



# **SCHOOL DISTRICT PERFORMANCE AUDIT REPORT**

**K-12 Education: Efficiency Audit of the  
Derby School District**

**A Report to the Legislative Post Audit Committee  
By the Legislative Division of Post Audit  
State of Kansas  
December 2009**

# ***Legislative Post Audit Committee***

---

## ***Legislative Division of Post Audit***

**THE LEGISLATIVE POST** Audit Committee and its audit agency, the Legislative Division of Post Audit, are the audit arm of Kansas government. The programs and activities of State government now cost about \$13 billion a year. As legislators and administrators try increasingly to allocate tax dollars effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by Legislative Post Audit helps provide that information.

We conduct our audit work in accordance with applicable government auditing standards set forth by the U.S. Government Accountability Office. These standards pertain to the auditor's professional qualifications, the quality of the audit work, and the characteristics of professional and meaningful reports. The standards also have been endorsed by the American Institute of Certified Public Accountants and adopted by the Legislative Post Audit Committee.

The Legislative Post Audit Committee is a bipartisan committee comprising five senators and five representatives. Of the Senate members, three are appointed by the President of the Senate and two are appointed by the Senate Minority Leader. Of the Representatives, three are appointed by the Speaker of the House and two are appointed by the Minority Leader.

Audits are performed at the direction of the Legislative Post Audit Committee. Legislators

or committees should make their requests for performance audits through the Chairman or any other member of the Committee. Copies of all completed performance audits are available from the Division's office.

### **LEGISLATIVE POST AUDIT COMMITTEE**

Representative Virgil Peck Jr., Chair  
Representative Tom Burroughs  
Representative John Grange  
Representative Ann Mah  
Representative Peggy Mast

Senator Terry Bruce, Vice-Chair  
Senator Anthony Hensley  
Senator Derek Schmidt  
Senator Chris Steineger  
Senator Dwayne Umbarger

### **LEGISLATIVE DIVISION OF POST AUDIT**

800 SW Jackson  
Suite 1200  
Topeka, Kansas 66612-2212  
Telephone (785) 296-3792  
FAX (785) 296-4482  
E-mail: [LPA@lpa.ks.gov](mailto:LPA@lpa.ks.gov)  
Website: <http://kslegislature.org/postaudit>  
Barbara J. Hinton, Legislative Post Auditor

### **DO YOU HAVE AN IDEA FOR IMPROVED GOVERNMENT EFFICIENCY OR COST SAVINGS?**

The Legislative Post Audit Committee and the Legislative Division of Post Audit have launched an initiative to identify ways to help make State government more efficient. If you have an idea to share with us, send it to [ideas@lpa.ks.gov](mailto:ideas@lpa.ks.gov), or write to us at the address above.

You won't receive an individual response, but all ideas will be reviewed, and Legislative Post Audit will pass along the best ones to the Legislative Post Audit Committee.

The Legislative Division of Post Audit supports full access to the services of State government for all citizens. Upon request, Legislative Post Audit can provide its audit reports in large print, audio, or other appropriate alternative format to accommodate persons with visual impairments. Persons with hearing or speech disabilities may reach us through the Kansas Relay Center at 1-800-766-3777. Our office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.



LEGISLATURE OF KANSAS

## LEGISLATIVE DIVISION OF POST AUDIT

800 SOUTHWEST JACKSON STREET, SUITE 1200  
TOPEKA, KANSAS 66612-2212  
TELEPHONE (785) 296-3792  
FAX (785) 296-4482  
E-MAIL: [lpa@lpa.ks.gov](mailto:lpa@lpa.ks.gov)

December 11, 2009

To: Members, Legislative Post Audit Committee

Representative Virgil Peck Jr., Chair  
Representative Tom Burroughs  
Representative John Grange  
Representative Ann Mah  
Representative Peggy Mast

Senator Terry Bruce, Vice-Chair  
Senator Anthony Hensley  
Senator Derek Schmidt  
Senator Chris Steineger  
Senator Dwayne Umbarger

This report contains the findings, conclusions, and recommendations from our completed performance audit, *K-12 Education: Efficiency Audit of the Derby School District*.

The report also contains appendices showing detailed information for non-instructional operating costs for the Derby school district and its 11 peer districts, best practices for school district efficiencies, and information about the Derby school district's building capacity.

The report includes several recommendations for the Derby school district. We would be happy to discuss these recommendations or any other items in the report with any legislative committees, individual legislators, or other State officials.

A handwritten signature in black ink that reads "Barbara J. Hinton". The signature is fluid and cursive, with a large, stylized initial 'B'.

Barbara J. Hinton  
Legislative Post Auditor

# READER'S GUIDE

| <b><i>The Big Picture</i></b>                                 |   | <b><i>The Details</i></b>         |   |
|---|---|-----------------------------------|---|
| <b>Audit Highlights</b>                                       | The highlights sheet, inserted in each report, provides an overview of the audit's key findings | <b>"At-a-Glance Box"</b>          | Used to describe key aspects of the audited agency; generally appears in the first few pages of the main report |
| <b>Conclusions and Recommendations</b>                        | Located at the end of the audit questions, or at the end of the report                          | <b>Side Headings</b>              | Point out key issues and findings   |
| <b>Agency Response</b>  | Included as the last Appendix in the report   | <b>Charts, Tables, and Graphs</b> | Visually help tell the story of what we found   |
| <b>Table of Contents, and lists of figures and appendices</b> | Lets the reader quickly locate key parts of the report  | <b>Narrative Text Boxes</b>       | Highlight interesting information or provide detailed examples  |

This audit was conducted by Brenda Heafey and Lindsay Rousseau. Scott Frank was the audit manager. If you need any additional information about the audit's findings, please contact Brenda Heafey at the Division's offices.

Legislative Division of Post Audit  
 800 SW Jackson Street, Suite 1200  
 Topeka, Kansas 66612

(785) 296-3792  
 E-mail: [LPA@lpa.ks.gov](mailto:LPA@lpa.ks.gov)  
 Web: [www.kslegislature.org/postaudit](http://www.kslegislature.org/postaudit)

# Table of Contents

## Could the Derby School District Achieve Cost Savings By Improving the Management of Its Personnel, Facilities, or Other Resources?

|  |         |
|--|---------|
| <i>School Districts Should Have a Systematic Process For Managing Efficiency</i> .....   | page 5  |
| <i>The Derby School District's Non-Instructional Spending Per Student Is Generally Lower Than Its Peers, but Its Staffing Levels Appear To Be Slightly Higher in a Few Areas</i> ..... | page 8  |
| <i>We Identified a Number of Opportunities for the Derby School District To Operate More Efficiently and Reduce Costs</i> .....  | page 9  |
| <i>The Derby School District Could Save at Least \$600,000 a Year in Teacher Salaries If It Moved to a Traditional High School Class Schedule</i> .....                                | page 11 |
| <i>Consolidating Administrative Buildings Would Save the District \$24,000 a Year in Operating Costs, Plus the Proceeds From Selling One of the Buildings.</i> .....                   | page 16 |
| <i>The Derby School District Should Take Steps To Reduce Its Use of Overtime.</i> .....  | page 20 |
| <b>Conclusion</b> .....  | page 22 |
| <b>Recommendations for Derby School District</b> .....   | page 23 |

# List of Figures

|   |             |
|---|-------------|
| <b>Figure 1-1:</b> Model Efficiency Management Process .....  | page 6      |
| <b>Figure 1-2:</b> Derby School District Efficiency Measures as Compared to Its Peers<br>2007-08 School Year .....                    | page 9      |
| <b>Figure 1-3:</b> Summary of Areas Identified for Improved Efficiencies and<br>Estimate of Total Savings .....                       | pages 10-11 |
| <b>Figure 1-4:</b> Comparing a Block Schedule to a Traditional Schedule for a Sample Teacher .....                                    | page 13     |
| <b>Figure 1-5:</b> Potential Savings from Switching to a Traditional Schedule and<br><u>Keeping the Same Number of Sections</u> ..... | page 15     |
| <b>Figure 1-6:</b> Potential Savings from Switching to a Traditional Schedule and<br><u>Reducing the Number of Sections</u> .....     | page 16     |
| <b>Figure 1-7:</b> <u>Estimated</u> Coats and Savings Associated with Consolidating<br>Administrative Buildings.....                  | page 18     |
| <b>Figure 1-8:</b> The Derby School District's Overtime Pay by Department For the<br>2007-08 School Year .....                        | page 20     |

# List of Appendices

|   |         |
|---|---------|
| <b>Appendix A:</b> Scope Statement .....  | page 27 |
| <b>Appendix B:</b> Detailed Information for Non-Instructional Operating Costs for the<br>Derby School District and Its 11 Peers ..... | page 29 |
| <b>Appendix C:</b> List of Operational Best Practices for School Districts .....  | page 35 |
| <b>Appendix D:</b> List of Derby School Districts and Their Characteristics .....   | page 41 |
| <b>Appendix E:</b> Agency Response.....   | page 43 |



# K-12 Education: Efficiency Audit of the Derby School District

---

In July 2009, our office released a school district performance audit examining the efficiency of school districts' operations. As originally directed by the 2010 Commission, that audit would have consisted of two phases. The first phase called for analyzing district staffing and expenditure data to identify areas where spending for districts appeared to be out-of-line compared with their peers. The second phase called for following up on a sample of districts to evaluate their processes in the areas that appeared to be out-of-line to determine if there were ways they could reduce costs without affecting their ability to educate students.

In April 2009, the Commission directed us to suspend the follow-up part of the audit to alleviate concerns some superintendents had expressed about having an efficiency audit conducted while they were trying to address funding cuts from the State. However, in May 2009, the Commission discussed the fact that some districts may want to take advantage of the external review an efficiency audit could provide in helping them look for opportunities to operate more efficiently, and subsequently directed us to contact school districts to see if any of them would like to volunteer for an external efficiency audit.

Officials from the Derby school district contacted us and requested an efficiency audit to help them identify ways they could reduce costs without affecting the education they provide students. This school district performance audit answers the following question:

**Could the Derby school district achieve cost savings by improving the management of its non-instructional personnel, facilities, or other resources?**

Because district officials asked us to look at whether the district could reduce its instructional expenditures by switching from a block schedule to a traditional schedule at its high school, we have modified the original question to include all types of district expenditures.

To answer this question, we identified peer districts that are demographically similar to the Derby school district and compared them on various measures of efficiency to identify areas where the spending or resources used by the Derby school district appeared to be out of line. We also conducted site visits to interview district officials and staff, observe various administrative and operational processes, and tour a number of the district's facilities in order to identify opportunities for savings and greater efficiency.

A copy of the scope statement for this audit approved by the 2010 Commission is included in *Appendix A*.

We conducted this performance audit in accordance with generally accepted government auditing standards, except that we didn't fully assess the reliability of certain data provided by the Derby school district, including high school class rosters, property insurance costs, utility costs, detailed personnel data, and maximum building capacities. As a standard part of our preliminary testing of those data, we reviewed the data for reasonableness, duplication, and inconsistencies. That preliminary testing didn't disclose any systematic problems that would make the data grossly inaccurate.

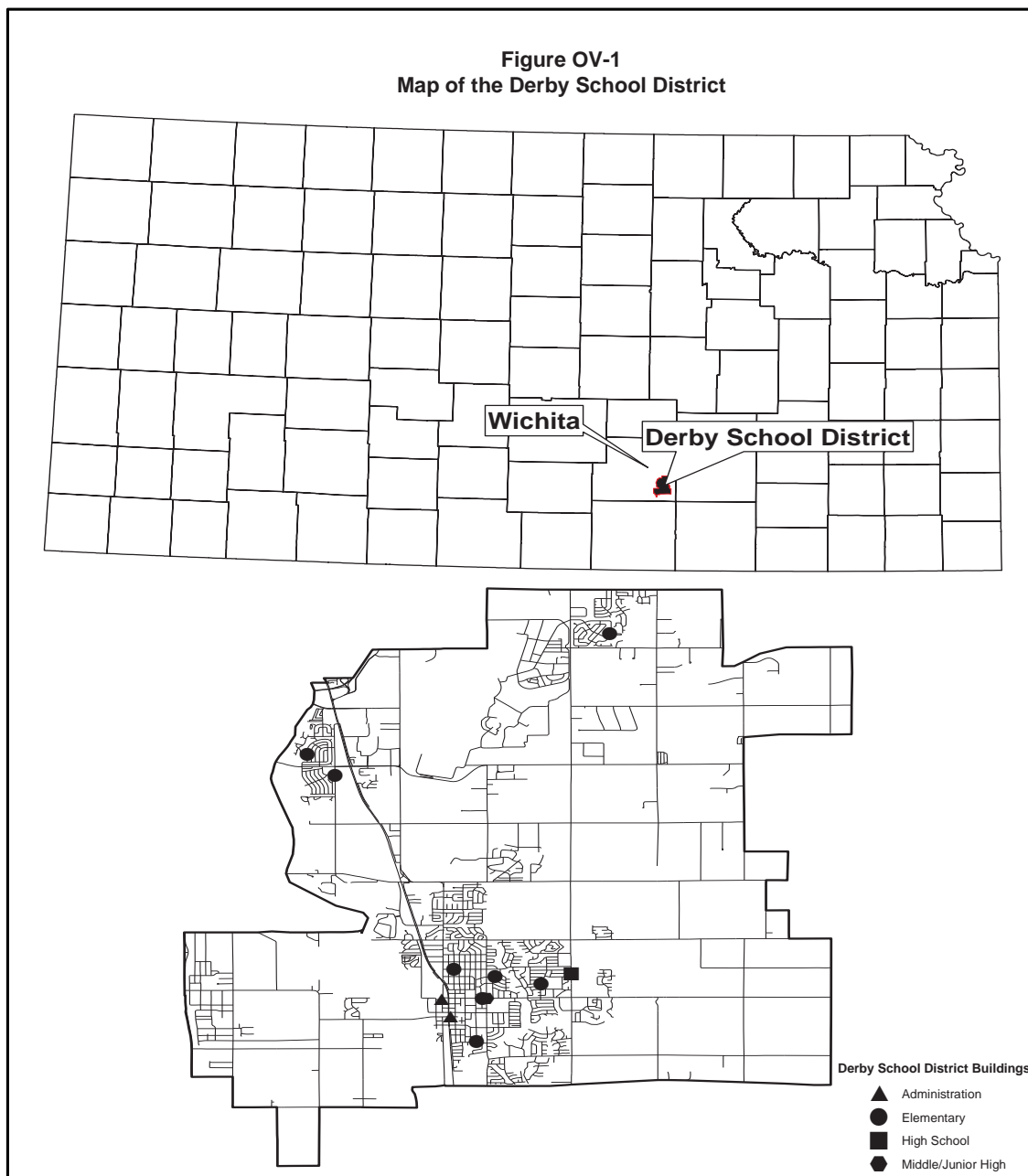
The standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our findings begin on page 5, following a brief overview of the Derby school district.



