

Managing for Results In America's Great City Schools



A Report of the Performance
Measurement and
Benchmarking Project

Council of the Great City Schools

October 2008

Performance Measurement & Benchmarking for K12 Operations

To Great City School Members—

The Council of Great City Schools is conducting a major multiyear project to identify performance measures, key indicators, and best practices that can guide the improvement of noninstructional operations in urban school districts across the nation. The goals, objectives, and structure of the *Performance Measurement and Benchmarking Project* were developed during the Council's annual meetings of Chief Operating Officers, Chief Financial Officers, Chief Human Resources Officers, and Chief Information Officers. The Council has also organized technical teams composed of executive administrators with extensive subject-matter expertise to develop and manage portions of the project. The project is using an agreed-upon research approach with standards and templates for analyzing and displaying data on top performance measures.

The following sections include detailed analyses and discussion of a robust set of key indicators—or measures—on a range of operational functions in business, finance, technology and human resources, and presents data city-by-city on those indicators. The Council will continue to work with member districts to refine the effort, establish trend lines, and share effective practices among districts. In future years, we will prepare composite reports in the four operational areas—i.e., business operations, finance, human resources, and technology—for the Leadership and Finance Task Forces, the Board of Directors of the Council and its members. We hope that the membership finds this effort useful and productive.

Michael Casserly
Executive Director

Robert Carlson
Director, Management Services



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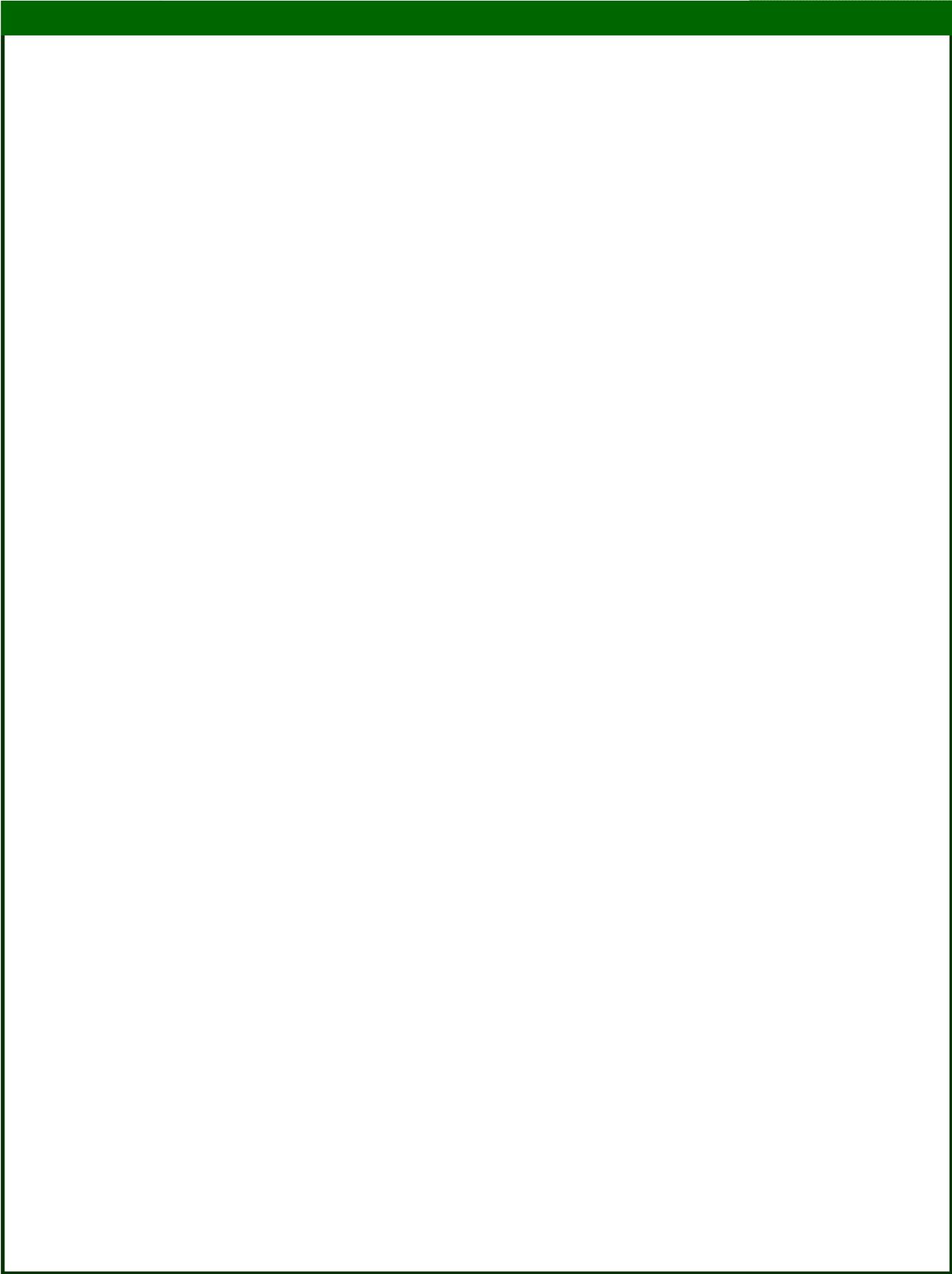


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Executive Summary

This report describes statistical indicators developed by the Council of the Great City Schools and its member districts to measure big-city school performance on a range of operational functions in business, finance, human resources and technology for the fiscal year 2007. The report also presents data city-by-city on those indicators. This is the second time that indicators have been developed, data collected and analyzed, but the first time trend data on existing indicators have been generated on the business operations from the nation's largest urban school districts.

In addition, this is the first time that indicators have been developed and data collected and analyzed on the financial and technology operations of these districts. Data have also been collected and analyzed on a sample of indicators for human resource operations. A more comprehensive set of indicators has been prepared to collect and analyze data that will be included in future reports. The overall purpose of this project is to help the nation's urban public schools measure their performance; improve their business, finance, personnel and technology operations; and strengthen their practices.

The project's methodology entailed using teams of school-district experts in a range of operational functions in business, finance, technology and human resources to develop the indicators. Preliminary data were collected from major city school systems; the results were fine-tuned using Six Sigma quality-assurance procedures to ensure uniformity and rigor; additional data were collected using the fine-tuned measures; and the final data were analyzed and presented for publication. Each of the indicators in this report includes information about why the measure is important; factors that influence performance; how the indicator is defined and calculated; what the range of responses were across the city school districts; and how the indicators' values are affected by other school district practices.

The Council expects that school boards and superintendents in the major cities will be able to use these indicators and the data gather on them to assess their own business, finance, human resources and technology operations; to measure progress on reforms in these areas; and to demonstrate greater transparency to the public. In addition, they will be able to use the highest performing districts to identify best practices based on districts showing particularly positive results.



**Background, Project Development, Overview,
& Methodology**



Background

America's Great City Schools are under enormous pressure to improve their academic performance, strengthen their leadership and operations, and regain the public's confidence. The Council's current study to assess the public's perception of how large city school districts manage themselves indicates concern about the old issues of efficient use of resources. The study indicates that the efficient use of tax dollars, the "waste" issues, and the general public perceptions about how much money is being spent on bureaucracy are issues that continue to surface.

In order to improve, the nation's big-city school systems have responded with a number of initiatives. They have conducted extensive research on how some city school systems improve faster than others do; they have formed peer teams to review and analyze each other's practices; and they have launched public information campaigns. The efforts have helped spur reform efforts, but these reforms have sometimes been hampered by the lack of data by which to compare each other's work and assess each other's progress. This situation has been particularly acute on the non-instructional side of house, where good data have been important for many years but comparable data from one system to another have been scarce.

The Council of the Great City Schools, the nation's coalition of large urban public school systems, began to address this shortcoming in 2003 by launching a major effort to identify, assess, and recognize excellence in the non-instructional operations of its members. The purposes of this effort were to—

- Establish a common set of key performance measures in a range of operational functions in business, finance, human resources, and technology.
- Benchmark the performance of the nation's largest urban public school systems on these key performance indicators.
- Document effective management practices of the top-performing districts, so other member districts could utilize these practices.

Collecting and analyzing performance data in education has intrinsic value, but benchmarking or comparing that data from city-to-city pays special dividends. Good comparative data give school districts the ability to analyze how well they manage their resources in exactly the same ways that the private sector uses its data. Good data also provide the evidence needed to identify best practices and the wherewithal to determine why some practices produce better results than others do. Good data, moreover, enable school districts to have a systematic way to build knowledge about how large systems work and what it takes to improve them.

Finally, better data have substantial benefits for school leaders. Better data allow school boards, superintendents, and senior staff members to identify practices that fail to produce the

desired results for students and teachers. Better data permit school administrators to identify and devote more resources to classroom instruction and instructional support. Better data also can improve the effectiveness of their non-instructional operations by spurring accountability for results; clarifying goals and priorities; measuring progress; enhancing transparency and public trust and reducing the vulnerability to negative press; and improving understanding of various policy options.

For these reasons, the Council of the Great City Schools and its member districts have embarked on this first-of-its-kind benchmarking effort to improve the performance of its non-instructional operations. This effort is significant not only because it represents a “first,” but also because it was launched by the school districts themselves. The initiative signals clearly that urban school systems are serious about using data to inform and improve their business, financial, human resources and technology operations.

Project Development and Overview

This Performance Measurement and Benchmarking Project began in 2003 at meetings of the Chief Financial and Chief Operating Officers of member districts of the Council of the Great City Schools. The effort entailed developing an initial project framework and continued through 2006 with the identification and definition of an initial set of Key Performance Indicators (KPIs) to assess the performance of urban school districts in critical business and financial operational areas. The project team designed the framework to include five major phases:

- Identification of key performance measures
- Development of a commonly accepted measurement methodology
- Creating and implementation of a measurement strategy
- Analysis and reporting of comparative data
- Assessment of effective management practices that produce superior performance

The Council established work groups composed of Chief Operating and Finance Officers from member districts that identified an initial set of key performance measures and developed sample surveys to gather data in those areas. Preliminary results from these sample surveys were analyzed and presented to the Council’s School Finance, and Leadership, Governance and Management Task Forces during their Fall meeting in 2006.

The preliminary results also prompted the Chief Operating and Financial Officers to agree to a broader national study that would develop key indicators and gather comparable data on a range of core business and financial operations in the nation’s urban public schools. The Chief Operating Officers identified five major functional areas during their April 2006 annual meeting that would be the focus of an in-depth study—food services, maintenance and operations, procurement, safety and security, and transportation. The Chief Financial Officers identified four broad financial areas that would be the focus of their study—budgeting, financial management, general accounting, and compensation—during their November 2006 annual

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meeting. After review and discussion, it was decided to combine the budgeting and financial management functions and to defer the compensation study to the next phase of the project.

Technical teams of subject-matter experts from the member districts were organized at these meetings which developed an initial lists of potential measures that were subsequently narrowed down to the most important measures; developed in-depth surveys to gather data on the measures; and analyzed the results. The initial in-depth report on business operations was finalized and presented to the Council's Joint School Finance and Leadership, Governance Task Forces in March 2007.

The technical teams of subject-matter experts were reconvened at the April 2007 meeting of Chief Operating Officers to refine the initial set of measures and to add others that would further develop the Council's Performance Measurement and Benchmarking Project in business operations. The teams subsequently developed a second in-depth survey that was used to gather and analyze data on the new measures, as well as to generate trend data on existing measures. This report includes the analysis of that data.

Teams of subject-matter experts were also reconvened at the October 2007 Chief Financial Officers meeting to refine and add additional items to their initial set of measures in financial management and general accounting; as well as to develop initial sets of measures in compensation, grants management, position management and risk management. The teams subsequently developed a second in-depth survey that will be used to gather data on the new measures, as well as to generate trend data on existing measures. The analysis of that data will be presented to the Council's Joint School Finance and Leadership, Governance Task Forces at the 2008 Annual Fall Meeting.

Work also started at the February 2007 meeting of the Council's Chief Human Resources Officers and the June 2007 meeting of the Chief Information Officers. Employee relations, human resource operations, and recruiting and staffing were the functional areas selected by the Human Resources Officers; and network operations, applications and help desk support are the functional areas that were selected by the Chief Information Officers. Technical teams of subject-matter experts identified the measures and developed surveys to gather and analyze data. This report contains the indicators of performance and the data that was collected and analyzed on the technology operations of districts. This report also contains preliminary indicators of performance in human resource operations. A more comprehensive set of indicators and data will be collected, analyzed and represented at the 2008 Annual Fall Meeting.

Project Methodology

The Council of the Great City Schools organizes project teams, surveys members, analyzes data, conducts research and prepares reports for its Finance, and Leadership and Governance Task Forces and Board of Directors.

Project Management Team

An overall project management team oversees the project and uses technical advisors to assist them throughout the project.

Robert Carlson, Director of Management Services,
Council of the Great City Schools

Michael Eugene, Business Manager
Los Angeles Unified School District

Don Kennedy, Chief Finance/Operations Officer
Seattle Public Schools

Frederick Schmitt, Chief Financial Officer
Norfolk Public Schools

Pedro Martinez, Chief Financial Officer
Chicago Public Schools

John McDonough, Chief Financial Officer
Boston Public Schools

Robert Runcie, Chief Information Officer
Chicago Public Schools

Ann Chan, Director, Human Resources Operations
Chicago Public Schools

Surveys and Data Analysis

Indicator Development

The indicators are developed in brainstorming sessions during the annual meetings of the Council's Chief Operating, Finance, Human Resources and Information Officers. Potential performance measures are suggested, discussed, and winnowed down to manageable lists.

Project teams design initial surveys, collect data from member districts, and analyze responses to determine the feasibility, range of definitions and values of the potential indicators. A research team headed by Katherine Blasik, Director of Research for the Broward County Public Schools, works with the project teams to fine-tune how indicators are defined and which indicators would be included in the final surveys. To standardize the definitions—a key goal of this project, the project teams uses a metric definition worksheet that was developed by Debra

Ware, General Manager of Enterprise Resource Planning for the Fort Worth Independent School District who is an expert in Six Sigma processes.

The metric definition worksheets are the building blocks for developing surveys that can capture critical information about each potential measure, including the purpose, definition, data sources, equations, and any relevant notes needed to qualify or explain the measures. Districts are asked to provide raw data in order to exercise quality control in the calculation process. Eventually, every numerator and denominator on the worksheets become the basis for a question on the final survey. In some cases, a data point is used on more than one indicator (e.g., district budget). Ultimately, the technical teams define the measures in each functional area, and the project management team develop and organize survey questions from worksheet results.

Survey Development

Once the technical teams complete the process of fine-tuning indicators, the project management team uses the measurement criteria, and any additional context for full understanding, to write final survey questions in each area. Surveys are then formatted—under a Memorandum of Understanding with *K12 Insight*, a company providing online survey capability for school districts—in order to collect data online. Collecting data electronically minimizes transcription errors, better tracks response rates, stores data more effectively, analyzes results more efficiently, and reduces errors caused by indecipherable handwriting. The company builds electronic versions of the surveys and trains project management team members to use the data tool. In addition, the company uses an electronic reminder feature to notify districts that do not respond to the surveys.

Before administering the final surveys, the technical teams also develop an overall survey to profile each district's broad characteristics. Included in this survey are data on district enrollment, average daily attendance, number of staff members, number of schools, budget and expenditures, free and reduced-price lunch eligibility, and the like.

The final surveys in each of the functional areas are based on the results of the metric definition worksheets described above. In addition to the questions on each of the indicators in each area, the surveys ask questions on budget and expenditure data and staffing in each function. Final surveys are then sent to the 66 member districts of the Council of the Great City Schools.

Data Analysis and Results

The surveys are designed to capture data points only. Respondents are asked to report actual data on the survey forms and are not required to perform the calculations on their own. This approach allows the teams to analyze the same data points across surveys and to calculate uniform performance rates. Doing so helped ensure the uniformity, reliability, and validity of results across cities. For additional assurance of data integrity, the Chief Operating, Financial, Human Resources and Information Technology Officers must certify the survey data.

The technical teams use an extensively detailed approach to ensure comparability and data integrity throughout the project. Six Sigma quality-control methodology is used to establish uniform, high-quality measurement procedures, write survey questions in sufficient detail to explain the measures, and provide technical assistance to responding districts when they need clarification of survey items.

Nonetheless, there are instances in which calculations produce results that the technical teams determine cannot be reliable, valid, or defensible. In such cases, either the data are not included or comments addressing the concerns about the data are noted. The process of reviewing, refining and assessing the quality of the data will continue to be a key feature of this project as it moves forward.

The pages that follow include a brief discussion and analyses of the key performance indicators in each of the functional areas based on FY 07 data. Each indicator has a brief description about why the measure is important. Information is also included about variables that influence the measure, that is, the factors that affect whether the indicator is high or low. The indicators and how they are calculated are defined; and the response rates and the range of results are presented in three forms. Bar charts are used for measures that are numerical and lend themselves to comparisons among responding districts. Pie charts are used where the data is grouped or sorted by type of response, where there is a range of responses, or where the responses are simple counts of an event or are yes/no answers. In some cases, both a pie chart and bar chart are shown for a measure because the technical teams have some question about the reliability or validity of the data. The third presentation is a table format to show counts within categories.

The Managing for Results in America's Great City School is based on a philosophy of continuous improvement. Districts should be able to compare themselves to each other in a "safe" environment so they can understand where they lead or lag, can study effective management practices that produce top performing results, and can use information to prioritize efforts suited to their individual districts. The Council is fostering a safe environment for this project in three ways. First, executives from member districts manage the project. Second, the data collected is only shared among the Council and the technical teams. Third, public reporting of the data is done through district identification numbers, and not by name. In order to ensure confidentiality, a district number identifies all districts in the following charts. Districts will receive their number individually to see how they compare with other districts.

Business Operations



Transportation

Cost Per Student (ACCRA adjusted¹)

Total costs for the basic yellow bus home to school program (both district-operated and contractor-operated if there is a mix) *divided by* total number of students scheduled for basic yellow bus home-to-school transportation

Why This Measure Is Important

This is a basic measurement of the cost efficiency of a pupil transportation program. It allows a baseline comparison across districts that will inevitably lead to further analysis based on a district's placement. A greater than average cost per student may be appropriate based on specific conditions or program requirements in a particular district. A less than average cost per student may indicate a well-run program, or favorable conditions in a district.

Factors That Influence This Measure

- Driver wage structure and labor contracts
- Cost of the fleet, including fleet replacement plan, facilities, insurance and maintenance also play a role in the basic cost
- Effectiveness of the routing plan
- Ability to use each bus for more than one route or run each morning and each afternoon
- Bell schedule
- Type of programs served will influence costs

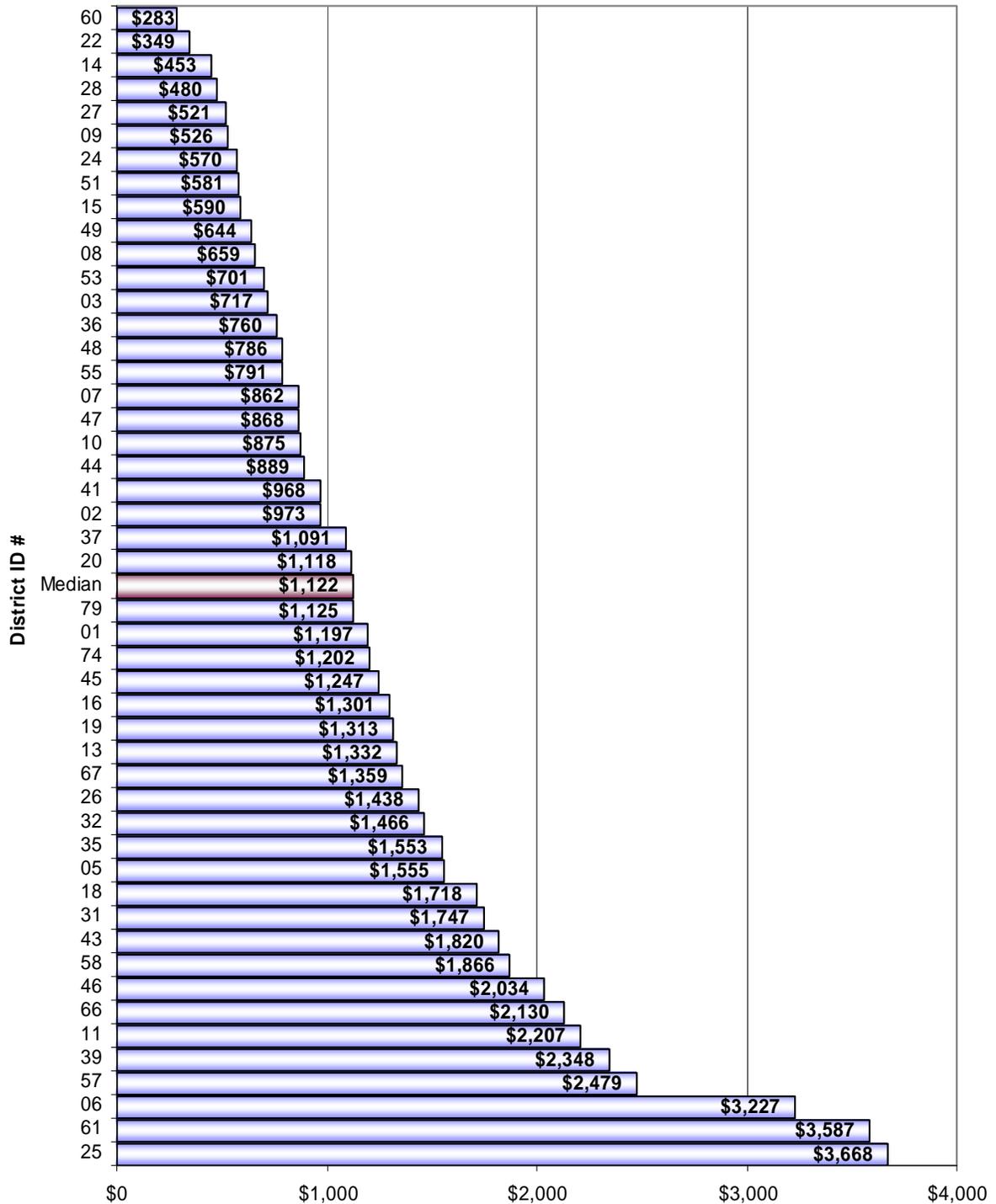
Analysis of Data

- 48 districts provided reasonable responses
- FY 07: Low = \$283; High = \$3,668; Median = \$1,122
- An economy of scale does not seem to exist. Both the smallest and largest operations are represented at both ends of the scale.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

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Cost per Student (ACCRA adjusted)



Transportation Expenditures as Percent of General Fund

Final expenditures for all aspects of the transportation program *divided by* the district's general fund expenditures

Why This Measure Is Important

This measure provides a sense of the impact the transportation program has on the overall operations of the district. Simply put, the more a district spends on transportation the less it has to spend on other programs. Therefore, it is the goal of a district's operations team to provide the highest quality services while minimizing costs so more money is spent in the classroom.

Factors That Influence This Measure

- Types of programs supported with transportation
- District-run operation or a contractor-operated program
- Percentages of students transported by policy and law (where applicable)
- Percentages transported by yellow bus versus public transportation
- Public transportation as a viable option
- Labor costs in the district area
- Efficient administration of program

Analysis of the data

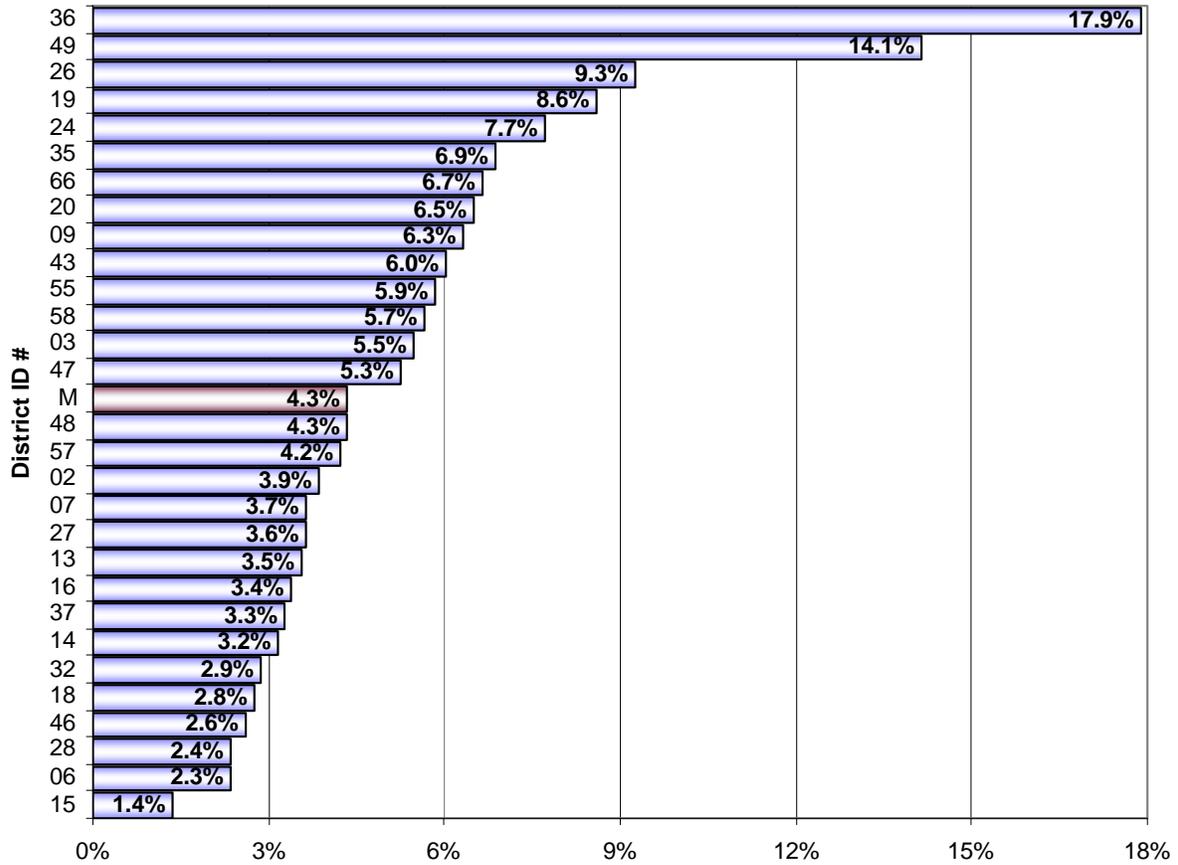
- FY 07 = 29 districts provided reasonable responses; FY 06 = 29 districts
- FY 07: High = 17.9%; Low = 1.4%; Median = 4.3%
- The greatest value for these results may be for a district to compare themselves to a district of similar size and scope to look for individual best practices that may help to lower the costs of their programs
- A district's placement on the curve helps it to recognize and place in context the impact its transportation program has on the district as a whole
- There does not appear to be a correlation between the cost per student data and this measure
- The data is spread out quite a bit for districts reporting, which is an indication of the difference factors influencing each district

Trends and Observations

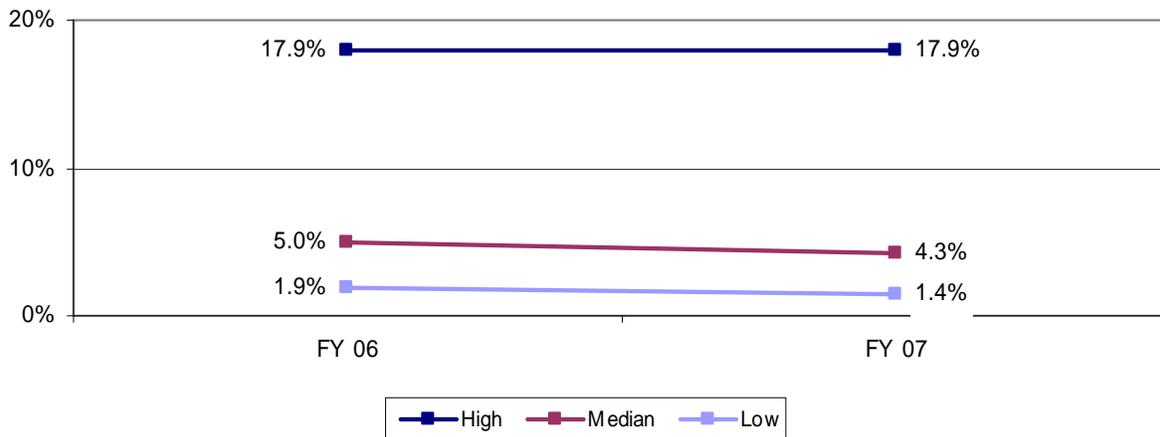
- The data over this two year period is consistent at all levels

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Transportation Expenditures as Percent of General Fund



Transportation Expenditures as Percent of General Fund



Cost per District-Operated Bus (ACCRA adjusted¹)

Total of individual components that create the overall cost of each bus (salaries, benefits, fuel and overhead) *divided by* the total number of district-operated busses that run on a daily basis

Why This Measure Is Important

There is a common perception that district-operated transportation services are more responsive to district needs. There is also the perception that outsourced services are less expensive. A decision to outsource transportation services can be a controversial policy decision. An objective analysis of the true cost for each district-operated bus contributes to the information a district needs to make the best determination on their service delivery model.

Factors That Influence This Measure

- Local cost of living factors
- Bargaining unit condition
- Types of programs supported
- Competitiveness among contractors and between contractor-operated and district-operated programs

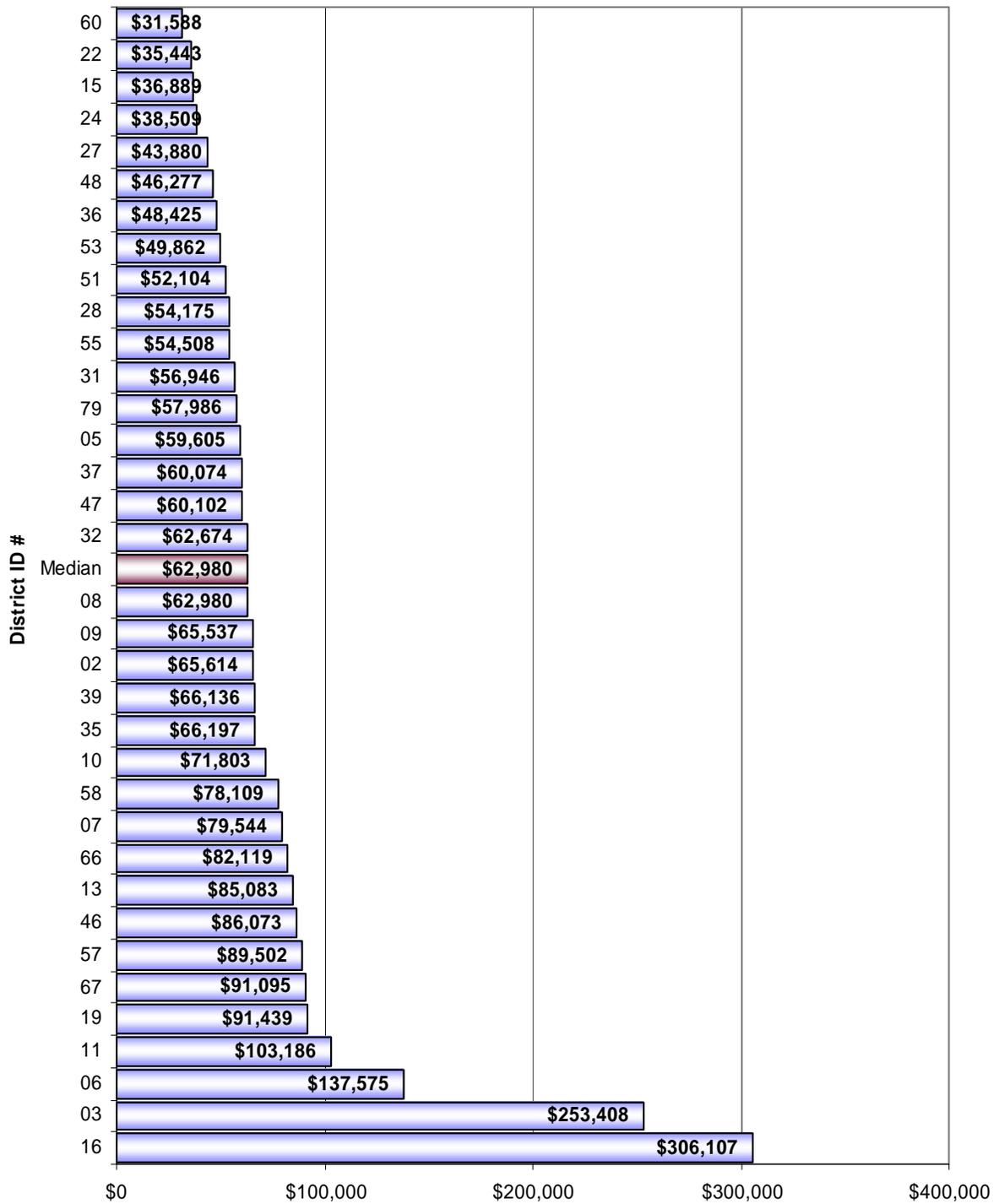
Analysis of the data

- 34 districts provided reasonable responses
- FY 07: Low = \$31,588; High = \$306,107; Median = \$62,980
- The data is very spread out, illustrating some significant differences among urban districts.
- There are two districts from large urban areas of the Southwest with much higher costs per bus than any other district.
- There was some underreporting through the survey responses to capture the cost of the fleet replacement plan, possibly because the capital and debt service costs may be reported in different locations among the districts. Consequently, the true cost of each district-operated bus is still underreported with this data.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

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Cost per District-Operated Bus (ACCRA adjusted)



Cost per Contractor-Operated Bus (ACCRA adjusted¹)

Total spent on the contracted service including fuel *divided by* the total number of contractor-operated busses that run on a daily basis

Why This Measure Is Important

There is a common perception that outsourced services are less expensive. A decision to outsource transportation services can be a controversial policy decision. These decisions are usually balanced with the degree of priority for internal employment, contractor performance, and other factors that are considered in addition to cost. An objective analysis of the true cost for each contractor-operated bus contributes to the information a district needs to make the best determination on their service delivery model.

Factors That Influence This Measure

- Local factors such as the availability of competition, land, and drivers
- Competitiveness between contractor-operated and district-operated programs
- Contract requirements and types of programs contracted services support
- The history and status (recent bidding versus contract extensions) of existing contracts

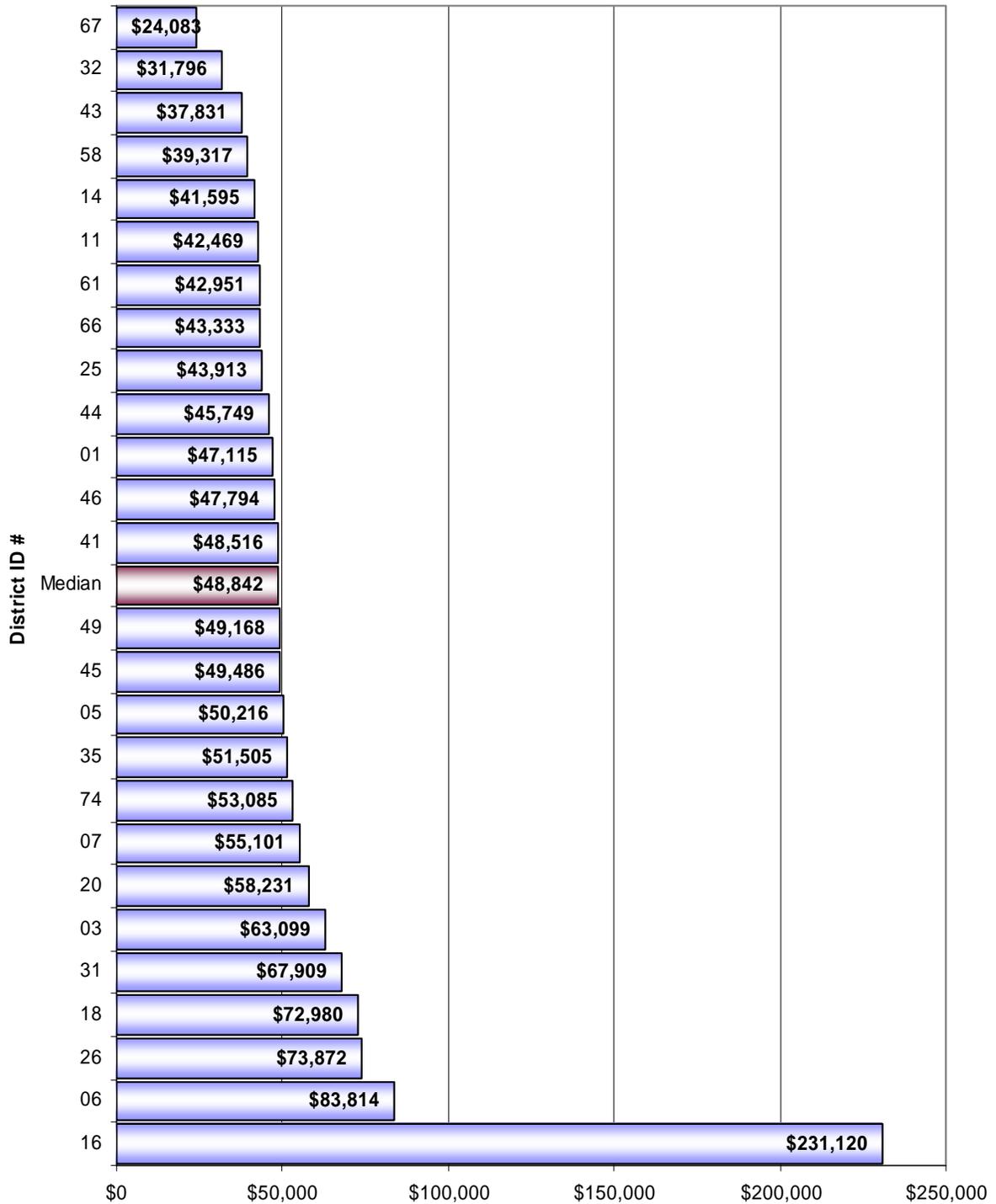
Analysis of the data

- 26 districts provided reasonable responses
- FY 07: Low = \$24,083; High = \$231,120; Median = \$48,842
- The variance among districts for contractor costs is less spread out than the data illustrated for district costs.

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Cost per Contractor-Operated Bus (ACCRA adjusted)



Average Daily Ride Time

Average total daily ride time in minutes per student

Why This Measure Is Important

This measure documents the impact transportation services have on the students transported. Long bus rides do not add anything productive to a child's day. Districts certainly wish to maximize the loading of their busses but hopefully not at the expense of an overly long bus ride for the students. Therefore, cost efficiency must be balanced with service considerations.

Factors That Influence This Measure

- Bus capacity
- District guidelines on maximum ride time
- District geography

Analysis of the data

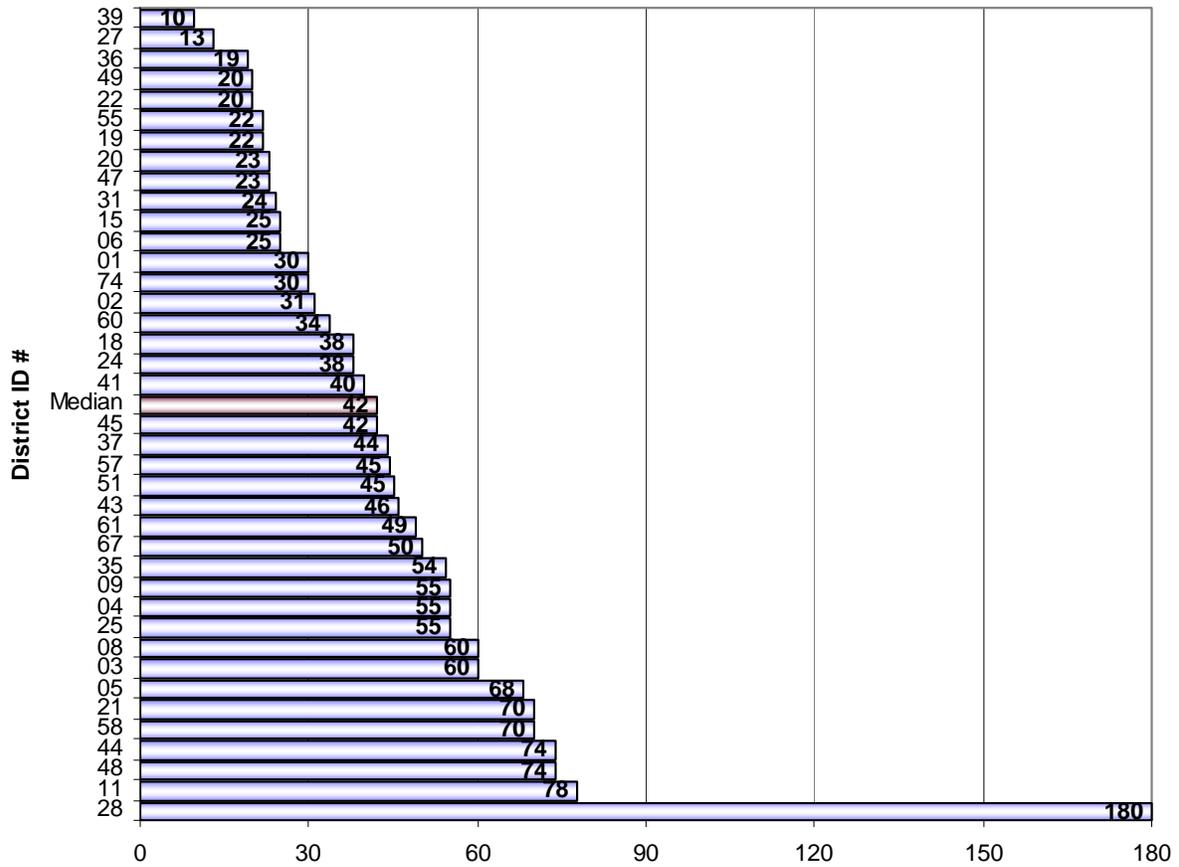
- FY 07 = 39 districts provided reasonable responses; FY 06 = 37 districts
- FY 07: Low = 10 minutes; High = 180 minutes; Median = 42 minutes
- The data is very spread out which illustrates the factors above likely have a significant impact on the measure in the differences among districts.
- There are three distinct clusters in the data; those with ride times of 19 to 25 minutes; those at 30 to 46; and those at 50 to 78.

Trends and Observations

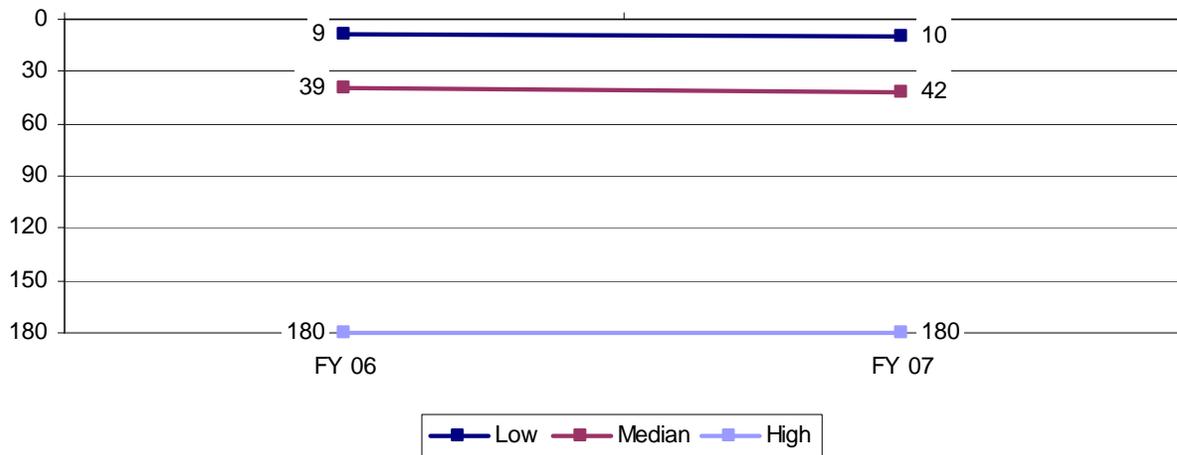
- The data is consistent over the two years surveyed with the top performance improving.

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Average Daily Ride Time



Average Daily Ride Time



Miles Between Accidents

Total number of annual miles *divided by* number of annual accidents

Why This Measure Is Important

- Parents place their trust in a school district to keep their children safe overall and especially while being transported to and from school. The pupil transportation industry accepts this responsibility and is proud of its record of providing safe transportation.
- The National Highway Traffic Safety Administration, School Bus Crashworthiness Research Report - April 2002 reports, “American students are nearly eight times safer riding in a school bus than with their own parents and guardians in cars. The fatality rate for school buses is only 0.2 fatalities per 100 million vehicle miles traveled (VMT) compared to 1.5 fatalities per 100 million VMT for cars.”
- Whether a district provides internal service or contracts for its service, student safety is a primary concern for every student transportation organization.

Factors That Influence This Measure

- Definition of accident and injury as defined by the survey vs. district definition
- Definition of preventability of accidents

Analysis of the data

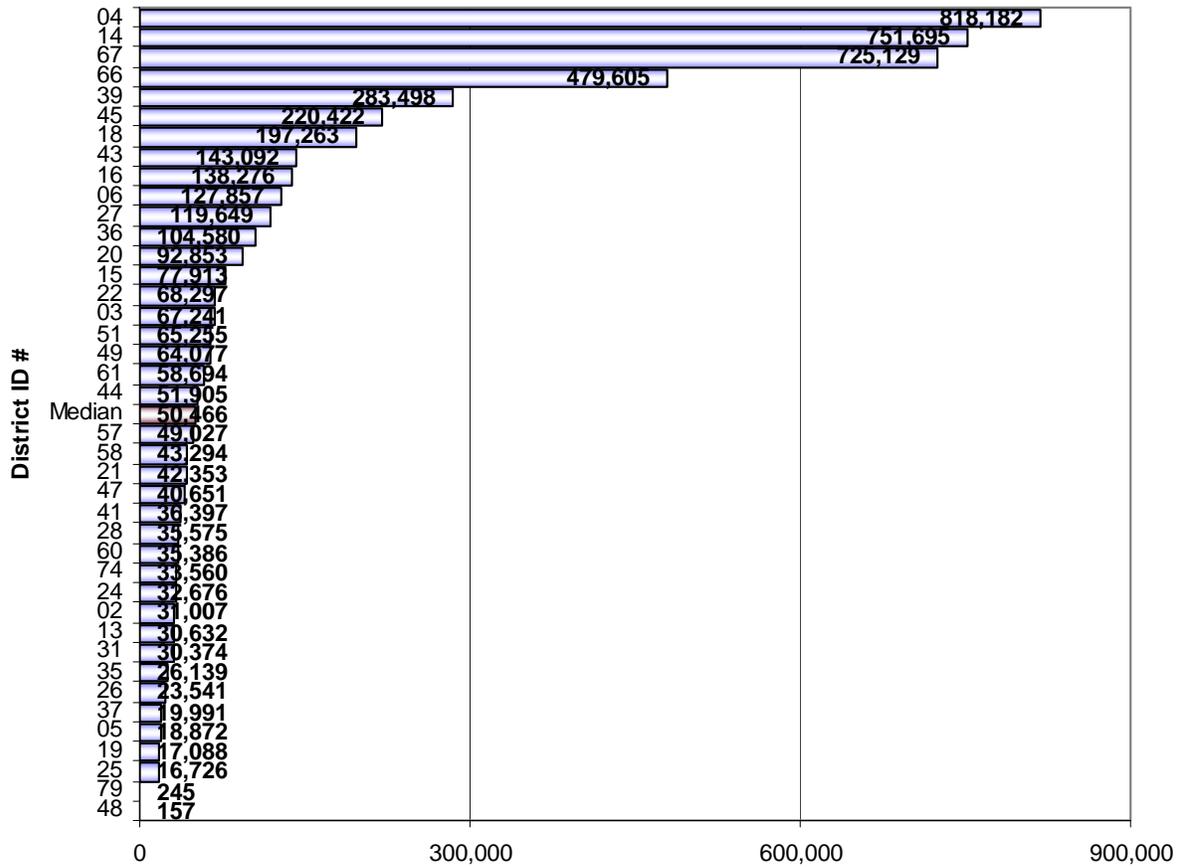
- FY 07 = 40 districts provided reasonable responses; FY 06 = 39 districts
- FY 07: High = 818,182 miles; Low = 157 miles; Median = 50,466 miles
- The data should be qualified at this point, as accurate statistics for this measure depend on a data collection methodology that is probably new to most of the districts. The purpose of this project is to standardize the definition so districts report in a more consistent manner.

Trends and Observations

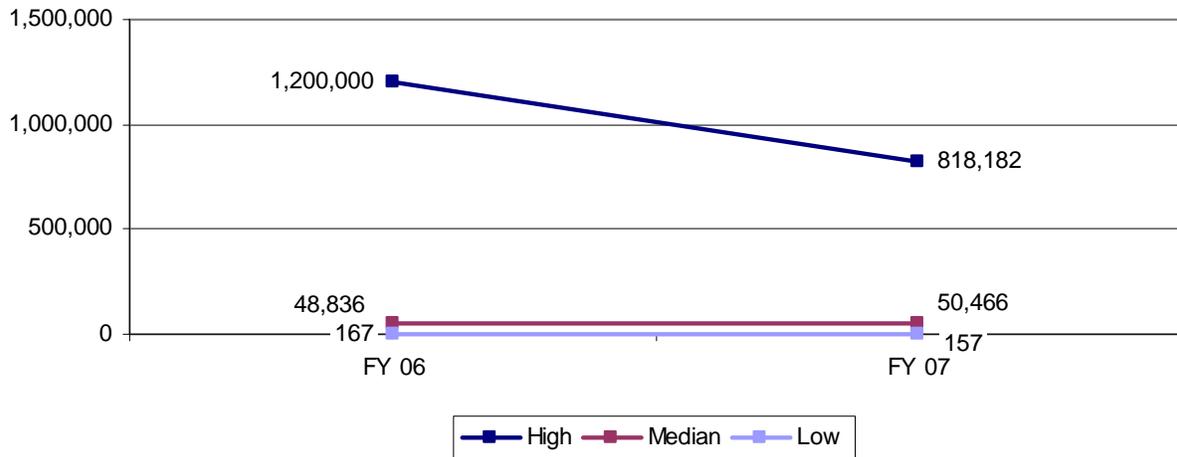
- There is a general consistency of the data over the two years surveyed, indicating that a number between 40,000 and 50,000 miles between accidents is a solid estimate.

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Miles Between Accidents



Miles Between Accidents



Average Age of Fleet

Weighted average age of fleet using weighted average method

Why This Measure Is Important

Each bus represents a significant asset for the district. Capital expenditures and on-going maintenance costs are driven by the fleet replacement plan. A younger fleet requires greater capital expenditures but results in reduced maintenance costs as many repairs are covered under warranty. A younger fleet will also result in fewer busses being out of service for repairs, resulting in greater reliability and service levels for the program. An older fleet may require more expenditure on the maintenance side but reduce the need for capital expenses. A careful life-cycle cost analysis is necessary to balance the two factors.

Factors That Influence This Measure

- Fiscal health of a district - fiscal problems may interrupt a fleet replacement strategy
- Environmental factors - some districts may operate in a climate that is less conducive to bus longevity
- Formal district-wide capital replacement budgets and standards
- Availability of state funding for school bus replacement

Analysis of the data

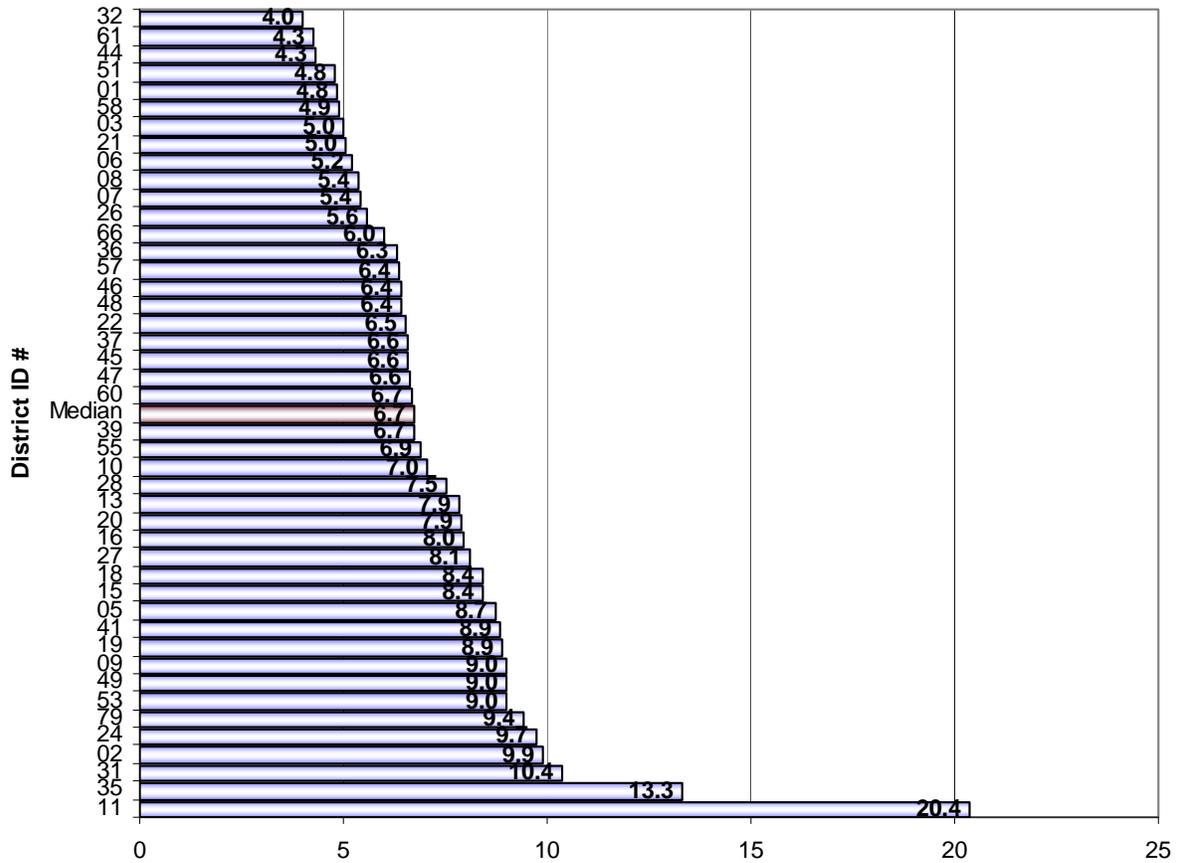
- FY 07 = 44 districts provided reasonable responses; FY 06 = 44 districts; FY 05 = 42 districts
- FY 07: Low = 4.0 years, High = 20.4 years, Median = 6.7 years
- The three districts with the highest average age are all operating in Southern California
- There was a concentration of districts from the Northeast represented in those districts with average fleet ages less than the median level
- Both of these extremes reflect the effect climate has on bus longevity
- Most districts report age at 6 to 7 years; 2 districts have significantly older fleets

Trends and Observations

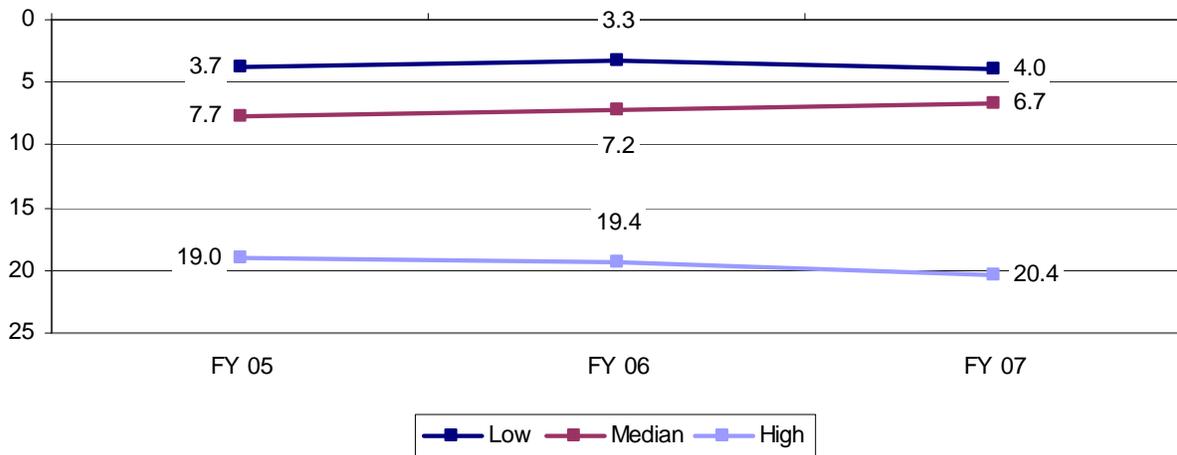
- The average age of the bus fleets in these responding districts has improved slightly over this three year period

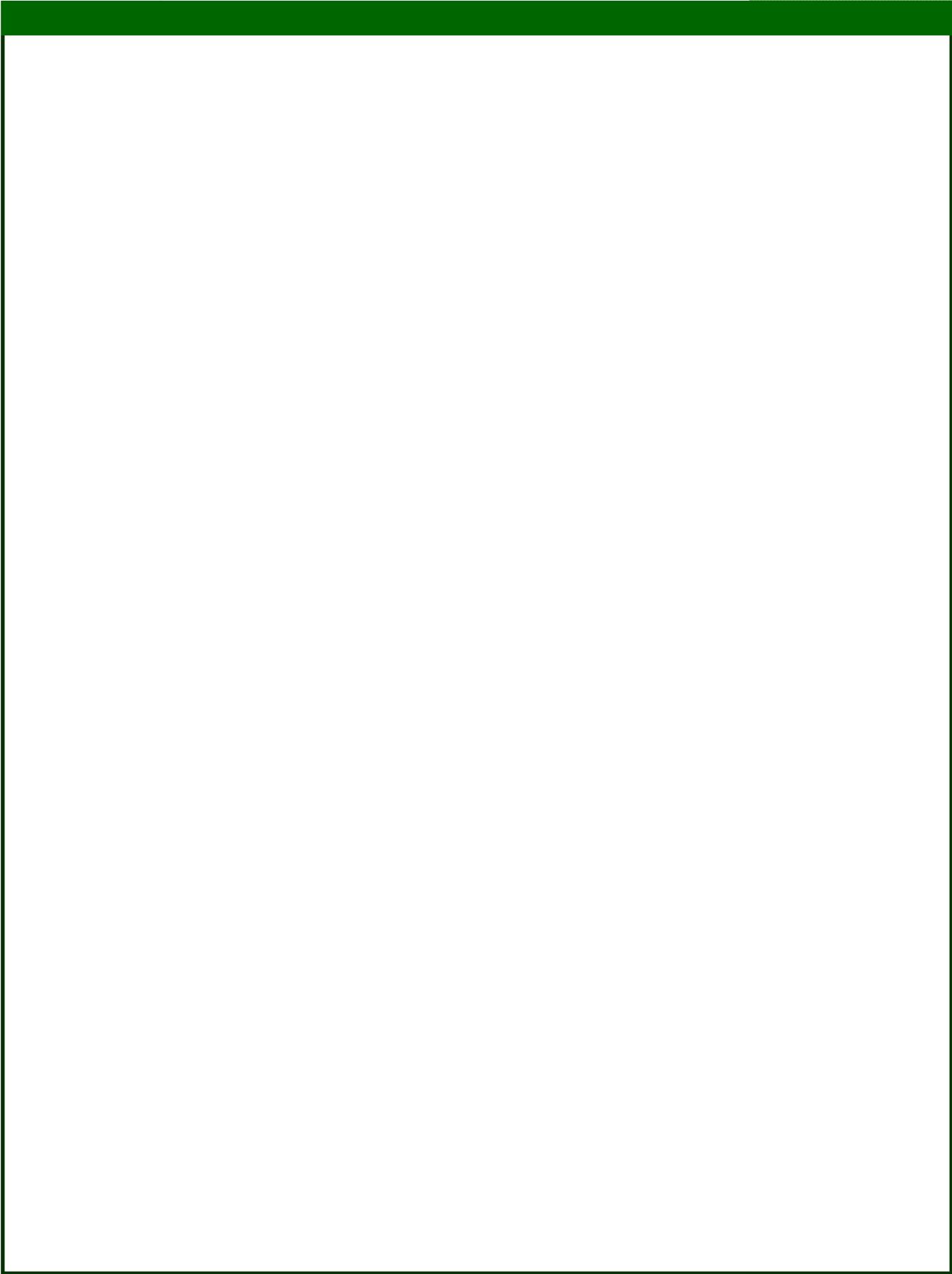
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Age of Fleet



Age of Fleet





Food Services

Breakfast Participation Rate

Total number of breakfasts served daily *divided by* average daily attendance

Why This Measure Is Important

Studies show a positive correlation between breakfast and school attendance, alertness, health, behavior and academic success. A strong breakfast program indicates a commitment by the food service program and the district leadership on preparing students to be “ready to learn” in the classroom.

Factors That Influence This Measure

- Menu selections
- Provision II and III and Universal Free
- Free/Reduced percentage
- Food preparation methods
- Attractiveness of dining areas
- Adequate time to eat
- Adequate number of POS stations so that all children have access to breakfast in a short amount of time
- Alternative serving methods, such as classroom feeding

Analysis of Data

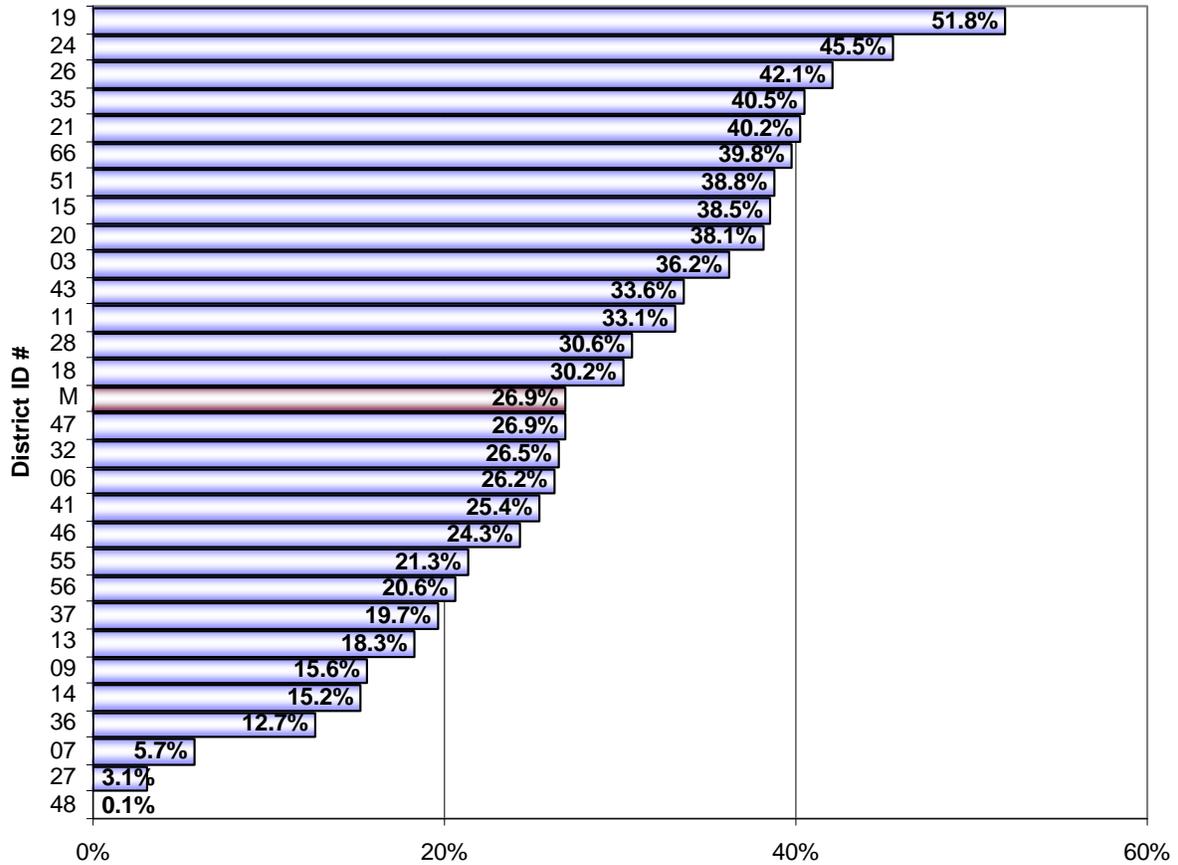
- FY 07 = 29 districts provided reasonable responses; FY 06 = 27 districts; FY 05 = 24 districts
- FY 07: High = 51.8%; Low = 0.1%; Median = 26.9%
- Of the District’s reporting, about 1/3 report participation between 30-40%.
- Numerous districts reported their annual number of breakfasts served, rather than the average daily. If that was the case, we divided the annual number of breakfasts served by the total number of school days to determine an average number of breakfasts served. We then divided this number by the average daily attendance.

Trends and Observations

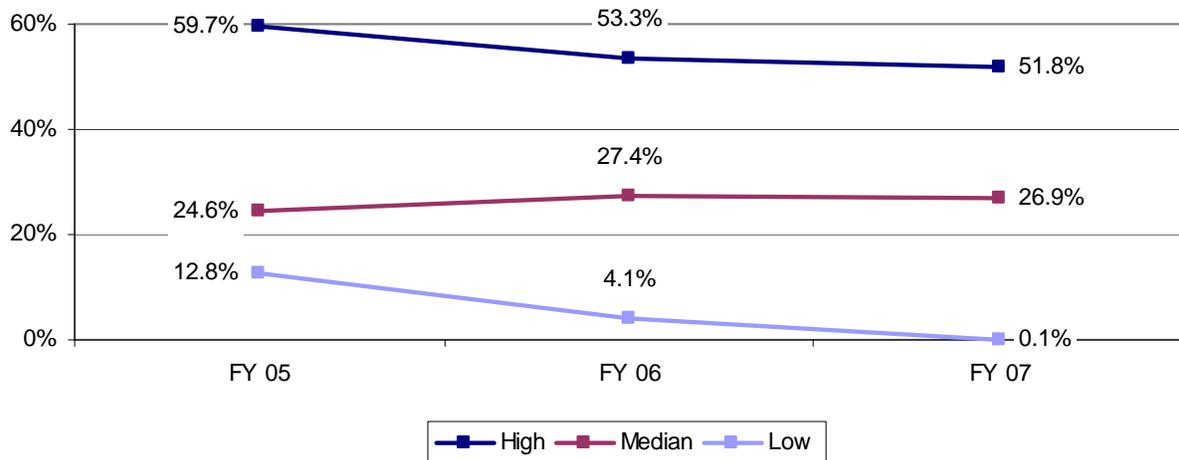
- Data shows the median breakfast participation has increased from 24.6% to 26.9% in three years. While this is a significant increase, much needs to be done to increase breakfast participation by children.

Performance Measurement & Benchmarking for K12 Operations

Breakfast Participation Rate



Breakfast Participation Rate



Elementary Breakfast Participation Rate

Total number of breakfasts served daily grades Pre-Kindergarten through 6th *divided by* average daily attendance grades Pre-Kindergarten through 6th

Why This Measure Is Important

Studies show a positive correlation between breakfast and school attendance, alertness, health, behavior and academic success. A strong breakfast program indicates a commitment by the food service program and the district leadership on preparing students to be “ready to learn” in the classroom.

Factors That Influence This Measure

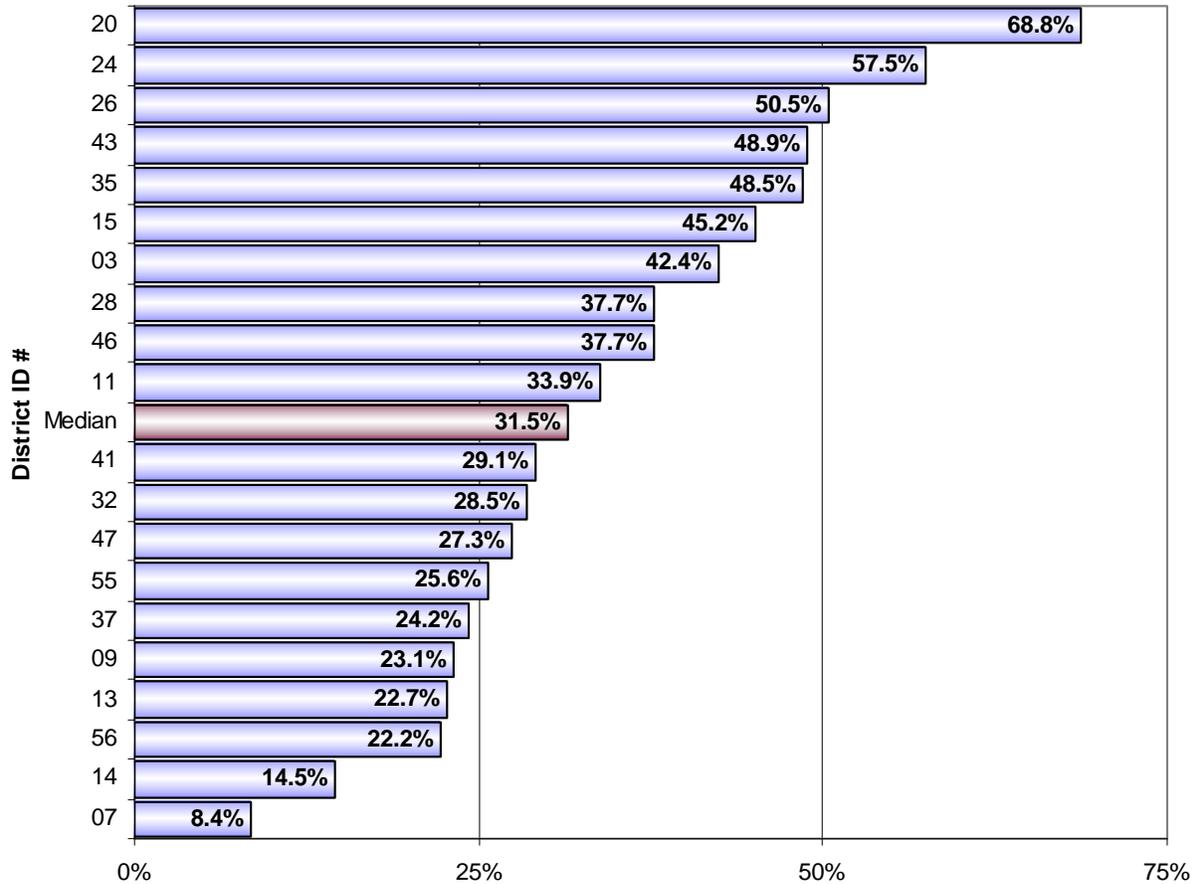
- Menu selections
- Provision II and III and Universal Free
- Free/Reduced percentage
- Food preparation methods
- Attractiveness of dining areas
- Adequate time to eat
- Adequate number of POS stations so that all children have access to breakfast in a short amount of time
- Alternative serving methods, such as classroom feeding,
- Numerous districts reported their annual number of elementary breakfasts served, rather than the average daily. If that was the case, we divided the annual number of elementary breakfasts served by the total number of elementary school days to determine an average number of elementary breakfasts served. We then divided this number by the elementary average daily attendance.

Analysis of Data

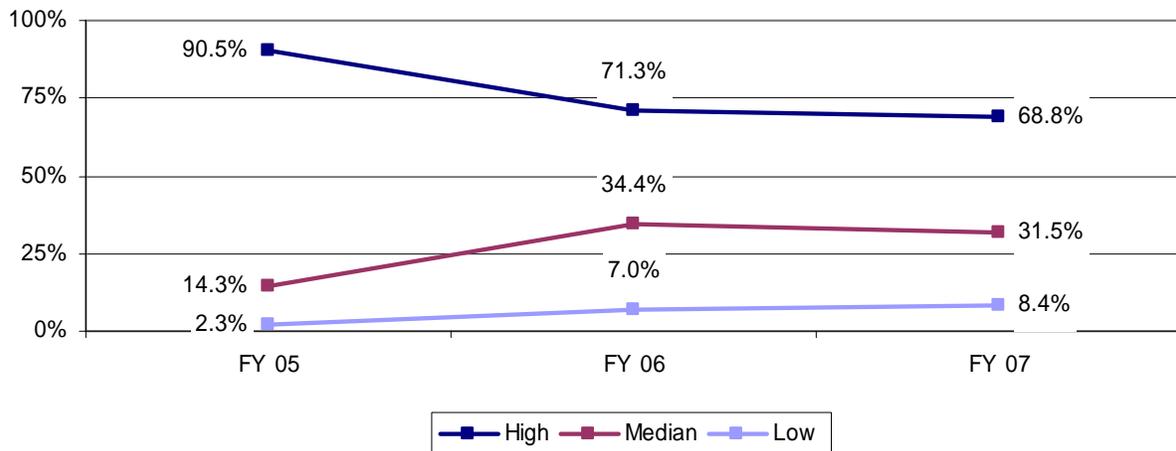
- FY 07 = 20 districts provided reasonable responses; FY 06 = 19 districts; FY 05 = 32 districts
- FY 07: High = 68.8%; Low = 8.4%; Median = 31.5%

Performance Measurement & Benchmarking for K12 Operations

Elementary Breakfast Participation Rate



Elementary Breakfast Participation Rate



Secondary Breakfast Participation Rate

Total number of breakfasts served daily grades 7th through 12th *divided by* average daily attendance grades 7th through 12th

Why This Measure Is Important

Studies show a positive correlation between breakfast and school attendance, alertness, health, behavior and academic success. A strong breakfast program indicates a commitment by the food service program and the district leadership on preparing students to be “ready to learn” in the classroom.

Factors That Influence This Measure

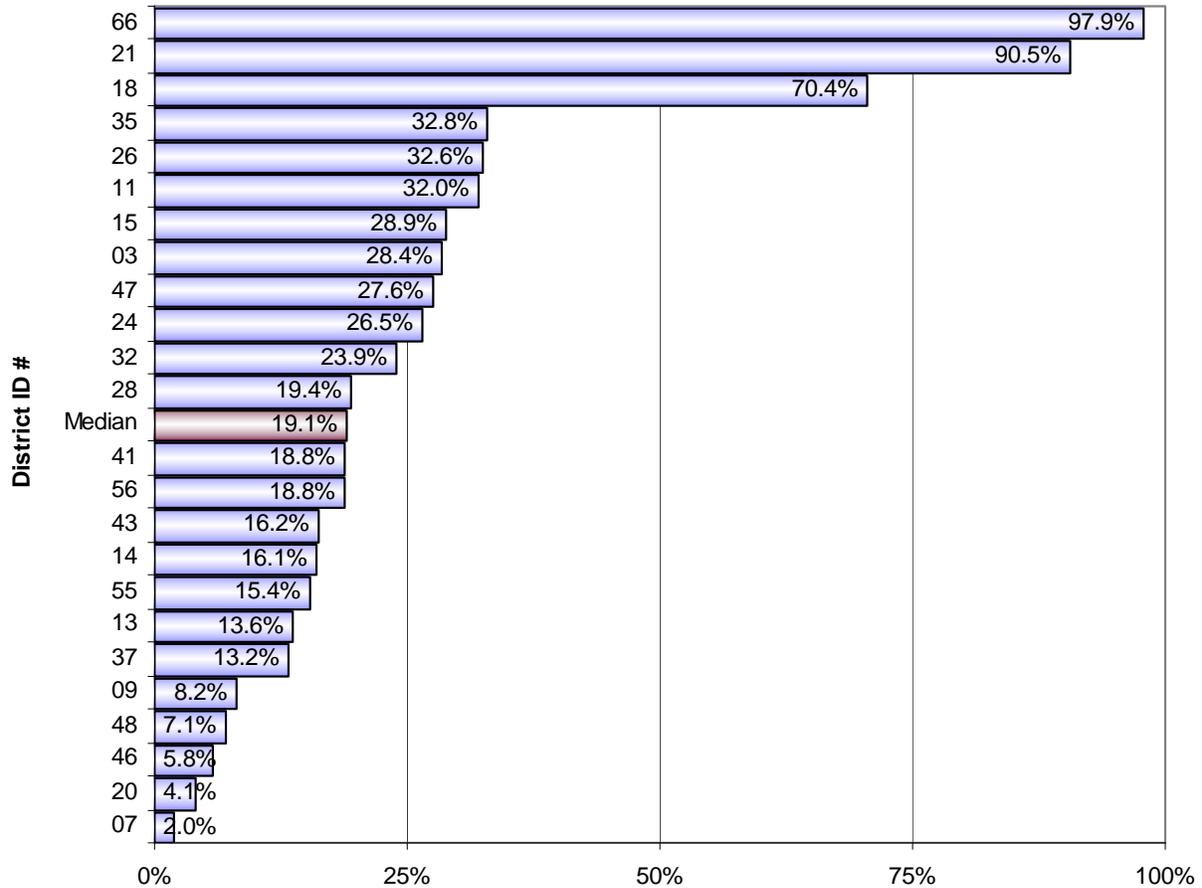
- Menu selections
- Provision II and III and Universal Free
- Free/Reduced percentage
- Food preparation methods
- Attractiveness of dining areas
- Adequate time to eat
- Adequate number of POS stations so that all children have access to breakfast in a short amount of time
- Alternative serving methods, such as classroom feeding,
- Numerous districts reported their annual number of secondary breakfasts served, rather than the average daily. If that was the case, we divided the annual number of secondary breakfasts served by the total number of secondary school days to determine an average number of secondary breakfasts served. We then divided this number by the secondary average daily attendance.

Analysis of Data

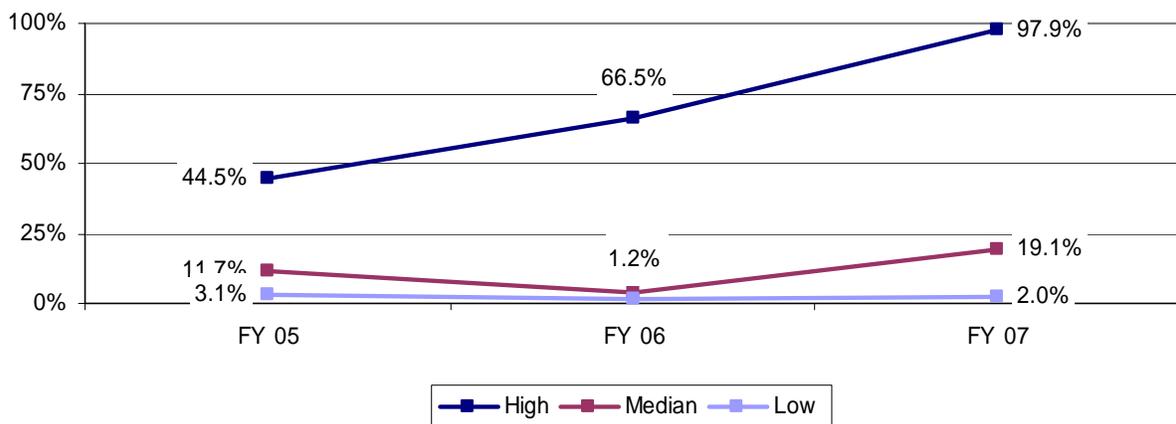
- FY 07 = 24 districts provided reasonable responses; FY 06 = 21 districts; FY 05 = 32 districts
- FY 07: High = 97.9%; Low = 2.0%; Median = 19.1%

Performance Measurement & Benchmarking for K12 Operations

Secondary Breakfast Participation Rate



Secondary Breakfast Participation Rate



Lunch Participation Rate

Total number of lunches served daily *divided by* average daily attendance

Why This Measure Is Important

High participation rates can indicate a high level of customer satisfaction with the school lunch program. Student customers are attracted to quality food selections that are appealing, quick to eat, and economical. High rates can also show that students get their food fast and have plenty of time to eat and socialize. Program revenue can significantly increase when a large percentage of students participate in the lunch program. Furthermore, the federal reimbursement rates for free and reduced-price students who participate in the lunch program can also contribute significantly to revenue.

