PEER MISSISSIPPI
Joint Legislative Committee on Performance Evaluation and Expenditure Review

A FY 2023 Comparative Review of Nine Mississippi School Districts: Finance and Supply Chain Programs (Volume I)

Report Highlights | #731

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CONCLUSION: A review of the finance and supply chain programs for nine Mississippi school districts in FY 2023 showed opportunities for districts to strengthen their programs and increase efficiency. For example, three districts lack a formal strategic plan, and three districts do 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. For example, payroll department costs per $100,000 of payroll ranged from $111 to $1,004. Such variance suggests that districts have room for improvement.

BACKGROUND

In FY 2026, PEER received funding to contract with Level Data (formerly GlimpseK12) to conduct a comparative review of nine school districts. This report focuses on one of six non-instructional 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 the nine districts in this cohort, three (33%) did not have a strategic plan.**
  Strategic planning is crucial for managing district resources.

- **Of the nine districts in this cohort, three (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.

- **There was wide variation in districts' performance on key indicators in the area of finance, suggesting that many districts have room for improvement.**

  - Paychecks processed per payroll department FTE per month ranged from 132 in Forrest County Agricultural High School (AHS) to 1,306 in Harrison. Only two districts (Jackson City and Harrison) were above the state median and regional peer average.

  - Payroll department costs per $100,000 of payroll ranged from $111 in Harrison to $1,004 in Forrest County AHS. Four districts (Harrison, Jackson City, DeSoto, and Rankin) had costs below the state median and regional peer average.

  - Paycheck errors per 10,000 paychecks processed ranged from 1.8 in Rankin to 66.8 in Yazoo City. Three districts (Rankin, Harrison, and DeSoto) had errors below the state median and regional peer average.

  - Workers' compensation cost per $100,000 in payroll spending ranged from $276 in DeSoto to $761 in Jackson City. Four districts (DeSoto, Yazoo City, Meridian, and Rankin) had costs below the state median and regional peer average.

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 they have room for improvement.
- Accounts payable department cost per $100,000 of revenue ranged from $20 in Harrison to $445 in Forrest County AHS.
- Average number of days to process invoices ranged from 2 days in Jackson City to 45 days in Yazoo City. Jackson City and Harrison processed invoices in less time than state, regional, and national peers.
- The number of invoices processed per FTE per month ranged from approximately 190 in Aberdeen to approximately 1,939 in Harrison. Harrison processed more invoices per FTE than state, regional, and national peers.

Issues with Data

Some districts' inability to provide all the requested data inhibited the assessment team's analysis of the cohort's finance and supply chain functions. For example, some districts in the current cohort did not provide the data needed to calculate some key performance indicators relating to paycheck errors, workers' compensation, accounts payable, and procurement. When staffing levels, department costs, and efficiency measures are not consistently and accurately recorded, the district administrators' ability to monitor and manage finance and supply chain related expenses effectively is inhibited.

Cost Savings

Based on FY 2023 data reported, all nine districts could realize annual projected potential savings of up to approximately **$1.6 million** by reducing payroll costs and workers' compensation costs and savings of up to **$470,000** by reducing accounts payable costs.

See Exhibit 23 on page 50 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 2027, 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.

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