



# **PERFORMANCE AUDIT REPORT**

**K-12 Education: Efficiency Audit of the St.  
Francis School District**

**A Report to the Legislative Post Audit Committee  
By the Legislative Division of Post Audit  
State of Kansas  
March 2013**

# **Legislative Post Audit Committee**

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## **Legislative Division of Post Audit**

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March 1, 2013

To: Members, Legislative Post Audit Committee

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This report contains the findings, conclusions, and recommendations from our completed performance audit, *K-12 Education: Efficiency Audit of the St. Francis School District*. We would be happy to discuss the findings, recommendations any other items presented in this report with any legislative committees, individual legislators, or other State officials.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Frank', written in a cursive, flowing style.

Scott Frank  
Legislative Post Auditor

This audit was conducted by Laurel Murdie, Heidi Zimmerman, Johnathan Reeves, and Max Rieper. Justin Stowe was the audit manager. If you need any additional information about the audit's findings, please contact Laurel Murdie at the Division's offices.

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# K-12 Education: Efficiency Audit of the St. Francis School District

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During fiscal year 2010, the Legislative Division of Post Audit conducted voluntary efficiency audits of school districts. Officials from several school districts volunteered for the audits as a way to help them identify ways they could reduce costs without affecting the education they provide students. In total, seven individual school district efficiency audits were completed. Among other things, these audits found potential savings related to food service programs, high school scheduling, and consolidating administrative functions into a single building.

During the 2012 legislative session, legislators expressed an interest in having us conduct an efficiency audit similar to those completed in 2009 and 2010. As a result of that interest, the Legislature included a proviso in the fiscal year 2013 appropriations bill requiring an audit of three school districts by the end of the fiscal year. The audits were to include one small district (fewer than 500 students), one medium district (500 to 4,000 students), and a large district (more than 4,000 students).

The Legislative Post Audit Committee approved a plan for selecting the three school districts, which included asking districts to volunteer for an audit. Ultimately, six districts volunteered including one small district, four medium districts, and one large district. We used a random lottery to select a medium district from the four that volunteered.

This performance audit is specific to the small district, St. Francis, and answers the following question:

**Could the St. Francis school district achieve significant cost savings by improving resource management, and what effect would those actions have?**

A copy of the scope statement for this audit approved by the Legislative Post Audit Committee is included in *Appendix A*.

Our audit work included a variety of steps designed to help us answer the question. First, we identified peer districts that are demographically similar to the St. Francis school district and compared them on various measures of efficiency. That allowed us to identify areas where the spending or resources used by the St. Francis school district appeared to be out of line. Detailed information about how we selected the peers, as well as the efficiency measures we calculated is included in *Appendix B*. We also conducted site visits to interview district officials, to observe

various administrative and operational processes, and to tour the district's facilities. Where applicable, we compared district operations to best practices.

We conducted this performance audit in accordance with generally accepted government auditing standards, except that we did not fully assess the reliability of certain data provided by the St. Francis school district. That data included high school class rosters, detailed personnel data, and building square footage. However, a limited review of the data for reasonableness, duplication, and inconsistencies, did not reveal any systematic problems that would suggest the data were grossly inaccurate.

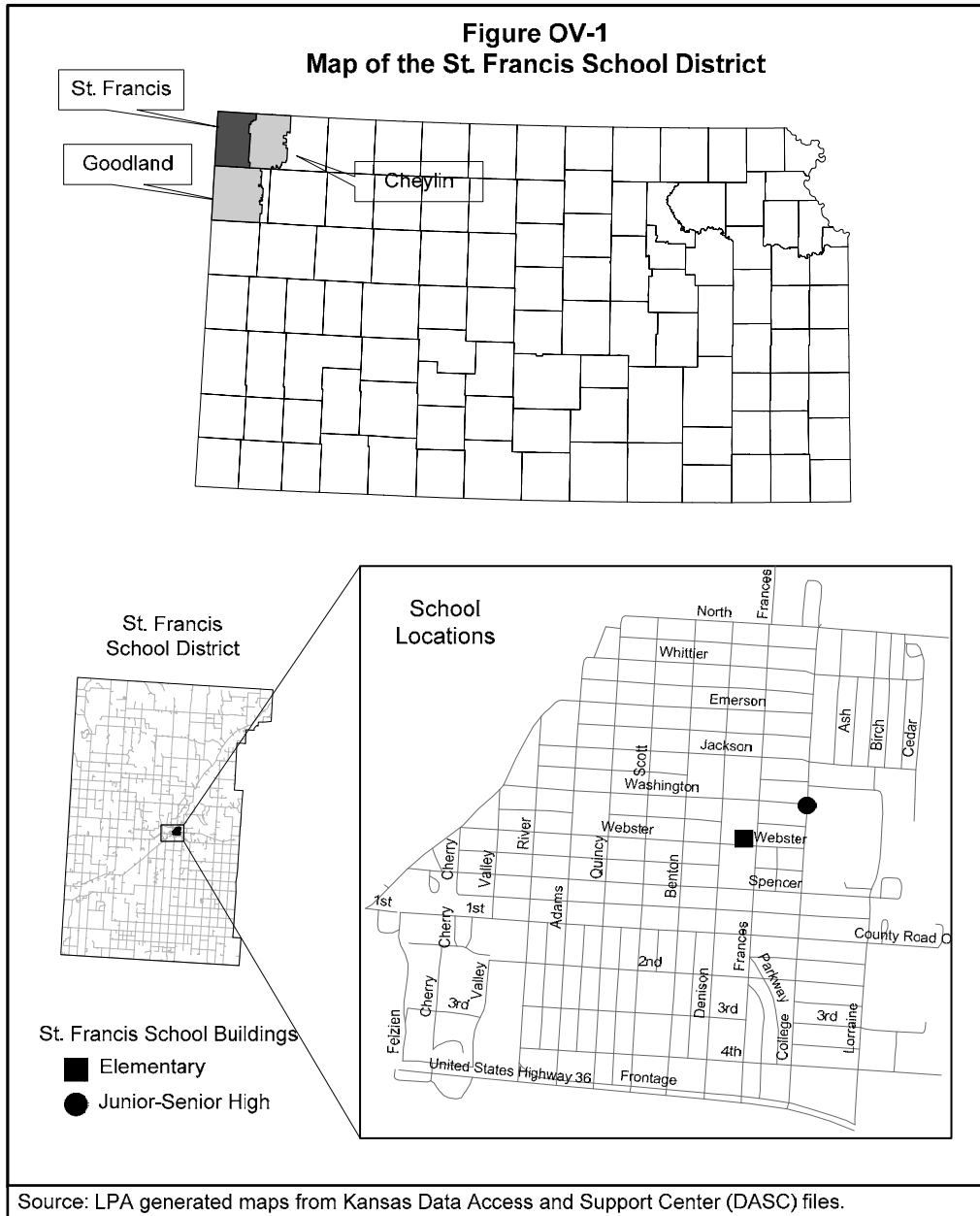
The standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our findings begin on page 7, following a brief overview of the St. Francis school district.



## Overview of the St. Francis School District

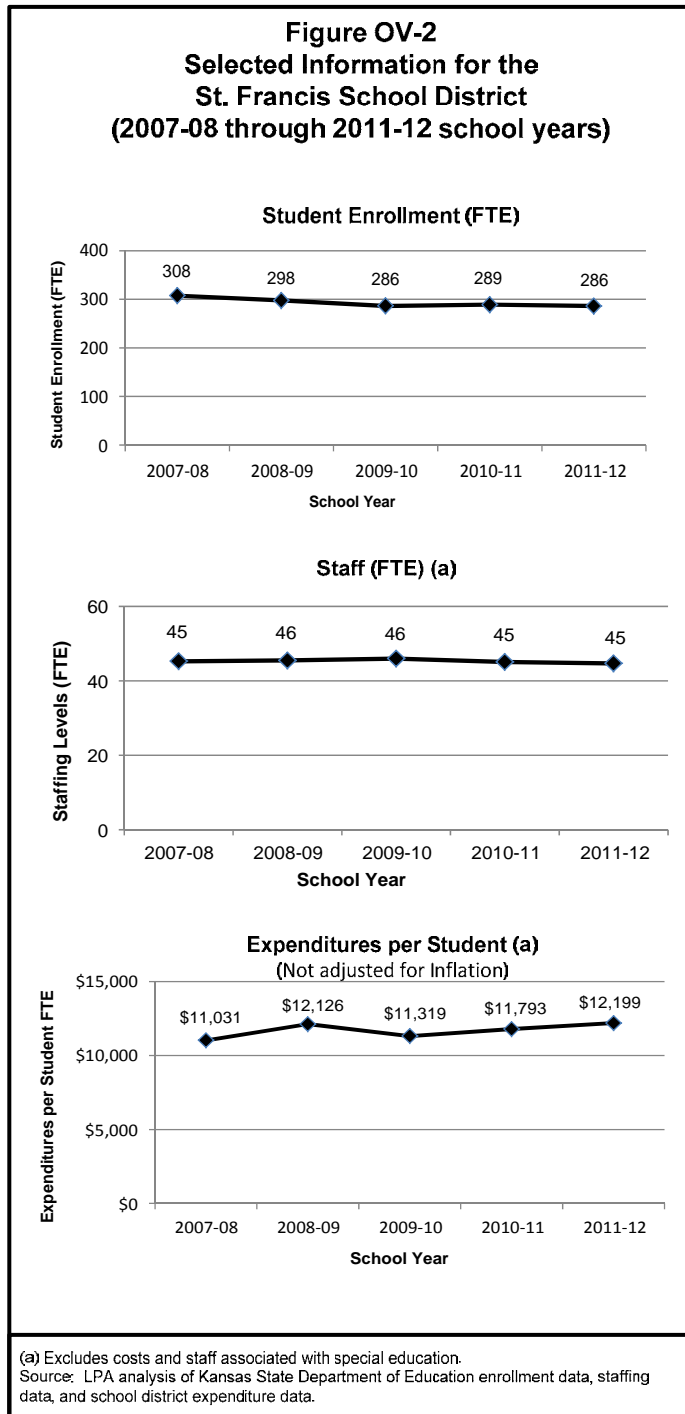
The St. Francis school district is located in northwest Kansas in Cheyenne County. **Figure OV-1** provides a map of the district. As the figure shows, the St. Francis school district has an elementary school and a combined junior-senior high school building. It also has two neighboring districts—Cheylin and Goodland.



**Figure OV-2** on the next page, shows five year trends for enrollment, staffing, and expenditures for the district. As the figure shows:

- **Student enrollment has declined slightly.** The district had 286 full-time-equivalent (FTE) students for the 2011-2012 school year, which was a gradual but steady decrease of about five students a year since the 2007-2008 school year.

- **Staffing levels have remained relatively stable.** The district employed about 45 staff, including 26 FTE certified teachers, in the 2011-2012 school year. Since 2008, staffing levels have dropped by about half an FTE.
- **Expenditures per student have increased.** Total expenditures per student increased from about \$11,000 in 2008 to slightly more than \$12,000 in 2012, or 11%. However, in the past four years, expenditures per student have remained stable.



**Figure OV-3** summarizes 2011-12 school year expenditures included in our review. As the figure shows, district expenditures for that year were \$2.7 million. The majority of spending was for instruction (63%), food service (10%) and operations and maintenance (10%). Across all those categories, most spending was for salaries and benefits.

