



# ALVAREZ & MARSAL

SOUTH CAROLINA DEPARTMENT OF EDUCATION  
SCHOOL DISTRICT EFFICIENCY REVIEW

**Spartanburg 06**

**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

## SPARTANBURG 06

### PROJECT OVERVIEW

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

# EXECUTIVE SUMMARY

## SPARTANBURG 06

### PROJECT OVERVIEW (CONTINUED)

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

# EXECUTIVE SUMMARY

## SPARTANBURG 06

### PROJECT OVERVIEW (CONTINUED)

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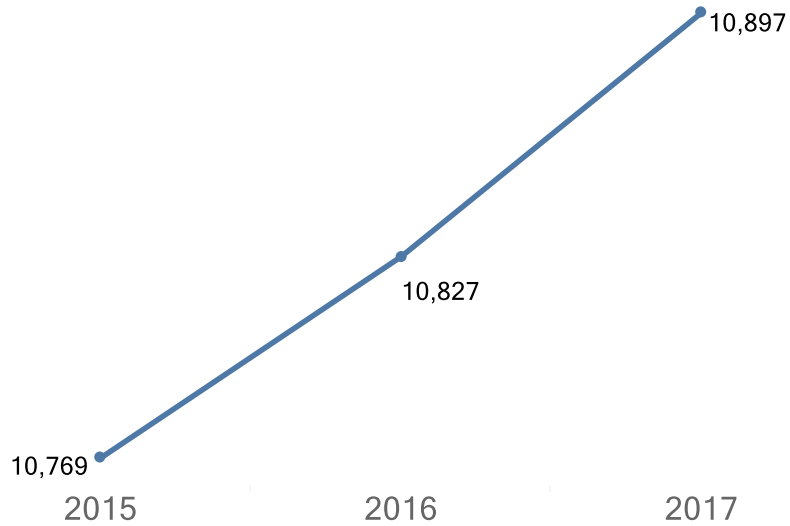
#### ➤ Sources of Data and Savings Estimates:

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

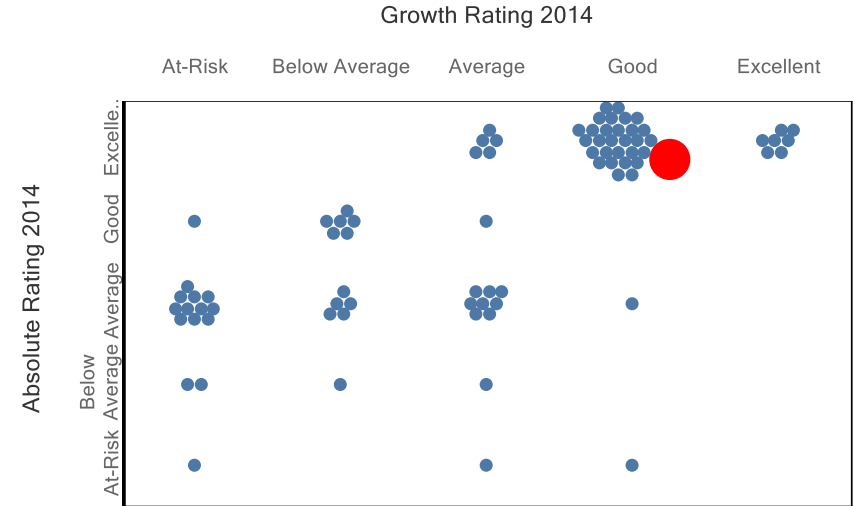
# EXECUTIVE SUMMARY

## SPARTANBURG 06

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



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



### General Info

Number of Schools <sup>[2]</sup>	14
% Poverty <sup>[1]</sup>	62.3%
% Disability <sup>[1]</sup>	9.2%
\$ Per Student <sup>[2],[3]</sup>	\$11,954
\$ Per Student Excluding Debt & Capital <sup>[2],[3]</sup>	\$10,227

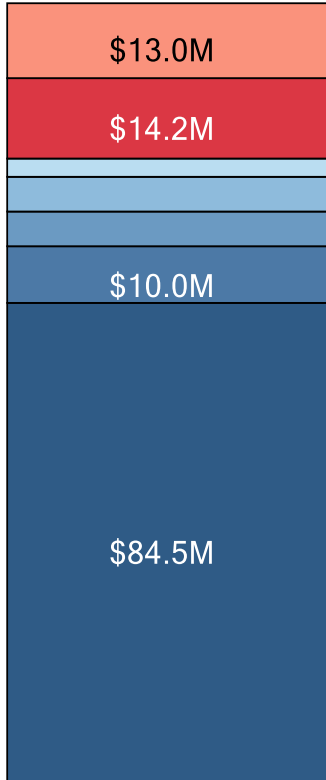
### Administration

Students Per Instructional Services FTE <sup>[2],[4]</sup>	10.4
Students Per Overhead FTE <sup>[2],[4]</sup>	506.8
Students Per School Support FTE <sup>[2],[4]</sup>	131.4
Students to Total FTE <sup>[2],[4]</sup>	9.4

# EXECUTIVE SUMMARY

## SPARTANBURG 06

Sources of Funds<sup>[5]</sup>  
\$137.3M



2015-2016

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

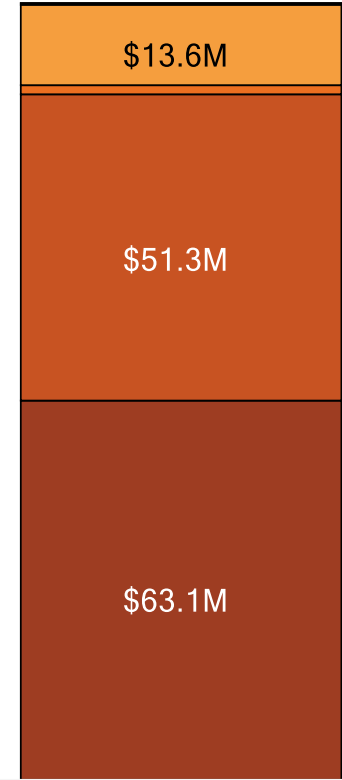
Use of Funds - Type<sup>[3]</sup>  
\$129.4M



2015-2016

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

Use of Funds - Function<sup>[3]</sup>  
\$129.4M



2015-2016

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

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## SPARTANBURG 06

\$129.4M  
Total

\$16.3M  
In-Scope

\$113.1M  
Not In-Scope

*12.6% of total spend is within scope of the efficiency review:*

	In Scope Spend <sup>[3]</sup>	Procurement Component
Finance	\$784,868	\$187,333
Human Resources	\$316,088	\$74,744
Overhead	\$584,217	\$191,294
Transportation	\$2,937,249	\$421,472
Procurement (Community Services, Instruction, Support Services)	\$11,720,144	\$11,720,144
<b>TOTAL</b>	<b>\$16,342,566</b>	<b>\$12,594,987</b>

\* totals may not tie due to rounding

# EXECUTIVE SUMMARY

## SPARTANBURG 06

### GOALS, CHALLENGES & ACHIEVEMENTS

#### District Goals

**Mission:** Spartanburg School District Six, where children are always first, ensures the highest quality education for all children by providing a highly qualified staff, a challenging curriculum, first class facilities, and a safe and nurturing environment.

1. **School Safety:** Provide safe, orderly and healthy schools that create a positive learning environment.
2. **Academic Achievement:** Achieve high levels of academic success for all students.
3. **Teacher Quality:** Recruit, develop, and retain highly qualified staff in all positions.
4. **Parent Engagement:** Provide opportunities for parents/guardians to participate in the education of their children
5. **Financial Resources:** Be responsible stewards of the district's resources and utilize those resources to provide positive educational opportunities for all students.
6. **Community Engagement:** Partner with the community and businesses to create support and advocacy for our schools and school district.

#### Achievements

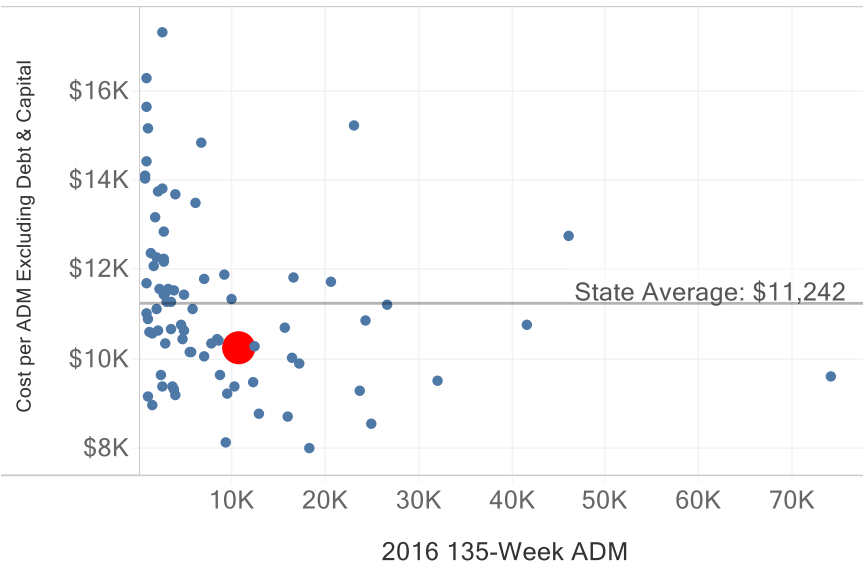
- **Graduation rates:** Consistently achieving graduation rates near or above 90%.
- **Business Advisory Board:** Recruited influential and effective advisors from the business community.
- **Teacher Professional Development:** Developed D6 University to focus on teacher professional development for literacy
- **Food Service Program:** Currently developing a program to grow food for the District and sell any excess food supply.
- **Athletics:** The District has achieved excellence in athletics winning the award for the best overall sports.

#### Challenges

- **Teacher Retention:** The District faces increasingly competitive teacher recruitment.
- **Funding:** Funds provided to the District under Act 388 have not sufficiently replaced the local property tax revenue lost under the provision.

