

Paulding County School District Phase 1 Efficiency Study

Final Report Presentation

Gibson Consulting Group



GIBSON
AN EDUCATION CONSULTING & RESEARCH GROUP

November 10, 2020

Here with you today...

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- **Greg Gibson** – President, Director of Efficiency Study
- **Ali Taylan** – Chief Information Officer, Senior Technology Consultant
- **Keri Munkwitz** – Senior Consultant, Special Education

Agenda

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- Summary
- Project Objectives and Approach
- PCSD Efficiency Profile
- Special Education
- Technology
- School Processes
- Transportation
- Performance Measurement
- Next Steps for PCSD

Summary

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- PCSD is one of the most efficient school systems we have evaluated over the past 25 years
 - Compares favorably to peer districts and benchmarks
 - Lower non-instructional expenditures and staffing
 - Annually improving efficiency through internal initiatives and application of best practices
 - Insufficient performance reporting to demonstrate efficiency

Summary

- Gibson recommends that PCSD not pursue Phases 2 (review of all operational areas) or 3 (review of all academic program areas)
- Implementation of comprehensive performance measurement system will help PCSD identify and demonstrate additional efficiencies on its own
- Recommended targeted areas for additional assistance:
 - Special Education – to address significant and unexplained growth in expenditures and students served
 - Enterprise Resource Planning (ERP) system planning – upgraded or replacement system to address remaining inefficient, paper-intensive processes

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Objectives and Approach

Project Objectives

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- Improve efficiency at PCSD through an independent third-party review
- Stage the work over 3 years to limit initial investment
- Phase 1 objectives:
 - Identify major cost savings opportunities and use expected savings to underwrite Phases 2 and 3
 - Review budget process and how efficiency measurement is incorporated into it

Phase 1 Approach

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- Comprehensive data analysis (trend, peer, benchmark)
- Targeted areas for further review
- May briefing with Executive Team
- Departmental and school interviews / additional data collection
- October briefing with Executive Team
- Draft report in October
- Final report and presentation in November

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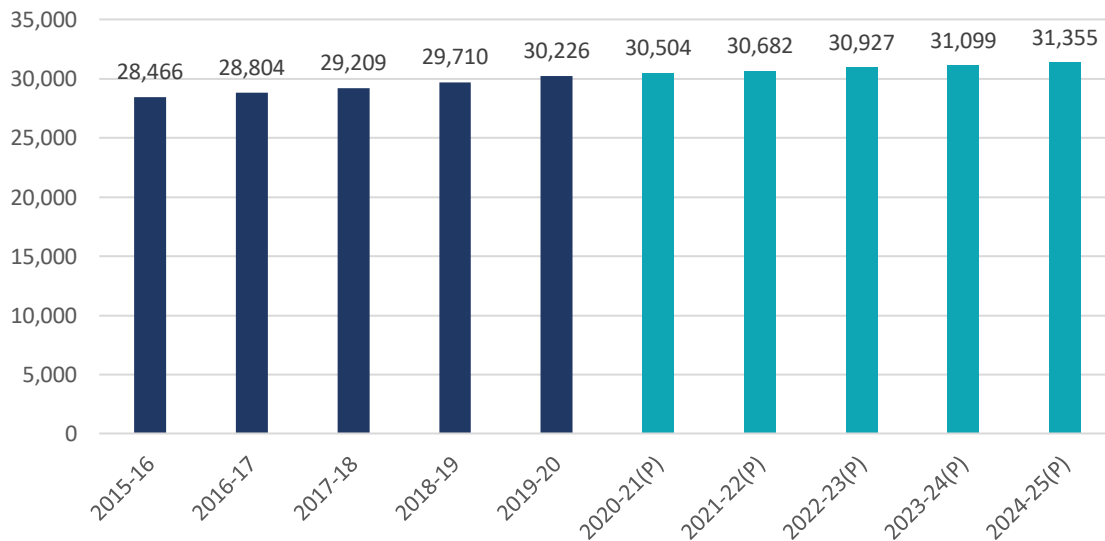
PCSD Efficiency Profile

PCSD Profile

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- Student Enrollment
 - Slow enrollment growth over past five years
 - Similar growth projected over next five years

PCSD Historical and Projected Enrollment Growth

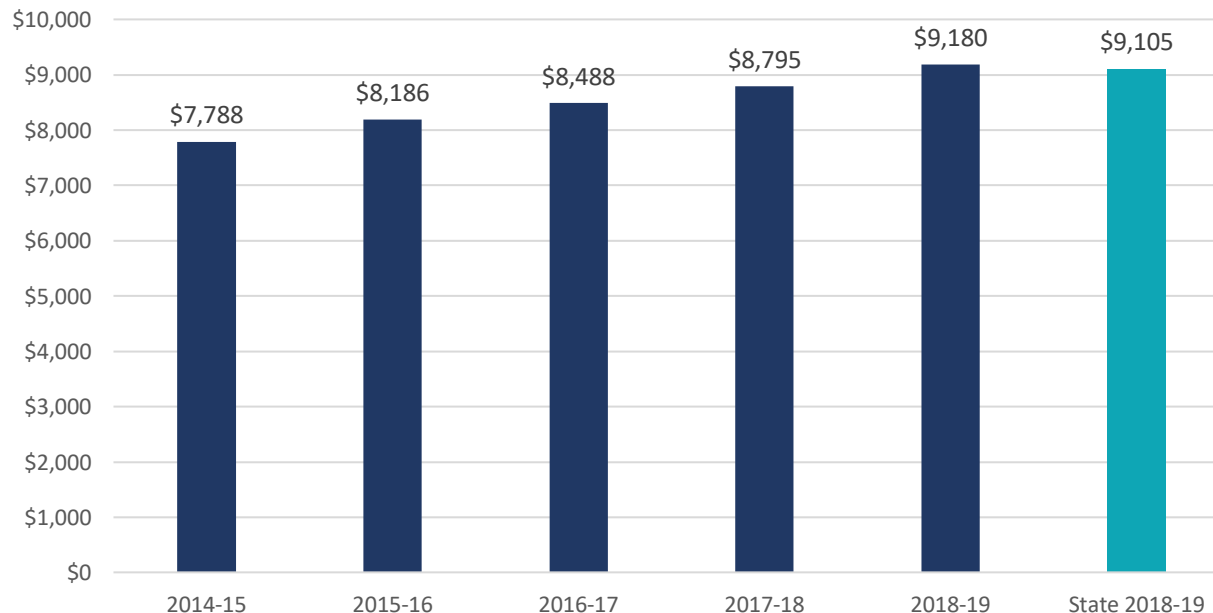


Global Efficiency Trends

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- GF Expenditures per Student
 - Moderate growth in GF spending per student – 17.8 percent increase over 5 years; 4.1 percent average annual growth
 - Academic investments apparent

GF Expenditures per Student

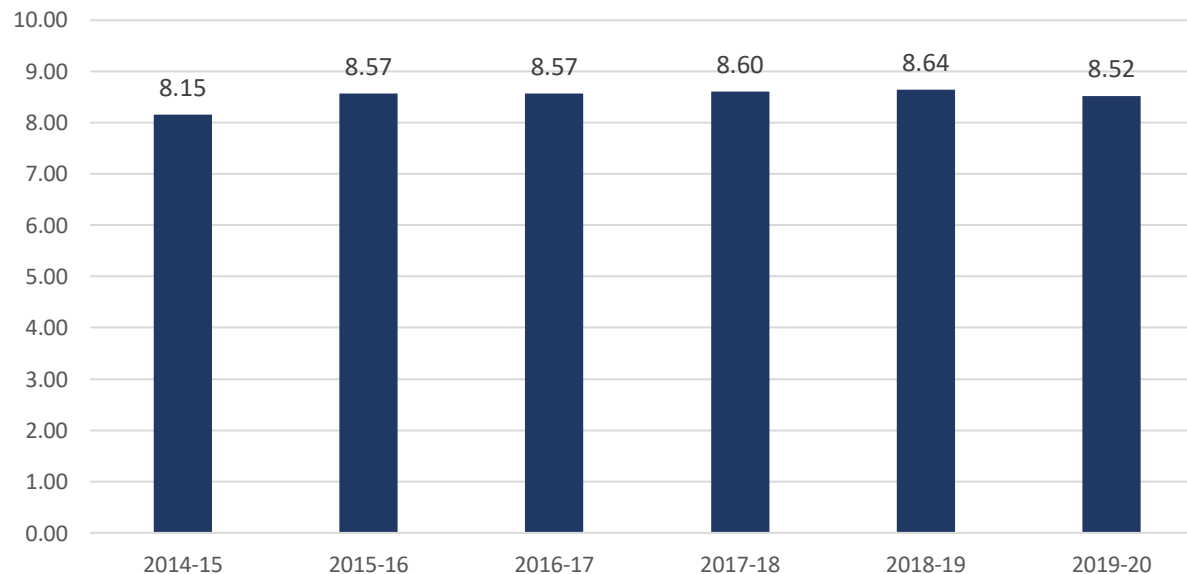


Global Efficiency Trends

12

- Ratio of Total Students to Total Staff FTEs
 - 2015-16 increase reflects outsourcing of custodial services
 - Past 3 years shows staffing increasing at a slightly faster pace than enrollment

