

May 14, 2004

Ms. Debra Davenport  
Auditor General  
Office of the Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

Dear Ms. Davenport:

The Tempe Elementary School District is pleased to provide the Office of the Auditor General with our response to the Performance Audit. As the audit demonstrates, Tempe Elementary is firmly committed to improving our educational services, while providing the high level of financial accountability our taxpayers expect. This strong commitment to overall excellence has garnered parent and community support and reinforced our philosophy of small, safe, neighborhood schools.

Tempe Elementary's comprehensive redesign process built the foundation for the successes the audit uncovered. Five years ago our school district redesigned the tasks and organizational structure of top leadership, middle management and every school to become a more effective and efficient educational entity. We centered these redesigns on three central goals: improving student achievement, providing exceptional customer service and creating an environment for risk-taking.

The redesigns not only accomplished the stated goals, but also led to other critical improvements. Tempe Elementary has increased student enrollment, achieved financial stability and promoted innovation and creativity in our classrooms and offices. The process used to turn Tempe Elementary around is now being heralded as a substantive road map and national model for educational and organizational change.

Thank you for your recommendations, which we will implement as we continue to realize our vision of being a lighthouse school district for urban education.

Sincerely,

Dr. John M. Baracy, Superintendent

## **CHAPTER 1 - ADMINISTRATION**

### **RECOMMENDATION**

The District should review its staffing levels to determine whether the number of administrative positions can be reduced. Further, the District should review the administrative costs assigned to its desegregation activities to determine if those costs can be reduced.

### **DISTRICT REPONSE TO RECOMMENDATION**

The District cannot agree or disagree with the findings of the report regarding the number of district level administrative and support staff. The comparable information that was provided was based on different sources of data that were reviewed but were not audited. Also, the SDER report that was used does not provide enough detailed information regarding the function of those employees and therefore does not match with the schedule in the appendix as noted. Therefore, we can neither agree nor disagree with the information presented.

The district has already implemented a process by which each vacant position, including administrative support, is reviewed. In the past few months, we have eliminated two district level administrative support staff positions and we are committed to continuing the process in an effort to be effective and efficient.

In 2000-2001, the District came into full compliance with our desegregation agreement as determined by the Office of Civil Rights in Denver, Colorado. The administrative support staff assigned to desegregation activities is part of that fulfillment. In order to maintain our full compliance status, we are required to continue to maintain the same level of services and therefore would be cautious to make any staff reductions that would have a detrimental affect on our ability to continue to comply with our agreement.

## **CHAPTER 2 – FOOD SERVICES**

### **RECOMMENDATION**

None

## **CHAPTER 3 – STUDENT TRANSPORTATION**

### **RECOMMENDATION #1**

The District should develop and monitor performance measures, including cost-per-mile, cost-per-rider, and measures focusing on timeliness, bus capacity, and accidents, to enhance its ability to manage the program and demonstrate the program's effectiveness.

### **DISTRICT RESPONSE TO RECOMMENDATION #1**

The District agrees with the recommendation and will implement the recommendation by continuing to adopt new and update current performance measures in the areas stated.

## **RECOMMENDATION #2**

The District should ensure that each driver is notified of and obtains all necessary testing or other requirements to renew certifications and drivers' licenses in a timely manner.

## **DISTRICT RESPONSE TO RECOMMENDATION #2**

The District agrees with the recommendation and will implement the recommendation by continuing to ensure that all transporters of learners are notified and provided forms, well in advance of their drug and medical renewal dates. Employees whose medical or drug clearances lapse, will be placed in a leave without pay status until they are in compliance.

## **RECOMMENDATION #3**

The District should install a lock system on its diesel fuel pumps to prevent unauthorized diesel fuel usage.

