

**REPORT  
 HIGHLIGHTS**  
 PERFORMANCE AUDIT

**Our Conclusion**

In fiscal year 2009, Oracle Elementary School District's student achievement was similar to peer districts' and state averages. The District's operational efficiencies were mixed with plant operations and food service costs similar to or lower than peer averages, while administrative and transportation costs were significantly higher. Administrative costs were higher due to higher staffing levels, and transportation costs were higher, in part, due to the District's decision to allow students throughout the District to attend either of two high schools. Additionally, the District needs to strengthen its Proposition 301 performance pay plan, implement stronger IT controls, and ensure it spends tax credit monies appropriately.



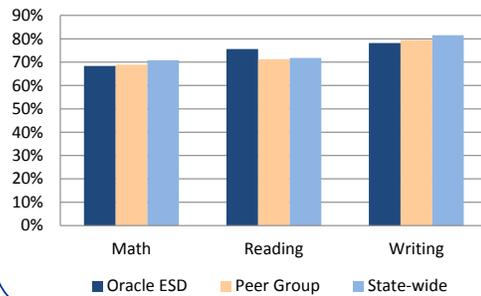
2011

**Similar student achievement and mixed operational efficiency**

**Student achievement similar to peer and state averages**—In fiscal year 2009, Oracle ESD's student AIMS scores were similar to the peer districts' and state averages. Additionally, the District's 1st-through 8th-grade school met "Adequate Yearly Progress" for the federal No Child Left Behind Act. The District's other school was not evaluated because it only served preschool and kindergarten students.

**District had mixed operational efficiency**—Oracle ESD operated its plant operations and food service programs efficiently at costs that were similar to or lower than its peer districts', but operated its administration and transportation programs at costs that were significantly higher. As a result, although the District spent \$457 more per pupil in total than its peer districts, it spent \$322 less per pupil in the classroom.

**Percentage of Students Who Met or Exceeded State Standards (AIMS) Fiscal Year 2009**



**Expenditures by Function Fiscal Year 2009**

Per Pupil	Oracle ESD	Peer Group Average
Administration	\$1,520	\$1,199
Plant operations	1,172	1,077
Food service	469	559
Transportation	754	474
Classroom dollars	4,751	5,073

**More staff led to much higher administrative costs**

In fiscal year 2009, Oracle ESD's administrative costs per pupil were 27 percent higher than peer districts' primarily because it had more administrators and more business office support staff. Oracle ESD had a full-time superintendent, a full-time principal, and a part-time assistant principal, while only one of the peer districts had a full-time principal, and only

one had an assistant principal. Oracle ESD also had more than twice the number of business office staff compared to peer districts.

**Recommendation**—The District should review its administrative staffing levels for potential savings.

**Improvements needed in the transportation program**

**High school choice increases costs**—Oracle ESD's \$1.89 cost per mile was 15 percent lower than the peer districts' average, but its \$759 cost per rider was 43 percent higher. Because the District does not have a high school, it transports its high school students elsewhere, which

increases its costs. However, many of these additional miles are due to the District's decision to give high school students the option of attending two separate high schools—one 15 miles away and the other 24 miles away.

**State funding formula and District error provide District with nearly \$263,000 more than mileage would generate**—Although the District transports students fewer miles than it has in the past, it continues to receive the same funding as in previous high-mileage years. In fiscal years 2009 and 2010, this extra funding totaled almost \$263,000 and included an extra \$20,000 per year due to the District's overstating its mileage in fiscal year 2007.

**Buses not regularly maintained**—According to state standards, a school district must be able to demonstrate that its buses receive regular maintenance, such as oil changes and safety inspections. Following these standards helps

ensure student safety and bus longevity. However, the District did not conduct regular maintenance on buses between February 2009 and December 2010, and documentation was inadequate to determine the frequency of maintenance before February 2009.

**Recommendations**—The District should:

- Consider having bus routes to only one high school or establishing high school boundaries to avoid overlapping bus routes.
- Accurately report transportation mileage and correct its funding report.
- Ensure regular bus preventative maintenance is conducted and documented.

## Performance pay plan did not promote improved performance

Oracle ESD's performance pay plan was intended to reward teachers for improving student achievement and reaching other professional goals. However, the District's student achievement goal was based on results that were already expected, and other goals were based on results that are normally expected of teachers, such as complying

with terms of their contracts and meeting minimum performance expectations.

**Recommendation**—The District should establish meaningful performance goals to promote improved performance.

## Inadequate IT controls to protect sensitive information

The District lacks adequate security to protect sensitive information within its computer network. Specifically, it did not ensure that all IT equipment was properly secured, had weak password requirements for its student information system, had inadequate procedures for removing access to the District's computer network, and lacked a disaster recovery plan.

**Recommendations**—The District should:

- Secure IT equipment in areas accessible only to appropriate personnel.
- Implement and enforce password requirements.
- Develop and implement a process to remove former employees' access.
- Create and implement a formal IT disaster recovery plan.

## District spent certain extracurricular tax credit monies for inappropriate school-related purposes

Taxpayers may claim a tax credit for a donation to a school's extracurricular programs. These programs include band, afterschool sports, and educational field trips. However, the District spent almost \$14,000 of this money on unallowable expenditures, such as student rewards, community event meals, and bowling alley and movie theater trips.

**Recommendations**—The District should:

- Spend extracurricular tax credit monies according to statute.
- Reimburse the Extracurricular Tax Credit Fund for monies inappropriately spent.