

REPORT HIGHLIGHTS PERFORMANCE AUDIT

Our Conclusion

Alhambra Elementary School District's student achievement is slightly higher than that of its peers, and it operates efficiently overall, with most costs lower than the peer districts'. The District's administrative costs were 23 percent lower because it employed fewer staff and its electricity costs were 25 percent lower partly because of its energy conservation program that holds schools accountable for energy usage. However, the District needs to address two areas of concern: (1) the District's food service costs were high mainly because it employed significantly more food service employees than the peer districts; and (2) the District may have used Classroom Site Fund (CSF) dollars to supplant non-CSF dollars that were previously used for the classroom.

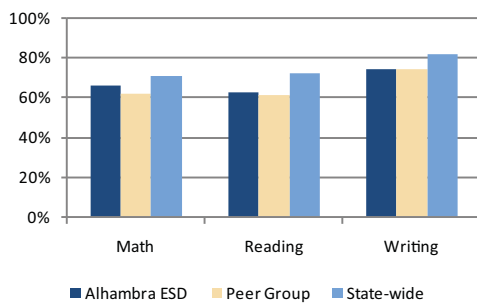


2010

Slightly higher student achievement and generally efficient operations

Student achievement slightly higher than peers'—In fiscal year 2009, Alhambra ESD students' AIMS scores were lower than state averages but slightly higher than the peer districts'. Twelve of the District's 15 schools met "Adequate Yearly Progress" for the federal No Child Left Behind Act (NLCB), while three schools did not

Percentage of Students who Met or Exceeded State Standards (AIMS) Fiscal Year 2009



because some students did not demonstrate sufficient academic progress.

District operates efficiently overall with generally lower costs'—The District spent a similar amount as peer districts' in the classroom, and significantly less per pupil for administration, transportation, and plant operations. However, the District's food service costs were much higher.

Expenditures by Function Fiscal Year 2009

Per Pupil	Alhambra ESD	Peer Group Average
Administration	\$544	\$705
Transportation	230	272
Plant operations	670	786
Food Service	646	494

Energy conservation program lowers electricity costs

Alhambra ESD's fiscal year 2009 electricity costs per square foot were 25 percent lower than peer districts'.

Per-Square-Foot Electricity Costs Fiscal Year 2009

Alhambra ESD	\$1.11
Peer Group Average	\$1.48

One reason for this lower cost is the District's energy conservation program. In 2002, Alhambra ESD formed a committee to study and analyze its schools' energy needs after hours and on weekends and to develop an energy conservation program. The program includes an accountability component that requires

individual schools to pay for energy usage above the base level determined by the committee. The District also installed new electricity meters and equipment to monitor energy usage. As a result of these measures, district officials stated that they saved over \$250,000 in the first 18 months of operation, and they expect to continue saving \$250,000 to \$300,000 annually.

Because of the potential for significant cost savings, other districts should consider exploring the feasibility of implementing this practice.

High food service costs due to more employees

Alhambra ESD's food service costs per pupil and per meal were much higher than the peer districts' average costs. As a result of these high costs, the District spent nearly \$1.5 million more on the program in fiscal year 2009 than the program generated in revenues.

Food Service Expenditures Fiscal Year 2009

	Alhambra ESD	Peer Group Average
Cost per meal	\$2.79	\$2.34
Meals per FTE ¹	22,692	42,917

¹Full-time equivalent positions.

Costs were high primarily because Alhambra ESD employed significantly more food service employees than the peer districts'. The District employs 137 full-

time equivalent (FTE) positions compared to the peer districts' average of only 79.

We found that some peer districts lowered their food service costs by:

- Using a central kitchen;
- Employing fewer managers/supervisors;
- Using disposable trays and utensils; and
- Purchasing rather than making baked goods.

We also found that the peer districts were able to produce more meals per employee. If Alhambra ESD's employees each produced as many meals as the peer district employees, the District could potentially operate with about half of its current staffing level.

Recommendation—The District should evaluate whether it can reduce staffing levels to produce cost savings.

The District may have supplanted using Classroom Site Fund (CSF) monies

In recent years, Alhambra ESD has shifted some of its spending away from the classroom. Statute requires that districts use CSF monies to supplement and not supplant—that is add to rather than replace—other monies spent in the classroom. In 2001, before it received CSF monies, the District spent 60.8 percent of its operating dollars in the classroom. In fiscal year 2009, despite receiving over \$4.2 million in CSF monies earmarked primarily for the classroom, the District spent only 56.7 percent in the classroom, 4.1 percentage points less than in 2001. Had the District continued to direct its other monies into the classroom at the same rate as in 2001, the additional CSF monies would have boosted the District's classroom dollar percentage to 61.9 percent, resulting in an additional \$5.5 million being spent in the classroom in fiscal year 2009 alone.

District increased spending for instructional support services—The District's reduction in classroom spending is more than matched by its increased spending in instructional support services (ISS). The District's ISS spending has increased by over 6 percentage points since 2001. ISS activities are necessary and closely tied to the classroom. They are

intended to assist teachers with the content and process of providing learning experiences for students such as that provided by or through librarians, teacher training, and curriculum development. However, the increase in instructional support spending should not come at the expense of classroom spending.

Recommendation—The District should ensure that CSF monies are used to supplement, and not supplant, other district monies.

Maintenance of Effort and Actual Classroom Dollar Percentages Fiscal Years 2001 through 2009

