

Tidwell and Associates, Inc. Global Report for School District Efficiency Reviews

Presented to the
South Carolina Education Oversight
Committee



July 1, 2015

PART I INTRODUCTION

In 2015, the EOC contracted with Tidwell and Associates, Inc. to conduct an independent review of the efficiency of four South Carolina school districts (Lexington 4, Clarendon 1, Barnwell 19, and Dorchester 2). The study is pursuant to proviso 1.95 of the 2014-15 General Appropriations Act.

Several other states have similar statewide school district efficiency review programs. The key states with statewide programs include:

WEST VIRGINIA STATEWIDE EFFICIENCY REVIEW PROGRAM

<http://www.governor.wv.gov/Pages/Search.aspx?q=efficiency>

COMMONWEALTH OF VIRGINIA STATEWIDE EFFICIENCY PROGRAM

http://www.doe.virginia.gov/school_finance/efficiency_reviews/index.shtml

TEXAS LEGISLATIVE BUDGET BOARD EFFICIENCY AUDITS

<http://www.lbb.state.tx.us/TeamPage.aspx?Team=SchoolPerfRev>

WASHINGTON STATE AUDITOR'S EFFICIENCY AUDITS

<http://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1000004&isFinding=false&sp=false>

OKLAHOMA SCHOOL PERFORMANCE REVIEW

http://www.ok.gov/oega/Oklahoma_School_Performance_Review/

We applaud the state of South Carolina for initiating this program to ensure that school districts are maximizing the use of the public's tax dollars.

The review was conducted by Columbia-based Tidwell and Associates, Inc., a consulting firm that provides public sector management research, evaluation, and technical assistance. The purpose of the study was to identify successful programs and practices within the district, suggest possible cost-saving measures, and recommend ways to improve management and increase efficiency.

The review includes the analysis of seven district operational areas, each presented in a separate chapter, and a survey of district office staff, administrators, principals, and teachers (summary of the survey results is located in **Appendix 1**). The seven areas reviewed were: district organization and management, financial management (including Medicaid), human resources, facilities use and management, transportation, food services, and technology use and management. Per the Request for Proposals, the study did not include instructional programs or curriculum and instructional operations. The final reports can be found on the South Carolina Education Oversight Committee's website at <http://www.eoc.sc.gov/reportsandpublications/Pages/SCDistrictEfficiencyReview.aspx>

The goal of the review was to provide an objective review of the efficiency of the non-instructional services in the school district to identify areas for possible savings or efficiency that could be made through policy and management changes, staffing, eliminating duplication, and offering alternative solutions to solving district operational challenges.

The consulting team provided commendations to each of the districts for best practices and made recommendations to help the districts continue keeping necessary budget cuts as far from the classroom as possible.

Each of the chapter's recommendations is labeled as Tier 1, Tier 2, or Tier 3. This refers to our team's suggested level of importance in the urgency of the implementation of the recommendation.

Tier 1: Greatest Impact: The district should implement these recommendations immediately to take maximum advantage of their opportunities.

Tier 2: Moderate Impact: The district should implement these recommendations as soon as practical to improve the efficiency and effectiveness of operations.

Tier 3: Minimal Impact: The district should implement these recommendations when time and funds are available as best suits the needs of the district.

The EOC and Tidwell and Associates, Inc. hope that the insights gained from these four school district reviews will assist other districts in their operational efficiencies. The reports have been published on EOC's website at <http://www.eoc.sc.gov>.

PART II: COST SAVINGS FOR LEXINGTON SCHOOL DISTRICT 4, DORCHESTER SCHOOL DISTRICT 2, CLARENDON SCHOOL DISTRICT 1, AND BARNWELL SCHOOL DISTRICT 19.

Exhibits 1, 2, 3, and 4 are provided in this report to share our team's findings and recommendations as it relates to costs and savings for each of the four districts reviewed.

As shown in **Exhibit 1**, the total five- year net savings if all of our recommendations are implemented in **Lexington School District 4** is estimated at **\$430,493**. Costs are noted in red (parents) and savings in black.