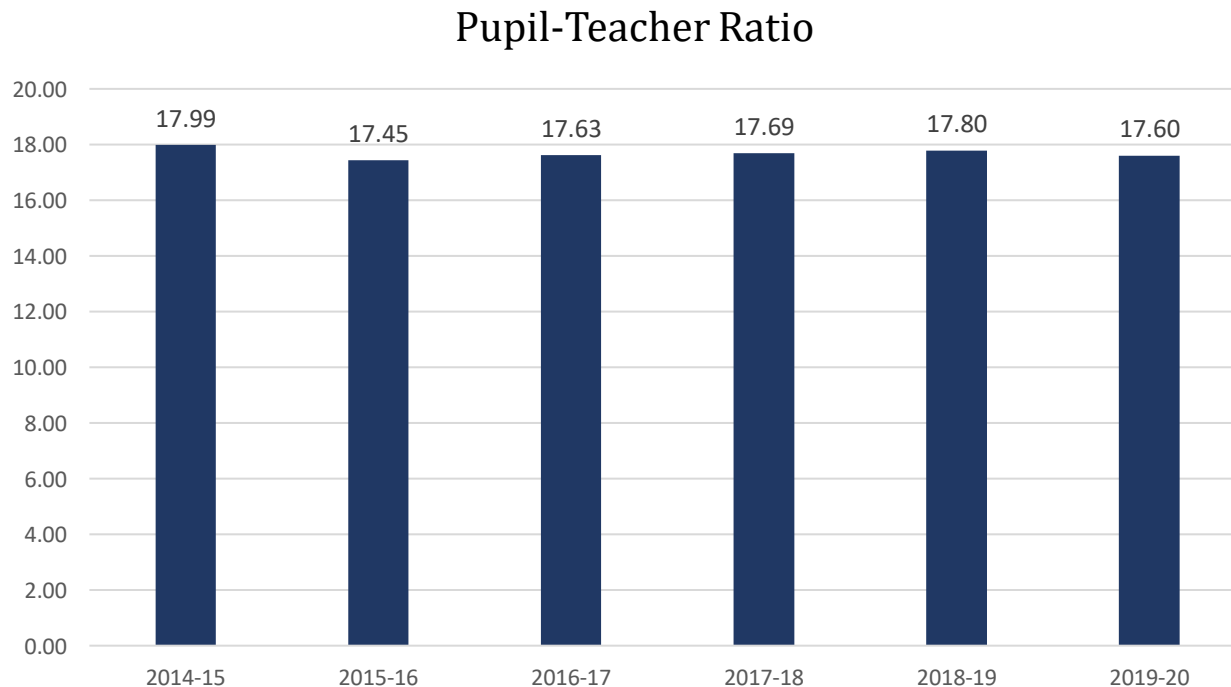
Ratio of Students to Total Staff



Global Efficiency Trends

13

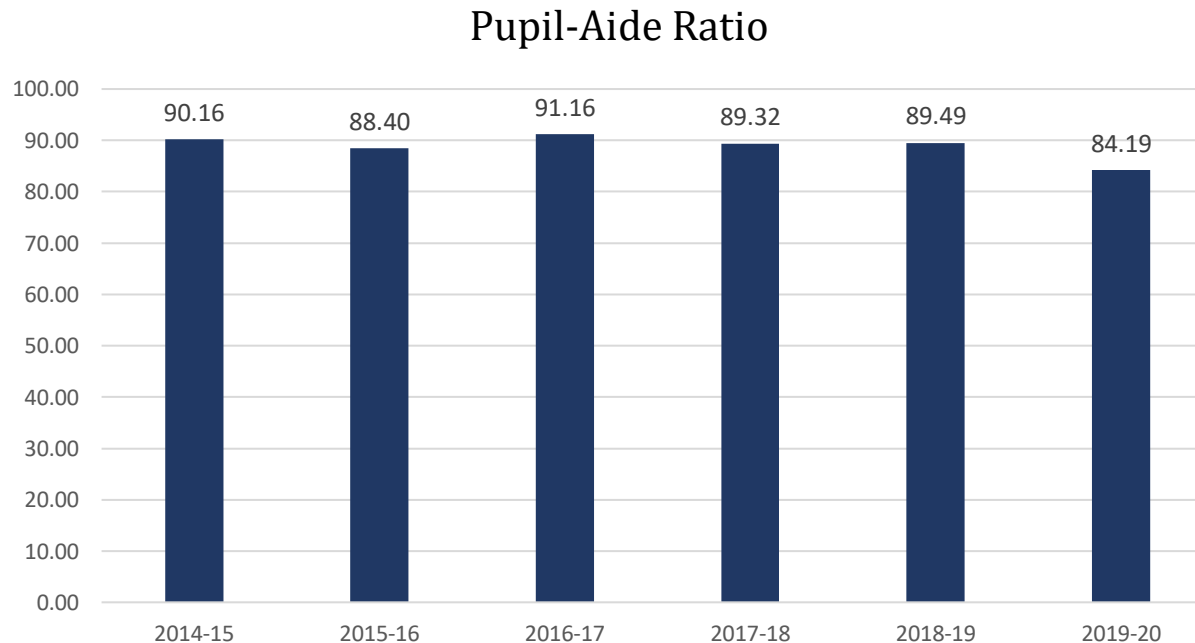
- Pupil-Teacher Ratio
 - Shows slight decline over past 6 years (2.2 percent)
 - Annual fluctuations in both directions occur



Global Efficiency Trends

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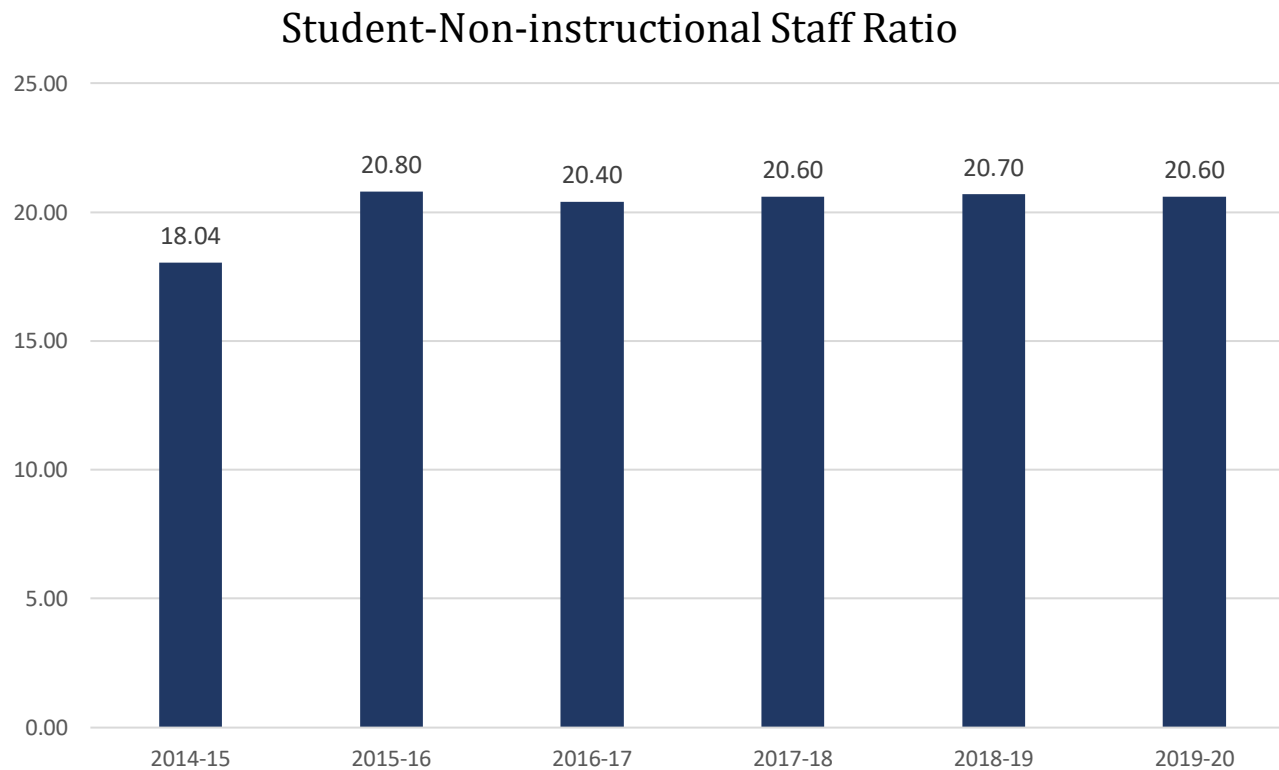
- Pupil-Aide Ratio
 - Stable until 2019-20, when staffing increased 5.9 percent relative to the student population
 - Special Education growth likely contributing (discussed later)



Global Efficiency Trends

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- Student-Non-instructional Staff Ratio
 - Very stable relationship here – indicates consistent efficiency levels

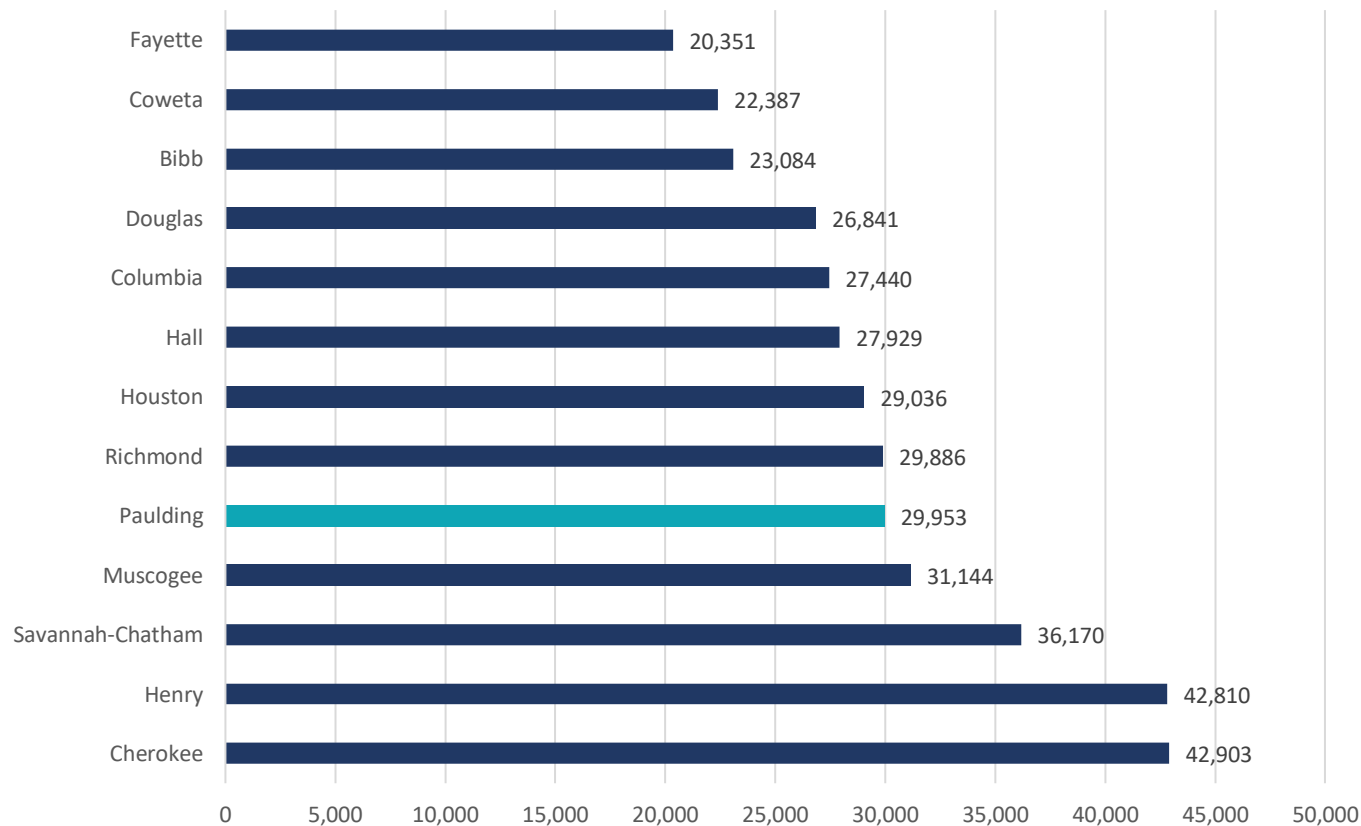


Peer Comparisons

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- Peer Group – 20,000 to 42,000 students

Student Enrollment by Peer District



Peer Comparisons

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- Total Expenditures per Student
 - PCSD ranks in the middle on overall spending

Total Expenditures per Student

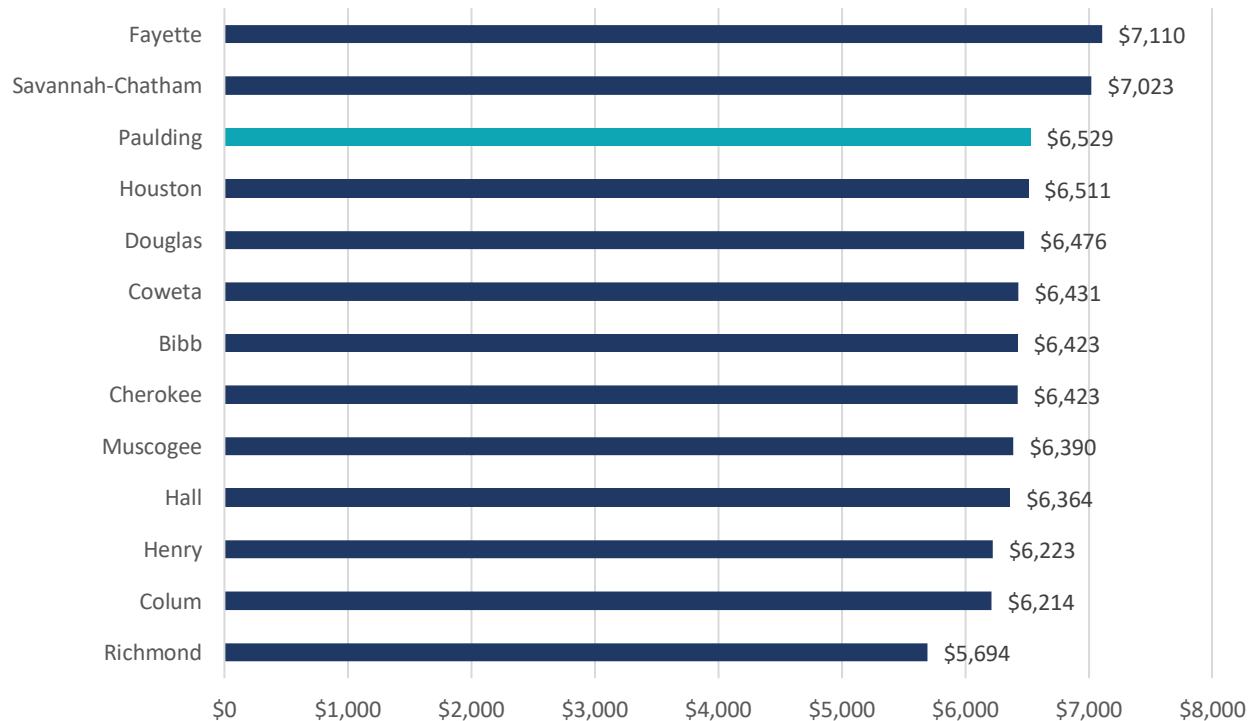


Peer Comparisons

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- Instructional Expenditures per Student
 - PCSD ranks 3rd in instructional spending

