



# **PERFORMANCE AUDIT REPORT**

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

**A Report to the Legislative Post Audit Committee  
By the Legislative Division of Post Audit  
State of Kansas  
July 2015**

# Legislative Division of Post Audit

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July 29, 2015

To: Members, Legislative Post Audit Committee

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Senator Anthony Hensley  
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Senator Julia Lynn

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

Sincerely,

Scott Frank  
Legislative Post Auditor

This audit was conducted by Heidi Zimmerman, Clyde-Emmanuel Meador, Daniel McCarville, and Paige Asmann. Justin Stowe was the audit manager. Dr. Tom Vernon was a consultant. If you need any additional information about the audit's findings, please contact Heidi Zimmerman at the Division's offices.

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## Table of Contents

<b>Introduction</b> .....	1
<b>Overview of the Auburn-Washburn School District</b>	
<i>The Auburn-Washburn School District Served About 5,750 FTE Students and Employed About 850 FTE Staff in the 2013-14 School Year</i> .....	3
<b>Question 1: Could the Auburn-Washburn School District Achieve Significant Cost Savings by Improving Resource Management, and What Effect Would Those Actions Have?</b>	
<i>The Auburn-Washburn School District Was Selected for an Efficiency Audit and Reported Taking Many Actions to Reduce Costs During the Last Several Year</i> .....	7
<i>We Interviewed District Officials and Staff, Analyzed District Expenditures, and Toured District Facilities to Identify Cost Savings Options</i> .....	8
<i>The District Could Save Between \$165,000 and \$280,000 by Eliminating 5.0 to 8.5 FTE Custodial Positions</i> .....	10
<i>The District Could Save Between \$34,000 and \$77,000 Annually by Aligning Supplemental Pay With What Similar Districts Pay</i> .....	12
<i>The District Could Generate up to \$34,000 in Revenue Annually by Increasing its Use of Cash-Back Purchasing Cards</i> .....	14
<i>The District Could Save \$68,000 Annually by Replace Four Nurses with Health Aides</i> .....	15
<i>The District Could Reduce or Offset about \$215,000 to \$335,000 in Annual Transportation Costs by Changing its Policies on Busing Students Who Live Less than 2.5 Miles from School</i> .....	18
<b>Recommendations</b> .....	21

## List of Figures

<b>Figure OV-1:</b> Map of Auburn-Washburn School District .....	3
<b>Figure OV-2:</b> Selected Information for the Auburn-Washburn School District (2013-14 school year) .....	4
<b>Figure OV-3:</b> 2013-14 Expenditures for Auburn-Washburn School District .....	5
<b>Figure OV-4:</b> Comparison of Selected Auburn-Washburn Demographic Data to the State Average (2013-14 school year) .....	6
<b>Figure 1-1:</b> Summary of Cost Savings or Revenue Generating Options for the Auburn-Washburn School District with a <u>Low Impact</u> on Students or the Community .....	10
<b>Figure 1-2:</b> Comparison of Auburn-Washburn's Square Footage Cleaned per Custodian to National Benchmarks and Peers .....	11
<b>Figure 1-3:</b> Comparison of Auburn-Washburn's Annual Supplemental Pay Rates to the Centennial league Average for Selected Activities .....	13
<b>Figure 1-4:</b> Summary of Cost Savings or Revenue Generating Options for the Auburn-Washburn School District With a <u>Moderate Impact</u> on Students or the Community .....	15
<b>Figure 1-5:</b> Summary of Costs Savings or Revenue Generating Options for the Auburn-Washburn School District With a <u>Significant Impact</u> on Students or the Community .....	17
<b>Figure 1-6:</b> Savings and Revenue Estimates for Changes to the District's Transportation Policy .....	19

## List of Appendices

<b>Appendix A:</b> Scope Statement.....	23
<b>Appendix B:</b> Detailed Information about Efficiency Measures Used to Compare the Auburn-Washburn School District to Its Peers.....	25
<b>Appendix C:</b> District Response.....	31

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

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K.S.A. 46-1133 requires the Legislative Division of Post Audit to conduct a series of efficiency audits of Kansas school districts from fiscal year 2014 to fiscal year 2017. Like similar school efficiency audits conducted in previous years, the goal of these audits is to identify ways districts could reduce costs without affecting the education they provide students. Each year our office conducts audits of three school districts—one small (fewer than 500 students), one medium (500 to 4,000 students), and one large (more than 4,000 students). The law further stipulates that school districts be selected on a voluntary basis first and exempts school districts that have participated in a similar efficiency audit in the previous five years.

Legislative Post Audit randomly selected the Auburn-Washburn school district for an audit in September 2013 in the large-sized school district category. This efficiency audit answers the following question:

**1. Could the Auburn-Washburn 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 work included a variety of steps designed to answer the audit question. We identified eight peer districts that had similar demographics (e.g. a similar percentage of free-lunch students) to the Auburn-Washburn school district and compared them on various measures of efficiency. That allowed us to identify areas where the district's spending appeared to be relatively high. Detailed information about how we selected these peers, as well as the efficiency measures we calculated is included in *Appendix B*. We also interviewed district officials and toured the district's facilities. Where applicable, we compared district operations, controls, and processes to best practices to determine if they were adequate.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our work included a review of the district's internal controls for its procurement cards and payroll system.

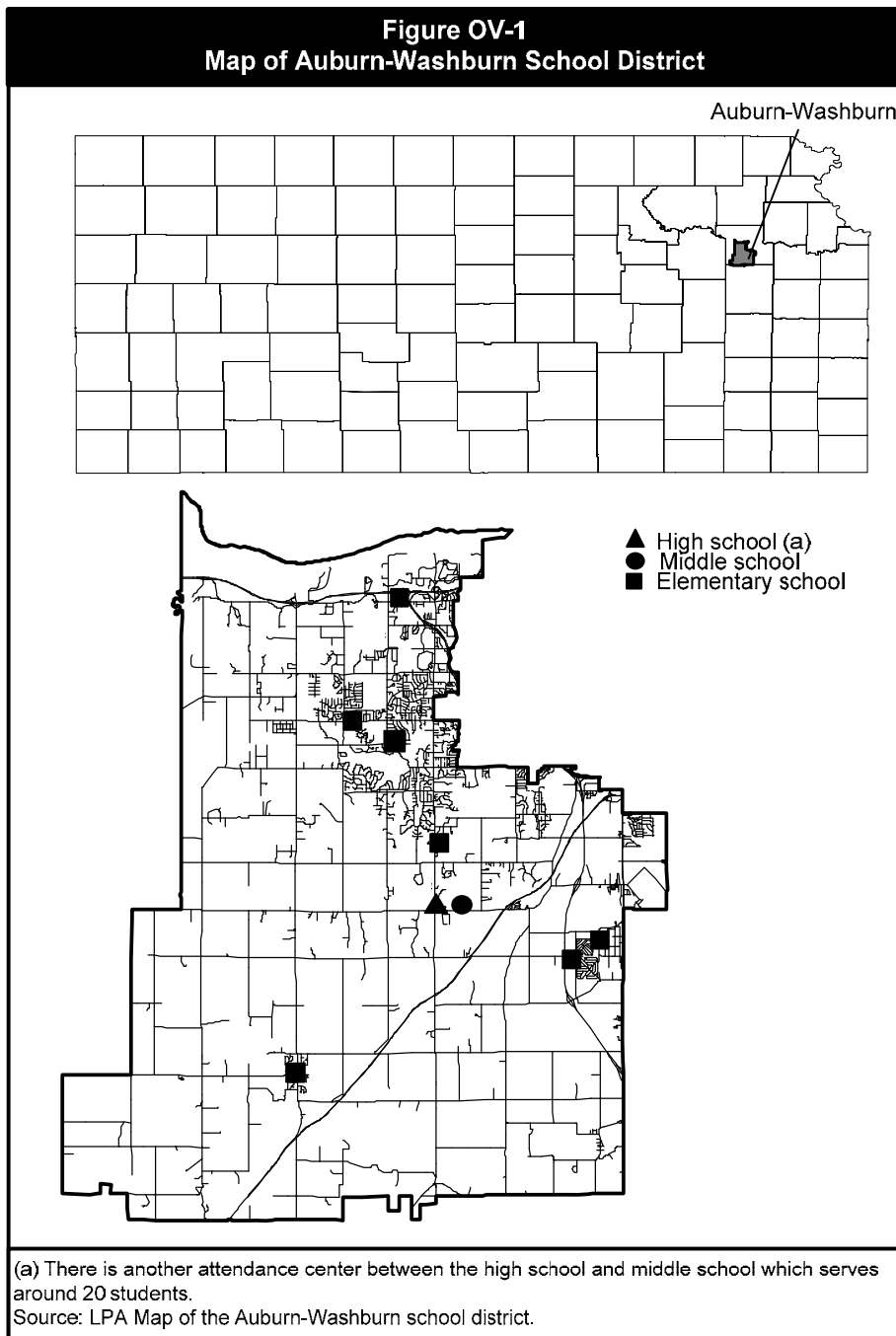
We provided a management letter to the Auburn-Washburn school district to convey minor findings not discussed in the report. Our audit findings begin on page 7, following a brief overview of the Auburn-Washburn school district.