The expenditures noted above exclude special education and property and equipment expenditures. This is because special education services generally are provided through cooperative arrangements between districts and including them would distort efficiency measures used throughout the report. In addition, we excluded property and equipment purchases because they can be very inconsistent from year to year.

| <b>Figure OV-3</b>   |                    |                    |                       |                   |
|--|--------------------|--------------------|-----------------------|-------------------|
| <b>2011-12 Staff and Expenditures for the St. Francis School District (a)</b>  |                    |                    |                       |                   |
| <b>Category</b>  | <b>Staff (FTE)</b> | <b>Total</b>       | <b>\$ Per Student</b> | <b>% of Total</b> |
| <b>By Function</b>   |                    |                    |                       |                   |
| <b>Instruction</b>   | 26.2               | \$1,695,862        | \$5,930               | 63%               |
| <b>Student Support</b>   | 0.5                | \$25,645           | \$90                  | 1%                |
| <b>Instruction Support</b>   | 1.0                | \$56,139           | \$196                 | 2%                |
| <b>District Admin</b>  | 3.5                | \$157,558          | \$551                 | 6%                |
| <b>School Admin</b>  | 2.6                | \$107,241          | \$375                 | 4%                |
| <b>Ops &amp; Maintenance</b>   | 4.1                | \$262,187          | \$917                 | 10%               |
| <b>Transportation</b>  | 2.2                | \$142,753          | \$499                 | 5%                |
| <b>Food Services</b>   | 3.3                | \$263,880          | \$923                 | 10%               |
| <b>Total (b)</b>   | <b>44.7</b>        | <b>\$2,711,265</b> | <b>\$9,480</b>        | <b>100%</b>       |
| <b>By Object Level</b>   |                    |                    |                       |                   |
| <b>Salaries</b>  | --                 | \$1,733,372        | \$6,061               | 64%               |
| <b>Benefits</b>  |                    | \$462,424          | \$1,617               | 17%               |
| <b>Purchased Services</b>  |                    | \$130,643          | \$457                 | 5%                |
| <b>Supplies</b>  |                    | \$376,520          | \$1,317               | 14%               |
| <b>Other</b>   |                    | \$8,306            | \$29                  | 1%                |
| <b>Total (b)</b>   |                    | <b>\$2,711,265</b> | <b>\$9,480</b>        | <b>100%</b>       |
| <p>(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. Costs associated with transfers or property and equipment expenditures are not included.</p> <p>(b) Totals may not match due to rounding. Because property and equipment were excluded, expenditures per student shown in this figure do not match those shown in <b>OV-2</b>. Additionally, the district reported 1.3 staff FTE in an "other" category. We have added that to the total FTE but did not try to categorize it.</p> <p>Source: LPA analysis of Kansas State Department of Education staffing and expenditure data.</p> |                    |                    |                       |                   |



## Could the St. Francis School District Achieve Significant Cost Savings by Improving Resource Management, and What Effect Would Those Actions Have?

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### *Answer in Brief:*

*The St. Francis school district volunteered for an audit of its operations to help identify potential efficiencies and cost savings. We identified a number of opportunities for the district to operate more efficiently and reduce its costs, and categorized those options into three groups based on their potential impact on students and the community (p. 7).*

*First, we identified options that would have little to no impact on students or the community. We estimated the district could save up to about \$156,000 if it chose to implement all savings options in this category (p. 10). Those options include reducing how much the district spends for food supplies, (p. 11), reducing the superintendent position to part-time (p. 12), paying less for Internet service (p. 13), reducing the cost of foreign language classes (p. 14), using more fuel efficient buses (p. 14), and adopting better business practices (p. 14).*

*Next, we identified three options that would have a moderate impact on students or the community. We estimated the district could save about \$74,000 if it chose to implement all savings options in this category (p. 15). Those options include moving sixth graders to the junior high and using junior high teachers more efficiently (p. 16), offering a retirement incentive to teachers (p. 17), and reducing assistant coaching positions (p. 18).*

*We also identified two savings options that would have a significant impact on students or the community and we estimated the district would save up to about \$270,000 annually if it chose to implement both (p. 18). Those options include arranging the high school schedule to be more efficient and reducing teaching staff (p. 19), and closing the elementary school by moving those students to the junior-senior high (p. 21).*

*Finally, the St. Francis school district does not have a process for effectively evaluating and managing efficiency (p. 22).*

*These and other findings are presented in the sections that follow.*

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### ***The St. Francis School District Volunteered for an Audit of Its Operations to Help Identify Potential Efficiencies and Cost Savings***

School efficiency audits focus on ways in which districts can change the way they currently operate to essentially provide the same quality of educational services 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 more important activities. The size of a district can significantly affect the cost of educating

students. Smaller school districts face some unique challenges in operating efficiently. Those include:

- Smaller districts tend to have higher costs per student. That is because smaller districts generally have smaller class sizes (and therefore relatively more teachers per student), and have fixed costs that are incurred regardless of enrollment levels. Those include district administration, building maintenance, and transportation.
- It may be difficult to obtain supplies at the lowest possible cost. That is because many small districts are located in remote and rural areas, and do not have a large variety of vendors to choose from. This can make it more difficult to get competitive prices for some supplies.
- Significant changes to how schools operate may be met with resistance from the community because of the potential economic and social impacts. School districts are often a major employer in small communities. Significant changes in how the district operates, such as closing a school building, can negatively affect the community and surrounding areas served by the school. As a result, members of the community frequently resist significant changes to their schools.

**The St. Francis school district has taken some steps to improve efficiency, but it lacks a process for evaluating and managing efficiency.** According to district officials, the district has taken the following steps over the past few years to improve its efficiency:

- reduced the number of bus routes
- reduced 1.5 FTE teaching positions, including a part-time junior high teacher and two part-time elementary teachers
- made building efficiency improvements including replacing boilers and single paned windows and doors, and installing more efficient lighting and motion sensors in both the elementary and junior-senior high school
- reduced five coaching positions at the junior high including boys basketball, girls basketball, volleyball, wrestling, and track

Despite those efforts, the district does not have a process for evaluating and managing efficiency. For example, officials do not routinely calculate efficiency measures, (such as spending per student), nor does the district compare itself to peer districts or other benchmarks. We discuss this issue in more detail on page 22.

**We reviewed district operations to identify potential areas where it could reduce costs or generate revenues.** As part of that work, we took the following steps:

- We compared St. Francis school district expenditures to its peers on a per-student basis. We selected 12 other school districts whose demographics were similar in terms of size, property values, poverty levels, and the percent of students who were English language learners. **Appendix B** provides a list of these peer districts. We then compared expenditure amounts for the St. Francis school

district on a per-student basis to the peer districts to identify potential outliers.

- We compared the district's staffing levels to available best practices. For example, we used staffing recommendations from the Association of School Business Officials (ASBO), to help determine how many custodial staff are reasonably necessary to maintain school buildings on a square foot basis.
- We interviewed district officials and staff, toured buildings, and observed district operations.

**We categorized potential cost savings options we identified based on their potential impact on students and the community.** Those savings options are categorized into three groups:

- **Options that would have little to no impact on students or the community and should be implemented.** Some of these options may affect students' daily routines, but will have little effect on students' instructional experience. For example, offering online Spanish classes at the high school rather than purchasing the course on DVD (which is what the district currently does), would result in savings but would have little impact on students because the class would continue to be offered.
- **Options that could have moderate impact on students or the community, but should be considered.** These options will have some effect on student instruction or activities. For example, reducing the number of assistant coaching positions decreases the level of individual instruction students receive in athletics, although it does not directly affect academic instruction.
- **Options that could have significant impact on students or the community.** These options could potentially yield the largest savings, but likely will also affect student instruction or the community in significant ways. For example, closing a school building is one of the most difficult and divisive decisions a school board can make and has a significant economic impact on the community. However, it also may yield sizeable cost savings.

St. Francis school district officials raised a number of concerns about the effect many of the cost savings options would have on students or the community. We could not fully assess the impact of some of these concerns, but we summarized and included them in this report.

The following sections detail the cost savings options we identified in each of the three categories described above.

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***SAVINGS OPTIONS THAT WOULD HAVE LITTLE TO NO IMPACT ON STUDENTS OR THE COMMUNITY AND SHOULD BE IMPLEMENTED***

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The options presented in this section likely would have little to no impact on students or the community. For example, taking steps

to make the district’s food service program more efficient would not negatively affect students.

**Figure 1-1** summarizes the cost savings and revenue enhancements in this category. As the figure shows, we estimated the district would save up to about \$156,000 (or about \$540 per student) annually if it chose to implement all options. Those options include:

- taking steps to reduce how much the district spends on food supplies increasing food service revenues (page 11)
- reducing the superintendent position to part-time (page 12)
- switching to a commercial Internet service provider (page 13)
- using online courses to offer foreign language classes (page 14)
- using more fuel efficient buses for daily routes (page 14)
- adopting better business practices (page 14)

The figure also lists district officials’ concerns as well as our assessment of those concerns.

| <b>Figure 1-1</b>   |   |                     |                  |  |   |
|---|---|---------------------|------------------|--|---|
| <b>Summary of Cost Savings Options for the St. Francis School District</b>  |   |                     |                  |  |   |
| <b>With Little to No Impact on Students or the Community</b>  |   |                     |                  |  |   |
| #   | Option  | Annual Cost Savings |                  | School District Officials' Concerns  | LPA Assessment  |
|   |   | Minimum             | Maximum          |  |   |
| 1a  | Reduce How Much the District Spends on Food Supplies and Increase Food Service Revenues | \$46,000            | \$81,000         | <ul style="list-style-type: none"> <li>• New federal nutrition guidelines allow students access to unlimited fruits and vegetables. This makes it difficult to control portions.</li> <li>• Students and parents may be resistant to a closed lunch period.</li> <li>• Families are resistant to an increase in lunch prices.</li> </ul> | <ul style="list-style-type: none"> <li>• Peer districts with lower supply costs must also meet new federal guidelines. A food service program budget will help reduce supply costs.</li> <li>• Closing the lunch period might increase revenues and could help ensure student safety.</li> <li>• We acknowledge that increased lunch prices affect the community, but the district needs to find ways to make its food services program self-sufficient.</li> </ul> |
| 1b  | Reduce the Superintendent Position to Part-Time   | \$32,000            | \$42,000         | <ul style="list-style-type: none"> <li>• The district may not be able to find a neighboring district willing to share a superintendent.</li> <li>• It would be difficult for a district the size of St. Francis to have one person take on both the superintendent and principal role.</li> </ul>  | <ul style="list-style-type: none"> <li>• Regardless of whether achieving this savings depends on another district, St. Francis officials should pursue this idea if the opportunity arises.</li> <li>• Although this would change how the district operates some other small districts combine these positions.</li> </ul>  |
| 1c  | Switch to a Commercial Internet Service Provider  | \$6,000             | \$20,000         | <ul style="list-style-type: none"> <li>• The current Kan-ed network connection (six megabits) is inadequate to meet the district's Internet service needs.</li> </ul>  | <ul style="list-style-type: none"> <li>• Once a larger commercial connection is available, the district can decide whether it can afford a faster connection. Meanwhile, switching to a six megabit commercial Internet service will reduce costs.</li> </ul>   |
| 1d  | Use Online Courses for Spanish Classes  | \$6,000             | \$9,700          | <ul style="list-style-type: none"> <li>• None.</li> </ul>  | <ul style="list-style-type: none"> <li>• None.</li> </ul>   |
| 1e  | Use More Fuel Efficient Buses   | \$2,800             |                  | <ul style="list-style-type: none"> <li>• One of the fuel efficient buses is an older bus used as a spare.</li> </ul>   | <ul style="list-style-type: none"> <li>• The amount of savings generated justifies using the spare more fuel-efficient bus that is in good working order.</li> </ul>  |
| 1f  | Adopt Better Business Practices   | (a)                 | (a)              | <ul style="list-style-type: none"> <li>• None.</li> </ul>  | <ul style="list-style-type: none"> <li>• None.</li> </ul>   |
| <b>Total</b>  |   | <b>\$92,800</b>     | <b>\$155,500</b> | <b>Annual savings of about \$320 to \$540 per student</b>  |   |
| <small>(a) We did not quantify the savings related to these options.<br/>           Source: LPA analysis of St. Francis school district operations and expenditures, and interviews with school district officials.</small> |   |                     |                  |  |   |



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***Making the Food Services Program More Efficient Could Save Between \$46,000 and \$81,000 a Year***

An ideal food service program should be self-sufficient, generating enough revenues to cover its costs. If a program is not self-sufficient, the district must subsidize it with operating funds that otherwise could be used to support student instruction. The primary factors that affect costs are staffing and supplies, while revenues are affected by meal prices, open lunch policies, and the number of students who receive free or reduced lunch prices.

**The St. Francis school district transferred \$91,500 to cover its food service program deficit in the 2011-12 school year, which was much more than its peers.** Although it is not uncommon for small school districts to have to subsidize their programs, the St. Francis school district transferred significantly more than its peers. The average total of food service transfers among St. Francis' peers was less than half of what the St. Francis school district transferred, and included one peer—the Southern Cloud school district—that did not make any transfers. The year before, the district had to transfer about \$78,000 to cover food service expenditures.

**By aligning its food program expenditures with peer districts, the district could save between \$46,000 and \$81,000 a year.** That amount would be roughly the equivalent to the salary of 1 to 1.5 FTE teaching positions each year. Currently, the district spends \$923 per student on its food services program or about \$250 more per student than the peer average and about \$440 more per student than the lowest spending peer district. We identified several ways the district could reduce supply costs and enhance revenues to help make the district's food service program self-sufficient. Those actions are described below.

