ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION
SCHOOL DISTRICT EFFICIENCY REVIEW

Jasper

District Report

6/16/2017

OUTLINE

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

PROJECT OVERVIEW

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

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

- A&M's review focused on identifying opportunities across the operational areas noted above that would yield:

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

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

PROJECT OVERVIEW (CONTINUED)

- A&M conducted School Efficiency Reviews of 79 of the 82 school districts in the State across two phases, each of which approximated nine weeks. Phase 1 included 32 districts (all Plaintiff districts) and Phase 2 included 47 districts. Three districts did not participate due to previously completed efficiency reports: Clarendon 1 (Plaintiff), Lexington 4 (Plaintiff) and Dorchester Two.

- The review conducted by A&M included 2 partial day site visits in order to meet with district personnel to understand their organizations, processes and approaches.

- The report identifies two themes that will help drive greater efficiency and effectiveness in school districts:

    1. **Modernize:** A series of one-time investments in technology that must be made in order to enhance processes and drive operational efficiency.

    2. **Collaborate:** Small districts must perform and support a fixed, minimum cost structure that does not allow them to benefit from economies of scale available to larger districts. There are a range of opportunities for cross-district collaboration that will realize efficiencies and generate the highest level of savings. Efficiencies and effectiveness will increase as the number of districts collaborating increases.

- This analysis presents two types of estimates:

    1. **Investments** in school district modernization necessary to drive future cost savings; and

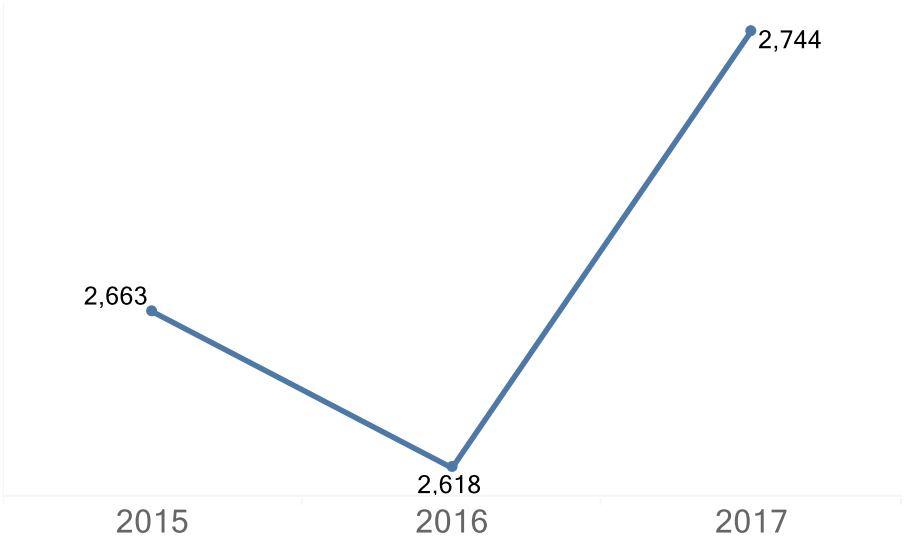
    2. **Net savings** from implementation of a shared services model for functions within the scope of this study.

PROJECT OVERVIEW (CONTINUED)

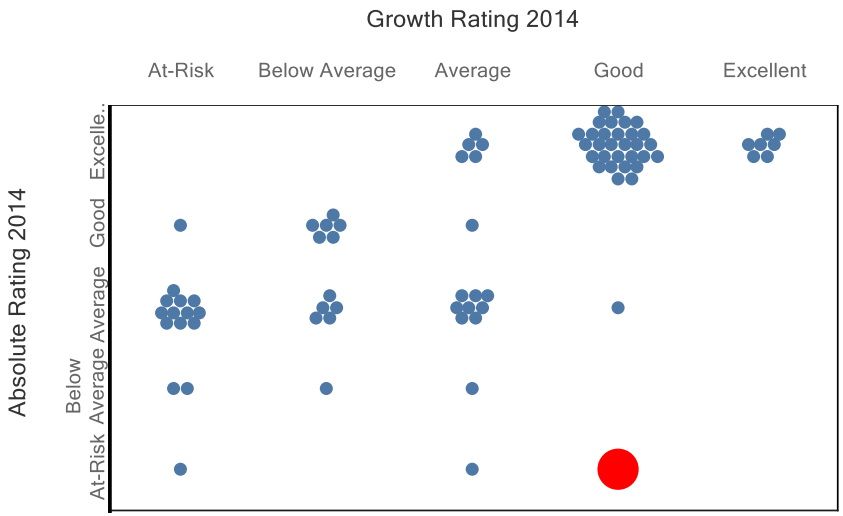
- **Sources of Data and Savings Estimates:**
  - A&M based the recommendations included in this report on data received from both the State and the District.
    - State provided data: FY16 revenue and expenditure data submitted by districts to the State, 3-year historical enrollment/average daily membership 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
JASPER

Average Daily Membership[2]



Student Achievement[1]



General Info

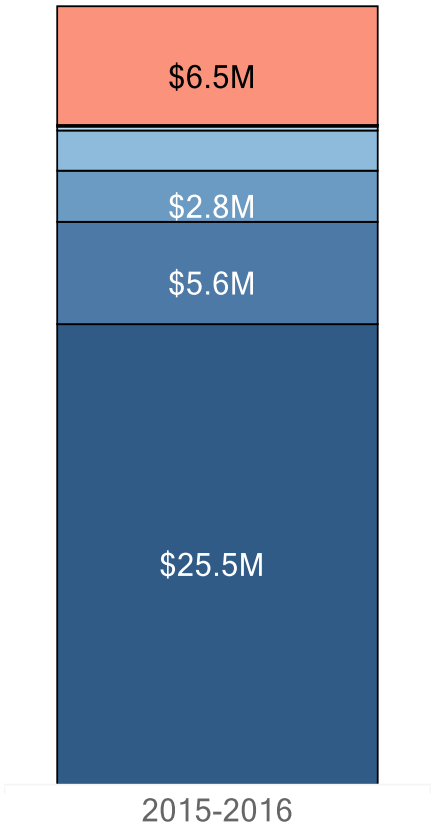
Number of Schools[2]	**4**
% Poverty[1]	**83.9%**
% Disability[1]	**1.7%**
$ Per Student[2],[3]	**$15,580**
$ Per Student Excluding Debt & Capital[2],[3]	**$13,809**

Administration

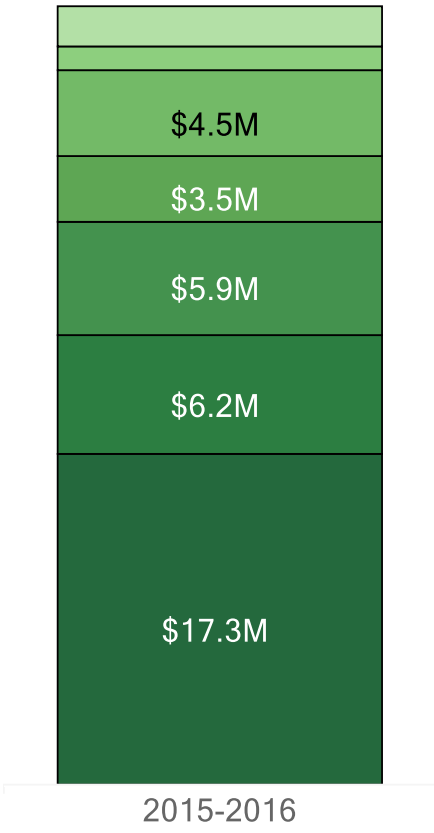
Students Per Instructional Services FTE[2],[4]	**9.1**
Students Per Overhead FTE[2],[4]	**121.7**
Students Per School Support FTE[2],[4]	**39.5**
Students to Total FTE[2],[4]	**7.0**