## Overview of the Auburn-Washburn School District

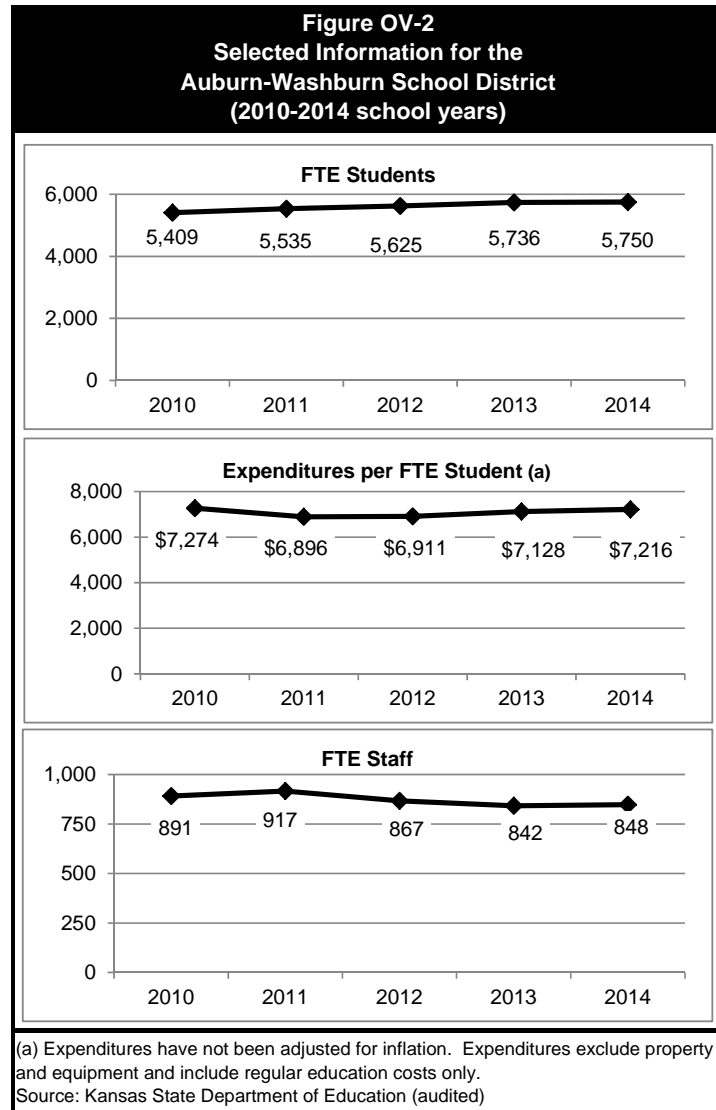
*The Auburn-Washburn School District Served About 5,750 FTE Students and Employed About 850 FTE Staff in the 2013-14 School Year*

The Auburn-Washburn school district is located in northeast Kansas, in Shawnee County. *Figure OV-1* provides a map of the district. As the figure shows, the district has 10 school buildings: seven elementary schools, one middle school, one high school, and one school that primarily serves special education students. The district also has eight neighboring districts: Burlingame, Kaw Valley, Mission Valley, Santa Fe Trail, Seaman, Shawnee Heights, Silver Lake, and Topeka.



During the last five years, the Auburn-Washburn school district's student enrollment has increased, expenditures per FTE student have remained constant, and staffing has decreased. *Figure OV-2* shows five-year trends for student enrollment, expenditures per FTE student, and staffing for the Auburn-Washburn school district. As the figure shows:

- **The district's student enrollment has increased by 6%.** The district had 5,750 FTE students in the 2013-14 school year, compared to 5,409 FTE in 2009-10.
- **The district's expenditures per FTE student have remained relatively constant.** The district spent about \$7,216 per FTE student for regular education in the 2013-14 school year, compared to \$7,274 in 2009-10.
- **The district's staffing level has decreased by 5%.** The district employed 848 FTE in the 2013-14 school year, compared to 891 FTE in 2009-10.

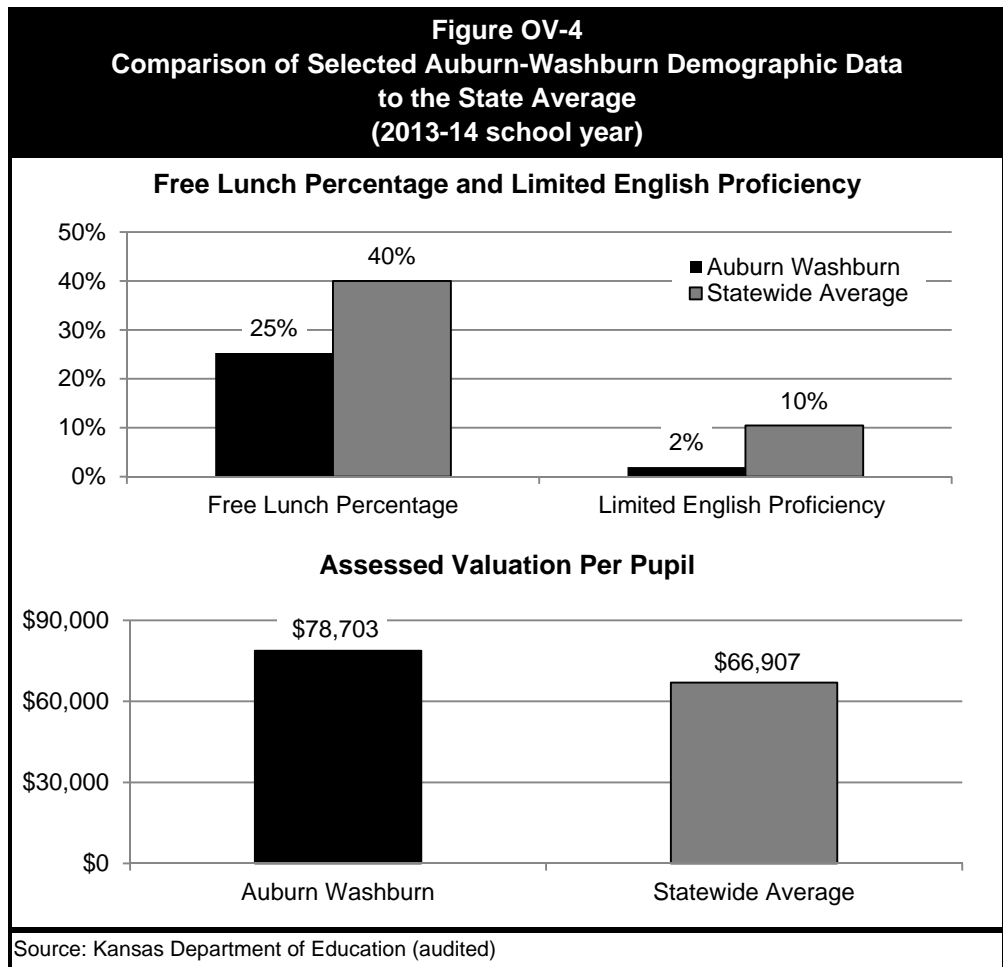


**Figure OV-3** summarizes district expenditures for the 2013-14 school year. Total district expenditures for that year were about \$64 million.

Our analyses excluded property and special education expenditures. Districts provide special education services in a variety of ways, so including them would distort comparisons across districts. Additionally, property and equipment purchases were excluded because they can vary significantly from year to year.

<b>Figure OV -3 2013-14 Expenditures for Auburn-Washburn School District</b>			
<b>Category</b>	<b>Total</b>	<b>\$ Per FTE Student</b>	<b>% of Total</b>
<b>All District Expenditures (a)</b>			
Regular Education	\$41,489,511	\$7,216	65%
Special Education	\$10,417,992	\$1,812	16%
KPERS (b)	\$3,670,236	\$638	6%
Property and Equipment	\$2,275,620	\$396	4%
Other	\$6,180,227	\$1,075	10%
<b>Total (c)</b>	<b>\$64,033,586</b>	<b>\$11,137</b>	<b>100%</b>
<b>Expenditures Evaluated in This Audit (d)</b>			
<b>Expenditures by Function</b>			
Instruction	\$24,587,567	\$4,276	61%
Operations & Maintenance	\$4,460,485	\$776	11%
School Administration	\$2,595,305	\$451	6%
Food Services	\$2,575,320	\$448	6%
District Administration	\$2,185,147	\$380	5%
Student Support	\$1,508,575	\$262	4%
Transportation	\$1,382,320	\$240	3%
Instruction Support	\$1,322,004	\$230	3%
<b>Total (d)</b>	<b>\$40,616,723</b>	<b>\$7,064</b>	<b>100%</b>
<b>Expenditures by Object</b>			
Salaries	\$28,302,967	\$4,922	70%
Benefits	\$4,296,560	\$747	11%
Purchased Services	\$2,042,862	\$355	5%
Supplies	\$5,622,430	\$978	14%
Other	\$351,904	\$61	1%
<b>Total (d)</b>	<b>\$40,616,723</b>	<b>\$7,064</b>	<b>100%</b>
(a) Totals exclude transfers between funds.			
(b) The state pays the employer portion of KPERS for the district.			
(c) Totals may not add due to rounding.			
(d) Total excludes property and equipment, special education, and certain categories such as construction and debt service.			
Source: Kansas Department of Education (audited)			

**The Auburn-Washburn school district has higher property values and a lower percentage of students receiving free lunches and limited English proficiency services than the state average. Figure OV-4 compares the percentage of students who receive free lunches, have limited English proficiency, and the assessed valuation per pupil in the Auburn-Washburn school district to the state average. As the figure shows, 25% of Auburn-Washburn’s students received free lunches compared to the state average of 40%. Further, the figure shows 2% of Auburn-Washburn’s students received services for limited English proficiency, compared to the state average of 10%. Finally, the district’s assessed valuation per pupil of \$78,703 was greater than the state average of \$66,907.**



## Question 1: Could the Auburn-Washburn School District Achieve Significant Cost Savings by Improving Resource Management, and What Effect Would Those Actions Have?

