strives to surpass other school districts in Spartanburg County on academic achievement.
  - **Teacher Quality:** The District aims to maintain that all teachers are highly qualified; identifying potential administrators and helping them grow professionally; and increase the number of teachers certified in gifted and talented curriculum.
  - **School Climate:** The District aims to improve school climate by supporting civic and community activities to build citizenship in its students; develop a partnership with Piedmont Community Actions to address preschool education; and increase parent participation.
  - **Special Needs:** The District prioritizes increasing test scores for its disabled student population to a higher level.

#### Achievements

- **Academic Achievement:** Spartanburg 1 has ranked as high as 2nd in the state on academic outcomes.
- **Teacher Recruitment:** The District does not face significant teacher recruitment challenges.
- **Community Partnerships:** The District has built a robust partnership with Spartanburg County Parks & Recreation to share athletic fields; as a result, the broader community enjoys facilities owned by the District and maintained by the county.

#### Challenges

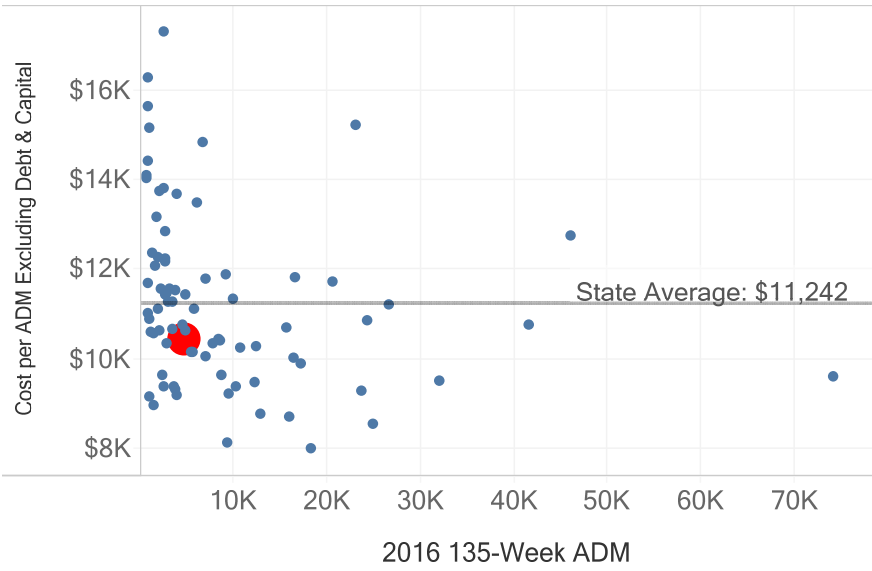
- **Funding:** Approximately three quarters of property in the District is residential and therefore exempt from property tax. Funding is a perpetual challenge given the changing cost of fringe benefits, retirement contributions, and insurance costs, among other drivers.
- **Demographics:** The District faces challenges related to its rural setting, including intergenerational poverty and related cultural expectations in regards to education and achievement.

# EXECUTIVE SUMMARY

## SPARTANBURG 01

### 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

## SPARTANBURG 01

### OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
<b>Finance</b>	<ul style="list-style-type: none"> <li>• <b>Financial Management:</b> The District 's unrestricted fund balance, at 1.4%, is far below the state average of 18.6%. The District should develop a long term financial plan to increase reserves in order to navigate unanticipated events.</li> <li>• <b>Adequate Staffing / Manual Processes:</b> The department is adequately staffed to support the scope of its roles and responsibilities. The District does not leverage software to integrate timekeeping into the payroll system and could benefit from automating purchasing workflow approvals.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• <b>Adequate Staffing / Automated Processes:</b> The Human Resources organization is an adequately staffed 4-person team overseen by the Assistant Superintendent for Human Resources. The District has technology in place to streamline application, recruiting and onboarding processes.</li> <li>• <b>Recruiting and Retention:</b> A rich network of regional university partnerships, comparatively higher teacher salaries, and a high Teacher Return Rate of 90% indicate that teacher retention is not currently as challenging for the District as compared with other districts.</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 costs and a portion of driver salaries. The District faces some difficulty hiring bus drivers when the local labor market is strong.</li> <li>• <b>Dual Employment:</b> 10 out of the District's 28 bus drivers are dual-employed as teacher's aides.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> One resource is dedicated to purchasing.</li> <li>• <b>Strategic Sourcing:</b> There is some voluntary contract collaboration across districts, notably for comprehensive food services in Spartanburg 1, 2, 3, 5, and 7.</li> </ul>
<b>Overhead</b>	<ul style="list-style-type: none"> <li>• <b>Collaboration:</b> The seven Spartanburg County school districts exhibit a high level of collaboration including revenue sharing, a shared teacher salary schedule, multiple county-wide instructional programs, collaborative purchasing, and both formal and informal information-sharing.</li> </ul>

# EXECUTIVE SUMMARY

## SPARTANBURG 01

### 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

## SPARTANBURG 01

### MODERNIZATION RECOMMENDATIONS

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

MODERNIZATION RECOMMENDATIONS			
FINANCE	HUMAN RESOURCES	PROCUREMENT	TRANSPORTATION
<p><b>System Enhancements:</b> Update software versions and / or add modules to financial systems to facilitate automated and purchase to payments processes, integrated timekeeping and payroll and position control functionality.</p> <p><b>Process Improvements:</b> Modernize processes to limit manual activities and strengthen internal controls.</p> <p><b>Staffing/Organization:</b> Train/cross-train personnel on key financial functions to increase the capabilities and effectiveness of the teams.</p>	<p><b>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 and GPS on all buses.</p> <p><b>Process Improvements:</b> Staggered Bell Times: - Complete analysis (in conjunction with use of routing software) to evaluate potential financial benefits of using routing software.</p>

# EXECUTIVE SUMMARY

## SPARTANBURG 01

### COLLABORATION RECOMMENDATIONS

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

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

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

# EXECUTIVE SUMMARY

## SPARTANBURG 01

### APPROACH TO SAVINGS

**GENERAL APPROACH TO ESTIMATING INVESTMENTS AND SAVINGS**

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

**FINANCE AND HUMAN RESOURCES**

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

**PROCUREMENT**

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

**TRANSPORTATION**

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

# EXECUTIVE SUMMARY

## SPARTANBURG 01

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

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

	MODERNIZE Est. One-Time Investment		COLLABORATE Est. Net Annual Savings	
	Low	High	Low*	High
Finance	\$32,500	\$47,500	\$61,400	\$184,200
Human Resources	15,000	25,000	0	20,400
Procurement	0	0	158,000	324,400
Transportation – District	N/A	N/A	19,000	29,000
<b>District Total</b>	<b>47,500</b>	<b>72,500</b>	<b>238,400</b>	<b>558,000</b>
Transportation – State	8,000	38,000	17,600	42,000
<b>Total</b>	<b>\$55,500</b>	<b>\$110,500</b>	<b>\$256,000</b>	<b>\$600,000</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.*



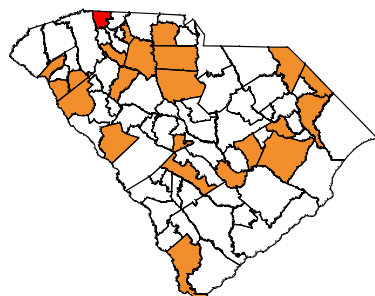
## OUTLINE

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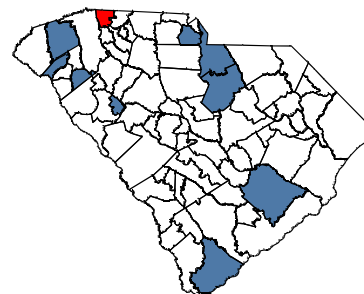
# DISTRICT BENCHMARKING SPARTANBURG 01

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



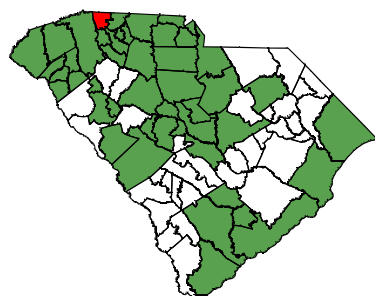
Abbeville 60	Lexington 04
Anderson 02	Marion 10
Anderson 03	Marlboro
Anderson 04	Orangeburg 03
Chester	Orangeburg 04
Clarendon 02	Spartanburg 01
Dillon 04	Spartanburg 03
Edgefield	Spartanburg 04
Fairfield	Union
Florence 03	Williamsburg
Jasper	York 01
Laurens 56	

## Poverty (55% - 60%)



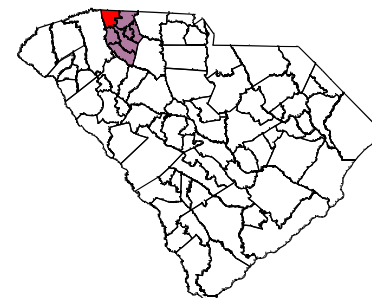
Anderson 02	York 03
Anderson 04	
Beaufort	
Berkeley	
Greenwood 52	
Kershaw	
Lancaster	
Pickens	
Spartanburg 01	

## 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	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	

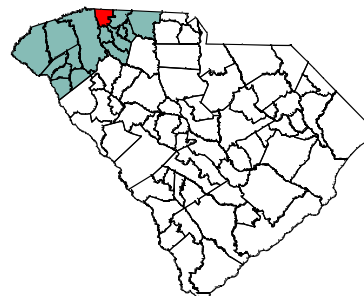
Sumter
Union
York 01
York 02
York 03
York 04



