



# ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION  
SCHOOL DISTRICT EFFICIENCY REVIEW

**Greenwood 50**

**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

## GREENWOOD 50

### PROJECT OVERVIEW

---

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

# EXECUTIVE SUMMARY

## GREENWOOD 50

### PROJECT OVERVIEW (CONTINUED)

---

- A&M conducted School Efficiency Reviews of 79 of the 82 school districts in the State across two phases, each of which approximated nine weeks. Phase 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

## GREENWOOD 50

### PROJECT OVERVIEW (CONTINUED)

---

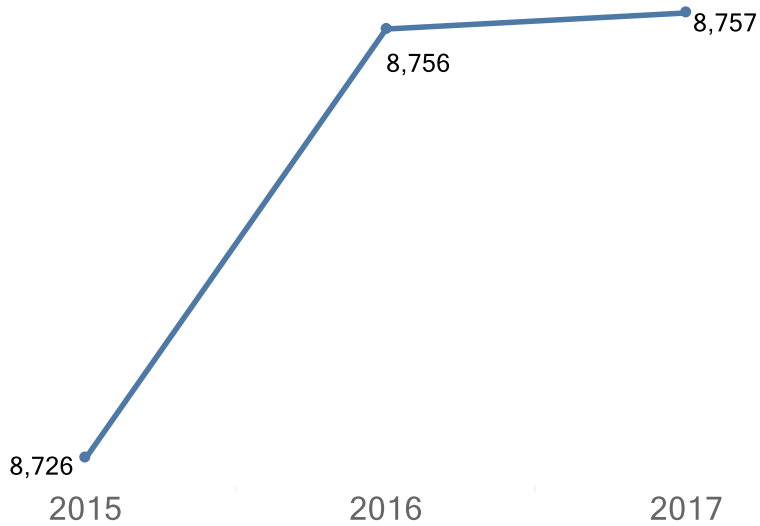
#### ➤ Sources of Data and Savings Estimates:

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

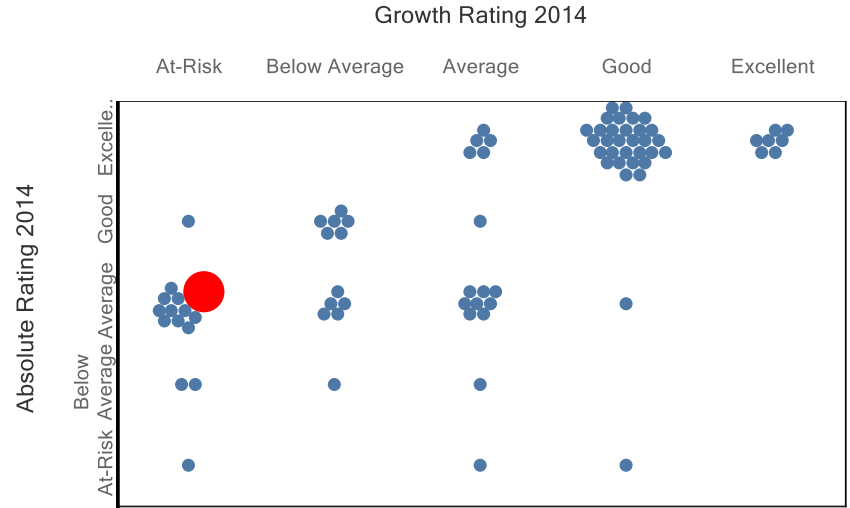
# EXECUTIVE SUMMARY

## GREENWOOD 50

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



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



### General Info

Number of Schools <sup>[2]</sup>	13
% Poverty <sup>[1]</sup>	68.8%
% Disability <sup>[1]</sup>	11.5%
\$ Per Student <sup>[2],[3]</sup>	\$10,185
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$9,603

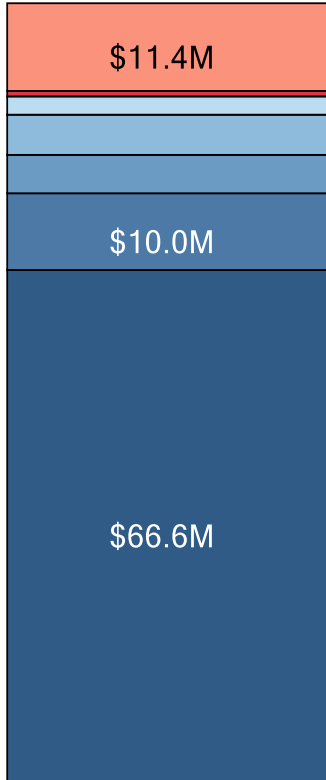
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	9.6
Students Per Overhead FTE <sup>[2],[4]</sup>	437.8
Students Per School Support FTE <sup>[2],[4]</sup>	33.1
Students to Total FTE <sup>[2],[4]</sup>	7.3

# EXECUTIVE SUMMARY

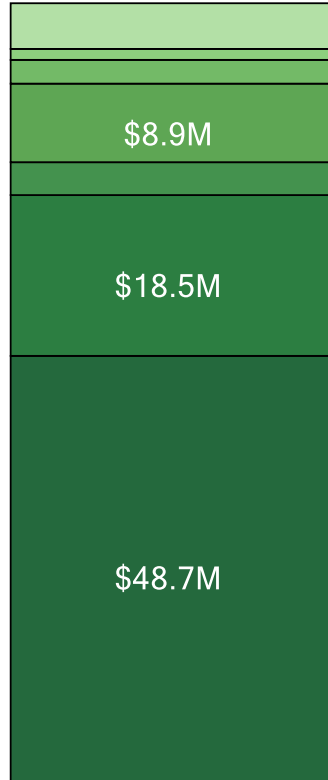
## GREENWOOD 50

Sources of Funds<sup>[5]</sup>  
\$101.4M



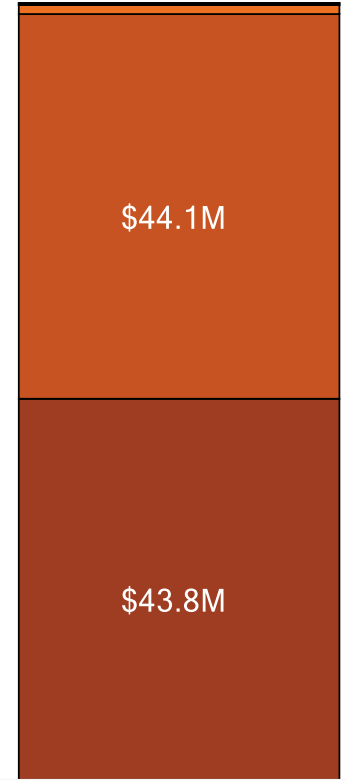
2015-2016

Use of Funds - Type<sup>[3]</sup>  
\$89.2M



2015-2016

Use of Funds - Function<sup>[3]</sup>  
\$89.2M



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

## GREENWOOD 50

\$89.2M  
Total

\$12.2M  
In-Scope

\$77.0M  
Not In-Scope

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

	In Scope Spend <sup>[3]</sup>	Procurement Component
Finance	\$950,803	\$74,025
Human Resources	\$606,857	\$76,107
Overhead	\$734,992	\$361,117
Transportation	\$2,206,791	\$152,993
Procurement (Community Services, Instruction, Support Services)	\$7,704,802	\$7,704,802
<b>TOTAL</b>	<b>\$12,204,245</b>	<b>\$8,369,044</b>

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## GREENWOOD 50

### GOALS, CHALLENGES & ACHIEVEMENTS

#### District Goals

**Mission:** The mission of Greenwood School District 50 is to educate, empower, and enable all students to achieve personal excellence in a global society.

- **Student Achievement:** Ensure all students are reading on grade level by 3<sup>rd</sup> grade.
- **Professional Development:** Roll-out the Read to Succeed program to instructors.
- **Student Opportunity:** Provide equitable educational programs and learning experiences for all students in all classrooms.
- **Career Development:** Will ensure, through incentives for voluntary transfers, the provision of professional development, recruitment programs, or other effective strategies, that low-income students and minority students are not taught at higher rates than other students by unqualified, out-of-field, or inexperienced teachers.

#### Achievements

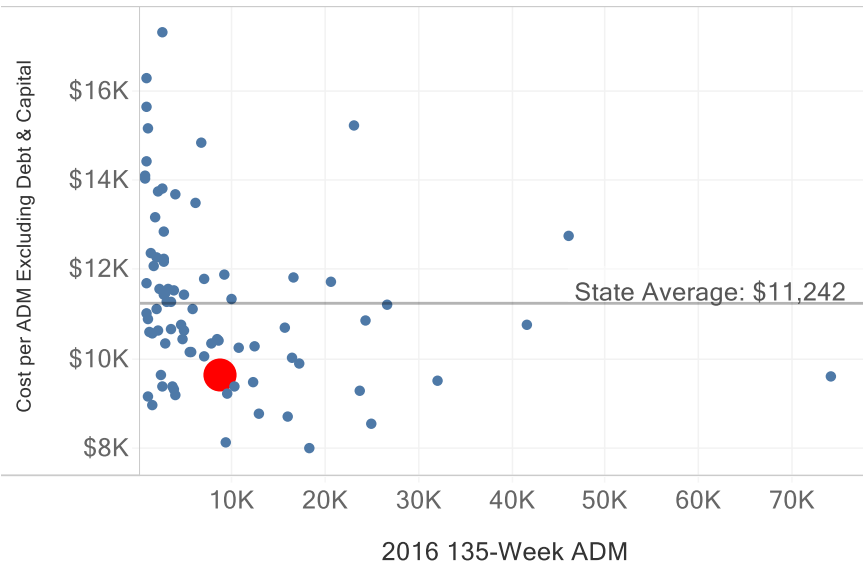
- **Technology:** Achieved 1:1 technology in the classroom at all levels.
- **Facilities:** Built 6 new schools in the Superintendent's tenure and completed renovations across all other schools.
- **Student Opportunity:** Established the Greenwood Promise, a public-private partnership through which any student that qualifies and applies can attend Piedmont Technical College with any uncovered costs paid for by the foundation. This is a program that benefits Greenwood 51 and 52 as well.

