



Testimony to Senate Education Committee

SB 32 Creating the Efficient Operation of Schools Task Force

January 21, 2015

Dave Trabert, President

Chairman Abrams and members of the Committee,

We appreciate this opportunity to testify in support of SB 32, which would create the Efficient Operation of Schools Task Force to establish 'best practice' guidelines to be used in annual compliance audits of all school districts. This legislation was recommended by the K-12 Commission on Student Achievement and Efficiency, on which I served as a member.

The K-12 Commission heard testimony from Legislative Post Audit that made the need for these operational efficiency guidelines abundantly clear. LPA uses a few measures, such as cost-of-meal-served, in their efficiency audits but many more are needed so that district administrators and local school boards can understand the amount and types of inefficiencies that currently exist.

In the absence of these guidelines, operational practices vary greatly and result in money being unnecessarily spent – and often divert resources that would otherwise be available for Instruction. The adjacent tables show the large variances in per-pupil spending for Administration and Operations / Maintenance for FY 2013, even among districts of similar size. Circumstances may vary somewhat across districts but not to the extent that the amounts being spent are necessary in each of the 286 districts. Putting this in perspective, if efficiency guidelines helped bring spending down to median in just these two cost centers, savings of \$102.2 million would be realized.

2013 Administration Per-Pupil			
District Size: FTE Enrolled	Low	Median	High
Less than 500	\$851	\$1,588	\$3,544
500 to 999	\$893	\$1,270	\$1,990
1,000 to 1,999	\$763	\$1,111	\$3,309
2,000 to 4,999	\$801	\$1,045	\$1,739
5,000 to 14,999	\$755	\$1,037	\$1,525
15,000 or more	\$883	\$1,136	\$1,458
Source: Kansas Dept. of Education			

2013 Operations / Maint. Per-Pupil			
District Size: FTE Enrolled	Low	Median	High
Less than 500	\$534	\$1,302	\$2,450
500 to 999	\$257	\$1,146	\$1,777
1,000 to 1,999	\$595	\$1,060	\$1,867
2,000 to 4,999	\$342	\$923	\$1,547
5,000 to 14,999	\$735	\$874	\$1,448
15,000 or more	\$671	\$903	\$1,576
Source: Kansas Dept. of Education			

SB 32 would also replace the three efficiency audits performed annually by Legislative Post Audit and require every district to undergo a compliance audit of the efficiency guidelines developed by the Task Force. The cost of these compliance audits would be minimal according to testimony from independent auditors, who said they could add compliance testing to the financial audits already required of every district.

New Section 3 of SB 32 creates a mechanism for district costs associated with compliance audits to be paid by the State. If the Legislature chooses to retain this provision, we strongly encourage amending it so that districts are required to reduce costs in order to come into compliance with the findings of compliance audits within twelve months or incur a financial consequence. Testimony from LPA shows that many of the findings in the current efficiency audits are ignored by districts.

Local control is often cited as rationale for not operating efficiently, but this raises two important issues. First, whether for local control or other reasons, such actions place a lower priority on putting money into Instruction. Second, choosing to spend more than is necessary on a particular function results either in excess taxation on citizens outside the district or diversion of funding that could be used on other government services.

Kansas Policy Institute strongly supports SB 32 and encourages the Committee to support it.