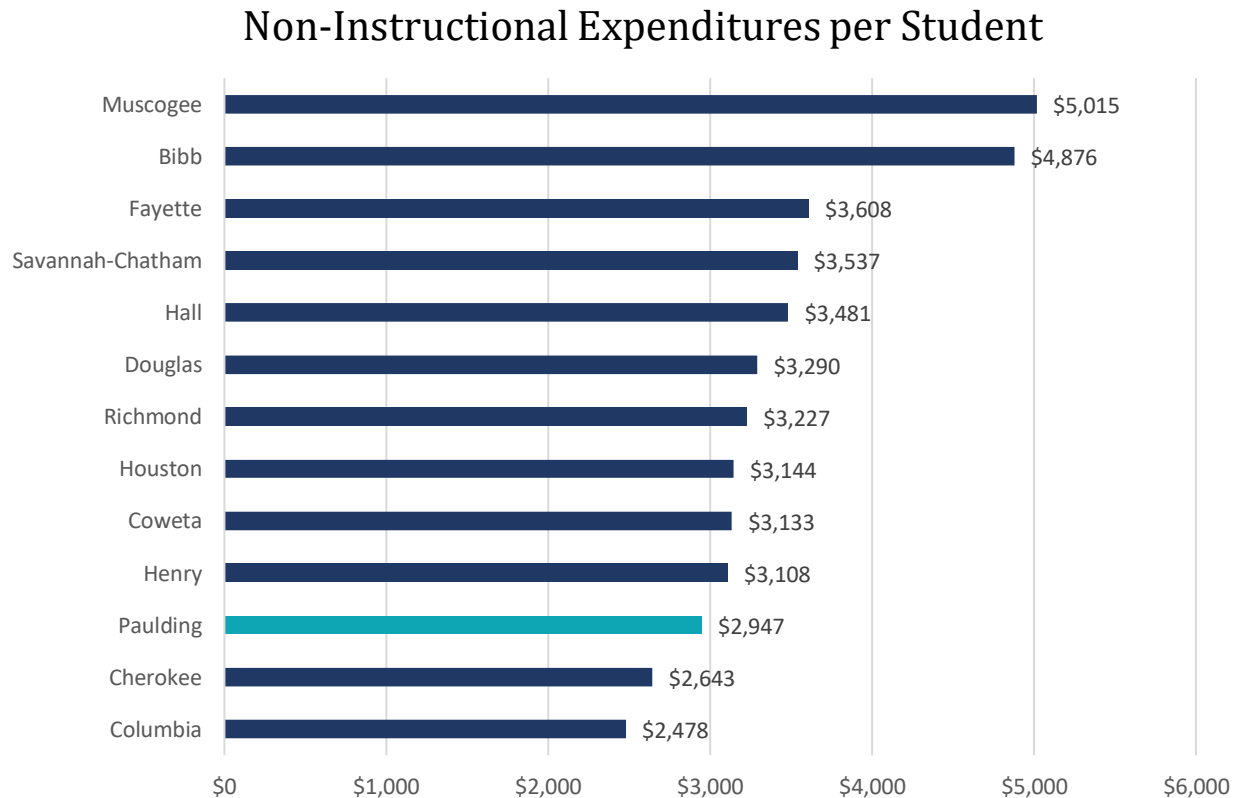
Instructional Expenditures per Student



Peer Comparisons

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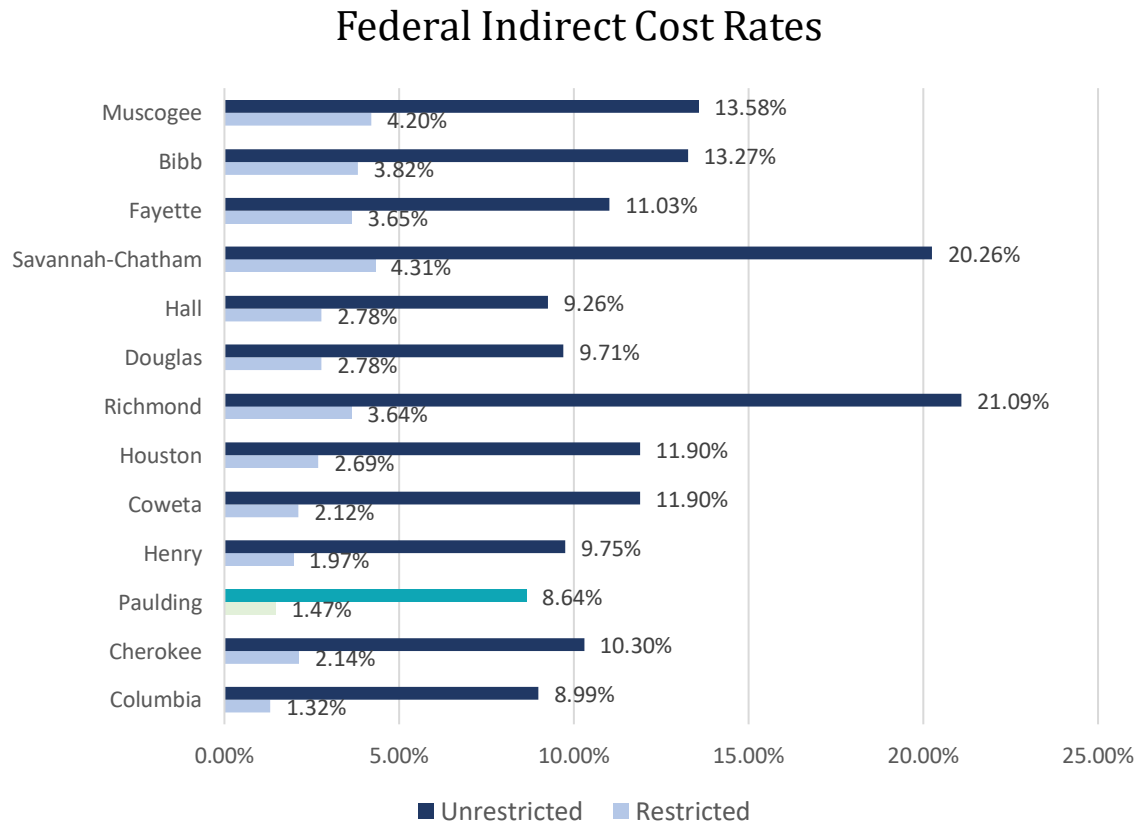
- Non-Instructional Expenditures per Student
 - PCSD ranks 11th in non-instructional spending



Peer Comparisons

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- Federal Indirect Cost Rates
 - PCSD has second lowest restricted rate and lowest unrestricted rate



Peer Comparisons

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- Ranked in highest 1/3 in:
 - Instruction (3rd)
 - Transportation (4th)
 - Staff Services (3rd)

- Ranked in lowest 1/3 in:
 - General Administration (2nd lowest)
 - Maintenance and Operations (4th lowest)
 - School Administration (4th lowest)
 - Pupil Services (4th lowest)

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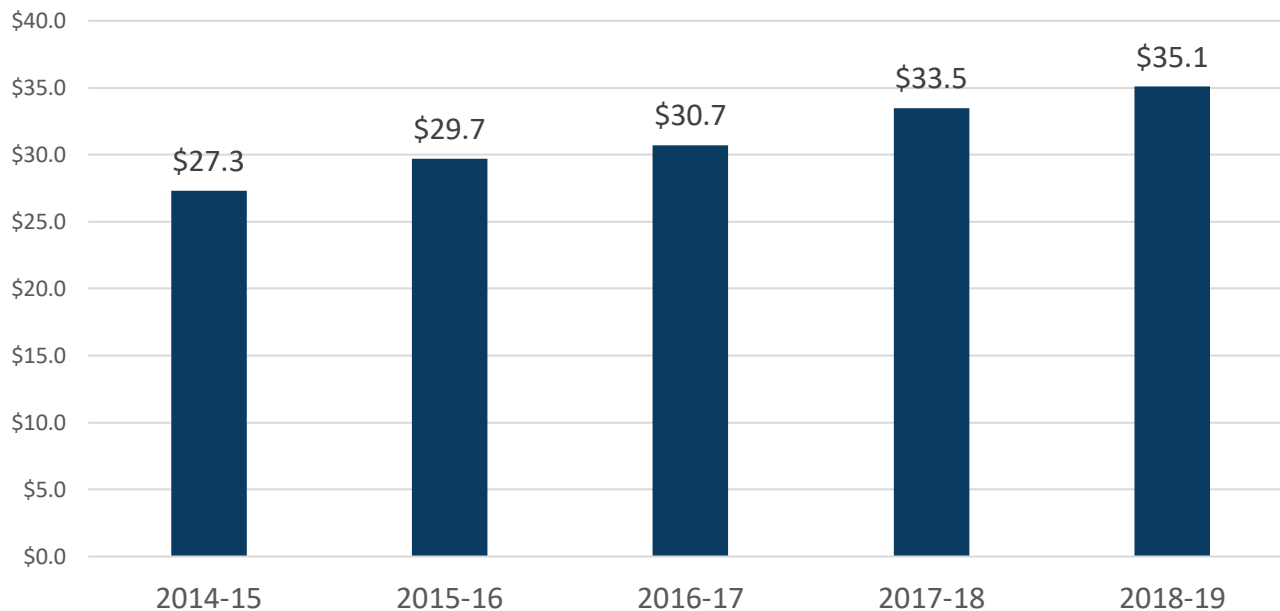
Special Education

Spending Increase

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- Special Education Spending
 - 28.4% increase in ESEP spending over past 5 years
 - Average annual increase is approximately 6.5%

ESEP Expenditures (in \$ millions)

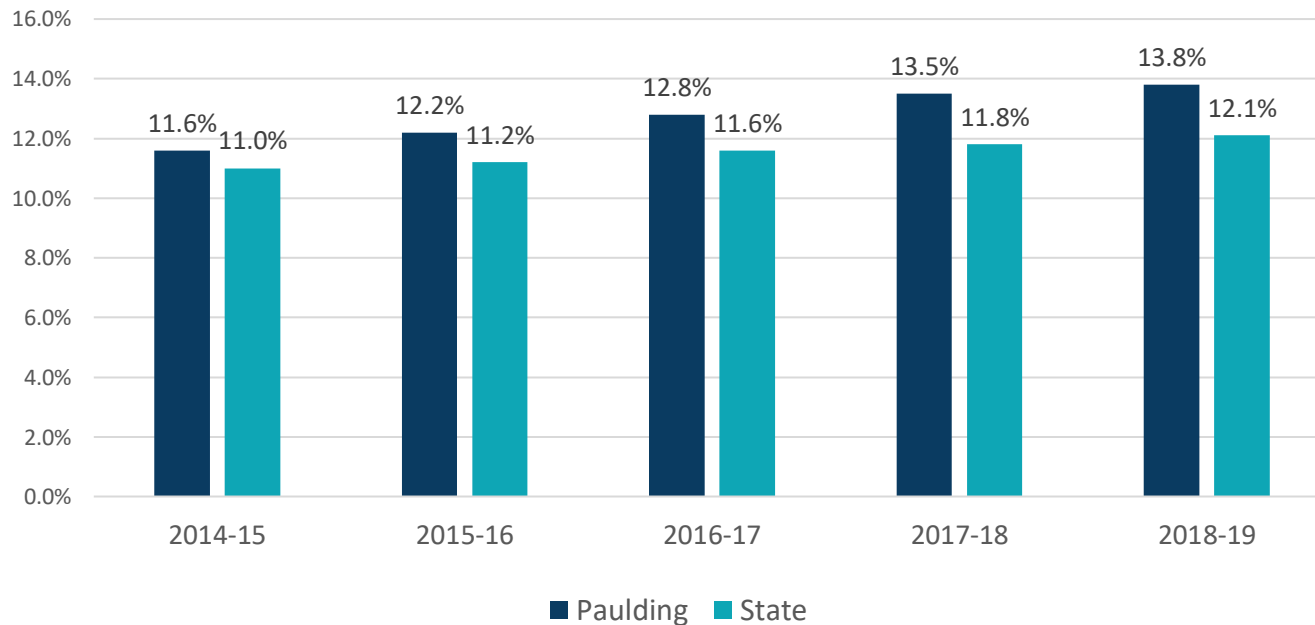


Student Increase

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- Students with Disabilities served by Special Education
 - Increased from 11.6% to 13.8% of total enrollment in 5 years
 - Much faster growth than state average during same time period

