

# Educational and Operational Efficiency Study of the Clark County School District

## ***RESPONSES TO BOARD MEMBER QUESTIONS***

Submitted By:

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## Introduction

To the CCSD Board of Trustees:

We appreciate the opportunity to visit with you to discuss our report on CCSD Educational and Operational Efficiency. Thank you for taking the time to review this report and provide us questions and comments.

In this document we are providing written responses to each question. To facilitate your review we have organized the questions by chapter and by functional area within each chapter. During the October 17 board meeting, we will walk you through these responses and expand on them as necessary to make sure you feel the question has been answered. We will also answer any other questions you may have concerning the report during this meeting.

Some of the questions asked of us appear to be directed to CCSD management to answer – we have noted these questions and forwarded them to CCSD. Other questions relate to work outside the scope of the project we conducted, and we have noted those as well.

If additional questions arise, we are available to answer them and meet with you again to discuss this report.

Thank you again for allowing us to be part of CCSD's educational reform.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Gibson', written in a cursive style.

Greg Gibson, President  
Gibson Consulting Group, Inc.

## Chapter 1 – Executive Summary/General

1. (General) What is the implementation cost for the 3<sup>rd</sup> party outside consultants?

**Response:** We believe CCSD will need outside technical assistance to implement several of the recommendations, particularly the information system upgrades. Following are the recommendations that included 3<sup>rd</sup> party consultants, with only the estimated amount of the contracted services shown:

Rec #	Recommendation	Approximate 5-Year Consulting Fees
3-1.2. (p. 64)	Use outside assistance for curriculum development essential for implementation of Common Core State Standards	\$1,125,000
3-6.1. (p. 110)	Enhance program evaluation capacity to support calculation of Return on Investment in academic programs and interventions.	\$7,500,000
5-4.1. (p. 191)	Create and implement an enterprise data management framework.	\$700,000
5-4.2. (p. 193)	Procure and implement a robust and integrated student information system.	\$10,222,996
5-4.3. (p. 194)	Fully implement the Human Resource and Payroll modules of SAP.	\$10,000,000
5-5.1. (p. 210)	Increase wrench time of technicians.	\$800,000
5-5.2. (p. 214)	Increase productivity of facilities technicians and re-purpose cost reductions to support preventive maintenance.	\$450,000
5-6.4. (p. 247)	Consider outsourcing transportation service to reduce total cost.	\$89,000

*Costs were based on estimates of hours needed and a market rate per hour for each type of technical assistance. These estimates were reviewed by CCSD staff for reasonableness based on their prior experience.*

2. (P. 21) The report identifies recommended investments. What order of priority would Gibson recommend? Which investments would give us the greatest results for the money invested?

**Response:** This is a tough call as all of these are important. However, the two highest priority items are the Enterprise Data Management Framework and the Human Resources / Payroll system. Until we have high confidence in our data, data dashboards and program evaluations will not be as effective as data supporting these efforts will need to be validated. The student information system risk relates more to vendor support and the ability of CCSD staff to provide in-house support until a new system is purchased.

3. (P. 21) Regarding that same list, bullet points 4 and 5: what line item do those relate to on the fiscal impact table (table 1.6)?

**Response:**

*Enterprise data management framework – Recommendation 5-4.1 (page 26)*

*New human resources / payroll system – Recommendation 5-4.3 (page 26)*

*New student information system (SIS) – Recommendation 5-4.2 (page 26)*

*Efficiency measurement / data dashboards – Recommendation 4.4 (page 24)*

*Increase capacity of program evaluation – Recommendation 3-6.1 (page 24)*

4. (P. 21) Love the dashboard concept! Does Gibson have suggestions for expanding it beyond operational measurements ...into academic and program measurements? Other Districts that are doing it?

**Response:** *CCSD is already implementing a student data dashboard through the use of a tool called INFORM. The report contains a recommendation (3-2.3) to fully utilize this tool and require its use district-wide. Other school systems such as Houston ISD, Charlotte-Mecklenberg Schools and Chicago Public Schools are good models for CCSD to use as it develops its own student data analysis and dashboard tools.*

5. (General – Facilities, Transportation) In order to privatize, will changes in the Nevada Educational Code be necessary? What are they?

**Response:** *We are not aware of constraints in the Nevada Educational Code that would prevent the privatization of services recommended. However, if CCSD moves forward with the outsourcing recommendation, this should be confirmed with its General Counsel's office.*

6. (General – Facilities, Transportation) Should we privatize, aren't we required to accept the lowest responsive bid?

**Response:** *The CCSD Purchasing Department would be in the best position to answer this question, but depending on how the district structures the request for proposals, other evaluation criteria could be applied, including quality and reputation of vendor, willingness to comply with legal requirements, and other factors.*

7. (General – Facilities, Transportation) Is there evidence that privatization of services produces long-term and sustainable services?