#### Challenges

- **Financial:** Funding levels from the state pose a challenge to the District as the District feels the BSC has not risen in accordance with the cost of delivering education.
- **Student Demographics:** An increasingly high percentage of Latino students poses a challenge to providing adequate levels of ESOL instruction.

## 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 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 size of the District, there are a range of 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

## GREENWOOD 50

### OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
<b>Finance</b>	<ul style="list-style-type: none"> <li>• <b>Financial Management:</b> The District has a substantial unrestricted fund balance relative to enrollment peer districts.</li> <li>• <b>Staffing and Organization:</b> The Finance organization is adequately staffed to support the scope of its roles and responsibilities over accounting, payroll, accounts payable, budget, treasury, financial reporting, and procurement. The District has higher staffing levels than their enrollment peer group but the finance cost per student is line with peers.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The Human Resources organization is a 6-person team that manages Professional Development, Recruiting and Retention, Benefits Administration, and personnel issues.</li> <li>• <b>Challenges with Recruiting and Retention:</b> The District addresses recruiting challenges by offering sign-on bonuses for new teachers and ensuring a presence at multiple college career fairs across the state.</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> The District utilizes routing software that improves routing efficiencies.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The District's Business Department dedicates several resources to procurement.</li> <li>• <b>Strategic Sourcing:</b> Contracts are negotiated with volume discounts. There is significant off-contract purchasing and collaboration across districts.</li> </ul>
<b>Overhead</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The Office of the Superintendent includes the Superintendent and a secretary. The District has a favorable Student to Overhead FTE ratio compared to peer districts.</li> <li>• <b>Collaboration:</b> Collaboration with other Superintendents occurs through WPEC, the SC Procurement Group, Palmetto Alliance, and within Greenwood County (i.e. shared technology, career, and adult centers).</li> </ul>

## RECOMMENDATIONS

---

*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

## GREENWOOD 50

### 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>Process Improvements:</b> Ensure all finance and procurement-related processes are automated and paperless to limit remaining manual activities.</p>	<p><b>Process Improvements:</b> Continue to 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>Collaboration:</b> Enable smaller, neighboring districts to purchase off individually negotiated contracts.</p> <p>Monitor compliance with major contracts and analyze spending distribution on an ongoing basis to identify opportunities for potential savings.</p>	<p><b>Process Improvements:</b> Staggered Bell Times: Complete analysis (in conjunction with use of routing software) to evaluate potential financial benefits of expanding staggered bell times using routing software.</p>

# EXECUTIVE SUMMARY

## GREENWOOD 50

### 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

## GREENWOOD 50

### 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

## GREENWOOD 50

### 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	\$10,000	\$25,000	\$95,500	\$286,500
Human Resources	0	0	0	61,300
Procurement	0	0	200,600	427,600
Transportation – District	N/A	N/A	0	0
<b>District Total</b>	<b>10,000</b>	<b>25,000</b>	<b>296,100</b>	<b>775,400</b>
Transportation – State	0	0	0	0
<b>Total</b>	<b>\$10,000</b>	<b>\$25,000</b>	<b>\$296,100</b>	<b>\$775,400</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.*



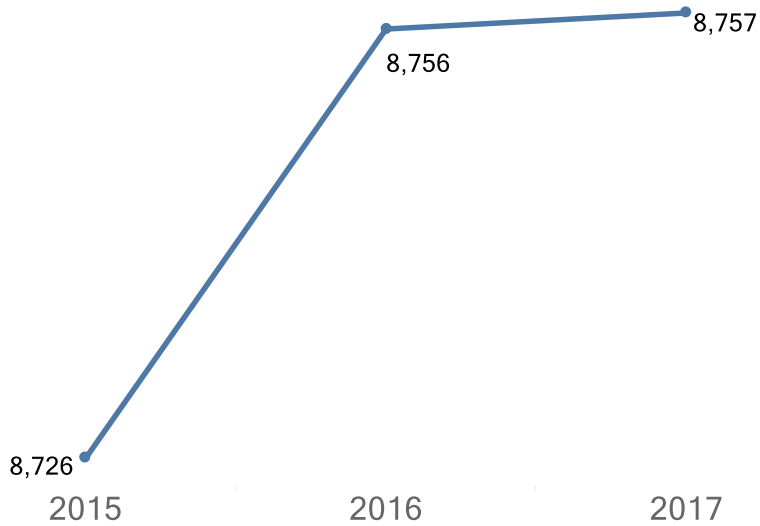
## OUTLINE

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

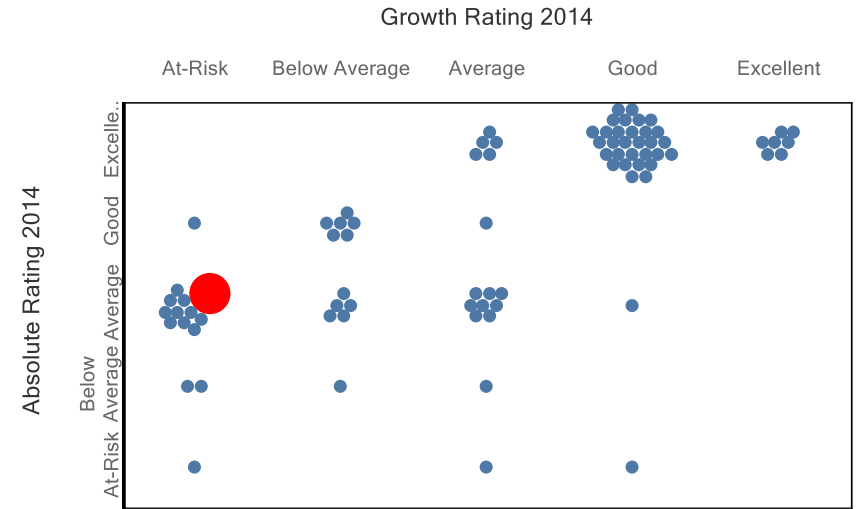
# DISTRICT ADMINISTRATION AND PERFORMANCE

## GREENWOOD 50

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



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



### General Info

Number of Schools <sup>[2]</sup>	13
% Poverty <sup>[1]</sup>	68.8%
% Disability <sup>[1]</sup>	11.5%
\$ Per Student <sup>[2],[3]</sup>	\$10,185
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$9,603

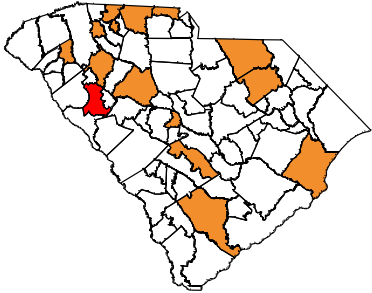
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	9.6
Students Per Overhead FTE <sup>[2],[4]</sup>	437.8
Students Per School Support FTE <sup>[2],[4]</sup>	33.1
Students to Total FTE <sup>[2],[4]</sup>	7.3

# DISTRICT BENCHMARKING

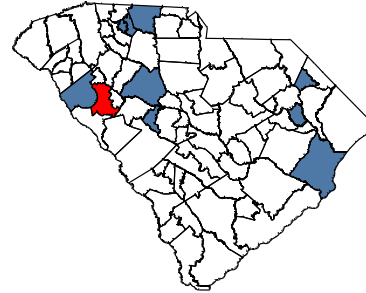
## GREENWOOD 50

### Enrollment (5,000 - 10,000)



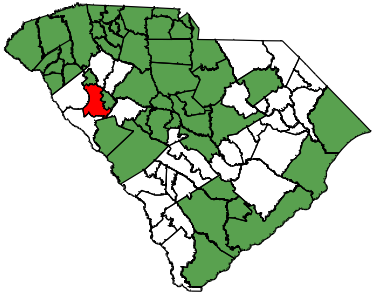
- |              |                |
|--------------|----------------|
| Anderson 01  | Orangeburg 05  |
| Cherokee     | Spartanburg 02 |
| Chesterfield | Spartanburg 05 |
| Colleton     | Spartanburg 07 |
| Darlington   | York 02        |
| Georgetown   |                |
| Greenwood 50 |                |
| Laurens 55   |                |
| Lexington 02 |                |
| Newberry     |                |

### Poverty (65% - 70%)



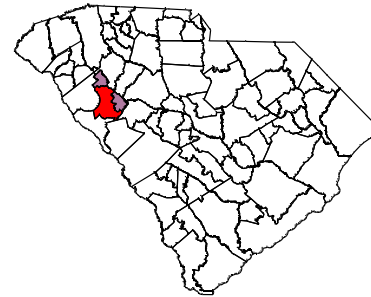
- |                |                |
|----------------|----------------|
| Abbeville 60   | Spartanburg 07 |
| Cherokee       |                |
| Dillon 03      |                |
| Florence 02    |                |
| Georgetown     |                |
| Greenwood 50   |                |
| Lexington 03   |                |
| Newberry       |                |
| Spartanburg 03 |                |