Factors That Influence This Measure

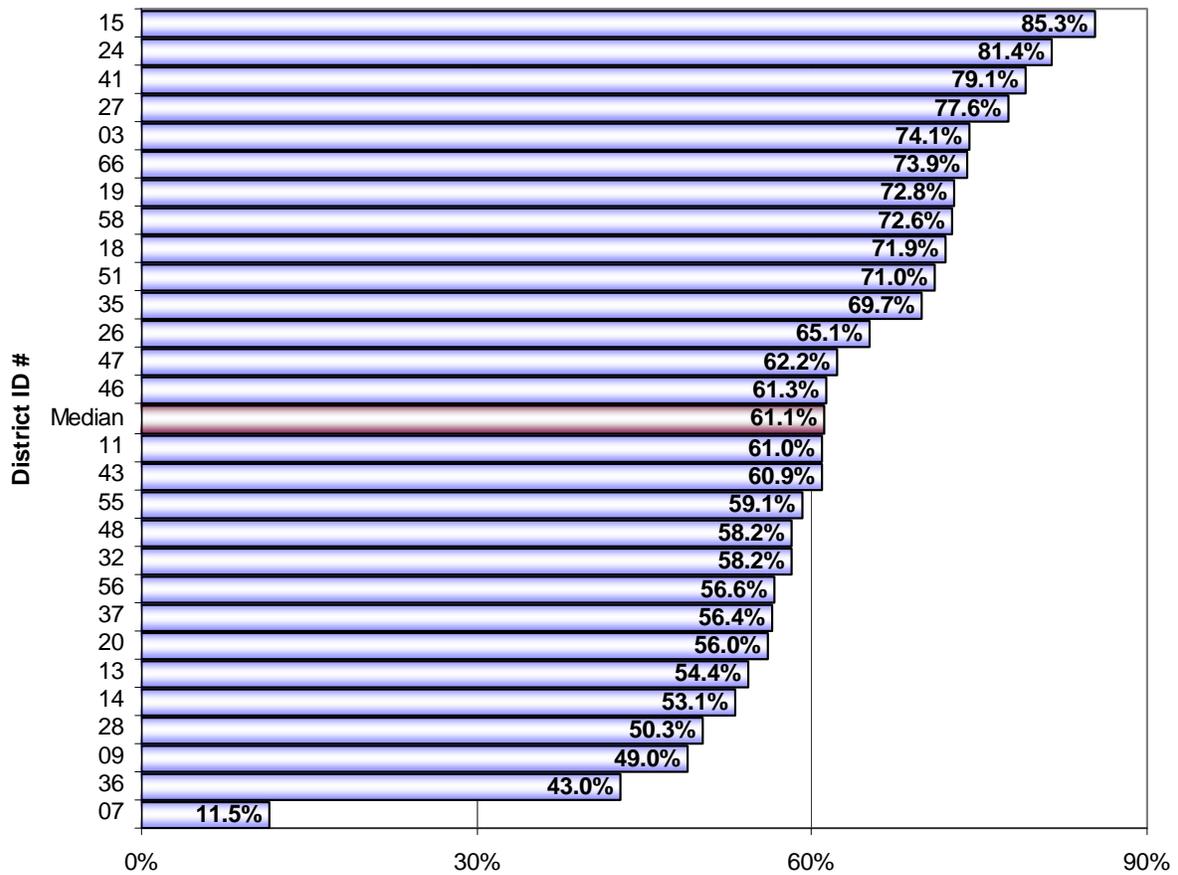
- Dining areas that are clean, attractive, and “kid-friendly”
- Adequate number of Point of Sale (POS) stations to help move lines quickly and efficiently
- A variety of menu selections
- Number and length of meal times determined by school administration
- Adequate time to eat
- Seating capacity
- The quality of customer service shown to students

Analysis of Data

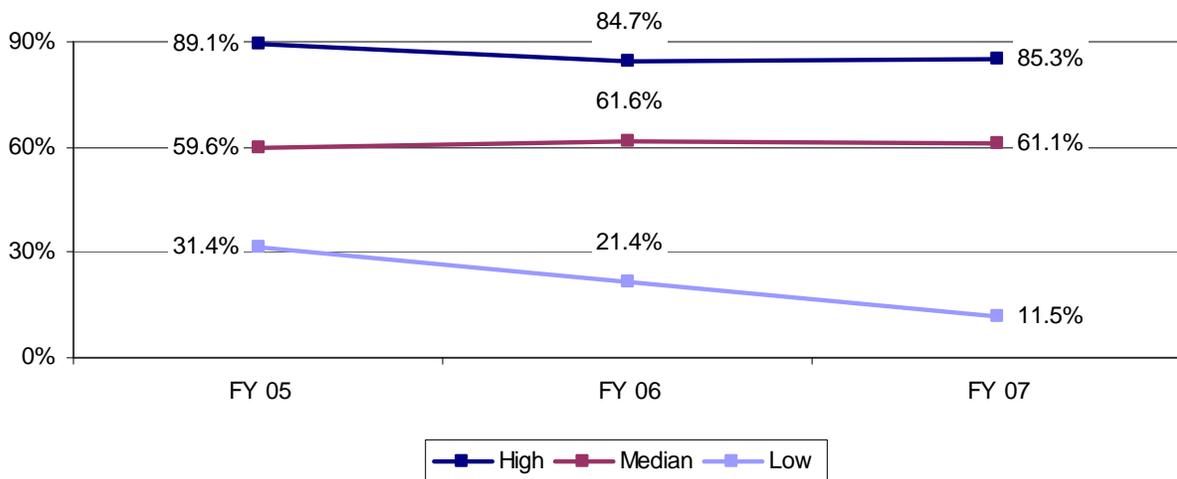
- FY 07 = 28 districts provided reasonable responses; FY 06 = 27 districts; FY 05 = 24 districts
- FY 07: High = 85.3%; Low = 11.5%; Median = 61.1%
- The upper quartile of districts have participation rates of 73% to over 85%, while the lowest quartile reports 54% down to only 11.5%
- Numerous districts reported their annual number of lunches served, rather than the average daily. If that was the case, we divided the annual number of lunches served by the total number of school days to determine an average number of lunches served. We then divided this number by the average daily attendance.

Performance Measurement & Benchmarking for K12 Operations

Lunch Participation Rate



Lunch Participation Rate



Elementary Lunch Participation Rate

Total number of lunches served daily grades Pre-Kindergarten through 6th *divided by* average daily attendance grades Pre-Kindergarten through 6th

Why This Measure Is Important

High participation rates can indicate a high level of customer satisfaction with the school lunch program. Student customers are attracted to quality food selections that are appealing, quick to eat, and economical. High rates can also show that students get their food fast and have plenty of time to eat and socialize. Program revenue can significantly increase when a large percentage of students participate in the lunch program. Furthermore, the federal reimbursement rates for free and reduced-price students who participate in the lunch program can also contribute significantly to revenue

Factors That Influence This Measure

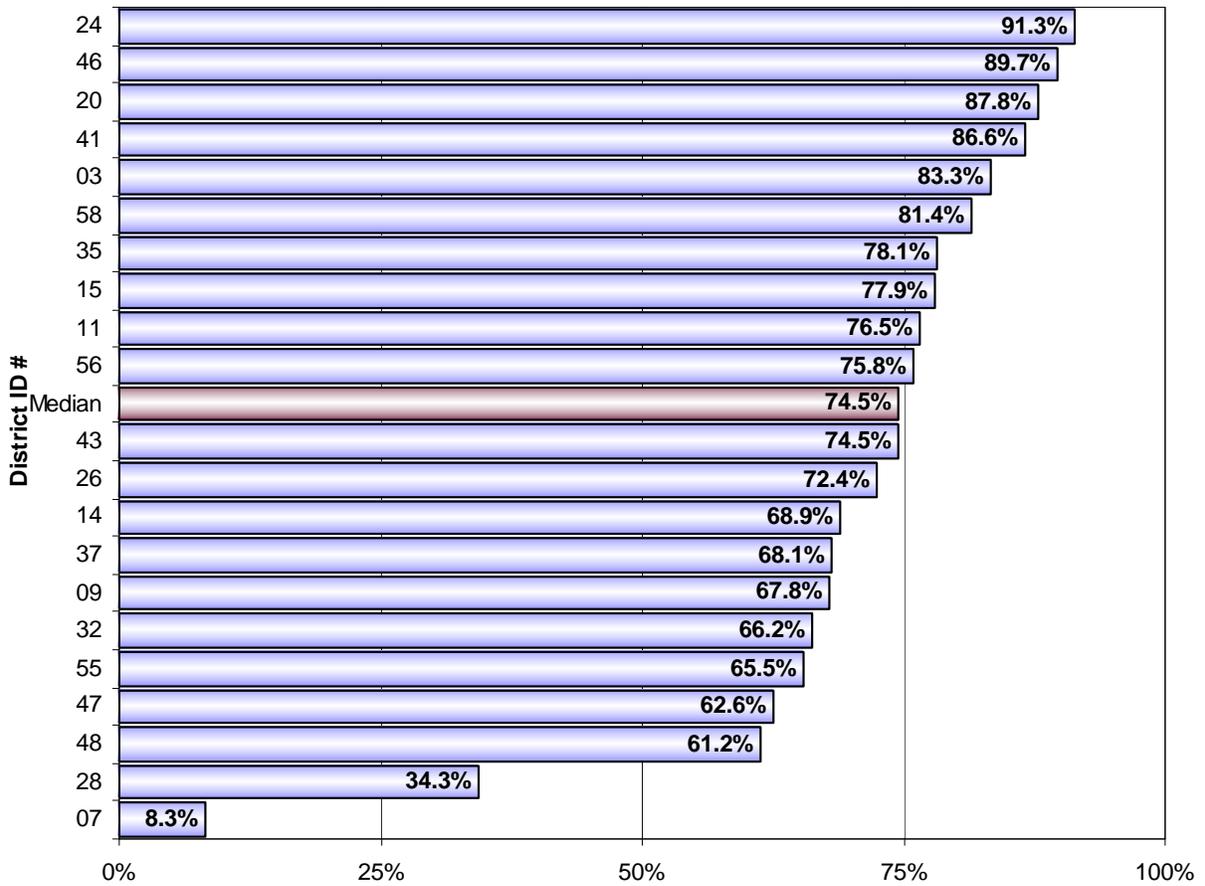
- Dining areas that are clean, attractive, and “kid-friendly”
- Adequate number of Point of Sale (POS) stations to help lines move quickly and efficiently
- A variety of menu selections
- Number and length of meal times determined by school administration
- Adequate time to eat
- Seating capacity
- The quality of customer service shown to students
- Providing an “open campus” policy
- Programs, other than school food service that are allowed to sell food and beverages
- Prices of meals and a la carte items
- The number of students who qualify for free and reduced-price meal status
- Numerous districts reported their annual number of elementary lunches served, rather than the average daily. If that was the case, we divided the annual number of elementary lunches served by the total number of elementary school days to determine an average number of elementary lunches served. We then divided this number by the elementary average daily attendance.

Analysis of Data

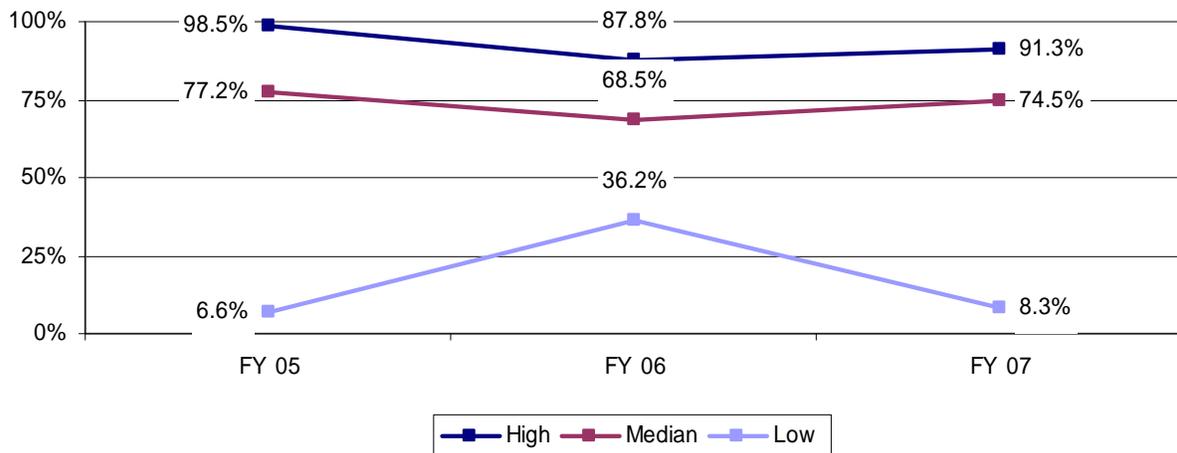
- FY 07 = 21 districts provided reasonable responses; FY 06 = 19 districts; FY 05 = 32 districts
- FY 07: High = 91.3%; Low = 8.3%; Median = 74.5%

Performance Measurement & Benchmarking for K12 Operations

Elementary Lunch Participation Rate



Elementary Lunch Participation Rate



Secondary Lunch Participation Rate

Total number of lunches served daily grades 7th through 12th *divided by* average daily attendance grades 7th through 12th

Why This Measure Is Important

High participation rates can indicate a high level of customer satisfaction with the school lunch program. Student customers are attracted to quality food selections that are appealing, quick to eat, and economical. High rates can also show that students get their food fast and have plenty of time to eat and socialize. Program revenue can significantly increase when a large percentage of students participate in the lunch program. Furthermore, the federal reimbursement rates for free and reduced-price students who participate in the lunch program can also contribute significantly to revenue.

Factors That Influence This Measure

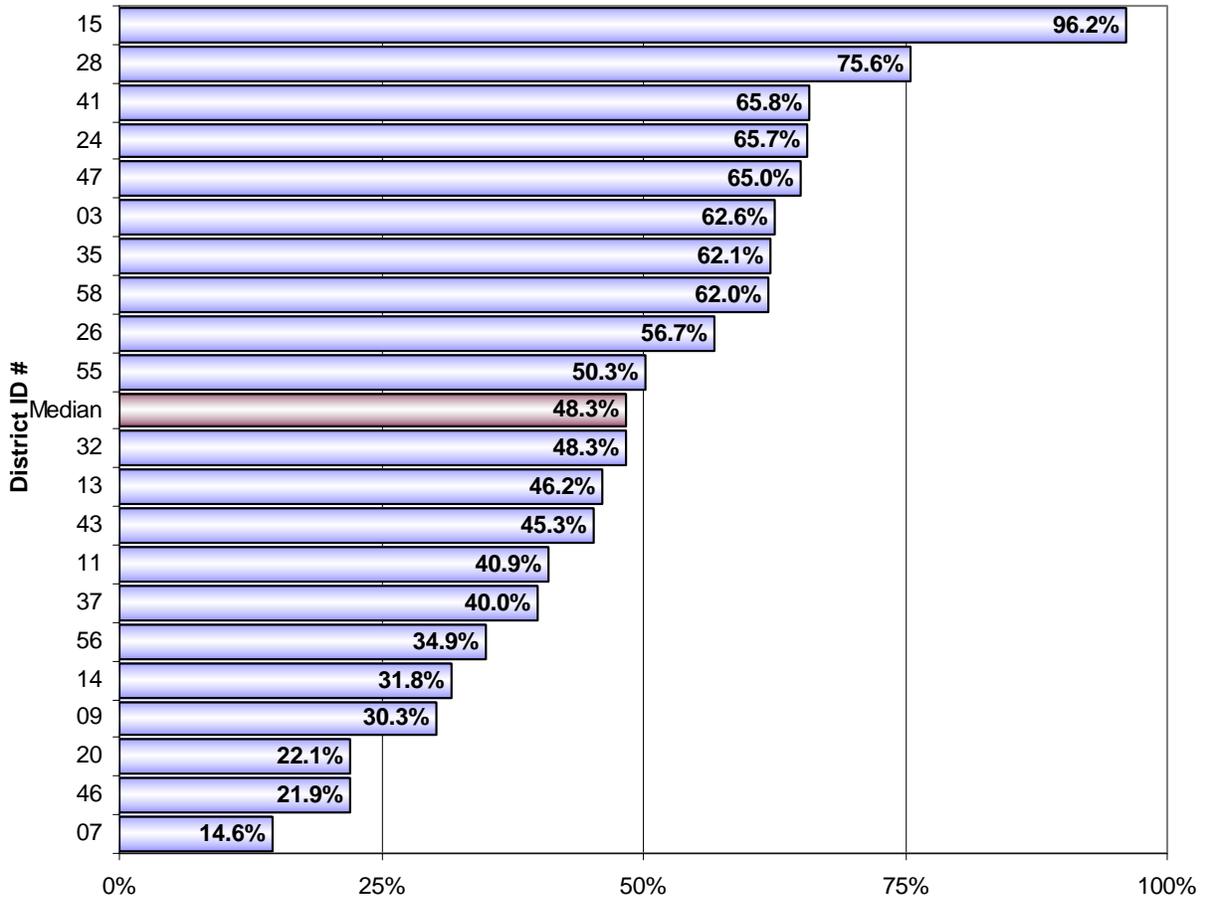
- Dining areas that are clean, attractive, and “kid-friendly”
- Adequate number of Point of Sale (POS) stations to help lines move quickly and efficiently
- A variety of menu selections
- Number and length of meal times determined by school administration
- Adequate time to eat
- Seating capacity
- The quality of customer service shown to students
- Providing an “open campus” policy
- Programs, other than school food service that are allowed to sell food and beverages
- Prices of meals and a la carte items
- The number of students who qualify for free and reduced-price meal status
- Numerous districts reported their annual number of secondary lunches served, rather than the average daily. If that was the case, we divided the annual number of secondary lunches served by the total number of secondary school days to determine an average number of secondary lunches served. We then divided this number by the secondary average daily attendance.

Analysis of Data

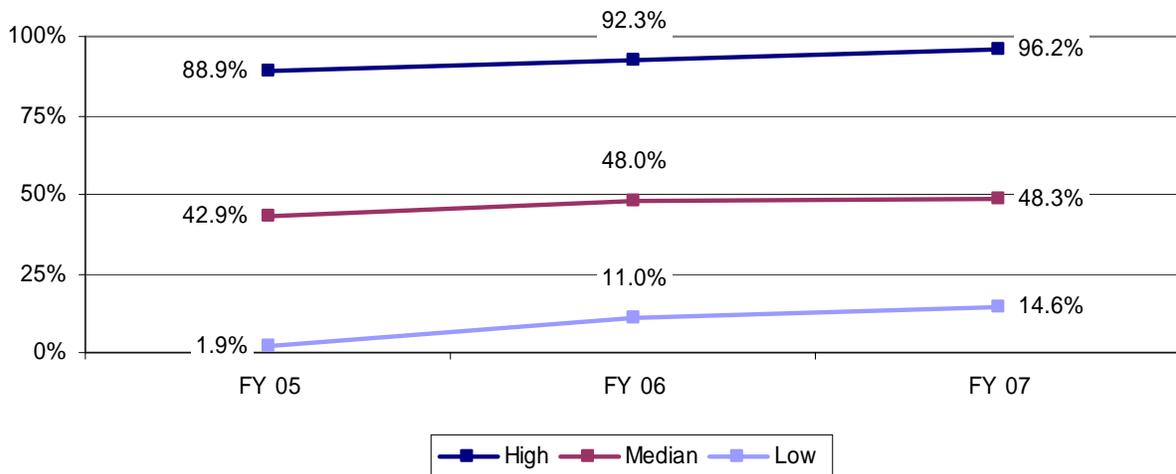
- FY 07 = 21 districts provided reasonable responses; FY 06 = 22 districts; FY 05 = 32 districts
- FY 07: High = 96.2%; Low = 14.6%; Median = 48.3%

Performance Measurement & Benchmarking for K12 Operations

Secondary Lunch Participation Rate



Secondary Lunch Participation Rate



Total Costs per Revenue

Total direct plus total indirect costs *divided by* total revenue

Why This Measure Is Important

This measure gives an indication of the financial status of the food service program, including management company fees. Districts that keep expenses lower than revenues are able to build a surplus for reinvestment back into the program for capital replacement, technology, and other improvements. Districts that report expenses higher than revenues, may either be drawing from their fund balance, or may be subsidized by the district's general fund.

Factors That Influence This Measure

- The "Chargebacks" to food service programs such as energy costs, custodial, non-food service administrative staff, trash removal, dining room supervisory staff,
- Direct costs such as food, labor, supplies, equipment, etc.
- Meal quality
- Participation rates
- Purchasing practices
- Marketing
- Leadership expertise
- Meal prices
- Staffing formulas

Analysis of Data

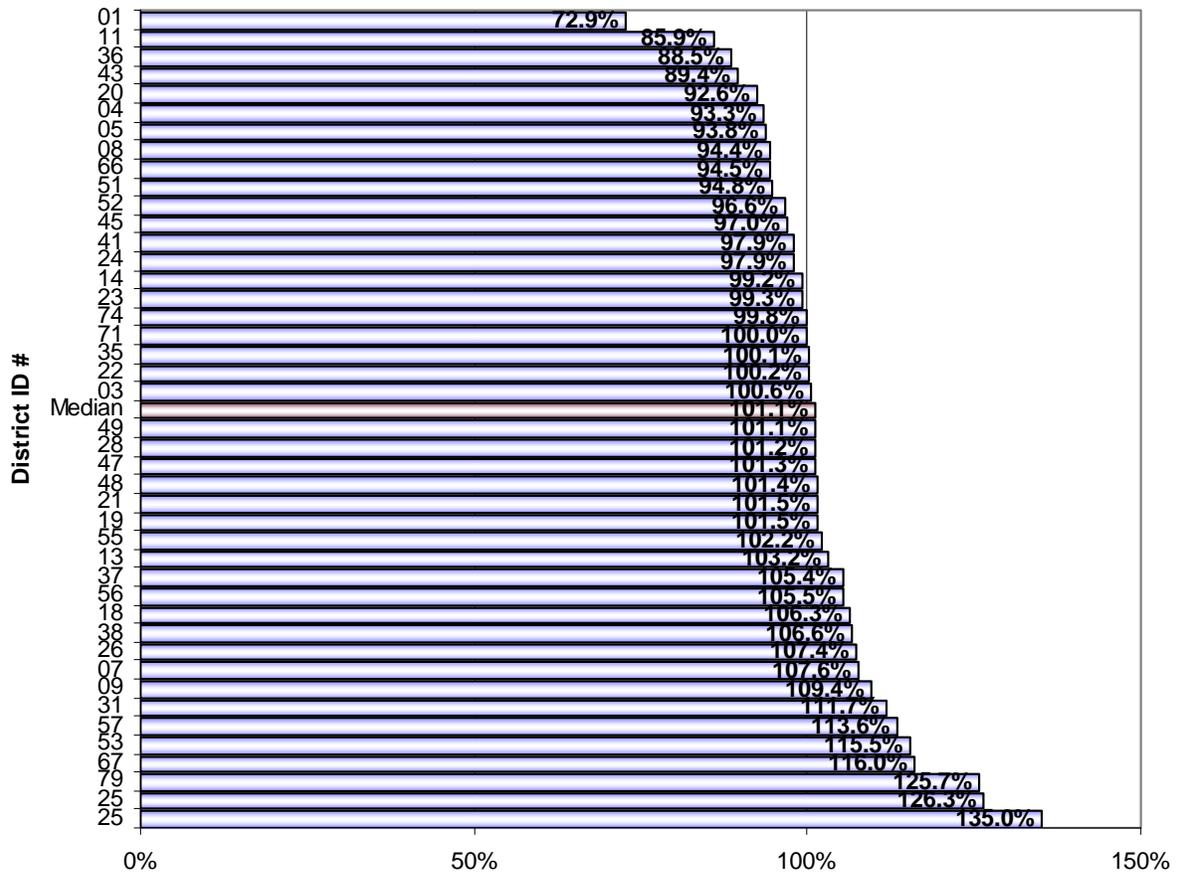
- FY 07 = 43 districts provided reasonable responses; FY 06 = 43 districts; FY 05 = 41 districts
- FY 07: Low = 72.9%; High = 135.0%; Median = 101.1%
- Fewer than half of the districts reported expenses lower than revenues. Those districts with much larger imbalances may want to examine the factors that influence this measure for opportunities to increase revenues and decrease costs.
- For those districts that do have expenses lower than revenues, it appears that about 5% surplus is common.

Trends and Observations

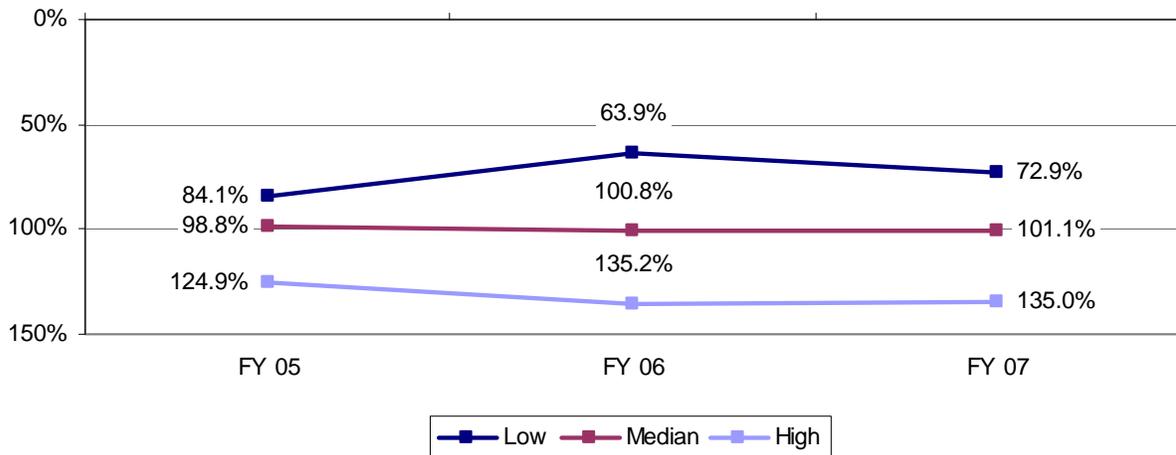
- Total expenditures rose from FY 05 to FY 06 by 2% then remained fairly stable from FY 06 to FY 07.

Performance Measurement & Benchmarking for K12 Operations

Total Costs per Revenue



Total Costs per Revenue



Fund Balance

Fund balance *divided by* total revenue

Why This Measure Is Important

A fund balance is a good indicator of the financial status of a foodservice program. A positive fund balance, can provide a contingency fund for equipment purchases, technology upgrades, and emergency expenses. A “break-even” status indicates that there is just enough revenue to cover program expenses, but none left for program improvements. A negative balance indicates that the school district’s general fund is being used to subsidize the Food Service program. This results in a decreased ability to generate funds for future program improvement, such as the development of a equipment replacement plan. Furthermore, the school district is taking money from reserves that could be used to fund classroom initiatives and instead, using it to balance the foodservice program budget.

Factors That Influence This Measure

- USDA allows a Food Service program to have no more than a three month operating expenses fund balance.
- Districts may have taken part or all of the Food Services Fund Balance for non-Food Service activities.
- Food Services may have funded large kitchen remodeling projects, implemented new POS systems, and thereby reduced a fund balance with a large capital outlay project
- Fund balance may include other items such as retiree health insurance and inventory.
- District philosophy on fund balance

Analysis of Data

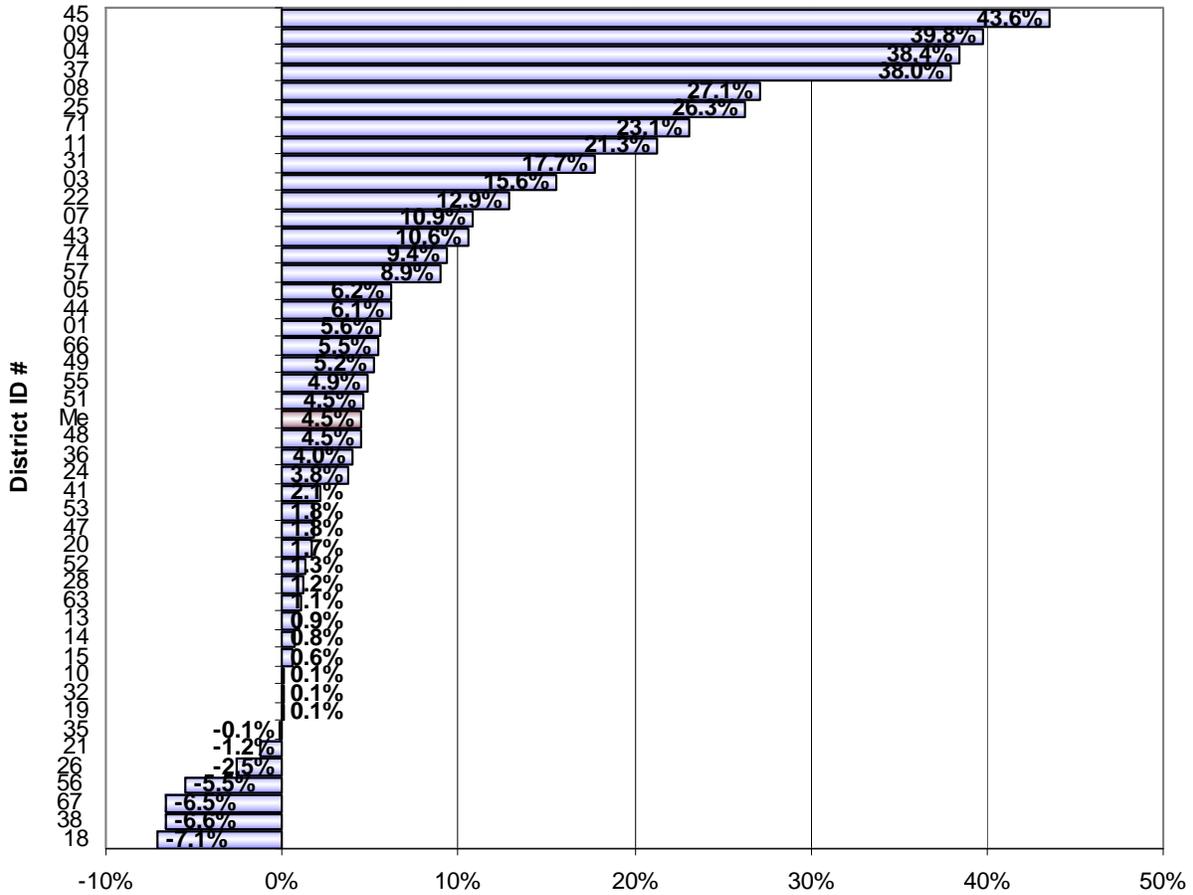
- FY 07 = 45 districts provided reasonable responses; FY 06 = 46 districts
- FY 07: High = 43.6%; Low = -7.1%; Median = 4.5%
- Most districts maintain a fund balance to revenue ratio of about 6% or less.
- Of the districts reporting, approximately 10% have negative fund balances.

Trends and Observations

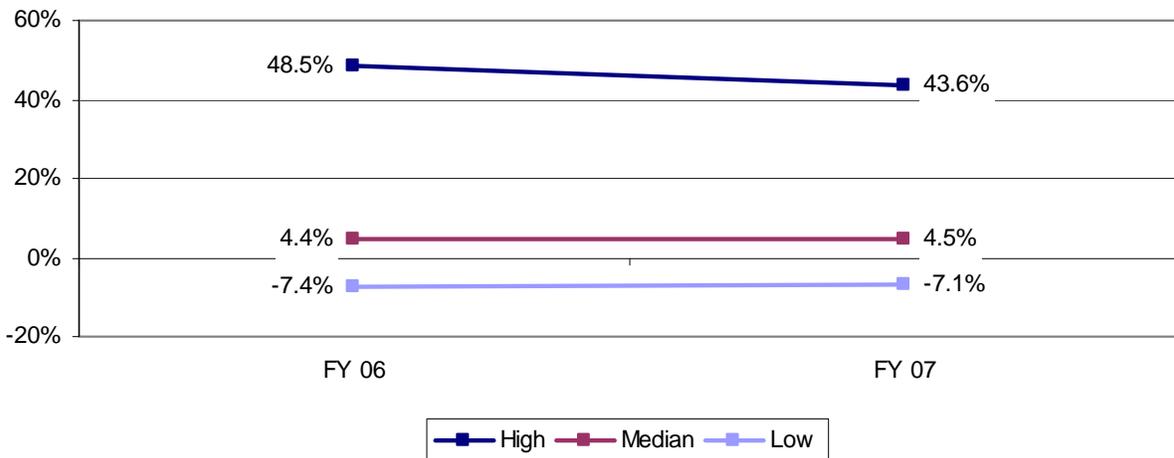
- Fund balances are remaining flat since FY 06. Data indicates the average program has just enough revenue to break-even with costs, with no remaining contingency dollars.

Performance Measurement & Benchmarking for K12 Operations

Fund Balance



Fund Balance as a Percent of Revenue



Food Costs per Revenue

Total food costs *divided by* total revenue

Why This Measure Is Important

This measure is important because food cost is the second largest expenditure that foodservice programs incur and can be controlled through district leadership and foodservice staff. Through the use of careful menu planning practices, competitive bids for purchasing supplies, including commodity processing contracts, and the implementation of consistent production practices, food costs can be controlled. Food cost as a percent of revenue can be reduced if participation revenue is high.

Factors That Influence This Measure

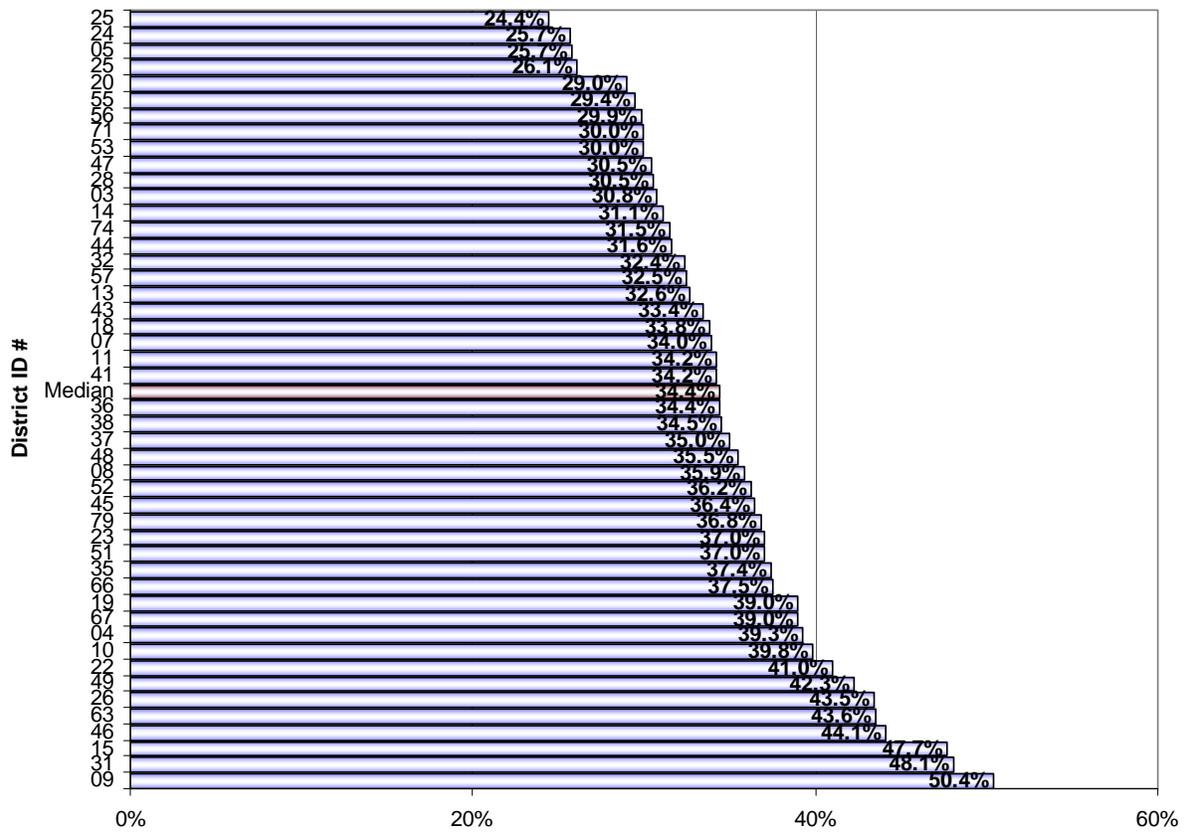
- USDA Menu requirements
- USDA Nutrient requirements
- A la carte items
- Convenience vs Scratch Food Items
- Production operating procedures
- Purchasing practices
- Meal prices
- Participation rates
- Use of commodities
- Use of a warehouse or the use of drop-ship deliveries
- Theft

Analysis of Data

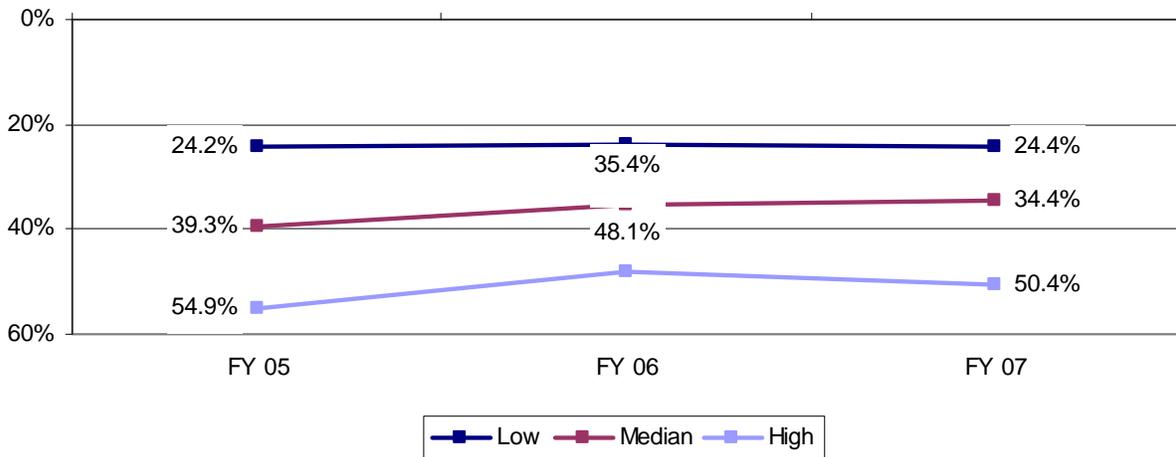
- FY 07 = 47 districts provided reasonable responses; FY 06 = 48 districts; FY 05 = 42 districts
- FY 07: Low = 24.4%; High = 50.4%; Median = 34.4%

Performance Measurement & Benchmarking for K12 Operations

Food Costs per Revenue



Food Costs per Revenue



Labor Costs per Revenue

Total department labor expenses, plus benefits and taxes, plus workers' compensation costs *divided by* total revenue

Why This Measure Is Important

This measure is important because labor contributes the largest expense that foodservice revenue must cover. The expense is largely controlled by school boards because they establish salary schedules and benefit plans, and give raises. However, directors can control labor cost by implementing productivity standards and staffing formulas.

Factors That Influence This Measure

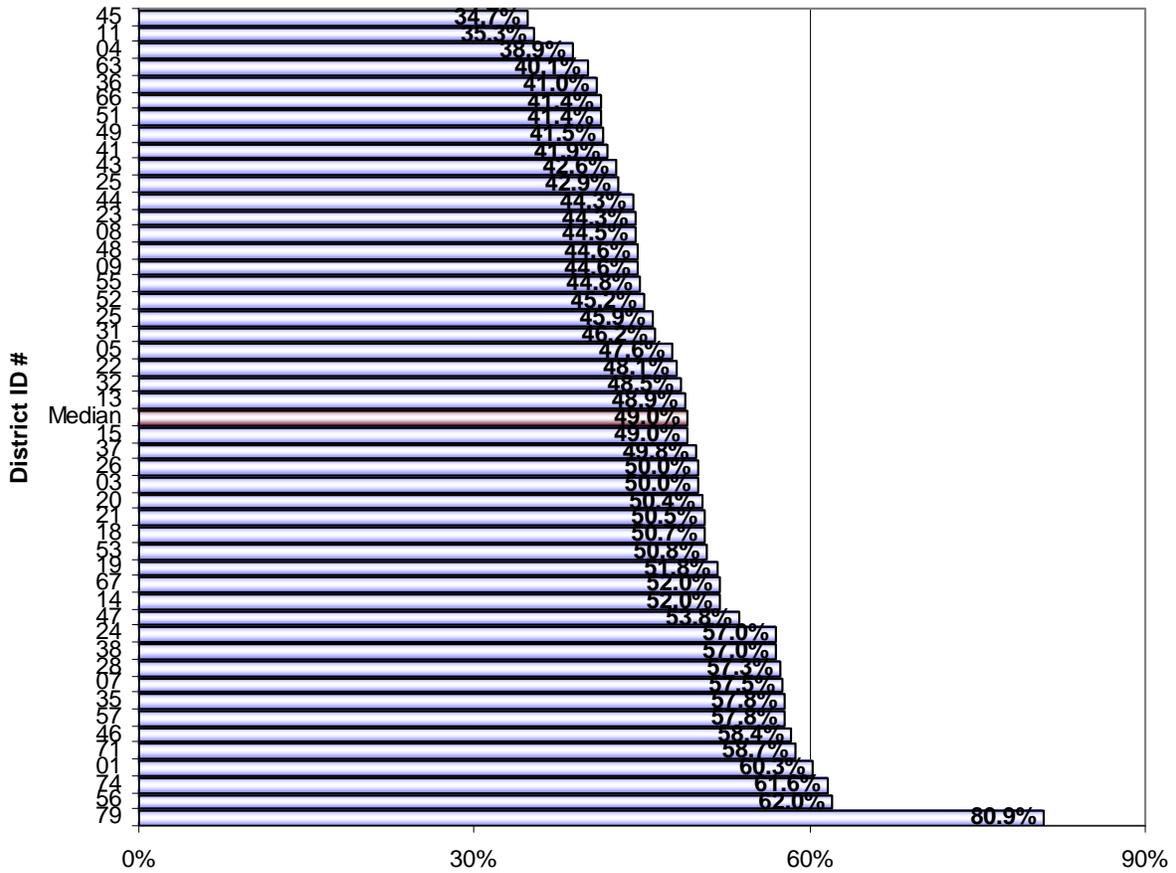
- District policies for health benefits for employees and dependents
- District policies for Retirement benefits
- Number of annual work days
- Number of annual paid holidays
- Staffing formulas
- Productivity Standards
- Salary Schedule
- Union contracts
- Type of menu items

Analysis of Data

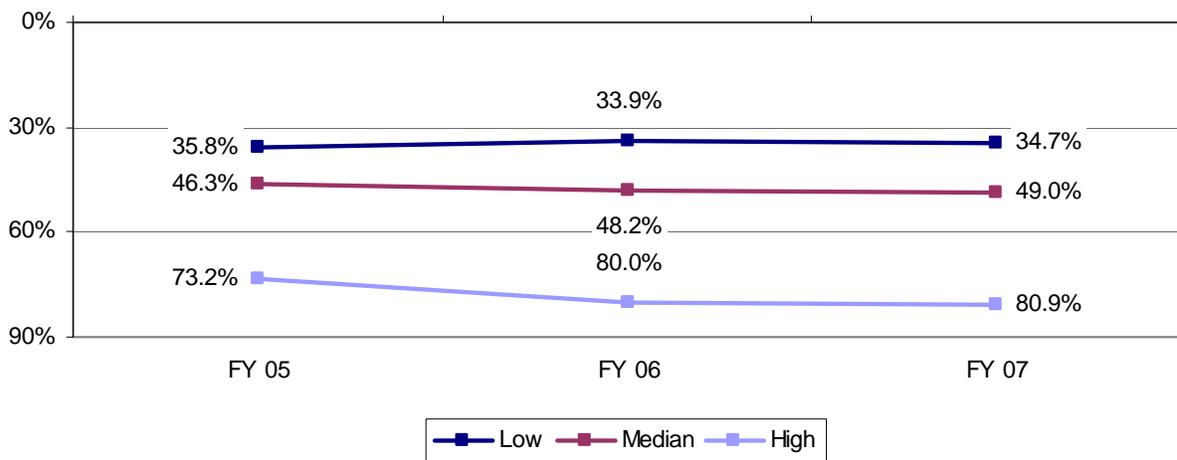
- FY 07 = 48 districts provided reasonable responses; FY 06 = 48 districts; FY 05 = 45 districts
- FY 07: Low = 34.7%; High = 80.9%; Median = 49.0%

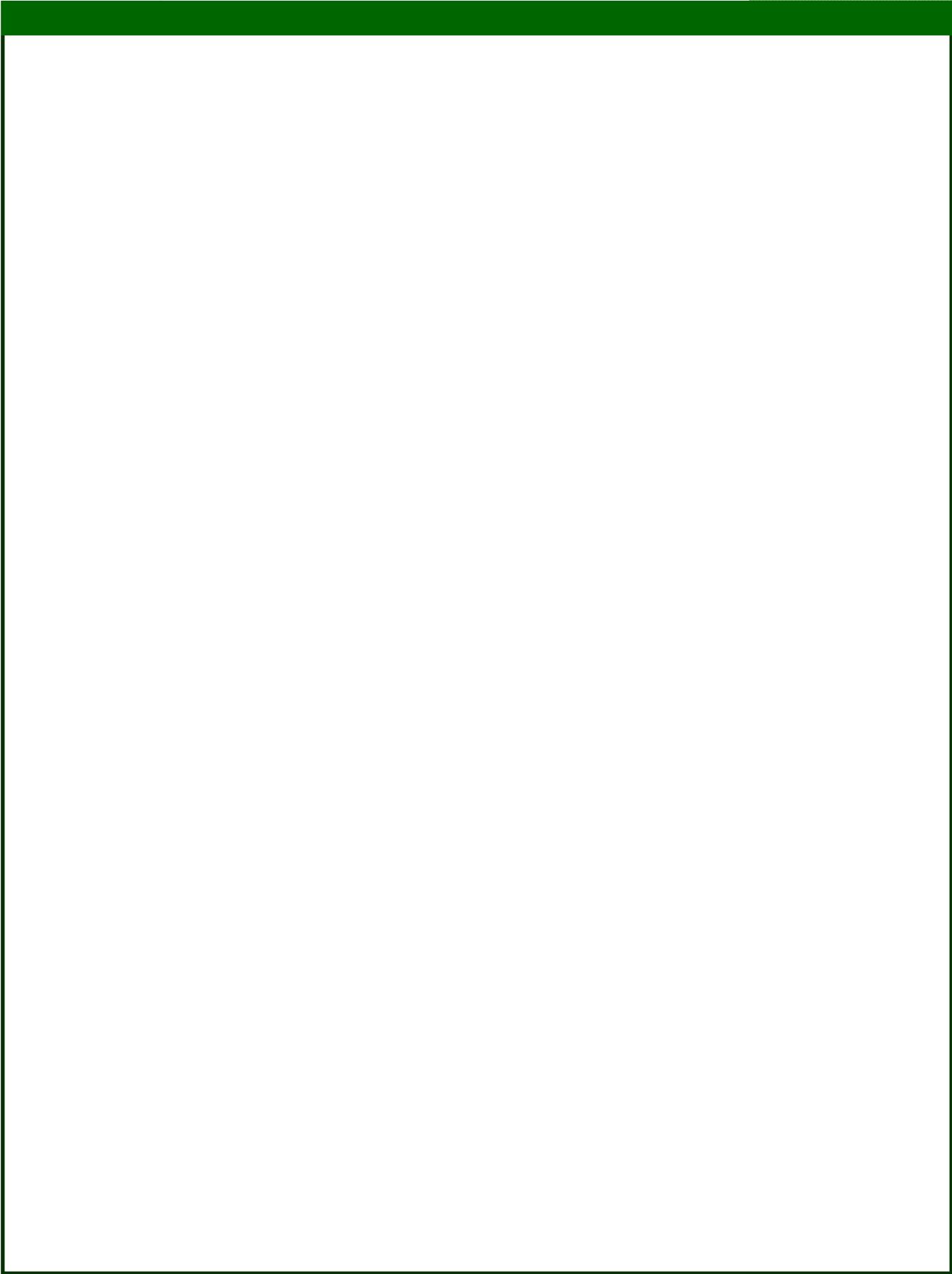
Performance Measurement & Benchmarking for K12 Operations

Labor Costs per Revenue



Labor Costs per Revenue





Maintenance & Operations

Custodial Workload

Total district square footage *divided by* total number of custodians

Why This Measure Is Important

This measurement is a very good indication of the workload for each custodian. It allows districts to compare their operations with others to evaluate the relative efficiency of the custodial employees. A value on the low side could indicate that custodians may have additional assigned duties, or have opportunities for efficiencies as compared to districts with a higher ratio. A higher number could indicate a well managed custodial program or that some housekeeping operations are assigned to other employee classifications. It is important for a district to examine what drives the ratio to determine the most effective workload.

Factors That Influence This Measure

- Assigned duties for custodians
- Management effectiveness
- Labor agreements
- District budget

Analysis of Data

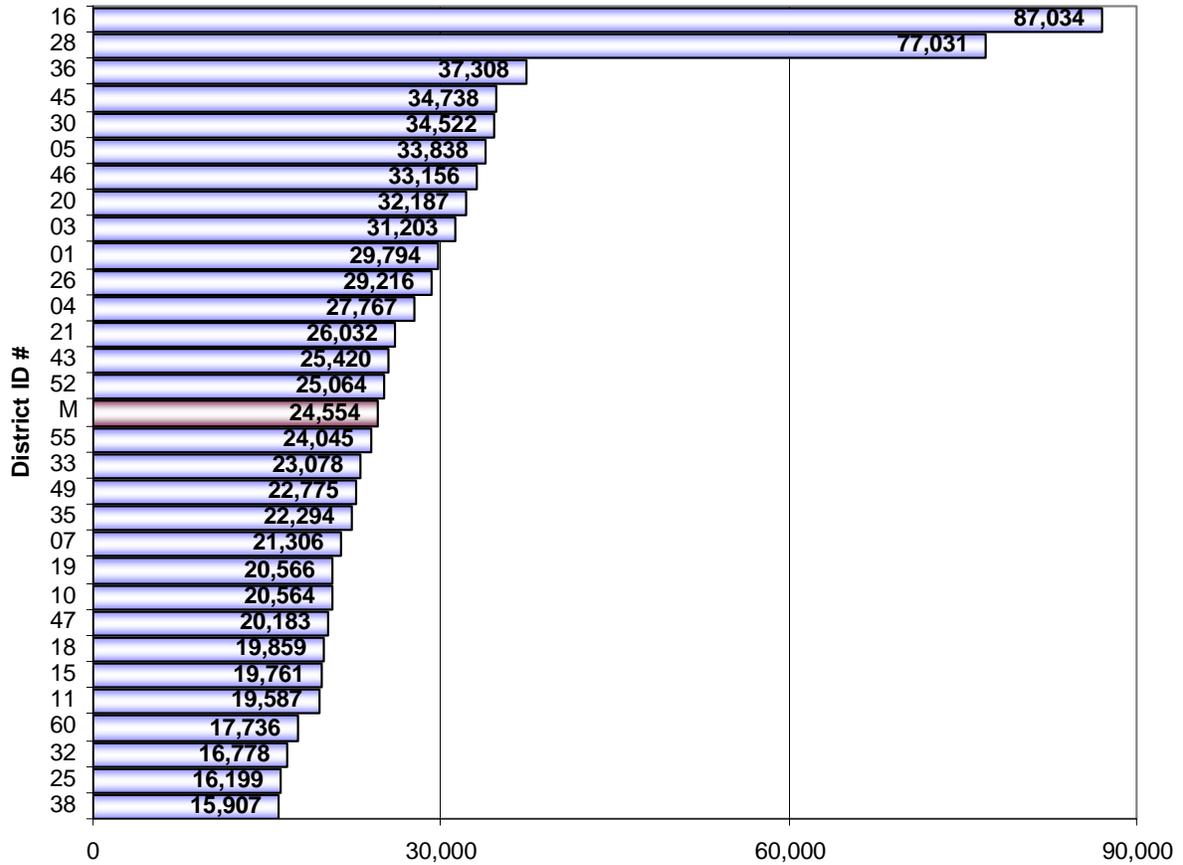
- FY 07 = 30 districts provided reasonable responses; FY 06 = 29 districts; FY 05 = 23 districts
- FY 07: High =87,034; Low = 15,907; Median = 24.554
- While most districts cluster near the median, 2 districts report a very high square foot to custodian ratio, which could be the result of a district mis-reporting their data.

Trends and Observations

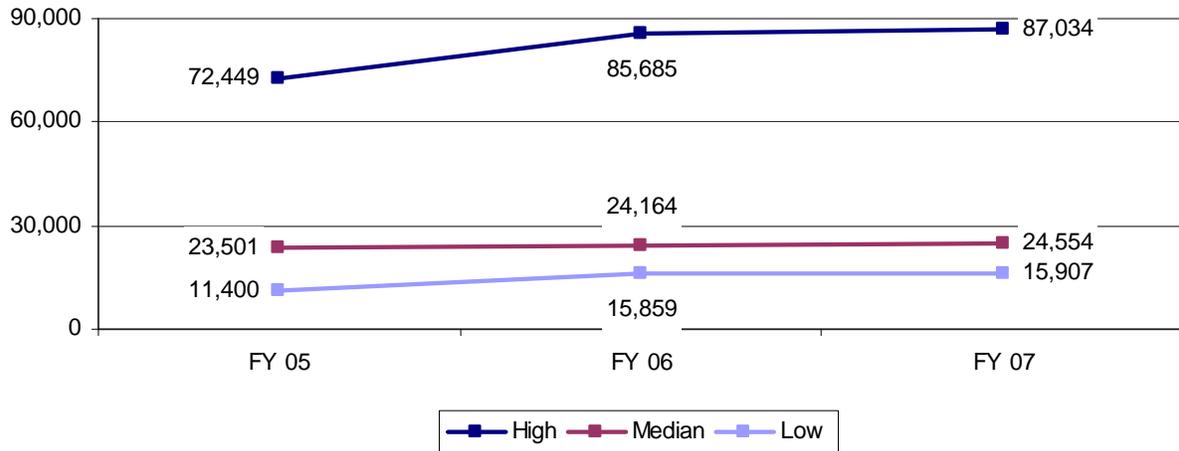
- Data has been relatively consistent over the three years collected, with a slight trend upwards of the square footage per custodian.

Performance Measurement & Benchmarking for K12 Operations

Custodial Workload



Custodial Workload



Maintenance Workers per 100,000 Square Feet

Total number of maintenance workers *divided by* every 100,000 district square footage

Why This Measure Is Important

This measure gives an indication of the level of all staffing for maintenance operations including custodial, grounds and routine maintenance. It allows districts to compare their total maintenance staffing patterns to other similar operations.

Factors That Influence This Measure

- Funds available to staff maintenance operations
- Level of in-house vs. contract maintenance
- Classification of individuals who perform various maintenance functions

Analysis of Data

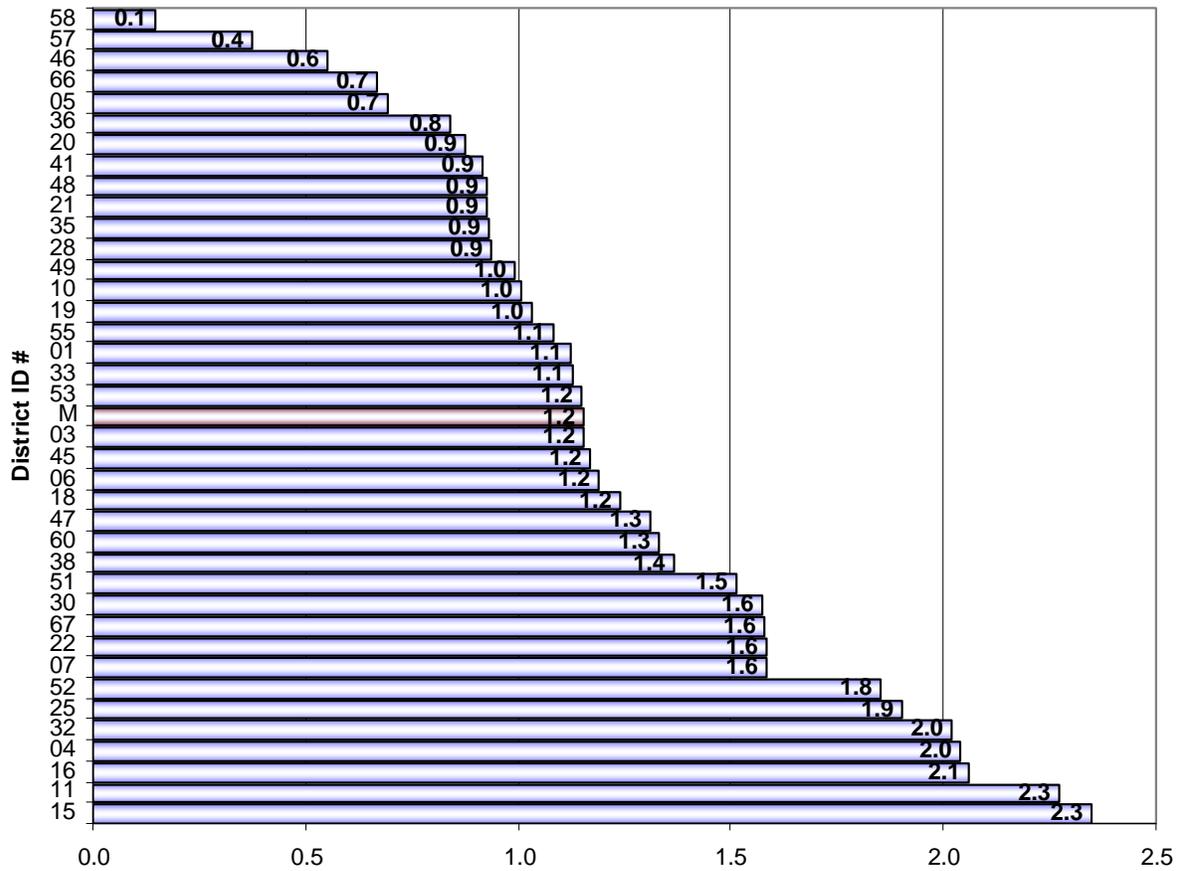
- FY 07 = 38 districts provided reasonable responses; FY 06 = 36 districts; FY 05 = 31 districts
- FY 07: Low = 0.1; High = 2.3; Median = 1.2
- About half of the districts reporting fell into the cluster between 0.9 and 1.3 workers per square foot.
- The highs and lows in the data are significantly different, suggesting these districts have policies or local conditions that require a different ratio.

Trends and Observations

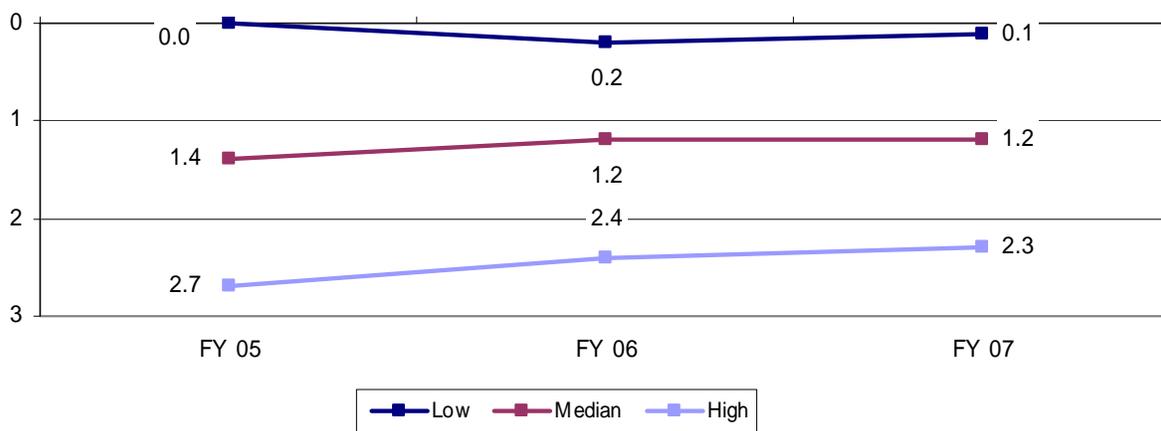
- Staffing levels appear to be decreasing over time. Further observation will assist to tell if this is an efficiency trend

Performance Measurement & Benchmarking for K12 Operations

Maintenance Workers per 100,000 Square Feet



Maintenance Workers per 100,000 Square Feet



Maintenance Cost per Square Foot (ACCRA adjusted¹)

Total maintenance expenditures – major and routine – including labor, benefits, supply and other expenditures *divided by* total district square footage

Why This Measure Is Important

This measure gives an indication of the relative cost for a district to maintain its buildings. Regional labor and material cost differences will influence the measure. A high number may indicate a large amount of deferred maintenance while a lower number could reflect newer buildings in a district.

Factors That Influence This Measure

- Age of buildings
- Amount of deferred maintenance
- Labor costs
- Material Costs and purchasing practices
- Layout of buildings

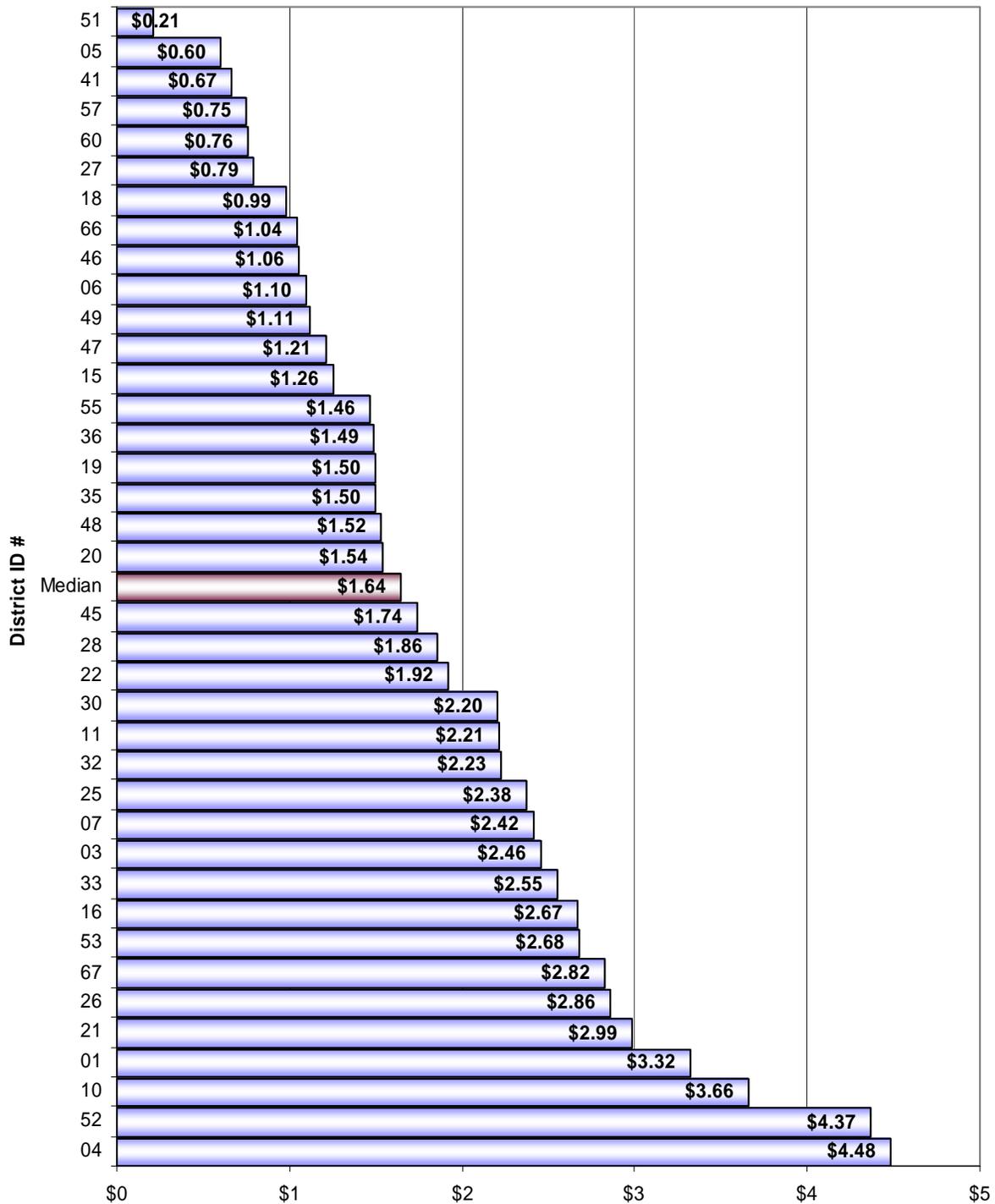
Analysis of Data

- 38 districts provided reasonable responses
- FY 07: Low = \$0.21; High = \$4.48; Median = \$1.64
- 7 districts reported cost per square foot below \$1.00; 14 districts reported between \$1.00 and \$2.00; and 13 between \$2.00 and \$4.00

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

Maintenance Cost per Square Foot (ACCRA adjusted)



Work Order Completion Time

Average number of days to complete a work order

Why This Measure Is Important

This measure gives an indication of a district's timeliness in completing work orders. It allows districts to compare their operations with others in order to evaluate the relative response times of their maintenance employees. Districts with lower completion times are more likely to have a management system in place with funding to address repairs. They are also more likely to have higher rates of customer satisfaction than those with longer wait times.

Factors That Influence This Measure

- Number of maintenance employees
- Management effectiveness
- Automated work order tracking
- Labor agreements
- Funding to address needed repairs
- Existence of work flow management process

Analysis of Data

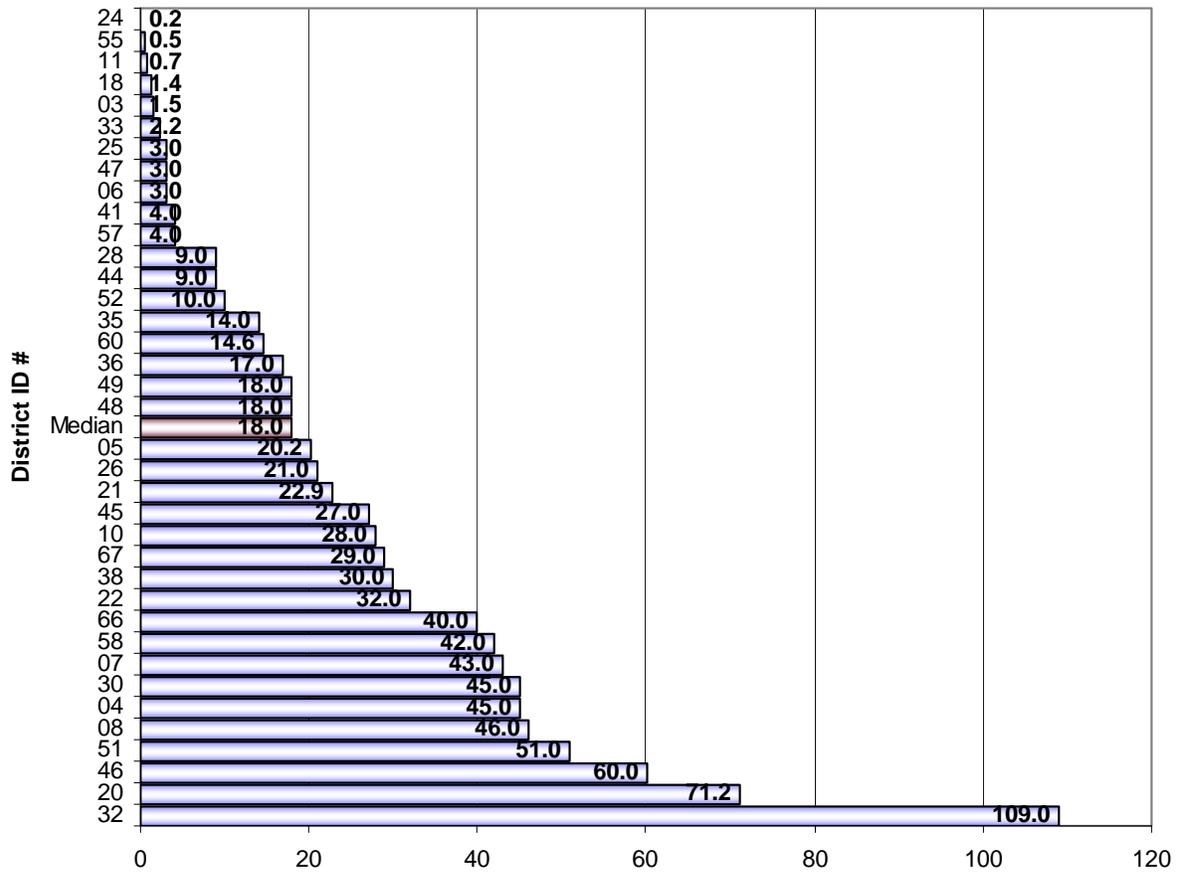
- FY 07 = 37 districts provided reasonable responses; FY 06 = 34 districts
- FY 07: Low =0.2; High = 109.0; Median =18.0
- 8 of the districts responding completed work orders in less than 48 hours; 13 of the districts completed them within two weeks
- About half of responding districts took one month or more, with the longest more than three months

Trends and Observations

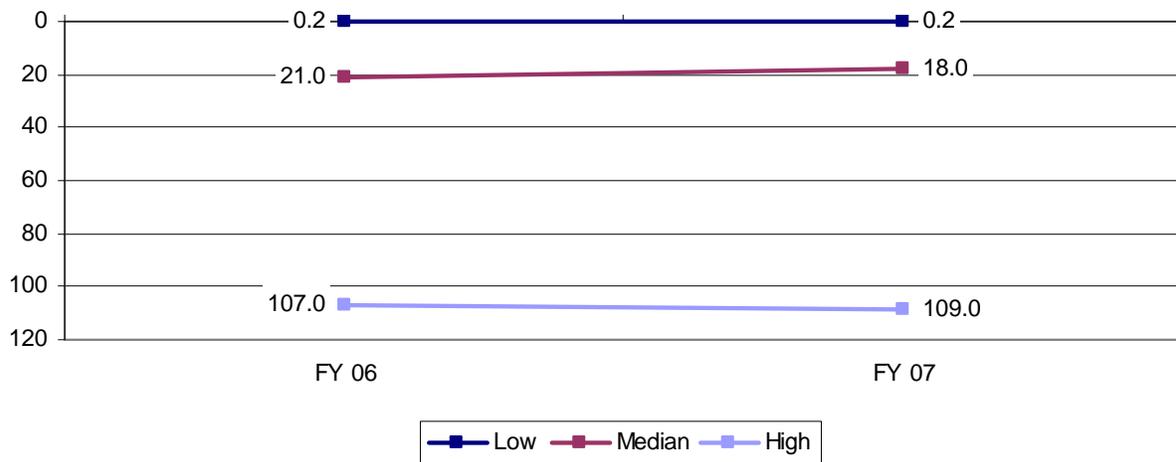
- Completion time appears to be improving slightly over time

Performance Measurement & Benchmarking for K12 Operations

Work Order Completion Time (in Days)



Work Order Completion Time (in Days)



Custodial Cost per Square Foot (ACCRA adjusted¹)

Total custodial expenditures including labor, benefits, supply and other expenditures *divided by* total district square footage

Why This Measure Is Important

This measure is an important indicator of the efficiency of the custodial operations. The value is impacted not only by operational effectiveness, but also by labor costs, material and supply costs, supervisory overhead costs as well as other factors. This indicator can be used as an important comparison with other districts to identify opportunities for improvement in custodial operations to reduce costs.

Factors That Influence This Measure

- Cost of labor
- Cost of supplies and materials
- Scope of duties assigned to custodians

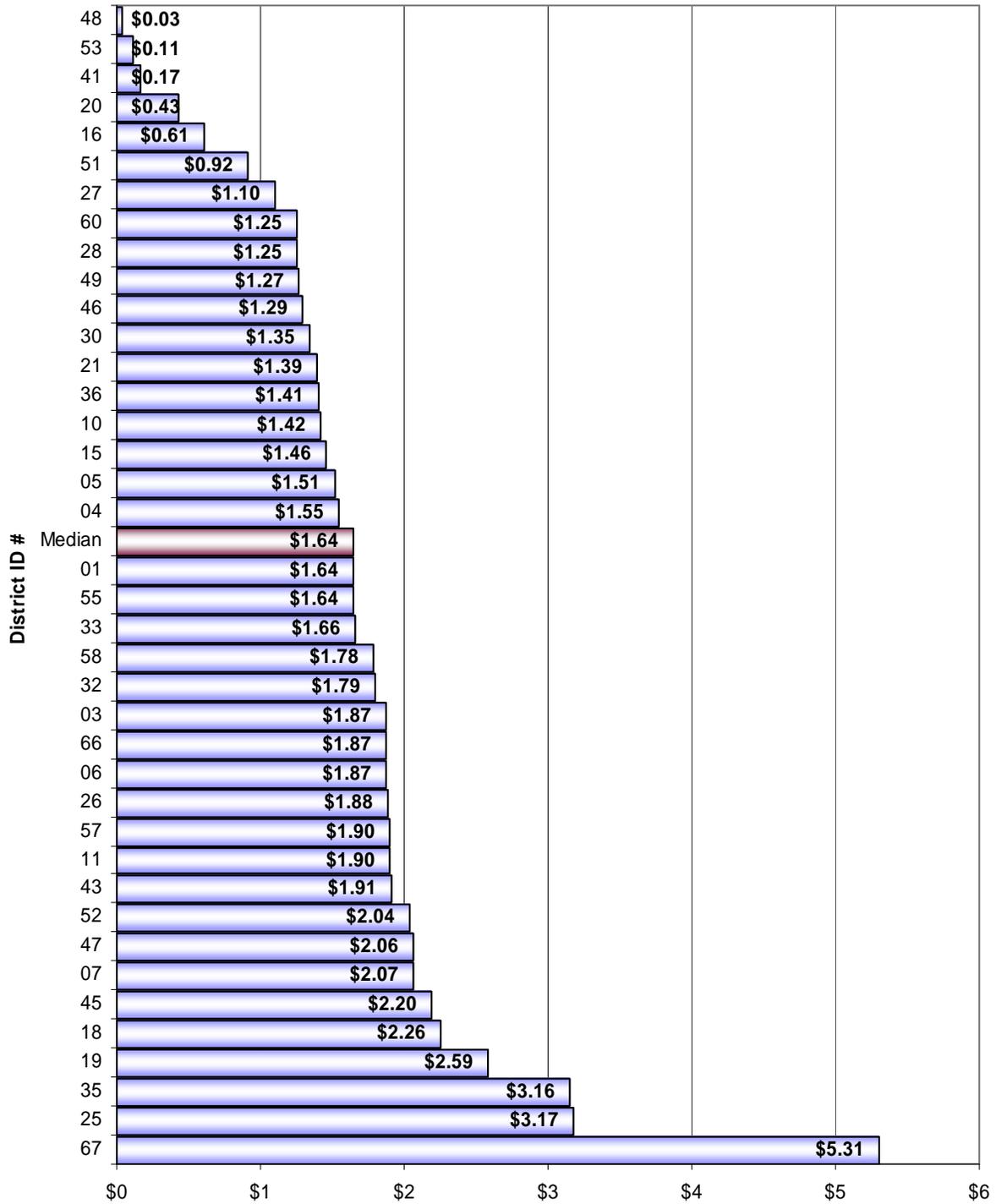
Analysis of Data

- 39 districts provided reasonable responses
- FY 07: Low =\$0.03; High = \$5.31; Median =\$1.64
- Almost half of the responding districts have custodial costs per square foot between \$1.00 and \$2.00, with the median at \$1.78

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

Custodial Cost per Square Foot (ACCRA adjusted)



Custodial Supply Cost per Square Foot (ACCRA adjusted¹)

Total custodial supply and equipment expenditures only *divided by* total district square footage

Why This Measure Is Important

This measure can give an indication of the relative effectiveness of a district's use of custodial supplies and materials. A higher number may indicate cost savings opportunities that can be gained by changes in policies or procedures.

Factors That Influence This Measure

- Regional price differences for supplies and materials
- Student density in a building (more students per sq. ft.)
- Number of after-hours and community events in the building
- Purchasing practices

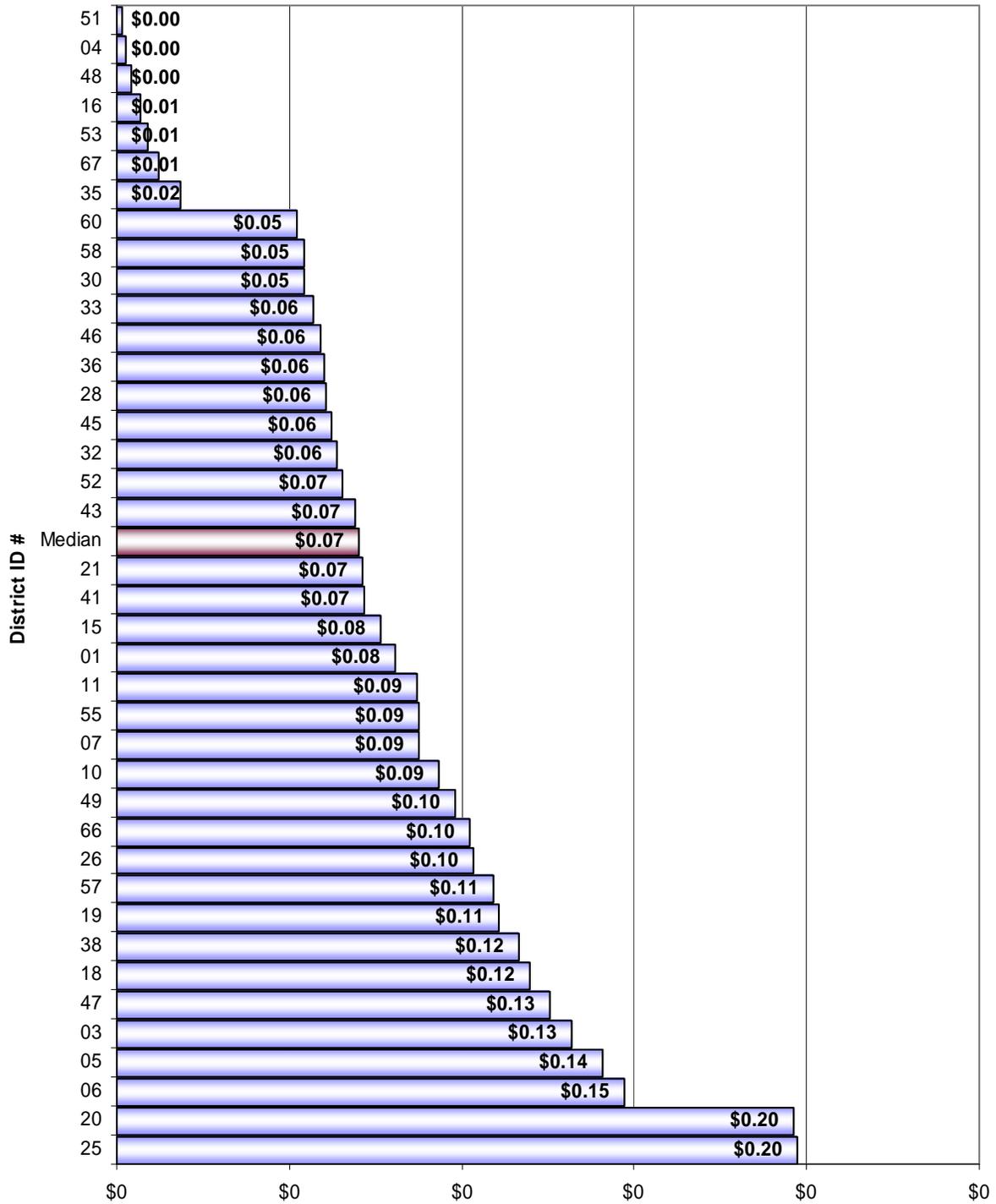
Analysis of Data

- 39 districts provided reasonable responses
- FY 07: Low =\$0.00; High = \$0.20; Median =\$0.07
- Of the districts reporting, the tightest cluster reports supply and equipment costs of \$.05 to \$.07 per square foot.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

Custodial Supply Cost per Square Foot (ACCRA adjusted)



Percent Portable Square Footage

Total square footage of portable space *divided by* total district square footage

Why This Measure Is Important

This measure provides an indication of a district's ability to provide permanent classroom space for its students. A high percentage might indicate difficulty in obtaining capital funds for construction of permanent classrooms. It could also indicate a rapidly increasing student population that outpaces capital funding available to support growth.