## KEY OBSERVATIONS

### Per Pupil vs. Enrollment



### District Size and Minimum Costs

#### Minimum Cost Base:

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

#### Resource Utilization:

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

### Opportunities for Improvement

#### Modernize / Process Improvements:

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

#### Collaboration / Maximizing Efficiencies:

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

# EXECUTIVE SUMMARY

## SPARTANBURG 06

### OBSERVATIONS: INDIVIDUAL SCOPE AREAS

	Current State
<b>Finance</b>	<ul style="list-style-type: none"> <li>• <b>Financial Management:</b> The District has strong financial management practices. The District regularly has clean audits, strong internal controls, performs regular monitoring of financial performance and regularly seeks ways to improve financial operations. The unrestricted fund balance 12.5% is below the statewide average of 18.6%.</li> <li>• <b>Lean Staffing:</b> The Assistant Superintendent for Finance has been in place for 13 years. The stability and knowledge of the finance leadership has allowed the Department to operate with a small team and focus on driving efficiencies in financial operations.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• <b>Lean Staffing:</b> The Deputy Superintendent for Personnel and Operations has been in place for 17 years. The stability and knowledge of leadership, coupled with strong teacher retention, has allowed the Department to operate with a very small team.</li> <li>• <b>Recruiting and Retention:</b> The District has an easier time recruiting teachers than most districts in South Carolina, as they are able to fill open teaching positions with online applicants and student teachers.</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• <b>Transportation Management:</b> Historically, the District has experienced bus driver shortages. A \$3 / hour increase to the bus driver starting salary helped alleviate the shortage this past school year.</li> <li>• <b>Transportation Routing:</b> The District has routing software and utilizes staggered bell times to help drive routing efficiencies.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The District has limited resources dedicated to procurement. However, the District prioritizes performing services in-house rather than outsourcing, thereby limiting the workload of the team.</li> <li>• <b>Strategic Sourcing:</b> The District is focused on achieving best value with vendors through proactive strategic sourcing strategies. The District would benefit from increased buying power from greater collaboration across districts.</li> </ul>
<b>Overhead</b>	<ul style="list-style-type: none"> <li>• <b>Staffing and Organization:</b> The Superintendent has led the District for the past 15 years and been in the district for 25 years. The stable leadership has allowed the district to innovate and drive a culture of continuous improvement.</li> <li>• <b>Collaboration:</b> The Superintendent collaborates extensively with other Spartanburg districts.</li> </ul>

## RECOMMENDATIONS

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

### **Modernize School District Operations**

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

### **Collaborate Across Districts**

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

# EXECUTIVE SUMMARY

## SPARTANBURG 06

### MODERNIZATION RECOMMENDATIONS

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

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

# EXECUTIVE SUMMARY

## SPARTANBURG 06

### COLLABORATION RECOMMENDATIONS

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

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

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

# EXECUTIVE SUMMARY

## SPARTANBURG 06

### APPROACH TO SAVINGS

#### GENERAL APPROACH TO ESTIMATING INVESTMENTS AND SAVINGS

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

#### FINANCE AND HUMAN RESOURCES

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

#### PROCUREMENT

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

#### TRANSPORTATION

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

# EXECUTIVE SUMMARY

## SPARTANBURG 06

### 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	\$27,000	\$42,000	\$38,800	\$155,400
Human Resources	15,000	25,000	0	32,100
Procurement	0	0	125,900	629,700
Transportation – District	N/A	N/A	0	0
<b>District Total</b>	<b>42,000</b>	<b>67,000</b>	<b>164,700</b>	<b>817,200</b>
Transportation – State	0	0	0	0
<b>Total</b>	<b>\$42,000</b>	<b>\$67,000</b>	<b>\$164,700</b>	<b>\$817,200</b>

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

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



## OUTLINE

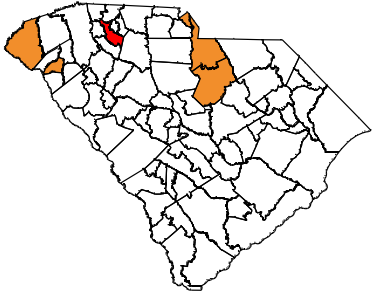
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# DISTRICT BENCHMARKING

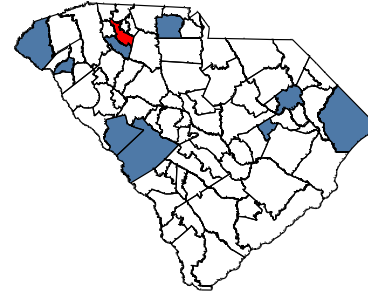
## SPARTANBURG 06

### Enrollment (10,000 - 15,000)



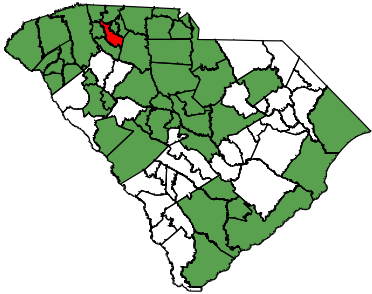
- Anderson 05
- Kershaw
- Lancaster
- Oconee
- Spartanburg 06
- York 04

### Poverty (60% - 65%)



- Aiken
- Anderson 05
- Clarendon 03
- Edgefield
- Florence 01
- Horry
- Oconee
- Spartanburg 04
- Spartanburg 06
- York 01

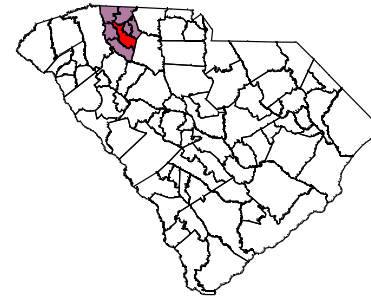
### Phase 1 (No)



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

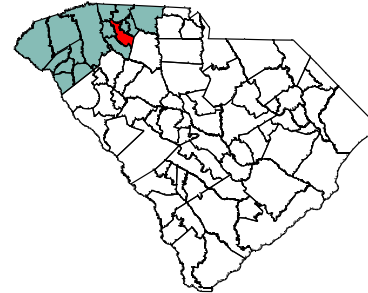
- Sumter
- Union
- York 01
- York 02
- York 03
- York 04

### County (Spartanburg)



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

### Region (Appalachian)



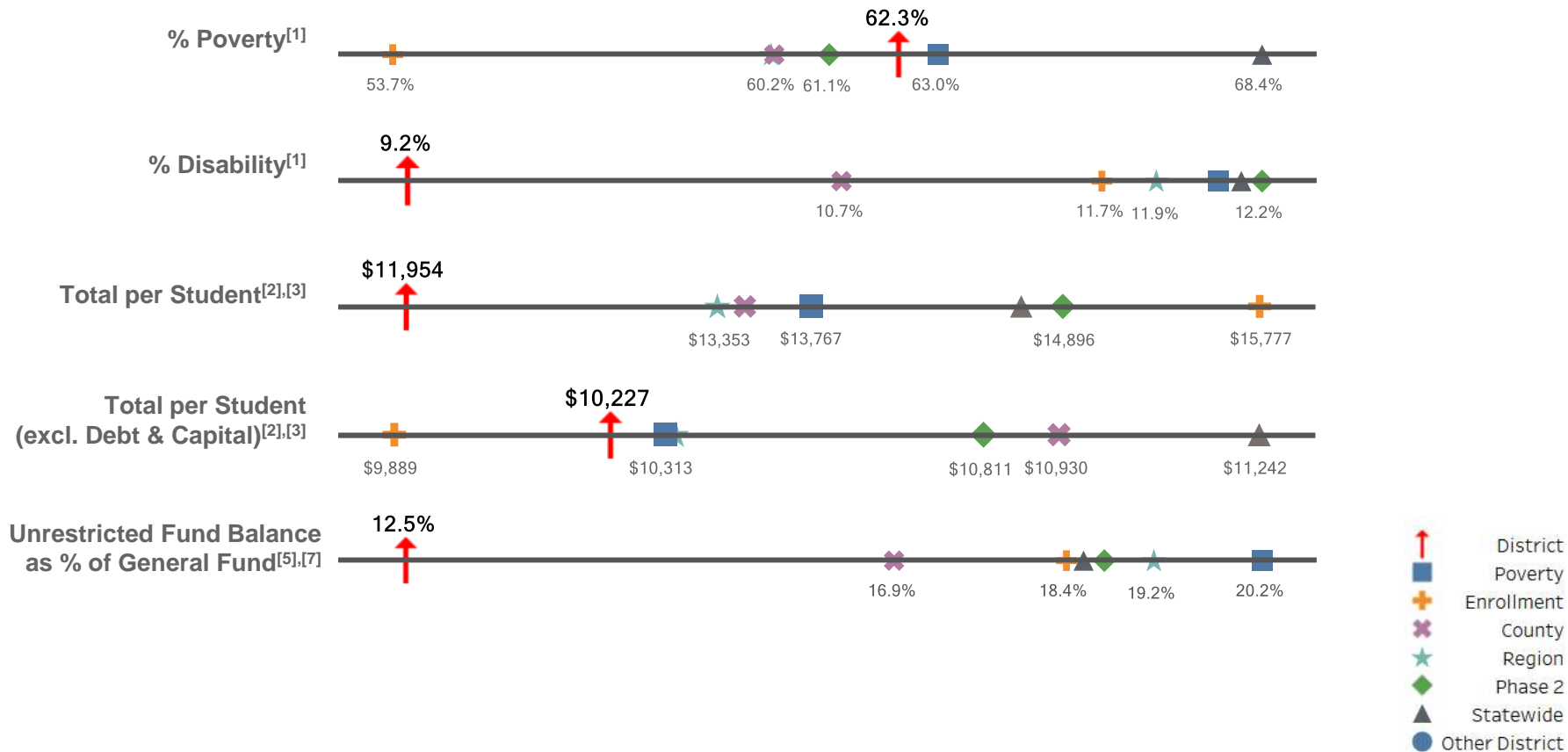
- Anderson 01
- Anderson 02
- Anderson 03
- Anderson 04
- Anderson 05
- Cherokee
- Greenville
- Oconee
- Pickens
- Spartanburg 02
- Spartanburg 03
- Spartanburg 04
- Spartanburg 05
- Spartanburg 06
- Spartanburg 07