### Phase 1 (No)



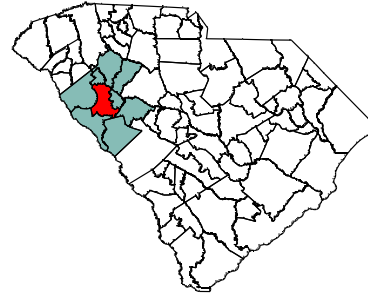
- |               |                       |
|---------------|-----------------------|
| Aiken         | Greenwood 52          |
| Anderson 01   | Horry                 |
| Anderson 02   | Kershaw               |
| Anderson 03   | Lancaster             |
| Anderson 04   | Lexington 01          |
| Anderson 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 (Greenwood)

- Greenwood 50  
Greenwood 51  
Greenwood 52



### Region (Upper Savannah)

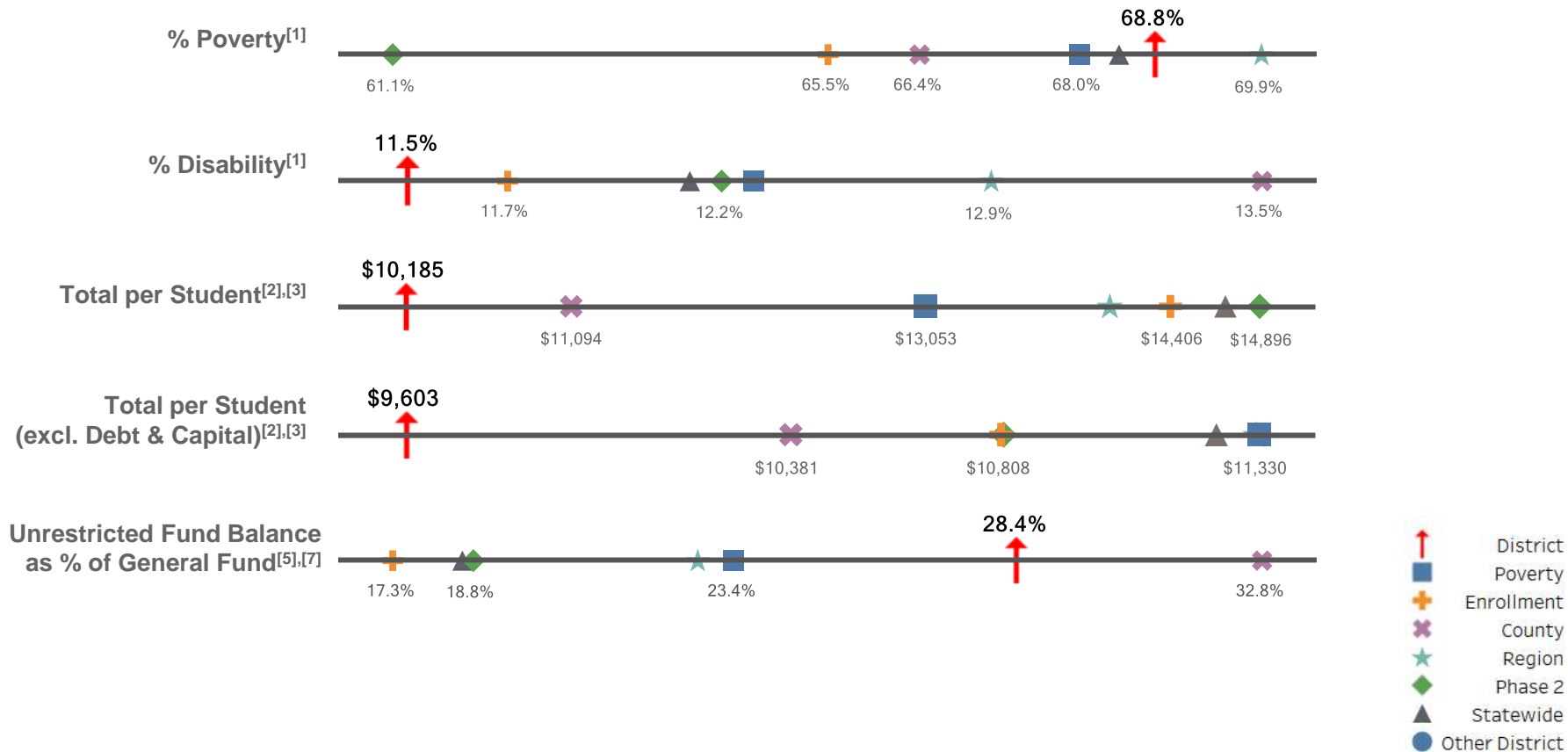
- Abbeville 60  
Edgefield  
Greenwood 50  
Greenwood 51  
Greenwood 52  
Laurens 55  
Laurens 56  
McCormick  
Saluda

# DISTRICT OVERVIEW

## GREENWOOD 50

### KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

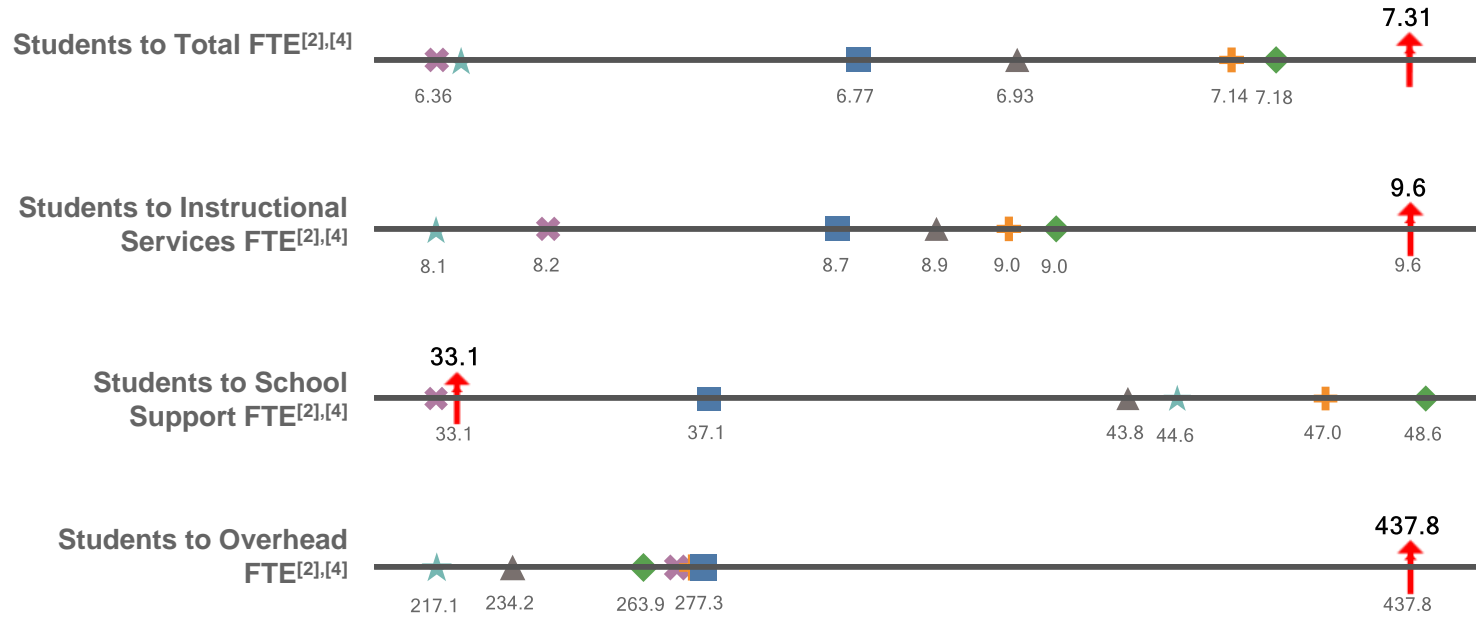
*The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.*



# DISTRICT OVERVIEW

## GREENWOOD 50

### KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



# DISTRICT OVERVIEW AND OVERHEAD

## GREENWOOD 50

### 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 steady for the past three years, hovering above 8,700 students.</li> <li>• <b>Student Demographics:</b> The District's poverty level of 68.8% is in line with the statewide average of 68.4%, while the District is serving an increasingly high percentage of Latino students, requiring increased ESOL resources to provide adequate instruction.</li> <li>• <b>Competition:</b> The District is the largest of three in the County and does not feel that charter or private schools pose competition for student enrollment.</li> <li>• <b>Long-term Planning:</b> The District does not prepare long term enrollment projections to help inform long-term planning.</li> </ul>	<ul style="list-style-type: none"> <li>• As best practice, the District should develop a long-term enrollment forecast to anticipate and better plan for enrollment changes, ensuring long term financial stability.</li> </ul>
<b>District Funding and Resource Allocation</b>	<ul style="list-style-type: none"> <li>• <b>Financial Viability:</b> The District's steady enrollment, lack of competition for student enrollment, strong local economy, as well as a strong fund balance all indicate financial stability.</li> <li>• <b>Per Pupil Expenses:</b> When excluding debt and capital, the District has a lower Per Pupil Expense relative to peers (\$9,603 compared to the peer district enrollment benchmark of \$10,808).</li> <li>• <b>Unrestricted Fund Balance:</b> The District has an Unrestricted Fund Balance that is 28% of General Fund revenues compared to the statewide average of 19%, indicating a strong financial position.</li> </ul>	