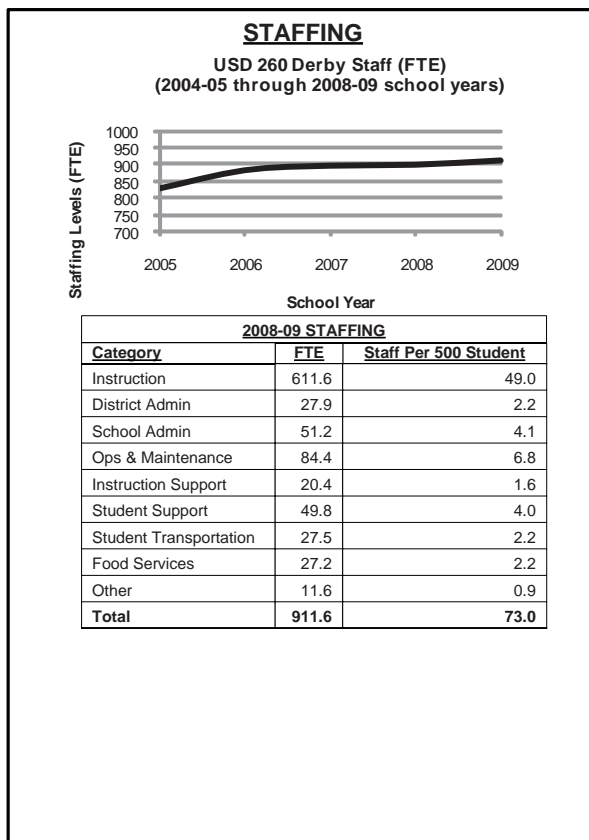
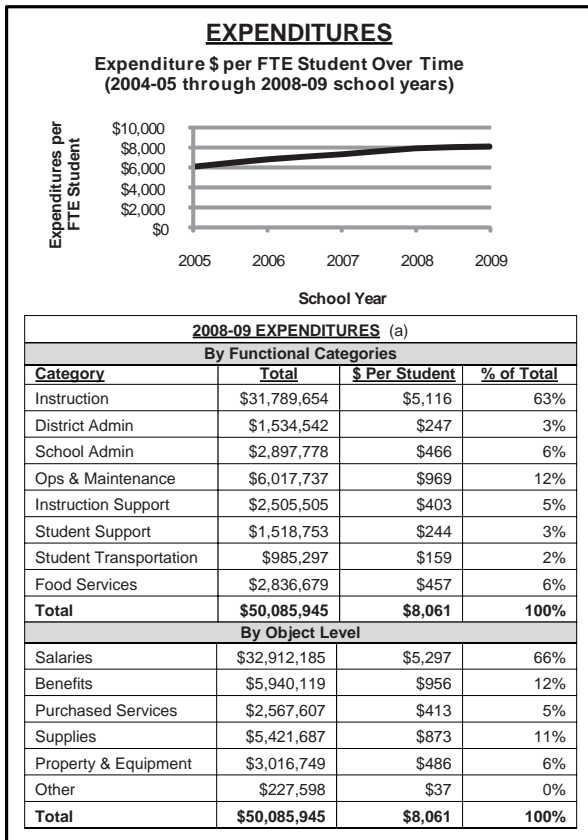
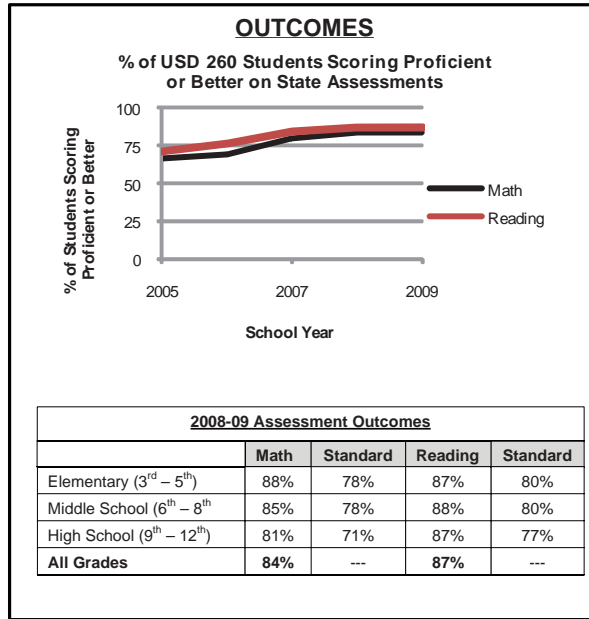
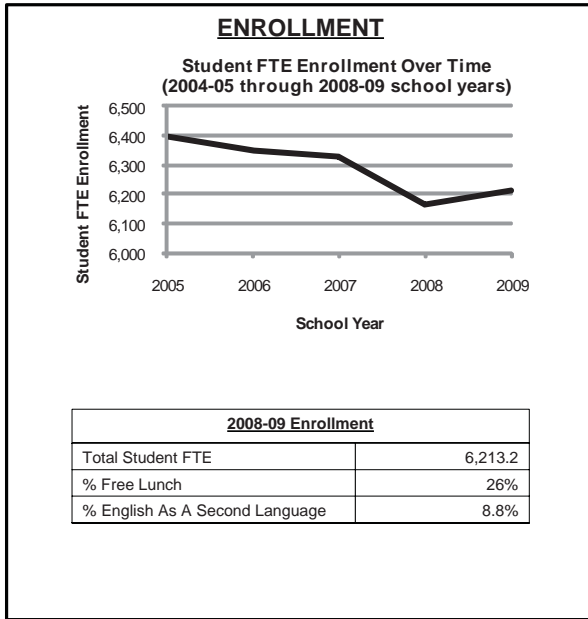
## Overview of the Derby School District

The Derby school district is located in south central Kansas, just south of Wichita. Currently the district's enrollment is just more than 6,260 full-time-equivalent students, and employs more than 1,100 staff, including more than 540 full-time-equivalent certified teachers.

*Figure OV-1* provides a map of the district, and *Figure OV-2* summarizes the district's enrollment, outcomes, expenditures, and staffing levels for the last five years.



**Figure OV-2  
Selected Information for the Derby School District**



(a) Expenditures include the following funds: general fund, federal revenues, supplemental general fund, four-year-old at-risk, K-12 at-risk, bilingual education, virtual education, capital outlay, driver training, food service, professional development, summer school, vocational education, gifts and grants, contingency reserve, textbook rent and student revolving, and the extraordinary school program. Transfers are not included.

Source: LPA analysis of Kansas State Department of Education expenditure data, assessment scores, and staffing data.

## Could the Derby School District Achieve Cost Savings By Improving the Management of Its Personnel, Facilities, or Other Resources?

### ***Answer in Brief:***

*The Derby school district has taken a number of positive steps to become more efficient and control costs, but it lacks a systematic approach for evaluating and managing efficiency. Overall, the Derby school district's non-instructional spending is lower than its peers on a per-student basis, but its staffing levels appear to be slightly higher in a few areas. We identified several significant opportunities for the district to operate more efficiently and reduce costs. The most significant of these—and the one that would require the most change to implement—involves moving the high school from a block schedule to a traditional schedule and filling high school classes to capacity, thus eliminating the need for as many class sections. We also identified opportunities for consolidating two administrative buildings, and better controlling the district's use of overtime. These and other findings are described in more detail in the sections that follow.*

### ***School Districts Should Have a Systematic Process For Managing Efficiency***

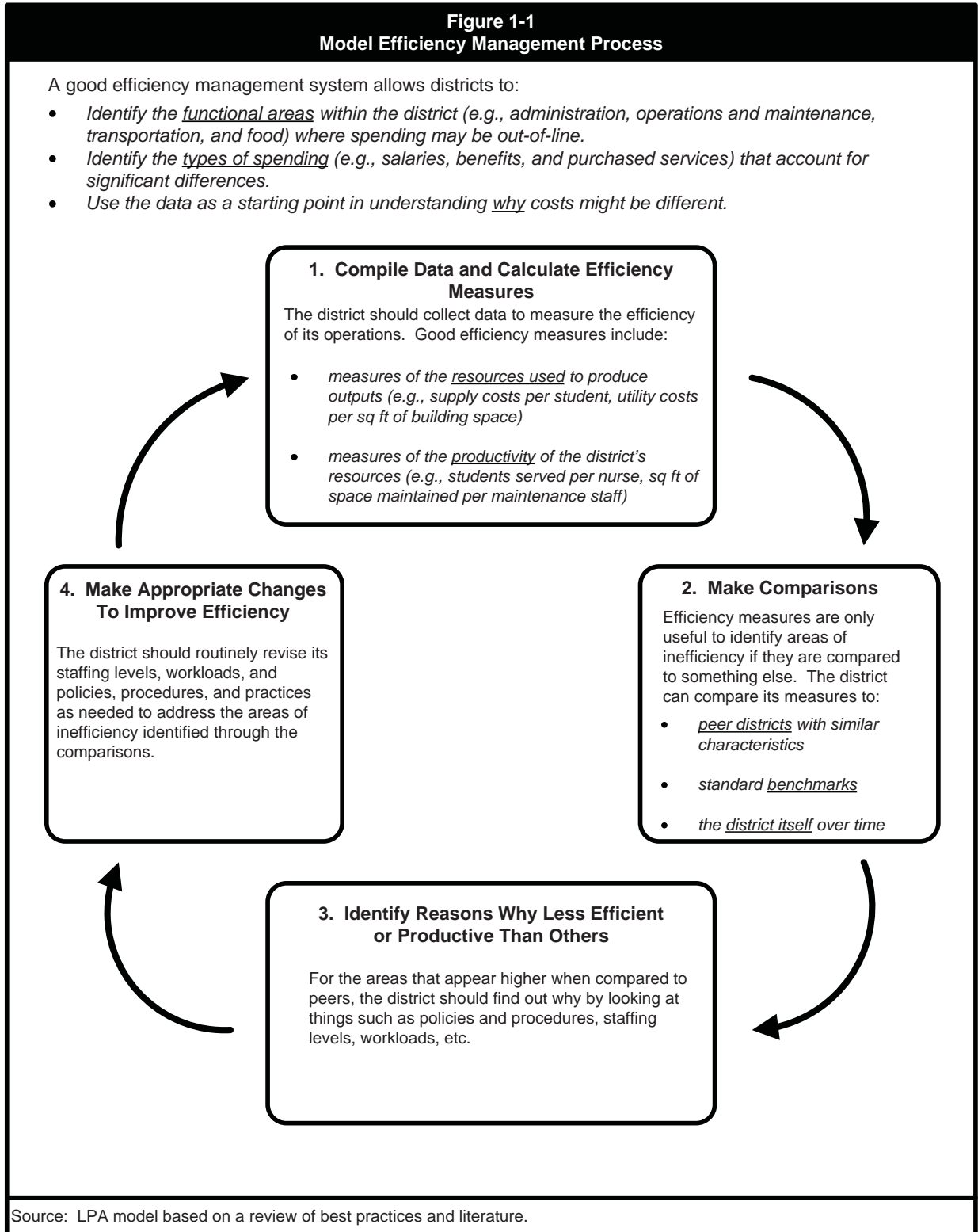
Although most evaluations of school districts tend to focus on how well the districts educate students, oversight bodies and citizens increasingly are becoming more interested in how efficiently districts are operating—particularly in light of the budget shortfalls that are facing governments at all levels. School efficiency audits focus on ways in which districts can change the way they currently operate to *essentially accomplish the same outcomes using fewer resources, or to allow their existing resources to become more productive*. If fewer resources are needed, districts can use the savings either to reduce costs or to redirect those resources to other more important activities.

Measures of efficiency are calculated ratios that capture the relationship between inputs (the resources used) and outputs (the things accomplished or produced). For educational entities, the primary measures of efficiency are things like expenditures per student, staff per student, and number of activities per employee (e.g., classes taught per teacher or meals served per food service worker).

One important aspect of assessing efficiency is comparing these measures to those of peers with similar characteristics, to standard benchmarks, and to the district itself over time. This allows a district to see how it compares and explore reasons why it may spend more in certain areas. A district also can make adjustments to its policies, procedures, and practices to ensure it not only provides the best education for its students, but also the best value for taxpayers. In addition, as districts move towards greater computerization, it's

important for them to look at how streamlined and automated their processes are.

A model for a good efficiency management process is summarized in *Figure 1-1*.



**While the Derby school district has taken a number of positive steps to become more efficient and control costs, it lacks a systematic approach for evaluating and managing efficiency.**

According to district officials, the district has taken the following steps over the last several years to improve its efficiency:

- **Energy Savings**—In the 1998-99 school year, the district contracted with Energy Education Corporation to conduct an audit of the district's energy usage. It also has hired an energy manager to conduct ongoing energy evaluations, and recently adopted a policy to remove all personal refrigerators and appliances (which will save an estimated \$37,000 each year).
- **Joint and Competitive Purchasing**—The district issues competitive bids for supplies and equipment, purchases copy paper in bulk, has joined a natural gas consortium, and receives discounted educational rates for electricity and Internet. In addition, the district coordinates with the City of Derby for fuel and the computerized maps that help district officials plan bus routes.
- **Automated Processes**—Recently, the district implemented an automated payroll system that is designed to save staff time by eliminating the need to enter work hours manually, improve accuracy and accountability, and eliminate paper timesheets. The district also uses an automated accounting system that streamlines the purchasing process and helps the district keep track of inventory.
- **Other Efficiencies**—The operations and maintenance department buys concentrated cleaning chemicals and uses dilution stations to accurately measure the products. The technology department is in the process of implementing virtualized servers to reduce hardware maintenance costs and increase utilization of server space, and technicians plan to start using a ticket model for work orders to ensure adequate staffing levels throughout the district. Special education services bill Medicaid whenever appropriate. The food program operates a central kitchen that serves all the elementary schools. Support staff positions like nurses and social workers are shared among buildings.

However, the Derby school district doesn't have the kind of systematic process for managing efficiency as laid out in *Figure 1-1*. Specifically:

- **While the district does compile some spending data, it doesn't calculate good measures of efficiency.** For functional areas such as administration, operations and maintenance, transportation, and food service, district officials compile figures on total spending and the percent of total spending that each functional area accounts for, but they don't calculate measures on a per-student basis. While the total spending data compiled by the district may be useful, those data don't really measure the efficiency with which the district uses its resources.
- **The district only makes limited comparisons with the data it compiles.** District officials do compare the spending data they compile to the district's spending in previous years, but don't compare themselves against peer districts or benchmarks. While not readily compiled on a per-student basis, spending data for all Kansas school districts is available through the *Comparative Performance and Fiscal*

System, located on the State Department of Education's website (<http://cpfs.ksde.org/cpfs/>). Information on district enrollment levels can be used to calculate and make meaningful comparisons of specific types of spending with respect to enrollment size.

---

***The Derby School District's Non-Instructional Spending Per Student Is Generally Lower Than Its Peers, But Its Staffing Levels Appear To Be Slightly Higher in a Few Areas***

To compare the district's efficiency measures to other districts, we selected 11 peers whose demographics were similar in terms of size, property values, and concentration of poverty and students with limited English proficiency. A few of the peers are districts that Derby officials identified as competitors for teachers and students (these districts also were very similar demographically). **Appendix B** provides a list of the peer districts, a demographic comparison of the Derby school district to its peers, and a more detailed description of how we selected the peers.

Using enrollment, staffing, and expenditure data for the 2007-08 school year (the most recent year for which complete data were available for our audit fieldwork), we calculated a variety of efficiency measures for the Derby school district and its peers in the following areas: instruction, district- and school-level administration, instruction and student support, operations and maintenance, student transportation, and food service.

**Figure 1-2** on the following page summarizes our findings for these comparisons; detailed efficiency measures for each district can be found in **Appendix B**.

As the figure shows, spending per student for the district tended to be a little lower than for its peers, but the staffing levels for a couple of areas—especially operations and maintenance and support services—are slightly higher.

For operations and maintenance, we determined that this was because the district has chosen to address more of its maintenance needs in-house, while many of its peers have fewer employees but contract out more of the work. For support services, we looked at detailed staffing data and determined that most of the staffing levels were reasonable, and that there wasn't an easy way for the district to cut those staff without hurting services. The one exception was with library staff, which is discussed later in **Figure 1-3** on page 10.

In conducting our analyses, we excluded expenditures related to special education because cooperative arrangements between some districts can create distortions in the efficiency measures. In addition, we excluded property and equipment purchases because they can be very uneven from year-to-year.

**Figure 1-2  
Derby School District Efficiency Measures as Compared to Its Peers  
2007-08 School Year**

| Non-Instructional Area                  |                                 | Derby          | Peer Average (a) | Compared to Peers   |
|---|---------------------------------|----------------|------------------|---|
| <b>Non-Instructional Spending</b>       |                                 |                |                  |   |
| <b>District-Level Administration</b>    | Spending per Student (b)        | \$238          | \$428            | The Derby district's district-level expenditures per student and staffing levels were much lower than the average of its peers.                               |
|   | Staff per 500 Students          | 2.3            | 3.1              |   |
| <b>School-Level Administration</b>      | Spending per Student (b)        | \$446          | \$465            | The Derby district's school-level expenditures per student and staffing levels were slightly lower than the average of its peers.                             |
|   | Staff per 500 Students          | 3.8            | 4.0              |   |
| <b>Operations and Maintenance</b>       | Spending per Student (b)        | \$847          | \$838            | The Derby district's operations and maintenance expenditures per student were in line with the average of its peers, but staffing levels were higher.         |
|   | Staff per 500 Students          | 6.6            | 5.6              |   |
| <b>Instructional Support</b>            | Spending per Student (b)        | \$388          | \$379            | The Derby district's instructional support expenditures per student and staffing levels were in line with the average of its peers.                           |
|   | Staff per 500 Students          | 1.7            | 1.8              |   |
| <b>Student Support</b>                  | Spending per Student (b)        | \$234          | \$294            | The Derby district's student support expenditures per student were lower than the average of its peers but staffing levels were higher.                       |
|   | Staff per 500 Students          | 4.3            | 3.7              |   |
| <b>Total Non-Instructional Spending</b> | <b>Spending per Student (b)</b> | <b>\$2,153</b> | <b>\$2,404</b>   |   |
|   | <b>Staff per 500 Students</b>   | <b>18.7</b>    | <b>18.2</b>      |   |
| <b>Instructional Spending</b>           |                                 |                |                  |   |
| <b>Instruction</b>                      | Spending per Student (b)        | \$4,690        | \$4,210          | The Derby district's instructional expenditures were slightly higher than the average of its peers, while its staffing levels were in line.                   |
|   | Staff per 500 Students          | 31.2           | 31.5             |   |
| <b>TOTALS</b>                           | Spending per Student (b)        | <b>\$6,843</b> | <b>\$6,614</b>   | <b>Overall, the Derby school district's non-instructional expenditures per student and staffing levels were in line compared to the average of its peers.</b> |
|   | Staff per 500 Students          | <b>49.9</b>    | <b>49.7</b>      |   |

(a) Peer average does not include Derby.