Factors That Influence This Measure

- Rate of increase or decrease in student population
- Funds available for classroom construction
- Demographic shifts in the districts student population
- Timing of construction related to growth

Analysis of Data

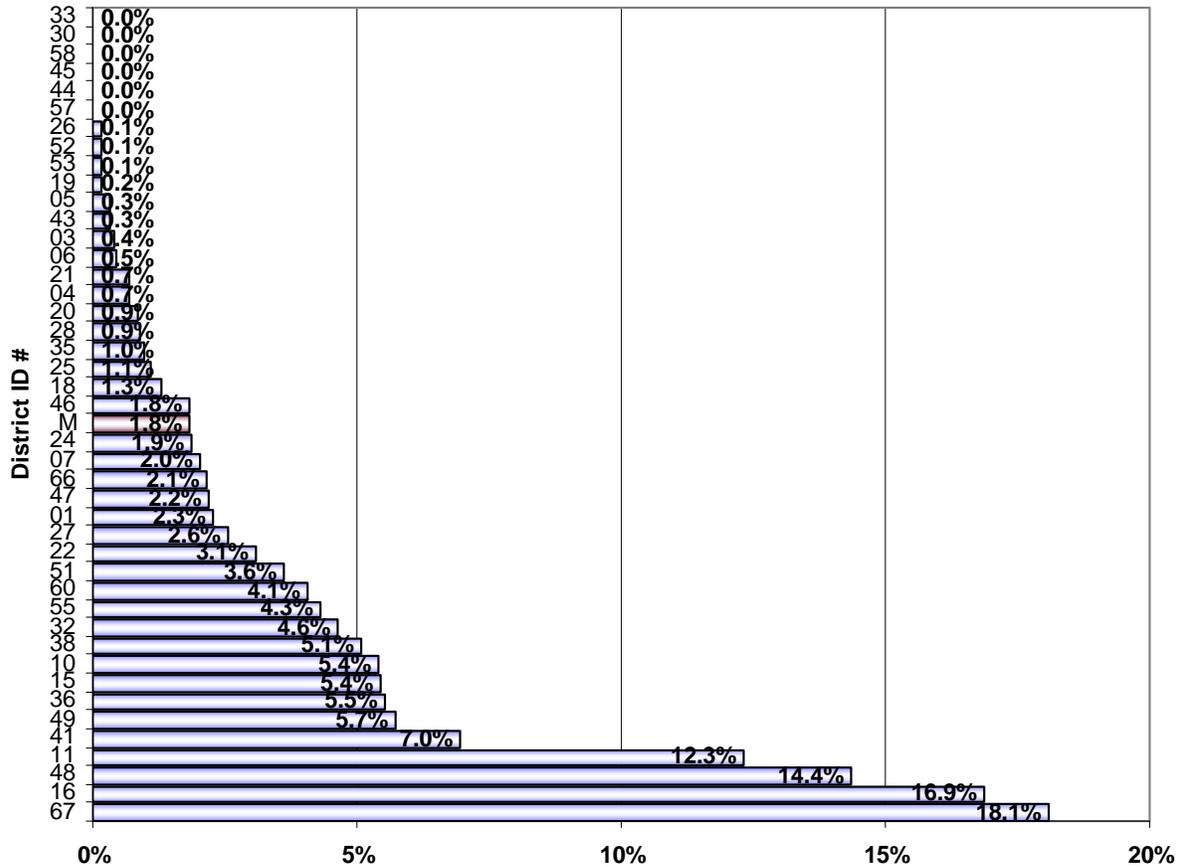
- FY 07 = 43 districts provided reasonable responses; FY 06 = 42 districts
- FY 07: Low =0.0%; High = 18.1%; Median =1.8%
- Of the 43 districts reporting, 5 have no portable square footage; 34 report portable space at less than 5%.

Trends and Observations

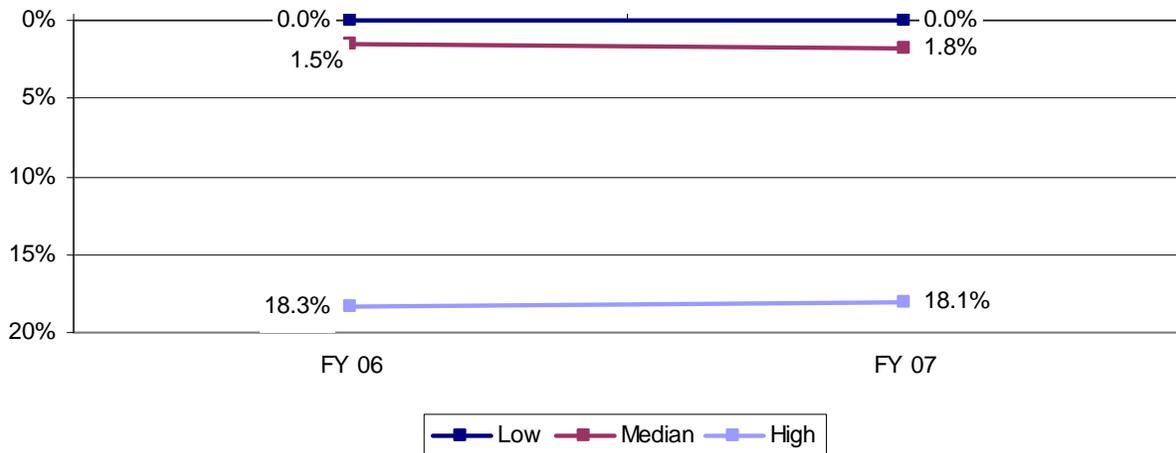
- Numbers are extremely consistent and will likely change slowly over time

Performance Measurement & Benchmarking for K12 Operations

Percent Portable Square Footage



Percent Portable Square Footage



M&O Expenditures as Percent of General Fund Expenditures

Total Maintenance & Operations department expenditures *divided by* total district general fund expenditures

Why This Measure Is Important

This measure gives an indication of the level of support for maintenance operations being provided by the general fund. A lower percentage would indicate that other sources of funds must be provided to meet the maintenance needs. A low percentage could also be an indication that not all of the required maintenance is being performed resulting in a large amount of deferred maintenance.

Factors That Influence This Measure

- Overall funding level for the general fund
- Availability of other funds sources to perform maintenance
- Age and condition of district buildings
- Deferred maintenance decisions

Analysis of Data

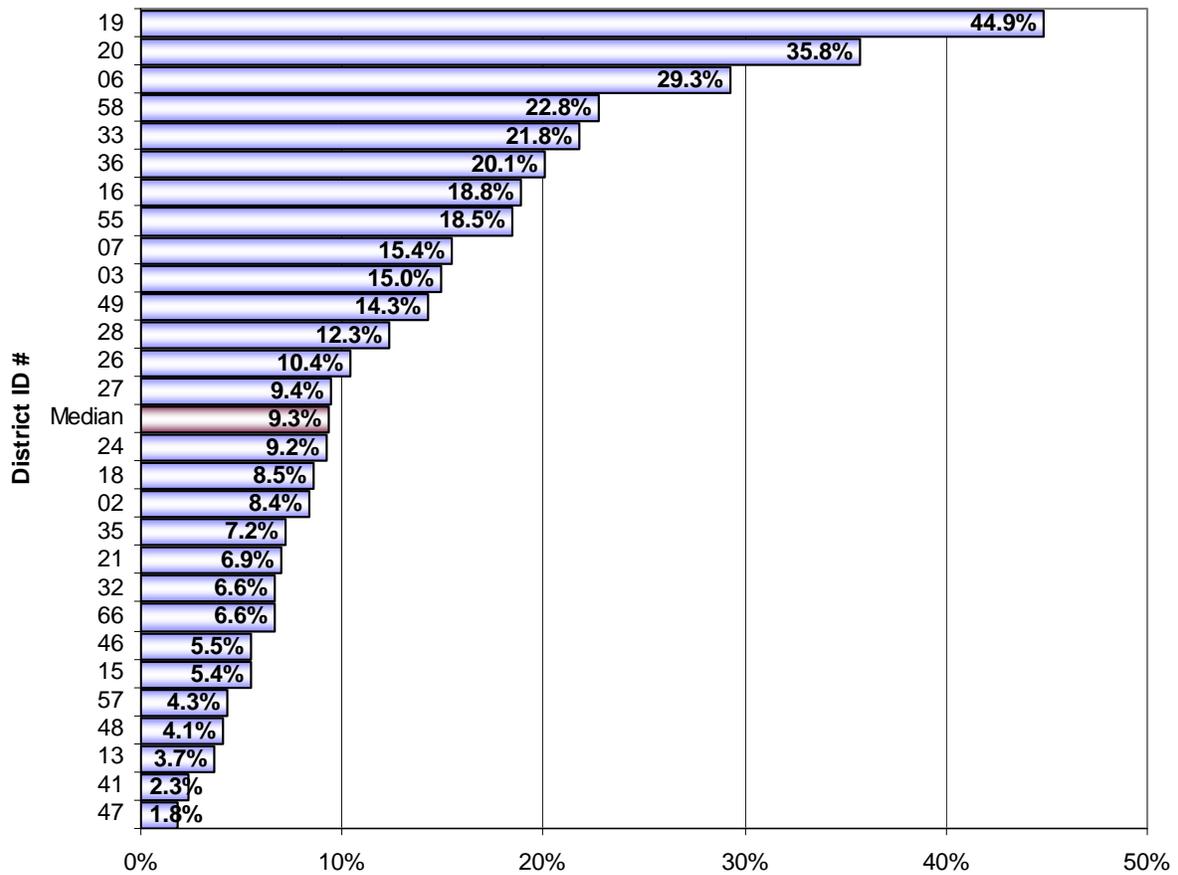
- FY 07 = 28 districts provided reasonable responses; FY 06 = 26 districts
- FY 07: High =44.9%; Low = 1.8%; Median = 9.3%
- Based on the range, responses to this question do not result in a cluster that would point to an industry standard; however, most respondents report between 5% to 15%

Trends and Observations

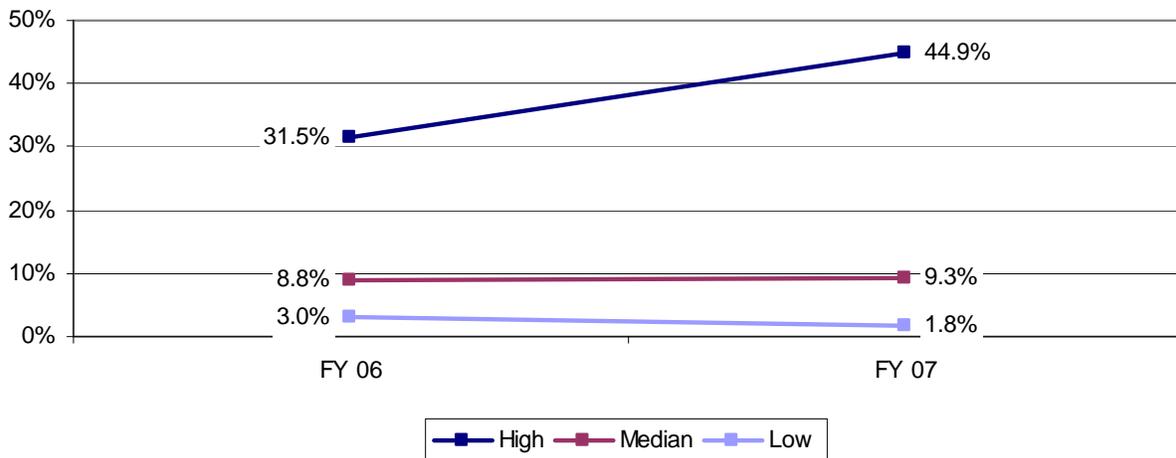
- The percentage of the general fund going to maintenance operations appears to be increasing as the median went up 1%

Performance Measurement & Benchmarking for K12 Operations

M&O Expenditures as Percent of General Fund Expenditures



M&O Expenditures as Percent of General Fund Expenditures



Utility Usage per Square Foot

Annual electricity kWh usage times 3.412, plus annual heating fuel kBTU usage *divided by* total district square footage

Why This Measure Is Important

This indicator is a measure of the efficiency of the districts' heating and cooling operations. It may also reflect a district's effort to reduce energy consumption through conservation measures being implemented by building occupants as well as maintenance and operations personnel. Higher numbers signal an opportunity to evaluate fixed and variable cost factors and identify those factors that can be modified for greater efficiency.

Factors That Influence This Measure

- Age of buildings and physical plants
- Amount of air-conditioned space
- Regional climate differences
- Customer support of conservation efforts to upgrade lighting and HVAC systems
- Energy conservation policies and management practices

Analysis of Data

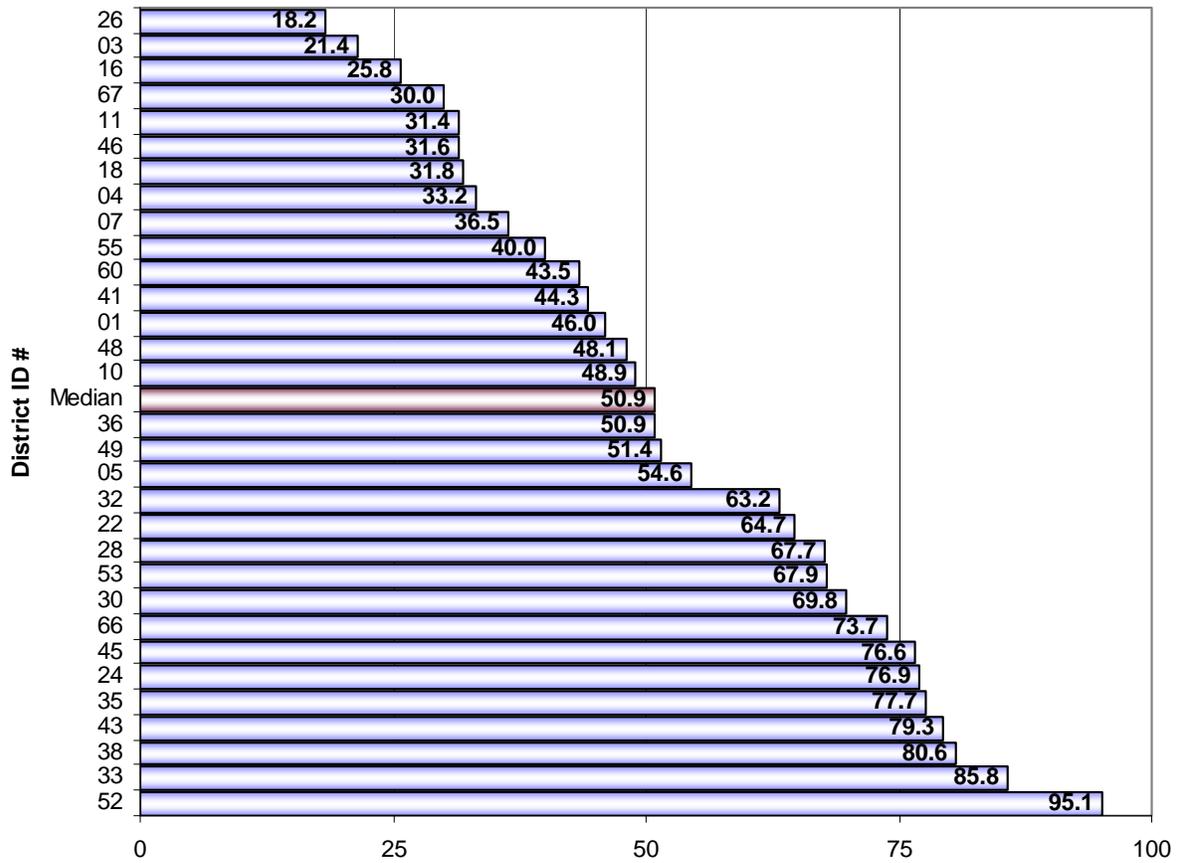
- FY 07 = 31 districts provided reasonable responses; FY 06 = 33 districts; FY 05 = 25 districts
- FY 07: Low = 18.2; High = 95.1; Median = 50.9
- Regional differences in utility usage are not evident in this data

Trends and Observations

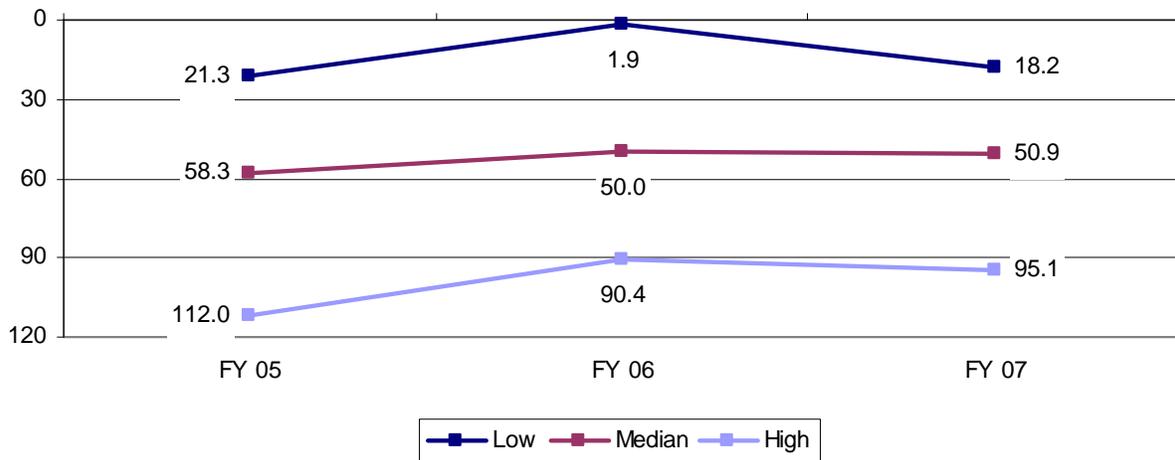
- Utility usage has been trending down over the three years that have been surveyed at the high, median and low levels

Performance Measurement & Benchmarking for K12 Operations

Utility Usage per Square Foot



Utility Usage per Square Foot



Water Usage per Square Foot

Total annual water usage (in gallons) *divided by* total district square footage

Why This Measure Is Important

This measure gives an indication of the total water use to support the district's facilities. A higher number might indicate a significant amount of exterior irrigation for grounds and sports facilities. A higher number might also be an indication of a hot, arid environment requiring more water for irrigation or support of air conditioning systems. A lower number could indicate the district has a very effective water conservation program.

Factors That Influence This Measure

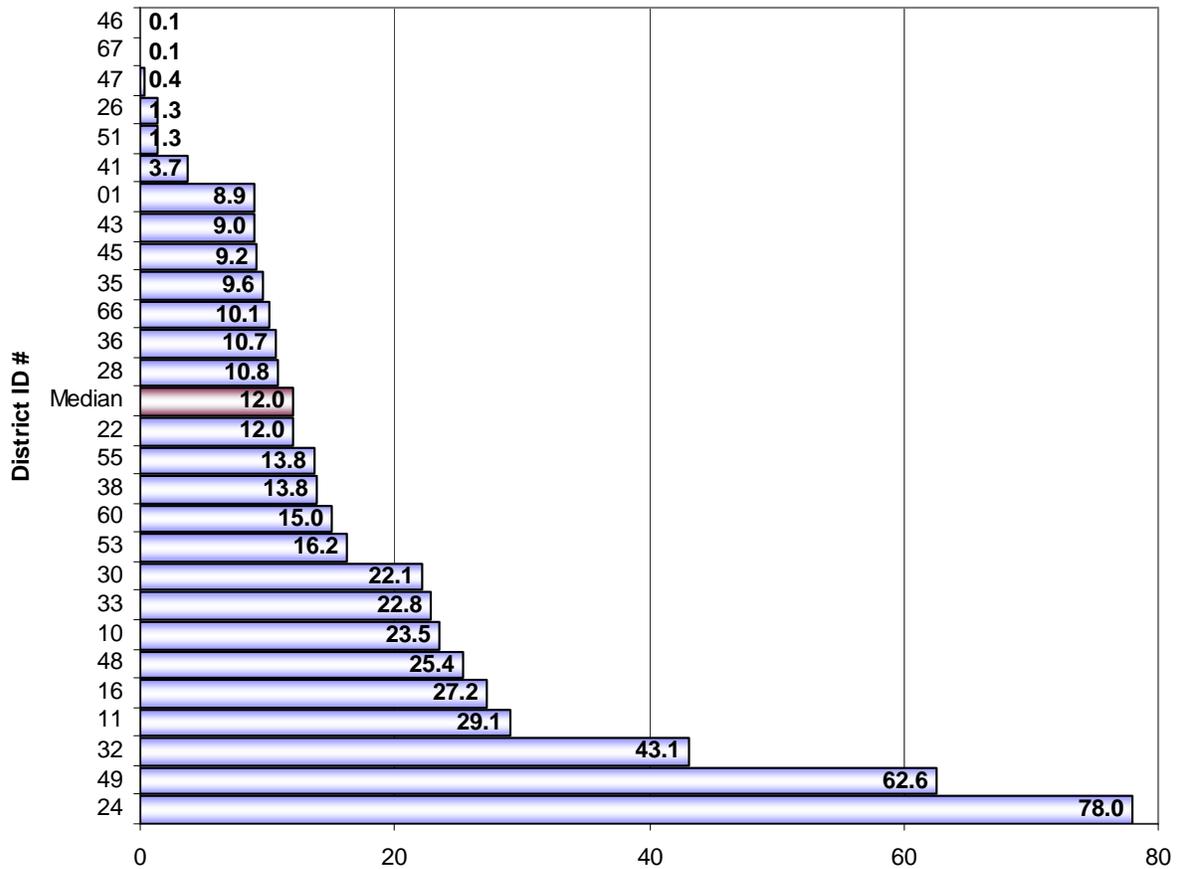
- Water conservation measures being implemented
- Geographic location
- District policy on watering grounds
- State and local laws

Analysis of Data

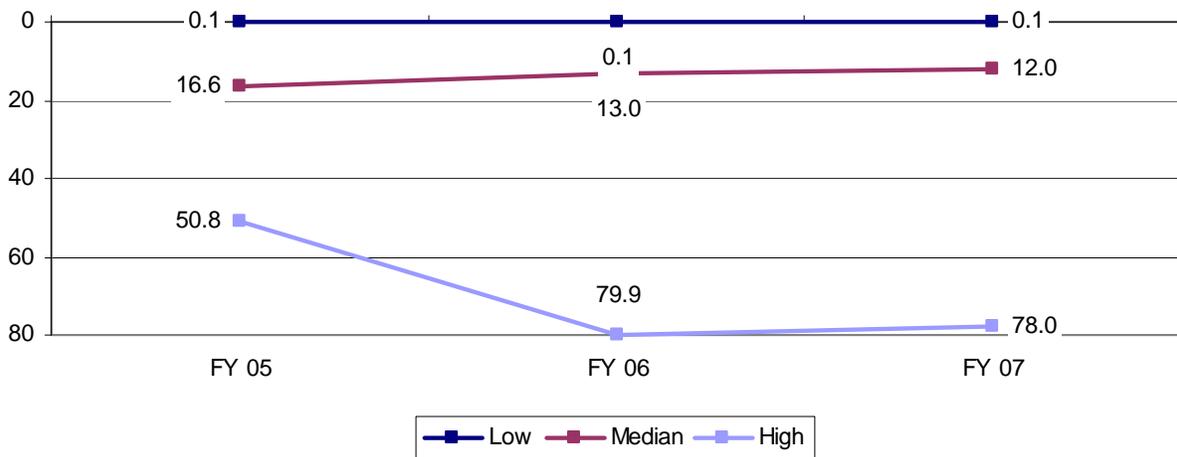
- FY 07 = 27 districts provided reasonable responses; FY 06 = 27 districts; FY 05 = 15 districts
- FY 07: Low = 0.1 gallons; High = 78.0 gallons; Median = 12.0 gallons
- Of the districts reporting, most fall within 9 and 29.1

Performance Measurement & Benchmarking for K12 Operations

Water Usage per Square Foot



Water Usage per Square Foot





Procurement/Supply Chain

Competitive Procurements

Total purchase dollars above the single quote limit that were competitive (IFBs and RFPs)
divided by total purchase dollars above the single quote limit

Why This Measure Is Important

As the cornerstone of public procurement, competition maximizes procurement savings to the district, opportunities for vendors, integrity assurance for Boards and taxpayers at large to be confident in the process.

Factors That Influence This Measure

- Procurement policies governing procurements that are exempted from competition, emergency or urgent requirement procurements, direct payments (purchases without contracts or POs), minimum quote levels and requirements, and sole sourcing
- Vendor registration/solicitation procedures which may determine magnitude of competition
- Professional services competition which may be exempted from competition
- In some instances, districts may have selection criteria for certain programs, such as local preference, environmental procurement, M/WBE, etc., that result in less competition
- Utilization of technology and e-procurement tools

Analysis of Data

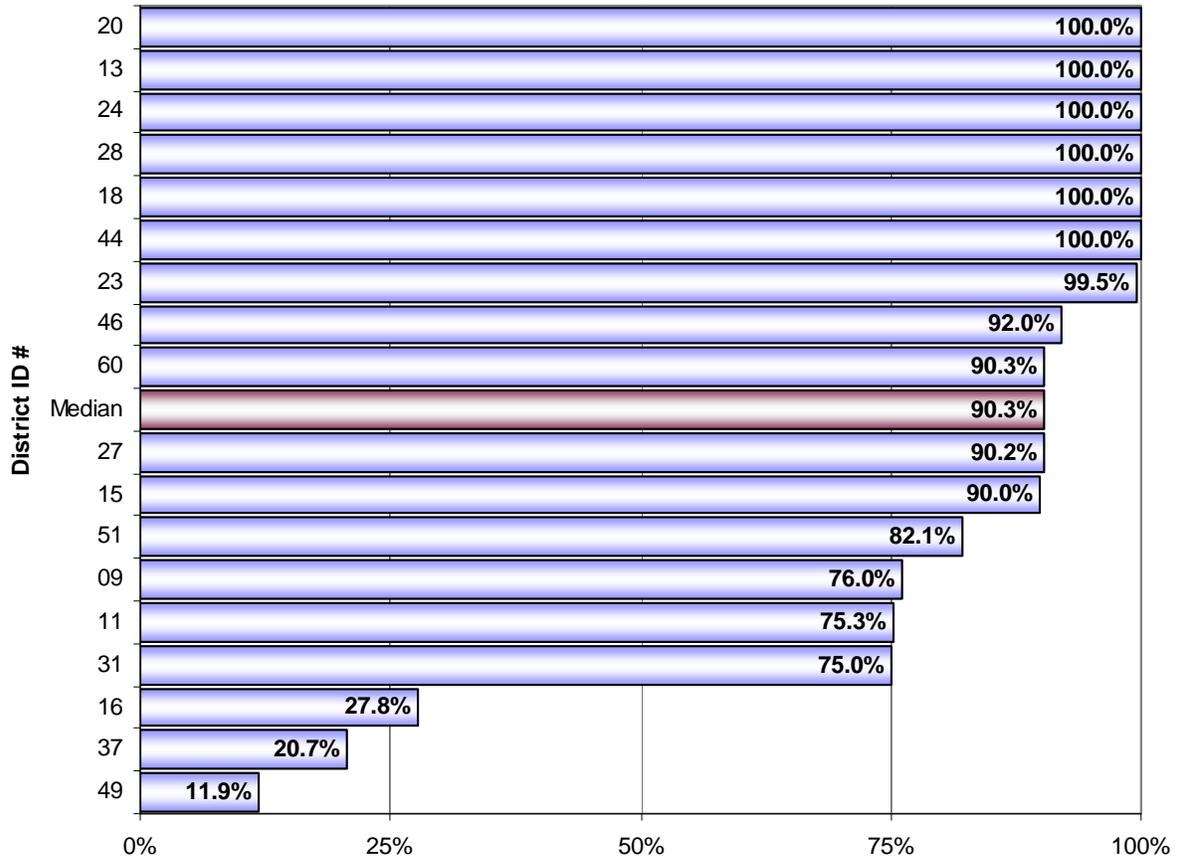
- FY 07 = 18 districts provided reasonable responses; FY 06 = 18 districts; FY 05 = 22 districts
- FY 07: High = 100.0%; Low = 11.9%; Median = 90.3%
- For the districts reporting, the most common cluster is 90% to 100% competition. Below 90%, there is a rapid drop-off of competition in the remaining respondents, which suggests differing laws, policies and practices.

Trends and Observations

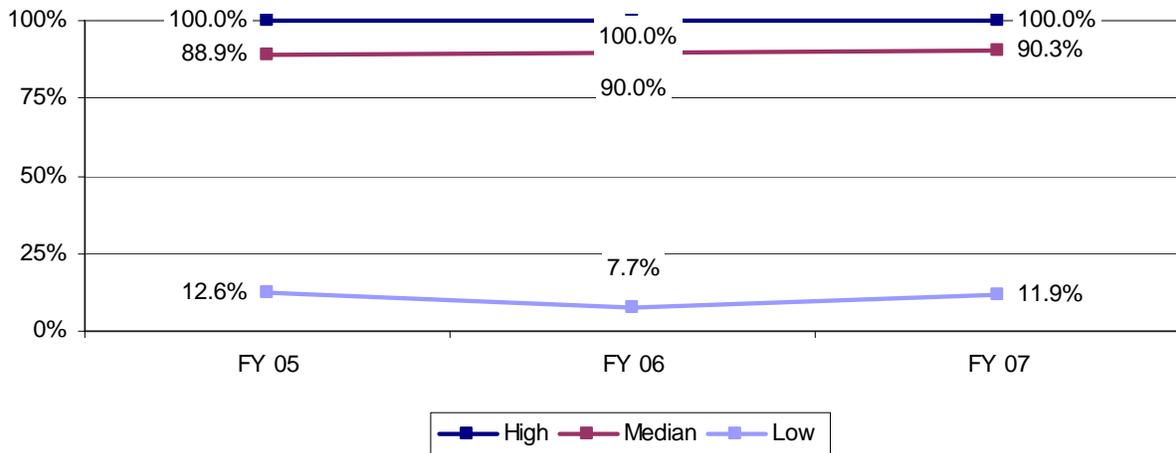
- Data remains relatively consistent over time. Clearly, the trend data also illustrates the significant drop-off in competition among districts below 90%.

Performance Measurement & Benchmarking for K12 Operations

Competitive Procurements



Competitive Procurements



PALT – Formal – Bid Requirements

Average procurement administrative lead-time in days for bid requirements

Why This Measure Is Important

Formal bids must be formally advertised meeting a dollar threshold that requires Board approval. Formal bids are usually advertised in newspapers, the website, or through a third party for a minimum of two weeks, although some commodities require a longer time pursuant to Federal guidelines. Some districts may only require the sealed competitive process and report to the Board post facto. The “cycle time” is from receipt of requisition through final recommendation to the Board. This measure establishes a quality benchmark for commencing and completing the acquisition process for formal competitive bidding. Other factors are potential savings, building partnerships and repeat competitors thus affecting quality of product/service. This is an important measure to examine the balance between competition/objectivity and the need to get products/services in place quickly.

Factors That Influence This Measure

- Federal, State and local procurement policies and laws, including formal solicitation requirements, minimum advertising times and procurement dollar limits; Board policy
- Frequency of board meetings
- Budget/FTE allocation for professional procurement staff
- Training on scope of work and specification development for contract sponsors
- The award process including RFP proposal evaluation and negotiations
- Use of standard boilerplate bid and contract documents
- Use of current ERP and e-procurement technology to streamline internal procurement processes and external solicitation process with vendors

Analysis of Data

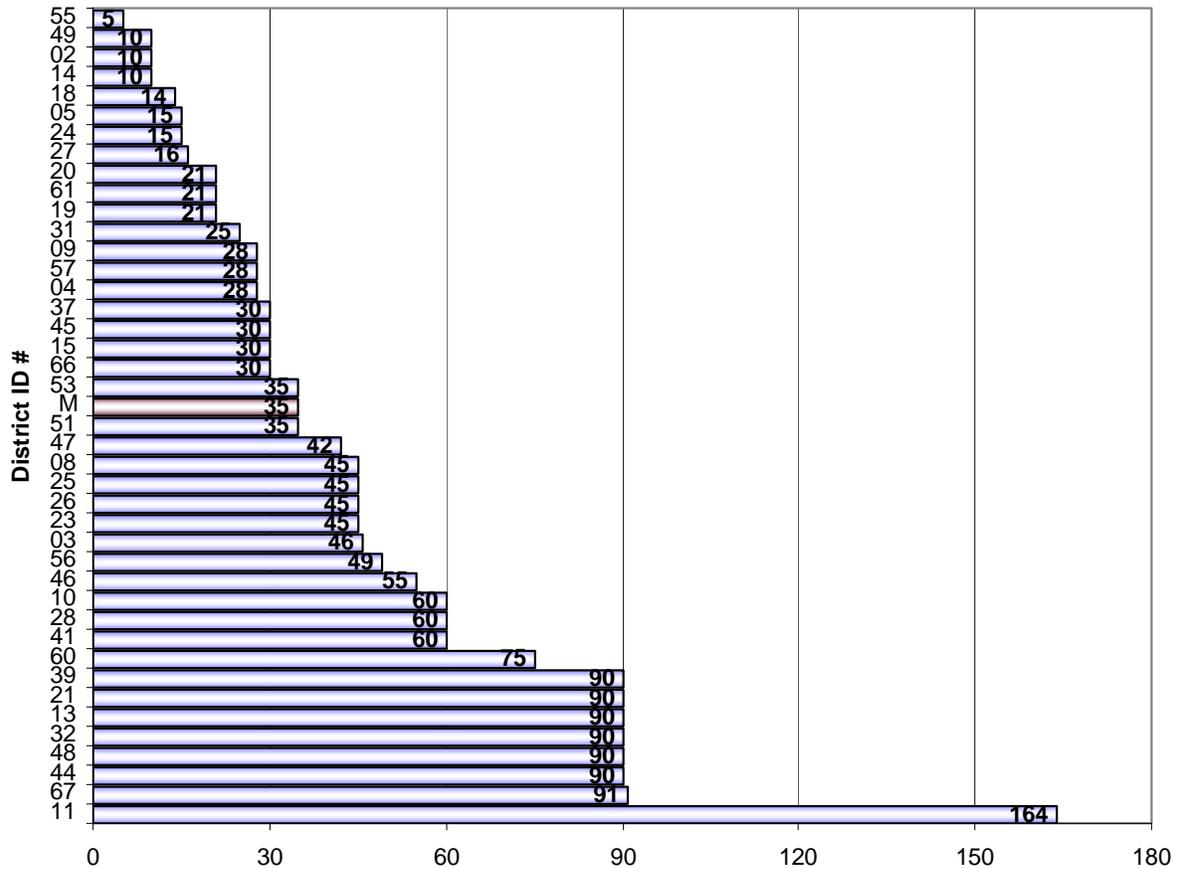
- FY 07 = 41 districts provided reasonable responses; FY 06 = 41 districts
- FY 07: Low =5; High = 164; Median = 35
- Data is fairly spread out and segmented, which suggests that varying laws and policies have an impact on the cycle time
- The most consistent cluster shows 8 of the reporting districts with cycle time for formal bids of 25 to 30 days

Trends and Observations

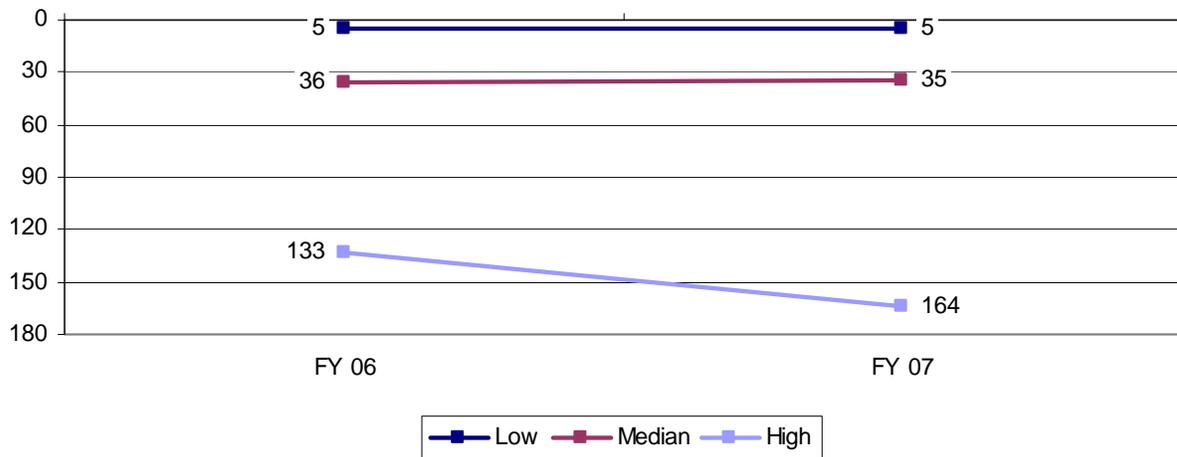
- The median remained the same for the two year trend reported
- FY 05 data included PALT for formal requirements, it did not differentiate between bid and proposal requirements for professional services

Performance Measurement & Benchmarking for K12 Operations

PALT - Formal - Bid Requirements



PALT - Formal - Bid Requirements



PALT – Formal – Proposal Requirements

Average procurement administrative lead-time in days for request for proposal (RFP) requirements

Why This Measure Is Important

This measure establishes a quality benchmark for commencing and completing the acquisition process for competing contracts for professional services (e.g. consultants) through the “Request for Proposal” (RFP) process. Other factors of importance are potential savings, building partnerships and repeat competitors thus affecting quality of product/service. This area has emerging importance as procurement has traditionally focused on competition for goods, but as the scrutiny on the expenditure of public funds increases, professional services should also be examined as a KPI.

Factors That Influence This Measure

- Federal, State and local procurement policies and laws, including formal solicitation requirements, minimum advertising times, and procurement dollar limits; Board policy
- Frequency of board meetings
- Budget/FTE allocation for professional procurement staff
- Training on scope of work and specification development for contract sponsors
- The award process including RFP proposal evaluation and negotiations
- Use of standard boilerplate bid and contract documents
- Use of current ERP and e-procurement technology to streamline internal procurement processes and external solicitation process with vendors
- Complexity and size of procurements for services

Analysis of Data

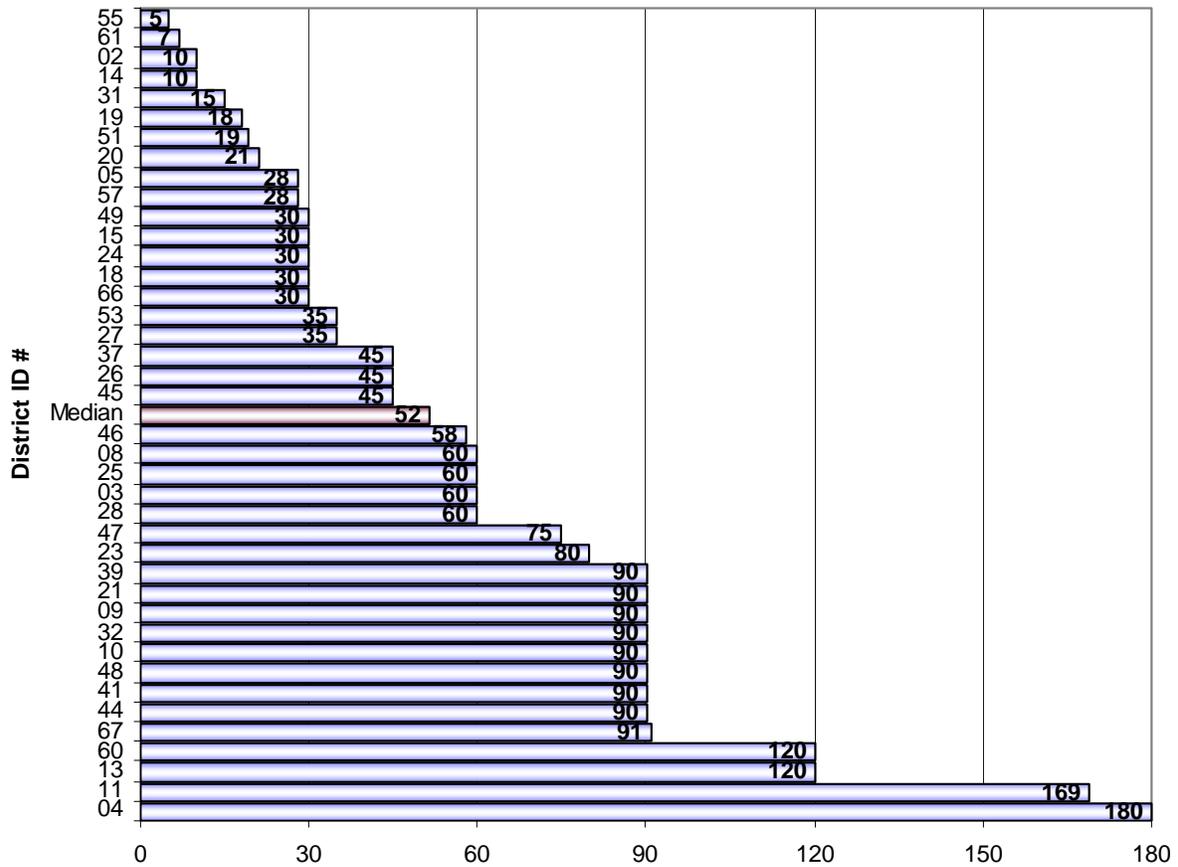
- FY 07 = 40 districts provided reasonable responses; FY 06 = 40 districts
- FY 07: Low = 5; High = 180; Median = 52
- Similar to the cycle time for IFBs for goods, the cycle time for RFPs is fairly spread out and segmented, illustrating the likelihood that policies and possibly laws have an impact
- The data between IFB and RFP measures are very similar, which suggests that policies across districts treat these two procurement types the same

Trends and Observations

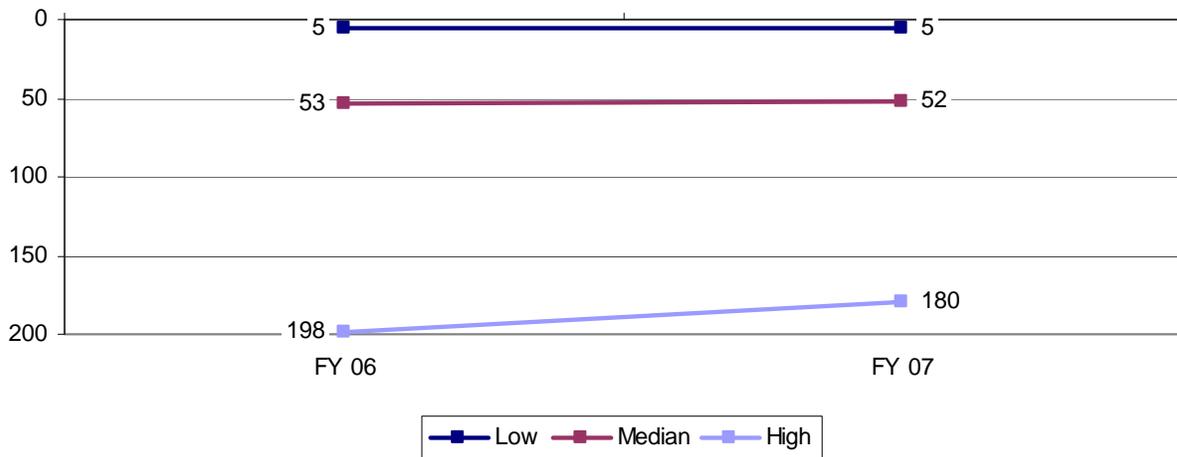
- FY 05 data included PALT for formal requirements, it did not differentiate between bid and proposal requirements
- The data shows relatively consistent data across both years (this question was not asked in FY 05)

Performance Measurement & Benchmarking for K12 Operations

PALT - Formal - Proposal Requirements



PALT - Formal - Proposal Requirements



PALT – Informal Requirements

Average procurement administrative lead-time in days for informal requirements

Why This Measure Is Important

This measure establishes a quality benchmark for commencing and completing the acquisition process for informal bidding. Informal bids are usually for small dollar values and require quotes that can be obtained via letter quotes, electronic procurements systems such as fax servers, emails, telephone calls, faxes, etc., and can be processed without any Board approval. Other factors of importance are potential savings, building partnerships, and repeat competitors, thus affecting quality of product/service.

Factors That Influence This Measure

- Utilization of P-Card
- Extent of delegated purchase authority for smaller dollar value procurements
- State and local laws
- Policies governing procurement

Analysis of Data

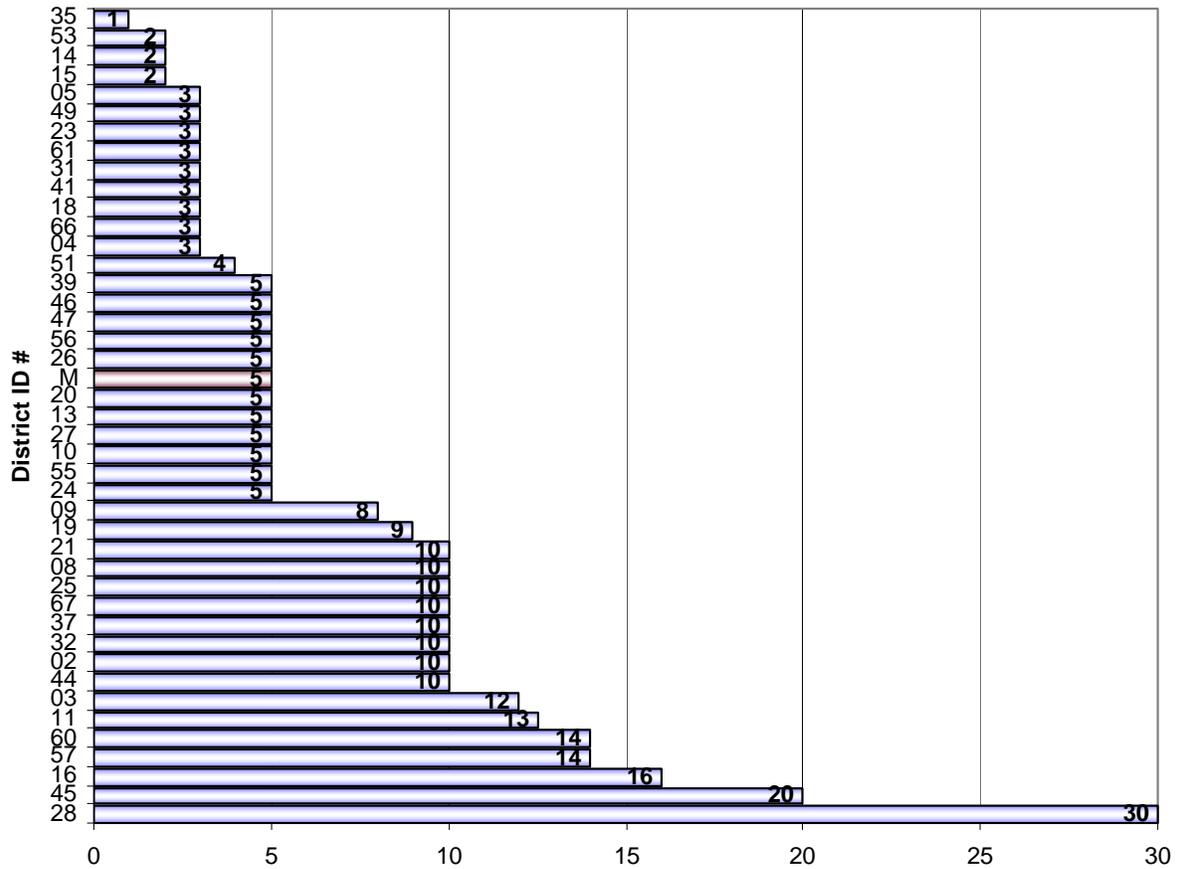
- FY 07 = 42 districts provided reasonable responses; FY 06 = 42 districts; FY 05 = 29 districts
- FY 07: Low = 1; High =30; Median = 5
- Data shows how informal approaches reduce the amount of time it takes to facilitate the need for goods/services, and illustrates the “balance” discussion in considering the priorities in the district between levels of competition at certain dollar thresholds.
- Most districts have cycle times of 3 to 5 days for informal procurement administrative lead times; districts in the lower quartile are likely to have policies/procedures causing the time to be longer

Trends and Observations

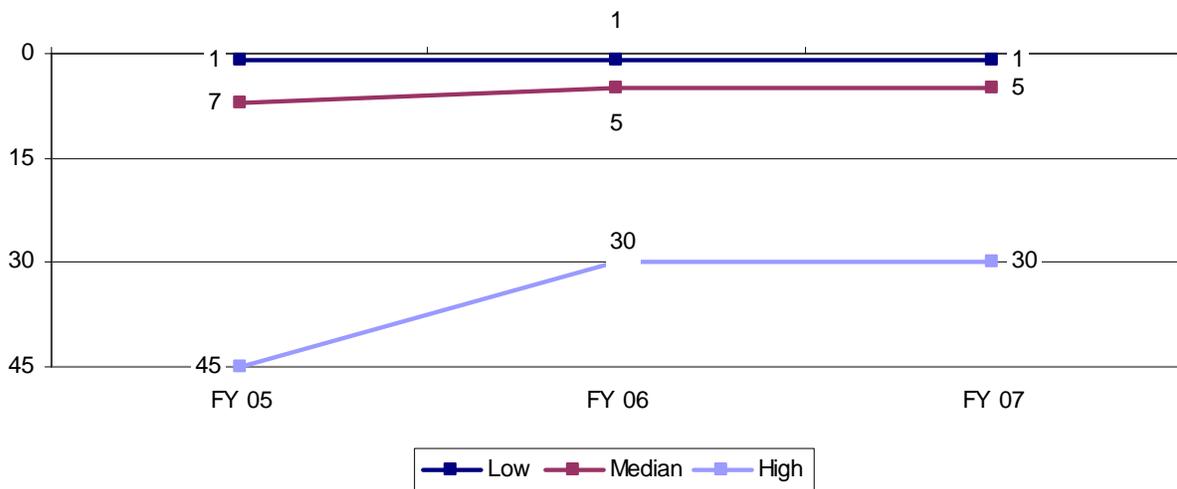
- The median and shortest cycle time remained constant, while the longest cycle times are trending downward

Performance Measurement & Benchmarking for K12 Operations

PALT - Informal Requirements



PALT - Informal Requirements



Procurement Savings/Cost Avoidance

Total procurement savings (savings/cost avoidance calculated as the difference between the average of all bids and the low bid plus the difference between the initial proposal and the final proposal prices) *divided by* total procurement dollars spent by district

Why This Measure Is Important

One of the primary objectives of centralized purchasing is to provide significant “savings” or cost avoidance to the district. This measure compares the savings produced by centralized purchasing to the total procurement spend, less P-Card spending. Note that this measure captures savings/cost avoidance in a limited form. District may realize other procurement savings that are not captured by this measure. This is an important measure to consider in balancing policy making for decentralization and flexibility with lower costs.

Factors That Influence This Measure

- Procurement policies, e.g., delegated purchase authority level, procurements exempted from competition, minimum quote requirements, sole source policies, vendor registration/solicitation procedures (may determine magnitude of competition)
- Utilization of technology and e-procurement tools
- Use of national or regional vendor databases (versus district only) to maximize competition, use of on-line comparative price analysis tools (comparing e-catalog prices), etc.
- Identification of alternative products/methodology of providing services

Analysis of Data

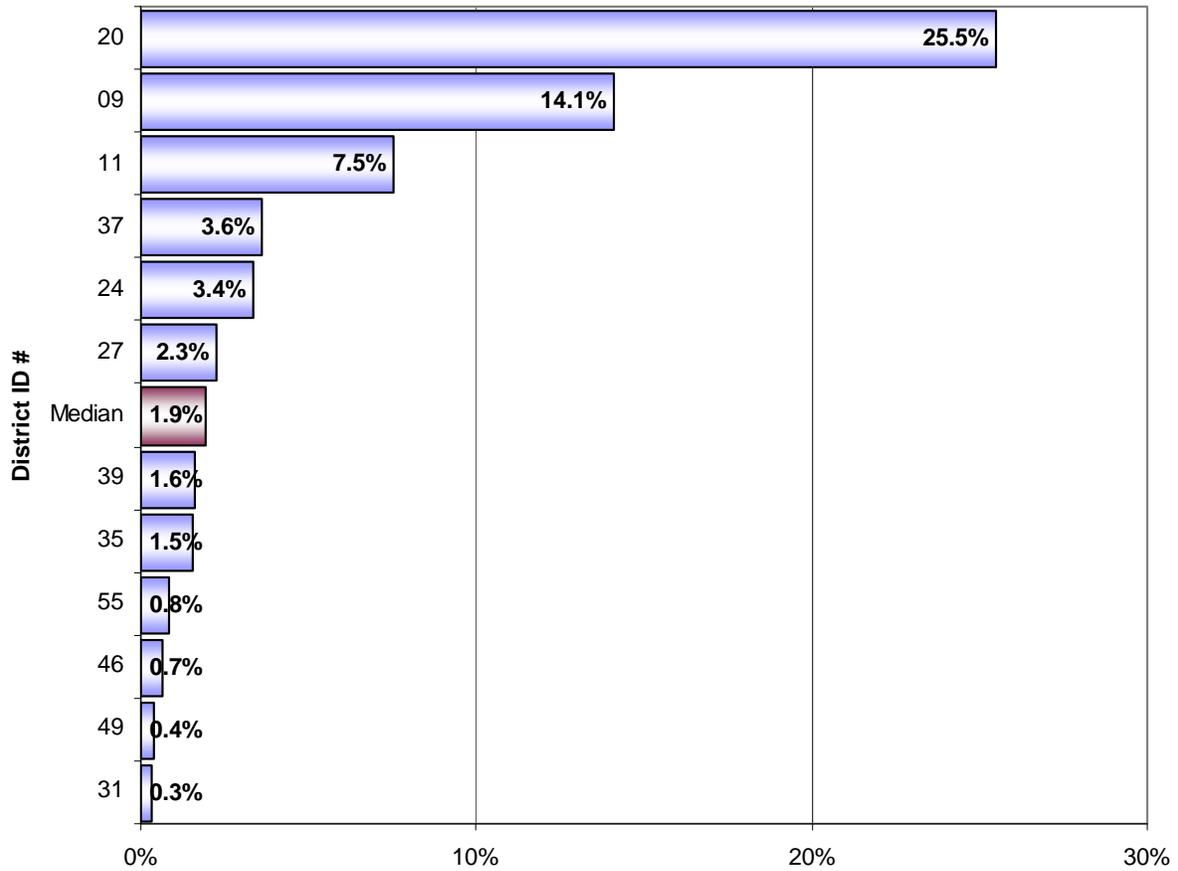
- FY 07 = 12 districts provided reasonable responses; FY 06 = 11 districts
- FY 07: High = 25.5%; Low = 0.3%; Median = 1.9%
- Given this is a core measure of the value the procurement function brings to the organization, there are very few districts measuring it. Further, there continues to be debate on a standardized approach to measuring savings/cost avoidance.
- For the districts reporting savings/cost avoidance, data shows most with savings of 2.5% to 3.5%, with top performers with 7.5% to 25%.

Trends and Observations

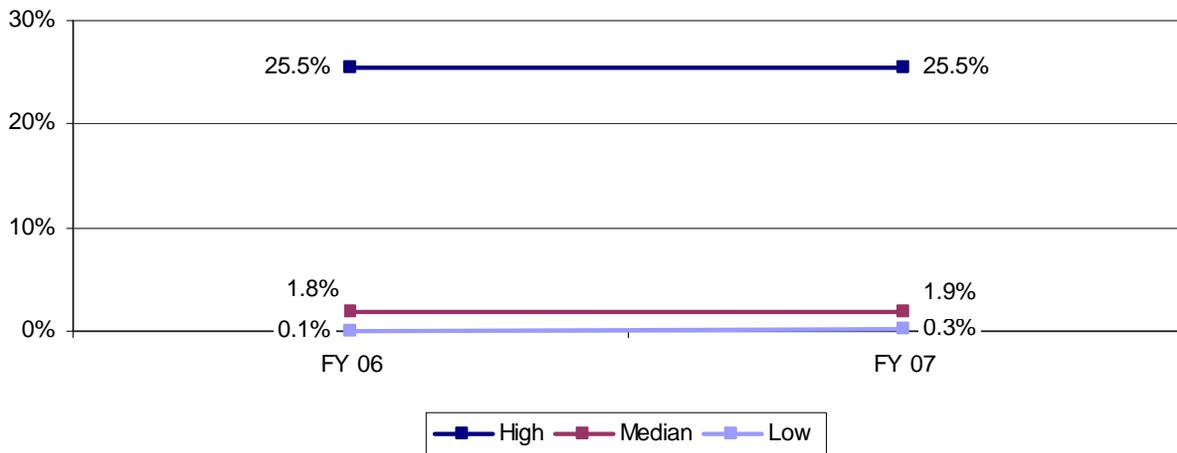
- FY 06 and FY 07 survey included specific formulas for determining savings; FY 05 did not. Therefore, the FY 05 trend is not shown.
- The two-year trend is relatively consistent

Performance Measurement & Benchmarking for K12 Operations

Procurement Savings



Procurement Savings



Strategic Sourcing

Total procurement dollars spent on strategically sourced goods and services *divided by* total procurement dollars spent by the district

Why This Measure Is Important

Strategic sourcing is a systemic process to identify, qualify, specify, negotiate, and select suppliers for categories of similar spend. This includes identifying competitive suppliers for longer-term agreements to buy materials and services. Simply put, strategic sourcing is organized agency buying. Strategic sourcing directly affects the available contracts for goods and services, i.e., items under contract are readily accessible, while others are not. It is a strong indicator of potential cost savings from competitive procurements. Quality and product guarantees are better accounted for in the bidding process, than is true in no bid situations.

Factors That Influence This Measure

- Technical training of procurement leadership
- Effectiveness of data analysis regarding frequently purchased items
- Policies on centralization of procurement
- Balance between choice and cost savings
- Dollar approval limits without competitive bids

Analysis of Data

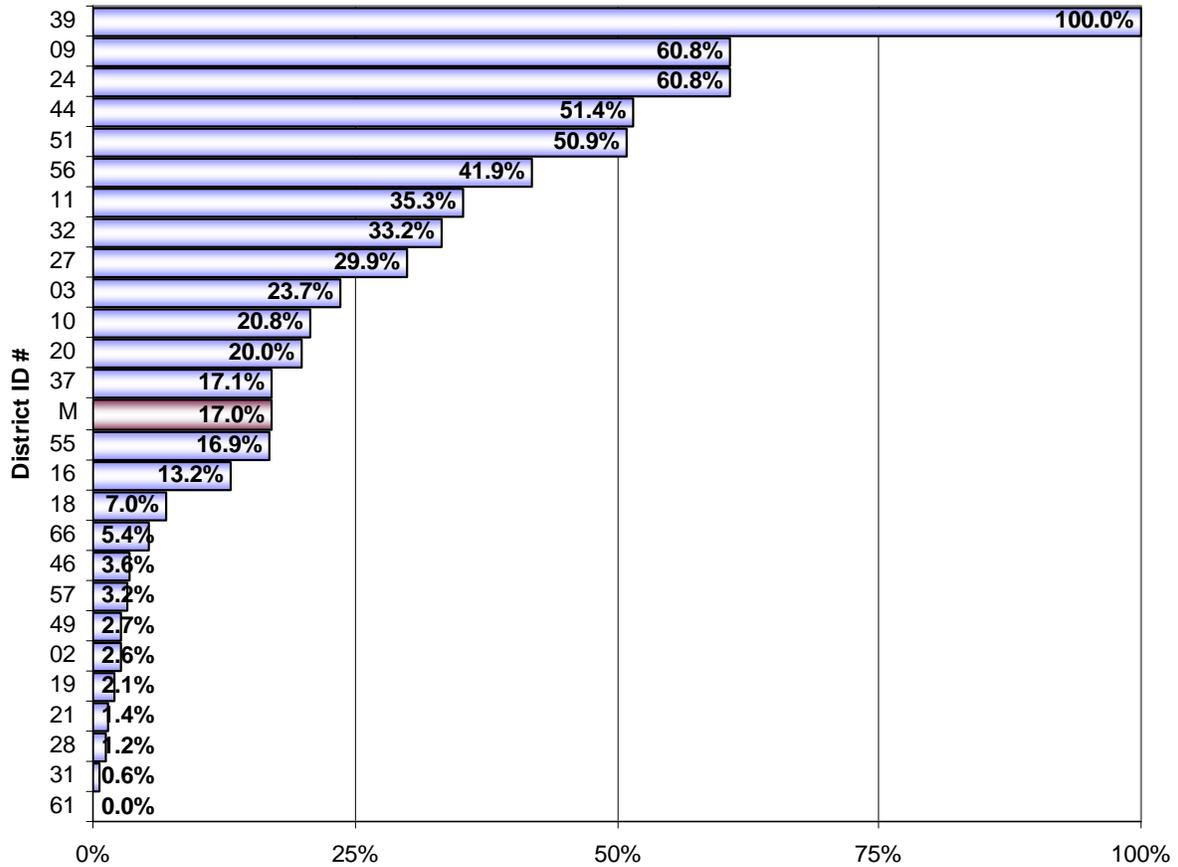
- FY 07 = 26 districts provided reasonable responses; FY 06 = 25 districts; FY 05 = 23 districts
- FY 07: High = 100.0%; Low = 0.0%; Median = 17.0%
- There is a significant spread among districts reporting strategic sourcing approaches
- The most common cluster of responses show most districts with 16.9% to 23.7% of dollars spend through strategic sourcing contracts. The upper quartile has 35.3% to 60.8% strategically sourced.
- The data illustrates most districts have the opportunity to realize additional savings/cost avoidance by increasing the amount of strategic sourcing in procurement.

Trends and Observations

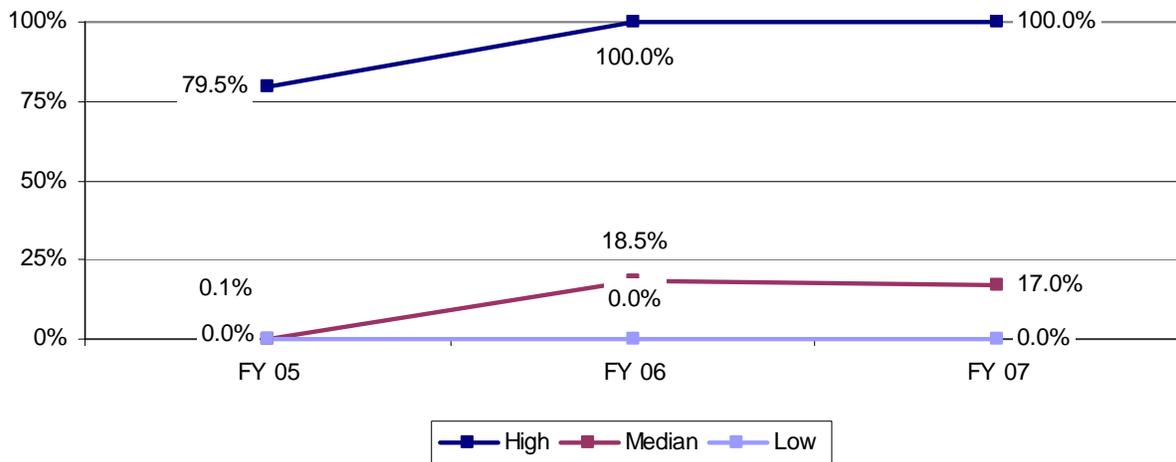
- This is an emerging measure, and difficult to assess trends in the industry at this time

Performance Measurement & Benchmarking for K12 Operations

Strategic Sourcing



Strategic Sourcing



P-Card Transactions

Total number of P-Card transactions *divided by* total number of procurement transactions

Why This Measure Is Important

P-Card utilization significantly improves cycle times for schools, decreases transaction costs, and provides for more localized flexibility. It allows procurement professionals to concentrate efforts on the more complex purchases, significantly reduces Accounts Payable workload, and gives schools a shorter cycle time for these items. Increased P-Card spending can provide higher rebate revenues, which in turn can pay for the management of the program. There are trade-offs however. The decentralized nature of these purchases could have an impact on lost opportunity for savings, and requires diligent oversight to prevent inappropriate use.

Factors That Influence This Measure

- Procurement policies, particularly those delegating purchase authority and P-Card usage
- Utilization of technology to manage a high volume of low dollar transactions
 - e-Procurement and e-Catalog processes utilized by district
 - P-Card software application for spend analysis, internal controls and P-Card database interface with a District's ERP system
- Budget, purchasing, and audit controls
- Accounts Payable policies for P-Card as an alternative payment method

Analysis of Data

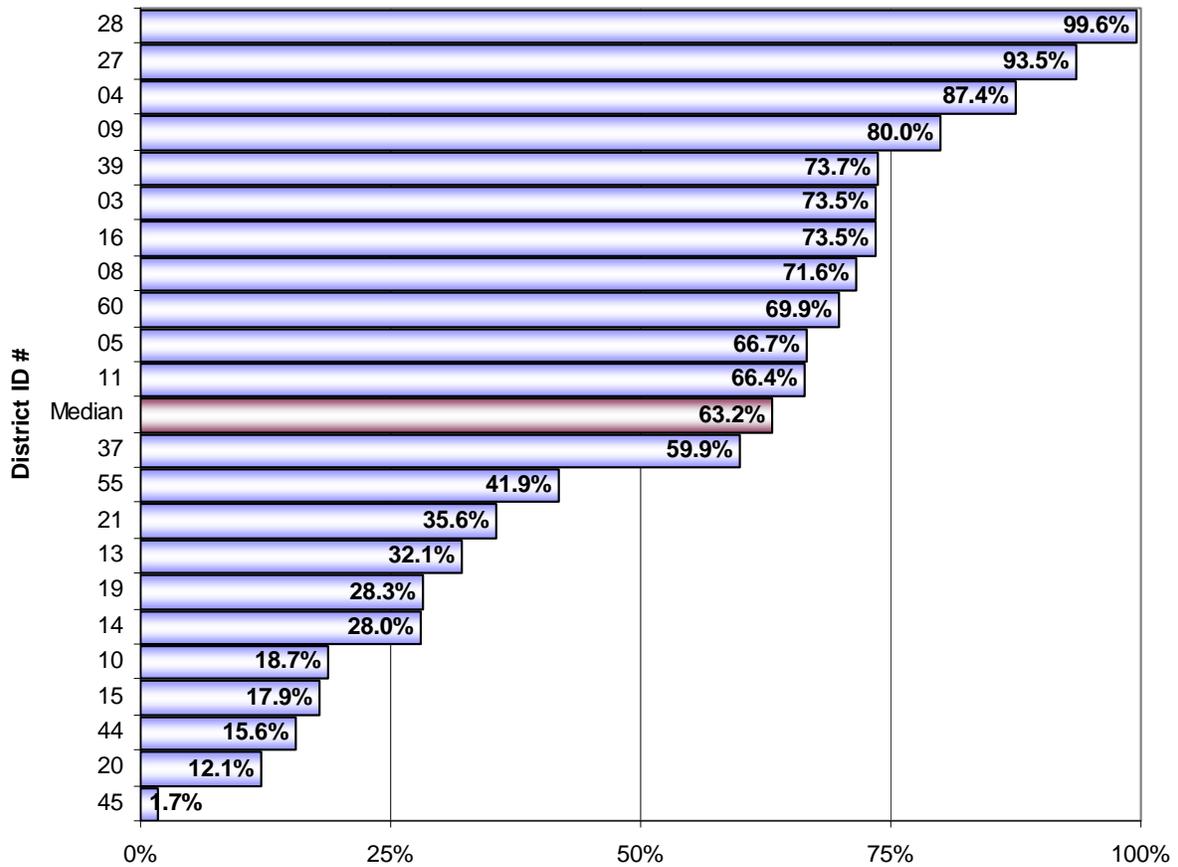
- FY 07 = 22 districts provided reasonable responses; FY 06 = 20 districts; FY 05 = 14 districts
- FY 07: High =99.6%; Low = 1.7%; Median = 63.2%
- Responses to this measure were fewer, which suggests utilization of P-cards is not yet common practice across the largest urban districts
- For those districts utilizing a P-card program, the data is very spread out, which suggests differing policies and approaches to the program
- It's important to note, this is a measure of transactions and likely does not reflect the percent of total spending that is done through P-cards given the usual low-dollar limits per transaction for internal controls

Trends and Observations

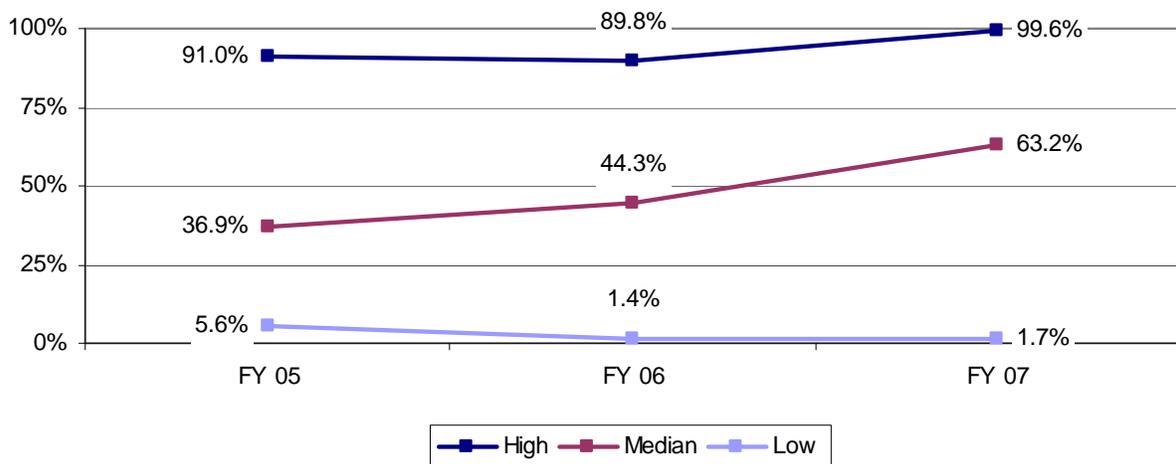
- Trend data shows those districts with extensive utilization are using it more over time and those at the bottom are using it less

Performance Measurement & Benchmarking for K12 Operations

P-Card Transactions



P-Card Transactions



Stock Turn Ratio

Total warehouse annual sales *divided by* total average inventory value

Why This Measure Is Important

Generally, total costs decline and savings rise when inventory stock turn increases. After a certain point - typically 8-10 turns - the reverse occurs, according to the National Institute of Governmental Purchasing (NIGP). Generally, an inventory turn rate of 4-6 times per year in the manufacturing, servicing and public sector is considered acceptable. However, the overall stock turn ratio should be broken down into types of commodities, as some commodities are optimally less than 4-6 (NIGP). Viewed another way, inventory turnover ratios indicate how much use districts are getting from the dollars invested in inventory. Stock turn measures inventory health and may provide an indication of:

- inventory usage and amount of inventory that is not turned over (“dead stock”),
- optimum inventory investment and warehousing size, and
- warehouse activity/movement.

Factors That Influence This Measure

- Inventory policy (e.g., safety or emergency inventory level requirements)
- Procurement policy (e.g., minimum order quantity and cycle)
- Budget allocation
- Market (e.g., shipping time, seasonal items)
- Warehouse types (e.g., office supplies, textbooks, maintenance items, food) may have different best practice stock turns due to variations in safety levels, economic order quantities, carrying costs, cyclical nature of demand

Analysis of Data

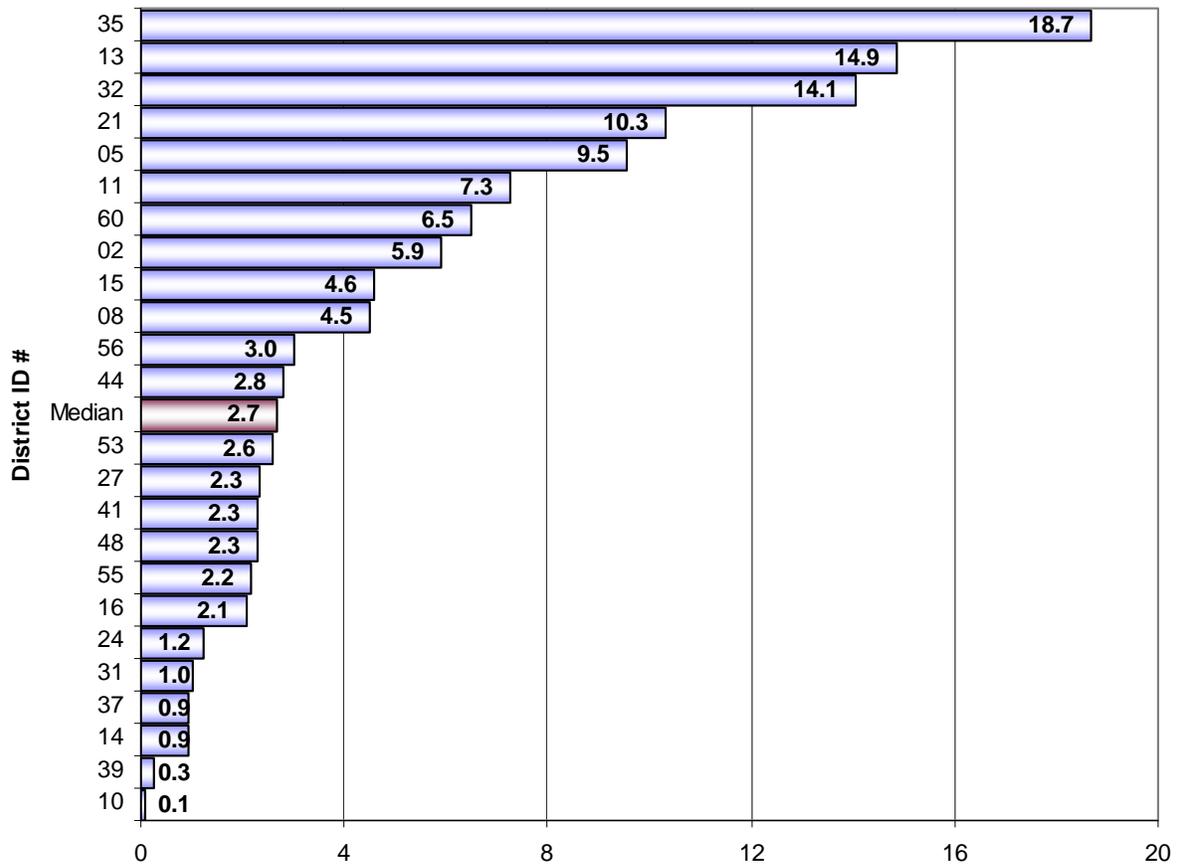
- FY 07 = 24 districts provided reasonable responses; FY 06 = 22 districts; FY 05 = 7 districts
- FY 07: High = 18.7; Low = 0.1; Median = 2.7
- Data is fairly spread out for this measure, which suggests differences among districts in policies and approaches to warehousing
- The most common cluster of responses are those districts whose stock turns between 2.2 and 2.8 annually, while top performers report 14.1 to 18.7
- Not all districts favor utilization of a warehouse. The data appears to illustrate that those with them may use them differently (e.g., storage/distribution vs. enterprise fund).

Trends and Observations

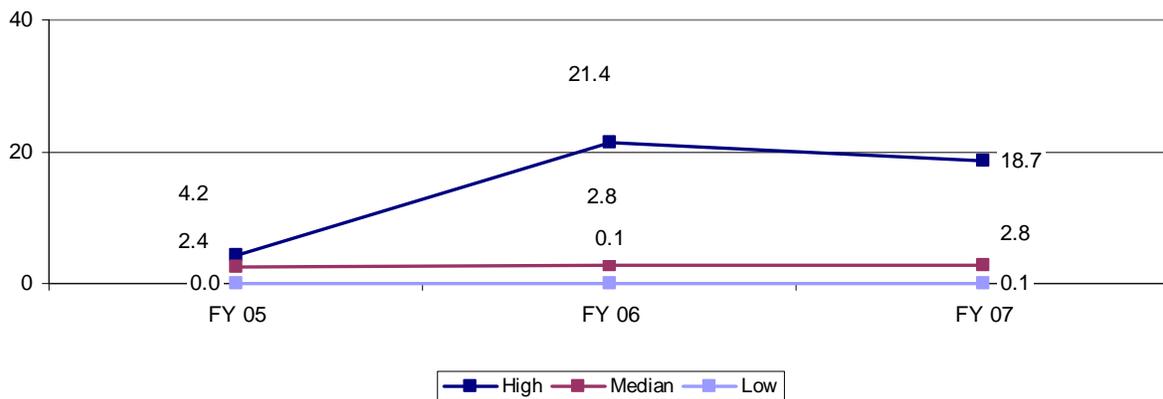
- The number of districts reporting influences the top performing data. The median remained constant across years.

Performance Measurement & Benchmarking for K12 Operations

Stock Turn Ratio



Stock Turn Ratio



Warehouse Fill Rate

Total annual warehouse lines filled *divided by* total annual warehouse lines ordered

Why This Measure Is Important

This measure captures the number of demand requisitions compared to requisitions completed for stock items. This determines the effectiveness of the warehouse operations throughout the district, which in turn affects customer satisfaction.

Factors That Influence This Measure

- Stock ratio
- Higher than anticipated demands due to windfall of grants
- Forecasting capability

Analysis of Data

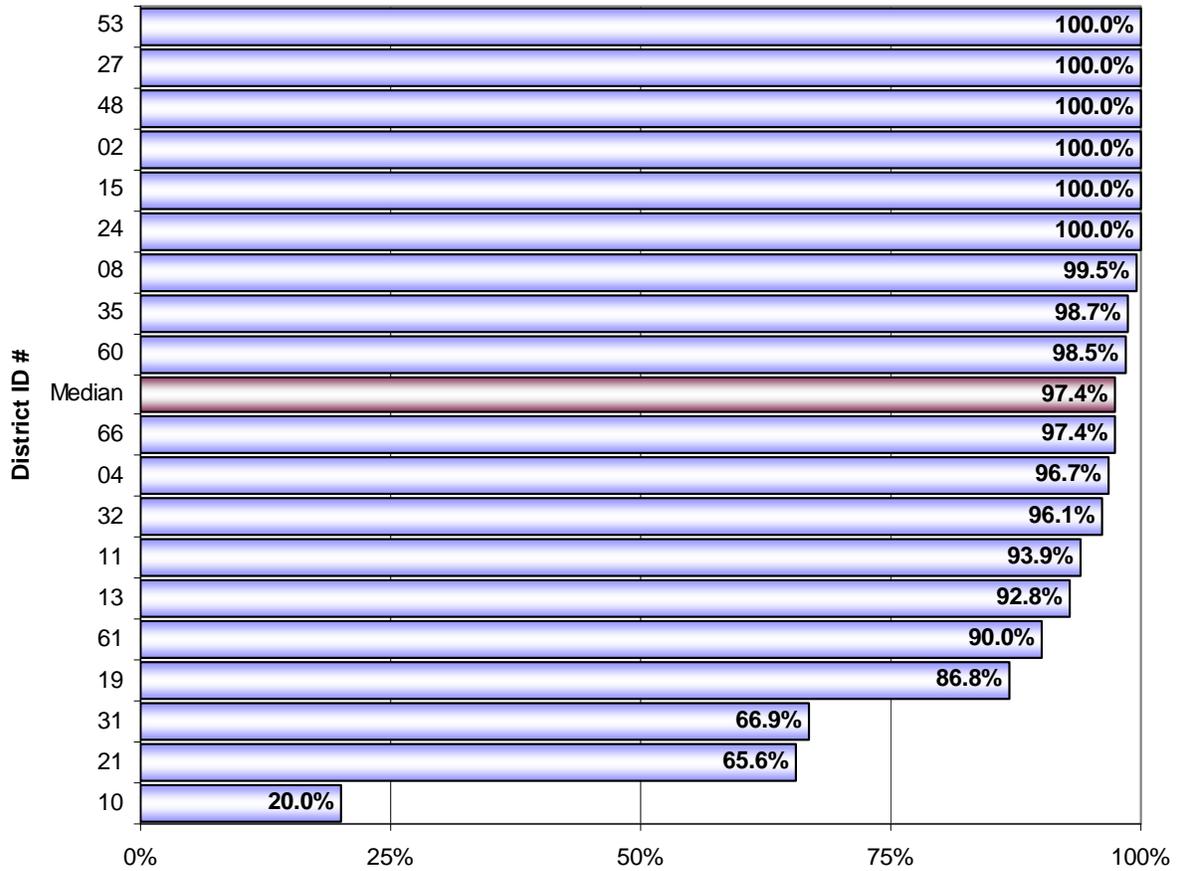
- FY 07 = 19 districts provided reasonable responses; FY 06 = 19 districts
- FY 07: High = 100.0%; Low = 20.0%; Median = 97.4%
- Customer service is indicated by the high standard found in the data reported with the significant majority reporting fill rates of 95% to 100%
- The districts with significantly low fill rates may have differing uses for their warehouses or may measure differently.

