

REPORT HIGHLIGHTS PERFORMANCE AUDIT

Subject

Glendale Union High School District encompasses portions of Glendale and northwest Phoenix. In fiscal year 2003, the District operated 9 traditional high schools and 2 alternative high schools that served 14,152 students.

Our Conclusion

In FY 2003, Glendale spent 59.7 percent of its dollars in the classroom, slightly above the state average. The 9.9 percent it spent on administrative costs equaled the state average; however it spent more per pupil than comparison districts. Its food service and transportation programs both have high costs, and their expenditures exceed revenues. Plant costs were similar to the comparison districts'. Proposition 301 monies were spent in accordance with statute, but some desegregation expenditures appear inappropriate.



2004

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Administrative Costs

Administrative costs are those associated with directing and managing a school district's responsibilities. At the school level, these costs are primarily associated with the principal's office. At the district level, they are primarily associated with the Governing Board, superintendent's office, business office, and support services.

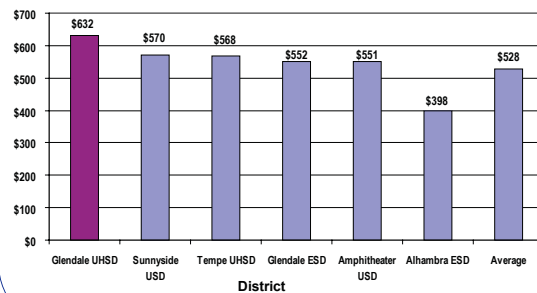
While Glendale's administrative cost percentage was the same as the overall state average, it spent about 20 percent more per pupil than similarly sized comparison districts. Per-pupil costs were \$104 higher than the average for the other districts.



Higher per-pupil administrative costs are due to:

- More assistant principals—The District had 16 more assistant principals than the comparable districts averaged, which accounted for about 90 percent of its higher administrative costs. To further assess assistant principal staffing levels, auditors reviewed 50 other high schools. Like Glendale, 37 of these high schools employed 3 assistant principals per school. However, Glendale's schools were generally smaller, so it employed more assistant principals on a per-pupil basis than these other high schools.
- More generous expense allowances than other districts—45 administrative employees received allowances for personal cars, cell phones, etc., ranging from \$1,500 to \$4,000.
- Higher benefit and medical insurance costs—Health insurance premiums increased by about 25 percent between fiscal years 2002 and 2003, and averaged between \$1,400 and \$2,500 more per employee than the other districts paid.

Per-Pupil Administrative Costs
Fiscal Year 2003



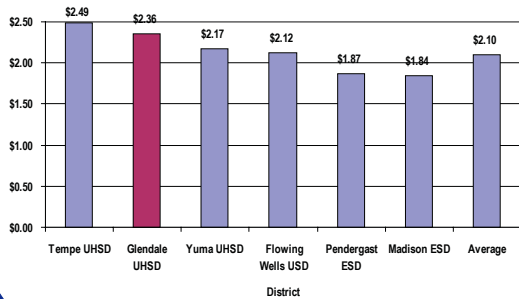
Recommendations

The District should:

- Determine whether it can reduce its administrative staffing levels.
- Evaluate the cost of its expense allowances.

Food Service

Cost Per Meal
Fiscal Year 2003



Glendale's food service program was not self-supporting and spent \$461,000 more than it received in revenues. The District's cost per meal of \$2.36 was 12 percent higher than the comparable districts averaged.

Higher labor costs—The District's higher meal costs were due primarily to higher wages for its food service workers. Glendale paid

its workers \$9.16 per hour, which was about \$1.60 more per hour than the comparison districts. It did this to remain competitive with the salaries paid in neighboring districts.

Incomplete cost analyses—To its credit, the District performed ongoing analyses comparing its meal prices to its costs. However, the analyses did not include all of the program's costs—including employee benefits and administrative costs—so the program was not breaking even as the District's analysis had indicated.

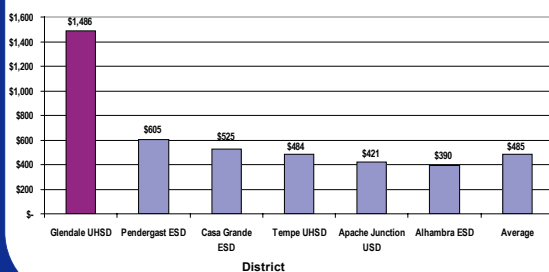
Recommendations

The District should:

- Analyze whether it can reduce its labor costs.
- Include all related costs in its analyses of whether the food service program is self-supporting.