(b) Expenditures do not include any costs associated with special education or properties and equipment.

Sources: LPA analysis of data provided by the Kansas Department of Education and the Derby school district.

***We Identified a Number Of Opportunities for the Derby School District To Operate More Efficiently And Reduce Costs***

To identify savings opportunities for the Derby school district, we reviewed the efficiency measures described in the previous section, interviewed district officials and staff, and conducted site visits to observe various processes and tour a number of the district's facilities. We also reviewed audits and research conducted in other states to compile a list of best practices for improving efficiency, which are summarized in **Appendix C**.

**Figure 1-3  
Summary of Areas Identified for Improved Efficiencies  
and Estimate of Total Savings**

| Potential Area for Improved Efficiency  | Estimated Savings |           |             |                            |
|---|-------------------|-----------|-------------|----------------------------|
|   | Annual            | One-Time  | 5-year      | Unable to Quantify Savings |
| <b>Student Instruction</b>  |                   |           |             |                            |
| <b>Change to a Traditional Schedule at the High School</b> - <i>The district could save at least \$600,000 in teacher salaries if the high school switched to a traditional schedule. See pages 11-16 for more details.</i>   | \$600,000 (a)     |           | \$3,000,000 |                            |
| <b>Fill Classes to Capacity at the High School</b> - <i>If, in addition to moving to a traditional schedule the district also filled its classes to capacity, it could save at least \$200,000 annually in teacher salaries. See page 15 for more details.</i>  | \$200,000 (a)     |           | \$1,000,000 |                            |
| <b>Facilities</b>   |                   |           |             |                            |
| <b>Consolidate Administrative Buildings</b> - <i>The district could save an estimated \$25,000 annually if it consolidated its administrative functions into one administrative building. The district also could receive approximately \$300,000 if it sold one of the administrative buildings at its appraised value. See pages 16-19 for more details.</i>  | \$24,100 (a)      | \$287,500 | \$120,500   |                            |
| <b>Stop Providing Maintenance Staff Uniforms</b> - <i>The district could save at least \$6,000 annually if it didn't provide and launder uniforms for its maintenance employees.</i>  | \$6,600           |           | \$33,000    |                            |
| <b>Charge Appropriate Fees for Community Use of District Facilities</b> - <i>The district allows community groups to use its buildings, but only charges fees to certain groups. According to district officials, those fees don't cover the additional staffing and utility costs associated with those events. See page 20 for more details.</i>  |                   |           |             | X                          |
| <b>Lower the Ceiling at One of the Administrative Buildings</b> - <i>The district could save money on its utilities in one of the administrative buildings by lowering the ceiling. See page 19 for more details.</i>   |                   |           |             | X                          |
| <b>Personnel</b>  |                   |           |             |                            |
| <b>Place Controls and Limits on Overtime Pay</b> - <i>The district spent more than \$300,000 on overtime in each of the last two years, of which more than \$100,000 was "premium" pay. See pages 20-22 for more details.</i>   |                   |           |             | X                          |
| <b>Hire Part-Time Staff or Contract Out for Energy Audits</b> - <i>The district currently pays one of its full-time employees to take on an additional 400-500 hours a year of overtime to conduct energy audits at each of its buildings. The district could save more than \$9,500 annually if it hired someone else or contracted for someone do this work. See pages 21-22 for more details.</i>            | \$9,500           |           | \$47,500    |                            |
| <b>Use Librarian Aides in Place of Some Librarians</b> - <i>It costs the district about \$32,000 a year <u>less</u> for a librarian aide than for a librarian. If the district made each librarian at its elementary schools responsible for two school buildings and hired librarian aides to assist them, it could eliminate five librarian positions and save an estimated \$160,000 a year in salaries.</i> | \$160,000         |           | \$800,000   |                            |



**Figure 1-3  
Summary of Areas Identified for Improved Efficiencies  
and Estimate of Total Savings**

| Potential Area for Improved Efficiency   | Estimated Savings  |                  |                    |                            |
|--|--------------------|------------------|--------------------|----------------------------|
|  | Annual             | One-Time         | 5-year             | Unable to Quantify Savings |
| <b>Business Processes</b>  |                    |                  |                    |                            |
| <b>Maximize the Use of Business Procurement Cards</b> - District officials are preparing a proposal for the school board to use procurement cards. Maximizing the use of the cards can provide significant revenues in the form of cash-back rebates.  | \$12,000 (a)       |                  | \$60,000           | X                          |
| <b>Encourage Electronic Payroll Deposits</b> - The district encourages its employees to have their paychecks deposited electronically. The district could save between \$0.80 to \$2.50 per transaction if it only gave employees the choice of electronic payroll deposit or payroll debit cards. | \$5,000            |                  | \$25,000           |                            |
| <b>File Payroll Reports Electronically</b> - The district currently prints unnecessary and voluminous paper copies of its payroll reports twice a month, when those documents could be stored electronically.  | \$150              |                  | \$750              |                            |
| <b>Miscellaneous</b>   |                    |                  |                    |                            |
| <b>Printing Business Cards In-House</b> - The district could save at least \$1,000 annually if it printed all business cards in-house.   | \$1,000            |                  | \$5,000            |                            |
| <b>Ink-Efficient Printers</b> - The district may be able to save money on ink cartridges if it used more efficient desktop printers, encouraged staff to print on network printers, used third party ink providers, or purchased refillable ink cartridges.  |                    |                  |                    | X                          |
| <b>TOTAL</b>   | <b>\$1,018,350</b> | <b>\$287,500</b> | <b>\$5,091,750</b> | <b>-</b>                   |

(a) Include additional potential for savings that we weren't able to quantify.

Source: LPA's review of the Derby school district's budget data, staffing levels, enrollment, and physical characteristics of buildings, along with a review of best practices.

Based on this work, we identified a number of opportunities for savings that in total could save the district more than \$1 million annually. **Figure 1-3** summarizes these savings. Some of the more significant findings are described in more detail in the following sections.

***The Derby School District Could Save at Least \$600,000 a Year In Teacher Salaries If It Moved to a Traditional High School Class Schedule***

Under a traditional high school schedule, students typically go to the same 7 or 8 classes every day, with each class lasting about 40-60 minutes. Beginning in the mid 1990s, many high schools switched over to a block schedule, in which student take fewer classes each day, but for longer blocks of time. Although this method of scheduling is popular, in our work from a previous audit we saw that education research has found no positive effect (and perhaps even a negative effect) on student performance under a block schedule (see *K-12 Education: Alternative Models for Organizing Middle Schools and High Schools*, available at [http://www.kslegislature.org/postaudit/audits\\_perform/07pa02a.pdf](http://www.kslegislature.org/postaudit/audits_perform/07pa02a.pdf)).

The Derby school district currently uses a “block” schedule in its high school, which is illustrated on the left side of *Figure 1-4* on page 13. As the figure shows, the block schedule is made up of the following components:

- Each day is divided into four 96-minute class periods (or “blocks”).
- There are two class schedules which alternate each day. One schedule is for Mondays and Wednesdays; the other is for Tuesdays and Thursdays. Fridays alternate between the Monday/Wednesday schedule and the Tuesday/Thursday schedule.
- There are a total of eight blocks each semester (four blocks for each of the two schedules).

Under the block schedule, the eight 96-minute blocks for full-time teachers break down like this:

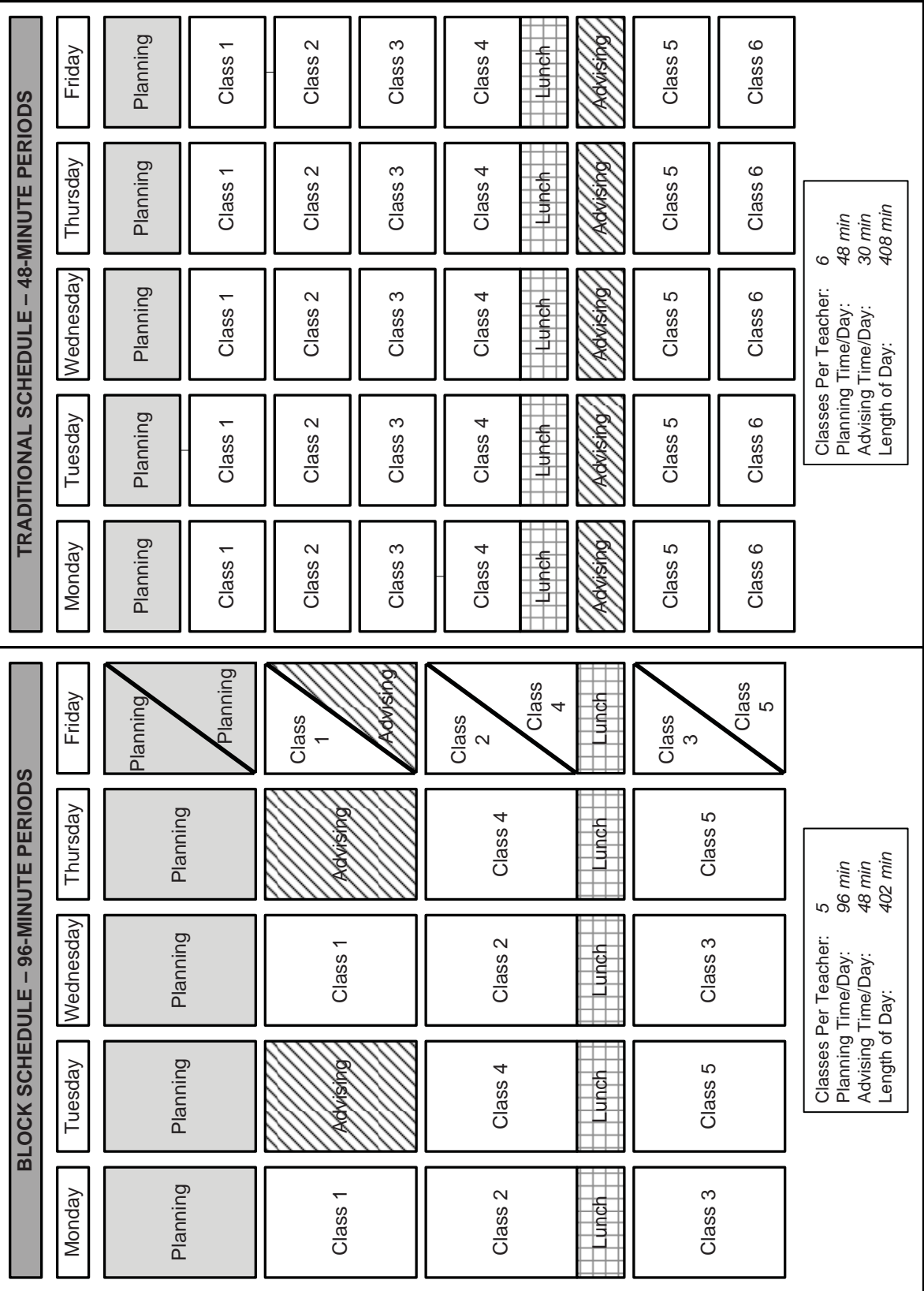
- They teach five classes.
- They provide extra assistance to students during one advising period.
- They receive two planning periods (one each day).

We identified two problems with using 96-minute blocks that make this arrangement inefficient:

- **By using 96-minute blocks, the district provides significantly more planning time to its high school teachers than is required under its contract.** The district is only contractually obligated to provide 55 minutes of planning time each day, which means the high school teachers receive 41 more minutes each day than they are entitled to. As a result, the district has to cover that time with additional teachers—the equivalent of 13 additional full-time teachers.
- **In 2009-10, the district will spend more than \$100,000 “buying back” planning time from 11 teachers to get them to teach a sixth class.** This year, the district needed some teachers to pick up additional classes, and had to buy back part of those teachers’ planning time—even the 41 extra minutes of planning time that’s above and beyond what’s required in the contract. That means the district pays for some of those minutes twice—once as part of the teacher’s regular salary, and again to have them teach the extra class.

**We looked at the impact of converting the high school’s block schedule to a “traditional” schedule.** District officials asked us to look at whether the district could save money by switching to a more traditional format. To determine how a traditional schedule at the high school might look, we spoke with district and high school officials and reviewed documents such as class schedules, class rosters, and teacher contracts. Among the things we had to consider were the length of the class periods, passing periods between classes, planning periods, and advising periods.

**Figure 1-4  
Comparing a Block Schedule to a Traditional Schedule for a Sample Teacher**



Our potential traditional schedule is shown on the right side of *Figure I-4*, which provides a side-by-side comparison of the two schedules (traditional and block). As the figure shows, there are four main differences between the new traditional schedule we developed and the current block schedule:

- Full-time teachers would teach 6 classes, instead of 5.
- Teachers would have 48 minutes of planning time each day, instead of 96 minutes.
- The advising period would be 30 minutes each day, instead of 96 minutes every other day.
- Overall, the school day would be 408 total minutes a day, instead of 402 (as provided for in the current contract with the teachers).

**While the district would have to renegotiate certain aspects of teacher contracts to switch to a traditional high school class schedule, doing so could save the district at least \$600,000 each year by reducing the number of teachers it would need.** As discussed earlier, the district's current contract with its teachers provides for a 402-minute school day, and entitles high school teachers to 55 minutes of planning time each day. Because the model schedule we developed would lengthen the school day and reduce the amount of planning time, the contract would need to be renegotiated to accommodate those changes. District officials indicated that such changes would need to be approved by three groups within the district before the changes could be made: the school board, the high school teachers, and the district's collective bargaining unit.

Despite these obstacles, switching to a traditional schedule has the potential for significant savings in personnel costs. Because each teacher would teach an additional class (six instead of five), the district would need fewer teachers to teach the same number of classes. To estimate the potential savings under a traditional schedule, we analyzed a selection of classes in core subject areas, like algebra, English, and science. Overall, these classes represent a little more than 40% of the district's regular classes. The results of our analyses are shown in *Figure I-5* on the following page.