**EXHIBIT 1
LEXINGTON SCHOOL DISTRICT 4
SUMMARY OF ANNUAL SAVINGS AND COST**

Chapter Recommendations	Year 1	Year 2	Year 3	Year 4	Year 5	Total Five Year Savings (Cost)
Chapter 2.0: Organization & Management						
Add one administrative assistant position (shared with HR and Operations)	(\$37,810)	(\$37,810)	(\$37,810)	(\$37,810)	(\$37,810)	(\$189,050)
Chapter 2.0 Total Savings (Costs)	(\$37,810)	(\$37,810)	(\$37,810)	(\$37,810)	(\$37,810)	(\$189,050)
Chapter 3.0: Financial Management						
Conduct a potential risks and exposures' study.	(\$2,500)	\$0	\$0	\$0	\$0	(\$2,500)
Consider increasing Employee Theft, Computer Fraud, and Funds Transfer Fraud coverages.	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$30,000)
Obtain an umbrella liability policy.	(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)	(\$35,000)
Obtain additional technology insurance coverage.	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$7,500)
Seek ASBO and GFOA membership/Certificate of Excellence	(\$2,339)	\$0	\$0	\$0	\$0	(\$2,339)
Provide training to obtain certification as a Certified Professional Public Buyer or a Certified Professional Public Officer.	(\$600)	\$0	\$0	\$0	\$0	(\$600)
Begin P-Card System	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Increase Medicaid Outreach	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$22,000
Chapter 3.0 Total Savings (Costs)	(\$10,539)	(\$5,100)	(\$5,100)	(\$5,100)	(\$5,100)	(\$30,939)

Chapter Recommendations	Year 1	Year 2	Year 3	Year 4	Year 5	Total Five Year Savings (Cost)
Chapter 4.0: Human Resources Management						
Automate HR Practices	(\$2,500)	\$0	\$0	\$0	\$0	(\$2,500)
Chapter 4.0 Total Savings (Costs)	(\$2,500)	\$0	\$0	\$0	\$0	(\$2,500)
Chapter 5.0: Facility Use & Energy Management						
Schedule annual electrical system tests school wide to identify and correct any potential danger, starting immediately at Frances Mack to identify and correct any potential danger.	(\$16,400)	\$0	\$0	\$0	\$0	(\$16,400)
Hire a certified HVAC technician	(\$48,637)	(\$42,752)	(\$42,752)	(\$42,752)	(\$42,752)	(\$219,645)
Hire a Certified Energy Manager	(\$8,246)	(\$8,246)	(\$8,246)	(\$8,246)	(\$8,246)	(\$41,230)
Replace the High Pressure Sodium exterior lights with LEDs.	(\$28,228)	\$10,178	\$10,178	\$10,178	\$10,178	\$12,484
Chapter 5.0 Total Savings (Costs)	(\$101,511)	(\$40,820)	(\$40,820)	(\$40,820)	(\$40,820)	(\$264,791)
Chapter 6.0: Transportation						
Add 1 Full-Time Clerk	(\$13,089)	(\$13,089)	(\$13,089)	(\$13,089)	(\$13,089)	(\$65,445)
Add 1 Part-Time Clerk	(\$8,390)	(\$8,390)	(\$8,390)	(\$8,390)	(\$8,390)	(\$41,950)
Increase Dispatch to full-time	(\$18,346)	(\$18,346)	(\$18,346)	(\$18,346)	(\$18,346)	(\$91,730)
Add Part-Time Maintenance Manager	(\$7,526)	(\$7,526)	(\$7,526)	(\$7,526)	(\$7,526)	(\$37,630)
Purchase Maintenance Software	(\$1,000)	(\$100)	(\$100)	(\$100)	(\$100)	(\$1,400)
Institute a Bus driver recognition program	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$5,000)
Purchase supplies	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$5,000)
Purchase vests	(\$1,500)	(\$200)	(\$200)	(\$200)	(\$200)	(\$2,300)
Correct facility needs	(\$15,000)	\$0	\$0	\$0	\$0	(\$15,000)
Eliminate Hazard Services	\$21,250	\$21,250	\$21,250	\$21,250	\$21,250	\$106,250
Eliminate Excess Pay	\$51,292	\$50,000	\$50,000	\$50,000	\$50,000	\$251,292
Develop a Compensation Plan	(\$5,000)	\$0	\$0	\$0	\$0	(\$5,000)
Sell 2 1991 Activity Buses	\$5,000	\$0	\$0	\$0	\$0	\$5,000
Save Insurance/ Maintenance Expenses on 2 Activity Buses	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$10,000
Purchase Fuel From State Contract Provider Ultra Low Sulfur Diesel	\$1,611	\$1,700	\$1,700	\$1,700	\$1,700	\$8,411
Purchase Fuel From State Contract Provider Gasoline	\$3,175	\$3,200	\$3,200	\$3,200	\$3,200	\$15,975
Chapter 6.0 Total Savings (Costs)	\$12,477	\$28,499	\$28,499	\$28,499	\$28,499	\$126,473
Chapter 7.0: Food Services						
Eliminate the food service assistant position	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$10,000
Implement production and inventory modules to streamline time required to update records.	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$90,000
Chapter 7.0 Total Savings (Costs)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Chapter 8.0 Technology Use & Management						
Adjust district policy to allow for personal devices to access the wireless network for educational purposes and require personal devices to authenticate for guest WiFi access.	(\$30,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$50,000)
Develop, implement, and test on a regular basis a comprehensive disaster recovery and business continuity plan and address critical infrastructure needs as a priority to reduce risk.	(\$10,000)	\$10,000	\$10,000	\$10,000	\$10,000	\$30,000
Explore purchasing Chromeboxes to replace student use Windows desktop computers.	\$80,000	\$80,000	\$60,000	\$60,000	\$60,000	\$340,000
Explore and invest in lockable desktop charging stations for classrooms with small numbers of dedicated devices.	(\$7,500)	(\$7,500)	(\$7,500)	(\$7,500)	(\$7,500)	(\$37,500)
Maximize E-rate and develop a strategy to reduce costs for telecommunications services that no longer have E-rate support.	\$230,000	\$190,000	(\$10,000)	(\$20,000)	(\$30,000)	\$360,000
Adopt the Information Technology Infrastructure Library (ITIL) service management as one of the industry accepted and best practice for the delivery of IT as a service.	(\$5,000)	(\$7,000)	(\$5,000)	\$5,000	\$5,000	(\$7,000)
Establish a student technician team to assist with Chromebook hardware maintenance.	(\$3,200)	\$9,000	\$10,000	\$10,000	\$10,000	\$35,800
Implement a Document Management solution and back scan the backlog of paper, beginning with the human resources department.	(\$20,000)	\$10,000	\$10,000	\$10,000	\$10,000	\$20,000
Chapter 8.0 Total Savings (Costs)	\$234,300	\$279,500	\$62,500	\$62,500	\$52,500	\$691,300
All Chapters Total Savings (Costs)	\$114,417	\$244,269	\$27,269	\$27,269	\$17,269	\$430,493

