

**REPORT HIGHLIGHTS**  
 PERFORMANCE AUDIT

**Subject**

The Bisbee Unified School District is located in Bisbee, 90 miles southeast of Tucson. In FY 2005, the District served 984 students in pre-kindergarten through 12th grade.

**Our Conclusion**

Bisbee's per-pupil administration, food service, and plant operation costs were slightly higher than the average for comparable districts, while its student transportation costs were about the same. Because of these higher costs, the District spent only 52.5 percent of its money in the classroom, 6.1 percentage points below the state average. Lastly, the District spent its Proposition 301 monies appropriately.

**Administrative Costs**

The Bisbee Unified School District has 4 schools: an elementary school for kindergarten through 3rd grades, a middle school for 4th through 6th grades, a junior high school for 7th and 8th grades, and a high school.

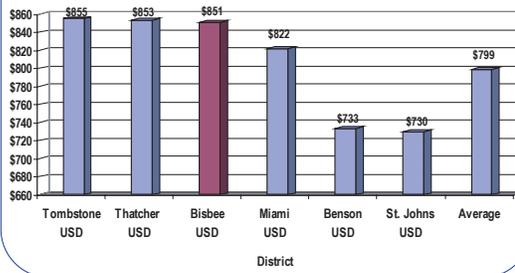
The District's per-pupil administrative costs of \$851 for FY 2004 were 6.5 percent higher than the \$799 average for comparable districts.



Lowell Junior High School

students per school than similarly sized districts. Bisbee operates 4 schools while the comparable districts operate 3, on average. Operating additional schools requires more administrative staff and support costs.

Per-Pupil Administrative Costs Fiscal Year 2004



These higher administrative costs are attributed to Bisbee operating more schools with a smaller average number of

**Weak accounting controls**—The District also did not have adequate control over its accounting system and its expenditures. Several employees had complete access to the District's accounting system, which would allow one of them to begin and complete a transaction without approval or oversight. Similarly, some employees were able to both authorize and record purchases. Lastly, purchases and requisitions were not always approved.

**Recommendations**

The District should:

- Review school-level administrative costs to decide whether they can be reduced.
- Implement proper access controls over its accounting system and improve purchasing and accounts payable procedures.



## Food Service

	Bisbee USD	Comparable Districts' Average
Cost per student	\$374	\$298
Cost per meal	\$2.29	\$2.52
Meals per student	164	121

The food service program is self-supporting but has high costs overall. While the District had a lower cost per meal than the average for comparable districts, it spent more per student because it served more meals.

### Potential to reduce costs—

Although the District's \$2.29 cost per meal is below the comparison districts' average, the comparison districts' costs are unusually high. The FY 2004 average for other, similarly sized districts we have audited is \$2.04. Therefore, there is a potential to reduce costs. However, Bisbee does not collect common food service measures, such as cost per meal or meals per labor hour. This data is needed to provide the District a means of

### Food Service Facts for Fiscal Year 2004

Average cost per meal	\$2.29
Total meals served: (Breakfast, lunch, snacks)	157,886
Percentage of students eligible for free or reduced price meals	68%
Number of cafeterias	4
Full-time equivalent employees	6.9

analyzing its staffing levels and food service costs.

**Need to conduct inventory—**The District does not count items on the a la carte racks at the high school before and after lunch. Without an inventory, the District cannot accurately determine the number and kind of items sold and ensure that all cash collections are deposited.

### Recommendations

The District should:

- Develop and monitor performance measures to keep costs down and keep the program self-supporting.
- Require food service staff to inventory a la carte items before and after lunch.

## Student Transportation

### Transportation Facts for Fiscal Year 2004

Riders	589
Drivers	8
Mechanic	1
Average daily route miles	722
Total miles	179,209

Although its student transportation costs were similar to comparable districts', the District could reduce costs if it had more efficient bus routes.

As shown in the table on page 3, the District's \$1.93 cost per mile was 20 cents per mile lower than the average of the comparable districts. However, the District transports each rider 24 percent more miles, which results in the District spending \$90 more per year for each rider.

**More efficient routes could reduce costs—**Transportation costs could be reduced if bus routes were more efficient. The following FY2004 factors indicate that the District's bus routing could be improved:

- Buses operated at 54 percent of capacity, while efficient routes operate at 75 percent or more.
- Drivers transported only 74 students while other districts' drivers averaged 95 students.
- Total miles driven increased by 57,541 miles (47 percent) although there were only 6 additional riders this year.