# DISTRICT OVERVIEW

## SPARTANBURG 06

### KEY PERFORMANCE INDICATORS: KEY DISTRICT RATIOS

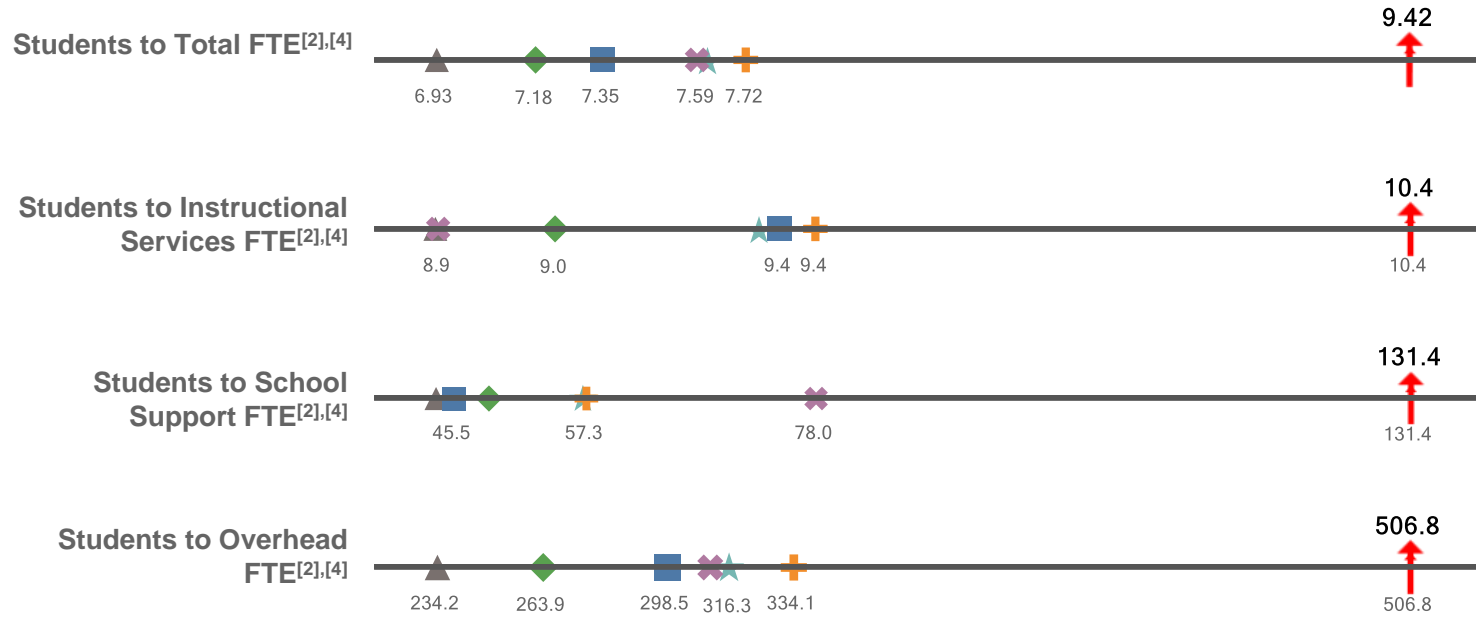
*The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.*



# DISTRICT OVERVIEW

## SPARTANBURG 06

### KEY PERFORMANCE INDICATORS: KEY STAFFING RATIOS



# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 06

### 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 increased by 128 or 1.2% over the past 3 years.</li> <li>• <b>Student Demographics:</b> The District is lower poverty than most districts across the state at 62.3%.</li> <li>• <b>Competition:</b> The District does face competition from charters or other private schools.</li> <li>• <b>Long-term Planning:</b> The District does prepare long term enrollment projections to help inform long-term planning as part of its strategic planning process that considers overall trajectory of the county and economic environment.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should develop a five year financial plan that considers enrollment projections, facilities needs and other resource allocation projections to facilitate long term operating and capital planning and to help ensure long term financial stability.</li> </ul>
<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 has a per pupil of \$10,227, which is lower than the statewide average of \$11,242 and higher than districts of similar size at \$9,889.</li> <li>• <b>Unrestricted Fund Balance:</b> The District has an unrestricted fund balance that is 12.5% of revenues. The fund balance is below the State average of 18.6% and districts of similar size at 18.4%.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider increasing the Board policy to require the District to maintain a fund balance that stays closer to the statewide average of the next year's expenditures. Implement multi-year targets to rebuild fund balance to required levels.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD SPARTANBURG 06

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>District Funding and Resource Allocation (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Student to FTE:</b> At 9.42, the Student to Total FTEs of the District is higher than the statewide average of 6.93 and districts of similar size of 7.72. This is due to the large average school size of the District especially the large high school that services the entire district.</li> <li>• <b>Student to Instructional Services FTE:</b> At 10.4, the Student to Instruction ratio is higher than the statewide average of 8.9 and districts of similar size at 9.4. This higher staffing ratio is also a function of the more efficient staffing ratios for larger schools.</li> <li>• <b>Student to School Support FTE:</b> At 131.4, the Student to Support Services ratio is higher than the statewide average of 43.8 and districts of similar size at 57.3.</li> <li>• <b>Student to Overhead FTE:</b> At 506.8, the Student to Overhead Ratio is higher than all benchmark groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Staffing ratios at the District are some of the leanest ratios in the state of South Carolina. The District should perform more detailed benchmarking to evaluate areas where investment may be required.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The Superintendent manages relations with the board and guides the strategic direction of the District. The Superintendent has five direct reports.</li> <li>• The key leaders of the organization have been working together as a leadership team for over 13 years. The stable leadership team has enabled strong and regular communication and enabled the District to focus on continuous improvement.</li> <li>• <b>Communications Function:</b> There is a communications director within the District office who manages all related functions. The District has the ability to push notifications to students' and parents' phones.</li> <li>• <b>Legal:</b> The District has no legal department, retaining external counsel as needed.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider a shared legal resource across the Spartanburg districts.</li> <li>• Given the tenure and success of the current Superintendent, the District should establish a leadership succession plan to ensure past progress is embedded long-term in the organization.</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• <b>Spartanburg County Education Oversight Committee:</b> This committee consists of the seven school board chairmen from each of Spartanburg County's school districts and the seven district superintendents, with the board chairmen as the only voting members. Per state law, the committee approves the revenue-sharing formula as well as adjustments to the county's unified teacher salary schedule.</li> <li>• <b>Board Pay:</b> As in all Spartanburg County school districts, the District's Board Members are unpaid.</li> <li>• <b>Training:</b> Board members participate in SCSBA trainings.</li> </ul>	<ul style="list-style-type: none"> <li>• Although the Education Oversight Committee is an artifact of the South Carolina General Assembly's abolition of the county-wide school board in 1998, it serves a valuable function by providing a governance structure for consideration and approval of county-wide collaborative efforts like revenue-sharing and salary schedule approval. The State could consider creating similar oversight committees for school districts that wish to pursue similar arrangements.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Philanthropy and Business Engagement</b>	<ul style="list-style-type: none"> <li>• Spartanburg County school districts have built extensive partnerships with local businesses for job placement and enrichment, particularly through the career centers and the special education program.</li> <li>• <b>Mary Black Foundation:</b> The District partners with the Mary Black Foundation along with all other Spartanburg school districts to build and provide a comprehensive health curriculum.</li> <li>• <b>Early learning partnerships:</b> All Spartanburg districts are in the process of establishing an early learning partnership with the Children’s Museum of the Upstate, a Smithsonian affiliate, which is opening its first satellite museum in downtown Spartanburg.</li> <li>• <b>Community Centers:</b> Most Spartanburg County school districts operate community centers providing child development and family services to community members. District 7 operates several of these centers, which incorporate social service and health providers as well as educational services.</li> <li>• <b>United Way:</b> Most Spartanburg districts, including District 7, partner with the United Way through its Gift-In-Kind center in Spartanburg. For \$500 per year, the District can take as much unwanted merchandise collected from Walmarts across the US.</li> <li>• <b>Early College Programs:</b> The Spartanburg County school districts have active partnerships with area colleges and universities, including USC Upstate and Spartanburg Community College, to provide early college opportunities for high-achieving and historically underserved students.</li> </ul>	<ul style="list-style-type: none"> <li>• Given the strong academic performance, long-term strategic priorities and overall size of the District, leadership should develop a plan to pursue philanthropic grants from large foundations focused on funding innovation in K-12 education.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• The District coordinates with other Spartanburg County districts as well as neighboring districts in Union and Cherokee counties on multiple programs and procurements.</li> <li>• <b>Revenue Sharing:</b> At the direction of the Education Oversight Committee, all Spartanburg County school districts participate in a revenue-sharing arrangement where they each contribute 13 mills for distribution via an equalization formula.</li> <li>• <b>Teacher Salary Schedule:</b> All Spartanburg County districts set a unified salary schedule for teachers, which is approved by the Education Oversight Committee. This practice reduces competition between districts for highly qualified staff on a purely financial basis; the districts still compete on other tangibles such as community setting, class size, class offerings, etc.</li> <li>• <b>School Calendar:</b> All Spartanburg County school districts share a unified school calendar. The calendar is proposed by a working group of the seven district superintendents and then taken to each of the seven school boards for approval. This practice is not mandated by law and is not business overseen by the Education Oversight Committee but has been a matter of culture and practice for many years.</li> <li>• <b>Career Center:</b> The District has a shared career center with Spartanburg 3. The District serves as fiscal agent for this program.</li> <li>• <b>Special Education:</b> McCarthy Teszler is a special needs school program, managed by Spartanburg 7 available to children throughout Spartanburg County.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider shared Chief Development Officer across districts.</li> <li>• Consider implementing a regional shared service model that allows for sharing of resources and systems that 1) require specialized skills that are required infrequently or 2) are highly transactional.</li> </ul>

# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

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

# DISTRICT OVERVIEW AND OVERHEAD

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Collaboration (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Extracurricular Activities:</b> Multiple programs are available to Spartanburg County K-12 students regardless of their home district, such as the Spartanburg Music Foundation, a 4th grade performance program through Carnegie Hall; Spartanburg Sings, a multi-district honors choir; and others.</li>   <li>• <b>Professional Development:</b> All Spartanburg County districts collaborate and offer joint professional development opportunities in the form of graduate level courses co-sponsored and co-funded in collaboration with Converse College &amp; USC Upstate.</li>   <li>• <b>Truancy Court:</b> For the last 9 years, Spartanburg 1 has convened a countywide truancy court, which is held at the county courthouse, as a method for holding parents accountable for attendance. Cases are heard before a chief hearing officer, who is employed at the alternative school. Records are centrally maintained, which provides a data trail on children even as they move districts within Spartanburg County. District and county-wide reports are compiled by the clerk monthly and shared with superintendents. Spartanburg is the second county in South Carolina to adopt this practice, which is based on an idea pioneered in Anderson County.</li>   <li>• <b>College &amp; Career Readiness:</b> All seven districts fund the Spartanburg Academic Movement (SAM) college and career readiness program, which employs four FTEs to coordinate the districts' numerous partnerships with regional institutions of higher education.</li> </ul>	