As the figure shows, the district would need 10 fewer teachers and could save more than \$600,000 a year for the classes we looked at (almost \$2.6 million over five years) by switching to a traditional schedule where each teacher would be responsible for six classes per semester, instead of five. Of the total savings, \$500,000 comes from hiring fewer teachers, while the remaining \$100,000 comes from no longer needing to buy back time to have teachers take on additional

**Figure 1-5  
Potential Savings from Switching to a Traditional Schedule  
and Keeping the Same Number of Sections**

| Subject Area (a)   | Block Schedule<br>(Teach <u>5</u> Classes per Semester) |                   |                                     | Traditional Schedule<br>(Teach <u>6</u> Classes per Semester) |                   |                                     | Potential Savings |                   |                       |
|--|---|-------------------|-------------------------------------|---|-------------------|-------------------------------------|-------------------|-------------------|-----------------------|
|  | Sections Offered  | % of Seats Filled | # of FTE Teachers <u>Actual</u> (b) | Sections Offered  | % of Seats Filled | # of FTE Teachers <u>Needed</u> (b) | FTE Teachers (c)  | Annual (\$\$) (d) | Five Years (\$\$) (d) |
| Spanish (all levels)   | 25  | 67%               | 5.0                                 | 25  | 67%               | 4.2                                 | 1                 | \$51,990          | \$259,950             |
| Algebra (all levels)   | 51  | 77%               | 10.2                                | 51  | 77%               | 8.5                                 | 2                 | \$103,980         | \$519,900             |
| English (all levels)   | 89  | 81%               | 17.8                                | 89  | 81%               | 14.8                                | 3                 | \$155,970         | \$779,850             |
| U.S. Government  | 12  | 102%              | 2.4                                 | 12  | 102%              | 2.0                                 | 0                 | \$0               | \$0                   |
| U.S. History   | 16  | 94%               | 3.2                                 | 16  | 94%               | 2.7                                 | 1                 | \$51,990          | \$259,950             |
| World History  | 15  | 95%               | 3.0                                 | 15  | 95%               | 2.5                                 | 1                 | \$51,990          | \$259,950             |
| Life Sciences  | 26  | 92%               | 5.2                                 | 26  | 92%               | 4.3                                 | 1                 | \$51,990          | \$259,950             |
| Physical Science   | 24  | 86%               | 4.8                                 | 24  | 86%               | 4.0                                 | 1                 | \$51,990          | \$259,950             |
| <b>Subtotals</b>   | <b>258</b>  | <b>-</b>          | <b>51.6</b>                         | <b>258</b>  | <b>-</b>          | <b>43</b>                           | <b>10</b>         | <b>\$519,900</b>  | <b>\$2,599,500</b>    |
| <b>Additional savings if the district doesn't have to buy back some of the planning time</b> |   |                   |                                     |   |                   |                                     |                   | <b>\$100,000</b>  | <b>\$500,000</b>      |
| <b>Total Savings</b>   |   |                   |                                     |   |                   |                                     |                   | <b>\$619,900</b>  | <b>\$3,099,500</b>    |

**TOTAL ANNUAL SAVINGS FROM SWITCHING TO A TRADITIONAL SCHEDULE AND KEEPING THE SAME NUMBER OF SECTIONS** **\$619,900**

(a) We excluded the following types of classes: lab assistant sections, special education, and virtual school classes.  
 (b) For this analysis, we put all teachers on an FTE basis. For example, a teacher who teaches two sections would be a 0.4 FTE teacher for that subject.  
 (c) Rounded to the nearest whole number.  
 (d) Savings based on average 2008-09 contractual teacher salary and fringe benefits of \$51,990 as provided to the State Department of Education.

Source: LPA analysis of class enrollment data provided by the Derby school district.

classes. The district could use the savings to reduce its overall expenses, increase teacher salaries, pay for needed programs, or fund other priorities it may identify.

**If the district could fill its high school classes to the enrollment capacities set by the district, it could save an estimated \$200,000 more per year in salary costs, whether or not it switches to a block schedule.** District officials set a maximum enrollment level per class for every class section offered at the high school. Though the district's contract with its teaching staff states that it will try to keep to the recommended class size of 29, it doesn't commit to a definite number. Depending on the class, the maximum enrollment capacity for the types of classes we examined can range from 15 for a math lab class to 32 for an English class.

In comparing actual enrollment levels for these classes with the capacity set by the district, we noted that many of the class sections taught weren't full. As illustrated in *Figure 1-5*, certain categories of

classes, like Spanish, had a lower percent of the available seats filled than other categories, like U.S. Government or U.S. History.

We analyzed the potential costs savings if the district was able to fill its classes to their capacities—but not beyond—for the classes we examined for the current school year. Here’s what we found:

- **If the district switched to a traditional class schedule and was able to fill these classes to capacity, we estimated it could save an additional \$200,000 a year because it would need fewer class sections.** That would bring the total estimated annual savings to more than \$800,000 a year for the classes we analyzed because the districts would need 14 fewer teachers overall. This analysis is shown in **Figure 1-6**.
- **If the district kept a block schedule but was able to fill its classes to capacity, we estimated it would need four fewer teaching positions than it currently has and could save just more than \$200,000 per year.**

| <b>Figure 1-6<br/>Potential Savings from Switching to a Traditional Schedule<br/>and Reducing the Number of Sections</b>  |   |                   |                                     |  |                   |                                     |                   |                   |                       |
|---|---|-------------------|-------------------------------------|--|-------------------|-------------------------------------|-------------------|-------------------|-----------------------|
| Subject Area (a)  | Block Schedule<br>(Teach <u>5</u> Classes per Semester) |                   |                                     | Traditional Schedule<br>(Teach <u>6</u> Classes per Semester <u>and</u><br>Fill Classes to Capacity) |                   |                                     | Potential Savings |                   |                       |
|   | Sections Offered  | % of Seats Filled | # of FTE Teachers <u>Actual</u> (b) | Sections Offered   | % of Seats Filled | # of FTE Teachers <u>Needed</u> (b) | FTE Teachers (d)  | Annual (\$\$) (e) | Five Years (\$\$) (e) |
| Spanish (all levels)  | 25  | 67%               | 5.0                                 | 18   | 96%               | 3.0                                 | 2                 | \$103,980         | \$519,900             |
| Algebra (all levels)  | 51  | 77%               | 10.2                                | 45   | 88%               | 7.5                                 | 3                 | \$155,970         | \$779,850             |
| English (all levels)  | 89  | 81%               | 17.8                                | 78   | 91%               | 13.0                                | 5                 | \$259,950         | \$1,299,750           |
| U.S. Government   | 12  | 102%              | 2.4                                 | 13   | 102%              | 2.2                                 | 0                 | \$0               | \$0                   |
| U.S. History  | 16  | 94%               | 3.2                                 | 16   | 94%               | 2.7                                 | 1                 | \$51,990          | \$259,950             |
| World History   | 15  | 95%               | 3.0                                 | 15   | 95%               | 2.5                                 | 1                 | \$51,990          | \$259,950             |
| Life Sciences   | 26  | 92%               | 5.2                                 | 25   | 95%               | 4.2                                 | 1                 | \$51,990          | \$259,950             |
| Physical Science  | 24  | 86%               | 4.8                                 | 22   | 94%               | 3.7                                 | 1                 | \$51,990          | \$259,950             |
| <b>Subtotals</b>  | <b>258</b>  | <b>-</b>          | <b>51.6</b>                         | <b>232</b>   | <b>-</b>          | <b>38.8</b>                         | <b>14</b>         | <b>\$727,860</b>  | <b>\$3,639,300</b>    |
| <b>Additional savings if the district doesn't have to buy back some of the planning time</b>  |   |                   |                                     |  |                   |                                     |                   | <b>\$100,000</b>  | <b>\$500,000</b>      |
| <b>Total Savings</b>  |   |                   |                                     |  |                   |                                     |                   | <b>\$827,860</b>  | <b>\$4,139,300</b>    |
| <b>TOTAL ANNUAL SAVINGS FROM SWITCHING TO A TRADITIONAL SCHEDULE <u>AND</u> REDUCING THE NUMBER OF SECTIONS</b>   |   |                   |                                     |  |                   |                                     |                   | <b>\$827,860</b>  |                       |
| <p>(a) We excluded the following types of classes: lab assistant sections, special education, and virtual school classes.</p> <p>(b) For this analysis, we put all teachers on an FTE basis. For example, a teacher who teaches two sections would be a 0.4 FTE teacher for that subject.</p> <p>(c) The contract between the district and the teachers' collective bargaining unit requires the district to try to keep class sizes at or smaller than 29 students. Where maximum class enrollments were greater than 29 in the data, we replaced that limit with 29 for this analysis.</p> <p>(d) Rounded to the nearest whole number.</p> <p>(e) Savings based on average 2008-09 contractual teacher salary and fringe benefits of \$51,990 as provided to the State Department of Education.</p> |   |                   |                                     |  |                   |                                     |                   |                   |                       |
| Source: LPA analysis of class enrollment data provided by the Derby school district.  |   |                   |                                     |  |                   |                                     |                   |                   |                       |

District officials told us that one reason for offering more than the minimum number of sections is to help students avoid scheduling conflicts that would cut down on student's options. For example, even if there are only enough students interested in a high-level Spanish class to support one section, the district might offer a second section in case the first section conflicted with another low-enrollment class, such as choir. The desire for this kind of flexibility should be weighed against the cost of offering the additional sections.

---

***Consolidating Administrative Buildings Would Save the District \$24,000 a Year in Operating Costs, Plus the Proceeds From Selling One of the Buildings***

Buildings are expensive to operate and maintain, requiring a district to pay for utilities and to devote staff resources to clean and repair them. Therefore, it's important for districts to control costs by not operating more building space than they need.

The Derby school district has a number of non-instructional buildings located throughout the district. *Appendix D* contains a complete list of these buildings. Two of the non-instructional buildings—the administrative center and the educational support center—are the primary administrative buildings for the district. Both were purchased by the district and converted from a previous use—the administrative center was a church, and the educational support center was a grocery store. Using converted space likely saved the district on acquisition costs, but doing so also makes it difficult to use the space in a way that specifically fits the district's needs.

**Based on our analysis of building space, we estimated the district could save money if it closed its administrative center and moved the staff from that building to the educational support center.** In coming to this conclusion, we compared the space currently used in these buildings to standards on adequate workspace developed by the Department of Administration. We also walked through the district's administrative buildings to directly observe how the space in both buildings currently is used. In addition, we reviewed floor plans of the administrative buildings, and spoke with district officials about whether they felt they had too much space and any options they have explored.

Based on our analysis and observations, we determined that both administrative buildings have more space than the district needs, and that with some remodeling the staff from the administrative center could be moved into the educational support center. We've summarized the overall costs and savings from consolidating the two administrative buildings in *Figure 1-7* on page 18.

- **Closing the administrative center and moving staff into the educational support center would save the district at least \$24,000 a year in operating costs.** As shown in the figure, closing the administrative center would allow the district to save money each year on

personnel, utilities, and insurance costs. We expect that the district also would see additional savings for things like maintaining the buildings and grounds; water, trash and sewer; and communications, although we weren't able to quantify these savings.

As shown in **Figure 1-7**, we conservatively estimated that consolidating the buildings also would involve about \$26,000 in one-time costs to remodel the educational support center and to move furniture and equipment.

- **If the district could sell the administrative center for its appraised value, it would net about \$300,000 from the sale.** The district owns the building and doesn't have any outstanding debt on it. We estimated the proceeds from selling the building based on the Sedgwick County

property tax appraisal of \$333,500, less an estimated broker commission of 6%. However, selling the building may be difficult because of the recession and current real estate market conditions.

**The district also has more capacity than it needs in its elementary school buildings, but we didn't identify any buildings the district could close at this time.** Enrollment in the elementary schools has decreased by more than 3%, from 3,116 in 1999-00 to 3,017 in 2008-09. During that time, the district did close an elementary magnet school, but it opened a new elementary school the following year. (Although it's worth noting enrollment increased by 49 student FTE in the last school year).

We looked at a number of scenarios to determine if the district could close one of its elementary school buildings,

but focused on a scenario involving the district's sixth grade center. Because the center draws students from throughout the district, if it could be closed, those students would attend one more school year in their neighborhood schools, which wouldn't involve additional transportation costs.

| <b>Figure 1-7</b>  |                  |                   |                   |
|--|------------------|-------------------|-------------------|
| <b>Estimated Costs and Savings Associated with Consolidating Administrative Buildings</b>  |                  |                   |                   |
|  | <b>ANNUAL</b>    | <b>ONE-TIME</b>   | <b>TOTAL</b>      |
| <b>Closing and Moving the Administrative Center</b>  |                  |                   |                   |
| <b>Savings</b>   |                  |                   |                   |
| 0.5 FTE Custodian  | \$15,000         | -                 | <b>\$15,000</b>   |
| Utilities - Electricity  | \$6,500          | -                 | <b>\$6,500</b>    |
| Utilities - Natural Gas  | \$1,500          | -                 | <b>\$1,500</b>    |
| Property Insurance   | \$1,100          | -                 | <b>\$1,100</b>    |
| <b>Costs</b>   |                  |                   |                   |
| Moving Expenses (a)  | -                | (\$5,000)         | <b>(\$5,000)</b>  |
| Remodeling the Ed. Support Center (a)  | -                | (\$21,000)        | <b>(\$21,000)</b> |
| <b>ONE-YEAR TOTAL</b>  | <b>\$24,100</b>  | <b>(\$26,000)</b> | <b>(\$1,900)</b>  |
| <b>FIVE-YEAR TOTAL</b>   | <b>\$120,500</b> | <b>(\$26,000)</b> | <b>\$94,500</b>   |
| <b>Selling the Administrative Center</b>   |                  |                   |                   |
| <b>Revenues</b>  |                  |                   |                   |
| Sale of Administrative Center (b)  | -                | \$333,500         | <b>\$333,500</b>  |
| <b>Costs</b>   |                  |                   |                   |
| Broker Commission for Sale (b)   | -                | (\$20,000)        | <b>(\$20,000)</b> |
| <b>ONE-YEAR TOTAL</b>  | <b>-</b>         | <b>\$313,500</b>  | <b>\$313,500</b>  |
| (a) These costs based on Internet research of costs associated with moving and remodeling non-residential space.<br>(b) We estimated the sale price based on the Sedgwick County appraised value for the property.<br>(c) We estimated the rate at 6% based on Internet research of standard commissions for commercial sales. |                  |                   |                   |
| Source: LPA analysis of Derby school district data, Sedgwick County property appraisal, and Internet resources.  |                  |                   |                   |



However, based on the maximum capacity for each elementary school as determined by the district, the elementary schools could only hold about 350 more students throughout the district, which isn't enough space to accommodate the almost 500 students enrolled in the sixth grade center in 2008-09. If the district's enrollment continues to decline, redistributing the sixth graders into the elementary schools and closing the center might be an option in the future.

**We found additional ways the Derby school district could save money related to its use of space, but couldn't quantify the potential for savings.** While touring the district's facilities, we noticed a number of other ways the district might be able to make better use of its space:

- **The district could reduce the amount of space it uses for storage and save money by storing more of its paper records electronically.** We observed a significant amount of space in the administrative buildings that was being used to store paper records. In some cases, the district continues to store paper records when electronic formats are available. For example, the payroll coordinator told us he prints out a copy of the district's payroll report twice a month, even though the report could be stored electronically. Each report requires several reams of paper, taking up lots of space and costing the district more than \$150 a year in paper costs.

The district also could save space by converting its older paper records to an electronic format. Currently, the district struggles to convert paper records to electronic files because it lacks adequate, reliable scanners and the staff time to scan the documents.

- **By developing and maintaining a good inventory of items in storage, the district could reduce its need for space and help ensure that staff don't order items already in stock.** During our site visits, we observed that the district stores outdated pieces of equipment and supplies for equipment that has been replaced. To free up the space used to store those items and to generate some revenue, the district could sell those items.

Further, district officials told us they don't inventory many of the items they store. If staff aren't aware of the supplies and equipment that already are available throughout the district, they may order additional items that aren't needed. If the district were to inventory these items, it could make the list available to all staff for their use.

- **By lowering the ceiling in the educational service center, the district could save money on utilities.** When we toured the center, we noticed that the ceiling hadn't been lowered since the building's days as a grocery store. District officials estimate it would cost more than \$9,000 to lower—studies indicate those costs could be recovered within five years because lowering the ceiling would result in less energy use and lower maintenance costs. Overall, the district spent almost \$30,000 in electrical and natural gas costs for the building in 2007-08.

**The Derby School District Should Take Steps To Reduce Its Use of Overtime**

In both the 2007-08 and 2008-09 school years, the Derby school district paid more than \$325,000 in overtime, including more than \$100,000 each year in overtime “premiums” (the additional 50% paid on top of the base wage). While there are situations when using overtime makes sense, overtime is costly. Before a district relies on having its employees work overtime, it should first consider whether the additional work really needs to be done, and then consider whether it could contract out the work or hire part-time employees to avoid paying overtime premiums.

