

## Piñon Unified School District

**CONCLUSION:** In fiscal year 2015, Piñon USD's student achievement was similar to peer districts', and the District operated with much higher per pupil costs in all noninstructional areas. Specifically, the District's administrative costs were much higher than the peer districts' average primarily because of higher staffing and salaries. In addition, the District lacked adequate controls over its credit card purchases and computer systems. The District's plant operations costs per pupil and per square foot were much higher than the peer districts' averages because the District maintained more square footage per student than the peer districts averaged, and it employed more custodians. The District's food service program was reasonably efficient with a slightly lower cost per meal than the peer districts' average. Finally, the District's transportation costs per mile and per rider were much higher than the peer districts' averages likely because of higher staffing and overtime payments. In addition, the District had much higher supply costs associated with the repair and maintenance of its bus fleet. In addition to much higher costs, the District could not demonstrate that its buses received required preventative maintenance in a timely manner, which may have also contributed to its higher supply costs.

### Similar student achievement and much higher operational costs

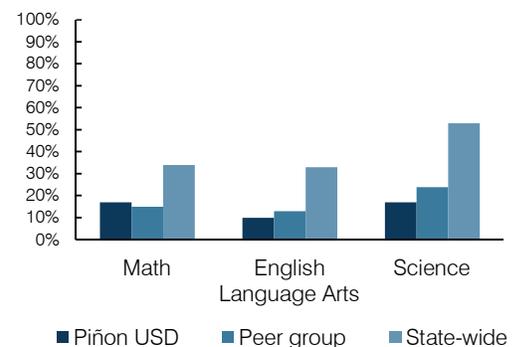
**Student achievement similar to the peer districts'**—In fiscal year 2015, Piñon USD's student test scores were similar for math and English language arts and slightly lower for science when compared to the peer districts' averages. The District's 76 percent graduation rate in fiscal year 2015 was equal to the peer districts' average and similar to the State's 78 percent average.

**Operational costs much higher than peer districts'**—In fiscal year 2015, Piñon USD's administrative costs were much higher than the peer districts' average primarily because of higher staffing and salaries. The District's plant operations costs per pupil and per square foot were much higher than the peer districts' averages because the District maintained more square footage per student and employed more custodians. In addition, the District's food service cost per pupil was higher than the peer districts' average because it served more meals per pupil than the peer districts. However, the program operated efficiently with a cost per meal that was slightly lower than the peer districts' average partly because of favorable terms with its food service vendor that resulted in lower salary and benefit costs. Finally, the District's transportation costs per mile and per rider were much higher than the peer districts' averages, partly because the District had higher staffing than the peer districts'.

### District had much higher administrative costs

In fiscal year 2015, Piñon USD's administrative costs per pupil were 58 percent higher than the peer districts' average primarily because the District employed one administrative full-time equivalent (FTE) position for every 50 students while six recently audited peer districts averaged one administrative FTE for every 67 students. Staffing levels were higher primarily at the District's schools where it employed more assistant principals and administrative support staff, such as receptionists and secretaries. The District also paid higher salaries

Percentage of students who met or exceeded state standards  
Fiscal year 2015



Comparison of per pupil expenditures by operational area  
Fiscal year 2015

	Piñon USD	Peer group average
Administration	\$2,073	\$1,311
Plant operations	2,252	1,483
Food service	656	476
Transportation	1,377	635

to some administrative staff. For example, Piñon USD's average salary for principals was over \$26,000 higher than the average salary for principals at the six recently audited peer districts. District officials stated that higher salaries were paid to attract and retain qualified personnel because of the District's remote location.

### Recommendation

The District should determine and implement ways to reduce administrative costs.

## District lacked adequate credit card and computer controls

We reviewed three months of district credit card purchases for fiscal year 2015 and found over \$17,000 in purchases that were made without prior approval. Further, the District lacked adequate password requirements for access to its computer network and student information system. In addition, 13 of 38 accounting system users we reviewed had more access to the accounting system than they needed to perform their job duties. Also, we found six network user accounts with administrator-level access that may not require this level of access, which gives the users full control over computer network and system settings. Lastly, the District lacked adequate procedures for removing access to its network and critical systems, one of its wireless networks was not adequately secured, and it lacked an information technology contingency plan.

### Recommendation

The District should strengthen its controls over credit card purchases and its computer network and systems.

## Excess building space and higher staffing resulted in higher costs

In fiscal year 2015, Piñon USD's plant operations cost per pupil was 52 percent higher because it maintained a large amount of excess building space. As a result, the District spent more of its available operating dollars for plant operations, leaving it less money to spend in the classroom. Piñon USD's schools operated at just 44 percent of capacity, on average, in fiscal year 2015. Maintaining more building space per student is costly to the District because most of its funding is based on its number of students, not on the amount of square footage it maintains. The District's plant operations cost per square foot was also much higher than the peer districts' average because it employed more custodians.

### Recommendations

The District should:

- Review the use of space at its schools and determine and implement ways to reduce identified excess space.
- Review custodial staffing levels and determine and implement ways to reduce plant operations costs.

## District had high transportation costs and needs to improve oversight

In fiscal year 2015, Piñon USD's transportation costs per mile and per rider were much higher than the peer districts' averages. According to district officials, the District made bus driver positions full-time rather than part-time several years ago to attract and retain bus drivers, primarily because of the District's remote location. As a result, salary and benefit costs have increased by over \$300,000 between fiscal years 2010 and 2015 despite no substantial changes in miles driven or students transported. Further, the District paid its bus drivers about \$160,000 of overtime pay in fiscal year 2015. The overtime occurred partly because 71 percent of the District's bus route miles were run on unpaved roads, which increase the time it takes to run these routes. However, the need for overtime pay may be able to be eliminated or greatly reduced. The District also had much higher per mile supply costs, which were affected partly by the routes run on unpaved roads, which can increase repair and maintenance costs. Lastly, the District lacked adequate documentation to show that bus preventative maintenance was performed in accordance with the State's *Minimum Standards for School Buses and School Bus Drivers* (Minimum Standards).

### Recommendation

The District should review its transportation operations and determine and implement ways to reduce transportation costs, and it should ensure bus preventative maintenance is performed in accordance with the State's Minimum Standards.