## County (Spartanburg)

Spartanburg 01
Spartanburg 02
Spartanburg 03
Spartanburg 04
Spartanburg 05
Spartanburg 06
Spartanburg 07

## 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

## SPARTANBURG 01

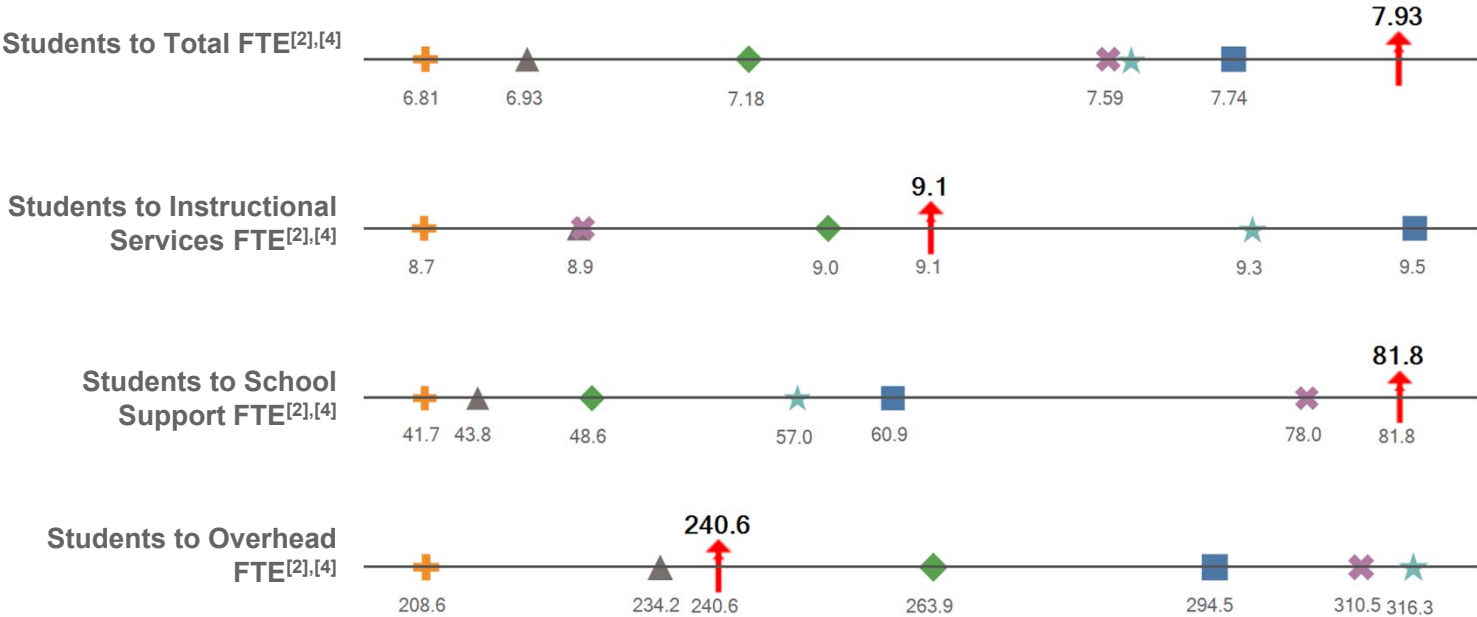
### KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

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



# DISTRICT OVERVIEW SPARTANBURG 01

## KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



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

# DISTRICT OVERVIEW AND OVERHEAD SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Enrollment Trends	Observations	Recommendations
Enrollment Trends	<ul style="list-style-type: none"> <li>• <b>3-year Enrollment Trend:</b> The District's enrollment trend has dropped by 72 students, or 1.95%, over the past 3 years.</li> <li>• <b>Student Demographics:</b> The District has 55% of students in poverty and 10.8% of students with special needs.</li> <li>• <b>Competition:</b> The District competes favorably for students on school choice. There are a number of out-of-district students whose families pay tuition for them to attend school in the District, and they also get transfer students from Spartanburg Christian and High Point Academy. The District's academic achievement outcome drive this interest; their student-to-teacher ratio in elementary schools is 23 to 1.</li> <li>• <b>Long-term Planning:</b> The District prepares multi-year enrollment projections to help inform long-term planning.</li> </ul>	
District Funding and Resource Allocation	<ul style="list-style-type: none"> <li>• <b>Per Pupil Expenses:</b> When excluding debt and capital, the District has a lower per pupil expense (\$10,404) than its statewide, county, and enrollment size benchmarks.</li> <li>• <b>Unrestricted Fund Balance:</b> The District has an unrestricted fund balance that is 1.4% of General Fund revenues. The fund balance is below the State average of 18%.</li> <li>• <b>Program Administrator and Fiscal Agent:</b> The District serves as fiscal agent for a career center shared with Spartanburg 2.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should develop a five year financial plan that considers enrollment projections, facilities needs and other resource allocation projections to facilitate long term operating and capital planning and help ensure long term financial stability.</li> <li>• In addition, consider creating a Board policy to require the District to maintain a fund balance of 15%-18% of the next year's expenditures. Implement multi-year targets to rebuild fund balance to required levels.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

District Funding and Resource Allocation (cont'd)	Observations	Recommendations
District Funding and Resource Allocation (cont'd)	<ul style="list-style-type: none"> <li>• <b>Student to FTE:</b> At 7.9, the Student to Total FTEs ratio is higher than all its benchmark groups.</li> <li>• <b>Student to Instructional Services FTE:</b> At 9.1, the Student to Instruction ratio is more favorable than most benchmark groups except poverty and region (Appalachian).</li> <li>• <b>Student to School Support FTE:</b> At 81.8, the Student to Support Services ratio is higher than all benchmark groups.</li> <li>• <b>Student to Overhead FTE:</b> At 240.6, the Student to Overhead Ratio is higher than the statewide ratio but lower than most other benchmark groups.</li> </ul>	<p>Consider review and reorganization of other direct support areas of the superintendent which are outside of the scope of this report in order to optimize resources and bring spending in line with benchmarks.</p>

# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Staffing / Organization	Observations	Recommendations
Staffing / Organization	<ul style="list-style-type: none"> <li>• <b>Role of Superintendent:</b> The Superintendent manages relations with the board and guides the strategic direction of the District.                             <ul style="list-style-type: none"> <li>• <b>Deputy/Assistant Superintendents:</b> 4 FTEs.</li> <li>• <b>Communications:</b> 1 FTE.</li> <li>• <b>Administrative:</b> 7 FTEs, most supporting more than one member of the leadership team.</li> <li>• <b>Other District Staff:</b> 7 FTEs.</li> </ul> </li> <li>• <b>Communications Function:</b> The District employs a public information officer within the District Office who manages all communications functions. In addition to managing traditional communications, this individual monitors the District’s social media accounts (Facebook, Twitter, and Instagram).</li> <li>• <b>Legal:</b> The District has no legal department, retaining external counsel as needed.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider a shared legal resource with the other Spartanburg districts.</li> </ul>
Board of Directors	<ul style="list-style-type: none"> <li>• <b>Spartanburg County Education Oversight Committee:</b> This committee consists of the seven school board chairmen from each of Spartanburg County’s school districts and the seven district Superintendents, with the board chairmen as the only voting members. Per state law, the committee approves the revenue-sharing formula as well as adjustments to the County’s unified teacher salary schedule.</li> <li>• <b>Board Pay:</b> As in all Spartanburg County school districts, the District’s board members are unpaid.</li> <li>• <b>Training:</b> Board members participate in annual SCSBA training events.</li> </ul>	<ul style="list-style-type: none"> <li>• Although the Education Oversight Committee is an artifact of the South Carolina General Assembly’s abolition of the county-wide school board in 1998, it serves a valuable function by providing a governance structure for consideration and approval of county-wide collaborative efforts like revenue-sharing and salary schedule approval. The State could consider creating similar oversight committees for school districts that wish to pursue similar arrangements.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Philanthropy and Business Engagement</b>	<ul style="list-style-type: none"> <li>• Multiple districts within Spartanburg County have cultivated substantial partnerships with local governments, community-based nonprofits, area colleges and universities, regional foundations, and civic organizations to support their educational missions.</li> <li>• Examples of this District's partnerships include:               <ul style="list-style-type: none"> <li>• The Foothills Area Council through the Spartanburg Area Chamber of Commerce provides a venue for the District to communicate with business leaders within its footprint.</li> <li>• Support for the District's athletic teams is run through a 501(c)3 nonprofit, Supporters of District 1 Schools.</li> <li>• The District has an enduring partnership with the Inman Riverdale Foundation, which has donated land to the District and provided other financial support.</li> </ul> </li> <li>• Spartanburg County school districts have built extensive partnerships with local businesses for job placement and enrichment, particularly through the career centers and the special education program.</li> <li>• <b>College &amp; Career Readiness:</b> All seven districts fund the Spartanburg Academic Movement (SAM) college and career readiness program, which employs four FTEs to coordinate the districts' numerous partnerships with regional institutions of higher education.</li> </ul>	

# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Philanthropy and Business Engagement (Cont'd)</b>	<ul style="list-style-type: none"><li>• <b>Mary Black Foundation:</b> The District partners with the Mary Black Foundation along with all other Spartanburg school districts to build and provide a comprehensive health curriculum.</li><li>• <b>Early learning partnerships:</b> All Spartanburg districts are in the process of establishing an early learning partnership with the Children’s Museum of the Upstate, a Smithsonian affiliate, which is opening its first satellite museum in downtown Spartanburg.</li><li>• <b>Community Centers:</b> Most Spartanburg County school districts operate community centers providing child development and family services to community members.</li><li>• <b>United Way:</b> Most Spartanburg districts, including Spartanburg 1, partner with the United Way through its Gift-In-Kind center in Spartanburg. For \$500 per year, the District can take as much unwanted merchandise collected from Wal-marts across the US.</li></ul>	

# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Collaboration	Observations	Recommendations
Collaboration	<ul style="list-style-type: none"> <li>• <b>Revenue Sharing:</b> At the direction of the Education Oversight Committee, all Spartanburg County school districts participate in a revenue-sharing arrangement where they each contribute 13 mills for distribution via an equalization formula..</li> <li>• <b>Teacher Salary Schedule:</b> All Spartanburg County districts set a unified salary schedule for teachers, which is approved by the Education Oversight Committee. This practice reduces competition between districts for highly qualified staff on a purely financial basis; the districts still compete on other tangibles such as community setting, class size, class offerings, etc.</li> <li>• <b>School Calendar:</b> All Spartanburg County school districts share a unified school calendar. The calendar is proposed by a working group of the seven district Superintendents and then taken to each of the seven school boards for approval. This practice is not mandated by law and is not business overseen by the Education Oversight Committee, but has been a matter of culture and practice for many years.</li> <li>• <b>Career Center:</b> The District has a shared career center with Spartanburg 2.</li> <li>• <b>Special Education:</b> The District participates in the county-wide special education program through McCarthy Teszler.</li> <li>• <b>Adult Education:</b> The District participates in this county-wide program, which is open to adults throughout Spartanburg County.</li> </ul>	<ul style="list-style-type: none"> <li>• Create a document that sets forth Spartanburg County districts' approach to county-wide resource creation and resource sharing for major endeavors – particularly the special needs program – as a set of best practices for voluntary collaboration between school districts.</li> <li>• A shared Chief Development Officer across all Spartanburg County districts could be a valuable addition and would relieve administrators of some due diligence around pursuit and capture of external philanthropic funding.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Collaboration (Cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Alternative School:</b> Spartanburg 7 is the fiscal agent for Whitlock Flexible Learning Center, an alternative school program open to any Spartanburg County child with severe behavioral and/or academic performance issues. This school is one of several county-wide schools operated by various Spartanburg districts to serve special student populations.</li>   <li>• <b>Virtual School:</b> Spartanburg 6 is the fiscal agent for the Spartanburg County Public Virtual School, a comprehensive, standards-based program that can be easily accessed anywhere an internet connection is available. Spartanburg 6 is fiscal agent for this offering; effectively, all seven districts "share" FTEs at this institution.</li>   <li>• <b>Early College Programs:</b> The Spartanburg County school districts have active partnerships with area colleges and universities, including USC Upstate and Spartanburg Community College, to provide early college opportunities for high-achieving and historically underserved students.</li>   <li>• <b>Multi-district working groups:</b> Assistant superintendents from all Spartanburg school districts meet regularly. All human resources directors, maintenance directors, special education directors, transportation directors, and secondary school principals maintain standing meetings. District staff from both Union and Cherokee counties attend several of these meeting, including the superintendents' meeting. The groups maintain an active listserv.</li> </ul>	

# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 01

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>Multi-district working groups:</b> Assistant Superintendents from all Spartanburg school districts meet regularly. All human resources directors, maintenance directors, special education directors, transportation directors, and secondary school principals maintain standing meetings. District staff from both Union and Cherokee counties attend several of these meeting, including the superintendents' meeting. The groups maintain an active listserv.</li> <li>• <b>Extracurricular Activities:</b> Multiple programs are available to Spartanburg County K-12 students regardless of their home district, such as the Spartanburg Music Foundation, a 4th grade performance program through Carnegie Hall; Spartanburg Sings, a multi-district honors choir; and others.</li> <li>• <b>Professional Development:</b> All Spartanburg County districts collaborate and offer joint professional development opportunities in the form of graduate level courses co-sponsored and co-funded in collaboration with Converse College &amp; USC Upstate.</li> <li>• <b>Truancy Court:</b> Spartanburg 1 administers a countywide truancy court, which is held at the county courthouse. Cases are head before a chief hearing officer, who is employed at the alternative school. Records are centrally maintained, which provides a data trail on children even as they move districts within Spartanburg County. District and county-wide reports are compiled by the clerk monthly and shared with superintendents. Spartanburg is the second county in South Carolina to adopt this practice, which is based on an idea pioneered in Anderson County.</li> </ul>	



## OUTLINE

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

# FINANCIAL MANAGEMENT SPARTANBURG 01

## 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.*

642 : 1

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

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

\$131 per Student

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

### Key statistics for metrics

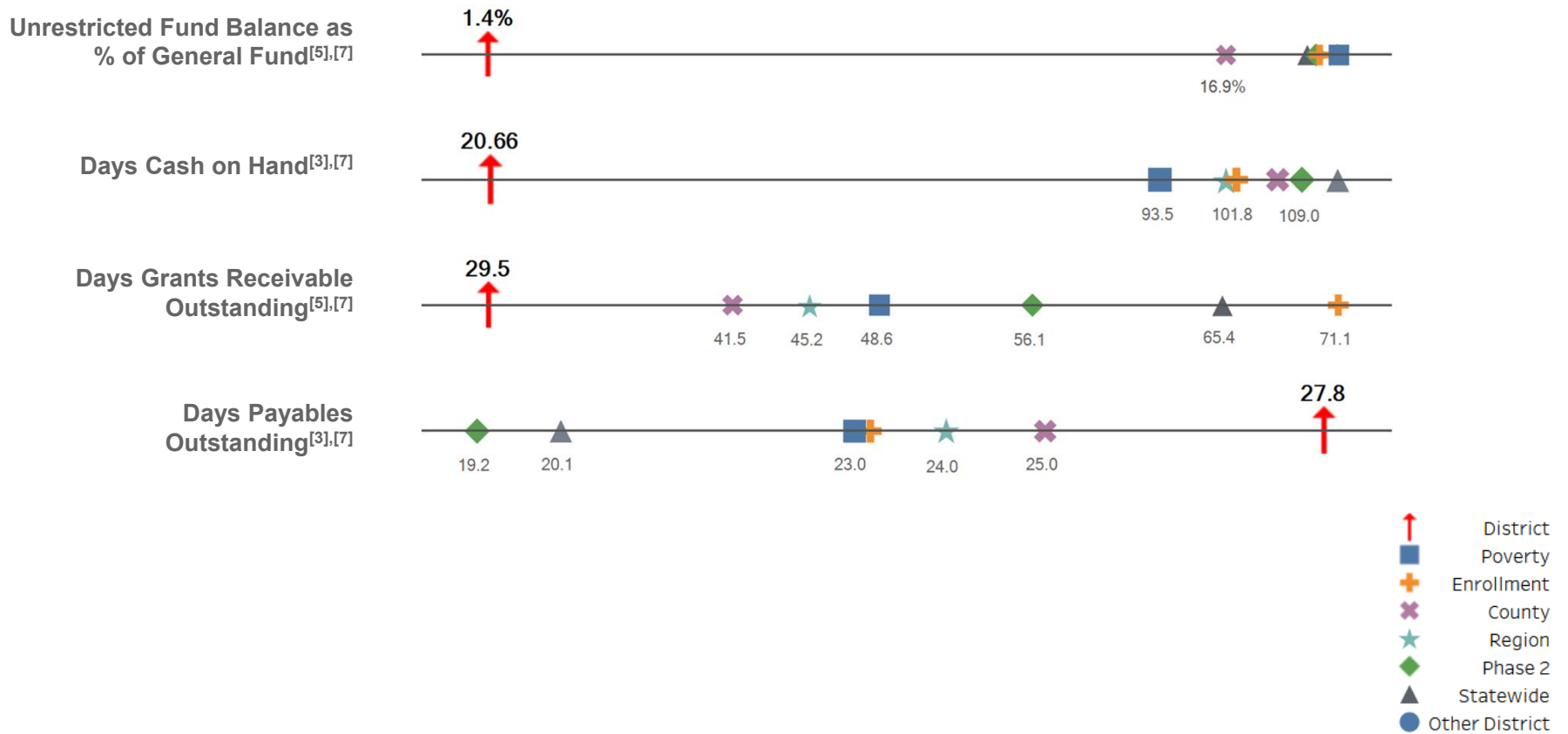
Financial FTEs <sup>[4]</sup>	7.5
Personnel Expense <sup>[3]</sup>	\$496,960
Non-Personnel Expense <sup>[3]</sup>	\$129,706
Total Financial Expense <sup>[3]</sup>	\$626,666

