

REPORT HIGHLIGHTS
PERFORMANCE AUDIT

Our Conclusion

In fiscal year 2010, Humboldt Unified School District's student achievement was higher than both its peer districts' and state averages, and the District operated efficiently. The District's per-pupil costs in administration and plant operations were much lower than peer districts', and although its per-pupil costs for food service and transportation were similar to peer districts', it operated these programs efficiently with lower costs per meal and lower costs per mile and per rider. The District generally has lower staffing levels and salaries than peer districts' and has implemented many effective techniques and practices to help keep its costs low and programs operating efficiently. However, the District needs to strengthen controls over its computer systems.



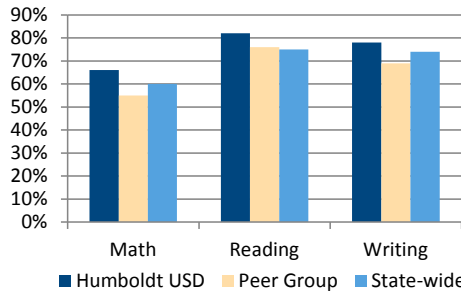
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Higher student achievement and efficient operations

Student achievement higher than peers' and state averages—In fiscal year 2010, Humboldt USD's student AIMS scores were higher than both peer districts' and state averages. Further, eight of the District's nine schools met "Adequate Yearly Progress" for the federal No Child Left Behind Act, and the District's 82-percent high school graduation rate was slightly higher than the peer districts' average of 80 percent and the state average of 78 percent.

Percentage of Students Who Met or Exceeded State Standards (AIMS) Fiscal Year 2010



District operated efficiently with costs lower than or similar to peer districts'—In fiscal year 2010, Humboldt USD operated efficiently with per-pupil costs that were lower than or similar to peer districts' costs in all operational areas. The District's administration and plant operations costs were much lower than its

peer districts averaged. Further, although the District's per-pupil costs for food service and transportation were similar to peer districts, Humboldt USD operated these programs efficiently with lower costs per meal and lower costs per mile and per rider than peer districts.

Operating efficiently allowed the District to spend more of its available resources for instructional purposes, which was especially important for Humboldt USD because the District's fiscal year 2010 per-pupil operational spending of \$6,432 was \$664 less per pupil than its peer districts' and one of the lowest per-pupil spending amounts in the State. Humboldt USD had less money available primarily because it did not receive additional funding through voter-approved budget overrides to increase its budget and chose to budget less of its capital monies for operational purposes.

Per-Pupil Expenditures by Operational Area Fiscal Year 2010

Operational Area	Humboldt USD	Peer Group Average
Administration	\$556	\$748
Plant operations	697	874
Food service	328	322
Transportation	380	396

District operated efficiently

In fiscal year 2010, Humboldt USD operated efficiently with lower operational costs than peer districts. The table on page 2 highlights the District's efficiencies in each of the operational areas.

Much lower administrative costs—Humboldt USD's administration operated efficiently with costs that were 26 percent

lower per pupil than peer districts', on average. These costs were lower primarily because the District employed fewer administrative staff at its schools and paid lower salaries for some administrative positions. Humboldt USD's lower staffing was primarily in administrative support positions at school sites, including administrative secretaries and

Comparison of Efficiency Measures Fiscal Year 2010

Efficiency Measure	Humboldt USD	Peer Group Average
Administrative cost per pupil	\$556	\$748
Plant operations cost per square foot	5.11	5.70
Food service cost per meal	2.19	2.66
Transportation cost per mile	2.36	3.40
Transportation cost per rider	709	937

receptionists. Further, Humboldt USD's high-level administrators, such as the superintendent, business manager, and principals, were paid less despite generally having a similar number of years of experience in their respective positions as the audited peer districts' administrators.

Efficient plant operations—Humboldt USD's plant operations costs were 10 percent lower per square foot and 20 percent lower per student than peer districts'. These lower costs were primarily because of lower staffing levels, lower salaries, and lower energy costs.

Efficient food service program—Humboldt USD's \$2.19 cost per meal was much lower than the peer districts' average of \$2.66 per meal. By maintaining a low cost per meal, the District was able to cover all of its program costs, while having enough monies remaining to help pay for some indirect costs, such as utilities. The lower costs were primarily the result of lower food costs, which the District has helped keep low by implementing several effective cost-controlling techniques. Specifically:

- **Fully use commodities**—To help take full

advantage of the commodities program, the District purchased an additional freezer and created additional dry storage space so that it can receive large amounts of commodities. Further, the District requests and accepts additional commodities when they become available.

- **Prepare menus to use available food inventory**—The District reviews its food inventory and modifies the cafeteria menus to minimize food waste and limit the purchase of noncommodity food items.
- **Offer some every-day menu options**—Although the District offers five or six meal choices to students on a daily basis, it is still able to keep its costs low by limiting food waste. Several of the same meal options are offered every day and some of these every-day options are the type of meals that can be refrigerated until needed and served the following day if unsold.
- **Monitor meal demand to limit waste**—The District monitors the number of meals produced and served by specific meal type and uses this information to determine the appropriate amount of food items to order and the number of meals to prepare the next time specific meals are served.

Efficient transportation program—Humboldt USD's transportation program operated efficiently with a \$2.36 cost per mile that was 31 percent lower than the peer districts' and a \$709 cost per rider that was 24 percent lower than the peer districts'. These lower costs were primarily the result of lower salaries, repair and maintenance costs, and fuel costs.

District needs to strengthen controls over its computer systems

Humboldt USD needs to improve controls over its computer systems in three ways. First, the District needs to separate the incompatible job duties of having the system administrator for the accounting system also be a user of the system. Second, the District needs to strengthen password requirements. Third, the District needs to develop and implement a disaster recovery plan. Although no improper transactions were detected in the sample we reviewed, these improvements are necessary to

help prevent fraud and abuse, protect sensitive information, and ensure continuity of operations in a disaster.

Recommendations—The District should:

- Separate the system administrator duties from the business office functions.
- Implement and enforce password requirements.
- Create and implement a formal IT disaster recovery plan.