Students with Disabilities as a % of Total Enrollment

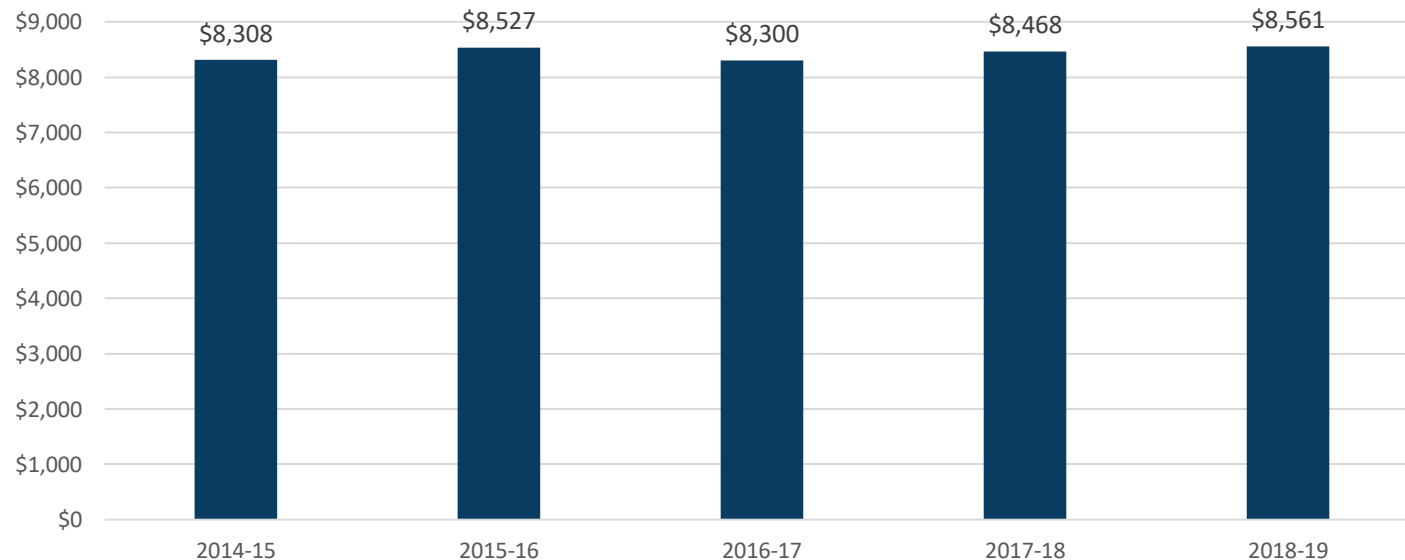


Cost per Student Stable

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- Special Education Spend per Student
 - 3% increase in ESEP spending per student served over past 5 years
 - 2018-19 level similar to 2015-16 level

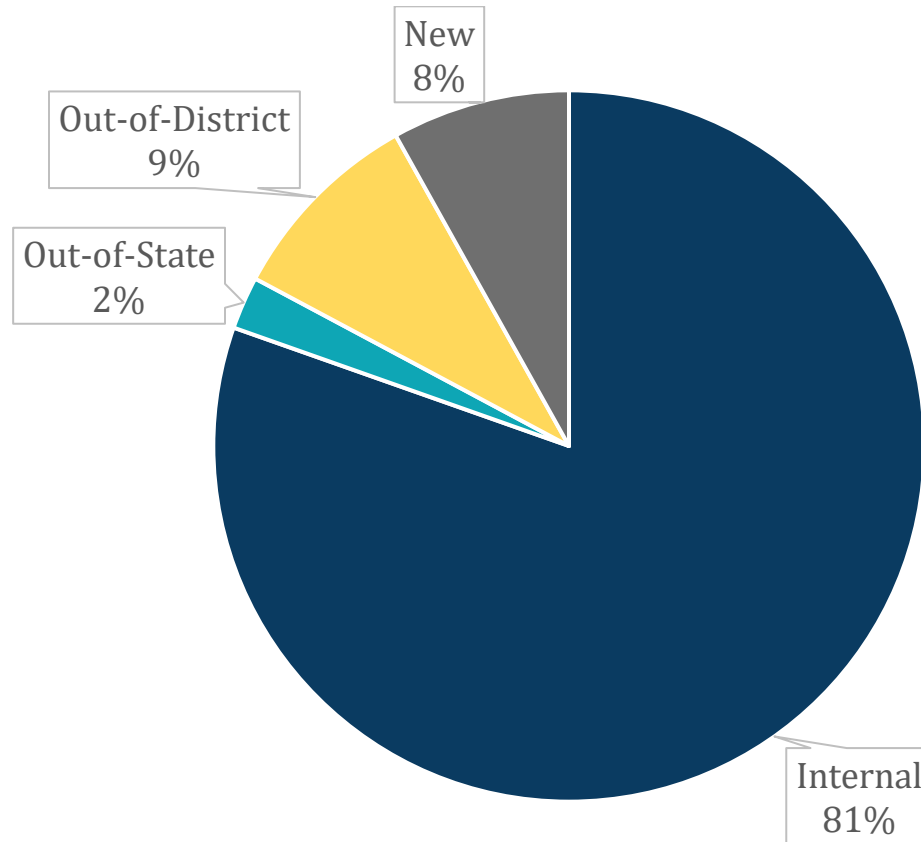
ESEP Expenditures per Student Served



Growth is Mostly Internal

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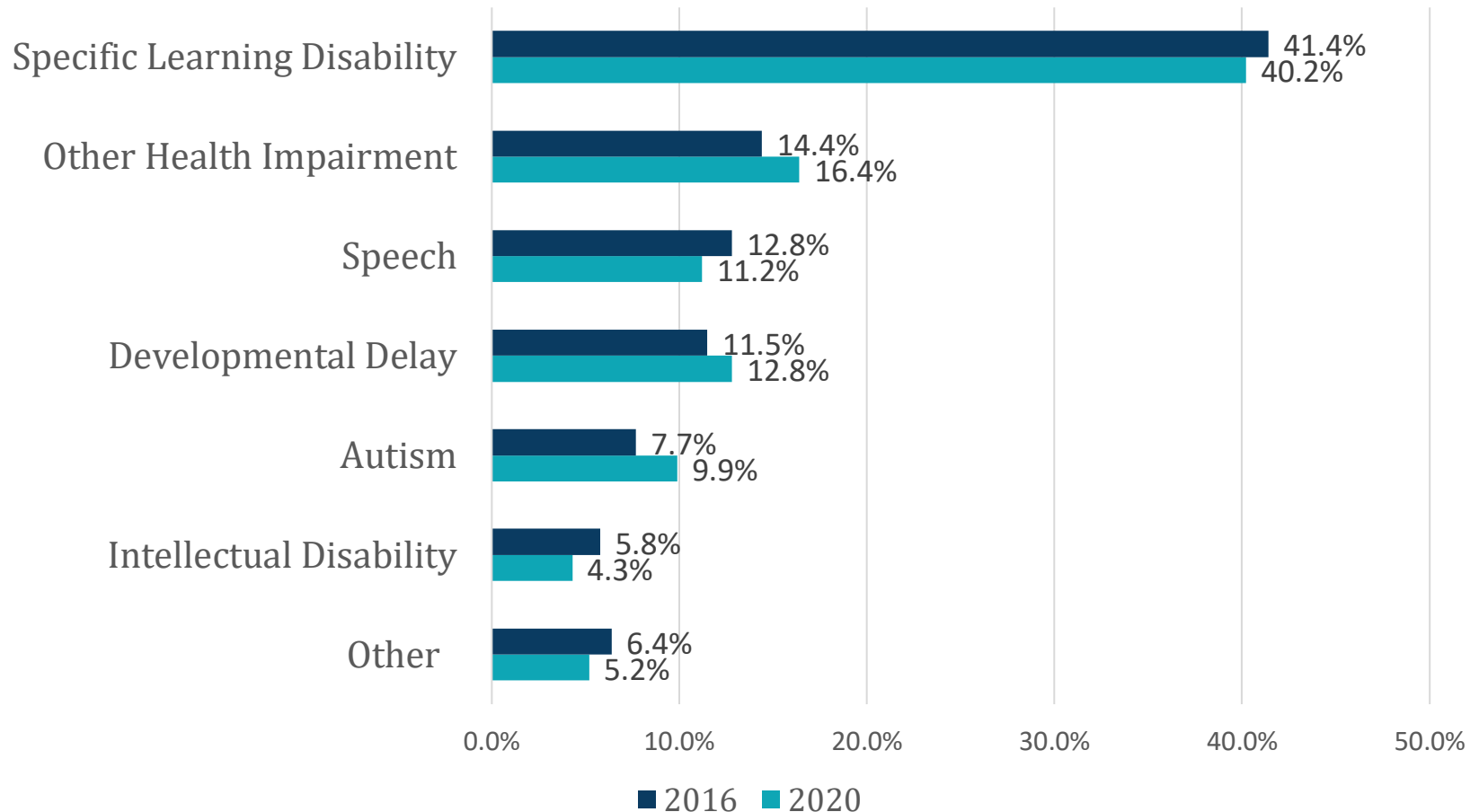
- 81 percent of SPED enrollment growth is in-district



Trend – Primary Disability

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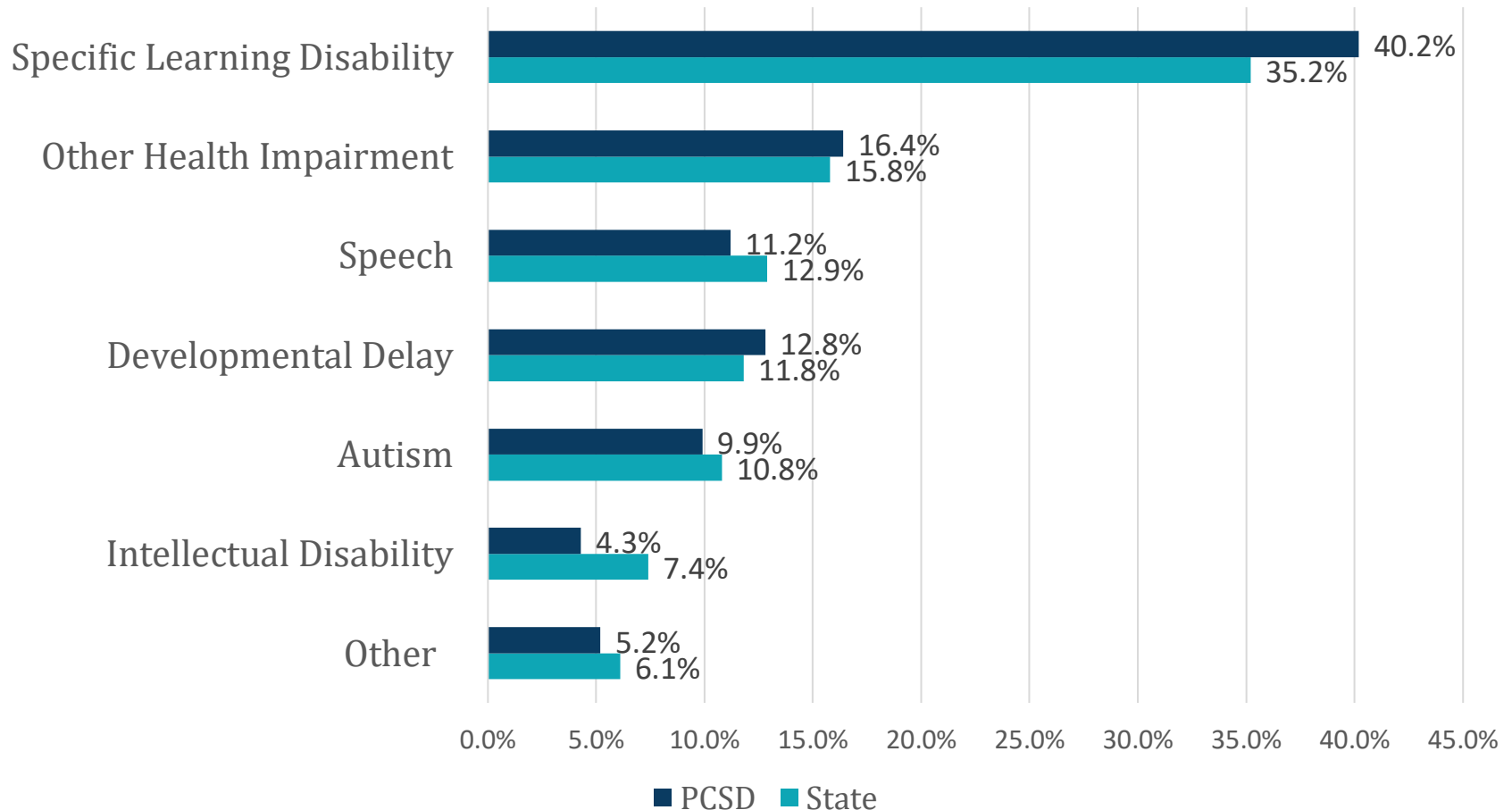
- Representation of SLD, Speech, Intellectual Disability is decreasing, while other disabilities are increasing



