

CONCLUSION: A review of the finance and supply chain programs for 50 Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, nine reporting districts lacked a formal strategic plan, and 15 districts did not provide monthly financial status reports to district and department administrators. There was also wide variance in the performance of districts in key areas such as payroll processing costs and accounts payable department costs, suggesting that districts have room for improvement. As a whole, reporting districts performed favorably compared to regional and national peers in certain areas (e.g., accuracy of payroll processing), while districts underperformed peers in other areas (e.g., time to process invoices).



BACKGROUND

In FY 2024, PEER received funding to contract with GlimpseK12 (an education technology company headquartered in Huntsville, Alabama) to conduct a comparative review of 50 school districts. This report focuses on one of seven areas of review—finance and supply chain (Volume I). Other non-instructional reports include:

- Human Resources (Volume II);
- Information Technology (Volume III);
- Nutrition (Volume IV);
- Operations (Volume V); and,
- Transportation (Volume VI).

KEY FINDINGS

- **Of 47 districts reporting FY 2023 data, nine districts (19%) did not have a formal strategic plan.**
Strategic planning is crucial for managing district resources.
- **Of 46 districts reporting FY 2023 data, 15 districts (33%) did not provide monthly financial status reports to district and department administrators.**
Sharing financial information monthly promotes transparency, accountability, and informed decision-making.
- **COVID-19 relief funds impacted district budgets in FY 2023 and impacted districts' abilities to achieve precision in their revenue and expenditure projections.**
Despite this, reporting districts performed better than regional peers in their projections.
- **As a whole, reporting districts performed better than regional peers in the accuracy of paycheck processing and had less costs associated with worker's compensation.**
- **There was wide variation in districts' performance on key indicators in the area of finance, suggesting that many districts have room for improvement.**
 - Payroll department costs per \$100,000 of payroll ranged from \$121 in Jackson County to \$790 in Winona-Montgomery.
 - In reporting the number of FTEs responsible for payroll processing, some districts might not have considered employees' involvement in other roles, or districts might have estimated FTEs. In these instances, the cost calculations could be inaccurate. District should accurately capture these costs.
 - Paychecks processed per payroll department FTE per month ranged from 153 in Lawrence to 1,122 in Itawamba.
 - The reporting districts' 351 median figure for paychecks processed per payroll department FTE per month is below the regional peer average of 470 and well below the national peer range of 1,048 to 2,498, suggesting opportunities for improvement in payroll administrative costs.

Performance on Key Indicators for Supply Chain Management

- There was wide variation in reporting districts' performance on key indicators in the area of supply chain management. In some cases, reporting districts underperformed regional and national peers, suggesting that many districts have room for improvement.
 - Accounts payable department cost per \$100,000 of revenue ranged from \$48 in Lowndes to \$726 in Baldwin, which is over 12 times the upper end of the national peer range of \$57.
 - As a whole, reporting districts took longer to process an invoice (24 days on average) than regional and national peers.
 - As a whole, reporting districts processed a lower number of invoices per accounts payable department FTE than regional and national peers.

Issues with Data

Some districts were unable or failed to provide critical information needed to assess their performance on key indicators. For example, seven districts failed to provide payroll department costs. Further, East Tallahatchie, Hazlehurst, Newton Municipal, and Pontotoc City failed to provide data for any performance indicators in this report. This lack of information inhibited this review and inhibits a district's ability to effectively manage its finance and supply chain programs.

Cost Savings

Based on FY 2023 data reported, 30 districts could realize annual projected potential savings of up to **\$964,862** by reducing payroll costs and worker's compensation costs and savings of up to **\$503,825** by reducing accounts payable costs.

See Exhibit 23 on page 51 for a summary of potential cost savings in reporting districts.

Each district's administration should carefully review the data and recommendations in light of the particular circumstances of the district.

SUMMARY OF RECOMMENDATIONS FOR DISTRICTS

1. In FY 2025, each district superintendent, in consultation with the district's finance and supply chain personnel, should review the information from this report and implement each of the relevant district recommendations to increase efficiency, improve service levels, and/or achieve cost-savings. Such recommendations include but are not limited to:
 - a. Achieving more precise estimates of revenues and expenditures;
 - b. Providing monthly financial status reports to district administration and department leaders;
 - c. Creating and updating a formal strategic plan that incorporates goals, objectives, and action steps;
 - d. Accurately calculating payroll processing costs;
 - e. Reducing workers' compensation costs (e.g., via safety training and risk assessments);
 - f. Adopting and tracking competitive procurements; and,
 - g. Assessing the viability of utilizing purchasing cards (i.e., p-cards).
2. For districts that were unable to provide certain information during this review pertaining to their finance or supply chain programs (or provided questionable data), relevant district personnel should begin collecting and monitoring precise data on an ongoing basis.
3. District personnel should provide an annual report to the district superintendent regarding the status of the finance and supply chain programs using the measures included in this review.