Figure 1-8 shows the total overtime by department for the 2007-08 school year. (We weren’t able to analyze the 2008-09 overtime pay

because the data didn’t provide enough detail.) Based on follow-up discussions with district officials, we found the following factors that were responsible for the overtime:

**Figure 1-8  
The Derby School District's Overtime Pay  
by Department  
For the 2007-08 School Year**

| <b>OPERATIONS &amp; MAINTENANCE</b>  |                  |
|--------------------------------------|------------------|
| Custodial Services                   | \$73,541         |
| District Maintenance                 | \$26,410         |
| Care & Upkeep of Grounds             | \$24,595         |
| Maintenance Management               | \$1,936          |
| <b>TOTAL - OPS &amp; MAINT</b>       | <b>\$126,482</b> |
| <b>FINANCE &amp; ADMINISTRATION</b>  |                  |
| Payroll & Benefits                   | \$30,260         |
| Purchasing                           | \$16,932         |
| Budget Finance                       | \$16,614         |
| Human Resources                      | \$4,328          |
| Board Clerk                          | \$1,917          |
|                                      | <b>\$70,051</b>  |
| <b>TRANSPORTATION</b>                |                  |
| Supervisor of Student Transportation | \$14,569         |
| Pupil Transportation/Maintenance     | \$13,263         |
| Pupil Transportation Services        | \$3,177          |
|                                      | <b>\$31,008</b>  |
| <b>INSTRUCTIONAL TECHNOLOGY</b>      |                  |
| Network manager                      | \$20,047         |
| Technicians                          | \$8,873          |
|                                      | <b>\$28,920</b>  |
| <b>ATHLETICS</b>                     |                  |
| Football                             | \$7,221          |
| Wrestling                            | \$3,652          |
| Basketball                           | \$2,086          |
| Volleyball                           | \$554            |
|                                      | <b>\$13,513</b>  |
| <b>OTHER (a)</b>                     | <b>\$55,032</b>  |
| <b>TOTAL</b>                         | <b>\$325,006</b> |

(a) Includes positions such as the energy manager (\$19,267), staff training personnel, and supply warehouse and distribution staff.

Source: Detailed accounting records from the Derby school district.

- **The operations and maintenance department used more than \$126,000 in overtime, in large part so custodians could cover events held outside the normal school day.** District officials told us the biggest reason custodians use so much overtime is because the district opens its buildings up for community activity (7,400 hours in 2008-09) for such things as community youth groups, sport activities, and dance recitals. The custodial staff told us they struggle to keep up with their normal duties, and even more so to cover the time it takes to open the buildings and clean up after-hour events. Although the district charges fees to certain groups, it doesn’t charge everyone, and for the ones it does charge district officials told us the fees don’t cover the actual cost.

Despite the overtime, district officials cut two positions for the current school year to save money, but it’s likely that most of this savings is offset by having existing staff work overtime.

- **The business office used about \$70,000 in overtime, mainly because employees were new to their positions at the same time a new system was being implemented.** District officials told us the business office used a lot of overtime to train a new payroll coordinator and purchasing coordinator

while also implementing a new time tracker system for the payroll department. Officials said they think once the new system is up and running, the overtime will essentially go away.

We still see additional opportunities to move towards more automation to streamline the payroll process. For example, the payroll department still plans to manually enter bus drivers' and substitute teachers' time cards after the new system is up and running. It's important to continue working towards complete automation as much as possible because it not only can save staff time, but also can reduce the chance for error.

- **Transportation staff used about \$30,000 in overtime, mostly so drivers could cover all the routes and mechanics could keep the buses running.** The director of transportation told us they use overtime because they don't have enough drivers to cover routes when there are field trips, activity routes, and when drivers call in sick. Also, because the district repairs and maintains its own buses, the crew must work on them right away when there are mechanical failures so as not to disturb transporting students to and from school. District officials told us they are looking at staffing levels and considering hiring more part-time people to cover the extra time.
- **The information technology department staff used almost \$29,000 in overtime, mainly so new projects could be implemented.** The director of technology told us the overtime came from implementing several major technology projects over the last few years, such as virtualized servers, new computer labs, new lap top computers, and wiring connections through all the buildings.

About \$20,000 of this overtime was from the network manager. While it's difficult to decrease overtime for this position because of the specialized skills required to maintain the system, it appears that once these projects are complete, the overtime won't be as necessary.

**There doesn't appear to be a district-level process to monitor and control the use of overtime.** Rather, the district relies on each individual department supervisor or building principal to authorize the overtime for the staff that report to them. One district official told us the departments don't do a good job communicating with each other about the workloads of staff who work in multiple departments (for example, a part-time paraprofessional who also drives a bus part-time), which can unintentionally result in employees getting overtime pay.

The district might be able to reduce some overtime by adjusting schedules to fit workloads. For example, if a custodian is going to need to come in on a Saturday for a community group, perhaps he or she could work fewer hours on Friday and move these duties to Saturday as well.

**The district paid its full-time network manager more than \$15,000 in additional overtime pay to also serve as its part-time energy manager, including an extra \$6,000 because it miscalculated his pay rate.** As mentioned earlier, the network manager already works

a lot of overtime (more than 700 hours in 2008-09). The district assigned this same person to conduct ongoing energy audits of the district's buildings (more than 400 hours in 2008-09). We found two significant problems with this arrangement:

- **First, the district incorrectly pays him an overtime rate of \$39 per hour for energy audits—almost twice what the rate should be.** To correctly compensate the network manager for the overtime associated with both jobs, he should receive \$44.93 per hour for the network overtime (\$29.95 per hour as network manager x 150%) and \$23.12 for the energy overtime (\$15.41 per hour as energy manager x 150%). According to district officials, he received \$44.09 per hour for the network overtime, but received an average of \$39 per hour as the energy manager—almost twice what it should have been. If he had been paid correctly, the district would have saved more than \$6,000 in 2008-09.
- **Second, by assigning a full-time employee additional part-time duties, the district essentially guarantees that this employee will have to be paid overtime.** The district should explore other options for having the energy audits done that don't involve overtime, such as contracting with someone, hiring a part-time employee, or finding other organizations, such as neighboring school districts, with whom they could share this position. Assuming the work could be done for \$15 per hour (the currently assigned wage), any of these options would save the district about \$9,000 a year.

Finally, in the course of following up on the district's use of overtime, we also noticed that district operations, which includes the custodial, grounds, and maintenance staff, student transportation services, food services, and the district's warehouse, operate separately from the rest of the district. For example, while other departments within the district are required to follow a centralized purchasing process and track their inventories through the district's integrated accounting system, district operations is essentially exempted from this process. We didn't have time to assess whether allowing district operations this level of autonomy results in greater costs or inefficiencies, but it's an area the district should evaluate in the future.

**Conclusion:**

While the Derby school district clearly has taken a number of positive steps to become more efficient and control its costs, we found a number of additional opportunities for the district to become even more efficient. The most significant of these involves moving from a block schedule to a traditional schedule at the district's high school, which would allow the district to provide the same class options and maintain the same class sizes with at least 10 fewer teachers. We also identified opportunities for the district to consolidate two of its administrative buildings, and to save money by better controlling its use of overtime.

***Recommendations for the Derby School District:*** Related to Efficiency Management

1. To help ensure that the district is able to identify opportunities to improve the efficiency of its operations on an ongoing basis, the district should develop a systematic efficiency management process. Such a process should include:
  - a. regularly compiling efficiency measures, such as various spending and staffing measures per student.
  - b. periodically comparing the district's performance to peer districts with similar characteristics, standard benchmarks (where available), and the district's own measures over time.
  - c. making changes to the district's staffing, workloads, policies, procedures, and practices as necessary to address the areas identified through the comparisons.

Related to Student Instruction

2. To help ensure that its instructional program at the high school is provided as efficiently as possible, the district should:
  - a. adopt a more "traditional" class schedule that makes teachers responsible for teaching six classes each semester. In order to establish such a schedule, the district will need to negotiate with its teachers for shorter planning periods, and may need to negotiate for a longer school day.
  - b. limit the number of sections of each class it offers to ensure class sizes are more in line with the district's standards.

Related to Personnel

3. To help ensure the most efficient use of its support staff, the district should replace some of the librarians with library aides and share the remaining librarians among buildings to minimize the impact on the quality of education.
4. To help reduce or eliminate its use of overtime, the district should:
  - a. develop policies to limit overtime to only those situations where it is absolutely necessary.
  - b. develop a centralized system to track and manage the district's use of overtime.
  - c. eliminate the use of overtime for the district's energy management function by either hiring a part-time energy manager or contracting out for those services. If the district

must continue to have its network manager serve in that capacity, it should pay him the correct overtime rate for those duties (150% of the base wage for an energy manager).

Related to Facilities

5. To help reduce its facility costs the district should:
  - a. close the current administrative center, and move the necessary staff into the education support center to maximize the use of that building's space.
  - b. lower the ceiling in the educational support center to reduce heating and cooling costs in that building.
6. To reduce its need for storage space, the district should inventory the supplies and equipment it has on hand, dispose of the items that likely won't be used again, and provide staff access to the list or remaining items to help ensure they are used.
7. To reduce maintenance supply costs, the district should discontinue its practice of purchasing and laundering uniform sets for its maintenance staff.
8. To help ensure that the district doesn't lose money when it allows non-district organizations to use its facilities, the district should estimate the cost of making those facilities available, and adjust the fees it charges groups to ensure the costs are covered.

Related to Business Processes

9. To help ensure that its business processes are as automated and efficient as possible, the district should:
  - a. encourage employees to either receive their payroll checks through electronic deposit, and for those who don't want electronic deposit develop a system that uses payroll debit cards.
  - b. develop an electronic records retention system for administrative functions such as purchasing, payroll, accounting, and human resources, store all new records from those functions in electronic format only, and gradually scan the paper records from prior years into the system.
10. To generate additional revenues that would offset supply and equipment costs, the district should follow through with its plans to begin using business procurement cards. In doing so, the district should do the following:

- a. Negotiate for the maximum cash-back rebate rate and monthly credit limits it can obtain.
  - b. Explore ways for making as many purchases as possible with its procurement cards to generate cash rebates.
  - c. Develop policies and procedures for using procurement cards to help ensure they aren't abused.
11. To help reduce other administrative costs, the district should:
- a. print all business cards in-house.
  - b. reduce or eliminate the use of inefficient desktop ink-jet printers.





## **APPENDIX A**

### **Scope Statement**

At its meeting on May 28, 2009, the 2010 Commission directed the Legislative Division of Post Audit to contact school districts to solicit volunteers for an external efficiency audit to help them identify opportunities to operate more efficiently. Officials from the Derby school district contacted us to arrange for such an audit. This appendix contains the scope statement that outlines our work.

## SCOPE STATEMENT

### **K-12 Education: Efficiency Audit of the Derby School District**

In July 2009, our office released a school district performance audit examining the efficiency of school districts' operations. As originally directed by the 2010 Commission, that audit would have consisted of two phases. The first phase called for analyzing district staffing and expenditure data to identify areas where spending for districts appeared to be out-of-line compared with their peers. The second phase called for following up on a sample of districts to evaluate their processes in the areas that appeared to be out-of-line to determine if there were ways they could reduce costs without affecting their ability to educate students.

In April 2009, the Commission directed us to suspend the follow-up part of the audit to alleviate concerns some superintendents had expressed about having an efficiency audit conducted while they were trying to address funding cuts from the State. However, in May 2009, the Commission discussed the fact that some districts may want to take advantage of the external review an efficiency audit could provide in helping them look for opportunities to operate more efficiently, and subsequently directed us to contact school districts to see if any of them would like to volunteer for an external efficiency audit.

Officials from the Derby school district contacted us and requested an efficiency audit to help them identify ways they could reduce costs without affecting the education they provide students. This school district performance audit answers the following question:

- 1. Could the Derby school district achieve cost savings by improving the management of its non-instructional personnel, facilities, or other resources?** To answer this question, we would review efficiency audits from other states, talk with district officials, and compare the district's non-instructional staffing and expenditures to its peers to identify areas where the district could potentially save money. We would evaluate the district's practices in each of the areas we've identified to see if there are ways the district could use fewer resources without affecting its ability to educate students.

**Estimated Resources:** 2 staff (8-10 weeks)

## APPENDIX B

### Detailed Information for Non-Instructional Operating Costs for the Derby School District and Its 11 Peers

This appendix contains a description of the methodology we used to select the 11 peer districts against which we compared the Derby school district, along with the demographic information for each of the districts.

To select peers for the Derby school district, we did three things:

- We calculated the following demographic measures for all Kansas school districts:
  - *total enrollment*
  - *percent of students who are eligible for free lunches*
  - *percent of students who have limited English proficiency*
  - *total assessed property value per student*
- We developed a statistical model to identify the districts that were most similar to the Derby school district based on those measures.
- Finally, we consulted with officials from the Derby school district to identify any additional districts that they considered peers, and added them to the list.

The list of peers is included in this appendix on page 31.

To compare the district against its 11 peers, we calculated a variety of efficiency measures for each district. Our methodology is described here:

- **When compiling efficiency measures for the districts, we focused on five functional areas: district-level administration, school-level administration, instructional support, student support, and operations and maintenance.** We looked at 2007-08 expenditure, enrollment, and staffing data for each of the areas. We used the data to calculate our primary unit of measurement, which was cost per student. We looked at total expenditures per student, but also at object level expenditures, like salaries, benefits, purchased services, and supplies. We also looked at total staff in each area, and staff per 500 students. Our calculations for the Derby school district and its peers are included in this appendix.
- **We didn't analyze two main operating areas at the district – food services and student transportation.** We excluded costs from the food program because the Derby school district's program is self-sustaining, meaning the district isn't transferring money into it. We didn't analyze the student transportation program because the data we needed wasn't available in time for our fieldwork. To make any meaningful comparisons for transportation expenditures, it's essential to compare on both a per-student and per-rider basis.

Though we didn't evaluate the district's efficiency in food services or student transportation, we calculated some basic efficiency measures and included them in this appendix for the district and its peers to use in evaluating themselves.

**Guidance on Using the Detailed Information  
For Non-Instructional Operating Costs  
To Compare School Districts on Various Measures of Efficiency**

We envision that school districts included in our review can use the comparative data in this appendix to at least preliminarily identify cost areas where spending may be out-of-line. We also anticipate that districts that were not included can use our methods to calculate their own efficiency measures.

Here is some guidance on how to use the comparative efficiency measures in this appendix (or the measures done by individual districts on their own):

- **Identify the functional areas of the district where costs may be out-of-line**—Functional areas represent the major activities of a district, and include such areas as administration, operations and maintenance, transportation, and food service. A simple set of efficiency measures can be calculated by dividing total spending in each area by the enrollment of the district. Districts can then compare their per-student expenditures to their peers to identify where their costs appear to be low or high.
- **Identify the types of spending that account for significant differences**—This can be done by comparing costs on a per-student basis at a more detailed level, such as looking at spending for specific object codes such as salaries, benefits, purchased services, and supplies.
- **Use the data to help them understand why costs might be different**—For example, more spending per student for salaries could mean that a district has more employees on average, or that it pays its employees more on average, or that it contracts out for some services that other districts carry out in-house with district staff. More spending per student on benefits may mean the district offers a more lucrative benefits package than other districts. In order to really understand these differences, a district would want to follow up with its peers to find out what they actually do differently.

In general, costs per student should decrease as enrollments increase. As districts review the various efficiency measures for their non-instructional operating costs, they should keep in mind that economies of scale should apply—larger districts may spend more in total, but they should spend less on a per-student basis (or per-rider basis for transportation) than smaller districts. While there is a fair amount of variation in costs, the general trend is for costs to decrease as enrollments increase.

**Demographic Information for the Derby School District and Its Peers  
2008-09 School Year**

| <b>USD #</b> | <b>USD Name</b>          | <b>Student Enrollment (FTE)</b> | <b>% Free Lunch Students</b> | <b>% ESL Students</b> | <b>Assessed Property Value per Student</b> |
|--------------|--------------------------|---------------------------------|------------------------------|-----------------------|--|
| 450          | SHAWNEE HEIGHTS          | 3,362.4                         | 21%                          | 2.0%                  | \$51,348                                   |
| 373          | NEWTON                   | 3,383.4                         | 36%                          | 9.3%                  | \$42,665                                   |
| 345          | SEAMAN                   | 3,467.7                         | 19%                          | 0.2%                  | \$61,652                                   |
| 231          | GARDNER-EDGERTON-ANTIOCH | 4,332.4                         | 18%                          | 2.0%                  | \$58,801                                   |
| 385          | ANDOVER (a)              | 4,538.3                         | 7%                           | 2.0%                  | \$54,119                                   |
| 261          | HAYSVILLE (a)            | 4,647.8                         | 31%                          | 3.9%                  | \$28,168                                   |
| 265          | GODDARD (a)              | 4,809.8                         | 11%                          | 2.1%                  | \$44,211                                   |
| 437          | AUBURN WASHBURN          | 5,356.4                         | 16%                          | 2.2%                  | \$82,731                                   |
| 383          | MANHATTAN                | 5,727.7                         | 22%                          | 4.3%                  | \$87,479                                   |
| <b>260</b>   | <b>DERBY</b>             | <b>6,213.2</b>                  | <b>26%</b>                   | <b>8.8%</b>           | <b>\$56,684</b>                            |
| 266          | MAIZE (a)                | 6,327.9                         | 9%                           | 2.5%                  | \$51,230                                   |
| 305          | SALINA                   | 6,959.3                         | 40%                          | 7.2%                  | \$61,784                                   |

(a) Peer districts identified by Derby school district officials.

