

**REPORT
 HIGHLIGHTS**
PERFORMANCE AUDIT

Our Conclusion

Pendergast Elementary School District compares favorably to peer districts in operational efficiencies, but not as well in student achievement with AIMS scores lower than both peer district and state averages. The District operates efficiently overall with administration, plant operation, and food service costs similar to peer averages and transportation costs lower than those of peer districts. However, the District's shift in classroom spending, particularly since fiscal year 2006, indicates the District may have used Classroom Site Fund (CSF) monies to supplant non-CSF monies in the classroom. Had the District continued to direct its monies into the classroom at the same rate it did in fiscal year 2001, it would have spent an additional \$3 million in the classroom in fiscal year 2009.

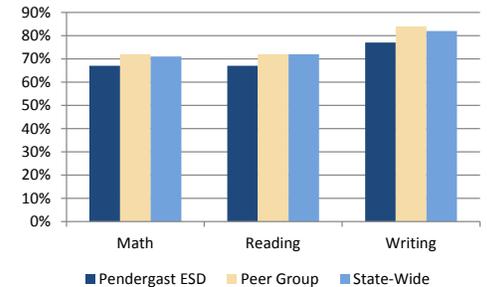


2010

Student achievement lower than peer districts'

In fiscal year 2009, Pendergast ESD's students' AIMS scores were lower than those of peer districts and state averages. Although 11 of the District's 14 schools met "Adequate Yearly Progress" (AYP) for the federal No Child Left Behind Act, 3 schools did not. Students at 2 of the schools did not demonstrate sufficient academic achievement. The third school, the District's alternative school, did not meet AYP because too few students were tested and student attendance was too low.

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



District operates efficiently overall with similar or lower costs

In fiscal year 2009, Pendergast ESD's administrative, plant operations, and food service costs were similar to peer districts', and its transportation program operated efficiently, with costs lower than peer districts'. One way the District controls its plant operations costs is by hiring general helpers to assist custodians at schools. These helpers perform activities, such as mopping and waxing floors and emptying the trash. The District saved over \$200,000 in fiscal year 2009 using these helpers.

less per pupil in the classroom than peer districts, in part because it received less funding.

Expenditures by Function Fiscal Year 2009

Per Pupil	Pendergast ESD	Peer Group Average
Administration	\$690	\$655
Plant operations	737	776
Food service	494	491
Transportation	177	274

However, despite operating efficiently in these areas, the District spent about \$300

District's transportation program operates efficiently

Despite Pendergast's high percentage of special education route miles, which generally are more expensive than regular education route miles, the District achieved a \$715 cost per rider in fiscal year 2009, which was \$118 (14 percent) lower than the peer districts' average. The District employed several cost-saving methods, including making use of

transportation technology, establishing an effective preventive maintenance program, and monitoring performance measures and employee time. Specifically, the District:

- Uses a global positioning system (GPS) for various purposes such as driver inspections of the bus before and after each trip. The GPS also allows the District

- to monitor and analyze bus location, stops, speed, and the time taken for inspections and routes.
- Uses special software to closely monitor fuel usage, including the date, time, and quantity of fuel pumped.
- Uses data from the GPS and fuel software to track when buses are due for routine preventative maintenance. In fiscal year 2009, the District's repair and maintenance costs were 23 percent lower than peer districts' with comparable fleets. As a result of this efficiency, the District was able to limit the number of spare buses it needed as substitutes because of service repairs.

- Monitors performance measures such as cost per rider, cost per mile, and bus capacity utilization. Because of this monitoring, the District was able to determine that it would save about \$38,000 in fiscal year 2011 by consolidating most of its special needs programs at one central location instead of transporting these students to various locations.
- Monitors employees' adherence to work schedules. The District estimates that it saves almost \$9,000 in salaries annually by ensuring that employees do not add unapproved time to time sheets by clocking in early or out late.

Shift in spending away from classroom indicates District may have supplanted using Classroom Site Fund (CSF) monies

In recent years, Pendergast ESD has shifted some of its spending away from the classroom. Statute requires that districts use CSF monies to supplement and not supplant—that is add to rather than replace—other monies spent in the classroom. In fiscal year 2001, before it received CSF monies, the District spent 58.9 percent of its operating dollars in the classroom. In fiscal year 2009, despite receiving over \$3 million in CSF monies earmarked for the classroom that year, the District spent only 55.7 percent of its dollars in the classroom, 3.2 percentage points less than in fiscal year 2001. As seen in the figure below, had the District continued to direct its other monies into the classroom at the same rate as in fiscal year 2001 (maintained its level of effort), the additional CSF monies would have boosted the District's classroom dollar percentage to 59.8 percent, and it would have spent an

additional \$3 million in the classroom in fiscal year 2009.

Drop in enrollment growth at same time new school was opening—The initial shift in spending from the classroom in fiscal year 2007 appears to have resulted from the opening of a new school and a sudden drop in the rate of student enrollment increases. The District's growth in student enrollment came to a standstill after plans to build a new school were well underway. Therefore, when the new school opened in fiscal year 2007, the District did not have the enrollment for it to operate efficiently.

Increased spending for instructional support services—However, when student growth resumed in fiscal year 2008, the District's classroom dollar percentage did not increase as would be expected. The District's classroom dollar percentage remained low in fiscal years 2008 and 2009 apparently because of district officials' decision to spend more money on instructional support services (ISS). The District's ISS spending increased from less than 6 percent in fiscal year 2007 to over 8 percent in fiscal year 2009. Although ISS activities are necessary and closely tied to the classroom, they should not come from monies that would otherwise have been spent in the classroom.

Recommendation—The District should ensure that CSF monies are used to supplement, and not supplant, other monies spent on classroom instruction.

Maintenance of Effort and Actual Classroom Dollar Percentages Fiscal Years 2001 through 2009

