

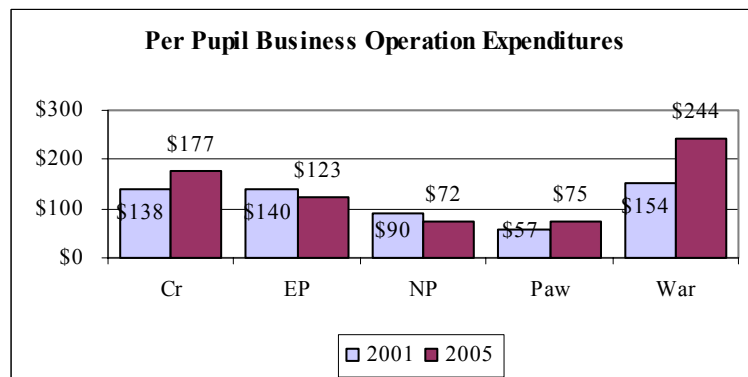
## VII. Warwick School District's Central Administration Function and Office of Business Affairs

The Warwick School District spent \$12,383 per pupil in FY 2005, ranking highest among its peer school districts in the benchmarking analysis of this report. The Warwick School District is a multi-faceted system that supports the educational needs of nearly 12,000 students and approximately 1,140 teachers. This involves providing the support for 26 public schools and one career center.

The following is an analysis of the Warwick School Department's Central Business Operations (CBO). There are several facets of the Central Business Office, of which only portions will be reviewed in the following report. The following will briefly look at operating expenditures, the current staffing levels and duties, and RIPEC recommendations to modernize the CBO and/or to increase efficiencies given the significant financial obligations facing the School District when a teacher contract is negotiated and ratified. The School District, in cooperation with the City Administration, must begin looking at how it currently provides central services to the school district and its schools. There are opportunities to maintain or even enhance existing services with fewer resources, which will be invaluable in ensuring the School District meets its educational goals in the future.

### *Overview of Spending Program*

Warwick's total operation expenditures increased from \$21.6 million in FY 2001 to \$24.5 million in FY 2005. In FY 2001, expenditures for operations accounted for 17.6 percent of total expenditures. This has declined to 16.6 percent in



FY 2005. Facilities expenditures represented the largest component of total operation dollars, with the \$12.9 million representing half of Warwick's operations expenditures.

The second largest component within operations is expenditures for business operations. Business operations expenditures increased by \$1.0 million - from \$1.9 million in FY 2001 to \$2.9 million in FY 2005. This translates into an average annual growth rate of 11.3 percent. Business operations expenditure growth accounted for 4.2 percent of the total growth rate. This was the highest share among the peer school districts included in the benchmarking section of this report. Expenditures for business operations as a percent of total expenditures ranged from a high of 2.0 percent in Warwick to a low of 0.6 percent in North Providence in 2005. On a per pupil basis, business operation expenditures ranged from a low of \$57 per pupil in Pawtucket to a high of \$244 in Warwick. Expenditures for business operations include the cost of business offices (e.g.

payroll, human resources, accounting and finance, procurement). It also includes salaries and related employment costs, office expenses and all other departmental costs.

### **Staffing Summary**

The Warwick School Department's central administration includes five functions - the Office of the Superintendent, the Office of Compliance and Human Resources, the Office of Business Affairs, the Office of Special Services and the Physical Education Office. (Analysis does not include facilities). In total, the central office includes 129.1 FTE positions. However, there are 62.0 FTE positions that are related to bus drivers and bus aides, which do not provide direct central services to the school district. If one excludes these positions, the central administration has 67.1 FTE positions in direct support for the school district. Slightly less than half of the net FTE positions are considered professional (46.3 percent), and the 53.7 percent balance is made up of secretarial and clerical staff. The table below outlines the allocation of the FTE positions as they are currently presented by the School Department.

The Office of the Superintendent has 8.5 FTE positions, of which 4.0 are professional staff, 4.0 are secretarial staff and the 0.5 FTE balance is in clerical. The Office of Human Resources and Compliance has 11.6 FTE positions, of which 3.6 FTE positions are professional staff, 7.0 FTE positions are clerical, and 1.0 FTE is secretarial.

The Central Business Office (CBO) includes 98.0 FTE positions (note that the Energy Manager, who is off-site, is still included in these figures). There are essentially five major functions under the direction of the Director of Business Affairs – Business Office, Purchasing, Controller, Transportation, and Information Technology. The CBO has 19.0 FTE positions that are considered professional positions, 1.0 FTE position that is secretarial, 16.0 FTE positions that are clerical and 62.0 FTE positions for busing services. If one excludes the bus drivers and the bus aides, the CBO has a net of 36.0 FTE positions, of which half are professional and half are support staff.

<b>Warwick School Department - Central Office</b>					
<b>Full Time Equivalent Positions</b>					
<b>Central Administration</b>	<b>Professional</b>	<b>Secretarial</b>	<b>Clerical</b>	<b>Other</b>	<b>Total</b>
Superintendent Office	4.0	4.0	0.5	0.0	8.5
Human Resources and Compliance	3.6	1.0	7.0	0.0	11.6
Special Services	4.0	2.0	3.0	0.0	9.0
Athletics	0.5	0.0	1.5	0.0	2.0
Business Affairs	2.0	1.0	0.0	0.0	3.0
- Business Office/Purchasing	1.0	0.0	7.0	0.0	8.0
- Controller	4.0	0.0	7.0	0.0	11.0
- Transportation	1.0	0.0	2.0	62.0	65.0
- Information Technology	11.0	0.0	0.0	0.0	11.0
Business Affairs subtotal	19.0	1.0	16.0	62.0	98.0
Total - Central Office	31.1	8.0	28.0	62.0	129.1
Percent of Total Staff	24.1%	6.2%	21.7%	48.0%	
Total Central Office (no busing staff)	31.1	8.0	28.0		67.1
Percent of Total Staff	46.3%	11.9%	41.7%		
*Other includes bus drivers and bus aids					
Source: Warwick School Department data (2006) and RIPEC Calculations					

### Personnel Budget

In terms of the Central Administrative Function (excludes facilities and maintenance funding and staff of approximately 150.0 FTE positions), there is approximately \$7.8 million in personnel costs supporting 129.1 FTE positions built into the FY 2006 budget. Of this amount, the budget includes \$2.8 million to support professional staff (31.1 FTE positions), \$500,000 for secretarial staff (8.0 FTE positions) \$1.5 million for clerical staff (28.0 FTE positions) and \$3.0 million for busing (62.0 FTE positions).