**The district should take several steps to reduce food supply costs, which are significantly higher than its peers.** In the 2011-12 school year, the St. Francis school district spent about \$540 on food supplies per student. That was about \$160 more per student than the average of its peer districts. We identified several factors that if addressed, could do much to reduce supply costs.

- **Setting a budget for the food service program could help reduce costs.** Currently, the St. Francis school district does not have a budget for its food service program. A budget is essential to gain control of excessive spending because it helps staff make decisions based on available funds. Setting a budget will be especially important given new federal nutrition guidelines that allow students unlimited access to fruits and vegetables.
- **Coordinating supply purchases and menus between the junior-senior high and the elementary school could help reduce costs.** Currently, the elementary and junior-senior high schools are not on the same daily menu schedule. Coordinating menus between the schools would help decrease delivery charges, reduce

redundant supply orders, and could result in overall lower food supply prices. In addition, coordination will also help the district more closely monitor its food inventory.

- **Competitively bidding or shopping for food supplies and milk in coordination with other districts could help reduce costs.** Currently, the district does not purchase food supplies through a co-operative or require competitive purchasing. Having food vendors compete against each other makes it more likely the district will receive a better price. In addition, if area school districts combined their purchasing power, they might be able to negotiate quantity discounts that otherwise would not be available to individual districts.

**The district could take several steps to increase food service revenues by up to \$7,200 annually which would help cover costs.** Although raising lunch prices has an impact on the community, it is a step district officials should consider because it will help cover food service costs. A summary of the steps the district could take include:

- **Increasing lunch prices could help generate an estimated \$4,600 in additional revenues each year.** St. Francis school district's current lunch prices are \$2.30 per lunch at the junior-senior high and \$1.90 at the elementary school. Although the district regularly increases lunch prices, its prices continue to lag behind state averages. The average lunch price for Kansas school districts is \$2.34 for senior high and middle schools and \$2.10 for elementary schools. If the district increased its lunch prices to the state average, it would generate additional program revenues. Although increases in lunch prices negatively affects students' families, regularly adjusting the lunch price to keep prices on pace with inflation could help alleviate the need for large unpredictable increases in the future.
- **Closing the lunch period could generate an estimated \$2,600 in additional food service program revenues each year.** Currently, juniors and seniors have an open lunch period. Each day about half (22) of those students leave the school during the lunch period. If the district were to close the lunch period, it is likely more of those students would purchase a school lunch, increasing the food service revenues while also decreasing the cost per meal. Students and parents may be resistant to closing the lunch period, but having students remain at school makes it easier to know where they are and improves student safety.

Implementing some or all of these steps may not make the district's food service program completely self-sufficient, but it should help reduce the need to transfer funds to cover costs.

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***Reducing the Superintendent Position to Part-Time Could Save Between \$32,000 and \$42,000 Annually***

The St. Francis school district's low student enrollment makes it possible for it to function with a part-time superintendent position. Having a part time superintendent is not unusual. In the 2011-12 school year, at least 54 Kansas school districts had a part time superintendent (the average enrollment for these districts

was 245 FTE). Currently, the St. Francis school district has one full-time superintendent for about 286 students.

The St. Francis school district could reduce its full-time superintendent to a part-time position in one of two ways. One option is to share the position with a neighboring district, such as Cheylin, which recently advertised for an open superintendent position. If St. Francis could share its superintendent with Cheylin, it could save \$32,000 or about \$111 per student annually. We do not know whether Cheylin would be willing to share a superintendent, but St. Francis school district officials should watch for such an opportunity.

A second option would be to have one person cover both the superintendent and principal duties within the St. Francis school district. Currently, the St. Francis school district has a full-time superintendent and a full-time principal. If both of these positions were reduced to part-time, the superintendent could cover both roles. We estimate that this increased responsibility would require a salary increase for the superintendent of about \$30,000, but that amount is still much less than the district would spend on two separate positions. Taking this action could save about \$42,000 or about \$150 per student.

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***Switching to a Commercial Internet Service Provider Could Save Between \$6,000 and \$20,000 a Year***

Currently, the St. Francis school district pays about \$23,000 a year for a six-megabit connection to the Kan-ed network. The Kan-ed program provides a virtual private network designed to support video conferencing and distance learning as well as access to broadband Internet.

In our January 2012 audit report of Kan-ed, we found that many school districts could switch to commercial Internet service and achieve significant savings. That is because districts did not need the more expensive, private Kan-ed Internet connection that supports interactive distance learning. The St. Francis school district uses its Kan-ed network connection only to access the Internet and not for interactive distance learning. District officials told us they continued to use Kan-ed because they thought they had no other options for reliable Internet service.

If the St. Francis school district switched to a six-megabit connection through a commercial Internet provider, it would cost about \$2,600 a year and the district could save up to \$20,000 a year. However, district officials were concerned about whether a commercial Internet connection would be as reliable as a Kan-ed network connection. The commercial Internet connection would be a Digital Subscriber Line (DSL), which is shared with other users and at times could provide less consistent service. To address these concerns, the district could switch to a six-megabit

connection with guaranteed availability. Such a connection is significantly more expensive than a regular connection (about \$16,600 a year), but could still save the district about \$6,000 a year as compared to the cost of its Kan-ed connection.

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***Using Online Courses to Provide Foreign Language Classes at the High School Could Save Between \$6,000 and \$9,700 Annually***

District officials told us they were interested in a lower cost alternative for providing foreign language courses. Currently, the district spends about \$19,000 annually to offer Spanish I and Spanish II courses through Kansas State University. Students watch pre-recorded instructional videos during class time and are supervised by a district teacher.

Using an online program could save the district about \$6,000 to \$9,700 annually. The St. Francis school board recently approved a plan to pursue online options for providing foreign language at the high school. Most recently, district officials were considering using Middlebury Interactive Languages. Pursuing an alternative instruction method, such as online courses, would not only save the district money but could potentially allow students the opportunity to learn other languages.

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***Using More Fuel Efficient Buses on Daily Routes Could Save About \$2,800 Annually***

Using a more fuel efficient spare bus could save the district about \$2,800 in annual fuel costs. The district currently owns six buses: four are used for daily routes and two are spares. The regular route bus averages only about six miles per gallon, while the spare bus averages about nine miles per gallon. Using the more fuel efficient spare bus in place of the less fuel efficient regular route bus would save the district fuel costs, and the fuel inefficient bus could still be kept as a spare. District officials told us that the spare bus is an older bus but that it is still in good working order and could be used on a daily basis.

Moreover, the district could likely reduce fuel costs by competitively purchasing vehicle fuel. In 2011-12 the district spent \$41,000 on fuel. Although there are two fuel vendors in town, the district does not competitively purchase or solicit bids for fuel.

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***Adopting Better Business Practices Could Help the District Achieve Additional Savings***

We identified several areas in which St. Francis could potentially achieve cost savings by improving some of its business practices. We did not quantify the potential savings for these options because we focused our efforts on quantifying larger cost savings options. However, in past school efficiency audits the savings have ranged from a few hundred to several thousand dollars. Options we identified include:

- **Automating paper-driven processes could reduce the district's postage and paper costs.** The district currently communicates with parents and its board primarily through printed material. In addition, it pays most bills with paper checks. By relying less on paper and using electronic process such as email and electronic bill paying instead, the district could achieve some savings.
- **Competitively purchasing or soliciting bids for goods and services could help lower district costs.** For example, the district spent about \$52,000 for automobile, liability, and property insurance in the 2011-12 school year. However, district officials told us they have not regularly solicited bids for insurance services and have used the same provider for several years.

For items that cost more than \$20,000, the district's policy is to solicit bids. That policy is consistent with state law, but competitive bidding guidelines from Kansas State Department of Education (KSDE) note that school boards can choose to lower the bidding threshold. Lowering the threshold could help ensure the best possible price for more items. Additionally, the district does not have a formal policy requiring staff to competitively shop for items under its current threshold. Instead, it simply encourages competitive shopping. Having and following a policy that requires competitive shopping may also help lower costs.

- **Selling unused surplus property could generate additional one-time revenue for the district.** During our onsite visit, we noticed surplus property such as books, desks, computers, and athletic equipment. These items could be sold through the state's contractor for online auctions (Purple Wave, Inc.) and the district would not have to pay a commission to sell the items (the buyer pays a 10% commission).

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***SAVINGS OPTIONS THAT COULD HAVE A MODERATE IMPACT ON STUDENTS OR THE COMMUNITY, BUT SHOULD BE CONSIDERED***

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The options presented in this section would likely have a moderate impact on students or the community, but the district should consider implementing them. For example, moving sixth grade students to the junior-senior high would change the students' daily school routine. Generally, students would go from having one teacher cover most subjects to having a different teacher for each subject. However, as we explain below, moving the sixth grade to the junior-senior high would allow the district to use its junior high teachers more efficiently.

**Figure 1-2** on the next page summarizes the cost savings and revenue enhancements we identified in this category. As the figure shows, we estimated the district would save about \$74,000 (\$260 per student) annually if it chose to implement all options. Those options include:

- using junior high teachers more efficiently (page 16)
- offering a retirement incentive to eligible teachers (page 17)
- reducing assistant coaching positions (page 18)

The figure also lists district officials' concerns as well as our assessment of those concerns.

| <b>Figure 1-2<br/>Summary of Cost Savings Options for the St. Francis School District<br/>With <u>Moderate</u> Impact on Students or the Community</b>  |  |                     |         |  |   |
|---|--|---------------------|---------|--|---|
| #   | Option   | Annual Cost Savings |         | School District Officials' Concerns  | LPA Assessment  |
|   |  | Minimum             | Maximum |  |   |
| 2a  | <b>Move Sixth Graders to the Junior High and Use Junior High Teachers More Efficiently</b> | \$53,000            |         | <ul style="list-style-type: none"> <li>Some parents may have concerns about sixth graders attending school with older high school students.</li> </ul> | <ul style="list-style-type: none"> <li>Although students would share a building, junior high students have their own wing of the high school and would not share classroom time with high school students. Additionally, we identified almost 30 districts that had a combined sixth through twelfth grade school.</li> </ul> |
| 2b  | <b>Offer a Retirement Incentive to Staff Who Are Currently Eligible to Retire</b>          | \$17,000 (a)        |         | <ul style="list-style-type: none"> <li>Teachers may not choose to retire.</li> </ul>   | <ul style="list-style-type: none"> <li>The district can still offer a retirement incentive to current staff--there is no loss if the staff choose to reject the offer.</li> </ul>   |
| 2c  | <b>Reduce Assistant Coaching Positions</b>   | \$4,000             |         | <ul style="list-style-type: none"> <li>Reducing coaching staff decreases the level of individual instruction athletes may receive.</li> </ul>          | <ul style="list-style-type: none"> <li>Some districts have eliminated some assistant coaching positions as a cost savings measure.</li> </ul>   |
| <b>Total</b>  |  | <b>\$74,000</b>     |         | <b>Annual savings of about \$260 per student.</b>  |   |
| <small>(a) Savings from the first year. Five year savings range from \$45,000 to \$47,000.<br/>Source: LPA analysis of St. Francis school district operations and expenditures and interviews with school district officials.</small> |  |                     |         |  |   |

***Moving Sixth Graders to the Junior High Would Help Use Junior High Teachers More Efficiently and Could Save About \$53,000 Annually***

We reviewed the district's schedule for each school and the number of students in each class to determine if savings could be achieved by using teachers more efficiently. We also interviewed district officials to understand how changes might affect the students and the community.

**Moving the sixth graders to the junior high school would reduce the need for one elementary teacher and save about \$53,000 a year.** Currently, sixth graders attend the elementary school, while seventh and eighth graders attend classes in a wing of the junior-senior high building. Because there are so few seventh and eighth grade students (about 40 in total), many junior high teachers have small class sizes and multiple planning periods. Although a single planning period is common in most districts, several St. Francis school district teachers have multiple planning periods throughout the day. By combining low enrollment classes, filling the remaining classes with more students, and reducing teacher planning periods, the district's current seventh and eighth grade teachers could also teach sixth graders. This would eliminate the need for a dedicated sixth grade teacher at the elementary school.

We reviewed teaching schedules and class sizes and found that the junior high portion of the St. Francis Junior-Senior High School can accommodate the sixth graders. As *Figure 1-3* shows, if sixth graders moved to the junior-senior high, class sizes would increase somewhat because low enrollment classes would be combined. Additionally, many teachers' planning periods would be reduced to free up time for them to teach sixth grade classes.