Primary Disability vs. State

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- Percent of SLD exceeds State average, while percent ID is below the State average; other disabilities are commensurate with State average



Enrollment Growth by School Level

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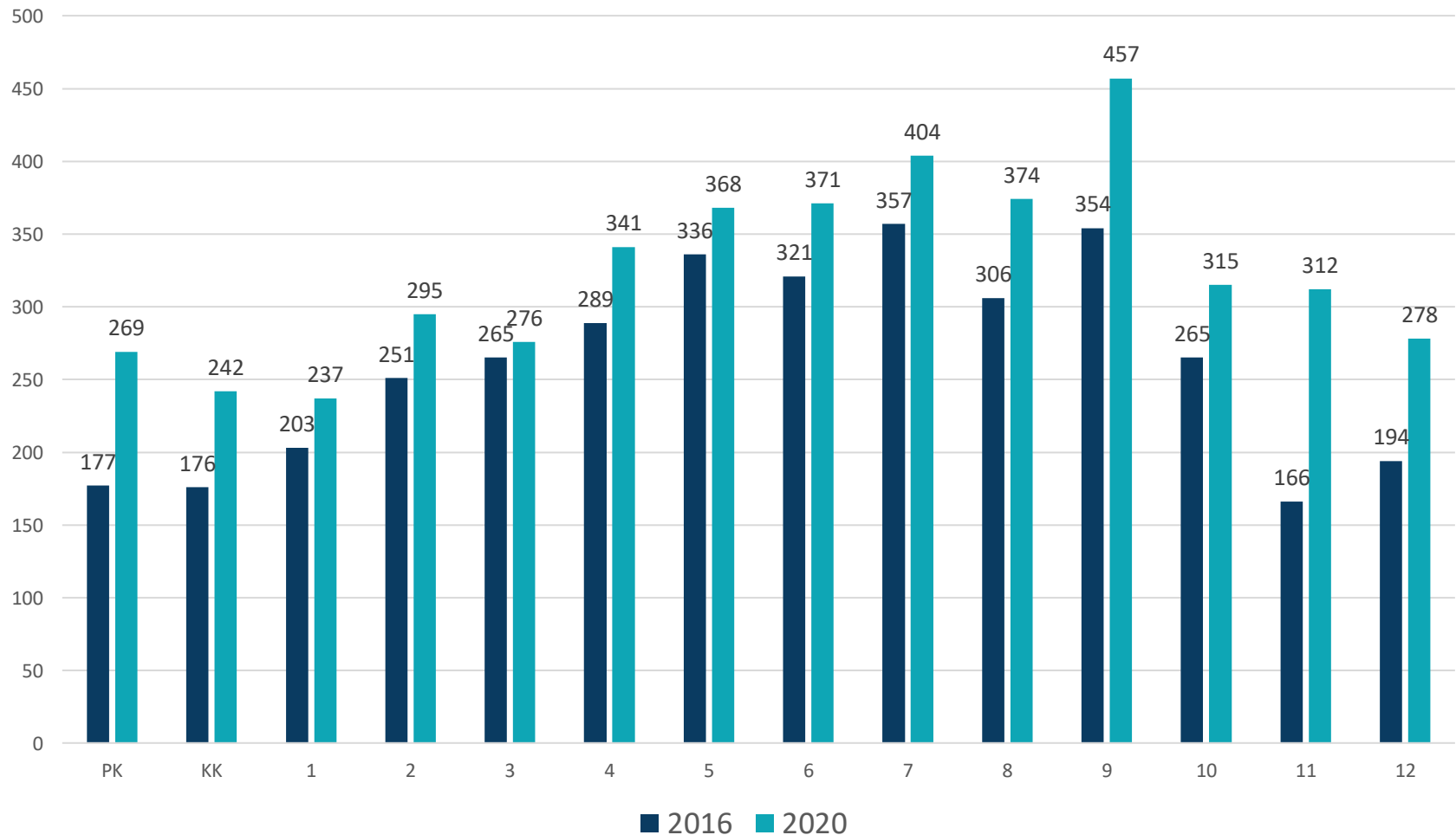
- Enrollment growth is highest at high school level

School Level	Special Education Enrollment			Non-Special Education Enrollment		
	2016	2020	Δ	2016	2020	Δ
Elementary	1,697	2,028	19.5%	11,193	11,620	3.8%
Middle	984	1,149	16.8%	5,800	6,133	5.7%
High	979	1,362	39.1%	7,990	8,204	2.7%
Total	3,660	4,539	24.0%	24,983	25,957	3.9%

Growth by Grade Level

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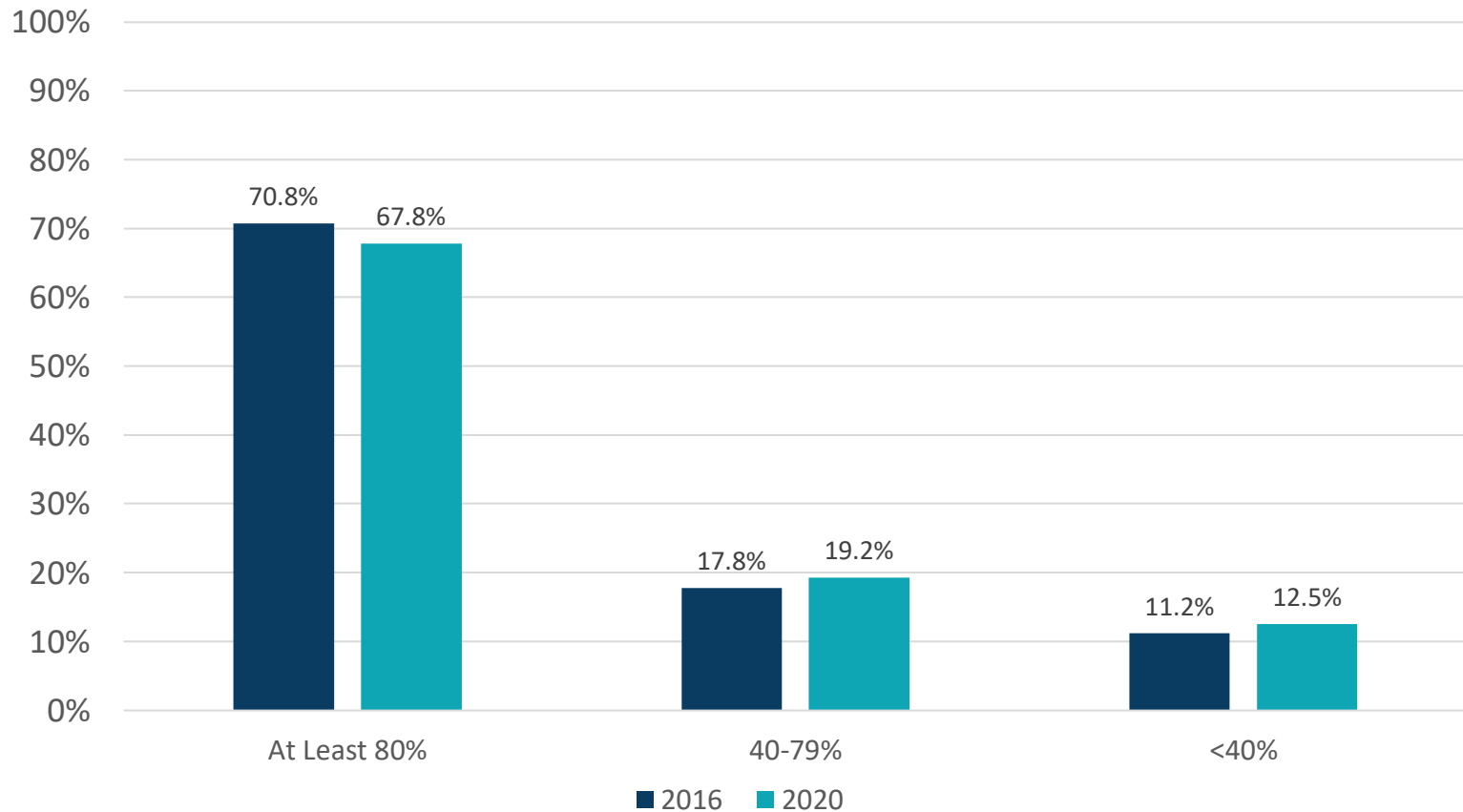
■ Highest grade-level increases seen in Grades 11, 9, 12 and Pre-K



Trend - Percent Sped by LRE

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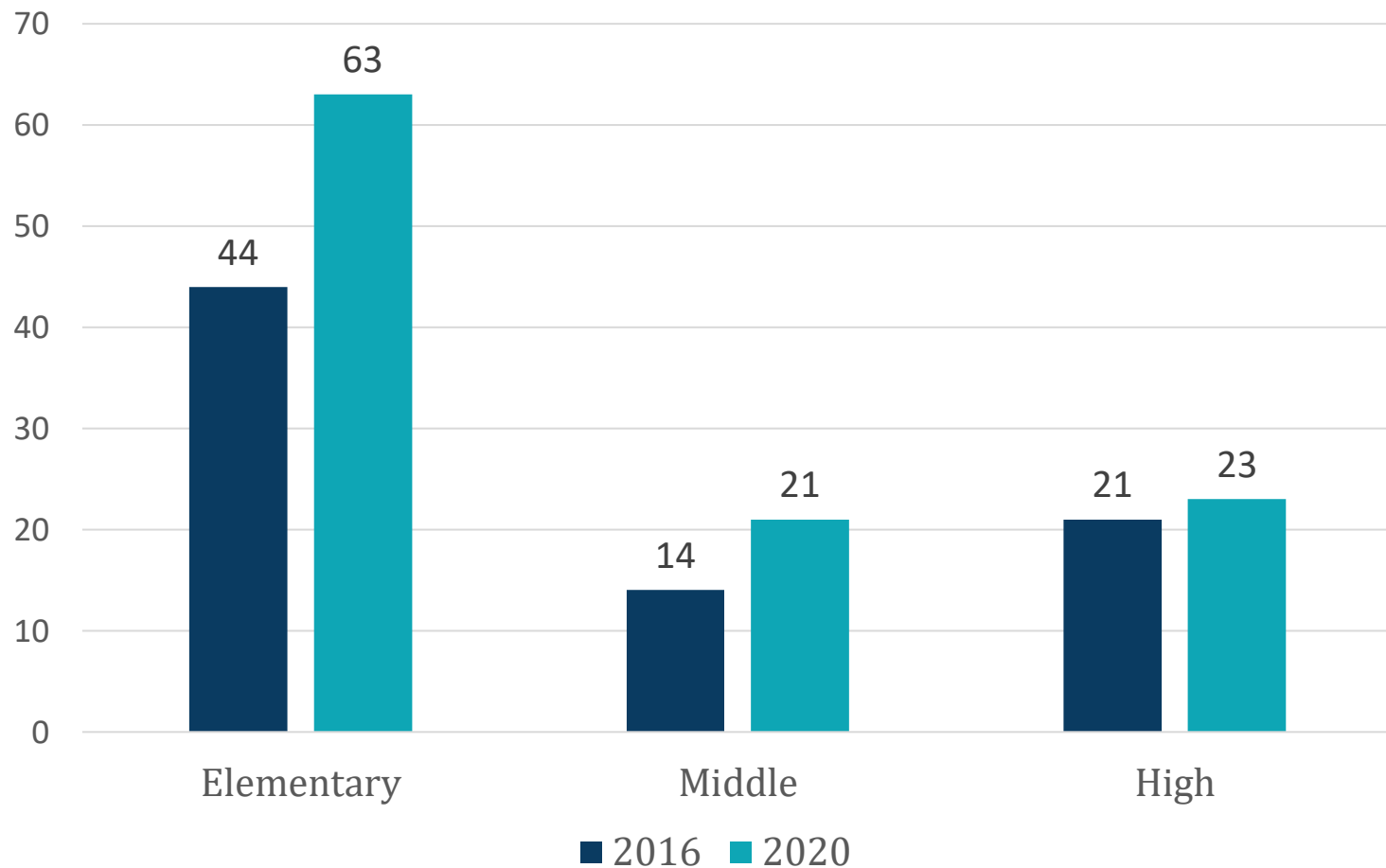
- SDD and EBD trended toward more inclusive settings – all other disabilities, including SLD and OHI, trended to more restrictive settings



