



# ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION  
SCHOOL DISTRICT EFFICIENCY REVIEW

**Marion 10**

**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

## MARION 10

### PROJECT OVERVIEW

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

# EXECUTIVE SUMMARY

## MARION 10

### PROJECT OVERVIEW (CONTINUED)

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

# EXECUTIVE SUMMARY

## MARION 10

### PROJECT OVERVIEW (CONTINUED)

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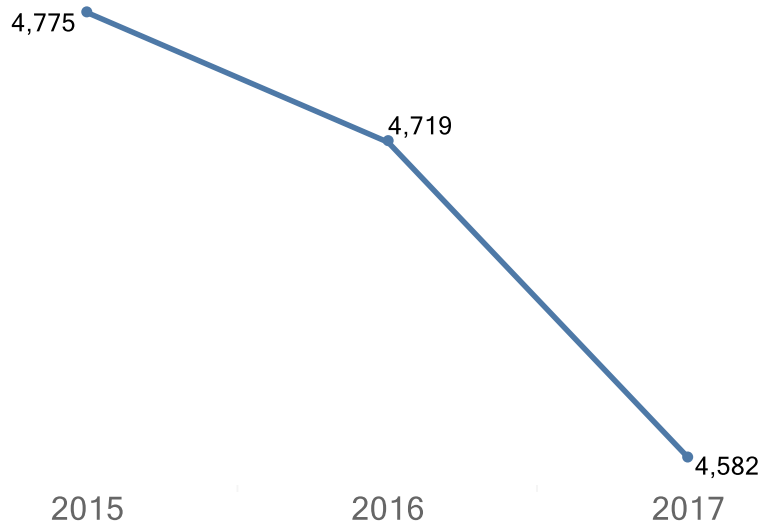
#### ➤ Sources of Data and Savings Estimates:

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

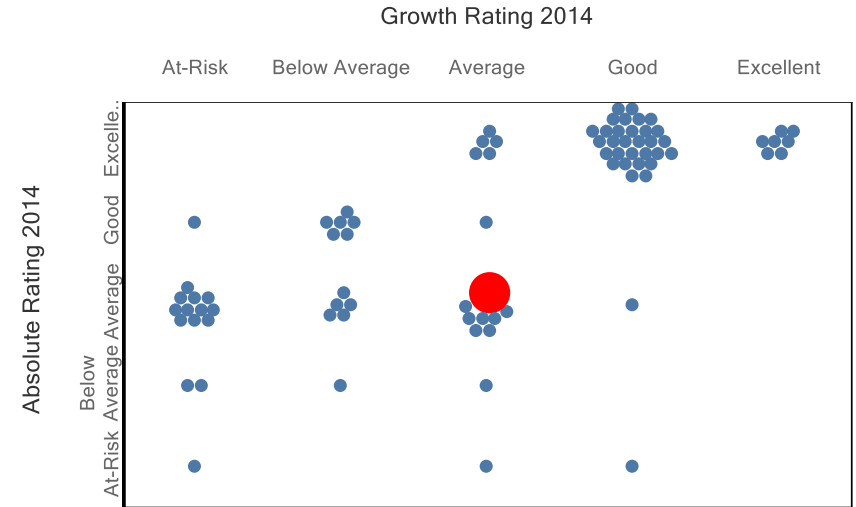
# EXECUTIVE SUMMARY

## MARION 10

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



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



### General Info

Number of Schools <sup>[2]</sup>	10
% Poverty <sup>[1]</sup>	87.9%
% Disability <sup>[1]</sup>	4.5%
\$ Per Student <sup>[2],[3]</sup>	\$11,001
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$10,728

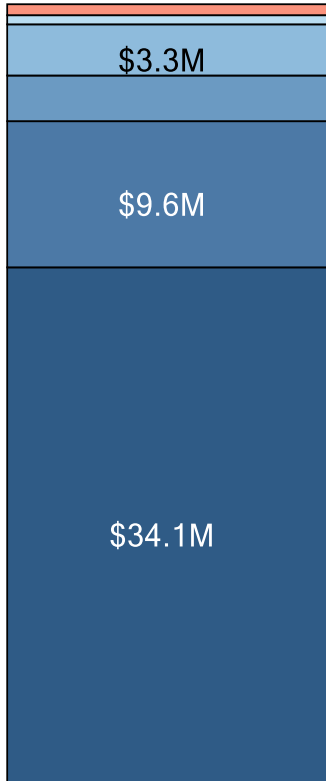
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	8.1
Students Per Overhead FTE <sup>[2],[4]</sup>	176.2
Students Per School Support FTE <sup>[2],[4]</sup>	29.8
Students to Total FTE <sup>[2],[4]</sup>	6.1

# EXECUTIVE SUMMARY

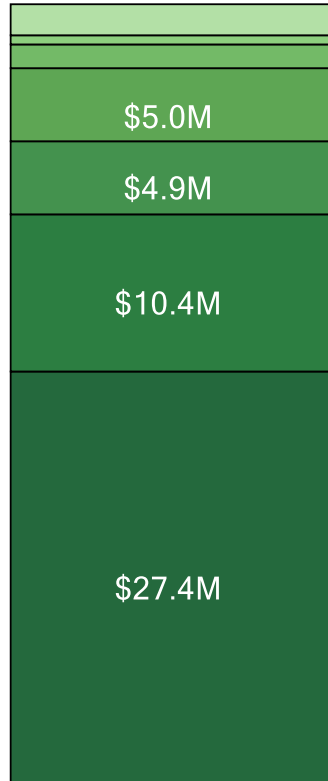
## MARION 10

Sources of Funds<sup>[5]</sup>  
\$51.5M



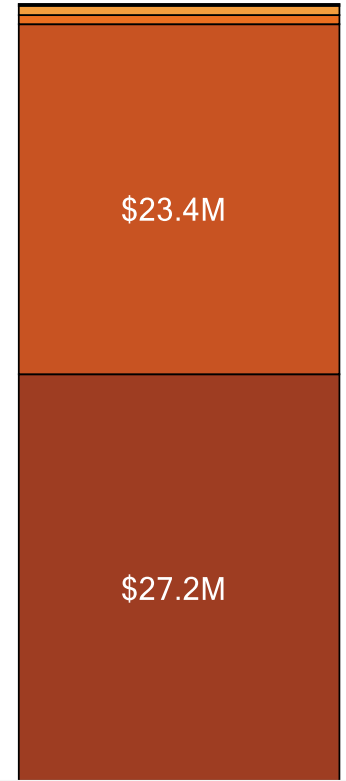
2015-2016

Use of Funds - Type<sup>[3]</sup>  
\$51.9M



2015-2016

Use of Funds - Function<sup>[3]</sup>  
\$51.9M



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

## MARION 10

\$51.9M  
Total

\$9.6M  
In-Scope

\$42.3M  
Not In-Scope

*18.6% of total spend is within scope of the efficiency review:*

	In Scope Spend <sup>[3]</sup>	Procurement Component
Finance	\$510,361	\$116,254
Human Resources	\$354,274	\$56,423
Overhead	\$830,200	\$239,805
Transportation	\$1,476,445	\$40,629
Procurement (Community Services, Instruction, Support Services)	\$6,473,978	\$6,473,978
<b>TOTAL</b>	<b>\$9,645,258</b>	<b>\$6,927,089</b>

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## MARION 10

### GOALS, CHALLENGES & ACHIEVEMENTS

#### District Goals

**Mission:** The mission of the Marion School District is to educate, prepare and inspire students to be productive citizens in a changing global society.

- 1. Increase Student Learning in ELA, Math and Science:** Curriculum, instructional design and assessment practices will guide and ensure teacher effectiveness and student learning across all grades and courses to increase the percentage of students scoring at the met or proficiency level to 75% in English, Math and Science as measured by standardized assessments and correlated assessments.
- 2. Utilize Results for Continuous Improvement:** Engage in a process of utilizing assessment data to yield reliable information about student learning to guide instruction resulting in an increase in student achievement data.
- 3. Improve Customer Service:** Increase overall satisfaction of the school learning environment as measured by the State of South Carolina Annual Report Card Survey to a minimum of 85% with responses represented by at least 20% of parents/families, 60% of staff and 40% of students.
- 4. Increase Teacher Retention Rate:** Provide the human, financial and physical resources and services necessary to support our vision of achievement for all students to succeed by 2021, as indicated by increasing teacher retention rate from 95% as measured by the South Carolina State Report Card.

#### Achievements

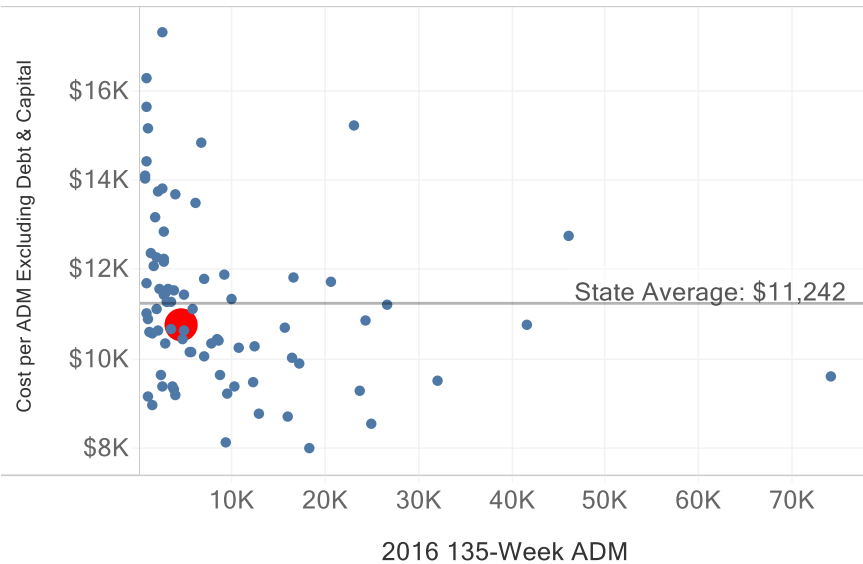
- **Graduation Rate:** Successfully increasing graduation rates; continuous improvement in 5-year cohort, which is higher than State average.
- **Student Reclamation:** Proactively recapturing dropout students.
- **Teacher Quality:** High quality staff that possess advanced degrees.
- **Community Engagement:** Stakeholder involvement and parental participation.
- **Student offerings:** Montessori, Dual enrollment, etc.

