

## Report Highlights

### Performance Study of the Administrative Operations and Expenditures of the Pittsburgh School District

Senate Resolution 2004-331 calls on the LB&FC to “investigate the administrative operations and expenditures of the Pittsburgh School District.” Given the study’s specialized nature, the LB&FC contracted with MGT of America, a nationally recognized consulting firm, to conduct the study.

**Commendations.** The report includes both commendations and recommendations. Major commendations regarding the Pittsburgh School District (PSD) include: a state-of-the-art strategic planning process; a new financial system developed in response to prior reviews; a 112% increase in Medicaid revenues since the 2001-02 school year; a comprehensive program for managing fixed assets; an on-line purchasing system; an aggressive energy management program; and a model approach to facility security, among others.

**Recommendations:** The report contains over 120 recommendations in all major non-academic areas (the report does not address the district’s educational program). The report recommends the PSD/Pittsburgh Board of Education should:

- Conduct an annual evaluation of the Superintendent.
- Systematically review and update its Policy Manual and post it on the district website.
- Realign the organizational structure of the PSD to be more effective.
- Use outside counsel for both Board and district legal needs, and eliminate the positions of internal solicitor and two legal secretaries to save \$239,000 over 5 years.
- Update the district’s personnel policies and procedures, some of which date back 10 years.
- Eliminate the Office of School Controller and consolidate the function into an Internal Audit Department (requires change in state law) to save \$2.8M over 5 years.
- Eliminate two positions in the Budget Office to save \$159,000 annually.
- Eliminate 21 Assistant Principal positions to save \$2.5M annually.
- Eliminate a position in the Fixed Assets Program to save \$189,000 over 5 years.
- Convert from a calendar to fiscal year (July – June) to better correspond to the school year.
- Eliminate three positions (Expeditor, Accountant Clerk, and Auto Mechanic) in the General Services Department to save \$639,000 over 5 years.
- Liquidate approximately 6,000 surplus computers now in storage to generate \$270,000.
- Close enough schools to the point where enrollment is about 90% of capacity (13 elementary and 6 middle schools) to save \$13.5M annually. An additional \$3.3 million could be saved over 5 years in reduced maintenance costs.
- Implement a formal value engineering process to achieve the best value for district facilities to save \$5.9M over 5 years.
- Reduce the change order rate to an average of 6% for all major projects to save \$7M over 5 years.
- Obtain agreement from private schools to shift 650 high school students to PAT transportation for savings of \$852,000 over 5 years.
- Implement a more efficient bell schedule to save \$1.5M annually.
- Eliminate four technology positions, reclassify two project manager positions, and reduce Call Center staff to save \$1.8M over 5 years.
- Increase price of school lunches (last done 13 years ago) to generate \$1.5M over 5 years.
- Eliminate competitive food sales in machines and student stores to generate \$2.2M over 5 years.
- Implement an evening shift for security personnel to avoid overtime for savings of \$725,000 over 5 years.

**Net Savings:** All totaled the net savings (recommended savings minus recommended new expenditures) amount to \$84.3 million over a five-year period.