## **DISTRICT RESPONSE TO RECOMMENDATION #3**

The District agrees with the recommendation, and will implement a modification to the recommendation. Currently, nearly ninety vehicles need access to the diesel fuel at varying times throughout the day. Locking these pumps would require that each of the ninety operators have keys to the fuel dispensers; essentially the same level of security as currently exists; or would require hiring a full-time person to dispense fuel. Therefore, pumps will be accessible during peak fueling periods and will be locked at non-peak times and one-hour prior to closing each day. The fuel dispensers are less than 100 feet from the garage and within eyesight of hundreds of employees throughout the day. Non-district vehicles have never attempted to obtain fuel in this high traffic area, and records indicate that no diesel loss, other than minute spillage and evaporation amounts, currently exists. The Auditor General's recommendation of a card-lock system will be implemented however, upon availability of future funding for remodel of the garage.

## **RECOMMENDATION #4**

The District should validate its route mileage estimates by comparing them to the mileage based on bus odometer readings from the beginning and ending of each school year. If significant discrepancies are noted through the comparison, the District should file a corrected route mileage report with the Arizona Department of Education as soon as possible.

## **DISTRICT RESPONSE TO RECOMMENDATION #4**

The District agrees with the recommendation and will implement the recommendation. Upon reconciliation of the odometer readings on or about July 1<sup>st</sup>, the 100-Day Route Mileage Report will be modified to reflect higher or lower route mileage, as appropriate, based upon end of year actual figures.

## **CHAPTER 4 – PLANT OPERATION AND MAINTENANCE**

### **RECOMMENDATION #1**

The district should identify further methods for reducing its plant operation and maintenance costs.

### **DISTRICT RESPONSE TO RECOMMENDATION #1**

The district agrees with the recommendation and strives to meet all the needs of our students and community, within the confines of our small, aging schools. Prior to the audit, we began an aggressive pro-active redesign of our Facilities Management for Learners department. This redesign evaluated every aspect of our operation. A few of the factors that will assist the implementation of this report are:

- 1) Continue establishing a work request software system, which will provide detailed labor and material cost tracking,
- 2) Initiate an extensive cross-training program for all employees, which will allow a single technician to address and resolve a variety of issues other than their specific area of expertise. This will significantly reduce the number of dispatched calls.
- 3) Expand our preventive maintenance programs, which will extend the life cycles of our facilities and equipment. This will result in significant cost savings.

### **RECOMMENDATION #2**

The district should continue its efforts to monitor and reduce energy and other plant costs.

### **DISTRICT RESPONSE TO RECOMMENDATION #2**

The District agrees with the audit recommendation and will continue to review all expenditures to ensure we are achieving the highest attainable cost savings.

Regarding the recommendation of energy reduction, as stated in the report, we have made significant steps in reducing our total kWh usage.

- 1) While withstanding a rate increase, we have reduced our energy costs by approximately 3% in the first year of implementation. This is a result of developing and conducting staff training programs that focus on energy reduction, installation of programmable thermostats, removal of all exterior door stops so doors cannot be propped open, and upgrading our temperature control systems on central plant facilities as funding allows.
- 2) The district also currently reviews on a monthly basis its utility consumption and trends by making monthly and yearly comparisons.
- 3) We have also begun to restructure our disposal services, which will result in an estimated 14% cost reduction.

In closing, we are collaborating with our utility providers, private industries and other school districts to develop strategies to further reduce our operation costs and energy consumption.

## **CHAPTER 5 – PROPOSITION 301 MONIES**

### **RECOMMENDATION**

None

## **CHAPTER 6 – CLASSROOM DOLLARS**

### **RECOMMENDATION**

The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.

### **DISTRICT RESPONSE TO RECOMMENDATION**

The District agrees and will make the minor account code changes as recommended.

## **CHAPTER 7 – DESEGREGATION MONIES**

### **RECOMMENDATION**

If the District continues assigning indirect costs to the desegregation programs, it should prepare and retain documentation supporting the costs included in the calculation.

### **DISTRICT RESPONSE TO RECOMMENDATION**

The District agrees and will follow the methodology of the Arizona Department of Education in calculating the indirect cost rate. Detailed worksheets will be prepared and kept on file to support the indirect costs assigned to our desegregation programs.