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 SPARTANBURG 01

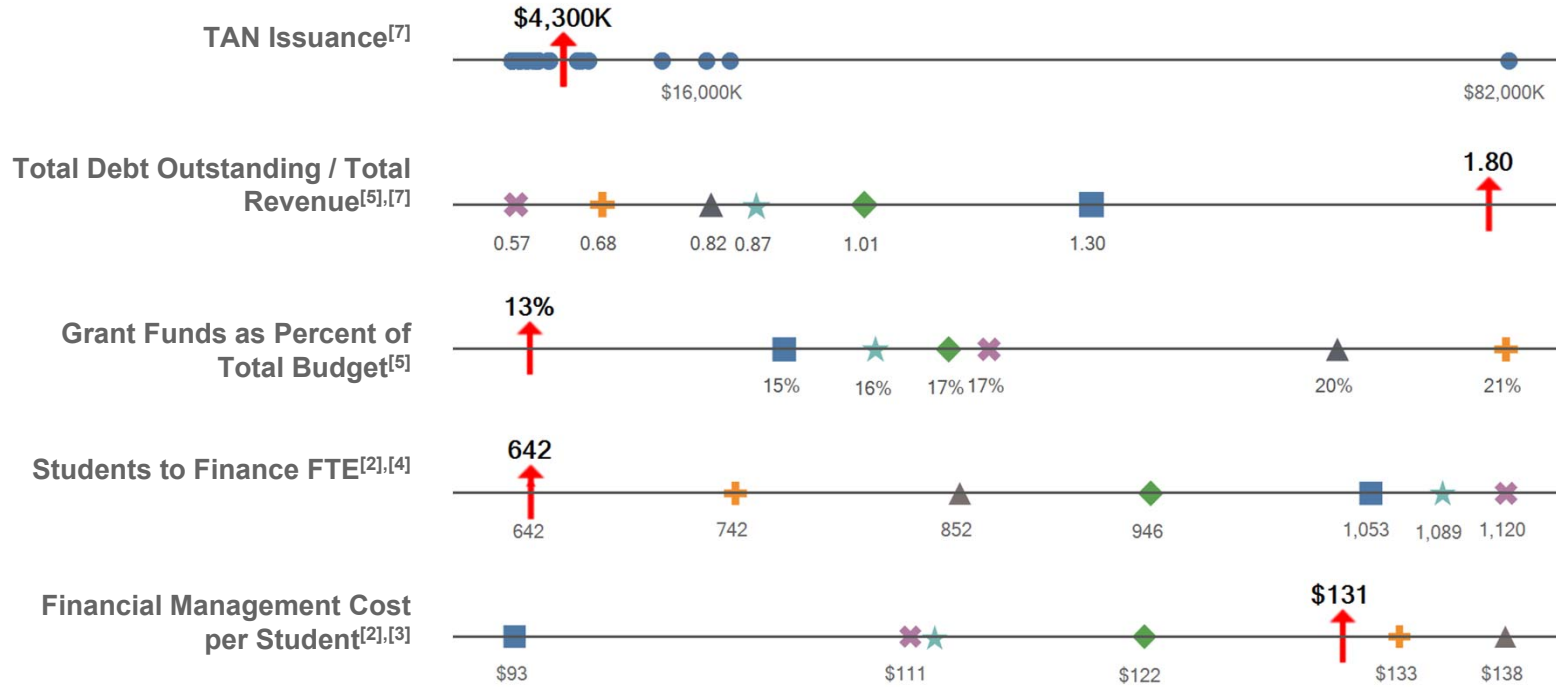
## KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

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



# FINANCIAL MANAGEMENT SPARTANBURG 01

## KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



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

# FINANCIAL MANAGEMENT SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Staffing / Organization	Observations	Recommendations
Staffing / Organization	<ul style="list-style-type: none"> <li>• <b>Staffing:</b> The Finance organization is adequately staffed to support the scope of its roles and responsibilities over accounting, payroll, accounts payable, budget, treasury, procurement and financial reporting.               <ul style="list-style-type: none"> <li>• <b>Budgeting &amp; Accounting:</b> 1 FTEs, Accountant</li> <li>• <b>Payroll:</b> 1 FTE, Payroll Manager.</li> <li>• <b>Accounts Payable:</b> 1 FTE, AP Clerk</li> <li>• <b>Purchasing:</b> 1 FTE. Procurement Manager..</li> <li>• <b>Insurance Policy Review, Claims Handling &amp; Processing:</b> 1 FTE.</li> <li>• <b>Administrative:</b> 2 FTEs providing numerous support functions over F&amp;RL, food service, maintenance PO assistance, and other tasks.</li> </ul> </li> <li>• <b>Turnover:</b> Turnover in the Finance department has been low.</li> <li>• <b>Finance Cost Per Pupil:</b> The Finance cost per pupil for the district (\$131) is slightly higher than most benchmark groups.</li> <li>• <b>Student per Finance FTE:</b> The student to financial management FTE ratio, at 642, is less favorable than its benchmark peers,</li> <li>• <b>Cross-Training:</b> The District's Finance staff have held multiple positions within the department and are cross-trained on Finance functions or tasks, including accounts payable and payroll.</li> </ul>	<ul style="list-style-type: none"> <li>• Review staff capabilities on an annual basis and ensure individuals continue to be provided with training on systems and processes.</li> </ul>

# FINANCIAL MANAGEMENT SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"> <li>• <b>Payroll:</b> The District currently runs two monthly payroll cycles, one paid on the 15<sup>th</sup> (for hourly and part-time staff) and the other paid on the 24<sup>th</sup> (for salaried staff).</li> <li>• The District uses a self service payroll platform that is integrated with its ERP; employee-initiated payroll changes are all processed automatically.</li> <li>• <b>Direct Deposit:</b> All district staff are paid via direct deposit.</li> <li>• <b>Timekeeping:</b> Salaried staff do not prepare or submit timecards. Aesop is used to track time for substitute teachers. Hourly staff time is tracked manually by supervisors, who submit an Excel spreadsheet to Finance for input into the payroll system.</li> <li>• <b>Purchasing:</b> The District uses a centralized purchase order system that is integrated with Harris SmartFusion. Schools are able to secure items and services in accordance with district and state regulations. Finance administers an approval process workflow. Moreover, school-based personnel (principals and school bookkeepers) are able to view their budgets, expenditures, and grants at any time via Harris SmartFusion.</li> <li>• <b>Pcard:</b> The District has a Pcard program, but only issued two cards, one to the Business Coordinator and the other to the Purchasing Director. Total Pcard spending in FY16 was \$50,000.</li> </ul>	<ul style="list-style-type: none"> <li>• Standardize payroll to monthly or twice-monthly processes and eliminate the need for extra payrolls. This would reduce annual payroll runs and also enable the finance function streamline processes and free up time to focus on other key responsibilities.</li> <li>• To maximize rebates, the District should explore the possibility of paying monthly invoices to larger vendors such as utilities and supply vendors with Pcards in lieu of checks and ACH. Use of Pcards as alternative payment method will be subject to vendors acceptance of the payment type.</li> </ul>

# FINANCIAL MANAGEMENT SPARTANBURG 01

## 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 maintains one small warehouse that is used primarily as a delivery site; no inventory is stored in that facility long-term.</li><li>• The District tracks inventory for IT, textbooks, library books, and assets worth \$5,000 or more. An external contractor, Valuation Advisory, is retained to perform annual inventory and reporting.</li><li>• <b>Risk Management:</b> The District does not have formal risk management policies. Workers compensation insurance is provided through SCSBIT.</li></ul>	<ul style="list-style-type: none"><li>• Institute risk management policies and procedures to include: (a) risk assessment and management; (b) safety and loss prevention review; (c) insurance claims handling and processes; and (d) insurance policy review and negotiation.</li></ul>

# FINANCIAL MANAGEMENT SPARTANBURG 01

## 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 considerably less reliant on grants than its peers.</li> <li>• <b>Federal Funds:</b> The Finance department works with the instructional grant coordinators to administer grants; the District accountant assists in submitting the budget and ensuring the grant's coding is correct, and the Business Coordinator and the accountant file claims through GAPS. Grant expenditures requiring purchases go through the District's procurement process. These individuals also have access to view their grant's financial status reports within the District's ERP without the Finance Director's assistance.</li> <li>• <b>Grant Writing:</b> Grant officers work collaboratively with Finance to identify and pursue opportunities. The Business Coordinator reviews all applications before they are submitted to ensure that function and object coding is correct. There are always at least two employees at the District who are knowledgeable about grant requirements and reporting deadlines.</li> <li>• <b>Indirect Costs:</b> The District charges some indirect costs against USDA food service grants only.</li> <li>• <b>Grants Monitoring:</b> Grant point of contacts and the District's accountant monitor grant utilization throughout the school year.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider hiring a grant writer to help drive applications for competitive grant opportunities.</li> <li>• Create a consolidated grants tracking report that compares award amount, budget, YTD and cumulative expenditures, and outstanding receivable balances for each grant.</li> </ul>

# FINANCIAL MANAGEMENT SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Internal Controls	Observations	Recommendations
Internal Controls	<ul style="list-style-type: none"> <li>• <b>F/S Audit:</b> The District had no findings or material weaknesses in its FY16 audited financial statements and qualified as a low-risk auditee.</li> <li>• <b>Position Control:</b> The District utilizes position control.</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> </ul>
Cash Management	<ul style="list-style-type: none"> <li>• <b>Days Cash on Hand:</b> The District has a cash balance of 20.66 days cash on hand, which is well below all benchmark group averages.</li> <li>• <b>Grants Receivable Outstanding:</b> At 29.5, the District has a more favorable Days Grants Receivable Outstanding than its benchmark groups.</li> <li>• <b>Days Payable Outstanding:</b> At 27.8, the District's Days Payables Outstanding is less favorable than its benchmark groups.</li> <li>• <b>Cash:</b> The District keeps its cash on deposit with the county treasurer and typically requisitions withdrawals twice per month.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement cash flow forecast to monitor weekly receipts and disbursements to help maximize investment earnings and minimize draw on TANs.</li> </ul>

# FINANCIAL MANAGEMENT SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Cash Management (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Debt:</b> The District's total debt as a share of total revenue is higher than its benchmark peers.</li> <li>• <b>TAN:</b> The District usually issues one TAN to assist with liquidity needs during its cash low points in the first 6 months of the fiscal year. The District will draw on the TAN three times as needed and promptly repay the balance upon receipt of tax revenues.</li> </ul>	
<b>Budget</b>	<ul style="list-style-type: none"> <li>• <b>Budget Planning:</b> The annual budget process is linked with the annual strategic planning process. The District utilizes a hybrid of incremental and resource-based allocations to build its budget for schools and departments.</li> <li>• <b>Fiscal Monitoring:</b> The District revises its budget on an ongoing basis and reports budgeted to actual expenditures to the school board on a monthly basis. Additionally, department heads, grant officers, and school principals have access to the ERP and can view status reports at any time.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should consider conducting a school equity analysis annually to ensure that 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> <li>• Prepare zero-based and / or performance based budget for departmental budgets annually incorporating KPIs that would allow for better estimation of central office staff needs and expenses, and align with the strategic plan.</li> </ul>