#### Challenges

- **Teacher Retention:** Retaining quality teachers is challenging.
- **Financial Stability:** Establishing consistent processes, procedures and internal controls for financial management.
- **Instructional Achievement:** Increasing standardized test performance in all areas as well as increasing instructional expectations.
- **Financial Insecurity:** With rural poverty, shrinking federal and state funding and a lack of industry, there is an inadequate tax base to fund and sustain District school programs.

## KEY OBSERVATIONS

### Per Pupil vs. Enrollment



### District Size and Minimum Costs

#### Minimum Cost Base:

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

#### Resource Utilization:

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

### Opportunities for Improvement

#### Modernize / Process Improvements:

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

#### Collaboration / Maximizing Efficiencies:

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

# EXECUTIVE SUMMARY

## MARION 10

### OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
<b>Finance</b>	<ul style="list-style-type: none"> <li>• <b>Gaps in Financial Management:</b> Inconsistent leadership and lack of documented processes contribute to material weaknesses in internal controls. Despite a 12% unrestricted fund balance, the District's declining enrollment trend requires prudent long term financial planning.</li> <li>• <b>Manual Processes:</b> Under-investment in and under-utilization of integrated technology systems perpetuates the use of manual processes that could be streamlined through modernization.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• <b>Limited Staffing / Manual Processes:</b> The Human Resources function operates on a lean budget with limited staffing to support recruiting, retention, personnel relations, professional development and benefits.</li> <li>• <b>Challenges with Recruiting and Retention:</b> The District's average teacher salary is well below the statewide average and teacher shortages are exacerbated by varying pay scales in neighboring districts. There is a reliance on agencies for placement and the use of international teachers to fill vacancies.</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• <b>Transportation Management:</b> The State pays for bus purchases, maintenance, fuel and a portion of driver salaries. The District is constantly grappling with bus driver recruitment and retention.</li> <li>• <b>Manual Routing:</b> The District does not have software that can be used to identify routing efficiencies.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> There are no dedicated Procurement resources.</li> <li>• <b>Strategic Sourcing:</b> The District experiences low leverage with vendors due to low purchasing volumes. Contracts are negotiated without volume discounts / rebates. There is off-contract purchasing and limited collaboration across districts.</li> </ul>
<b>Overhead</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The District's seven major organizational functions report directly to the Superintendent.</li> <li>• <b>Collaboration:</b> The District participates in regular, informal collaboration with other superintendents.</li> </ul>

## RECOMMENDATIONS

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*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.

# EXECUTIVE SUMMARY

## MARION 10

### 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
<p><b>System Enhancements:</b> Update software versions and / or add modules to financial systems to facilitate automated and purchase to payments processes, integrated timekeeping and payroll and position control functionality.</p> <p><b>Process Improvements:</b> Modernize processes to limit manual activities and strengthen internal controls.</p> <p><b>Staffing/Organization:</b> Train/cross-train personnel on key financial functions to increase the capabilities and effectiveness of the teams.</p>	<p><b>System Enhancements:</b> Ensure effective use of current HR technologies and integrate applicant sourcing, tracking and on-boarding functions.</p> <p><b>Process Improvements:</b> Formalize plans to implement and enhance incentive programs to help navigate teaching shortages and increase recruitment and retention rates.</p> <p><b>Staffing/Organization:</b> Train/cross-train personnel on recruiting, talent management and professional development strategies.</p>	<p><b>Process Improvements:</b> Leverage state contracts and group purchasing organizations to optimize spend.</p> <p>Enable other districts to purchase off individually negotiated contracts.</p> <p>Negotiate discounts / rebates for tiered levels of spending using minimum buying commitments as appropriate.</p> <p>Monitor compliance with major contracts and analyze spending distribution on an ongoing basis to identify opportunities for potential savings.</p>	<p><b>System Enhancements:</b> Implement new routing software and GPS on all buses.</p> <p><b>Process Improvements:</b> Since District already has Staggered Bell Times: - complete analysis (in conjunction with use of new routing software) to evaluate the potential additional financial benefits.</p> <p><b>Staffing/Organization:</b> Utilize new routing software to make routes more efficient and potentially reduce the number of bus drivers necessary for operation.</p>

# EXECUTIVE SUMMARY

## MARION 10

### 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

## MARION 10

### 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

## MARION 10

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

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

	MODERNIZE Est. One-Time Investment		COLLABORATE Est. Net Annual Savings	
	Low	High	Low*	High
Finance	\$17,500	\$32,500	\$49,500	\$148,600
Human Resources	0	5,000	0	35,900
Procurement	0	0	201,300	400,900
Transportation – District	N/A	N/A	46,000	69,000
<b>District Total</b>	<b>17,500</b>	<b>37,500</b>	<b>296,800</b>	<b>654,400</b>
Transportation – State	20,000	76,400	36,200	86,900
<b>Total</b>	<b>\$37,500</b>	<b>\$113,900</b>	<b>\$333,000</b>	<b>\$741,300</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.*



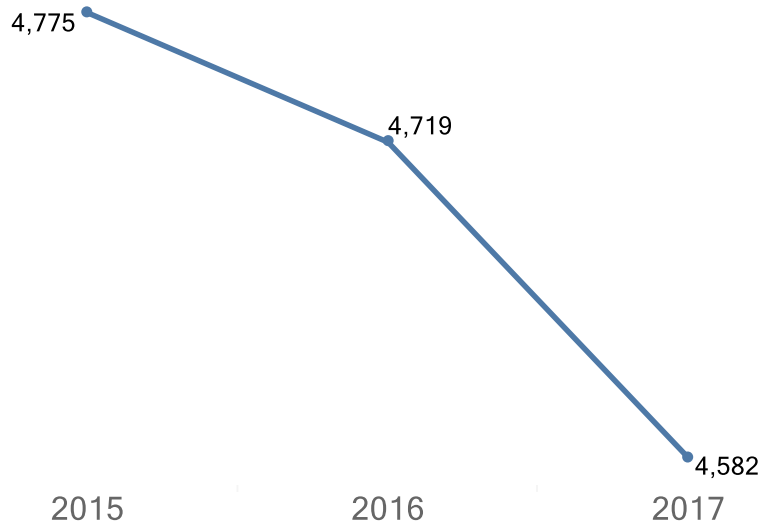
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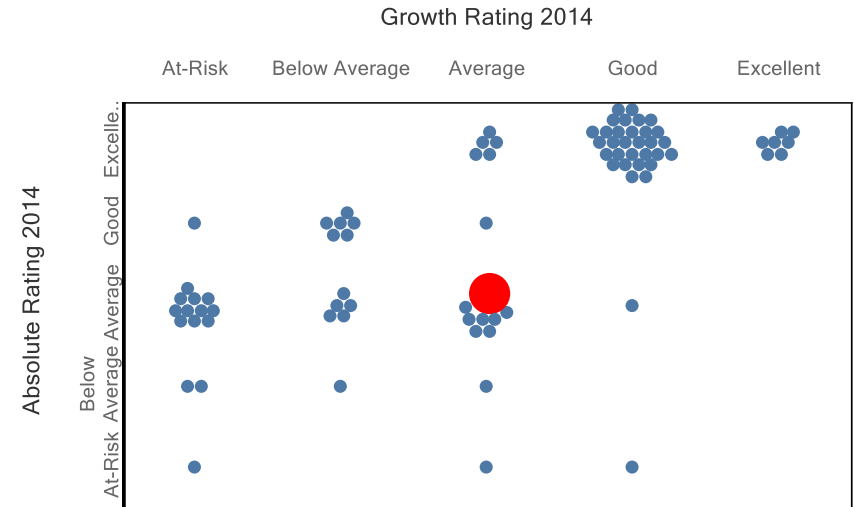
# DISTRICT ADMINISTRATION AND PERFORMANCE

## MARION 10

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



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



### General Info

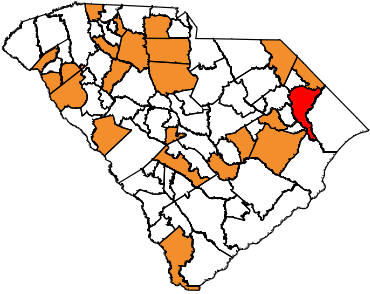
Number of Schools <sup>[2]</sup>	10
% Poverty <sup>[1]</sup>	87.9%
% Disability <sup>[1]</sup>	4.5%
\$ Per Student <sup>[2],[3]</sup>	\$11,001
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$10,728

### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	8.1
Students Per Overhead FTE <sup>[2],[4]</sup>	176.2
Students Per School Support FTE <sup>[2],[4]</sup>	29.8
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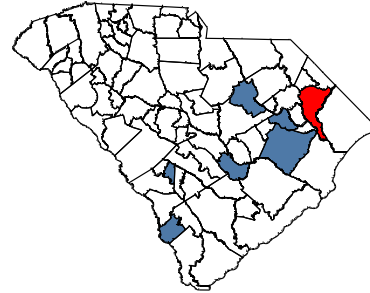
# DISTRICT BENCHMARKING

## MARION 10



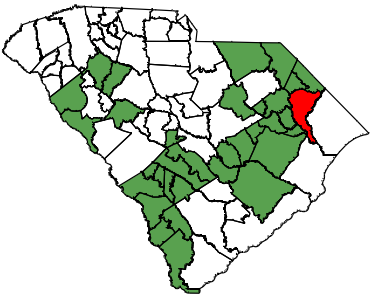
### Enrollment (2,500 - 5,000)

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



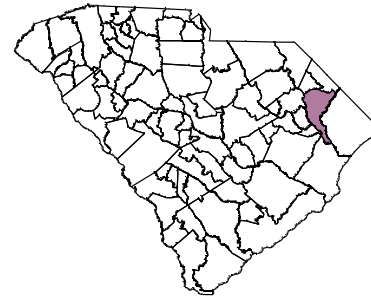
### Poverty (85% - 90%)