EXECUTIVE SUMMARY
JASPER

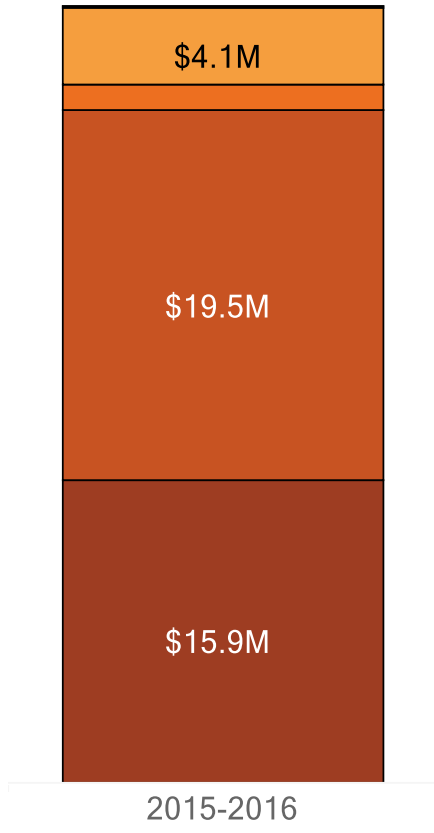
Sources of Funds[5]
$43.0M



Use of Funds - Type[3]
$40.8M

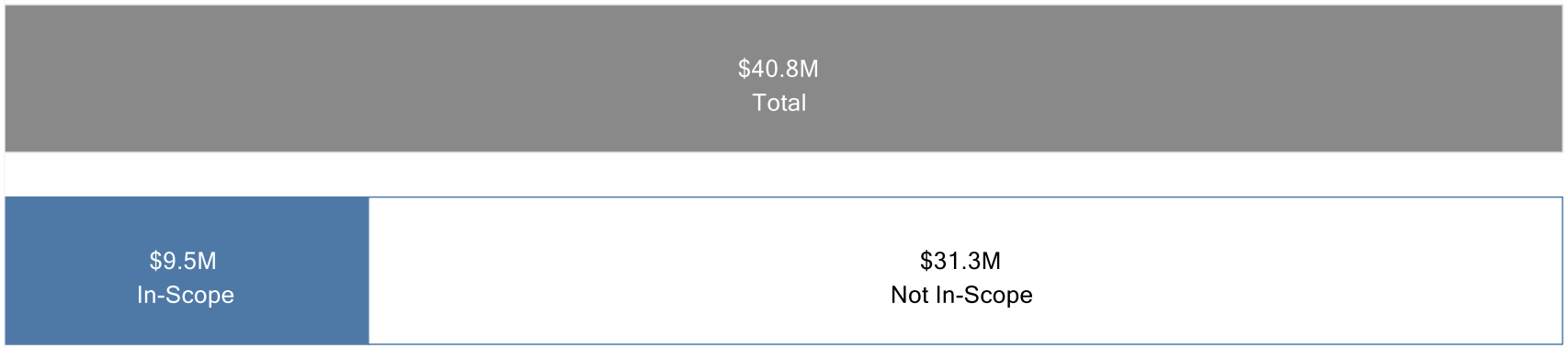


Use of Funds - Function[3]
$40.8M



** totals may not tie due to rounding*

EXECUTIVE SUMMARY
JASPER



23.4% of total spend is within scope of the efficiency review:

	In Scope Spend[3]	Procurement Component
Finance	$483,288	$34,812
Human Resources	$570,704	$68,959
Overhead	$1,319,301	$849,682
Transportation	$1,116,193	$32,482
Procurement (Community Services, Instruction, Support Services)	$6,040,010	$6,040,010
TOTAL	**$9,529,496**	**$7,025,945**

** totals may not tie due to rounding*

GOALS, CHALLENGES & ACHIEVEMENTS

District Goals

Mission: To provide a safe environment, promote self esteem, and educate all students to become independent life long learners and productive citizens in a global society.

1. **Finance**: Maximize use of resources through efficient and effective resource allocation.
2. **Building Plan**: Develop a Building Plan that includes a career and technical education facility, long-range building plan and deconsolidation.
3. **Communications**: Enhance Community Involvement and Parental Outreach.
4. **Academic Achievement**; Drive Academic Achievement through a guaranteed viable curriculum, alignment of instruction, curriculum, assessment and professional learning, focus on literacy, use of appropriate and timely intervention protocols and acceleration and enrichment programs.

Achievements

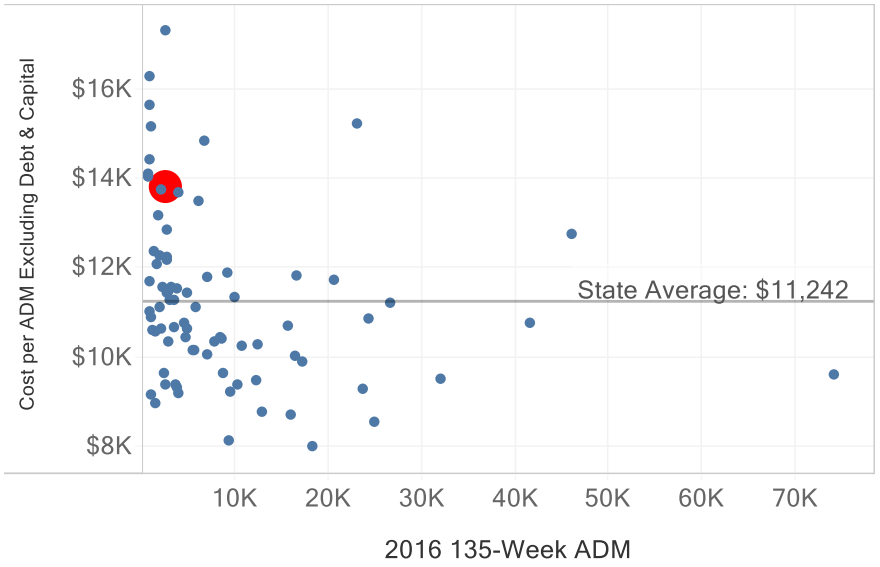
- **Class Size**: Reduced class size for K-2 to 20:1; previously up to 25:1.
- **Academic Achievement**: The District has been improving the graduation rate.
- **Collaboration**: Partnership with Beaufort for vocational education.
- **Process Improvements / Automation**: Making progress on automating transactional/administrative functions to enhance support for teachers and students.

Challenges

- **Teacher Recruitment**: Challenges attracting teachers in high needs areas.
- **Facilities/ Litigation**: Ongoing litigation regarding construction/storm water drainage associated with buildings that were built in 2007.
- **Community and Parental Engagement**: The District is working to improve relations and engagement.
- **Competition**: Competition with local charter and faith-based schools could have a negative impact on enrollment; competition with surrounding larger school districts for staffing is challenging.

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.

OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
Finance	• **Financial Position:** The District's fund balance levels are in line with other comparable districts; however, potential pressure on the District's enrollment from nearby competition require it to be prudent with long-term financial planning and fund balance reserves in order to navigate through any unanticipated events. • **Controls / Manual Processes:** Material weaknesses were identified by the District's auditors in FY15 and FY16 related to the needs for improved controls over financial reporting. New leadership in Finance has been successful in improving processes and automating transactional activity and is very focused on enhancing processes and controls in order to ensure resources are maximized.
Human Resources	• **Limited Staffing / Manual Processes**: The Human Resources function is adequately staffed and uses elements of technology to support its processes. • **Challenges with Recruiting and Retention**: Similar to other school districts in the State, recruiting teachers into the District is challenging. The District currently employs 20 international teachers (approximately 11% of it's total teaching force) and leverages multiple agencies to provide these positions. In addition, the District leverages staffing agencies to fill hard to staff positions.
Transportation	• **Transportation Management**: The District has a difficult time recruiting bus drivers and currently has five vacancies. • **Manual Routing:** The District does not have routing software which could be used to help drive routing efficiencies In addition, the District is currently evaluating a shift to staggered bell times in order to minimize student ride time and maximize driver / bus utilization.
Procurement	• **Staffing and Organization**: The District has no resources dedicated to Procurement. • **Strategic sourcing**: The District has low leverage with vendors due to low purchasing volumes. Spending is fragmented across more than 1,300 vendors; however, the top 100 make up more than 80% of total spending.
Overhead	• **Staffing and Organization**: The Superintendent's office includes 3 FTEs. In addition to the Superintendent, there is an executive assistant and a head of communications. • **Collaboration**: The Superintendent currently participates in an informal network of local superintendents. In addition, the Adult Education program is shared with Hampton One and Hampton Two, and the Career and Technical Education Program is shared with Beaufort.

RECOMMENDATIONS

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

Modernize School District Operations

- Invest in technology
  - New statewide 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)
  - Strengthen purchasing collaboration through dedicated volume
- Collaboration will not only drive cost savings, but will increase the effectiveness of the services.

MODERNIZATION RECOMMENDATIONS

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

MODERNIZATION RECOMMENDATIONS

FINANCE	HUMAN RESOURCES	PROCUREMENT	TRANSPORTATION
System Enhancements: Complete implementation of automated and integrated time-keeping processes. **Process Improvements;** Continue automating and enhancing processes in order to become more efficient and strengthen internal controls. **Staffing/Organization**: Train/cross-train personnel on key financial functions to increase the capabilities and effectiveness of the teams.	**System Enhancements:** Implement technology to enhance and automate elements of recruiting, on-boarding an time tracking processes that are currently manual. **Process Improvements**: Formalize plans to implement and enhance incentive programs to help navigate teaching shortages and increase recruitment and retention rates. **Staffing and Organization**: Train/cross-train personnel on recruiting, talent management and professional development strategies.	**Process Improvements:** Leverage state contracts and group purchasing organizations to optimize spend. Enable other districts to purchase off individually negotiated contracts. Negotiate discounts / rebates for tiered levels of spending using minimum buying commitments as appropriate. Monitor compliance with major contracts and analyze spending distribution on an ongoing basis to identify opportunities for potential savings.	**System Enhancements:** Implement new routing software, GPS and security cameras on all buses. **Process Improvements:** Complete analysis (using routing software if possible) to evaluate potential benefits of routing changes. Implement the change to staggered bell times that is currently being considered in order to minimize student ride time and maximize driver / bus utilization.

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
Accounts Payable and Payroll: Shared Processing; Standardized and automated workflow on approvals **Potential to add in**: • Accounting Entries • Financial Reporting • General Oversight • ERP Systems • Grant Compliance and Claiming	**Benefits Coordination**: Shared Processing and Support **Potential to add in**: • Intl. Recruiting: H1B Process or collaborative • System Licenses for Recruiting, Substitute Management, and on-boarding • Sharing of instructional resources across varying classroom models	**Purchasing Coordination:** Collaborate on market intelligence, pricing opportunities, RFP management, contract negotiations, contract management and minimum buying commitments Capitalize on volume discounts and rebates Shared analysis of spending, monitoring and optimization of pricing	**Transportation:** Shared administrative resources **Facilities/ Maintenance:** Shared staffing of key maintenance positions across districts (e.g, HVAC, Electrician, Plumbing) **Technology:** Shared oversight and support functions **Curriculum:** Shared research and development functions

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.

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.