As shown in **Exhibit 2**, the total five-year net savings if all of our recommendations are implemented in **Dorchester County School District** is **\$9,337,774**.

**EXHIBIT 2
DORCHESTER SCHOOL DISTRICT 2
SUMMARY OF ANNUAL SAVINGS AND COST**

Chapter Recommendations	Year 1	Year 2	Year 3	Year 4	Year 5	Total Five Year Savings (Cost)
Chapter 2.0: Organization & Management						
Hire private security company	\$351,120	\$351,120	\$351,120	\$351,120	\$351,120	\$1,755,600
Freeze the hiring of a Educational Foundation Executive Director	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$450,000
Chapter 2.0 Total Savings (Costs)	\$441,120	\$441,120	\$441,120	\$441,120	\$441,120	\$2,205,600
Chapter 3.0: Financial Management						
Seek ASBO and GFOA membership/Certificate of Excellence	(\$2,684)	\$0	\$0	\$0	\$0	(\$2,684)
Reward schools and departments for meeting or exceeding energy management goals.	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500	\$142,500
Conduct a periodic offsite test to recover payroll and other key operating systems.	(\$4,500)	\$0	\$0	(\$4,500)	\$0	(\$9,000)
Obtain additional technology insurance coverage.	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)	(\$20,000)
Consider increasing Employee Theft, Computer Fraud, and Funds Transfer Fraud coverages.	(\$13,000)	(\$13,000)	(\$13,000)	(\$13,000)	(\$13,000)	(\$65,000)
Chapter 3.0 Total Savings (Costs)	\$4,316	\$11,500	\$11,500	\$7,000	\$11,500	\$45,816
Chapter 4.0: Human Resources Management						
Extend the mentorship program for teachers for a second year	(\$47,700)	(\$47,700)	(\$47,700)	(\$47,700)	(\$47,700)	(\$238,500)
Evaluate the use of existing HR software and maximize utilization to reduce manual processes	(\$995)	(\$995)	(\$995)	(\$995)	(\$995)	(\$4,975)
Chapter 4.0 Total Savings (Costs)	(\$48,695)	(\$48,695)	(\$48,695)	(\$48,695)	(\$48,695)	(\$243,475)
Chapter 5.0: Facility Use & Energy Management						
Hire a project manager with experience in commercial construction projects to assist the facilities director to manage and supervise district-wide replacement projects and capital projects.	(\$70,000)	(\$70,000)	(\$70,000)	(\$70,000)	(\$70,000)	(\$350,000)
Analyze expenditures for facilities' maintenance costs to identify potential savings.	\$257,028	\$257,028	\$257,028	\$257,028	\$257,028	\$1,285,140
Review cleaning practices to determine if staff reduction savings can be found using the National Center for Education Statistics recommendation without sacrificing current levels of cleanliness.	\$330,081	\$330,081	\$330,081	\$330,081	\$330,081	\$1,650,405
Establish a cleaning supply budget for each facility using the National Center for Education Statistics average cost of \$.17/SF.	\$164,050	\$164,050	\$164,050	\$164,050	\$164,050	\$820,250
Chapter 5.0 Total Savings (Costs)	\$681,159	\$681,159	\$681,159	\$681,159	\$681,159	\$3,405,795
Chapter 6.0: Transportation						
Add a Clerical Position	(\$34,000)	(\$34,000)	(\$34,000)	(\$34,000)	(\$34,000)	(\$170,000)
Purchase Maintenance Software	(\$17,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$21,000)
Purchase Fuel From SDE Ultra Low Sulfur Diesel	\$45,000	\$46,000	\$47,000	\$48,000	\$49,000	\$235,000
Eliminate Excessive Hazard Services	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000	\$230,000
Chapter 6.0 Total Savings (Costs)	\$40,000	\$57,000	\$58,000	\$59,000	\$60,000	\$274,000
Chapter 7.0: Food Services						
Add a field supervisor at the district office	(\$65,775.04)	(\$65,775.04)	(\$65,775.04)	(\$65,775.04)	(\$65,775.04)	(\$328,875.20)
Windsor Hill participation in the CEP Program	\$550,421	\$550,421	\$550,421	\$550,421	\$550,421	\$2,752,105
Reduce excess cash	(\$832,954.70)	\$0	\$0	\$0	\$0	(\$832,954.70)
Reduce labor hours to increase efficiency	\$159,757.78	\$159,757.78	\$159,757.78	\$159,757.78	\$159,757.78	\$798,788.90
Collect meal charges	\$124,480	\$0	\$0	\$0	\$0	\$124,480
Chapter 7.0 Total Savings (Costs)	(\$64,070.96)	\$644,403.74	\$644,403.74	\$644,403.74	\$644,403.74	\$2,513,544.00