Trends and Observations

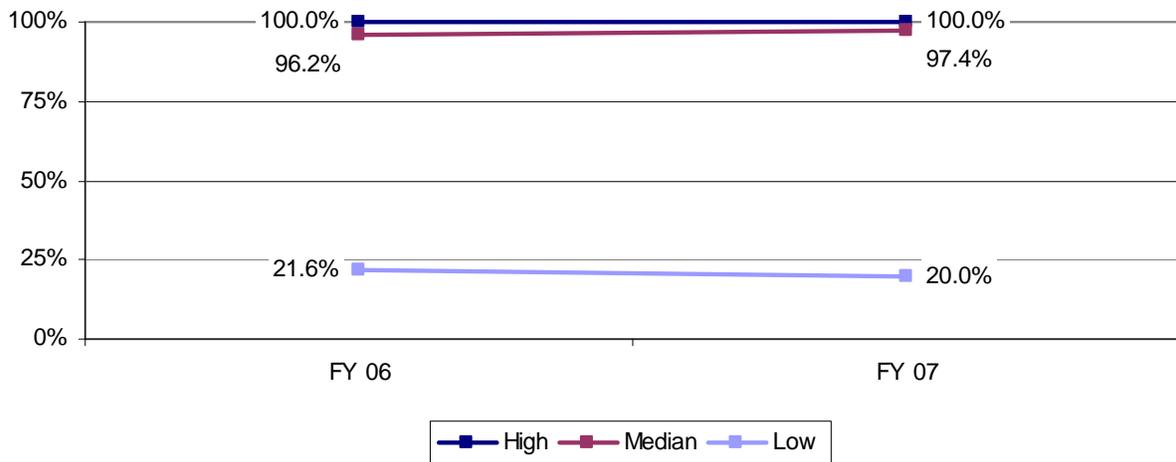
- The trends at all levels are consistent over time

Performance Measurement & Benchmarking for K12 Operations

Warehouse Fill Rate



Warehouse Fill Rate



Certified Professional Procurement Staff

Number of professional procurement staff and supervisors with certification *divided by* number of professional procurement staff and supervisors

Why This Measure Is Important

This measure sets a standard for technical knowledge for procurement staff that directly affects processing time, negotiation, procedural controls, and strategies applied to maximize cost savings. The procurement function has evolved to require procurement professional staff to focus on:

- strategic issues versus transactional processing,
- advanced business skills that look at agency supply chain, logistics optimization, total cost of ownership evaluations, make versus buy analysis, leveraging cooperative procurements, and agency spend analyses, and
- balance of service with internal controls.

Factors That Influence This Measure

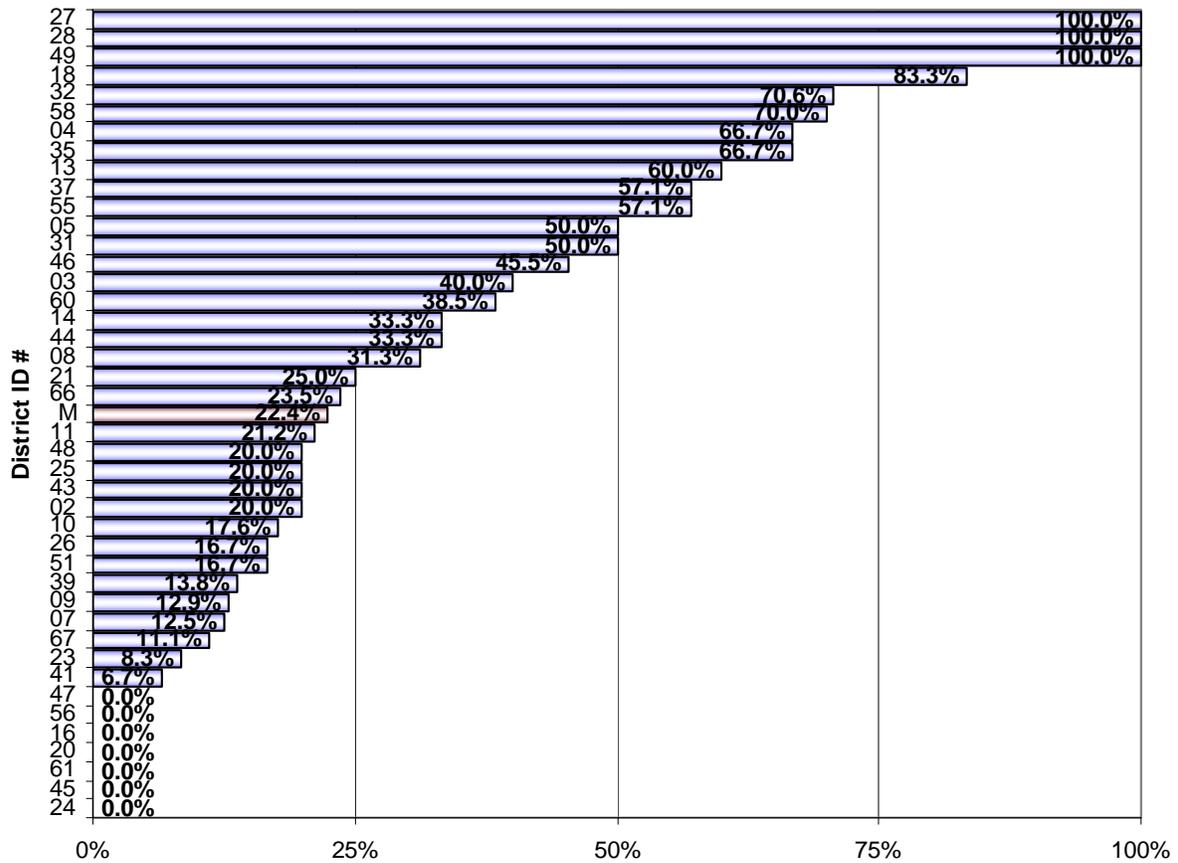
- Budget/FTE allocations to central procurement functions
- Procurement policies such as delegated purchasing authority, formal procurement dollar threshold, small purchase procedures, P-card utilization, etc.
- Newer technology requires greater knowledge of e-procurement and e-commerce
- Understanding of procurement and the complexities within the bidding process
- Value that an organization places on its procurement functions and procedures
- Policies favoring internal promotion over technical recruitment

Analysis of Data

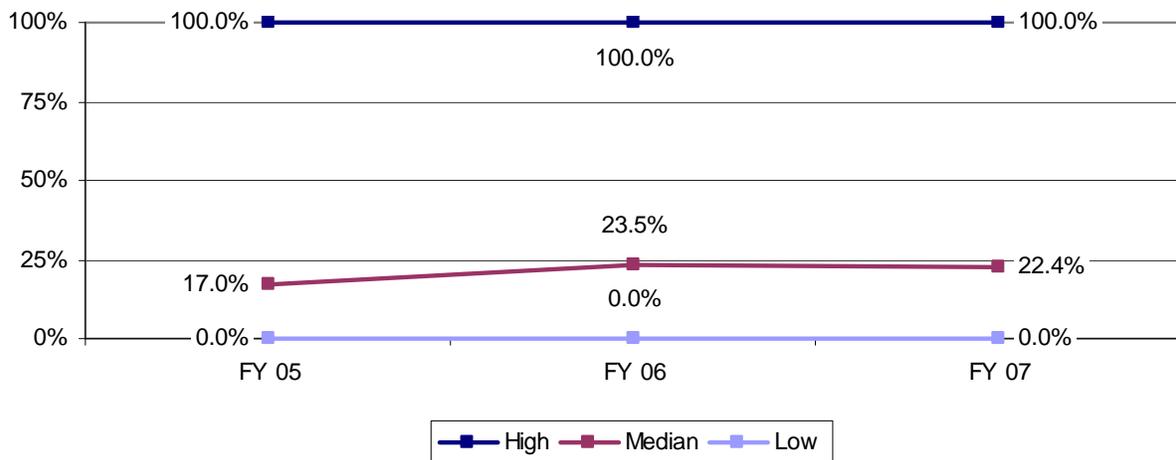
- FY 07 = 42 districts provided reasonable responses; FY 06 = 43 districts; FY 05 = 36 districts
- FY 07: High =100.0%; Low =0.0%; Median = 22.4%
- The high number of responses shows this is an important measure to examine across districts. However, the data is very spread out, illustrating different perspectives among districts.
- The upper quartile of districts report 66% or more of their procurement staff are certified; whereas, the lower quartile report 17% or less. Seven districts reported no certified staff.

Performance Measurement & Benchmarking for K12 Operations

Certified Professional Procurement Staff



Certified Professional Procurement Staff



Procurement Transactions per Professional

Total number of procurement transactions *divided by* total professional procurement staff

Why This Measure Is Important

In order for procurement staff to maximize savings, ensure competition, minimize processing times, and exercise adequate compliance and internal controls, staff must be *strategic* instead of *transactional* in their workload. The number of transactions per professional will be a reflection of policies, resources, and approaches to procurement in a district.

Factors That Influence This Measure

- Budget allocation
- Procurement policies for dollar thresholds for approval
- Extent of centralization/decentralization of purchasing authority
- Technical leadership in procurement management
- Utilization of technology and e-procurement tools
- Existence of a P-Card program
- Strategic sourcing including term contracts, blanket POs

Analysis of Data

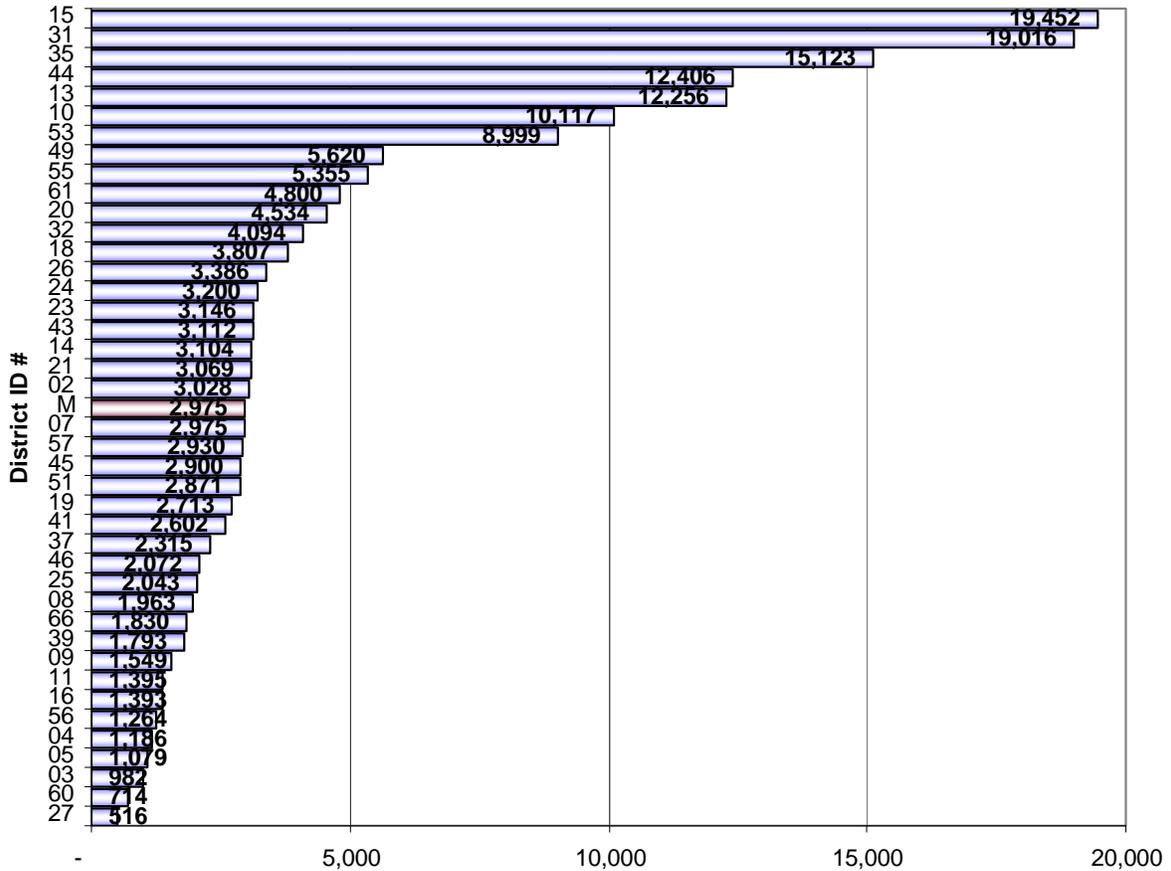
- FY 07 = 41 districts provided reasonable responses; FY 06 = 41 districts; FY 05 = 24 districts
- FY 07: High = 19,452; Low = 516; Median = 2,975
- The data is widely spread out, suggesting districts have significantly different practices
- Half of the responding districts report workload between 2,000 and 5,000

Trends and Observations

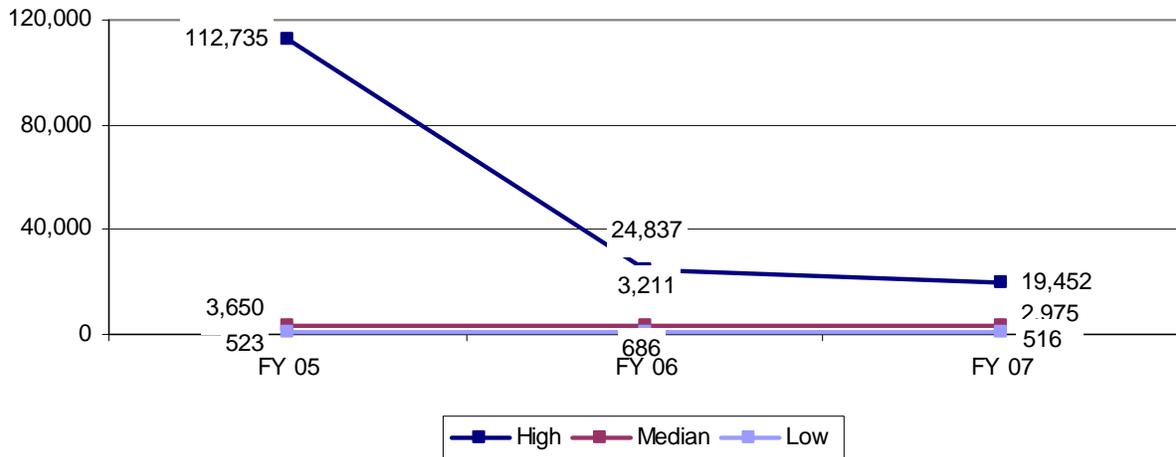
- Due to the significant difference in data for the top performing districts, the trend should be examined at the median, which remained relatively constant across all years

Performance Measurement & Benchmarking for K12 Operations

Procurement Transactions per Professional



Procurement Transaction per Professional



Cost per Purchase Order (ACCRA adjusted¹)

Total procurement department expenditures *divided by* total district procurement transactions, including construction contracts

Why This Measure Is Important

Comparing cost/benefit of other means of procurement (e.g., P-Card program, ordering agreements), especially for smaller procurements and evaluating the benefit of leveraging the consolidating requirements.

Factors That Influence This Measure

- Number of professional staff
- Degree of P-Card utilization
- Degree of requirement consolidation and standardization
- Workload efficiency per staff member

Analysis of Data

- FY 07 = 40 districts provided reasonable responses; FY 06 = 38 districts; FY 05 = 18 districts
- FY 07: Low = \$11.69; High = \$244.63; Median = \$48.75
- There is a significant difference among the highest and lowest data reported here; the lowest cost districts in the upper quartile have costs between \$11 and \$21, while the highest costs are well over \$100

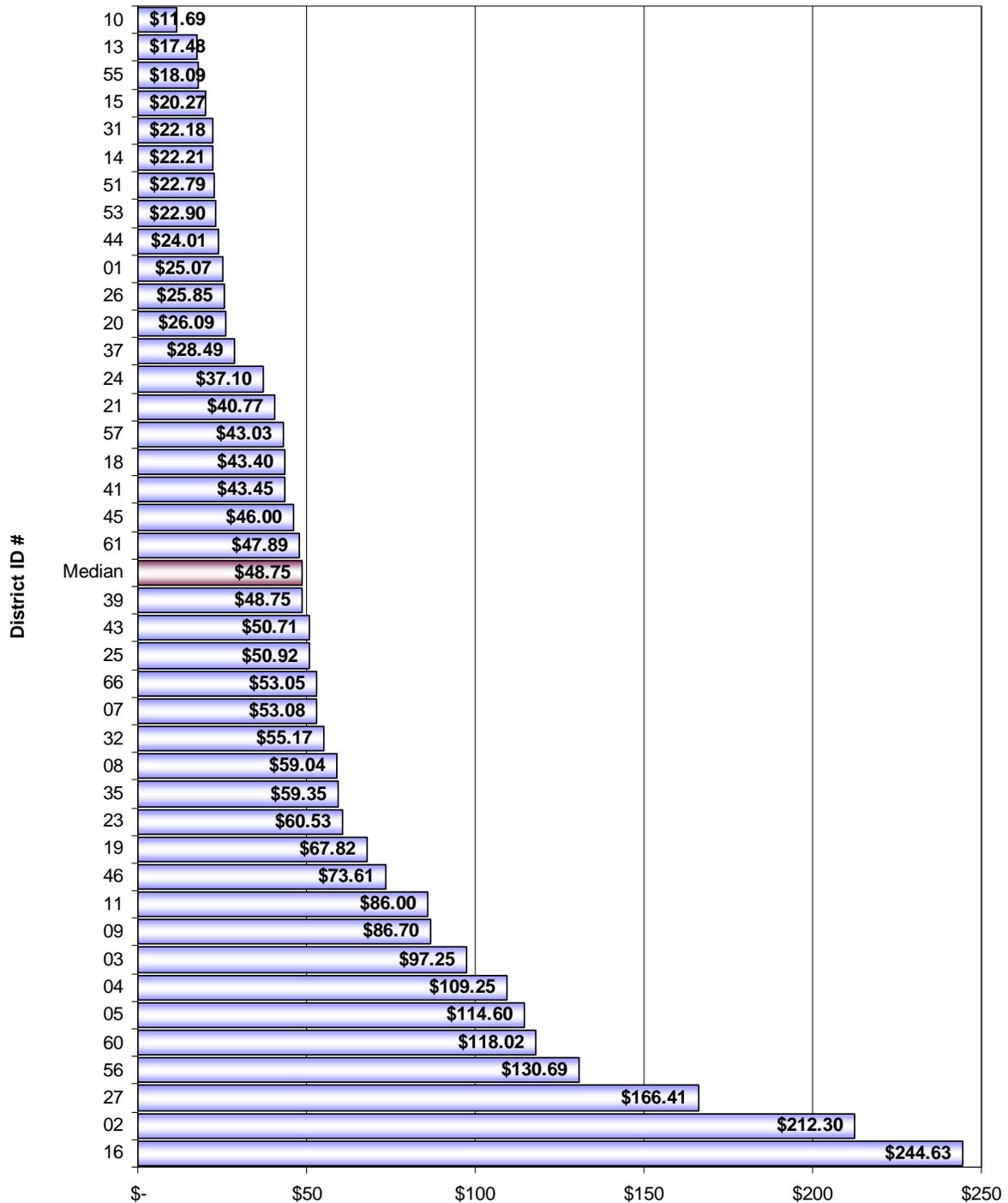
Trends and Observations

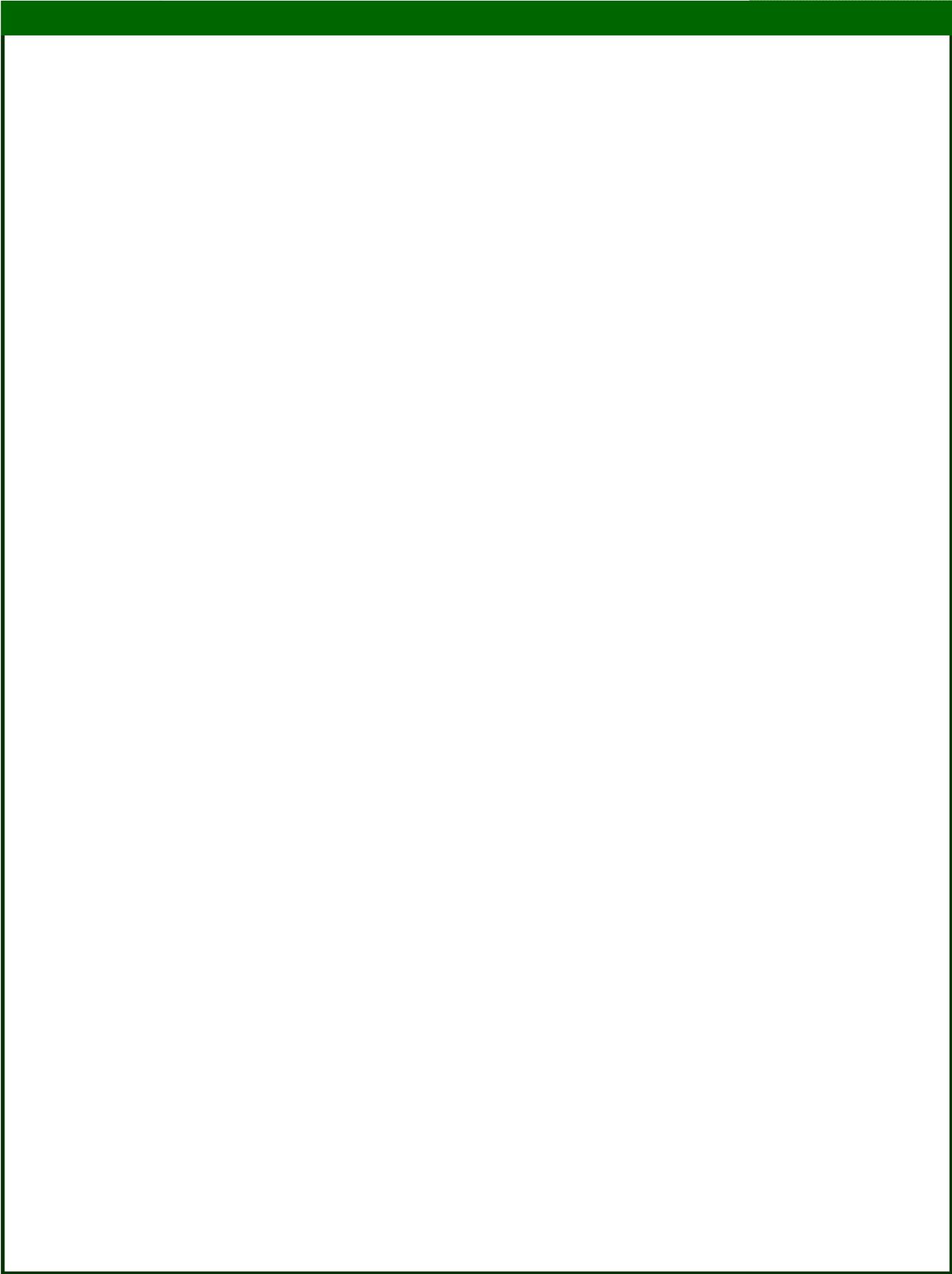
- The lowest and median costs remained relatively constant, while the highest costs had significant variance. This could be a result of district reporting, complexity of procurements and other factors.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

Cost per Purchase Order (ACCRA adjusted)





Safety & Security

Incidents per 1,000 Students

Total incidents – all types *divided by* total enrollment (by 1,000)

Why This Measure Is Important

This gives us an idea of the overall volume of incidents (adjusted for enrollment) that the school district contends with on an annual basis. The number of incidents plays a large roll in the priority level that the district will put on its safety and security efforts.

Factors That Influence This Measure

- The term “incidents” covers many different types of activities, including crimes against people, crimes against property, weapons, drugs and arrests, as well as threats. Therefore, the number and mix of incidents will influence this measure.
- Factors outside of the district, including trends in violence, gang involvement, etc. will influence this measure considerably
- Enrollment will also affect this measure and normalize it across districts of varying sizes.

Analysis of Data

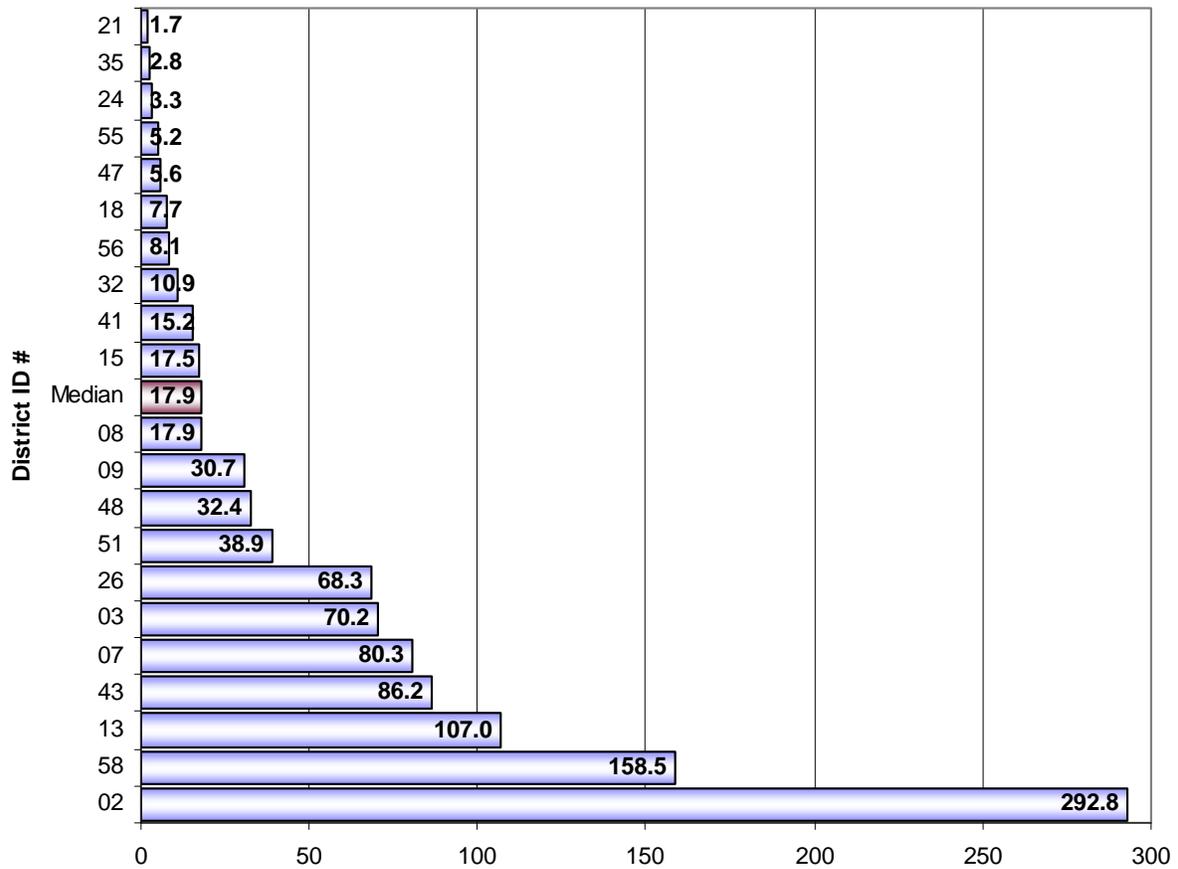
- FY 07 = 21 districts provided reasonable responses; FY 06 = 22 districts
- FY 07: Low = 1.7; High = 292.8; Median = 17.9
- There is a significant spread in the data for this measure, indicating varying conditions among urban districts in the country.
- There are 4 distinct clusters of data: 1.7 to 17.9, 30.7 to 38.9, 68.3 to 86.2, and 107 to 292.8

Trends and Observations

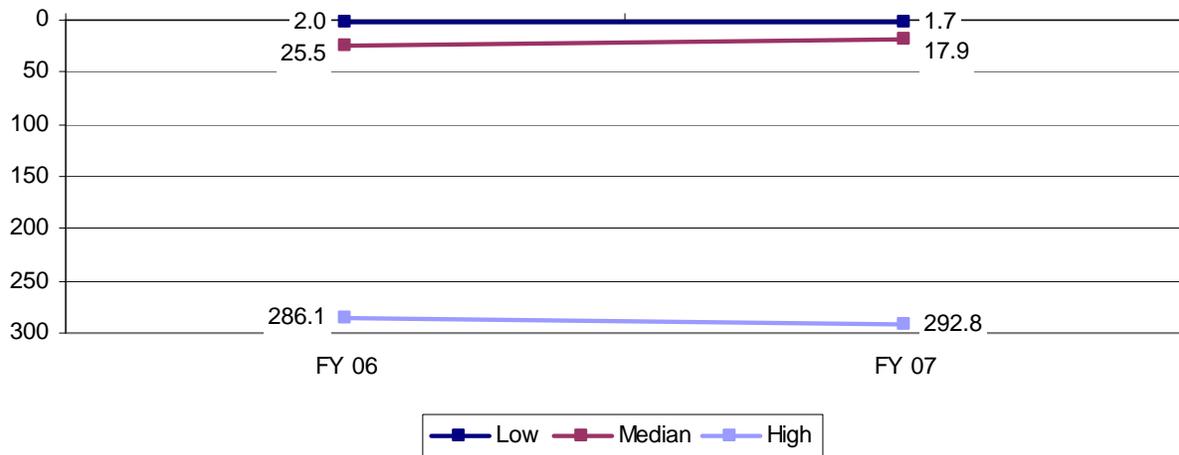
- Data for the high, median and low are consistent over the two year trend

Performance Measurement & Benchmarking for K12 Operations

Incidents per 1,000 Students



Incidents per 1,000 Students



Cost per Student (ACCRA adjusted¹)

Total annual Safety & Security expenditures *divided by* total enrollment

Why This Measure Is Important

This measure establishes benchmarks for the amount of money spent by a district on safety and security, adjusted for enrollment. Coupled with the previous measure, districts can see their relative place in terms of their number of incidents and the cost they are incurring to deal with those incidents.

Factors That Influence This Measure

- Budget – available resources to allocate to safety and security
- Investment in certain levels of security officer technical skill sets
- A district’s staffing decisions, which are usually determined through a student to officer ratio measure
- Need for safety and security allocations based on data such as incident statistics
- Well-trained staff can recognize security weaknesses and threats and deal with them efficiently which can lessen the need for greater budget allocations
- Investment into technology and equipment such as video cameras, metal detectors, etc.
- Enrollment

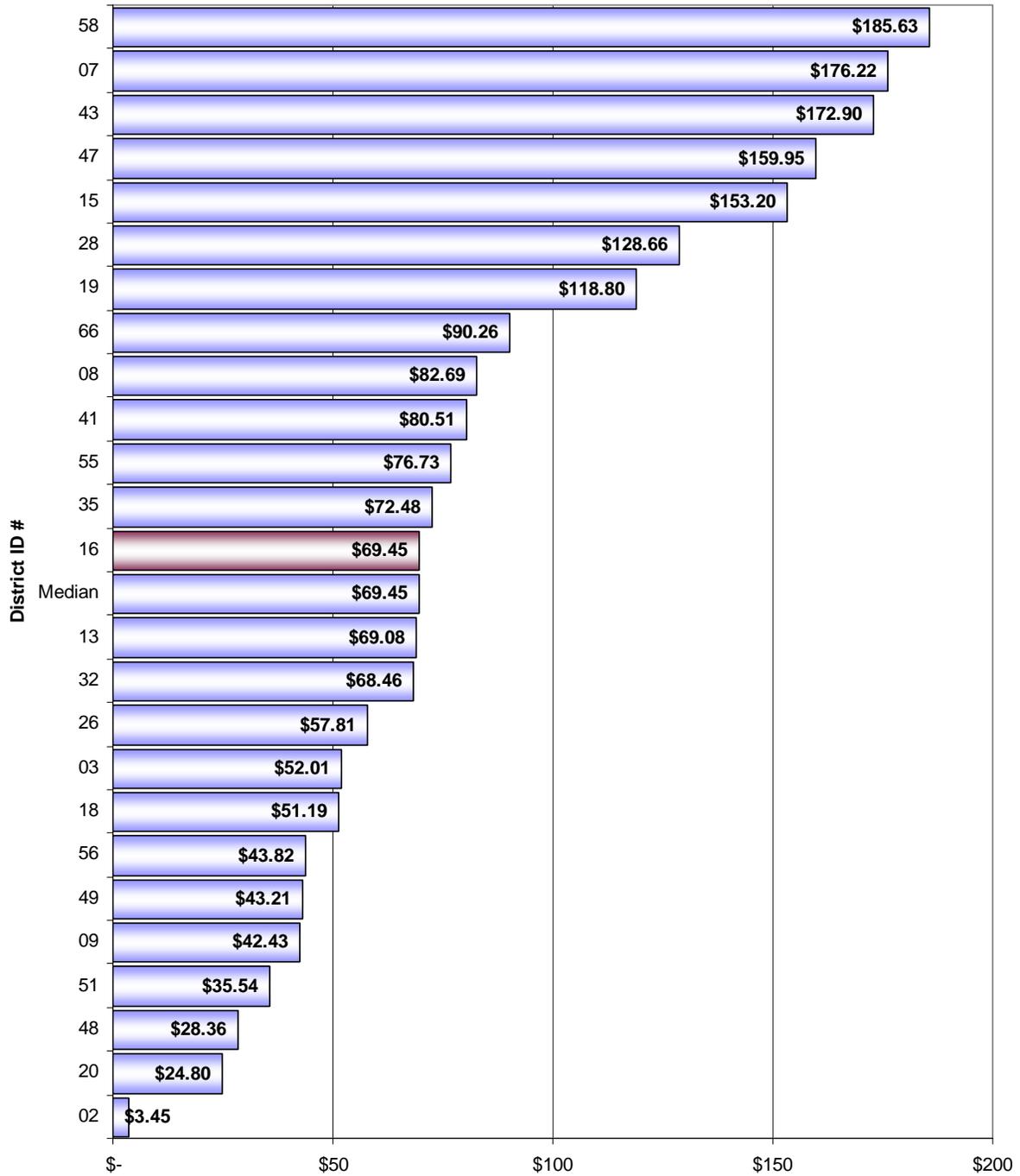
Analysis of Data

- 25 districts provided reasonable responses
- FY 07: High = \$185.63; Low = \$3.45; Median = \$69.45
- For purposes of this discussion, the data is reported as greater investment in safety as preferred rather than less. Clearly the cost efficiency of safety and security is also a priority so more funds are spent in the classroom.
- The data is very spread out for this measure.
- 5 of the districts report spending between \$70 and \$100 per student on safety and security.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

Safety & Security Cost per Student (ACCRA adjusted)



Safety & Security Staff per 1,000 Students

Total Safety & Security staff *divided by* total enrollment (by 1,000)

Why This Measure Is Important

This gives us an idea of the concentration of safety officers in each district, adjusted for the size of the district in terms of enrollment. The “coverage” of officers across the student population will play a large role in effectiveness of security efforts.

Factors That Influence This Measure

- Budget – available resources to allocate to safety and security
- Staffing formulas
- Documented need for additional safety and security staff through data such as crime statistics
- Utilization of technology such as security cameras to offset the need for more staff
- Enrollment

Analysis of Data

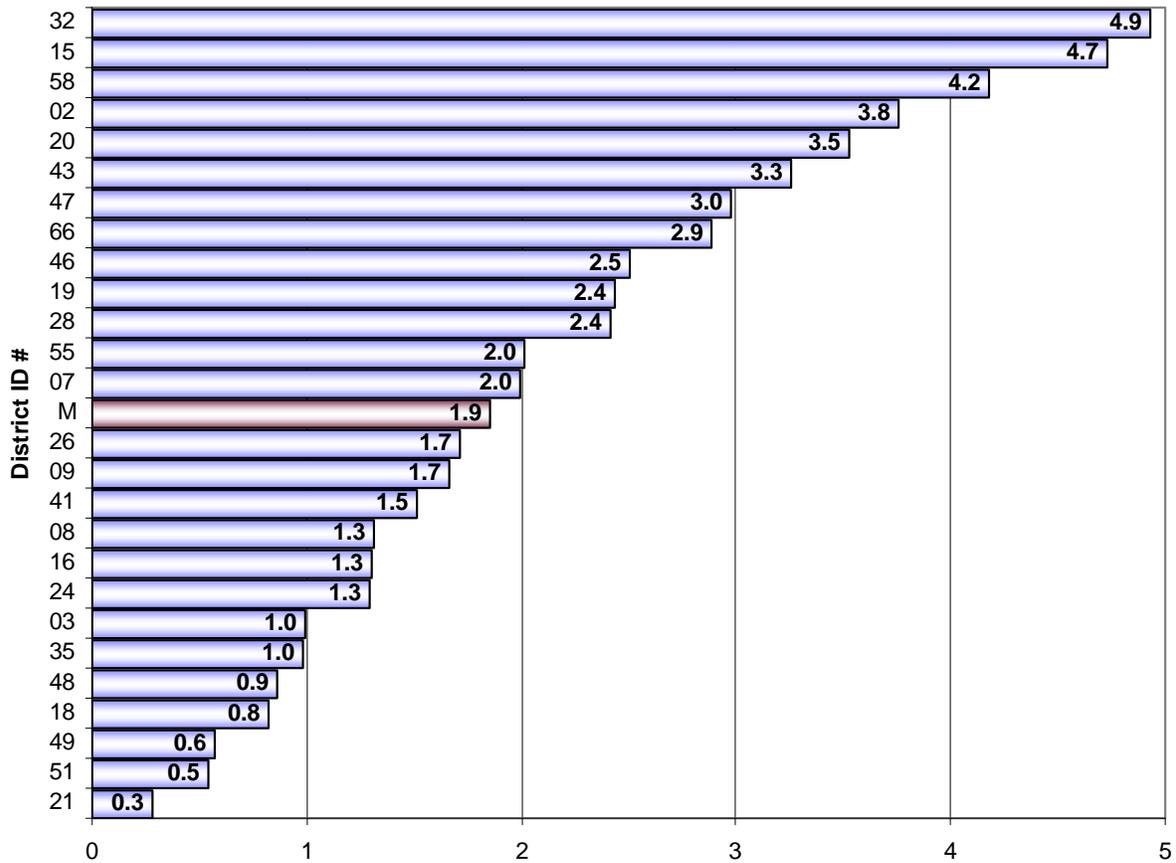
- FY 07 = 26 districts provided reasonable responses; FY 06 = 25 districts; FY 05 = 27 districts
- FY 07: High = 4.9; Low = 0.3; Median = 1.9
- Staffing decisions are varied among the reporting districts for this measure. In last year’s report, data illustrated that districts have varying methods to determine the staffing needs that are best for their needs.
- Almost half of the reporting districts are between 1.3 to 2.4 safety and security staff per 1,000 students

Trends and Observations

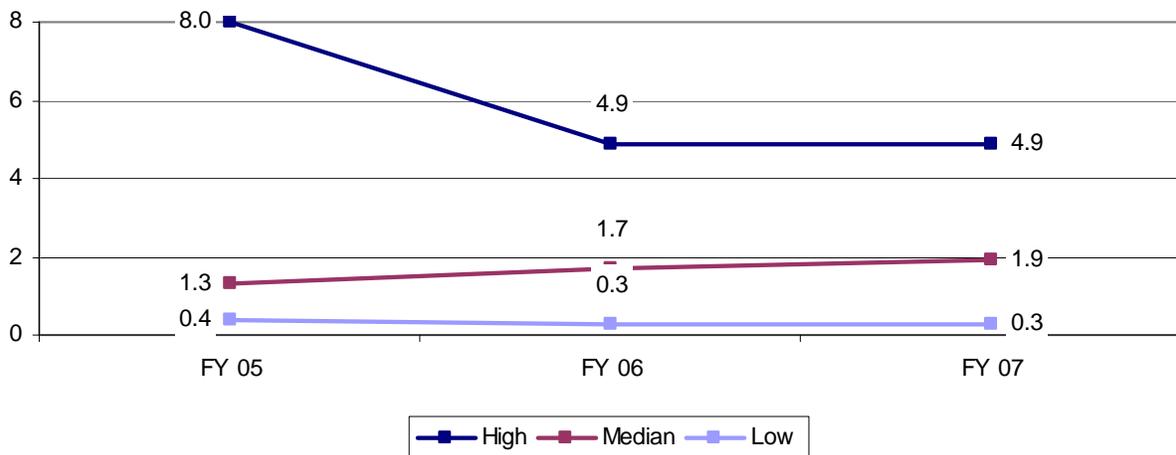
- Safety and security staffing at the median is increasing slightly over time

Performance Measurement & Benchmarking for K12 Operations

Safety & Security Staff per 1,000 Students



Safety & Security Staff per 1,000 Students



School Buildings with Access Control

Number of school buildings employing access control *divided by* number of school buildings

Why This Measure Is Important

This measure reflects the emphasis the district puts on access control as a deterrent.

Factors That Influence This Measure

- Reliability of alarm systems and video surveillance and other deterring measures
- Level of concern due to crime statistics of surrounding neighborhoods
- District policy for security
- Configuration of school (office, front desk, etc.) to make access control a possibility
- Budget allocations for door bells and buzzers systems, etc.

Analysis of Data

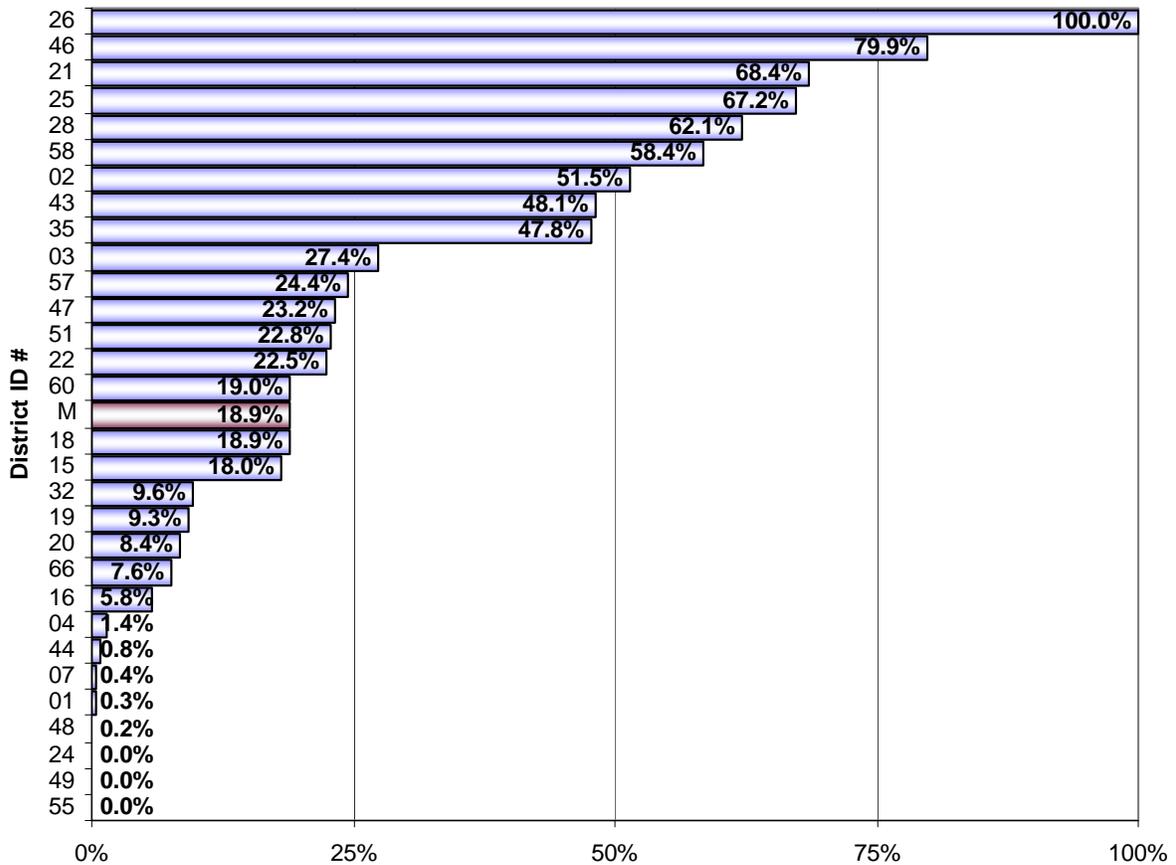
- FY 07 = 30 districts provided reasonable responses; FY 06 = 30 districts
- FY 07: High = 100.0%; Low = 0.0%; Median = 18.9%

Trends and Observations

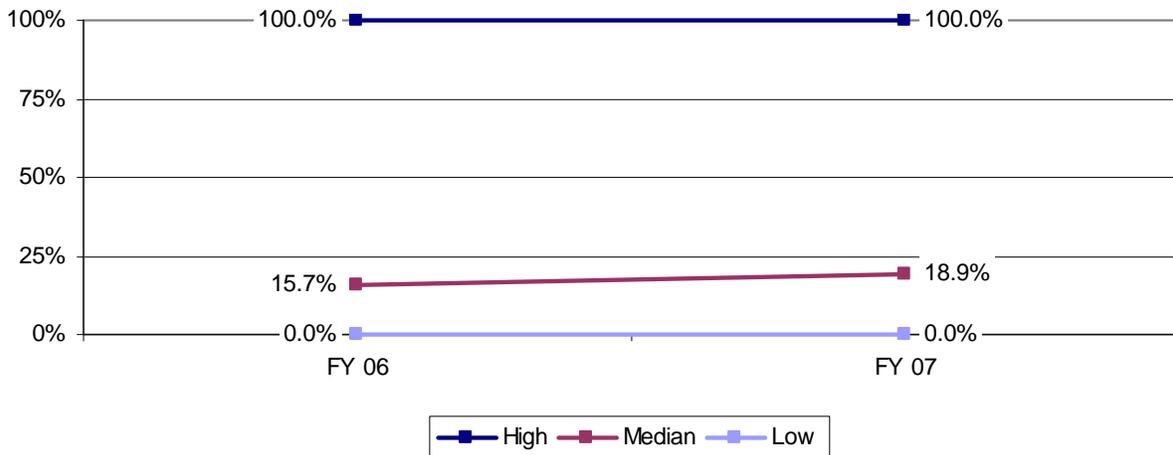
- There is a slight increase at the median indicating districts are continuing to incrementally get access control policies in their schools

Performance Measurement & Benchmarking for K12 Operations

School Buildings with Access Control



School Buildings with Access Control



School Buildings Requiring Employee ID Badges

Number of school buildings requiring employee ID badges *divided by* number of school buildings

Why This Measure Is Important

This measure reflects the emphasis the district puts on identification badges as a safety enhancement. Staff with identification badges are more easily distinguished from visitors in buildings.

Factors That Influence This Measure

- District policy to require employees to wear badges every day
- Effectiveness of school property monitoring to check for unauthorized personnel

Analysis of Data

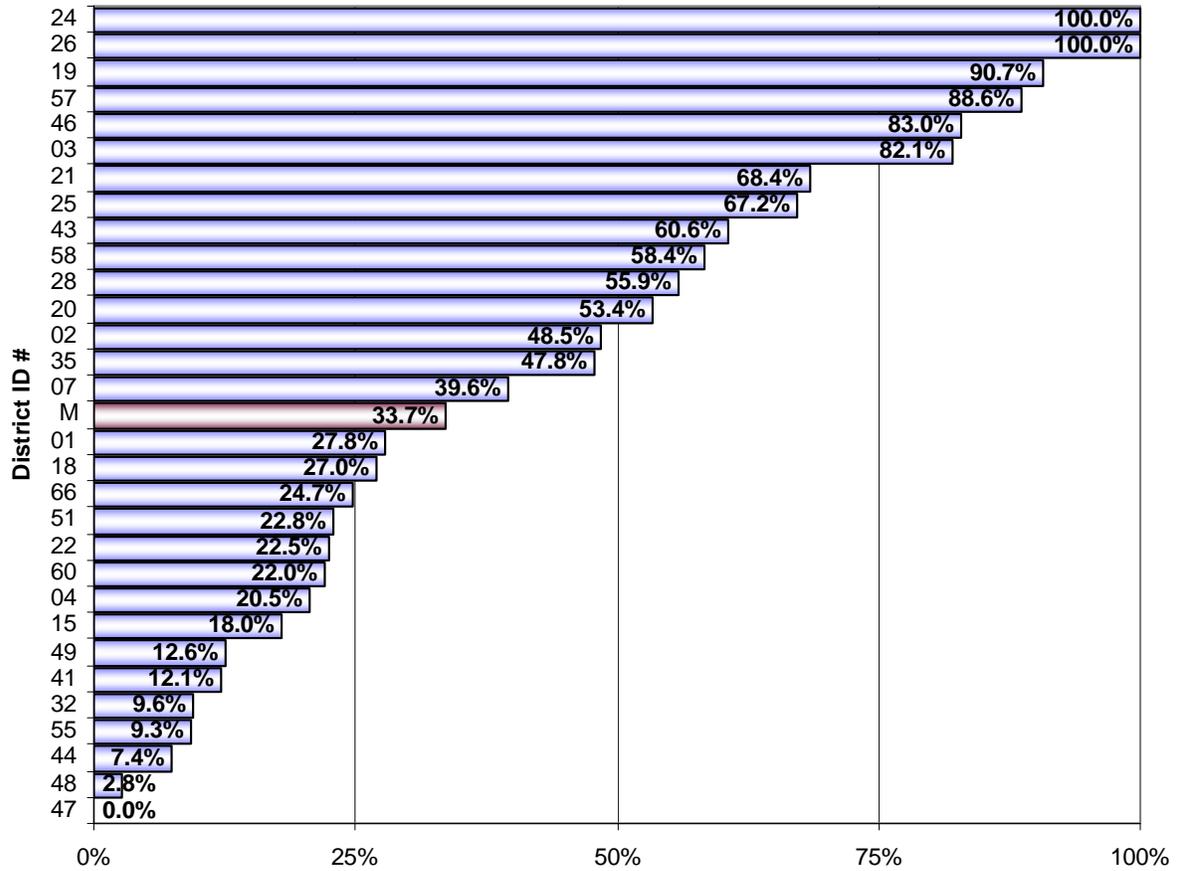
- FY 07 = 30 districts provided reasonable responses; FY 06 = 30 districts
- FY 07: High = 100.0%; Low = 0.0%; Median = 33.7%
- Generally a policy would be all or nothing for a measure such as this, so one would anticipate either 100% or 0%. However, the data illustrates employee ID badges are not a uniform approach, with various levels of buildings requiring them.

Trends and Observations

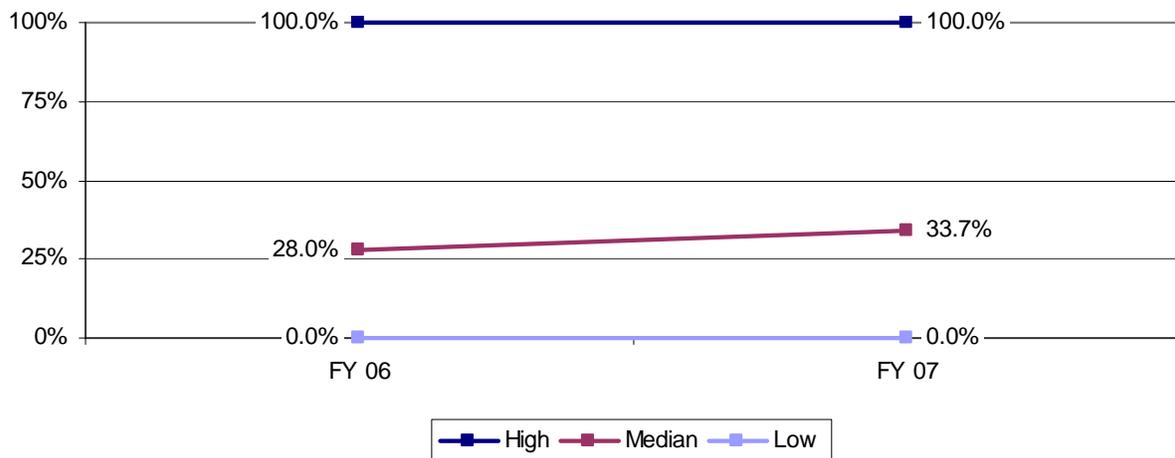
- The trend at the median shows an increase in buildings requiring employee ID badges

Performance Measurement & Benchmarking for K12 Operations

School Buildings Requiring Employee ID Badges



School Buildings Requiring Employee ID Badges



School Buildings Requiring Visitor ID Badges

Number of school buildings requiring visitor ID badges *divided by* number of school buildings

Why This Measure Is Important

This measure reflects the emphasis the district puts on using visitor identification badges as a deterrent to having unauthorized strangers in school buildings. Through the process of signing in visitors and giving them badges, school staff can be more vigilant about who has access to their buildings.

Factors That Influence This Measure

- District policy to require visitors to wear badges
- Effectiveness of school property monitoring to check for unwanted personnel

Analysis of Data

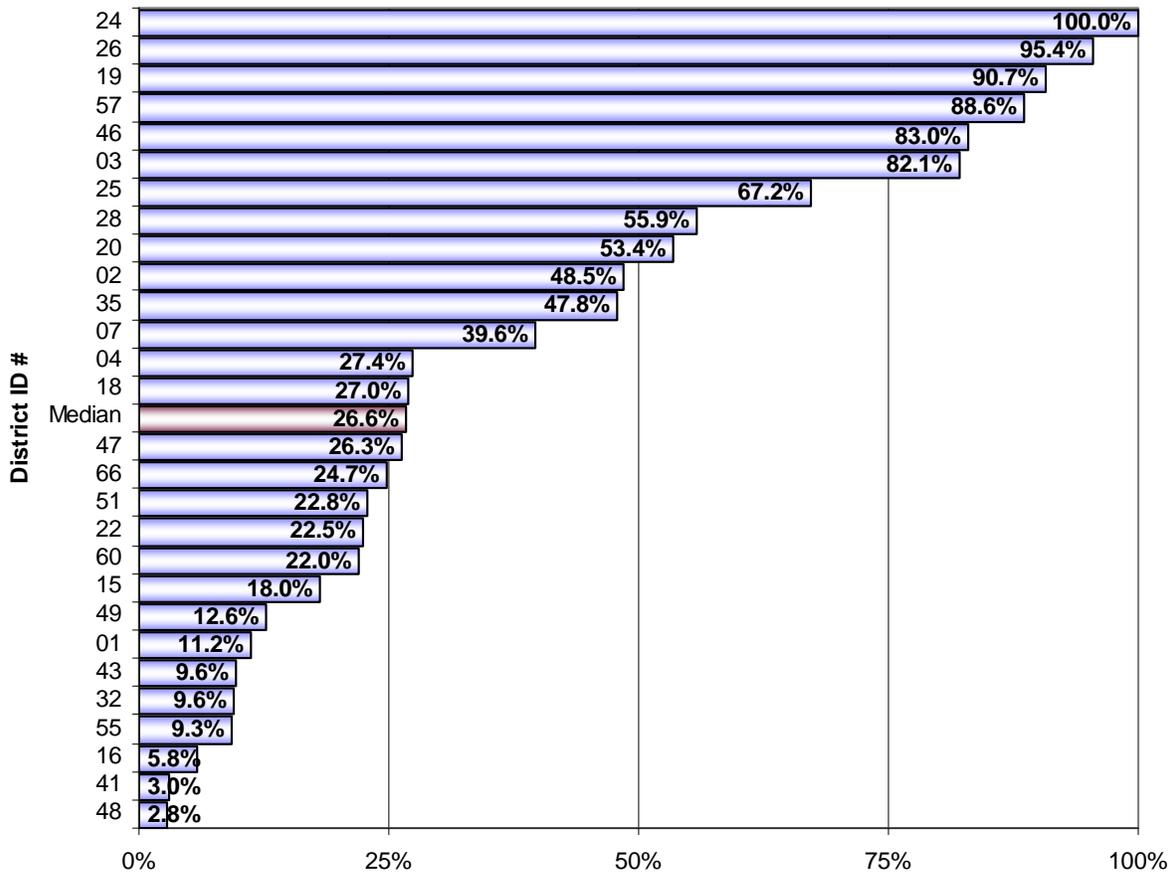
- FY 07 = 28 districts provided reasonable responses; FY 06 = 28 districts
- FY 07: High = 100.0%; Low = 2.8%; Median = 26.6%
- As in the previous measure, a policy would be all or nothing for a measure such as this, so one would anticipate either 100% or 0%. However, the data illustrates employee ID badges for visitors are not a uniform approach.
- The districts in the upper quartile appears to have uniform policies for both employee and visitor ID requirements as they report the same data for both measures.
- There is slightly less of a requirement for visitor ID badges compared to employee ID badges in school buildings.

Trends and Observations

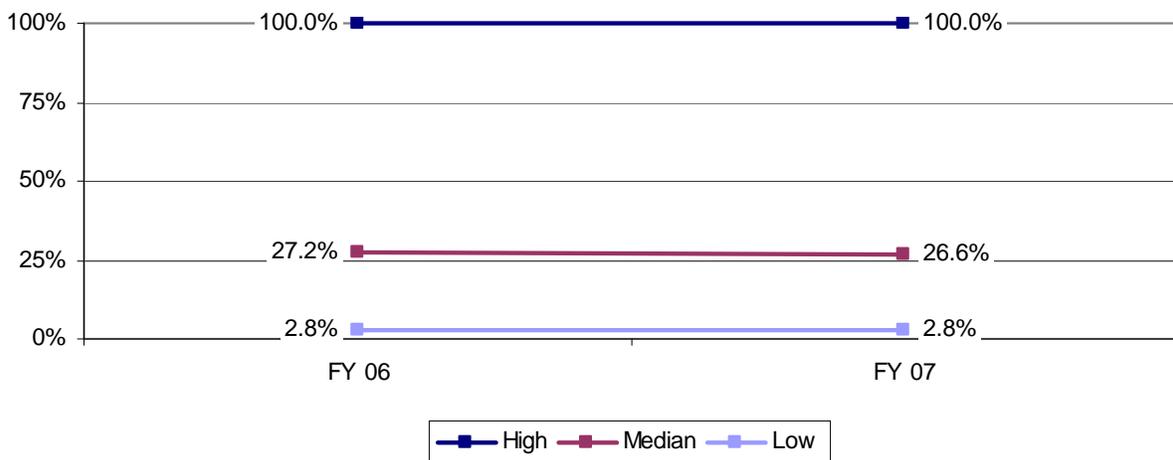
- The trend remained constant over the two-year period for which data was collected.

Performance Measurement & Benchmarking for K12 Operations

School Buildings Requiring Visitor ID Badges



School Buildings Requiring Visitor ID Badges



School Buildings with Onsite Video Surveillance Monitoring

Number of school buildings with onsite video surveillance monitoring *divided by* number of school buildings

Why This Measure Is Important

The benefits of video images in crime prevention and solving of crimes are enormous. A discussion of how images should be maintained is also an issue. Video surveillance technology is really improving. There are actually "smart cameras" out there that are triggered by fights, by whether a person is standing or lying down, etc.

Factors That Influence This Measure

-
- Allocation of budget funds for video monitoring
- Policies on system monitoring
- Location and capture rate of cameras
- Privacy issues

Analysis of Data

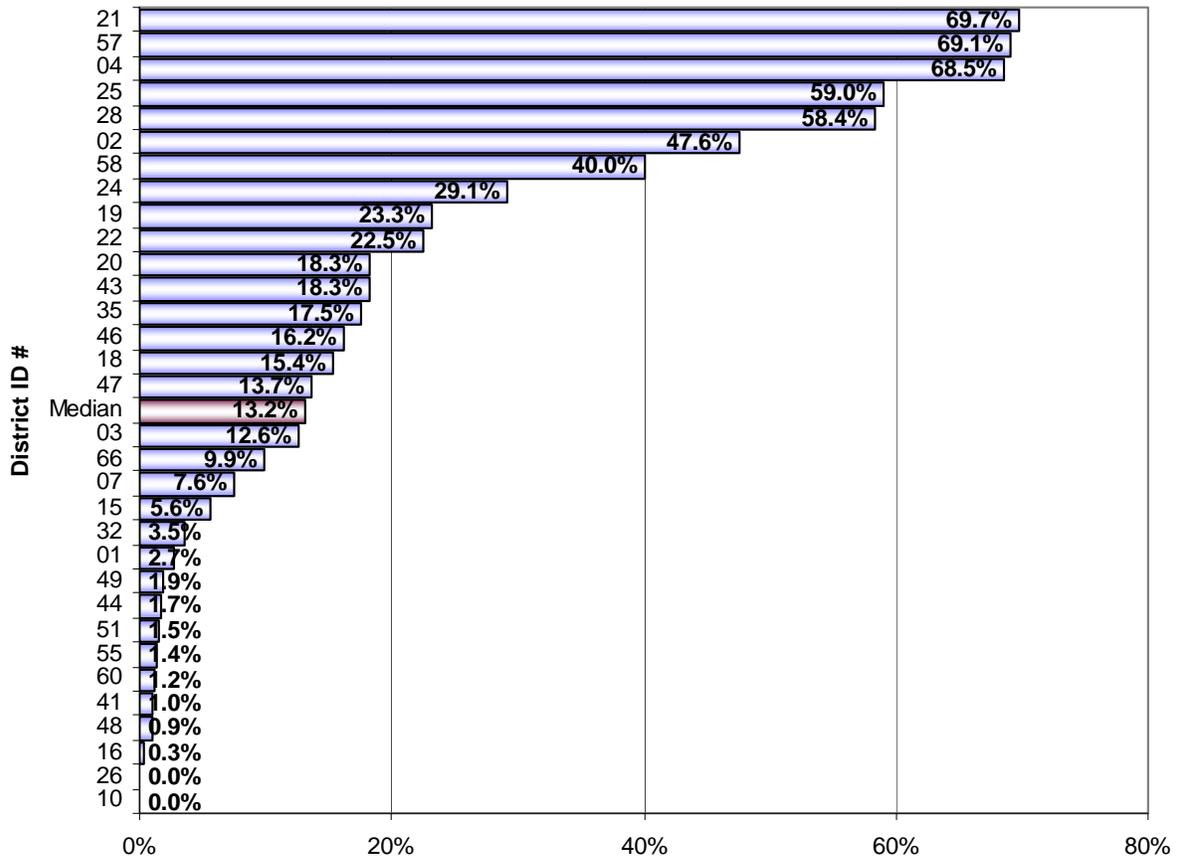
- FY 07 = 32 districts provided reasonable responses; FY 06 = 31 districts; FY 05 = 19 districts
- FY 07: High = 69.7%; Low = 0.0%; Median = 13.2%
- The data illustrates the prioritization some districts have placed on the utilization of security cameras in their schools given their high percentages compared to other districts.
- The majority of districts have less than 20% of schools with cameras.

Trends and Observations

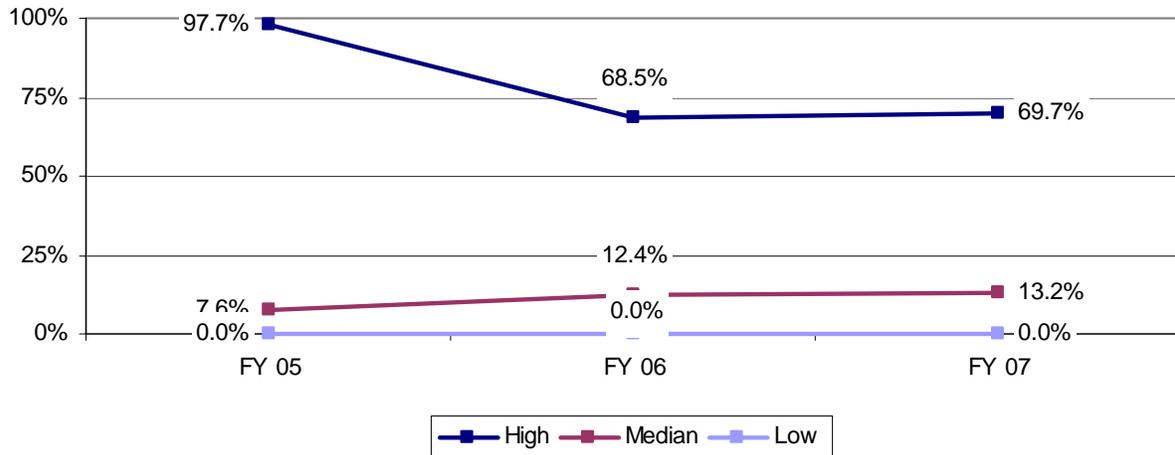
- The trend for security camera use is increasing

Performance Measurement & Benchmarking for K12 Operations

School Buildings with Onsite Video Surveillance Monitoring



School Buildings with Onsite Video Surveillance Monitoring



School Buildings with Alarm Systems

Number of school buildings with alarm systems *divided by* number of school buildings

Why This Measure Is Important

Provides for the safeguarding of district assets.

Factors That Influence This Measure

- Historical crime rates for physical property
- Reliability of alarm system
- Response time of monitors
- Configuration of the alarm system
- Budget allocation
- Inclusion of security systems in a district's construction and modernization program

Analysis of Data

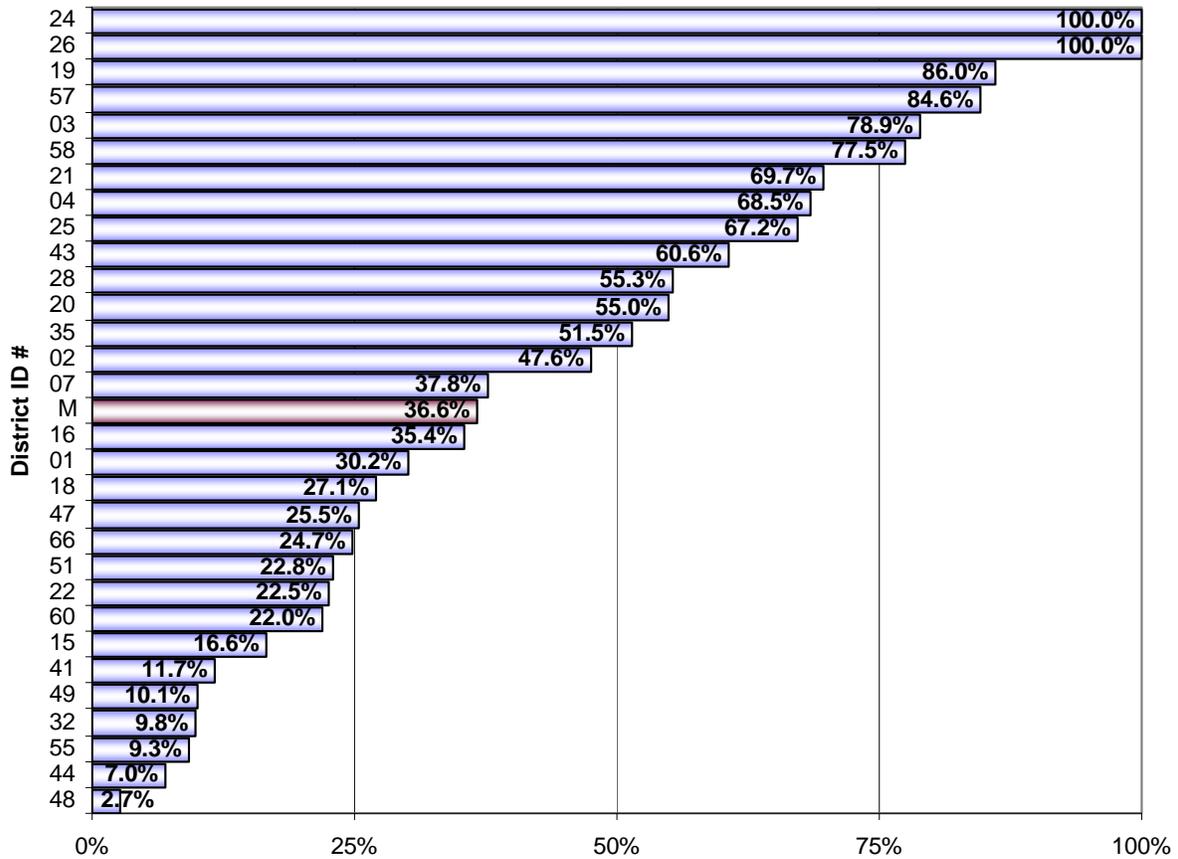
- FY 07 = 30 districts provided reasonable responses; FY 06 = 30 districts; FY 05 = 20 districts
- FY 07: High = 100.0%; Low = 2.7%; Median = 36.6%
- The data illustrates the need for alarm systems is decided on a school-by-school basis.
- The data is fairly spread out with the upper quartile reporting 77.5% to 100% of schools with alarms, and the lower quartile reporting 22.5% to 2.7% with alarms.

Trends and Observations

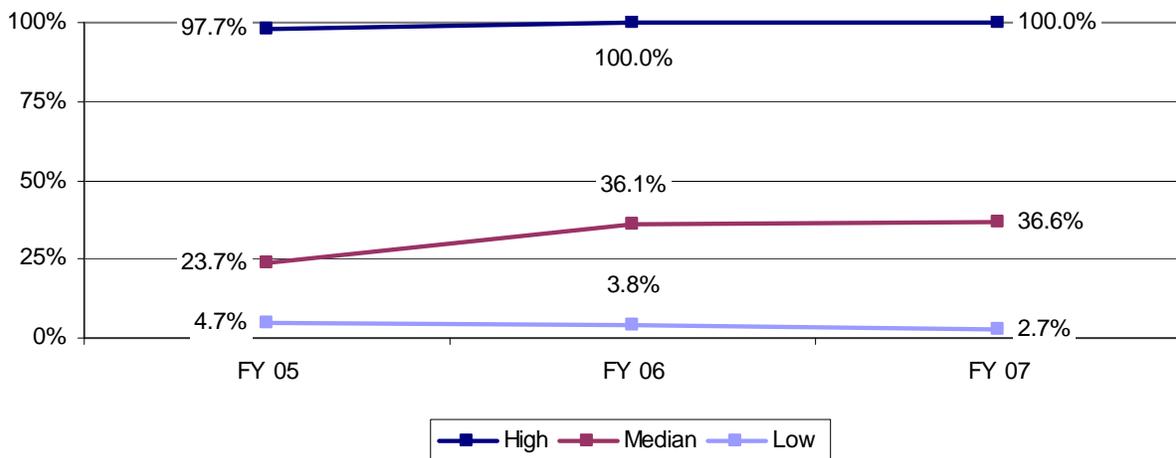
- The trend at the median indicates significant progress districts are making to install alarm systems with 23.7% in FY 05 moving up to 36.6% in FY 07.

Performance Measurement & Benchmarking for K12 Operations

School Buildings with Alarm Systems



School Buildings with Alarm Systems



School Buildings with Metal Detectors

Number of school buildings with metal detectors *divided by* number of school buildings

Why This Measure Is Important

This measure provides insight into an additional physical safeguard for staff and students and crime deterrent.

Factors That Influence This Measure

- Policies on utilization of metal detectors
- Quality of equipment
- Frequency on “checks”
- Staff availability and skill to use the machines
- Discipline measures for violators
- Budget allocation

Analysis of Data

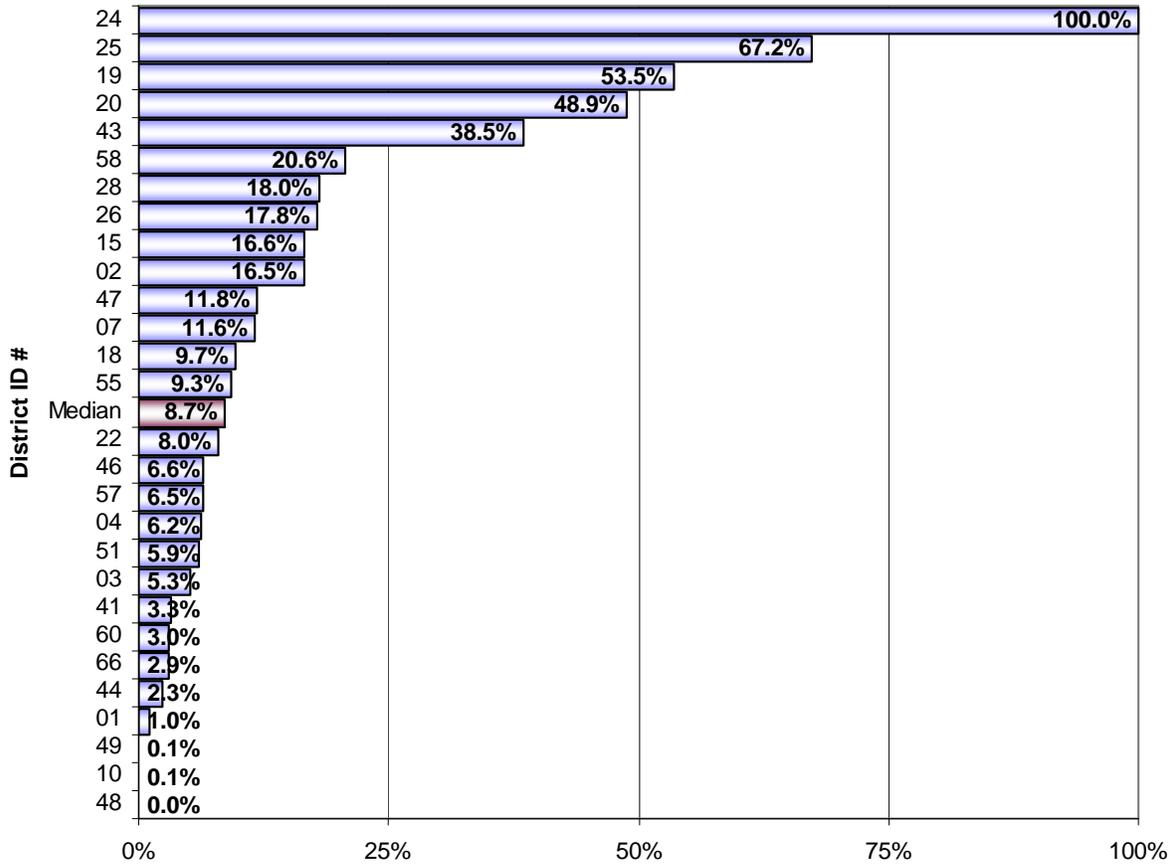
- FY 07 = 28 districts provided reasonable responses; FY 06 = 28 districts
- FY 07: High = 100.0%; Low = 0.0%; Median = 8.7%
- The majority of districts reporting have metal detectors at 20% or less of their schools which is an indication other means to secure the campus are used.

Trends and Observations

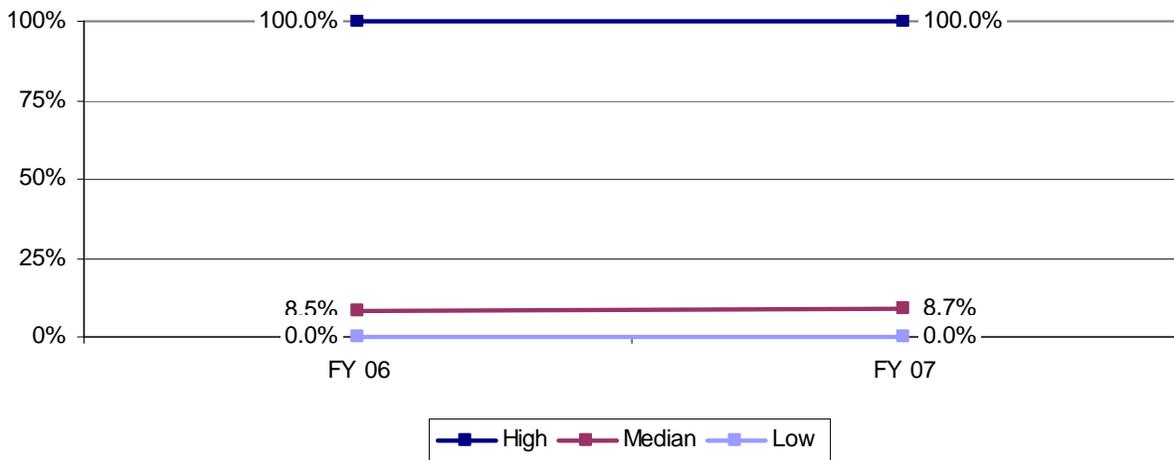
- The trend remained constant over time

Performance Measurement & Benchmarking for K12 Operations

School Buildings with Metal Detectors



School Buildings with Metal Detectors



School Buildings with Annually Updated Crisis Plans

Number of school buildings with annually updated crisis plans *divided by* number of school buildings

Why This Measure Is Important

This measure reflects the priority district and school administrators place on updating crisis plans. Annually updated crisis plans are most likely to be both accurate and “top of mind,” meaning that the process of updating them serves as a refresher for staff and further prepares them for crises.

Factors That Influence This Measure

- District guidance on the format and content of crisis plans
- Staff capacity to update crisis plan
- Technical support of schools in order to properly update their plans

Analysis of Data

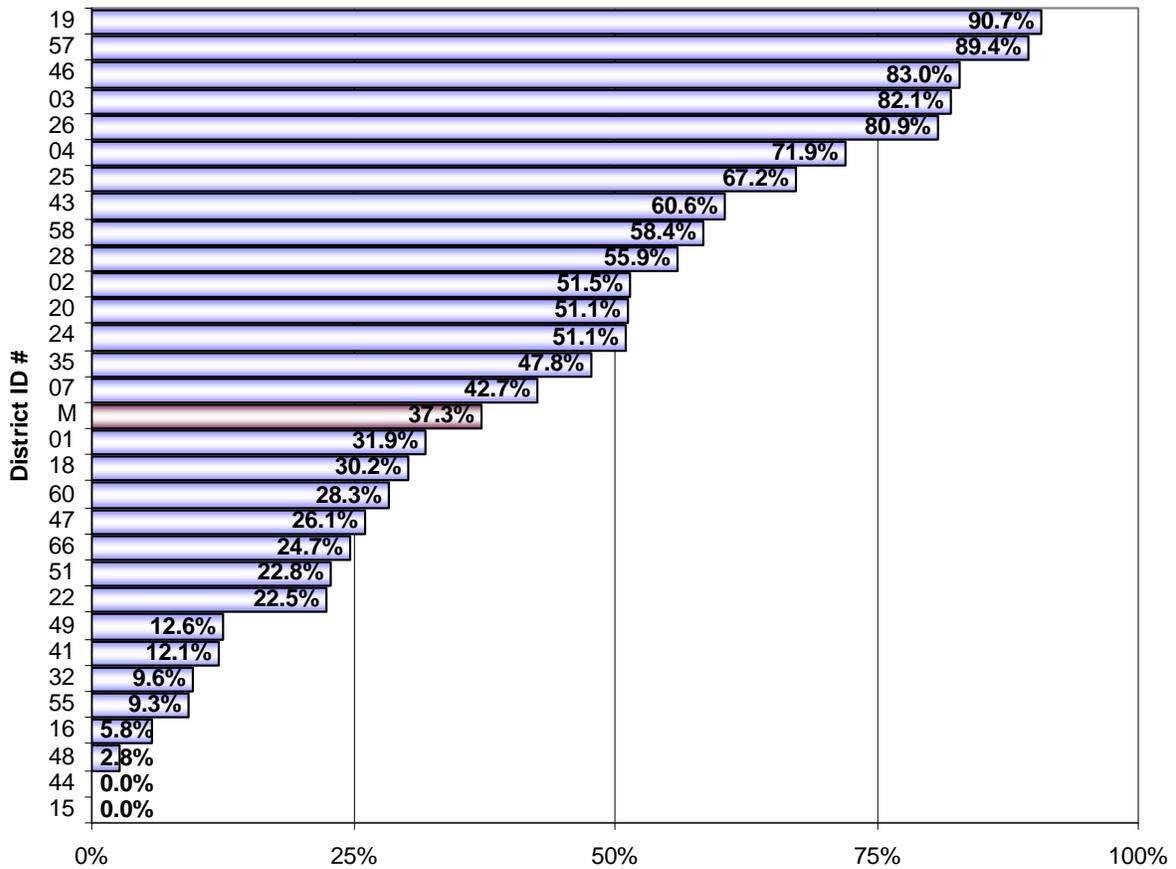
- FY 07 = 30 districts provided reasonable responses; FY 06 = 30 districts
- FY 07: High = 90.7%; Low = 0.0%; Median = 37.3%
- Given the policy decisions behind this measure, we would anticipate the data would be 100% or 0%. However, the data indicates the decisions are made on a school-by-school basis.

Trends and Observations

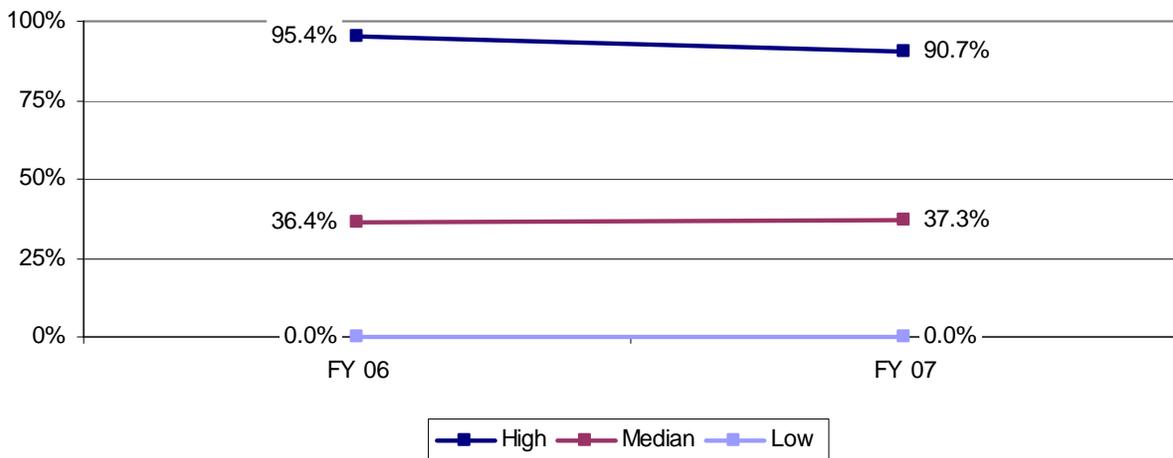
- The trend data is consistent over time.