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	$5,000	-	$12,500	$49,300	-	$147,900
Human Resources	0	-	5,000	0	-	33,600
Procurement	0	-	0	203,500	-	409,700
Transportation – District	N/A	-	N/A	41,000	-	62,000
District Total	**5,000**		**17,500**	**293,800**		**653,200**
Transportation – State	18,000	-	61,000	29,200	-	68,900
Total	**$23,000**	**-**	**$78,500**	**$323,000**	**-**	**$722,100**

* *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.

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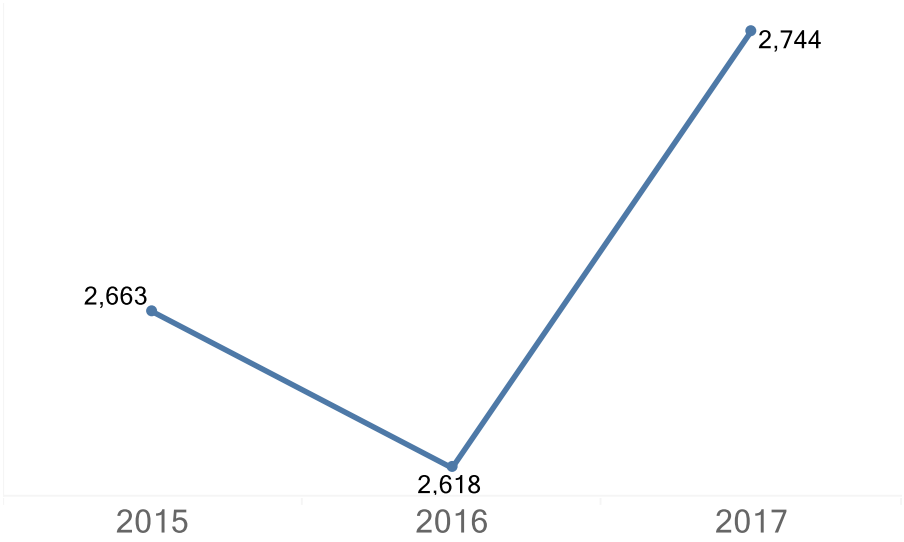
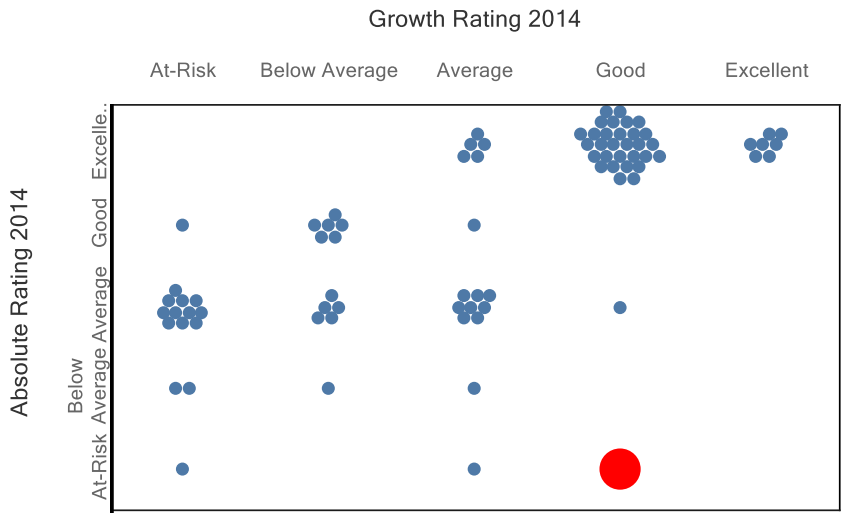
DISTRICT ADMINISTRATION AND PERFORMANCE
JASPER

Average Daily Membership[2]



Student Achievement[1]



General Info

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Administration

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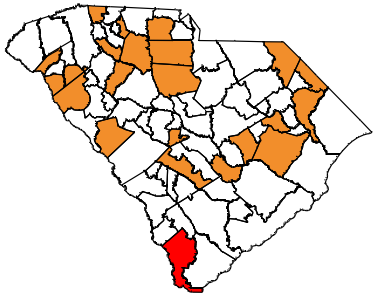
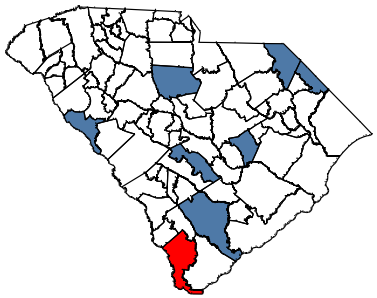
Students Per Overhead FTE[2],[4]	**121.7**
Students Per School Support FTE[2],[4]	**39.5**
Students to Total FTE[2],[4]	**7.0**

DISTRICT BENCHMARKING
JASPER



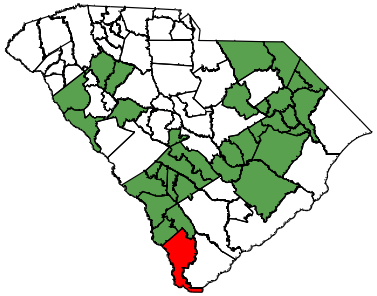
Enrollment (2,500 - 5,000)

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



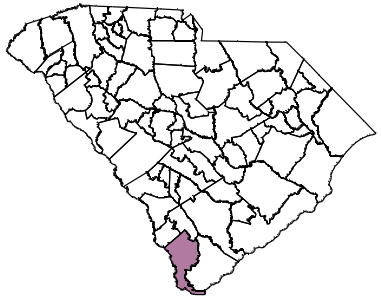
Poverty (80% - 85%)

Clarendon 02
Colleton
Dillon 04
Fairfield
Jasper
Marlboro
McCormick
Orangeburg 05



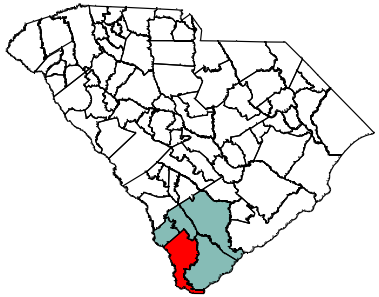
Phase 1 (Yes)

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



County (Jasper)

Jasper



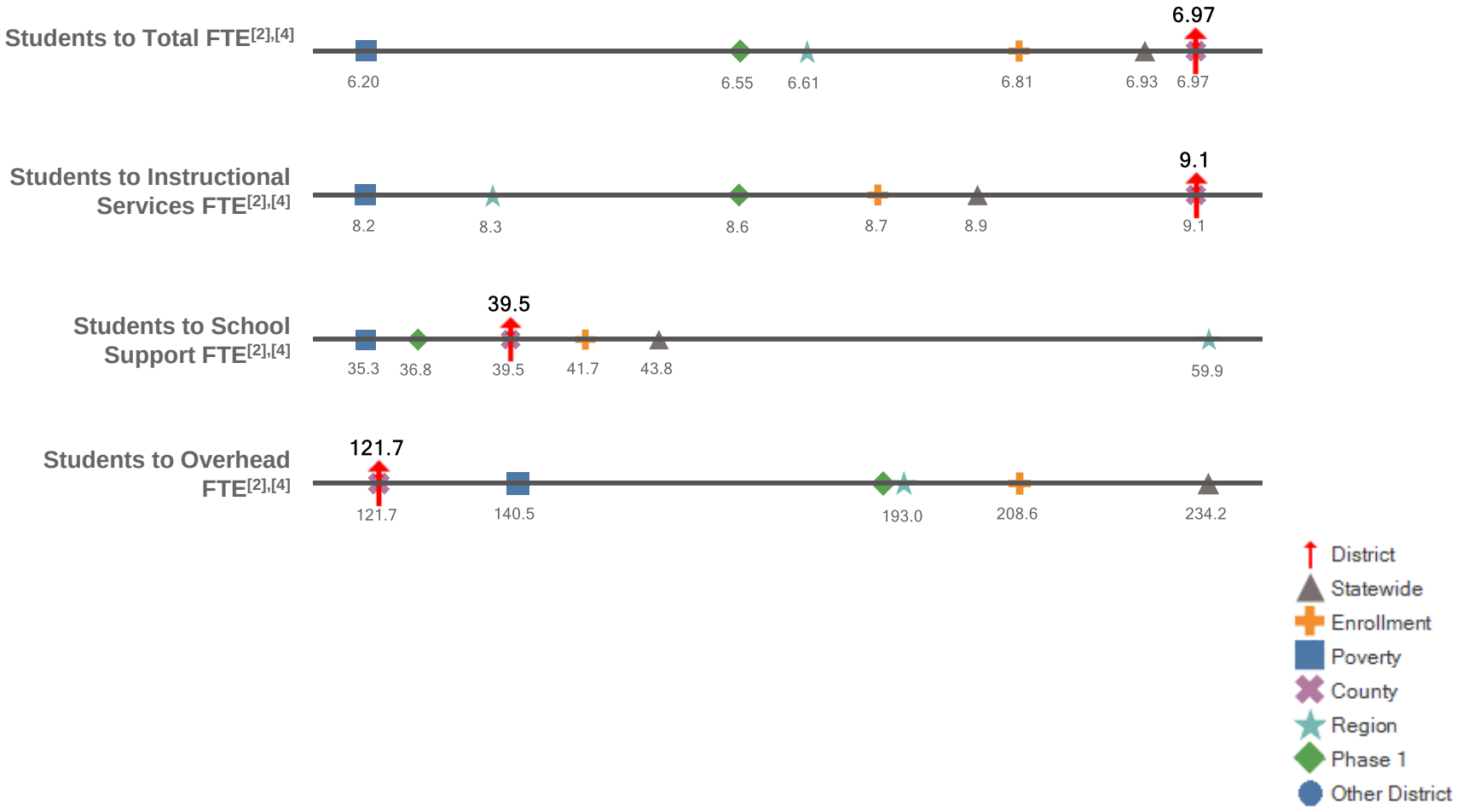
Region (Lowcountry)