Chapter Recommendations	Year 1	Year 2	Year 3	Year 4	Year 5	Total Five Year Savings (Cost)
Chapter 8.0 Technology Use & Management						
Establish a Data and Analytics Area and Hire Database Administrator / Web Administrator.	(\$84,320)	(\$84,320)	(\$84,320)	(\$84,320)	(\$84,320)	(\$421,600)
Provide Wi-Fi access for educational purposes and require personal devices to authenticate utilizing Active Directory to manage user credentials.	(\$30,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$50,000)
Adopt the Information Technology Infrastructure Library (ITIL) service management as one of the industry accepted and best practice for the delivery of IT as a service.	(\$5,000)	\$8,000	\$10,000	\$20,000	\$20,000	\$53,000
Explore purchasing Chromeboxes to replace student Windows desktop computers and running a virtual desktop interface to deliver web-based applications that may not run on Chrome OS.	\$60,000	\$200,000	\$150,000	\$150,000	\$150,000	\$710,000
Cost avoidance for support of Windows-based machines	\$0	\$45,000	\$45,000	\$45,000	\$45,000	\$180,000
Maximize E-Rate and develop a strategy to reduce costs for telecommunications services that no longer have E-Rate support.	(\$96,090)	\$680,793	\$31,404	\$24,494	\$24,494	\$665,094
Chapter 8.0 Total Savings (Costs)	(\$155,410)	\$844,473	\$147,084	\$150,174	\$150,174	\$1,136,494
All Chapters Total Savings (Costs)	\$898,419	\$2,630,961	\$1,934,571	\$1,934,161	\$1,939,661	\$9,337,774

As shown in **Exhibit 3**, the total five-year net savings if all of our recommendations are implemented in **Barnwell School District 19** is **\$1,590,277**.