# FINANCIAL MANAGEMENT SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>ERP:</b> The District uses Harris SmartFusion for general accounting, payroll and accounts payable, most procurement functions and workflows, and automated workflow approval of requisitions. It also uses the system to facilitate employee self-service for payroll matters.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue exploring opportunities to better utilize the existing Harris SmartFusion software.</li> </ul>
<b>Regional Collaboration</b>	<ul style="list-style-type: none"> <li>• All lead finance staff for Spartanburg County school districts meet monthly to discuss issues of interest. They maintain an active listserv in between these meetings.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other districts within the Region. This could include the following: (a) accounts payable (including purchasing workflow and approval); (b) payroll processing and (c) financial system licenses (potential for volume discounts).</li> </ul>



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# HUMAN RESOURCES SPARTANBURG 01

## HUMAN RESOURCES OVERVIEW

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*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.*

2,406 : 1

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

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

\$41 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>	2.0
Personnel Expense <sup>[3]</sup>	\$168,571
Non-Personnel Expense <sup>[3]</sup>	\$26,800
Total Human Resources Expense <sup>[3]</sup>	\$195,371

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 SPARTANBURG 01

## KEY PERFORMANCE INDICATORS: HUMAN RESOURCES

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



# HUMAN RESOURCES SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Staffing / Organization	Observations	Recommendations
Staffing / Organization	<ul style="list-style-type: none"> <li>• <b>Staffing:</b> The Human Resources function is lean but adequately staffed with the positions required to support recruiting, retention, personnel relations and benefits.               <ul style="list-style-type: none"> <li>• <b>Staffing &amp; Employee Services:</b> 1 FTE, Personnel Analyst.</li> <li>• <b>Certification and Training:</b> 1 FTE, Teacher Quality Coordinator. The Assistant Superintendent for Human Resources also assists with this function.</li> <li>• <b>Talent Management:</b> No dedicated FTEs. The Assistant Superintendent for Human Resources performs this function.</li> <li>• Employee Benefits and Retirement Services:</li> <li>• <b>Substitute and Temporary Employment:</b> 1 FTE, Administrative Assistant.</li> <li>• <b>Administrative:</b> 1 FTE, Receptionist</li> </ul> </li> <li>• <b>Human Resources Cost Per Pupil:</b> The HR cost per pupil for the district (\$41) is lower than most benchmark groups.</li> <li>• <b>Student per Human Resources FTE:</b> The FTE to human resources FTE ratio, at 2,406, is more favorable than its benchmark peers,</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.</li> <li>• Cross-train staff to be able to do multiple functions.</li> </ul>
Recruiting and Retention	<ul style="list-style-type: none"> <li>• Due in part to its partnerships with colleges and universities in the community, the District has not faced severe staffing challenges in recent years. The District filled 20 vacancies in advance of the current school year and currently has no vacancies.</li> <li>• The District does not currently employ any international contract teachers.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider compensation study for all instructional and non-instructional staff and / or implementation of incentive programs to recruit and retain staff 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 SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Recruiting and Retention</b>	<ul style="list-style-type: none"> <li>• <b>Teacher Pay:</b> At \$48,907, the average teacher salary for the District is above the state average.</li> <li>• <b>Teacher Retention:</b> The teacher retention rate is 88.2%, above the statewide average but slightly lower than all other benchmark groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct exit interviews to gather information on the causes of employee attrition, and use the results of the process to formulate an effective teacher retention plan</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• The District leverages Aesop for timekeeping.</li> <li>• The District delivers most of its professional development opportunities through technological platforms like Google Hangouts in addition to site-specific training.</li> </ul>	<ul style="list-style-type: none"> <li>• Capitalize on functionality provided by Frontline technology to fully automate the application to onboarding process.</li> </ul>

# HUMAN RESOURCES SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Benefits administration is handled by staff in the Finance department.</li> </ul>	<ul style="list-style-type: none"> <li>In collaboration with other 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>Evaluate the possibility of transferring benefits administration to the Human Resources department to better align with the function with all customer service for employees.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>The Human Resources director participates in the ongoing multi-district meetings between other Spartanburg County districts and Union and Cherokee county districts.</li> <li>The District participates in teacher recruiting initiatives coordinated through multi-district partnerships with area colleges and universities. These partnerships are a primary feeder for new teachers into the District.</li> <li>The District does not collaborate with other school districts on human resource system licenses or arrangements with international or local staffing agencies.</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> <li>H1B Process for International Teachers</li> </ul> </li> <li>Consider creating a regional recruitment and training center focused on teacher recruitment across multiple districts.</li> </ul>



## OUTLINE

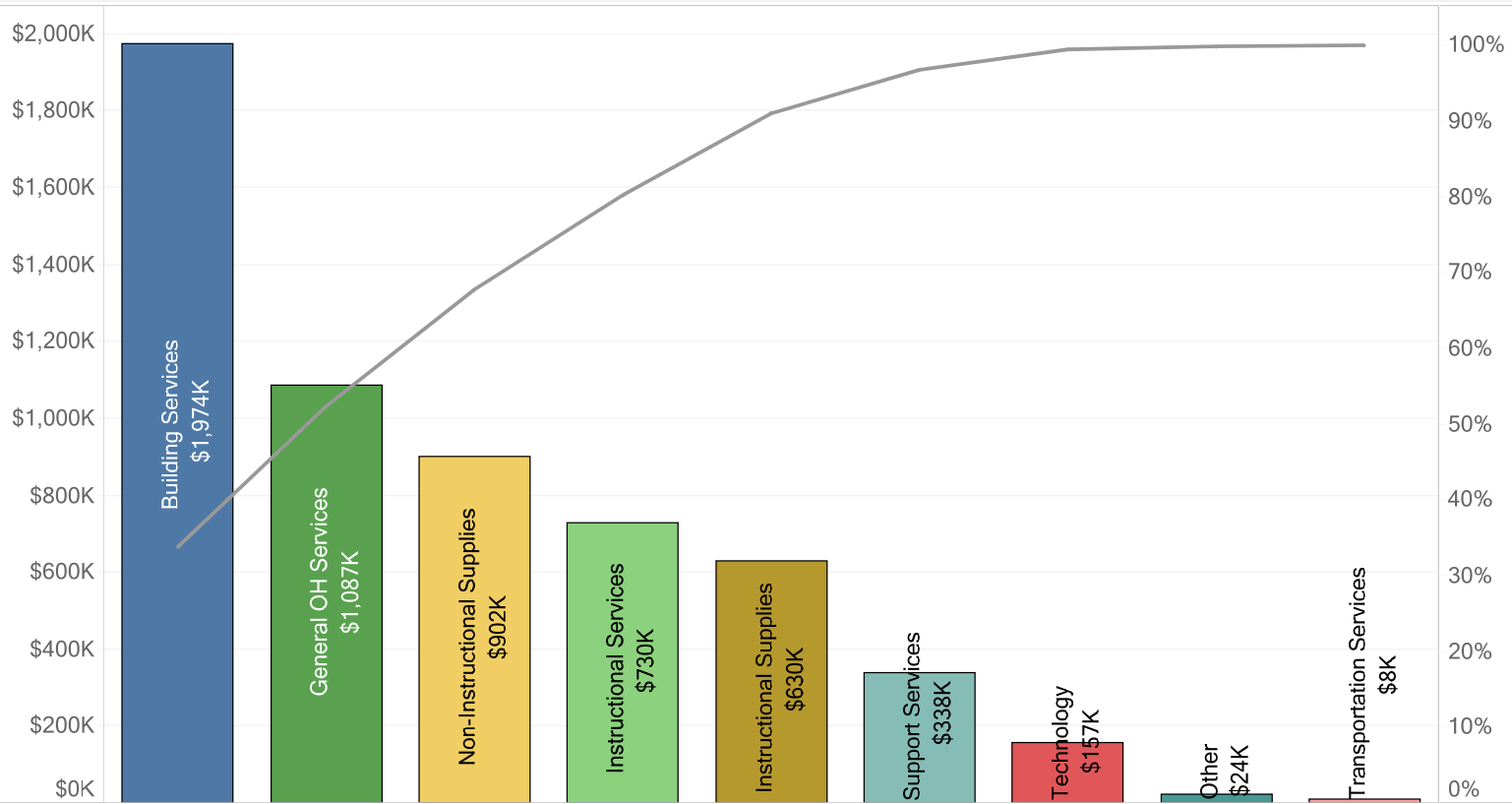
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# PROCUREMENT SPARTANBURG 01

