



# **PERFORMANCE AUDIT REPORT**

## **K-12 Education: Survey of Efficiency Measures Taken by Kansas School Districts**

**A Report to the Legislative Post Audit Committee  
By the Legislative Division of Post Audit  
State of Kansas  
July 2013**

# Legislative Division of Post Audit

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**Scott Frank, Legislative Post Auditor**

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LEGISLATURE OF KANSAS  
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July 17, 2013

To: Members, Legislative Post Audit Committee

Representative Peggy Mast, Chair  
Representative John Barker  
Representative Tom Burroughs  
Representative Virgil Peck, Jr.  
Representative Ed Trimmer

Senator Jeff Longbine, Vice-Chair  
Senator Anthony Hensley  
Senator Laura Kelly  
Senator Julia Lynn  
Senator Michael O'Donnell

This report contains the findings from our completed performance audit, *K-12 Education: Survey of Efficiency Measures Taken by Kansas School Districts*. The detailed survey responses by district are available in a supplemental report, which is available online or by request. We would be happy to discuss the findings or any other items presented in this report with any legislative committees, individual legislators, or other state officials.

Sincerely,

Scott Frank  
Legislative Post Auditor

This audit was conducted by Heidi Zimmerman, Lynn Retz, and Matt Etzel. Justin Stowe was the audit manager. If you need any additional information about the audit's findings, please contact Heidi Zimmerman at the Division's offices.

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# K-12 Education: Survey of Efficiency Measures Taken by Kansas School Districts

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During fiscal year 2012 the Legislature included a proviso in the fiscal year 2013 appropriations bill requiring Legislative Post Audit to conduct an audit of three school districts by the end of the fiscal year. That audit work included a survey of school districts to identify what types of actions they have already taken to reduce costs and improve efficiencies.

We sent a survey to superintendents in all 286 school districts to answer the following question:

**What actions have Kansas school districts taken in the last three years to reduce costs and improve efficiencies?**

A copy of the scope statement approved by the Legislative Post Audit Committee is included in *Appendix A* on page 15. For reporting purposes we created a new question to reflect what our survey was intended to answer.

The survey asked superintendents to identify what actions they have taken across nine different categories such as staffing, food services, operations and maintenance, and instruction. We asked superintendents about actions taken in the last three years so we could present information that reflects what superintendents have done recently.

The following pages show the survey results by savings category. Detailed information about how each district responded is included in a supplemental appendix and can be provided upon request.

We conducted this performance audit in accordance with generally accepted government auditing standards. The standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our findings begin on page 3.





## What Types of Actions Have School Districts Taken in the Last Three Years to Reduce Costs and Improve Efficiencies?

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### *We Surveyed Superintendents to Identify What Measures They Have Taken to Reduce Costs and Improve Efficiencies in the Last Three Years*

**We surveyed all 286 school district superintendents to identify actions they have taken to reduce costs and improve efficiencies.** We received responses from 156 superintendents for a 55% response rate. To create the survey, we compiled a list of cost saving and efficiency actions across nine functional categories. We asked superintendents to identify which of those actions they had taken and gave them the opportunity to identify other actions they have taken that we did not list.

**We asked superintendents to limit their responses to measures taken in the last three years to capture recent savings actions.** We are aware that district officials have been taking actions to reduce costs for many years. Several superintendents noted that although they have implemented certain efficiency measures mentioned in our survey, they did not report them because the district took the action more than three years ago. As a result, our survey results should be viewed as an indication of recent cost savings actions, and not a comprehensive list of every efficiency action a district has taken.

