

**REPORT HIGHLIGHTS**  
**PERFORMANCE AUDIT**

**Subject**

The Gilbert Unified School District area includes parts of Gilbert, Chandler, and Mesa. In FY 2007, the District served 35,850 students in pre-kindergarten through 12th grade attending 26 elementary, 6 junior highs, 4 high schools, and 3 academies.

**Our Conclusion**

Gilbert USD's administrative costs were 15 percent lower than the average for comparable districts, while plant operation and maintenance costs were similar. However, its transportation program costs were higher. The District generally spent Proposition 301 monies appropriately, and its classroom dollar percentage was higher than the state and national averages. Gilbert USD has adjusted its English Language Learner's program to address requirements.

**Administration**

Administrative costs are those associated with directing and managing a school district's responsibilities. At the district level, they are primarily associated with the governing board, superintendent's office, business office, and support services. At the school level, these costs are primarily associated with the principal's office.

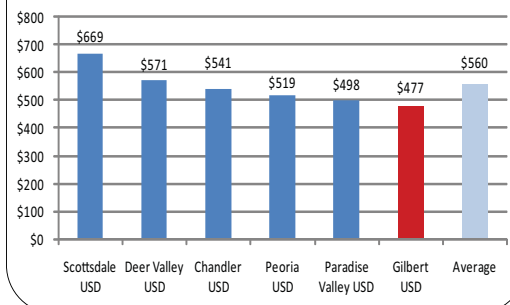
Gilbert USD's FY 2007 administrative costs were 15 percent lower than the comparable districts' average.



District Offices.  
 Source: District Web site.

The lower administrative costs are primarily due to having fewer administrative positions, particularly assistant principals, at district schools.

Administrative Cost Per Pupil  
 Fiscal Year 2007



**Accounting system password controls needed**—The system administrator initially establishes users' passwords, but users are not required to change them. This leaves the users' accounts open to misuse and the District open to exploitation of its system and records.

**Recommendation**

The District should establish policies that require users to change their password upon initial logon, and periodically.

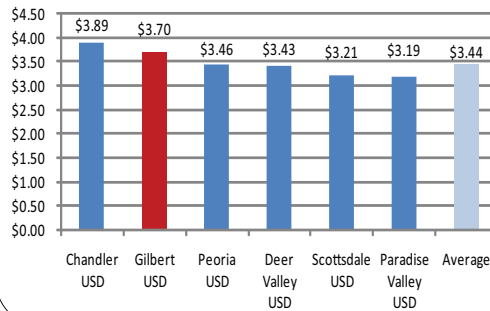


2008

# Student Transportation

In FY 2007, the District spent \$2 million more on transportation than it received in state aid. Further, the District's \$3.70 cost per mile was about 7 percent more than the comparable districts' average.

Transportation Cost Per Mile  
Fiscal Year 2007



**Inefficient Routes**—One reason for the higher cost was inefficient bus routes. A typical efficient bus route uses 75 percent or more capacity. On average, Gilbert USD buses averaged 56 percent of capacity.

**Outsourced transportation**—Also, partly because of its inefficient routes, the District was unable to meet all of its transportation needs. Instead, it had to contract for bus services for field trips at a cost of \$475 per trip and athletic events at

a cost of \$372 per trip. In addition, the District failed to oversee its bus contractors. As a result, two vendors overbilled the District 56 percent of the time, for total overbillings of at least \$10,000.

## Lack of performance measures—

The District also did not establish and monitor performance measures to help manage its transportation program. Measures such as cost per mile, cost per rider, and bus capacity utilization can help evaluate efficiency and identify cost savings.

## Oil testing can improve efficiency—

The District's practice of testing oil samples from about half of its buses results in cost savings by allowing oil changes at 7,500 to 10,000 rather than every 5,000 miles. Because oil testing costs are low (\$6.50 per oil sample) and there is the potential for cost savings, other school districts should explore the feasibility of implementing this practice.

## Recommendations

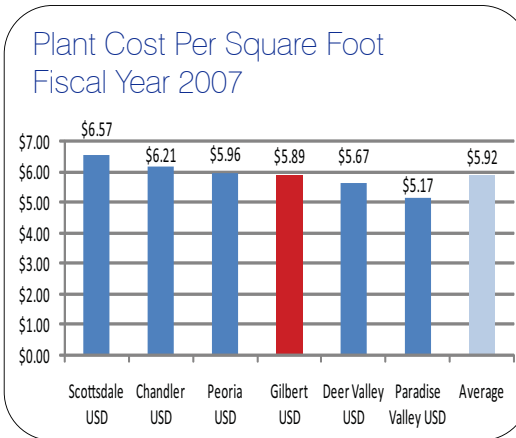
The District should:

- Review and modify bus routes to increase efficiency.
- Review transportation vendor invoices to ensure they conform to contract terms.
- Establish and monitor performance measures such as cost per mile, cost per rider, and bus capacity use.

## Plant Operation and Maintenance

Plant operation and maintenance costs include salaries, benefits, and other costs for heating and cooling, equipment repair, grounds keeping, and security.

Gilbert's plant operation and maintenance costs per pupil and per square foot were similar to the average for comparable districts. The District has developed and partially implemented an energy conservation program, and its preventative maintenance program and centralized plant facility have also helped keep costs down.



## Proposition 301 Monies

Proposition 301 monies are special tax monies designated for teachers' base pay increases, performance pay, and certain menu options such as reducing classroom size, providing dropout prevention programs, and additional pay increases.

In FY 2007, eligible employees earned \$856 in base pay, up to \$1,832 in performance pay, and about \$1,679 in menu option monies. However, a sample of employees' pay records revealed that 43 percent had insufficient documentation to demonstrate they had earned all of their performance pay.

### Recommendation

The District should retain documentation to show that Proposition 301 monies were spent according to the District's plan.

## Classroom Dollars

Gilbert USD had a higher classroom dollar percentage—62.1 percent—than the state and national averages. However, the District actually spent fewer dollars per student in the classroom. This is because the District had lower total spending per pupil (\$6,362) than the averages of the comparable districts (\$6,878), the State, (\$7,382) and the nation (\$8,702).

The District spent less because, unlike some of the comparable districts, it did not participate in the career ladder program, or receive desegregation or K-3 budget override monies.

**Fewer instructional support staff**—Gilbert spent 53 percent less on instructional support than the comparable districts, in part because it employed fewer librarians.

## English Language Learner (ELL) Programs

English language learners are students whose native language is not English and who are not currently able to perform ordinary classroom work in English. They are identified through state-adopted tests that districts are required to administer to students whose primary language at home is other than English. Former ELL students must have their English proficiency retested every 2 years. About 3 percent (726) of Gilbert USD students are ELL.

**District's ELL program**—In FY 2007, the District offered English language instruction in 3-hour blocks to its ELL students.

For the FY 2009 school year, the District made adjustments in its ELL program to address state requirements adopted in September 2007. It now includes four hours of English language development daily, provided by qualified teachers.

**ELL costs and funding**—For FY 2007, the District received about \$550,000 in ELL-related funding, but it recorded spending of about \$2.5 million. However, this inappropriately included nonincremental costs. Beginning in FY 2007, Districts are required to identify and record the incremental costs for ELL, which are costs in addition to the normal costs of educating English-proficient students.

### Recommendation

The District should separately account for the incremental portion of its ELL costs.

#### TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling  
**(602) 553-0333**



or by visiting our Web site at:  
[www.azauditor.gov](http://www.azauditor.gov)

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