Of the \$7.8 million in total staffing costs in FY 2006, approximately \$5.8 million supports direct salaries and \$2.0 million for benefits, such as medical, dental and FICA. Salaries therefore represent 74.2 percent of staffing costs while 25.8 percent supports benefits. This ratio does differ depending on the type of position. For example, the portion allocated to salaries ranges from 78.0 percent for professional to 70.4 percent for bus drivers and bus aides.

If one excludes the busing staff, the personnel budget for the Central Administration Office is \$4.8 million, supporting 67.1 FTE positions. Professional staff funding represents approximately 60.0 percent of the net personnel budget while secretarial and clerical personnel costs make up the 40.0 percent difference.

**Warwick School Department - Central Office  
Estimated Salaries and Benefits**

<b>Central Administration</b>	<b>Professional</b>	<b>Secretarial</b>	<b>Clerical</b>	<b>Other</b>	<b>Total</b>
Superintendent Office	\$582,657	\$247,350	\$41,401	\$0	\$871,408
Human Resources and Compliance	364,247	64,741	380,817	0	809,805
Special Services	483,188	122,585	151,335	0	757,108
Athletics	41,401	0	69,822	0	111,223
Business Affairs	232,959	54,381	0	0	287,340
- Business Office/Purchasing	81,691	0	386,608	0	468,299
- Controller	269,573	0	376,952	0	646,525
- Transportation	94,481	0	109,808	3,041,221	3,245,510
- Information Technology	646,209	0	0	0	646,209
Business Affairs subtotal	1,324,913	54,381	873,368	3,041,221	5,293,883
<b>Total - Central Office</b>	<b>\$2,796,406</b>	<b>\$489,057</b>	<b>\$1,516,743</b>	<b>\$3,041,221</b>	<b>\$7,843,427</b>
Percent of Total Staff	35.7%	6.2%	19.3%	38.8%	
FTE	31.1	8.0	28.0	62.0	129.1
Cost Per FTE	\$89,917	\$61,132	\$54,169	\$49,052	\$60,755
Total Central Office (no busing staff)	2,796,406	489,057	1,516,743		4,802,206
Percent of Total Staff	58.2%	10.2%	31.6%		\$71,568
Cost Per FTE					

\*Other includes bus drivers and bus aids

Source: Warwick School Department data (2006) and RIPEC Calculations

The cost per FTE position varies depending on the type of employee. Overall, the central administration function requires \$7.8 million, which supports 129.1 FTE positions – this translates into an average cost per FTE of \$60,755 in FY 2006. However, if one removes the bus drivers and aides from this analysis, the net cost of the Central Administration function is \$4.8 million, supporting 67.1 FTE positions – this translates into an average FTE cost of \$71,568.

**Central Administration  
Summary of Cost Per FTE Position**

<b>Staffing</b>	<b>FTE</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Compensation</b>	
				<b>Total</b>	<b>Average</b>
Professional	31.1	\$2,178,125	\$618,281	\$2,796,406	\$89,917
Secretarial	8.0	385,139	103,918	489,057	61,132
Clerical	28.0	1,119,709	397,034	1,516,743	54,169
Busing	62.0	2,140,358	900,863	3,041,221	49,052
<b>Total</b>	<b>129.1</b>	<b>\$5,823,331</b>	<b>\$2,020,096</b>	<b>\$7,843,427</b>	<b>\$60,755</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

The cost per professional FTE position is estimated at \$89,917 – based on a personnel budget for these positions of \$2.8 million and 31.1 FTE positions. The cost per secretarial FTE position is estimated at \$61,132 – based on a personnel budget for these positions of \$500,000 and 8.0 FTE positions. The cost per clerical FTE position is estimated at \$54,169 – based on a personnel budget for these positions of \$1.5 million and 28.0 FTE positions. The cost per busing FTE position is estimated at \$49,052 – based on a personnel budget for these positions of \$3.0 million and 62.0 FTE positions.

**Superintendent Office**

The Superintendent’s Office is responsible for the overall management and academic performance of the school district. Per directions of the school committee, the Superintendent and his immediate staff are assigned to carryout the mission of the Warwick School Department.

<b>Superintendant Office</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	4.0	\$444,289	\$138,368	\$582,657	\$145,664
Secretarial	4.0	194,720	52,630	247,350	61,838
Clerical	0.5	30,106	11,295	41,401	82,802
<b>Total</b>	<b>8.5</b>	<b>\$669,115</b>	<b>\$202,293</b>	<b>\$871,408</b>	<b>\$102,519</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

The Superintendent’s Office, made up of 8.5 FTE positions, includes 4.0 professional management positions, including the Superintendent, the directors of elementary and secondary education, and the grants coordinator. There is also a part-time truancy administrator that is attached to this office. The office is supported with 4.0 FTE secretarial positions. The Superintendent’s Office has a personnel budget of nearly \$871,400, of which \$582,700 (66.9 percent) is to support the costs of the professional staff and the \$288,800 balance to provide for the 4.5 FTE positions that are allocated to secretarial staff and truancy. Of the \$871,400 in personnel expenditures, \$669,100 is for wages and salaries and the \$202,300 balance is for benefits.

