

## REPORT HIGHLIGHTS PERFORMANCE AUDIT

### Our Conclusions

Nadaburg Unified School District's administrative costs per student were similar to the average for comparable districts, but it needs to improve several administrative processes. The District's transportation costs were much higher than for comparable districts because it must drive its high school students to schools out of the District. Plant operation costs were higher than the average for comparable districts because of higher staffing levels and higher energy costs. Because it had higher total spending per pupil than the state average, the District spent a similar amount of dollars in the classroom despite having a low classroom dollar percentage. The District's English Language Learner program was not in compliance with the state model for structured English immersion.



2009

## Nadaburg Unified School District

**Administrative costs were comparable, but better controls are needed**—The District's administrative costs per pupil were in line with the comparable districts' and the state-wide average for medium-sized districts.

### Administrative Cost Per Pupil Fiscal Year 2008

District Name	Administrative Cost Per Pupil
Nadaburg USD	\$966
Comparable districts' average	930
Medium districts' average	982

Although it has managed its administrative costs well, the District needs to improve a number of its administrative processes. For example, the District has an increased risk of errors and fraud—such as processing false time sheets or improperly modifying employee pay rates—because it has inadequate controls over its payroll and expenditure processing.

The District also needs to improve how it documents and approves extracurricular duties and pay. For example, one teacher was paid extra for teaching a Spanish class in the last hour of school and also for tutoring after school. Compensation under her contract covered the teaching for the last hour of school, so she should have received extra compensation only for the tutoring time.

The District also did not maintain and review adequate documentation to ensure that fuel card purchases were

made only by authorized district staff for authorized purposes. Auditors reviewed 2 months of fuel card purchases and found that the District was missing receipts for 28 percent of the purchases. It is especially important that Nadaburg USD maintain proper controls over the use of its fuel card and review all purchases closely because its fuel card is kept at a vendor's fueling station.

**Despite very high costs, transportation program is efficient**—Although Nadaburg USD spends about three times more of its budget on transportation than the comparable districts and the state average, its program appears efficient. Its routes were efficient and its cost per mile, \$2.58, was about 18 percent lower than the \$3.14 for comparable districts. The District has high costs because of the extra miles it drives to transport its 179 high school students to neighboring districts because Nadaburg has no high school. These routes averaged about 730 miles per rider compared to only 210 miles per rider for its elementary students.

Although the program is efficient, the District needs to monitor its costs. While state transportation aid far exceeded the District's transportation expenditures between fiscal years 2004 and 2007, the District's transportation costs are rising and state aid now barely covers the costs. Costs are increasing because the District has added two drivers for new routes and diesel fuel prices have increased by 28 percent.

**Higher plant costs**—Nadaburg USD’s plant operation and maintenance costs of \$6.63 per square foot were 18 percent higher than the \$5.60 for comparable districts. The higher cost is due to having more staff, and spending more on energy and supplies.

**Plant Costs per Square Foot  
by Category  
Fiscal Year 2008**

Plant Costs	Nadaburg USD	Comparable districts' average
Salaries and benefits	\$3.30	\$2.33
Purchased services	1.12	1.69
Supplies and other	2.21	1.58
<b>Total cost per square foot</b>	<b>\$6.63</b>	<b>\$5.60</b>

Nadaburg USD has more plant and maintenance staff than the comparable districts. For example, it has a full-time plant supervisor while most of the comparison districts have a part-time supervisor. Further, it has six custodians while a comparison to national standards suggests that four should be adequate.

The District’s energy costs were also 15 percent higher than the comparable districts’. The District has been able to pay for its energy costs under the state law permitting additional funding for excess utilities. However, this law expired at the end of fiscal year 2009, emphasizing the need for the District to adopt an energy conservation plan.

**Proposition 301 performance pay plan needs improvement**—Nadaburg USD distributed \$296,353 to eligible employees in fiscal year 2008. Eligible employees could earn up to \$5,400 each, including the \$2,700 maximum in performance pay.

However, the District’s performance pay plan did not necessarily promote improved performance. Employees earned 40 percent of performance pay by performing functions and conducting activities that they would normally perform even without the

performance pay. In addition, the District distributed 100 percent of performance pay to all eligible employees without verifying whether four of the five goals had even been accomplished.

**Despite low classroom dollar percentage, similar dollars spent in classroom**—In fiscal year 2008, Nadaburg USD spent 51.8 percent of the dollars it received in the classroom compared to 57.3 percent spent in the classroom by comparable districts and other districts state-wide. However, it spent \$4,462 per pupil in the classroom, similar to the state average of \$4,480. This occurred because the District had higher total per-pupil spending than the state average, largely because of its high transportation costs.

**English Language Learner (ELL) program should follow ELL model**—The ELL model developed by the Department of Education’s ELL Task Force requires students to be tested for appropriate placement and then placed with other ELL students of the same proficiency level. Nadaburg USD identified 96 students (11 percent) as ELL in fiscal year 2009. Although students in grades 1-3 were placed in structured English immersion classes, the District did not provide kindergartners with English language development (ELD) classes, and students in grades 4-8 received inconsistent instruction or no ELD at all.

In January 2009, the District developed Individual Language Learner Plans for the 4th- through 8th-grade students. However, these plans did not meet state model requirements because they:

- Were not tailored to meet students’ individual needs,
- Did not indicate who would provide or how they would receive ELD instruction, and
- Did not include documentation of the time spent covering ELD material.