# DISTRICT OVERVIEW AND OVERHEAD

## GREENWOOD 50

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>District Funding and Resource Allocation (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Resource Allocation:</b> The District reports a student to total FTE ratio that is comparable to its enrollment peer group, with a particularly favorable student to Overhead FTE ratio, indicating efficient operating costs per capita.</li> <li>• <b>Student to FTE:</b> The Student to Total FTE ratio for the District is comparable to that of the District's enrollment peer group (7.3 compared to 7.1).</li> <li>• <b>Student to Instructional Services FTE:</b> The Student to Instruction ratio is less favorable than that of the District's enrollment peer group (9.6 to 9.0), indicating the need to shift resources from support services to instructional services.</li> <li>• <b>Student to School Support FTE:</b> The Student to Support Services ratio is considerably less favorable than that of the District's enrollment peer group (33.1 compared to 47.0).</li> <li>• <b>Student to Overhead FTE:</b> The Student to Overhead Ratio is considerably more favorable than that of the District's enrollment peer group (437.8 vs. 234.2).</li> </ul>	<ul style="list-style-type: none"> <li>• The District should continue to monitor non-instructional vacancies closely as has been common practice to determine if filling these positions is necessary, particularly in the area of School Support Services where ratios are less favorable compared to the District's peer group by enrollment. This area includes Food Services, Facilities, and Transportation.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## GREENWOOD 50

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Role of Superintendent:</b> The Office of the Superintendent is comprised of the District Superintendent and a secretary. The Superintendent is supported by department directors including Business (Finance, Procurement), Human Resources, and Transportation.</li> <li>• <b>Legal:</b> District has no legal department. If legal advice is required, District utilizes an outside firm.</li> <li>• <b>Turnover:</b> The Superintendent has served for the past 11 years and is very familiar with the Community in Greenwood County.</li> </ul>	
<b>Philanthropy</b>	<ul style="list-style-type: none"> <li>• The District cultivates relationships with local organizations and businesses including (this is not an exhaustive list):</li> <li>• <b>Instructional Supplies:</b> Capsugel donates \$30-50k per year for STEM instruction and instructional supplies.</li> <li>• <b>Student Assistance:</b> The Lions Club funds sight and vision screenings for students.</li> <li>• <b>Professional Development:</b> Lander University provides Math and Science grants for district teachers to work with Professors on campus.</li> <li>• <b>Special Education:</b> Knights of Columbus provide some supplementary funding to Special Education.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to seek greater partnerships with foundations and local business for donations of money, food, goods, and time.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## GREENWOOD 50

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• <b>Board Pay:</b> The Board Members of the District are not paid.</li> <li>• <b>Board Composition:</b> The board is comprised of 9 non-partisan, At-Large members, serving 4-year terms.</li> <li>• <b>Training:</b> Board members are not required to attend training in excess of the State’s minimum requirements.</li> </ul>	
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• <b>WPEC:</b> The District coordinates with other regional superintendents to some degree through the WPEC consortium as well as the Palmetto Consortium. Specific examples are listed in the Procurement section of this report.</li> <li>• <b>Technology Center:</b> The District utilizes a shared technology, career and adult education center with Greenwood 51 and 52.</li> <li>• <b>Special Education:</b> The District does not coordinate with other area districts on Special Education programs.</li> <li>• <b>Headcount:</b> The District does not typically share 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 1) that require specialized skills or 2) are highly transactional.</li> <li>• Consider utilizing a shared career center across neighboring districts.</li> </ul>



## OUTLINE

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

FINANCIAL MANAGEMENT OVERVIEW

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

876 : 1

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

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

\$109 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>	10.0
Personnel Expense <sup>[3]</sup>	\$823,225
Non-Personnel Expense <sup>[3]</sup>	\$127,578
Total Financial Expense <sup>[3]</sup>	\$950,803

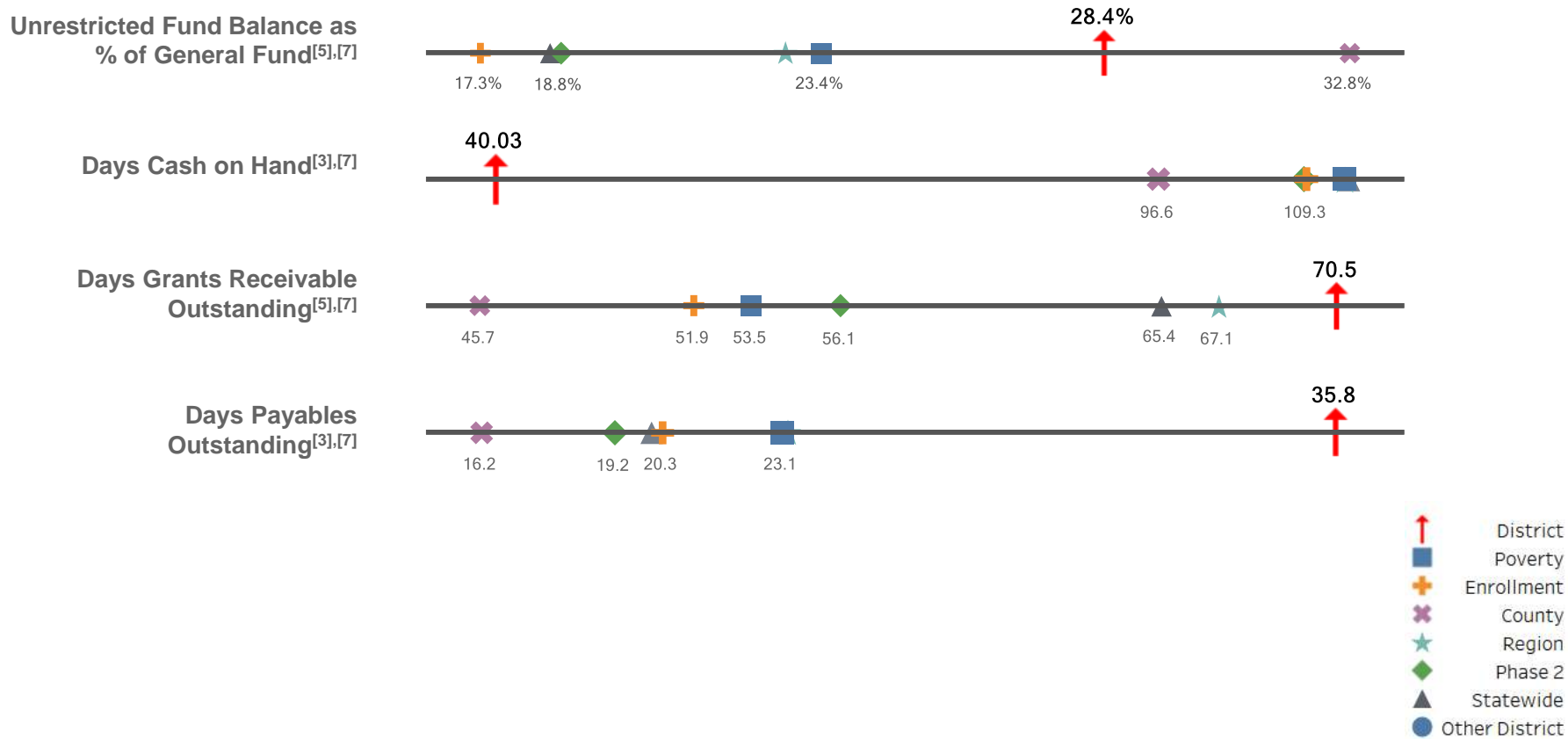
NOTE: FTEs shown in the table above reflect dedicated finance staff only; Financial expenses shown above reflect amounts coded to the finance department. In some instances districts may include salary and benefit related charges that are not related to dedicated Finance costs in their totals.