## 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.*

1,981 : 1  
District Students (ADM)<sup>[2]</sup> Financial FTE<sup>[4]</sup>

\$72 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>	5.5
Personnel Expense <sup>[3]</sup>	\$597,535
Non-Personnel Expense <sup>[3]</sup>	\$187,333
Total Financial Expense <sup>[3]</sup>	\$784,868

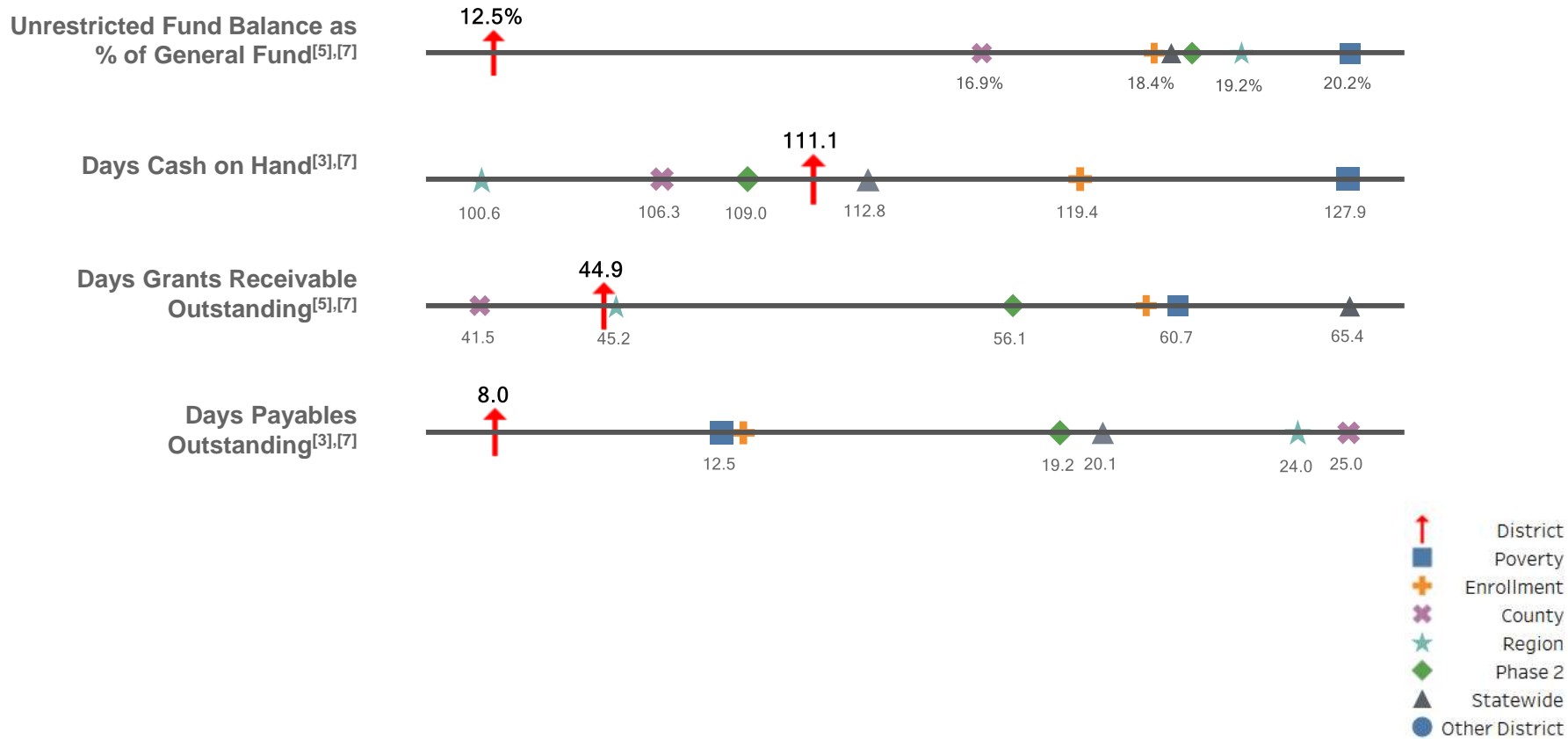
NOTE: FTEs shown in the table above reflect dedicated finance staff only; Financial expenses shown above reflect amounts coded to the finance department. In some instances districts may include salary and benefit related charges that are not related to dedicated Finance costs in their totals.

# FINANCIAL MANAGEMENT

## SPARTANBURG 06

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

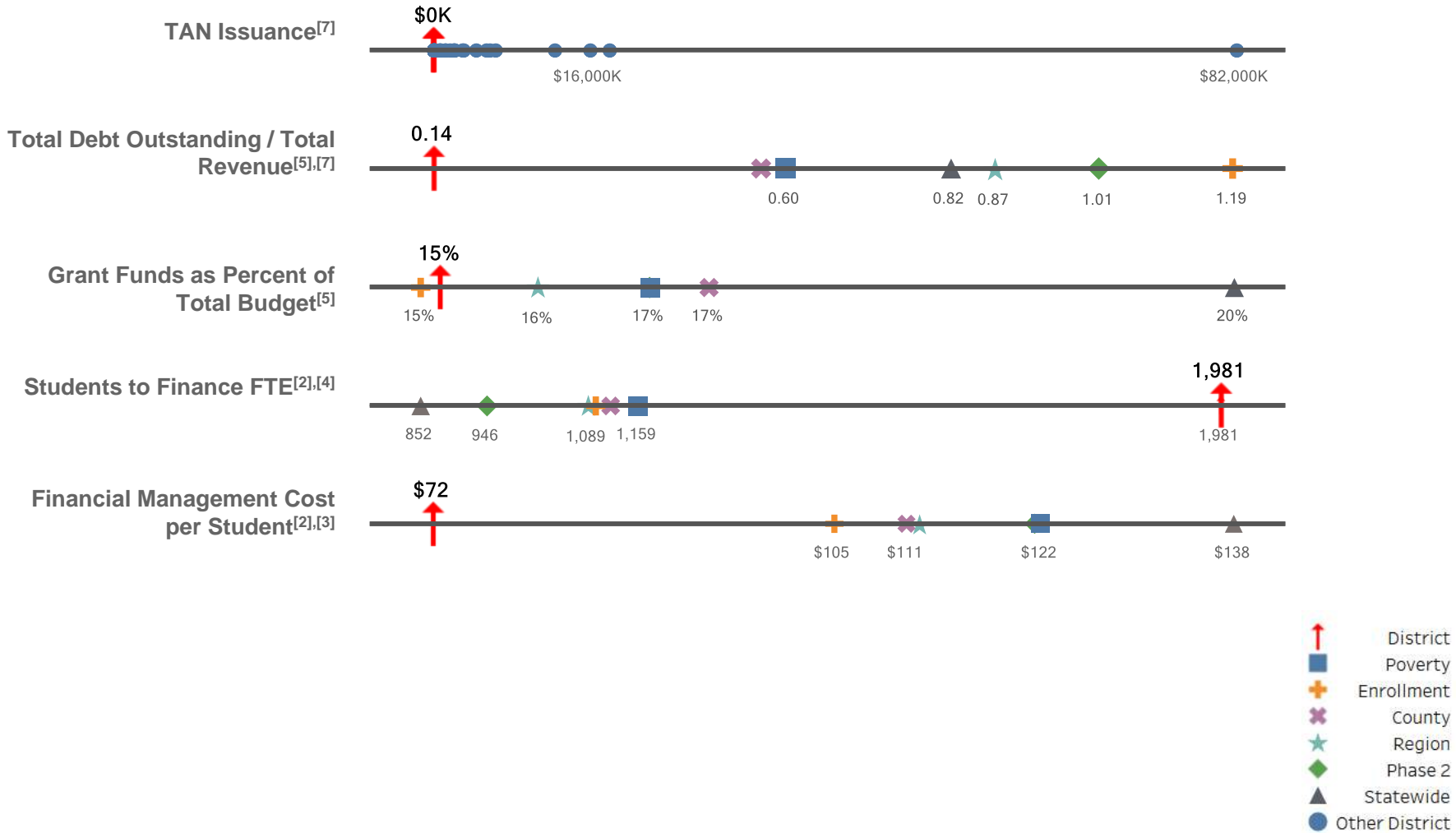
The metrics below show how the District compares to other district peer groups based on: (a) statewide averages, (b) similar enrollment levels, (c) similar poverty levels, (d) county peers, (e) regional peers, (f) Phase 2 and (g) other districts.



# FINANCIAL MANAGEMENT

## SPARTANBURG 06

### KEY PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT



# FINANCIAL MANAGEMENT

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Organization:</b> The Finance organization operates on a lean budget and is thinly staffed to support its scope of roles and responsibilities that include, accounting, payroll, accounts payable, budget, treasury, procurement and financial reporting.</li> <li>• <b>Turnover:</b> The Assistant Superintendent for Finance has lead the department for the past 13 years.</li> <li>• <b>Finance Cost / Pupil:</b> The Finance cost per pupil for the district is \$72 which is significantly lower than the statewide average of \$138 and districts of similar size at \$105.</li> <li>• <b>Student to Finance FTE:</b> The student to financial management FTE ratio is 1,981 compared to the statewide average of 852 and districts of similar size of 1,100.</li> </ul>	<ul style="list-style-type: none"> <li>• Given the tenure and success of the current Finance leadership, the District should establish a succession plan to ensure past progress is embedded long-term in the organization. If the current Assistant Superintendent for Finance were to leave the District, it is likely that more than one person would be required to backfill his position given the institutional knowledge.</li> <li>• Consider the addition of one resource in the financial management function to allow for incremental support of financial management.</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>

**SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS**

	Observations	Recommendations
<p><b>Payroll and Accounts Payable</b></p>	<ul style="list-style-type: none"> <li>• <b>Overall Processes:</b> The District uses the Tyler Munis and has implemented automated workflows and approvals in order to streamline processes around purchase orders, accounts payable and time-keeping.</li> <li>• <b>Payroll:</b> The District currently runs payroll on a semi-monthly basis. All payroll checks are paid through direct deposit, unless there is an exceptional employee circumstance. The District does uses a self service payroll platform.</li> <li>• <b>Timekeeping:</b> The district has implemented an automated time-tracking biometric timeclocks (Timeclock Plus) that integrates with the payroll system. Minimal workers such as homebound pay are still manual.</li> <li>• There is no District-wide monitoring of overtime usage. Select departments will monitor overtime on an ad hoc basis.</li> <li>• <b>Accounts Payable:</b> The District leverages automated requisition and purchase order processes that include electronic workflow approvals that are managed through the Infor Lawson system. The District also uses Pcards for small dollar purchases. (See Procurement for additional information.)</li> <li>• .</li> </ul>	<ul style="list-style-type: none"> <li>• Complete full automation of time-tracking functionality in order to eliminate the need for manual time sheets.</li> </ul>

# FINANCIAL MANAGEMENT

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Payroll and Accounts Payable (cont'd)</b>	<ul style="list-style-type: none"><li>• <b>Inventory:</b> The District uses bar codes technology for asset tracking, but it does not currently conduct centralized inventory processes. Inventory is managed directly by schools and cross-referenced against inventory listings maintained by the technology department. In addition, while the District only capitalizes and depreciates assets with values in excess of \$5,000, all purchases of fixed assets over \$500 are put into the accounting systems fixed asset module for tracking purposes. The District does not track inventory of furniture or textbooks</li><li>• <b>Risk Management:</b> The District does have formal risk management policies in place. In particular, the District performs safety audits at schools to help manage workers compensation claims.</li></ul>	

# FINANCIAL MANAGEMENT

## SPARTANBURG 06

### 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 15% of revenue for the district making this district less reliant on grant funds than some of its peers.</li> <li>• <b>Federal Funds:</b> Federal program coordinators (outside of Finance) are primarily responsible for ensuring that special funds are used in compliance with regulations prior to payments being processed. The finance department collaborates closely with grants administrators to ensure that claims are submitted quarterly.</li> <li>• <b>Indirect Costs:</b> The District does not 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 department.</li> <li>• <b>Other:</b> The District does uses a third party provider to bill maximize reimbursement of grants such as Medicaid</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>• Consider sharing a Medicaid specialist with other Spartanburg districts instead of current outsourcing arrangement.</li> </ul>

# FINANCIAL MANAGEMENT

## SPARTANBURG 06

### 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 did not have material weaknesses in its latest audited financial statements.</li> <li>• <b>Position Control:</b> The District does have position control.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement annual review of processes to ensure segregation of duties over key areas of internal control.</li> </ul>
<b>Cash Management</b>	<ul style="list-style-type: none"> <li>• <b>Days Cash on Hand:</b> The District has 111 days cash on hand which is in line with the state average. The district reviews cash flow forecasts on a monthly basis.</li> <li>• <b>Grants Receivable Outstanding:</b> The Days Grants Receivable Outstanding is 44.9, which is higher than the state average. The District submits grant reimbursements quarterly.</li> <li>• <b>Days Payable Outstanding:</b> The Districts Days Payables Outstanding is 8 days, which is lower than peers.</li> <li>• <b>Cash:</b> The District does invest cash balances in a State local investment pool.</li> <li>• <b>Debt:</b> The total debt outstanding to revenue of 0.14 is low compared to the state. All debt is repaid within three years.</li> <li>• <b>TAN:</b> The District did not issue TANs this past year to assist. However, the district does issue new debt (within the 8% limit) each year to fund capital projects and help with liquidity.</li> <li>• <b>School-based Cash:</b> Rather than collecting funds from parents for student activities, the District allocates a small portion of the general fund for student activities. This significantly reduces the administrative work at the school given they do not need to collect cash.</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> <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> </ul>

# FINANCIAL MANAGEMENT

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Budget</b>	<ul style="list-style-type: none"> <li>• <b>Budget Planning:</b> The annual budget process begins with a review of academic performance. Academic performance is used to establish strategic priorities and establish spending needs for the new year. The District uses enrollment projections as the basis of school level budget allocations and estimates positions required for each individual school based upon these projections and its budgeted staffing model. Each school receives an allocation of positions . In addition, each school gets an allocation of funds for supplies that reflects a set amount per pupil.</li> <li>• Central department budgets are based on an strategic priorities and new needs.</li> <li>• <b>Fiscal Monitoring:</b> The District produces budget to actual variance reports monthly, performs regular variance analysis and meets with key department heads to review expenses.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare zero-based and / or performance based budget for departmental budgets annually incorporating KPIs and workload drivers that would allow for better estimation of central office staff needs and expenses and align with the strategic plan.</li> <li>• The District should consider conducting a school equity analysis annually to ensure that each individual school is receiving its fair share of resources based on the student needs of the school. The analysis would compare school-based FTEs, salaries and non-personnel spending across student type, school size, school level and overall across the district.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>ERP:</b> The District currently uses the Tyler Munis system for general accounting, payroll and accounts payable. The District has been able to successfully transition to automated work processing in most of its processes; however, it is still currently using manual processes for budget planning, expense reimbursement and document management.</li> </ul>	<ul style="list-style-type: none"> <li>• Explore opportunities to better utilize the existing Tyler Munis accounting software and / or upgrade to enhanced functionality that provides automated workflow and approval of purchase orders, automated time tracking that links directly with the payroll system.</li> </ul>

# FINANCIAL MANAGEMENT

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Regional Collaboration</b>	<ul style="list-style-type: none"><li>• The District does coordinate with others in the region on any transaction processing or finance related activities.</li><li>• However, Finance staff for Spartanburg County school districts meet periodically to discuss issues of interest and make use of an active listserv in between meetings.</li></ul>	<ul style="list-style-type: none"><li>• The District should build on existing relationships with other Spartanburg districts and consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other Districts within the Region. This could include the following: (a) accounts payable (including purchasing workflow and approval); (b) payroll processing and (c) financial system licenses (potential for volume discounts).</li></ul>



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## HUMAN RESOURCES 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.*

3,632 : 1

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

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

\$29 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>	3.0
Personnel Expense <sup>[3]</sup>	\$241,344
Non-Personnel Expense <sup>[3]</sup>	\$74,744
Total Human Resources Expense <sup>[3]</sup>	\$316,088

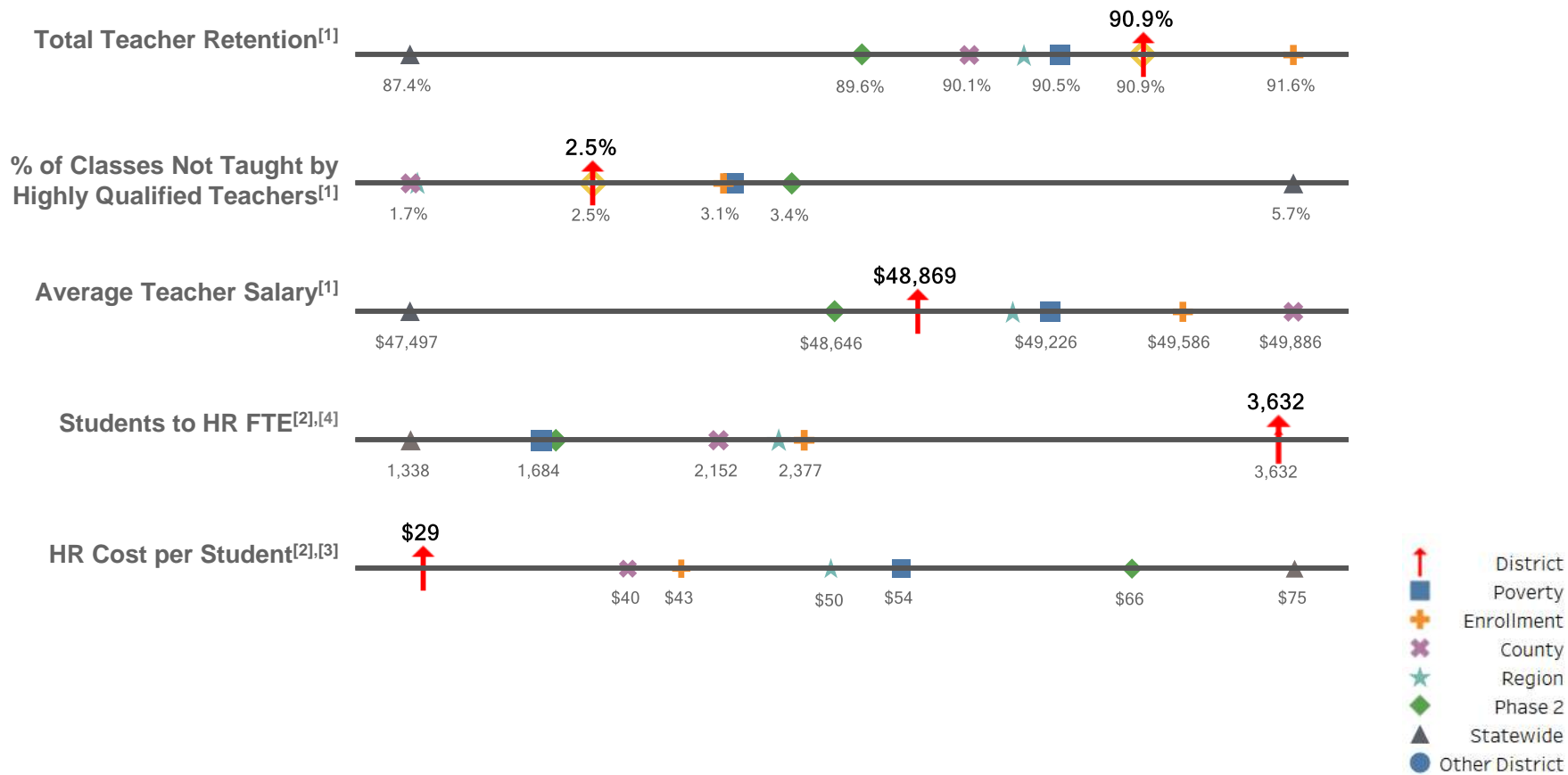
NOTE: FTEs shown in the table above reflect dedicated HR staff only; Financial expenses shown above reflect amounts coded to the HR department. In some instances districts may include salary and benefit related charges that are not related to dedicated HR costs in their totals.