Source: District information provided by the Department of Education.



**2007-08 NON-INSTRUCTIONAL OPERATING EXPENDITURES PER STUDENT FOR DERBY AND ITS PEERS**

| MEASURES (a)                             | SCHOOL DISTRICTS |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
|--|------------------|-----------------------------|-----------------|---|------------------|--------------------|------------------|------------------------------|--------------------|----------------|----------------|-----------------|
|  | Seaman<br>(345)  | Shawnee<br>Heights<br>(450) | Newton<br>(373) | Gardner-<br>Edgerton-<br>Antioch<br>(231) | Andover<br>(385) | Haysville<br>(261) | Goddard<br>(265) | Auburn-<br>Washburn<br>(437) | Manhattan<br>(383) | Derby<br>(260) | Maize<br>(266) | Salina<br>(305) |
| <b>Sorted by:</b>                        |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| <b>Enrollment (FTE)</b>                  | 3,422.1          | 3,432.5                     | 3,449.1         | 4,129.0                                   | 4,293.4          | 4,548.1            | 4,708.0          | 5,306.4                      | 5,421.7            | 6,164.0        | 6,189.2        | 7,037.5         |
| <b>Primary Efficiency Measure:</b>       |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Expenditures per FTE                     |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| <b>District-Level Administration</b>     |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| <b>Expenditure Breakdown</b>             |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Salaries                                 | \$120            | \$190                       | \$198           | \$411                                     | \$251            | \$215              | \$291            | \$257                        | \$260              | \$133          | \$232          | \$232           |
| Employee Benefits                        | \$48             | \$40                        | \$21            | \$75                                      | \$42             | \$84               | \$38             | \$55                         | \$46               | \$36           | \$20           | \$42            |
| Purchased Services                       | \$28             | \$62                        | \$69            | \$118                                     | \$200            | \$91               | \$128            | \$168                        | \$81               | \$41           | \$52           | \$106           |
| Supplies                                 | \$14             | \$6                         | \$2             | \$19                                      | \$62             | \$9                | \$21             | \$10                         | \$26               | \$23           | \$6            | \$128           |
| Other                                    | \$4              | \$5                         | \$10            | \$6                                       | \$12             | \$35               | \$4              | \$25                         | \$0                | \$5            | \$33           | \$0             |
| <b>Avg Expend per Student</b>            | <b>\$215</b>     | <b>\$303</b>                | <b>\$301</b>    | <b>\$630</b>                              | <b>\$567</b>     | <b>\$435</b>       | <b>\$481</b>     | <b>\$514</b>                 | <b>\$414</b>       | <b>\$238</b>   | <b>\$342</b>   | <b>\$509</b>    |
| <b>Staffing Information</b>              |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Total District Admin Staff               | 20.1             | 15                          | 24.4            | 28  | 18               | 27.9               | 26.3             | 26                           | 58.9               | 28.9           | 32.2           | 43              |
| # staff/500 students                     | 2.9              | 2.2                         | 3.5             | 3.4                                       | 2.1              | 3.1                | 2.8              | 2.5                          | 5.4                | 2.3            | 2.6            | 3.1             |
| <b>School-Level Administration</b>       |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| <b>Expenditure Breakdown</b>             |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Salaries                                 | \$459            | \$351                       | \$452           | \$436                                     | \$410            | \$430              | \$389            | \$360                        | \$437              | \$366          | \$318          | \$309           |
| Employee Benefits                        | \$53             | \$50                        | \$51            | \$79                                      | \$51             | \$55               | \$44             | \$42                         | \$80               | \$67           | \$24           | \$54            |
| Purchased Services                       | \$2              | \$9                         | \$6             | \$0                                       | \$1              | \$7                | \$13             | \$10                         | \$10               | \$8            | \$0            | \$3             |
| Supplies                                 | \$2              | \$8                         | \$15            | \$7                                       | \$4              | \$11               | \$5              | \$3                          | \$60               | \$5            | \$0            | \$5             |
| Other                                    | \$0              | \$0                         | \$0             | \$0                                       | \$0              | \$0                | \$0              | \$2                          | \$0                | \$0            | \$1            | \$0             |
| <b>Avg Expend per Student</b>            | <b>\$517</b>     | <b>\$417</b>                | <b>\$524</b>    | <b>\$522</b>                              | <b>\$467</b>     | <b>\$504</b>       | <b>\$451</b>     | <b>\$417</b>                 | <b>\$587</b>       | <b>\$446</b>   | <b>\$344</b>   | <b>\$371</b>    |
| <b>Staffing Information</b>              |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Total School Admin Staff                 | 29.4             | 21.9                        | 33.4            | 35.4                                      | 35.0             | 40.3               | 34.2             | 28.2                         | 46.5               | 47.2           | 42.9           | 64.0            |
| # staff/500 students                     | 4.3              | 3.2                         | 4.8             | 4.3                                       | 4.1              | 4.4                | 3.6              | 2.7                          | 4.3                | 3.8            | 3.5            | 4.6             |
| <b>Instructional Support Services</b>    |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| <b>Expenditure Breakdown</b>             |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Salaries                                 | \$262            | \$222                       | \$327           | \$219                                     | \$117            | \$390              | \$181            | \$162                        | \$329              | \$242          | \$66           | \$509           |
| Employee Benefits                        | \$33             | \$38                        | \$38            | \$17                                      | \$18             | \$47               | \$21             | \$20                         | \$58               | \$47           | \$5            | \$57            |
| Purchased Services                       | \$74             | \$32                        | \$85            | \$26                                      | \$34             | \$79               | \$8              | \$25                         | \$44               | \$51           | \$5            | \$83            |
| Supplies                                 | \$70             | \$45                        | \$52            | \$46                                      | \$20             | \$112              | \$10             | \$18                         | \$56               | \$45           | \$23           | \$45            |
| Other                                    | \$0              | \$19                        | \$5             | \$0                                       | \$0              | \$5                | \$8              | \$0                          | \$0                | \$2            | \$0            | \$0             |
| <b>Avg Expend per Student</b>            | <b>\$439</b>     | <b>\$356</b>                | <b>\$506</b>    | <b>\$308</b>                              | <b>\$188</b>     | <b>\$632</b>       | <b>\$229</b>     | <b>\$226</b>                 | <b>\$488</b>       | <b>\$388</b>   | <b>\$99</b>    | <b>\$694</b>    |
| <b>Staffing Information</b>              |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Total Instruc. Supp. Staff               | 12.1             | 10.8                        | 11.3            | 15.1                                      | 18.0             | 20.5               | 15.9             | 20.3                         | 34.9               | 21.3           | 7.0            | 16.9            |
| # staff/500 students                     | 1.8              | 1.6                         | 1.6             | 1.8                                       | 2.1              | 2.3                | 1.7              | 1.9                          | 3.2                | 1.7            | 0.6            | 1.2             |
| <b>Student Support Services</b>          |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| <b>Expenditure Breakdown</b>             |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Salaries                                 | \$158            | \$232                       | \$304           | \$286                                     | \$194            | \$217              | \$262            | \$191                        | \$185              | \$189          | \$204          | \$350           |
| Employee Benefits                        | \$17             | \$42                        | \$35            | \$34                                      | \$25             | \$35               | \$32             | \$23                         | \$30               | \$39           | \$15           | \$72            |
| Purchased Services                       | \$1              | \$1                         | \$16            | \$34                                      | \$0              | \$22               | \$1              | \$6                          | \$15               | \$3            | \$4            | \$62            |
| Supplies                                 | \$5              | \$4                         | \$12            | \$28                                      | \$6              | \$4                | \$18             | \$5                          | \$19               | \$2            | \$1            | \$10            |
| Other                                    | \$0              | \$0                         | \$0             | \$1                                       | \$7              | \$0                | \$0              | \$2                          | \$0                | \$0            | \$0            | \$0             |
| <b>Avg Expend per Student</b>            | <b>\$182</b>     | <b>\$278</b>                | <b>\$367</b>    | <b>\$383</b>                              | <b>\$232</b>     | <b>\$279</b>       | <b>\$313</b>     | <b>\$228</b>                 | <b>\$250</b>       | <b>\$234</b>   | <b>\$225</b>   | <b>\$494</b>    |
| <b>Staffing Information</b>              |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Total Student Supp. Staff                | 24.1             | 21.4                        | 30.9            | 31.4                                      | 25.5             | 27.0               | 27.5             | 46.8                         | 45.3               | 52.9           | 23.0           | 93.3            |
| # staff/500 students                     | 3.5              | 3.1                         | 4.5             | 3.8                                       | 3.0              | 3.0                | 2.9              | 4.4                          | 4.2                | 4.3            | 1.9            | 6.6             |
| <b>Operations and Maintenance</b>        |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| <b>Expenditure Breakdown</b>             |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Salaries                                 | \$388            | \$314                       | \$386           | \$333                                     | \$324            | \$390              | \$474            | \$294                        | \$296              | \$386          | \$152          | \$391           |
| Employee Benefits                        | \$58             | \$114                       | \$63            | \$86                                      | \$67             | \$60               | \$84             | \$56                         | \$82               | \$66           | \$12           | \$97            |
| Purchased Services                       | \$155            | \$140                       | \$181           | \$121                                     | \$115            | \$99               | \$86             | \$128                        | \$195              | \$92           | \$225          | \$296           |
| Supplies                                 | \$271            | \$336                       | \$251           | \$385                                     | \$300            | \$236              | \$265            | \$230                        | \$260              | \$303          | \$232          | \$179           |
| Other                                    | \$0              | \$0                         | \$0             | \$0                                       | \$0              | \$0                | \$1              | \$0                          | \$0                | \$0            | \$6            | \$0             |
| <b>Avg Expend per Student</b>            | <b>\$872</b>     | <b>\$904</b>                | <b>\$881</b>    | <b>\$925</b>                              | <b>\$807</b>     | <b>\$785</b>       | <b>\$909</b>     | <b>\$708</b>                 | <b>\$832</b>       | <b>\$847</b>   | <b>\$627</b>   | <b>\$963</b>    |
| <b>Utility Costs</b>                     |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Water                                    | \$158            | \$244                       | \$108           | \$245                                     | \$143            | \$94               | \$136            | \$137                        | \$128              | \$127          | \$142          | \$107           |
| Heating                                  | \$38             | \$29                        | \$63            | \$45                                      | \$46             | \$50               | \$57             | \$65                         | \$73               | \$87           | \$29           | \$45            |
| Electricity                              | \$10             | \$15                        | \$38            | \$34                                      | \$9              | \$11               | \$27             | \$19                         | \$12               | \$20           | \$41           | \$15            |
| <b>Staffing Information</b>              |                  |                             |                 |   |                  |                    |                  |                              |                    |                |                |                 |
| Total Oper/Maint Staff                   | 32.7             | 29.8                        | 43.8            | 54.0                                      | 54.5             | 52.3               | 68.5             | 62.6                         | 62.0               | 81.0           | 33.5           | 88.0            |
| # staff/500 students                     | 4.8              | 4.3                         | 6.4             | 6.5                                       | 6.4              | 5.8                | 7.3              | 5.9                          | 5.7                | 6.6            | 2.7            | 6.3             |
| <b>Food Expend per FTE(b)</b>            | <b>\$363</b>     | <b>\$464</b>                | <b>\$489</b>    | <b>\$393</b>                              | <b>\$448</b>     | <b>\$385</b>       | <b>\$456</b>     | <b>\$403</b>                 | <b>\$396</b>       | <b>\$415</b>   | <b>\$346</b>   | <b>\$529</b>    |
| <b>Transportation Expend per FTE(b)</b>  | <b>\$366</b>     | <b>\$343</b>                | <b>\$129</b>    | <b>\$270</b>                              | <b>\$189</b>     | <b>\$262</b>       | <b>\$367</b>     | <b>\$223</b>                 | <b>\$238</b>       | <b>\$122</b>   | <b>\$264</b>   | <b>\$184</b>    |
| <b>Total Non-Instructional Costs (c)</b> | <b>\$2,953</b>   | <b>\$3,065</b>              | <b>\$3,198</b>  | <b>\$3,431</b>                            | <b>\$2,898</b>   | <b>\$3,281</b>     | <b>\$3,206</b>   | <b>\$2,718</b>               | <b>\$3,204</b>     | <b>\$2,690</b> | <b>\$2,246</b> | <b>\$3,743</b>  |

(a) Expenditures for property and equipment are excluded  
 (b) Average expenditures per student from page 30.  
 (c) Due to rounding, adding the individual measures may not equal the total shown.  
 Source: LPA analysis of data provided by the Kansas Department of Education and individual school districts.

**2007-08 COSTS FOR FOOD SERVICES: DERBY SCHOOL DISTRICT AND ITS PEERS**

| MEASURES (a)                       | SCHOOL DISTRICTS |                       |              |                                |               |                 |               |                       |                 |              |              |              |
|------------------------------------|------------------|-----------------------|--------------|--------------------------------|---------------|-----------------|---------------|-----------------------|-----------------|--------------|--------------|--------------|
|                                    | Seaman (345)     | Shawnee Heights (450) | Newton (373) | Gardner-Edgerton-Antioch (231) | Andover (385) | Haysville (261) | Goddard (265) | Auburn-Washburn (437) | Manhattan (383) | Derby (260)  | Maize (266)  | Salina (305) |
| <b>Enrollment (FTE)</b>            | 3,422.1          | 3,432.5               | 3,449.1      | 4,129.0                        | 4,293.4       | 4,548.1         | 4,708.0       | 5,306.4               | 5,421.7         | 6,164.0      | 6,189.2      | 7,037.5      |
| <b>Primary Efficiency Measure:</b> |                  |                       |              |                                |               |                 |               |                       |                 |              |              |              |
| Actual Transfers per FTE           | \$0              | \$29                  | \$23         | \$0                            | \$0           | \$0             | \$21          | \$0                   | \$18            | \$0          | \$24         | \$68         |
| <b>Expenditure Breakdown</b>       |                  |                       |              |                                |               |                 |               |                       |                 |              |              |              |
| Salaries                           | \$152            | \$169                 | \$174        | \$159                          | \$118         | \$144           | \$173         | \$163                 | \$149           | \$119        | \$109        | \$206        |
| Employee Benefits                  | \$20             | \$16                  | \$29         | \$24                           | \$22          | \$20            | \$22          | \$31                  | \$52            | \$17         | \$17         | \$60         |
| Purchased Services                 | \$1              | \$1                   | \$2          | \$1                            | \$46          | \$2             | \$1           | \$2                   | \$2             | \$7          | \$0          | \$8          |
| Supplies                           | \$185            | \$277                 | \$284        | \$205                          | \$230         | \$213           | \$253         | \$202                 | \$194           | \$254        | \$220        | \$254        |
| Other                              | \$4              | \$0                   | \$1          | \$3                            | \$32          | \$7             | \$6           | \$4                   | \$0             | \$18         | \$0          | \$0          |
| <b>Avg Expend per Student (b)</b>  | <b>\$363</b>     | <b>\$464</b>          | <b>\$489</b> | <b>\$393</b>                   | <b>\$448</b>  | <b>\$385</b>    | <b>\$456</b>  | <b>\$403</b>          | <b>\$396</b>    | <b>\$415</b> | <b>\$346</b> | <b>\$529</b> |
| <b>Staffing Information</b>        |                  |                       |              |                                |               |                 |               |                       |                 |              |              |              |
| Total Food Service Staff           | 20.2             | 19.5                  | 26.1         | 25.8                           | 25.5          | 27.7            | 29.5          | 41.1                  | 34.9            | 30.2         | 29.6         | 140.0        |
| # staff/500 students               | 3.0              | 2.8                   | 3.8          | 3.1                            | 3.0           | 3.0             | 3.1           | 3.9                   | 3.2             | 2.4          | 2.4          | 9.9          |
| <b>Revenue Information</b>         |                  |                       |              |                                |               |                 |               |                       |                 |              |              |              |
| Average Lunch Price                | \$2.17           | \$1.97                | \$2.13       | \$1.72                         | \$2.02        | \$1.93          | \$1.93        | \$2.02                | \$2.20          | \$1.80       | \$1.87       | \$2.03       |
| % eligible free lunches            | 19%              | 21%                   | 36%          | 18%                            | 7%            | 31%             | 11%           | 16%                   | 22%             | 26%          | 9%           | 40%          |
| % of sales non reimbursable (c)    | 13%              | 10%                   | 49%          | 42%                            | 44%           | 23%             | 13%           | 31%                   | 17%             | 19%          | 21%          | 16%          |
| <b>Meals/Snacks Served</b>         |                  |                       |              |                                |               |                 |               |                       |                 |              |              |              |
| # of Breakfasts served             | 34,525           | 56,882                | 100,448      | 85,971                         | 31,260        | 107,866         | 43,107        | 87,961                | 179,652         | 124,289      | 55,954       | 233,098      |
| # of Lunches served                | 430,623          | 454,938               | 370,434      | 456,034                        | 414,344       | 490,013         | 480,124       | 641,705               | 565,131         | 789,181      | 462,704      | 910,541      |
| # of Snacks served                 | -                | -                     | -            | -                              | -             | -               | -             | 3,362                 | 48,597          | 38,579       | -            | -            |

(b) Due to rounding, adding the individual measures may not equal the total shown.