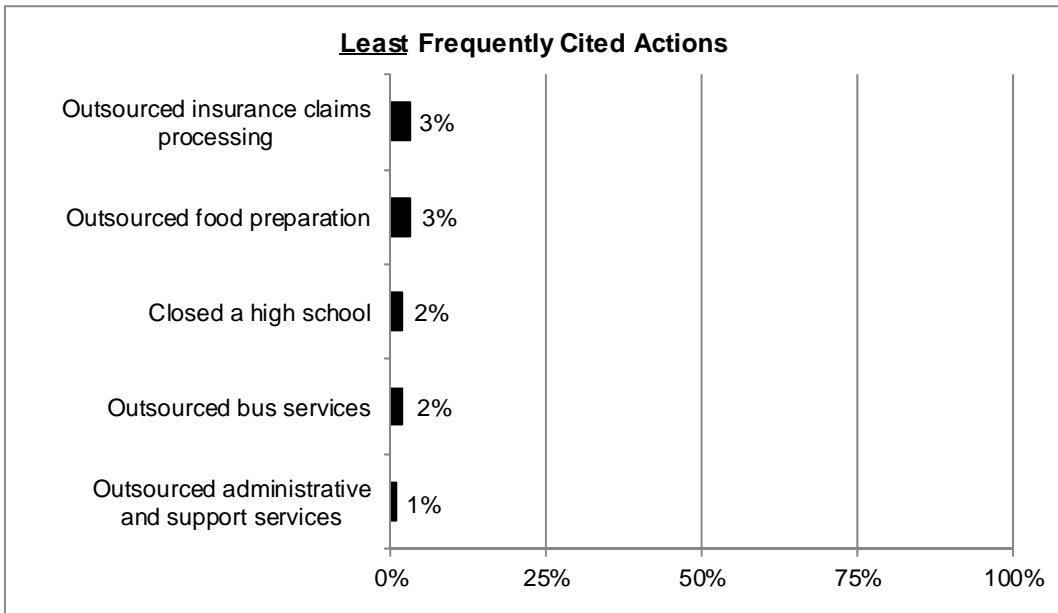
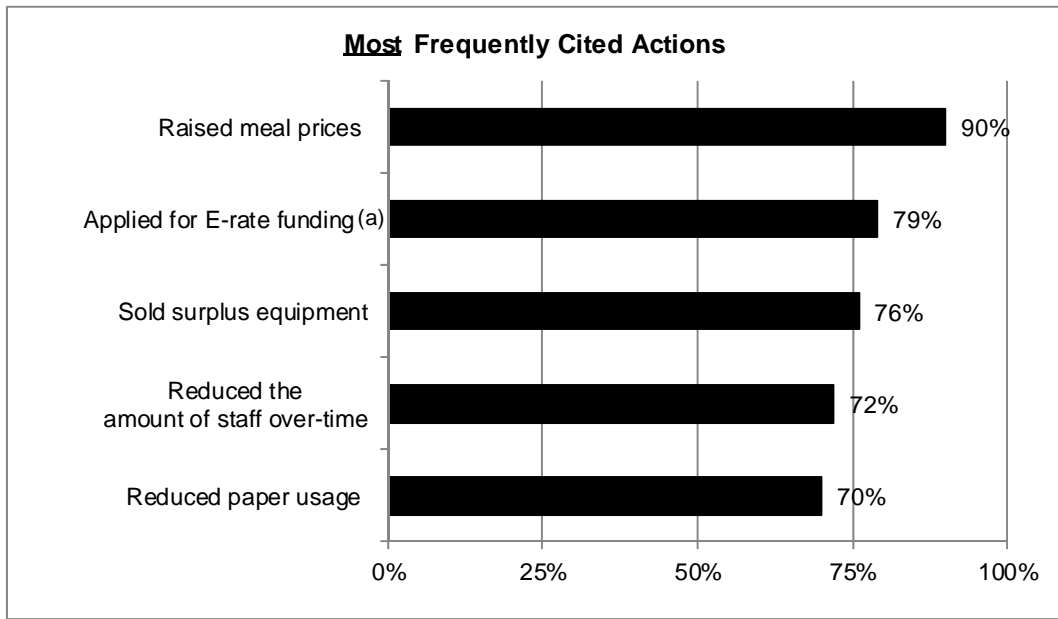
We reviewed the responses across and within all nine cost savings categories. Across the categories we found the following:

- **The most common actions taken by districts to reduce costs were in areas unrelated to student instruction.** Specifically, the majority of the districts' efforts involved changes to administrative and support functions. The top of **Figure 1-1** shows the five most commonly cited actions district have taken to reduce costs. As the figure shows, these actions are in areas such as food services, information technology, and administration.
- **The least common actions taken by districts to reduce costs were related to outsourcing various functions.** The bottom of **Figure 1-1** shows the five least commonly cited actions district have taken. As the figure shows, four of the five actions were related to outsourcing activities such as claims processing, food preparation, and bus services.