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*We identified a number of opportunities for the district to operate more efficiently and reduce its costs or generate additional revenue. We categorized those options into three groups based on their potential impact on students or the community (p.9).*

*First, we identified options that would have little to no impact on students or the community. We estimated the district could save between \$165,000 and \$280,000 by eliminating 5.0 to 8.5 FTE custodial positions (p.10). Additionally, the district could save between \$34,000 and \$77,000 annually by aligning supplemental pay with what similar districts pay (p.12). Further, the district could generate up to \$34,000 in revenue annually by increasing its usage of cash-back purchasing cards (p.14).*

*Next, we identified one option that could have a moderate impact on students or the community. The district could save \$68,000 annually by replacing four nurses with health aides (p.15).*

*Last, we identified one savings option that could have a significant impact on students or the community. We estimated the district could reduce or offset about \$215,000 to \$335,000 in annual transportation costs by changing its policies on busing students who live less than 2.5 miles from school (p. 18).*

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### ***The Auburn-Washburn School District Was Selected for an Efficiency Audit and Reported Taking Many Actions to Reduce Costs During the Last Several Years***

Legislative Post Audit randomly selected the Auburn-Washburn school district for an audit in September 2013 pursuant to K.S.A. 46-1133. This audit focus on ways in which the district can provide the same quality of educational services using fewer resources, or could use existing resources more productively.

**District officials reported taking many actions during the past several years to improve the district's efficiency and reduce costs.** Those actions include:

- **The district has implemented an energy conservation program.** This includes using software to monitor energy usage, replacing fluorescent lighting with more efficient LEDs, and encouraging staff to be more aware of energy usage.
- **The district has centralized and streamlined a number of administrative processes.** This includes implementing a centralized purchasing process for textbooks and IT equipment, improving record keeping, and centralizing student enrollment.

- **The district has reduced staffing costs.** This includes monitoring overtime, reducing the need for substitute teachers, and consolidating positions.
- **The district has increased food service revenues and lowered costs.** This district has increased revenue by tailoring menus to student preferences and decreased costs by improving resource management and cooking from scratch as much as possible.

District officials did not track the cost savings for all efficiency actions taken in previous years. However, they tracked some and estimated annual savings to be about \$670,000. We did not perform any audit work to verify these reported actions or savings.

***We Interviewed District Officials and Staff, Analyzed District Expenditures, and Toured District Facilities to Identify Cost Savings Options***

We reviewed district operations to identify potential areas where the district could reduce costs or generate revenue. In doing this work we:

- compared Auburn-Washburn’s school district expenditures to peer districts on a per-student basis. We selected eight other school districts whose demographics were similar in terms of size, property values, poverty levels, and the percent of students who have limited English proficiency. **Appendix B** provides a list of these peer districts. We then compared Auburn-Washburn school district expenditures on a per-student basis to peer districts to identify potential outliers.
- compared the district’s staffing levels in certain areas to national benchmarks. For example, we used a square footage-per custodian benchmark to assess the efficiency of custodial staff.
- surveyed almost 1,300 Auburn-Washburn district staff to identify potential inefficiencies. In total, we received 400 responses for a response rate of 32%. Of those who responded, 92% reported the district operated efficiently or very efficiently.
- interviewed Auburn-Washburn school district officials and staff and toured school buildings to better understand and observe district operations.
- interviewed officials in other similar Kansas school districts and at KSDE and consulted with an experienced Kansas public school administrator to provide feedback on the feasibility and impact of our potential cost savings options.

**We categorized the potential cost savings options we identified based on their potential impact on students and the community.** As in previous audits, we categorized savings options 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, increasing the district's procurement card usage would generate revenue but would have little impact on students.
- **Options that could have a moderate impact on students or the community, but should be considered.** These options could have some effect on students. For example, replacing nurses with health aides could affect how the district offers certain health services.
- **Options that could have a significant impact on students or the community, but should be considered.** These options could potentially yield the largest savings, but likely will also affect student instruction or the community in significant ways. For example, charging parents for busing services could have a significant impact on student families.

Auburn-Washburn 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.

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**SAVINGS 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.

*Figure 1-1*, on page 10, summarizes the cost savings and revenue enhancements in this category. As the figure shows, the district could achieve between \$233,000 and \$391,000 in savings and increased revenues if it implemented all options. Those options include:

- reducing custodial staff to align with national benchmarks or peer district staffing levels (page 10)
- aligning supplemental pay with what similar districts pay (page 12)
- increasing its use of a cash-back procurement card (page 14)

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

**Figure 1-1**  
**Summary of Cost Savings or Revenue Generating Options for the Auburn-Washburn School District**  
**With a Low Impact on Students or the Community**

Option	Annual Cost Savings/ Increased Revenues		School District Officials' Concerns	LPA Assessment of District Officials' Concerns
	Minimum	Maximum		
<b>Eliminate 5.0 to 8.5 FTE Custodial Positions (a)</b>	\$165,000	\$280,000	<ul style="list-style-type: none"> <li>This action would reduce the cleanliness of the buildings and could potentially pose a health risk to students.</li> </ul>	<ul style="list-style-type: none"> <li>Our suggested custodial staffing reductions are in line with national benchmarks and four of Auburn-Washburn's peer districts with a similar number of buildings. Further, two of the peer districts we toured appeared sufficiently clean and officials in those districts had no concern about the cleanliness of their buildings.</li> </ul>
<b>Reduce Supplemental Pay Rates to Align With Similar Districts (b)</b>	\$34,000	\$77,000	<ul style="list-style-type: none"> <li>This action would require negotiation with teachers. The district has attempted this negotiation in the past but hasn't succeeded.</li> </ul>	<ul style="list-style-type: none"> <li>This is a possible barrier to implementing this action.</li> </ul>
<b>Maximize Usage of Cash-Back Purchasing Cards</b>	\$34,000		<ul style="list-style-type: none"> <li>More controls could require additional staff time and some board members would likely be opposed to increased card usage because of difficulties other districts have faced.</li> </ul>	<ul style="list-style-type: none"> <li>Although new controls would need to be created, we do not think significantly more staff time would be needed because card use would take the place of purchasing orders, which have their own controls and processes.</li> </ul>
<b>Total District Savings</b>	<b>\$233,000</b>	<b>\$391,000</b>		

(a) This action would also save the state between \$18,000 and \$30,000 in annual KPERS contributions.  
(b) This action would also save the state between \$4,500 and \$10,200 in annual KPERS contributions.  
Source: LPA analysis of audited district and KSDE data and interviews with district officials.

***The District Could Save Between \$165,000 and \$280,000 by Eliminating 5.0 to 8.5 FTE Custodial Positions***

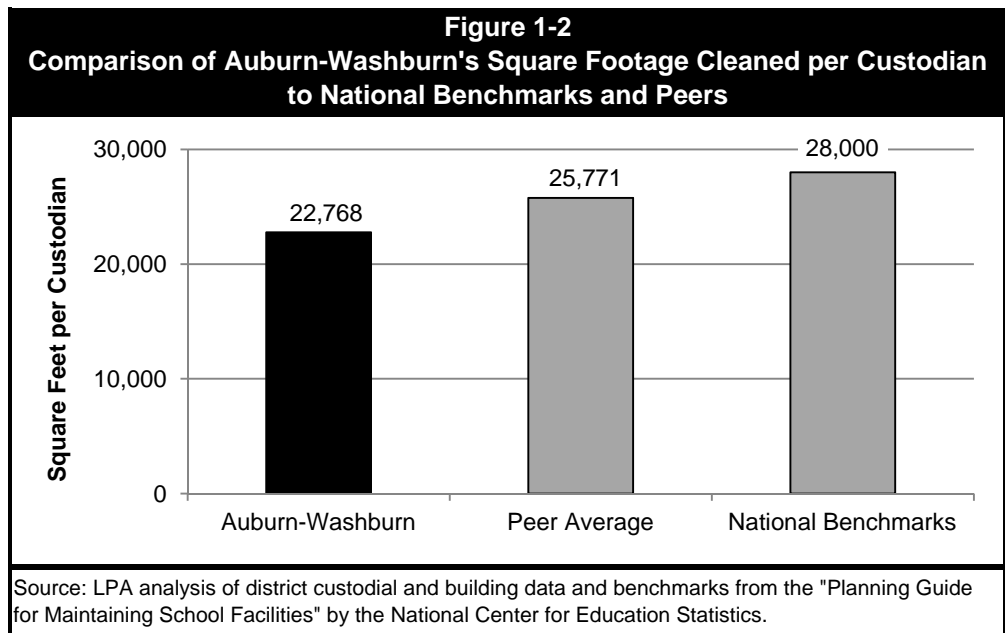
Currently, the Auburn-Washburn school district maintains about 1.1 million square feet of building space. To accomplish this, the district employs 47 FTE custodial staff dedicated to cleaning the district's 11 buildings (10 school buildings and one administrative building). In the 2014-15 school year, the Auburn-Washburn school district spent about \$1.5 million in salaries and benefits for these staff.

**Auburn-Washburn's custodial staffing levels are high compared to peer districts and national benchmarks.** We compared the amount of square footage assigned to each custodian at Auburn-Washburn to national benchmarks and to peer districts with a similar number of school buildings. If the district reduced custodial staff, it would be more in line with peer districts and national benchmarks.

- If the district reduced its custodial staff by 5.0 FTE, it would be more in line with its peer districts and could save about \$165,000.** *Figure 1-2*, on page 11, shows the square feet assigned to Auburn-Washburn's custodians compared to national benchmarks and peers. As the figure shows, custodians at peer districts are assigned, on average, almost 26,000 square feet. By contrast, Auburn-Washburn custodians are assigned about 23,000.