# HUMAN RESOURCES

## SPARTANBURG 06

### KEY PERFORMANCE INDICATORS: HUMAN RESOURCES

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



# HUMAN RESOURCES

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"> <li>• <b>Staffing:</b> The Human Resources function operates on a lean budget with limited staffing to support recruiting, retention, personnel relations, professional, benefits and professional development activities.</li> <li>• <b>Human Resources Cost / Pupil:</b> The HR cost per pupil of \$29 for the District is much lower than the statewide average of \$75 and the average for districts with similar enrollment levels of \$43.</li> <li>• <b>Student to Human Resources FTE:</b> The student to HR FTE ratio of 3,632 is high relative to the state average of 1,338 and the average of districts with similar enrollment levels of 2,377.</li> </ul>	<ul style="list-style-type: none"> <li>• Given the tenure and success of the current leadership, the District should establish a succession plan to ensure past progress is embedded long-term in the organization. If the current Deputy Superintendent for Personnel, Transportation and Operations were to leave the District, it is very likely that more than one person would be required to backfill his position.</li> <li>• Consider the addition of one resource in the human resources function to allow for incremental support of financial management.</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>
<b>Recruiting and Retention</b>	<ul style="list-style-type: none"> <li>• <b>Teacher Recruitment:</b> The strong performance of the District makes it less challenging than other South Carolina districts to recruit teachers. The District partners with Furman, USC Updates and Wofford for teacher candidates. The District is able to meet their teacher recruitment needs through University partnerships and online applicants and student teachers.</li> <li>• <b>Teacher Compensation:</b> The average teacher salary is \$48,869, which is above the state average, making it easier for the district to compete for incoming teachers.</li> <li>• <b>Professional Staffing:</b> The District utilizes its own teacher substitute pool.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider compensation study and / or implementation of incentive programs to recruit and retain teachers that could include: (a) signing bonuses that vest over a period of time to encourage retention; (b) housing incentive signing; (c) tuition reimbursement; (d) differentiated salaries for hard to staff positions; (e) innovative professional development programs.</li> </ul>

# HUMAN RESOURCES

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Recruiting and Retention (cont'd)</b>	<ul style="list-style-type: none"> <li>• <b>Teacher Retention:</b> Teacher retention of 90.9% is due to a strong family oriented culture with a platform for teachers to voice issues or concerns.</li> <li>• The District has experienced a very low number of EEOC complaints and has never had to settle claims thereby indicating satisfaction with the District.</li> <li>• The District has a wellness center for students and teachers. The Districts believes the wellness center has helped improve teacher attendance and reduce workers compensation claims given the convenience of an on-site wellness center.</li> <li>• The District has a comprehensive new teacher mentoring program, which includes extensive training and a mentor.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct exit interviews to gather information on the causes of employee attrition and use the results of the process to formulate an effective teacher retention plan</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• <b>Recruiting:</b> The District uses the TalentEd system to recruit, screen, select and manage the staffing process; however, there is still a need for duplicate manual entry in both the applicant tracking system and MUNIS in order to complete onboarding.</li> <li>• <b>Substitutes:</b> The District uses AESOP to help manage its substitute pool and placement.</li> <li>• <b>Benefits:</b> The District uses Munis and the PEBA system to manage benefits.</li> <li>• <b>Employee Self Service:</b> The District uses Munis to provide employees the ability to manage payroll election changes and review check stubs.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement/capitalize on technology to help enhance and automate recruiting, on-boarding, substitute management and time tracking processes that are currently manual.</li> </ul>

# HUMAN RESOURCES

## SPARTANBURG 06

### SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• <b>Benefits Administration:</b> Administration is typically done by a secretary or administrative assistant.</li> </ul>	<ul style="list-style-type: none"> <li>• In collaboration with other districts in the state, work with PEBA to automate benefits related transaction processing to include: (a) acceptance and processing of electronic signatures; (b) integration of benefit changes into district financial systems.</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• The District collaborates with other nearby school districts on recruiting, human resource system licenses, or arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider implementing a collaboration model that allows for sharing of resources and systems that require transactional activities with other Districts within the Region. This could include:               <ul style="list-style-type: none"> <li>- Benefits Coordination</li> <li>- Human Resources System Licenses (Frontline)</li> <li>- H1B Process for International Teachers</li> </ul> </li> <li>• Consider creating a regional recruitment and training center focused on teacher recruitment across regional group of districts.</li> </ul>



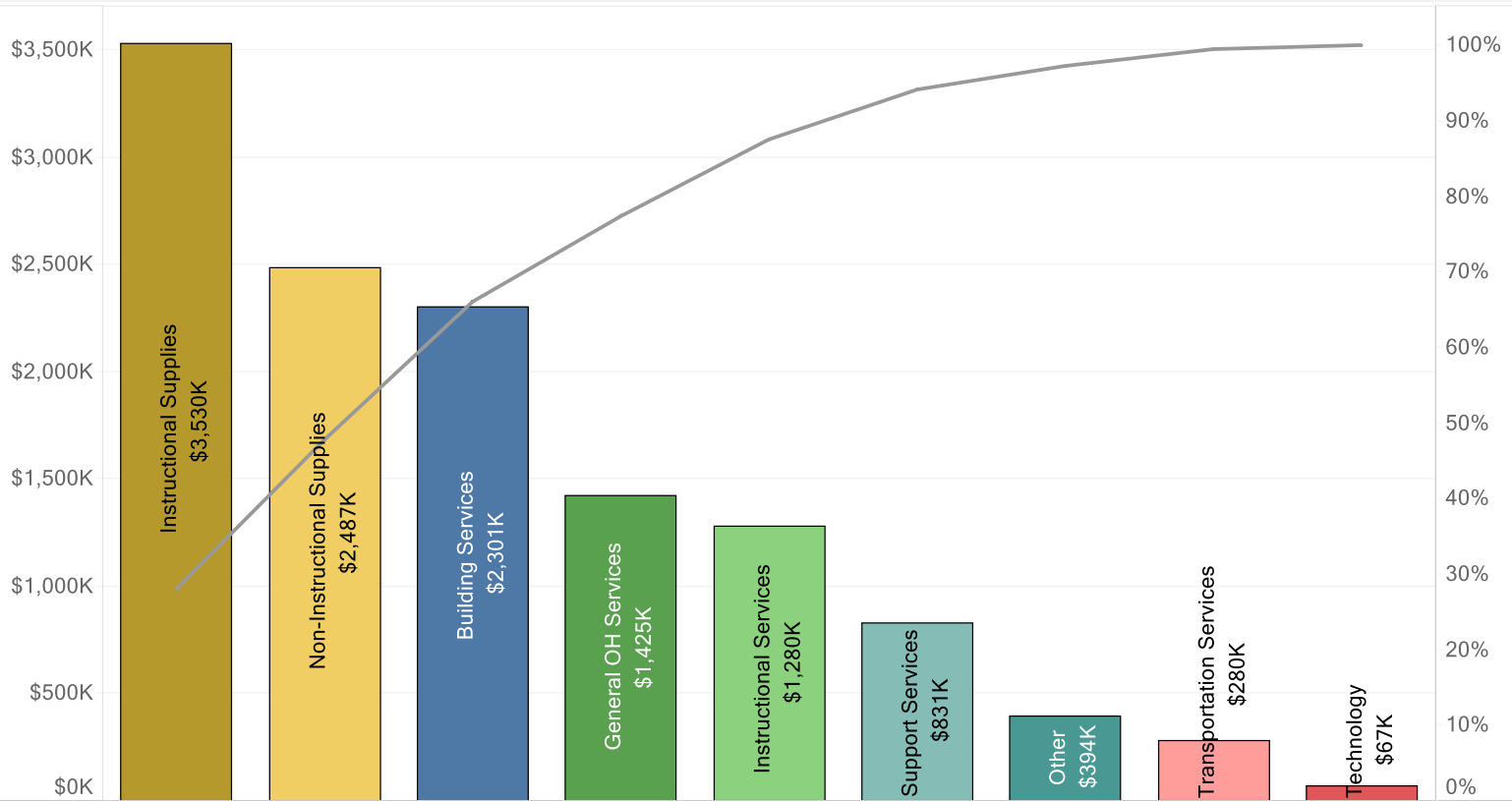
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PROCUREMENT OVERVIEW

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

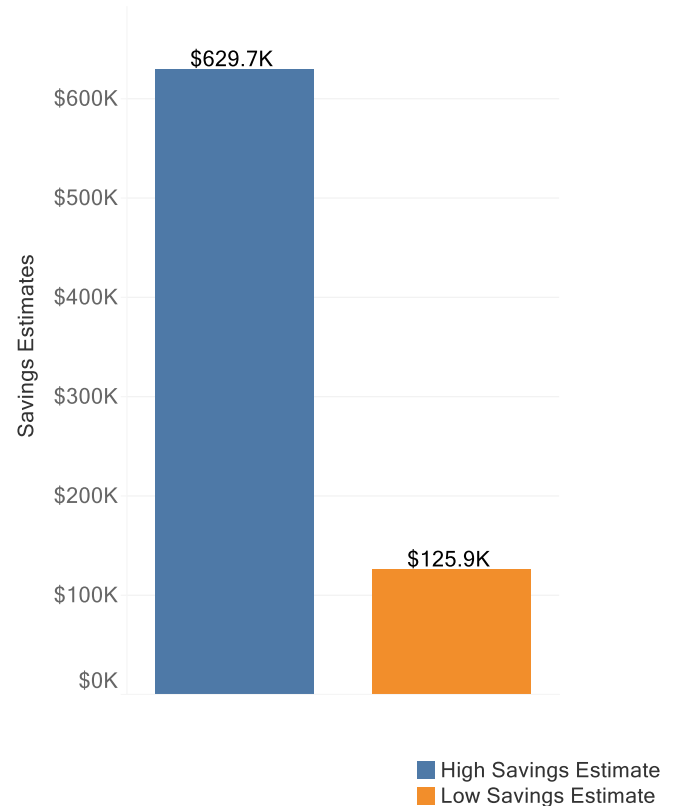
District In Scope Total Procurement Spend<sup>[3]</sup> = \$12,594,987



**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	1.0%	5.0%
Non-Instructional Supplies	1.0%	5.0%
Instructional Supplies	1.0%	5.0%
Instructional Services	1.0%	5.0%
Support Services	1.0%	5.0%
Technology	1.0%	5.0%
Other	1.0%	5.0%
Overhead Services	1.0%	5.0%
Transportation Services	1.0%	5.0%