# FINANCIAL MANAGEMENT

## GREENWOOD 50

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

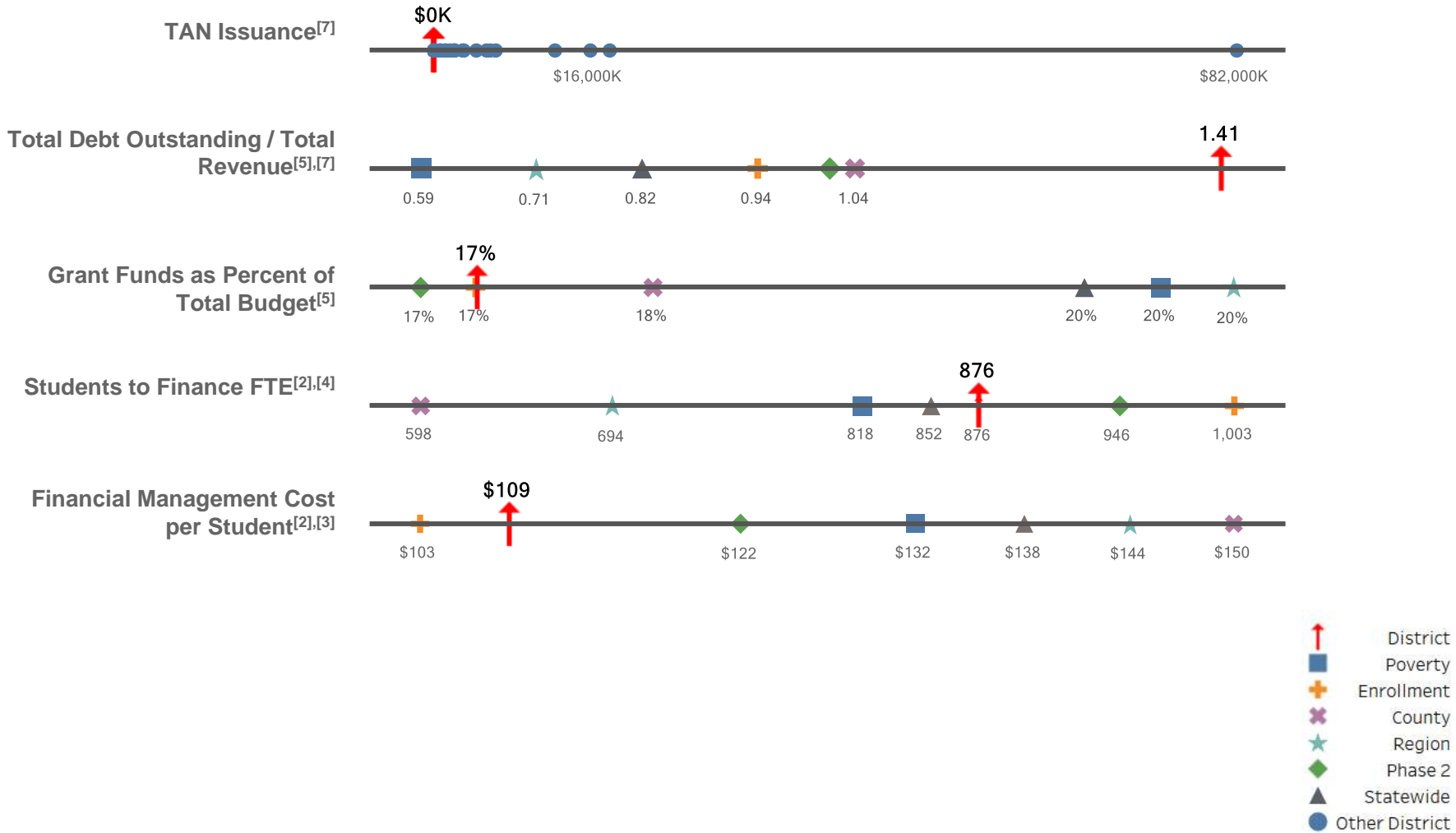
The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.



# FINANCIAL MANAGEMENT

## GREENWOOD 50

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



**SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS**

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The finance organization (referred to as the Business Department) is adequately staffed to support the scope of its roles and responsibilities over accounting, payroll and benefits administration, accounts payable, budget, treasury, financial reporting, procurement.</li> <li>• <b>Turnover:</b> The finance supervisor has been with the District for 4 years.</li> <li>• <b>Finance Cost Per Pupil:</b> The Finance spend per pupil for the district is comparable to that of the District's enrollment peer group (\$109 to \$103).</li> <li>• <b>Student Per Finance FTE:</b> The student per finance FTE ratio is less favorable than that of the District's enrollment peer group (876 to 1,003), likely driven by the District's investment in a procurement function within the Business Department. Note that the KPI above (comparable spend per student in the finance department relative to peers) indicates an efficient overall cost for the finance function that is larger than organizations with a similar cost within the peer group.</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>

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"> <li>• <b>Payroll:</b> The District currently runs payroll on a monthly basis.</li> <li>• Approximately 95% of employees receive payroll via direct deposit.</li> <li>• <b>Payroll and A/P:</b> The District uses an employee payroll portal as well as a virtual payment portal for Accounts Payable to ensure paperless payment process to vendors. The District estimates approximately \$1,150,000 in annual virtual payments with rebate levels at \$14,700.</li> <li>• <b>Time-tracking:</b> Time-tracking is automated using Veritime and Aesop.</li> <li>• <b>Purchasing:</b> Purchasing is an automated process through Tyler Technologies.</li> <li>• <b>P-cards:</b> The district utilizes a P-card program. P-card Purchases total approximately \$1,100,000, with rebate levels estimated to be approximately \$7,700.</li> <li>• <b>Inventory:</b> The District maintains a small warehouse which it has been reducing to pursue just in time delivery best practices.</li> <li>• <b>Risk Management:</b> The District does not have formal risk management policies in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement 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>

**SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS**

	Observations	Recommendations
<p><b>Grants Management</b></p>	<ul style="list-style-type: none"> <li>• <b>Grants Revenue %:</b> Grant revenues provide 17% of revenue for the district which is comparable to the District’s enrollment peer group for whom this benchmark is also 17%.</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 against federal grants at the negotiate state rates to decrease reliance on these revenue streams for instructional salaries in order to mitigate the risk of any future decline in these revenues (and possibly having to reduce headcount as a result).</li> <li>• <b>Grants Monitoring:</b> Review of expenditures against grant requirements is conducted by the grants coordinator and includes a thorough review by the finance department. Monthly reporting is available in detail through Tyler.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider utilizing a grant writer that could be hired and shared by other nearby districts to help drive applications for competitive grant opportunities.</li> </ul>

# FINANCIAL MANAGEMENT

## GREENWOOD 50

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• <b>F/S Audit:</b> The District was found to have no material weaknesses in its latest audited financial statements. The District has been recognized for the strength and quality of its financial reporting by the Association of School Business Officials International and the GFOA.</li> <li>• <b>Position Control:</b> The District has strong position control that includes a review of vacancy positions before replacing them.</li> </ul>	
<b>Cash Management</b>	<ul style="list-style-type: none"> <li>• <b>Days Cash on Hand:</b> The District has a relatively low balance with 40.0 days cash on hand. While the recommended minimum metric is 60, this is not an issue to address for the District given that much of the general fund balance is invested with the County Treasurer as noted below.</li> <li>• <b>Reporting:</b> The District does not have a formalized cash flow forecasting process. It increases its monitoring on a seasonal basis (typically in November) when cash flow tightens before annual grant funding is received.</li> <li>• <b>Grants Receivable Outstanding:</b> The District averages 70.5 Day Grants Receivable Outstanding, comparable to the statewide average of 65.4.</li> <li>• <b>Days Payable Outstanding:</b> The District averages 35.8 Days Payables Outstanding.</li> <li>• <b>Investments:</b> The District maintains cash investments with the Country Treasurer.</li> <li>• <b>TAN:</b> The District did not issue TANs this past year.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement processes to file for grant (state and federal) reimbursements on a monthly basis in order to maximize cash flow and ensure grant funds are optimized and spent in accordance with appropriate guidelines.</li> <li>• Implement cash flow forecast to monitor weekly receipts and disbursements to help maximize investments earnings. Forecasting should coincide with decision-making around the issuance of TANs (see below).</li> </ul>

# FINANCIAL MANAGEMENT

## GREENWOOD 50

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Budget</b>	<ul style="list-style-type: none"> <li>• <b>Budget Planning:</b> The Business Department manages a zero-based budgeting process. The department begins with a variance analysis of both the previous year, as well as the first quarter of the current year, to determine if adjustments should be made moving forward. Cabinet meetings provide a forum for regular input into the budget draft for any additional resource requests or projects. The District incorporates the 90-day enrollment report and typically tries to incorporate a step into the budget for staff.</li> <li>• <b>Fiscal Monitoring:</b> The District does not perform monthly or quarterly closes. However, financial reports comparing budget to actual are shared monthly with the Office of the Superintendent and the School Board.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should consider performing quarterly closes to help maintain insights into current net position and to minimize year end journal entries and time to close.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>ERP:</b> The District uses Tyler Technologies accounting software system and has begun leveraging the procurement module to move away from manual purchase ordering. Time-tracking (as already discussed) is already automated.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to utilize the existing accounting software more to leverage enhanced functionality that provides automated and paperless workflow and approval of purchase orders.</li> </ul>
<b>Regional Collaboration</b>	<ul style="list-style-type: none"> <li>• The District does not coordinate with others in the region on any transaction processing or finance related activities. The District is, however, a member of the WPEC Consortium which practices information sharing among job-alike groups such as fiscal directors.</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

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

## HUMAN RESOURCES OVERVIEW

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

1,459 : 1

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

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

\$69 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>	6.0
Personnel Expense <sup>[3]</sup>	\$530,750
Non-Personnel Expense <sup>[3]</sup>	\$76,107
Total Human Resources Expense <sup>[3]</sup>	\$606,857