## 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> = \$5,849,661

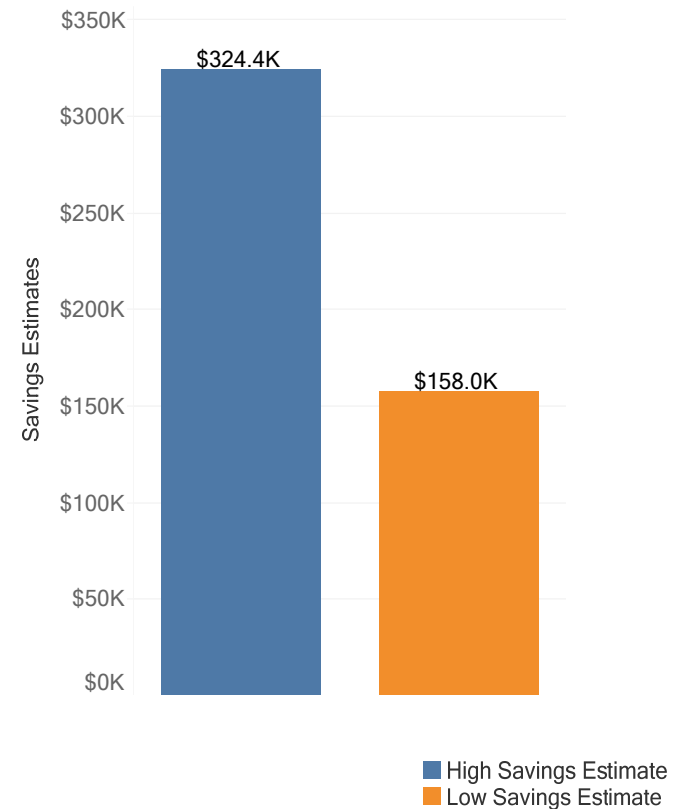


# PROCUREMENT SPARTANBURG 01

## 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 SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Organization / Staffing	Observations	Recommendations
Organization / Staffing	<ul style="list-style-type: none"> <li>The District's Procurement function is housed within the Finance department. The Procurement Director reports to the Business Director.</li> </ul>	<ul style="list-style-type: none"> <li>Leverage additional resources to better optimize procurement functions. See Regional Collaboration below.</li> </ul>
Spending by Vendor	<ul style="list-style-type: none"> <li>Spending is fragmented across more than 2,013 vendors, however, the top 31 make up more than 80% of total spending.</li> <li><b>Collaborative Contracts:</b> Spartanburg County school districts with spending in excess of \$75 million annually (state procurement districts) occasionally collaborate on contract vehicles with other South Carolina school districts. Recent examples of these contracts include one for flooring, and another for cleaning supplies.</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>Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts.</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>Perform annual review of vendor performance (on time, complete, quality) to assess opportunities to reduce or eliminate non-value add services.</li> </ul>

# PROCUREMENT SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Spending by Category	Observations	Recommendations
Spending by Category	<ul style="list-style-type: none"> <li>• <b>Building and Maintenance:</b> These services are bid out using state procurement guidelines.</li> <li>• <b>Food Services:</b> The District has a collaborative contract agreement with Chartwell for comprehensive food services. This agreement is negotiated and awarded in collaboration with Spartanburg districts 1, 2, 3, and 5.</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 places procurement of instructional support software and services out to bid. Typically, the District does not procure these services and software in collaboration with any other districts.</li> <li>• <b>Technology – Standardization:</b> The District has participated in collaborative IT procurements with other Spartanburg County districts.</li> </ul>	<ul style="list-style-type: none"> <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>• Coordinate purchasing of instructional services with surrounding districts to maximize the potential for volume discounts.</li> <li>• Consider establishing fixed rate contract for natural gas.</li> <li>• Coordinate purchasing of facilities services such as HVAC, electrical and plumbers with surrounding districts to maximize the potential for volume discounts.</li> </ul>

# PROCUREMENT SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Regional Collaboration	Observations	Recommendations
Regional Collaboration	<ul style="list-style-type: none"> <li>• The District collaborates with other Spartanburg County districts on major purchases as detailed in this section.</li> <li>• <b>Food Services Contract:</b> Spartanburg County school districts 1, 2, 3, 5, and 7 collectively bid out for comprehensive food services every five years. Bids are collectively reviewed, and all five districts award their business to one contractor, thereby achieving greater economies of scale.</li> <li>• <b>Minority Vendor Fair:</b> All Spartanburg County districts participate in an annual minority vendor fair coordinated by Spartanburg 7. Spartanburg 7 runs an in-house program to certify minority vendors and/or woman-owned businesses. The District invites qualified vendors doing business with the City of Spartanburg and Spartanburg County as well as those doing business with school districts throughout the county.</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 SPARTANBURG 01

## TRANSPORTATION OVERVIEW: STATE VS. DISTRICT

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

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

# TRANSPORTATION SPARTANBURG 01

## 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>

# \$165 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>	2.2
Personnel Expense <sup>[3]</sup>	\$783,309
Non-Personnel Expense <sup>[3]</sup>	\$8,208
Total Transportation Expense <sup>[3]</sup>	\$791,517

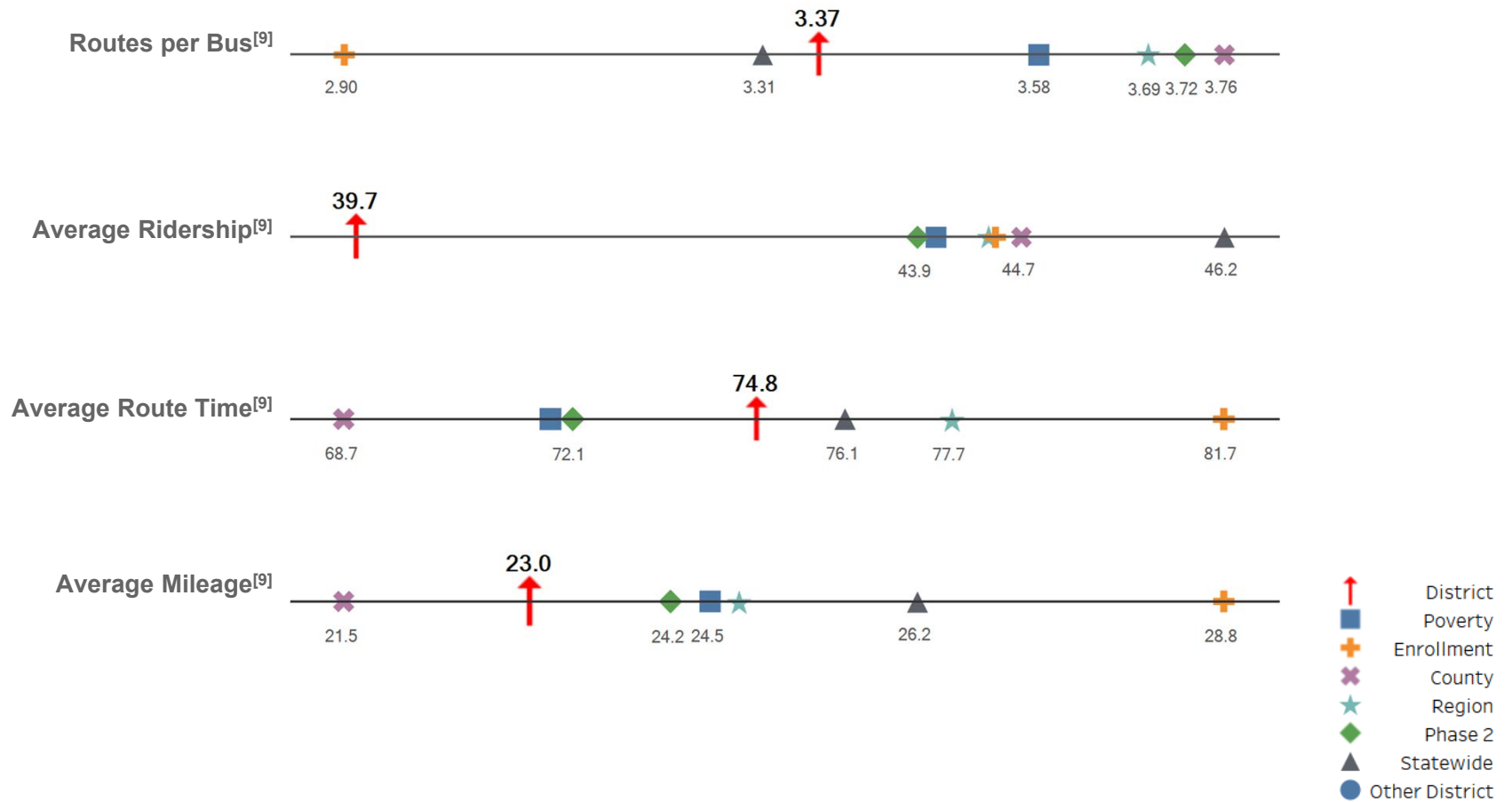
NOTE: FTEs reflected in table above may not reflect dually employed bus drivers.

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	19.0	64	3.4	2,538	40	75	23
Special Needs	5.3	16	3.0	75	5	Not-Available	37
Other	3.7	19	5.1	600	32	Not-Available	20
Total	28.0	99	3.5	3,213	N/A	N/A	N/A

# TRANSPORTATION SPARTANBURG 01

## KEY PERFORMANCE INDICATORS: REGULAR ROUTES ONLY

The metrics below show how the District compares to other districts for key operating metrics on transportation routing for general education students.