Barnwell 19  
 Florence 03  
 Hampton 02  
 Lee  
 Marion 10  
 Orangeburg 03  
 Williamsburg



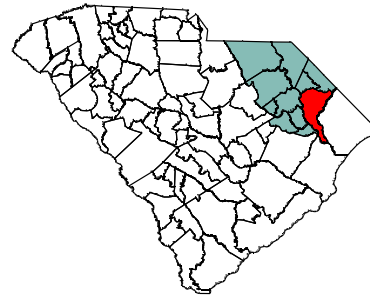
### Phase 1 (Yes)

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



### County (Marion)

Marion 10



### Region (Pee Dee)

Chesterfield	Marlboro
Darlington	
Dillon 03	
Dillon 04	
Florence 01	
Florence 02	
Florence 03	
Florence 04	
Florence 05	
Marion 10	

# DISTRICT OVERVIEW

## MARION 10

### KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

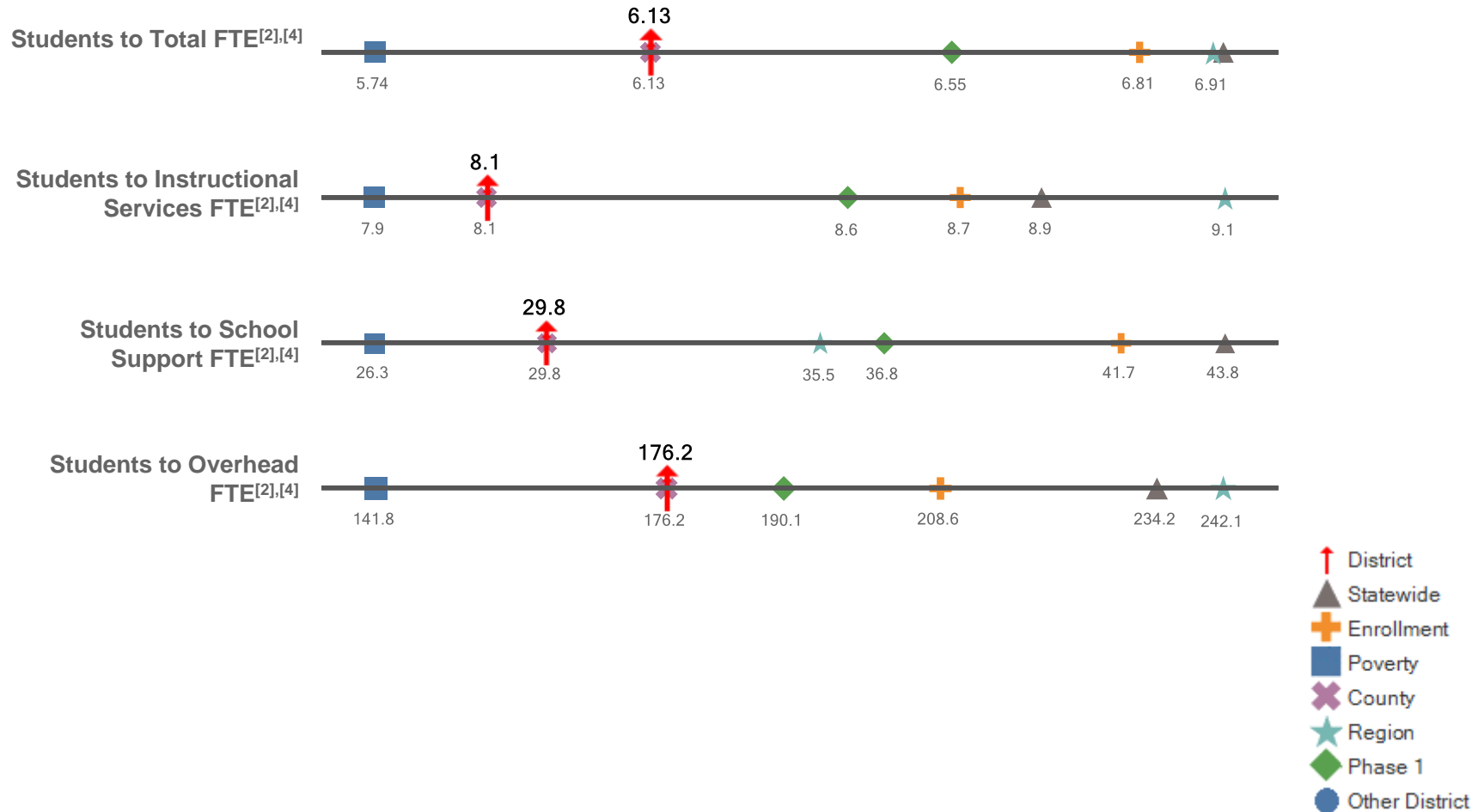
*The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 1 and (g) other districts.*



# DISTRICT OVERVIEW

## MARION 10

### KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



# DISTRICT OVERVIEW AND OVERHEAD

## MARION 10

### 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 decreased by 193 students (or 4%) over the past 3 years. Current enrollment is 4,582 students.</li> <li>• <b>Student Demographics:</b> 87.9% of District students live in poverty, which is well-above the statewide average of 68.4%. 4.5% of students in the District have special needs.</li> <li>• <b>Competition:</b> There are no charter schools in the District. There are two private schools in the county. These schools are not viewed as a challenge to enrollment.</li> <li>• <b>Other Demographic:</b> Multiple districts within the county were combined into one district in 2012. All schools qualify as Title I.</li> <li>• <b>Long-term Planning:</b> The District projects enrollment on an annual basis by reviewing the birth rate data for the local areas and aging up the class for the coming year, but it does not prepare long term enrollment projections to help inform long-term planning.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should continue developing long-term enrollment forecasts 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> With lack of industry and extreme poverty, there is an inadequate tax base to fund District school programs. Despite a 12.8% Unrestricted Fund Balance, which is below the statewide average, declining enrollment trend requires it to be prudent with long term financial planning and fund balance reserves in order to navigate through any unanticipated events.</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritize rebuilding Unrestricted Fund Balance, with a target of 16% of revenues. Consider deposit of any unrestricted General Fund balance credit into reserves at the end of the fiscal year as a first priority.</li> <li>• To ensure the financial stability of the District is maintained, the District should prepare a three to five year financial plan that allows for investment in critical areas of academics and operations while still maintaining a strong fund balance.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>District Funding and Resource Allocation</b>	<ul style="list-style-type: none"> <li>• <b>Per Pupil Expenses:</b> When excluding debt and capital, the District's Per Pupil Expense of \$10,728 is lower than the statewide average of \$11,242 and that of similarly-sized districts of \$11,362.</li> <li>• <b>Unrestricted Fund Balance:</b> The District has an Unrestricted Fund Balance that is 12.8% of revenues. The fund balance is below the statewide average of 18.6%, which results in lower financial stability. A weak balance restricts the District's ability to pay for unexpected expenses.</li> <li>• <b>Student to FTE:</b> The District's Student to Total FTEs ratio is 6.1, which is lower than both the statewide average of 6.9 and districts of similar size of 6.8.</li> <li>• <b>Student to Instructional Services FTE:</b> The District's Student to Instruction ratio is 8.1, which is more favorable than both districts of similar size at 8.7 and the statewide average of 8.9. The District and Board have deliberately sought to keep class sizes small.</li> <li>• <b>Student to Support Services FTE:</b> The District's Student to Support Services ratio is 29.8, which is lower than both districts of similar size at 41.7 and the statewide average of 43.8.</li> <li>• <b>Student to Overhead FTE:</b> The District's Student to Overhead ratio of 176.2 is lower than both similarly-sized districts of 208.6 and the statewide average of 234.2.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider review and reorganization of other direct support areas of the Superintendent, which are outside of the scope of this report, in order to optimize resources and bring spending in line with benchmarks.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Philanthropy</b>	<ul style="list-style-type: none"> <li>Collaborative effort between business sector of Marion County and School District provides for work-based learning opportunities through the iImagine Work Program. The Superintendent is establishing relationships within the entire community for support.</li> </ul>	<ul style="list-style-type: none"> <li>Work with the School Board to seek greater partnerships with foundations and local business for donations of money, food, goods, time, etc.</li> </ul>
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li><b>Role of Superintendent:</b> The Superintendent is spread across many different functions. She works with the board, provides strategic direction, and oversees all of the operations of the District.</li> <li><b>Communications Function:</b> There is Communications support provided within the Superintendent's office.</li> <li><b>Legal:</b> The District has no legal department. If legal advice is required, the District utilizes an external firm to provide support.</li> <li><b>Turnover:</b> Superintendent has overseen the District for the past 1 year.</li> </ul>	<ul style="list-style-type: none"> <li>Consider review and reorganization of other direct support areas of the Superintendent, which are outside of the scope of this report, in order to optimize resources and bring spending in line with benchmarks.</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li><b>Board Pay:</b> The District's School Board members are paid approximately \$7,200 annually; the chair of the board is paid approximately \$8,200 annually.</li> <li><b>Training:</b> Board members are not required to attend training, but some do attend the South Carolina School Board Association's training.</li> </ul>	<ul style="list-style-type: none"> <li>Have Board of Directors attend an annual training to enable members to become impactful members of the board.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Collaboration</b>	<ul style="list-style-type: none"><li>• The District coordinates with other regional superintendents with regards to Professional Development, information-sharing, mentoring and grant proposals. The District participates in the PeeDee Consortium.</li><li>• <b>Career Center:</b> The District does not have a shared career center.</li><li>• <b>Special Education:</b> The District does not coordinate with other area districts on Special Education programs.</li><li>• <b>Headcount:</b> The District does not share certain FTEs with area districts.</li></ul>	<ul style="list-style-type: none"><li>• Consider implementing a regional shared service model that allows for sharing of resources and systems that 1) require specialized skills or 2) are highly transactional.</li></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.*

764 : 1

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

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

\$108 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>	6.0
Personnel Expense <sup>[3]</sup>	\$381,640
Non-Personnel Expense <sup>[3]</sup>	\$128,721
Total Financial Expense <sup>[3]</sup>	\$510,361