Performance Measurement & Benchmarking for K12 Operations

School Buildings with Annually Updated Crisis Plans



School Buildings with Annually Updated Crisis Plans





Finance



Financial Management

Operating Expenditures Efficiency – Original Budget

Total actual operating funds expenditures and encumbrances *divided by* Total Original Approved Budget appropriated for operating funds expenditures and encumbrances, before over/under liquidation of prior year encumbrances, reported in the Budgetary Comparison Schedule shown in the Required Supplementary Information section of the Comprehensive Annual Financial Report (CAFR)

Why This Measure Is Important

This measure assesses efficiency in creating the original approved operating funds expenditure budget. Operating funds are defined as the general fund, special revenue funds and/or all other funds used to support general operating needs of the district, excluding capital projects funds, debt service funds and internal services funds. A high percentage nearing 100% indicates accuracy and alignment of the original budget with actual needs. A low percentage or a percentage significantly exceeding 100% indicates major variance from the original approved budget, and signifies that the original budget was inaccurate, misaligned with the actual needs of the school system, and/or potentially mismanaged.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Budget development and management processes
- Administrative organizational structure, distribution of organizational authority, leadership styles, and decision making processes
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring and reporting systems
- Operating funds definition

Analysis of Data

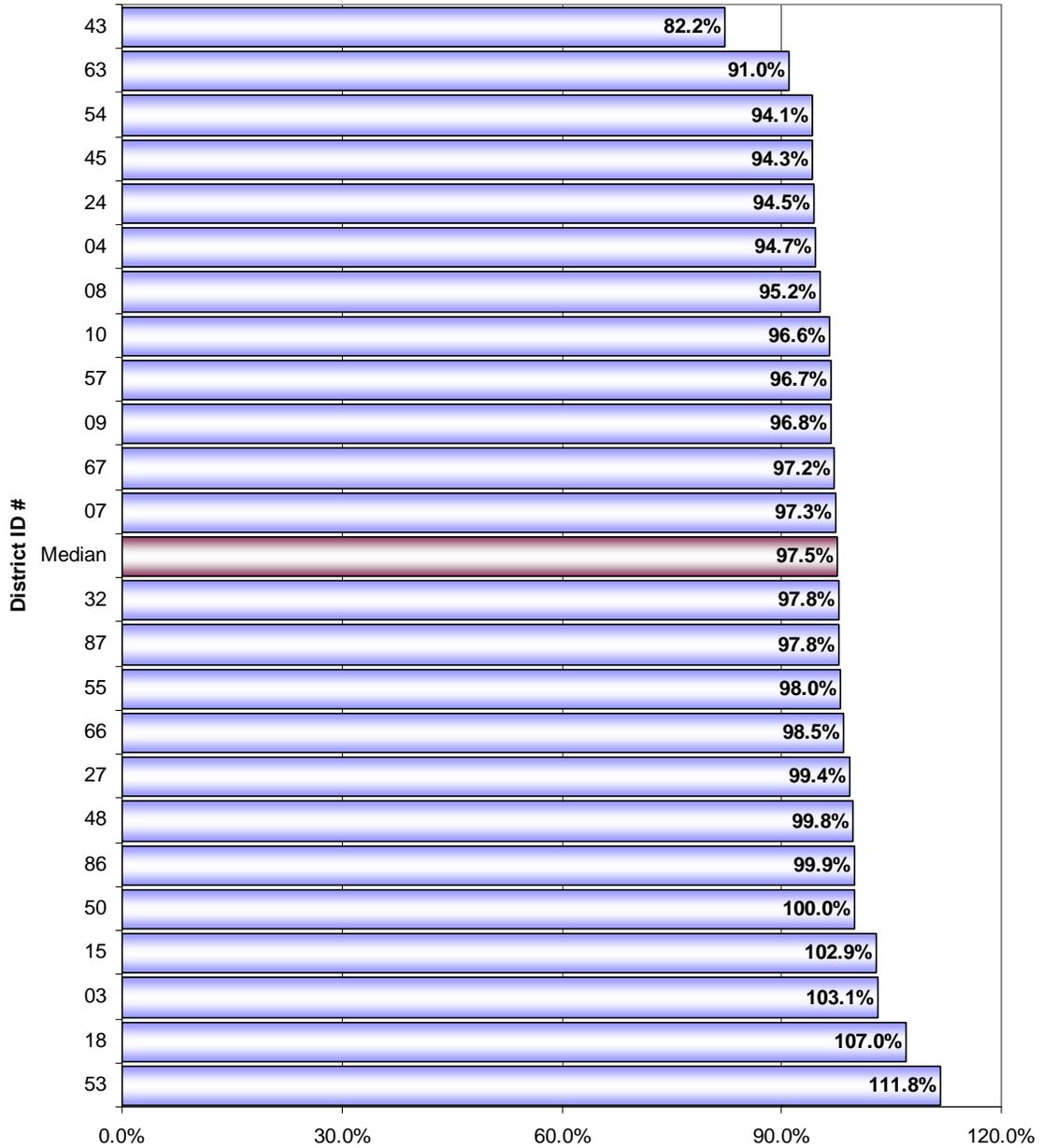
- 24 districts reported reasonable responses
- FY 07: Low = 82.2%; High = 111.8%; Median = 97.5%

Trends and Observations

- 1 district reported that its total actual operating funds expenditures and encumbrances matched the original approved budget; 19 districts (79%) reported that the original approved budget exceeded their total expenditures and encumbrances; and 4 districts (17%) reported that their expenditures and encumbrances exceeded their originally approved budget.
- 5 districts were within 1% (rounded) variance of 100% with all 5 districts falling between 99% and 100%; 19 districts had variances exceeding 1%.
- 18 districts fell within a range of 5% (rounded) above and below 100% with only two of the districts between 101% and 105%; 6 districts had variances exceeding 5%.

Performance Measurement & Benchmarking for K12 Operations

Operating Expenditures Efficiency – Original Budget



General Fund Expenditures Efficiency – Final Budget

Total actual general fund expenditures and encumbrances *divided by* Total Final Approved Budget appropriated for general fund expenditures and encumbrances, before over/under liquidation of prior year encumbrances, reported in the Budgetary Comparison Schedule shown in the Required Supplementary Information section of the CAFR

Why This Measure Is Important

This measure assesses efficiency in spending against the final approved general fund expenditure budget. A high percentage nearing 100% indicates efficient utilization of appropriated resources. A low percentage, or a percentage significantly exceeding 100%, indicates major variance from the final approved budget and signifies that the budget was inaccurate, misaligned with the actual needs of the school system, and/or potentially mismanaged.

Districts should thoroughly investigate the causes for any variances from the final approved budget and reevaluate their budget development and management processes. In some cases, budgets can be adjusted during the year particularly for those districts having variances in expenditures to budget measured against the original budget, but near 100% when measured against the final budget.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Budget development and management processes
- Administrative organizational structure, leadership styles, decision making processes and distribution of authority
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring, and reporting systems
- General Fund definition

Analysis of Data

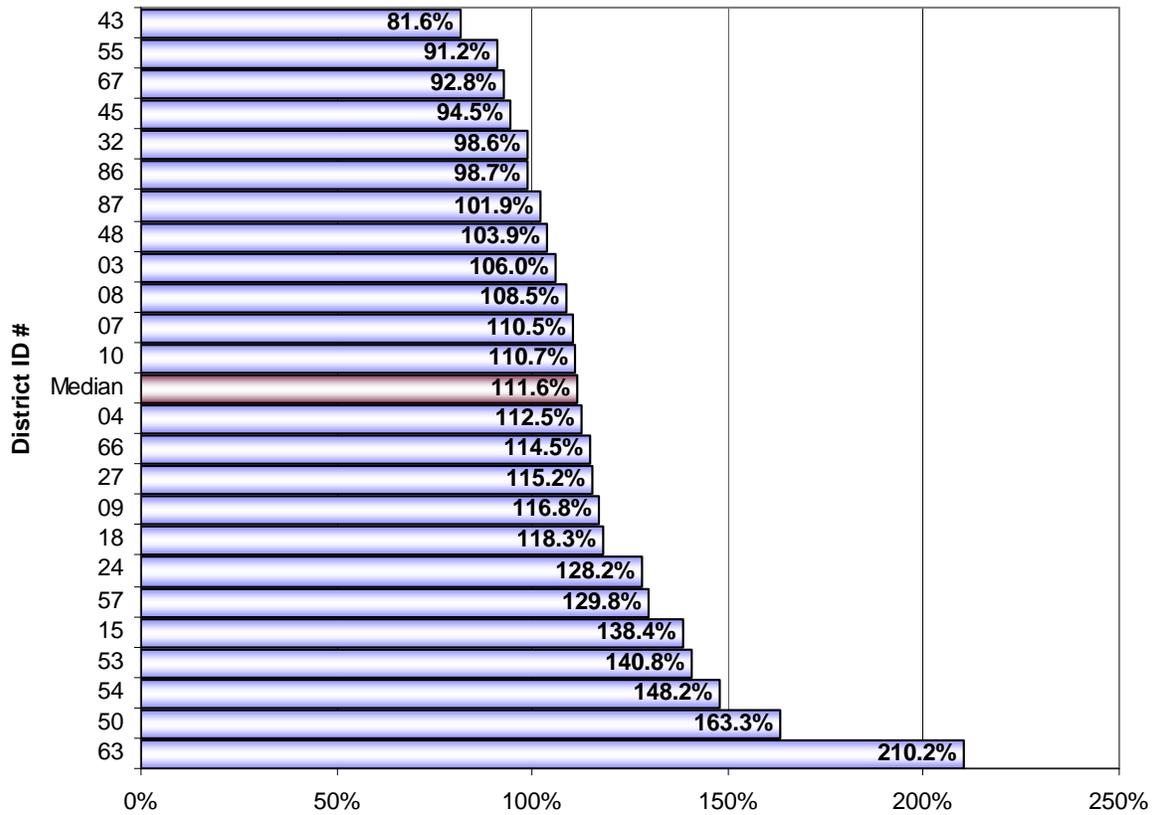
- FY 07 = 24 districts reported reasonable responses; FY 06 = 38 districts
- FY 07: Low = 81.6% ; High = 210.2%; Median = 111.6%

Trends and Observations

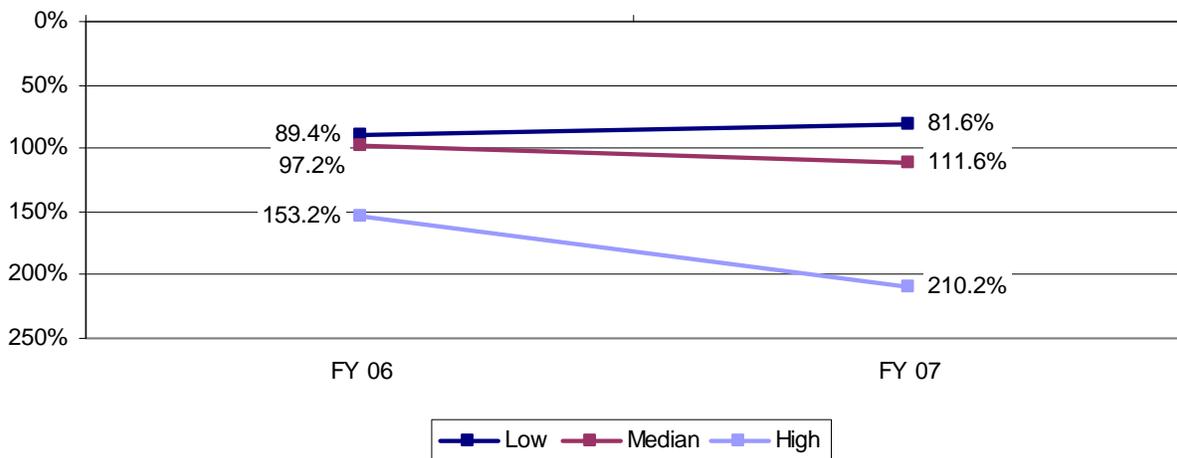
- In FY 07, 6 districts (25%) reported that their total final approved budget exceeded their actual general fund expenditures and encumbrances; the remaining 18 districts reported that their actual general funds expenditures and encumbrances exceeded their total final approved budget.

Performance Measurement & Benchmarking for K12 Operations

General Fund Expenditures Efficiency – Final Budget



General Fund Expenditures Efficiency - Final Budget



Fiscal Health and Contingency Capacity – General Fund

Total actual unreserved general fund balance (including amounts designated within the unreserved fund balance total), reported for the General Fund in the Balance Sheet – Governmental Funds statement of the annual CAFR *divided by* Total general fund expenditures (GAAP based), and reported for the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds of the annual CAFR

Why This Measure Is Important

This measure assesses the fiscal health of the district supported by the general fund, including financial capacity to meet unexpected or future needs. A high percentage indicates greater fiscal health and financial capacity to meet unexpected or future needs. A low percentage indicates risk for the district in its ability to meet unexpected changes in revenues or expenses. Best practices recommended by the Government Finance Officers' Association (GFOA) suggest that governments maintain unreserved fund balance in their general fund of between 5% and 15% of regular general fund operating revenues, or one to two months of regular general fund operating expenditures. Districts reporting percentages significantly below or above the recommended ranges should investigate the causes for the variances and reevaluate policies and procedures to ensure adequate capacity exists for unforeseen revenue or expenditure variances.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Administrative leadership and decision making processes
- Budget development and management processes
- Revenue experience, variability and forecasts
- Expenditure trends, volatility and projections
- General Fund definition
- Unreserved fund balance use policies and procedures
- Local fiscal authority policies and procedures

Analysis of Data

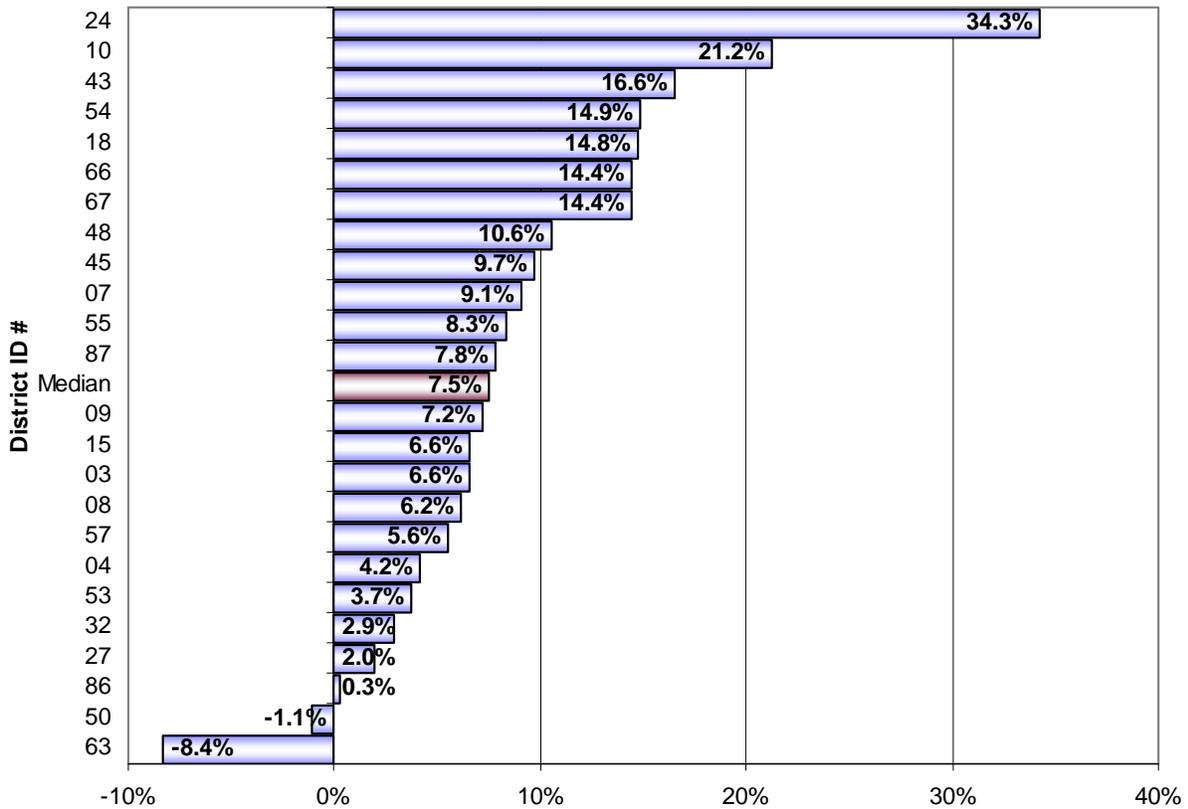
- FY 07 = 24 districts reported reasonable responses; FY 06 = 37 districts
- FY 07: High = 34.3%; Low = -8.4%; Median = 7.5%

Trends and Observations

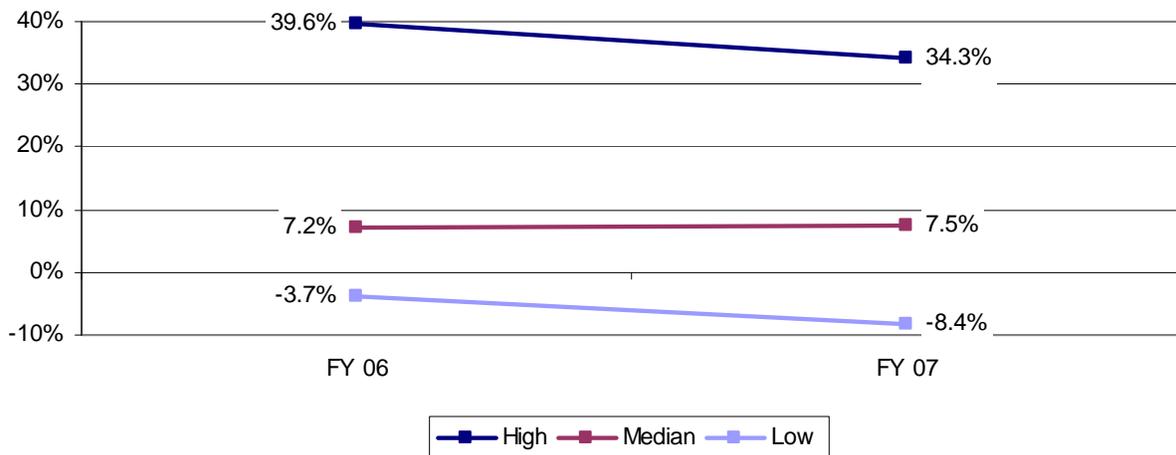
- 14 districts (58%) reported that their total actual unreserved general fund balances were between 5 - 15% (rounded) of their total general fund expenditures; 3 districts reported that their fund balances were greater than 15%; and 7 districts reported that their fund balances were below 5% with one district reporting no substantive fund balance and two reporting deficit fund balances.

Performance Measurement & Benchmarking for K12 Operations

Fiscal Health and Contingency Capacity – General Fund



Fiscal Health and Contingency Capacity - General Fund



Fiscal Health and Contingency Capacity – Operating Funds

Total actual unreserved fund balance (including amounts designated within the unreserved fund balance total) for all operating funds in the Balance Sheet – Governmental Funds statement *divided by* Total actual expenditures for all operating funds in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds as reported in the CAFR

Why This Measure Is Important

This measure assesses the district's capacity to meet unexpected or future needs. Operating funds include all other funds used to support the general operating needs of the district, excluding capital projects funds, debt service funds and internal services funds. The GFOA recommends that a 5-15% unreserved fund balance should be maintained. A high percentage indicates greater fiscal health and capacity to meet unexpected or future needs for and from all fund sources. A low percentage indicates risk for the district in its ability to meet unexpected changes in revenues or expenses for all funds.

Factors That Influence This Measure

- School board and administrative policies and procedures for unreserved fund balance use
- Administrative leadership and decision making processes
- Budget development and management processes
- Revenue experience, variability and forecasts
- Expenditure trends, volatility and projections
- Local fiscal authority policies and procedures

Analysis of Data

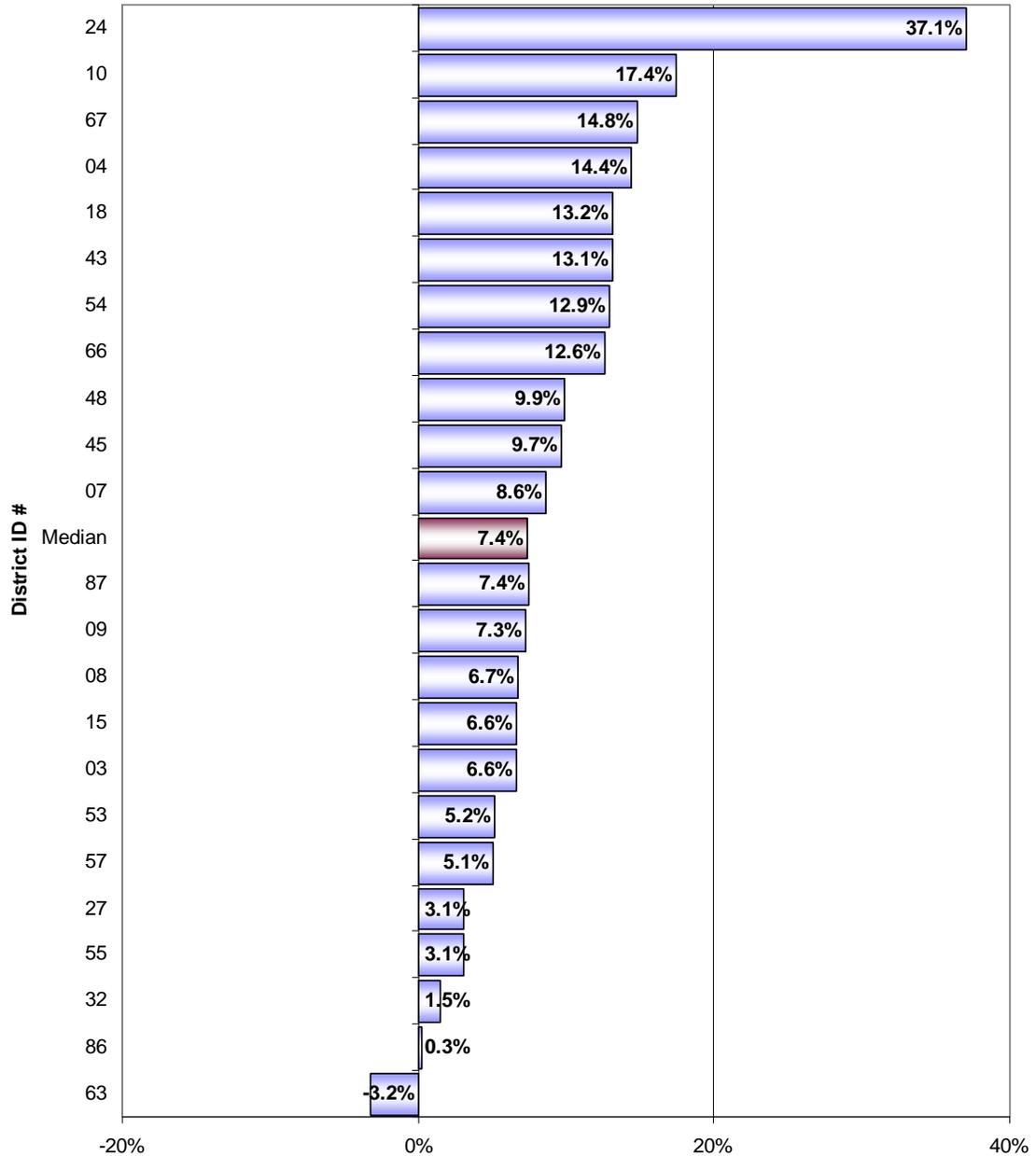
- 23 districts reported reasonable responses
- FY 07: High = 37.1%; Low = -3.2%; Median = 7.4%

Trends and Observations

- 16 districts (67%) reported that their total actual unreserved general fund balances as a percentage of the actual expenditures for all operating funds were between 5% and 15% (rounded); 3 districts reported that their fund balance were greater than 15%; 5 districts reported that their fund balances were below 5% with one district reporting no substantive fund balance.
- Nominally higher percentages shown for this measure when compared with the same measure applied to the general fund only suggests that districts are only slightly better prepared for financial uncertainties when all fund sources are considered.
- The information for this metric this year varies significantly from last year's survey data. Action should be taken to clarify factors that could influence this measure and/or clarify the related survey questions if further clarification is warranted.

Performance Measurement & Benchmarking for K12 Operations

Fiscal Health and Contingency Capacity – All Operating Funds



Operating Revenues Efficiency – Original Budget

Total actual operating funds revenues *divided by* Total Original Approved Budget appropriated for operating funds revenues, before over/under liquidation of prior year encumbrances, reported in the Budgetary Comparison Schedule shown in the Required Supplementary Information section of the annual CAFR

Why This Measure Is Important

This measurement assesses efficiency in creating the original approved operating funds revenue budget. Operating funds are defined as all funds used to support general operating needs of the district, excluding capital projects funds, debt service funds and internal services funds. A high percentage nearing 100% indicates accuracy and alignment of the original budget with actual receipts. A low percentage, or a percentage significantly exceeding 100%, indicates major variance from the original approved budget and signifies that the original budget was inaccurate, misaligned with the actual expectations of the district, and/or potentially mismanaged.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Budget development and management processes
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring, and reporting systems
- Local economic conditions
- Local fiscal authority policies and procedures
- Operating funds definition

Analysis of Data

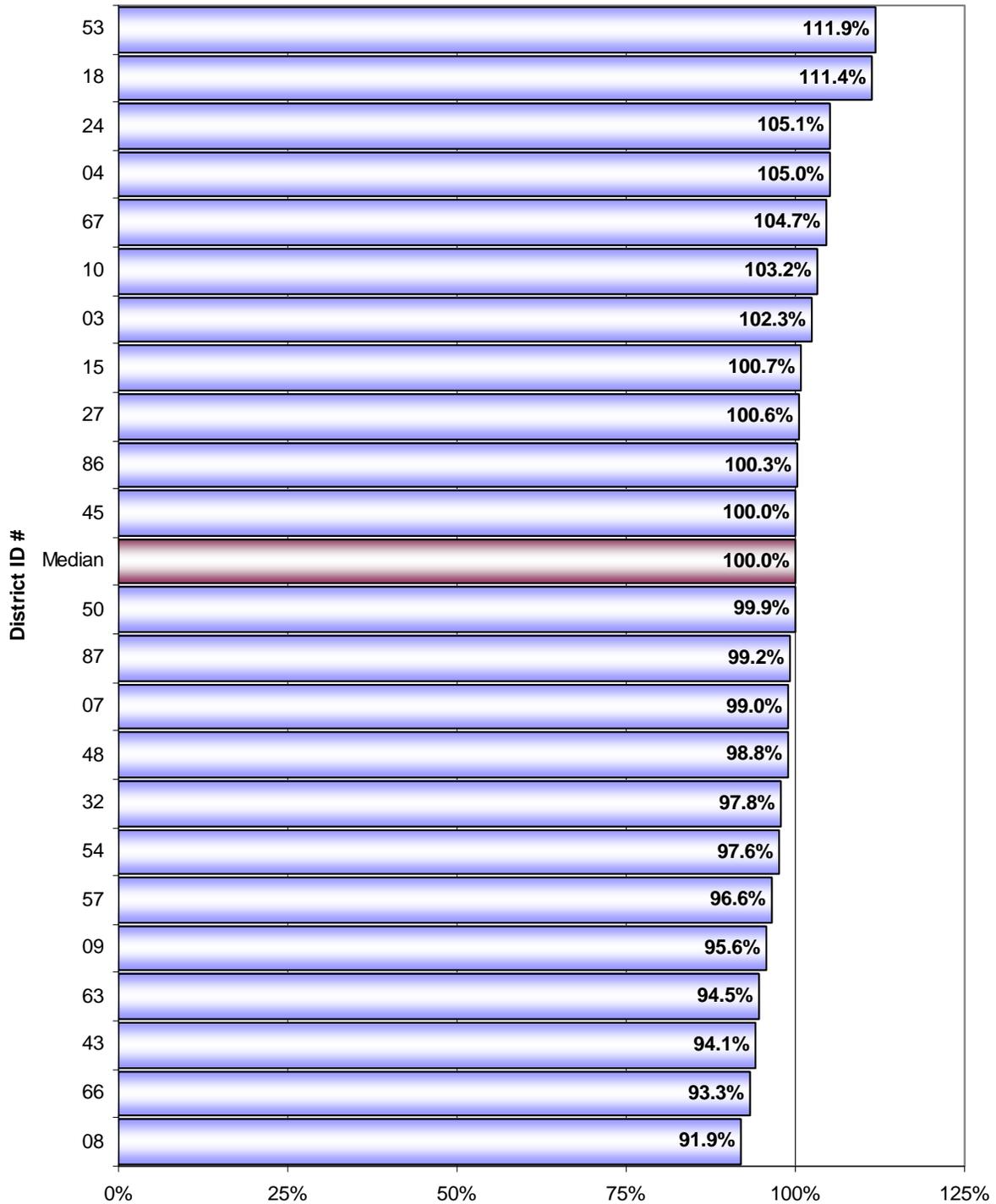
- 23 districts reported reasonable responses
- FY 07: High = 111.9%; Low = 91.9%; Median of 100.0%

Trends and Observations

- 12 districts showed percentages less than 100%; 11 districts exceeded 100%; and 1 district showed 100%.
- 8 districts were within a 1% (rounded) variance of 100% (3 districts were above; 4 districts were below; 1 district showed 100%).
- 16 districts had variances exceeding 1% (rounded), with 8 below 99% and 8 above 101% (rounded).
- 18 districts fell within a range of 5% (rounded) above and below 100%, and 6 districts reported variances exceeding 5% (3 less than 95% and 3 greater than 105% (rounded)).
- Action should be taken to clarify factors that could influence this measure and/or clarify the related survey questions if further clarification is warranted.

Performance Measurement & Benchmarking for K12 Operations

Operating Revenues Efficiency - Original Budget



General Fund Revenues Efficiency – Final Budget

Total actual general fund revenues *divided by* Total Final Approved Budget appropriated for general fund revenues, before over/under liquidation of prior year encumbrances, reported in the Budgetary Comparison Schedule shown in the Required Supplementary Information section of the annual CAFR

Why This Measure Is Important

This measure assesses efficiency in obtaining revenues supporting the final approved general fund budget. A percentage nearing 100% or above indicates efficiency in obtaining revenues to support final approved receipts. A low percentage, or a percentage significantly exceeding 100%, indicates major variance from the final approved budget and signifies that the budget was inaccurate, misaligned with the actual expectations for the school system, and/or potentially mismanaged. Districts having significant variances in expenditures to budget when measured against the original budget, but near 100% when measured against the final budget, are monitoring and adjusting their budgets during the year to meet the changing conditions of the district. Such districts should consider reevaluating their budget development and management processes to improve accuracy and alignment.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Budget development and management processes
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring, and reporting systems
- Local economic conditions
- Local fiscal authority policies and procedures
- General Fund definition

Analysis of Data

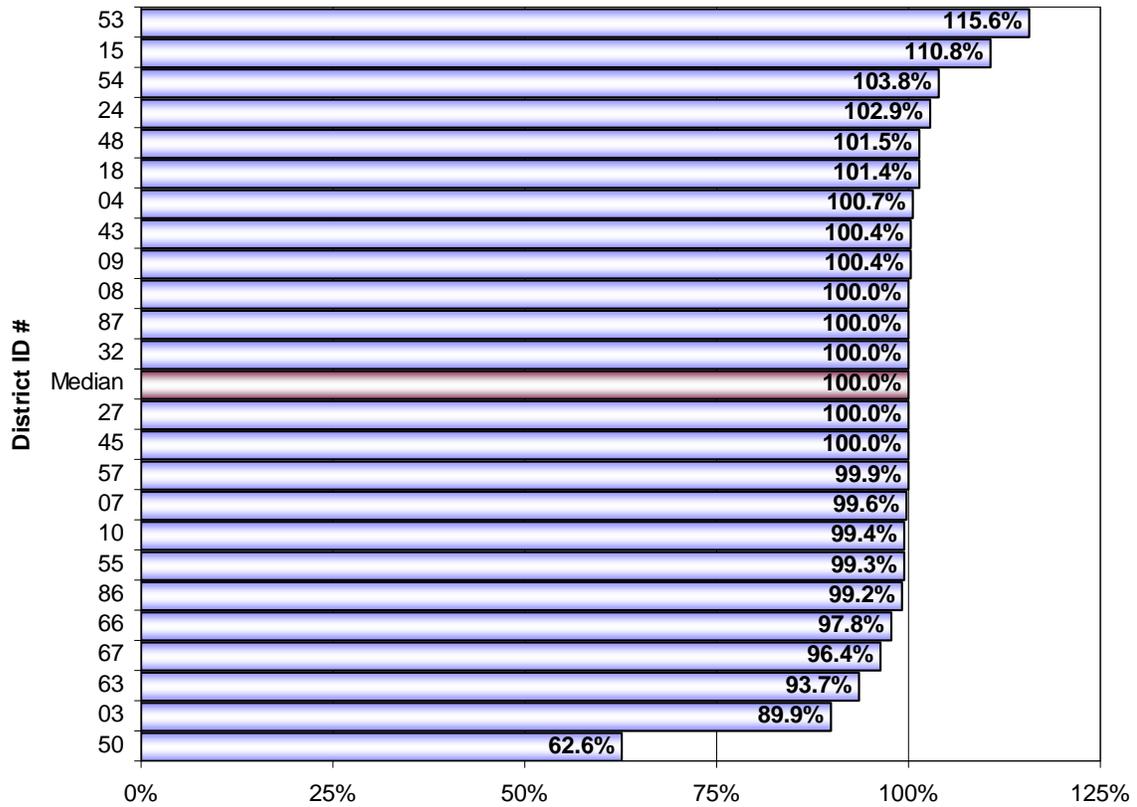
- FY 07 = 24 districts reported reasonable responses; FY 06 = 36 districts
- FY 07: High = 115.6%; Low = 62.6%; Median of 100.0%

Trends and Observations

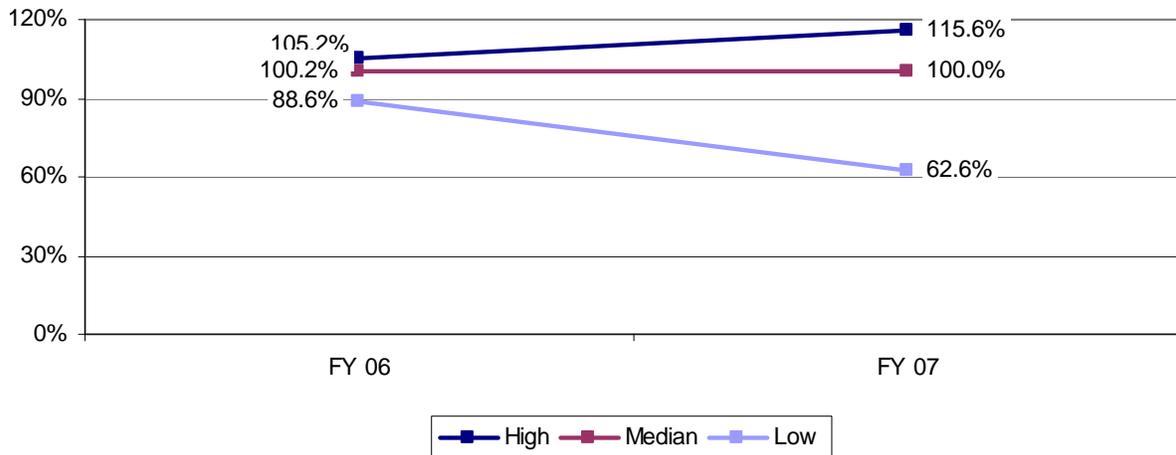
- 10 districts showed percentages less than 100%; 9 districts exceeded 100%; and 5 districts showed 100%
- 14 districts were within a 1% (rounded) variance of 100% (4 districts were above; 5 districts were below; 5 districts were at 100%)
- 10 districts had variances exceeding 1% (rounded), with 5 below 99% and 5 above 101%
- 19 districts fell within a range of 5% (rounded) above and below 100%; 5 districts reported variances exceeding 5% (3 less than 95% and 2 greater than 105%)

Performance Measurement & Benchmarking for K12 Operations

General Fund Revenues Efficiency – Final Budget



General Fund Revenues Efficiency - Final Budget



Internal Control Effectiveness

Total new material weakness, significant deficiency and control deficiency findings identified and reported by auditors in the current fiscal year's Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters or Management Letter as applicable *divided by* Total new material weakness, significant deficiency and control deficiency findings identified and reported by auditors in the prior fiscal year's Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters or Management Letter as applicable

Why This Measure Is Important

Effective internal financial controls make up the heart of accountability for a district's finances. These controls perform several functions including: (1) protecting resources against waste, fraud, or mismanagement; (2) preventing errors from entering business processes; (3) detecting errors once they are inside business processes; (4) ensuring accuracy and reliability of financial accounting information; (5) assisting with ensuring compliance with laws, regulations, or district policies; and (6) assisting in the evaluation of the district's financial performance. A low value for this metric indicates effectiveness in implementing and maintaining effective internal controls.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Administrative organizational structure, distribution of organizational authority and administrative leadership styles
- Departmental and individual employee responsibilities and competencies
- Segregation of duties and physical restrictions
- Existence of monitoring and reporting systems

Analysis of Data

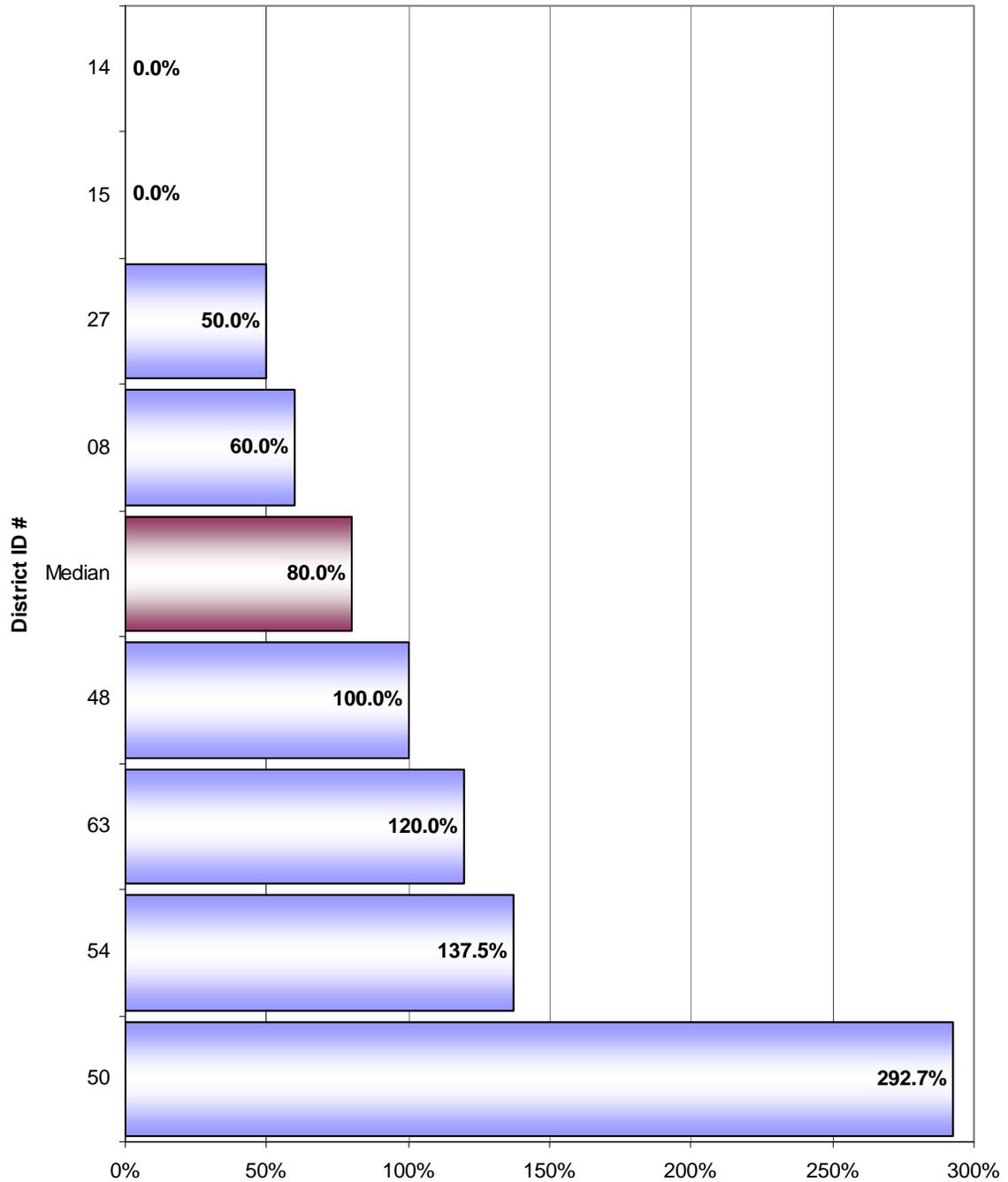
- 8 districts provided reasonable responses
- FY 07: Low = 0.0%; High = 292.7%; Median = 80.0%

Trends and Observations

- 5 districts reported between one and three deficiencies; 2 districts reported 4 or 5 findings; 1 district reported between 6 and 10 findings; and 2 districts reported more than 10 findings for FY 2007 (one of which showed 120)

Performance Measurement & Benchmarking for K12 Operations

Internal Control Effectiveness



Unqualified Audit Opinion

The number of unqualified audit opinions for audit years 2003, 2004, 2005, 2006 and 2007 *divided by 5*

Why This Measure Is Important

This measure assesses management's effectiveness in fairly reporting the school system's financial position. A high percentage indicates management effectiveness in fairly reporting the school system's financial position. When a "clean" audit opinion or an unqualified audit opinion is issued, it means that any user of those audited financial statements can have reasonable assurance that the financial statements are reliable and present fairly the financial condition and position of the school district. Secondly, it is a recognized industry standard or benchmark for users of financial statements to rely upon. Absent this standard, users of a school system's financial statements have only limited confidence in the documents because an individual has no way to discern whether or not the statements are free from potential material or significant misstatement of the district's financial condition.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Resource allocations for staff training and development
- Internal staff technical expertise and skills
- Internal staff personal values and character traits
- External auditor competence and knowledge
- External auditor personal values and character traits

Analysis of Data

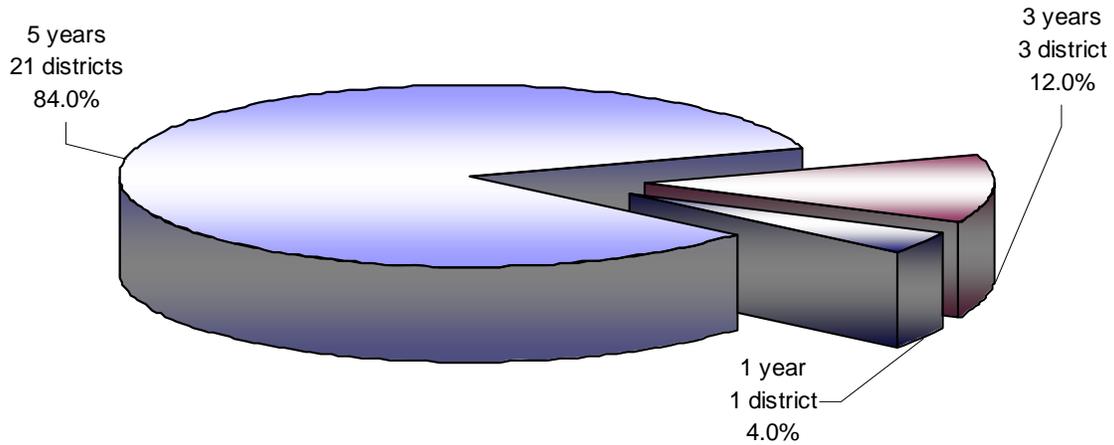
- 25 districts provided reasonable responses to these data points
- FY 07: High = 100.0%; Low = 60.0%; Median = 100.0%

Trends and Observations

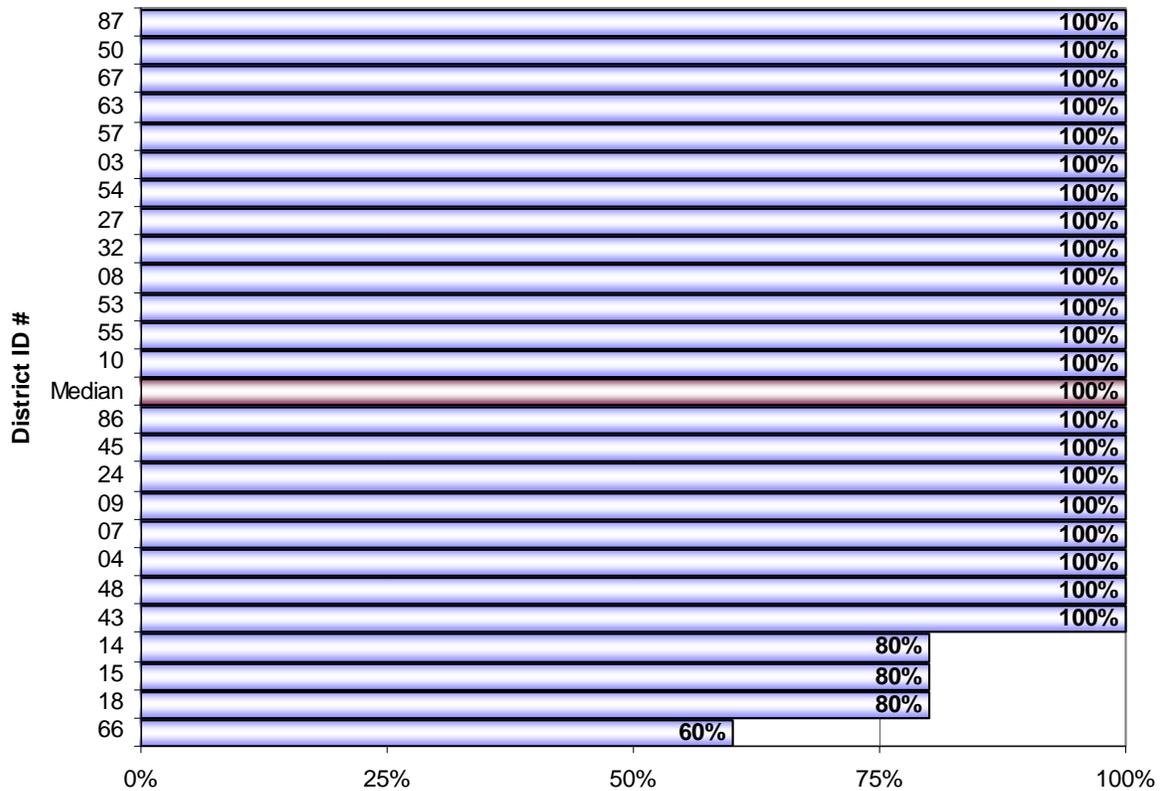
- 21 districts (84%) had received unqualified audit opinion over this 5 year period; 3 districts received unqualified audits for 4 of the 5 years; and 1 district received a "clean opinion" in 1 of the 5 years.

Performance Measurement & Benchmarking for K12 Operations

**Unqualified Audit Opinion Out of the Last 5 Years on CAFR
(2003, 2004, 2005, 2006, 2007)**



**Unqualified Audit Opinion Out Of The Past 5 Years on CAFR
(2003, 2004, 2005, 2006, & 2007)**



Administrative Efficiency – Expenses/Final Budget

Total Administrative operating funds expenditures and encumbrances *divided by* Total actual operating funds expenditures and encumbrances, before over/under liquidation of prior year encumbrances, reported in the Budgetary Comparison Schedule shown in the Required Supplementary Information section of the annual CAFR

Why This Measure Is Important

This measure assesses an organization’s efficiency to provide general direction, regulation and control of district operations. It measures the ratio of administrative expenses to total operating expenses. A low ratio indicates efficiency in providing executive leadership and management oversight for the district. A high ratio indicates potentially inefficient and/or ineffective general direction, regulation or control for the organization. Districts experiencing a high ratio should thoroughly investigate the causes for the variances and reevaluate their management structures, resources and processes to improve efficiency and effectiveness of executive leadership and management oversight services.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Administrative organizational structure, distribution of organizational authority and leadership styles
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring and reporting systems
- Budget development and management processes
- Expenditure trends, volatility and projections
- Local fiscal authority, procedures and accounting policies
- Operating funds definition

Analysis of Data

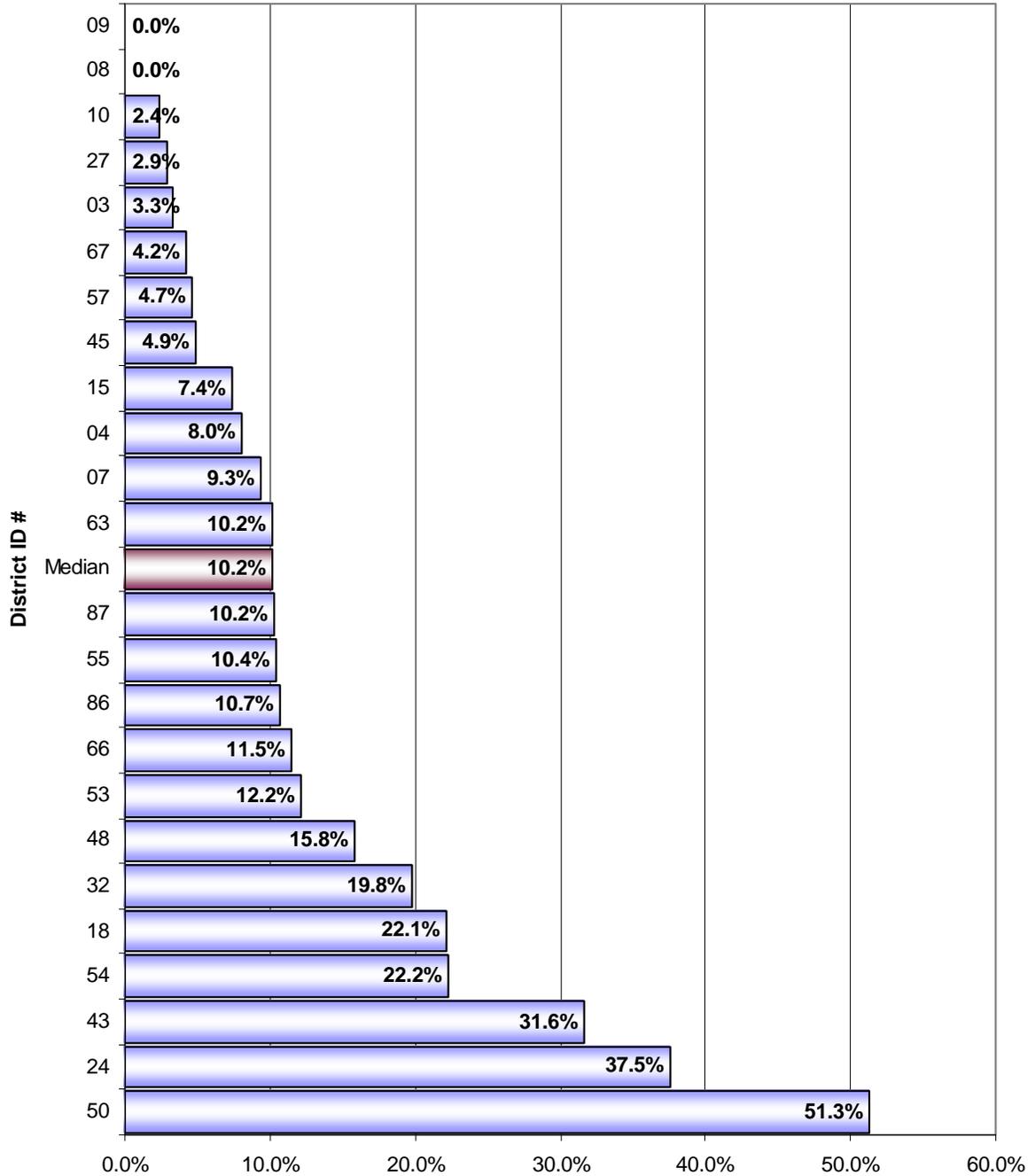
- 24 districts provided responses to these data points
- FY 07: Low = 0.0%; High = 51.3%; Median = 10.2%

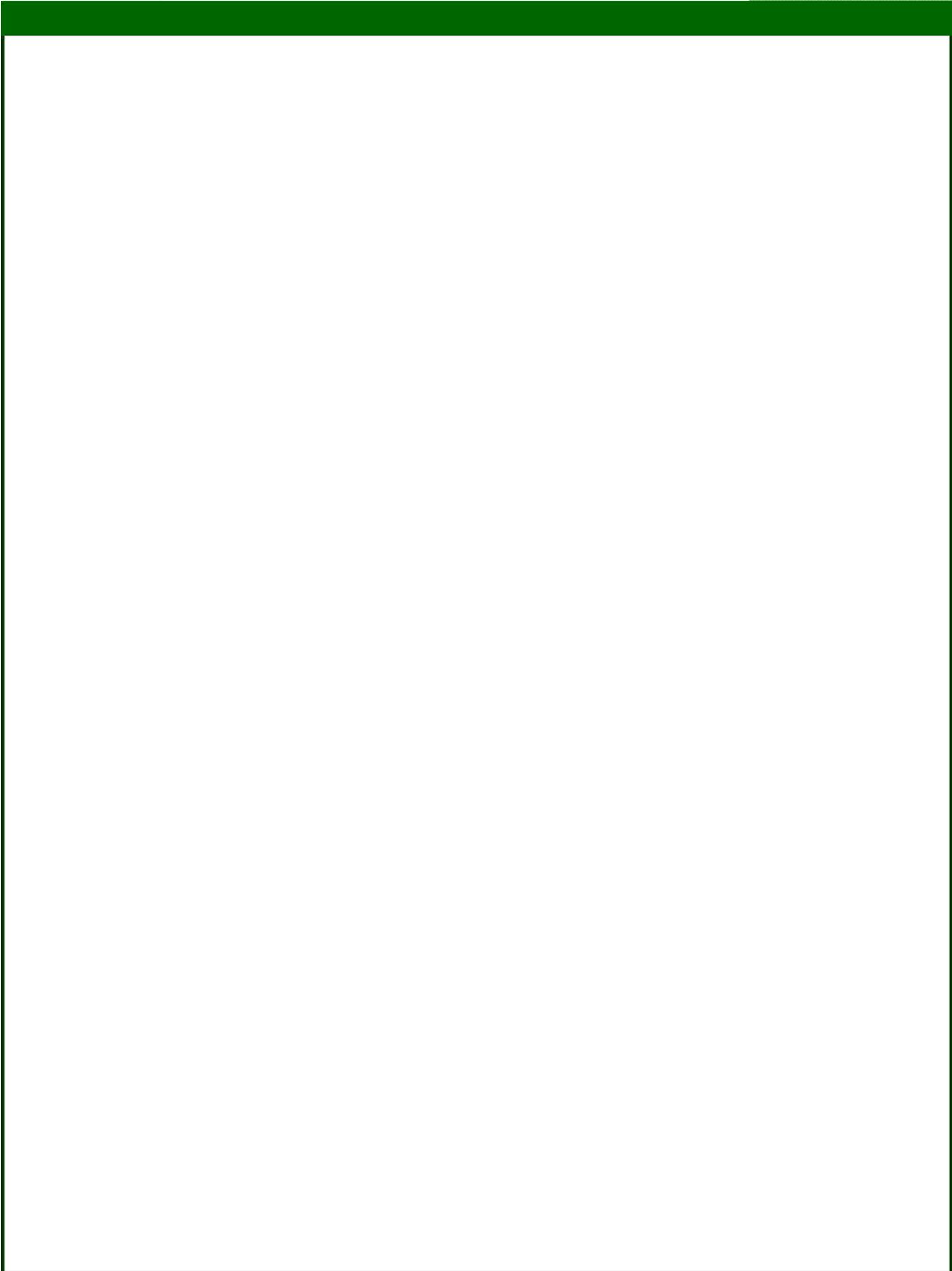
Trends and Observations

- The outliers for this data should be further investigated to determine potential causes for variances. Action should be taken to confirm the data, clarify factors that could influence this measure, and/or clarify the related survey questions to improve reliability of responses.

Performance Measurement & Benchmarking for K12 Operations

Administrative Efficiency - Expenses / Final Budget





Accounts Payable

Total Invoices Processed per Full Time Employee (FTE) per Month

Total number of invoices paid annually *divided by* the number of Full Time Employees (FTEs) in the Accounts Payable Department *divided by* 12 months

Why This Measure Is Important

This measure assesses the effectiveness of an Accounts Payable (AP) Department. According to the Institute of Management, total invoices (including both non-purchase orders and PO invoices) processed per FTE per month are cost drivers and, consequently, have become prime tools for benchmarking AP operations. Moving to a high level of automation can significantly boost the number of payments made per month per staff member which improves cost efficiency.

Factors That Influence This Measure

- Administrative policies and procedures
- Administrative organizational structure
- Administrative leadership style, decision making process and distribution of organizational authority
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring, and reporting systems
- Number of FTEs in the Accounts Payable Department
- The number of the invoices paid annually
- Level of automation
- Type of invoice – whether it has a purchase order (PO) or not, or whether it’s an employee expense report, direct payment etc.

Analysis of Data

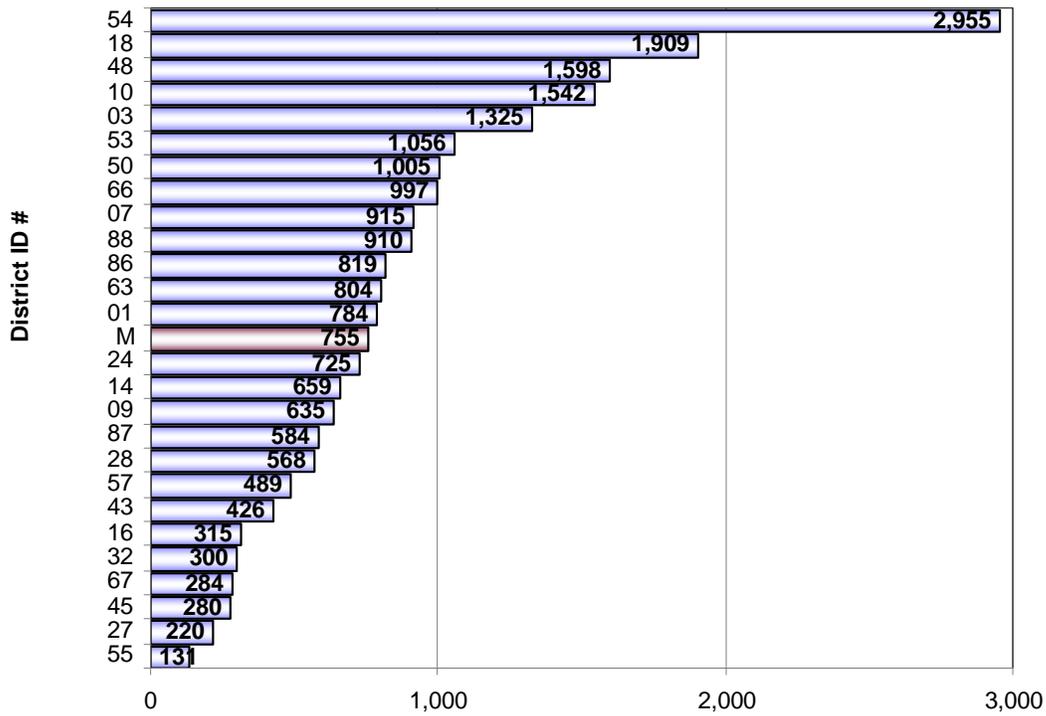
- FY 07 = 26 districts provided reasonable responses; FY 06 = 31 districts
- FY 07: High = 2,955 invoices processed per FTE per month; Low = 131; Median = 755

Trends and Observations

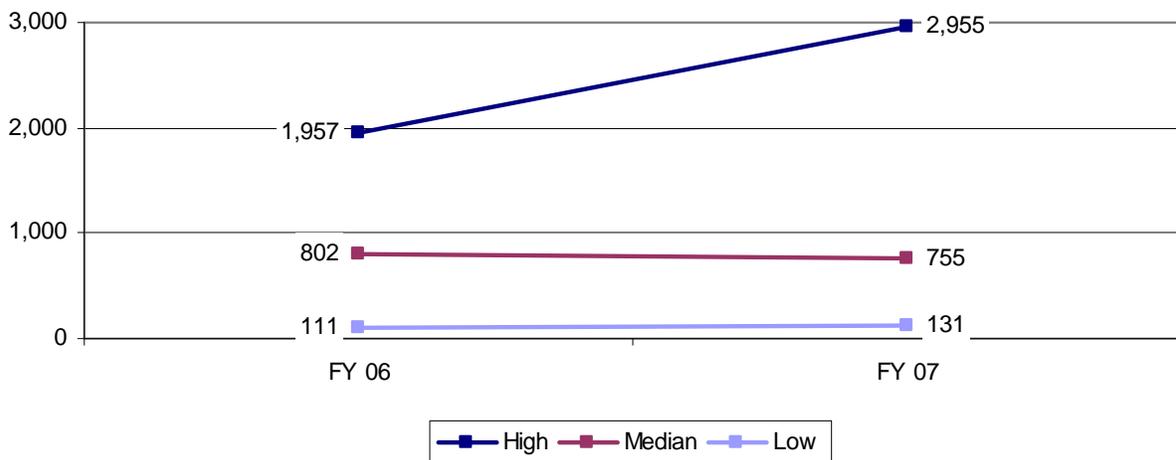
- 14 districts (54%) reported that they were close to or exceeded the median of 755 PO and Non-PO payments processed per month with 5 of these districts nearly doubling the median, including one district that processed 2,955 invoices per month.
- Even though data related to the use of electronic invoicing, imaging and automated workflows to increase productivity was collected from each respondent, there was no perceptible correlation between district level of automation and productivity.

Performance Measurement & Benchmarking for K12 Operations

Total Invoices Processed per Full Time Employee (FTE) per Month



Total Invoices Process per Full-Time Employee (FTE) per Month



Non-PO (Purchase Order) Invoices Processed per FTE per Month

Total number of non-PO invoices paid annually *divided by* the number of FTEs in the Accounts Payable Department *divided by* 12 months.

Why This Measure Is Important

This measure also assesses the effectiveness of an Accounts Payable (AP) Department. The Institute of Management reported in 2005 that the average number of non-PO invoice payments made by a full time AP staff member per month (and one of two measures that drive costs) is 2,331 invoices per month. Companies in the top 10% report a processing volume of 4,578 per FTE.

While moving to a high level of automation can significantly improve cost efficiency, studies have shown that world class performance requires a mix of high tech and low tech strategies. For example, a district could require vendors to use Electronic Data Interchange (EDI) or Internet file transfer applications to automate the workflow of electronic or imaged invoices. At the same time, districts could implement a centralized control of the vendor master file that would eliminate multiple vendor masters duplication of disbursements and utilize procurement cards for high volume small purchases.

Factors That Influence This Measure

- Administrative policies and procedures
- Administrative organizational structure
- Administrative leadership style, decision making process and distribution of organizational authority
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring, and reporting systems
- Number of FTEs in the Accounts Payable Department
- The number of non-purchase order invoices paid annually
- Level of automation

Analysis of Data

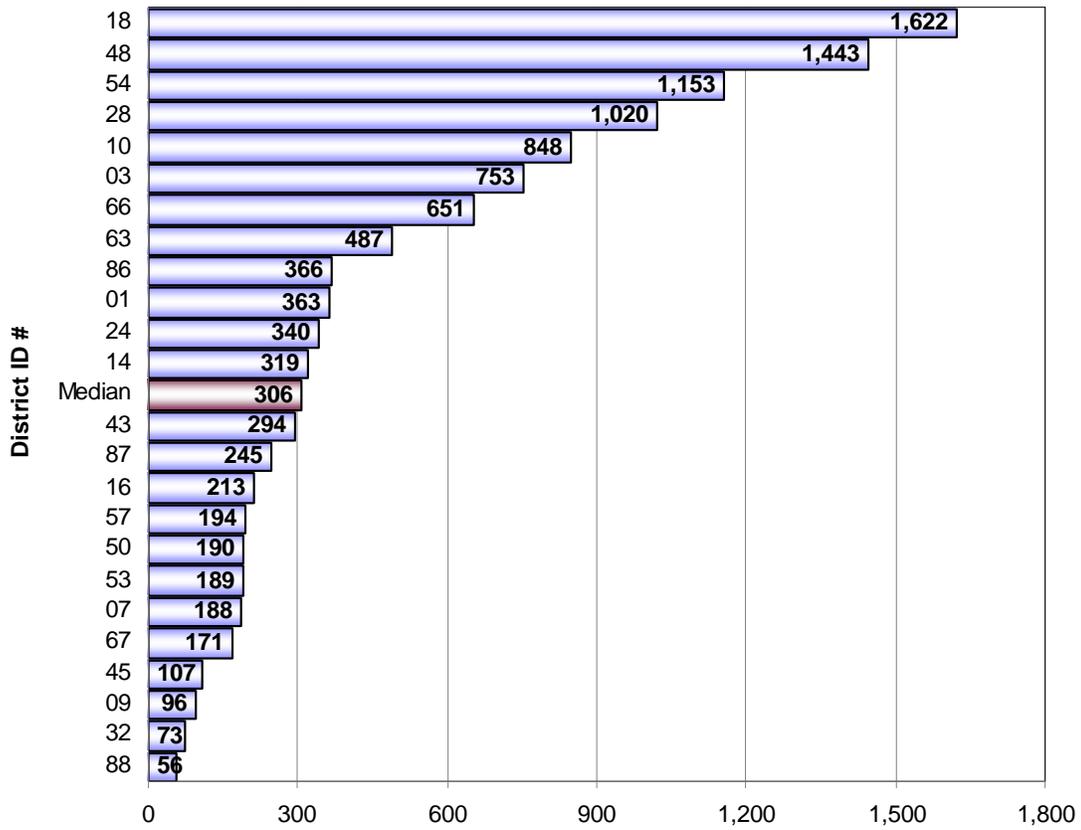
- FY 07 = 24 districts provided reasonable responses; FY 06 = 30 districts
- FY 07: High = 1,622 non-PO invoices processed per FTE per month; Low = 56; Median = 306

Trends and Observations

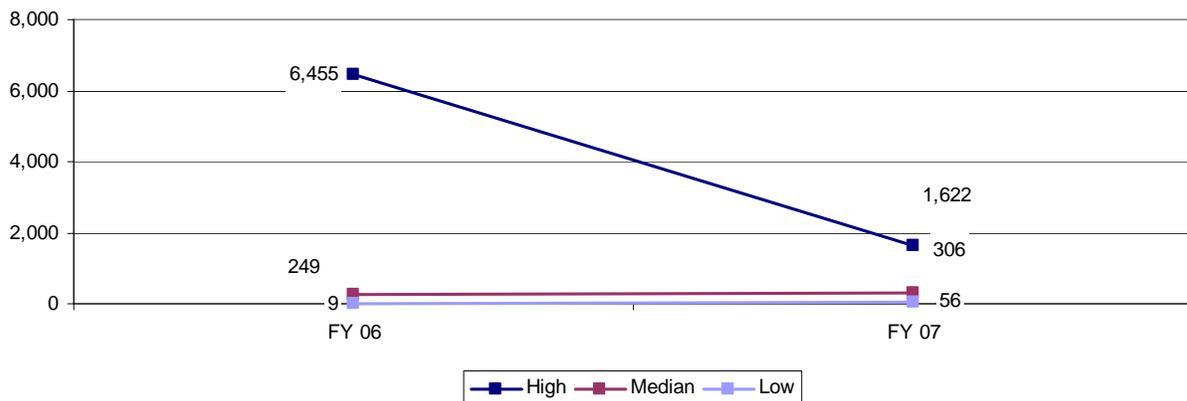
- 12 districts (50%) reported that they exceeded the median of 306 Non-PO invoices processed per month, with 4 of these districts more than tripling the median, including two districts that processed 1,443 and 1,622 invoices per month

Performance Measurement & Benchmarking for K12 Operations

Non-PO Invoices Processed per FTE per Month



Non-PO Invoices Processed per FTE per Month



PO Invoices Processed per FTE per Month

Total number of PO invoices paid annually *divided by* the number of FTEs in the Accounts Payable Department *divided by* twelve (12) months.

Why This Measure Is Important

This measure also assesses the effectiveness of an Accounts Payable (AP) Department. According to the Institute of Management the average number of PO invoices paid per month per AP staff member (the second measure that drives costs) is 2,310, with the median being 1,000.

Lower processing rates may be the result of handling vendor invoices for small quantities of non-repetitive purchases whereas higher processing rates may be the result of increased technology using online purchasing and invoice systems to purchase and pay for large quantities of items from the same or various vendors.

Factors That Influence This Measure

- Administrative policies and procedures
- Administrative organizational structure
- Administrative leadership style, decision making process and distribution of organizational authority
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring, and reporting systems
- Number of FTEs in the Accounts Payable Department
- The number of invoices paid annually
- Level of automation

Analysis of Data

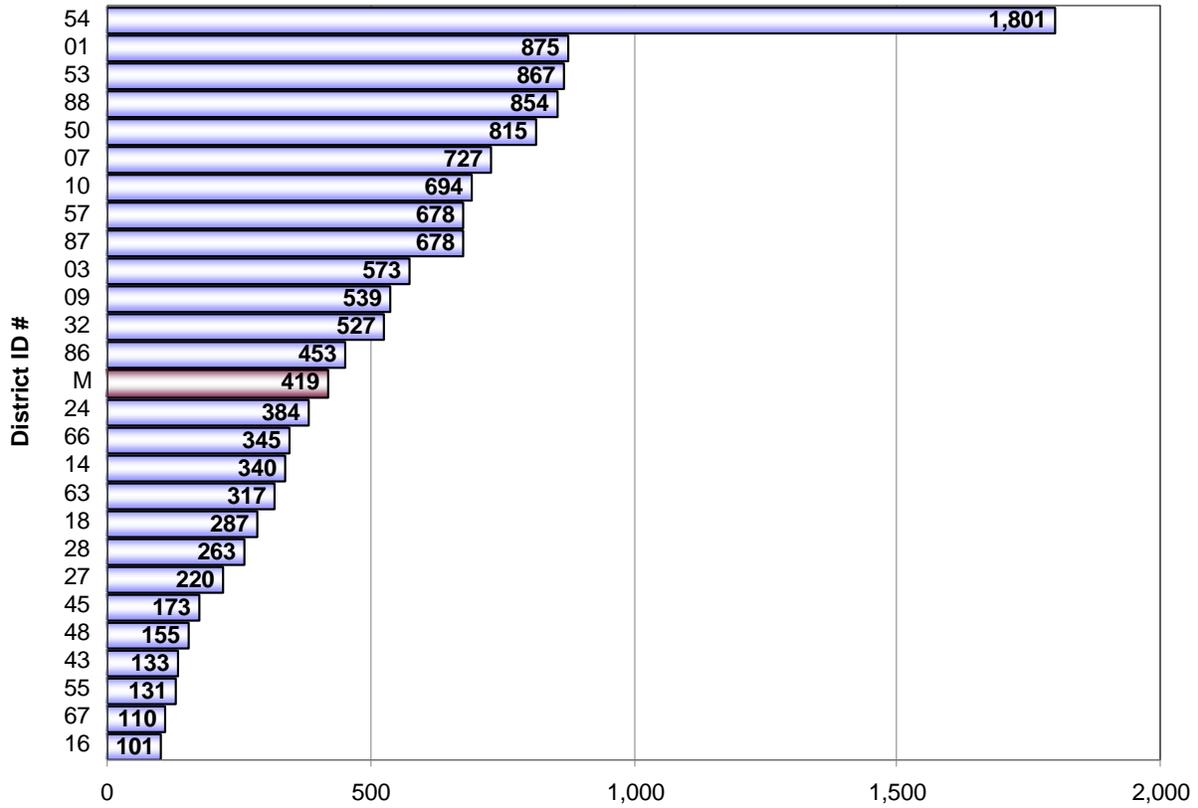
- FY 07 = 26 districts provided reasonable responses; FY 06 = 31 districts
- FY 07: High = 1,801; Low = 101; Median = 419

Trends and Observations

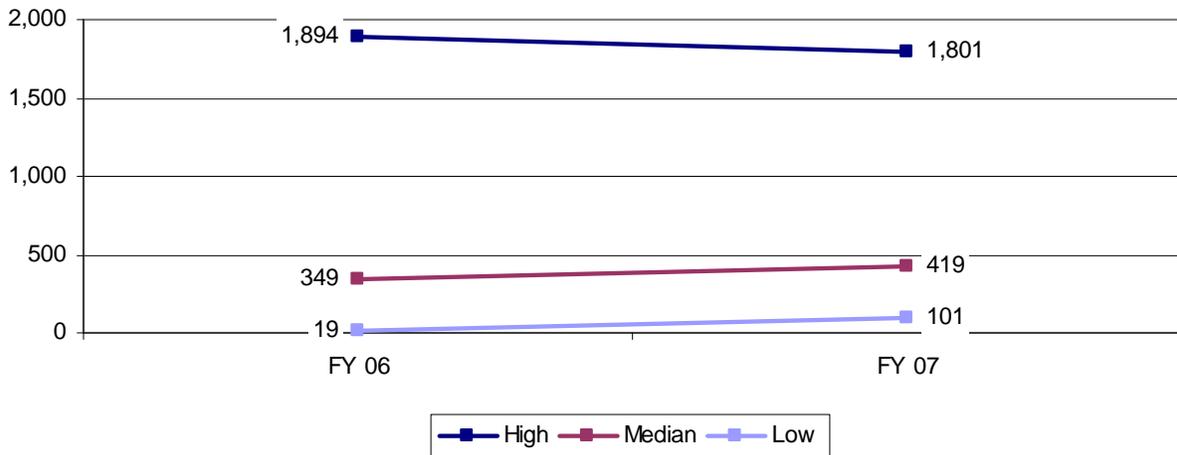
- 13 districts (50%) reported that they exceed the median of 419 PO invoices processed per month per AP staff member, with one of the districts processing 1,801 monthly PO invoices

Performance Measurement & Benchmarking for K12 Operations

PO Invoices Processed per FTE per Month



PO Invoices Processed per FTE per Month



Cost per Invoice (ACCRA adjusted¹)

Total Budget of the Accounts Payable Department (not including overhead) *divided by* the total number of invoices processed

Why This Measure Is Important

The measure determines the average cost to process an invoice. According to the Institute of Management the cost to handle an invoice is the second most used metric in benchmarking AP operations.

Factors That Influence This Measure

- Administrative policies and procedures
- Administrative organizational structure
- Administrative leadership style, decision making process and distribution of organizational authority
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring, and reporting systems
- Number of FTEs in the Accounts Payable Department
- The number of invoices paid annually
- Level of Automation
- Regional salary differentials and different processing approaches

Analysis of Data

- 26 districts provided reasonable responses to these data points
- FY 07: Low = \$0.10 per invoice; High = \$30.41; Median = \$4.61

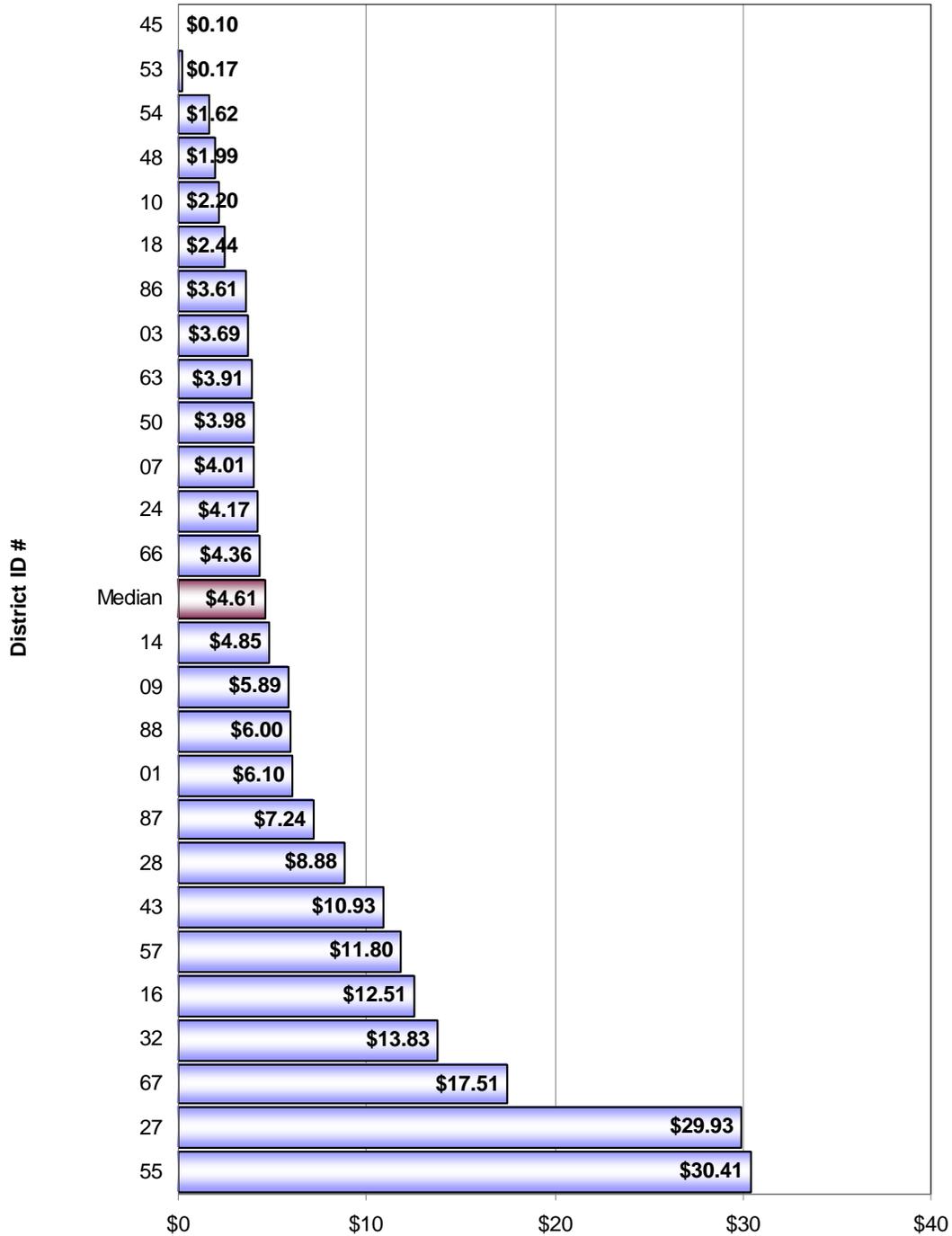
Trends and Observations

- 14 districts (54%) reported that they were near or below the \$4.61 median cost per invoice; with the remaining 12 districts exceeding the median with costs ranging from \$5.89 to \$30.41 per invoice.
- Comparative data is not measurable due to the way the data was collected. To make it possible to benchmark against other industries the 2006-07 total budget of AP Departments (not including overhead) were collected and utilized. The 2005 -2006 data collected only included salaries and benefits.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

Cost per Invoice (ACCRA adjusted)



Voided Checks to Total Checks

The total number of non-salary checks voided or reversed *divided by* the total number of non-salary checks processed.

Why This Measure Is Important

The measure assesses efficiencies and accuracy. Voided checks usually results from duplicate payments or errors. A high percentage of duplicate payments typically indicates a lack of control or master vendor files that are in need of cleaning and offer the potential for fraud.