The average cost per FTE position for the Office is \$102,519, which is 43.2 percent higher than the average cost per FTE position for the entire Central Office (\$71,568). For professional staff only, the average cost per FTE position is \$145,700, which is 62.0 percent higher than the average cost per FTE for professional staff for the entire Central Office (\$89,917). For the secretarial staff in the office, the average cost per FTE is \$61,838, which is 1.1 percent higher than the average cost per FTE secretarial staff for the entire Central Office (\$61,132).

**Office of Compliance and Human Resources**

The Office functions as the School District’s central human resources division and coordinates all legal compliance in the district with the exception of special services. Responsibilities include, but are not limited to all personnel record keeping associated

with retired, active or substitute personnel and the recruitment and hiring of professional, administrative and classified staff and substitutes. The Office maintains and tracks staffing issues, including leave requests, entitlements, work related injuries and FMLA leaves. The Office develops job postings and descriptions, and conducts legally mandated background checks on applicants. The Office also investigates, initiates and/or documents all disciplinary matters involving all staff, and the defense of, supervision of and/or the monitoring if all legal matters against the School Committee and its managers/supervisors. The Office also supports the on-going administration and negotiation of the collective bargaining agreements including the administration of health insurance and other entitlements.

<b>Office of Compliance and Human Resources</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	3.6	\$281,498	\$82,749	\$364,247	\$101,180
Secretarial	1.0	47,655	17,086	64,741	64,741
Clerical	7.0	273,803	107,014	380,817	54,402
<b>Total</b>	<b>11.6</b>	<b>\$602,956</b>	<b>\$206,849</b>	<b>\$809,805</b>	<b>\$69,811</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

The Office is made up of 11.6 FTE positions, requiring a personnel budget of approximately \$810,000 million. Of the \$810,000 in personnel expenditures, \$603,000 (74.4 percent) is for wages and salaries and the \$207,000 balance (25.6 percent) is for benefits. Approximately \$365,000 of the personnel budget supports 3.6 FTE positions that are professional staff, and \$446,000 supports secretarial and clerical staff. Of this staffing level, approximately 3.6 FTE positions are professional, 1.0 FTE position is secretarial and the 7.0 FTE balance is clerical support. Clerks are assigned a range of duties to include monitoring benefits, pensions and workforce attendance.

The average cost per FTE position for the Office is \$69,811, which is 2.0 percent less than the average cost per FTE position for the entire Central Office. For professional staff only, the average cost per FTE position is \$101,180, which is 14.0 percent higher than the average cost per FTE for professional staff for the entire Central Office. For the 7.0 clerical FTE positions, the average cost per FTE is \$54,402, which is less than 1.0 percent higher than the average cost per FTE clerical staff for the entire Central Office.

### **Office of Special Services**

The Special Services function is made up of 9.0 FTE positions, to include the Director, 3.0 Assistant Directors and 2.0 secretarial and 3.0 clerical FTE positions. Clerical positions include several data entry clerks for attendance and other record keeping. Personnel costs for the function total nearly \$760,000 of which \$575,000 (75.8 percent) is for wages and salaries and the \$183,000 balance (24.2 percent) is for benefits. Approximately \$484,000 of the personnel budget supports 4.0 FTE positions that are professional staff, and \$273,100 supports secretarial and clerical staff.

The average cost per FTE position for the Office is \$84,123, which is 17.5 percent more than the average cost per FTE position for the entire Central Office. For professional staff only, the average cost per FTE position is \$120,797, which is 34.3 percent higher than the average cost per FTE for professional staff for the entire Central Office. For the 3.0 clerical FTE positions, the average cost per FTE is \$50,445, which is 6.9 percent less than the average cost per FTE clerical staff for the entire Central Office. The 2.0 FTE positions for secretarial services average \$61,293 per position, which is less than 1.0 percent higher than the average cost per FTE for secretarial staff for the entire Central Office.

<b>Office of Special Services</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	4.0	\$360,389	\$122,799	\$483,188	\$120,797
Secretarial	2.0	97,289	25,296	122,585	61,293
Clerical	3.0	116,798	34,537	151,335	50,445
<b>Total</b>	<b>9.0</b>	<b>\$574,476</b>	<b>\$182,632</b>	<b>\$757,108</b>	<b>\$84,123</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

### **Office of Health and Physical Education**

A compliment of 2.0 FTE positions is allocated to support this function of the Warwick School District Central Office. The total personnel costs of \$111,200 support a part-time coordinator and 1.5 office clerks. Total personnel costs include \$81,300 (73.1 percent) for salaries and the \$30,000 balance is for benefits (26.9 percent) of the personnel budget for the Office. The 1.5 clerical FTE positions average cost per FTE is \$46,548, which is 14.1 percent less than the average cost per FTE clerical staff for the entire Central Office.

<b>Office of Health and Physical Education</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	0.5	\$30,106	\$11,295	\$41,401	\$82,802
Clerical	1.5	51,165	18,657	69,822	46,548
<b>Total</b>	<b>2.0</b>	<b>\$81,271</b>	<b>\$29,952</b>	<b>\$111,223</b>	<b>\$55,612</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

### **Office of Business Affairs (Central Business Office – CBO)**

The Office of Business Affairs is headed by the Director, who is responsible for the purchasing and control functions, information technology, and transportation. Each of these offices are direct reports to the Director of Business Affairs. This analysis includes the Energy Manager, who reports to the Business Manager but is not physically located in the Central Office Building. The Office has 98.0 FTE positions, of which 62.0 FTE positions represent bus drivers and bus aides. Given these positions do not support central business office functions, the net FTE position count is 36.0 FTE positions.