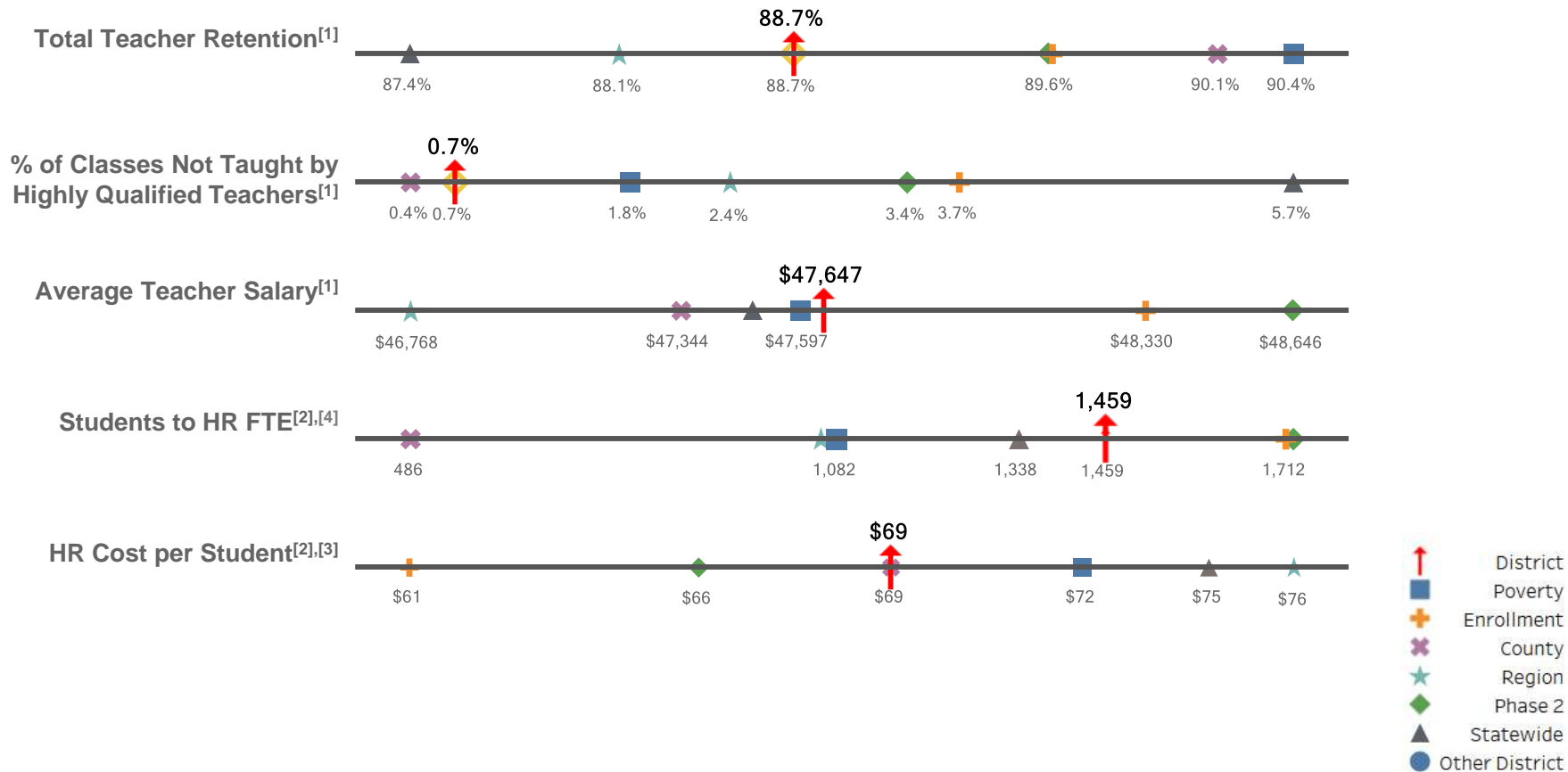
NOTE: FTEs shown in the table above reflect dedicated HR staff only; Financial expenses shown above reflect amounts coded to the HR department. In some instances districts may include salary and benefit related charges that are not related to dedicated HR costs in their totals.

# HUMAN RESOURCES

## GREENWOOD 50

### 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 GREENWOOD 50

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The Human Resources organization is a 6-person team that manages Professional Development, Recruiting and Retention, Benefits Administration, personnel issues.</li> <li>• <b>HR Cost per Student:</b> HR spend per student is \$69 per student compared to the District's enrollment peer benchmark of \$61.</li> <li>• <b>Student to HR FTE:</b> Student to HR FTE ratio is more favorable than that of the District's enrollment peer group (1,459 vs. 1,712).</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>Recruiting and Retention:</b> The District feels that the hard-to-staff positions include Speech Therapy, STEM, and ESOL. This has led the District to identify solutions to fill vacancies including teacher sign-on bonuses and utilizing Soliant for Special Education positions. District teacher retention is just below peer benchmarks at 88.7%.</li> <li>• The District recruits at Anderson, Lander and Erskin Universities and has started to hold job fairs at Greenwood. The District does not rely on international teachers.</li> <li>• <b>Teacher Salary:</b> The average teacher salary of \$47,647 is comparable to the statewide average. The District is also offering a \$1,000 sign-on bonus for the upcoming school year.</li> <li>• <b>Speech Therapy:</b> Contracted out to Soliant.</li> <li>• <b>Substitute Management:</b> The District manages substitute management internally (does not utilize Kelly Services).</li> </ul>	<ul style="list-style-type: none"> <li>• The District should consider a collaborative model with neighboring districts to utilize group purchasing for services currently contracted out to firms such as Soliant.</li> </ul>

# HUMAN RESOURCES

## GREENWOOD 50

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Technology</b>	<ul style="list-style-type: none"> <li>The District utilizes Applitract for recruiting and application processing.</li> <li>The District uses Aesop for substitute management.</li> </ul>	
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Benefits administration is managed by a Benefits Administrator and a Benefits Clerk.</li> <li>Employees are able to access Benefits and Payroll information via an automated portal.</li> </ul>	
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>The District does not collaborate with other nearby school districts on recruiting, human resource system licenses, or arrangements with 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 (e.g. Frontline)</li> <li>- Substitute Management (e.g. Kelly Services)</li> </ul> </li> </ul>



## OUTLINE

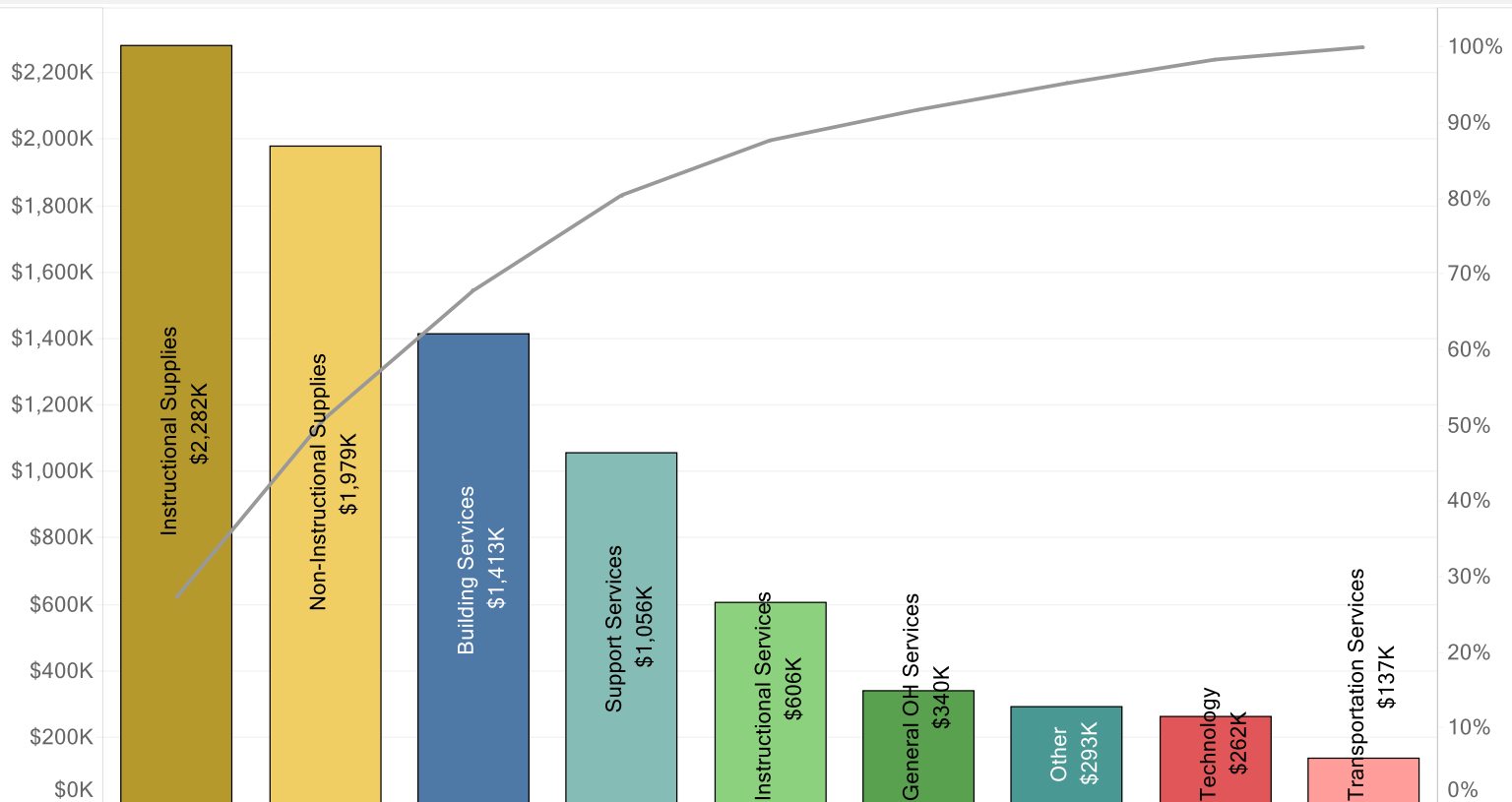
- I. Executive Summary
- II. District Overview and Overhead
- III. Financial Management
- IV. Human Resources
- V. Procurement
- VI. Transportation