**Response:** *There is evidence of successful and failed privatization efforts. We are familiar with smaller districts that have successfully outsourced several functions for decades. The quality of the*

*vendor and the effectiveness of the contractual agreement to hold the vendor accountable are most often cited as the factors key to privatization success.*

## **Chapter 2 – Student Performance Analysis**

8. (P. 31) 3 and 4 year old programs are key – What is goal for ensuring there are 3 and 4 year old programs in all schools in low income areas across the CCSD which would include after school, before school, Saturday and summer school programs?

**Response:** *Chapter 2, pages 31-32 mention that the peer districts appear to be more assertive in pre-K programs. This is a question for CCSD management.*

9. (P. 35) Achievement Gap: Why isn't the comparison to Asian youth – Aren't they the highest scorers? What would the numbers look like?

**Response:** *The evaluation of student performance data focused on minority vs. non-minority racial classifications, and therefore the chosen comparison group for the African-American students and Latino students was the White students.*

*Based on the 2010-11 CRT achievement analysis, Asian/Pacific Islander students were approximately 3.4% higher in Math, 0.3% lower in Reading, and 5.0% lower in Science when compared to White students. If Asian/Pacific Islander students instead of White students were to be compared to African-American students and Latino students, one would make those adjustments to the achievement gap for each subject accordingly.*

**Note:** *A full breakdown of achievement for CRT Math, Reading, and Science by each racial/ethnic group can be found in AIR's supplemental report - **Clark County Educational and Operational Efficiency Assessment: Analysis of Student Performance.***

10. (P. 35) What would the Gibson Group recommend to close the achievement gap between Whites, Hispanics and Blacks in the critical academic areas? i.e. math, reading science and writing?

**Response:** *The scope of our work as defined by CCSD did not address this question. However, there has been considerable research done in this area, and would be happy to provide CCSD with some examples of this research.*

11. (P. 35) What would the Gibson recommend to rapidly close the achievement gap by racial, ethnic and gender groups in the CCSD, grades 3-8?

**Response:** *The scope of our work as defined by CCSD did not address this question. However, there has been considerable research done in this area, and would be happy to provide CCSD with some examples of this research.*

12. (P. 49) The (college entrance exam) participation rate is lower than peers? Why is this?

**Response:** *This is a question for CCSD management.*

## Chapter 3 – Academic Programs and Services

### Section 1 – Curriculum and Instruction

13. Common Core Standards – As a key part of Common Core Standards African American History MUST be taught as a part of the Common Core Standards. Slavery from the 1500's, Jim Crow Laws and the Civil Rights movement must be included. Is the history of African Americans included in the Common Core Standards?

**Response:** *This is a question for CCSD management.*

### Section 3 – Teacher Professional Development

14. What role does staff development for all teachers at all levels and High Expectations play in facilitating student achievement?

**Response:** *Staff development has a very important role in this regard. The district's approach to staff development has been fragmented and uncoordinated, and it has been difficult if not impossible to determine which staff development programs are working. Our report recommends fewer, more effective staff development programs that are coordinated, aligned with district priorities and evaluated in terms of achieving desired teacher and student outcomes. (See pages 72 through 77 of the report).*

### Section 5 – School Operations

15. (P. 92) “Zero Tolerance “African American youth suffer from this policy more than any other group. This is a Key issue for NAACP – Discipline, Referral, and Performance. When will the Zero Policy be addressed and eliminated?

**Response:** *This is a question for CCSD management.*

16. (P. 92) What were the statistics, grade, ethnicity, gender, FRL, etc of students referred to the Behavior and Continuation Schools?

**Response:** *Our report did not evaluate the Behavior and Continuation Schools, but pointed out that a recommendation made in a prior consultant study to evaluate this program was never acted on and still has merit. Referral and exit procedures are inconsistently applied, and analysis of student outcomes (behavior and academic performance) for students in these schools has not been sufficient to determine whether these schools are effective. Our recommendation is to conduct a formal evaluation of behavior and continuation schools (page 94).*

17. (P. 92) What were the intervention models used in the referring school prior to students' final referral to the Behavior and Continuation Schools?

**Response:** *This is a question for CCSD management.*

18. (P. 92) Was the Response to Intervention Format a required part of the school's intervention measure prior to the referral to the Behavior and Continuation Schools?

**Response:** *This is a question for CCSD management as to whether or not this was an internal requirement. Response to Intervention is a guideline that is recommended - but not required - by federal law.*

19. (P. 92) Was racism and a cultural disconnect of the referring school a part of the bias for more students of color being referred to Behavior and Continuation Schools?

**Response:** *This is a question that should be addressed through a formal evaluation of behavior and continuation schools, which is recommended on page 94 of the final report.*

20. (P. 92) Did the Gibson Consulting Group connect the School to Prison Pipeline to educational practices within the CCSD?

**Response:** *No.*

21. (P. 92) At the middle and high schools, how much did a lack of significant African American and Latino Administrative leadership play in the high number of referrals of students of color to the Behavior and Continuation Schools?