- **If the district reduced its custodial staff by 8.5 FTE, it would be more in line with national benchmarks and could save about \$280,000.** As the figure shows, the national benchmark suggests a custodian could be assigned 28,000 square feet of space to clean each day. This benchmark was proposed through a study sponsored by the National Center for Education Statistics (NCES). Further, the study noted that staffing based on this benchmark should produce a level of cleanliness that is standard for most school facilities and does not pose any health issues. Two of Auburn-Washburn's four peer districts we evaluated had square footage per custodian that was similar to this benchmark.



The NCES study also proposed a more aggressive benchmark of 31,000 square feet per custodian. If the district met this benchmark, it could reduce 12 custodial positions and save up to \$390,000 annually. However, it is unclear how feasible this reduction is because we did not identify any peer districts operating at this level.

**District officials were concerned that eliminating custodial positions would make buildings less clean and could potentially pose a health risk to students.** To assess this concern we toured buildings in the two districts whose square footage per custodian were most similar to the NCES benchmark of 28,000 (Seaman which assigned 27,300 square feet per custodian and Gardner-Edgerton which assigned 29,600). Based on our observation, the buildings we toured in these districts appeared to be sufficiently clean. Additionally, staff in those districts told us they thought their buildings were clean and did not have any concerns about custodial staffing levels. Further, information from the Centers for Disease Control state that standard cleaning practices are sufficient

for the prevention of illnesses like the flu. As a result, we think the peer and national benchmarks are reasonable standards for Auburn-Washburn.

**Eliminating custodial positions would also save the state between \$18,000 and \$30,000 annually in Kansas Public Employees Retirement System (KPERs) funding.** Currently, the state pays for the employer's share of KPERs benefits for school districts (for the 2015-16 school year, this will represent a little more than 13% of the employee's salary). When savings are achieved through a reduction in district staff salaries, there is a subsequent reduction in the employer's KPERs contribution. In this case, reducing the district's staff salaries by \$133,000 to \$226,000 would also reduce the state's KPERs obligation by \$18,000 to \$30,000.

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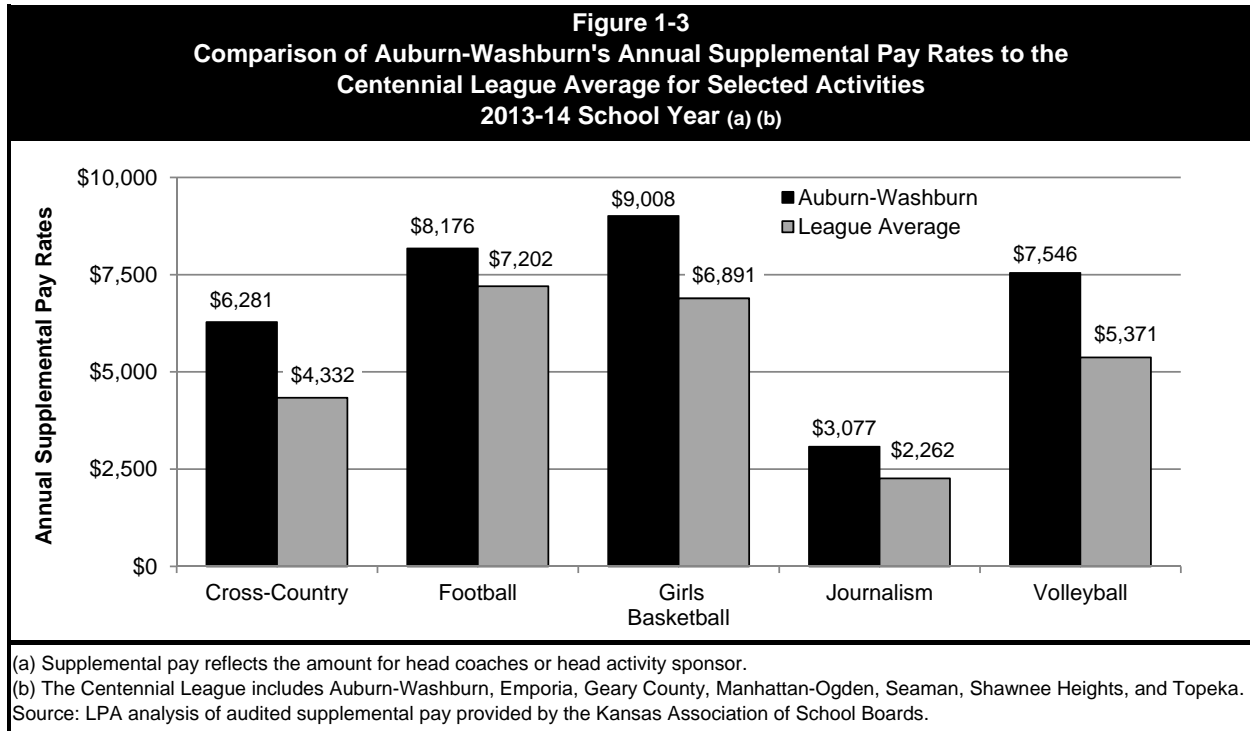
***The District Could Save Between \$34,000 and \$77,000 Annually by Aligning Supplemental Pay With What Similar Districts Pay***

School districts offer supplemental pay to staff for time they spend on extracurricular activities such as coaching sports, supervising clubs, or being a class sponsor. The number of extracurricular activities a district pays for and how much they are willing to pay teachers to coach and supervise those activities varies by district.

**In the 2014-15 school year, Auburn-Washburn paid 189 staff a total of \$525,000 in supplemental pay for a variety of extracurricular activities.** The district provided supplemental pay for a variety of activities including sports, yearbook, and debate although the majority of pay was for coaching various sports. The highest pay was about \$9,000 for the girls' head basketball coach and the lowest pay was about \$180 for a math club advisor.

**Auburn-Washburn's supplemental pay is often more than what similar districts pay because it is based on a percentage of individual staff pay rather than a flat rate.** We compared Auburn-Washburn's pay to the amounts paid by other districts in the Centennial League (the activities league that Auburn-Washburn belongs to). We found Auburn-Washburn often paid more because supplemental pay rates are set as a percentage of that teacher's individual salary. All three of the Centennial League districts we contacted told us their supplemental pay was based on a set percentage of the base starting salary for a first year teacher with a bachelor's degree. This results in lower and more consistent pay. For example, under this pay structure, all assistant track coaches are paid the same amount regardless of their individual salaries.

**Figure 1-3** compares the amount Auburn-Washburn pays for several activities compared to the Centennial League average. As the figure shows, Auburn-Washburn’s method of setting supplemental pay has resulted in the district paying more than the league average for a number of activities. For example, Auburn-Washburn pays its girls’ basketball coach \$9,000 compared to the league average of \$6,900.



**If Auburn-Washburn brought its supplemental pay in line with the average of its league peers, it could save between \$34,000 and \$77,000 annually.** This estimate is based on a comparison of the Centennial League’s average pay for each position to Auburn-Washburn’s pay. The district could achieve the higher end of the savings estimate if it only lowered pay for positions currently receiving more than the league average. Alternatively, the district could achieve the lower estimate if it lowered pay for positions receiving more than the league average and raised pay for positions that receive less.

District officials told us adjusting supplemental pay would have to be negotiated with teachers and that previous attempts to negotiate this pay have failed. However, district officials also told us that one option is a phased approach that would slowly implement any changes to supplemental pay.

**Reducing supplemental pay would also save the state between \$4,500 and \$10,200 annually in KPERS benefits.** When savings

are achieved through a reduction in district staff salaries, there is a subsequent reduction in the employers' KPERS contribution. In this case, reducing the district's staff salaries by \$34,000 to \$77,000 would also reduce the state's KPERS obligation by \$4,500 to \$10,200.

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***The District Could Generate up to \$34,000 in Revenue Annually by Increasing its Use of Cash-Back Purchasing Cards***

A procurement card is a credit card that allows district employees to purchase items directly, instead of through the district's typical purchasing process. The district currently has 10 cards available for staff use. The district reported it used these cards to purchase \$80,000 in supplies and travel expenses for the 2013-14 school year.

**The district could use its procurement cards for more of its supply and service expenditures, which could generate up to \$34,000 in revenue annually.** District officials told us they recently chose a new procurement card program with a 1% cash-back rate but have not yet begun using the cards. In the 2013-14 school year, the district placed only about 1% of its supply and purchased services expenditures on its procurement cards. District officials estimated that they could potentially put up to 36% (\$3.3 million) of its supplies and purchased services on these cards. This action would generate \$34,000 in revenue annually.

If the district were more aggressive it could potentially place up to 60% of its supplies and 50% of its purchased services on procurement cards (\$5.1 million) to generate \$51,000 in revenue annually. However, this likely would require the district to issue more procurement cards or issue cards with higher limits, both of which create additional risk.

**District officials told us it was possible to expand their use of procurement cards but expressed some concerns.** District officials told us that they would need more staff to provide additional oversight if they increased their usage of procurement cards. However, we think the additional staff time required to provide sufficient oversight of increased procurement card usage would be minimal and unlikely to require additional staff. Additionally, district officials also told us some school board members would likely be opposed to increased card use because of difficulties other districts have faced.

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

The option presented in this section could have a moderate impact on students or the community. Replacing school nurses with health aides could potentially affect how some students receive health services.

*Figure 1-4* summarizes the cost savings in this category. As the figure shows, the district could achieve \$68,000 in savings if it chose to replace four nurses with health aides.