The personnel budget to support the staffing levels in the CBO is approximately \$5.3 million. If one excludes the 62.0 FTE positions directly related to busing services, the net personnel costs are \$2.3 million. The remainder of this analysis will not consider the 62.0 FTE positions related to busing as part of the costs associated with the central business office. Of the \$2.3 million in personnel expenditures, \$1.8 million is for wages and salaries (78.0 percent) and the \$500,000 balance is for benefits (22.0 percent).

The business office function represents nearly 47.0 percent of the net expenditures for the Central Administrative Function and 54.0 percent of the net FTE positions included in the Central staffing plan. It should be noted that of the 36.0 FTE positions, 19.0 FTE positions are professional positions (includes all IT personnel) and 17.0 are clerical or secretarial in nature. In other words, nearly half of the staffing is in support of the functions outlined above. However, the funding to support professional staff represents 60.0 percent of the total CBO (excluding busing staff), with the remaining 40.0 percent representing the support staff.

<b>Central Business Office</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Total</b>
Professional	19.0	\$1,061,843	\$263,070	\$1,324,913	\$69,732
Secretarial	1.0	45,475	8,906	54,381	54,381
Clerical	16.0	647,837	225,531	873,368	54,586
Other	62.0	2,140,358	900,863	3,041,221	49,052
<b>Total</b>	<b>98.0</b>	<b>\$3,895,513</b>	<b>\$1,398,370</b>	<b>\$5,293,883</b>	<b>\$54,019</b>
<b><i>Exclude Bus Drivers and Bus Aides</i></b>					
Professional	19.0	\$1,061,843	\$263,070	\$1,324,913	\$69,732
Secretarial	1.0	45,475	8,906	54,381	54,381
Clerical	16.0	647,837	225,531	873,368	54,586
<b>Total</b>	<b>36.0</b>	<b>\$1,755,155</b>	<b>\$497,507</b>	<b>\$2,252,662</b>	<b>\$62,574</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

The average cost per FTE position for the Office is \$62,574, which is 12.6 percent less than the average cost per FTE position for the entire Central Office (\$71,568). For professional staff only, the average cost per FTE position is \$69,732, which is 22.4 percent lower than the average cost per FTE for professional staff for the entire Central Office. For the 16.0 clerical FTE positions, the average cost per FTE is \$54,586, which is less than 1.0 percent more than the average cost per FTE clerical staff for the entire Central Office. The 1.0 FTE position for secretarial services for \$54,381 is 11.0 percent lower than the average cost per FTE for secretarial staff for the entire Central Office. The following outlines similar trends in the divisions within the Office of Business Affairs.

*Senior Management*

The Director of Business Affairs leads the Central Business Office and has one secretary position reporting directly to him. In addition, while not on the premises, the Energy Manager also reports directly to the Director. These three positions require a funding level to support the personnel costs of \$287,340, with approximately 81.0 percent of this funding allocated to support the two professional positions. The Director is responsible for coordinating all business office activities, including purchasing, accounting, transportation services and information technology.

<b>Central Business Office - Senior Management</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	2.0	\$179,425	\$53,534	\$232,959	\$116,480
Secretarial	1.0	45,475	8,906	54,381	54,381
<b>Total</b>	<b>3.0</b>	<b>\$224,900</b>	<b>\$62,440</b>	<b>\$287,340</b>	<b>\$95,780</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

*Controller*

The Controller is made up of 11.0 FTE positions, to include the Controller, 3.0 accountant staff, and 7.0 FTE clerical positions. The clerical positions include the Medicaid Account Clerk, who is primarily responsible for supporting the process of identifying appropriate expenditures for Medicaid-eligible reimbursements – which are currently projected to be in the neighborhood of \$2.0 million annually.

The total personnel budget for the control function is \$646,525, of which \$269,600 (41.7 percent) is allocated to support the professional staff and \$377,000 (58.3 percent) is to support the 7.0 support staff. Of the \$646,525 in personnel expenditures, \$498,600 is for wages and salaries and the \$147,930 balance is for benefits received.

<b>Central Business Office - Controller</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	4.0	\$207,920	\$61,653	\$269,573	\$67,393
Clerical	7.0	290,674	86,278	376,952	53,850
<b>Total</b>	<b>11.0</b>	<b>\$498,594</b>	<b>\$147,931</b>	<b>\$646,525</b>	<b>\$58,775</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

The average cost per FTE position for the Controller Office is \$58,775, which is 17.9 percent less than the average cost per FTE position for the entire Central Office (\$71,568). For professional staff only, the average cost per FTE position is \$67,393, which is 25.0 percent lower than the average cost per FTE for professional staff for the entire Central Office. For the 7.0 clerical FTE positions, the average cost per FTE is \$53,850, which is essentially at the average cost per FTE clerical staff for the entire Central Office (\$54,169).

### *Purchasing*

The purchasing function is responsible for developing and issuing requests for proposals per current bid requirements as outlined in the school district's purchasing manual. There are 8.0 FTE positions to support its function, led by the Purchasing Manager. The balance of the staffing is a range of clerks performing various functions within purchasing, such as accounts payable, and purchase order reviews. The total personnel budget for the purchasing function is \$468,300, of which \$81,691 is to support the Manager and \$386,600 is to support the 7.0 support staff. Of the \$468,300 in personnel expenditures, \$344,800 (73.6 percent) is for wages and salaries and the \$123,500 (26.4 percent) balance is for benefits.

<b>Central Business Office - Purchasing</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	1.0	\$64,673	\$17,018	\$81,691	\$81,691
Clerical	7.0	280,128	106,480	386,608	55,230
<b>Total</b>	<b>8.0</b>	<b>\$344,801</b>	<b>\$123,498</b>	<b>\$468,299</b>	<b>\$58,537</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

The cost per FTE position for the Purchasing Office is \$58,537, which is 18.2 percent less than the average cost per FTE position for the entire Central Office (\$71,568). For the 7.0 clerical FTE positions, the average cost per FTE is \$55,230, which is 2.0 percent above the average cost per FTE clerical staff for the entire Central Office.