Additionally, 25 of the 156 responding superintendents (16%) indicated their district had taken part in an external audit in the last three years. The majority of those districts were audited by the Center for Innovative School Leadership at Emporia State University.

The results by category can be found on the following pages.

**Figure 1-1**  
**The Five Most and Least Cited Actions Districts Have Taken to Reduce Costs and Improve Efficiencies in the Past Three Years**

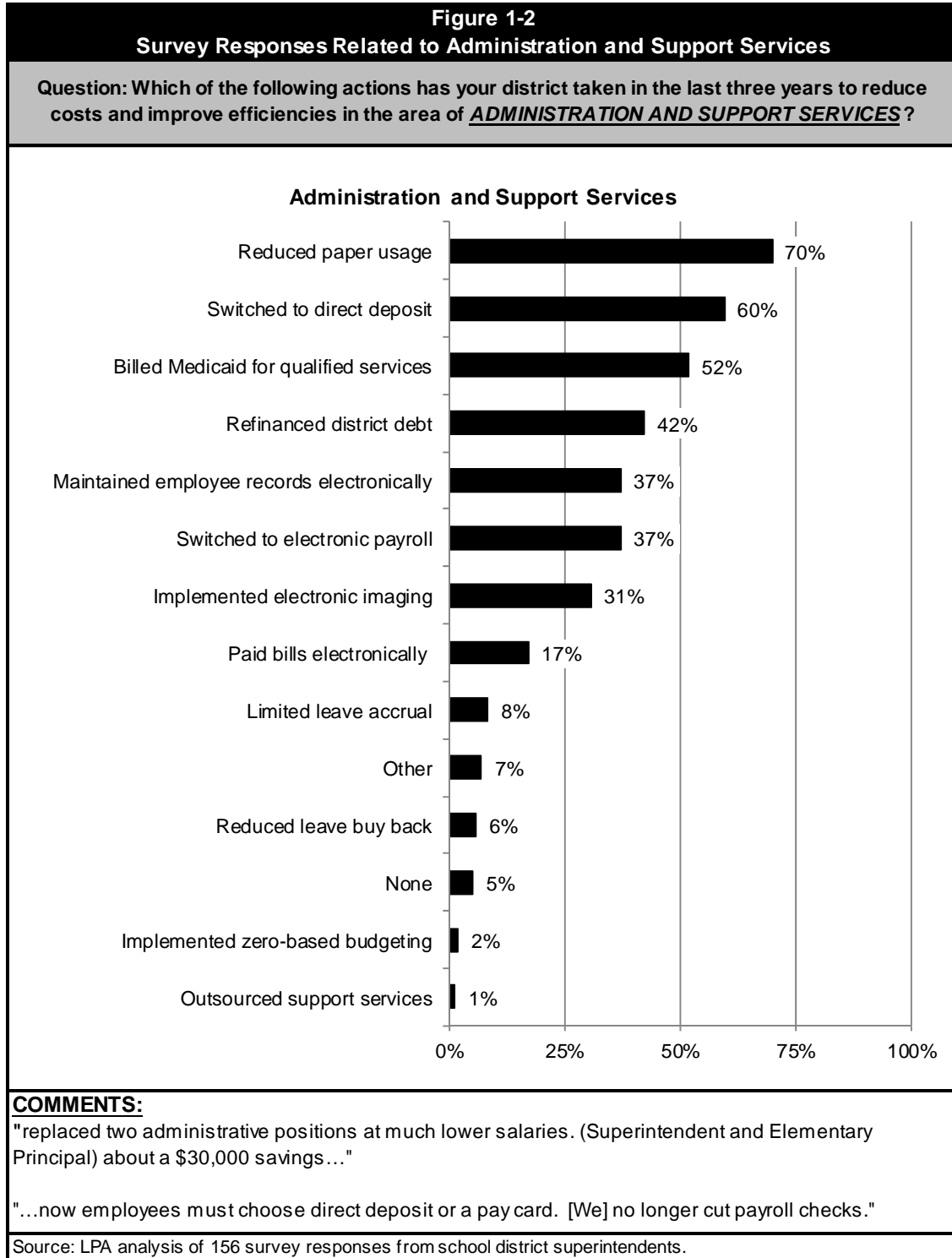


(a) E-rate is a federal program that reimburses districts for a percentage of their Internet and certain other telecommunication costs.