(c) Nonreimbursable sales are sales of food items that are not reimburseable under the National School Lunch Program, including sales to adults and a la carte items like fruit, pizza slices, and salad.

Source: LPA analysis of data provided by the Department of Education and individual school districts for the 2006-07 and 2007-08 school years.

**2007-08 COSTS FOR STUDENT TRANSPORTATION: DERBY SCHOOL DISTRICT AND ITS PEERS**

| MEASURES (a)                                   | SCHOOL DISTRICTS |                       |              |                                |               |                 |               |                       |                 |              |              |              |
|--|------------------|-----------------------|--------------|--------------------------------|---------------|-----------------|---------------|-----------------------|-----------------|--------------|--------------|--------------|
|  | Seaman (345)     | Shawnee Heights (450) | Newton (373) | Gardner-Edgerton-Antioch (231) | Andover (385) | Haysville (261) | Goddard (265) | Auburn-Washburn (437) | Manhattan (383) | Derby (260)  | Maize (266)  | Salina (305) |
| <b>Enrollment (FTE)</b>                        | 3,422.1          | 3,432.5               | 3,449.1      | 4,129.0                        | 4,293.4       | 4,548.1         | 4,708.0       | 5,306.4               | 5,421.7         | 6,164.0      | 6,189.2      | 7,037.5      |
| <b>Primary Efficiency Measure:</b>             |                  |                       |              |                                |               |                 |               |                       |                 |              |              |              |
| Actual Cost per Rider                          | \$377            | \$346                 | \$765        | \$718                          | \$194         | \$612           | \$394         | \$234                 | \$522           | \$485        | \$274        | \$915        |
| <b>Expenditure Breakdown</b>                   |                  |                       |              |                                |               |                 |               |                       |                 |              |              |              |
| Salaries                                       | \$226            | \$183                 | \$442        | \$0                            | \$129         | \$409           | \$242         | \$96                  | \$317           | \$280        | \$150        | \$0          |
| Employee Benefits                              | \$36             | \$21                  | \$66         | \$0                            | \$19          | \$48            | \$35          | \$34                  | \$54            | \$65         | \$17         | \$0          |
| Purchased Services                             | \$19             | \$10                  | \$30         | \$630                          | \$0           | \$32            | \$13          | \$15                  | \$20            | \$11         | \$8          | \$705        |
| Supplies                                       | \$94             | \$128                 | \$219        | \$87                           | \$45          | \$114           | \$87          | \$83                  | \$127           | \$125        | \$90         | \$93         |
| Other  | \$3              | \$4                   | \$9          | \$0                            | \$1           | \$10            | \$18          | \$6                   | \$4             | \$4          | \$9          | \$117        |
| <b>Avg Expend per Rider (b)</b>                | <b>\$377</b>     | <b>\$346</b>          | <b>\$765</b> | <b>\$718</b>                   | <b>\$194</b>  | <b>\$612</b>    | <b>\$394</b>  | <b>\$234</b>          | <b>\$522</b>    | <b>\$485</b> | <b>\$274</b> | <b>\$915</b> |
| <b>Staffing Information</b>                    |                  |                       |              |                                |               |                 |               |                       |                 |              |              |              |
| Total Transportation Staff                     | 23.1             | 18.9                  | 9.0          | 5.9                            | 4.0           | 36.5            | 38.4          | 31.3                  | 38.3            | 30.4         | 35.5         | 11.0         |
| # staff/500 riders                             | 3.4              | 2.8                   | 1.3          | 0.7                            | 0.5           | 4.0             | 4.1           | 2.9                   | 3.5             | 2.5          | 2.9          | 0.8          |
| <b>Students Transported &amp; Miles Driven</b> |                  |                       |              |                                |               |                 |               |                       |                 |              |              |              |
| # Riders                                       | 3326             | 3406                  | 583          | 1555                           | 4173          | 1947            | 4389          | 5050                  | 2477            | 1552         | 5961         | 1412         |
| % Riders transported > 2.5 Miles               | 40%              | 74%                   | 45%          | 79%                            | 40%           | 95%             | 86%           | 66%                   | 78%             | 69%          | 85%          | 48%          |
| % Riders transported < 2.5 Miles               | 60%              | 26%                   | 55%          | 21%                            | 60%           | 5%              | 14%           | 34%                   | 22%             | 31%          | 15%          | 52%          |
| # of Miles Driven                              | 621210           | 641357                | 276607       | 482347                         | 496840        | 672393          | 774027        | 931451                | 745729          | 443014       | 801785       | 350797       |
| Cost Per Mile Driven                           | \$2.02           | \$1.83                | \$1.61       | \$2.31                         | \$1.63        | \$1.77          | \$2.23        | \$1.27                | \$1.73          | \$1.70       | \$2.04       | \$3.68       |
| Cost Per Student FTE                           | \$366            | \$343                 | \$129        | \$270                          | \$189         | \$262           | \$367         | \$223                 | \$238           | \$122        | \$264        | \$184        |

(a) Expenditures for property and equipment are excluded.

(b) Due to rounding, adding the individual measures may not equal the total shown.

Source: LPA analysis of data provided by the Department of Education and individual school districts for the 2007-08 school year.



## APPENDIX C

### List of Operational Best Practices for School Districts

This appendix contains a detailed list of best practices to help school districts identify ways they can operate more efficiently. We gathered these ideas from our office's previous audits, other states' audits, and other resources, like the Centers for Disease Control and the Association of School Business Officials.

The best practices are arranged in tables by functional area, including administration, support services, operations and maintenance, food services, and student transportation. This isn't an exhaustive list of ideas for cost savings, and it will continue to evolve as we conduct more efficiency audits and identify additional ways districts can save money.

**Appendix C  
Best Practices for School District Efficiency**

**Administration**

|   |   |
|---|---|
| <p><b>The district should manage efficiency at the district level.</b></p>            | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Compile data and calculate efficiency measures, like expenditures per student or staff per 500 students</li> <li>• Compare the measures against peers, standard benchmarks, or the same measures for the district over time</li> <li>• Routinely revise staff needs, policies, and workloads based on the comparison</li> </ul>   |
| <p><b>The district should maintain reasonable administrative staffing levels.</b></p> | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Routinely compare staffing levels on a per-student basis over time and make changes as needed</li> <li>• Routinely compare staffing levels to peer districts and available benchmarks and make changes as needed</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Developing a staffing formula for administrative positions</li> </ul>   |
| <p><b>The district should pay reasonable salaries.</b></p>                            | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Compare salary levels for all levels of staff to peer districts and available benchmarks and realign salaries to stay in line</li> <li>• Share staff across buildings when possible</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Contracting out for some work, if it would be less expensive than having in-house staff do the tasks</li> </ul>  |
| <p><b>The district should keep the cost of benefits at a reasonable level.</b></p>    | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Routinely collect bids for health insurance</li> <li>• Routinely compare health plans and premiums to peer districts and available benchmarks</li> <li>• Take steps to make the employee pool is healthy to improve the risk pool to keep insurance premiums down</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Limiting the number of part-time staff who are eligible for benefits</li> <li>• Limiting the amount of sick and vacation leave staff can accrue</li> </ul>   |
| <p><b>The district should avoid excessive overtime costs.</b></p>                     | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Develop and enforce district-level overtime pay controls, like placing limits on the overtime pay each department can have and requiring supervisor approval before paying the overtime</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Using temporary, substitute, or contracted staff for busy times of year</li> <li>• Changing hourly staff who have a lot of overtime to a set salary, if possible according to the district's human resources department</li> <li>• Developing expected workloads for each staff person and implementing controls to be sure those targets are generally being met</li> <li>• Contracting with outside vendors to provide labor for some work that would otherwise cause overtime in the district</li> <li>• Adjusting work schedules around the workloads</li> </ul> |
| <p><b>The district should minimize supply costs.</b></p>                              | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Take bids on items the district buys in bulk</li> <li>• Use the State purchasing contract when possible</li> <li>• Buy items in bulk if a discounted rate is offered</li> <li>• Print items like business cards, letterhead, and stationary in house</li> <li>• Maintain and continually update a district-wide inventory of supplies that is accessible to all staff</li> </ul>  |

| <b>Administration (Continued)</b>  |  |
|--|--|
| <p><b>The district should establish and maintain efficient processes for administrative tasks.</b></p> | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Use a business procurement card with a cash-back rate to make purchases</li> <li>• Maximize the cash-back rate it can get from its procurement card issuer</li> <li>• Maximize use of business procurement card to maximize the cash back</li> <li>• Reduce processing and record storage costs by automating administrative tasks, like using financial management and student data software</li> <li>• Go “paperless” by using electronic ways of communication with staff, parents, and local board of education members when possible</li> <li>• Use a centralized system to collect school building data to collect it more quickly, improve accuracy, and save time on entering it</li> <li>• Develop policies and guidelines for processes within the district and consistently enforce them</li> <li>• Encourage payroll through electronic depositing. For those employees who don't want their pay deposited electronically, issue a payroll debit card.</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Outsourcing administrative tasks like payroll or purchasing to a local government office <ul style="list-style-type: none"> <li>○ <i>For example, Clarke County in Virginia partnered with its local school division to combine some central office functions, like finance, purchasing, and budget development, to increase efficiency.</i></li> </ul> </li> <li>• Partnering with other school districts for administrative tasks, like payroll or purchasing</li> <li>• Entering joint-purchasing agreements with other organizations for bulk items, like fuel, or more expensive items, like computers or audio-visual equipment</li> </ul> |
| <p><b>The district should establish and maintain efficient technology practices.</b></p>               | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Only assign multiple computers to staff for whom there is a demonstrated need.</li> <li>• Have most staff use shared network printers. For staff who need their own printer, the district should provide a high-quality, ink-efficient printer if they will print large volumes, and a less expensive printer if they don't print very much.</li> <li>• Use refillable ink cartridges for printers whenever possible.</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Using Voice-Over-Internet Protocol (VOIP) for phone service, where a district can use its Internet connection to place phone calls.</li> <li>• Purchasing ink cartridges from third party vendors, if the products are less expensive</li> </ul>  |

| <b>Support Services</b>   |   |
|---|---|
| <p><b>The district should provide instruction support services efficiently.</b></p> | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Share instructional support staff, like librarians, curriculum specialists, and instructional coaches, across buildings when possible</li> <li>• Keep staffing levels in line with district peers and available benchmarks.</li> <li>• <i>See best practices for staffing levels, salaries, benefits, and supplies in the “Administration” section.</i></li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Sharing staff between districts when possible, like staff whose responsibilities include developing curriculum</li> <li>• Contracting with a local education service center for some support services</li> </ul>   |
| <p><b>The district should provide student support services efficiently.</b></p>     | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Share student support staff, like social workers, nurses, and counselors, across buildings when possible</li> <li>• Keep staffing levels in line with district peers and available benchmarks <ul style="list-style-type: none"> <li>○ <i>For example, the Center for Disease Control recommends one school nurse per 750 students.</i></li> </ul> </li> <li>• <i>See best practices for staffing levels, salaries, benefits, and supplies in the “Administration” section.</i></li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Using licensed practical nurses (LPN's) or health aides under the supervision of a registered nurse instead of staffing full-time registered nurses at each school building</li> </ul> |

| <b>Operations and Maintenance</b>  |   |
|--|---|
| <b>The district should provide custodial services for district facilities and grounds efficiently.</b> | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Close off any building space it doesn't use and limit custodial services for that space</li> <li>• Identify ways to reduce supplies costs               <ul style="list-style-type: none"> <li>○ <i>For example, the district could set up mixing stations for cleaning supplies to control the amounts being use, or buy custodial supplies in bulk</i></li> </ul> </li> <li>• Keep staffing levels in line with standard benchmarks               <ul style="list-style-type: none"> <li>○ <i>For example, the Association of School Business Officials (ASBO) recommends basing staffing about one full-time custodian per 20,000 square feet, though the type of flooring, size of storage areas, age of buildings, and other variables could change the standard. The ASBO also sets out work time standards for offices, floors, bathrooms, stairs, walls, blinds, windows, and light fixtures in its Custodial Methods and Procedure Manual.</i></li> </ul> </li> <li>• See best practices for salaries, benefits, overtime, and supplies in the "Administration" section.</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Contracting out for some deeper cleaning projects, if it would be less expensive than having in-house staff do them</li> <li>• Outsourcing custodial work, if it would be less expensive than having in-house staff do the work</li> </ul> |
| <b>The district should maintain facilities and grounds efficiently.</b>                                | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Develop and maintain a long-term preventive maintenance plan and follow it</li> <li>• Develop an automated system for receiving and responding to maintenance requests</li> <li>• See best practices for salaries, overtime, benefits, and supplies in the "Administration" section.</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Contracting out for some work, like mowing or plumbing work, if it would be less expensive than having in-house staff do the tasks</li> <li>• Outsourcing maintenance work, if it would be less expensive than having in-house staff do the work</li> </ul>   |
| <b>The district should provide specialized maintenance services efficiently.</b>                       | <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Contracting out for some specialized projects, if it would be less expensive than having in-house staff do them</li> </ul>  |
| <b>The district should minimize energy costs.</b>  | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Do an energy audit of the district facilities, or contract out for one</li> <li>• Regularly monitor facility energy usage and act quickly to reduce consumption when energy use is excessive</li> <li>• Develop a long-term energy plan to address facilities that aren't energy efficient</li> <li>• Develop and maintain a long-term energy conservation plan to address energy inefficiencies</li> <li>• Work with its energy providers to identify energy efficient benchmarks, and implement actions to reach those benchmarks</li> <li>• Develop energy conservation policies for staff in the district and enforce them               <ul style="list-style-type: none"> <li>○ <i>For example, restrict what personal appliances staff can have in their classrooms or offices, use centrally located thermostats to control temperatures across a building, and initiate a campaign to turn off lights and computers when rooms in district facilities are not in use.</i></li> </ul> </li> <li>• Routinely check, clean, and repair heating and cooling systems, and update when necessary</li> <li>• Close off areas of buildings that aren't used so the district doesn't pay to heat and cool those spaces</li> </ul>   |
| <b>The district should ensure that it is receiving the best energy rates possible.</b>                 | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Ask its energy providers about discounts or rebates, and take advantage of any that are offered</li> <li>• Get an education rate from its electricity provider for each of its buildings, when available</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Joining a natural gas purchasing consortium, like the Kansas Association of School Board's Kansas Joint Utility Management Program (KJUMP), if using the consortium would be less costly</li> </ul>   |

**Operations and Maintenance (Continued)**

|  |  |
|--|--|
| <p><b>The district should avoid using excessive administrative space.</b></p>  | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Routinely evaluate workspace per staff person and provide adequate space, and close off or sell unneeded space             <ul style="list-style-type: none"> <li>○ <i>For example, the Kansas Department of Administration provides both high-level and detailed workspace standards based on functions performed by staff. The Department's high-level office space standard is an average of 210-250 square feet of useable space per person. That standard includes not only actual office space, but also hallways, break rooms, conference rooms, and the like. Detailed workspace standards by positions are available on the Departments website, at <a href="http://www.da.ks.gov/fm/dfm/forms/OfficeSpaceStandards.htm">http://www.da.ks.gov/fm/dfm/forms/OfficeSpaceStandards.htm</a>.</i></li> </ul> </li> <li>• Store records electronically whenever possible, or store them as cheaply as is reasonable, depending on the type of records being stored</li> </ul> |
| <p><b>The district should avoid using excessive school building space.</b></p> | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Routinely evaluate student occupancies at school buildings against maximum capacities, and consolidate buildings where practical</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Limiting the number of class sections offered or consolidating those sections when only a few students enroll</li> <li>• Entering into an inter-district contract with another district to establish shared schools to save on transportation, insurance, staff costs, and purchased services</li> </ul>   |