Specialized Classes by School Level

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- 35% growth in the total number of specialized classes



% RTI by School Level

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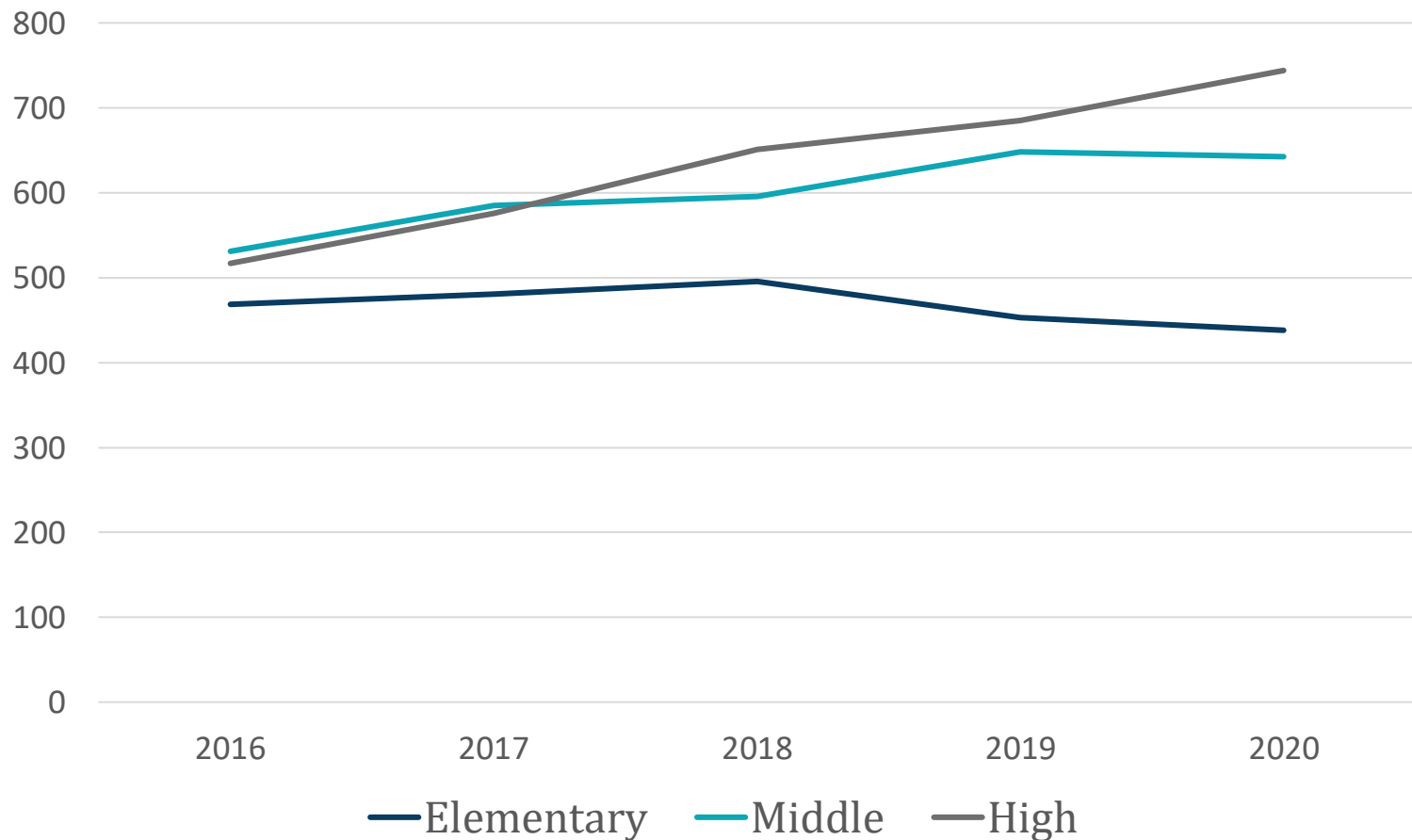
- Although increasing, low percentages of students in T2/T3 RTI in HS

Percent of Students in RTI (Tier II and Tier III)	2016	2020	Δ
Elementary	13.4%	15.6%	2.2%
Middle	8.9%	9.5%	0.6%
High	1.9%	2.6%	0.7%
Total	8.8%	10.1%	1.3%

SLD Growth by School Level

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- SLD decreased at ES, but increased at MS and HS



SPED Summary

- Student growth is mostly internal, not external
- Growth occurred across all school levels, but highest at high schools
- Significant increase in the number of specialized program classes at elementary and middle schools
- Overall, the total number of SLD has decreased, but is still 12 percent higher than the State average – possibly attributed to improvements in RTI, literacy program

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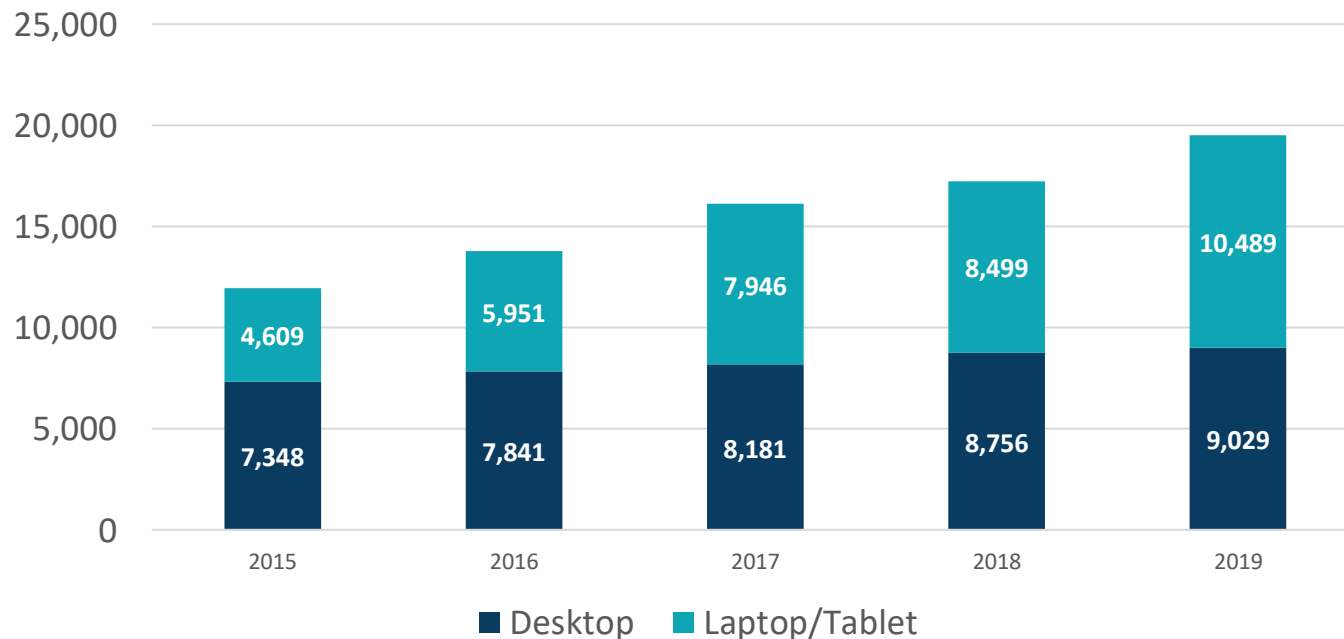
Technology

Technology

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- Desktop replacement program – phase out faster
 - Reduction in student to computer ratio from 2.38 in 2015 to 1.54 in 2019
 - 46 percent of computer devices are still desktop