**Although parents may have concerns about sixth graders attending the junior-senior high school, it is a common arrangement.** District officials told us they have considered moving the sixth graders to the junior high to better use the district's junior high teachers, but parents have expressed concerns about sixth graders attending school in the same building with high school students. Although students would share a building, junior high students have their own wing of the high school and would not share classroom time with high school students. Additionally, we identified almost 30 districts (as of 2010, the most recent data we had available) that had a combined sixth through twelfth grade school.

**Figure 1-3**  
**Class Size and Teaching Schedule Changes that Would Result from Moving Sixth Graders to the St. Francis Junior-Senior High**

| Subject        | Current Maximum Class Size | Current Junior High Schedule (Without Sixth Graders) |                    |                                | Proposed Junior High Schedule (With Sixth Graders) |                    |                                | Difference in Average Class Size |
|----------------|----------------------------|--|--------------------|--------------------------------|--|--------------------|--------------------------------|----------------------------------|
|                |                            | # Teaching Periods                                   | # Planning Periods | Average Junior High Class Size | # Teaching Periods                                 | # Planning Periods | Average Junior High Class Size |                                  |
| Art (a)        | 24                         | 9  | 0                  | 14                             | 9  | 0                  | 22                             | 8                                |
| Computer (a)   | 24                         | 8  | 1                  | 12                             | 8  | 1                  | 18                             | 6                                |
| English        | 24                         | 7  | 2                  | 14                             | 8  | 1                  | 17                             | 3                                |
| Math           | 24                         | 6  | 3                  | 10                             | 7  | 2                  | 13                             | 3                                |
| Music (a)      | 35                         | 6  | 0                  | 29                             | 6  | 0                  | 30                             | 1                                |
| PE (a)         | 35                         | 9  | 0                  | 24                             | 9  | 0                  | 27                             | 3                                |
| Science        | 24                         | 7  | 2                  | 11                             | 8  | 1                  | 14                             | 3                                |
| Social Studies | 24                         | 7  | 2                  | 14                             | 8  | 1                  | 18                             | 4                                |

Shading indicates change. For example, average class size would increase slightly and planning periods would decrease.

(a) The teaching load for these teachers does not change because they previously had time allocated for teaching sixth graders at the elementary school. If the sixth graders were moved to junior-senior high, these teachers would still teach sixth graders. Additionally, we assumed all sixth graders would take these courses. However, if district officials chose to make these electives, the class sizes likely would be smaller.  
Source: LPA analysis of St. Francis elementary and junior-senior high schedules.

***Offering a Retirement Incentive to Staff Currently Eligible to Retire Could Save up to \$17,000 in the First Year***

By offering to pay the health insurance premiums for teachers who are eligible to retire, we estimated the district could save up to \$17,000 in the first year if the three teachers closest to retiring actually retired. The St. Francis school district has 26 teachers, of which 19 currently are eligible to retire. Savings are achieved by either replacing retired staff with less experienced (and therefore lower-paid) staff or by not replacing the retired staff at all.

Given that it is possible for the St. Francis school district to save a total of \$45,000 to \$48,000 over the next five years, offering a retirement incentive is an option that district officials should explore.

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***Reducing Assistant Coaching Positions Could Save About \$4,000 Annually***

By reducing two assistant coaching positions, the St. Francis school district could save about \$4,000 a year. The district's participation rates have declined for some sports, including high school football and girls' basketball. Eliminating assistant positions has become increasingly common—some districts have already eliminated assistant coaching positions as a cost savings measure. If the St. Francis school district were to do the same, it could reduce a high school football coach and a junior high volleyball coach. District officials noted they have cut several coaching positions in recent years, and they already have plans to eliminate one junior high volleyball coach next year.

However, reductions in coaching staff decreases the level of individual instruction athletes may receive, and may reduce playing opportunities for some students.

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***SAVINGS OPTIONS THAT COULD HAVE A SIGNIFICANT IMPACT ON STUDENTS OR THE COMMUNITY***

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The options presented in this section would have a significant impact on students or the community. For example, closing the elementary school and moving those students to the junior-senior high would mean that younger students would share a building with older students and the district would need to coordinate the use of computer labs, music rooms, and the lunch room. Additionally, if staff positions were eliminated, in such a small community it would likely be difficult to find another job.

***Figure 1-4*** on page 19 provides a summary of the cost savings in this category. As the figure shows, we estimated the district would save up to \$273,000 (\$950 per student) annually if it chose to implement these options. Those options include:

- arranging the high school schedule to be more efficient (page 19)
- closing the elementary school (page 21)

The figure also lists district officials' concerns as well as our assessment of those concerns.



**Figure 1-4  
Summary of Cost Savings Options for the St. Francis School District  
With a Significant Impact on Students or the Community**

| #   | Option   | Annual Cost Savings |                  | School District Officials' Concerns   | LPA Assessment   |
|---|--|---------------------|------------------|---|--|
|   |  | Minimum             | Maximum          |   |  |
| 3a  | <b>Arrange the High School Schedule to be More Efficient and Reduce Some Teaching Positions</b>          | \$40,000            | \$120,000        | <ul style="list-style-type: none"> <li>It may be difficult to keep or hire part-time teachers and difficult to find other districts willing to share part-time teachers.</li> <li>Cutting elective courses reduces opportunities for students and makes it more difficult for students to fill out their course schedules.</li> </ul>   | <ul style="list-style-type: none"> <li>St. Francis school district officials told us it may be possible to share some teachers with surrounding districts.</li> <li>We acknowledge that cutting elective courses would have this effect.</li> </ul>  |
| 3b  | <b>Close the Elementary School and Move Kindergarten Through Sixth Graders to the Junior-Senior High</b> | \$117,000           | \$153,000        | <ul style="list-style-type: none"> <li>Parents may not want their elementary students to share a building with junior-senior high students.</li> <li>The community would have a mostly unused and vacant building that will be difficult to sell. (Officials noted they likely would not want to sell the elementary building because the gymnasium portion is needed for athletic practices.)</li> <li>Closing a building would result in layoffs, which would be difficult in such a small town.</li> </ul> | <ul style="list-style-type: none"> <li>Elementary students would not share classes with older students, and steps can be taken to minimize contact between older and younger students.</li> <li>We acknowledge that the building would be mostly vacant and difficult to sell.</li> <li>We acknowledge the difficulties inherent in staff layoffs in a small town. However, by having a plan to accomplish staff reductions through attrition, layoffs are less likely.</li> </ul> |
| <b>Total (a)</b>  |  | <b>\$157,000</b>    | <b>\$273,000</b> | <b>Annual savings of about \$550 to \$950 per student.</b>  |  |
| <small>(a) Includes \$53,000 in potential cost savings achieved from moving sixth graders to the junior-senior high. These costs savings are shown in Figure 1-2. The unduplicated savings would be a minimum of \$104,000 and a maximum of \$220,000.<br/>Source: LPA analysis of St. Francis school district operations and expenditures and interviews with school district officials.</small> |  |                     |                  |   |  |

***Arranging the High School Schedule to be More Efficient Would Allow the District to Reduce Teaching Positions and Save \$40,000 to \$120,000 Annually***

We reviewed the district’s schedule and class sizes to determine if the district could achieve savings by arranging its high school schedule in a more efficient way.

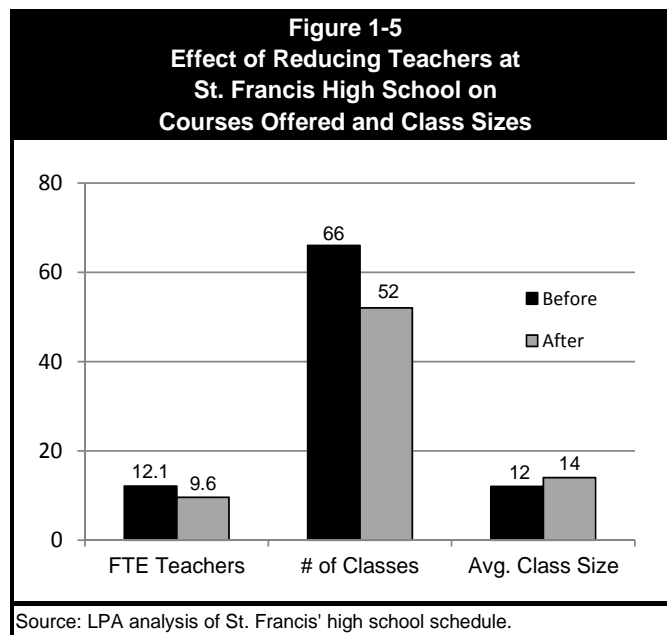
**By having elementary teachers teach physical education (PE), the district could reduce one teaching position and save \$40,000 annually.** Currently, the district has two PE teachers. One teacher is responsible for elementary, junior high, and freshman PE and the second is responsible for tenth through twelfth grade PE. District officials told us they have considered having kindergarten through fourth grade classroom teachers provide physical education instead of having a dedicated physical education teacher for elementary students. If the district did this, one PE teacher could cover all PE responsibilities for the district.

The second PE teacher also supervises two Spanish courses and coaches three sports. Although those supervisory duties and some of the coaching responsibilities could be absorbed by existing staff, district officials said they may need to find someone to fill

coaching positions. However, this could be accomplished without any additional costs because the district already pays for this coaching position.

**The district could save an additional \$80,000 if it could reduce its wood technology, vocational agriculture, and librarian positions to part-time; however filling part-time positions could be difficult.** This can be accomplished by combining low enrollment courses and changing how the high school library is staffed. Our analysis of how the number of teachers, courses, and class sizes would change if the district reduced teaching staff is shown in *Figure 1-5*. As the figure shows, the average class size would increase from 12 to 14. We found that:

- **The wood technology and vocational agriculture teaching positions could each be reduced to part-time by eliminating low enrollment electives and combining other low enrollment courses.** A number of wood technology courses only have a few students enrolled. For example, drafting and residential carpentry both only have three students each. The district also has a number of courses that are offered multiple times throughout the day but each class is only half full. For example, an agriculture course is offered twice but each class has 10 or fewer students. If the district reduced how often courses were offered and eliminated low enrollment courses, the wood technology and vocational agriculture teaching positions could be reduced to part-time.
- **The librarian position can be reduced to part-time by changing how the library is staffed.** Currently, the district has one librarian who staffs the high school and elementary libraries and teaches two family and consumer science classes. By having an existing position staff the high school library instead, the current librarian could be reduced to part-time. Officials told us the district currently has enough staff to make this change without adding an additional position.



The district may have to overcome some barriers in order to implement these savings options. For example, eliminating low enrollment elective courses, or combining low enrollment classes and filling them closer to capacity means students will have fewer courses to choose from and courses will be offered less often. In addition, it may be difficult for the district to keep or hire part-time teachers. However, district officials told us they were interested in trying to share some teachers with a neighboring district.

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***By Closing the Elementary School and Teaching Students in a Single K-12 School, the District Could Save About \$117,000 to \$153,000 Annually***

We evaluated whether it was possible to move elementary students into the district's junior-senior high school. We reviewed class schedules, toured the districts' buildings, and reviewed floor plans. We also interviewed St. Francis school district officials to understand what affect closing a building would have on students and the community. Closing the elementary building would result in the district having a single kindergarten through twelfth grade (K-12) school. Although less common than having sixth through eighth graders in a junior high, we identified at least a dozen Kansas school districts with a single K-12 school.

**The junior-senior high has enough room to accommodate the district's elementary school students.** Currently, the district has two buildings: a kindergarten through sixth grade elementary school and a seventh through twelfth grade combined junior-senior high school. The buildings are about two blocks apart. Declining enrollment in the district has caused a significant amount of unused and underused space within the junior-senior high. By converting unused space to classrooms and better using existing classrooms, the district could create enough space in the junior-senior high to accommodate the elementary students.

**After one-time renovation costs, total savings would range from between \$117,000 to \$153,000 annually.** Most of the savings results from reducing staff positions that would no longer be needed including one teaching position, three food service positions (one full-time position and two part-time positions), and one or two custodial positions. The remaining savings results from lower utility costs. Although moving the elementary students into the junior-senior high would achieve significant savings, the district would need to renovate the building. District officials estimated renovation costs to be between about \$160,000 and \$200,000. Renovation costs include re-locating a computer lab and a kitchen used for culinary arts classes, converting a large unused storage area into three classrooms, and re-locating the existing playground or building a new one.

