



CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

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"Dedicated to Excellence"

Camille Casteel, Ed.D., Superintendent

August 17, 2007

Debra Davenport
Auditor General
2910 N. 44th Street, Suite 410
Phoenix, Arizona 85018

RE: Response to Chandler Unified School District 2005-2006 Performance Audit

Dear Ms. Davenport:

Chandler Unified School District respectfully submits our response to the Performance Audit conducted by the Auditor General for fiscal year 2006. We appreciate the professionalism of your staff during the audit and their willingness to engage in dialogue to ensure accuracy and understanding.

While the final report provides recommendations that will enhance and improve our procedures, we also believe the findings verify our commitment to be effective stewards of taxpayer dollars. This is reinforced with Chandler Unified School District's favorable placement among comparison districts in the following areas:

- ✓ **Transportation** – costs per rider, miles per rider, and cost per mile below the comparison group average;
- ✓ **Plant Operations** – lowest plant costs in comparison group;
- ✓ **Utilities** – lowest utility cost per square foot in comparison group;
- ✓ **Classroom Dollars** - placed favorably with comparison group and above the Arizona state average.

We acknowledge the comprehensive nature of the performance audit; however, the methodology does not consider efforts to closely control capital expenditures. We would like to highlight a few items that have maximized our capital resources and thereby increased operational efficiencies:

- Procurement cards are utilized to increase efficiency by acknowledging opportunity costs;
- Grounds and maintenance staff work multiple shifts covering 24 hours per day/7 days per week thus maximizing the use of our capital investment;
- Staggered school start and end times reduce the number of buses and personnel necessary;
- Joint capital projects with the City of Chandler and Town of Gilbert save taxpayer dollars for all three entities. These include three municipal/high school libraries, a Center for the Arts at Chandler High School, three municipal/high school swimming pools, and a shared fueling and service facility for our transportation fleet in the southeast area.

Once again, thank you for the meaningful interaction throughout the audit. The Chandler School District will continue to operate the district support functions in the manner that maximizes all available resources. If you have any questions regarding our response, please don't hesitate to contact us.

Respectfully submitted,

Camille Casteel, Ed.D.
Superintendent

ADMINISTRATION

- 1. The District should reduce the number of procurement cards in use.**

The District agrees with the recommendation and has instituted limits for the number of cards by site and department.

- 2. The District should more effectively implement its controls and reviews to protect against misuse of procurement cards.**

The District agrees with the recommendation and will implement additional training.

- 3. The District should ensure that applicable discounts are obtained for all purchases and that items available in the warehouse are used first.**

The District agrees with the recommendation and will implement unless the actual cost differential (including employee time and mileage) demonstrates that the warehouse is not the most cost effective option.

- 4. The District should determine whether items frequently purchased with p-cards should be purchased in bulk and maintained in the District's warehouse.**

The District agrees with this recommendation and will implement..

- 5. The District should review whether employees currently provided cell phones actually require these phones as a necessary part of their job duties.**

The District agrees with this recommendation though it should be noted that the total number of cell phones is an average of 2.2 phones per site.

- 6. The District should review its cell phone policy to determine whether employees are reimbursing an appropriate amount for their personal use.**

The District agrees with the recommendation and will implement.

- 7. The District should follow its cell phone policies and ensure that cell phone agreements are signed by each user, and that monies owed the District are collected in a timely manner.**

The district agrees with the recommendation. The District will update their cell phone policy to properly reflect the district's intent. The District never intended that employees reimburse additional airtime if the call was for legitimate business purposes but the policy stated that all additional air time would be reimbursed.

TRANSPORTATION

- 1. The District should increase oversight of its fuel card usage. Fuel cards for Vehicle's no longer in service should be canceled immediately. Additionally, the District should closely monitor fuel invoices for any improper or unusual fuel purchases and fuel efficiency.**

The District agrees with this recommendation. Fuel card procedures, user requirements and cancellation timelines have been strengthened and communicated to all users. A more detailed system for invoice review and immediate follow up with users failing to follow procedures is being implemented. The District acknowledges that support fleet vehicle fuel was incorrectly coded and has taken steps to ensure that fuel is correctly coded to properly reflect student and non student transportation costs.

- 2. The District should maintain complete driver files and periodically review them to ensure that all driver requirements are met and in accordance with DPS Minimum Standards.**

While the District agrees with this recommendation, the issues were already resolved in 2006-07 school years. The findings of the DPS audit in May 2007 found Chandler Unified School District to be in full compliance.

- 3. The District should review rider counts throughout the year to evaluate and adjust routes to increase efficiency.**

The District agrees with this recommendation. The District will review and evaluate rider counts and document reasons for routes with less than 75% capacity. The District will consider adjusting routes balancing efficiency, program requirements and customer service.

- 4. To aid in evaluating the efficiency of its transportation program, the District should establish and monitor performance measures such as cost per mile, cost per rider, and bus capacity usage.**

The District agrees with this recommendation. Though the District does utilize indicators of student growth to department growth and a detailed process for increases to the budget, we will add the recommended performance measures.

PLANT OPERATION AND MAINTENANCE

- 1. The District should analyze its plant costs to identify ways to reduce its cost per square foot.**

The District agrees with this recommendation and will continue to evaluate and identify ways to reduce costs per square foot. As noted in the report, our higher costs may be due to a competitive salary and benefit package. For support staff position, the District does annually compare salaries with nine districts and we compare favorably but in line with the marketplace for this area.

PROPOSITION 301 MONIES

- 1. The District should use performance pay monies only for salary increases that are based on performance measures included in its plan and adopted by its Governing Board. A.R.S. 15-977(C) provides a list of sample performance measures such as measures of academic progress, dropout and graduation rates, attendance rates, and ratings of school quality by parents and students.**

The District agrees with this recommendation. Though the Governing Board approved the two additional contract days for training during the salary process, we will ensure that the additional days are clearly defined in the pay for performance plan to be approved by the Governing Board in fiscal year 2008.

- 2. The District should review its performance pay plan to ensure that compensated activities are optional and that eligible employees are performing activities for that they are not already compensated during normal contracted hours.**

The District agrees with this recommendation and will implement.

- 3. The District should ensure that menu option monies are spent only for eligible employees or for purposes allowed by statute.**

The District agrees with this recommendation and will implement.

- 4. The District should ensure that adequate documentation is retained for 3 years to demonstrate that Proposition 301 monies were spent in accordance with statute and the District's plan.**

The District agrees with this recommendation and will implement.

CLASSROOM DOLLARS

- 1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.**

The Districts agrees with the recommendation and has corrected coding

ELL

- 1. The District should comply with statutory requirements to provide 4 hours of English language acquisition in an ELL student's first year.**

The District agrees with this recommendation and will comply with ARS 15-756.01 implementing when the state task force completes the development of the models.

- 2. The District should begin separately accounting for the incremental portion of ELL costs and retain supplemental documentation of how those amounts are being determined.**

The District agrees with this recommendation. The District will also review expenditures to ensure that all actual costs associated with ELL are appropriately coded.