### *Information Technology*

The Information Technology function is staffed with 11.0 FTE positions, ranging from an IT Manager to a number of data and system technicians. The IT function is responsible for implementing technology solutions and maintaining and updating existing IT resources throughout the district. There is no direct clerical staff positions currently attached to the IT function. Most of the work is done in-house, and clerical support for the central business office is relied upon for any supplementary clerical staff.

<b>Central Business Office - Information Technology</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Information Services Manager	1.0	\$75,280	\$10,924	\$86,204	\$86,204
Information Services Asst. Manager	1.0	30,794	4,625	35,419	35,419
System Analyst	1.0	73,228	18,809	92,037	92,037
Computer Technicians	5.0	238,372	51,965	290,337	58,067
Data Specialist	3.0	116,869	25,343	142,212	47,404
<b>Total</b>	<b>11.0</b>	<b>\$534,543</b>	<b>\$111,666</b>	<b>\$646,209</b>	<b>\$58,746</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

The FY 2006 budget includes approximately \$646,200 in direct personnel costs to support these 11.0 FTE positions. Of the \$646,200 in personnel expenditures, \$534,500 is for wages and salaries (83.0 percent) and the \$112,000 balance is for benefits. The average cost per FTE position is \$58,746, which is 17.2 percent lower than the average cost per professional FTE position within the Central Office (\$70,958). Additional details regarding the IT staff and its function can be found in the IT Management Analysis included in the body of the RIPEC Report.

*Transportation Services*

The Transportation function has 65.0 FTE positions allocated to it, of which 62.0 FTE positions are bus drivers and bus aides. The total personnel budget to support the costs of this staffing level totals \$3.3 million, of which \$2.3 million is salaries (70.6 percent) and \$1.0 million (29.4 percent) is benefits.

<b>Central Business Office - Transportation</b>					
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	1.0	\$75,282	\$19,199	\$94,481	\$94,481
Clerical	2.0	77,035	32,773	109,808	54,904
Other	62.0	2,140,358	900,863	3,041,221	49,052
<b>Total</b>	<b>65.0</b>	<b>\$2,292,675</b>	<b>\$952,835</b>	<b>\$3,245,510</b>	<b>\$49,931</b>

Source: Warwick School Department data (2006) and RIPEC Calculations

The bus drivers and bus aids represent the majority of this office, with 62.0 of the 65.0 FTE positions allocated for their positions. Slightly more than \$3.0 million of the \$3.3 million transportation function's personnel costs is related to their salaries and benefits. The average cost per bus driver and aid position is \$49,052. For the 2.0 clerical FTE positions, the average cost per FTE is \$54,904, which is 1.4 percent more than the average cost per FTE clerical staff for the entire Central Office. The \$94,481 in compensation for the Transportation Manager is 5.1 percent higher than the average cost per professional FTE position in the Central Office.

### **RIPEC Observations and Recommendations**

RIPEC was asked to review the central administrative function of the Warwick School Department. RIPEC focused most of its attention on the operations of the Central Business Office (CBO), and has reviewed similar activities performed by the City to see if there were potential savings while maintaining quality back-office services to the school district and City. The services provided by the CBO have to be considered in the overall context of the financial situation the district is currently facing. As outlined in the five-year financial forecast earlier in this report, the school district's operating budget does not include any expenditure associated with additional costs for contract provisions.

RIPEC projections show significant obligations once a new teacher contract is put in place. This will require immediate attention, and current resources are not sufficient to meet this liability. In addition, should the school committee and union reach agreement, the impact could range from approximately \$9.3 million in FY 2007 per the proposal outlined by the school committee to \$13.2 million in FY 2007 as currently outlined by the union proposal. These estimates are net of the retro-payments for compensation related to previous fiscal years noted above. These forecasts would be in addition to the projections noted above in the financial analysis section of this RIPEC Study. Therefore, this would require service and spending reductions and/or additional resources in order to maintain balanced budgets.

It is in this light that the recommendations below are presented. They are intended to both reduce operations costs and improve overall efficiency in the school department, which will only better position the school department to meet their long-term financial needs to support the nearly 12,000 students in the school system.

The bottom line of the analysis was that there appears to be significant opportunities to share staff and services between the School Department and the City Administration to conduct a range of back-office services, to include purchasing, accounting functions, information technology and perhaps facilities. Within the Central Administrative function of the School Department, there appears to be an over-reliance on clerical staff to conduct work that should require fewer staff. The School Department should still maintain its personnel and budget development functions.

To begin exploring the potential for consolidating services, the City and School Department should jointly pursue independent position analyses to evaluate current job duties and staff skills, conduct a salary survey of the positions that would be brought together, and review existing contract provisions to coordinate staffing adjustments as the functions move towards consolidation. The City and School Department should also establish FTE position targets in light of these analyses to manage the staffing levels down to encourage permanent savings. The following RIPEC recommendations do not suggest layoffs. Rather, as the School District and the City Administration explore how to combine resources, an attrition model managed by specific FTE targets over time will yield significant savings for the City and the School District. In addition, some of the positions that are moved to consolidate functions may actually acquire additional duties, and therefore may require salary adjustments to accommodate increased workload.

*Pursue Central Pooling of Existing Clerical Staff Across Functions*

There are currently 28.0 FTE positions in the Central Administrative Office that are clerical in nature. These positions support human resources, business operations, special services and athletics.