**Food Services**

|   |  |
|---|--|
| <p><b>The district should have a self-sustaining food program.</b></p>          | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Charge enough to cover the costs of the food program</li> <li>• Take advantage of federal commodities when possible</li> <li>• Reduce food costs (<i>see next section</i>)</li> <li>• Limit its meal allowances for staff</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Offering <u>nutritious</u> a la carte options to increase sales</li> <li>• Improving marketing of food to increase sales</li> <li>• Operating its own vending machines rather than contracting with an outside vendor</li> </ul>  |
| <p><b>The district should minimize its food costs.</b></p>                      | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Develop and maintain a running inventory of all food products</li> <li>• Use a first-in, first-out system for stocking inventory</li> <li>• Use portion control to reduce waste</li> </ul>   |
| <p><b>The district should take steps to manage its program efficiently.</b></p> | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Ensure that food program management staff receive appropriate training in areas like food safety, production control, inventory, meal count procedures, receiving and storing food and supplies, and customer service</li> <li>• Ensure that all food program staff receive proper food service training</li> <li>• <i>See best practices for salaries, overtime, benefits, and supplies in the "Administration" section.</i></li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Establishing a central kitchen to store goods and make meals</li> <li>• Sharing a food services director with another district, if feasible</li> <li>• Sharing a cafeteria manager between schools</li> </ul> |

## Student Transportation

|  |  |
|--|--|
| <p><b>The district should take steps to manage its program efficiently.</b></p>        | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Use an appropriately-sized vehicle to transport students, like using a van instead of a bus to transport smaller groups</li> <li>• Arrange school start and end times to minimize the number of buses needed to transport students</li> <li>• Do a cost-benefit analysis to find out if would be more efficient over time for the district to contract out its program or operate its own busing program</li> <li>• See <i>best practices for staffing levels, salaries, benefits, overtime, and supplies in the "Administration" section.</i></li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Transporting only those students who live more than 2.5 miles from their schools, unless safety is an issue</li> <li>• Increasing vehicle insurance deductibles, if premiums costs decrease</li> </ul> |
| <p><b>The district should run the most efficient bus routes possible.</b></p>          | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Plan the most direct routes to transport students to and from school</li> <li>• Use computerized software to plan routes, if time it takes for staff to plan the route by hand would cost more than the software</li> <li>• Pick up students from central locations, instead of going from door to door, unless safety is an issue</li> <li>• Fill buses as much as possible to reduce the number of buses running at any one time, including activity trips</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Reimbursing parents for driving students more than two and a half miles to or from school rather than providing a transportation program</li> </ul>  |
| <p><b>The district should minimize its fuel costs.</b></p>                             | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Buy fuel in bulk</li> <li>• Partner with local government entities to jointly purchase fuel</li> <li>• Have a no-idling policy for its buses</li> </ul>  |
| <p><b>The districts should take actions to prolong district vehicles' "lives."</b></p> | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Require staff to log miles traveled per trip for <u>all</u> district vehicles, and have supervisors monitor the mileage to be sure the trips are reasonable</li> <li>• Do routine maintenance on district vehicles as often as called for by the manufacturer, and not more often</li> <li>• Do a cost analysis on parking district vehicles in a secure compound overnight or on weekends</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Purchasing quality used vehicles to replace older vehicles, weighing the short-term convenience versus the reduced life span of used buses</li> </ul>  |
| <p><b>The district should minimize its maintenance costs.</b></p>                      | <p>The district <b>should</b>:</p> <ul style="list-style-type: none"> <li>• Collect and monitor data on oil changes, routine servicing and all repairs and warranty work to help it make informed decisions on whether it is cost-effective to make expensive repairs on older vehicles</li> </ul> <p>The district <b>could</b> consider:</p> <ul style="list-style-type: none"> <li>• Contracting out for specialized maintenance costs, like glass repair, rebuilding transmissions or engines, radiator work, among others.</li> </ul>  |

## **APPENDIX D**

### **List of Derby School District Facilities and Their Characteristics**

This appendix contains a detailed list of facilities within the Derby school district. For each facility, we also included information on what type of facility it is, the year it was built, its square footage, and the city in which it's located. In addition, we included the 2008-09 headcount enrollment and the maximum student capacity for each school building.

**APPENDIX D  
Buildings Used by the Derby School District**

| Building Name                           | City    | Year Built | Square Footage   |                      |                  | Students (Headcount) |              |
|---|---------|------------|------------------|----------------------|------------------|----------------------|--------------|
|   |         |            | Main Structure   | Other Structures (a) | Total            | Enroll 2008-09 (b)   | Capacity (c) |
| <b>INSTRUCTIONAL BUILDINGS</b>          |         |            |                  |                      |                  |                      |              |
| <i>Elementary Schools (K-5)</i>         |         |            |                  |                      |                  |                      |              |
| Cooper Elementary                       | Wichita | 1954       | 39,449           | 3,792                | <b>43,241</b>    | 312                  | 177          |
| Derby Hills Elementary                  | Derby   | 1986       | 52,800           | 1,440                | <b>54,240</b>    | 387                  | 481          |
| El Paso Elementary                      | Derby   | 1966       | 53,195           | 2,480                | <b>55,675</b>    | 376                  | 329          |
| Oaklawn Elementary                      | Wichita | 1954       | 42,957           | 1,440                | <b>44,397</b>    | 233                  | 203          |
| Park Hill Elementary                    | Derby   | 2002       | 59,000           | 0                    | <b>59,000</b>    | 345                  | 431          |
| Pleasantview Elementary                 | Derby   | 1955       | 43,559           | 0                    | <b>43,559</b>    | 305                  | 355          |
| Swaney Elementary                       | Derby   | 1956       | 67,645           | 0                    | <b>67,645</b>    | 307                  | 380          |
| Tanglewood Elementary                   | Derby   | 1982       | 56,890           | 0                    | <b>56,890</b>    | 340                  | 431          |
| Wineteer Elementary                     | Wichita | 1959       | 61,330           | 1,612                | <b>62,942</b>    | 412                  | 583          |
| <i>Middle Schools (6-8)</i>             |         |            |                  |                      |                  |                      |              |
| Sixth Grade Center                      | Derby   | 1951       | 129,535          | 8,760                | <b>138,295</b>   | 487                  | 560          |
| Derby Middle School (DMS)               | Derby   | 1959       | 166,267          | 17,261               | <b>183,528</b>   | 989                  | 1,200        |
| <i>High Schools (9-12)</i>              |         |            |                  |                      |                  |                      |              |
| Derby High School (DHS)                 | Derby   | 1994       | 316,310          | 33,690               | <b>350,000</b>   | 2,051                | 2,400        |
| <i>Other Schools</i>                    |         |            |                  |                      |                  |                      |              |
| Derby Off Campus Center                 | Derby   | 1954       | 49,346           | 0                    | <b>49,346</b>    | -                    | -            |
| Carlton Math-Science Magnet (d)         | Wichita | 1992       | 25,194           | 23,482               | <b>48,676</b>    | -                    | -            |
| <b>TOTAL - INSTRUCTIONAL BUILDINGS</b>  | ---     | ---        | <b>1,163,477</b> | <b>93,957</b>        | <b>1,257,434</b> | <b>6,544</b>         | <b>7,530</b> |
| <b>ADMINISTRATIVE BUILDINGS</b>         |         |            |                  |                      |                  |                      |              |
| Educational Support Center              | Derby   | 1975       | 18,225           | 0                    | <b>18,225</b>    | ---                  | ---          |
| Administrative Center                   | Derby   | 1964       | 8,901            | 0                    | <b>8,901</b>     | ---                  | ---          |
| The Dell                                | Derby   | 1966       | 3,128            | 0                    | <b>3,128</b>     | ---                  | ---          |
| <b>TOTAL - ADMINISTRATIVE BUILDINGS</b> | ---     | ---        | <b>30,254</b>    | <b>0</b>             | <b>30,254</b>    | ---                  | ---          |
| <b>OPERATIONS BUILDINGS</b>             |         |            |                  |                      |                  |                      |              |
| Derby HS Ground Maint Storage           | Derby   | 1994       | 180              | 0                    | <b>180</b>       | ---                  | ---          |
| Service Center                          | Derby   | 1969       | 20,020           | 5,863                | <b>25,883</b>    | ---                  | ---          |
| Sixth Grade Center Annex/Maint Ctr      | Derby   | 1974       | 31,336           | 0                    | <b>31,336</b>    | ---                  | ---          |
| <b>TOTAL - OPERATIONS BUILDINGS</b>     | ---     | ---        | <b>51,536</b>    | <b>5,863</b>         | <b>57,399</b>    | ---                  | ---          |
| <b>TOTAL - ALL BUILDINGS</b>            | ---     | ---        | <b>1,245,267</b> | <b>99,820</b>        | <b>1,345,087</b> | ---                  | ---          |

(a) Includes modular facilities but excludes athletic facilities.

(b) Data in the "2008-09 Student Enrollments" are based on student headcounts, not FTE. We did not include this data for non-instruction facilities.

(c) The "student capacity" data are from the district's demographic and boundary studies, done by RSP & Associates, LLC.

(d) Carlton Math-Science Magnet closed in 2002. It's currently used by the special education and Parents as Teachers programs, and is also used as a storage facility.

Source: Derby school district and the Department of Education building reports.



## **APPENDIX E**

### **Agency Response**

On November 24, 2009, we provided a copy of the draft audit report to the Derby school district. Its response is included in this appendix.

In general, the district agreed with our findings and recommendations, although for many recommendations officials indicated they would submit proposals to the local school board, or conduct additional research themselves. We will determine the extent to which the district implements these recommendations as part of our normal follow-up process.

Barbara J. Hinton  
Legislative Post Audit  
800 Southwest Jackson St., Suite 1200  
Topeka, KS 66612-2212



Dear Ms. Hinton,

The administration and Board of Education of USD 260 would like to thank you and your team for the work done on efficiencies within our district. The team was very easy to work with and we appreciate their efforts to look at all areas of the district.

We have reviewed the audit report and the recommendations contained therein. We are providing our responses for your review.

**Recommendations Related to Efficiency Management:**

1. The district should develop a systematic efficiency management process.

Response: The district will look at implementing such a process. We believe that, while comparisons to other districts can be useful, reliance on these statistics can be misleading due to the differences on how each district reports their finances. These differences include how certain positions are reported which would affect numbers related to instruction and support. Reviewing the comparison numbers can provide the information noted by the auditors where improvements could be made in our spending patterns.

**Related to Student Instruction:**

2. The district should adopt a more "traditional" class schedule and limit the number of sections offered to maximize class sizes.

Response: While the savings noted by the audit team are substantial for this recommendation, the steps needed to make the changes would require one of two options, both part of the negotiated agreement. Option one would require a deviation of contract which would require majority approval of the high school staff, the concurrence of the Superintendent, and approval by the majority of both the DNEA Executive Committee and the Board of Education. Option two would be through the negotiations process which would require 50%+1 of the certified staff to approve the change and the approval of the Board of Education. The district intends to begin this discussion in light of the budget cuts that have been made at the state level.

**Related to Personnel:**

3. The district should replace some librarians with library aides and share the librarians between buildings.

Response: The district budget committee made multiple recommendations to the Board of Education last year, one of which was reducing the number of librarians at the elementary/sixth grade level from ten to five. These final reductions did not include reducing librarians. This item will be brought forth to the district budget committee again this year for review.

4. The district should limit overtime only when necessary, monitor the use of overtime, and eliminate the overtime for the energy manager.

Response: The district is looking at all of our current overtime procedures. All administrators have been asked to authorize only essential overtime. We will be developing specific procedures to add overtime, including looking at employees in positions that total more than 40 hours of work time per week.

5. The district should close the current Administrative Center and move staff to the Educational Support Center. Ceilings should be lowered at the Educational Support Center to reduce energy costs.

Response: The district will investigate these recommendations.

6. The district should inventory supplies and equipment on hand, dispose of items that will not be used, and provide staff information on the items.

Response: The district does hold periodic sales of surplus supplies and equipment as required by statute. We will hold a sale prior to the end of the fiscal year.

7. The district should discontinue its practice of purchasing and laundering uniform sets for its maintenance staff.

Response: This practice was put in place as a safety matter in that the maintenance staff is recognizable while in their uniforms. Building staff are able to note that the individuals are part of our staff and authorized to be on site. The administration will review this practice to determine if the safety concerns justify the added expense.

8. The district should look at the fee structure for use of its facilities by non-district organizations.

Response: The district is looking at the fees charged and will be taking a recommendation to our Board of Education at a future meeting.

9. The district should encourage employees to receive their paychecks through electronic deposit and look at other delivery methods than through a check. The district should also develop electronic retention systems for central office records.

(316) 788-8410 • www.derbyschools.com • fax (316) 788-8417  
Administrative Center

Response: Direct deposit cannot be made mandatory. Wording exists in our certified and classified agreements strongly encouraging the use of direct deposit. The district is looking at other delivery methods such as the debit cards. The district continues to promote electronic storage of documents. Payroll reports will no longer be printed and stored in boxes. However, the initial storage of student records and purchase orders requires manual scanning into the computer system. This will require available manpower in order to complete the scanning. While our goal remains to complete the electronic storage of data, conditions will need to change before we can complete the work.

10. The district should continue with efforts to implement a business procurement card system.

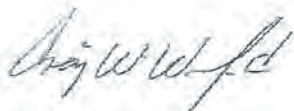
Response: The district is working with its bank of record towards implementing this system. A proposal will go to the Board of Education this Spring.

11. The district should begin printing business cards in-house and eliminate the desktop ink-jet printers.

Response: The district will print business card in-house. We will also eliminate the use of all ink-jet printers within the fiscal year.

Don Adkisson, Director of Finance, will be in attendance at the committee meeting in Topeka to answer any questions. Because the district does not disagree with any of the findings, we will not request the opportunity to speak to the committee.

Sincerely,



Craig W. Wilford  
Superintendent of Schools

**Legislative Division of Post Audit  
Performance Audit Reports on  
Education (K-12)  
Issued In Recent Years**

|          |  |               |
|----------|--|---------------|
| 05PA19   | Cost Study Analysis: Estimating the Costs of K-12 Education Using Two Approaches                       | January 2006  |
| 06PA11   | K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals    | July 2006     |
| 06PA12   | K-12 Education: Reviewing Free-Lunch Student Counts as the Basis for At-Risk Funding, Part I           | November 2006 |
| 06PA12.2 | K-12 Education: Reviewing Free-Lunch Student Counts Used as the Basis for At-Risk Funding, Part II     | December 2006 |
| 07PA14   | K-12 Education: Comparing the Centralization of School District Accounting in Different States         | February 2007 |
| 07PA02   | K-12 Education: Alternative Models for Organizing Middle Schools and High Schools                      | February 2007 |
| 07PA11   | K-12 Education: Teacher Recruitment and Retention Strategies   | April 2007    |
| 07PA09   | K-12 Education: Reviewing Issues Related to Virtual Schools  | April 2007    |
| 07PA03   | K-12 Education: Reviewing the Research on Charter School Performance                                   | May 2007      |
| 07PA10   | K-12 Education: Reviewing the Cost of Vocational Education Programs                                    | August 2007   |
| 07PA28   | Kan-ed: A K-GOAL Audit Determining Whether It's Achieving the Intended Results                         | October 2007  |
| 07PA29   | K-12 Education: Determining the Reasons for Variations in Virtual School Costs                         | October 2007  |
| 07PA30   | K-12 Education: Reviewing Issues Related to Special Education Funding                                  | December 2007 |
| 08PA09   | Estimating the Impact of a Second Count Date on School District Funding                                | February 2008 |
| 07PA31   | Assessing the Quality of English as a Second Language Preparation in Kansas Teacher Education Programs | April 2008    |
| 08PA10   | School Districts' Use of Additional State Funding  | June 2008     |
| 08PA25   | Reviewing School Districts' At-Risk and Professional Development Programs                              | December 2008 |