Beaufort
Colleton
Hampton 01
Hampton 02
Jasper

KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

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

KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Enrollment Trends	• **3-year Enrollment Trend:** The District has seen growth in enrollment in FY17. Enrollment has grown approximately 9.7% over the past 3 years to 2,922 students. • **Student Demographics:** 84% of the District's students live in poverty, well above the statewide average of 68%. • **Competition:** Charter and faith-based schools in the District offer alternatives to students in the area. • **Long-term Planning:** The District does not prepare enrollment projections to help inform long-term planning.	• The District should develop a long-term strategic plan that includes enrollment forecasts in order to anticipate and better plan for enrollment changes, ensuring long-term financial stability.
District Funding and Resource Allocation	• **Financial Viability:** Despite fund balance levels in line with peer districts, the potential pressure on the District's enrollment from nearby competition require it to be prudent with long-term financial planning and fund balance reserves in order to navigate through any unanticipated events. • **Per Pupil Expenses:** The District's Per Pupil Expense is $13,809 when excluding debt and capital. This is higher than districts of similar size of $11,362 and the statewide average of $11,242. • **Unrestricted Fund Balance:** The District's unrestricted fund balance as a percent of general fund revenue is 16.3%. This puts the District below the statewide average (18.6%).	• To ensure the financial stability of the District is maintained, the District should prepare a three to five year financial plan that allows for investment in critical areas of academics and operations while still maintaining a strong fund balance.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
District Funding and Resource Allocation (cont'd)	• **Students to Total FTE:** The District's Student to Total FTE ratio is 7.0, which is higher than districts of similar size at 6.8 and the statewide average of 6.9. • **Students to Instructional Services FTE:** The District's Student to Instructional Services ratio is 9.1, which is higher than districts of similar size at 8.7 and the statewide average of 8.9. • **Students to School Support FTE:** The District's Student to School Support FTEs ratio is 39.5, which is lower than districts of similar size at 41.7 and the statewide average of 43.8. • **Students to Overhead FTE:** The District's Student to Overhead FTE ratio is 121.7, which is lower than districts of a similar size at 208.6 and the statewide average of 234.2.	• Consider review and reorganization of other direct support areas of the superintendent which are outside of the scope of this report to optimize resources and bring spending in line with benchmarks.
Staffing / Organization	• **Staffing**: The Superintendent's office includes 3 FTEs. In addition to the Superintendent, there is an executive assistant and a head of communications.	
Collaboration	• **Informal Networks:** The Superintendent currently participates in an informal network of local superintendents. • **Career Center:** Jasper currently collaborates with Beaufort on a shared Career and Technical Education program. • **Programs:** The Adult Education program is shared with Jasper and Hampton Two (the Director operates out of Hampton One).	• Consider implementing a regional shared service model that allows for sharing of resources and systems that 1) require specialized skills or 2) are highly transactional.

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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.

584 : 1

District Students (ADM)[2] — Financial FTE[4]

$185 per Student

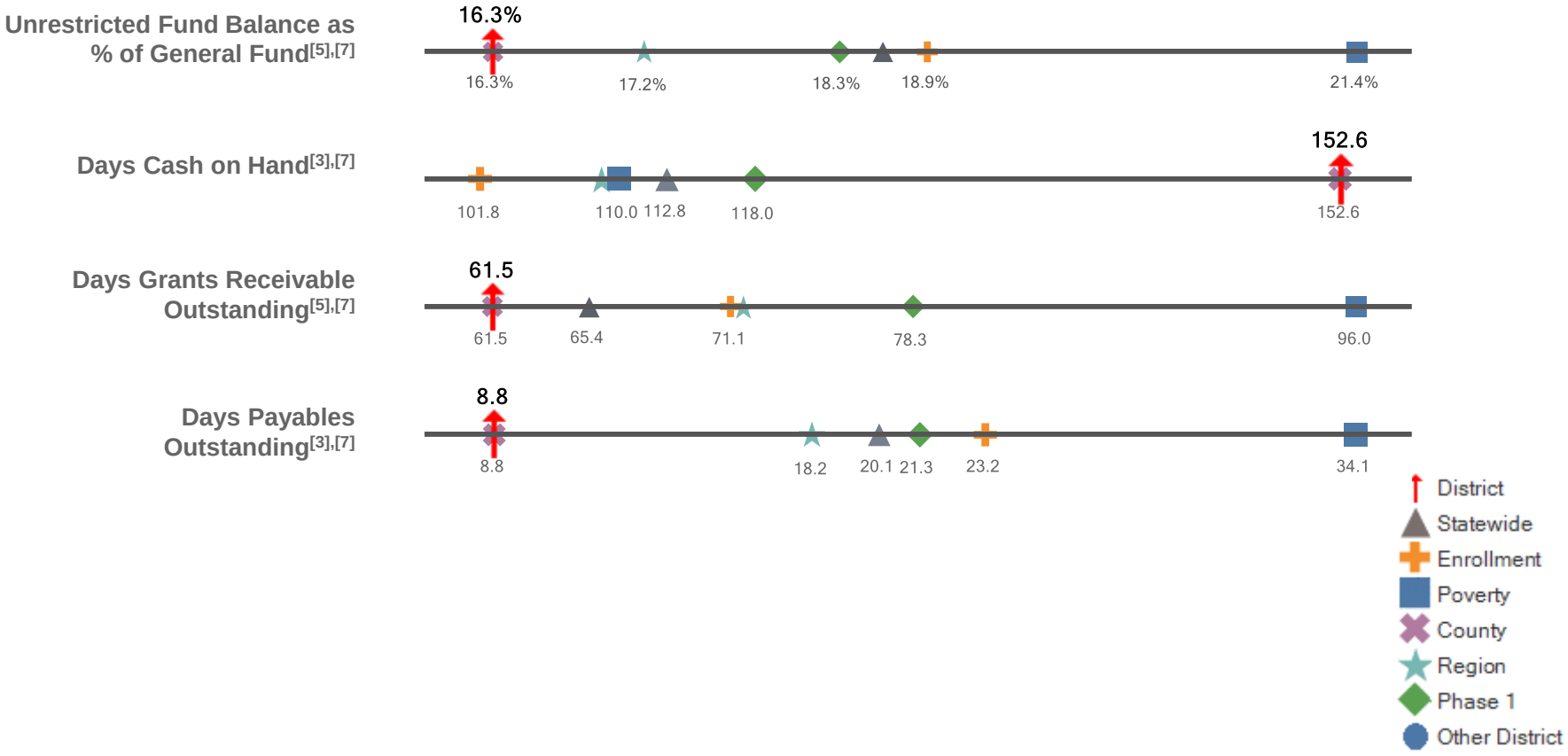
Cost of Total Financial Spend[3] per Student (ADM)[2]

Key statistics for metrics	
Financial FTEs[4]	5.0
Personnel Expense[3]	$419,362
Non-Personnel Expense[3]	$63,926
Total Financial Expense[3]	$483,288

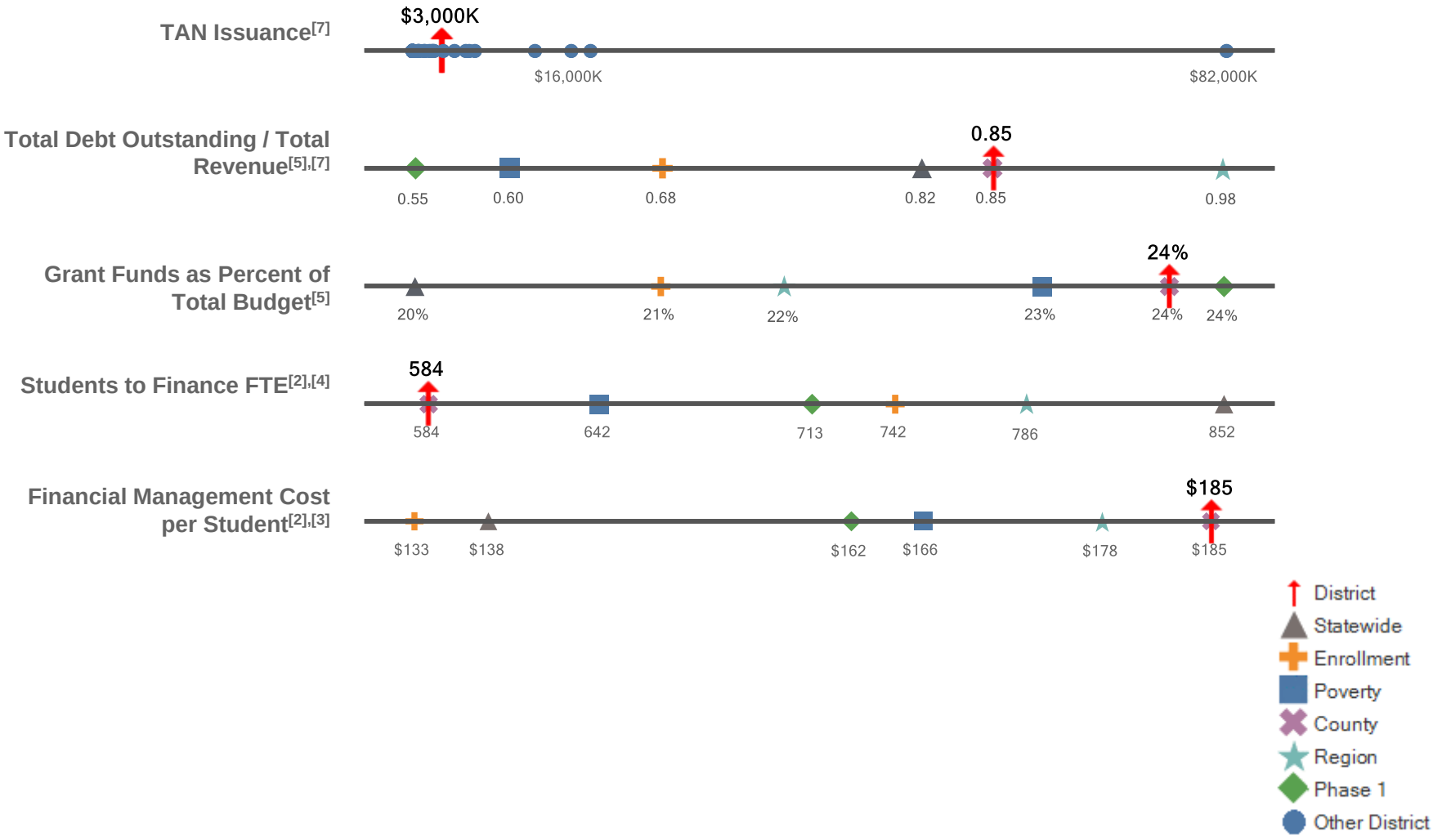
NOTE: FTEs shown in the table above reflect dedicated finance staff only; Financial expenses shown above reflect amounts coded to the finance department. In some instances districts may include salary and benefit related charges that are not related to dedicated Finance costs in their totals.

KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

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



KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Staffing / Organization	• **Staffing**: The Finance organization is adequately staffed in terms of total FTEs to support the scope of its roles and responsibilities over accounting, payroll, accounts payable, budget, treasury and financial reporting. • The Finance organization currently has 5 FTEs that include a Chief Financial Officer, Staff Accountant, Payroll Officer, Accounts Payable Officer and an Administrative Assistant. The Finance department is also ultimately responsible for procurement; however, there are no dedicated procurement resources. The Department has been successful in automating transactional activity and is very focused on enhancing processes and controls in order to ensure resources are maximized. • **Turnover**: The Department's head has been in the position for less than 1 year. • **Finance Cost per Pupil:** The District's Finance Cost Per Pupil is $185, higher than districts of a similar size at $133 and higher than the statewide average of $138. • **Students per Finance FTE:** The District's Student to Finance FTE ratio is 584, which is lower than districts of a similar size at 742 and the statewide average of 852.	• Review staff capabilities on an annual basis and ensure individuals are provided with training on systems and processes. Cross-train individuals to complete multiple functions.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Payroll and Accounts Payable	• **Overall Processes**: The District has been able to successfully transition to automated work processing in much of its processes; however, it is still currently using manual processes for timekeeping. • **Payroll:** The District currently runs payroll on a semi-monthly basis. All paychecks are direct deposit and all paystubs are sent to staff electronically. • **Timekeeping:** Time tracking is currently managed via 3 different manual processes and entered into the payroll system by the finance department. The District is in the process of evaluating alternatives for an automated timekeeping solution. • **Inventory**: The Technology department tags inventory and performs a manual count on an annual basis. In addition, schools and other departments are responsible for conducting individual inventory counts on an annual basis. This process is not managed centrally through the Finance department.	• Implement an automated time tracking functionality such as a timeclock that integrates with the payroll system to eliminate the need for manual time sheets. • Implement standard policies and procedures for managing physical inventory and ensure that the District finance organization is part of the overall process.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Grants Management	• **Grants Revenue %:** Grant revenues provide 24% of revenue for the District, making this district more reliant on grant funds than the statewide average (20%) and peers of similar size (21%). • **Grant Monitoring:** Federal program coordinators (75% 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 in a timely manner to maximize cash flow and compliance with fund requirements. • **Grant Claims:** The District submits claims for grants on a monthly basis.	• Create improved grant tracking reports that compare award amount, budget, YTD and cumulative expenditures, and outstanding receivable balances for each grant. • Consider hiring a grant writer that can be shared with other nearby districts to help drive applications for competitive grant opportunities.
Internal Controls	• **F/S Audit:** Material weaknesses were identified by the District's auditors in FY15 and FY16 audit reports. Issues were related to needs for improved controls over financial reporting. Management (including new finance leadership) has indicated that issues related to staffing, distribution of job responsibilities and financial controls have been corrected and that improvement plans have been implemented. • **Position Control:** The District does not have position control. Lack of position control can lead to over-hiring / spending and ultimately to an unanticipated deficit	• Implement annual review of processes to ensure segregation of duties over key areas of internal control. • Implement processes to ensure that identified internal control weaknesses are mitigated. In addition, implement automated budget position control to ensure controls around hiring individuals.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Cash Management	• **Days Cash on Hand:** The District's Days Cash on Hand is 152.6 after factoring in the receivable from the County. This is one of the highest levels statewide. The state average is 113 days and the average for similar sized districts is 102 days. • **Cash Flow Forecasts**: The District reviews cash flow forecasts on a monthly basis. In addition, it generally needs to utilize Tax Anticipation Notes to help manage working capital through December. • **Grants Receivable Outstanding:** The District's Grants Receivable Outstanding is 61.5 days (before consideration of claims that may have been received by the County). This amount is lower than the statewide average (65.4) and the average for similar sized districts (71.1). The District submits claims for grants on a monthly basis. • **Days Payable Outstanding:** The District's Days Payable Outstanding of 8.8 is lower than the statewide average of 20.1 days and the average for similar sized districts of 23.2 days. • **TAN:** The District issued a $3 million TAN this past year to assist with liquidity needs during a cash low point.	• Implement cash flow forecasts to monitor weekly receipts and disbursements, maximize investments earnings and minimize draw on TANs.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Budget	• **Budget Planning:** The annual budget process begins with a roll-forward of the prior year's expenses. The budget team works extensively with department heads to assess any new needs that are anticipated for the new fiscal year.	• Prepare zero-based and / or performance based budget annually to ensure resources are aligned with strategic priorities and expenses are anticipated and planned. • Prepare monthly financial reports and variance analysis. Reports should be shared with district leadership and each department head on a monthly basis.
Technology	• **ERP:** The District currently uses Harris SmartFusion for general accounting, payroll and accounts payable, and also leverages SoftDocs for procurement and automated workflow approval of requisitions. The District also uses Harris SmartFusion to facilitate employee self-service on payroll matters. The District has been able to successfully transition to automated work processing in much of its processes; however, it is still currently using manual processes for time-keeping. The District is currently evaluating options for automated timekeeping systems.	• Complete process to select an automated and integrated timekeeping system and implement prior to start of the next school year.
Regional Collaboration	• The District does not coordinate with other districts in the region on any transaction processing or finance related activities.	• Consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other districts within the region. This could include the following: (a) accounts payable (including purchasing workflow and approval); (b) payroll processing and (c) financial system licenses (potential for volume discounts).

OUTLINE

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.

974 : 1

District Students (ADM)[2]

Human Resources FTE[4]

$218 per Student

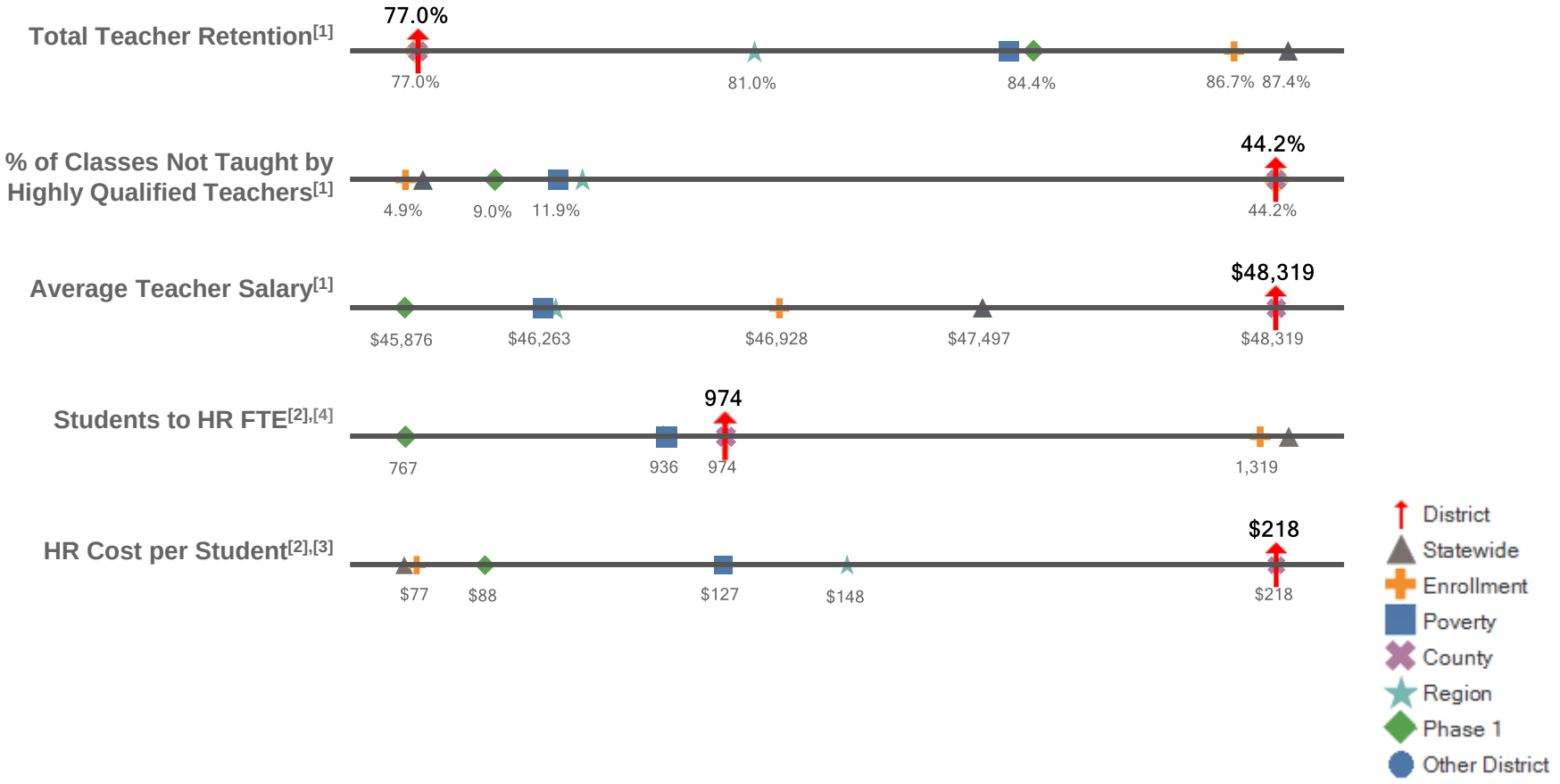
Cost of all HR personnel[3] per Student (ADM)[2]