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

**Figure 1-4**  
**Summary of Cost Savings or Revenue Generating Options for the Auburn-Washburn School District**  
**With a Moderate Impact on Students or the Community**

Option	Annual Cost Savings/ Increased Revenues	School District Officials' Concerns	LPA Assessment of District Officials' Concerns
Replace Four Nurses with Health Aides (a)	\$68,000	<ul style="list-style-type: none"> <li>Health aides are not as qualified as nurses.</li> <li>Nurses would need to supervise health aides which would increase their responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Although health aides have fewer qualifications than nurses, the district can require training such as CPR and first aid.</li> <li>We agree that aides would need to be supervised by nurses and have included additional compensation for nurses in our savings estimate for this added responsibility.</li> </ul>
<b>Total District Savings</b>	<b>\$68,000</b>		

(a) This action would also save the state about \$9,000 in annual KPERs contributions.  
Source: LPA analysis of audited district and KSDE data and interviews with district officials.

***The District Could Save \$68,000 Annually by Replacing Four Nurses with Health Aides***

Currently, the district employs 10 nurses and two health aides to provide basic health services to students. Each elementary school and the school for special education students has one full-time nurse assigned to it while the middle school and high school have both a full-time nurse and full-time health aide. In the 2014-15 school year the district spent about \$460,000 on salaries and benefits for these staff.

**Auburn-Washburn had similar total health services staffing levels as four peer districts.** We compared Auburn-Washburn’s health services staffing levels (nurses and health aides) to four similar districts. We found that Auburn-Washburn’s staffing ratio of one health service staff per 638 students was similar to the peer average of one health service staff per 603 students.

**However, two of the four peer districts we evaluated used health aides rather than nurses to deliver basic health services to students.** Health aides are not certified nurses but can deliver basic first aid, give medications, and assist with health screenings. Typically, they are supervised by a certified nurse. Two of the districts we reviewed (Derby and Shawnee Heights) used health aides more extensively than Auburn-Washburn. Those districts had similar total health services staffing levels as Auburn-Washburn but had one or two health aides for every nurse.

**If Auburn-Washburn used health aides in a similar way, it could replace four nurses with four health aides and save \$68,000 annually.** If Auburn-Washburn maintained the same number of health services staff but utilized one health aide for every nurse, the district could replace four nurses. As a result, the district would have six nurses and six health aides (instead of two). Staff at the Derby school district told us they have a similar arrangement which requires some nurses to split their time between multiple buildings. We expect Auburn-Washburn likely would need to take similar steps.

Savings are achieved because nurses typically make about \$19,000 more per year than health aides. Our estimated savings assumes that the district's nurses would be paid 10% more than they currently are to compensate them for their increased supervisory duties.

**District officials were concerned that replacing nurses with health aides would pose a safety risk to students.** Health aides are not as qualified as nurses and require supervision. However, the district could require certain training such as CPR and first aid to help ensure health aides are properly trained. Further, the district would likely need to take into account student needs at each school to determine which type of staff would be most appropriate. Finally, we think this staffing structure is feasible because two of Auburn-Washburn's peer districts use it.

**The state would also save about \$9,000 in KPERS funding if the district replaced four nurses with health aides.** Because the state pays the employer share of KPERS (instead of the district), it achieves savings when districts reduce salary costs. In this case, reducing the district's staff salaries would also reduce the state's KPERS obligation.

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

The costs savings options in this section could have a significant impact on students or the community. For example, charging parents for transportation services represents a significant change for many parents.

**Figure 1-5** summarizes the cost savings in this category. As the figure shows, we estimated the district could reduce or offset between \$215,000 and \$335,000 in annual transportation expenditures.

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

<b>Figure 1-5 Summary of Cost Savings or Revenue Generating Options for the Auburn-Washburn School District With a <u>Significant Impact</u> on Students or the Community</b>				
Option	Annual Cost Savings/ Increased Revenues		School District Officials' Concerns	LPA Assessment of District Officials' Concerns
	Minimum	Maximum		
<b>Stop transporting students who live within 2.5 miles of school (a)</b>	\$232,000	\$335,000	<ul style="list-style-type: none"> <li>• The district has provided transportation to all students free of charge for many years so parents are likely to resist any changes.</li> <li>• A lack of sidewalks and crosswalks around the schools means few students will be able to walk to school. As a result, parents likely will have to bring students to school.</li> </ul>	<ul style="list-style-type: none"> <li>• This is a possible barrier to implementing this action. However, requiring parents who live less than 2.5 miles from school to pay for transportation rather than completely ending bus services may make the change easier for parents.</li> <li>• The lack of infrastructure around the schools presents a legitimate safety concern for students. The district will need to consider whether it is willing to make parents responsible for either bringing their children to school or paying for transportation services in these circumstances.</li> </ul>
OR				
<b>Charge students who live within 2.5 miles of school for transportation services (b)</b>	\$215,000	\$250,000		
<b>Total District Savings</b>	<b>\$215,000</b>	<b>\$335,000</b>		
<p>(a) This action would also save the state \$13,000 to \$18,300 in annual KPERS contributions and provide the district with a one-time revenue of \$24,000 to \$36,000 from selling unneeded vehicles.</p> <p>(b) This action would also save the state \$4,000 to \$5,300 in annual KPERS contributions and provide the district with a one-time revenue of \$9,000 to \$12,000 from selling unneeded vehicles.</p> <p>Source: LPA analysis of audited district and KSDE data and interviews with district officials.</p>				

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***The District Could Reduce or Offset about \$215,000 to \$335,000 in Annual Transportation Costs by Changing its Policies on Busing Students Who Live Less than 2.5 Miles from School***

Currently, the Auburn-Washburn school district transports about 5,400 students, representing 89% of its student enrollment, to and from 10 different schools. In the 2013-14 school year, the district spent about \$1.4 million on transportation expenses (excluding expenditures for transportation services for special education students).

**The district offers transportation services to all students who live in the district, regardless of how far away they live from school.** K.S.A. 72-8302 requires school districts to offer transportation services to certain students who live more than 2.5 miles from their school. Since the early 1990's, Auburn-Washburn has offered busing to all students regardless of how far away they live from school. As a result, the district transports about 1,800 students that it is not statutorily obligated to transport.

**The district has two potential options to reduce or offset its transportation costs.** District officials told us they had concerns about their financial ability to continue to bus all students to school and asked us to look into possible options. *Figure 1-6*, on page 19, shows the revenues and savings associated with two possible options the district could take. As the figure shows:

- **The district could save between \$232,000 and \$335,000 annually by no longer busing students who live less than 2.5 miles from their school.** District officials estimated they could eliminate 8 to 12 routes if they stopped providing transportation to students who lived within 2.5 miles of their school. Most of the savings come from reducing transportation staff. Other savings come from insurance, fuel, supplies, and bus replacement costs. Additionally, Auburn-Washburn could realize \$24,000 to \$36,000 in one-time revenue from the sale of buses no longer needed. Special education students would continue to receive bus services regardless of how far away from school they lived.
- **Alternatively, the district could achieve up to \$250,000 in savings and increased revenue by requiring parents to pay for bus services for students who live less than 2.5 miles from their school.** This estimate includes up to \$172,000 in annual revenue from transportation fees for parents that decided to pay for transportation services. It also assumes that special education students and students who receive free or reduced lunches would be provided bus service free of charge (as K.S.A. 72-8302 (B) requires). Further, district officials estimated that one-half to two-thirds of the students who would be required to pay for bus services would no longer ride the bus if fees were required. This would allow the district to eliminate three or four bus routes for a savings of \$78,000 to \$100,000.



**Figure 1-6  
Savings and Revenue Estimates for Changes  
to District's Transportation Policy (a)**

Savings and Revenue Enhancements	Eliminate Transportation for Students Who Live Less than 2.5 Miles from School		Charge a Fee to Transport Students Who Live Less than 2.5 Miles from School (a)	
	Low (Eliminate 8 routes)	High (Eliminate 12 routes)	Low (1/3 student parents pay)	High (1/2 student parents pay)
Annual District Savings	\$232,000	\$335,000	\$100,000	\$78,000
Annual District Revenue	\$0	\$0	\$115,000	\$172,000
<b>Annual Total</b>	<b>\$232,000</b>	<b>\$335,000</b>	<b>\$215,000</b>	<b>\$250,000</b>
Annual State KPERS Savings	\$13,000	\$18,000	\$5,000	\$4,000
One-Time District Revenue	\$24,000	\$36,000	\$12,000	\$9,000

(a) Excludes special education students and students who receive free or reduced lunches.  
Source: LPA analysis of audited data provided by Auburn-Washburn and interviews with district officials.

**District officials raised several concerns about altering their transportation services including safety issues and community resistance.** District officials told us they expect many parents to resist any changes in the busing policy. A survey conducted by the district found that 62% of the respondents opposed the district eliminating transportation services and 47% opposed requiring parents to pay for transportation services. Further, many schools are on busy streets without sidewalks or crosswalks which would make it unsafe for children to walk to school. As a result, many parents would need to bring their children to school or pay for transportation services if the district implemented either savings option. Last, some parents may need to pay for before school care if their student needs to be dropped off before the start of the school day.

**The state could also save up to \$18,000 in KPERS funding if the district changed its transportation policy.** Because the state pays the employer share of KPERS (instead of the district), it achieves savings when districts reduce salary costs. In this case, reducing bus routes would reduce the district's salary costs which would also reduce the state's KPERS obligation.