# PROCUREMENT GREENWOOD 50

## 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.*

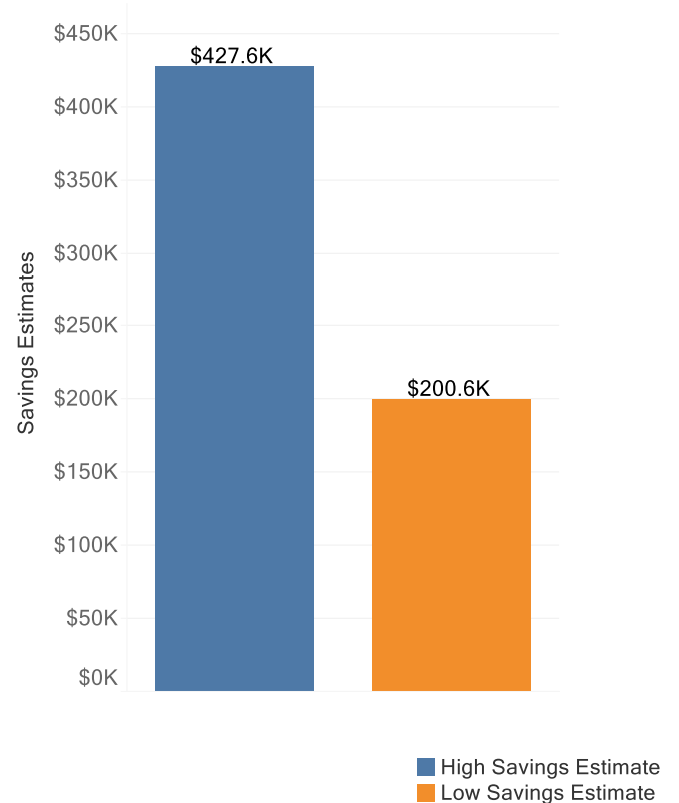
District In Scope Total Procurement Spend<sup>[3]</sup> = \$8,369,044



**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 GREENWOOD 50

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Organization / Staffing</b>	<ul style="list-style-type: none"> <li>The District Business Department has a procurement team that includes a Procurement Officer, Purchasing Clerk, and Warehouse Manager.</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>See spending by category section.</li> <li>The District selects vendors based on a comparison of pricing available on the state contract, prices achieved through the group of vendors that often conduct purchasing together, or through the WPEC consortium.</li> <li>Food Services is selected through the Palmetto Alliance.</li> <li>Non-instructional Supplies are purchased if pricing is better than the state contract in consortium with a group of 37 other districts.</li> </ul>	<ul style="list-style-type: none"> <li>Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts.</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 contracts for supplies through local vendors.</li> <li>• <b>Food Services:</b> The District leverages the Palmetto Alliance for purchasing food supplies which is comprised of 12 districts.</li> <li>• <b>Energy:</b> The District does not fix rates for natural gas contracts.</li> <li>• <b>Non-instructional Supplies - Contracting Vehicles:</b> The District purchases the majority of non-instructional supplies such as paper off the state contract.</li> <li>• For larger items, the District partners with a group of 37 districts for items such as playground equipment, flooring, and bus radios.</li> <li>• The District purchases most office supplies by leveraging the state contract.</li> <li>• <b>Technology and Software:</b> The District does not currently leverage cross-District pricing for SW licensing such as Tyler Technologies or other technology needs.</li> </ul>	<ul style="list-style-type: none"> <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.</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 GREENWOOD 50

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Regional Collaboration</b>	<ul style="list-style-type: none"><li>• The District partners regularly with 36 other districts to establish group pricing for goods and services. These District procurement officers meet quarterly to review pricing schedules with various vendors.</li><li>• The District utilizes the WPEC consortium for opportunities for acquiring Professional Development Services.</li></ul>	<ul style="list-style-type: none"><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 GREENWOOD 50

## 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 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.*

14 Years

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

\$252 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>	67.8
Personnel Expense <sup>[3]</sup>	\$2,053,798
Non-Personnel Expense <sup>[3]</sup>	\$152,993
Total Transportation Expense <sup>[3]</sup>	\$2,206,791

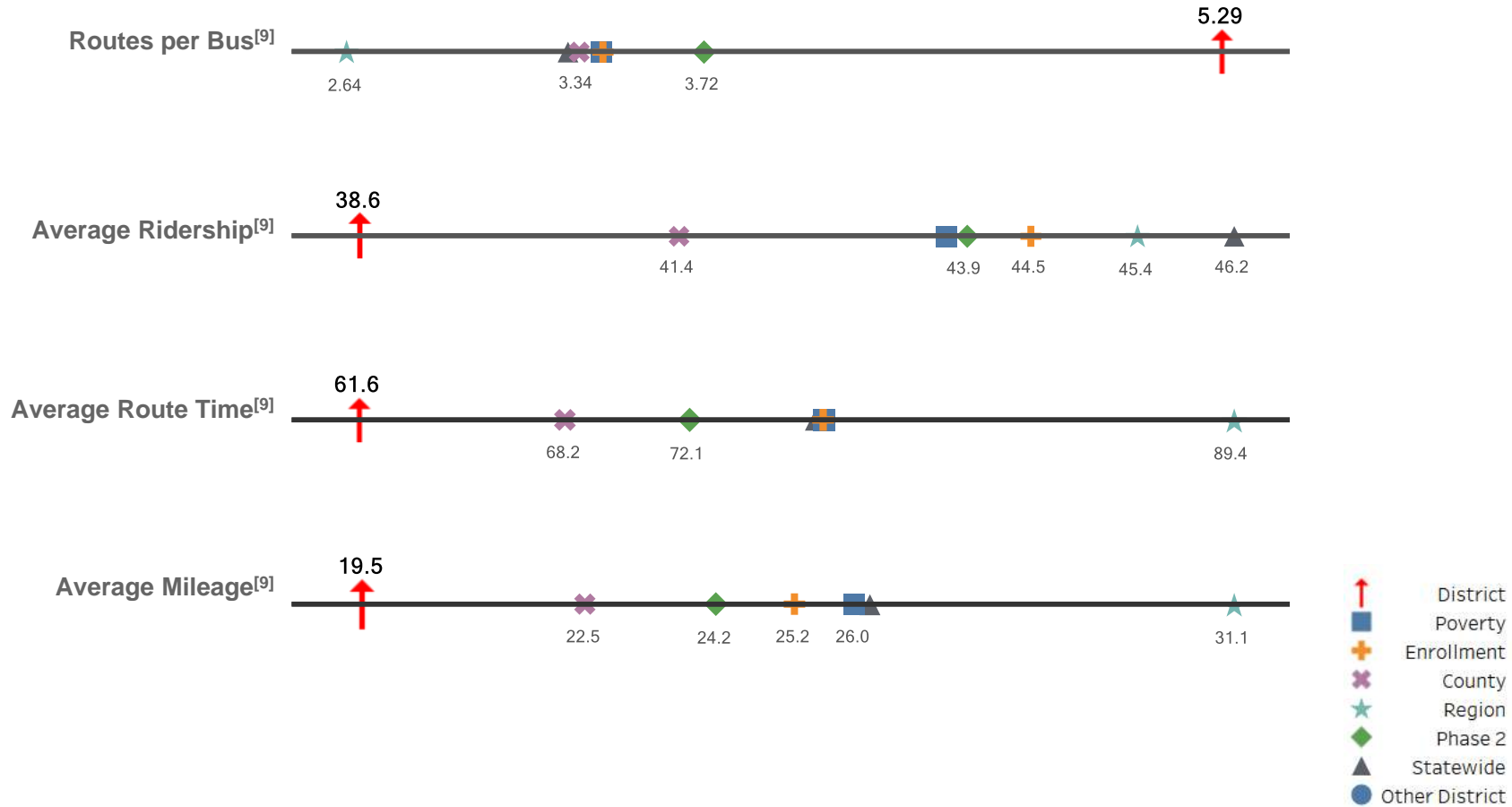
NOTE: FTEs reflected in table above may not reflect dually employed bus drivers.

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	38.2	202	5.3	7,803	39	62	20
Special Needs	7.4	24	3.3	401	17	Not-Available	63
Other	6.1	50	8.3	1,687	34	Not-Available	7
Total	51.6	276	5.3	9,891	N/A	N/A	N/A

# TRANSPORTATION GREENWOOD 50

## 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 GREENWOOD 50

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"><li>• <b>Recruiting:</b> The District does not report the level of difficulty in recruiting bus drivers and managing substitutes as reported by other districts.</li><li>• The District offers dual employment as well as full-time positions with benefits.</li><li>• <b>Substitute Drivers:</b> The District maintains a small pool of substitute bus drivers.</li><li>• <b>Compensation:</b> Bus drivers are currently paid a starting rate approximately \$4 above state reimbursement levels.</li><li>• <b>Management:</b> Transportation is run by two administrators.</li></ul>	

# TRANSPORTATION

## GREENWOOD 50

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Routing and Bus Management</b>	<ul style="list-style-type: none"> <li>• <b>Bus Routing:</b> The District currently staggers bell times and routes between the Elementary, Middle, and High Schools.</li> <li>• <b>Technology:</b> The District utilizes routing software through Tyler Technologies (it ties into the ERP) for ease of planning and updating routes.</li> <li>• The District has GPS on its buses which is used alongside the security camera system. It is not used for route optimization.</li> <li>• The District provides cell phones (radios or other) to drivers to contact drivers while on routes.</li> <li>• The District has security cameras on all buses.</li> <li>• The District does not have stop-arm cameras on buses.</li> <li>• Activity Buses: The District does not use the State fuel for activity buses.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider furthering the spread of staggered bell times to increase individual bus capacity.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• The state fleets for Greenwood 50, 51 and 52 share a maintenance garage.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider partnering with districts that are also transporting children to other out of district placements.</li> </ul>