Student Transportation

Cost Per Rider
Fiscal Year 2003



The District had much higher transportation costs than the comparison districts and spent \$560,000 more than it received in related revenues.

The District's cost per rider was three times that of the other districts and its cost per mile was 32 percent higher.

High special needs costs—One reason for the high transportation costs was the District's large number of special needs riders. The District:

- Had about twice the number of special needs route miles as the average of the

comparison districts.

- Employed more than twice the number of special needs bus drivers and assistants as the comparison districts averaged.
- Spent about half of its transportation monies on bus drivers and assistants to serve special needs students.

Less efficient routes—Another reason for high transportation costs was that the District's bus routes appeared inefficient. Drivers transported, on average, half the number of students as drivers in the comparison districts.

More costly benefits—As noted in the administrative area, the District's employee medical benefit costs increased significantly and this also affected transportation costs.

Other improvements needed—

The District can also improve its transportation program by:

- Keeping more accurate records for reporting its mileage to receive state funding.
- Developing and monitoring performance measures for the program, such as cost-per-mile, cost-per-rider, and measures focusing on timeliness, bus capacity, and driver productivity.

Recommendations

The District should:

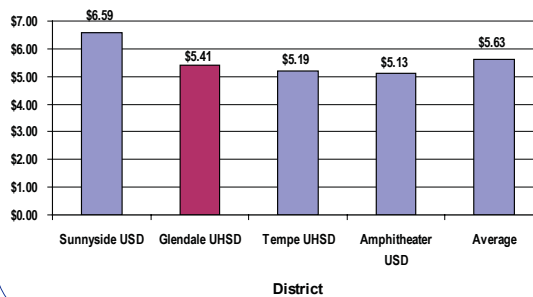
- Evaluate whether special needs transportation costs can be reduced.
- Review its regular bus routes for efficiency.
- Improve and monitor its route mileage records and develop performance measures.

Plant Operation and Maintenance

The District spent about \$5.41 per square foot to operate and maintain its buildings, which was similar to the average for the comparison districts.

The District could, however, reduce its repair and maintenance costs, which were twice as much as the comparison districts averaged. In particular, the District should review whether it can reduce the number of copies it makes as it is charged ½ cent per copy to cover repair and maintenance.

Cost Per Square Foot
Fiscal Year 2003



Recommendation

The District should evaluate the use of its copiers to see if usage can be reduced.

Proposition 301 Monies

Proposition 301 monies are designated for base pay increases, performance pay, and certain menu options such as reducing classroom size, dropout prevention, and additional pay increases.

As allowed by law, the District spent all of its monies on pay increases. The average salary increase for eligible employees was \$5,334.

Proposition 301 Monies Paid Per Employee
Fiscal Year 2003

Category	Budgeted	Actual
Base Pay	\$1,224	\$1,225
Performance Pay	4,435	1,660
Menu Options	2,449	2,449
Total	\$8,108	\$5,334

Classroom Dollars

The District's classroom dollar percentage was 59.7 percent, which is above the state average of 58.6 percent. Additionally, the District generally recorded its classroom dollar expenditures accurately. However, the District misclassified some

expenditures as administrative. Correcting these errors decreased the District's administrative cost percentage from 10.7 percent to 9.9 percent, which is the same as the state average.

Desegregation Monies

Glendale is 1 of 19 districts spending additional monies to address desegregation issues. The District spent more than \$5 million, or \$362 per student, to implement its desegregation plan. The plan is designed to respond to complaints filed with the U.S. Department of Education, Office of Civil Rights (OCR) regarding inequitable treatment of limited English-proficient (LEP) students, and inequitable treatment of minority students in disciplinary matters.

District expanded agreement—The complaints filed with the OCR related to disciplinary matters involving minority students and to inequitable treatment of LEP students. While the OCR did not find evidence of racial discrimination, the District voluntarily offered to enter into a

commitment to resolve, which is subject to monitoring by the OCR. The OCR did find evidence of inequitable treatment of LEP students, and the District entered into a separate administrative agreement to resolve these issues. However, in 1992, the District chose to revise this agreement to include providing services to all students at risk of dropping out of school. The OCR did not require this action.

Some at-risk services do not qualify—Not only were the services to non-LEP at-risk students not required by the OCR, these services do not qualify as desegregation expenditures under A.R.S. §15-910(G). The District needs to determine the cost of providing the at-risk services to non-LEP students and then stop paying for them from desegregation monies.

Recommendation

The District should stop paying for at-risk services for non-LEP students from its desegregation monies.

TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling
(602) 553-0333



or by visiting our Web site at:
www.auditorgen.state.az.us

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