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

To comply with the requirements of K.S.A. 46-1133:

1. District officials should post a copy of the completed performance audit on the district's website.

Because of the potential for reducing costs or generating revenue with little to not impact on educational services provided to students, the district should implement the following options:

2. Reduce custodial costs by eliminating 5.0 to 8.5 custodial positions to align current staffing levels with peers or national benchmarks (page 10).
3. Develop a strategy to align supplemental pay with league peers (page 12).
4. Develop a strategy to maximize procurement card use (page 14).

Because of the potential for impact on students or the community the district should consider implementing the following cost savings options:

5. Replace four school nurses with health aides (page 15).
6. Change the district's current busing policies for students who live less than 2.5 miles from school by (page 18):
  - a. eliminating transportation services for regular education students who live less than 2.5 miles from school, or
  - b. charging parents an annual fee to provide transportation services to students who lives less than 2.5 miles from school.



## APPENDIX A Scope Statement

This appendix contains the scope statement approved by the Legislative Post Audit Committee for this audit on July 23, 2013. The audit was required under K.S.A. 46-1133.

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

In recent years, the Legislative Division of Post Audit has conducted several voluntary efficiency audits of school districts. Officials from audited school districts volunteered as a way to help them identify ways they could reduce costs without affecting the education they provide students. Between December 2009 and July 2013, ten school district efficiency audits were conducted. Among other things, these audits found potential savings related to food service programs, custodial staffing, high school scheduling, and consolidating administrative functions into a single building.

During the 2013 legislative session, House Bill 2349—which requires us to conduct three school district efficiency audits of a small, medium, and large school district each fiscal year—was passed and signed into law. That bill further stipulates that school districts be selected on a voluntary basis first and exempts school districts that have participated in a similar efficiency audit in the previous five years.

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 and other relevant benchmarks 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 districts could use fewer resources without significantly affecting their ability to educate students. We would perform additional work in this area as necessary.

**Estimated Resources:** 3 LPA staff  
**Estimated Time:** 8 months (a)

*(a) This would be divided into two four month projects. One project would include the audits of the small and medium-sized districts; the other would include the audit of the large district.*



**APPENDIX B**  
**Detailed Information about Efficiency Measures**  
**Used to Compare the Auburn-Washburn School District to Its Peers**

This appendix contains a description of the methodology we used to select the peer districts we compared the Auburn-Washburn school district to, along with the information for each of the districts.

**Peer Selection**

To select peers for the Auburn-Washburn 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 Auburn-Washburn school district based on those measures.

The list of Auburn-Washburn's peers is included in this appendix on page 26.

**Peer Comparison**

To compare Auburn-Washburn against its peers, we calculated a variety of efficiency measures for each district. Our methodology is described below.

When compiling efficiency measures for the districts, we focused on eight functional areas: instruction, district administration, school administration, instructional support, student support, operations and maintenance, food service, and transportation. We looked at 2013-14 expenditure, enrollment, and staffing data for each of these 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, purchased services, and supplies. We also looked at total staff in each area and staff per 500 students. Our calculations for the Auburn-Washburn school district and its peers are included in this appendix on page 28.

**Appendix B**  
**Demographic Information for the Auburn Washburn School District and Its Peers**  
**(2013-14 school year)**

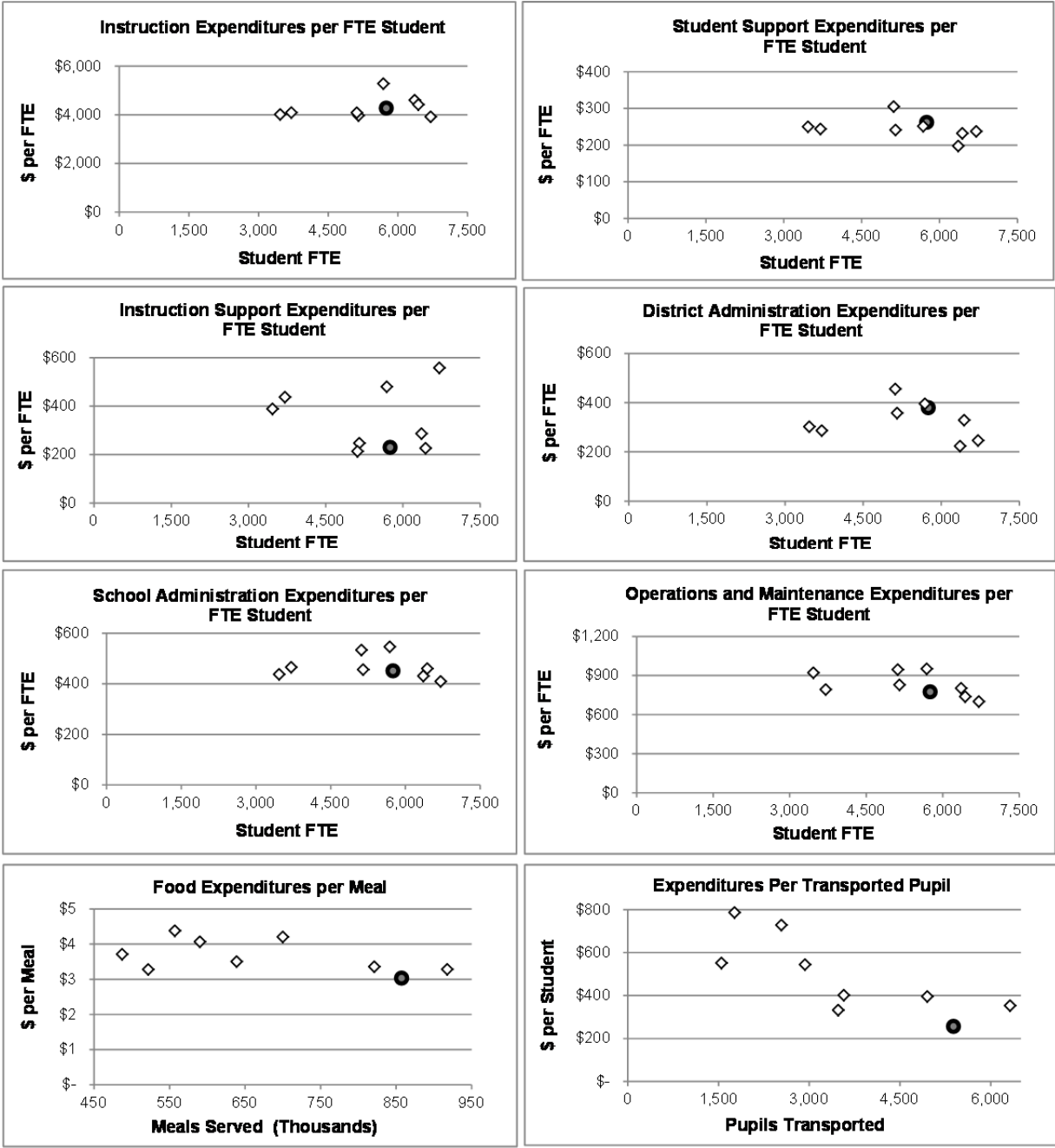
USD #	Name	FTE Students	% Free Lunch	% Limited English Proficiency	Assessed Valuation Per Pupil
231	Gardner Edgerton	5,151	24%	1%	\$45,080
232	De Soto	6,707	11%	4%	\$56,805
260	Derby	6,360	36%	12%	\$61,687
265	Goddard	5,116	19%	5%	\$45,241
266	Maize	6,439	14%	1%	\$52,988
345	Seaman	3,706	28%	1%	\$61,031
383	Manhattan-Ogden	5,685	28%	6%	\$98,047
437	Auburn Washburn	5,750	25%	2%	\$78,703
450	Shawnee Heights	3,464	29%	3%	\$54,385

Source: Kansas State Department of Education (audited)



**Appendix B**  
**Expenditure Comparison for Auburn-Washburn and its Peer Districts**  
**2012-13 School Year (a)**

Auburn-Washburn Signified by ●



(a) Data does not include special education or property and equipment costs.  
 Source: LPA analysis of audited school district expenditure and enrollment data from the Kansas Department of Education and the Auburn-Washburn school district.

**Appendix B  
Expenditures Per FTE Student for the Auburn Washburn School District and Its Peers  
(2013 -2014 School Year)**