**EXHIBIT 3
BARNWELL SCHOOL DISTRICT 19
SUMMARY OF ANNUAL SAVINGS AND COST**

Chapter Recommendations	Year 1	Year 2	Year 3	Year 4	Year 5	Total Five Year Savings (Cost)
Chapter 2.0: Organization & Management						
Share a part-time curriculum director with Barnwell 45.	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$125,000)
Share a part-time HR director with Barnwell 45.	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$125,000)
Send board packets electronically.	\$50	\$50	\$50	\$50	\$50	\$250
Chapter 2.0 Total Savings (Costs)	(\$49,950)	(\$49,950)	(\$49,950)	(\$49,950)	(\$49,950)	(\$249,750)
Chapter 3.0: Financial Management						
Fund the finance director's attendance at the biannual SCASBO meetings and her participation in the Certified School Business Official (CSBO) program.	(\$2,400)	(\$700)	(\$700)	(\$700)	(\$700)	(\$5,200)
Consider increasing Employee Theft, Computer Fraud, and Funds Transfer Fraud coverages.	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$30,000)
Obtain an umbrella liability policy.	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$10,000)
Provide training to obtain certification as a Certified Professional Public Buyer or a Certified Professional Public Officer.	(\$600)	\$0	\$0	\$0	\$0	(\$600)
Begin P-Card System	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Add Occupational Therapy services	(\$3,660)	(\$3,660)	(\$3,660)	(\$3,660)	(\$3,660)	(\$18,300)
Chapter 3.0 Total Savings (Costs)	(\$9,660)	(\$7,360)	(\$7,360)	(\$7,360)	(\$7,360)	(\$39,100)
Chapter 4.0: Human Resources Management						
Conduct salary study	(\$5,000)	\$0	\$0	\$0	\$0	(\$5,000)
Stop annual bonuses	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$42,500
Reduce Turnover Rates	\$158,460	\$131,265	\$115,920	\$115,920	\$115,920	\$637,485
Lock personnel files in a secure cabinet	(\$1,200)	\$0	\$0	\$0	\$0	(\$1,200)
Chapter 4.0 Total Savings (Costs)	\$160,760	\$139,765	\$124,420	\$124,420	\$124,420	\$673,785
Chapter 5.0: Facility Use & Energy Management						
Develop and implement a security system for all schools starting with rekeying door locks and issuing student ID's.	(\$12,000)	(\$500)	(\$500)	(\$500)	(\$500)	(\$14,000)
Create three full time custodian positions	(\$46,080)	(\$46,080)	(\$46,080)	(\$46,080)	(\$46,080)	(\$230,400)
Create a facilities' director position.	(\$45,000)	(\$45,000)	(\$45,000)	(\$45,000)	(\$45,000)	(\$225,000)
Establish an effective energy management program	(\$12,800)	\$9,800	\$9,800	\$9,800	\$9,800	\$26,400
Chapter 5.0 Total Savings (Costs)	(\$115,880)	(\$81,780)	(\$81,780)	(\$81,780)	(\$81,780)	(\$443,000)

Chapter Recommendations	Year 1	Year 2	Year 3	Year 4	Year 5	Total Five Year Savings (Cost)
Chapter 6.0: Transportation						
Staffing Changes	(\$25,400)	(\$25,400)	(\$25,400)	(\$25,400)	(\$25,400)	(\$127,000)
Bus driver recognition program, supplies & facility	(\$1,300)	(\$1,150)	(\$1,150)	(\$1,150)	(\$1,150)	(\$5,900)
Eliminate Hazard Services	\$9,635	\$9,635	\$9,635	\$9,635	\$9,635	\$48,175
Revise Compensation Plan	(\$3,400)	(\$3,400)	(\$3,400)	(\$3,400)	(\$3,400)	(\$17,000)
Sale of 1996 Activity Buses and resulting savings	\$5,000	\$2,000	\$2,000	\$2,000	\$2,000	\$13,000
Purchase Fuel From SDE or Via State Fuel Card	\$1,813	\$1,900	\$1,975	\$2,050	\$2,125	\$9,863
Preventive Maintenance Program	\$2,300	\$2,300	\$2,700	\$2,700	\$3,100	\$13,100
Traffic Flow Plan Macedonia Elementary School	(\$400)	\$0	\$0	\$0	\$0	(\$400)
Replacement of the Aging School Bus Fleet	\$0	\$0	\$0	\$0	\$0	\$0
Chapter 6.0 Total Savings (Costs)	(\$11,752)	(\$14,115)	(\$13,640)	(\$13,565)	(\$13,090)	(\$66,162)
Chapter 7.0: Food Services						
Reduce food service labor 8 hours eliminate a food service manager position	\$24,227.28	\$24,227.28	\$24,227.28	\$24,227.28	\$24,227.28	\$121,136.40
Eliminate overtime pay	\$3,049.50	\$3,049.50	\$3,049.50	\$3,049.50	\$3,049.50	\$15,247.50
Implement offer versus serve in the elementary school to reduce food waste and help to lower cost of	\$18,900.00	\$18,900.00	\$18,900.00	\$18,900.00	\$18,900.00	\$94,500.00
Secure a contract for a point of sales and software package under the Barnwell 45 procurement.	\$641,314.80	\$0.00	\$0.00	\$641,314.80	\$0.00	\$1,282,629.60
Increase the amount of fruit offered at breakfast to one cup daily.	(\$38,556)	(\$38,556)	(\$38,556)	(\$38,556)	(\$38,556)	(\$192,780)
Implement an a la carte program at Blackville – Hilda Junior and High Schools using the same food items sold at Macedonia Elementary School	\$62,460	\$62,460	\$62,460	\$62,460	\$62,460	\$312,300
Chapter 7.0 Total Savings (Costs)	\$711,395.58	\$70,080.78	\$70,080.78	\$711,395.58	\$70,080.78	\$1,633,033.50
Chapter 8.0 Technology Use & Management						
Reorganize Technology Support.	(\$5,000)	\$20,000	\$20,000	\$20,000	\$20,000	\$75,000
Add Zone Printer Management.	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$30,000
Conduct a Technology Refresh.	\$0	\$0	\$0	\$0	\$0	\$0
Invest in Chrome Technology.	(\$3,000)	(\$7,000)	(\$7,000)	(\$4,000)	(\$4,000)	(\$25,000)
Develop an E-Rate Strategy.	(\$8,062)	\$8,908	\$5,808	(\$2,592)	(\$2,592)	\$1,470
Chapter 8.0 Total Savings (Costs)	(\$10,062)	\$27,908	\$24,808	\$19,408	\$19,408	\$81,470
All Chapters Total Savings (Costs)	\$674,852	\$84,549	\$66,579	\$702,569	\$61,729	\$1,590,277