Factors That Influence This Measure

- Administrative policies and procedures
- Organizational structures and authority, and decision making processes
- Departmental and individual employee responsibilities and competencies
- Performance management, monitoring, and reporting systems
- Number of FTEs in the Accounts Payable Department
- The total number of checks written annually
- Level of Automation

Analysis of Data

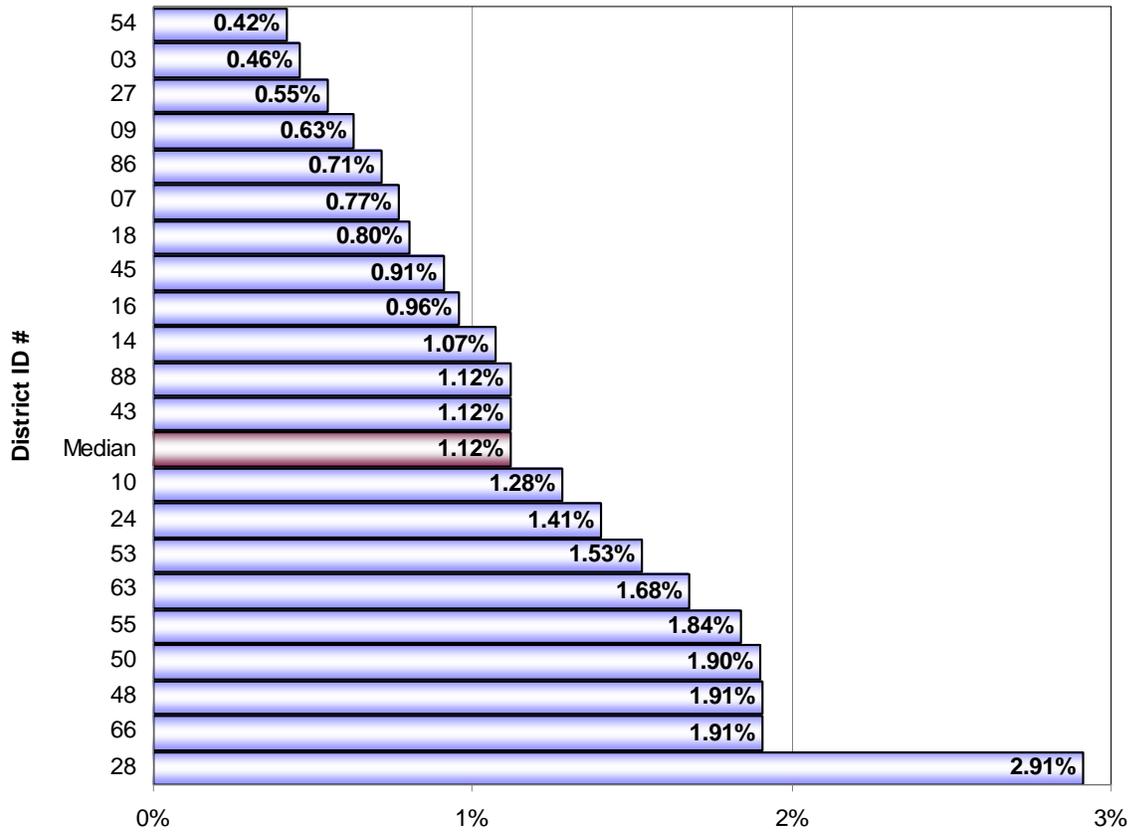
- FY 07 = 21 districts with reasonable responses; FY 06 = 28 districts
- FY 07: Low = 0.42% of all non-salary checks voided or reversed; High = 2.91%; Median = 1.12%

Trends and Observations

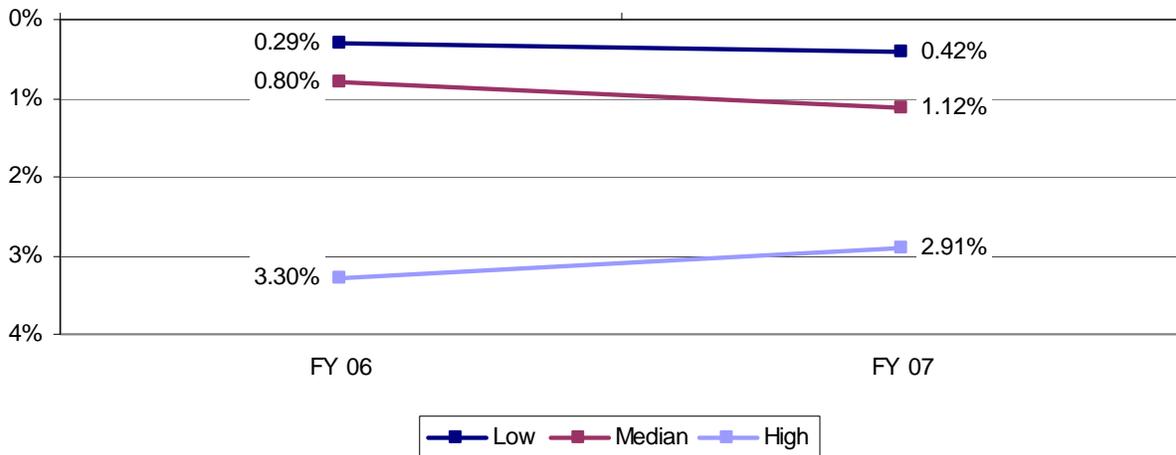
- Voided Checks
 - The total numbers of voided non-salary checks have remained relatively unchanged for the two years that data has been collected. On average, 1.23% of checks were voided in FY 07 compared to the 1.20% of checks that were voided in FY 06.
- Duplicate Payments
 - Over 80% of respondents report a duplicate payment rate of less than 0.1%. No district indicated that they have a duplicate payment rate of more than 0.5%.
 - If a district is experiencing duplicate payments at the rate of more than 0.5% (half of one percent), it typically indicates a lack of controls, a master vendor file that's in need of cleaning and a potential for fraud
- Vendor Payments with Errors
 - Based on the data, payment errors are a fact of AP life – regardless of district size, type, or level of automation – and the error rates appear not able to be “automated away.”

Performance Measurement & Benchmarking for K12 Operations

Voided Checks to Total Checks



Voided Checks to Total Checks



Number of Days to Process a Vendor Payment

Total Number of Days equals the Time span from date of invoice receipt within the Accounts Payable Department to the date of invoice payment to the vendor.

Why This Measure Is Important

This metric is important because it is time sensitive. Many vendors offer discounts for early payments and impose penalties for late ones. Failure to manage this function effectively results in real costs (penalties) as well as opportunity costs (failure to obtain discounts) that can substantially alter the financial picture of a district, large or small. The challenges in this area involve the following;

- Improving the accuracy of cash forecasting
- Aligning payables to receivables
- Reducing paper handling and implementing document imaging
- Reducing time spent on clerical functions such as sorting, routing, retrieving and rather than manual approval of invoices implement a push of invoices through a user defined approval process
- Improving document and process flow control
- Maintaining documentation of process flows and allowing vendors secure, real-time, on-line access to their payment information

Factors That Influence This Measure

- Administrative policies and procedures
- Organizational structures and authority, and decision making processes
- Lack of Standardization
- Duplication of Activities
- Level of Automation
- Level of Training

Analysis of Data

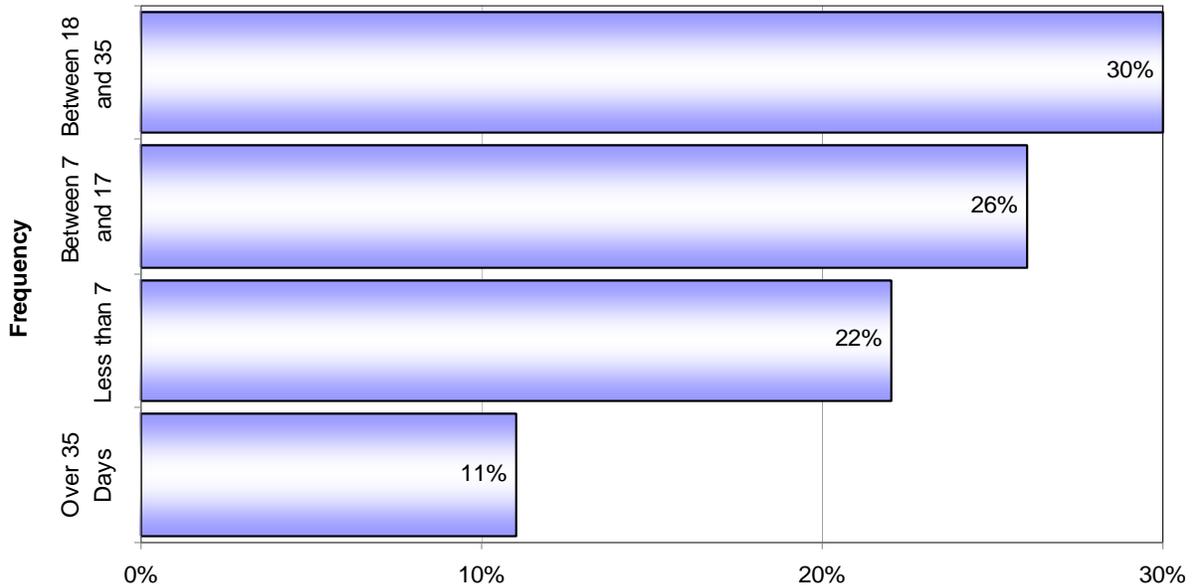
- 23 districts provided reasonable responses

Trends and Observations

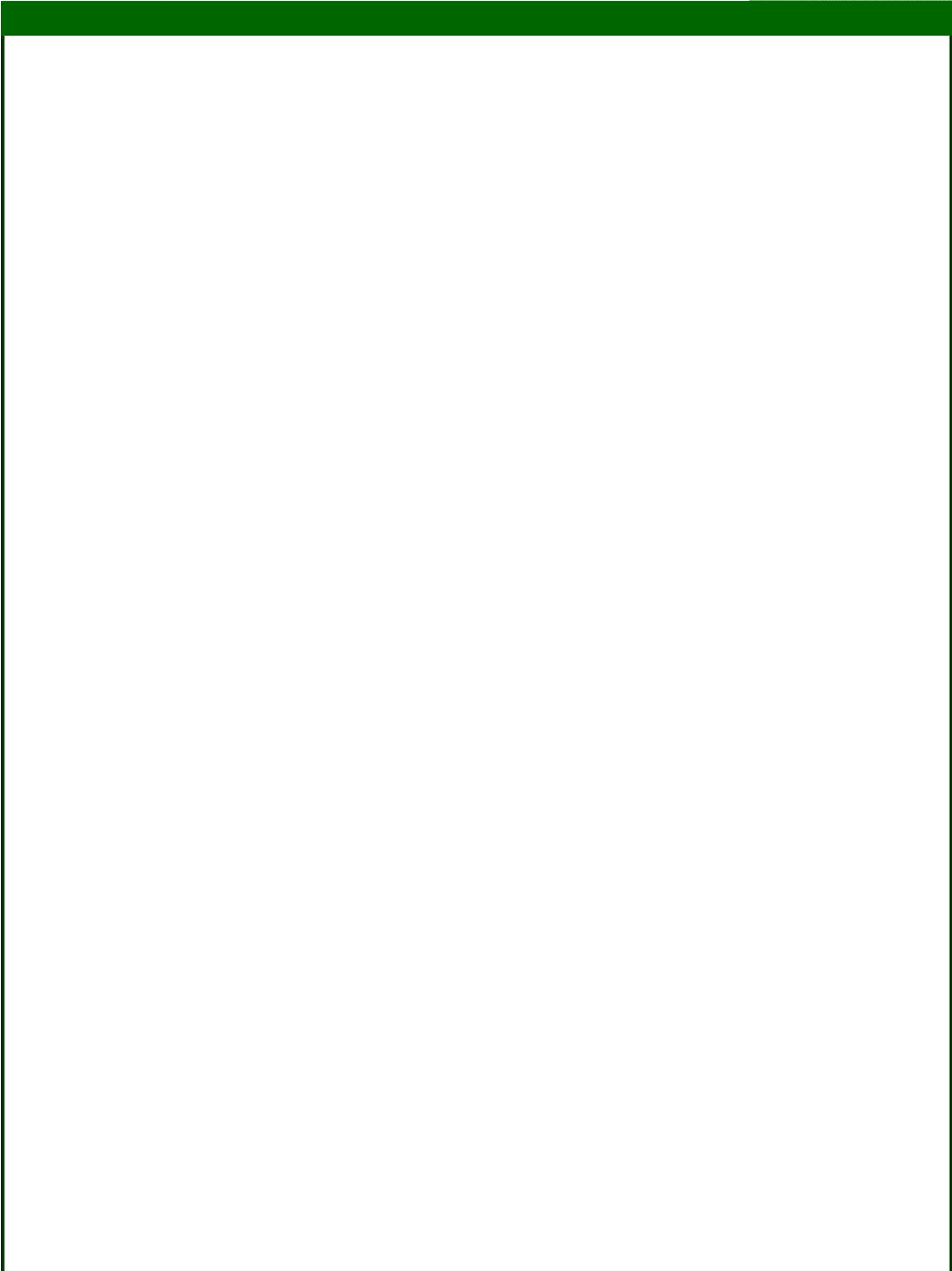
- 12 districts (52%) take less than the median of 7-17 days to process a vendor payment with the number of districts taking less than 7 and those taking 7-17 equally divided; 8 of the remaining 11 districts take 18-35 days and the remaining 3 districts take over 35 days to process a vendor payment.

Performance Measurement & Benchmarking for K12 Operations

Number of Days to Process a Vendor Payment



District ID	Number of Days to Process a Vendor Payment
10	OVER 35 DAYS
40	OVER 35 DAYS
87	OVER 35 DAYS
18	BETWEEN 7 AND 17
27	BETWEEN 7 AND 17
32	BETWEEN 7 AND 17
53	BETWEEN 7 AND 17
63	BETWEEN 7 AND 17
67	BETWEEN 7 AND 17
03	BETWEEN 18 AND 35
07	BETWEEN 18 AND 35
09	BETWEEN 18 AND 35
28	BETWEEN 18 AND 35
50	BETWEEN 18 AND 35
54	BETWEEN 18 AND 35
66	BETWEEN 18 AND 35
88	BETWEEN 18 AND 35
14	LESS THAN 7
45	LESS THAN 7
48	LESS THAN 7
55	LESS THAN 7
57	LESS THAN 7
86	LESS THAN 7
MEDIAN	BETWEEN 7 AND 17



Cash Management

Banking Structure

Number of Controlled Disbursements Accounts, Concentration Accounts, Custodial Accounts, and Other Accounts each *divided by* the Total Number of Accounts

Why This Measure Is Important

This measure is a key indicator of the objectives and methods used by school districts to receive and disburse funds.

Factors That Influence This Measure

- Size of district measured in dollars
- Independent school district versus a district that is a division of a city or county
- Timing of cash flows
- Investment policies prescribed by school board or state statute
- Level of staffing
- Extent of automation
- Standard operating procedures

Analysis of Data

- 29 districts reported reasonable responses

Trends and Observations

- Checking and Savings Accounts are the preferred methods used by school districts to receive and disburse funds; with Controlled Disbursement Accounts as the next most frequently used method.
- Only six districts reported having 20% or more of their funds in a Concentration Account.
- Custodial Accounts are the least frequently used by responding districts

Performance Measurement & Benchmarking for K12 Operations

CM-02 Banking Structure										
District ID	Controlled		Concentration		Custodial		Other (checking, Savings, & Other)		Total	
	Disbursement		%	#	%	#	%	#	%	#
	%	#	%	#	%	#	%	#	%	#
1	2.7%	2	12.0%	9	34.7%	26	50.7%	38	100.0%	75
3	14.3%	2	0.0%		7.1%	1	78.6%	11	100.0%	14
7	23.8%	5	4.8%	1	4.8%	1	66.7%	14	100.0%	21
9	0.0%		0.0%		7.7%	1	92.3%	12	100.0%	13
10	10.0%	1	0.0%		0.0%		90.0%	9	100.0%	10
14	20.0%	2	20.0%	2	0.0%		70.0%	7	110.0%	10
18	0.4%	1	0.4%	1	0.0%	0	99.1%	223	100.0%	225
21	27.3%	3	0.0%		0.0%		72.7%	8	100.0%	11
32	2.5%	2	2.5%	2	80.2%	65	14.8%	12	100.0%	81
40	33.3%	8	45.8%	11	0.0%		20.8%	5	100.0%	24
41	42.9%	3	42.9%	3	14.3%	1	0.0%	0	100.0%	7
43	0.0%		0.0%		0.0%		100.0%	15	100.0%	15
45	62.5%	5	0.0%		12.5%	1	25.0%	2	100.0%	8
48	2.9%	10	0.3%	1	0.0%		96.8%	335	100.0%	346
50	22.2%	2	66.7%	6	0.0%		11.1%	1	100.0%	9
52	12.5%	2	6.3%	1	62.5%	10	18.8%	3	100.0%	16
55	0.0%		0.0%		0.0%		100.0%	2	100.0%	2
57	8.8%	3	8.8%	3	0.0%		82.4%	28	100.0%	34
63	15.4%	2	15.4%	2	0.0%		69.2%	9	100.0%	13
64	12.5%	3	0.0%		0.0%		87.5%	21	100.0%	24
66	0.0%		0.0%		2.1%	2	97.9%	94	100.0%	96
79	0.0%	0	64.3%	9	7.1%	1	92.9%	13	164.3%	14
86	0.0%		71.4%	5	0.0%		28.6%	2	100.0%	7
87	16.7%	2	8.3%	1	0.0%		75.0%	9	100.0%	12
88	28.6%	2	14.3%	1	0.0%		57.1%	4	100.0%	7

Timely Deposits – Days from Receipt to Deposit

Number of days from receipt to deposit.

Why This Measure Is Important

This measure is important because timely collections of cash coupled with timely depositing of cash received are critical factors in maximizing cash flow. Timely cash deposits can also significantly impact the potential for greater earnings from investments.

Factors That Influence This Measure

- Sources of funding
- Extent of automation
- Level of staffing
- School Board policies
- Standard operating procedures

Analysis of Data

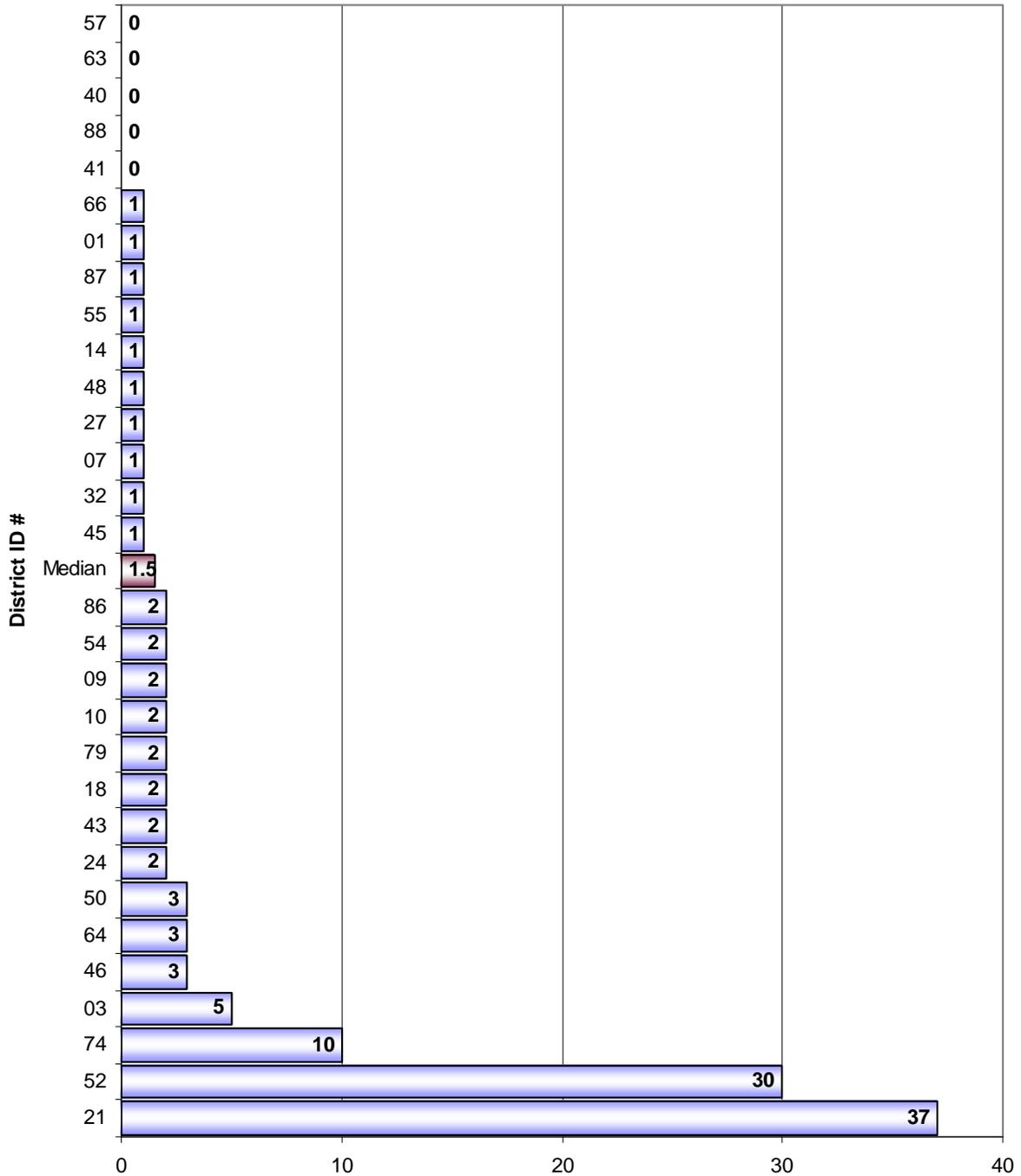
- 30 districts reported reasonable responses
- FY 07: Low = 0 days; High = 37 days; Median = 1.5 days

Trends and Observations

- 15 districts (50%) collect and deposit cash within 1 day or less; 11 districts (37%) deposit cash within 2-3 days of its collection; and 4 districts (13%) take 5-37 days to collect and deposit cash.

Performance Measurement & Benchmarking for K12 Operations

Timely Deposits - Days from Receipt to Deposit



Investment Policy

Does your district have an investment policy? Does your state have an investment policy? Is your district policy more or less restrictive than the state policy?

Why This Measure Is Important

This measure is important because almost all the monies school districts receive are public funds, whether from property taxes, state appropriations, or federal grants. Proper safekeeping and prudent fiscal management are required responsibilities of the districts. Handling money is also an area often subject to intense public scrutiny. A documented cash and investment policy helps demonstrate a district's commitment to sound financial management. Investment restrictions on public funds are typically required by state statute.

Factors That Influence This Measure

- School Board policies on cash and investments
- State laws and regulations
- Administrative policies

Analysis of Data

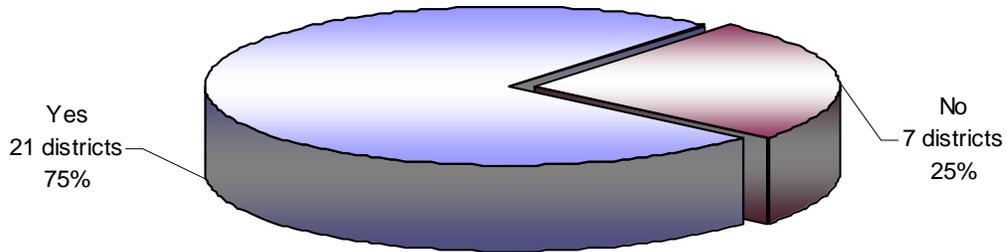
- 25 districts reported reasonable responses

Trends and Observations

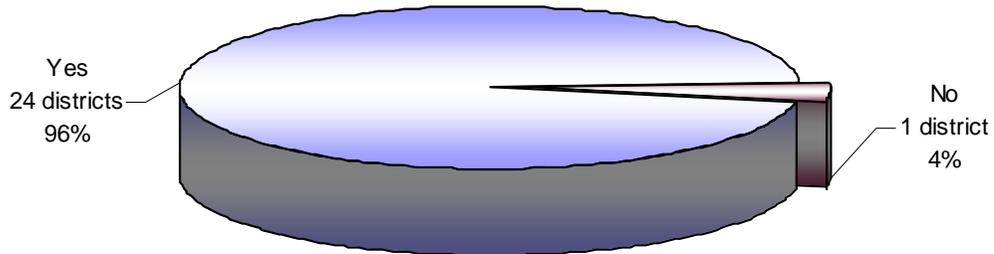
- 24 districts (96%) operate in states that have state level investment policies; 21 districts (75%) have their own investment policy with 9 of these districts characterizing their policies as “more restrictive” and 12 having the same restrictions as those required by the state.

Performance Measurement & Benchmarking for K12 Operations

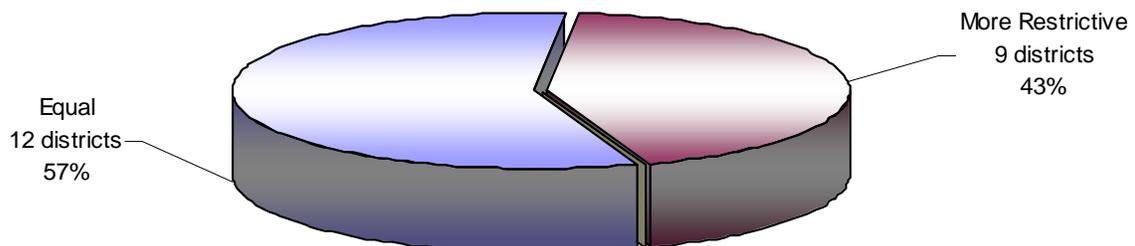
Investment Policy - District



Investment Policy - State



Investment Policy - District - More or Less Restrictive



Integrated Student Body Activity Accounting

Is the district's student activity account centralized or decentralized? Is the district's student activity system integrated to the district's central accounting system?

Why This Measure Is Important

This measure is important because districts are subject to expectations to provide more and more educational services with limited or at times even shrinking funding. The need to do more with less drives the ever-increasing demand for improved efficiencies and for greater effectiveness. Integrated, enterprise-wide accounting systems are powerful tools for automation and the corresponding leveraging of scarce human resources to accomplish more. Student body activities refer to the cash that flows through an individual school site from donations, athletic and theatrical ticket sales, dues for student clubs, PTA support, booster club fundraisers, and other such sources. Often schools have their own small accounting system that is not integrated with the central office.

Factors That Influence This Measure

- Size of district
- Type of centralized accounting system
- Site-based versus centralized decision-making
- School Board policies

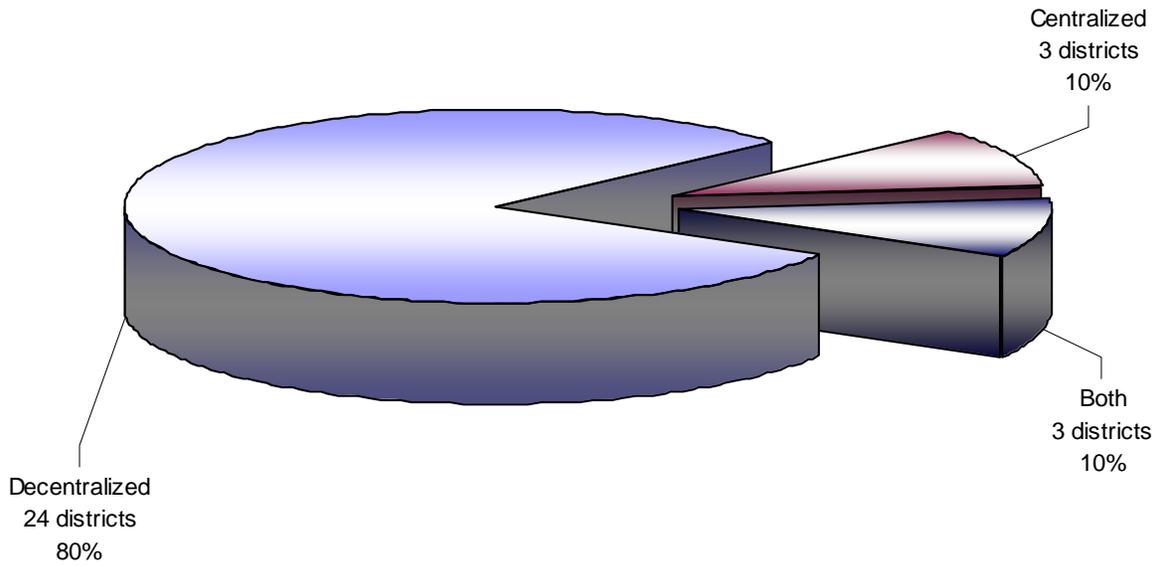
Analysis of Data

- 30 districts reported reasonable responses

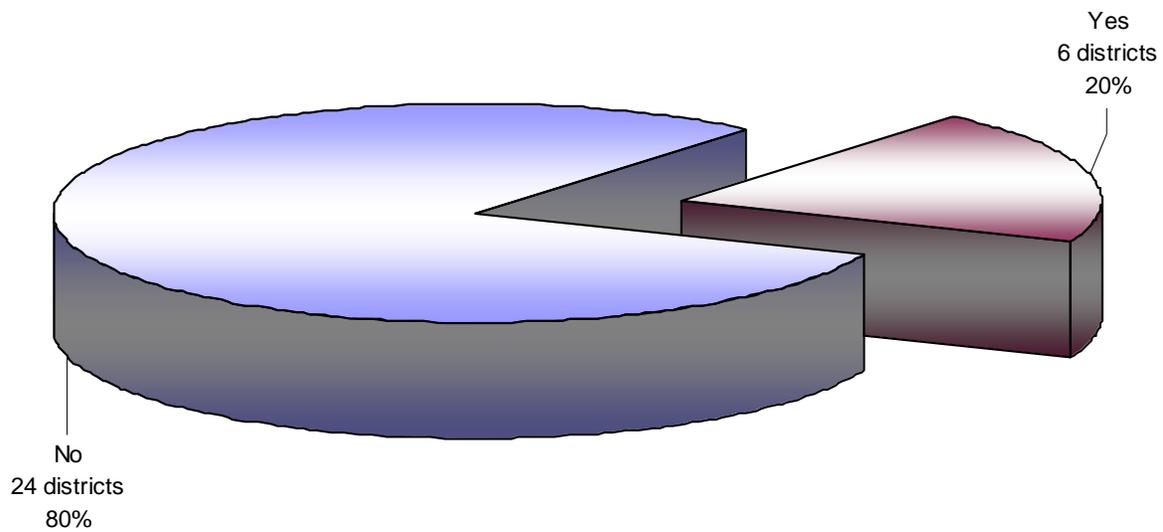
Trends and Observations

- 24 districts (80%) reported that their student body accounts are decentralized and not integrated into a central accounting system.

Student Activity Centralized/Decentralized



Student Activity Integrated to Central System





Compensation

Cost per Paycheck (ACCRA adjusted¹)

The sum of the annual cost of payroll salaries, benefits, supplies, materials and postage *divided* by the total annual cost of the payroll of the district

Why This Measure Is Important

This measure assesses the efficiency of the payroll operation. A higher cost could indicate an opportunity to realize efficiencies in the payroll operation while a lower cost indicates a leaner, more efficient operation. This is a measure that all organizations should be aware of and measure frequently. The payroll department should be able to adapt to changes in the size and composition of the district.

Factors That Influence This Measure

- Number of employees processing the payroll
- Skill level of the employees processing payroll
- Type of software used to process the payroll
- Processes and procedures in place to collect payroll data
- Number of employees being paid
- Number of contracts requiring compliance

Analysis of Data

- 25 districts provided reasonable responses
- FY 07: Low = \$0.55 per paycheck; High = \$82.90; Median = \$2.62

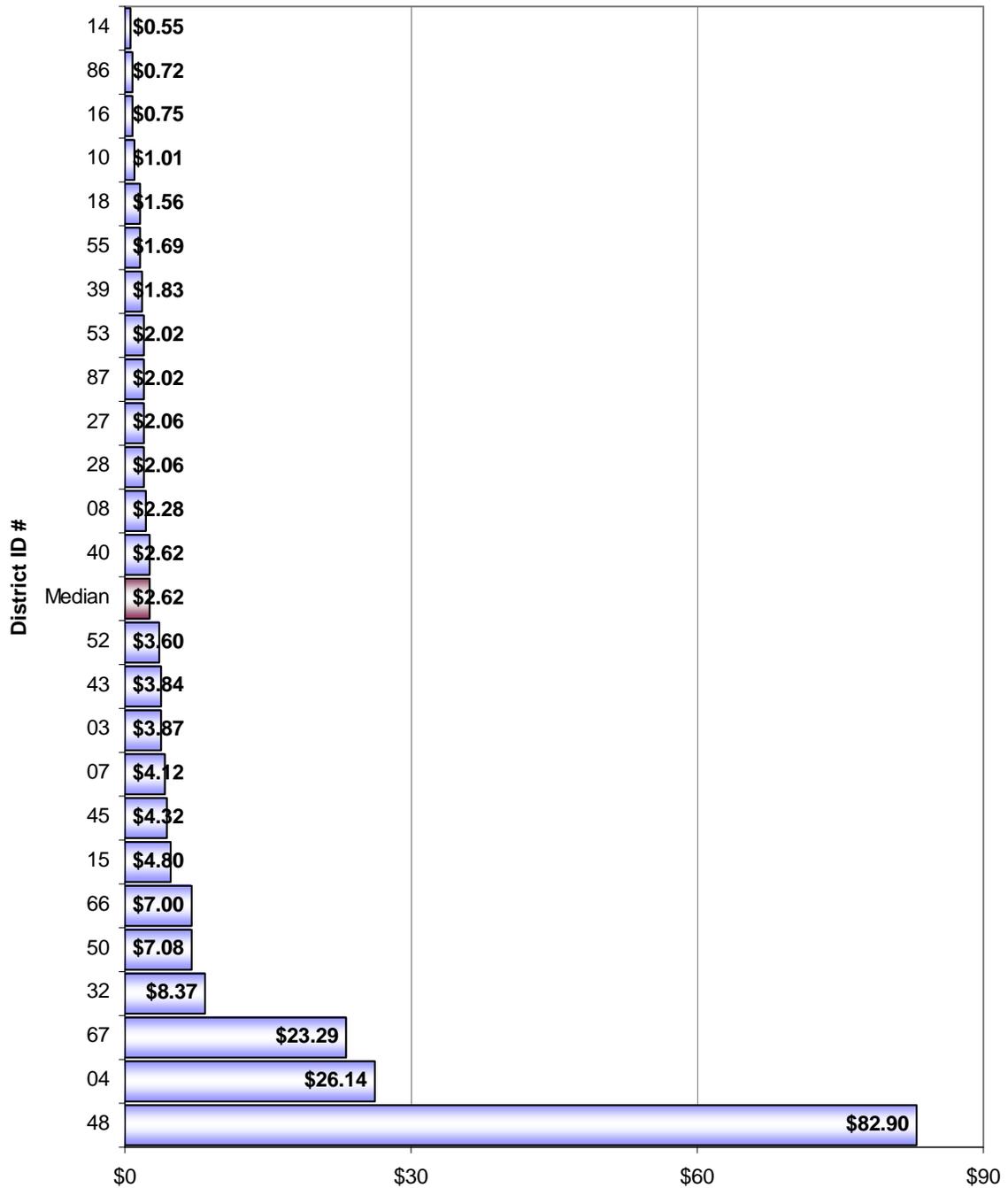
Trends and Observations

- 22 districts reported costs within a range of between \$.55 and \$8.37 per paycheck; and 3 districts reported costs ranging from \$23.29 to \$82.90 per paycheck.
- The outliers suggest a possible misunderstanding of the information requested, since they are well outside of the normal range reported.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

Cost Per Paycheck (ACCRA adjusted)



Off-Cycle Payroll Checks

Total number of off cycle checks produced annually *divided by* the number of paychecks generated annually

Why This Measure Is Important

This measure assesses the effectiveness and accuracy of the payroll processes. Off-cycle checks are usually the result of errors in data received for payroll processing or errors in data input prior to payroll processing. A higher number of off-cycle checks usually indicate a need to review processes and procedures to determine if the proper controls are in place to monitor payroll output.

Factors That Influence This Measure

- Number of employees processing the payroll
- Skill level of the employees processing payroll
- Processes and procedures in place to collect payroll data
- Number of employees being paid
- Number of contracts requiring compliance
- Timeliness of the receipt of payroll data
- Accuracy of payroll data received
- Systems in place for collection of payroll data

Analysis of Data

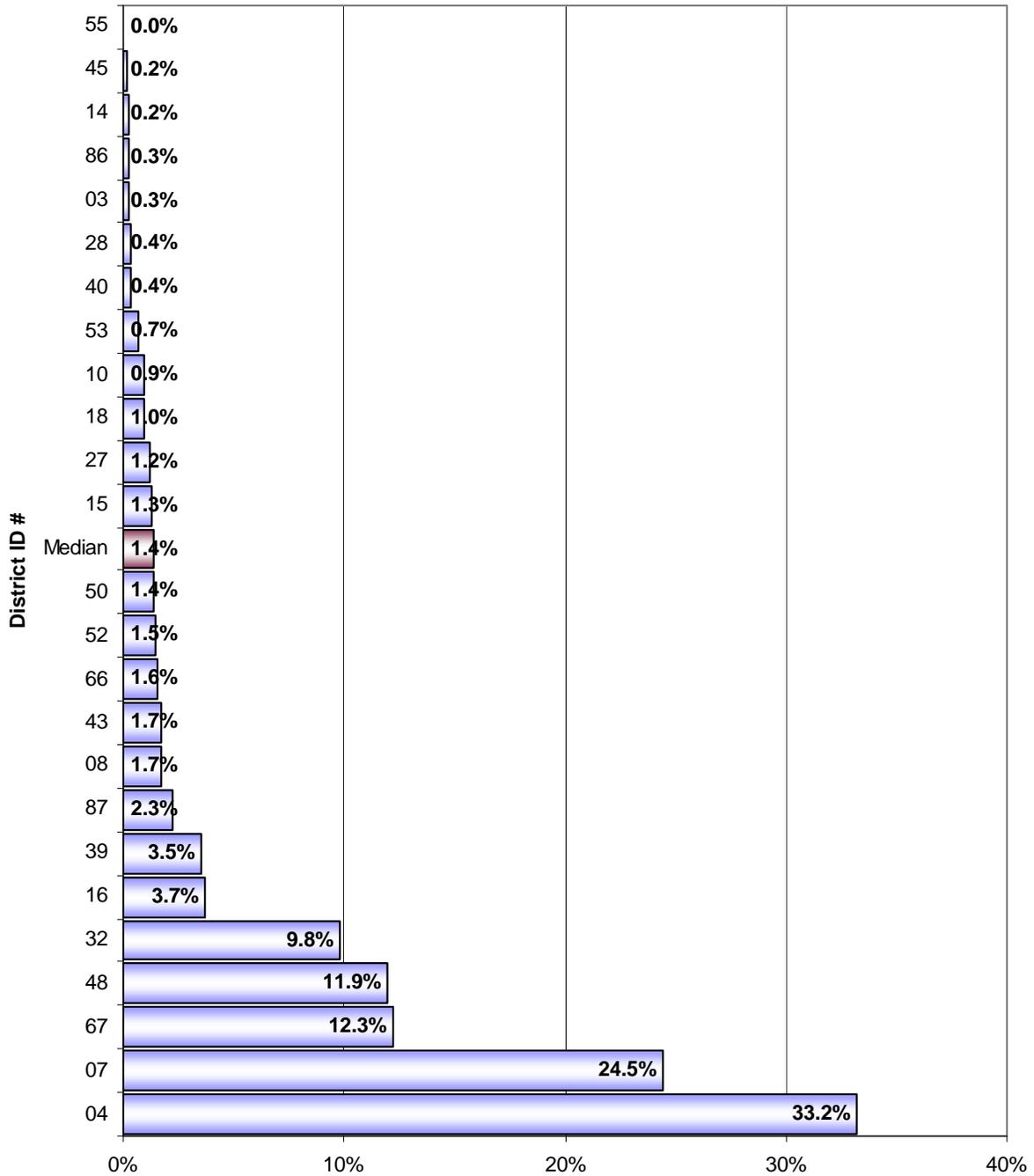
- 25 districts provided reasonable responses
- FY 07: Low = 0.0%; High = 33.2%; Median = 1.4%

Trends and Observations

- 20 districts reported less than 5% of their annual checks are printed during an off-cycle, indicating a high rate of effectiveness.
- 5 districts reported that between 9.8- 33.2% of their annual checks are generated during an off-cycle. These variances suggest that the payroll processes of these districts should probably be reviewed.

Performance Measurement & Benchmarking for K12 Operations

Off-Cycle Payroll Checks



Over/Under Payments on Checks –Payroll Errors to Payroll Cost

The sum of the total amount of overpayments and underpayments per year *divided by* the total amount of the annual payroll

Why This Measure Is Important

This metric assesses the effectiveness and accuracy of the payroll processes from a different perspective than off-cycle checks. Over payments or under payments usually result from errors in the data received for payroll processing or errors in data input prior to payroll processing. A higher number of errors in check amounts usually indicate a need to review processes and procedures to determine if the proper controls are in place to monitor payroll input and payroll output.

Factors That Influence This Measure

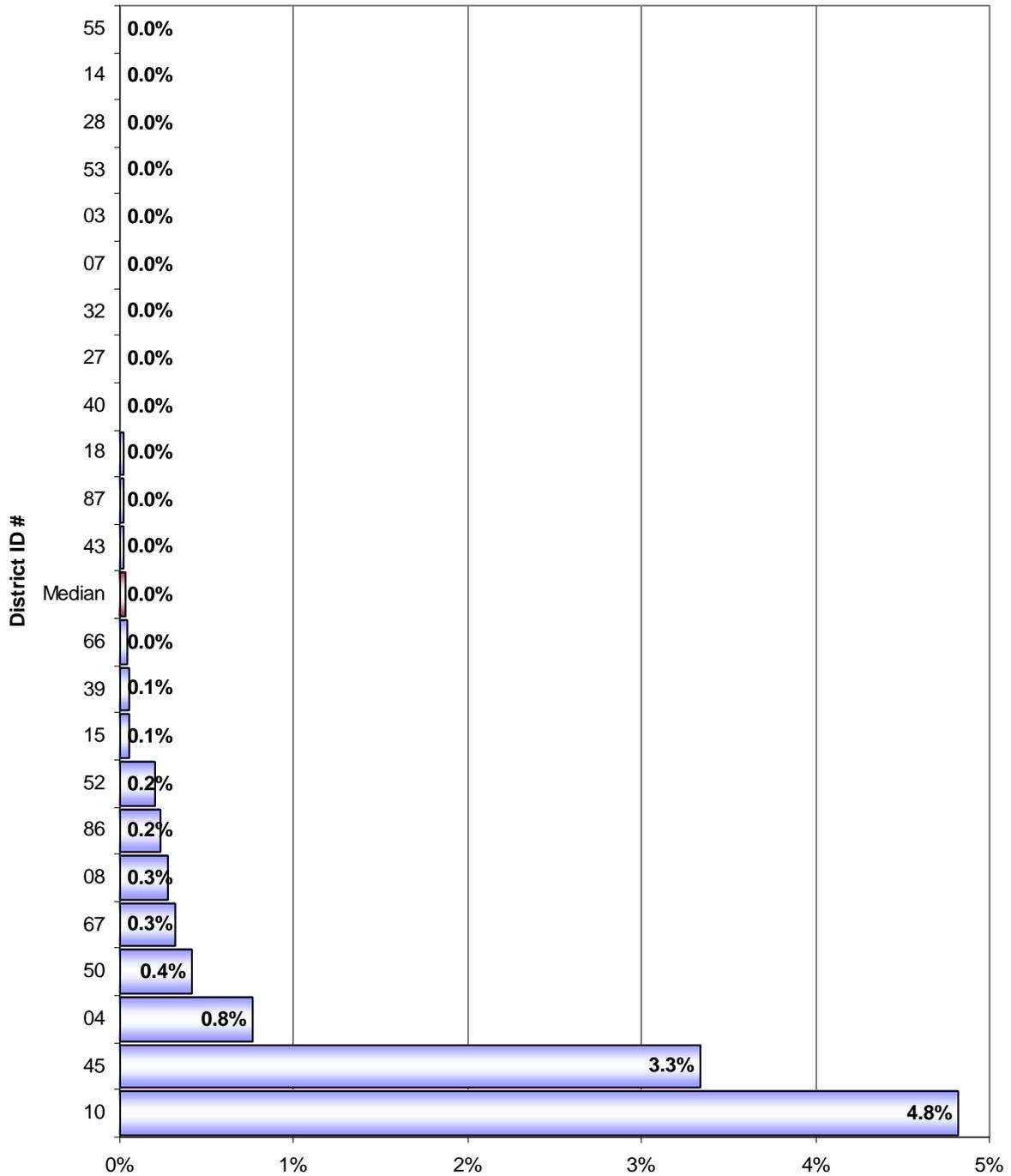
- Number of employees processing the payroll
- Skill level of the employees processing payroll
- Processes and procedures in place to collect payroll data
- Number of employees being paid
- Number of contracts requiring compliance
- Timeliness of the receipt of payroll data
- Accuracy of payroll data received
- Systems that are in place for payroll data collection and how efficient they are
- Appropriate procedures and timelines for data collection and submission
- Established consequences for missing deadlines

Analysis of Data

- 23 districts provided reasonable responses
- FY 07: Low = 0.0%; High = 4.8%; Median = 0.0%

Performance Measurement & Benchmarking for K12 Operations

Payroll Errors to Payroll Cost



Penalties or Late Payments

The total number of late payments made to the IRS in one year *divided by* the total number of paychecks generated annually

Why This Measure Is Important

This metric assesses the efficiency of the payroll processes and procedures that lead to reconciliation of the payroll. It will determine adherence to deadlines and timelines and the importance placed on meeting them. It measures the skill level of payroll staff in reconciling differences in the payroll control totals as well as the conscientiousness of the payroll staff.

Factors That Influence This Measure

- Efficient systems for collection and reporting of data
- Appropriate procedures and timelines for data submission
- Skill level of the employees reconciling the payroll
- Expectation of the administration to meet reporting deadlines
- Established consequences for missing deadlines

Analysis of Data

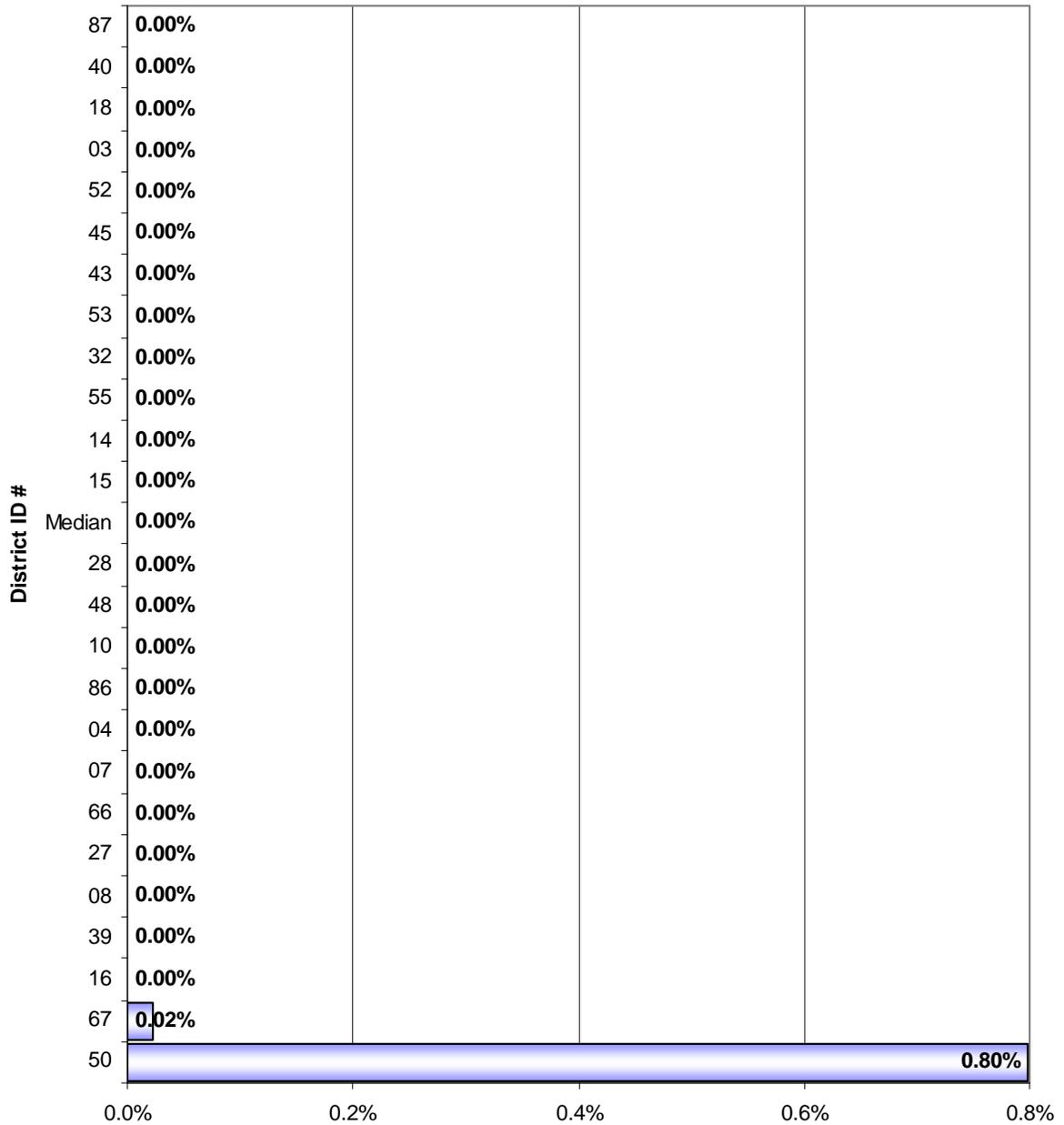
- 25 districts provided reasonable responses
- FY 07: Low = 0.00%; High = 0.80%; Median = 0.00%

Trends and Observations

- 23 districts reported that there were no payments of penalties for missing deadlines, indicating a high level of attention is being paid to deadlines and appropriate procedures are in place to ensure compliance.
- The dollar value of the late payments incurred by 2 districts appears to be insignificant and indicates an ability to negotiate lower payments due to infrequent infractions.

Performance Measurement & Benchmarking for K12 Operations

Penalties or Late Payments



Customer Satisfaction

The sum of the total annual number of calls logged with questions related to payroll concerns, total annual number of emails received with questions related to payroll concerns and total annual number of grievances filed related to payroll concerns *divided by* the total annual number of paychecks generated by the district

Why This Measure Is Important

This measure assesses whether the performance of the department is meeting the needs of the customers that they serve. It can provide invaluable insight into areas where improvements are needed. Greater customer satisfaction with an important function such as pay can impact morale and stimulate confidence in the business operation of the district because it touches every employee. Dissatisfaction can create questions, concerns and lack of confidence.

Factors That Influence This Measure

- Customer service training for payroll employees
- Conflict resolution training for payroll employees
- Systems in place for answering phones. Is it a live person who answers the phone does it go to voicemail.
- Turn around time from initial contact
- Procedures in place for dispute resolution
- Access to computerized survey functions that facilitate survey collection
- Cost to develop and distribute a survey could prevent one from being done.
- Not really wanting to address the issues that a survey could raise will impact effectiveness.

Analysis of Data

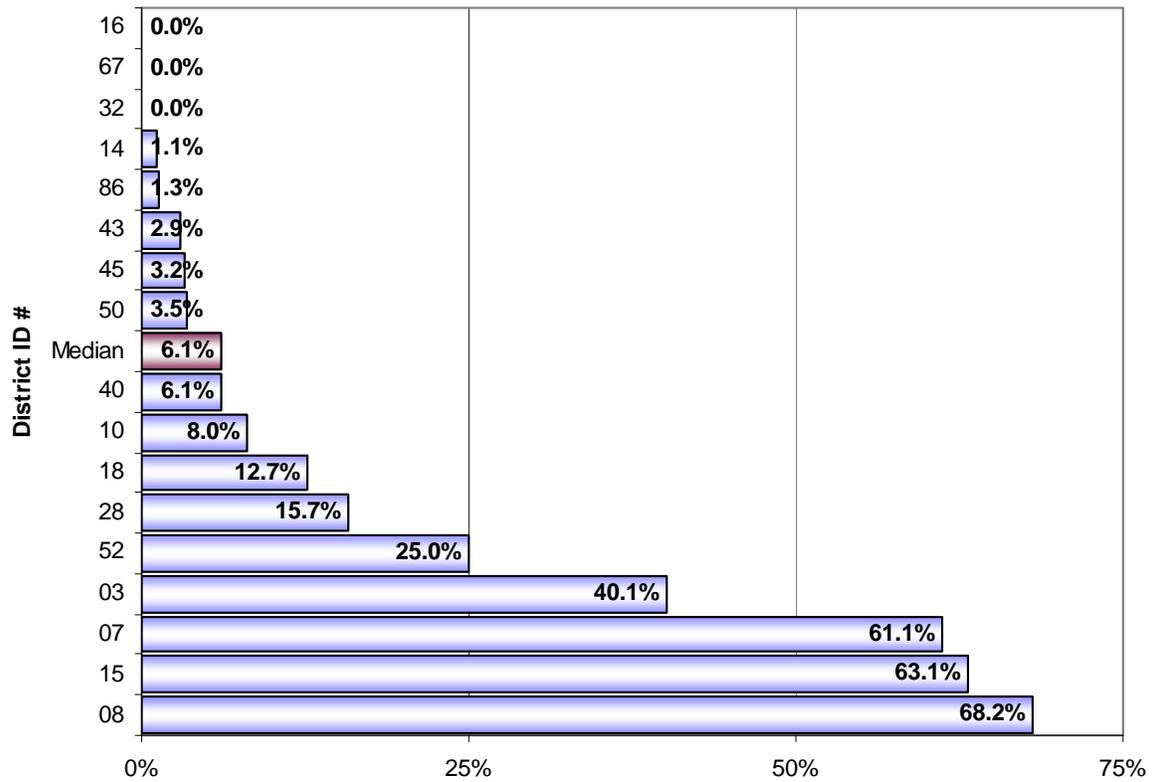
- 17 districts provided reasonable responses
- FY 07: Low = 0.0%; High = 68.2%; Median = 6.1%

Trends and Observations

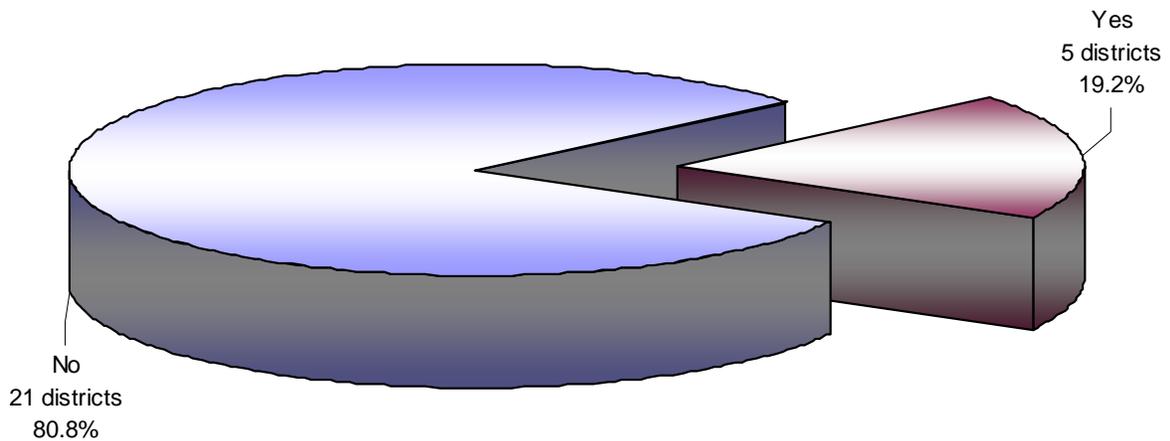
- The fact that so few districts responded suggests that many payroll departments do not log calls, emails or track grievances related to payroll concerns.
- The variances reported among the 17 districts that did respond suggest that the survey questions should be revisited. For example, in multiples of 100,000 paychecks generated, 1,100 (1.1%) or 68,200 (68.2%) recorded calls, emails or grievances related to payroll concerns would appear to be excessive and could raise questions as to whether the department is meeting the needs of the customers they serve.
- It is assumed that the 14 districts that conducted customer satisfaction surveys would use the information to improve service.

Performance Measurement & Benchmarking for K12 Operations

Customer Satisfaction



Customer Satisfaction Survey



Payroll Errors

Total number of W2C's issued annually *divided by* the total number of W2's issued annually

Why This Measure Is Important

This measure assesses the accuracy of payroll procedures and processing. A high percentage of corrected W-2's typically indicate a lack of proper controls and the need to strengthen procedures related to review and compliance. A small percent of error is a fact of life and no amount of automation will completely eliminate it. However, errors on W2's take time to correct and can impact efficiency of the department. They are also a poor customer service indicator and should therefore be monitored and addressed.

Factors That Influence This Measure

- Skill level of the employees processing payroll
- Accuracy of information
- Internal controls procedures in place
- Enforcement of control procedures
- Level of automation of processes

Analysis of Data

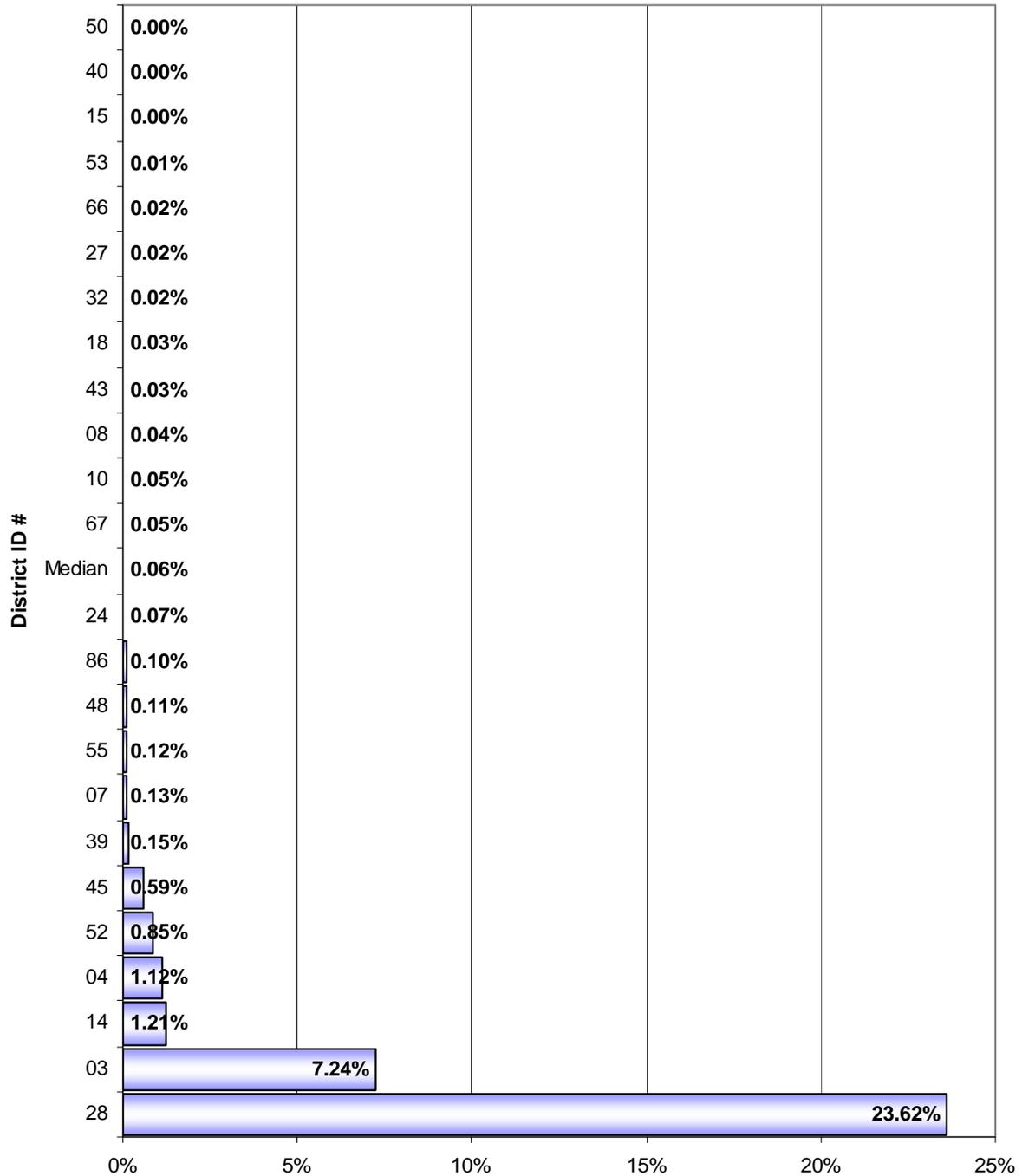
- 24 districts provided reasonable responses
- FY 07: Low = 0.00%; High = 23.62%; Median = 0.06%

Trends and Observations

- 20 districts reported a small percent of error with issuance of less than 1% of corrected W2s for calendar year 2006; 3 of these districts issued none.
- 4 districts reported percentages above 1% of corrected W2 issued for calendar year 2006, with a high rate of 23.62% recorded in one instance.

Performance Measurement & Benchmarking for K12 Operations

Payroll Errors



Workload/Efficiency – As Percent of District Employees

The sum of the total number of full time equivalent payroll managers, full-time equivalent payroll supervisors, full-time equivalent payroll clerks *divided by* the total full-time equivalent employees paid annually in the district

Why This Measure Is Important

This measure assesses the efficiency of the payroll operation. It is a good measure of the workload of each member of the payroll staff. It allows the district to compare their operation with others to evaluate the relative efficiency of the department. High numbers could indicate an opportunity to realize efficiencies by restructuring the department or introducing time and labor saving procedures. A lower number may indicate a highly efficient team or it could identify one that is overloaded.

Factors That Influence This Measure

- Skill level of the employees processing payroll
- Efficiency and effectiveness of payroll procedures
- Number of employees being paid
- Number of contracts requiring compliance
- Timeliness of the receipt of payroll data
- Accuracy of payroll data received
- Established consequences for missing deadlines
- Level of automation of processes and procedures
- Separate Human Resource functions

Analysis of Data

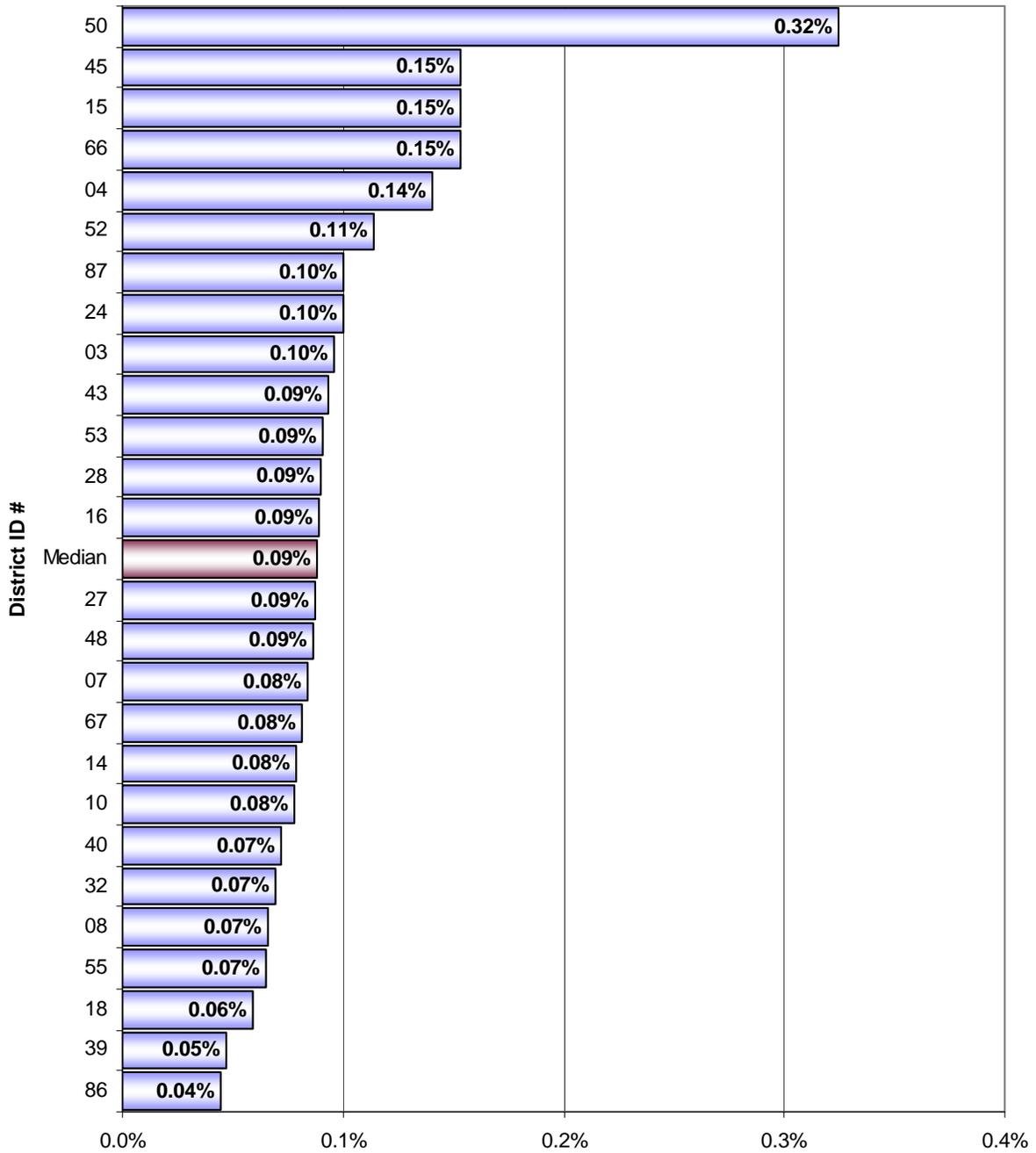
- 26 districts provided reasonable responses
- FY 07: High = 0.32%; Low = 0.04%; Median = 0.09%

Trends and Observations

- 20 districts (76%) reported payroll staffs that are .1% or less of the total district staff.

Performance Measurement & Benchmarking for K12 Operations

Workload/Efficiency - As Percent of District Employees



Payroll Overtime – Cost

Total dollar value of overtime hours paid to payroll employees, exclusive of benefits, *divided by* total value of overtime hours paid annually by the district, exclusive of benefits

Why This Measure Is Important

This measure assesses the efficiency and effectiveness of the payroll department. Overtime is an indicator of the appropriateness of staffing levels in payroll and the effectiveness of staff. Excessive overtime can be an indication that staffing levels are inadequate or that processes and procedures need to be revised and streamlined to make the work more efficient. An absence of any overtime may indicate staffing levels that are too high for the volume of work the department is processing.

Factors That Influence This Measure

- Timelines for data submission and adherence to timelines
- Number of employees being paid
- Number of contracts requiring compliance
- Skill level of the employees processing payroll
- Timeliness of the receipt of payroll data
- Accuracy of payroll data received
- Systems that are in place for payroll data collection and how efficient they are
- Level of manual transactions required by current processes
- Appropriate procedures and timelines for data collection and submission
- Established consequences for missing deadlines

Analysis of Data

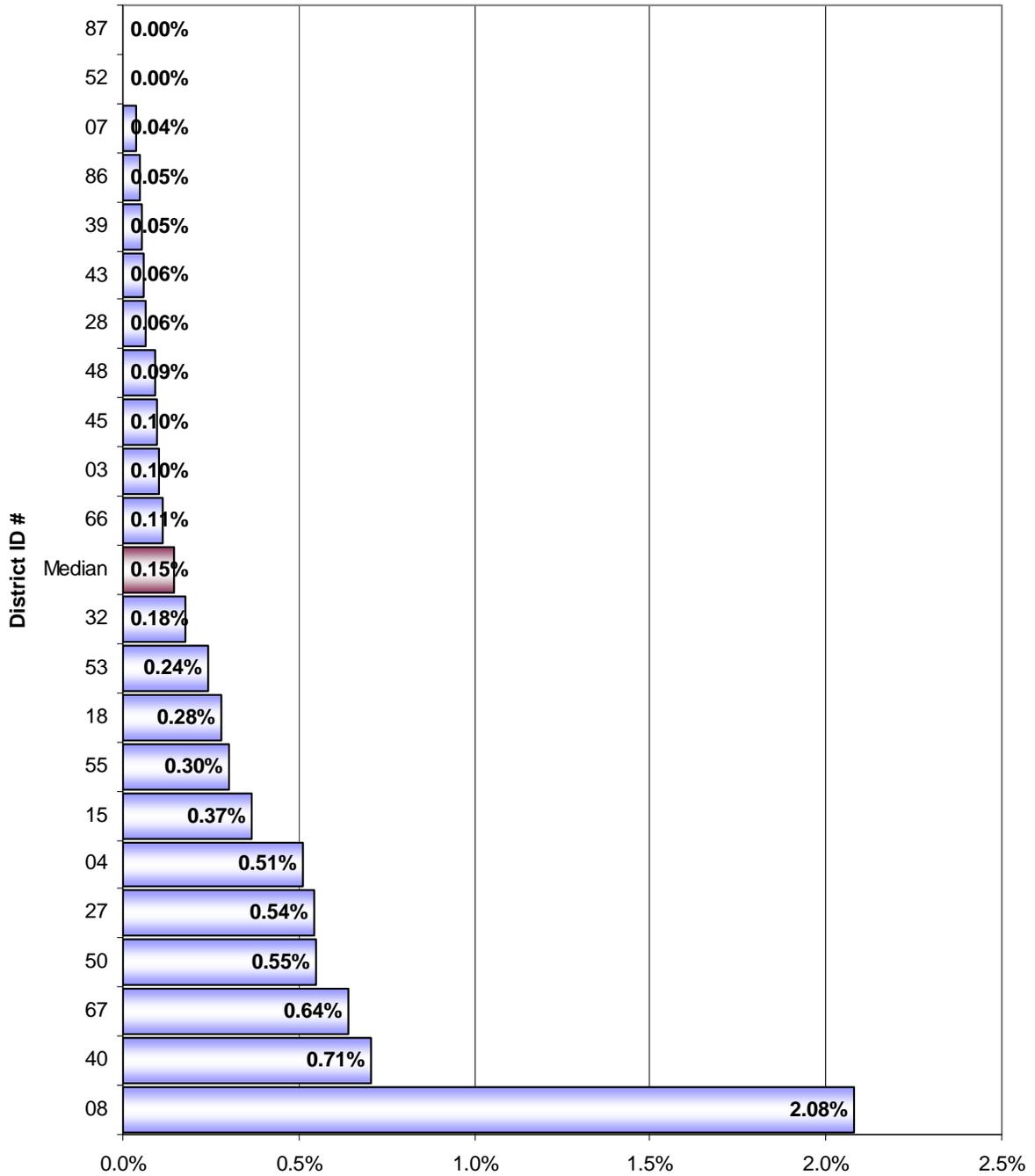
- 22 districts provided reasonable responses
- FY 07: Low = 0.00%; High = 2.08%; Median = 0.15%

Trends and Observations

- 21 districts (95%) reported that the dollar value of overtime paid to payroll employees was less than 1% of the total dollar value of overtime hours paid by the districts.
- One district reported that the dollar value of overtime paid to its payroll employees was 2.08% of the total dollar value of overtime hours paid by the district.

Performance Measurement & Benchmarking for K12 Operations

Payroll Overtime - Cost





Grant Management

Timely Access to Grant Budget

Total number of business days *from* the date the budget is approved *until* the day of the first expenditure

Why This Measure Is Important

This measure assesses efficiency in spending grant funds that are provided by Federal, State and Local governments, as well as other sources such as Foundations. Grants generally are used for programs and services specifically designated by the grantor/donor, i.e., restricted programs. The grant award stipulates the agreed upon deliverables or programming activities that can occur under the grant. Therefore, the timeliness of expenditures is a good indicator for the grantor to ensure that programming is occurring in time to meet grant deliverables and expected outcomes by the expiration date.

A low number of days between the date the budget is approved until the date of the first expenditure would indicate an effective use of grant funds. A high number of days would indicate an ineffective use of supplemental resources that could limit or reduce the districts ability to obtain additional revenues in the future. A district experiencing a high number of days or an extended cycle time for expending grant funding should thoroughly investigate the causes for the variances and reevaluate its grant development and management processes to improve efficiency in utilizing supplemental revenue.

Factors That Influence This Measure

- Timeliness of award notifications from Federal and State entities
- School board and administrative policies and procedures
- Budget development and management process
- Procurement regulations and policies

Analysis of Data

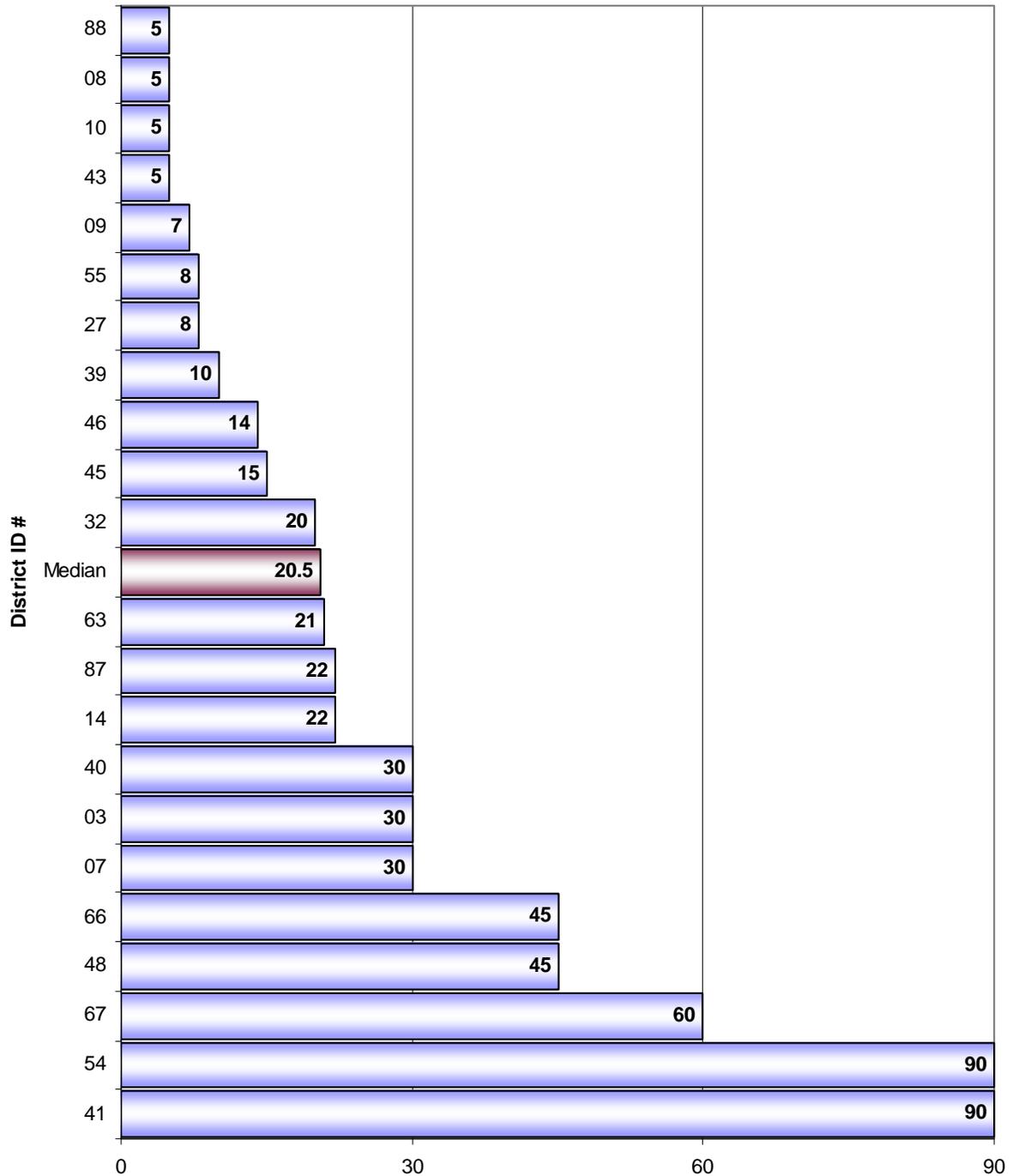
- 22 districts provided reasonable responses
- FY 07: Low = 5 days; High = 90 days; Median = 20.5 days

Trends and Observations

- 14 districts (64%) reported less than 30 days from the date the budget is approved until the day of the first expenditure; and 8 districts (36%) reported 30 or more days.

Performance Measurement & Benchmarking for K12 Operations

Timely Access to Grant Budget (in days)



Value of Unspent Funds Lost

Total grant award *minus* total grant expenditures *divided by* the total grant award

Why This Measure Is Important

This metric assesses efficiency in spending appropriated grant funds. Grant funds that are unspent can send an intractable message to grantors that supplemental funding is not needed or inefficiently utilized. In general, funds usually go unspent as a result of delayed start ups, the availability of funding from other sources or changes in programming that may have reduced expenses. These factors draw grantors to the conclusion that the recipient underperformed in achieving grant goals or was provided funding in excess of the need.

A lower percentage indicates effective utilization of appropriated grant funds and optimization of grant awards to implement planned programming. Conversely, a higher percentage indicates ineffective use of supplemental resources that could, if sustained over time, limit or reduce the districts ability to obtain additional revenues in the future. A district experiencing a high percentage should thoroughly re-evaluate its management processes to improve efficiency in utilizing supplemental revenue.

Factors That Influence This Measure

- Timeliness of awards
- School board and administrative policies and procedures
- Budget development and management process
- Administrative organizational structure
- Administrative leadership style, decision making process and distribution of organizational authority
- Departmental and individual employee responsibilities and competencies
- Performance management systems
- Monitoring and reporting systems

Analysis of Data

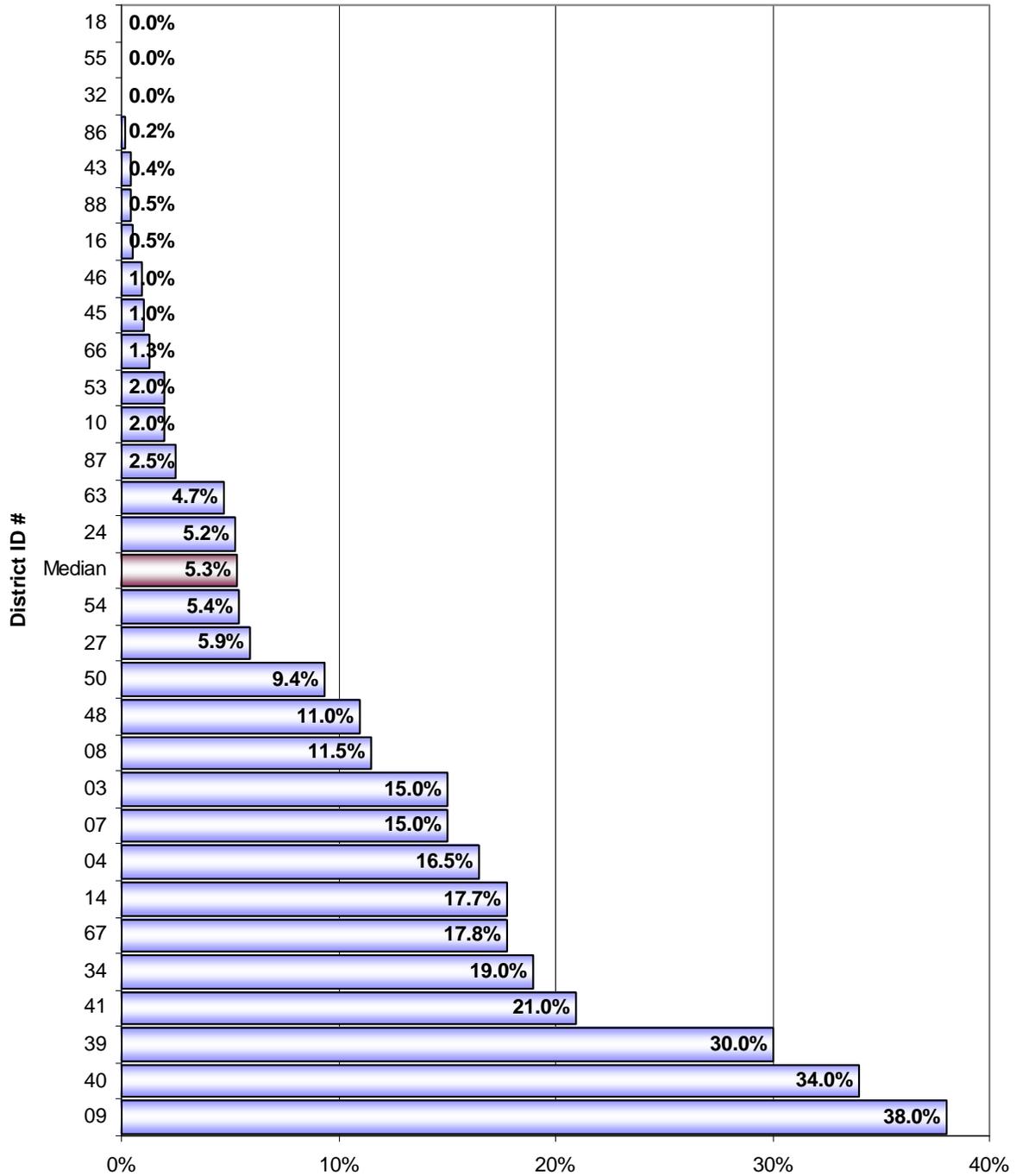
- 30 districts provided reasonable responses
- Low = 0.0%; High =38.0%; Median = 5.3%

Trends and Observations

- 18 districts (60%) reported 10% or less of awarded funds were not spent; 9 districts (30%) reported that over 10 to approximately 20% of these were not spent; and the remaining 3 districts (10%) reported that more than 30% of these funds were unspent.