**Response:** *This is a question that should be addressed through a formal evaluation of behavior and continuation schools, which is recommended on page 94 of the final report.*



## Chapter 4 – Budget Process and Transparency

22. (P. 119) The Audit Advisory Committee may consider making recommendations to add language to Executive Limitations policies (1) to require clear and transparent alignment between the published budget document and the CAFR, without loss of detail from either, so they may be used as companion documents and (2) for regular (manual, if necessary) alignment of HR position codes and descriptions with accounting (legacy) function codes and object codes. Considering the limitations of the existing systems, how difficult will this be to accommodate? Are there personnel cost considerations? Is there any other additional approach at the policy level that you would suggest?

**Response:** *CCSD financial management would be in the best position to answer this as some of the required reports have different definitions as to what is being reported. The reconciliation of the published budget document and the Comprehensive Annual Financial Report (CAFR) is possible now, but is much more cumbersome because of the limitations of existing systems. As long as the reconciliation of differences among reports is fully explained and understood by the affected stakeholders, there should not be a need for a policy change.*

23. (P. 123) Can you speak to the ratio of teachers to all staff and if we are in or out of line with the peer districts? I note on page 123 in Table 4.3 that you recommend the ability to report the ratio of employees to HR FTE staff, but not what I am asking.

**Response:** *Based in information provided in the Comprehensive Annual Financial Report by CCSD and each of the peer districts, CCSD has the lowest percentage of teaching staff (45%) relative to the three peer districts (46% to 57%).*

## Chapter 5 – Operational Cost Efficiency Review

### Section 1 – Organization and Management

24. (P. 138) What are common obstacles/barriers to an organization (1) having, (2) maintaining, and (3) consistently implementing a decision-making framework?

**Response:** *The concept of site-based decision making and what this means is perhaps the greatest barrier to the implementation of any decision-making framework in a school system. Some principals believe they have the authority to make certain decisions even though it may not be specifically defined anywhere. Changing that authority will likely be met with some resistance. The consistent application of a decision-making framework is dependent on a definition process that includes central office, regional, performance zone, and school administrators. Another barrier is the lack of confidence that principals may have in the staff and/or decisions made by the central, regional, or performance zone offices. Performance accountability is the primary mechanism to overcome this barrier.*

25. (P. 138) Where should the documentation of CCSD’s decision-making framework reside? In policy, regulation, internal SOP and/or elsewhere?

**Response:** *Regulation. CCSD board policy addresses instructional decision-making at a high level (curriculum versus lesson plans). The decision-making framework recommended will involve much more detail at an operational level and for this reason should be left to the discretion of the Superintendent.*

26. (P. 138) Does Gibson Consulting Group have a recommended process for defining and documenting a decision-making framework and/or for assigning major types of decisions to the four recommended categories? Page 141-142.

**Response:** *The ten questions on pages 142 and 143 should be used to assign the major decisions to one of the four categories. Another factor that should be considered is the ability of principals to “earn” more decision authority through higher performance levels, as long as this does not pose any unacceptable risks or financial burdens on the district.*

## Section 2 – Financial Management

27. (P. 149) Can the information in Tables 5-2.1 and 5-2.2 be derived from the CCSD CAFR alone, or is additional information needed? How apparent is this information in CCSD’s public annual financial documents, compared to those of our peer districts for this study?

**Response:** *The Comprehensive Annual Financial Report (CAFR) information was not universally used for the financial comparative analysis due to the lack of detail needed for a functional area analysis. Lower level expenditure data was mapped – to the extent possible – to a consistent list of functional categories. We will discuss this issue further on Monday during the board meeting as there were several other complicating factors.*

28. (Page 151) in Table 5-2.1, our central administration cost per student appears to be the third lowest of the 4 districts. Perhaps the other breakdown of interest would be school based staff versus all others.

**Response:** *Unfortunately, this breakdown of staff was not available through the published documents used in our analysis. This comparative analysis would also be affected by the fact that CCSD counts non-teacher staff FTEs differently from the peer districts. Also see question 29 below.*

29. (P. 152) What is considered to be the normal accounting practice/best practice for calculating FTEs?

**Response:** *CCSD has the best practice – factoring in the length of the service year, in addition to the length of the service day, is a more accurate depiction of FTEs. The problem is that few if any of the other major school systems calculate it this way.*

30. (P. 153) Is CCSD's average total personnel cost per teacher also similar to our peers?

**Response:** *The report does not address benefit costs other than the recommendations 5-2.4 (negotiate language to provide CCSD with access to health benefits performance information) and 5-2.5 (periodically conduct dependent audits of health insurance claims).*

### Section 3 – Human Resources

31. (P. 168) Which, if any, recommendations in this section are completely dependent on the implementation of which others? Which, if any, can be implemented whether or not any of the other recommendations are implemented?

**Response:** The implementation of the recommendations in the Human Resources section of Chapter 5 is largely independent of any other recommendations in the report, with a couple of exceptions.

- **Recommendation 5-3.1.** – This is dependent on the implementation of the HR modules of the SAP system recommended in Chapter 5, Section 4 – Technology (Recommendation 5-4.3.).
- **Recommendation 5-3.3.** – The sub-task related to the elimination of manual and paper-intensive processes will be largely dependent on the implementation of the HR modules of the SAP system recommended in Chapter 5, Section 4 – Technology (Recommendation 5-4.3.).