**Parents may have concerns about elementary students sharing a building with older students.** Although students would share a building, they would not share regular classrooms. Facilities such as computer labs, music rooms, gyms, and the lunch room could be shared but would not be used at the same time. Nevertheless, this would be a significant change in how the district operates and parental concerns would need to be addressed before making this change. Additionally, because of limited space, the sixth graders would need to be included in the junior high rather than the elementary portion of the building.

**Closing the elementary school will have an impact on the community.** As noted above, closing the elementary school likely would mean staff could be reduced by four or five positions. If staff positions were eliminated it might be difficult to find another job in such a small town. District officials also told us that because the district has only two gyms, the elementary school gym would still need to be kept open. Because of this, selling the building is unlikely. However, even if the district wanted to sell the building, it would be difficult to sell in such a small community.

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***FINDINGS RELATED TO ST. FRANCIS SCHOOL DISTRICT'S EFFICIENCY MANAGEMENT PROCESS***

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***The District Does Not Have a Process for Effectively Evaluating and Managing Efficiency***

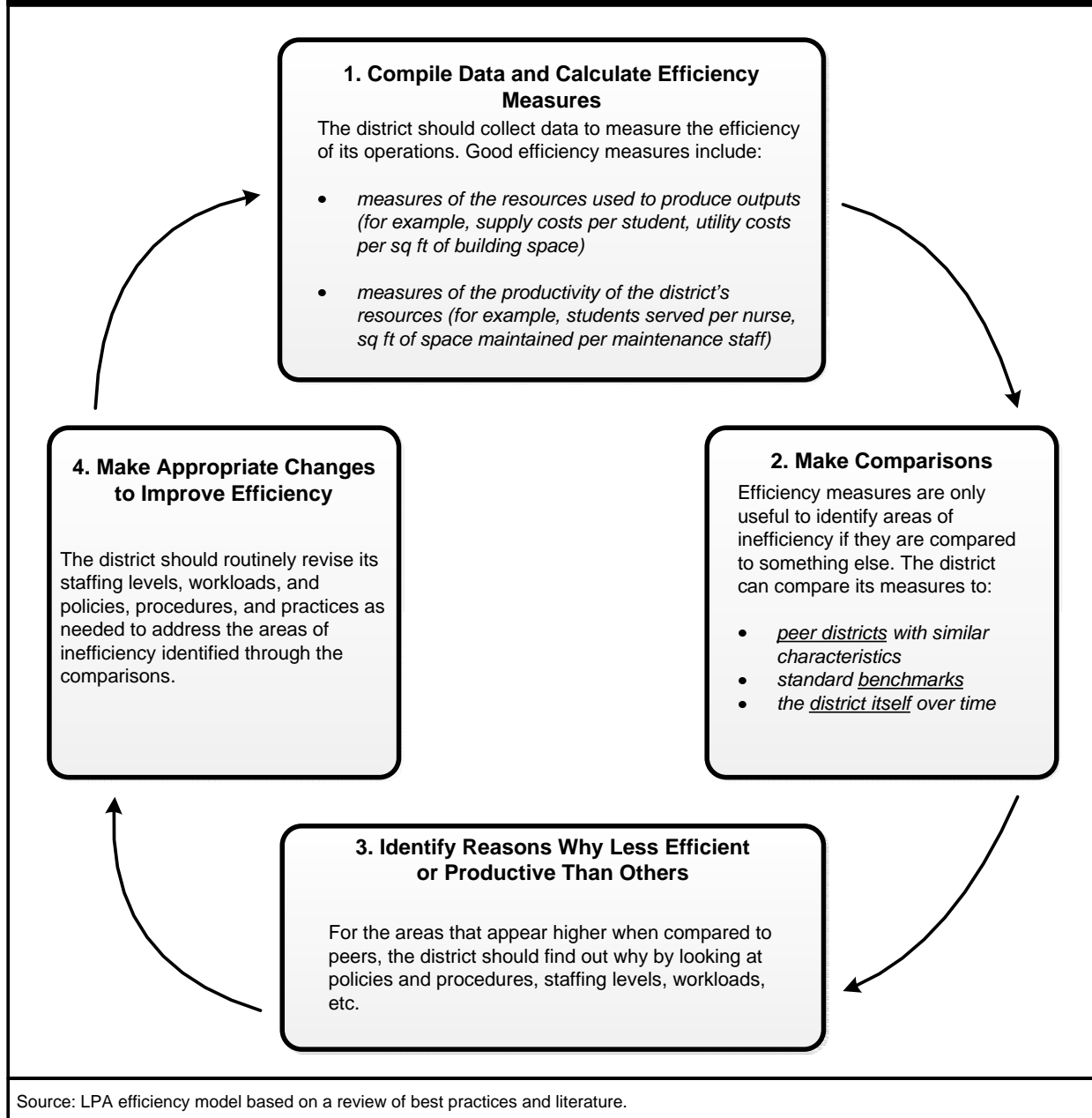
Measures of efficiency are calculated ratios that capture the relationship between inputs (the resources used) and outputs (the things accomplished or produced). For educational entities, the primary measures of efficiency include expenditures per student, staff per student, and number of activities per employee (for example, 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 and to standard benchmarks. This allows a district to see how it compares and to 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.

A model for a good efficiency management process is summarized show in **Figure 1-6** on page 23. As the figure shows, the process includes four steps:

- compiling data and calculating efficiency measures
- comparing those measures to peer districts or benchmarks
- identifying reasons for any outliers
- making appropriate changes to improve efficiency

**Figure 1-6  
Model Efficiency Management Process**



As noted earlier in the report, St. Francis school district officials have taken some steps to improve efficiency. However, the district does not have a process for effectively evaluating and managing efficiency as described below.

- **District officials told us they do not calculate measures of efficiency.** For example, officials do not calculate spending on a per-student basis for various types of spending such as administration, transportation, and food service.
- **District officials do not use data to make comparisons with peers, standards, or benchmarks.** District officials told us they do not compare their spending or staffing levels 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. 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 district does not have a systematic process to routinely revise its policies, procedures, and practices as needed to address areas of efficiency.** District officials told us that although they routinely revise policies and procedures, they do not do so based on efficiency measure comparisons

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***Recommendations for  
District Action or  
Consideration***

Because of the potential for reducing costs with little to no impact on educational services provided to students, the St. Francis school district should implement the following cost savings options:

1. Improve the efficiency of the food service program (p.11 and 12) by taking the following actions:
  - a. set a budget for the food service program;
  - b. closely monitor its food inventory;
  - c. coordinate and jointly purchase supplies for both school buildings;
  - d. competitively shop or solicit bids from food vendors;
  - e. combine purchasing power with other districts.
2. Explore the possibility of reducing the superintendent position to part-time (p. 12 and 13).
3. Reduce costs for Internet service by terminating service with Kan-ed and switching to a commercial Internet provider (p. 13 and 14).
4. Reduce curriculum costs by replacing the current video curriculum for Spanish classes with a less expensive alternative (p. 14).
5. Reduce fuel costs by using more fuel efficient buses on daily routes and competitively purchasing vehicle fuel (p. 14).
6. Explore whether cost savings could result and if so, adopt the following better business practices (p. 14-15 and 22-23), including:
  - a. automating paper-driven processes;
  - b. paying bills electronically;
  - c. regularly soliciting bids for automobile and liability insurance
  - d. implementing a policy for competitively shopping for

- items under \$20,000;
- e. selling surplus property; and
- f. implementing an efficiency management process.

Because of the potential for impact on students and the community, the St. Francis school district should consider implementing the following cost savings options:

7. Increase food service revenues by taking the following actions (p. 12):
  - a. increase lunch prices to the state average.
  - b. index lunch prices to an inflation rate to avoid large price jumps in the future.
  - c. close the open lunch period for juniors and seniors.
8. Use junior high teachers more efficiently by moving the sixth graders into the junior-senior high school (p. 16 and 17).
9. Reduce salary costs by offering a retirement incentive for staff members eligible to retire (p. 17 and 18).
10. Reduce supplemental contract costs by decreasing the number of assistant coaching positions (p. 18).
11. Rearrange the high school course schedule to reduce (page 19-21):
  - a. one FTE physical education teaching position
  - b. the wood technology position to a part-time position
  - c. the vocational agriculture teaching position to part-time
  - d. the librarian position to part-time
12. Address unused and underutilized space in the high school by closing the elementary school and moving the elementary students into the junior-senior high school (p. 21 and 22).





## APPENDIX A

### Scope Statement

This appendix contains the scope statement approved by the Legislative Post Audit Committee for this audit on July 10, 2012. The audit was required by a 2013 budget proviso.

#### **K-12 Education: Efficiency Audit of Selected School Districts**

During fiscal year 2010, the Legislative Division of Post Audit conducted voluntary efficiency audits of school districts. Officials from several school districts volunteered for the audits as a way to help them identify ways they could reduce costs without affecting the education they provide students. In total, seven school district efficiency audits were conducted. Among other things, these audits found potential savings related to food service programs, high school scheduling, and consolidating administrative functions into a single building.

During the 2012 legislative session, legislators expressed an interest in having us perform an efficiency audit similar to those performed in 2009 and 2010. As a result of that interest, the Legislature included a proviso in the fiscal year 2013 appropriations bill requiring an audit of three school districts by the end of the fiscal year.

This school district performance audit answers the following question:

- 1. Could selected school districts achieve significant cost savings by improving resource management, and what effect would those actions have?** To answer this question, we would select three school districts for review (one small, one medium, and one large), with preference given to districts that voluntarily requested an audit. We would interview district officials, tour facilities, and compare each district's staffing and expenditures to its peers to identify areas where the district could potentially save money. We would evaluate each district's practices in the areas we identified to see if there are ways the district could use fewer resources without significantly affecting their ability to educate students. Further, we would interview school district officials and others to identify the potential effect those actions might have on the local community, teachers, parents, and students. Finally, we would survey school districts to identify what types of efficiency measures they have already taken to reduce costs. We would perform additional work in this area as necessary.

**Estimated Resources:** 3 LPA staff

**Estimated Time:** 6 months (a)

- (a) *From the audit start date to our best estimate of when it would be ready for the committee. This time estimate includes a two-week agency review period.*



## APPENDIX B

### Detailed Information About Efficiency Measures Used to Compare St. Francis School District With Its Peers

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

#### Peer Selection

To select peers for the St. Francis school district, we did two 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 peer districts that were most similar to the St. Francis school district based on those measures.

The list of St. Francis school district's peers is included in this appendix on page 30.