Performance Measurement & Benchmarking for K12 Operations

Value of Unspent Funds Lost



Repeat Audit Findings Related to A-133

List any repeat audit findings related to A-133

Why This Measure Is Important

This metric assesses the ability of districts to take corrective action plans to remediate prior year material weakness or reportable condition audit findings. Effective internal controls constitute the heart of a district’s financial accountability because they (1) protect resources against waste, fraud, or mismanagement; (2) prevent errors from entering business processes; (3) detect errors once they are inside business processes; (4) ensure accuracy and reliability of financial accounting information; (5) assist with ensuring compliance with laws, regulations and policies; and (6) assist in the evaluation of financial performance.

A reporting of “No” indicates that internal control weaknesses have been resolved. A reporting of “Yes” indicates audit findings and potentially significant deficiencies in internal controls have been left unresolved. Districts that experience repeat audit findings should develop corrective action plans that eliminate prior audit findings, prevent future findings, and strengthen its internal controls, including their management and operating systems and procedures.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Administrative organizational structure
- Administrative leadership behavior, decision making process and distribution of organizational authority
- Departmental and individual employee responsibilities and competencies
- Segregation of duties and physical restrictions
- Accounting systems and procedures
- Budget management processes and systems
- Performance management systems
- Monitoring and reporting systems

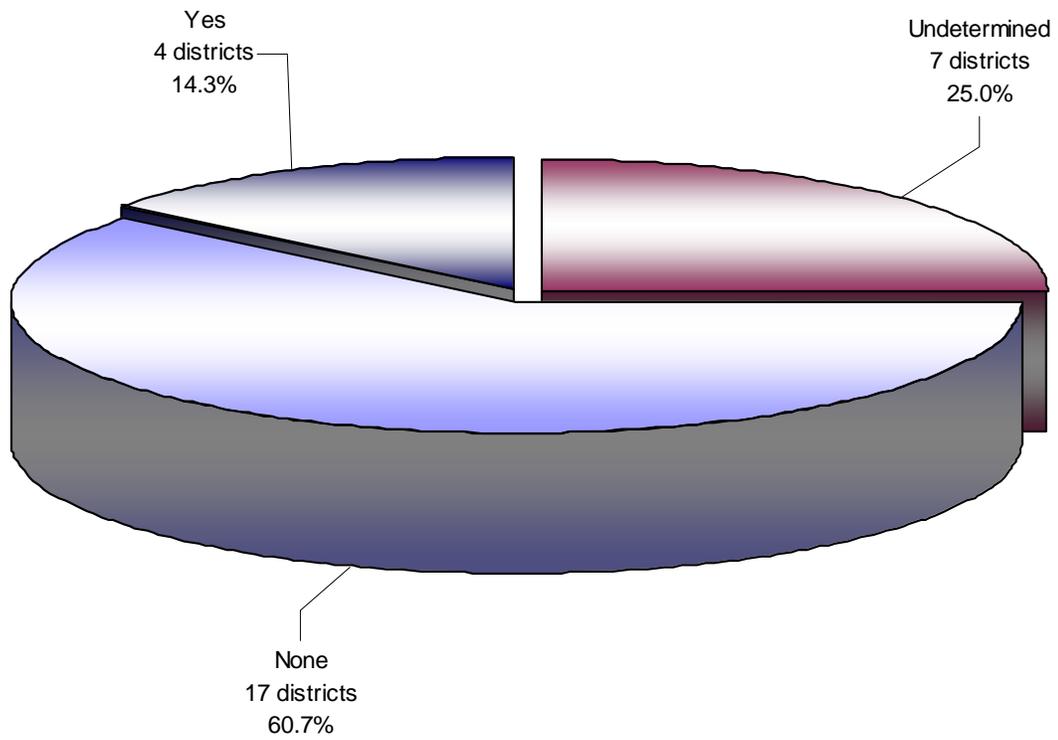
Analysis of Data

- 28 districts provided reasonable responses

Trends and Observations

- 17 districts (61%) reported “No” prior year material weakness or reportable condition audit findings; 4 districts (14%) responded “Yes”, indicating repeat material weaknesses or reportable condition audit findings; and 7 districts (25%) were “undetermined”.

Repeat Audit Findings Related to A-133



New Audit Findings Related to A-133

List any new audit finds related to A-133.

Why This Measure Is Important

This metric assesses a district's stated internal controls. Effective internal controls constitute the heart of a district's financial accountability because they (1) protect resources against waste, fraud, or mismanagement; (2) prevent errors from entering business processes; (3) detect errors once they are inside business processes; (4) ensure accuracy and reliability of financial accounting information; (5) assist with ensuring compliance with laws, regulations and policies; and (6) assist in the evaluation of financial performance.

A reporting of "No" indicates that internal control weaknesses have been resolved. A reporting of "Yes" indicates audit findings and potentially significant deficiencies in internal controls have been left unresolved. Districts that experience new audit findings should develop corrective action plans to remediate them; and reevaluate their policies and procedures, strengthen their internal controls, including their management and operating systems to prevent future audit findings.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Administrative organizational structure
- Administrative leadership behavior, decision making process and distribution of organizational authority
- Departmental and individual employee responsibilities and competencies
- Segregation of duties and physical restrictions
- Accounting systems and procedures
- Budget management processes and systems
- Performance management systems
- Monitoring and reporting systems

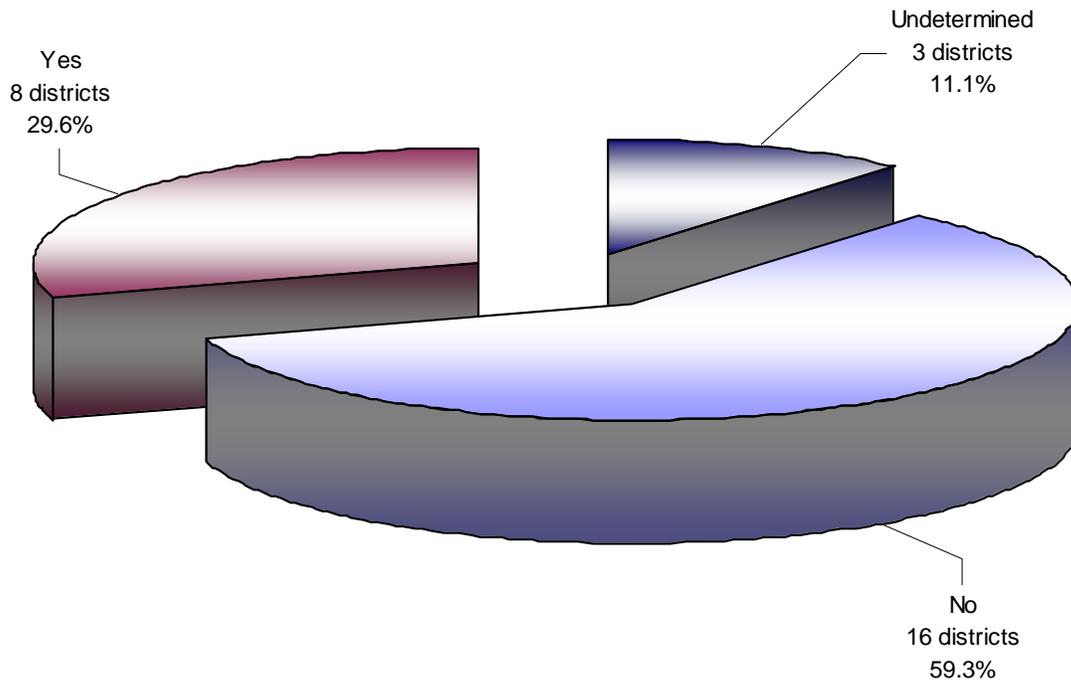
Analysis of Data

- 27 provided reasonable responses

Trends and Observations

- 16 districts (59%) reported "No" new audit findings; 8 districts (30%) reported "Yes, indicating the existence of new material weaknesses reportable condition audit findings; and the remaining 3 districts were "undetermined".

New Audit Findings Related to A-133



Grant Writing Proposals Reviewed by Budget Office

Describe the reporting relationship of the grant writing department. Specifically, does the Budget or Finance Department review grant applications?

Why This Measure Is Important

This measure indicates the internal process that is undertaken by districts to review grant application submissions. The reporting structure for the grant writing function varies across districts. A grant writing department is often placed in either a district's budget/finance department, or in an instructional department. Regardless of its organizational placement, however, it is sound practice for the grant writing department to interface closely with the budget/financial department to ensure that grant revenues are properly established, recorded and monitored.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Budget development and management processes
- Departmental and individual employee responsibilities and competencies
- Performance management systems and procedures

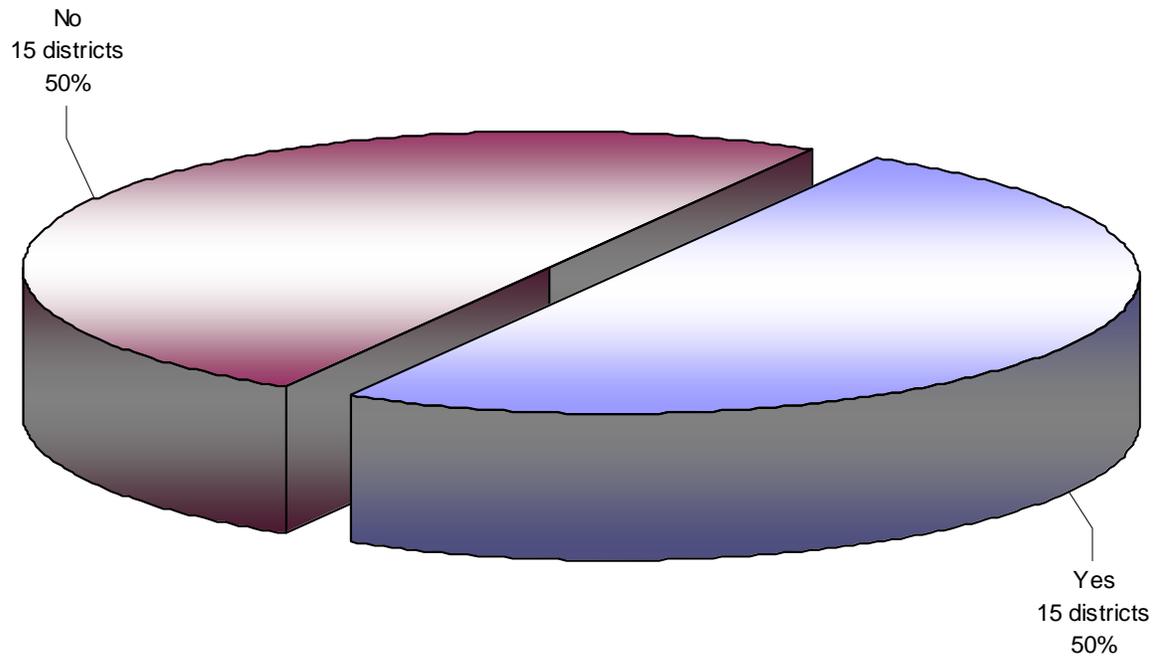
Analysis of Data

- 30 districts provided reasonable responses

Trends and Observations

- 15 districts (50%) reported that the Budget/Finance Departments review applications; and the remaining 15 districts 50% reported "No", which may reflect either that they do not have grant offices (which is not likely); but more likely that the grant offices do not report to the Budget/Finance Offices and/or the Budget/Finance Departments do not review grant applications.

Grant Writing Proposals Reviewed by Budget Office



Percent of Operating Budget Targeted for Grant Funding

Total dollar amount of grant revenue targeted for the fiscal year *divided by* the total dollar amount of a district's operating funds.

Why This Measure Is Important

This metric assesses the amount of reliance on alternative funding sources. A low percentage indicates a limited reliance on outside funding. It can also mean that a district has not been successful in leveraging outside funding if there are resource needs beyond what is provided from local resources. A high percentage indicates a heavy reliance on grant revenue. A high dependency on supplemental funding could place some programming in jeopardy if alternative funding sources are eliminated or reduced.

Factors That Influence This Measure

- Demographics
- School board and administrative policies and procedures
- Budget development and management processes
- Local economic conditions

Analysis of Data

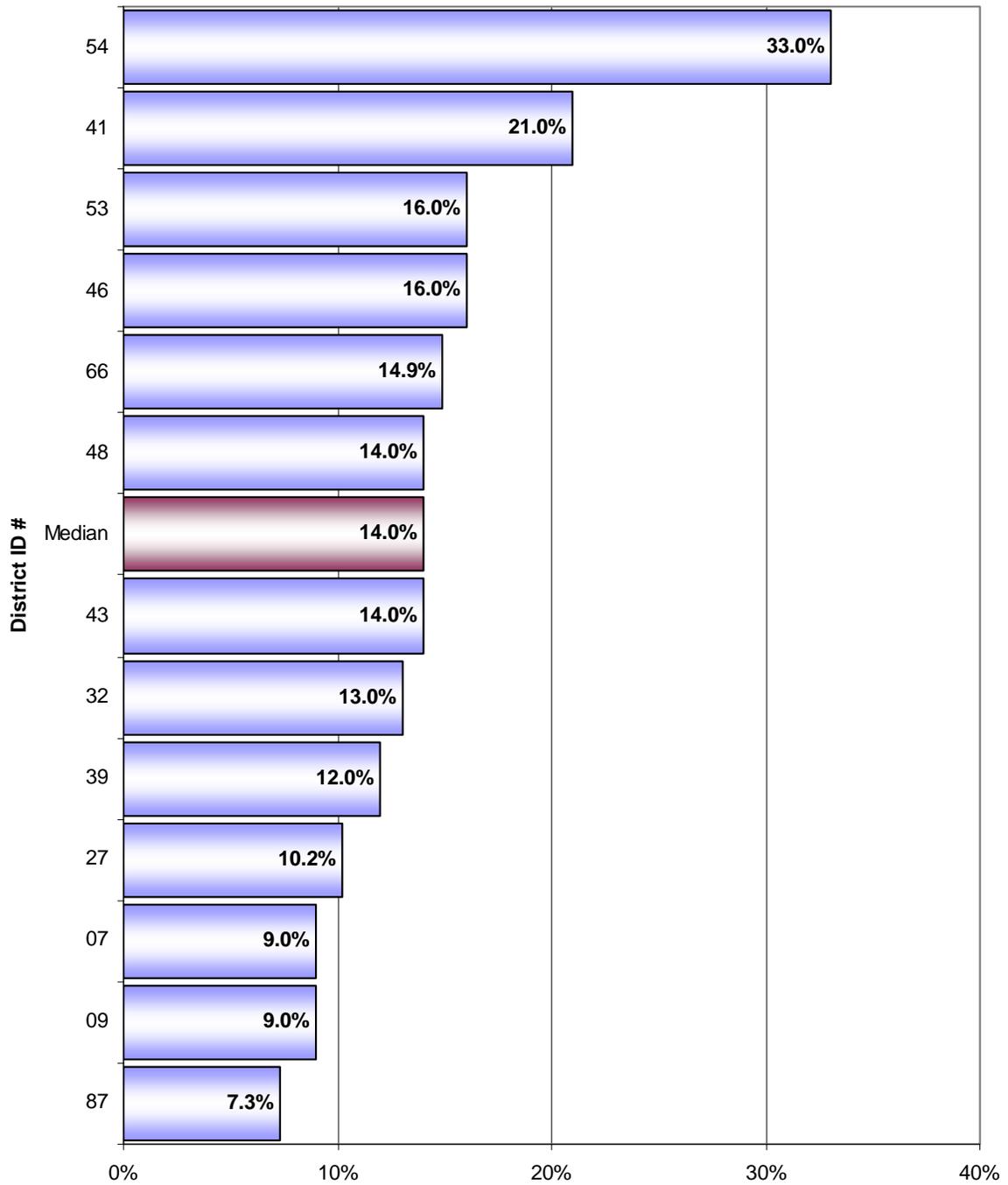
- 13 districts provided reasonable responses
- FY 07: High = 33.0%; Low = 7.3%; Median = 14.0%

Trends And Observations

- 7 districts (54%) reported that 14% or more of their operating budgets are targeted for grant funding; and 6 districts (46%) reported less than 14% are targeted for that purpose.

Performance Measurement & Benchmarking for K12 Operations

Percent of Operating Budget Targeted for Grant Funding



In-kind or Matching Review Process Requirement

Does the district screen for in-kind or matching funds before applying for grants?

Why This Measure Is Important

This metric assesses whether districts screen for in-kind or matching funds before applying for grants. Matching and in-kind grants assist in leveraging internal resources so that expanded programming can occur. Many federal grants require the recipient to provide some level of support for the function as they spend the grant. A grant match is a required contribution that is used to expand the services of the grant to increase the impact of the original fund allocation. Matches can be provided through cash match or through in-kind services, e.g., contributions of staff, facility space, etc. which are utilized to support the program without a cost to the original grant. The match is usually expressed as a certain percentage of the total grant. The matching component is usually derived from either local or private sources. Sufficient documentation and funding commitments are key requirements for these types of grants.

Factors That Influence This Measure

- School board and administrative policies and procedures
- Budget development and management processes
- Departmental and individual employee responsibilities and competencies
- Performance management systems and procedures
- Local conditions

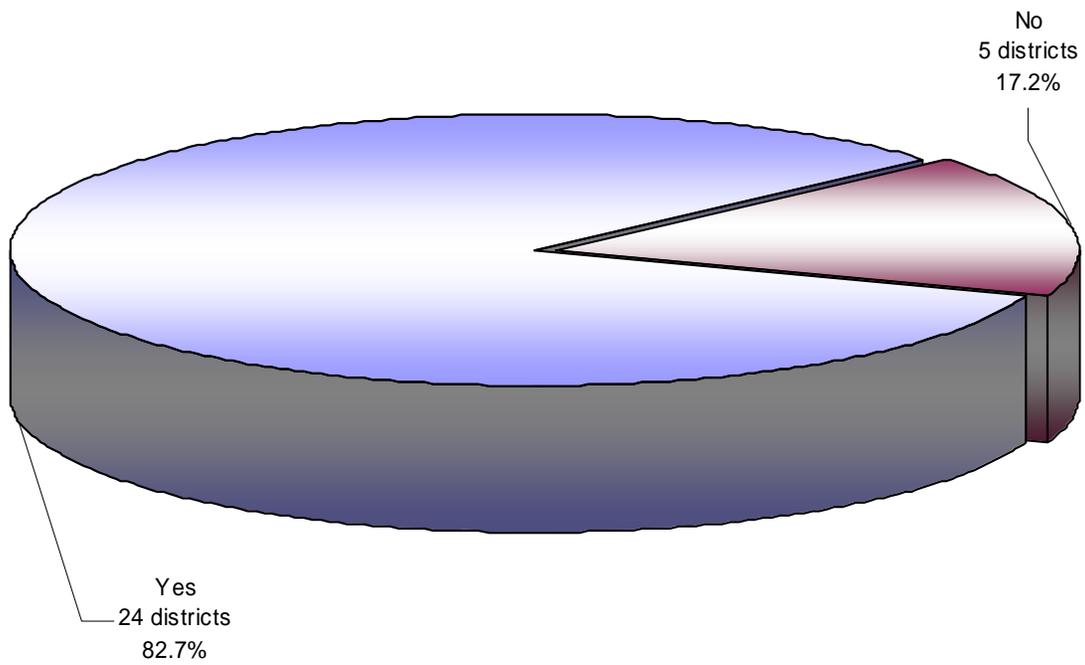
Analysis of Data

- 29 districts provided reasonable responses

Trends and Observations

- 24 districts (83%) reported that they screen for In-Kind or Matching Funds before applying for grants; and 5 districts (17%) reported that they do not screen for these funds before applying for grants

In-kind or Matching Review Process Requirement





Risk Management

General Liability Premiums *plus* Claim Costs as Percent Total Operating Expenditures

General Liability Premiums *plus* Claim Costs *divided by* the district's actual general operating expenditures and encumbrances, before over/under liquidation of prior year encumbrances, reported in the Budgetary Comparison Schedule in the Required Supplementary Information section of the Comprehensive Annual Financial Report (CAFR).

Why This Measure Is Important

This measure assesses how well districts are containing their premium and claim costs. A low percent or amount may indicate a high degree of effectiveness in containing these costs, while a high percent may indicate that a district is struggling to contain these costs.

Factors That Influence This Measure

- Whether a district is self insured
- The level of a district's deductibles/self insurance retention
- State/local laws and regulations governing general liability costs
- Monitoring and reporting systems
- The district's level of privatization/outsourcing

Analysis of Data

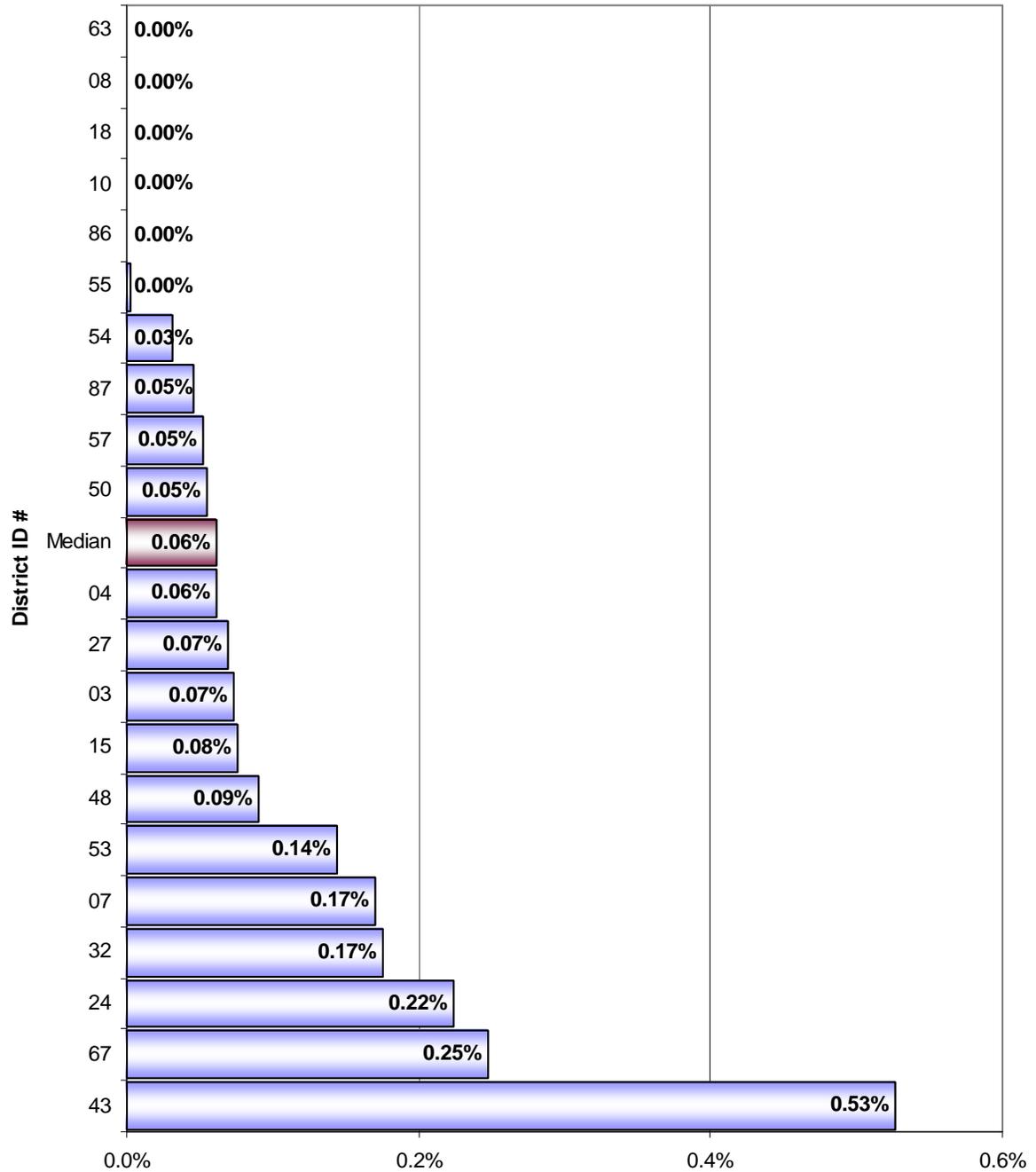
- 21 Districts provided reasonable responses
- FY 07: Low = 0.00%; High = 0.53%; Median 0.06%

Trends and Observations

- 11 districts (52%) reported that their general liability premiums plus claim costs as a percent of total operating expenditures was at or below the median of .06%; 9 districts (43%) reported that their costs were between .07 and .25%; and one district reported its costs were at .53%

Performance Measurement & Benchmarking for K12 Operations

General Liability Premiums plus Claim Costs as Percent of Total Operating Expenditures



Workers' Compensation Premiums *plus* Claim Costs as Percent of Total Payroll

Workers' Compensation Premiums *plus* Claim Costs *divided by* the district's total salary costs.

Why This Measure Is Important

This measure assesses how districts are containing their workers compensation premium and claim costs. A low percent or amount may indicate a high degree of effectiveness in containing these costs, while a high percent or amount may indicate that a district is struggling to contain these costs.

Factors That Influence This Measure

- Whether a district is self insured
- The level of a districts deductibles/self insurance retention
- State/local laws and regulations governing workmen's compensation costs
- Monitoring and reporting systems
- The district's level of privatization/outsourcing

Analysis of Data

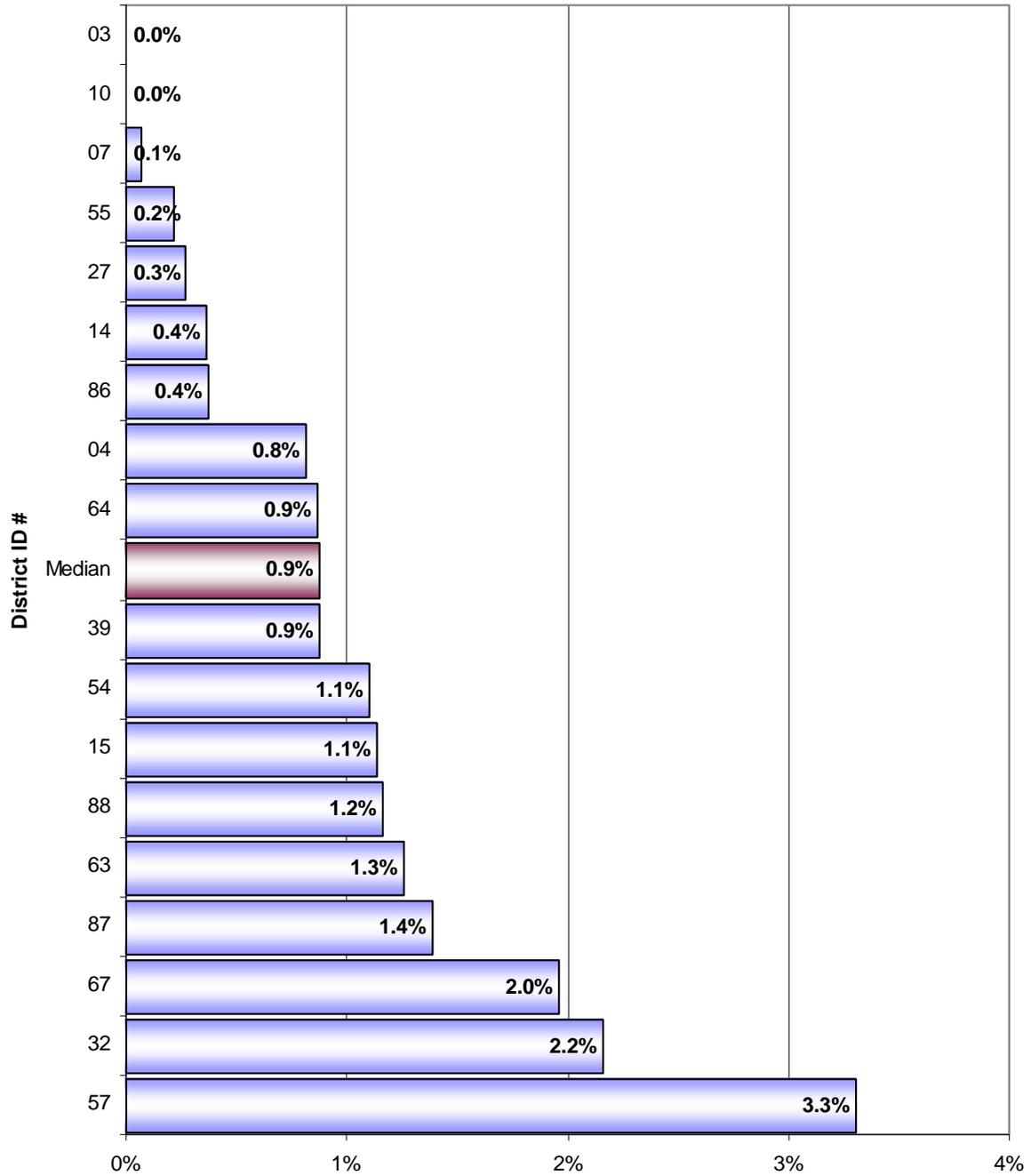
- 18 districts provided reasonable responses
- FY 07: Low = 0.0%; High = 3.3%; Median = 0.9%

Trends and Observations

- 10 districts (56%) reported that their workers compensation premium and claims costs as a percentage of the districts' total payroll costs were at or below the median of .9%. The remaining 8 districts reported that their costs were between 1.1 and 3.3% of the districts total payroll costs.

Performance Measurement & Benchmarking for K12 Operations

Workers' Compensation Premiums plus Claim Costs as Percent of Total Payroll



Automobile Premiums plus Claim Costs per Vehicle Owned

Auto Liability Premiums *plus* Claim Costs *divided by* the number of vehicles owned *or* leased by the district (*divided by* the 2007 cost-of-living factor identified by ACCRA – the American Chambers of Commerce Research Association for each region)

Why This Measure Is Important

This measure assesses how districts are containing their automobile premium and claim costs. A low percent or amount may indicate a high degree of effectiveness in controlling these costs, while a high percent may indicate a district is struggling to contain these costs.

Factors That Influence This Measure

- Whether a district is self insured
- The level of a district's deductibles/self insurance retention
- State/local laws and regulations governing automobile insurance costs
- Monitoring and reporting systems
- The district's level of privatization/outsourcing

Analysis of Data

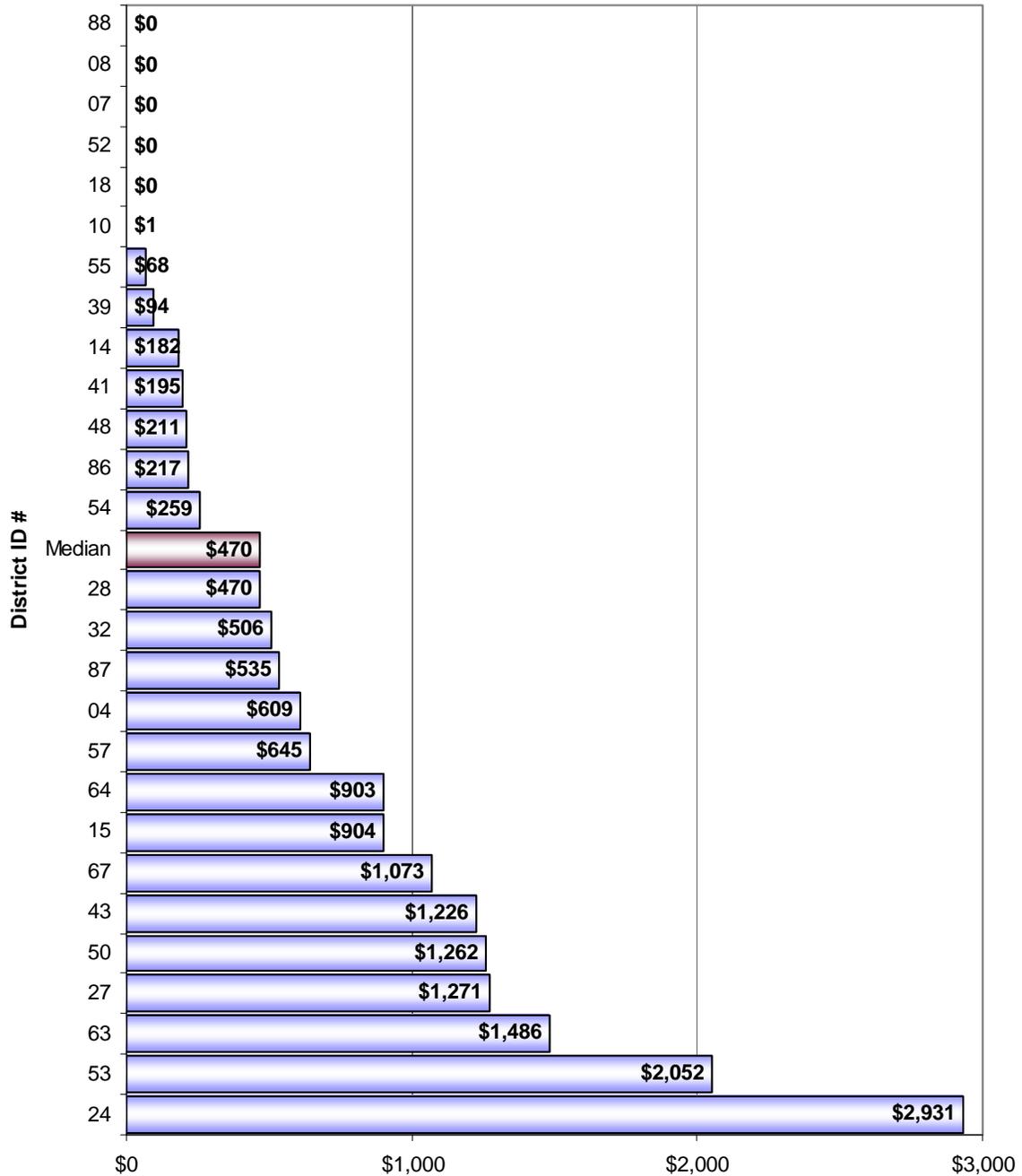
- 27 districts provided reasonable responses
- FY 07: Low = \$0; High = \$2,931; Median = \$470

Trends and Observations

- 16 districts (59%) reported that their automobile premiums plus claims costs per vehicle owned were below or within a 15% range of the \$470 median; 4 districts (15%) reported that their costs were over \$600, but less than \$1,000; and 7 districts (26%) reported their costs were over \$1,000 including 2 districts which reported that their costs exceeded \$2,000.

Performance Measurement & Benchmarking for K12 Operations

**Automobile Premiums plus Claim Costs per Vehicle Owned (ACCRA
adjusted)**



Property Insurance as Percent of Market Value of Buildings and Equipment

Property Liability Premiums *plus* Claim Costs *divided by* the market value of the districts property and equipment.

Why This Measure Is Important

This measure assesses how districts are containing their property liability premiums and claim costs. A low percent or amount may indicate a high degree of effectiveness in controlling these costs while a high percent may indicate that a district is struggling to contain these costs.

Factors That Influence This Measure

- Whether a district is self insured
- The level of a districts deductibles/self insurance retention
- State and local regulatory requirements regarding property insurance
- Monitoring and reporting systems
- The district's level of privatization/outsourcing

Analysis of Data

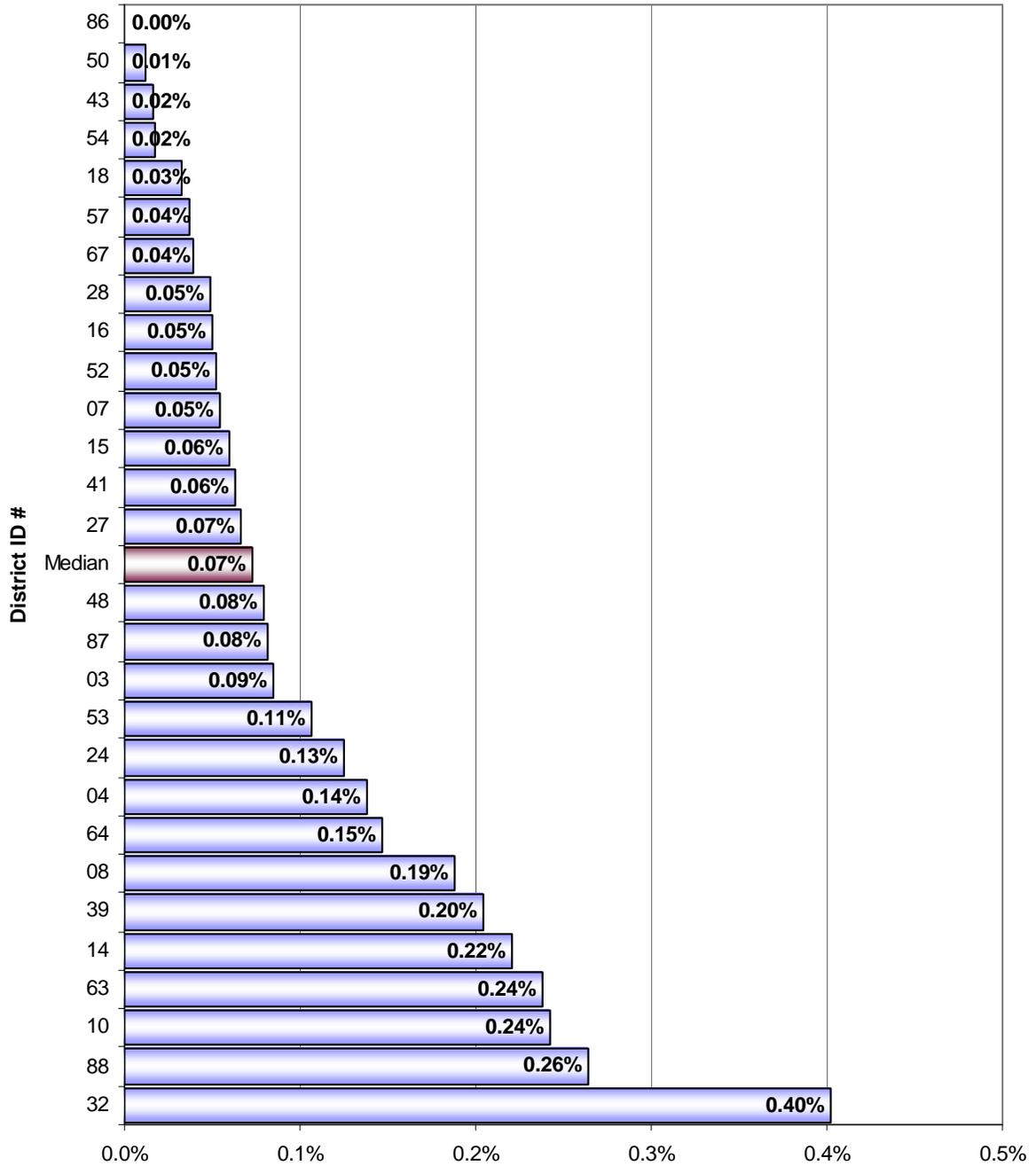
- 28 districts provided reasonable responses
- FY 07: Low = 0.0%; High = 0.40%; Median = 0.07%

Trends and Observations

- 14 districts (50%) reported that their property liability premiums *and* claim costs as a percent of the market value of their buildings and equipment were at or below the median of .07%; 13 districts (46%) reported that their costs were between .08 and .26%; and one district reported its costs were at .4%.

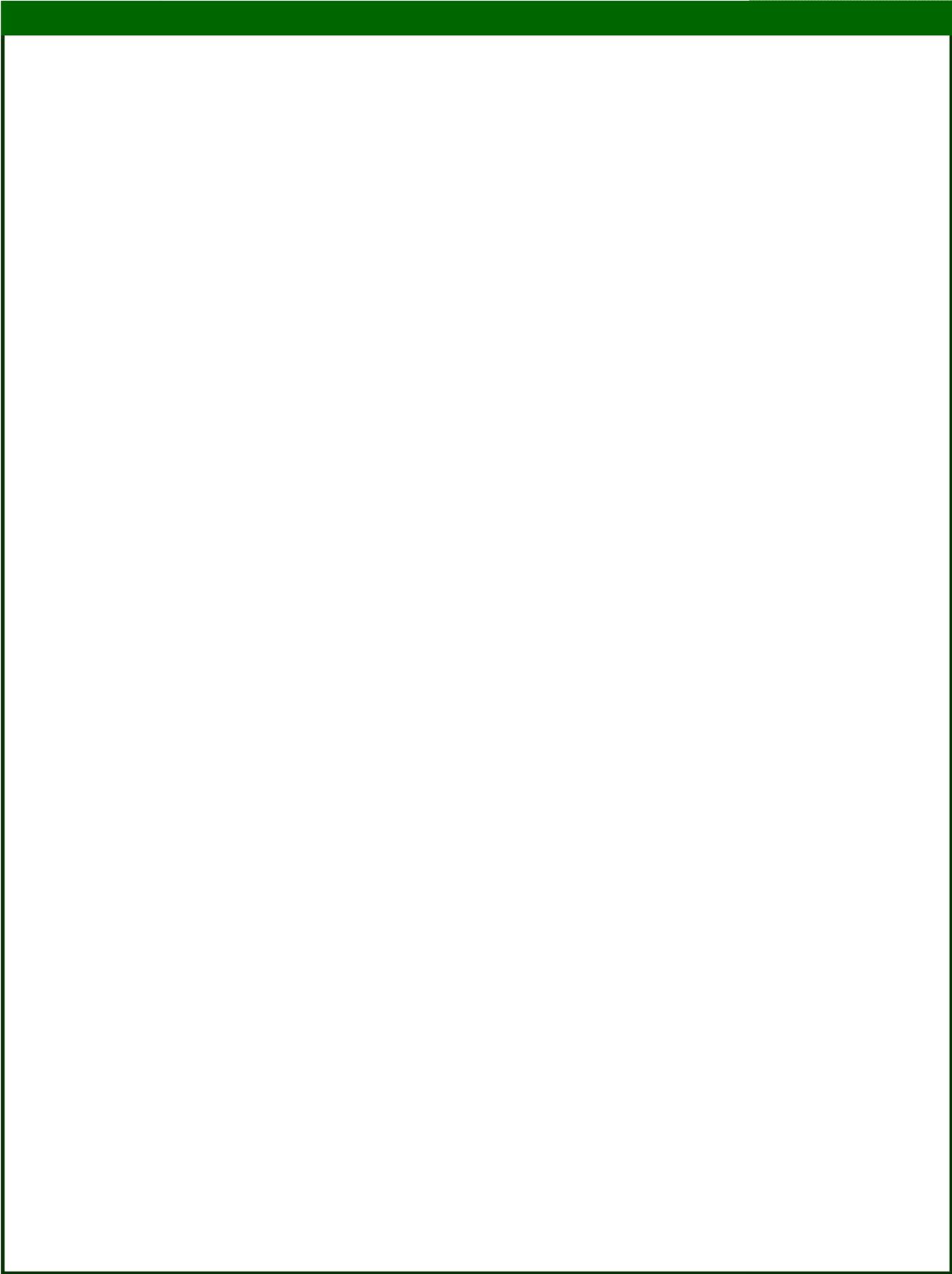
Performance Measurement & Benchmarking for K12 Operations

Property Insurance as Percent of Market Value of Buildings and Equipment





Information Technology



Network Operations

Network Operation Center (NOC) Cost Per Student (ACCRA adjusted¹)

Total network operations center costs include total lease or rental for Wide Area Network (WAN) data circuits, required district staff, contracted costs related to management and maintenance of WAN, forms and paper costs for centralized printing operations, internet access, Internet filtering for objectionable content (CIPA filtering), and server maintenance *divided by* total district enrollment

Why This Measure Is Important

The Network Operations Center (NOC) delivers end-user break/fix, operations support and maintenance for network services across the district. This measure assesses the cost required to provide the necessary network response and service levels necessary to meet the educational program and data processing requirements of a district. Efficient practices and high service levels ensure that district computing resources are available to students and faculty/staff

Factors That Influence This Measure

- Dependence on Internet, email, and the electronic conversion of work processes
- Amount of online educational resources for students
- The cost of district technology and its support as it ages
- The carrying capacity of the district's local and wide area networks
- Demand for data from all sources inside and outside the district
- Whether outsourcing or remote management tools are used
- The desired network service levels in the district

Analysis of Data

- 25 districts provided reasonable responses
- FY 07: Low = \$11.06; High = \$178.94; Median = \$30.69

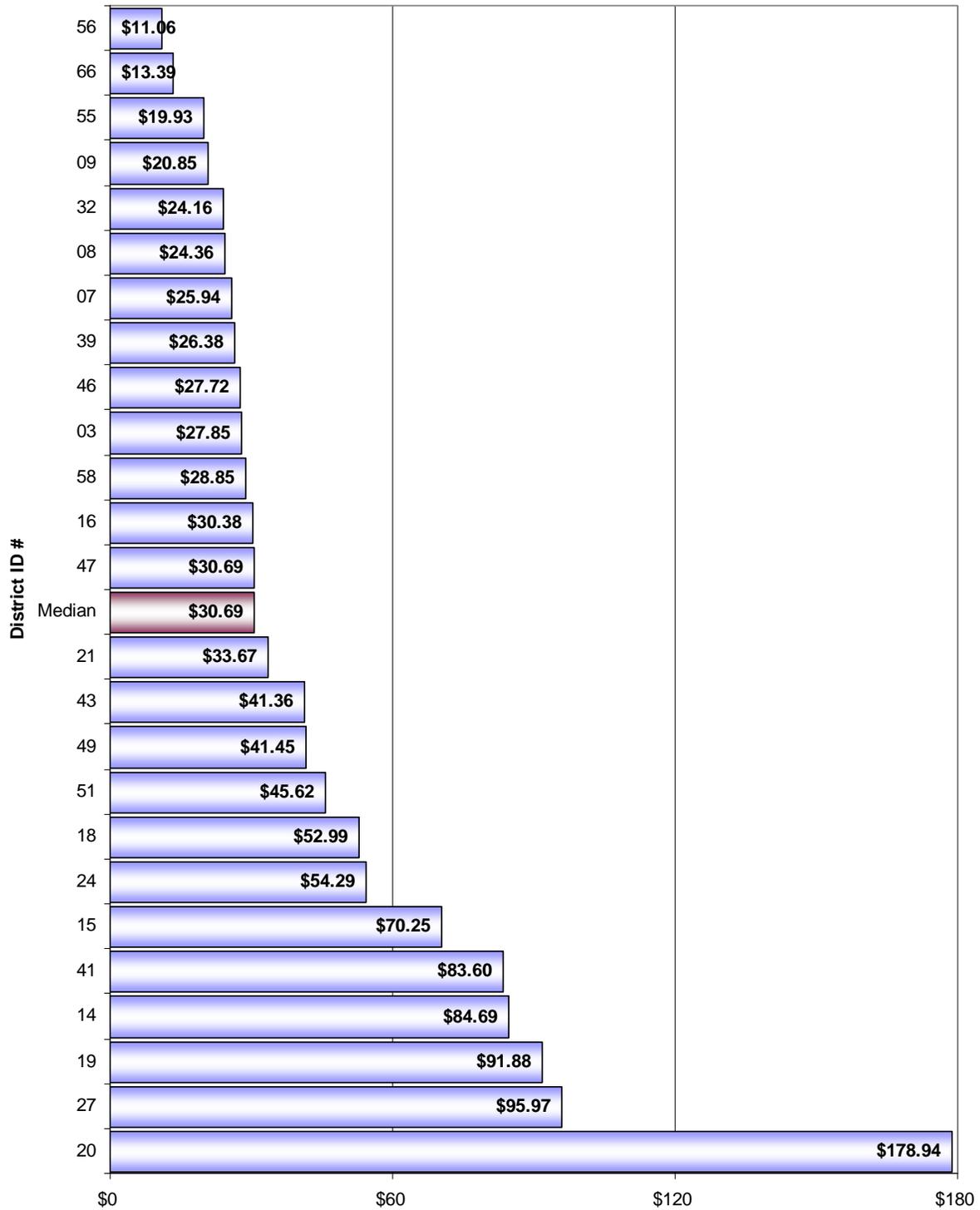
Trends and Observations

- The disparity of results suggests a wide range of service levels along with a wide range in the use of distributed, collaborative, browser-based, or internet-based applications.
- A trend toward distributed or collaborative learning applications will be accompanied by an increased demand for the services to support them.
- It will be critical to manage and maintain the costs of supporting distributed or collaborative learning applications as districts become more dependent on them.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

Network Operation Center Cost Per Student (ACCRA adjusted)



Telecommunications Services Cost Per Student (ACCRA adjusted¹)

Total annual dollar amount of telecommunications services eligible for E-Rate funding as defined in USAC rules *divided by* district's average daily attendance. Average daily attendance is more relevant than enrollment because students not attending classes do not consume network resources.

Why This Measure Is Important

Collaborative multimedia learning technologies require high capacity networks to perform as expected. An increase in the capacity of network services will be required to deliver the distributed applications which are increasingly being used. The federal government provides funding for network and internet technologies for urban schools under its E-Rate program. The services covered under this program are used by all districts and provide a useful surrogate for total network costs. This metric is a relative measure of the district's efficiency in providing telecommunications services when similar services are compared. With the increasing reliance on network technologies to deliver educational and administrative services, managing this cost is important.

Factors That Influence This Measure

- The competitiveness of local network carrier and Internet Service Provider markets
- Continued availability of federal funds for upgraded facilities
- The level of federal funding a district receives for these services
- District geography, e.g., compact vs. a wide area
- Number of students per school building

Analysis of Data

- 18 districts provided reasonable responses
- FY 07: Low = \$9.69; High = \$73.07; Median = \$29.76

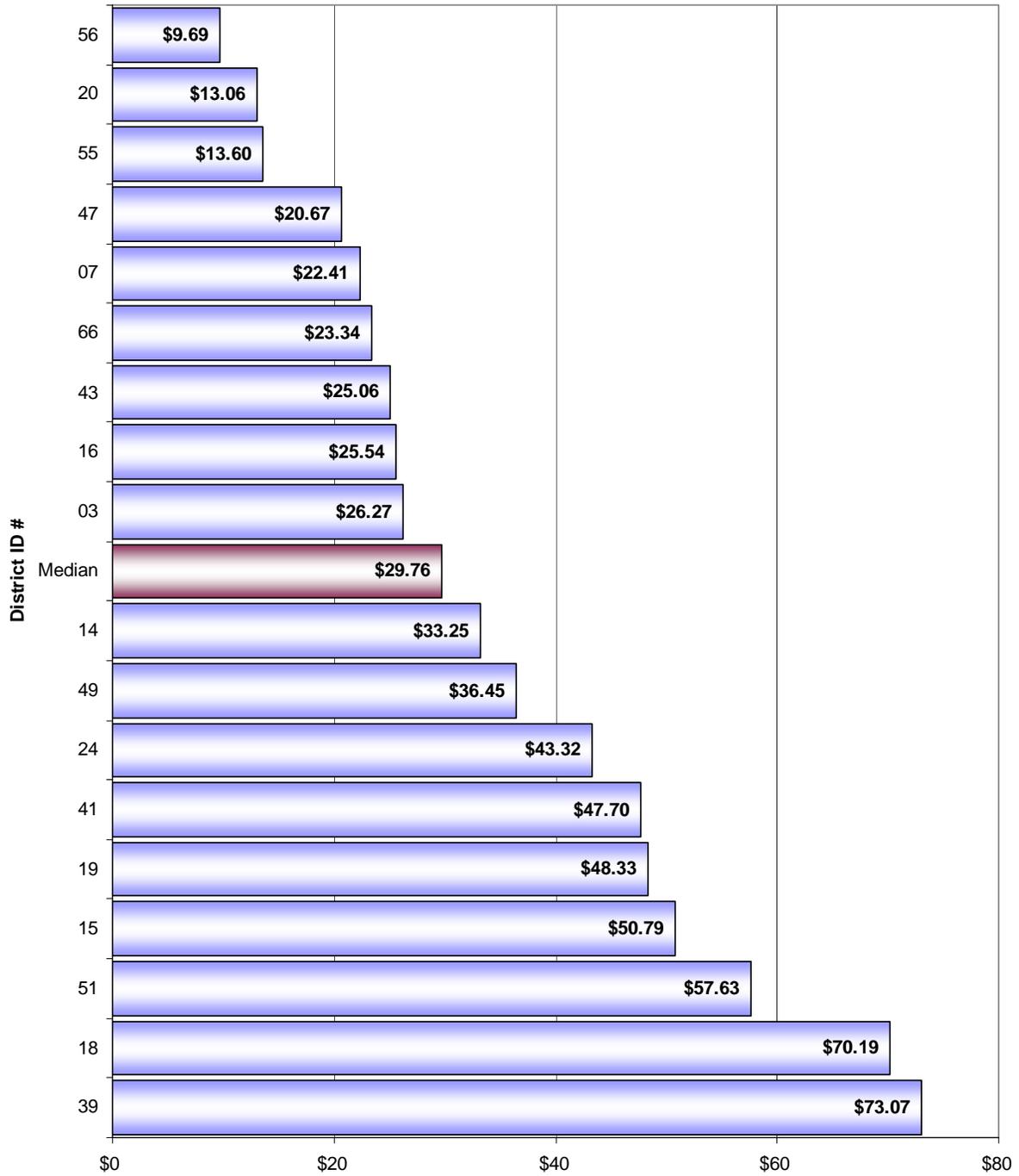
Trends and Observations

- There is a very wide range of results, with only a small group of districts within 10% of the median.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

Telecommunications Services Cost Per Students (ACCRA adjusted)



Inactive Network Accounts

Number of accounts established in the same school year that have not been accessed *divided by* total number of network user accounts times 100 to derive the percentage

Why This Measure Is Important

Information security is a primary concern in corporate America as well as in K-12 where sensitive student data is kept. Network Accounts provide login and password access to users. Tightly managing access to district computing resources is an effective practice to reduce the risk of unauthorized access. One technique for close management is to ensure that accounts that do not use systems for a period of time are made inactive or closed.

This measure is very important from a Security Audit perspective. Poor user security practices e.g. login/passwords kept on Post-It notes, could allow inactive accounts to be used by unauthorized people. Routinely reviewing account use and revoking inactive accounts will help minimize this risk.

Factors That Influence This Measure

- The efficiency of processes to notify all required departments of employee separations
- The level of automation between the Human Resources and Information Technology security systems
- The number of temporary employees used
- The number of contractors used
- The level of turnover in the district

Analysis of Data

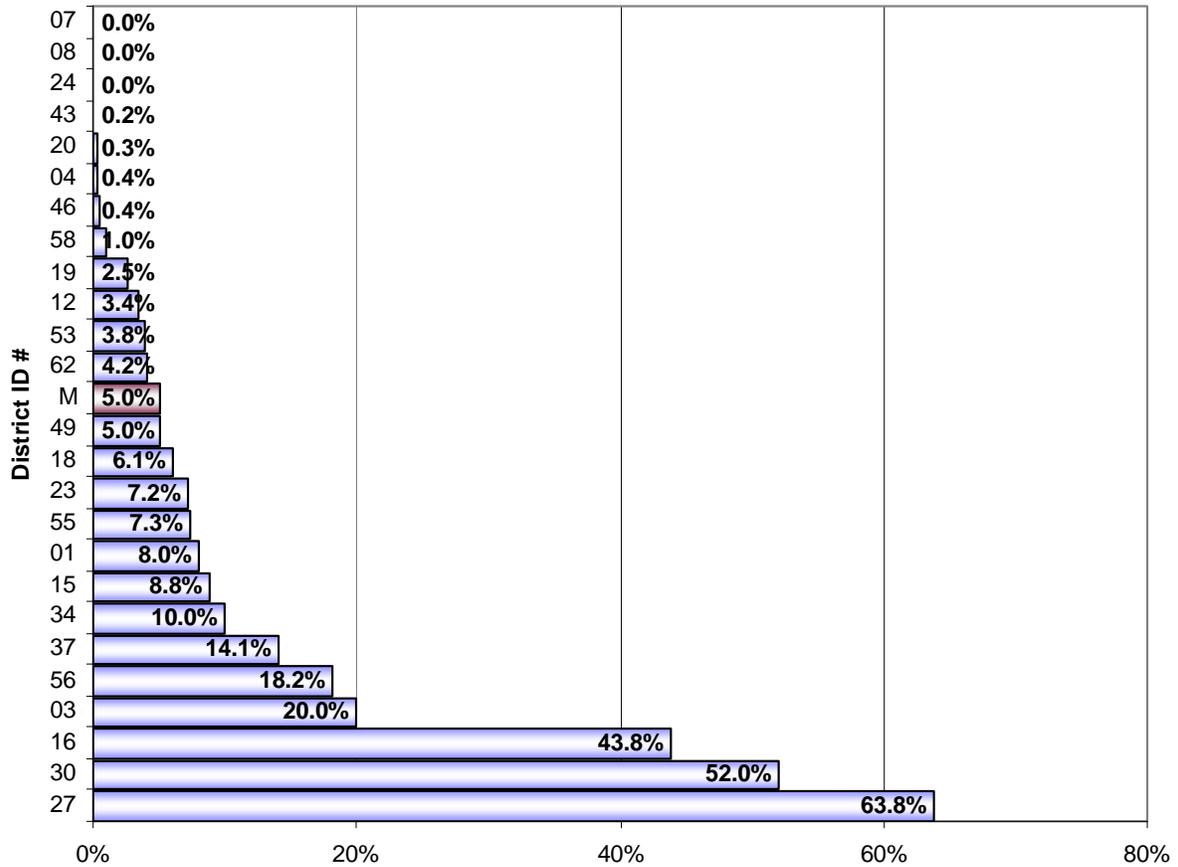
- FY 07 = 25 districts provided reasonable responses; FY 06 = 23 districts
- FY 07: Low = 0.0%; High = 63.8%; Median = 5.0%

Trends and Observations

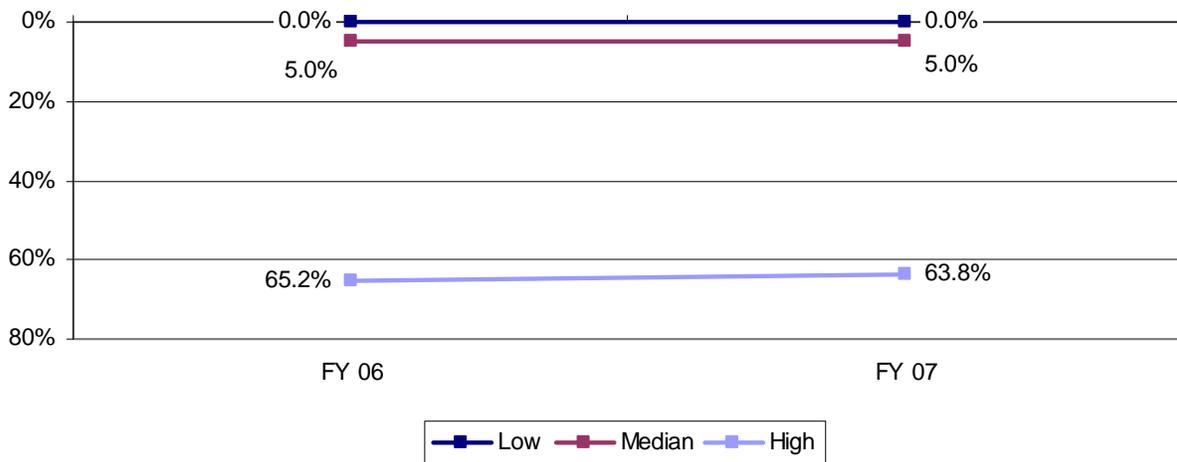
- The results indicate that many districts have effective practices and a smaller subset may benefit from a review of their network access and account management processes.

Performance Measurement & Benchmarking for K12 Operations

Inactive Network Accounts



Inactive Network Accounts



Wide Area Networking Cost per Student (ACCRA adjusted¹)

Total annual district costs for lease or rental of WAN data circuits, internal staff to manage them, contracted costs for management and maintenance of the WAN, and Internet content-related filtering *divided by* total district enrollment

Why This Measure Is Important

Delivering information and instructional content to all district facilities requires Wide Area Networking (WAN) technology. The increasing use of collaborative learning techniques and the ability of today's back office systems to deliver information to a wide user population increase the demand for WAN services. The goal for this metric is to minimize the WAN costs while providing the necessary bandwidth and information technology service levels to meet the educational programs and the data processing requirements within a district.

Factors That Influence This Measure

- Dependence on technology such as Internet, email, and the electronic conversion of many work processes
- Online educational resources for students
- The cost of technology and its support as it ages
- The carrying capacity of the district's local and wide area networks
- Demand for data
- Use of outsourcing and remote management tools
- Local geography
- Competitiveness of the local market for services

Analysis of Data

- 25 districts provided reasonable responses
- FY 07: Low = \$1.22; High = \$72.35; Median = \$20.95

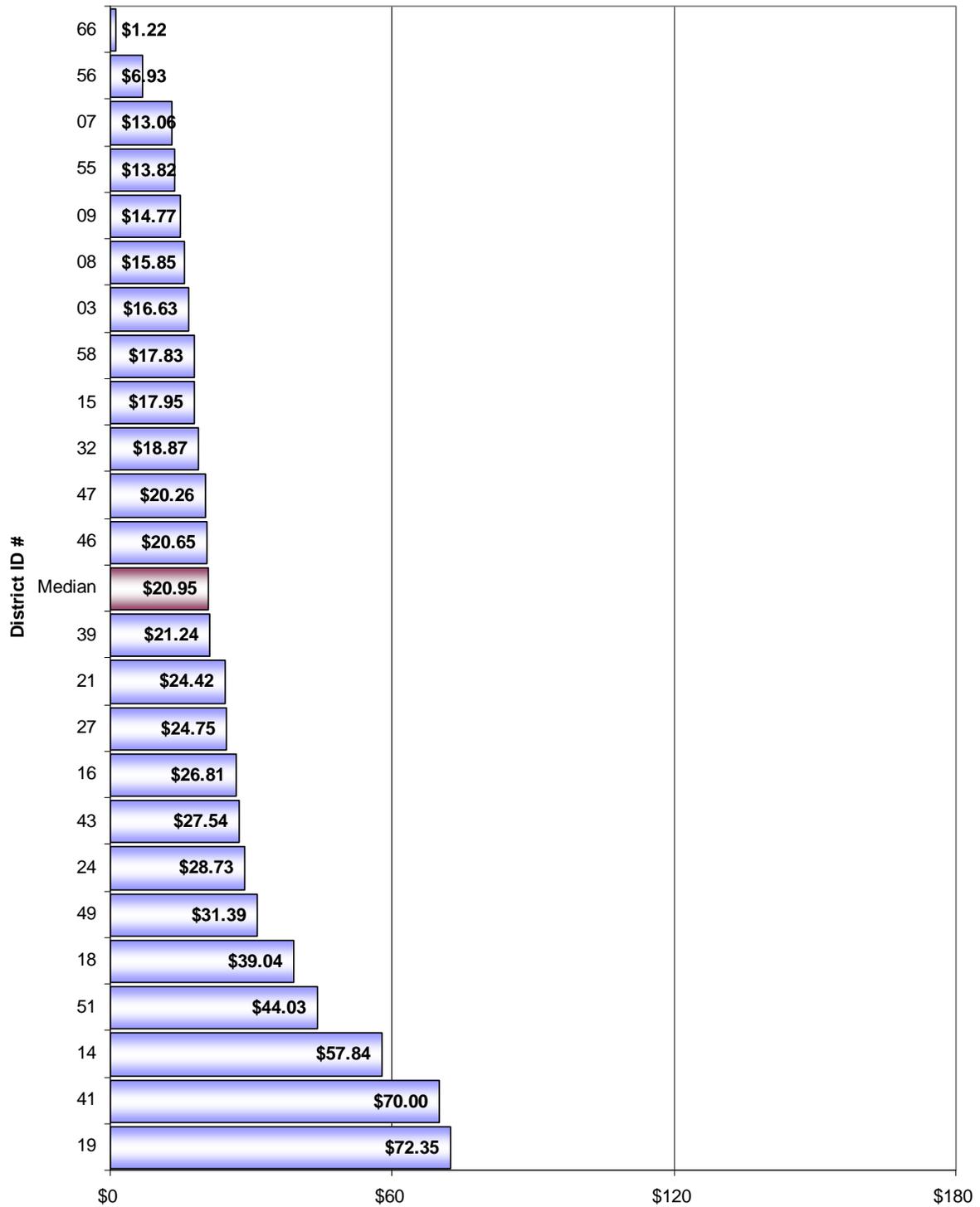
Trends and Observations

- Most districts seem reasonably well grouped with 42% of districts reporting costs under \$20 and another 33% reporting costs under \$30.

¹ ACCRA is an acronym for American Chambers of Commerce Research Association. This organization produces a Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. We divided all measures that resulted in a dollar amount by the ACCRA factor for the region in order to normalize data across regions. For additional information, please go to www.coli.org.

Performance Measurement & Benchmarking for K12 Operations

WAN Cost Per Student (ACCRA adjusted)



Storage Area Network (SAN) Percent Utilization

Total number of terabytes of SAN storage used *divided by* the district's total amount of network storage (SAN and other) that is available to store user-based information times 100 to derive the percentage. Individual PC storage is not included in this calculation since it is presumed to be unavailable to the user population at large.

Why This Measure Is Important

A Storage Area Network is the current technology for storing data. Increasing use of email, attachments, electronic courseware, scanned documents, and electronic documents instead of paper create the need to easily store and retrieve this information. The current measurement for large-scale storage facilities is terabytes (1 trillion bytes). Staying below the target threshold is critical to data integrity, application performance, and enables additional network storage redundancy. This metric may also indicate the need for storage expansion and load balancing.

Factors That Influence This Measure

- Number of disk groups per storage array
- RAID levels for each logical disk affects overall capacity
- Integration of new application rollout with central IT planning

Analysis of Data

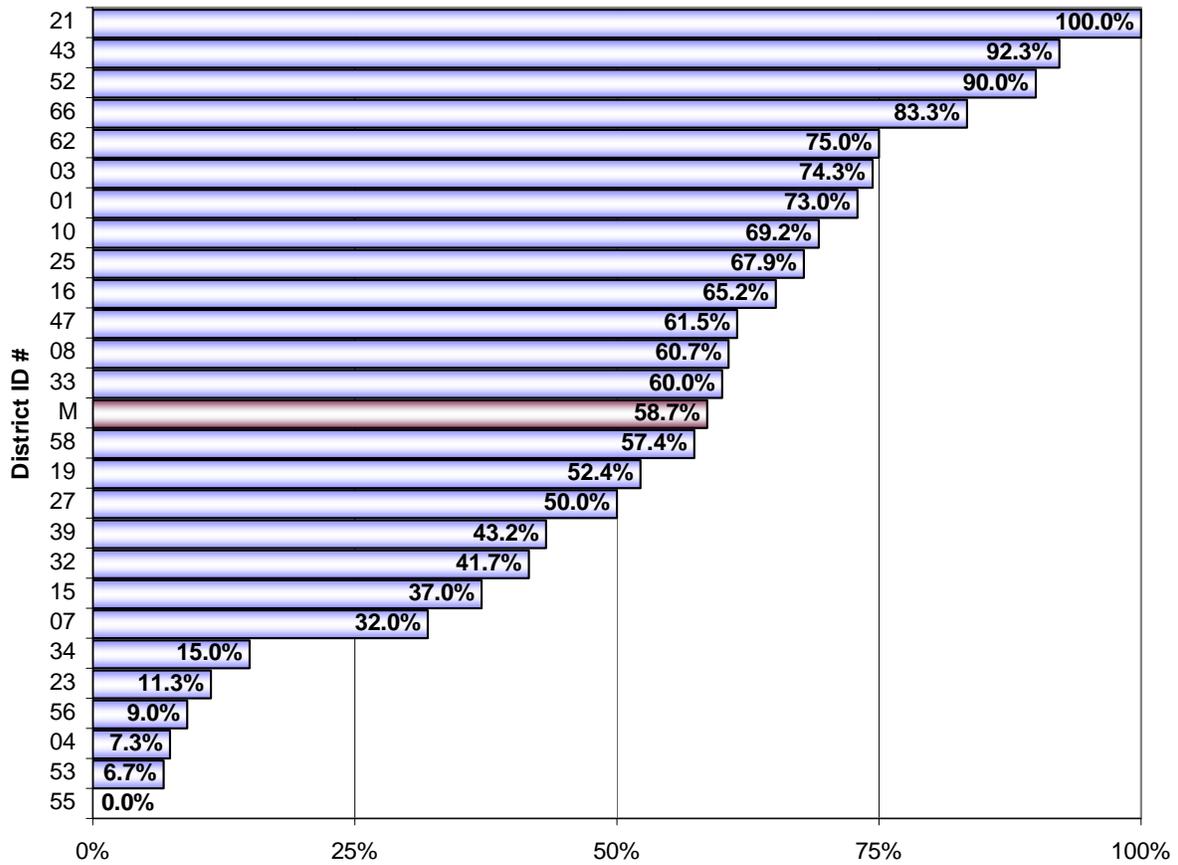
- FY 07 = 26 districts provided reasonable responses; FY 06 = 24 districts
- FY 07: High = 100.0%; Low = 0.0%; Median = 58.7%

Trends and Observations

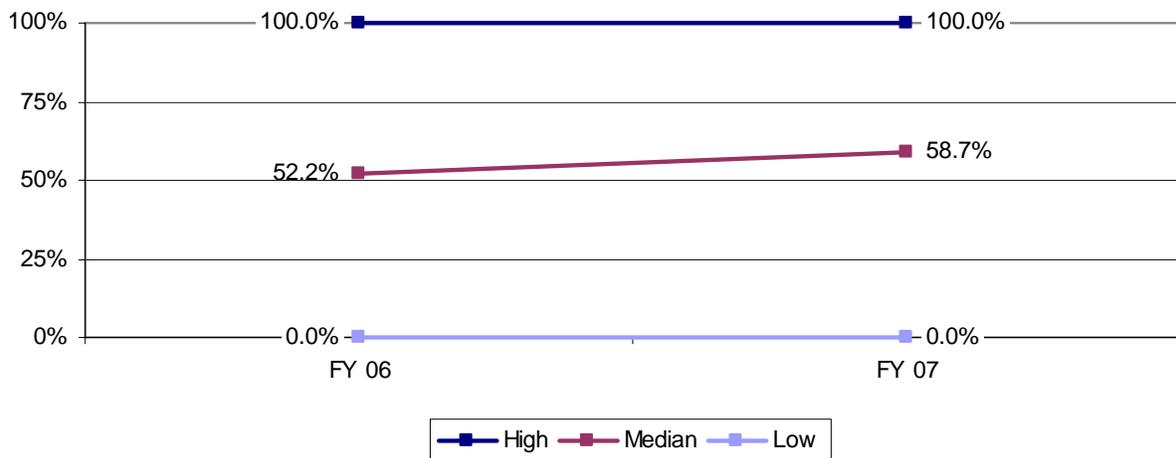
- 61.5% of the districts report usages between 32% and 75%; and 42.3% usages within 10 points of the median.
- It is not surprising that there has been an increase in the use of storage area networks since there has been proliferation of applications like electronic learning, document imaging and archiving, and increased use of automated work processes instead of paper.

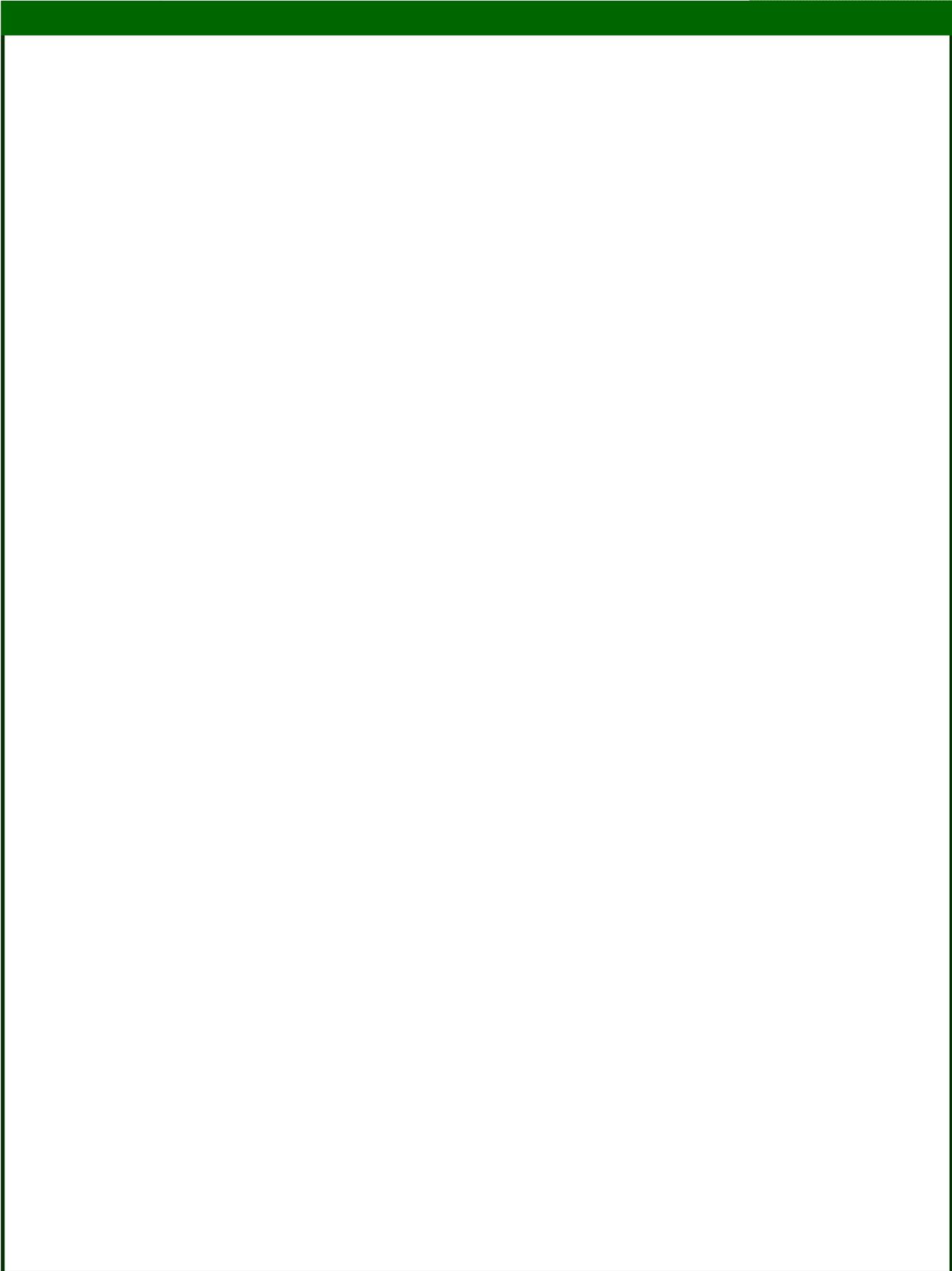
Performance Measurement & Benchmarking for K12 Operations

SAN Storage Percent Utilization



SAN Storage Percent Utilization





Applications

Application Availability – Finance

One *minus* total number of minutes of down time *divided by* total number of minutes measured – financial system

Why This Measure Is Important

The goal for this metric is to maximize the percentage of time that financial applications are available. Industry standard for excellent availability is ‘5 nines’ or 99.999% availability.

Factors That Influence This Measure

- Dependence on technology such as Internet
- Maintenance required on a system may require down time
- The cost of redundant systems
- Resources (human and financial)

Analysis of Data

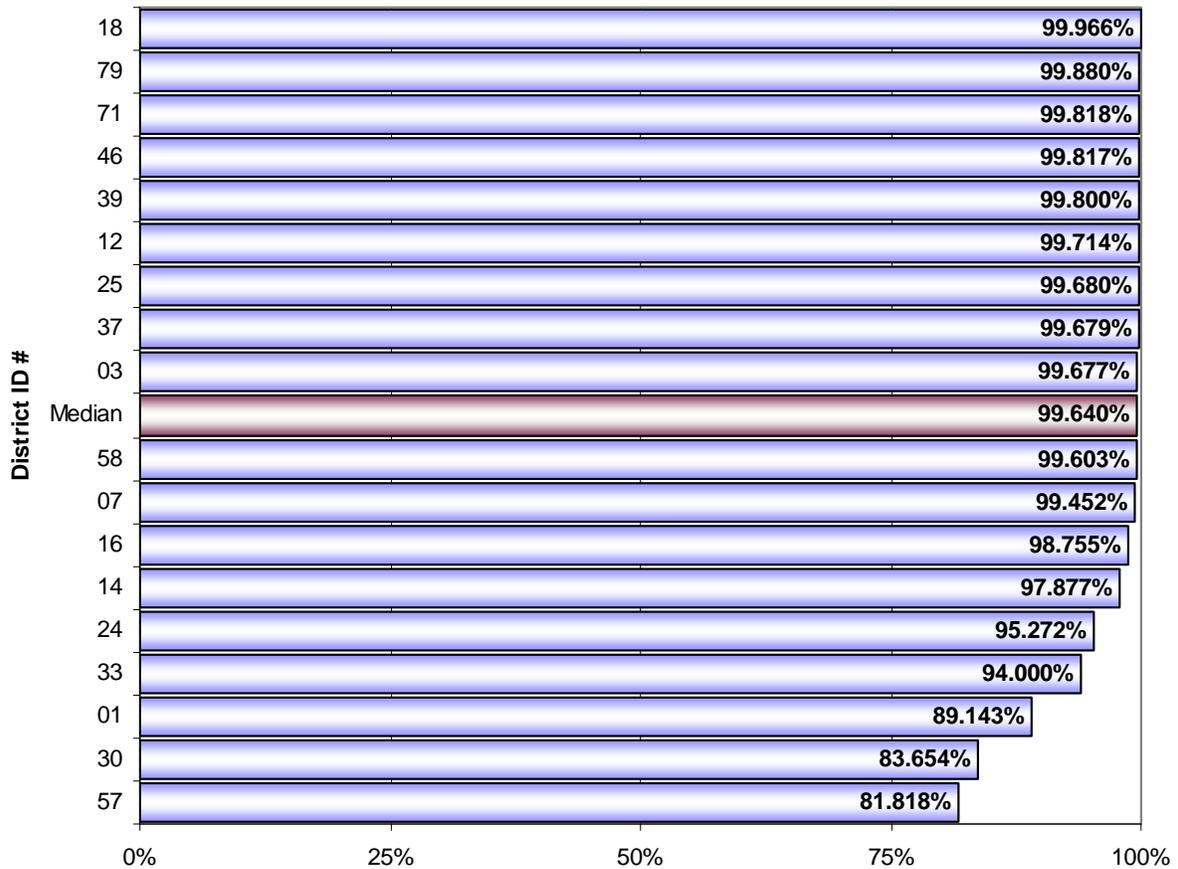
- FY 07 = 18 districts provided reasonable responses; FY 06 = 16 districts
- FY 07: High = 99.966%; Low = 81.818%; Median = 99.640%

Trends and Observations

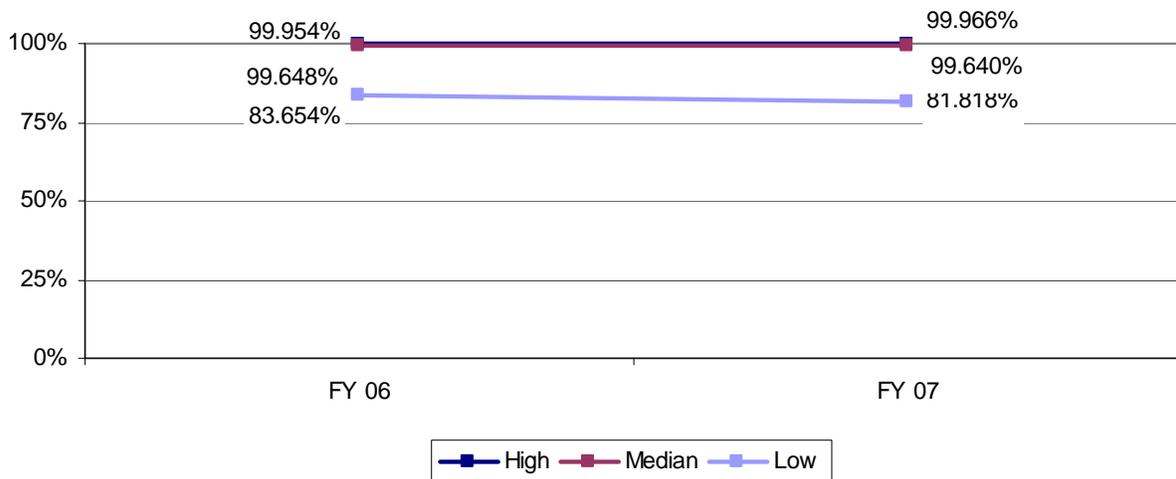
- The data shows districts have not met the industry standard for excellent availability over the past two years.
- Unlike slight improvements in the availability of applications for student information and special education, there has been slippage in the percentage of time that the districts financial applications are available.
- The overall failure to meet industry standards may be a capacity issue, i.e., the increasing data processing and educational program requirements are outpacing the capacity of a district’s technology infrastructure to deliver service. Within that context, the increased compliance, regulatory and reporting requirements at state and federal levels may account for the improved availability of student information and special education applications at the expense of core business applications, e.g., financial and personnel, etc.