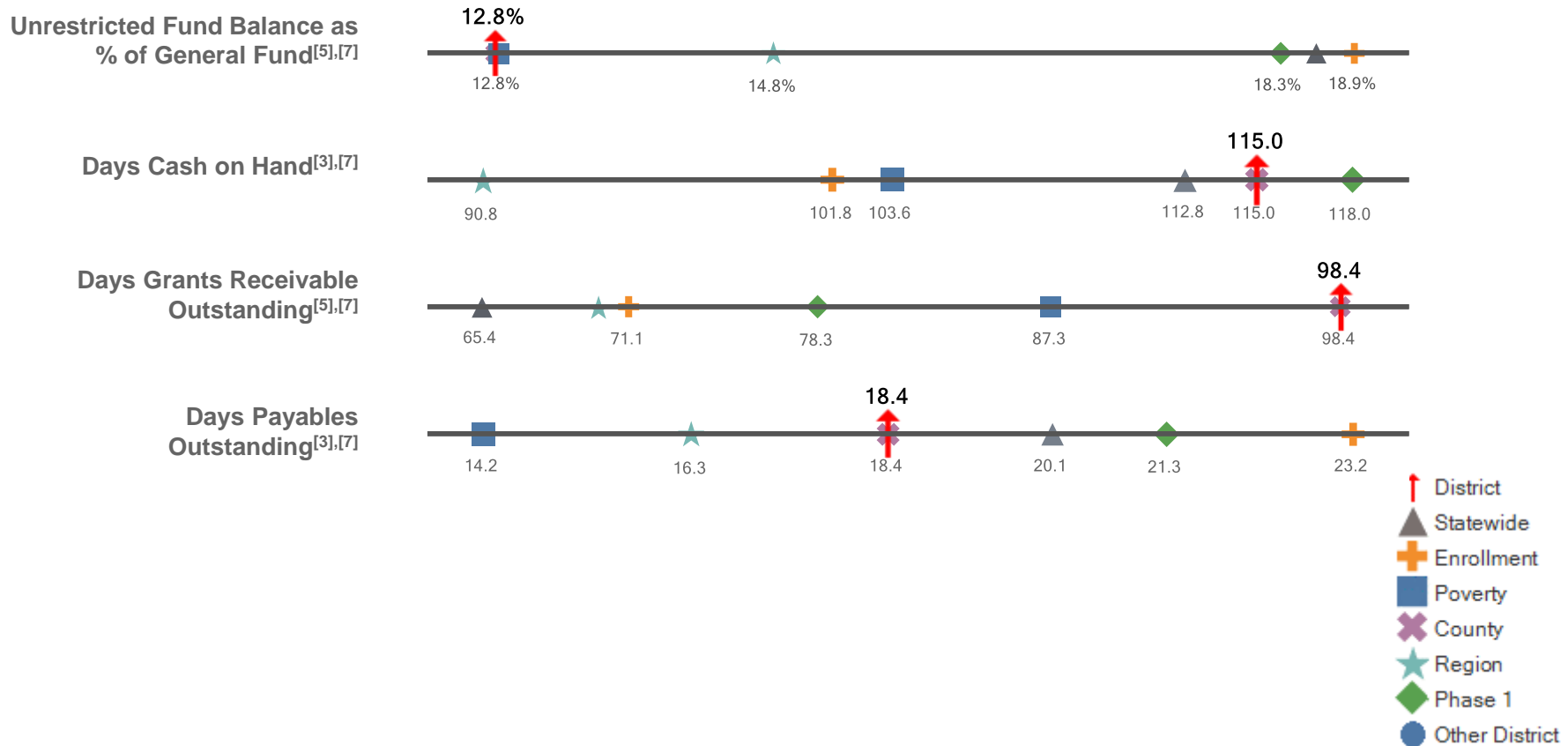
NOTE: FTEs shown in the table above reflect dedicated finance staff only; Financial expenses shown above reflect amounts coded to the finance department. In some instances districts may include salary and benefit related charges that are not related to dedicated Finance costs in their totals.

# FINANCIAL MANAGEMENT

## MARION 10

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

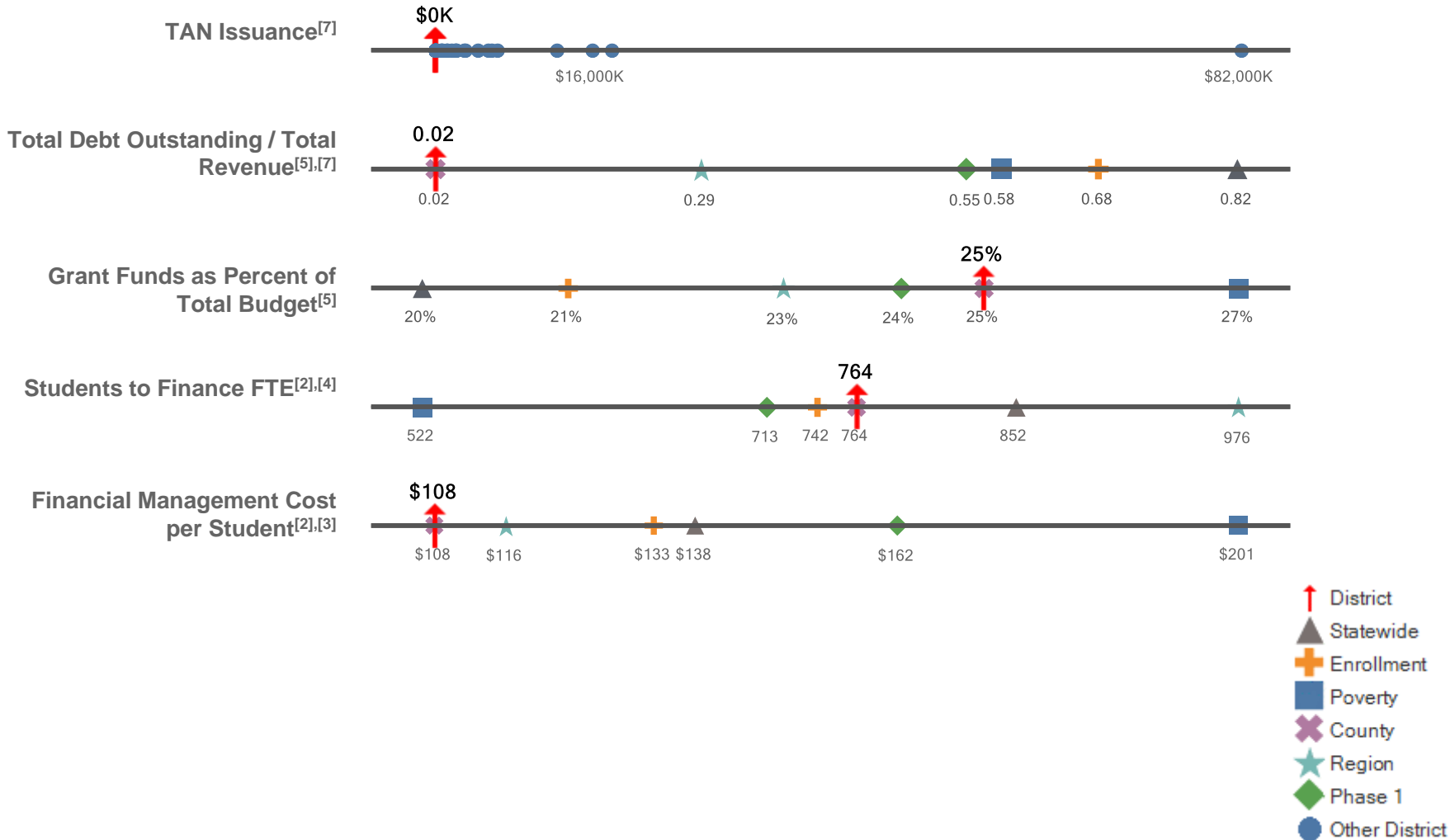
The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 1 and (g) other districts.



# FINANCIAL MANAGEMENT

## MARION 10

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



# FINANCIAL MANAGEMENT

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
Staffing / Organization	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The Finance organization is relatively streamlined to support the scope of its roles and responsibilities over accounting, payroll, accounts payable, budget, treasury, procurement and financial reporting. The department in the process of documenting all processes and procedures.</li> <li>• <b>Turnover:</b> The Finance Department has had 5 lead Finance Directors in past 5 years. The current Finance Director has experience with one of the prior Marion County districts and should provide stability to these functions.</li> <li>• <b>Finance Cost Per Pupil:</b> The District's Finance Cost Per Pupil is \$108, which is lower than both similarly-sized districts at \$133 and the statewide average of \$138.</li> <li>• <b>Student Per Finances FTE:</b> The District's Student to Financial Management FTE ratio is 764, which is higher than similarly-sized districts at 742 but lower than the statewide average of 852.</li> </ul>	<ul style="list-style-type: none"> <li>• Stabilize leadership within the Finance Department and begin to implement standardized practices for A/P, A/R, payroll and internal controls.</li> <li>• Develop the necessary policies and procedures within the finance organization to ensure performance continuity and consistency.</li> <li>• Review staff capabilities on an annual basis and ensure individuals are provided with training on systems and processes and cross-train individuals to be able to do multiple functions.</li> </ul>

# FINANCIAL MANAGEMENT

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"> <li>• <b>Payroll:</b> The District currently runs payroll on a semi-monthly basis.</li> <li>• Approximately 42 of the District’s payroll employees, 5%, receive payment via check versus direct deposit.</li> <li>• The District does not use a self-service payroll platform; therefore, employee initiated payroll changes are all processed manually. In addition, check pay stubs are printed manually and delivered to schools / employees directly.</li> <li>• <b>Timekeeping:</b> Time tracking is currently managed via manual processes and entered into the payroll system by the finance department. The District is exploring purchase of an electronic timekeeping system, but it will likely occur post-Softdocs implementation.</li> <li>• <b>Purchasing:</b> The District currently uses a centralized purchase order system. Schools are able to secure items and services in accordance with District and State regulations. The District is researching the use of Soft Docs for procurement with the goal of a completely seamless, electronic approval system.</li> <li>• <b>P-card:</b> The District does not utilize a Pcard program but plans to explore in near future.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider requiring all employees to receive payroll via direct deposit. In addition, eliminate the physical mailing of check stubs to employees and leverage employee self-service functionality when available within the Harris SmartFusion system.</li> <li>• Implement an automated time-tracking functionality, such as a biometric timeclock, that integrates with the payroll system in order to eliminate the need for manual timesheets.</li> <li>• Leverage automated purchase order work flow systems that can be integrated with the financial systems.</li> </ul>