<b>Central Administration Office Clerical Staff Summary</b>				
<b>Office</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>
Controller Office	7.0	\$290,674	\$86,278	\$376,952
Purchasing Office	7.0	280,128	106,480	386,608
Transportation	2.0	77,035	32,773	109,808
Human Resources	7.0	273,803	107,014	380,817
Physical Education	1.5	51,165	18,657	69,822
Special Services	3.0	116,798	34,537	151,335
Superintendent	0.5	30,106	11,295	41,401
<b>Total</b>	<b>28.0</b>	<b>\$1,119,709</b>	<b>\$397,034</b>	<b>\$1,516,743</b>
<b>Average Cost</b>		<b>\$39,990</b>	<b>\$14,180</b>	<b>\$54,169</b>

Source: RIPEC Calculations based on Warwick School Personnel Data (2006)

As the table above shows, the total cost of the clerical staff is estimated at \$1.5 million, of which \$1.1 million is in salary and \$400,000 is in benefits. The average salary of a clerk in the Central Administration Office is \$39,990, the average cost of direct benefits is \$14,180, and the total average cost per clerical position is \$54,170.

The extensive use of clerical staff in the central office is an area that may present itself with potential efficiencies on a go-forward basis. Given their proximity and similar job duties as described in sampled job descriptions, there is an opportunity to move towards a central pool of clerk staff to be shared among the different divisions, particularly between the CBO and other divisions within the Central Administrative Office. Therefore, the central administration should pursue a strategy to develop a central clerk pool and develop policies on how work is allocated among the staff. Given this will maximize the skills available throughout the central office and improve productivity, there will be future savings by reducing the number of total clerk positions necessary to perform clerical duties in the near future through an attrition model. As positions become vacant, they should remain unfilled based on established FTE targets to determine the impact of redistributing the workload among remaining clerical staff.

There are an additional 8.0 FTE positions related to secretarial positions in the Office. As the table below shows, the total cost of the secretarial staff is estimated at \$489,000, of which \$385,000 is in salary and \$104,000 is in benefits. The average salary of a secretary in the Central Administration Office is \$48,150, the average cost of direct benefits is \$13,000, and the total average cost per clerical position is \$61,130.

While this is consistent with other office structures in municipal government, it is important to continue to track these positions as they become vacant. The Superintendent’s Office has 4.0 FTE positions allocated to secretarial support for four professional positions. There is already some pooling of these resources, and further integration may enable to share a smaller pool of secretarial staff in the future.

<b>Central Administration Office</b>				
<b>Secretarial Staff</b>				
<b>Position</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>
Superintendent	4.0	\$194,720	\$52,630	\$247,350
Human Resources	1.0	47,655	17,086	64,741
Business Office	1.0	45,475	8,906	54,381
Special Services	2.0	97,289	25,296	122,585
Total	8.0	\$385,139	\$103,918	\$489,057
Average Cost		\$48,142	\$12,990	\$61,132
Source: RIPEC Calculations based on Warwick School Personnel Data (2006)				

*Consolidate Controller Function with Sister Functions in City Administration*

The City’s Treasurer’s Office is responsible for the overall accounting operations of the City, develops the standard operating procedures for the annual audit, cash management and all fund relationships. Its Comprehensive Annual Financial Report has received recognition by the GFOA (Government Finance Officers Association). It is well versed in preparing and maintaining its financial statements and its overall financial reporting systems for the City.

The School Department maintains a separate accounting system, where it pays its own bills, develops its own payroll, and runs its own checks. The School District’s Controller is responsible for the daily maintenance of the School district’s accounting system, such as creating new and eliminating old accounts and posting transactions. The School Department’s Controller’s Office sends over warrants for payroll and accounts payable and the City wires the appropriate funds to the School Department’s accounts. In other words, the City funds the School Department’s obligations as they are incurred.

The strength of the City’s treasury function is its ongoing efforts to meet the annual requirements of audit reporting and maintaining an accounting system on a GAAP basis. The Treasurer’s Office is also responsible for the preparation of financial statements, cash reconciliation, as well as the calculation of amortization schedules. This environment presents itself with an opportunity to build on these assets and to enhance the same function currently provided within the School Department.

The School Department’s Controller Office is made up of 11.0 FTE positions, to include the Controller, 3.0 FTE positions (accountants), and 7.0 FTE clerical positions. The total personnel budget for the control function is \$646,525, of which \$269,600 (41.7 percent)

is allocated to support the professional staff and \$377,000 (58.3 percent) is to support the 7.0 support staff. Of the \$646,525 in personnel expenditures, \$498,600 is for wages and salaries and the \$147,930 balance is for benefits received.

<b>Treasury/Controller</b>					
<b>School Department</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	4.0	\$207,920	\$61,653	\$269,573	\$67,393
Clerical	7.0	290,674	86,278	376,952	53,850
<i>Total</i>	<i>11.0</i>	<i>\$498,594</i>	<i>\$147,931</i>	<i>\$646,525</i>	<i>\$58,775</i>
<b>City Administration</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	4.0	\$242,361	\$72,708	\$315,069	\$78,767
Clerical	3.0	113,550	34,065	147,615	49,205
<i>Total</i>	<i>7.0</i>	<i>\$355,911</i>	<i>\$106,773</i>	<i>\$462,684</i>	<i>\$66,098</i>

Source: RIPEC Calculations, City and School Department Personnel Data (2006)

The City’s Treasurer’s Office has 7.0 FTE positions to support its function, led by the Treasurer. There are 4.0 FTE positions that are professional in nature and 3.0 FTE positions that are clerical. The clerical staff performs various functions within the Treasurer’s Office, including payroll, accounts payable and reconciliation activities. The City’s total personnel budget for the Treasurer’s Office is \$462,700, of which \$315,100 supports professional staff and \$147,600 supports the clerical staff. Of the \$462,700 in personnel expenditures, \$355,900 (76.9 percent) is for wages and salaries and the \$106,800 (23.1 percent) balance is for benefits.