### Section 4 – Technology

32. (P. 187) Is adequate (1) data process documentation and (2) data integration across mission critical systems possible without implementing all of the recommendations in Table 5-4.1? If so, at what cost?

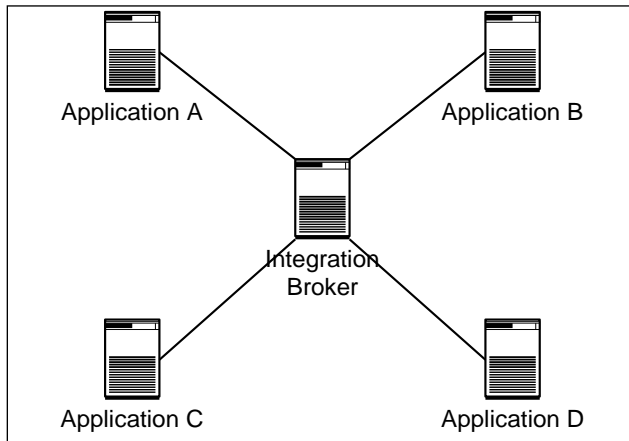
**Response:** *It is possible. The ideal situation would be to implement the data management recommendation after the new Human Resources and Student Information systems are implemented. However, this could take several years – and this data is needed sooner to support decision-making. CCSD is in the best position to evaluate whether to wait or implement the data management framework. Implementing this now will involve some duplicative efforts after new systems are implemented, but not a complete re-implementation.*

33. (P. 187) Is further prioritization of the recommendations in Table 5-4.1 possible?

**Response:** *Of the four high priority ones, 5-4.1 (enterprise data management framework), 5-4.2 (student information system) and 5-4.3 (human resources system) are higher priority than 5-4.4 (instruction software selection criteria). If the student system can be supported for another year or two, then this would be assigned a lower priority than the human resources system.*

34. (P. 190) Will Gibson Consulting Group please provide a companion diagram for Figure 5-4.1 that shows what CCSD's data/account management configuration will look like if all recommendations in Table 5-4.1 are implemented?

**Response:** *It is not possible to draw an accurate picture of what the data and account management configuration would look like after implementation of recommendation 5-4.1 but theoretically there will be a server (broker) that has the web services integration application that acts like an interpreter among applications and provide the integration (see conceptual diagram below). All applications will know how to talk (integrate) with the broker server and the broker server will then manage the data traffic and direct and create integration among applications.*



35. (P. 201) Does Gibson Consulting Group recommend a particular department(s) or team through which the review/guidance procedures in Recommendation 5-4.4 would be managed?

**Response:** *TISS should be responsible for coordinating with the Purchasing Director to establish the necessary parameters in the Trackables system. Once the system has been established, TISS should be responsible for inventorying all programs used in the district. This can be done through an automated process that interfaces with each computer that is connected to the district's network. This process will not capture the programs loaded to computers not connected to the network, nor will it capture programs owned by the district that have not been installed on a computer. But this process will be able to identify a vast majority of the programs the district owns.*

*Once an initial inventory has been established, TISS will be required to do some manual inquiries to help to locate programs installed on non-networked computers and to fill in any data that may be missing.*

*Going forward, the Purchasing Department can establish protocols in the purchase order system that will capture software program information at the time of purchase. Therefore, TISS should coordinate with Purchasing to establish the pieces of information necessary for maintaining a comprehensive inventory. Data that the district should consider capturing include purchase date,*

*purchase price, user department, license agreement or serial numbers, licensing renewal information, and a description of the software functionality.*

*As outlined in Recommendation 5-1.2, CPD and other user departments should be required to develop a decision-making process to better identify needs and the solutions for those needs. In the case of CPD, the department should decide on the primary instructional programs that should be used in the district and then require that all purchases be limited to those programs.*

*On an on-going basis, both TISS and Purchasing should serve in both advisor and gatekeeper roles to assist departments with obtaining the resources they need to achieve their goals, at the same time ensuring that purchases are made in an efficient and effective manner.*

36. (P. 205) What are national benchmark response times for Field Technicians?

**Response:** *To our knowledge, there are no established best practices or industry standards in this area for K-12. The widely used ISTE standards ([www.iste.org](http://www.iste.org)) do not speak to response times for field technicians.*

*Based on 2009-10 survey data from the Council of Great City Schools, member districts have a median first contact resolution rate of 54 percent. This would translate into a benchmark rate of 54 percent of initial calls into the CCSD help desk being resolved on the phone during that initial call. On the survey, CCSD responded that it had a 52 percent first contact resolution rate, slightly below the median of all responding districts.*

*The same survey data show a median time to resolve tier 2/3 type issues of 60 minutes. CCSD indicated it had a response time of 60 minutes (equal to the median for all responding districts). Given that CCSD is a member of Great City Schools, this would be an appropriate benchmark for field technicians responding to Tier 2/3 calls.*

## **Section 5 – Facilities Management**

37. (P. 207) Is it possible to detail the \$15M recent cost savings in Maintenance?