Source: LPA analysis of 156 survey responses from school district superintendents.

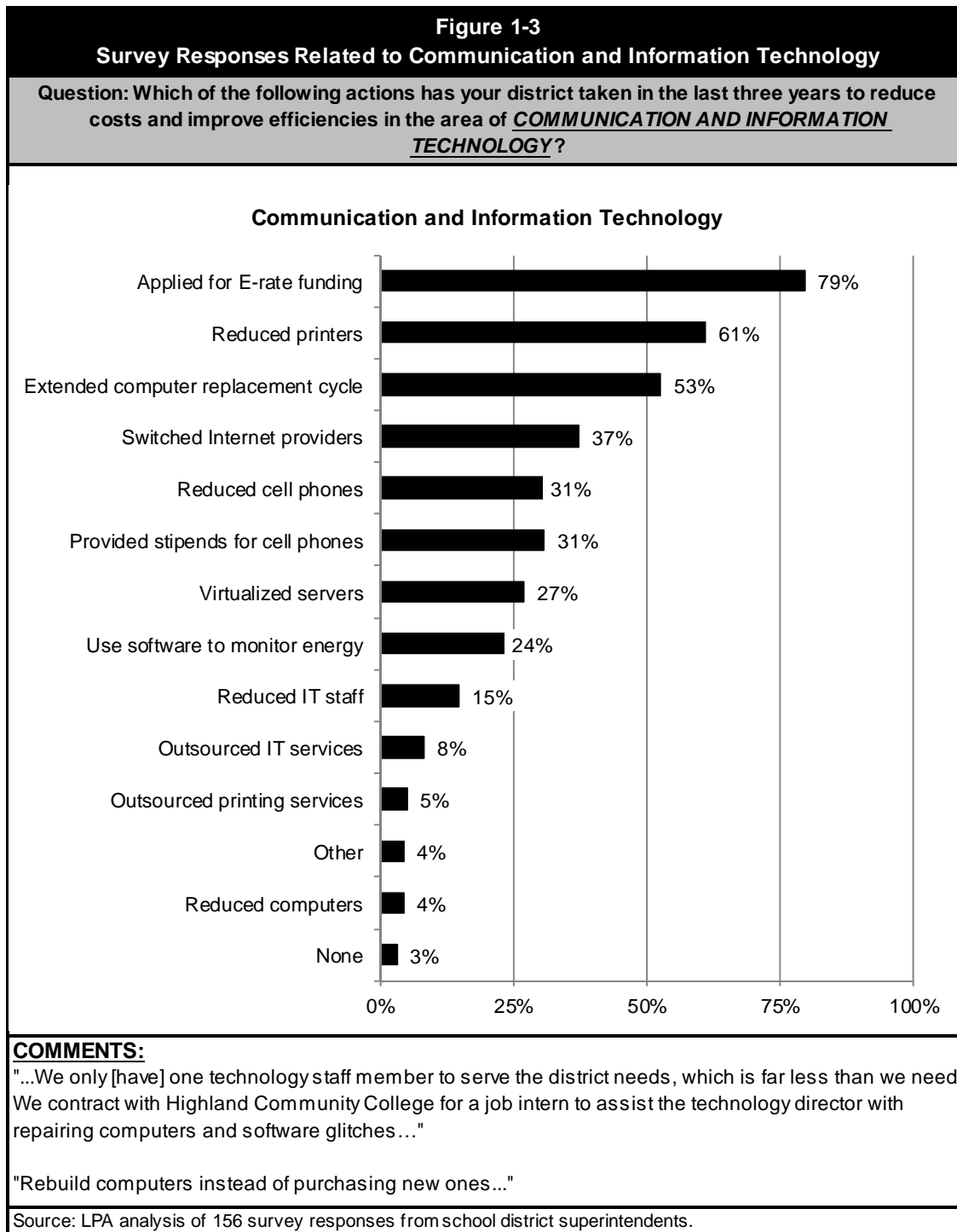
***Reduced Paper Usage and Increased Direct Deposits Were the Most Common Administrative Cost Savings Actions Districts Reported***

**Figure 1-2** summarizes actions taken by school districts in the last three years intended to reduce costs and improve efficiencies in administration and support services.