As shown in **Exhibit 4**, the total five-year net savings if all of our recommendations are implemented in **Clarendon 1 School District** is **\$426,141**.

**EXHIBIT 4
CLARENDON SCHOOL DISTRICT 1
SUMMARY OF ANNUAL SAVINGS AND COST**

Chapter Recommendations	Year 1	Year 2	Year 3	Year 4	Year 5	Total Five Year Savings (Cost)
Chapter 2.0: Organization & Management						
Send board packets electronically	\$90	\$90	\$90	\$90	\$90	\$450
Chapter 2.0 Total Savings (Costs)	\$90	\$90	\$90	\$90	\$90	\$450
Chapter 3.0: Financial Management						
Seek ASBO and GFOA membership/Certificate of Excellence	(\$2,339)	\$0	\$0	\$0	\$0	(\$2,339)
Obtain an umbrella liability policy	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$10,000)
Begin P-Card system	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Chapter 3.0 Total Savings (Costs)	\$661	\$3,000	\$3,000	\$3,000	\$3,000	\$12,661
Chapter 4.0: Human Resources Management						
Conduct salary study	(\$5,000)	\$0	\$0	\$0	\$0	(\$5,000)
Reduce turnover rates	\$71,610	\$51,150	\$35,805	\$35,805	\$35,805	
Share an HR director	(\$23,213)	(\$23,213)	(\$23,213)	(\$23,213)	(\$23,213)	(\$116,065)
Chapter 4.0 Total Savings (Costs)	\$43,397	\$27,937	\$12,592	\$12,592	\$12,592	\$109,110
Chapter 5.0: Facility Use & Energy Management						
Reduce the cost per square foot for cleaning supplies	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$41,665
Audit the St. Paul Elementary School and the Early Childhood Center	(\$100,000)	\$46,816	\$46,816	\$46,816	\$46,816	\$87,264
Chapter 5.0 Total Savings (Costs)	(\$91,667)	\$55,149	\$55,149	\$55,149	\$55,149	\$128,929

Chapter Recommendations	Year 1	Year 2	Year 3	Year 4	Year 5	Total Five Year Savings (Cost)
Chapter 6.0: Transportation						
Bus driver recognition program supplies & facility	(\$1,400)	(\$1,150)	(\$1,150)	(\$1,150)	(\$1,150)	(\$6,000)
Portable office	(\$NA)	(\$NA)	(\$NA)	(\$NA)	(\$NA)	\$0
Eliminate hazard services	\$0	\$0	\$0	\$0	\$0	
Eliminate excessive ride time	\$0	\$0	\$0	\$0	\$0	
Revise compensation plan	(\$600)	(\$600)	(\$600)	(\$600)	(\$600)	
Administrative pay	(\$19,206)	(\$19,206)	(\$19,206)	(\$19,206)	(\$19,206)	
Elimination of overtime	\$28,869	\$28,869	\$28,869	\$28,869	\$28,869	
Sale of 1996 activity buses and resulting savings	\$3,500	\$1,500	\$1,500	\$1,500	\$1,500	
Purchase fuel from SCDOE or via state fuel card	\$1,893	\$1,900	\$1,900	\$1,900	\$1,900	\$9,493
Preventive maintenance program	\$1,900	\$2,200	\$2,600	\$2,600	\$3,000	
Scott's Branch intersection improvement*	\$0	\$0	\$0	\$0	\$0	
Replacement of the aging school bus fleet **	\$0	\$0	\$0	\$0	\$0	
Chapter 6.0 Total Savings (Costs)	\$14,956	\$13,513	\$13,913	\$13,913	\$14,313	\$70,608
Chapter 7.0: Food Services						
Coordinate food safety HACCP training annually for all food services operators	(\$500.00)	(\$500.00)	(\$500.00)	(\$500.00)	(\$500.00)	(\$2,500.00)
Separate menu for each age group	(\$2,400)	(\$1,200)	(\$1,200)	(\$1,200)	(\$1,200)	(\$7,200)
Chapter 7.0 Total Savings (Costs)	(\$2,900.00)	(\$1,700.00)	(\$1,700.00)	(\$1,700.00)	(\$1,700.00)	(\$9,700.00)
Chapter 8.0 Technology Use & Management						
Collaborative technical support program	(\$15,000)	\$10,000	\$10,000	\$10,000	\$10,000	\$25,000
Relocate data center and support staff	\$5,000	\$0	\$0	\$0	\$0	\$5,000
Disaster recovery & IaaS/SaaS	(\$10,000)	\$0	\$20,000	\$0	\$0	\$10,000
E-Rate strategy	(\$10,559)	\$14,464	\$14,586	\$9,896	\$9,896	\$38,283
Technology committee	\$0	\$0	\$0	\$0	\$0	\$0
Student technology support	(\$3,200)	\$9,000	\$10,000	\$10,000	\$10,000	\$35,800
Chapter 8.0 Total Savings (Costs)	(\$33,759)	\$33,464	\$54,586	\$29,896	\$29,896	\$114,083
All Chapters Total Savings (Costs)	(\$69,222)	\$131,453	\$137,630	\$112,940	\$113,340	\$426,141