# APPENDIX A: SAVINGS METHODOLOGY



# APPENDIX A: SAVINGS METHODOLOGY

## GREENWOOD 50

### APPROACH TO SAVINGS

#### GENERAL APPROACH TO ESTIMATING INVESTMENTS AND SAVINGS

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

#### FINANCE AND HUMAN RESOURCES

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

#### PROCUREMENT

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

#### TRANSPORTATION

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

### APPROACH TO SAVINGS: OTHER CONSIDERATIONS

---

➤ **State-wide Benchmarking Data:**

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

➤ **Implementation:**

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

**SAVINGS ANALYSIS BY FUNCTIONAL COMPONENT**

---

**PEOPLE**

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

**TECHNOLOGY**

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

**Functional Review  
Operating Model Components**



**PROCESS**

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

**ORGANIZATION**

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

# APPENDIX A: SAVINGS METHODOLOGY

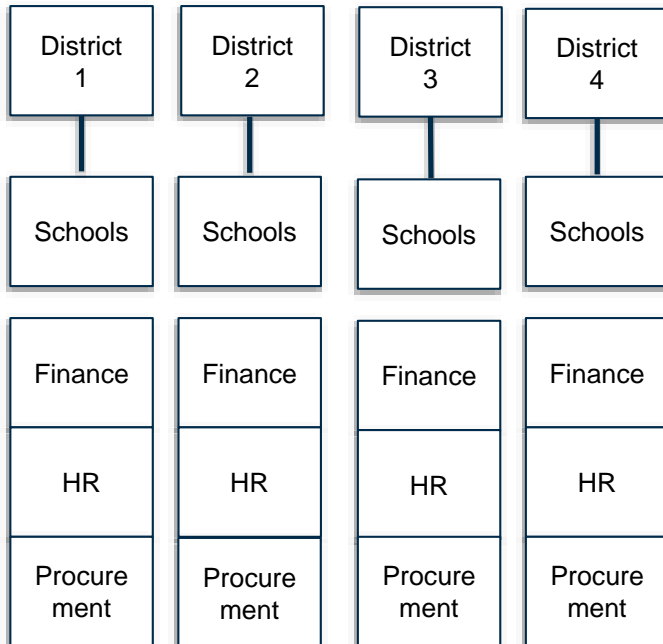
## GREENWOOD 50

### 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.*

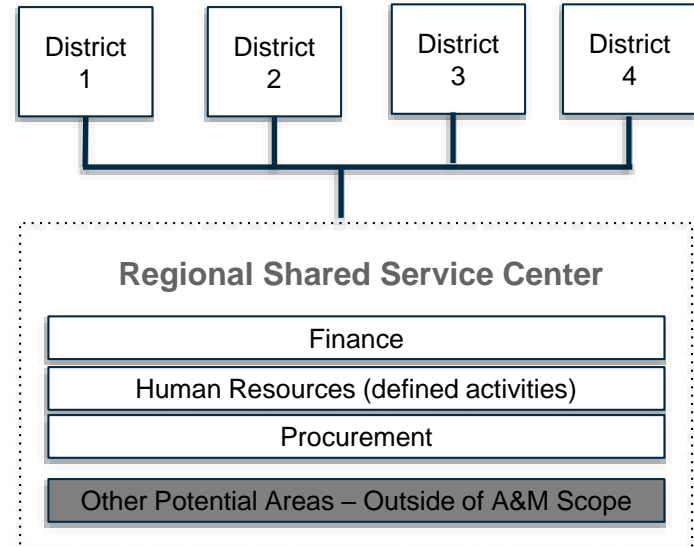
#### CURRENT STATE: STAND ALONE DISTRICT

*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

## GREENWOOD 50

### 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.*

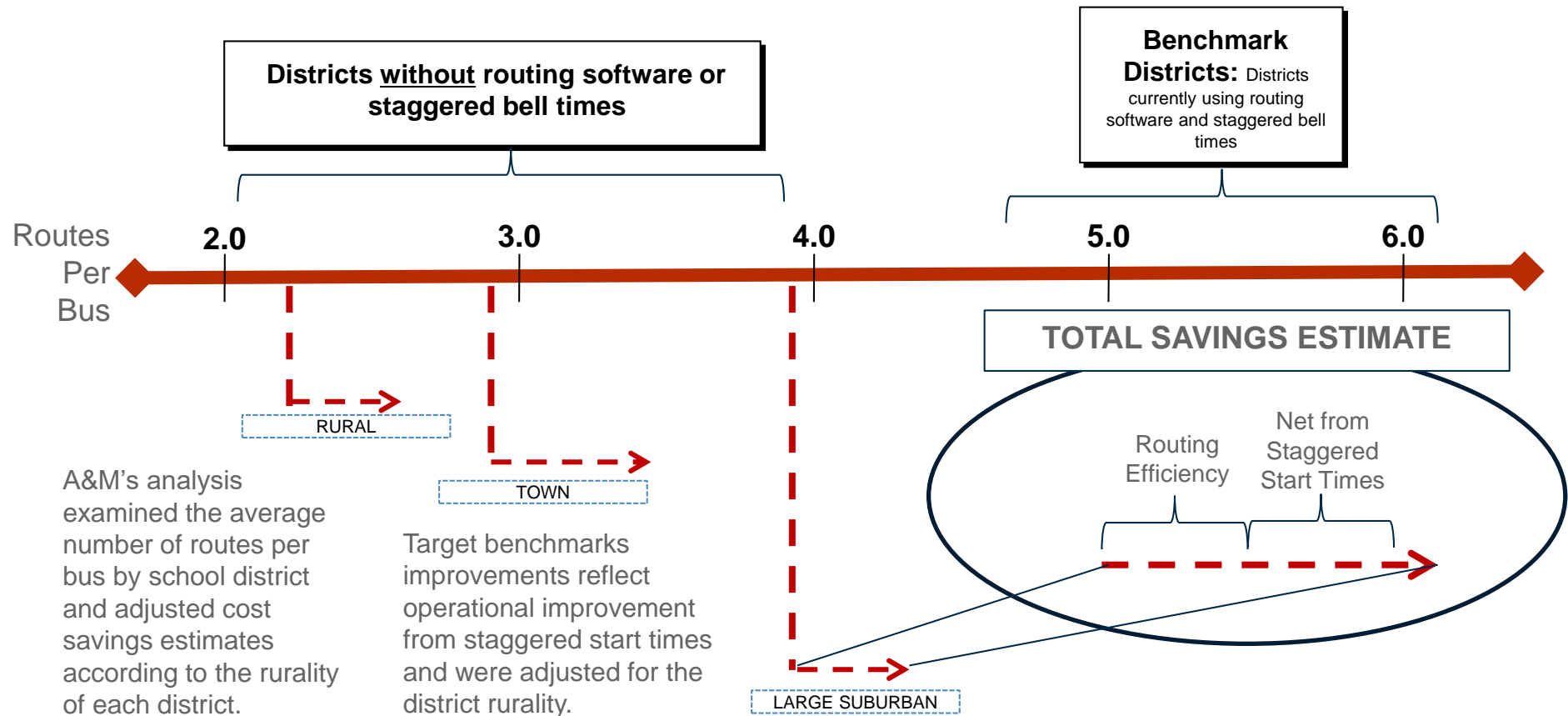
	Financial Management Collaboration: Five Districts [1 Large, 1 Med, 3 Small]		
	Current State	Collaboration Model	Savings
# of Districts	5	5	NA
Total ADM	21,000	21,000	NA
Total FTEs <sup>(2)</sup>	18.9	13.0	6.0
Total Spend <sup>(2)</sup>	\$2,409,840	\$1,684,478	\$725,326
Savings %			30.1%

*(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

## GREENWOOD 50

### 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

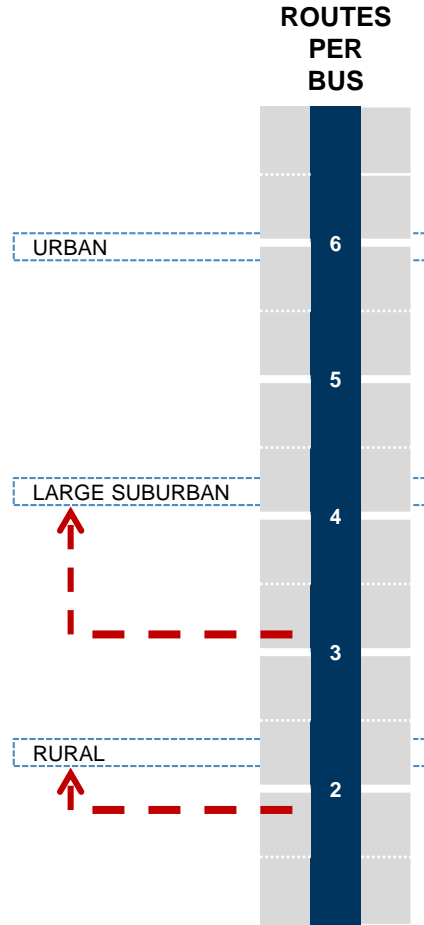
## GREENWOOD 50

### 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

## GREENWOOD 50

### 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

## GREENWOOD 50

### 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

## GREENWOOD 50

### [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

## GREENWOOD 50

### 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

## GREENWOOD 50

### 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 =  $\text{Total Route Miles}^{[9]} / \text{Number of Buses}^{[9]}$

# ALVAREZ & MARSAL

© Copyright 2015. Alvarez & Marsal Holdings, LLC. All rights reserved. ALVAREZ & MARSAL®,  
A<sub>1</sub>® and A&M® are trademarks of Alvarez & Marsal Holdings, LLC.

[www.alvarezandmarsal.com](http://www.alvarezandmarsal.com)