Performance Measurement & Benchmarking for K12 Operations

Application Availability - Finance



Application Availability - Finance



Application Availability - Human Resources

One *minus* total number of minutes of down time *divided by* total number of minutes measured – human resources system

Why This Measure Is Important

The goal for this metric is to maximize the percentage of time that human resources applications are available. Industry standard for excellent availability is ‘5 nines’ or 99.999% availability.

Factors That Influence This Measure

- Dependence on technology such as Internet
- Maintenance required on a system may require down time
- The cost of redundant systems
- Resources (human and financial)

Analysis of Data

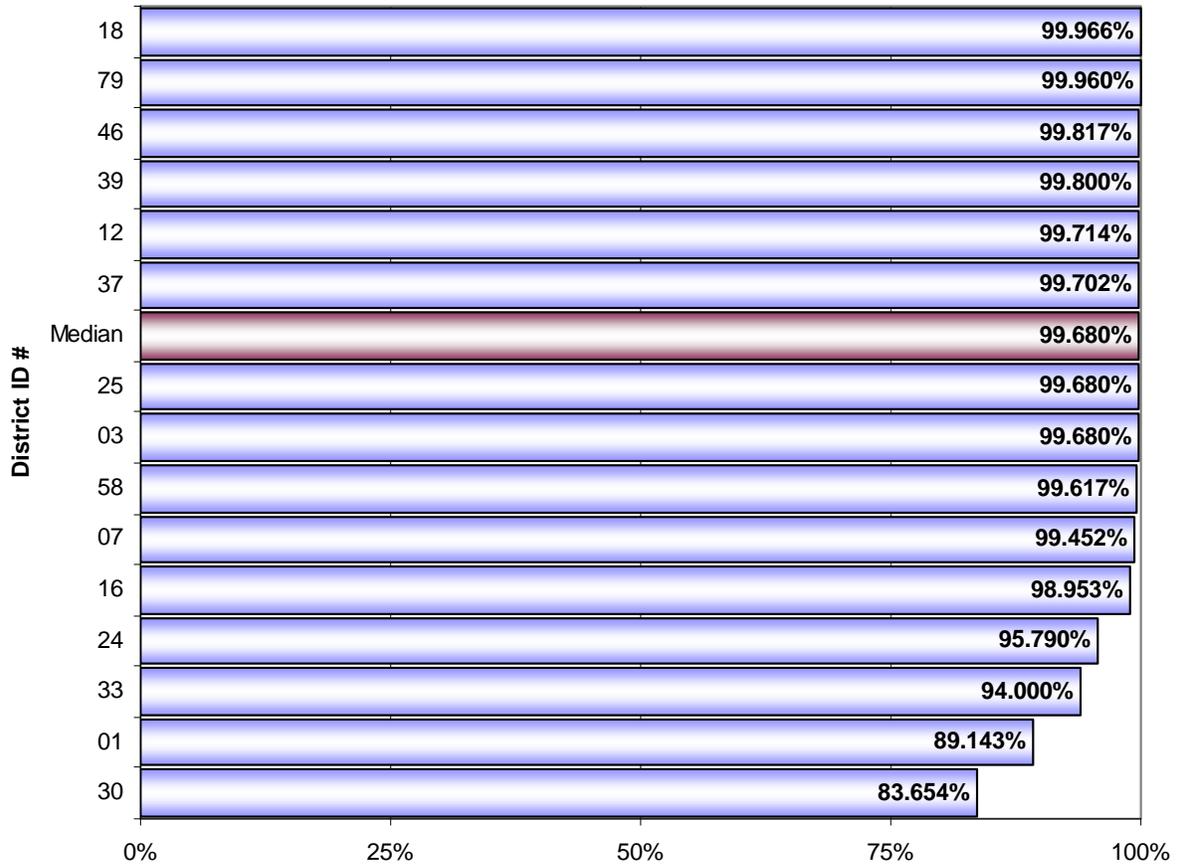
- FY 07 = 15 districts provided reasonable responses; FY 06 = 14 districts
- FY 07: High = 99.966%; Low = 83.654%; Median = 99.680%

Trends and Observations

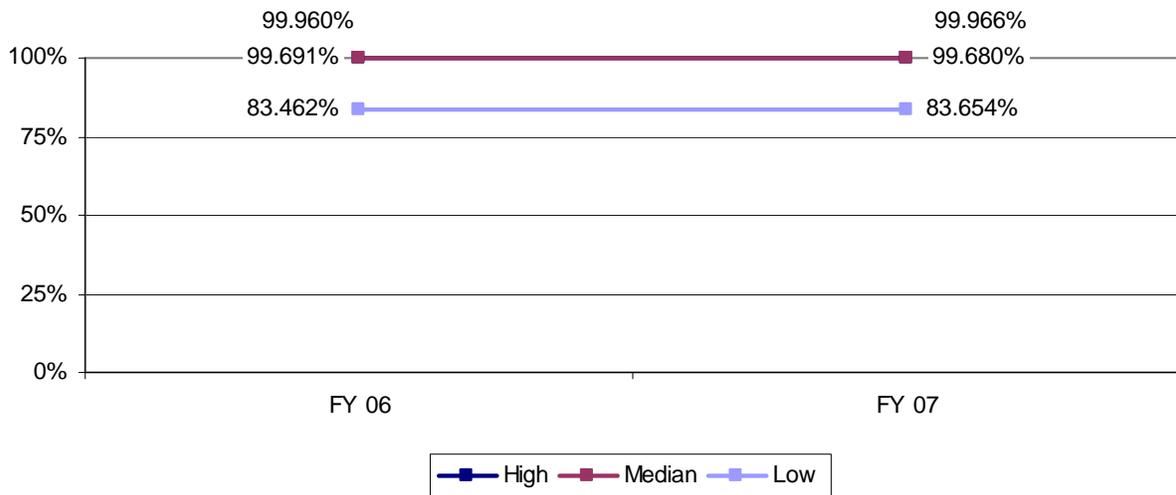
- The data shows districts have not met the industry standard for excellent availability over the past two years.
- Unlike slight improvements in the availability of applications for student information and special education, there has been slippage in the percentage of time that the districts human resources applications are available.
- The overall failure to meet industry standards may be a capacity issue, i.e., the increasing data processing and educational program requirements are outpacing the capacity of a district’s technology infrastructure to deliver service. Within that context, the increased compliance, regulatory and reporting requirements at state and federal levels may account for the improved available of student information and special education applications at the expense of core business applications, e.g., financial, payroll, etc.

Performance Measurement & Benchmarking for K12 Operations

Application Availability - Human Resources



Application Availability - Human Resources



Application Availability – Payroll

One *minus* total number of minutes of down time *divided by* total number of minutes measured – payroll system

Why This Measure Is Important

The goal for this metric is to maximize the percentage of time that payroll applications are available. Industry standard for excellent availability is ‘5 nines’ or 99.999% availability.

Factors That Influence This Measure

- Dependence on technology such as Internet
- Maintenance required on a system may require down time
- The cost of redundant systems
- Resources (human and financial)

Analysis of Data

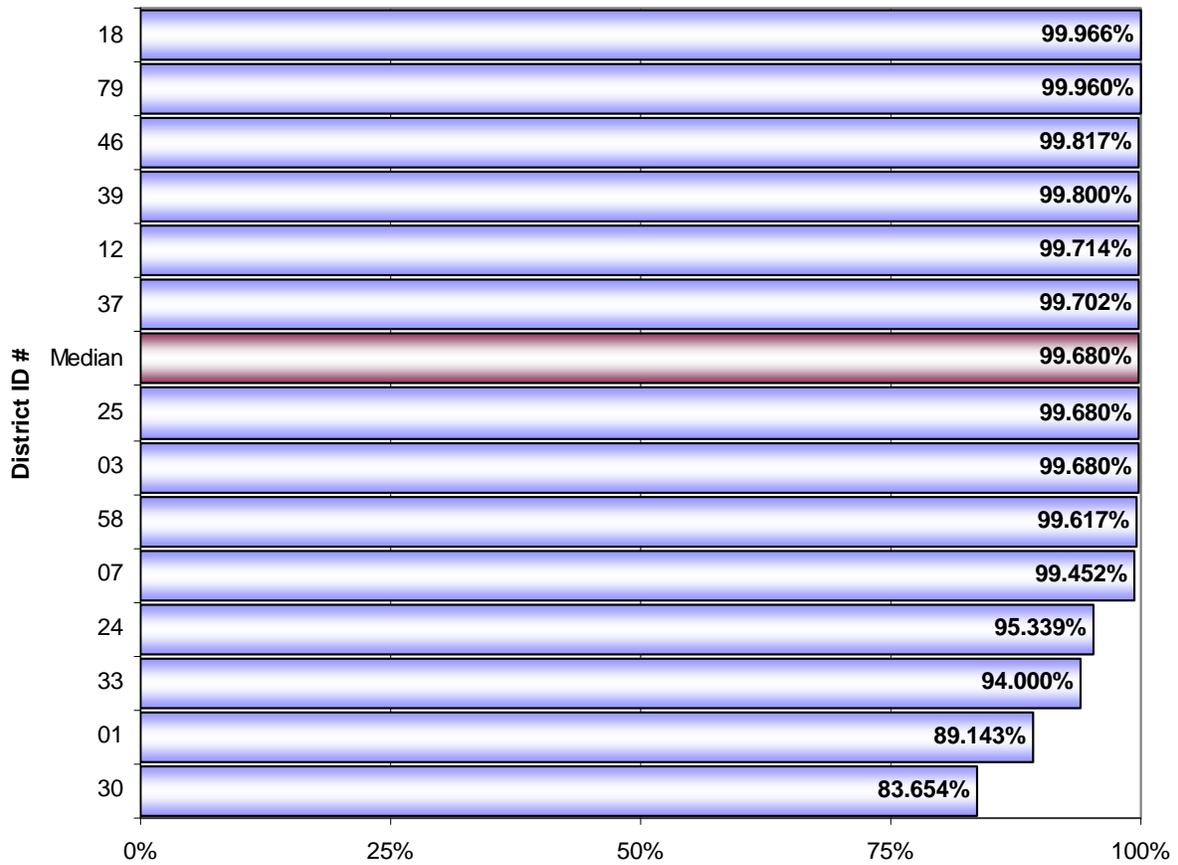
- FY 07 = 14 districts provided reasonable responses; FY 06 = 14 districts
- FY 07: High = 99.966%; Low = 83.654%; Median = 99.680%

Trends and Observations

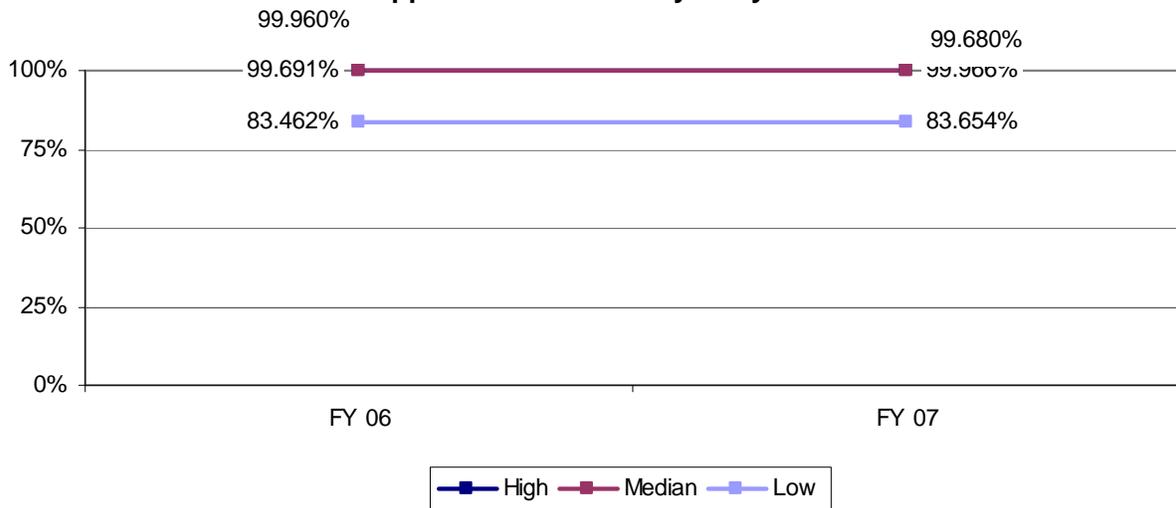
- The data shows districts have not met the industry standard for excellent availability over the past two years.
- Unlike the slight improvements in the availability of applications for student information and special education, there has been slippage in the percentage of time that the districts payroll applications are available.
- The overall failure to meet industry standards may be a capacity issue, i.e., the increasing data processing and educational program requirements are outpacing the capacity of a district’s technology infrastructure to deliver service. Within that context, the increased compliance, regulatory and reporting requirements at state and federal levels may account for the improved available of student information and special education applications at the expense of core business applications, e.g., financial, payroll, etc.

Performance Measurement & Benchmarking for K12 Operations

Application Availability - Payroll



Application Availability - Payroll



Application Availability - Student Information System

One *minus* total number of minutes of down time *divided by* total number of minutes measured – student information system

Why This Measure Is Important

The goal for this metric is to maximize the percentage of time that SIS applications are available. Industry standard for excellent availability is ‘5 nines’ or 99.999% availability. A districts’ SIS application is usually the source of data for pupil accounting and therefore its revenue

Factors That Influence This Measure

- Dependence on technology such as Internet
- Maintenance required on a system may require down time
- The cost of redundant systems
- Resources (human and financial)

Analysis of Data

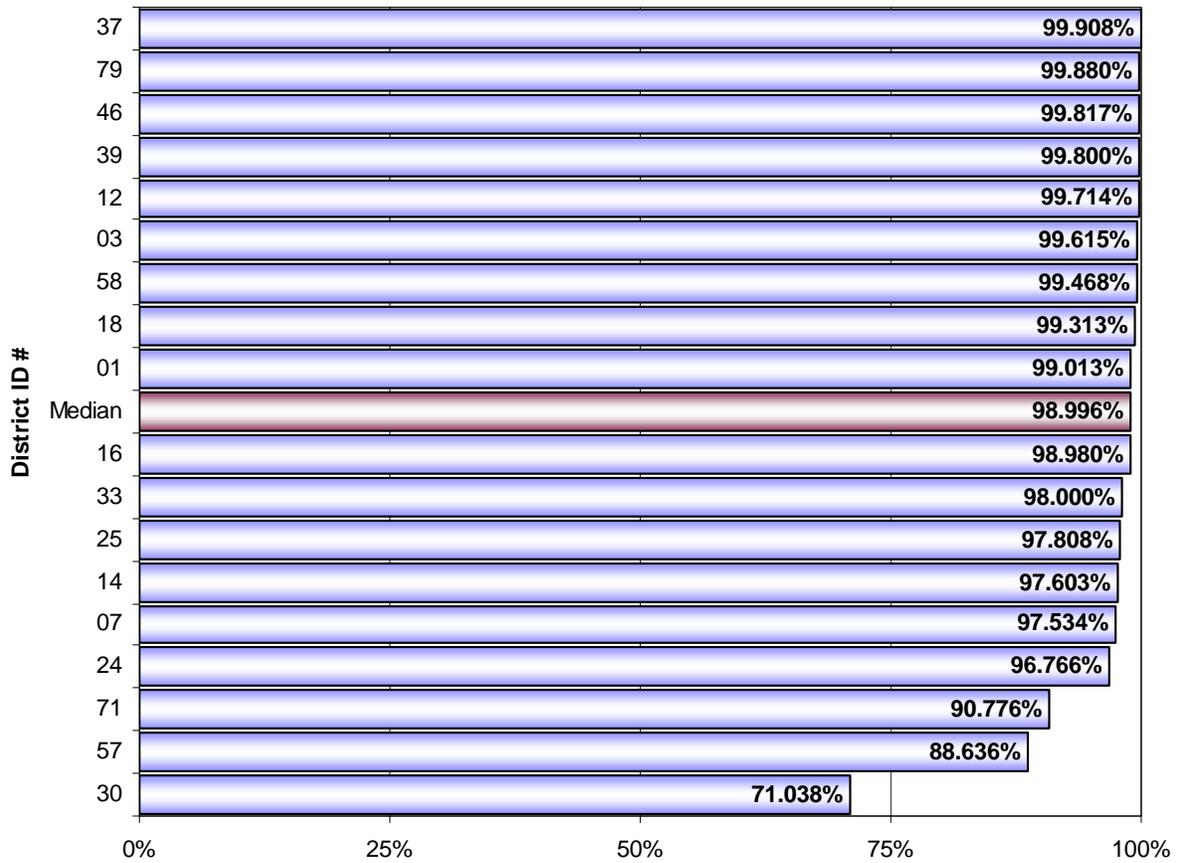
- FY 07 = 19 districts provided reasonable responses; FY 06 = 17 districts
- FY 07: High = 99.908%; Low = 71.038%; Median = 98.996%

Trends and Observations

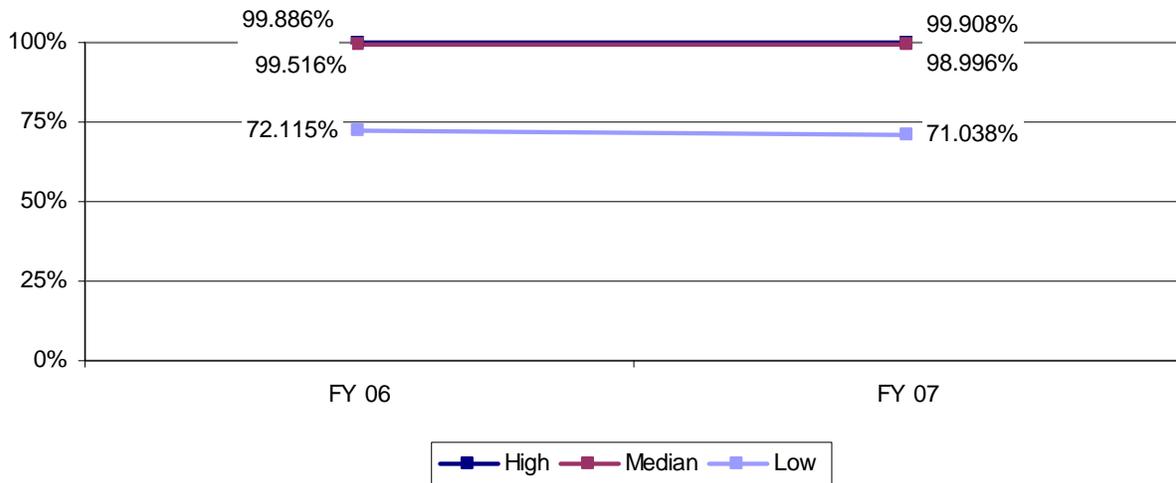
- The data shows districts have not met the industry standard for excellent availability over the past two years.
- There has been a modest improvement in the percentage of time that district student system applications are available.
- The overall failure to meet industry standards may be a capacity issue, i.e., the increasing data processing and educational program requirements that are outpacing the capacity of a district’s technology infrastructure to deliver service. Within that context, the increased compliance, regulatory and reporting requirements at state and federal levels may account for the improved available of student information applications at the expense of other core business applications, e.g., financial, payroll, etc.

Performance Measurement & Benchmarking for K12 Operations

Application Availability - Student Information



Application Availability - Student Information



Application Availability - Special Education

One *minus* total number of minutes of down time *divided by* total number of minutes measured – special education system

Why This Measure Is Important

The goal for this metric is to maximize the percentage of time that SpEd applications are available. Industry standard for excellent availability is ‘5 nines’ or 99.999% availability. Compliance with reporting and recording IEPs

Factors That Influence This Measure

- Dependence on technology such as Internet
- Maintenance required on a system may require down time
- The cost of redundant systems
- Resources (human and financial)

Analysis of Data

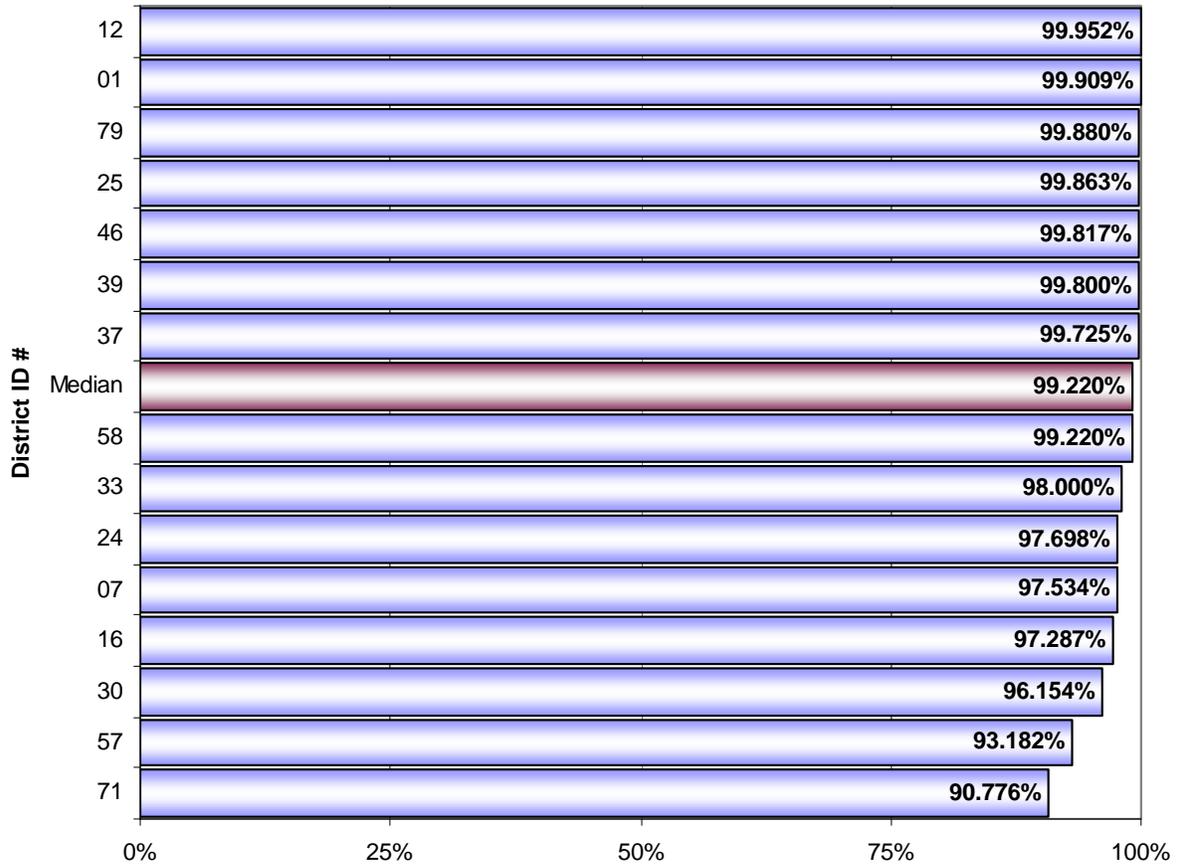
- FY 07 =16 districts provided reasonable responses; FY 06 = 15 districts
- FY 07: High = 99.952%; Low = 90.776%; Median = 99.220%

Trends and Observations

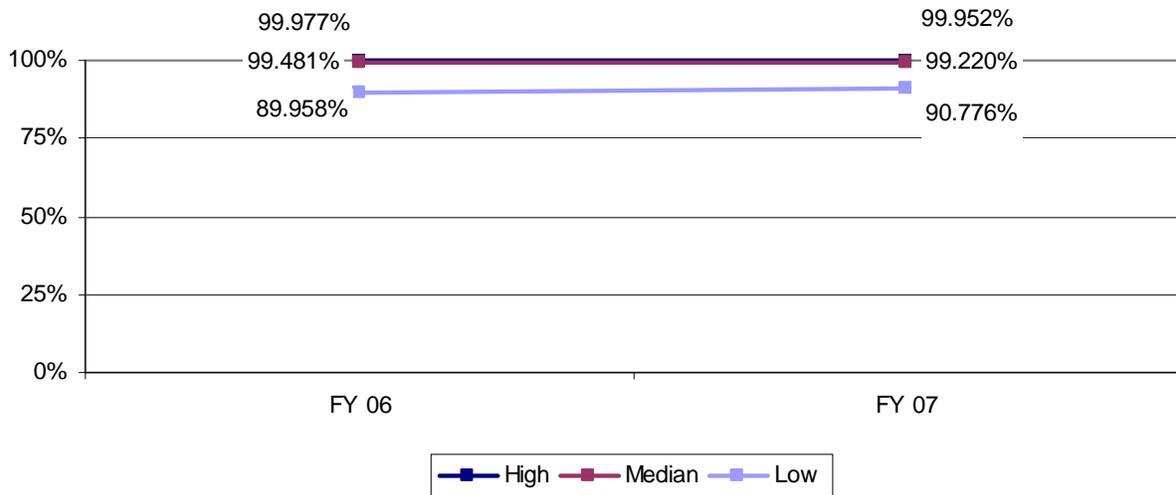
- The data shows districts have not met the industry standard for excellent availability over the past two years.
- There has been a modest improvement in the percentage of time that district special education system applications are available.
- The overall failure to meet industry standards may be a capacity issue, i.e., the increasing data processing and educational program requirements that are outpacing the capacity of a district’s technology infrastructure to deliver service. Within that context, the increased compliance, regulatory and reporting requirements at state and federal levels may account for the improved available of special education applications at the expense of other core business applications, e.g., financial, payroll, etc.

Performance Measurement & Benchmarking for K12 Operations

Application Availability - Special Education



Application Availability - Special Education



Application Availability – E-Mail

One *minus* total number of minutes of down time *divided by* total number of minutes measured – e-mail system

Why This Measure Is Important

The goal for this metric is to maximize the percentage of time that email applications are available. Industry standard for excellent availability is ‘5 nines’ or 99.999% availability. Email in most districts is the primary communication method deployed

Factors That Influence This Measure

- Dependence on technology such as Internet
- Maintenance required on a system may require down time
- The cost of redundant systems
- Resources (human and financial)

Analysis of Data

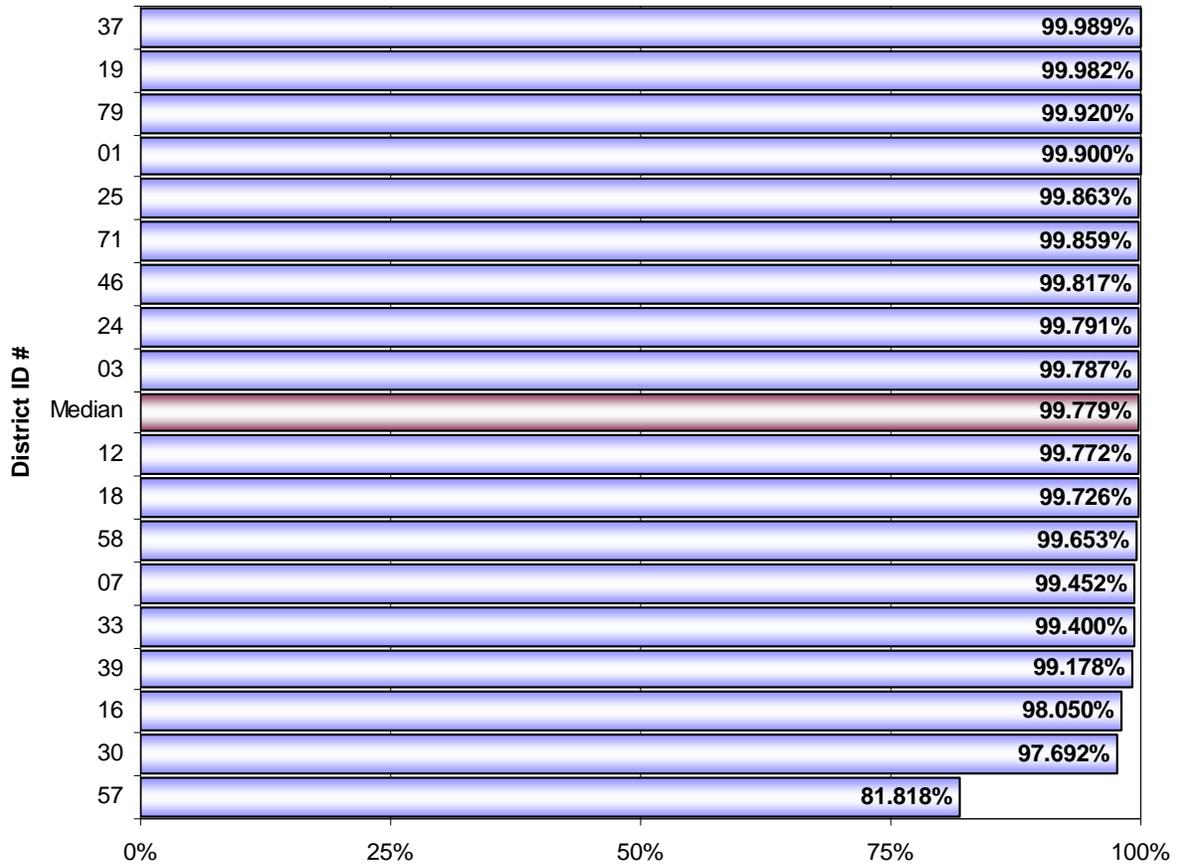
- FY 07 = 18 districts provided reasonable responses; FY 06 = 17
- FY 07: High = 99.989%; Low = 81.818%; Median = 99.779%

Trends and Observations

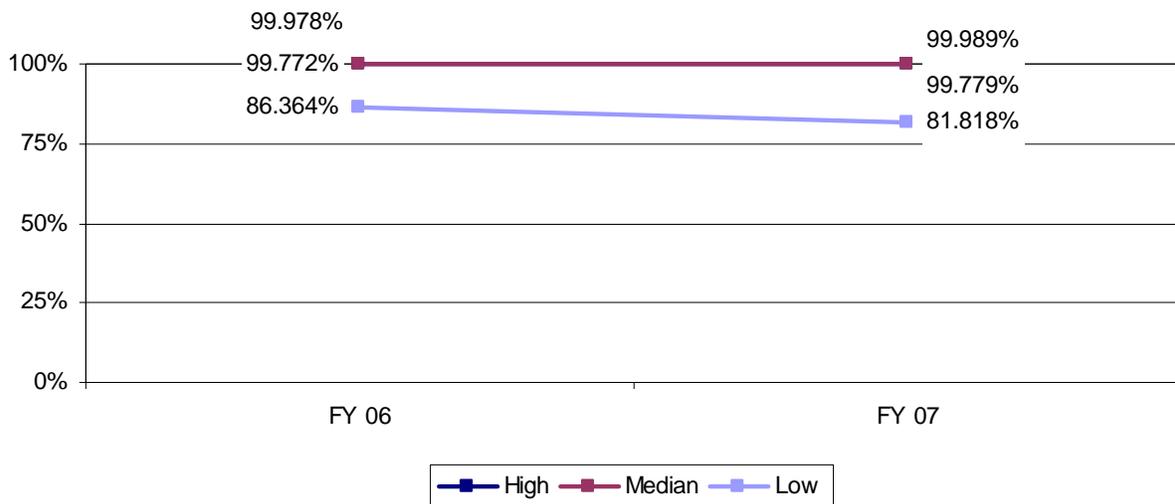
- The data shows districts have not met the industry standard for excellent availability over the past two years.
- Unlike the slight improvements in the availability of applications for student information and special education, there has been slippage in the percentage of time that the districts email applications are available.
- The overall failure to meet industry standards may be a capacity issue, i.e., the increasing data processing and educational program requirements are outpacing the capacity of a district’s technology infrastructure to deliver service. Within that context, the increased compliance, regulatory and reporting requirements at state and federal levels may account for the improved availability of student information and special education applications at the expense of core business applications, e.g., email, financial, payroll, etc.

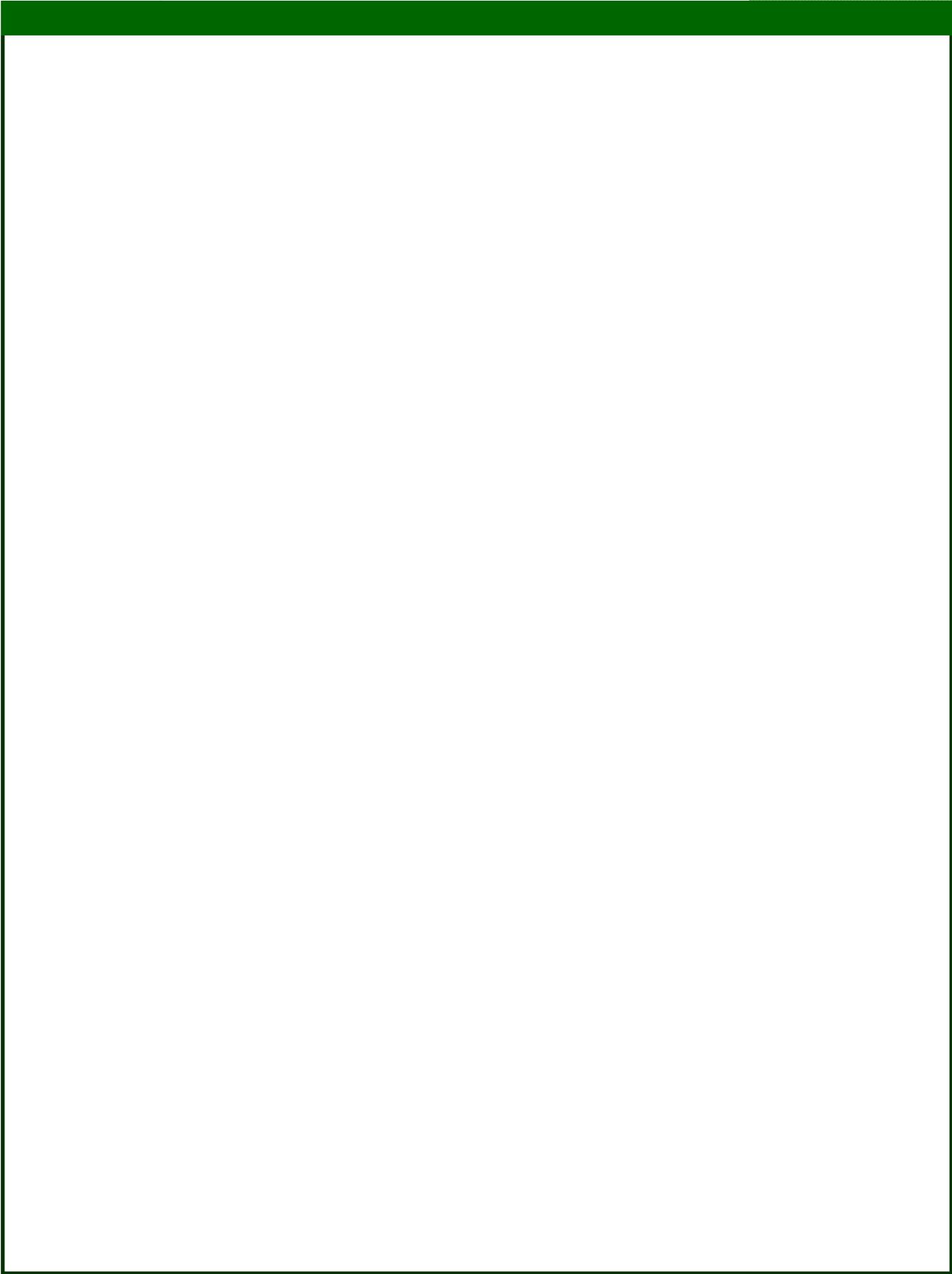
Performance Measurement & Benchmarking for K12 Operations

Application Availability - E-Mail System



Application Availability - E-Mail System





Human Resources

(Thanks to the work and diligence of the Technical Team, the project generated information that, although not lending itself to measurement calculations in great detail, will be useful to districts as they look at their human resources operations. It is for that reason the data is included in the report. Project management and the Technical Team will next move to redesign and reissue a survey to generate additional baseline data that meets the rigor of the project's research methodology and can be used to measure performance.)

Teachers Highly Qualified (per NCLB)

Number of teachers highly qualified (per NCLB) *divided by* number of full-time teachers

Why This Measure Is Important

Measuring NCLB “HQ” teachers assures that the district has the maximum number of highly qualified teachers (credentialed according to NCLB requirements) on staff. In addition to bringing the district into compliance with federal mandates, this measurement enables district to have data available to correlate relationship between number of certified teachers and student achievement; to monitor the distribution of highly qualified teachers throughout the district; and to develop and/or modify professional development within the district for teachers. Engage local universities to include coursework that leads graduates to be fully qualified to teach upon graduation.

Factors That Influence This Measure

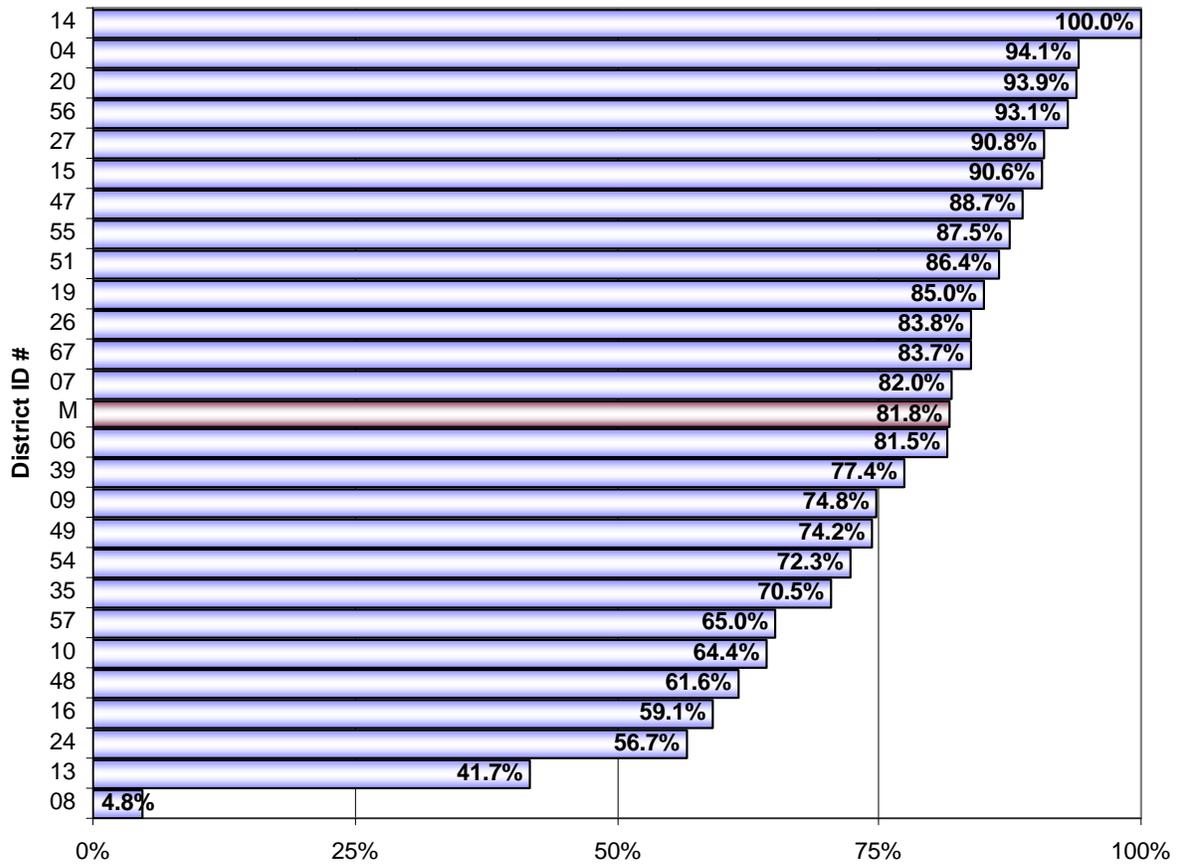
- Hiring practices
- Culture
- External community affluence
- Quality and quantity of applicant pool
- State licensure requirements

Analysis of Data

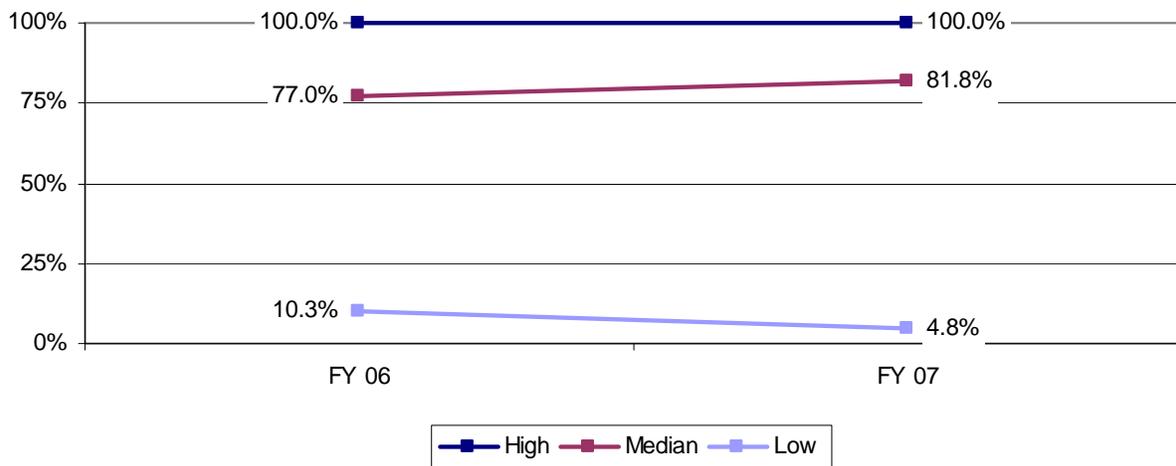
- FY 07 = 26 districts provided reasonable responses; FY 06 = 21 districts
- FY 07: High = 100.0%; Low = 4.8%; Median = 81.8%

Performance Measurement & Benchmarking for K12 Operations

Teachers Highly Qualified (per NCLB)



Teachers Highly Qualified (per NCLB)



National Board Certified Teachers

Number of teachers National Board Certified (NBC) *divided by* number of teachers – full-time, part-time, and substitute

Why This Measure Is Important

This measure provides a mean to monitor the distribution of NBC teachers; assures that the district maximizes the potential of the teacher staff; and presents a highly qualified staff to the public. In addition, it enables district to have data available to make the correlation between NBC certified teaching staff and academic achievement of students. It may also lead to the creation of a pool of qualified teachers to mentor and coach other teachers within the district.

Factors That Influence This Measure

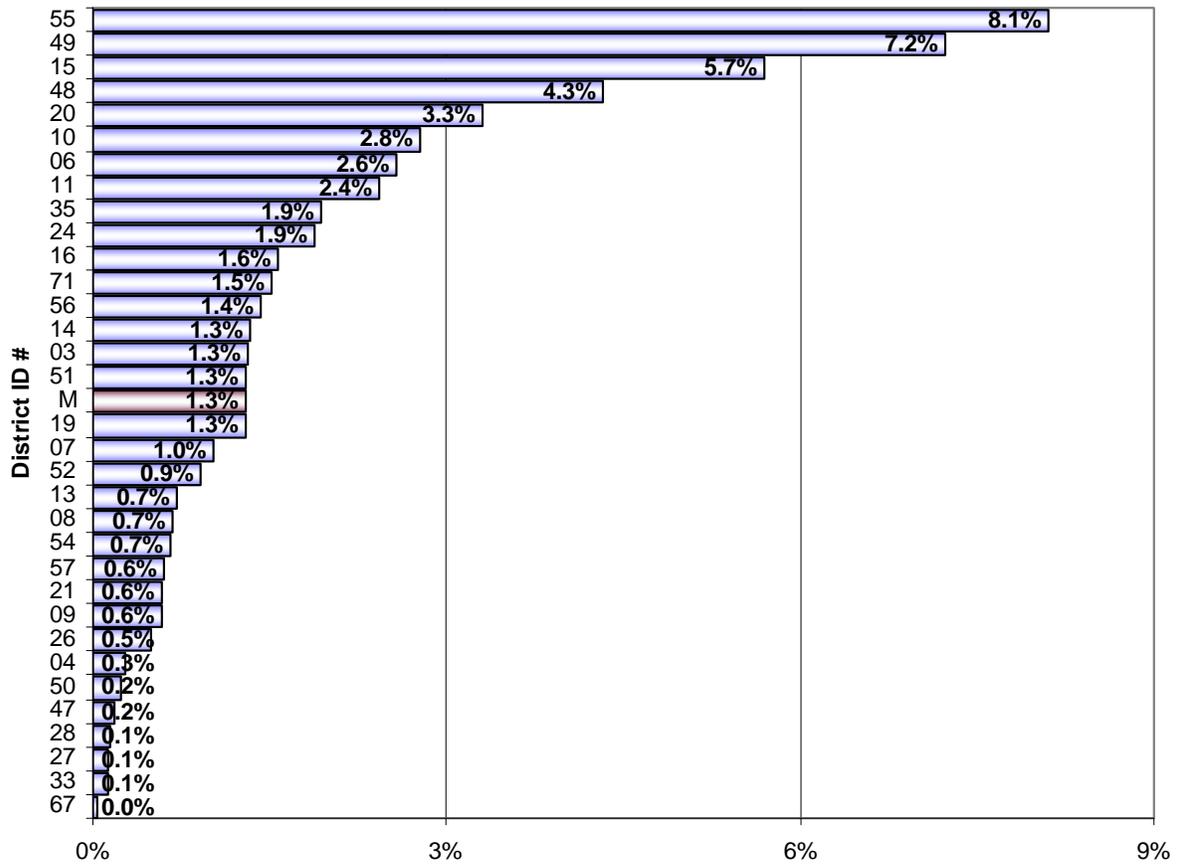
- Culture
- Communication
- Leadership
- Professional development
- Compensation
- Support for teachers

Analysis of Data

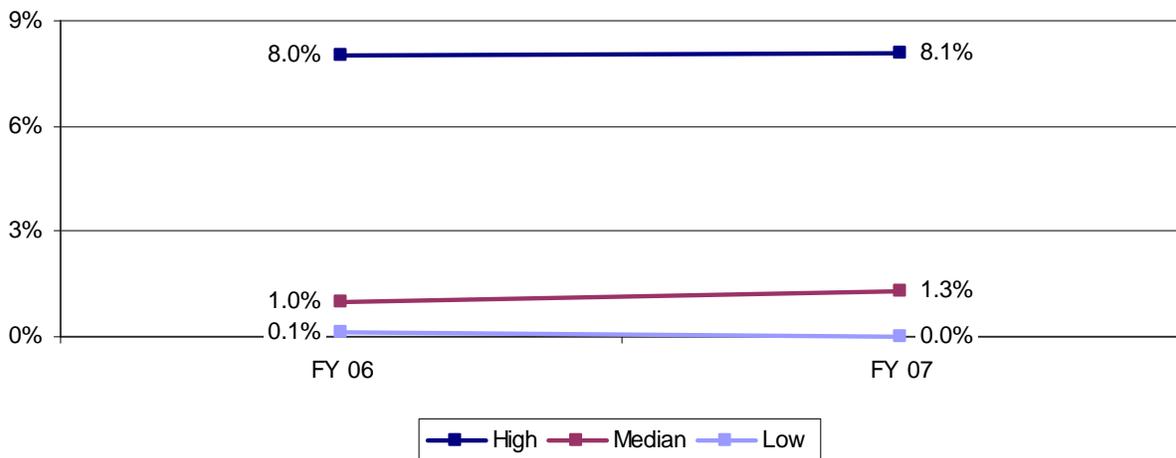
- FY 07 = 33 districts provided reasonable responses; FY 06 = 33 districts
- FY 07: High = 8.1%; Low = 0.0%; Median = 1.3%

Performance Measurement & Benchmarking for K12 Operations

National Board Certified Teachers



National Board Certified Teachers



Teacher Vacancies Filled First School Day

Number of teacher vacancies filled for the start of school *divided by* number of teacher vacant positions not filled on the 1st day of school and number of teacher vacancies filled for the start of school

Why This Measure Is Important

A school in which each classroom is staffed with a full-time teacher from “day one” sets the tone for the rest of the school year, thereby positively impacting student achievement. The measure provides the basis for determining the efficiencies (e.g., targeted job fairs) and the effectiveness (e.g., “marketing” the district as an employer of choice) on recruiting, screening, and hiring the right candidates to fill vacancies.

Factors That Influence This Measure

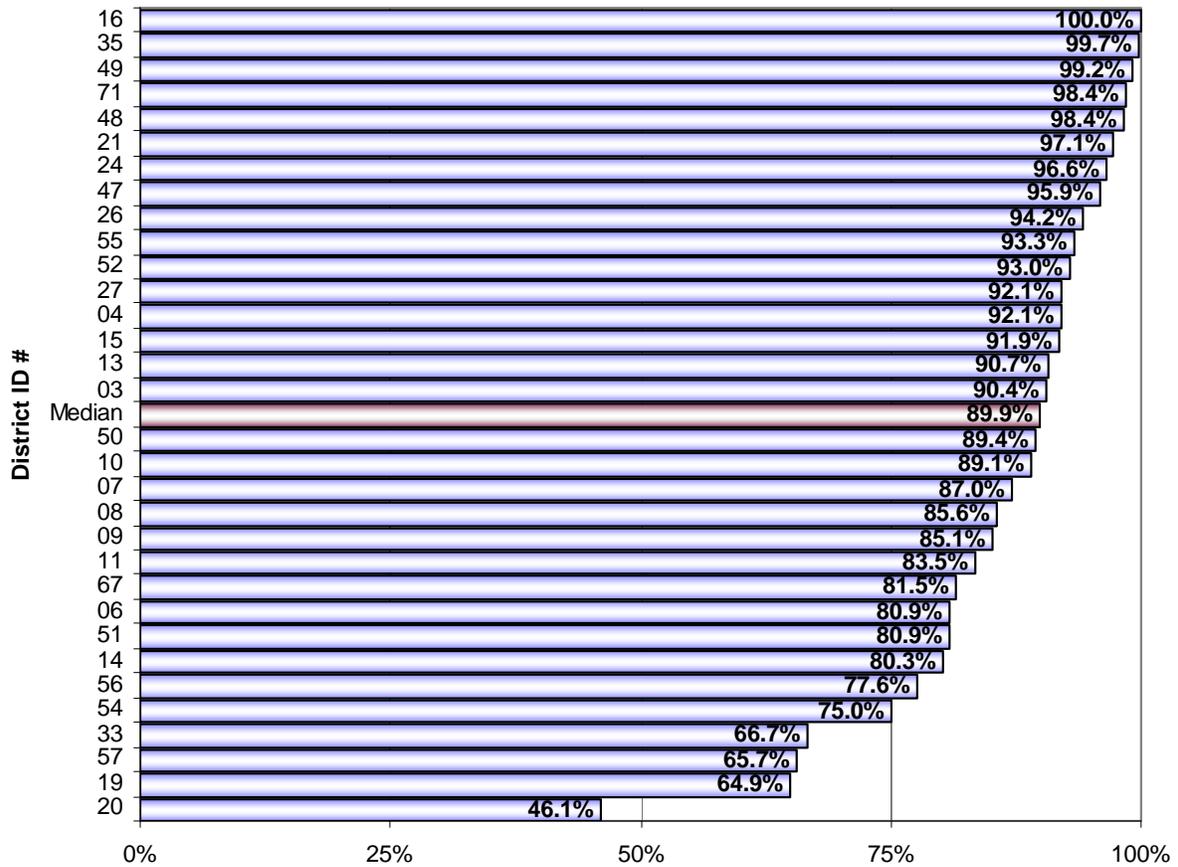
- Applicant pool
- Efficiency of recruitment process
- Compensation
- Degree of automation of employment process - How applicants perceive urban districts

Analysis of Data

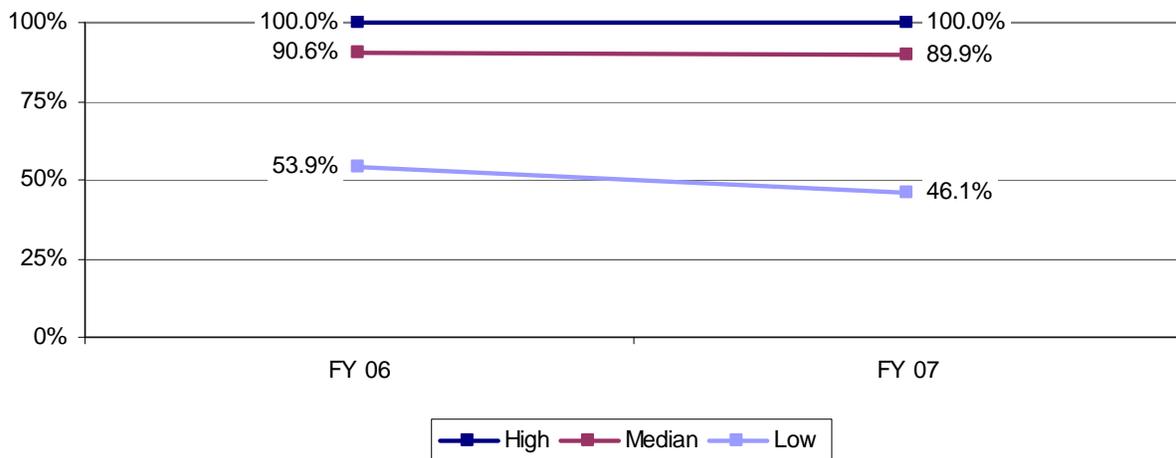
- FY 07 = 32 districts provided reasonable responses; FY 06 = 28 districts
- FY 07: High = 100.0%; Low = 46.1%; Median = 89.9%

Performance Measurement & Benchmarking for K12 Operations

Teacher Vacancies Filled on First School Day



Teacher Vacancies Filled First School Day



Teachers Retained After First Year

Average number of teachers retained after first year *divided by* number new hire teachers

Why This Measure Is Important

Based on review of this measure, a district may re-allocate funds to adopt new mentor/induction programs or revise their current programs. Districts will also have data available to justify making changes in their selection process and engaging local universities regarding coursework designed to better prepare graduates for urban teaching. By tracking, monitoring and examining retention of first year teachers, districts can measure early attrition rates and thereby manage the cost of bringing in new teachers and maintain desired staff continuity.

Factors That Influence This Measure

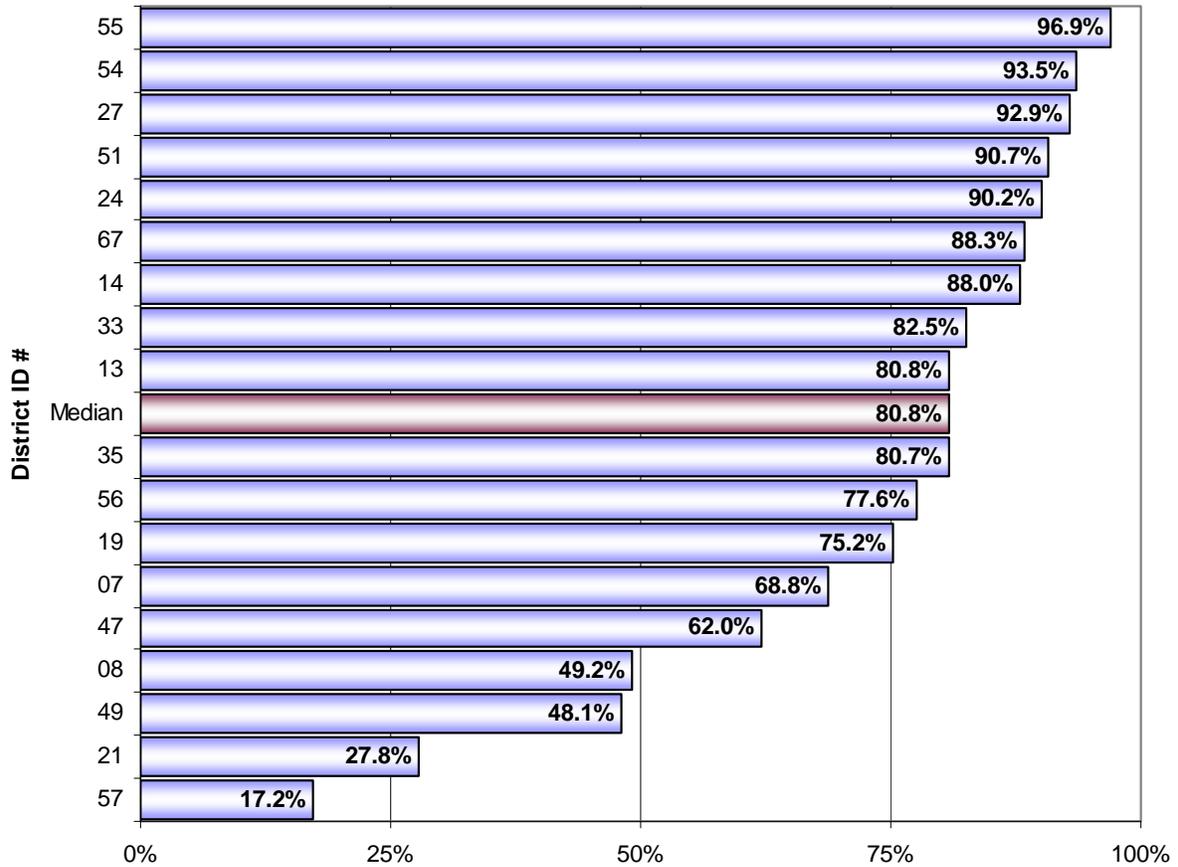
- Culture
- Communication
- Leadership
- Professional development
- Compensation
- Candidate selection and support

Analysis of Data

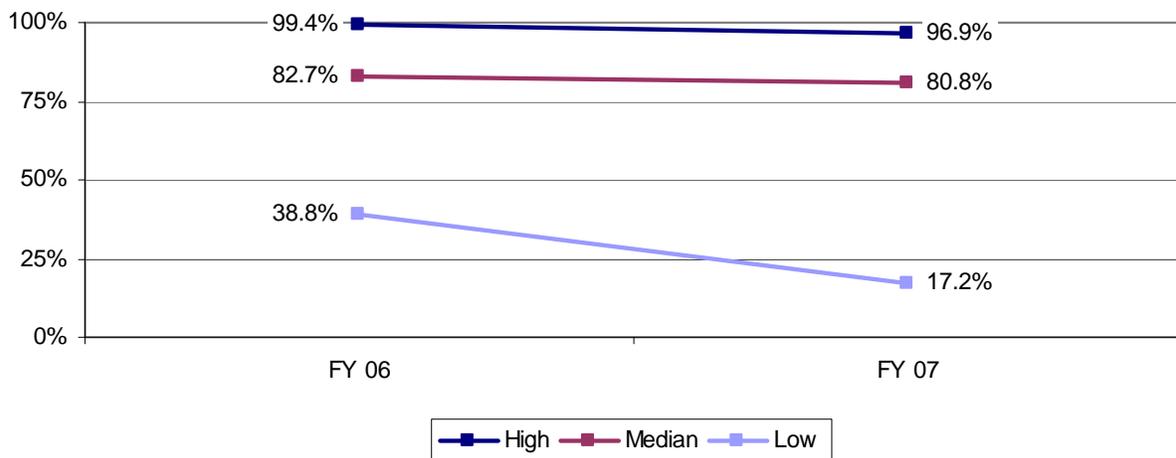
- FY 07 = 18 districts provided reasonable responses; FY 06 = 19 districts
- FY 07: High = 96.9%; Low = 17.2%; Median = 80.8%

Performance Measurement & Benchmarking for K12 Operations

Teachers Retained After First Year



Teachers Retained After First Year



Teachers Retained After Five Years

Average number of teachers retained after five years *divided by* number of teachers – full-time, part-time and substitute

Why This Measure Is Important

The measure of attrition rates helps districts identify “hot spots” within a district by tracking, monitoring and examining teacher retention on a school-by school basis. A low retention rate at a school may indicate a lack of support from the leadership of the district, insufficient professional development, and/or a misunderstanding of district’s mission. A high retention rate after five (5) years may indicate stability and job satisfaction. The data can be used to show that continuity of teaching staff within a school has a positive effect on student achievement.

Factors That Influence This Measure

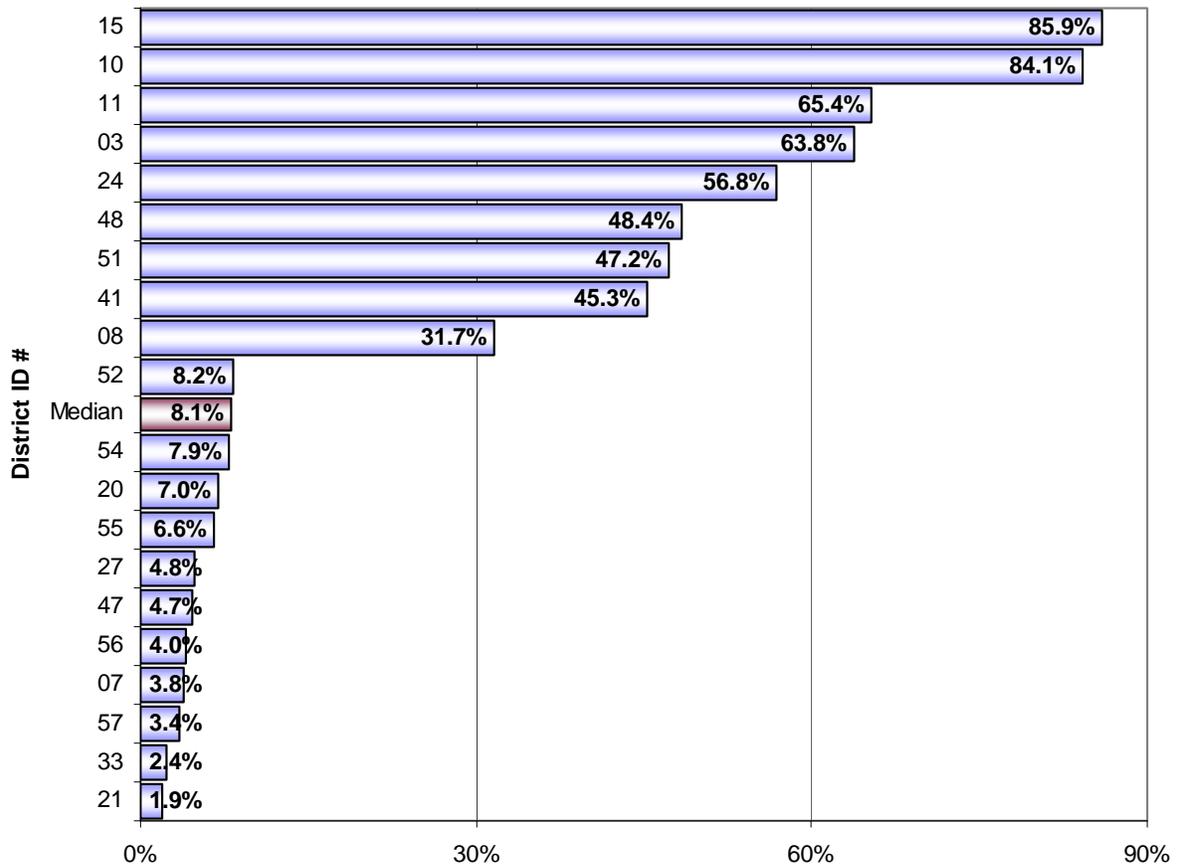
- Culture
- Communication
- Leadership
- Professional development
- Compensation
- Candidate selection and support.

Analysis of Data

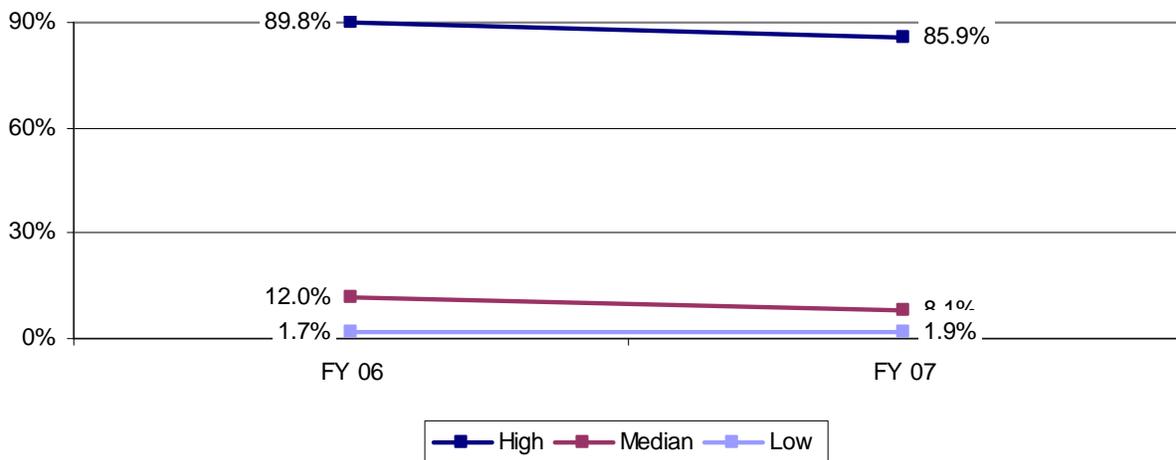
- FY 07 = 20 districts provided reasonable responses; FY 06 = 19 districts
- FY 07: High = 85.9%; Low = 1.9%; Median = 8.1%

Performance Measurement & Benchmarking for K12 Operations

Teachers Retained After Five Years



Teachers Retained After Five Years



Teachers Leaving District Indicating Job Dissatisfaction

Number of Teachers indicating on exit surveys that they left due to job dissatisfaction *divided by* number of teachers – full-time, part-time and substitute

Why This Measure Is Important

A review of this measurement may result in the understanding why teachers are leaving. It allows districts to compare and evaluate the relative efficiency of the mentoring programs, professional development opportunities, and support systems available for teachers. A value on the low side—low attrition--could indicate that the district has the right “stuff.”

Factors That Influence This Measure

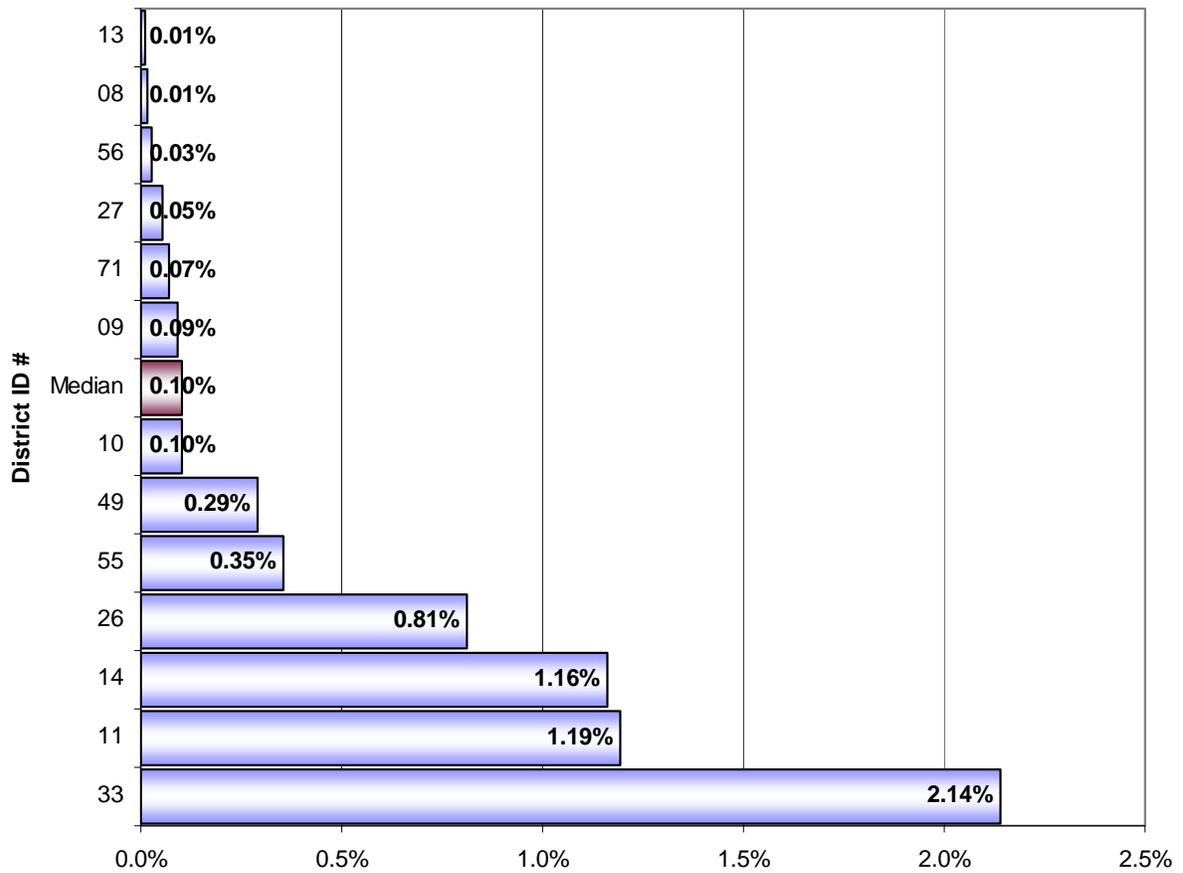
- Culture
- Communication
- Leadership
- Professional development
- Compensation
- Candidate selection and support

Analysis of Data

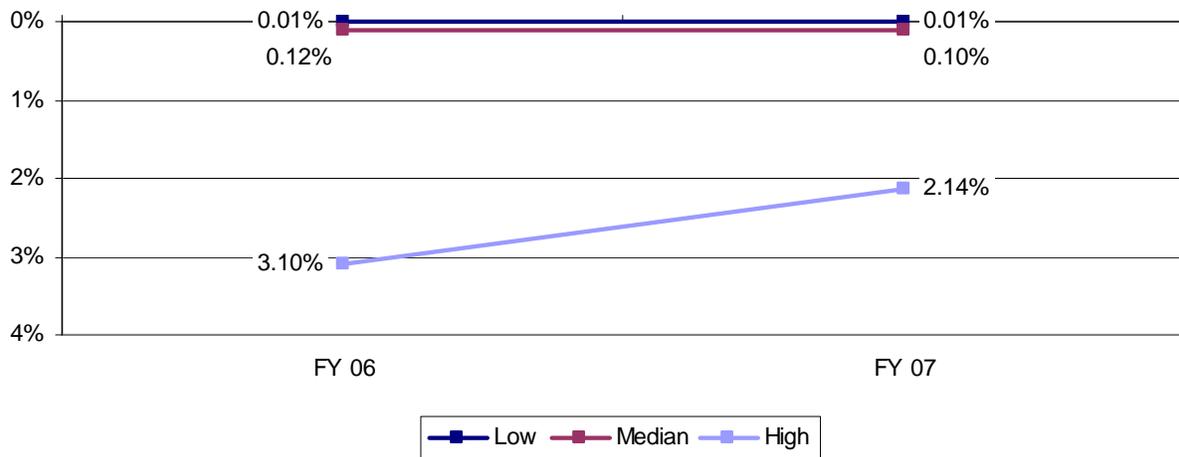
- FY 07 = 13 districts provided reasonable responses; FY 06 = 12 districts
- FY 07: Low = 0.01%; High = 2.14%; Median = 0.10%

Performance Measurement & Benchmarking for K12 Operations

Teachers Leaving District Indicating Job Dissatisfaction



Teachers Leaving District Indicating Job Dissatisfaction



Principals/Supervisors Rating HR Satisfactory

Number of Principals/Supervisors rating Human Resources services satisfactory *divided by*
Number of Administrators/Supervisors

Why This Measure Is Important

This measurement is a valid indication of the efficiency and effectiveness of HR. It allows HR to receive and analyze feedback on how well principals have accepted HR as a strategic partner. May enable HR senior leadership to determine where to allocate resources and funds to do the “right work.”

Factors That Influence This Measure

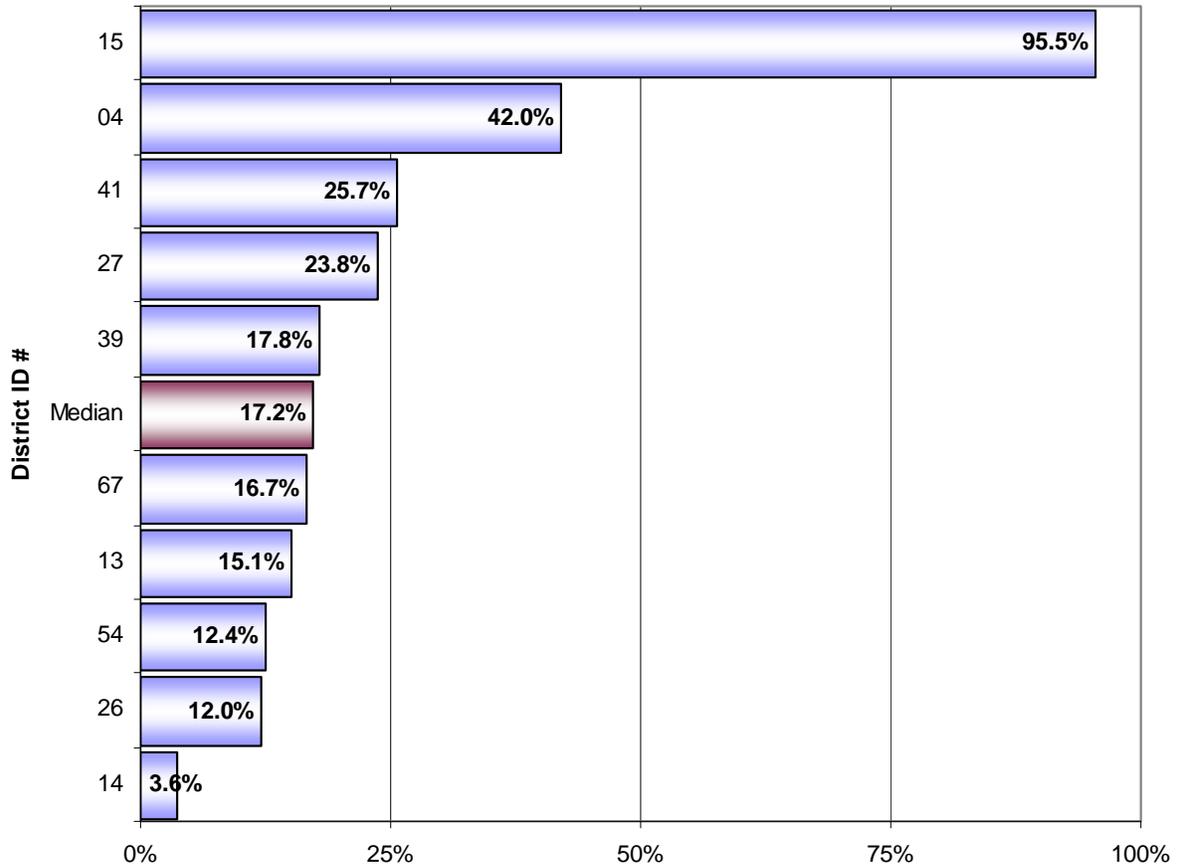
- Culture
- Communication

Analysis of Data

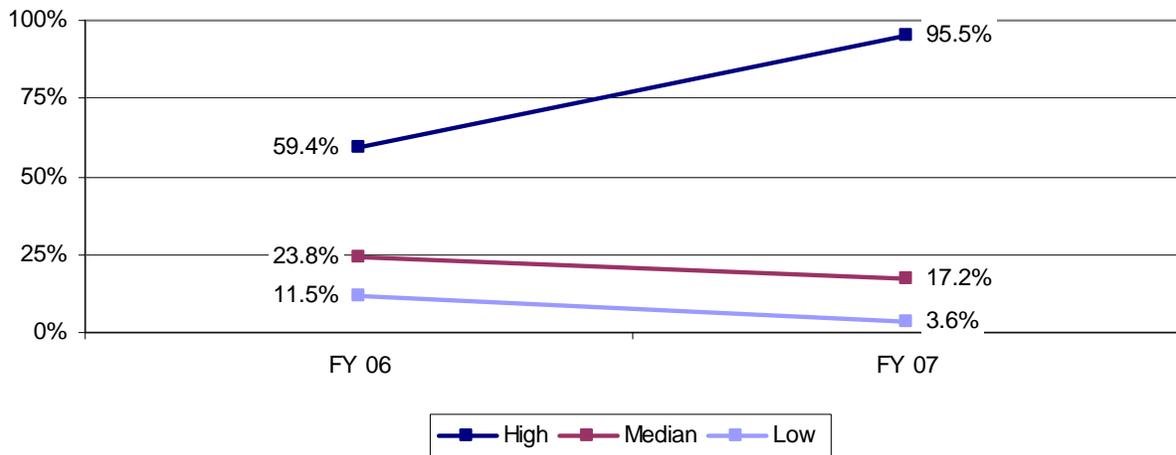
- FY 07 = 10 districts provided reasonable responses; FY 06 = 7 districts
- FY 07: High = 95.5%; Low = 3.6%; Median = 17.2%

Performance Measurement & Benchmarking for K12 Operations

Principals/Supervisors Rating HR Satisfactory



Principals/Supervisors Rating HR Satisfactory



Benefits Costs as Percent of General Fund Expenditures

Annual district cost of employee health benefits *divided by* total General Fund expenditures

Why This Measure Is Important

Cost containment for the district – a result may be a development of a wellness program.

Factors That Influence This Measure

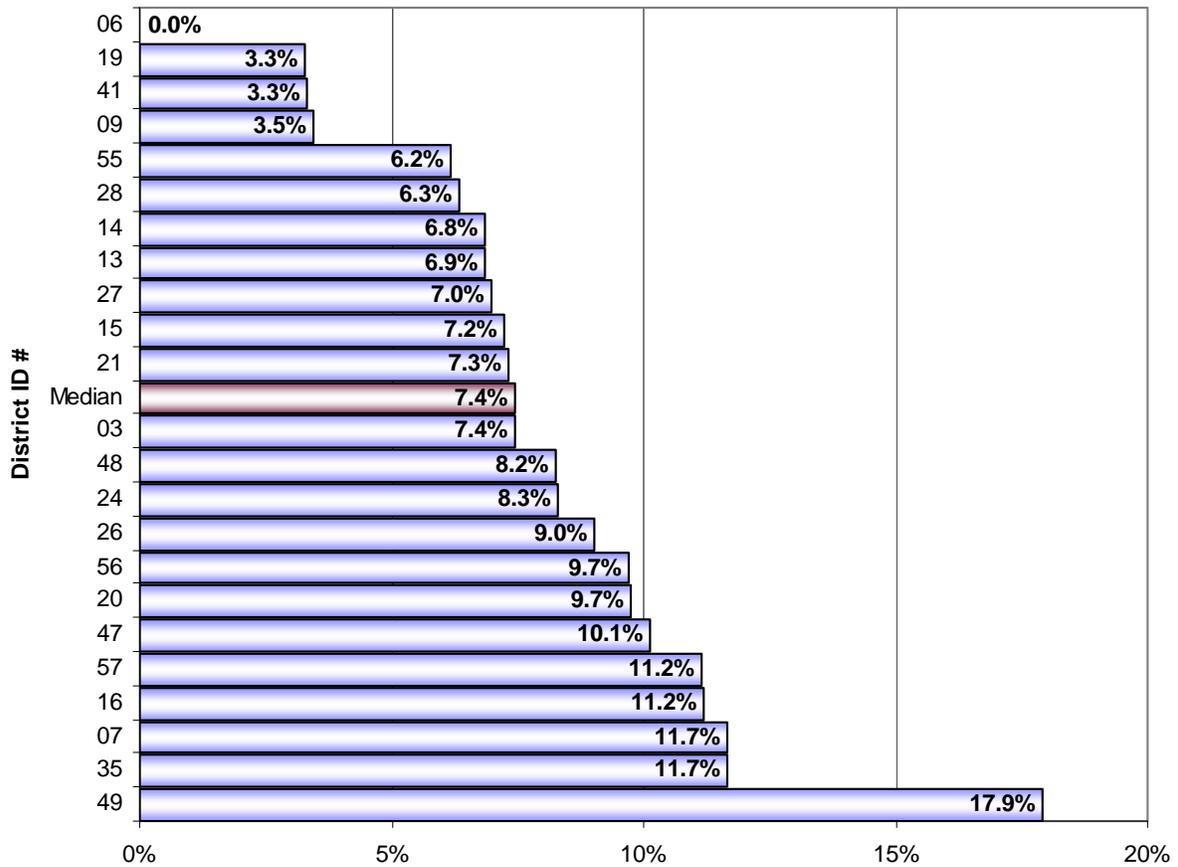
- Healthcare cost
- Age of the workforce
- Union contract

Analysis of Data

- FY 07 = 23 districts provided reasonable responses; FY 06 = 25 districts
- FY 07: Low = 0.0%; High = 17.9%; Median = 7.4%

Performance Measurement & Benchmarking for K12 Operations

Benefits Costs as Percent of General Fund Expenditures



Benefits Costs as Percent of General Fund Expenditures