**Response:** *Details as follows from Paul Gerner, Facilities Administration. Any further details will need to be obtained from CCSD.*

### Cost Avoidance

- 2007 - \$8,086,819 (Generator fuel cleaning, Roof Restoration, Portable Sensor, Running Track PM)
- 2008 - \$6,058,814 (Roof Restoration, Salvage)

- 2009 -\$696,825.00 (Plumbing Part Rebuild, In-house Audit (vendor billing error), In-house training, Refrigerant Recycle, Copy Machine Rebuild, Salvage old parts, Office Reward (Savings from Coupons)
- 2010 - \$216,446(Fuel Savings – Decentralized Services, Transformer Salvage, Vehicle Utilization, Pay Pal usage)
- 2011 - \$188,202 (Recycle, sink retrofits, in-house gym floor flood repair)

38. (P. 207) Is it possible to quantify the cost savings realized through Grounds' recent water saving program?

**Response:** *We were not provided the detailed information. Additional details need to be obtained from Alan Paulson, CCSD Landscaping and Grounds.*

39. (P. 208) How recent did a cost-reduction initiative have to be in order to not be included in this study? What specific current/recent initiatives are excluded?

**Response:** *The comment on page 208 provided clarifications that all cost reductions that had currently (or recently) been implemented were not included in this report. This report only included cost reductions **that have not been implemented** as of this date.*

40. (P. 209) How can staff be more productive when the maintenance plan is a deferment plan from the beginning? Section 5 is long on spending money but short on addressing the real issues. CCSD has no Preventive Maintenance Program; someone MUST shine the light on this problem. Please explain the negative impact of deferred and backlogged maintenance issues? There will never be enough money if folks continue to avoid the issue. How can you have a planned maintenance if you run around putting out fires?

**Response:** *The report concurs with this statement. On page 209, the report states that the district is "significantly underfunding preventive maintenance" Preventive maintenance work orders represent less than 10 percent of total work orders; the remainder is "corrective" maintenance. By implementing the recommendations suggested, maintenance staff time should be freed up to dedicate to a much more substantive preventive maintenance program.*

41. (P. 209) Building Maintenance: (Private Sector key) Deferred maintenance needs to be discussed. Staff should learn to use the computers provided to them. It is not cheaper to train them than hire additional staff?

**Response:** *The report does not recommend the hiring of additional maintenance staff, but does free up maintenance hours by implementing efficient practices. Implementation strategy 3 (on page 212) suggests minimizing data entry by maintenance technicians and implementing Personal Digital Assistants (PDAs) to improve the efficiency of maintenance technicians.*

42. (P. 210) The maintenance (staff) need to be computer literate. It is not cheaper to train them than hire new people? There are an awful lot of studies recommended but the core issues aren't addressed in my opinion. Should not CCSD dispose of stock items they don't need and land inventory they don't need or won't use?

**Response:** See response above regarding use of PDAs by maintenance staff. Implementation strategy 2 (on page 211) addresses supply/inventory management. CCSD management would be better equipped to address the question regarding disposal of unneeded stock items, but better use of the district's work order system (implementation strategy 6 on page 212) would improve parts and inventory management.

43. (P. 214) What additional or different recommendations/results (compared to the information on pages 211-212) are expected as the outcomes of a \$75K industrial engineering study?

**Response:** The total cost reductions recommended should not vary much based on the study. However, the study will provide the essential details on the specific areas and work processes in the organization where the cost reductions will come from. This is critical for developing and implementing strategies to realize the cost reductions. For example, this report identified that workers were spending too much time performing administrative tasks (general). The study will identify which department technicians are spending too much time and will provide the information to assist management in determining the best specific strategy to eliminate this issue.

44. (P. 214) As CCSD moves toward realizing the cost savings of Recommendations 5-5.1 and 5-5.2, does Gibson Consulting Group strongly recommend against using existing CCSD resources (e.g., institutional knowledge in other departments regarding purchasing/acquisition processes, data entry processes, software implementation and professional development) in place of the \$1.25M in consultants? If so, why?

**Response:** The estimates were developed based on the recommendation of a best practice implementation model. This model consists of a work team created by integrating both CCSD resources and external consultants into a single work team. The CCSD resources bring critical knowledge to the solution (as you identified above). The external consultants bring the value of understanding how to implement successful strategies in organizations similar to CCSD. It takes both, and in our experience neither can develop or implement a working solution without the other.

45. (P. 215) It appears, throughout the overall discussion, that CMMS tends to be used almost exclusively for priority one and two (both currently categorized as "emergency") work orders. Did Gibson Consulting Group discover a root cause or theme that might account for what appears to be a failure to use CMMS for preventive maintenance in general?

**Response:** We observed that since the current work force is understaffed (and we identified inefficient) to handle all the required work in the maintenance department, that selected work



activities were not performed. These typically are the non-emergency and non-critical work activities. Since priority one and two work orders are the most critical, these work orders were completed. Preventive maintenance is not seen as critical as a priority one or two (preventive maintenance is priority 3 or 4), these activities were “left for a later date” and many times not ever completed. Root cause – the current organization only has resources to address critical and emergency work items. Many non-critical work orders (preventive maintenance) were not completed due to limited resources.