Key statistics for metrics	
Human Resources FTEs[4]	3.0
Personnel Expense[3]	$501,745
Non-Personnel Expense[3]	$68,959
Total Human Resources Expense[3]	$570,704

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.

KEY PERFORMANCE INDICATORS: HUMAN RESOURCES

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



SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Staffing / Organization	• **Staffing**: The Human Resources function is adequately staffed with the positions required to support recruiting, retention, personnel relations and benefits. Staffing includes a Chief Officer of Human Resources and Administrative Services, a Benefits Administrator and a Human Resources Officer. • **Human Resources Cost per Pupil**: The HR cost per pupil is $218, higher than districts of a similar size at $77 and the statewide average of $75. • **Students to Human Resources FTEs**: The student to HR FTE ratio is 974, which is lower than districts of a similar size at 1,319 and the statewide average of 1,338.	• Review staff capabilities on an annual basis, ensure individuals are provided with training on systems and processes, and cross-train individuals to complete multiple functions.
Recruiting and Retention	• **Recruiting:** Similar to other school districts in the state, recruiting teachers into the District is challenging. The District currently employs 20 international teachers (approximately 11% of its total teaching force) and leverages multiple agencies to provide these positions. In addition, the District leverages staffing agencies to fill hard-to-staff services (i.e. Physical Therapy, Occupational Therapy). • The teachers shortage continues during the school year with 3 teacher vacancies currently being filled with long-term substitutes. • **Average Teacher Salary:** The District's average teacher salary is $48,319, which is higher than the statewide average of $47,497 and the regional average of $46,300.	• Evaluate opportunities to reduce reliance on international recruiting agencies and related administrative fees, either via direct sponsorship, cross-district shared resources or alternative recruitment strategies. • Consider implementing incentive programs to recruit and retain teachers. Such efforts may 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 or (e) innovative professional development programs.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Technology	• The District leverages Frontline software systems for recruiting, application screening, processing and onboarding. In addition, this system is also used for substitute management.	
Collaboration	• The District does not collaborate with other nearby school districts on recruiting, human resource system licenses or arrangements with international or local staffing agencies.	• 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: - Benefits Coordination - Human Resources System Licenses - H1B Process for International Teachers

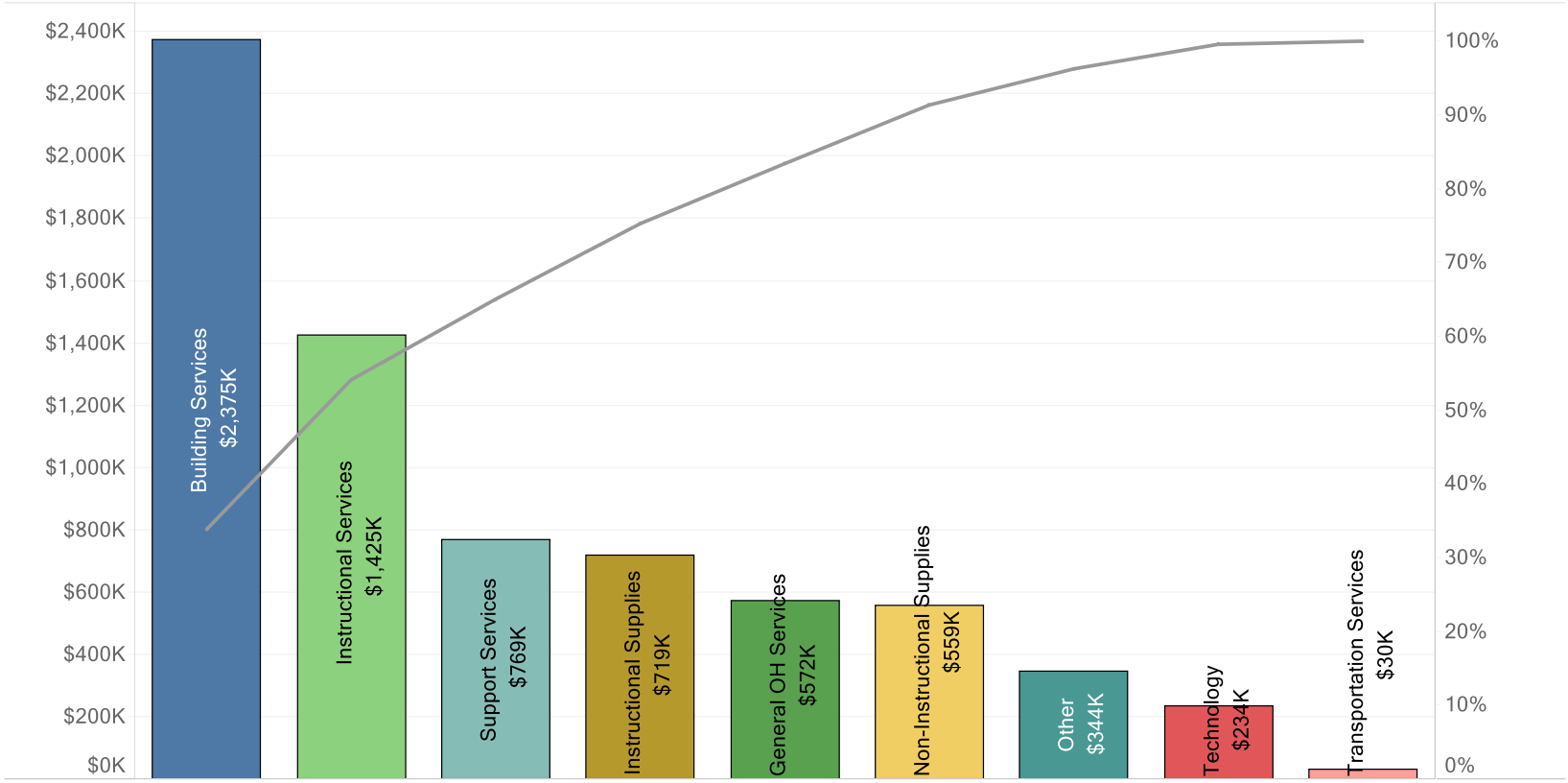
OUTLINE

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

PROCUREMENT 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.

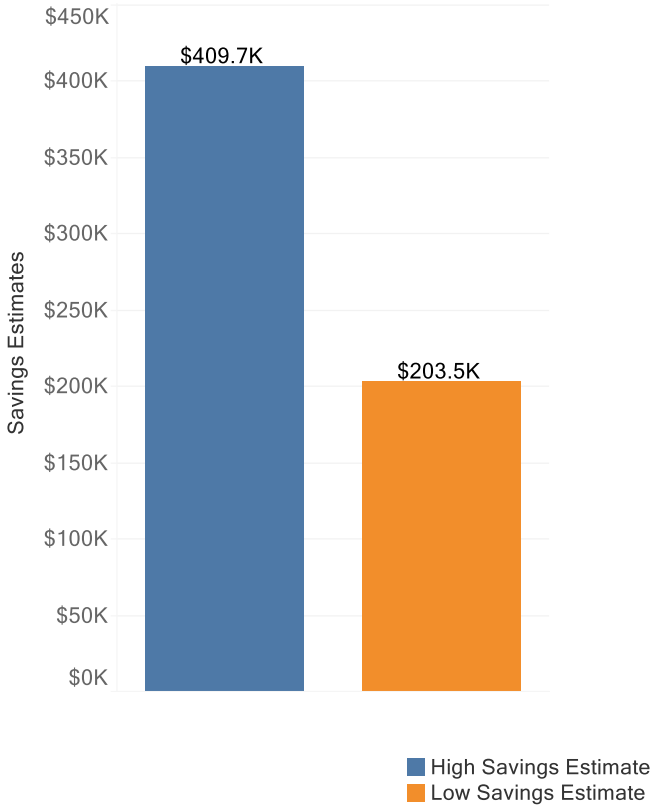
District In Scope Total Procurement Spend = $7,025,945



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[8]		
	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%



SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Organization / Staffing	• The District does not have any staff focused on purchasing and procurement.	• Leverage additional resources to better optimize procurement functions. See Regional Collaboration below.
Spending by Vendor	• Spending is fragmented across more than 1,300 vendors; however, the top 100 make up more than 80% of total spending. • Spending decisions are made by the individual buyer, with local optimization the main priority. Aggregated purchasing decisions across districts are not made.	• **Requirements**: Standardize requirements and specifications for commonly purchased goods 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 or (c) negotiated contracts done in collaboration with surrounding districts. • **Timing**: Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts. • **Minimum Commitments**: Consider pursuing minimum purchasing level commitments to facilitate negotiations of discounts and rebates over specified buying thresholds. Add provisions that include tiering and volume discounts/rebates in all new contracts. • **Group Purchasing**: Seek opportunities to better leverage buying power by participating in Group Purchasing Organizations (e.g. US Communities). Areas to consider for potential collaboration include supplies and technology.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Spending by Category	• **Building and Maintenance:** The District relies on a third-party contract with GCA for custodial and general building maintenance services. • **Instructional Support Services and Supplies, Procurement Exemptions:** The District does not require procurement of instructional support software to place bids. In addition, the District does not procure these services and software in collaboration with any other districts. • **Instructional Staffing**: The District currently relies on multiple vendors (i.e. FACES and Unique for international teachers) for teacher and special education related services. • **Technology :** The District is expanding its use of technology in schools and has evaluated different options for classroom use.	• Review the District's requested minimum staffing requirements and services, and consider collaborating with nearby districts that also use GCA to attain new efficiencies. • Require instructional software purchases to conform to standard procurement guidelines for bids and proposals to enable to optimal pricing. Coordinate purchasing of instructional software with surrounding districts to maximize potential for volume discounts. • Coordinate purchasing of instructional services with surrounding districts to maximize the potential for volume discounts. • **Standardization of Technology:** The greatest savings potential can be realized through rollout of low cost/high quality technology options that are standardized across a geographic region. Standardize recommended technology options with nearby districts in order to leverage benefits of coordinated purchasing and volume discounts. Decisions made by individual districts regarding the roll-out of 1:1 initiatives vary greatly, resulting in variances in cost per device and the total cost of ownership.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Spending by Category	• **Non-instructional Supplies - Contracting Vehicles:** The District purchases its non-instructional supplies from multiple vendors in an effort to get best pricing.	• Consider a review of additional supplier options (i.e. Amazon's new K12 offering, US Communities). • Consider standardizing with one supplier to achieve additional volume discounts. • Analyze supply spend with neighboring districts and approach vendors with minimum volume commitments to achieve additional discounts.
Regional Collaboration	• The District does not partner with other districts to procure goods and services.	• 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 and contract management. • A regional collaboration model would allow for districts to further capitalize on volume discounts and rebates on areas of spend that could include: - Technology - Instructional Software and Services - Instructional Staffing - Supplies

OUTLINE

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

TRANSPORTATION OVERVIEW: STATE VS. DISTRICT

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

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

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[9]

$426 per Student

Cost of District incurred transportation related expenses. State related expenses are excluded [2],[3]

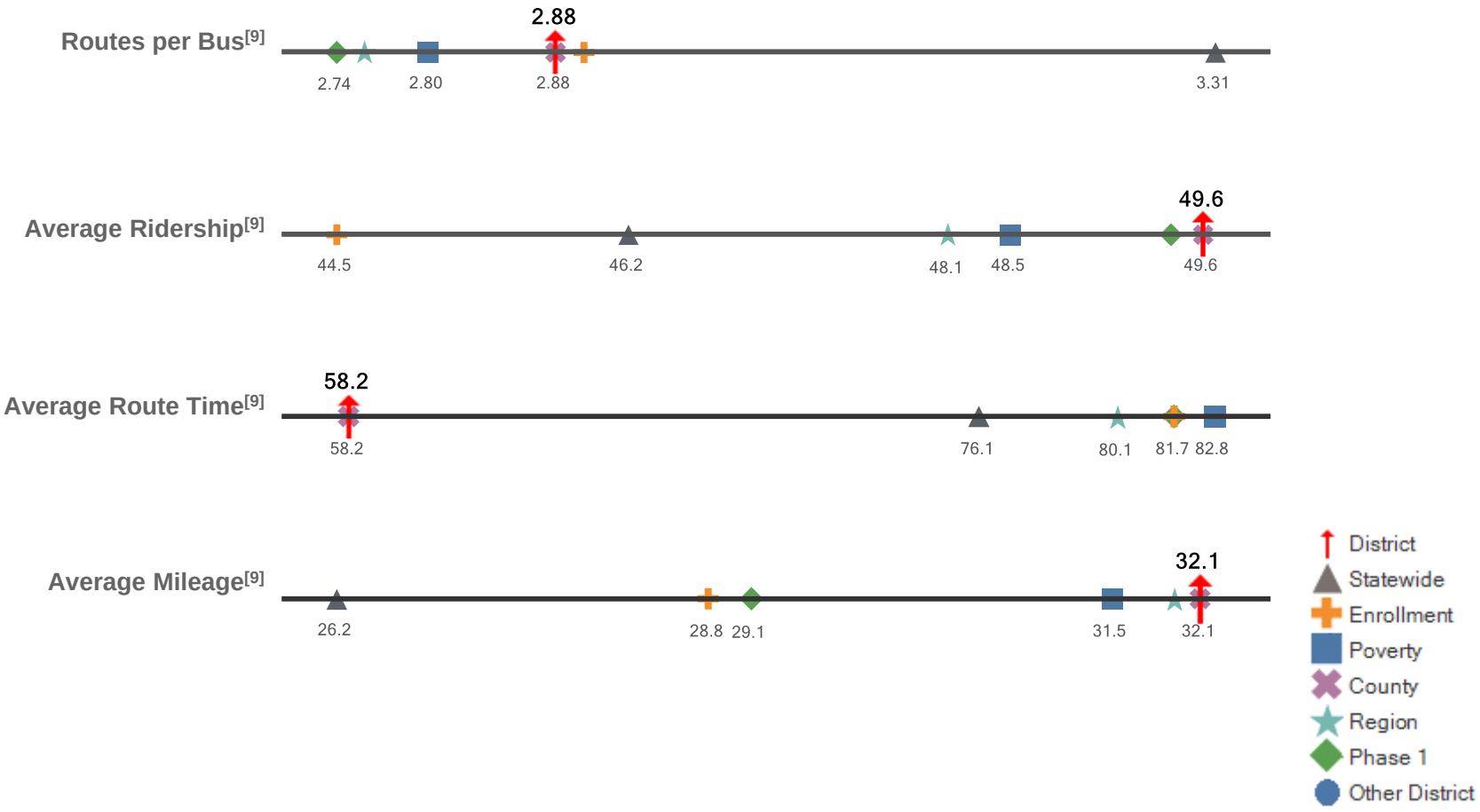
Key statistics for metrics	
Transportation FTEs[4]	42.0
Personnel Expense[3]	$1,082,149
Non-Personnel Expense[3]	$34,044
Total Transportation Expense[3]	$1,116,193

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

Key statistics for State Routes	# Buses[9]	# Routes[9]	Routes per Bus[9]	Ridership[9]	Avg Ridership[9]	Avg Route Time (including dead time)[9]	Avg Mileage per Bus[9]
Regular	32.9	95	2.9	4,715	50	58	32
Special Needs	5.0	14	2.8	103	7	Not-Available	47
Other	1.1	4	3.7	177	44	Not-Available	32
Total	39.0	113	2.9	4,995	N/A	N/A	N/A

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.



SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Staffing / Organization	• The District has a difficult time recruiting bus drivers. The District currently has 5 vacancies.	• Create opportunities for full-time employment as an incentive to recruit and retain bus drivers. Consider establishing 40 hour / week positions that are officially a combination of bus driving and maintenance work, or bus driving and food service work to help address the driver shortage.
Routing and Bus Management	• The District is considering a shift towards staggered bell times to minimize student ridership time and maximize route and driver efficiency. • The District does not utilize routing software. • The District has security cameras on all buses.	• Implement staggered bell times to 1) reduce the number of bus drivers needed, 2) eliminate the need for double bus runs, 3) reduce the number of buses needed, 4) allow students to ride with peers of their own age, and 5) shorten ride times for students. • Implement routing software to ensure most efficient routes.
Collaboration	• The District does not generally collaborate with surrounding districts on transportation.	• Consider partnering with surrounding districts to evaluate opportunities to better utilize bus fleets, analyze route efficiencies and recruit bus drivers.

APPENDIX A:
SAVINGS METHODOLOGY

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

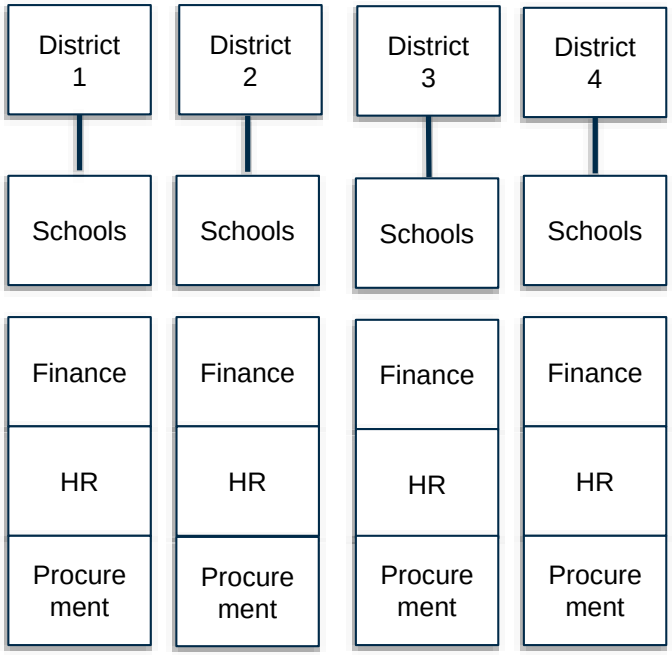
An analysis of each organization's staffing levels on an As-Is Basis, against peer benchmarks, and in a regional collaborative model were conducted to assess overall efficiency and effectiveness.