# FINANCIAL MANAGEMENT

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable</b>	<ul style="list-style-type: none"><li>• <b>Inventory:</b> The District maintains a small, older building that stores janitorial supplies. The District maintains spreadsheets to track fixed assets; however, the goal is to consolidate fixed asset inventory into the Harris SmartFusion system as a part of the upgrade.</li><li>• The District manually tracks inventory of technology and furniture through the use of spreadsheets. The schools track textbooks as received from the state. Finance is only involved if there are lost textbooks and the state needs reimbursement.</li><li>• <b>Insurance and Risk Management:</b> The District currently purchases all property and casualty and workers compensation insurance through the South Carolina School Board Insurance Trust (SCSBIT).</li></ul>	<ul style="list-style-type: none"><li>• Implement standard policies and procedures around managing physical inventory and ensure that the District Finance organization is part of the overall process.</li><li>• Evaluate the usefulness of barcode scanning to track assets.</li></ul>

# FINANCIAL MANAGEMENT

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Grants Management</b>	<ul style="list-style-type: none"> <li>• <b>Grants Revenue %:</b> Grant revenues provide 25% of revenue for the District, making this District more reliant on grant funds than the statewide average.</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 in a timely manner in order to maximize cash flow.</li> <li>• <b>Indirect Costs:</b> The District does charge indirect costs against federal grants</li> <li>• <b>Grants Monitoring:</b> Review of expenditures against grant requirements is conducted by the grants coordinator, with review by the Finance Director. If the Finance Director notices compliance or operational issues, he works with the bookkeeper to resolve them.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider hiring a grant writer that can be shared with other nearby districts to help drive applications for competitive grant opportunities.</li> <li>• Require finance to provide for a secondary review process before paying for grant funded activities or submitting claims for reimbursement on grants.</li> <li>• Create improved grants tracking reports that compare award amount, budget, YTD and cumulative expenditures, and outstanding receivable balances for each grant</li> </ul>

# FINANCIAL MANAGEMENT

## MARION 10

### 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 material weaknesses in its latest audited financial statements:               <ul style="list-style-type: none"> <li>- <b>Weaknesses in Internal Controls:</b> Bank reconciliations not completed timely, balance sheet accounts and revenues/expenditures accounts not reconciled or reviewed, salaries reported to SCRS were too high resulting in an overpayment to SCRS</li> <li>- <b>Failure to Inventory or Track Capital Assets</b></li> <li>- <b>Noncompliance of Laws &amp; Regulations:</b> Bank balances uninsured and under-collateralized</li> </ul> </li> <li>• <b>Position Control:</b> The District does not have position control. Lack of position control can lead to over-hiring / spending and ultimately, to an unanticipated deficit.</li> <li>• <b>Other:</b> The Superintendent made strategic hire to help support the Finance Director in establishing policies and procedures and provide correction assistance to audit findings.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement annual review of processes to ensure segregation of duties over key areas of internal control.</li> <li>• Implement processes to ensure that identified internal control weaknesses are mitigated.</li> <li>• Implement budget position control to ensure controls around hiring of individuals.</li> <li>• Implement standardized financial policies and procedures.</li> </ul>
<b>Cash Management</b>	<ul style="list-style-type: none"> <li>• <b>Days Cash on Hand:</b> The District has a cash balance of 115 Days Cash on Hand, which is in line with the statewide average.</li> <li>• The District does not have a formalized weekly cash flow forecasting process. The District reviews cash flow forecasts on a monthly basis, or more often, every two weeks.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement cash flow forecast to monitor weekly receipts and disbursements to help maximize investments earnings and minimize draw on TANs.</li> </ul>

# FINANCIAL MANAGEMENT

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Cash Management</b>	<ul style="list-style-type: none"> <li>• <b>Grants Receivable Outstanding:</b> The District's Grants Receivable Outstanding is 98.4 days, which is higher than the statewide average of 65.4, likely due to submission of grant reimbursements quarterly.</li> <li>• <b>Days Payable Outstanding:</b> The District's Days Payables Outstanding is 18.4, which is lower than the statewide average of 20.1.</li> <li>• <b>Cash:</b> The District invests cash balances in a State Local Investment Pool.</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>• Evaluate paying expenses on a 30 day cycle to optimize interest.</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>• <b>Budget Planning:</b> The annual budget process begins with a roll-forward of the prior year expenses. The budget team works extensively with department heads to assess any new needs that are anticipated for the upcoming fiscal year.</li> <li>• <b>Fiscal Monitoring:</b> The District does not perform monthly or quarterly closes. However, financial reports comparing revenues to projected expenses is shared monthly with the Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare zero-based and / or performance based budget annually to ensure resources are aligned with strategic priorities and expenses are anticipated and planned for.</li> <li>• Prepare monthly financial reports and variance analysis. Reports should be shared with District leadership and each department head on monthly basis.</li> </ul>

# FINANCIAL MANAGEMENT

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>ERP:</b> The District uses the Harris SmartFusion accounting software system; however, the processes remain manual for time-keeping, payroll and invoice approval. The District is currently evaluating options for a system upgrade, including procurement and automated workflow approval of requisitions.</li> </ul>	<ul style="list-style-type: none"> <li>• Explore opportunities to better utilize the existing Harris SmartFusion accounting software and / or upgrade to enhanced functionality that provides automated workflow and approval of purchase orders and automated time tracking that links directly with the payroll system.</li> <li>• Complete process to select an automated and integrated time keeping system and implement prior to start of the next school year.</li> </ul>
<b>Regional Collaboration</b>	<ul style="list-style-type: none"> <li>• The District does not coordinate with others in the region on any transaction processing or finance related activities. However, the District is part of the Pee Dee Consortium in which the finance directors of individual districts meet quarterly to discuss various topics, including technology upgrades, grant opportunities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other Districts within the Region. This could include the following: (a) accounts payable (including purchasing workflow and approval); (b) payroll processing and (c) financial system licenses (potential for volume discounts).</li> </ul>



## OUTLINE

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# HUMAN RESOURCES

## MARION 10

### 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.*

1,146 : 1

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

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

\$75 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>	4.0
Personnel Expense <sup>[3]</sup>	\$294,051
Non-Personnel Expense <sup>[3]</sup>	\$60,223
Total Human Resources Expense <sup>[3]</sup>	\$354,274

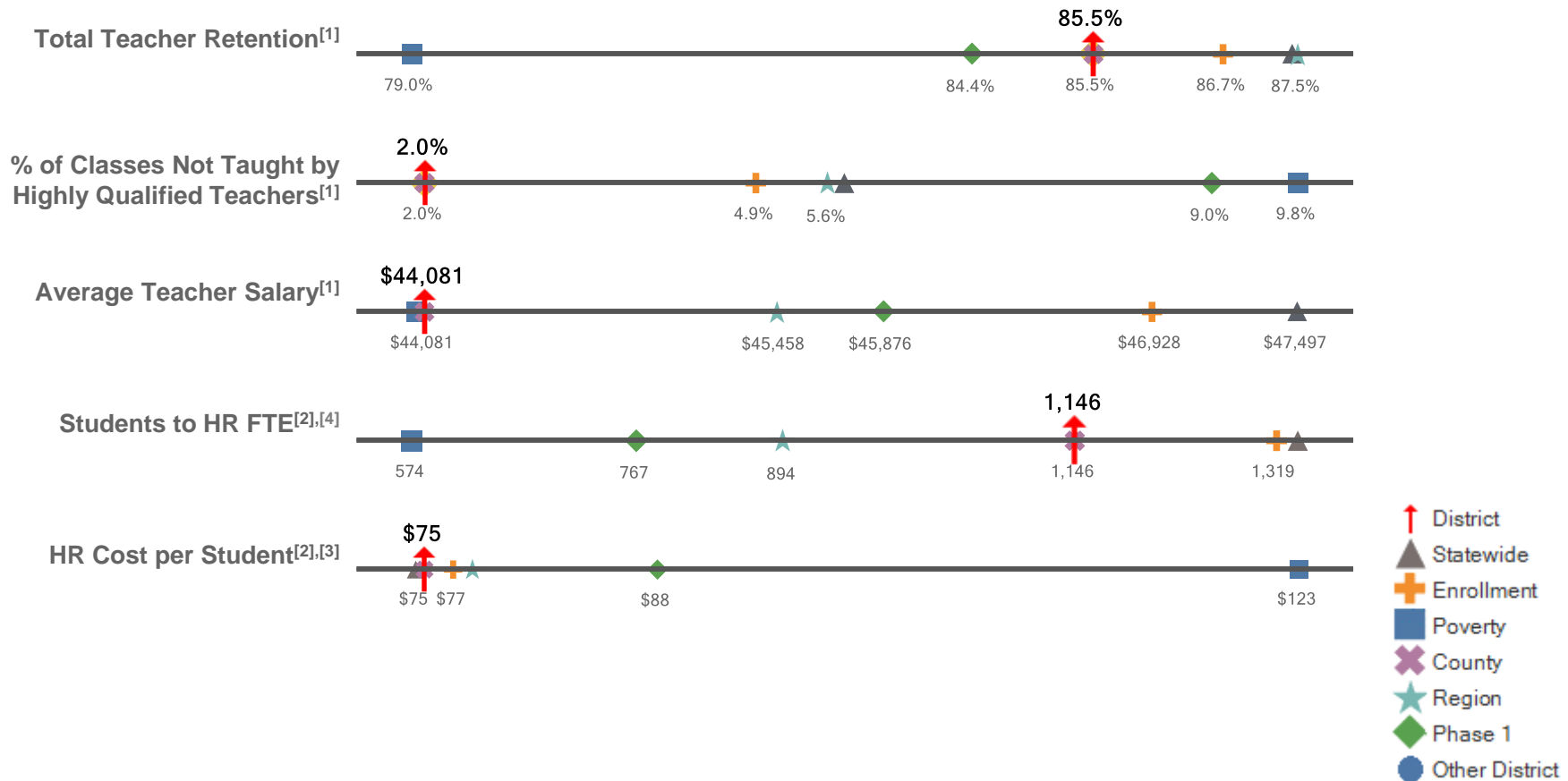
NOTE: FTEs shown in the table above reflect dedicated HR staff only; Financial expenses shown above reflect amounts coded to the HR department. In some instances districts may include salary and benefit related charges that are not related to dedicated HR costs in their totals.