46. (P. 216) What information is missing from the bottom of page 216?

**Response:** *The sentence should be the following. The last few words are typos and should be deleted. The following implementation strategies can be applied by CCSD to implement this recommendation.*

47. (P. 219) Energy Management: monies saved in new construction are not worth saving if deferred maintenance starts at Day 1. This must be addressed. Why is the energy management program information and findings not shared among the people inside or outside CCSD?

**Response:** *This is a question for CCSD management.*

48. (P. 219, 233, 247) With regard to outsourcing in general, in what department(s) does Gibson Consulting Group recommend individuals be hired to manage relationships with the contractors and respond to constituent concerns regarding services provided by outside contractors? Do other districts that have outsourced have recommended contract management best practices? What is the estimated cost of contract management over the first five years?

**Response:** *The best practice for managing the contractual relationship is to leave existing supervisor/management staff from the existing department in place to manage the relationship. The rationale is that the resources we are considering for outsourcing are of a technical nature and the contract and performance management needs to be performed by a resource experienced in that trade. The cost reductions identified were ‘net’ of contract management, so there would be no additional costs.*

49. (P. 219, 220) How much lower is the total cost savings likely to be if all energy cost reduction recommendations are implemented?

**Response:** *It was determined that the overall energy cost reductions would be reduced by no more than 4.5% if all the recommendations are implemented.*

50. (P. 220) What is the threshold cost for “Major” Investment Required? Is this threshold consistent throughout the entire document?

**Response:** *The threshold was \$1 million either in up-front costs or recurring annual costs. The exception to this was in cases where position reduction or hours reduction was used to fund the*



*investment – as opposed to an outlay of financial resources. Two facilities maintenance recommendations 5-5.1 (Increase wrench time) and 5-5.2 (Increase productivity of technicians) are mislabeled as requiring significant investment.*

51. (P. 220) Are the Five-Year Fiscal Impact figures in Table 5-5.7 net savings after the One-Time Cost Reduction amounts in Table 5-5.8 are subtracted? (Apologies – I’d have figured this out myself, but my calculator batteries just died.)

**Response:** *Yes. The figures shown are the ‘net’ of the one-time cost with the estimated cost reductions.*

52. (P. 228) Given current conditions, does Gibson Consulting Group anticipate that employee group insurance costs will continue to dramatically increase over the next five years?

**Response:** *We have not conducted any analyses to estimate the future increases of employee group insurance. Current actual expenditures, not future estimates of costs, were used to calculate the fiscal impact of recommendations.*

53. (P. 231-232) What are the likely cost savings due to retirement of Custodial Staff over the next five years? Table 5-5.13

**Response:** *We cannot answer that question with the information we have. Our purpose in showing this information was to draw attention to the relatively high levels of compensation of current custodial staff. This question could better be addressed by CCSD management.*

54. (P. 231-232) Why is the Average Service (Years) column showing a 5+ for some job categories and simply a 5 for Floor Care Technician? Is an actual average available for those categories showing a 5+? Table 5-5.13

**Response:** *Due to the structure of the salary tables contained in the Negotiated Agreement between CCSD and the Education Support Employees Association, an average salary level may correspond to the following levels of service: 1 year, 2 years, 3 years, 4 years, 5 years, 6-9 years, 10-14 years, 15-19 years, and 20 and above. Those groups shown as “5” would average out to be in their 5<sup>th</sup> year of service. For those groups with an average salary falling in the “6-9 years” category, we showed as “5+” years. For those in higher categories, we showed only as “10”, “15”, or “20+.”*

55. (P. 233) The first sentence on page 233 appears to conflict with recent public statements by the CFO of CCSD. Can Gibson Consulting Group verify the statement that begins, “Within the past 18 months...”?

**Response:** *The information contained in our report with regard to the potential outsourcing of the custodial function was received directly from management of the CCSD Facilities Department. Other vendors have presented information pursuant to requests of CCSD for outsourcing or co-sourcing*

other functions of the department. Gibson is not aware of any representations by CCSD management that are in conflict with this statement.

## Section 6 – Transportation

56. (P. 236) Regarding the cost of changes due to site-based decision making: Are these more due to a change mid-stream and thus could be prevented were site administrators making these requests further in advance of transportation planning? Or, is Gibson Consulting hinting against site-based decision making? I see there is no formal recommendation against site-based decision making.

**Response:** *Adjustments to accommodate the special bell times for an individual school will negatively impact efficient school bus scheduling. We know anecdotally that principals were already approaching the Transportation Department for accommodation for specific schools by July 2011. If planned in advance, the school bus scheduling system makes the accommodation and the inefficiency is built into the schedules. If requested “mid-stream,” the Transportation Department has to put forth the additional effort to revise schedules and create special assignments, manage the revised school bus assignments, and absorb the cost impact of the change in bus schedules. Planned in advance or mid-stream, special bell times for an individual school(s) negatively impact efficient school bus scheduling and carry additional cost, but in different ways. The cost reductions in student transportation cost can be sustained only if the school district is disciplined and does not permit special requests for site-specific changes in bell times. This is an observation of fact and not intended as commentary about site-based decision making. In a separate recommendation, Gibson recommends developing and documenting a decision-making framework.*

57. (P. 237) What are national trends in contract costs in the 5-10 years post-outsourcing? Have other school districts outsourced and then returned to in-house transportation? If so, what were the reasons? Should CCSD outsource transportation and subsequently decide to return to in-house, what would be the one-time costs of transitioning back to in-house transportation? Recommendation 5.6.2.