#### Peer Comparisons

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

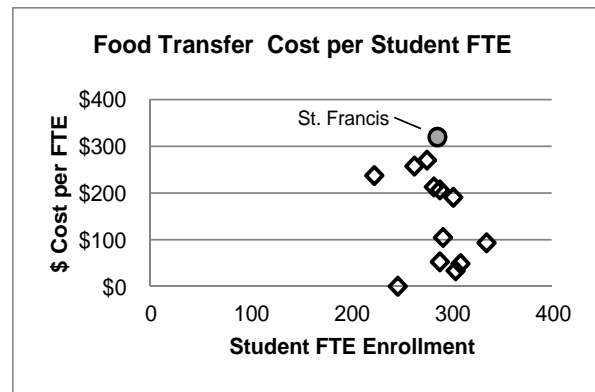
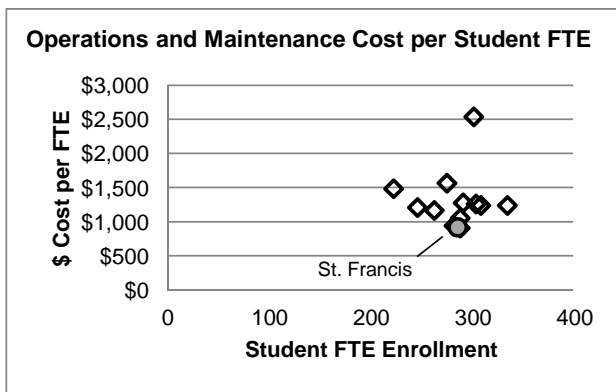
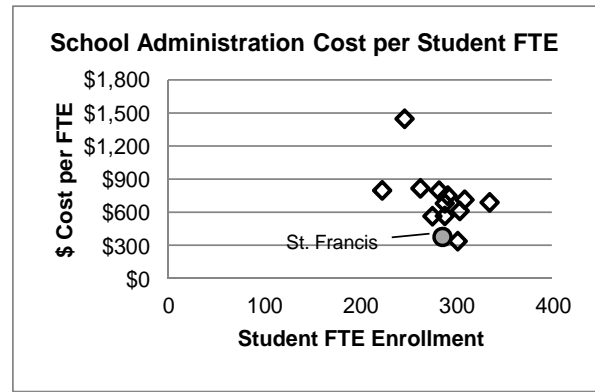
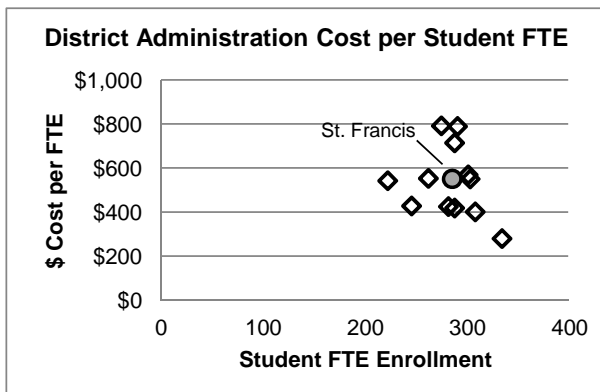
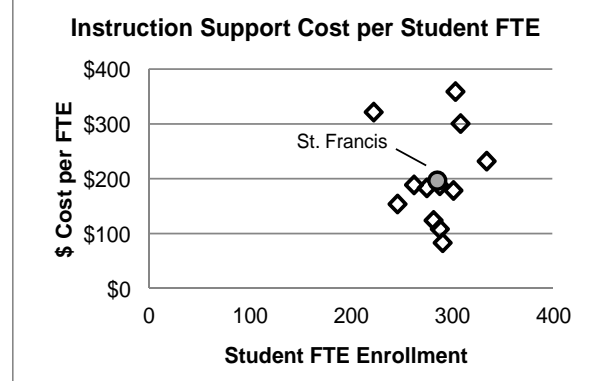
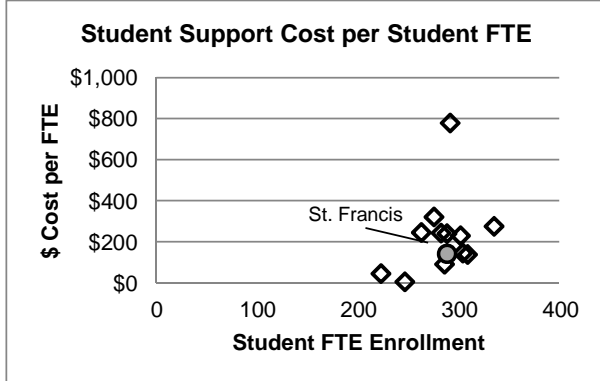
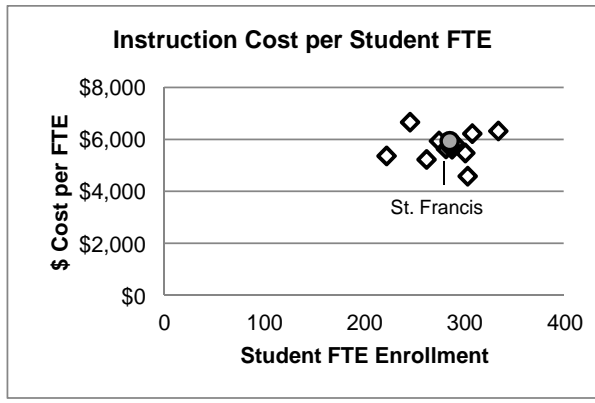
- **When compiling efficiency measures for the districts, we focused on six functional areas: instruction, district-level administration, school-level administration, instructional support, student support, and operations and maintenance.** We looked at 2011-12 expenditure, enrollment, and staffing data for each of the areas. We used that 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 St. Francis school district and its peers are included in this appendix.
- **We did not compare student transportation expenditures across districts.** The St. Francis school district currently has four regular bus routes. Given that small number, a separate analysis to compare the district's transportation expenditures to peers would not have been an efficient use of audit time.

The expenditure and staff comparisons for St. Francis and its peer districts begin on page 32.

**Appendix B**  
**Demographic Information for the St. Francis School District and Its Peers**  
**2011-12 School Year**

| <b>USD # and Name</b>  | <b>Student Enrollment (FTE)</b> | <b>% Free Lunch Students</b> | <b>% Bilingual Students</b> | <b>Assessed Property Valuation per Student</b> |
|--|---------------------------------|------------------------------|-----------------------------|--|
| 105 - Rawlins County   | 309                             | 35%                          | 2%                          | \$75,476                                       |
| 107 - Rock Hills   | 292                             | 38%                          | 0%                          | \$94,680                                       |
| 219 - Minneola   | 263                             | 32%                          | 3%                          | \$82,139                                       |
| 224 - Clifton-Clyde  | 289                             | 28%                          | 0%                          | \$79,539                                       |
| 227 - Jetmore  | 302                             | 27%                          | 9%                          | \$123,752                                      |
| 271 - Stockton   | 276                             | 34%                          | 0%                          | \$103,926                                      |
| 293 - Quinter  | 283                             | 28%                          | 1%                          | \$97,184                                       |
| 294 - Oberlin  | 335                             | 28%                          | 0%                          | \$94,855                                       |
| <b>297 - St. Francis</b>   | <b>286</b>                      | <b>32%</b>                   | <b>2%</b>                   | <b>\$99,457</b>                                |
| 299 - Sylvan Grove   | 223                             | 32%                          | 0%                          | \$86,903                                       |
| 303 - Ness City  | 304                             | 29%                          | 0%                          | \$141,373                                      |
| 334 - Southern Cloud   | 247                             | 36%                          | 0%                          | \$77,164                                       |
| 395 - LaCrosse   | 289                             | 35%                          | 0%                          | \$74,323                                       |
| Source: LPA analysis of district information provided by the Kansas State Department of Education. |                                 |                              |                             |  |

**APPENDIX B  
The St. Francis School District  
And Its Peers (a)  
2011-12 Graphed Cost Information**



(a) Data does not include transportation or special education costs.  
Source: LPA analysis of school district expenditures and enrollment from the Kansas Department of Education.

**Appendix B  
2011-12 Operating Expenditures Per Student for St. Francis and its Peers**

| MEASURES (a)                             | School Districts   |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
|--|--------------------|----------------------|----------------|----------------|----------------|-------------------|---------------------|----------------|------------------|----------------|-----------------|----------------------|----------------|
|  | Sylvan Grove (299) | Southern Cloud (334) | Minneola (219) | Stockton (271) | Quinter (293)  | St. Francis (297) | Clifton-Clyde (224) | LaCrosse (395) | Rock Hills (107) | Jetmore (227)  | Ness City (303) | Rawlins County (105) | Oberlin (294)  |
| <b>Sorted by:</b>                        |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| <b>Enrollment (FTE)</b>                  | 223.0              | 246.5                | 263.0          | 275.6          | 282.5          | 286.0             | 288.5               | 288.5          | 291.5            | 302.0          | 304.1           | 309.0                | 335.1          |
| <b>Instruction</b>                       |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| <b>Expenditures Breakdown</b>            |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| Salaries                                 | \$3,898            | \$4,406              | \$3,597        | \$4,008        | \$3,868        | \$4,332           | \$4,399             | \$4,065        | \$4,347          | \$4,181        | \$3,409         | \$4,695              | \$4,865        |
| Employee Benefits                        | \$848              | \$1,615              | \$708          | \$1,290        | \$1,164        | \$1,334           | \$688               | \$945          | \$919            | \$535          | \$689           | \$847                | \$1,083        |
| Purchased Services                       | \$286              | \$453                | \$437          | \$226          | \$89           | \$54              | \$223               | \$225          | \$180            | \$145          | \$12            | \$181                | \$33           |
| Supplies                                 | \$292              | \$157                | \$129          | \$362          | \$463          | \$210             | \$260               | \$176          | \$386            | \$615          | \$470           | \$384                | \$209          |
| Other                                    | \$35               | \$31                 | \$357          | \$56           | \$52           | \$0               | \$108               | \$211          | \$1              | \$0            | \$3             | \$112                | \$132          |
| <b>Expenditure per Student</b>           | <b>\$5,359</b>     | <b>\$6,662</b>       | <b>\$5,228</b> | <b>\$5,942</b> | <b>\$5,637</b> | <b>\$5,930</b>    | <b>\$5,678</b>      | <b>\$5,622</b> | <b>\$5,833</b>   | <b>\$5,477</b> | <b>\$4,581</b>  | <b>\$6,220</b>       | <b>\$6,322</b> |
| <b>Staffing Information</b>              |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| Total Instruction Staff                  | 18.2               | 32.5                 | 21.2           | 24.0           | 24.6           | 26.2              | 29.8                | 29.1           | 32.0             | 32.0           | 26.5            | 32.0                 | 35.2           |
| # staff/500 students                     | 40.8               | 65.9                 | 40.3           | 43.5           | 43.5           | 45.8              | 51.6                | 50.4           | 54.9             | 53.0           | 43.6            | 51.8                 | 52.5           |
| <b>Student Support</b>                   |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| <b>Expenditures Breakdown</b>            |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| Salaries                                 | \$32               | \$0                  | \$215          | \$253          | \$79           | \$0               | \$187               | \$119          | \$318            | \$162          | \$116           | \$89                 | \$212          |
| Employee Benefits                        | \$7                | \$0                  | \$18           | \$65           | \$47           | \$0               | \$25                | \$22           | \$89             | \$65           | \$27            | \$22                 | \$47           |
| Purchased Services                       | \$0                | \$0                  | \$6            | \$0            | \$3            | \$90              | \$18                | \$0            | \$350            | \$0            | \$0             | \$24                 | \$10           |
| Supplies                                 | \$2                | \$4                  | \$0            | \$0            | \$111          | \$0               | \$6                 | \$1            | \$20             | \$0            | \$0             | \$2                  | \$5            |
| Other                                    | \$3                | \$0                  | \$5            | \$1            | \$2            | \$0               | \$1                 | \$0            | \$0              | \$0            | \$0             | \$0                  | \$0            |
| <b>Expenditure per Student</b>           | <b>\$44</b>        | <b>\$4</b>           | <b>\$244</b>   | <b>\$319</b>   | <b>\$241</b>   | <b>\$90</b>       | <b>\$237</b>        | <b>\$142</b>   | <b>\$776</b>     | <b>\$227</b>   | <b>\$143</b>    | <b>\$136</b>         | <b>\$274</b>   |
| <b>Staffing Information</b>              |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| Total Student Support Staff              | 1.2                | 0.4                  | 1.7            | 1.5            | 2.0            | 0.5               | 0.4                 | 1.9            | 3.0              | 2.0            | 0.6             | 1.0                  | 1.6            |
| # staff/500 students                     | 2.7                | 0.8                  | 3.2            | 2.7            | 3.5            | 0.9               | 0.7                 | 3.3            | 5.1              | 3.3            | 1.0             | 1.6                  | 2.4            |
| <b>Instruction Support</b>               |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| <b>Expenditures Breakdown</b>            |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| Salaries                                 | \$181              | \$85                 | \$127          | \$169          | \$54           | \$169             | \$82                | \$140          | \$40             | \$154          | \$132           | \$145                | \$131          |
| Employee Benefits                        | \$11               | \$5                  | \$30           | \$43           | \$47           | \$14              | \$7                 | \$27           | \$21             | \$24           | \$12            | \$42                 | \$31           |
| Purchased Services                       | \$7                | \$0                  | \$9            | \$12           | \$0            | \$17              | \$4                 | \$14           | \$17             | \$0            | \$80            | \$99                 | \$50           |
| Supplies                                 | \$51               | \$63                 | \$23           | \$2            | \$22           | \$4               | \$14                | \$6            | \$5              | \$0            | \$129           | \$14                 | \$20           |
| Other                                    | \$0                | \$0                  | \$0            | \$0            | \$1            | \$0               | \$1                 | \$0            | \$0              | \$0            | \$5             | \$0                  | \$0            |
| <b>Expenditure per Student</b>           | <b>\$251</b>       | <b>\$154</b>         | <b>\$189</b>   | <b>\$226</b>   | <b>\$123</b>   | <b>\$204</b>      | <b>\$108</b>        | <b>\$187</b>   | <b>\$83</b>      | <b>\$178</b>   | <b>\$359</b>    | <b>\$301</b>         | <b>\$232</b>   |
| <b>Staffing Information</b>              |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| Total Inst. Support Staff                | 0.5                | 1.5                  | 1.0            | 3.0            | 2.0            | 1.0               | 1.9                 | 1.0            | 1.0              | 2.0            | 1.7             | 1.8                  | 1.9            |
| # staff/500 students                     | 1.1                | 3.0                  | 1.9            | 5.4            | 3.5            | 1.7               | 3.3                 | 1.7            | 1.7              | 3.3            | 2.8             | 2.9                  | 2.8            |
| <b>District Level Administration (b)</b> |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| <b>Expenditures Breakdown</b>            |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| Salaries                                 | \$362              | \$264                | \$364          | \$479          | \$234          | \$416             | \$230               | \$527          | \$425            | \$362          | \$281           | \$219                | \$128          |
| Employee Benefits                        | \$66               | \$18                 | \$46           | \$135          | \$72           | \$76              | \$47                | \$75           | \$76             | \$49           | \$25            | \$80                 | \$19           |
| Purchased Services                       | \$105              | \$76                 | \$116          | \$122          | \$75           | \$34              | \$128               | \$92           | \$233            | \$158          | \$175           | \$64                 | \$96           |
| Supplies                                 | \$0                | \$69                 | \$3            | \$13           | \$41           | \$5               | \$7                 | \$7            | \$18             | \$0            | \$37            | \$22                 | \$20           |
| Other                                    | \$8                | \$0                  | \$24           | \$43           | \$3            | \$20              | \$6                 | \$14           | \$37             | \$0            | \$33            | \$15                 | \$17           |
| <b>Expenditure per Student</b>           | <b>\$542</b>       | <b>\$428</b>         | <b>\$553</b>   | <b>\$791</b>   | <b>\$425</b>   | <b>\$551</b>      | <b>\$418</b>        | <b>\$714</b>   | <b>\$789</b>     | <b>\$569</b>   | <b>\$550</b>    | <b>\$400</b>         | <b>\$280</b>   |
| <b>Staffing Information</b>              |                    |                      |                |                |                |                   |                     |                |                  |                |                 |                      |                |
| Total District Admin Staff               | 5.5                | 3.0                  | 1.0            | 4.5            | 2.0            | 3.5               | 3.1                 | 1.8            | 1.5              | 2.0            | 2.7             | 1.9                  | 3.5            |
| # staff/500 students                     | 12.3               | 6.1                  | 1.9            | 8.2            | 3.5            | 6.1               | 5.4                 | 3.1            | 2.6              | 3.3            | 4.4             | 3.1                  | 5.2            |