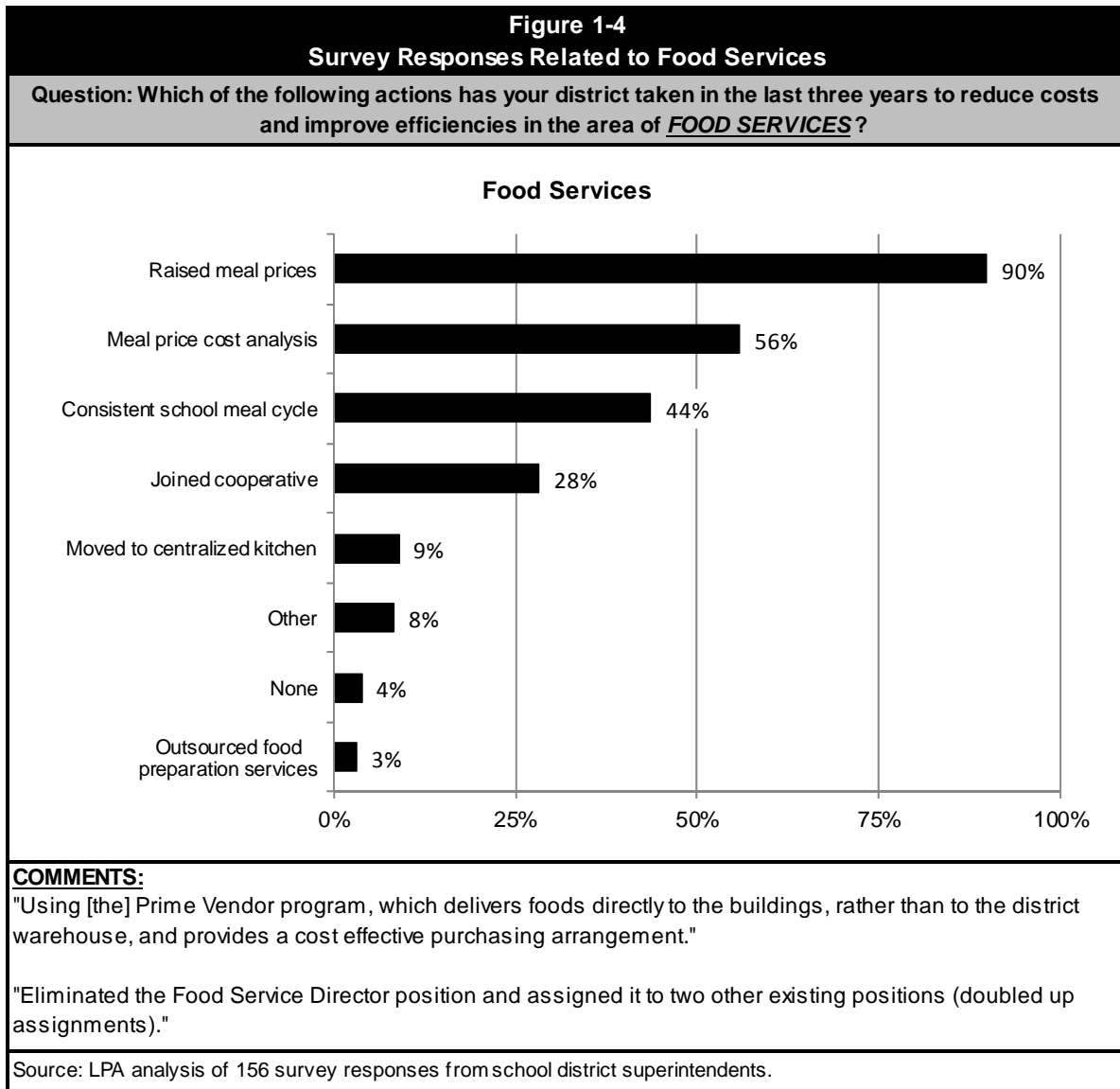
***Applying for Federal E-Rate Funding and Reducing Printers Were the Most Common Communication and IT Cost Savings Actions Districts Reported***

Figure 1-3 summarizes actions taken by school districts in the last three years intended to reduce costs and improve efficiencies in communication and information technology.