**Response:** *While there are specific examples of school districts that returned to in-house transportation after outsourcing, general industry experience indicates this is the exception and a change in policy is not likely within 5-10 years.*

*Generally, there are two reasons why a school district that outsourced might subsequently return to in-house operation. The first reason is if the contractor underbid the project and either cannot sustain a successful business arrangement at the cost bid or attempts to increase price after service is underway. A well designed procurement and thorough evaluation of price proposals will ensure the private contractor is capable of the undertaking and the cost reductions under a private contract are credible and sustainable. The second reason why a school district might return to in-house operation is if the quality of service is not acceptable. Once again, a well designed scope of services will include clear performance standards and incentives/disincentives or penalties if standards are*

*not met. The school district also has the responsibility to monitor contract compliance and oversee performance by the contractor. Successful outsourcing is a public-private partnership.*

*The scope of services recommended for CCSD outsourcing is transportation operations (managers, supervisors, bus drivers, and transportation aides to operate school bus services). Vehicle maintenance, investigations and training, routing and scheduling, and information technology are not recommended to be outsourced. As recommended by the Gibson team, CCSD will retain the functions to ensure quality control of the contractor through investigators and trainers working for CCSD.*

*If the school district follows the Gibson recommendation to retain the capital assets and the responsibility for school bus scheduling, the one-time cost of transitioning back to in-house operation will involve the time and effort for the management staff to plan and facilitate the transition and the cost of hiring and training new employees, if any. A well-designed contract scope of work will set a standard for private company employee qualifications and training equal to CCSD standards. The school district can expect to hire 80 percent to 90 percent of the contractor's personnel. One-time costs would be based on assumptions of school district Human Resources and Transportation staff time to prepare for the transition and enter the personnel on the district payroll, and the cost of new employee training for the 10% to 20% new hires.*

58. (P. 239) Have other school districts employed an automated telephone system? If so, what were the observed effects on student safety, e.g., response times or time required to determine whereabouts of a child?

**Response:** *Yes. An automated telephone system is designed to handle the numerous routine requests for public information that come into a school district office or directly to employees every day. The automated telephone system does not replace an emergency number or hotline. The automated system can also include an immediate "opt out" option for emergency calls and the caller will go directly to the dispatcher on duty who can best handle the call. In many ways this procedure is superior to handle emergencies because the caller can be directed immediately to the right person to help.*

59. (P. 242) Did Gibson Consulting Group representatives speak with CCSD's EMR team regarding history/reasoning behind not having made a formal approach?

**Response:** *The Gibson team did not talk to anyone but the Transportation Department about this issue. The Transportation Department did not feel there was support within the district to challenge the ESEA negotiated agreement.*

60. (P. 243) How many bus driver positions would transition from part-time to full-time were the scenario in the second-to-last bullet on page 243 to be fully implemented?

**Response:** *The school district guarantees every driver six hours pay with benefits, so there technically are no part-time drivers. The second to last bullet on page 243 speaks to the impact of staggering more bell times and adopting more flexible work rules to create more seven to eight hours per day assignments rather than six to seven hour assignments. Fewer total drivers would be required if staggered bell times and flexible work rules permitted optimization of efficient bus schedules.*

	General	Special
Drivers working 6 to 7 hours	401	155
Drivers working 7 to 8 hours	<u>346</u>	<u>134</u>
Positions saved (reduced)	55	21

*Part-time assignments could result based on the first two bullets starting at the bottom of page 242 and continuing on page 243.*

61. (P. 249) Is it possible to obtain a general estimate of the cost impact of accrued benefits / transfer of retirement benefits?

**Response:** *This task was listed among the “things to do if the district considers outsourcing.” The HR department can probably provide the value of accrued leave (sick leave) and what, if any, would be due and payable at termination. However, information about retirement plans may require more extended research into the district’s current policies and practices and may involve talking with additional people. Here is the excerpt from the ESEA agreement that pertains to accrued sick leave:*

Excerpt from ESEA Agreement:

11-10 Employees who have completed at least ten (10) years of service with the Clark County School District and who enter into and receive retirement benefits, in accordance with Public Employee Retirement System (PERS) rules and regulations or if not enrolled in PERS are eligible for and start receiving social security benefits, or have completed twenty (20) continuous years of service with the District, shall receive reimbursement for unused sick leave.

62. (P. 252) Will Gibson Consulting Group please provide a companion table to Table 5-6.5 that includes the fiscal impact of each of the recommendations referenced in Table 5-6.2, and that also includes, if possible, the answer to the question above?