MEASURES (a)	Shawnee Heights (USD 450)	Seaman (USD 345)	Goddard (USD 265)	Gardner-Edgerton (USD 231)	Manhattan-Ogden (USD 383)	Auburn-Washburn (USD 437)	Derby (USD 260)	Maize (USD 266)	De Soto (USD 232)
Enrollment FTE	3,464	3,706	5,116	5,151	5,685	5,750	6,360	6,439	6,707
<b>Instruction</b>									
<b>Per Student Expenditures Breakdown</b>									
Salaries	\$3,191	\$3,401	\$3,306	\$3,118	\$3,917	\$3,305	\$3,587	\$3,514	\$3,116
Employee Benefits	\$499	\$419	\$419	\$622	\$759	\$494	\$699	\$367	\$513
Purchased Services	\$147	\$15	\$53	\$63	\$326	\$109	\$194	\$120	\$146
Supplies	\$176	\$219	\$304	\$147	\$274	\$343	\$116	\$323	\$141
Other	\$0.39	\$39	\$6	\$22	\$10	\$26	\$11	\$95	\$1
<b>Total Expenditures per Student</b>	<b>\$4,014</b>	<b>\$4,093</b>	<b>\$4,088</b>	<b>\$3,971</b>	<b>\$5,286</b>	<b>\$4,276</b>	<b>\$4,606</b>	<b>\$4,419</b>	<b>\$3,918</b>
<b>Staffing Information</b>									
Total Instruction Staff	216.7	250.0	317.7	299.1	413.3	372.6	429.3	425.3	421.9
# staff/500 students	31.3	33.7	31.0	29.0	36.3	32.4	33.8	33.0	31.5
<b>Student Support</b>									
<b>Per Student Expenditures Breakdown</b>									
Salaries	\$207	\$191	\$266	\$207	\$201	\$213	\$158	\$215	\$205
Employee Benefits	\$40	\$21	\$36	\$28	\$33	\$30	\$35	\$16	\$31
Purchased Services	\$1	\$15	\$0.34	\$1	\$8	\$2	\$1	\$0	\$0.29
Supplies	\$2	\$17	\$4	\$5	\$8	\$0	\$3	\$2	\$1
Other	\$0	\$0.27	\$0	\$0	\$1	\$2	\$0	\$0	\$0
<b>Total Expenditure per Student</b>	<b>\$250</b>	<b>\$244</b>	<b>\$305</b>	<b>\$241</b>	<b>\$252</b>	<b>\$262</b>	<b>\$198</b>	<b>\$233</b>	<b>\$238</b>
<b>Staffing Information</b>									
Total Student Support Staff	30.1	34.3	31.7	41.2	66.2	54.9	66.9	30.0	58.6
# staff/500 students	4.3	4.6	3.1	4.0	5.8	4.8	5.3	2.3	4.4
<b>Instruction Support</b>									
<b>Per Student Expenditures Breakdown</b>									
Salaries	\$242	\$207	\$182	\$174	\$300	\$163	\$175	\$179	\$203
Employee Benefits	\$47	\$30	\$24	\$27	\$53	\$23	\$20	\$13	\$32
Purchased Services	\$54	\$147	\$3	\$8	\$62	\$22	\$69	\$6	\$311
Supplies	\$39	\$53	\$5	\$36	\$65	\$17	\$19	\$21	\$10
Other	\$7	\$0	\$0	\$0.44	\$0	\$5	\$4	\$7	\$1
<b>Total Expenditure per Student</b>	<b>\$389</b>	<b>\$437</b>	<b>\$213</b>	<b>\$247</b>	<b>\$480</b>	<b>\$230</b>	<b>\$286</b>	<b>\$226</b>	<b>\$558</b>
<b>Staffing Information</b>									
Total Inst. Support Staff	15.0	9.3	16.2	11.0	31.5	18.9	18.0	9.0	33.3
# staff/500 students	2.2	1.3	1.6	1.1	2.8	1.6	1.4	0.7	2.5

District Administration									
Per Student Expenditures Breakdown									
Salaries	\$196	\$126	\$234	\$247	\$262	\$231	\$136	\$223	\$149
Employee Benefits	\$43	\$110	\$30	\$50	\$46	\$32	\$34	\$25	\$21
Purchased Services	\$54	\$31	\$174	\$49	\$67	\$89	\$41	\$58	\$72
Supplies	\$5	\$14	\$10	\$7	\$19	\$8	\$3	\$3	\$4
Other	\$4	\$5	\$8	\$5	\$2	\$19	\$11	\$20	\$1
<b>Total Expenditure per Student</b>	<b>\$303</b>	<b>\$287</b>	<b>\$456</b>	<b>\$358</b>	<b>\$396</b>	<b>\$380</b>	<b>\$224</b>	<b>\$330</b>	<b>\$247</b>
Staffing Information									
Total District Admin. Staff	18.0	22.2	25.7	23.0	50.8	26.0	25.0	40.4	19.0
# staff/500 students	2.6	3.0	2.5	2.2	4.5	2.3	2.0	3.1	1.4
School Administration (b)									
Per Student Expenditures Breakdown									
Salaries	\$365	\$410	\$450	\$359	\$436	\$387	\$377	\$423	\$351
Employee Benefits	\$57	\$42	\$58	\$90	\$80	\$52	\$47	\$37	\$55
Purchased Services	\$8	\$9	\$5	\$3	\$12	\$7	\$4	\$0	\$3
Supplies	\$7	\$5	\$4	\$5	\$19	\$2	\$2	\$0	\$2
Other	\$0	\$0	\$16	\$0.07	\$0	\$4	\$0.23	\$1	\$0
<b>Total Expenditure per Student</b>	<b>\$438</b>	<b>\$466</b>	<b>\$534</b>	<b>\$457</b>	<b>\$547</b>	<b>\$451</b>	<b>\$431</b>	<b>\$461</b>	<b>\$410</b>
Staffing Information									
Total School Level Staff	21.7	25.9	39.2	32.2	46.1	41.8	45.2	56.6	41.3
# staff/500 students	3.1	3.5	3.8	3.1	4.1	3.6	3.6	4.4	3.1
Operations and Maintenance									
Per Student Expenditures Breakdown									
Salaries	\$296	\$351	\$486	\$291	\$329	\$345	\$355	\$209	\$340
Employee Benefits	\$111	\$52	\$91	\$76	\$106	\$55	\$66	\$16	\$71
Purchased Services	\$169	\$132	\$100	\$184	\$202	\$112	\$110	\$208	\$61
Supplies	\$345	\$259	\$269	\$275	\$316	\$264	\$272	\$297	\$225
Other	\$0.14	\$0	\$1	\$4	\$0	\$0	\$0.29	\$9	\$4
<b>Total Expenditure per Student (a)</b>	<b>\$922</b>	<b>\$794</b>	<b>\$946</b>	<b>\$830</b>	<b>\$953</b>	<b>\$776</b>	<b>\$803</b>	<b>\$738</b>	<b>\$702</b>
Staffing Information									
Total Ops. & Maint. Staff	26.8	32.5	87.8	50.5	70.3	66.4	78.6	44.3	65.0
# staff/500 students	3.9	4.4	8.6	4.9	6.2	5.8	6.2	3.4	4.8
Food Service									
Per Meal Expenditures Breakdown									
Salaries	\$1	\$1	\$2	\$1	\$1	\$1	\$1	\$1	\$1
Employee Benefits	\$0.17	\$0.16	\$0.24	\$0.14	\$0.40	\$0.23	\$0.14	\$0.28	\$0.34
Purchased Services	\$0.04	\$0.04	\$0.16	\$0.02	\$0.06	\$0.04	\$0.04	\$0	\$0.07
Supplies	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$2
Other	\$0.01	\$0.03	\$0.00	\$0.03	\$0.00	\$0.01	\$0.17	\$0.11	\$0
<b>Total Expenditure per Meal</b>	<b>\$3.72</b>	<b>\$3.28</b>	<b>\$4.07</b>	<b>\$3.51</b>	<b>\$3.36</b>	<b>\$3.04</b>	<b>\$3.29</b>	<b>\$4.38</b>	<b>\$4.21</b>
Staffing Information									
Total Food Service Staff	20.9	23.4	41.4	27.5	35.9	43.5	29.2	29.2	37
# staff/500 students	3.0	3.2	4.0	2.7	3.2	3.8	2.3	2.3	2.8

Transportation (c)									
Per Transported Student Expenditures Breakdown									
Salaries	\$198	\$233	\$216	\$0	\$332	\$110	\$322	\$178	\$0.46
Employee Benefits	\$34	\$35	\$29	\$0	\$59	\$29	\$75	\$23	\$0.04
Purchased Services	\$13	\$20	\$29	\$720	\$18	\$15	\$29	\$8	\$647
Supplies	\$85	\$105	\$120	\$67	\$134	\$97	\$126	\$138	\$75
Other	\$3	\$9	\$2	\$0.01	\$2	\$5	\$1	\$6	\$6
<b>Total Expenditure per Transported Student</b>	<b>\$332</b>	<b>\$402</b>	<b>\$396</b>	<b>\$787</b>	<b>\$544</b>	<b>\$257</b>	<b>\$552</b>	<b>\$353</b>	<b>\$728</b>
Staffing Information									
Total Transportation Staff	21.0	24.3	44.3	0.0	39.6	39.4	28.7	39.8	0.0
# staff/per 500 transported students	3.0	3.4	4.5	0.0	6.8	3.7	9.3	3.1	0.0
<b>Total per FTE (d)</b>	<b>\$ 7,172</b>	<b>\$ 7,170</b>	<b>\$ 7,395</b>	<b>\$ 6,808</b>	<b>\$ 8,678</b>	<b>\$ 7,064</b>	<b>\$ 7,156</b>	<b>\$ 7,133</b>	<b>\$ 6,787</b>
(a) Expenditures for property and equipment are excluded.									
(b) These categories include administrators, clerical staff, and other support staff.									
(c) De Soto and Gardner-Edgerton contract out for transportation services.									
(d) Due to rounding and different types of measures, adding the individual functions will not equal the total shown.									
Source: LPA analysis of audited data provided by KSDE									

**APPENDIX C**  
**District Response**

On May 11, 2015, we provided copies of the draft audit report to Auburn-Washburn 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.

District officials generally concurred with the report's findings, conclusions, and recommendations although officials raised concerns with some recommendations.





May 26, 2015

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Scott Frank  
Legislative Post Auditor  
Legislative Division of Post Audit  
800 Southwest Jackson St., Suite 1200  
Topeka, Kansas 66612

Dear Mr. Frank:

The administration and Board of Education of USD 437, Auburn-Washburn Unified School District, would like to thank you and your staff for your continued commitment to providing opportunities for school districts to reflect on current practices and consider potential efficiencies to improve all aspects of our operations. Your auditors were respectful, professional, and responsive to our questions and always sought to understand our practices and policies throughout the process. We believe in continuous improvement and set high standards for ourselves. Feedback is always our friend and we know that our community expects us to not only provide exceptional educational services to our students, but to always seek out best practices and be good stewards of our resources. We would also like to thank you for allowing us to postpone the LPA efficiency audit until after the IRS audit was completed last spring.