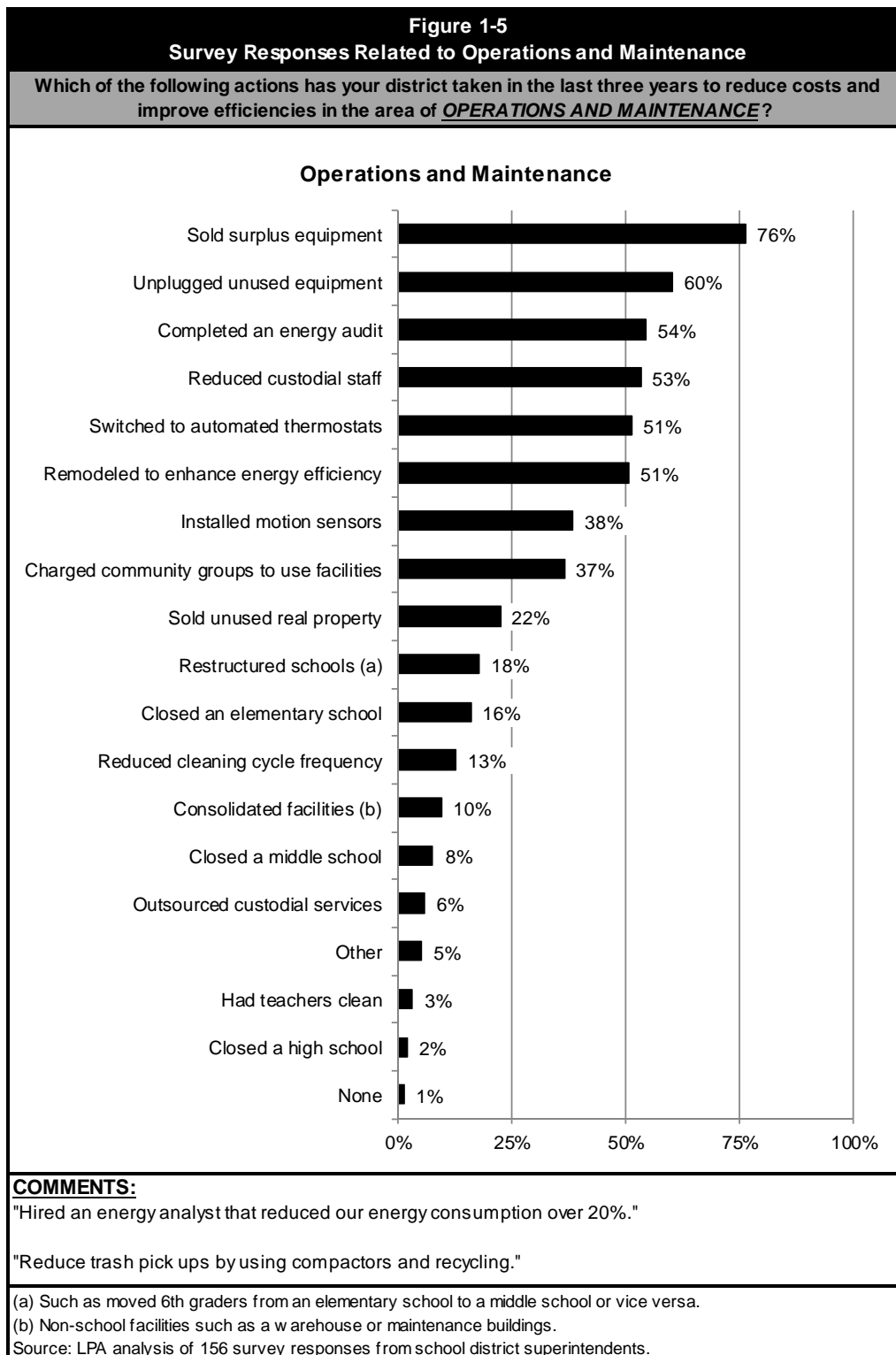
***Raising Meal Prices and Conducting a Meal Price Analysis Were the Most Common Food Service Revenue Enhancements or Savings Actions Districts Reported***

**Figure 1-4** summarizes actions taken by school districts in the last three years intended to reduce costs, generate additional revenue, or improve efficiencies in food service.