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.

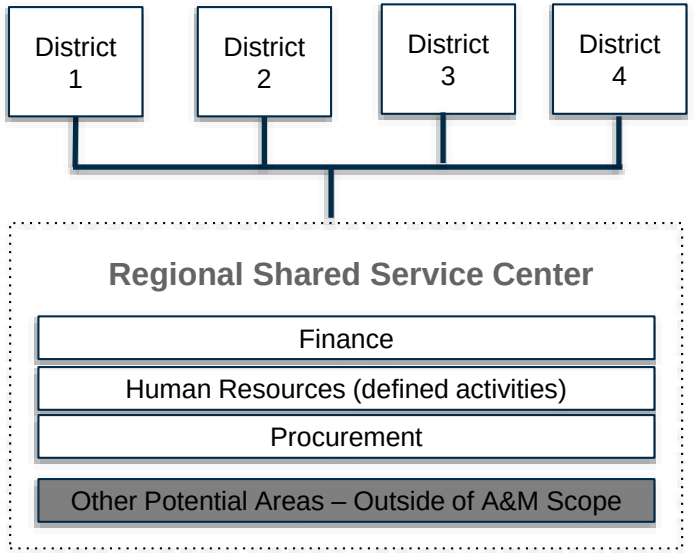
CURRENT STATE: STAND ALONE DISTRICT

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.

SHARED SERVICES MODEL: SAVINGS APPROACH

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

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

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

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

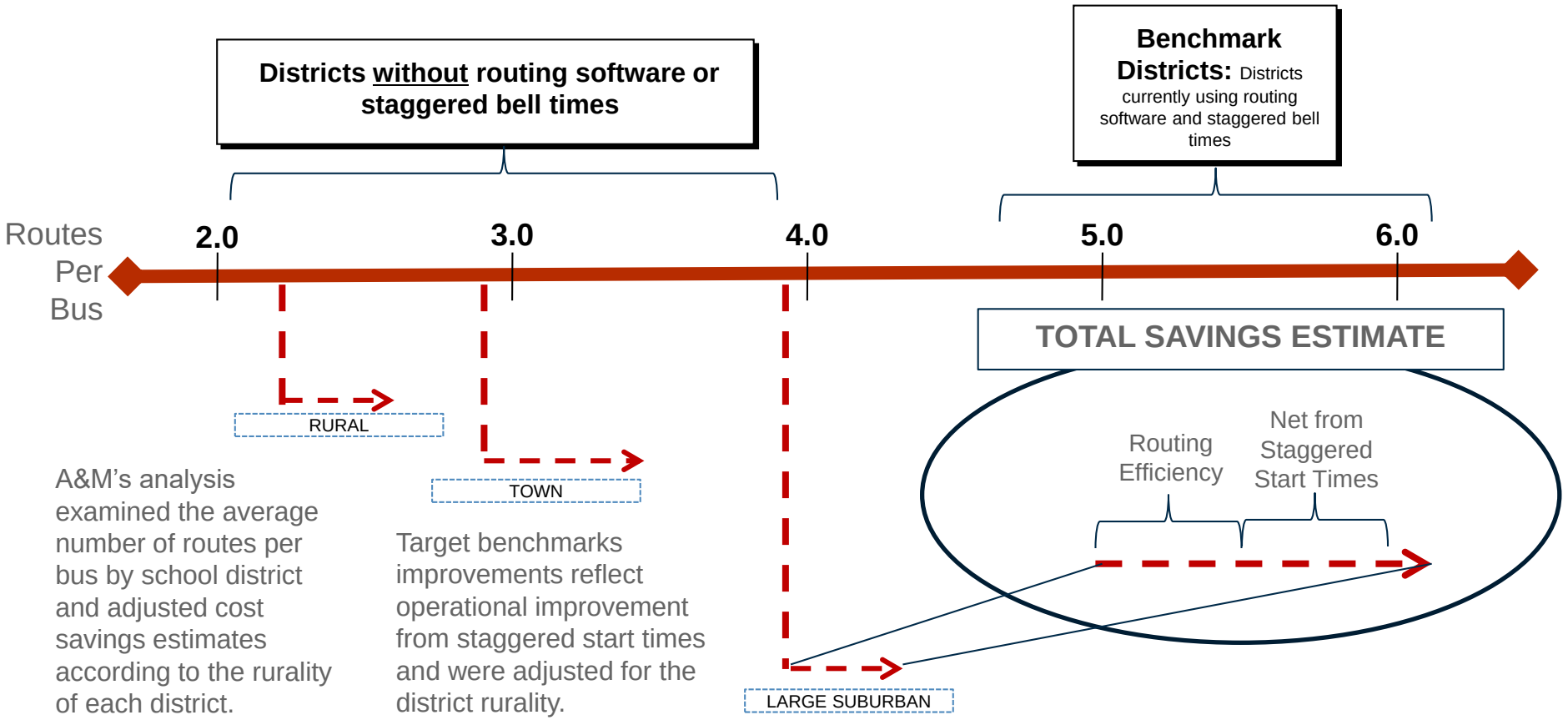
	Financial Management Collaboration: Five Districts [1 Large, 1 Med, 3 Small]		
	Current State	**Collaboration Model**	**Savings**
# of Districts	5	5	NA
Total ADM	21,000	21,000	NA
Total FTEs(2)	18.9	13.0	6.0
Total Spend(2)	$2,409,840	$1,684,478	$725,326
Savings %			30.1%

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

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

TRANSPORTATION ROUTING: SAVINGS APPROACH

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



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 reflect operational improvement from staggered start times and were adjusted for the district rurality.

TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

Savings from Routing Efficiencies

A&M analyzed districts' route mileage, frequency, timing and volume to estimate potential efficiencies available through the implementation of routing software.

This analysis separates the district and state portions of estimated cost savings according to the amount of reimbursement the state provides to each district.

Fuel and maintenance savings are based on state cost per vehicle mile.

The reduction in buses is the result of a reduction in the need to purchase new buses per year across the plaintiff districts.

DISTRICT EXAMPLE OF COST SAVINGS OPPORTUNITIES FROM ROUTING SOFTWARE

DISTRICT A	VOLUME	UNIT	DISTRICT	STATE
DRIVERS	5.0	$ 19,390	$ 55,051	$ 37,238
FUEL	43,560	$ 0.15	$ -	$ 6,749
MAINTENANCE	43,560	$ 0.34	$ -	$ 14,595
BUSES (COST AVOIDANCE)	1.0	$ 60,000	$ -	$ 60,000
TOTAL			$ 55,051	$ 118,582

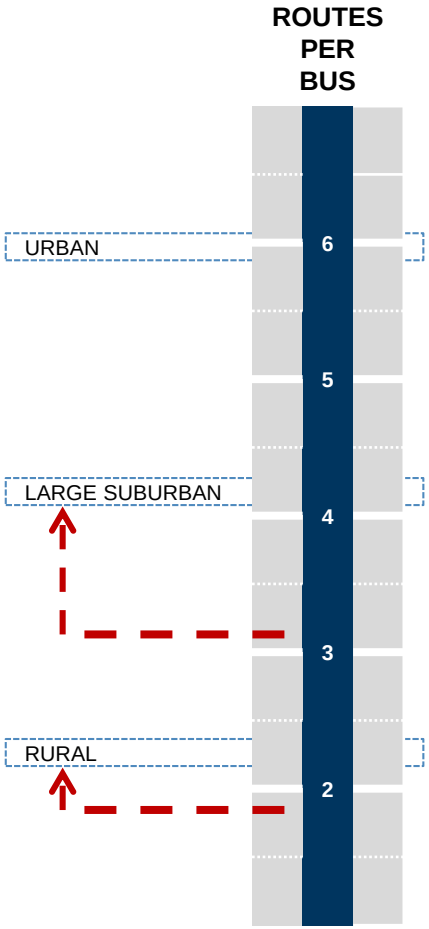
Cost savings from more efficient routing are significant, with savings shared between the districts and the State.

TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

Savings from Increased Utilization:

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

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



DISTRICT EXAMPLE COST SAVINGS OPPORTUNITIES FROM STAGGERED SCHOOL START TIMES

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

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

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.

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

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[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
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Sources [2],[3]

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

Sources [2],[4]

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

APPENDIX B: FORMULAS DEFINED
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Source [5]

- Grant Funds as Percent of Total Budget = ((Total Special [5] + Special EIA Revenue [5]) / Total Revenue Excluding) Where Fund Name ≠ "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 = (Cash: Unrestricted, general fund [7] + Investments: general fund [7] + AR: County [7]) / (General Fund Expenditures [3] / 365))
  *General Fund Expenditures = expenses where fund code = 100

- Days Payable Outstanding = (Accounts Payable: General Fund [7] / (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 = Fund balance – unrestricted [7] / General Fund Revenue [5]

- Grants Receivables Days Outstanding = (Grants Receivable from State [7] + Grants Receivable from Federal [7]) / (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 = Total Debt Outstanding[7] / Revenue[5] (Where Fund Name ≠ "Capital Projects Fund" or "Debt Service Fund")

Source [9]

- Routes Per Bus = Number of Routes [9] / Number of Buses [9]

- Average Ridership = Total Ridership [9] / Number of Routes [9]

- Average Route Time = Total Route Minutes [9] / Number of Routes [9]

- Average Mileage Per Bus = Total Route Miles [9] / Number of Buses [9]

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