**Response:** *Below we represent Recommendations 5-6.1 through 5-6.3 in the format of Table 5-6.5 but we did not expand Table 5-6.5 to deduct the cost of accrued benefits/transfer of retirement benefits.*

*Recommendations 5-6.1 through 5-6.3 in the format of Table 5-6.5*

	CCSD Budget 2011-12	CCSD 2012-13	CCSD 2013-14	CCSD 2014-15	CCSD 2015-16	CCSD 2016-17
Salaries	\$2,933,000	\$2,211,701	\$2,183,701	\$2,162,701	\$2,145,201	\$2,131,201
Wages	\$34,383,000	\$32,309,747	\$31,945,747	\$31,672,747	\$31,445,247	\$31,263,247
Benefits	\$12,493,000	\$11,599,139	\$11,507,939	\$11,439,539	\$11,382,539	\$11,336,939
Employer Health	\$9,044,000	\$8,733,120	\$8,656,320	\$8,598,720	\$8,550,720	\$8,512,320
Expenses	\$1,228,000	\$1,228,000	\$1,228,000	\$1,228,000	\$1,228,000	\$1,228,000
Corporate Overhead and Profit		\$0	\$0	\$0	\$0	\$0
Total	\$60,081,000	\$56,081,706	\$55,521,706	\$55,101,706	\$54,751,706	\$54,471,706
<b>Cost Reductions</b>		<b>\$3,999,294</b>	<b>\$4,559,294</b>	<b>\$4,979,294</b>	<b>\$5,329,294</b>	<b>\$5,609,294</b>
Percent Cost Reductions vs. 2011-12		-6.7%	-7.6%	-8.3%	-8.9%	-9.3%
Total Cost Reductions						\$24,476,470

Table 5-6.5

	CCSD Budget 2011-12	Private 2013-14	Private 2014-15	Private 2015-16	Private 2016-17
Salaries	\$2,933,000	\$2,210,000	\$2,210,000	\$2,210,000	\$2,210,000
Wages	\$34,383,000	\$31,131,000	\$30,392,000	\$29,660,000	\$28,932,000
Benefits	\$12,493,000	\$13,498,000	\$13,199,000	\$12,903,000	\$12,608,000
Employer Premium Health	\$9,044,000	incl above	incl above	incl above	incl above
Expenses	\$1,228,000	\$956,000	\$956,000	\$956,000	\$956,000
Corporate Overhead and Profit		\$4,684,000	\$4,580,000	\$4,477,000	\$4,375,000
Total	\$60,081,000	\$52,479,000	\$51,337,000	\$50,206,000	\$49,081,000
<b>Cost reductions</b>		<b>\$7,602,000</b>	<b>\$8,744,000</b>	<b>\$9,875,000</b>	<b>\$11,000,000</b>
Percent Cost reductions vs. 2011-12		-12.7%	-14.6%	-16.4%	-18.3%

## Section 7 – Food Services

63. (P. 255-256) In table 5-7.2, are Supervisors, Kitchen labor and temporary kitchen workers all sub-categories of School-based cafeteria staff?

**Response:** *Yes. Supervisors may be assigned to more than one school; however, they are considered school-based. Kitchen labor and temporary workers are assigned to one school.*

64. (P. 259) Do participation rates in general differ at schools with full-service kitchens compared to participation rates at schools that utilize the central kitchen? If so, what is different? Also, we recently saw results of a survey, released by Sue Daellenbach’s department, in which fewer than half of students agreed that school cafeteria food is good. Do responses to this survey tend to differ at schools with full-service kitchens compared to schools that utilize the central kitchen? If participation trends at schools with full-service kitchens are higher, to what degree would that offset the 15-20% higher efficiency of schools that utilize the central kitchen?

**Response:** *The variance in participation rates really depends on the school level, rather than the serving type. All schools are serviced by the central kitchen operation to a large degree. The table below shows how participation differs by school level. [Note: the March 2011 participation rates are shown as a typical month; other months would differ slightly, but the trend is similar.]*

School Level	Average Participation	Low	High
ES – Individual serving menu	62.09%	30.47%	94.04%
ES – Dish-up	66.53%	35.45%	90.40%
Middle	49.84%	26.37%	76.16%
High	26.50%	7.28%	48.30%

Source: CCSD Food Service Department

*Because our review was conducted during the summer months, we were unable to observe meal operations or sample actual meals served in CCSD cafeterias. The survey and the differences in average participation rates indicate that as students get older, they become more discriminating in their tastes and are less likely to accept foods that do not meet their desires. Middle and high school students are more familiar with restaurant food and food court-style offerings. To boost the participation rates of these schools, Food Services may need to expand menu choices and consider alternative food service delivery models.*

65. (P. 261) Are there any further findings or observations regarding current CCSD charges to the Food Service Fund for administrative expenses and overhead?

***Response:*** *CCSD does charge the Food Service Fund for administrative and overhead costs at a rate of 1.7%. This is permitted under Department of Agriculture rules and may continue regardless of the allocation of expenditures identified in our report.*