# TRANSPORTATION SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Staffing / Organization	Observations	Recommendations
Staffing / Organization	<ul style="list-style-type: none"> <li>• <b>Driver Recruitment and Retention:</b> The District has minor difficulty in recruiting bus drivers when the local labor market is strong.</li> <li>• <b>Dual Employment:</b> 10 out of the District's 28 bus drivers are dual-employed as teacher's aides. These individuals are coded as teachers' aides in the personnel roster and are not reflected in the transportation metrics for this study.</li> <li>• <b>Substitute Bus Drivers:</b> The District maintains a small pool of 8 substitute drivers, which has proved sufficient.</li> <li>• <b>Staggered Bus Routes:</b> The District runs staggered bus routes and has staggered school bell times as well.</li> <li>• <b>Bus Driver Pay:</b> Bus drivers are currently paid a starting rate of \$11 per hour, approximately \$2.30 above state pay 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 SPARTANBURG 01

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Routing and Bus Management</b>	<ul style="list-style-type: none"> <li>• <b>Routing Software:</b> The district does not utilize routing software.</li> <li>• <b>GPS:</b> The district does not have GPS on its buses. All new state buses are equipped with this capability, so some of the District's buses have this technology as the fleet is renewed.</li> <li>• <b>Communications:</b> The district provides radios to drivers.</li> <li>• <b>Security Cameras:</b> The district has AngelTrax security camera systems on some, but not all, of its buses.</li> <li>• <b>Stop-Arm Cameras:</b> The district does not have stop-arm cameras on buses because there is no enforcement value until State law changes.</li> <li>• <b>Activity Buses:</b> The District has a fleet of 22 activity buses that range in size. Most service to this fleet is provided externally by Carolina Bus Sales.</li> </ul>	<ul style="list-style-type: none"> <li>• Install routing software and GPS on all existing buses to create tracking capability, enhance safety, and collect data for later use in route optimization.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• The District pays the fiscal agent district for the cost of transportation of in-district students to out-of-district programs, like the alternative school or the special needs school.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should consider sharing route planning functions across all districts.</li> </ul>

# APPENDIX A: SAVINGS METHODOLOGY



# APPENDIX A: SAVINGS METHODOLOGY

## SPARTANBURG 01

### APPROACH TO SAVINGS

#### GENERAL APPROACH TO ESTIMATING INVESTMENTS AND SAVINGS

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

#### FINANCE AND HUMAN RESOURCES

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

#### PROCUREMENT

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

#### TRANSPORTATION

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

# APPENDIX A: SAVINGS METHODOLOGY

## SPARTANBURG 01

### 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.

# APPENDIX A: SAVINGS METHODOLOGY

## SPARTANBURG 01

### SAVINGS ANALYSIS BY FUNCTIONAL COMPONENT

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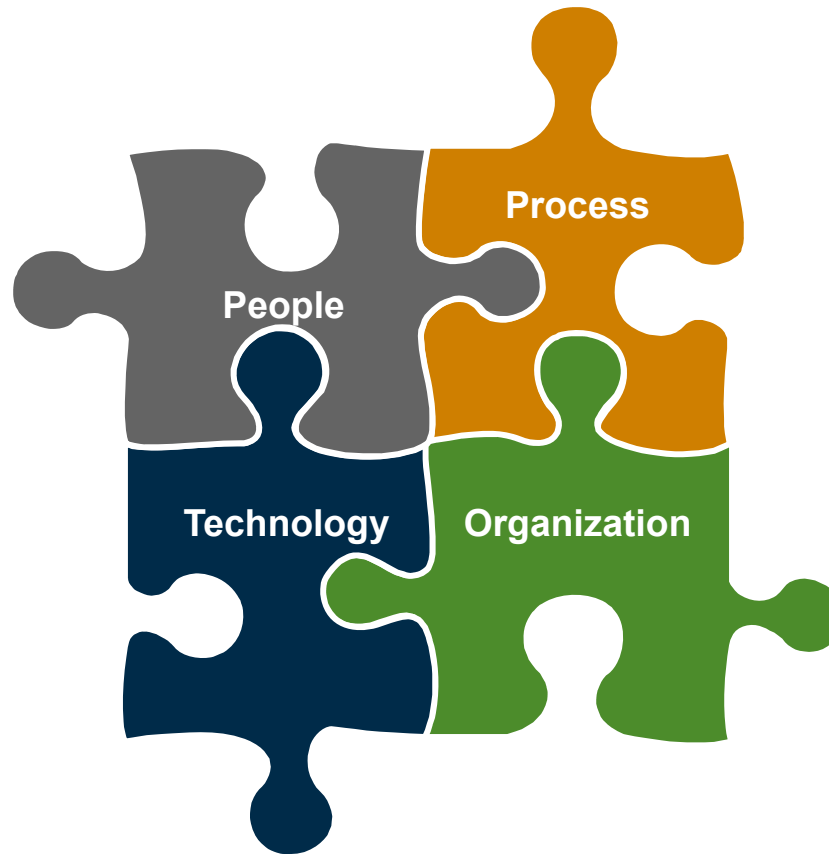
#### PEOPLE

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

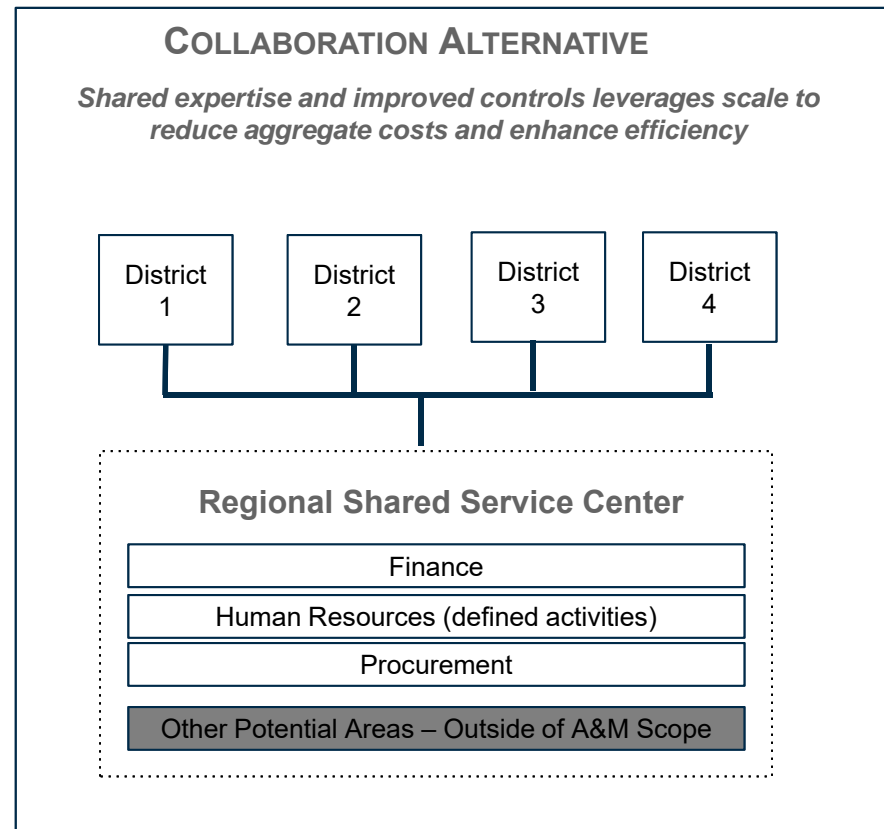
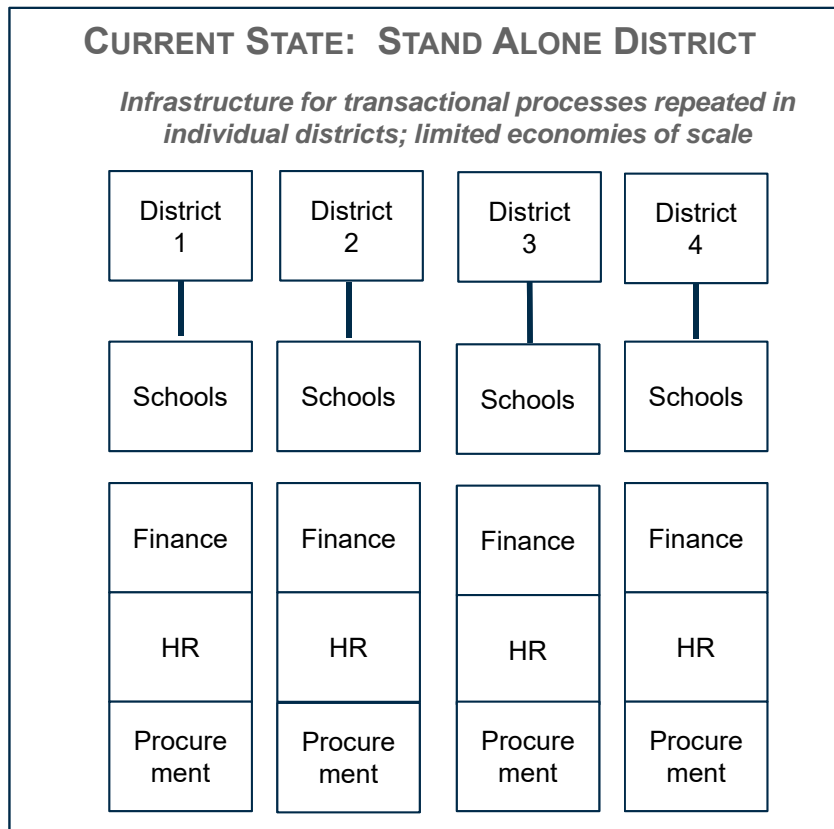
An analysis of each organization's staffing levels on an As-Is Basis, against peer benchmarks, and in a regional collaborative model were conducted to assess overall efficiency and effectiveness.