**Appendix B (con't)**  
**2011-12 Operating Expenditures Per Student for St. Francis and its Peers**

| MEASURES (a)   | School Districts   |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
|--|--------------------|----------------------|----------------|-----------------|----------------|-------------------|---------------------|----------------|------------------|----------------|-----------------|----------------------|----------------|
|  | Sylvan Grove (299) | Southern Cloud (334) | Minneola (219) | Stockton (271)  | Quinter (293)  | St. Francis (297) | Clifton-Clyde (224) | LaCrosse (395) | Rock Hills (107) | Jetmore (227)  | Ness City (303) | Rawlins County (105) | Oberlin (294)  |
| <b>School Level Administration (b)</b>                     |                    |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
| <b>Expenditures Breakdown</b>                              |                    |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
| Salaries   | \$562              | \$984                | \$706          | \$387           | \$558          | \$299             | \$513               | \$450          | \$550            | \$282          | \$452           | \$522                | \$541          |
| Employee Benefits  | \$125              | \$62                 | \$105          | \$169           | \$223          | \$42              | \$71                | \$97           | \$114            | \$40           | \$87            | \$147                | \$128          |
| Purchased Services   | \$103              | \$379                | \$0            | \$0             | \$5            | \$27              | \$64                | \$10           | \$58             | \$16           | \$34            | \$29                 | \$19           |
| Supplies   | \$2                | \$3                  | \$6            | \$3             | \$5            | \$6               | \$30                | \$9            | \$28             | \$0            | \$37            | \$10                 | \$0            |
| Other  | \$5                | \$20                 | \$0            | \$4             | \$5            | \$0               | \$2                 | \$0            | \$0              | \$0            | \$1             | \$3                  | \$0            |
| <b>Expenditure per Student</b>                             | <b>\$797</b>       | <b>\$1,448</b>       | <b>\$817</b>   | <b>\$563</b>    | <b>\$795</b>   | <b>\$375</b>      | <b>\$680</b>        | <b>\$566</b>   | <b>\$751</b>     | <b>\$338</b>   | <b>\$611</b>    | <b>\$711</b>         | <b>\$689</b>   |
| <b>Staffing Information</b>                                |                    |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
| Total School Level Staff                                   | 1.0                | 5.5                  | 2.0            | 1.5             | 3.5            | 2.6               | 3.9                 | 2.0            | 4.5              | 3.5            | 3.2             | 3.6                  | 4.3            |
| # staff/500 students                                       | 2.2                | 11.2                 | 3.8            | 2.7             | 6.2            | 4.5               | 6.8                 | 3.5            | 7.7              | 5.8            | 5.3             | 5.8                  | 6.4            |
| <b>Operations and Maintenance</b>                          |                    |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
| <b>Expenditures Breakdown</b>                              |                    |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
| Salaries   | \$521              | \$322                | \$348          | \$478           | \$367          | \$295             | \$330               | \$357          | \$402            | \$236          | \$359           | \$494                | \$445          |
| Employee Benefits  | \$137              | \$20                 | \$66           | \$136           | \$141          | \$51              | \$42                | \$110          | \$108            | \$41           | \$45            | \$121                | \$125          |
| Purchased Services   | \$350              | \$369                | \$354          | \$459           | \$62           | \$195             | \$325               | \$135          | \$489            | \$1,720        | \$351           | \$204                | \$253          |
| Supplies   | \$451              | \$495                | \$397          | \$489           | \$367          | \$376             | \$353               | \$303          | \$275            | \$543          | \$505           | \$417                | \$414          |
| Other  | \$25               | \$0                  | \$0            | \$0             | \$2            | \$0               | \$0                 | \$0            | \$0              | \$0            | \$0             | \$0                  | \$1            |
| <b>Expenditure per Student</b>                             | <b>\$1,483</b>     | <b>\$1,205</b>       | <b>\$1,165</b> | <b>\$1,563</b>  | <b>\$939</b>   | <b>\$917</b>      | <b>\$1,051</b>      | <b>\$905</b>   | <b>\$1,275</b>   | <b>\$2,539</b> | <b>\$1,260</b>  | <b>\$1,236</b>       | <b>\$1,238</b> |
| <b>Staffing Information</b>                                |                    |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
| Total Ops. & Maint. Staff                                  | 4.0                | 4.0                  | 2.7            | 5.0             | 4.0            | 4.1               | 3.2                 | 3.0            | 3.5              | 2.5            | 3.0             | 4.0                  | 6.2            |
| # staff/500 students                                       | 9.0                | 8.1                  | 5.1            | 9.1             | 7.1            | 7.2               | 5.5                 | 5.2            | 6.0              | 4.1            | 4.9             | 6.5                  | 9.3            |
| <b>Food Services</b>                                       |                    |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
| <b>Expenditures Breakdown</b>                              |                    |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
| Salaries   | \$309              | \$290                | \$242          | \$216           | \$246          | \$307             | \$250               | \$226          | \$180            | \$219          | \$165           | \$227                | \$173          |
| Employee Benefits  | \$94               | \$22                 | \$74           | \$79            | \$113          | \$64              | \$24                | \$126          | \$86             | \$24           | \$28            | \$30                 | \$60           |
| Purchased Services   | \$0                | \$0                  | \$1            | \$0             | \$0            | \$8               | \$0                 | \$0            | \$0              | \$0            | \$0             | \$0                  | \$0            |
| Supplies   | \$408              | \$336                | \$558          | \$452           | \$431          | \$542             | \$343               | \$283          | \$363            | \$380          | \$286           | \$331                | \$435          |
| Other  | \$5                | \$1                  | \$1            | \$5             | \$0            | \$2               | \$7                 | \$1            | \$1              | \$0            | \$6             | \$5                  | \$2            |
| <b>Total Expenditure per Student</b>                       | <b>\$816</b>       | <b>\$649</b>         | <b>\$877</b>   | <b>\$751</b>    | <b>\$790</b>   | <b>\$923</b>      | <b>\$624</b>        | <b>\$636</b>   | <b>\$630</b>     | <b>\$623</b>   | <b>\$485</b>    | <b>\$593</b>         | <b>\$670</b>   |
| <b>Staffing Information</b>                                |                    |                      |                |                 |                |                   |                     |                |                  |                |                 |                      |                |
| Total Food Service Staff                                   | 4.5                | 5.0                  | 0.0            | 4.0             | 5.0            | 3.3               | 3.5                 | 2.6            | 4.0              | 4.0            | 2.8             | 3.4                  | 3.2            |
| # staff/500 students                                       | 10.1               | 10.1                 | 0.0            | 7.3             | 8.8            | 5.8               | 6.1                 | 4.5            | 6.9              | 6.6            | 4.6             | 5.5                  | 4.8            |
| <b>Total District Expenditures per Student (c) and (d)</b> | <b>\$9,291</b>     | <b>\$10,550</b>      | <b>\$9,072</b> | <b>\$10,155</b> | <b>\$8,951</b> | <b>\$8,988</b>    | <b>\$8,797</b>      | <b>\$8,771</b> | <b>\$10,137</b>  | <b>\$9,951</b> | <b>\$7,990</b>  | <b>\$9,597</b>       | <b>\$9,704</b> |

(a) Expenditures for property and equipment are excluded.  
(b) These categories include administrators, clerical staff, and other support staff.  
(c) Expenditures for transportation are excluded.  
(d) Due to rounding, adding the individual measures may not equal the total shown.  
Source: LPA analysis of data provided by the Kansas State Department of Education.





## APPENDIX C

### District Response

On February 12, 2013, we provided copies of the draft audit report to St. Francis school district officials. The district's response is included in this appendix. Following the written response is a table listing the district's specific implementation plan for each recommendation.

We made minor changes or clarifications to the draft report as a result of the district's review of the draft report. With two exceptions, the district generally concurred with the report's findings and recommendations. Below, we summarize the districts two concerns.

- **The district expressed concerns with the Internet service options we recommended.** We recommended that the district reduce costs for Internet service by switching from Kan-ed to a commercial Internet provider. Currently, the district pays about \$23,000 a year for a six-megabit connection to the Kan-ed network. In the report, we recommended the district consider either a standard or a dedicated six-megabit connection through a commercial internet provider.
  - The district contended that a digital subscriber line (DSL) six megabit connection would not be a viable option because the district has 300 computers and buffering could be a problem. We understand the districts concerns, and think that if a DSL Internet connection is not adequate to meet the district's needs it should not choose this savings option.
  - The district contended that AT&T could not provide a dedicated six-megabit connection at a cost less than Kan-ed. However, during the audit, AT&T officials told us they could provide a dedicated connection for \$16,600 a year (about \$500 a month less than the district was paying under Kan-ed). Based on this information, we still contend the district would be able to obtain comparable Internet service at a lower cost.

Finally, district officials told us they have recently signed a three-year contract with a commercial Internet provider for a 30-megabit connection. This action is consistent with our recommendation that the district switch from Kan-ed to a commercial Internet provider.

- **The district expressed concerns with our recommendation that it consider reducing the superintendent position to part-time.** District officials thought that this would be a significant challenge given the district's enrollment size and because it currently has two buildings (an elementary school and a junior-senior high). However, as another cost savings option, we recommended the district address unused and underutilized space in the high school by closing the elementary school and moving the elementary students into the junior-senior high. Doing this would make our recommendation regarding a part-time superintendent more feasible.

Additionally, we provided St. Francis school district officials with an example of a similarly sized district (Centre) that has one administrator who covers both superintendent and principal duties. We have requested additional information from the Kansas Department of Education about other districts that have this arrangement. We will provide that information to St. Francis school district officials once we have received it.



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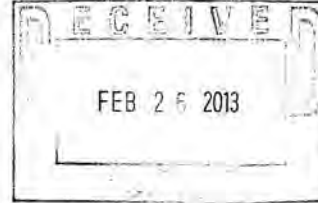
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February 25, 2013

Mr. Scott Frank  
Legislative Post Auditor  
800 Southwest Jackson Street, Suite 1200  
Topeka, KS 66612-2212



Dear Mr. Frank,

I would like to thank you for providing USD 297 the opportunity to participate in the Legislative Post Audit process this year. As mentioned to the auditors, our reason for voluntary participation stems from the fact that I have spent my entire career in the St. Francis district (18 years as a teacher and 8 years as an administrator). Because of this, I know how the St. Francis schools function, but I have little experience with how other districts operate. As envisioned, having an external agency examine our operation has motivated us to think critically about the way we do some things, and it has reaffirmed our thinking on others.