If the four districts implement all of the reports' recommendations, a total of **\$11,784,684** is the estimated savings over a five-year period.

PART III: GLOBAL ISSUES FOUND ACROSS DISTRICTS REVIEWED

- There is a need to study and consider shared central office services of the smaller, rural districts. Some districts that are exploring shared services are doing so with success (i.e., food services is shared in Barnwell 19, technology services in Lexington 4, special education services and vocational services in most districts, etc.) Dollars saved with multiple central office staff and services would best serve the districts' student programs and services.
- All of the four districts could use an independent review of their insurance coverage.
- Two of the four districts were not taking full advantage of their eight percent borrowing capacity to fund capital improvements.
- There is a need for districts to study Medicaid reimbursements each fiscal year for opportunities to increase the amounts received.
- There is inconsistency in the cost and coverage of School Resource Officers (SROs) among the districts.
- A statewide analysis study of the use and resources provided by the state's consortia; they may be an untapped resources (i.e., Pee Dee Education Center in Florence and the Western Piedmont Education Consortium in Greenwood, and Old English Consortium).

- There is inconsistency in the evaluation of superintendents, although there is a best practice model offered by South Carolina School Boards' Association (SCSBA). The instrument used by SCSBA is titled, Dimensions of the Superintendent Evaluation.
- The role and cost-effectiveness of county boards of education needs to be reviewed/studied at the local level. (i.e., the county board that oversees the multiple Clarendon districts called the Clarendon Board of Education and the Anderson and Dillon Boards of Education.)
- There is inconsistency in the monthly stipend for board members. (i.e., board members are not paid in Barnwell 19, Clarendon 1 (similar size district pays board members \$300.00 a month and the chair of the board \$400.00 per month, Dorchester 2 pays board members \$600 a month and the chair \$750.00 a month. Lexington 4 board members are not paid.)
- Stronger training for board members is needed particularly in understanding their roles as policymakers.
- The state collects districts' strategic plans prior to the districts receiving their state student testing data (PASS). Districts' strategic plans are typically based on student academic needs. The strategic plans should be submitted to the state *after* they have had an opportunity to study their current test scores.
- In\$ite data is outdated; it has not been updated on the Department of Education's website since posting of the FY2011-12 data.
- The E-Rate Federal Program provides opportunities for schools and libraries to obtain discounts for services related to delivery of Internet and networks in schools. Recent changes in the program have eliminated or reduced funding from services which have traditionally received full funding. Schools and libraries that are not monitoring this change will face significant funding loss and not be prepared. All schools and libraries need a strategy to address this changing need now before the impact is felt. Even with these changes, there are other opportunities for additional funds that could be accessed.
- There does not appear to be any state expectations for districts' Response to Intervention program (RtI). Although this is not an operations' topic, it does affect efficiencies in program planning and spending.
- Of the districts studied, three of the four do not have a five-year master plan. The master plan should include planning, capital construction and maintenance planning. Only one district claimed to have a plan, but said that it was in the process of being updated and did not offer the plan for study.
- Of the districts studied, two of the four do not have the staff knowledge required to determine energy conservation and efficiency measures and how to perform preventative maintenance on the Heating, Ventilation, & Air Conditioning (HVAC) equipment which will lead to excessive energy use and costly HVAC equipment failures.