# HUMAN RESOURCES

## MARION 10

### 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.



# HUMAN RESOURCES

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>The Human Resources function operates on a lean budget, with limited staffing to support recruiting, retention, personnel relations, professional, benefits and professional development activities.</li> <li><b>Human Resources Cost Per Pupil:</b> The District's HR Cost Per Pupil for the District is \$75 per student, which is slightly lower than districts of similar size at \$77 per student and on par with the statewide average.</li> <li><b>Student Per Human Resources FTE:</b> The District's Student to HR FTE ratio is 1,146, which is lower than districts of similar size at 1,319 and the statewide average of 1,338.</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> <li>Modernization of processes should streamline the functions of the HR staff.</li> </ul>
<b>Recruiting and Retention</b>	<ul style="list-style-type: none"> <li><b>Recruiting:</b> Similar to other school districts in the State, recruiting teachers into the District is challenging. The District currently employs 6 international teachers, which is 2% of it's total teaching force, and leverages 2 different agencies to provide these positions.</li> <li><b>Teacher Incentives:</b> The District uses the following incentive programs to try and attract and retain teachers: partnering with interns and student teachers at local colleges and utilizing Education Proviso funds to pay Praxis fees.</li> <li><b>Teacher Pay:</b> The average teacher's salary is \$44,081, which is below both districts of similar size and the statewide average, making it more difficult for the District to compete for incoming teachers. Additionally, once new teachers gain experience, they are recruited by neighboring counties that can pay substantially more.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate opportunities to reduce reliance on international agencies and related administrative fees, either via direct sponsorship, cross-district shared resources or alternative recruitment strategies.</li> <li>Consider compensation study and / or implementation of incentive programs to recruit and retain teachers that could include: (a) signing bonuses that vest over a period of time to encourage retention; (b) housing Incentive signing; (c) tuition reimbursement; (d) differentiated salaries for hard to staff positions; (e) innovative professional development programs.</li> <li>Conduct exit interviews to gather information on the causes of employee attrition and use the results of the process to formulate an effective teacher retention plan.</li> </ul>

# HUMAN RESOURCES

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Technology</b>	<ul style="list-style-type: none"> <li>The District leverages state supported systems, such as AppliTrack and CERRA software systems, for recruiting, application screening, processing and onboarding. In addition, an external vendor is used for substitute management.</li> </ul>	<ul style="list-style-type: none"> <li>Implement technology to help enhance and automate recruiting, on-boarding, substitute management and time tracking processes that are currently manual.</li> <li>Capitalize on functionality provided by technology to fully automate the application to onboarding process.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Administration is typically done by HR support staff.</li> </ul>	<ul style="list-style-type: none"> <li>Benefits administration process could be automated via establishment of an employee portal. Employees could be responsible for updates and information would be linked directly to payroll.</li> <li>Establish a process with PEBA to conduct a local review of benefit plans for ineligible dependents.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>The District does not collaborate with other nearby school districts on recruiting, human resource system licenses, or arrangements with international or local staffing agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other Districts within the Region. This could include:               <ul style="list-style-type: none"> <li>Benefits Coordination</li> <li>Human Resources System Licenses</li> <li>H1B Process for International Teachers</li> </ul> </li> <li>Consider creating a regional recruitment and training center focused on teacher recruitment across regional group of districts.</li> </ul>



## OUTLINE

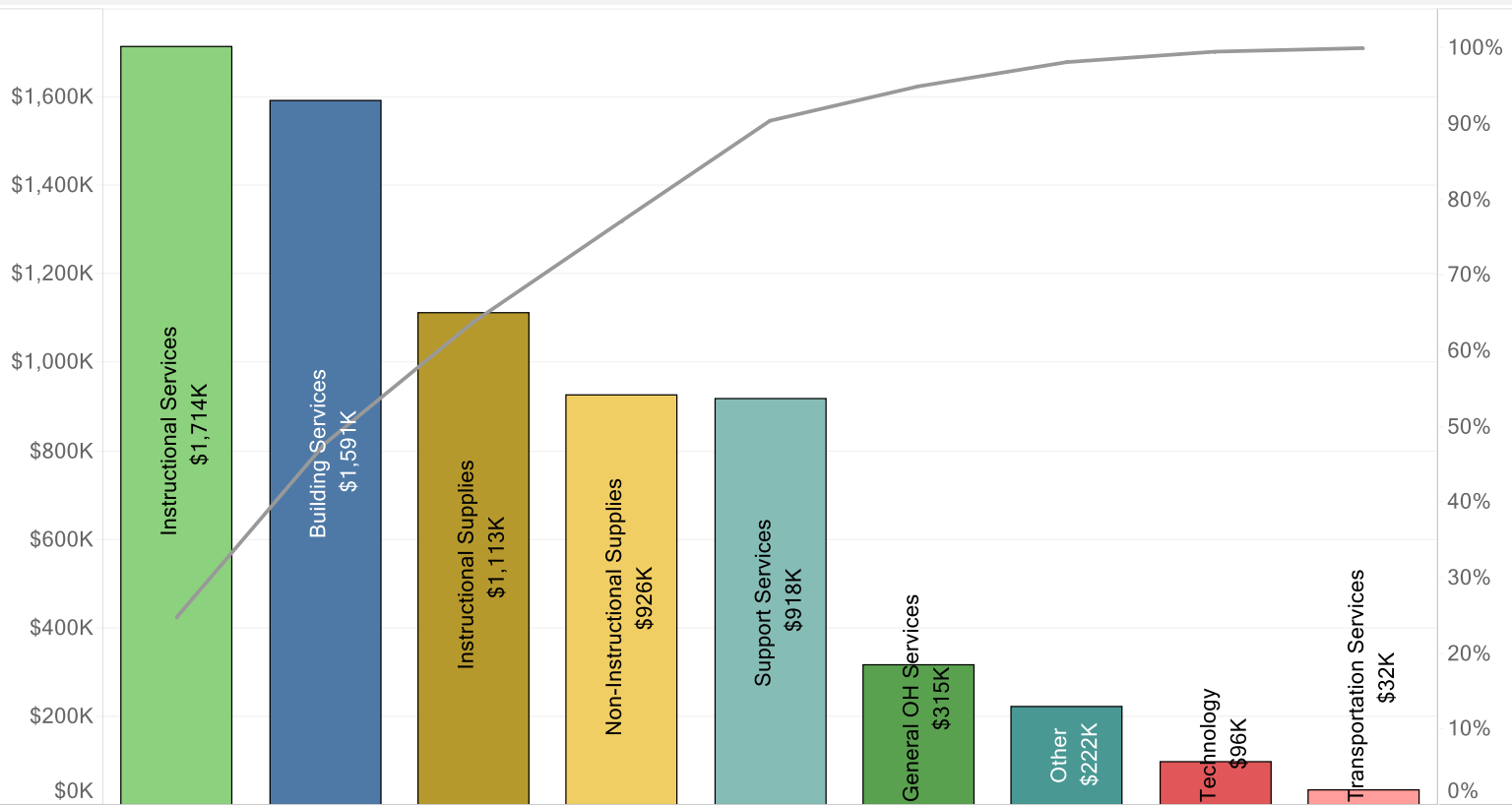
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# PROCUREMENT MARION 10

## 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.*

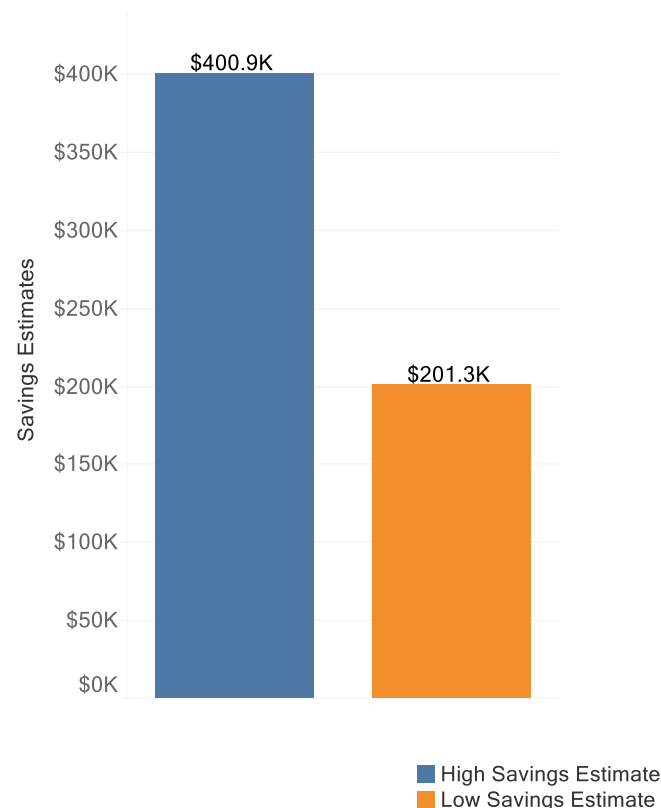
**District In Scope Total Procurement Spend = \$6,927,089**