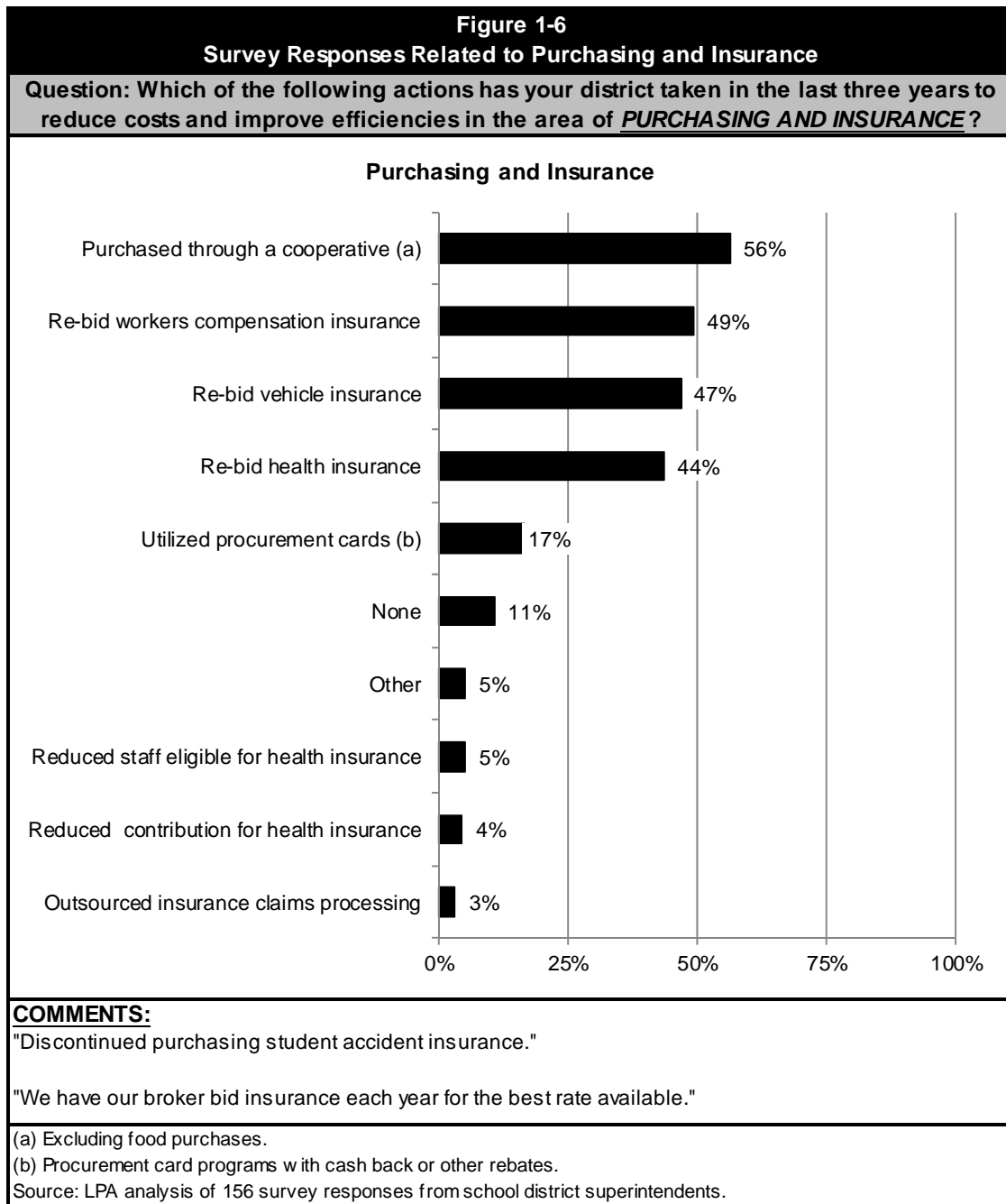
***Selling Surplus Equipment and Unplugging Unused Equipment Were the Most Common Operations and Maintenance Cost Savings Actions Districts Reported***

**Figure 1-5** summarizes actions taken by school districts in the last three years intended to reduce costs and improve efficiencies in operations and maintenance.