The average cost per FTE position in the City’s Treasurer’s Office - \$66,098 - is 12.5 percent higher than the School Department’s controller function (\$58,775). This is in part driven by the School Department’s heavier reliance on clerical staff. The school Department’s clerical staff has an average cost per FTE position of \$53,850, which is 9.4 percent higher than the average cost per clerical FTE position in the City’s Treasurer’s Office (\$49,205).

Again, the controller function is not necessarily a function that is education-specific. In other words, the function itself is fairly common regardless of the entity being served. Given that both the City and the School Department operate similar functions, there is some duplication of work (such as two independent accounting systems) between the School Department and the City Administration. Therefore, consideration should be given to consolidating the two functions, and both entities would best be served if it were under the City Treasurer function. This will permit the kind of synergies to take place to achieve savings, maintain efficient services, and eliminate duplicative activities. Again, the City must take a proactive role in ensuring that it is responsive to the school district’s needs on a timely basis.

As part of a consolidation initiative, the staffing and funding for the positions currently within the school district should be moved to the City. The City should not lay-off any positions that are part of the consolidation. The Management Letter included in the annual audit of financial statements for fiscal year ending June 30, 2005 includes recommendations that are designed to enhance the staff of City's Treasurer's Office. The consolidation of the two functions into the City will permit existing resources to supplement the City's staff to provide the necessary support for the daily financial reporting duties of the office. As positions become vacant, they should remain unfilled to determine the impact of redistributing the workload among current remaining staff.

*Implement Common FMIS System for Both School District and City Administration*

As part of the initiative to consolidate the two controller functions into the City Administration, the School Department and the City should work towards a unified Financial Management Information System (FMIS). The information technology analysis included in this RIPEC Study concluded that as the School District's CBO considers upgrading its Financial Management Information System (FMIS), it should be developed in the context of the current MUNIS system currently operated by the City.

An example of the impact of operating two independent accounting systems is the issue of reconciliation. In the June 30, 2005 Management Letter prepared in concert with the Financial Statements for the City, there are some issues relating to the Controller's office policies and its accounting system. Because the School's accounting system is independent of the City's accounting system, an additional layer of monitoring and adjustments are necessary to effectively reconcile between City and School District accounting systems – particularly at year's end. The School Department must review all transactions even though they are managed by the City on behalf of the school. It is often the case that there is a series of adjustments at year end, and that the due to and due from accounts do not agree between the City and the School Department. The School Department maintains their books on a budgetary basis rather than the GAAP basis as currently practiced by the City. The School Department's accounting system currently in place does not produce a useable balance sheet by account – an integrated GAAP general ledger accounting system would. Therefore, the School Department generates its trial balance through Excel.

In developing a strategy to unify the FMIS systems under one program, it is essential that appropriate policies and procedures be put in place to ensure the integrity of the system is maintained. This will require appropriate methods of data entry, data verification and staff training.

Given both the purchasing and controller functions will rely heavily on this new system, the School District and City Administration should both benefit from maintaining a common FMIS system. This could serve as a catalyst for the consolidation of the two functions. In fact, this would prove valuable to both entities going forward given much of the current practice of sharing information is essentially manual. In addition, there would be cost savings in licensing, updating and maintaining the system, as well as IT

staffing in the future. The unified FMIS system could also lead to a smoother transition to a pooled purchasing and controller function for both the District and the City.

*Consolidate Purchasing Function with Sister Function in City Administration*

The School Department’s purchasing function is responsible for developing and issuing requests for proposals per current bid requirements as outlined in the school district’s purchasing manual, monitoring and tracking purchase orders, and ensuring inventories are received.

All of the School District’s operating, grant and capital project items are processed through a requisition and purchase order system. Purchases are initiated through a requisition, which is checked against the budget availability and “flags” those where funds are not available. A purchase order is then created and when the goods and/or services are received, the purchase order is signed and forwarded to the Business Office.

The invoice is then reviewed for accuracy and then entered into the accounts payable system and a payment voucher is prepared. A warrant and supporting documentation are prepared and submitted to the Clerk of the School Committee for approval. Checks are cut once a week and sent to City Hall to be signed by the Treasurer. All checks are drawn on a City account – the City makes the appropriate inter-fund entries to cover the incurred expense. The School Department’s purchasing function is paper-driven as opposed to the City’s purchasing function, which is primarily technology-driven.

<b>Purchasing</b>					
<b>School Department</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	1.0	\$64,673	\$17,018	\$81,691	\$81,691
Clerical	7.0	280,128	106,480	386,608	55,230
<i>Total</i>	<i>8.0</i>	<i>\$344,801</i>	<i>\$123,498</i>	<i>\$468,299</i>	<i>\$58,537</i>
<b>City Administration</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	2.0	\$116,995	\$35,099	\$152,094	\$76,047
Clerical	3.0	109,577	32,873	142,450	47,483
<i>Total</i>	<i>5.0</i>	<i>\$226,572</i>	<i>\$67,972</i>	<i>\$294,544</i>	<i>\$58,909</i>

Source: RIPEC Calculations, City and School Department Personnel Data (2006)

There are 8.0 FTE positions to support its function, led by the Purchasing Manager. The balance of the staffing includes a range of clerks performing various functions within purchasing, such as accounts payable and purchase order reviews. The total personnel budget for the purchasing function is \$468,300, of which \$81,691 is to support the Manager and \$386,600 is to support the 7.0 support staff. Of the \$468,300 in personnel expenditures, \$344,800 (73.6 percent) is for wages and salaries and the \$123,500 (26.4 percent) balance is for benefits.