- Of the districts studied, three of the four do not calculate current and projected enrollment capacity and utilization rate by school or grade-levels. Accurate enrollment projections are a basic tool of effective master planning. Inaccurate projections can lead to a surplus or lack of appropriate space. Surplus space wastes valuable public resources.
- Of the districts studied, three of the four had an extended warranty contract with HARRIS Integrated Solutions to maintain and support their building automation system, but staff members were unaware that the contract provided low-cost/free services HARRIS has available to assist in determining energy conservation and efficiency measures.
- Of the districts studied, two of the four had a large backlog of deferred maintenance resulting in excessive energy use, frequent repairs of aging HVAC equipment and reoccurring roofing leaks.
- Response time from the Office of School Facilities (OSF) at the State Department of Education is delaying school construction. It has taken excessive time (in many cases over four months) to receive plan reviews. Permission to move portable classrooms over the summer is another major concern of school districts given the time to receive responses from OSF.
- The state should consider incorporating professional training opportunities into the Center for Educator Recruitment, Retention, and Advancement (CERRA) for both teachers and non-instructional personnel. The state could be particularly helpful in providing small districts with timely information on FMLA and ACA and current technology trends in software and instruction. (For an example, see the Broward County Florida's Office of Talent Development Program <http://www.broward.k12.fl.us/talentdevelopment/>)
- Extend the mentorship program for an additional year for teachers. The key years for retaining talent are years 2-5 and initiatives that can be implemented to help teachers in those developing years should be implemented.
- Implement a formal strategic succession plan. All districts are going to have to be prepared for the expiration of the Teacher and Employee Retention Incentive (TERI) on June 30, 2018 and the impending retirement of baby boomers. Formal succession planning will help districts to retain knowledge and identify leadership gaps in their districts.
- Implement a pen-and-paper or an online survey to complement exit interviews for all employees.
- Smaller districts struggle to keep up-to-date on technology and best practices for HR, which is an enormous driver in a successful district.

- The training, staffing, and facility requirements to a safe and effective school transportation program are not synonymous with school districts that have less than 800 students. These districts typically operate less than 10 school buses and find it difficult to justify a full-time transportation supervisor and all the other components of an effective program (facilities, training, etc.). Districts that do understand the demands of school transportation and have adequate training, staffing and facilities are to be commended. The economy of scale of school transportation and small school districts are difficult to achieve. Sharing of a transportation supervisor should be explored by the smaller districts.
- School districts are not taking advantage of state programs that offer reduced pricing for fuel. The state fuel credit card and purchasing fuel from the SDE are examples. Not one of the four districts are using either of these options to purchase fuel. The district automatically purchases from local vendors without researching their options.
- Districts are not competitively procuring vehicle maintenance, repair, and inspection services in favor of supporting local vehicle services businesses for these services.
- Small districts, those operating less than 40 buses, should take better advantage of the technical assistance offered by the SDE Office of Transportation. This is not being done by any of the four districts. The districts view the SDE as an enforcer of rules, not a partner in service delivery.
- Small districts do not manage their vehicle preventive maintenance effectively. This is also a factor of scale. A district with only eight vehicles perceives that they cannot afford to have a preventive maintenance staff person. However, without such a well-trained person, vehicles cannot be cost effectively maintained. The penalty is higher than necessary vehicle repair costs.
- Districts contracting for transportation services should always retain district staff with the expertise to constantly monitor the contractor's compliance with the contract and the needs of the district.

PART IV: FUTURE EFFICIENCY REVIEW STUDY RECOMMENDATIONS

Should the state of South Carolina determine it wishes to conduct additional district efficiency reviews, our team recommends considering the following recommendations:

1. Include curriculum and instruction/special programs (alternative education, gifted, special education, etc.) as an additional area for review. From our exposure to these programs during the operational review, we believe there may be additional opportunities for cost savings.
2. Include food services as an additional area for review. As shown in Exhibits 1-4, this is an area that many districts need additional assistance to locate efficiencies.
3. Work with the South Carolina Department of Education to keep In\$ite data updated (the most recent is 2011-12). These data comparisons can assist the consultants and districts in reviewing appropriate peer district comparisons.

4. Work with the South Carolina Department of Education on pre-planning of the efficiency review onsite visits. By doing so, it will be a joint effort and will also ensure that calendars are synched to avoid overloading the district.
5. Consider parts of various other state's models to create one unique to South Carolina. For example, in the Commonwealth of Virginia, the districts also volunteer for the study; however, if they do not implement 50 percent of the recommendations or accrue 50 percent of the cost savings, then they are required to pay the state back 25 percent of the cost of the study. This provides the district with an incentive to implement the recommendations.
6. Consider creating efficiency review protocols specific to South Carolina school districts.
7. Consider establishing a statewide best practice data base so that all districts in the state can benefit from learning about the selected districts' best practices (commendations) found in the studies.