# APPENDIX A: SAVINGS METHODOLOGY

## SPARTANBURG 01

### COLLABORATION: SHARED SERVICE MODELS

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



*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

## SPARTANBURG 01

### SHARED SERVICES MODEL: SAVINGS APPROACH

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

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

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

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

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

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

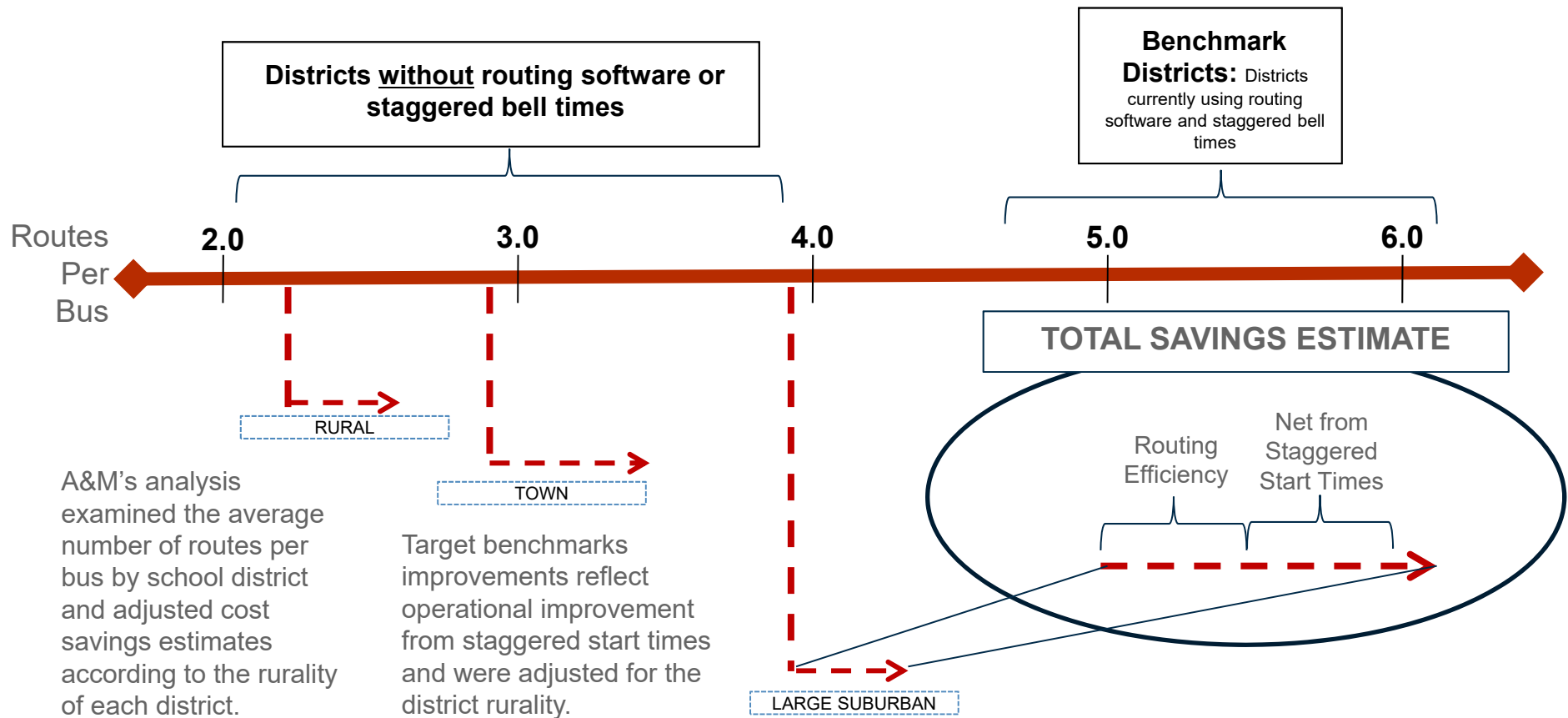
***Preliminary estimates, excluding costs of one-time investments related to technology and organizational changes, of potential savings from collaboration of financial management functions across districts range from 8.9% to 30.1%.***

# APPENDIX A: SAVINGS METHODOLOGY

## SPARTANBURG 01

### 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 SPARTANBURG 01

## TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

### DISTRICT EXAMPLE OF COST SAVINGS OPPORTUNITIES FROM ROUTING SOFTWARE

#### 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 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

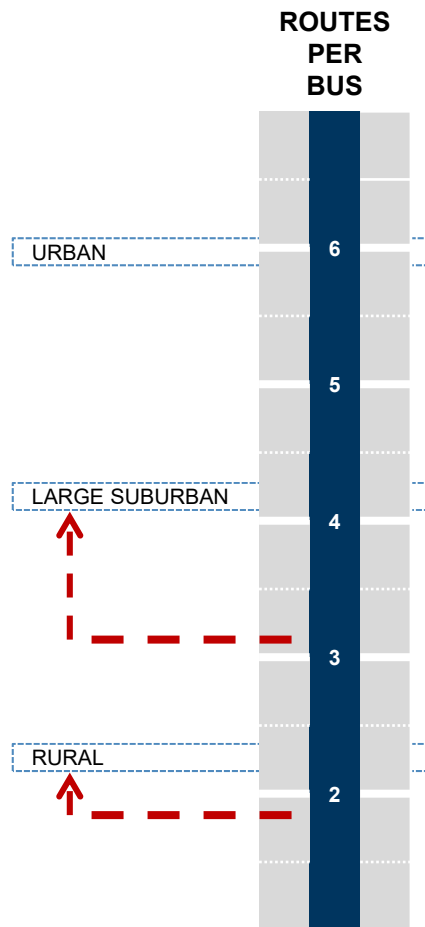
## SPARTANBURG 01

### TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

#### Savings from Increased Utilization:

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

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



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

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

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

# APPENDIX A: SAVINGS METHODOLOGY

## SPARTANBURG 01

### COLLABORATION: PURCHASING COORDINATION AND AGGREGATION

Given the size of many of the individual districts, there is little leverage to negotiate best pricing or invest in resources needed to develop or implement a defined procurement strategy. These districts would benefit from greater purchasing coordination, aggregation of buying power and minimum commitments in order to improve overall pricing.

#### EXAMPLES OF STATE-WIDE PROCUREMENT OPPORTUNITIES

##### Example 1: Differentiated Pricing in Professional Services

District	Labor Rate Mark-up for Temporary Staff
District A	0.43 to 0.49
State Contract	0.40
District B	0.39

- At a minimum, many districts could benefit from leveraging State contracts. Districts could additionally benefit from favorable pricing negotiated by other districts.

##### Example 2: Volume Discounts and Rebates with a Technology Vendor

Minimum \$ Value	Discount
\$50,000	1%
\$100,000	2%
\$200,000	4%
\$500,000	6%
\$1,000,000	8%

- Nearly all districts could benefit from additional discounts by aggregating spend statewide.

# APPENDIX A: SAVINGS METHODOLOGY

## SPARTANBURG 01

### PURCHASING COORDINATION AND AGGREGATION: SAVINGS APPROACH

In order to develop a range of savings that a purchasing consortium would yield, A&M estimated savings based on current district spend and applied savings ranges based on the experience that our clients have achieved by partnering with A&M on strategic sourcing.

To determine actual savings amounts by District, A&M applied the savings ranges to FY16 expenditure data from the State. The expenditure data from the State is summarized at function and major object codes.

Given the approach to estimate savings was a top-down approach rather than a bottom-up approach of savings by vendor, the estimates of savings achieved through purchasing coordination are high-level estimates.

	Range of Savings: A&M Strategic Sourcing Experience	
	Low	High
Building Services	3.2%	7.2%
Non-Instructional Supplies	2.5%	5.5%
Instructional Supplies	2.5%	5.5%
Instructional Services	6.0%	10.0%
Support Services	2.6%	6.2%
Technology	3.4%	6.3%
Other	3.7%	7.3%
Overhead Services	3.4%	6.7%
Transportation Services	2.8%	8.5%

*Preliminary estimates of potential savings from increased collaboration of purchasing across districts range from 2.0% to 5.1%.*

# APPENDIX B: DATA SOURCES



# APPENDIX B: DATA SOURCES

## SPARTANBURG 01

### [1] FY 16 District Report Card

### [2] State-provided enrollment numbers:

- **FY 15 135-Day ADM:** The only use of the FY 15 enrollment numbers is for the enrollment trend
- **FY 16 135-Day ADM:** All calculations made using FY 16 expense data and enrollment data rely on the FY 16 135-Day ADM
- **FY 17 45-Day ADM:** All calculations made using FY 17 personnel data and enrollment data rely on the FY 17 135-Day ADM

\*Number of schools calculated using state ADM files

### [3] State-provided FY 16 district expenses

\*In-scope procurement and categorization is determined by a mapping completed by A&M based on expense function & object codes. These values exclude all expenses where fund code = 400, 500, or 700 (Debt, Capital, and Pupil Activity funds respectively).

### [4] District-provided FY 17 personnel rosters

### [5] State-provided FY 16 district revenue

### [6] A&M Functional Area Mapping

- If "Function Code" begins with 1## Then "Instruction"
- If "Function Code" = 252, 257, or 259 Then "Financial Management"
- If "Function Code" = 264 Then "Human Resources"
- If "Function Code" = 231, 232, 261, 262, or 265 Then "Overhead"
- If "Function Code" = 251 or 255 Then "Transportation"
- If "Function Code" begins with 2## and not in lists above Then "Support Services"
- If "Function Code" begins with 3## Then "Community Services"
- If "Function Code" begins with 4## Then "Other"
- If "Function Code" begins with 5## Then "Debt"

### [7] FY 16 Comprehensive Annual Financial Report (CAFR)

### [8] Historical A&M Procurement Savings and assumption of district collaboration in the procurement function

### [9] FY 16 State-provided transportation data

## APPENDIX B: FORMULAS DEFINED SPARTANBURG 01

### Sources [2],[3]

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

### Sources [2],[4]

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

## APPENDIX B: FORMULAS DEFINED SPARTANBURG 01

### Source [5]

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

### Source [3],[7]

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

### Source [5],[7]

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

### Source [9]

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

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