The City's purchasing division has 5.0 FTE positions to support its function, led by the Purchasing Agent. There are 2.0 FTE positions that are professional in nature and 3.0 FTE positions that are clerical. The clerical staff performs various functions within purchasing, such as accounts payable, bid development and general office staff work. The City's total personnel budget for the purchasing function is \$294,550, of which \$152,100 supports professional staff and \$142,450 supports the clerical staff. Of the \$294,550 in personnel expenditures, \$226,600 (76.9 percent) is for wages and salaries and the \$68,000 (23.1 percent) balance is for benefits.

Overall, the average cost per FTE position is very similar when comparing the two offices - \$58,537 in the School Department's purchasing function as compared to \$58,909 in the City purchasing department. The school department's clerical staff has an average cost per FTE position of \$55,230, which is 16.3 percent higher than the average cost per clerical FTE position in the City's purchasing shop (\$47,483).

The purchasing function is not necessarily a function that is education-specific. In other words, the function itself is fairly common regardless of the entity being served. However, the heavy reliance on paper-driven purchasing procedures in the School Department results in a cumbersome process. On the other hand, the City's purchasing procedures are more technology-driven, requiring less staff to manage similar volumes of workload. Given that both the City and the School Department operate similar functions, there is some duplication of work between the School Department and the City Administration.

Therefore, consideration should be given to consolidating the two functions, and both entities would best be served if it were under the City technology-driven function. This will permit the kind of synergies to take place to achieve savings, maintain efficient services, and eliminate duplicative activities.

As part of a consolidation initiative, the staffing and funding for the positions currently within the school district should be moved to the City. The City should not lay-off any positions that are part of the consolidation. Rather, as positions are vacated, they should remain unfilled to determine the impact of redistributing the workload among current remaining staff. Other purchasing needs and functions might also be considered within the City's purchasing office as well.

If the City and School Department do pursue this recommendation, it is incumbent on the City to take a proactive role in ensuring that it is responsive to the school district's needs on a timely basis. This may require updating policies and procedures to ensure the School Committee continues to play the ministerial role over the school department's overall financial decisions and policies.

*Evaluate establishing a unified IT function with the City and the School Department.*

The City and the School Department should consider combining Information Technology resources. With similar initiatives planned by both entities, a unified plan may drive down costs and provide the City and School Department with a more efficient, cost-effective and robust IT infrastructure that neither entity could afford individually.

The School Department’s IT Office is made up of 11.0 FTE positions – all considered professional positions for the purpose of this analysis. The total IT personnel budget is \$646,209, of which \$534,550 is for wages and salaries and the \$111,700 balance is for benefits received.

<b>Information Technology</b>					
<b>School Department</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	11.0	\$534,543	\$111,666	\$646,209	\$58,746
Clerical	0.0	0	0	0	-
<i>Total</i>	<i>11.0</i>	<i>\$534,543</i>	<i>\$111,666</i>	<i>\$646,209</i>	<i>\$58,746</i>
<b>City Administration</b>	<b>FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>	<b>Cost/FTE</b>
Professional	7.0	\$395,249	\$118,575	\$513,824	\$73,403
Clerical	2.0	78,733	23,620	102,353	51,176
<i>Total</i>	<i>9.0</i>	<i>\$473,982</i>	<i>\$142,195</i>	<i>\$616,177</i>	<i>\$68,464</i>
Source: RIPEC Calculations, City and School Department Personnel Data (2006)					

The City’s IT Office has 9.0 FTE positions to support its function. The City’s total IT personnel budget is \$616,200, of which \$474,000 is for wages and salaries and the \$142,200 balance is for benefits. The average cost per FTE position in the City’s IT Office - \$68,500 - is 16.5 percent higher than the School Department’s IT function (\$58,746).

The discussion above regarding the FMIS systems is an example of how bringing resources together can result in savings and efficiencies. The City and the School Department may further increase productivity and efficiency by integrating resources. Although the technology usage is different for each entity, there are fundamental technologies that are similar, such as networking, Server Operating System support, and Desktop support. By integrating some of the tasks of the teams, the City and the School Department may utilize additional resources to increase support time and may reduce out-source maintenance contracts.

*Explore Consolidating Facilities Management Functions with City Administration*

Within Warwick's total FY 2005 operations expenditures for the school district, facilities accounted for about half of the expenditures. Expenditures increased on average annually by 3.4 percent, from \$11.3 million in FY 2001 to \$12.9 million in FY 2005. Expenditures for facilities accounted for the greatest share of growth in total operation expenditures. In other words, the majority of the growth within total operations in Warwick came from increased expenditures to upkeep facilities. Warwick spends \$1,082 per pupil to support facilities – the highest per pupil expenditure for facilities among the peer school districts in the benchmarking study. Warwick's spending was 20.2 percent higher than the next highest school district (East Providence at \$900 per pupil).

The review of facilities in detail was beyond the scope of this work, but as other work was performed, the data suggested that this may prove to be a valuable analysis to have completed given the potential efficiencies that may result from such an action. There are considerable resources allocated to support facilities, and an initial scan of personnel data shows staffing levels in excess of 150.0 FTE positions allocated for facilities maintenance.

*Prepare an Employee Handbook*

The Warwick School Department currently does not have an employee handbook. A comprehensive employee handbook (or personnel manual) should be developed and distributed to all School District Employees. Distribution of such a document could be handled via the School District's web-site or through a mass email distribution. Hard copies should be available upon request and maintained in the human resources division. The handbook should include a description of the school district's organization as well as individual department organization.

The School District has organizational charts that outline the structure and span of control for the Central Office. These should also be included in the manual. In addition, the manual should provide policies and procedures concerning employee relations (such as supervisory responsibilities, standards of conduct, hours of work, etc), employment, selection and orientation, wage and salary administration and employee benefits. It is true that labor contract provide much of this information, but one should not rely on the detailed nature of labor contracts to ensure all employees understand the policies and procedures in place. An employee handbook provides an opportunity to outline a wide range of policies that may not be easily derived from a contract or not included in a contract.