

Approved: _____

2/23

Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by Chairperson Barbara Lawrence at 9:00 a.m. on February 5, 1998 in Room 123-S of the Capitol.

All members were present except: Senator Hensley

Committee staff present: Ben Barrett, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Avis Swartzman, Revisor of Statutes
Jackie Breymeyer, Committee Secretary

Conferees appearing before the committee: Bill Herzog, Coopers & Lybrand L.L.P., Texas
Bob Ballou, Coopers & Lybrand L.L.P., Texas

Others attending: See attached list

Vice-Chairperson Langworthy called the meeting to order and introduced Bill Herzog, who was present to give the financial reporting pilot program results.

Materials distributed by Mr. Herzog included "State of Kansas In\$ite Pilots" (Attachment 1), "State of Kansas In\$ite Pilots Sample Reports" (Attachment 2) and "Presentation of State, District, and School Spending for Public Education for 1995-96" (Attachment 3) on file in the Chairperson's office.

Mr. Herzog referred to the "State of Kansas In\$ite Pilots" attachment and the Committee followed through. He read the first two pages and stated that In\$ite takes information from some of the primary sources in the general ledger and produces management level type reports. This information answers the questions of what level of funds are directly spent on students, the amount spent on major functions of the district, how the district applies financial resources to its educational mission, expenditures that should be included to determine the full cost of operating each school and how school resources are applied to the child's educational program needs.

Mr. Herzog gave the objectives In\$ite meets and stated the five broad categories of functional expenditures. These are broken down into fifteen sub-functions which are further broken down into thirty-two detailed functions. He referred to the page that showed Expenditures by Function and stated Instruction included retirement, health insurance, salary and all benefits; all costs relative to teachers, substitutes and paraprofessionals.

Under the Expenditures by Program area, Mr. Herzog stated that 75.7% or \$240,085,915 was spend on general education. Special education was the next largest category with a 16.1% or \$51,113,177 expenditure. The Bilingual/ESL area is a relatively small area with a 1.0% or \$3,031,570 expenditure; Chapter 1/Title1 is even smaller with an 0.4% or \$1,218,112 expenditure. Vocational Education is 4.6% or \$14,700,988, with \$13.6 million from Wichita; there is a significant program there and that brings up the percentage for everyone else.

Mr. Herzog was asked if the vocational education numbers were a commitment from the local districts because of access to federal dollars and he responded that it was all dollars - federal dollars and state dollars; in some cases it could be local dollars, but it would be all dollars spent on vocational education. He stated that there is a revenue screen in the software that has the ability to capture where the dollars come from. Wichita spends 5.6% on vocational education. The next largest district is Wamego which spends 2.4%; it is 2% or less for other districts. Within the software there is the ability to capture the information at subprogram levels. As an example, if at-risk was one of the programs under general education, the at-risk dollars could be captured depending how the districts have the information coded within their ledgers. The Expenditures by Cost Type is the result after the allocation process is done.

Continuing, Mr. Herzog referred to Expenditures by Function at the Elementary Level with 58.8% of the dollars going to Instruction and 13.5% in Instructional Support. Operations, which is primarily transportation and food service is 20.5% and Leadership 7.2%. The next graph showed Per Pupil Expenditures plus the Average with the reason the Peabody graph being so high the capitol project area. This graph is looking at all expenditures, the calculation being total expenses divided by the number of pupils. They are very much in line as was the next page showing per pupil Expenditures-Elementary Schools. The next graph showed the Middle Schools area and Mr. Herzog stated that not all the district had middle schools. As one goes from the elementary to middle to high schools, more spending is involved.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION, ROOM 123-S-Statehouse, at 9:00 a.m. on February 5, 1998.

Mr. Herzog turned the program over to Mr. Ballou who continued with the Experience of Respondents. These are people who have been in the districts for a long time. The years in the district averaged eleven, years in public education fourteen and years in non-educational organizations, seven. The months working on the project or duration showed 14.5% - 4 months, 14.5% - 5 months and 71.0% - 6 months or more. The next chart showed the number of dollars in the districts budgets and the number of line items in the chart of accounts, with a further chart showing the same number of line items in the chart of accounts and the number of hours that were reported that had to be spent to implement In\$ite at this point; the more complex the chart of accounts, the more labor is involved in moving from one point to another.

In speaking of the major impediments to In\$ite implementation, Mr. Ballou stated that what came out of the survey was that there is a great for consistency in the State of Kansas for a chart of accounts with consistent definitions that can roll from one district to another. With regard to In\$ite Reports, 57% of the districts were able to generate many reports, 14% few and 29% none. This level of development is very embryonic. The data has been loaded, and general information has been generated. The data has not been played with yet. This data is management information data and that is what one does with this data. This is an area that needs to be pursued.

Mr. Ballou stated that 57% shared the reports with superintendents, 29% with building principals, 14% with board members. A great number did not share them with anybody. The only reports are only good when they are created and when shared and analyzed.

In Usefulness of In\$ite reports: 14% said they most useful, 43% somewhat useful, 14% of limited use and 29% unknown. On feedback received on usefulness from other district personnel: 14% most useful, 14% of limited use, and 71% unknown. Updating In\$ite response was 29% stated they thought once per year would be sufficient, 29% monthly, and 14% other.

Mr. Ballou ended his presentation with recommendations regarding statewide implementation and stated that 50% said they needed a detailed manual of mapping rules; 30% said they did not think In\$ite should be implemented for two reasons, that being no time to accomodate the program and some LEAs have this information elsewhere. Ten percent stated training needs to be done on an individual basis rather than on a group basis.

Mr. Ballou thanked the Committee for its time.

Mr. Heroz stated that there have been two state-wide implementations so far; South Carolina and Rhode Island. In South Carolina they took the approach that the Department of Education was the responsible entity at the state level for implementation and the state auditor's office within the Department of Education became responsible for implementation. In South Carolina In\$ite trained the trainers; they trained the people from the state auditor's office and some pilot districts. The state auditor's office trained the rest of the districts and did not charge anything for the training to the districts. The cost in South Carolina was approximately \$100,000 to \$150,000 which includes cost of training and software.

In Rhode Island they were more involved with training all the districts, then had the pilots help with the training.

In South Carolina, in their second year, they have created a state data base so they can access all the information from all their districts.

The bottom line of this program would be re-allocation of resources.

Several of the pilot districts' members were present to give their responses to the program.

The Vice-Chairperson thanked the Committee and adjourned the meeting.

The next meeting is scheduled for February 9, 1998.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE: February 5, 1998

NAME	REPRESENTING
Ken Bahr	Kays, USD #489
Mark Callinan	KASB
Sue Chase	KNEA
Scott Hill	KSBK
Vernon Mabel	JT PA - SDA - 1
Jacquie Dakes	SCE
Shirley Farmer	KASB
Danielle Nbe	Governor's Office
Bob Lancaster	Blue Valley USD 229
Diane Gjerstad	USD 259
Linda Jones	USD 259
Shelby Smith	USA
GERALD HENDERSON	USA #155
Sue Ware	USD 428
Ford Stephenson	USD 428
Jim Edwards	KCCF
Courtney Weiffel	Intern
Bob Neel	Valley Center USD #262
Kathleen Whitley	USD #457