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 MARION 10

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Organization / Staffing</b>	<ul style="list-style-type: none"> <li>The District does not have any staff solely focused on purchasing and procurement. The Director of Operations oversees these functions as a part of their responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Leverage additional resources to better optimize procurement functions. See General Collaboration and Regional Collaboration below.</li> </ul>
<b>Spending by Vendor</b>	<ul style="list-style-type: none"> <li><b>Vendors:</b> Spending is fragmented across more than 1,200 vendors; however, the top 45 make up 80% of total spending.</li> <li>Spending efforts are made based upon the individual buyer, with local optimization as the main priority. Aggregated purchasing decisions across districts are not made.</li> </ul>	<ul style="list-style-type: none"> <li>Standardize requirements and specifications for commonly purchased goods in order to streamline the number of vendors used, aggregate buying power within the District and enable volume pricing discounts. Contract options may take the form of: (a) State contracts; (b) stand-alone negotiated contracts; (c) negotiated contracts done in collaboration with surrounding districts.</li> <li>Ensure that staff is consistently aware of current statewide contracts in place for goods and services prior to purchase or bid.</li> <li>Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts.</li> <li>Consider use of commitments of minimum buying levels to facilitate negotiations of discounts and rebates over specified buying thresholds. Add provisions that include tiering and volume discounts/rebates in all new contracts</li> <li>Where appropriate, include Most Favored Nation (MFN) clauses into contracts that require the vendor to provide the District pricing that is no higher than the price it provides to any other buyer, now or during the term of the agreement.</li> <li>Seek opportunities to better leverage buying power by participating in Group Purchasing Organizations (e.g. US Communities). Areas to consider for potential collaboration include Supplies and Technology.</li> </ul>

# PROCUREMENT

## MARION 10

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Spending by Category</b>	<ul style="list-style-type: none"> <li>• <b>Building and Maintenance:</b> The District has facilities/maintenance staff to support routine building and maintenance upkeep. However, non-routine repairs and construction usually sourced through local suppliers.</li> <li>• <b>Food Services:</b> The District does not collaborate with other districts for the purchase of dairy or bread.</li> <li>• <b>Instructional Support Services and Supplies - Procurement Exemptions:</b> The District does not require procurement of instructional support software and services below a certain threshold to be placed out to bid.</li> <li>• The District does not procure these services and software in collaboration with any other districts.</li> <li>• The District currently relies on several vendors for international staffing.</li> <li>• <b>Technology – Standardization:</b> The District is expanding its 1:1 initiative and is leveraging a State contract with a vendor to make its purchases.</li> <li>• The District does not coordinate technology purchases with other nearby districts.</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinate purchasing of facilities services such as HVAC, electrical and plumbers with surrounding districts to maximize the potential for volume discounts.</li> <li>• Coordinate dairy and bread purchases with surrounding districts to maximize the potential for volume discounts.</li> <li>• Require instructional software purchases to conform to standard procurement guidelines for bids and proposals in order to enable to best pricing.</li> <li>• Coordinate purchasing of instructional services with surrounding districts to maximize the potential for volume discounts.</li> <li>• Standardize recommended technology options with nearby districts in order to leverage benefits of coordinated purchasing and volume discounts.</li> </ul>

# PROCUREMENT MARION 10

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Spending by Category</b>	<ul style="list-style-type: none"> <li>• <b>Non-instructional Supplies - Contracting Vehicles:</b> The District purchases some of its non-instructional supplies outside of available State contracting vehicles under the belief that it can receive comparable if not better pricing.</li> </ul>	<ul style="list-style-type: none"> <li>• Seek opportunities to better leverage buying power by participating in Group Purchasing Organizations (e.g. US Communities). Areas to consider for potential collaboration include Supplies and Technology.</li> </ul>
<b>Regional Collaboration</b>	<ul style="list-style-type: none"> <li>• The District does not partner with other districts to procure goods and services.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider combining resources to create a regional procurement function across districts that is charged with reviewing and optimizing spending through ongoing market intelligence on pricing opportunities, contract RFP management, contract negotiations and contract management.</li> <li>• A regional collaboration model would allow for districts to further capitalize on volume discounts and rebates on areas of spend that would include:               <ul style="list-style-type: none"> <li>- Technology</li> <li>- Instructional Software and Services</li> <li>- Instructional Staffing</li> <li>- Supplies</li> </ul> </li> </ul>



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# TRANSPORTATION

## MARION 10

### 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.*

12 Years

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

\$313 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>	51.5
Personnel Expense <sup>[3]</sup>	\$1,435,816
Non-Personnel Expense <sup>[3]</sup>	\$118,607
Total Transportation Expense <sup>[3]</sup>	\$1,554,423

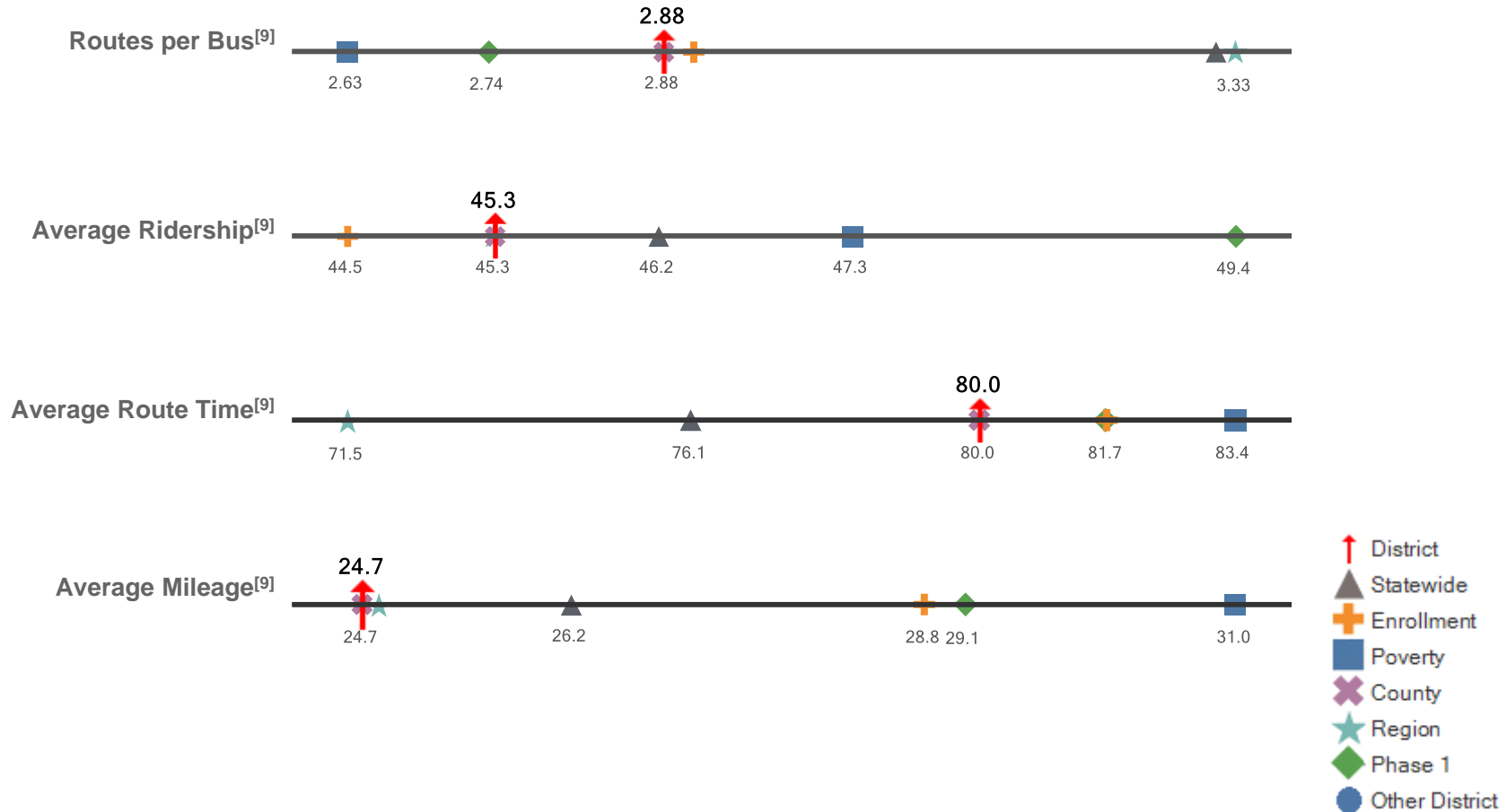
NOTE: FTEs reflected in table above may not reflect dually employed bus drivers.

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	41.3	119	2.9	5,393	45	80	25
Special Needs	7.9	19	2.4	155	8	Not-Available	51
Other	3.2	9	2.8	164	18	Not-Available	41
Total	52.4	147	2.8	5,712	N/A	N/A	N/A

# TRANSPORTATION MARION 10

## 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 MARION 10

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Recruitment:</b> The District has a difficult time recruiting bus drivers. The District currently has 5 vacancies.</li> <li>• <b>Substitutes:</b> The District does not have a pool of substitute drivers; therefore, routes are frequently adjusted to deal with the shortage.</li> <li>• <b>Driver Pay:</b> Bus drivers are currently paid a starting rate equivalent to the state reimbursement levels. Bus Drivers are sometimes employed as aides, food workers or custodians to offer full employment opportunities at the District.</li> <li>• <b>Administration :</b> Transportation is run by one administrator who along with coaches, custodians and other staff, is certified by the State to drive the buses.</li> <li>• <b>Driver Retention:</b> More frequent driver training has been offered by the state and District; however, once bus drivers are fully trained and possess driving experience, outside companies (i.e. trucking companies) hire them away at higher salaries.</li> </ul>	<ul style="list-style-type: none"> <li>• As incentive to recruit and retain bus drivers, create more opportunities for full-time employment. Bus drivers in other districts are dually-employed, serving in aide, food services and / or maintenance roles when not driving buses.</li> <li>• Implement a substitute/back-up driver pool in collaboration with nearby districts.</li> <li>• Use an automated calling system to fill needed driver substitute vacancies.</li> </ul>