Overall the audit process was quite interesting and stimulated much thought. The auditors were very inquisitive and professional. Some of their suggestions will be very useful for us; others may not work for our situation. I would recommend other districts have the audit performed if given the chance. It was done in a non-threatening manner, but it also forced us to take a good look at how and why we do the things we do in the St. Francis schools.

One thing I hope the Legislative Post Audit Committee will garner from the audits being performed this year is that getting education done cheaply is not the same as getting it done efficiently.

Sincerely,

Robert A. Schiltz  
USD 297 Superintendent

| LPA Recommendation  |   | District Action Plan   |
|---|---|--|
| <b>Because of the potential for reducing costs with little to no impact on educational services provided to students, the St. Francis school district should <u>implement</u> the following cost savings options:</b> |   |  |
| 1.  | Improve the efficiency of the food service program by taking the following actions: |  |
|   | a. set a supply budget for the food service program                                 | We intend to follow this recommendation. We understand some schools operate their food service programs at a break-even point. I will attempt to visit with schools operating in this manner to gather information on how they achieve this.   |
|   | b. closely monitor the food inventory   | Discussions will be held with our food service personnel to see how they are currently tracking their supply inventories. Together, we will develop a plan for a successful inventory process.   |
|   | c. coordinate and jointly purchase supplies for both school buildings               | Discussion will be held with our food service personnel to see what they are currently doing to coordinate the purchase of supplies. We will also need to discuss with our vendors whether or not consolidating our purchases between buildings will in fact save money due to higher volume price breaks. If we can save money by implementing this process, we will do it.   |
|   | d. competitively shop or solicit bids from food vendors                             | I will do some research with other districts to see what processes they use to bid food supplies. More importantly, we will seek to find additional suppliers of products willing to deliver to this area. Currently, we purchase from Cash-Wa, Thompson, Cisco, and our local grocery stores (two). As I understand it, our food service directors currently do comparison shopping from these vendors; however, a formal bidding process is not used. If we discover a way to bid products that will save money, we will implement this process.   |
|   | e. combine purchasing power with other districts                                    | Again, I will need to check with neighboring districts and the Northwest Kansas Educational Service Center to see if we can combine efforts to purchase food supplies. I will need to see a model of how this is being done in other districts to understand how this will save us money. The closest neighboring district is 14 miles away; the next closest district is 35 miles away. We would have to save a significant amount to be able to pay someone to travel that distance to pick up food supplies. Possibly, the vendors will allow us to purchase together and will still deliver to the individual schools. |
| 2.  | Explore the possibility of reducing the superintendent position to part-time.       | Going to one administrator in a district our size would certainly be a challenge for that administrator. If we were a one-building district, it would seem a bit more feasible. The only district our size having one administrator that the auditors could give me for an example was Centre USD 397. They are a one building district. This certainly is a suggestion for our Board of Education to consider.  |

| LPA Recommendation  | District Action Plan  |
|---|---|
| <b>Because of the potential for reducing costs with little to no impact on educational services provided to students, the St. Francis school district should <u>implement</u> the following cost savings options (con't):</b> |   |
| 3. Reduce costs for Internet service by terminating service with Kan-ed and switching to a commercial Internet provider.  | <p>We recently signed a new three-year contract with a commercial internet provider. Until about January of 2013, we had no option for a commercial internet connection other than through Kan-ed. The audit report suggests using a 6 Mbps DSL connection for the schools. I have a 6 Mbps DSL connection at my house; many times it has to buffer to play a video; we have one computer at our house. USD 297 has nearly 300 computers. I simply do not agree that switching to a DSL connection is a viable option for our situation. The report also suggests using a dedicated 6 Mbps internet connection from a commercial provider. The only provider in St. Francis capable of supplying us a dedicated 6 Mbps connection until just recently was AT&amp;T. AT&amp;T is the company providing our service through Kan-ed. I find it hard to believe AT&amp;T would provide us a service for less money than they are getting from us through Kan-ed.</p> <p>I find this suggestion to be of no value to us and also to be inaccurate. We have worked very hard to get a company to bring internet service to our schools via fiber optic cable. We have that accomplished as of January 2013 (service to begin July 1, 2013 due to e-rate rules).</p> |
| 4. Reduce curriculum costs by replacing the current video curriculum for Spanish classes with a less expensive alternative.   | <p>Our current Spanish curriculum has been used for many years. At the time of its implementation, the administration felt it was the most effective program available. Now we believe there are acceptable options to the current program. We are in the process of exploring these options.</p> <p>Perhaps the real issue here is the Kansas Board of Regents requirement of two foreign language credits for a student to be considered a Regents Scholar. If that requirement was dropped, all schools in the state could save thousands of dollars per year by not having a foreign language teacher or some type of on-line program. Schools could still choose to offer an online course to students genuinely interested, but would not be required to do so, and students would not feel obligated to take the class if not genuinely interested.</p>  |
| 5. Reduce fuel costs by using more fuel efficient buses on daily routes and competitively purchasing vehicle fuel.  | We plan to fully implement this strategy as suggested.  |
| 6. Explore whether cost savings could result and if so, adopt the following better business practices:  |   |
| a. automating paper-driven processes  | We will explore ways to automate the paper-driven processes we currently complete on a regular basis. Our current Board Clerk came to us from the banking industry, and she understands such things as automatic bill pay very well. We may find this suggestion not only saves money due to the lack of paper, but that it streamlines some of our processes as well.  |
| b. paying bills electronically  |   |
| c. regularly soliciting bids for automobile and liability insurance   | We plan to implement this process as long as we can keep the business local.  |
| d. implementing a policy for competitively shopping for items under \$20,000  | Although we do not have a policy to address bidding items under \$20,000, we rarely purchase substantial items that we do not get bids for. We will consider developing a policy as such, but currently I do not believe having a written policy will save money since the process is already being done.   |

| LPA Recommendation  |   | District Action Plan   |
|---|---|--|
| <b>Because of the potential for reducing costs with little to no impact on educational services provided to students, the St. Francis school district should <u>implement</u> the following cost savings options (con't):</b> |   |  |
|   | e. selling surplus property   | We will contact Purple Wave and try to sell our unused property. Knowing this information about Purple Wave is of great value to us – an excellent suggestion that all schools need to know about.   |
|   | f. implementing an efficiency management process  | I feel this is a very valid suggestion; however, it would certainly be more efficient if the auditors would prepare the peer district lists throughout the state for comparison purposes. They obviously have access to the information and are used to dealing with it. They would also ensure that the peer districts met standard criterion. If it were left to individual districts to find peer districts, I am afraid each district would use different criteria, thus invalidating the data. Peer district comparisons would be very valuable data to have as a superintendent of schools in the decision-making process, as long as the data is accurate.  |
| <b>Because of the potential for impact on students and the community, the St. Francis school district should <u>consider</u> implementing the following cost savings options:</b>   |   |  |
| 7.  | Increase food service revenues by taking the following actions:   |  |
|   | a. increase lunch prices to the state average   | Each year, we make suggestions to the Board of Education concerning raising meal prices. This year, we will make the recommendation based on the audit information. The Board will make the final decision on the lunch prices and will most likely follow this suggestion.  |
|   | b. index lunch prices to an inflation rate to avoid large price jumps in the future                       | We will most likely adopt this procedure.  |
|   | c. close the open lunch period for juniors and seniors  | Administratively, we will discuss this option. We have discussed closing the lunch period in the past, but the discussion was not based on financial reasons.  |
| 8.  | Use junior high teachers more efficiently by moving the sixth graders into the junior-senior high school. | <p>Moving the 6<sup>th</sup> grade to the junior high building is something we have seriously discussed internally for the last two years. Financially, this would be a good decision that would better utilize our junior high staff and eliminate one teaching position at the elementary school. Academically, we see no disadvantages to the move. Scheduling has been worked out except for participation of sixth graders in athletics. If we allowed them to participate in athletics, we would need to hire back the assistant coaches that were reduced over the last few years (five of them). Finding those coaches would be difficult, and hiring them back would cut into the projected savings by a minimum of \$11,685.</p> <p>Also, to move the 6th grade, we would need an elementary position to either be eliminated or we would need someone to retire and then eliminate the position. The possibility of moving the sixth grade has been discussed at board meetings, but it has always been viewed as a possibility to be used only if needed due to the lack of funding. It is my opinion that our Board would make this move if we could not afford to have a sixth grade teacher; however, if we can afford it, the preference is to keep the sixth grade in the grade school building.</p> <p>There seems to be some concern from parents about having sixth grade students in the same building as high school students, even though they are separated to some extent. We acknowledge this concern, and it will certainly have a role in the decision-making process of the Board and administration.</p> |

| LPA Recommendation  |  | District Action Plan  |
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| <b>Because of the potential for impact on students and the community, the St. Francis school district should <u>consider</u> implementing the following cost savings options (con't):</b> |  |   |
| 9.  | Reduce salary costs by offering a retirement incentive for staff members eligible to retire. | We are currently exploring this possibility and feel it has the potential to save the district substantial money.   |
| 10.   | Reduce supplemental contract costs by decreasing the number of assistant coaching positions. | During the five-year period this audit examines, we have cut five coaching positions by taking all junior high athletics to one coach per sport except football, which has two. We already hire substitute coaches for tournament days to cover games or matches in different gyms or different towns that occur simultaneously. The substitute coaches have not worked with the teams and are basically there to supervise and substitute players as needed. This is not fair to our students, but we do it anyway to save money. As mentioned in the auditors' suggestion, we already have plans to eliminate one junior high volleyball coach next year. The second coach was in place this year to mentor a person who had not previously coached volleyball. For high school football, we will need to see what our projected participation level will be. If numbers are down again, we will consider reducing a coaching position.   |
| 11.   | Rearrange the high school course schedule to reduce:   |   |
|   | a. one FTE physical education teaching position  | We recently discussed the possibility of having one physical education teacher K-12. After discussion, much like the 6 <sup>th</sup> grade situation, it was decided that as long as we can afford two, it is better for the students. If we get in a situation in which we can no longer afford two teachers, we will likely consider this reduction. Our current high school instructor also monitors two Spanish classes. This person has to be a licensed teacher, even though they do not have to have a Spanish teaching endorsement. If we could do away with foreign language, it would make it easier to have just one physical education teacher for our school. Another deciding factor in having two people is coaching. Without the second teacher, we would not have a head high school track coach, a junior high football coach, or an assistant high school basketball coach. That may not seem like a big issue to anyone who has not tried to fill those positions. I can assure you, without a teaching position to offer along with the coaching, it is difficult. One might think there are members of the community who would gladly fill those positions. I guess you will just have to take my word for it, but people are not breaking down the door to coach for \$2,337. Most have jobs that do not allow them to leave each day at 2:30 to coach, and they are not able to leave early for game days. I know it sounds easy, but it is not. We have been in the situation where we end up begging someone to coach, or worse yet, we give the job to a person who thinks they can do it, but are really not qualified. That leads to even more problems. |
|   | b. the wood technology position to part-time   | If our current industrial technology instructor would agree to teach half time, this would be a savings for the district. If he will not teach half-time, it will be difficult to find someone to do the job. It may be possible to share an instructor with a neighboring school in this situation. We will investigate the possibilities. The other issue with a half-time teacher in elective courses is that students have so many required classes that it is difficult to fit in the electives if only offered for half of a day. Even though enrollments are low in this program, we feel it is an important opportunity to for our students.  |

| LPA Recommendation  | District Action Plan   |
|---|--|
| <b>Because of the potential for impact on students and the community, the St. Francis school district should <u>consider</u> implementing the following cost savings options (con't):</b> |  |
| c. the vocational agriculture position to part-time   | My response to this is the same as above. It is nearly an identical situation  |
| d. the librarian position to part-time  | We will investigate this option and believe it is a real possibility for us. This could save the district substantial money.   |
| 12. Address unused and underutilized space in the high school by closing the elementary school and moving the elementary students into the junior-senior high school.                     | Administratively, we really like the idea of a K-12 building. Realistically for St. Francis, our high school building is not well suited for this. We provided the estimates to remodel the areas identified, but they were just best-guess estimates. We are afraid the reality is that it would cost significantly more to complete the necessary renovations. At some point in time, the Board may consider running a bond to add on a new addition, including the necessary rooms for the elementary school and a secondary gymnasium so we could completely abandon the current elementary school. At this time, we will most likely use the suggestion to provoke thought around the community concerning the idea of a K-12 building. |