Comparison of Per-Rider  
and Per-Mile Costs  
Fiscal Year 2004

District Name	Cost Per Rider	Cost Per Mile
Benson USD	\$649	\$2.16
San Carlos USD	623	2.69
<b>Bisbee USD</b>	<b>588</b>	<b>1.93</b>
Tombstone USD	462	1.34
Miami USD	399	1.85
Thatcher USD	359	2.59
<b>Average of the comparable districts</b>	<b>\$498</b>	<b>\$2.13</b>

The District could not review the efficiency of its bus routes because it did not

maintain basic bus route documentation such as route maps and time schedules.

**Improve maintenance records—**The District’s maintenance and inspection records did not meet state standards. Because the District did not keep sufficient documentation about maintenance, repairs, and inspections, it could not ensure all needed maintenance had been performed, or make informed decisions whether to repair or replace equipment.

Additionally, the District also did not establish and monitor performance measures, such as cost per rider and cost per mile. Such measures can help the District identify areas for improvement.

**Recommendations**

The District should:

- Maintain bus route documentation and periodically review the efficiency of its bus routes.
- Keep complete bus maintenance and inspection files according to standards.
- Establish and monitor performance measures to aid in evaluating costs and efficiency.

**Plant Operation and Maintenance**

The District has high plant operation and maintenance costs. This is because it maintains more square feet per student than comparable districts, and it has higher costs per square foot.

**Excess space—**With declining enrollment, the District has more space than it needs. It operates 4 schools with an average of 241 students each, while the comparable districts average 3 schools with 305 students each. Further, the District’s schools were designed for much higher enrollments. For example, the high school was designed for 1,000 students but has only 385 students. Consequently, 3 of the District’s 4 schools have considerable excess space. For example, the 8 classrooms on the junior high school’s second floor were either empty or used for storage.

**High square foot costs—**The District also spends more per square foot to operate its facilities. Part of the reason is high water and sewer costs. The District used over 3 times more water than comparable districts at a cost of over 3 times as much.

**Buildings not well maintained—**The District’s buildings range from 43 to 89 years in age and require continual maintenance. We observed significant water damage in one building and a damaged ceiling in another building. If the District operated fewer buildings, it could likely better maintain its facilities.

Plant Costs and Square Footage Comparison  
Fiscal Year 2004

District Name	Plant Costs Per Square Foot	Square Footage Per Student
St. Johns USD	\$3.89	281
Benson USD	5.52	192
<b>Bisbee USD</b>	<b>4.11</b>	<b>238</b>
Miami USD	3.97	244
Thatcher USD	2.88	246
Tombstone USD	2.92	178
<b>Average of the comparable districts</b>	<b>\$3.84</b>	<b>228</b>

**Storage issues**—Apparently because it has so much unused space, the District stores unnecessary items in its hallways and unused classrooms. These included:

- Student records since 1915

- 20 years of financial records
- Antique furniture stored for the Bisbee Museum
- Excess paper, light bulbs, office supplies, and furniture, some of which are damaged.

### Recommendations

The District should:

- Review ways of reducing excess building space.
- Reduce water usage.
- Dispose of damaged, outdated, and unnecessary inventory items and records.

### 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)

Contact person for this report:  
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## Proposition 301 Monies

Proposition 301 increased the state-wide sales tax by 0.6 percent. It designated the money 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 2004, the District received \$292,196 in Proposition 301 monies and distributed \$272,580 to employees. Each eligible, full-time employee meeting all performance requirements received \$4,146 in additional pay from Proposition 301 monies.

## Classroom Dollars

After adjusting for errors in classifying transactions, the District's FY 2004 classroom dollar percentage was 52.5, 4.2 points lower than comparable districts' average and 6.1 points lower than the state average.

Despite the District's low classroom dollar percentage, its per-pupil

spending in the classroom was similar to the state and comparable districts' averages.

The District was able to do this because it had more resources available, primarily from local taxes to pay for higher utility costs and from federal grants.

### Fiscal Year 2004 Per-Pupil Classroom Expenditures

<b>Bisbee USD</b>	<b>\$3,705</b>
State average	\$3,722
Comparable districts	\$3,749

### Recommendations

The District should:

- Properly classify transactions.
- Analyze spending to redirect a larger portion of its resources to the classroom.