Introduction

Acknowledgements

- Tucson Unified School District

Gibson Consulting Group, Inc.

- Our experience with efficiency programs

- Our project team
Project Objectives

- Identify opportunities to improve efficiency and achieve cost savings.
- Make recommendations to improve management practices in the district.
Overview of Our Approach

Major Tasks:

- Data Collection and Review
  - 1000+ Existing District Data Documents
  - Peer District Data – National and State
- Site Visit
  - Interviews and Focus Group Sessions
  - School Visits
- Analysis
- Recommendations and Report

Project began November 2013, completed April 2014
Overview of Our Approach

- Work Focused On:
  - Operating Expenditures – not capital outlay or debt service
  - General Fund – primary funding sources for TUSD
  - Major opportunities to reduce costs and improve management effectiveness
Areas Reviewed

- District Organization and Management
- Financial Management
- Human Resources
- Technology Management
- Facilities Management
- Transportation Management
- Food Services
- Safety and Security
What We Found

- **Lower State Spending**
  - Arizona spends $7,496 per student compared to $11,068 nationally

- **Declining State Spending**
  - Since 2008, Arizona saw the a decrease in spending per student of 21.8% - highest percentage decrease nationally

- **Desegregation Lawsuit**
  - TUSD currently funds a $64 million desegregation plan
  - Separate local tax does not cover all associated costs
What We Found

- Declining Enrollment
  - Decrease of 12 percent in the past 10 years and continuing to decline. Has resulted in $50 million decrease in funding.
What We Found

- TUSD spending has declined by 5 percent over past five years.

- TUSD spending per student is $8,421, higher than both peer district ($7,185) and state averages ($7,496).
Key Messages

- TUSD does not have a long-range strategic plan.
  - District has moved forward with the decision to develop one this year.

- Many district processes are inefficient, manual, and paper-intensive.
  - District has engaged with an outside firm to assist in streamlining.

- TUSD has issues with pay compression, a pay inequity of the salary structure.
  - District has taken steps to remedy the situation.
Key Messages

- Negotiations with labor unions have resulted in streamlined approaches to employee leave and helped TUSD save money.

- Staff have found ways to achieve class sizes closer to district targets resulting in savings.

- Surveys show improved transportation performance.

- TUSD has a culture of continuous self-improvement increasing the chance for success in implementing project recommendations.
Major Recommendations

- Implement performance measures and targets to improve accountability and transparency.
- Implement an internal audit function that reports directly to the governing board.
- Reorganize the Student Equity and Intervention Department to be more functionally aligned.
- Document a decision-making framework.
- Reduce finance office staffing to levels commensurate with similar-sized school systems.
Major Recommendations

- Improve financial reporting at the board and department/school level.
- Reorganize the Human Resources Department to focus resources on operational improvements.
- Improve and streamline the hiring process.
- Use a requirements-based application selection process for identifying and selecting ERP and SIS systems.
- Develop a technology project management methodology using industry standards.
Major Recommendations

- Bring all technology-related positions under the Technology Services Department.

- Continue to evaluate school capacities and consider further school reductions.

- Implement a new Computerized Maintenance Management System to support more efficient processes.

- Enhance the district’s preventive maintenance program to lengthen the life of facilities.

- Implement additional energy conservation measures to reduce utility expenditures.
Major Recommendations

- Centralize management of custodial services.
- Implement new bus routing and scheduling software to optimize routing efficiency.
- Renegotiate labor agreements to pay bus drivers and monitors for actual hours worked.
- Implement a more effective bus replacement program.
- Allocate additional Maintenance and Operating Fund costs to the Food Services Fund.
## Fiscal Impact

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Thank You...

- For your willingness to do this audit.
- For the effort your staff dedicated to this project.