We have reviewed the audit report and the recommendations and offer the following:

**Recommendation:** Because of the potential for reducing costs with little to no impact on educational services provided to students, the Auburn-Washburn District **should implement** the following actions:

- 1.) **Reduce custodial costs by eliminating 5.0-8.5 custodial positions to align current staffing levels with peers or national benchmarks.**

A correlation exists between the cleanliness of school facilities and students' academic achievements. A study conducted in 2008 through the Center for Facilities Research at APPA (Association of Physical Plant Managers) and co-sponsored by ISSA (Worldwide Cleaning Industry Association) reported that a lack of cleanliness becomes a distraction at Level 3, which is defined as casual inattention in their report. Cleanliness ranked as the fourth most important building element to impact students' personal learning after noise, air temperature, and lighting. The district has worked closely with Pure-O-



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Zone for the past 5 years to become more efficient in our cleaning practices and raise the level of sanitation and cleanliness in all of our buildings. We changed our job "tasks" for building custodians to become more efficient and follow best practices. We have also implemented team cleaning during the year and crew cleaning during the summer in an effort to use our existing staff most efficiently and maintain our higher standards of building cleanliness.

Even though we are committed to keeping our standards high, we will not fill the current 4.5 vacant positions which will reduce our staffing in order to reduce costs. The Auburn-Washburn community, including parents, students, and staff, have high expectations for clean buildings. Our patrons have invested in the facilities financially through bond elections and personally take great pride in their modern and clean neighborhood schools. We want to honor their trust that we will take good care of our buildings. The district will reduce custodians by 4.5 and monitor building cleanliness and patron satisfaction.

**2.) Develop a strategy to align supplemental pay with league peers.**

Auburn-Washburn has a unique approach to determining supplemental salary for coaches and sponsors. Supplemental salary calculations are based on a percentage of a staff member's current salary. This practice has been in place for over 30 years and is clearly not a common methodology for determining a coaching or sponsor salary in our league or across the state. Salary is a mandatorily negotiable item. The Board of Education has asked AWNEA (Auburn-Washburn National Education Association) to re-consider this practice previously with no success. We have listed it again this year as an item to be negotiated. The district is interested in finding a solution that will be fair and equitable, but also reasonable, for those veteran staff members who have devoted a significant amount of their personal time to creating opportunities for students to find a niche for themselves in extracurricular activities.

**3.) Develop a strategy to maximize procurement card use.**

The district had some general misgivings and apprehensions regarding this recommendation. The primary concern was the vivid memory of how the City of Topeka was accused in the local media for improper use of P-Cards. Those stories were reported for months. The belief that P-Cards can be abused more easily because of a perceived lack of oversight and internal controls made us uncomfortable. We realize that procurement cards can reduce the cycle time of purchasing transactions and can provide a cash rebate. We have done some research and are willing to pilot a Purchase Card



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Program with our maintenance staff this fall as soon as we have developed stringent, safe, and secure procedures for oversight.

**Recommendation:** Because of the potential for impact on students or the community, the Auburn-Washburn School District should consider implementing the following cost savings options:

**4.) Replace four school nurses with health aides.**

The role of the school nurse in our district has multiple components and is dependent on many factors including the health needs of the student population and the availability of specialized instructional student support services and programs. We have several buildings with increasingly large numbers of severely multiply handicapped students and students with chronic health needs such as asthma, diabetes, and serious food allergies. Our nurses provide quality health care and intervene with actual and potential health problems that far exceed having a basic knowledge of first aid and CPR. They distribute medications throughout the day, develop health care plans for at-risk students, engage in health screenings that include vision and hearing, and monitor immunizations. The school nurse has health expertise that is essential to school educational teams and can be the liaison between families and their medical homes. Our nurses give our families a deep sense of comfort that their children are being well taken care of at school. Many of our parents have health-care backgrounds. They appreciate having a licensed nurse in our school buildings. We would have no support for replacing a significant number of our school nurses with health aides. We do have one vacancy in a small special purpose school that is near the high school and middle school. It is our intent to advertise for a CNA/CMA and pilot having a health aide vs. a licensed school nurse in that building this next school year.

**5.) Change the district's current busing policies for students who live less than 2.5 miles from school by:**

**a. eliminating transportation services for regular education students who live less than 2.5 miles from school,**

The district has offered free transportation to all students, regardless of where they resided in the district, since the late 1990's. The Board had deep concerns about student safety and equity and made a conscious decision to absorb the cost of transporting students for those reasons. Our student population has grown significantly since then and there is no reimbursement for transporting students who live within a 2.5 mile radius of their assigned school, so the Board has reluctantly given



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consideration to eliminating transportation to save costs. The issue that has not changed is the location of our schools; they are on highly traveled streets without stoplights or crosswalks. Even if there were crosswalks and crossing guards, traffic could not easily be controlled safely on heavily trafficked thoroughfares such as 29<sup>th</sup> Street or Wanamaker Rd. There is no safe option. Parents were asked to respond to the question about eliminating transportation in order to save costs for those students living closer than 2.5 miles from their schools on a scientific survey we conducted in April of 2015. This was, by far, the least popular option for reducing expenses. The Board would not eliminate transportation unless there were absolutely no other viable options to save expenses.

Or

**b. Charging parents an annual fee to provide transportation services to students who live less than 2.5 miles from school.**

The district currently charges a fee to those students who live out of the district and wish to ride a bus to school. They locate the most convenient USD 437 bus stop and we transport them to their schools. It has been a challenge to collect that fee. Even so, the Board has given more thought to charging district parents a transportation fee since it has become a common practice in other districts outside of Shawnee County as a cost saving measure. We would likely be the first district in Shawnee County to charge that fee and we would have some resistance. Our parents/patrons have had access to free transportation for many years. In the survey mentioned previously, our patrons were not eager to be assessed a transportation fee, but it seemed to be tolerated more than eliminating busing altogether. As the student population has grown and the cost of transporting all students has increased significantly, the district has considered this option several times. It would be an option to be evaluated when all other options had been exhausted.

In summary, we appreciated the opportunity to participate in the Efficiency Audit and enjoyed working with the team of auditors who spent time with us. The district will begin to implement those items noted as "low impact" relatively quickly. We also do not request permission to present prepared remarks, but district officials will be present to answer questions when the report is presented to the Legislative Post Audit Committee. This has been a valuable experience.

Sincerely,

Dr. Brenda S. Dietrich, Superintendent



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## Itemized Response to LPA Recommendations

### Audit Title: K-12 Education : Efficiency Audit of the Auburn-Washburn School District

LPA Recommendation	Agency Action Plan
1. To comply with the requirements of K.S.A 46-1133, district officials should post a copy of the completed performance audit on the district's website.	The district will post a completed copy of the Performance Audit as soon as it is available and approved.
<b>Because of the potential for reducing costs with little to no impact on education services provided to students, the Auburn-Washburn school district <u>should implement</u> the following actions:</b>	
2. Reduce custodial costs by eliminating 5.0 to 8.5 custodial positions to align current staffing levels with peers or national benchmarks.	The district currently has 4.5 custodial positions unfilled. We will use that opportunity to reduce our custodial staffing levels as recommended while striving to maintain current cleanliness standards at the level our community expects.
3. Develop a strategy to align supplemental pay with league peers.	The Board of Education has listed the Supplemental Pay Schedule as an item to negotiate for SY 2015-2016. Specifically, we wish to explore other options for determining how supplemental pay is determined and distributed. It is our goal to discuss this and hopefully, come to an agreement that will be mutually satisfactory to all parties.
4. Develop a strategy to maximize procurement card use.	The district will replace current credit cards with the Purchase Card Program on a pilot basis with maintenance staff and develop policies and procedures prior to implementing the system. We expect to implement the pilot by the fall of 2015.
<b>Because of the potential for impact on students or the community the district <u>should consider</u> implementing the following cost savings options:</b>	
5. Replace four school nurses with health aides.	The district has had either an RN or a BSN in all of our buildings since 2002. Our school nurses manage children's increasingly complex medical conditions, chronic health illnesses, required screenings, and monitor immunizations closely. They provide a level of care that our families have come to expect. Even though our neighboring districts may have health clerks rather than licensed nurses, the district is uncomfortable making significant reductions in the level of care we provide to our students. We have one open nursing position in a small special purpose school that is less than 1,000 feet from the high school and middle school. We will consider posting that position as a Health Aide with CNA/CMA qualifications.
6. Change the district's current busing policies for students who live less than 2.5 miles from school by:	
a. eliminating transportation services for regular education students who live less than 2.5 miles from school, or	The district is unwilling to eliminate transportation for those students who live less than 2.5 miles from school at this point in time based on student safety issues and the survey responses received from 1,000 participants this past April. This was a very unpopular option. We have few sidewalks, our schools are mostly located on major thoroughfares, and there would be major congestion if parents all drove their children to school. This option would be considered only after all other alternatives had been exhausted and would be weighed against safety concerns.
b. charging parents an annual fee to provide transportation services to students who live less than 2.5 miles from school.	The district currently charges a fee to students who live out of the district and ride a bus to school from the most convenient USD437 bus stop for their family. It has been very challenging to collect the fee in a timely manner. Even with those challenges, the district would rather consider charging a fee to in-district students living within 2.5 miles than eliminating transportation. This option will be considered when all other revenue generating and expense reduction options have been exhausted.