# TRANSPORTATION MARION 10

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Routing and Bus Management</b>	<ul style="list-style-type: none"> <li>• <b>Routing Software:</b> The District utilizes state routing software.</li> <li>• <b>Bus Tracking:</b> The District does not have GPS on all buses.</li> <li>• <b>Driver Communication:</b> The District provides radios to drivers to contact drivers while on routes.</li> <li>• <b>Security:</b> The District has security cameras on all buses. The District does not have stop-arm cameras on buses.</li> <li>• <b>Staggered Bell Times:</b> The District schools have staggered bell-times.</li> <li>• <b>Activity Buses:</b> The District does not use the state fuel for activity buses.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement routing software to ensure most efficient routes.</li> <li>• Install GPS on buses to monitor bus routes and ensure most efficient route.</li> <li>• Install stop-arm cameras to increase child safety and security on bus.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• The District does not collaborate with surrounding districts.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider partnering with surrounding districts to evaluate opportunities to better utilize bus fleet, analyze route efficiencies and support bus driver sourcing.</li> <li>• Leverage the state maintenance hubs for activity buses.</li> <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

## MARION 10

### APPROACH TO SAVINGS

#### GENERAL APPROACH TO ESTIMATING INVESTMENTS AND SAVINGS

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

#### FINANCE AND HUMAN RESOURCES

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

#### PROCUREMENT

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

#### TRANSPORTATION

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

### APPROACH TO SAVINGS: OTHER CONSIDERATIONS

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➤ **State-wide Benchmarking Data:**

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

➤ **Implementation:**

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

### SAVINGS ANALYSIS BY FUNCTIONAL COMPONENT

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#### PEOPLE

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

#### TECHNOLOGY

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

### Functional Review Operating Model Components



#### PROCESS

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

#### ORGANIZATION

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

# APPENDIX A: SAVINGS METHODOLOGY

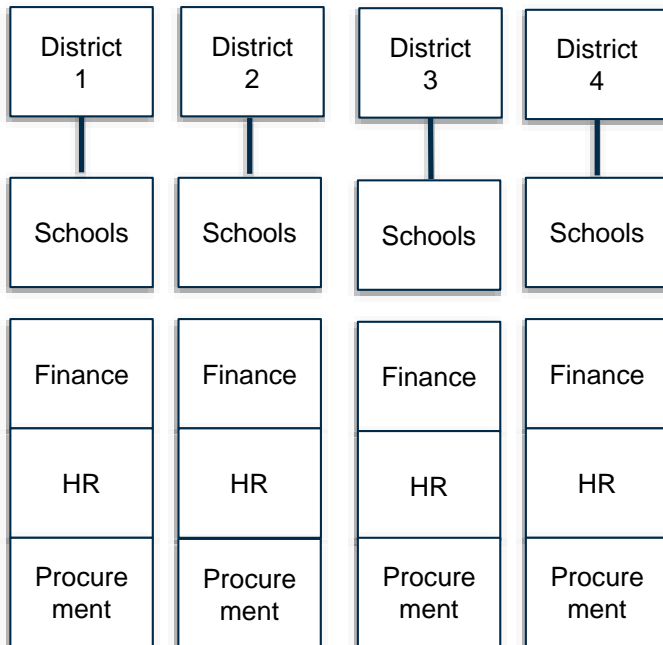
## MARION 10

### 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.*

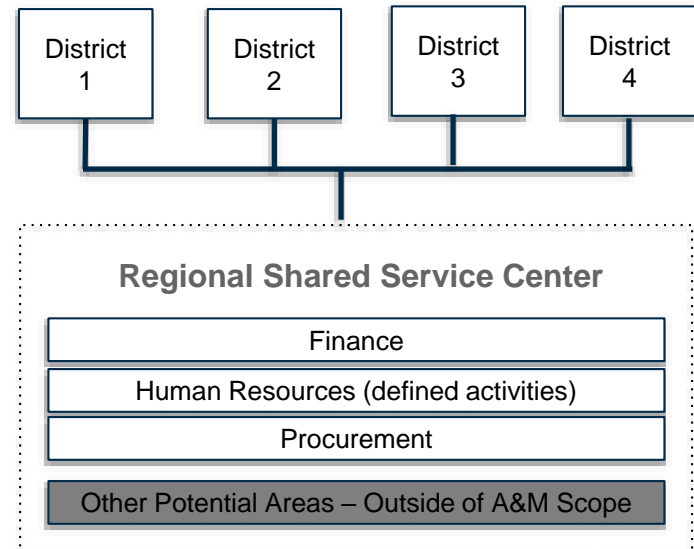
#### CURRENT STATE: STAND ALONE DISTRICT

*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

## MARION 10

### 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.*

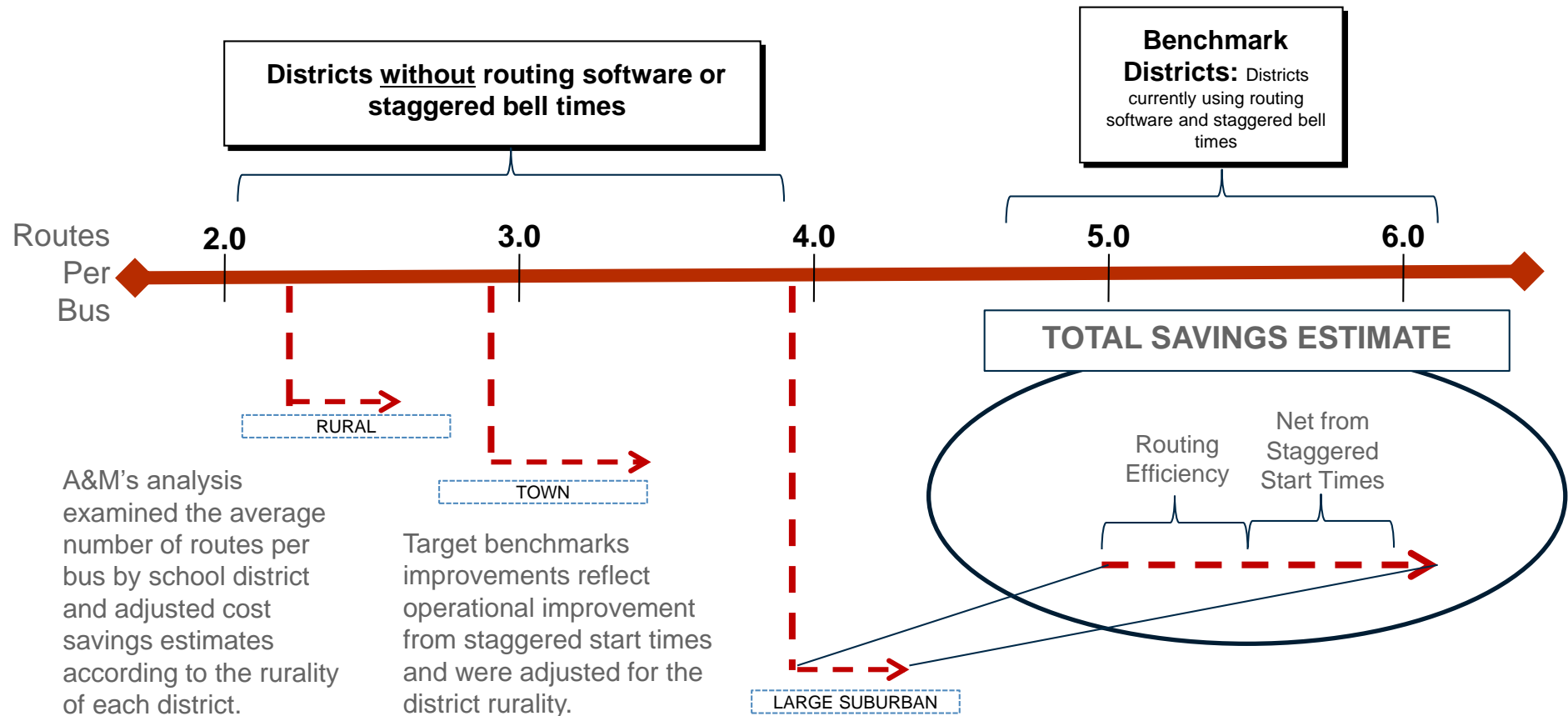
	Financial Management Collaboration: Five Districts [1 Large, 1 Med, 3 Small]		
	Current State	Collaboration Model	Savings
# of Districts	5	5	NA
Total ADM	21,000	21,000	NA
Total FTEs <sup>(2)</sup>	18.9	13.0	6.0
Total Spend <sup>(2)</sup>	\$2,409,840	\$1,684,478	\$725,326
Savings %			30.1%

*(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

## MARION 10

### TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

#### Savings from Routing Efficiencies

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

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

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

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

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

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

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

# APPENDIX A: SAVINGS METHODOLOGY

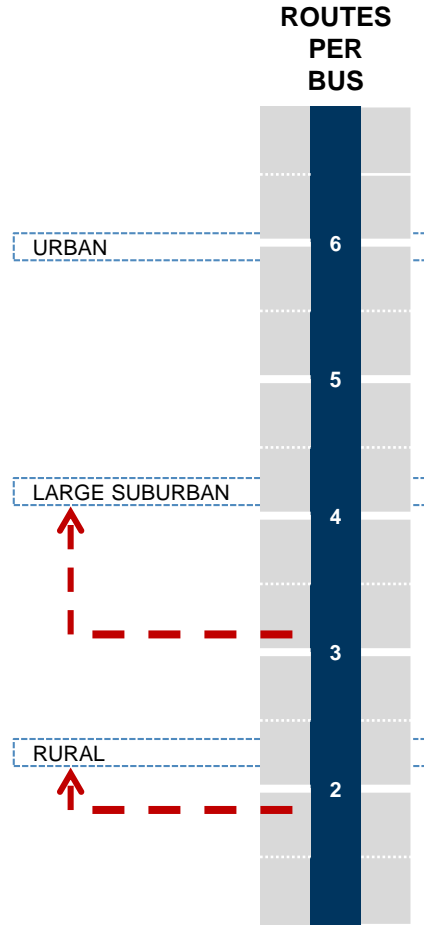
## MARION 10

### TRANSPORTATION ROUTING: SAVINGS APPROACH (CONTINUED)

#### Savings from Increased Utilization:

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

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



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

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

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

# APPENDIX A: SAVINGS METHODOLOGY

## MARION 10

### 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

## MARION 10

### 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

## MARION 10

### [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

## MARION 10

### 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

## MARION 10

### Source [5]

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

### Source [3],[7]

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

### Source [5],[7]

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

### Source [9]

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

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