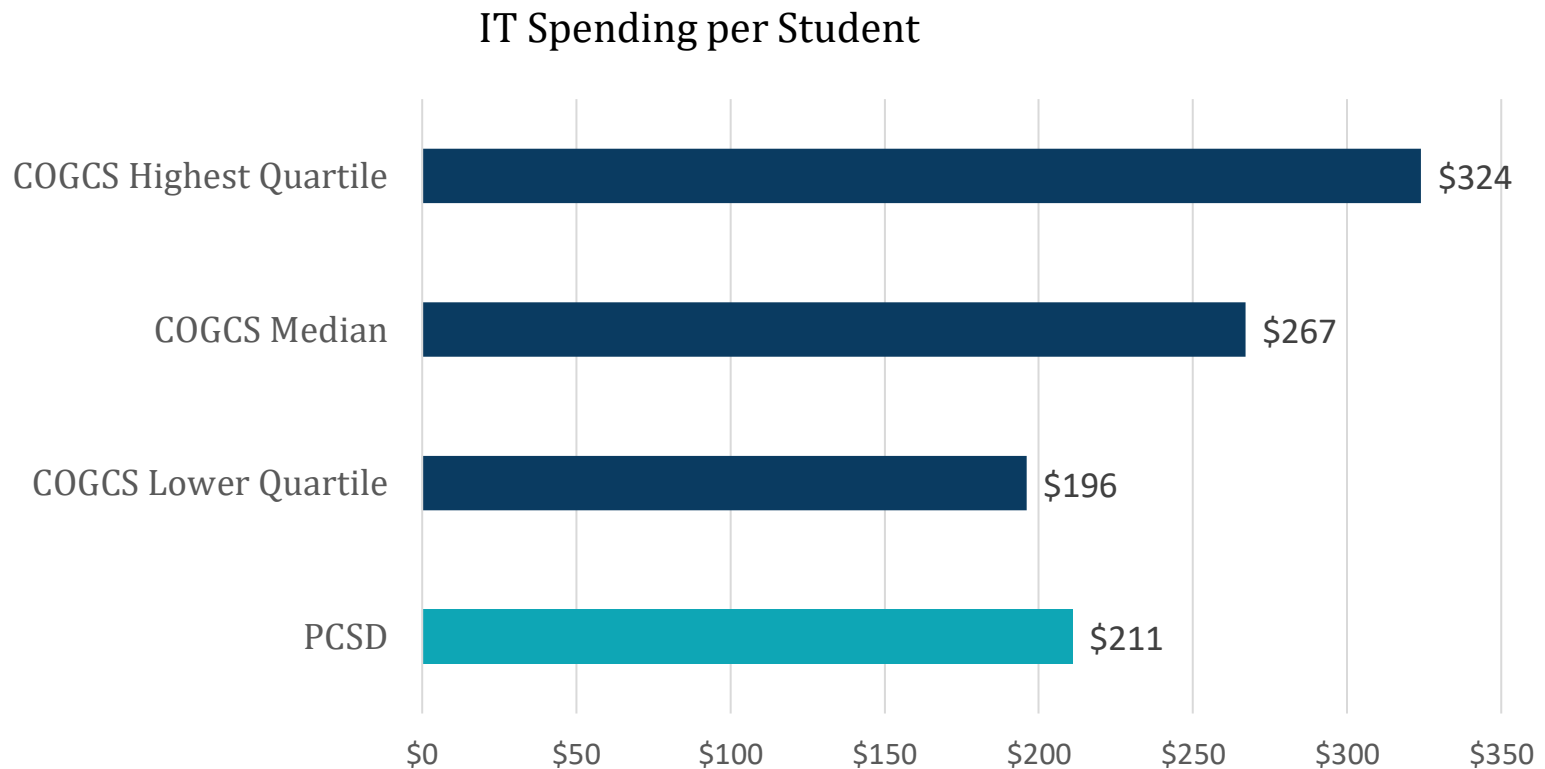
Computer Devices by Type



Technology Spending

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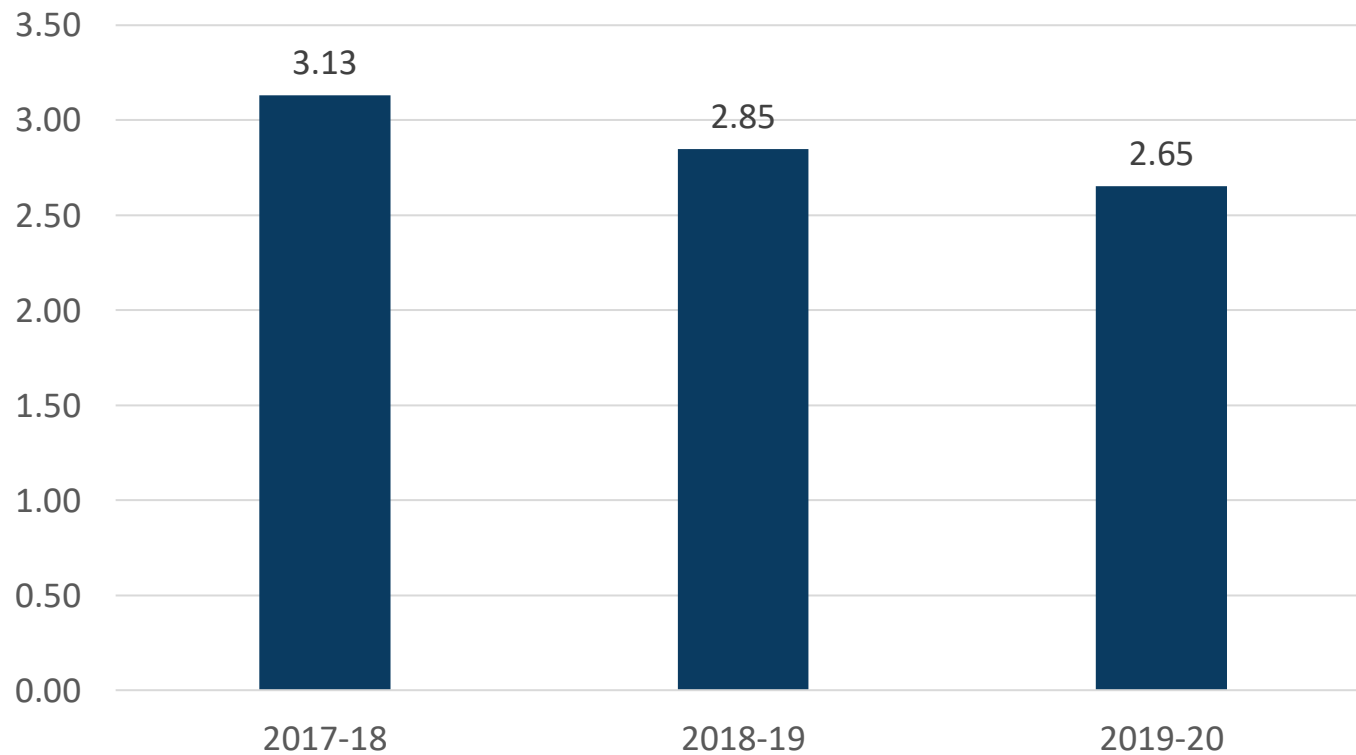
- Comparison to Council of Great City Schools Benchmark
 - PCSD IT spending per student closest to lowest quartile average



Technology Performance

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- Average # of days to close work order
 - Response times improve 15 percent over 2 years



ERP

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- Functional shortfalls of existing system:
 - Not using 8 of 24 modules due to requirements not met
- Technical shortfalls of existing system:
 - Written in COBOL (programming language developed in 1959)
 - Lack of effective dating – cannot enter prospective transactions
 - Large database tables that cannot be purged – slows performance
 - Lack of archiving – backup and storage issues

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School Processes

Approach

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- Schools Interviewed
 - Dallas ES
 - Shelton ES
 - Scoggins MS
 - Hiram HS
- Processes Reviewed
 - Purchasing
 - Payroll
 - Activity Funds

Summary

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- Centralized student registration – innovative best practice
- Process efficiency moving the right direction – more automation occurring
 - Online disbursements
 - PO distribution
 - Cash Receipts (RevTrak)
 - Student records
- Still many manual, paper-intensive processing activities at schools, but not adversely affecting staff levels

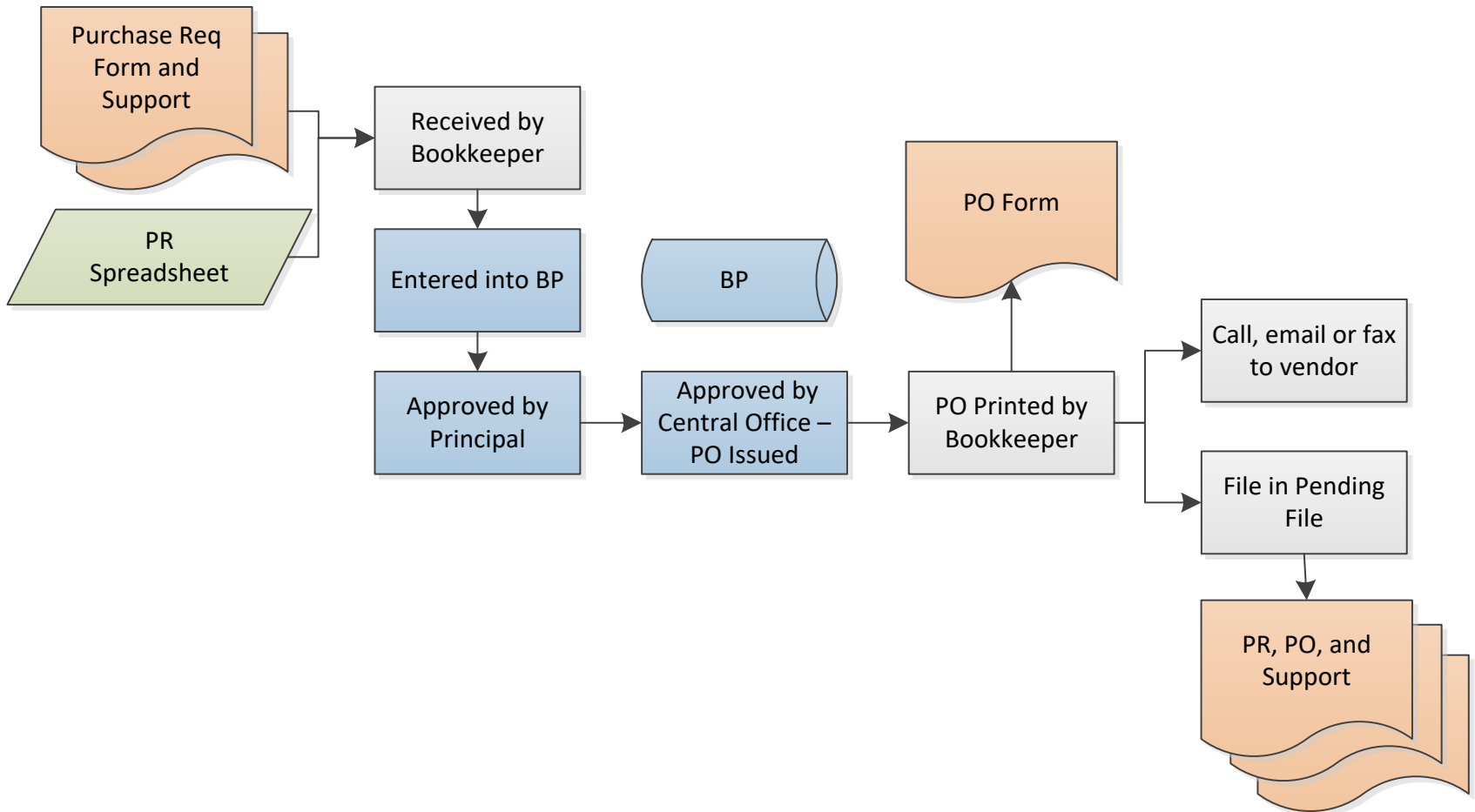
Purchasing

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- Process initiated by paper
- Manual processes and hard-copy forms still used at schools; processes vary across school types
- Unnecessary filing of hard copy documents at schools
- Schools still sending POs to vendor by fax
- P-Cards in lieu of credit cards at schools

Purchasing Process

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Payroll

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- Frontline Substitute Management – interfaced with Business Plus
- Manual certificate of absence forms
- Manual timesheets
- Manual reconciliation process
- Previous attempt to automate through Kronos

Activity Funds

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- Uses Business Plus for accounting
- Purchasing and check processing are manual, paper-intensive

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Transportation

Transportation Profile

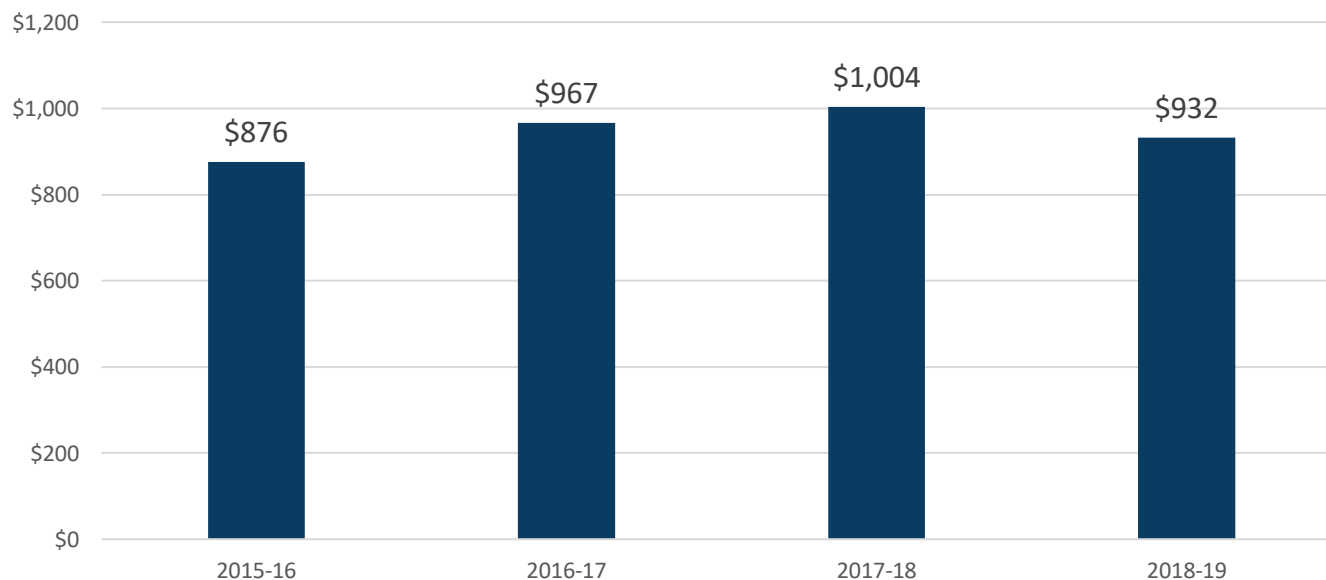
49

- Transport 17,500 students per day
- Ridership at 60.4 percent and increasing
- 350 buses in fleet
- 2.6 million miles annually
- Operating budget of \$17 million
- 352 staff positions