# PROCUREMENT SPARTANBURG 06

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Organization / Staffing</b>	<ul style="list-style-type: none"> <li>The District has resources focused directly on procurement and is able to rely on these resources to maximize purchasing activities.</li> </ul>	<ul style="list-style-type: none"> <li>Leverage additional resources to better optimize procurement functions. See General Collaboration and Regional Collaboration below.</li> </ul>
<b>Purchasing Methods</b>	<ul style="list-style-type: none"> <li><b>District Contracts:</b> Schools and department leaders work with procurement on identifying existing contracting vehicles. The District does not currently provide schools and departments with access to an online catalog of preferred or contracted vendors.</li> <li>The Superintendent signs all contracts.</li> <li><b>State Contracts:</b> The District purchases off state contracts as much as possible.</li> <li><b>Pcards:</b> The District uses Pcards for purchases that are generally under \$2,500. In total the District has issued. Pcard usage was approximately \$600 thousand in the current fiscal year. In general, the District encourages principals to plan ahead, thereby, reducing the need to use a Pcard.</li> </ul>	<ul style="list-style-type: none"> <li>Provide schools with an online listing and catalog of available District and State contracts.</li> <li>The District should work with the state procurement officials to promote the value of cooperative purchasing and advertise opportunities through SCBO. Ultimately, the state legislature will need to consider revisions to the code to enable use of this type of collaboration.</li> <li>Review district-wide vendors and work to migrate high dollar vendors to accept payment via Pcard in order to maximize rebates.</li> <li>Analyze Pcard spending transaction and dollar volume on an annual basis to determine potential candidates for formal contracting to enable better pricing and cost savings.</li> </ul>

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<p><b>Spending by Vendor</b></p>	<ul style="list-style-type: none"> <li>Spending is fragmented across more than 2,474 vendors; however, the top 42 make up more than 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>The procurement function should conduct ongoing analysis of non-personnel spending, including review of spending by transaction and dollar volume to determine potential candidates for formal contracting and price negotiation to enable better pricing and cost savings. Examples of metrics that could inform analysis include: (a) vendor concentration (# of vendors comprising 80% of spend); (b) % of vendor spending negotiated through formal RFP process; (c) average POs per vendor.</li> <li>Standardize time frames for major recurring purchases (instructional software, hardware, etc.) to capitalize on bulk ordering discounts.</li> <li>Consider use of commitments of minimum buying levels to facilitate negotiations of discounts and rebates over specified buying thresholds. Add provisions that include tiering and volume discounts/rebates in all new contracts</li> <li>Perform annual review of vendor performance (on time, complete, quality) to assess opportunities to reduce or eliminate non-value add services.</li> </ul>

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<p><b>Spending by Category</b></p>	<ul style="list-style-type: none"> <li>• <b>Building and Maintenance:</b> The Districts performs maintenance work in house as much as possible due to the highly skilled workforce capable of performing a wide array of maintenance work.</li> <li>• <b>Food Services:</b> The District is part of a food alliance with Charleston, Berkeley and Greenville. However, the District has planted a farm that will provide food for District meals.</li> <li>• <b>Instructional Support Services and Supplies:</b> The District does not require procurement of instructional support software [and services] 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>• <b>Technology:</b> The District is expanding its 1:1 initiative and is leveraging a state contract to make its purchases. The District does not coordinate technology purchases with other nearby districts.</li> <li>• <b>Non-instructional Supplies:</b> The District purchases the majority of its non-instructional supplies using available state contracting vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>• Require instructional software purchases to conform to standard procurement guidelines for bids and proposals in order to enable best pricing. Coordinate purchasing of instructional software with surrounding districts to maximize potential for volume discounts.</li> <li>• <b>Standardization of Technology:</b> The greatest saving potential can be realized through rollout of low cost/high quality technology options, that are standardized across a geographic region. Standardize recommended technology options with nearby districts in order to leverage benefits of coordinated purchasing and volume discounts. Decisions made by individual districts regarding roll-out of 1:1 initiatives vary greatly in cost per device and total cost of ownership.</li> <li>• Capitalize on potential for greater discounts on technology that is purchased using state contracts by leveraging special discount provisions that are identified in state contracts that are subject to negotiation. Evaluate opportunities to generate savings on ancillary services (accessories, warranties, break-fix, etc.) as part of procurement negotiations.</li> </ul>

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Regional Collaboration</b>	<ul style="list-style-type: none"><li>The District does partner with other districts to procure food. However, there is opportunity for the District to increase partnerships with other nearby districts to increase economies of scale.</li></ul>	<ul style="list-style-type: none"><li>Consider combining resources to create a regional procurement function across districts that is charged with reviewing and optimizing spending through ongoing market intelligence on pricing opportunities, contract RFP management, contract negotiations, contract management.</li><li>A regional collaboration model would allow for Districts to further capitalize on volume discounts and rebates on areas of spend that would include:<ul style="list-style-type: none"><li>- Technology</li><li>- Instructional Software and Services</li><li>- Instructional Staffing</li><li>- Supplies</li></ul></li></ul>



## OUTLINE

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

# TRANSPORTATION SPARTANBURG 06

## 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.*

15 Years

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

\$271 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>	4.0
Personnel Expense <sup>[3]</sup>	\$2,515,777
Non-Personnel Expense <sup>[3]</sup>	\$421,472
Total Transportation Expense <sup>[3]</sup>	\$2,937,249

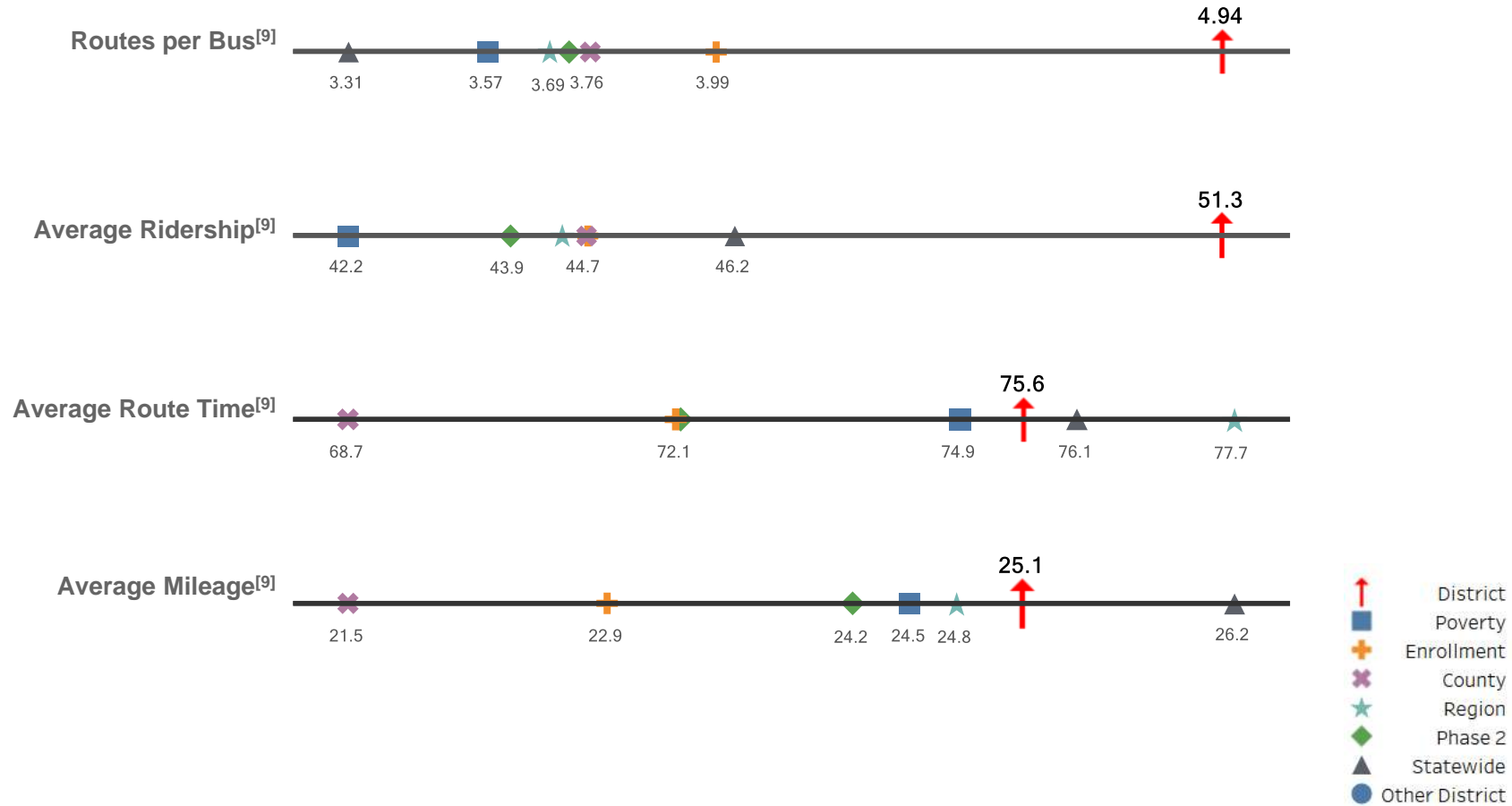
NOTE: FTEs reflected in table above may not reflect dually employed bus drivers.