Transportation Efficiency

50

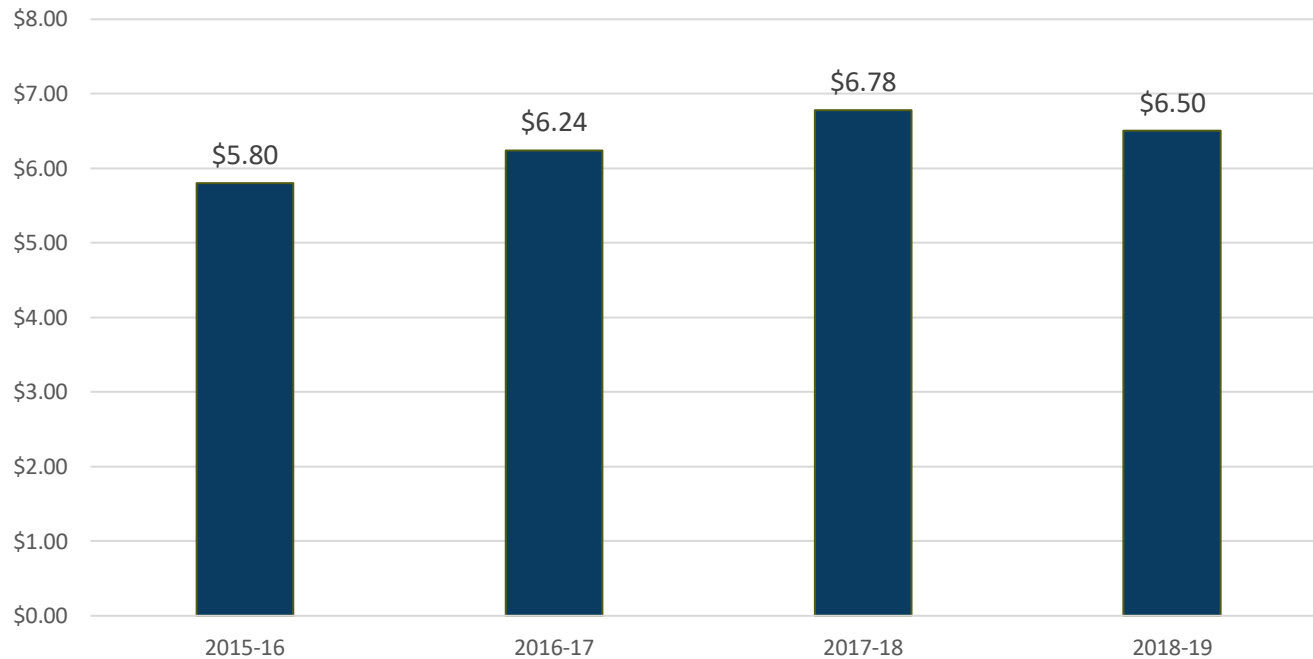
- Cost per student enrolled (shown in efficiency profile) was fourth highest among peers
- Cost per rider shows improved efficiency over past two years



Transportation Efficiency

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- Cost per mile also shows improved efficiency



Opportunities

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- Bus utilization
- Maintenance expense tracking and analysis
- Fuel tracking analysis
- Tracking preventable vs. non-preventable accidents

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Performance Measurement

Budget Strengths

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- Very comprehensive and informative document
- Budgeting for Outcomes (BFO) model clearly aligns spending with priorities and Strategic Plan (Goal 4: Maximize operational efficiency)
- Strong contextual information, including peer spending per student
- Some multi-year information:
 - Historical and Budget Forecast for all Funds
 - Historical Enrollment Trends and Projections
 - Tax Levy
 - Historical expenditures – each fund

Insufficient Efficiency Measures

- Few efficiency measures beyond peer comparisons and Financial Efficiency Star Rating (FESR) system
- Budget Book includes web link to performance scorecard:
 - 65 percent of General Fund Budget allocated to Instruction
 - Meal participation
 - Most other scorecard measures are more performance than efficiency related (e.g., response times, on-time bus arrival, student attendance metrics)

Staffing Formulas

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- Efficient clerical staffing (helped by central student registration):
 - Bookkeeper position at every campus – best practice
 - Elementary: 2 administrative support staff positions until 600 students
 - Middle: 3 positions until 1,200 students
 - High: 6 positions

Performance Measures

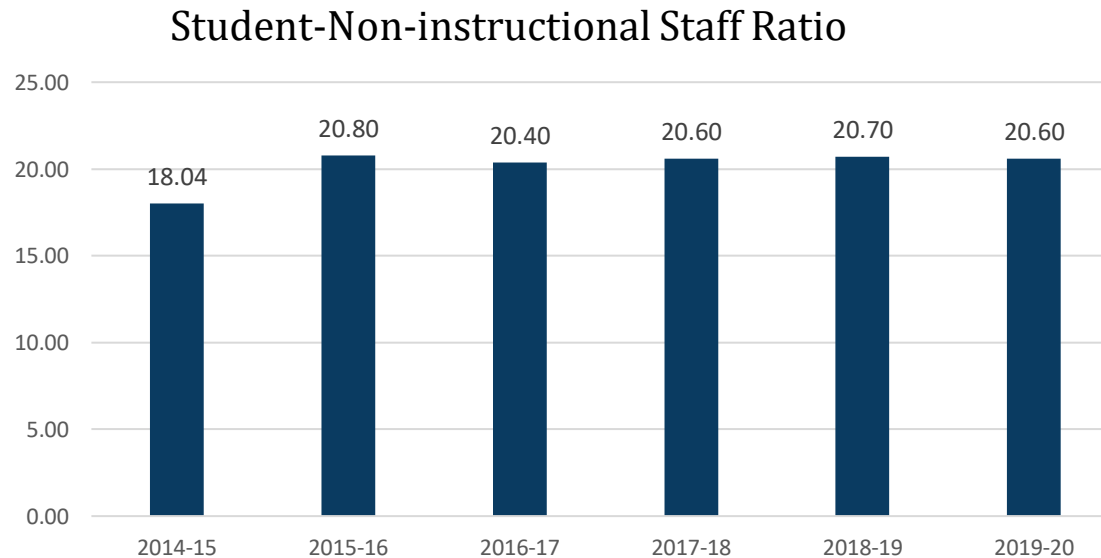
57

- Need to show off our efficiency:
 - Five-year trend of expenditures per student
 - Five-year trend of staff ratios
 - Comparisons to applicable industry standards
 - Show department metrics next to department budget and staffing
 - Graphics better than tables
 - Brief explanations of variances

Example 1

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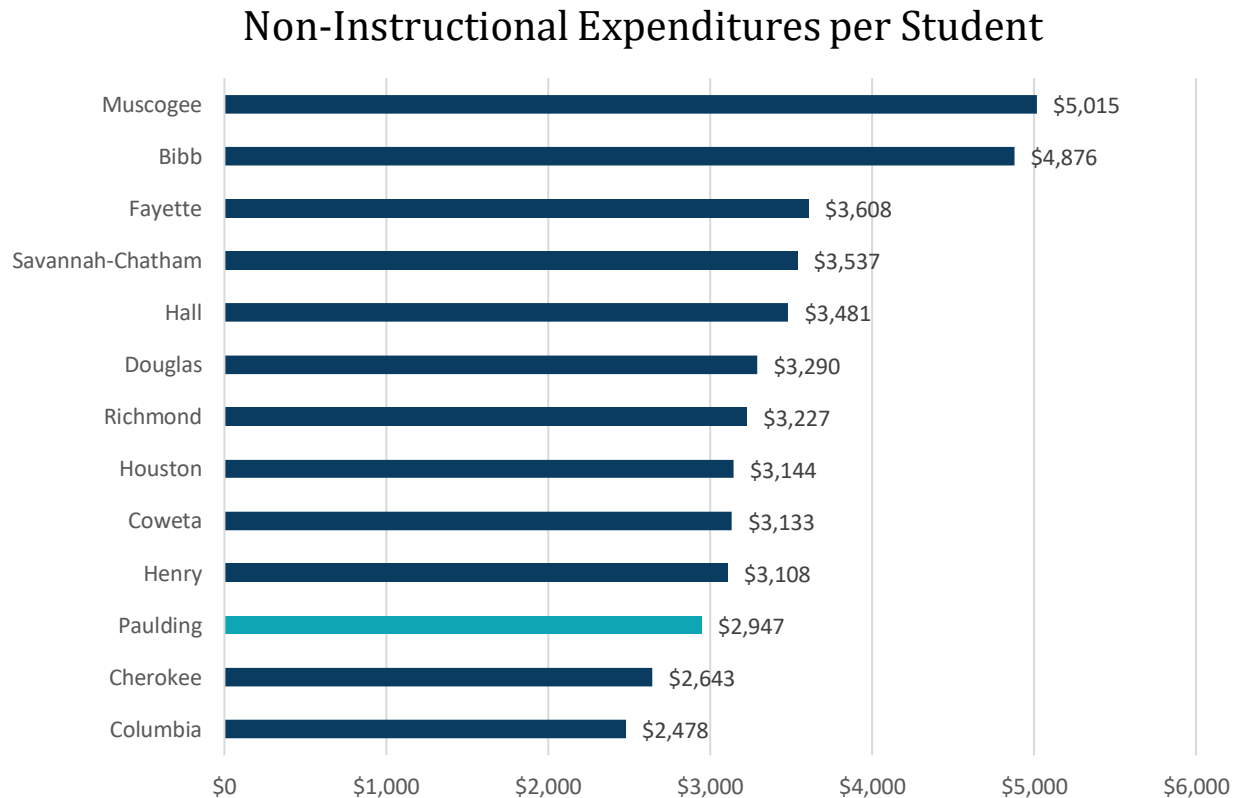
- Student-Non-instructional Staff Ratio
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Example 2

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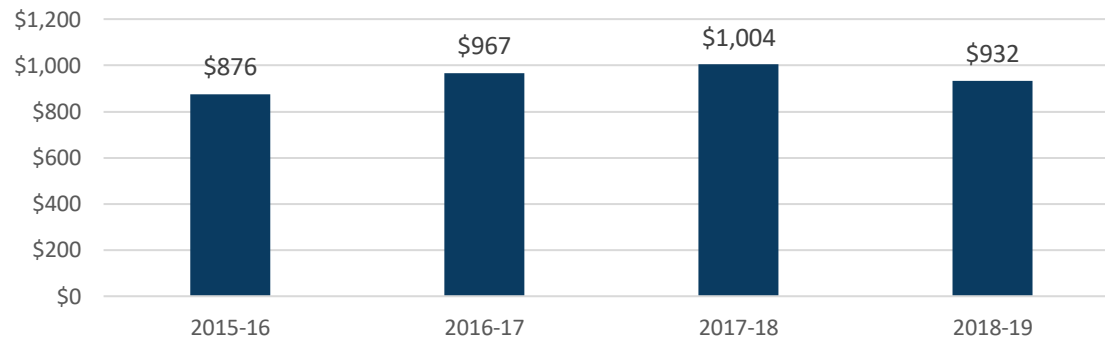
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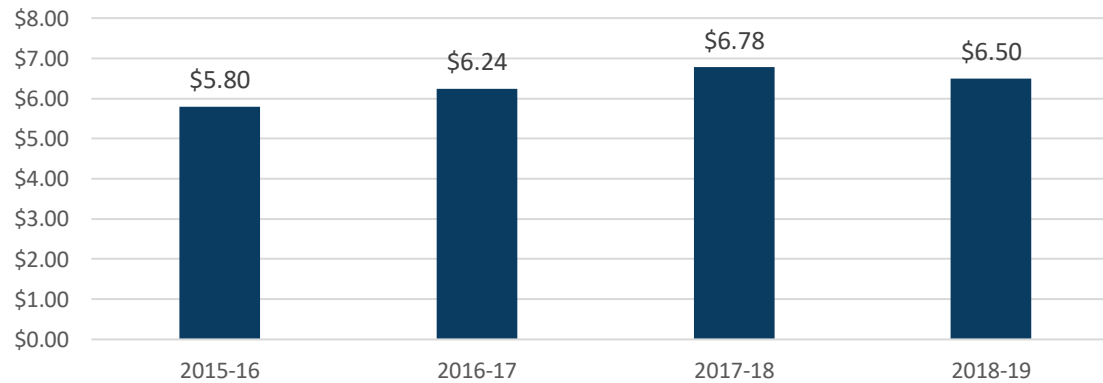
Example 3

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Transportation Cost per Rider



Transportation Cost per Mile



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Next Steps

Next Steps for PCSD

- Comprehensive reviews for Phases 2 (Operational Areas) and 3 (Academic Programs) unnecessary in light of Phase 1 results.
- Special Education should be reviewed in more detail to determine why Special Education expenditures and students served are outpacing expected growth.
- Planning for ERP upgrade or replacement should start now, and Gibson can help guide PCSD through the major decision points in this process.

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Questions