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	25.7	127	4.9	6,510	51	76	25
Special Needs	6.6	21	3.2	241	11	Not-Available	50
Other	9.2	57	6.2	2,101	37	Not-Available	9
Total	41.5	205	4.9	8,852	N/A	N/A	N/A

# TRANSPORTATION SPARTANBURG 06

## KEY PERFORMANCE INDICATORS: REGULAR ROUTES ONLY

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



# TRANSPORTATION SPARTANBURG 06

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Staffing / Organization</b>	<ul style="list-style-type: none"><li>Historically, the District has had a difficult time recruiting bus drivers. However, a \$3 per hour increase during the 2016-17 school year alleviated the bus driver shortage.</li><li>The District does have a pool of part-time drivers that frequently serve as substitutes to address daily shortages</li><li>A few bus drivers are employed as aides, food workers or custodians to offer full employment opportunities at the District</li><li>The District runs staggered bell times enabling buses to run multiple routes in the morning and afternoon.<ul style="list-style-type: none"><li>Elementary - 7:45am / 2:30pm</li><li>Middle – 8:06am / 3:06pm</li><li>High – 8:20am / 3:30pm</li></ul></li></ul>	

# TRANSPORTATION SPARTANBURG 06

## SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

	Observations	Recommendations
<b>Routing and Bus Management</b>	<ul style="list-style-type: none"> <li>• The district does utilize routing software.</li> <li>• The district does have GPS on its buses.</li> <li>• The district provides cell phones (radios or other) to drivers to contact drivers while on routes.</li> <li>• The district does have security cameras on all buses.</li> <li>• Activity buses: The District operates 42 activity buses. The District uses State fuel and employs a mechanic to perform maintenance in-house.</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 districts on the administration of student transportation.</li> </ul>

# APPENDIX A: SAVINGS METHODOLOGY



# APPENDIX A: SAVINGS METHODOLOGY

## SPARTANBURG 06

### 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

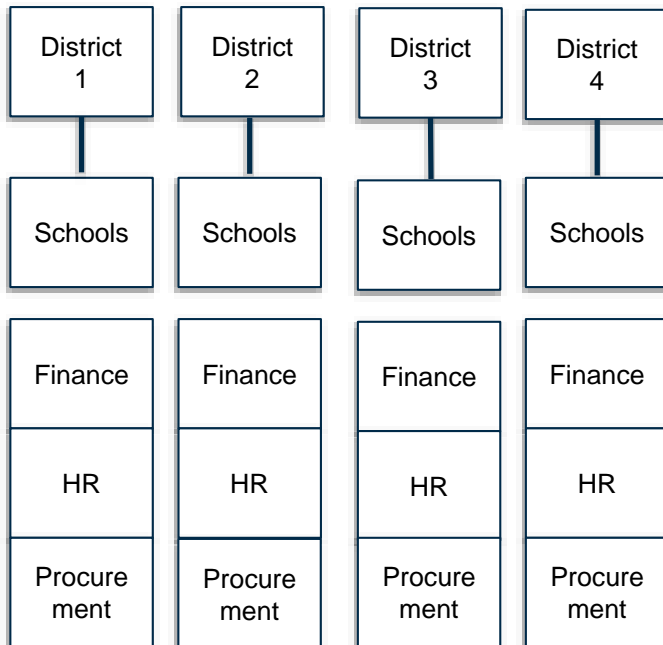
## SPARTANBURG 06

### 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.*

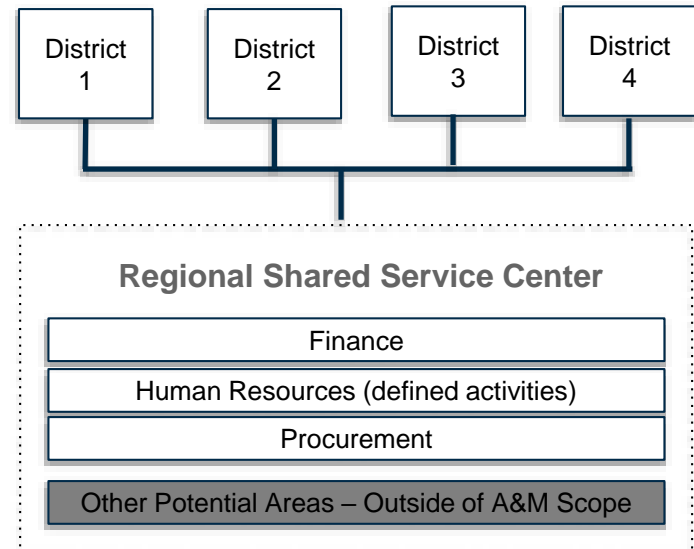
#### CURRENT STATE: STAND ALONE DISTRICT

*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

## SPARTANBURG 06

### 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.*

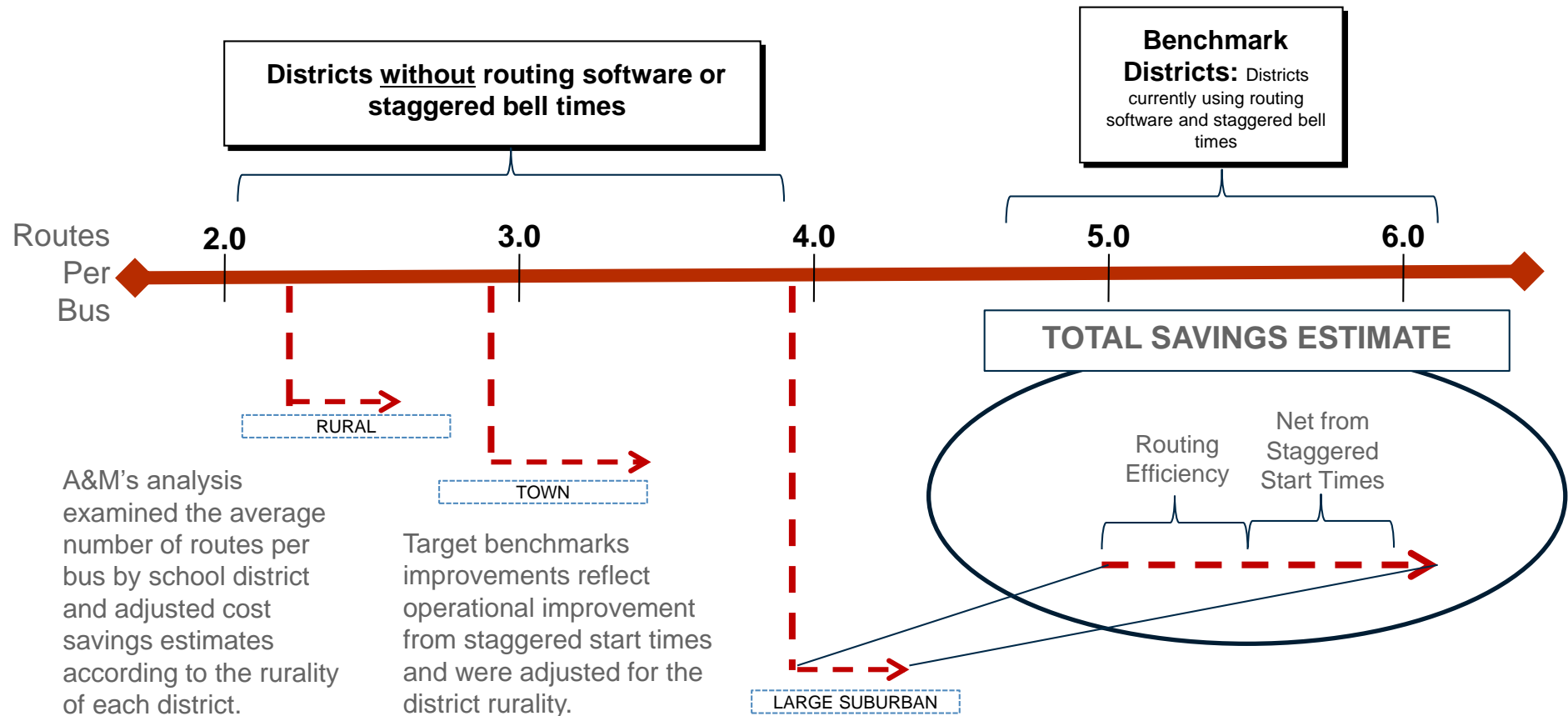
	Financial Management Collaboration: Five Districts [1 Large, 1 Med, 3 Small]		
	Current State	Collaboration Model	Savings
# of Districts	5	5	NA
Total ADM	21,000	21,000	NA
Total FTEs <sup>(2)</sup>	18.9	13.0	6.0
Total Spend <sup>(2)</sup>	\$2,409,840	\$1,684,478	\$725,326
Savings %			30.1%

*(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

## SPARTANBURG 06

### 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

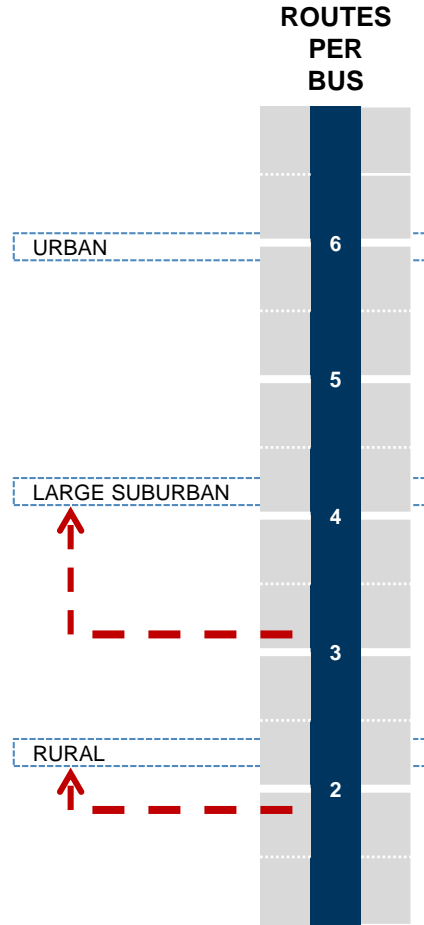
## SPARTANBURG 06

### 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

## SPARTANBURG 06

### COLLABORATION: PURCHASING COORDINATION AND AGGREGATION

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

#### EXAMPLES OF STATE-WIDE PROCUREMENT OPPORTUNITIES

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

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

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

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

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

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

# APPENDIX A: SAVINGS METHODOLOGY

## SPARTANBURG 06

### 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:	
	Low	High
Building Services	1.0%	5.0%
Non-Instructional Supplies	1.0%	5.0%
Instructional Supplies	1.0%	5.0%
Instructional Services	1.0%	5.0%
Support Services	1.0%	5.0%
Technology	1.0%	5.0%
Other	1.0%	5.0%
Overhead Services	1.0%	5.0%
Transportation Services	1.0%	5.0%

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

# APPENDIX B: DATA SOURCES



# APPENDIX B: DATA SOURCES

## SPARTANBURG 06

### [1] FY 16 District Report Card

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

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

\*Number of schools calculated using state ADM files

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

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

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

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

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

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

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

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

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

# APPENDIX B: FORMULAS DEFINED

## SPARTANBURG 06

### Sources [2],[3]

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

### Sources [2],[4]

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

# APPENDIX B: FORMULAS DEFINED

## SPARTANBURG 06

### Source [5]

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

### Source [3],[7]

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

### Source [5],[7]

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

### Source [9]

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

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