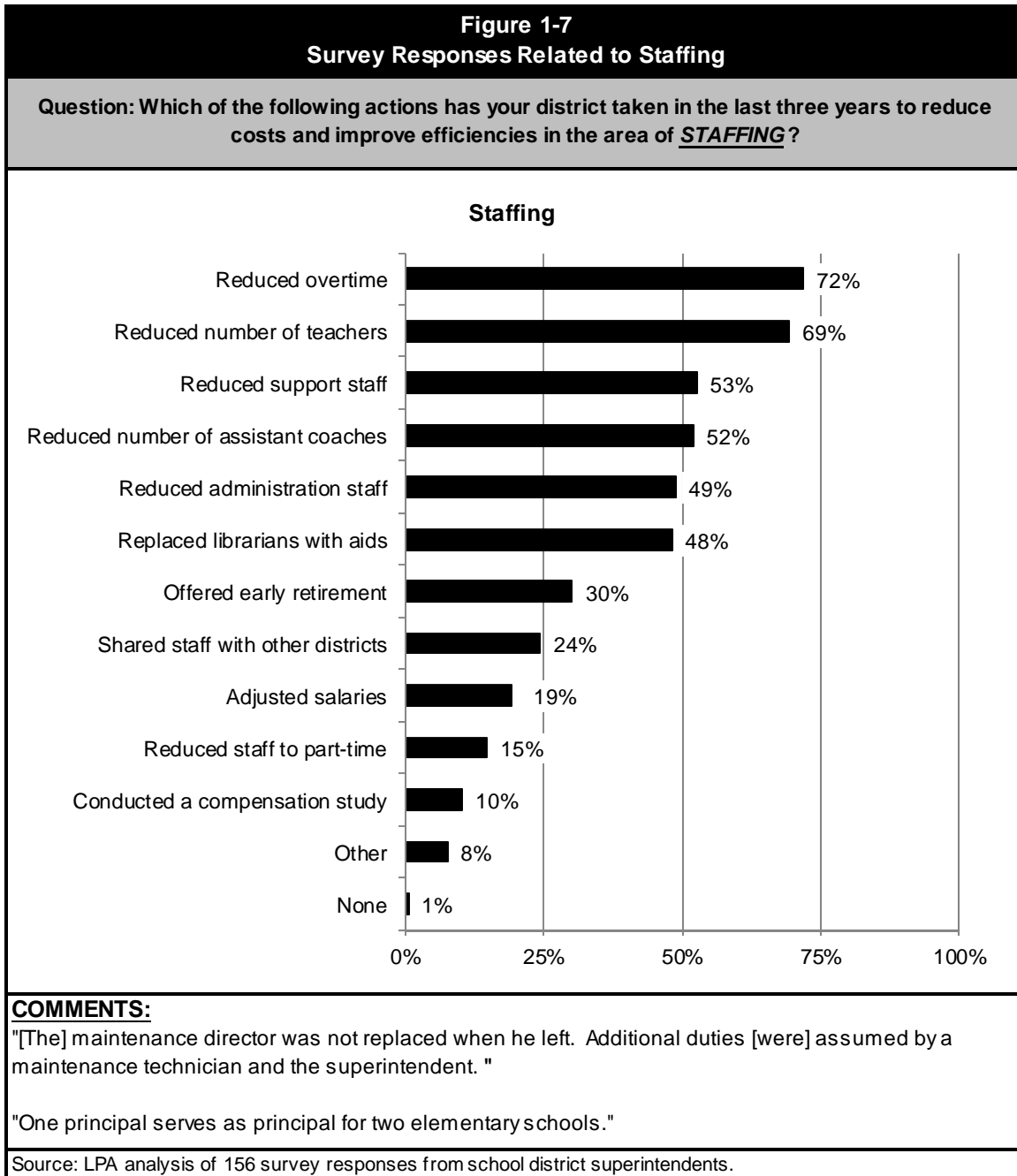
***Purchasing Through a Cooperative and Re-bidding Workers Compensation Insurance Were the Most Common Purchasing and Insurance Cost Savings Actions Districts Reported***

**Figure 1-6** summarizes actions taken by school districts in the last three years intended to reduce costs and improve efficiencies in purchasing and insurance.



**Reducing Overtime and Reducing the Number of Teachers Were the Most Common Staffing Cost Savings Actions Districts Reported**

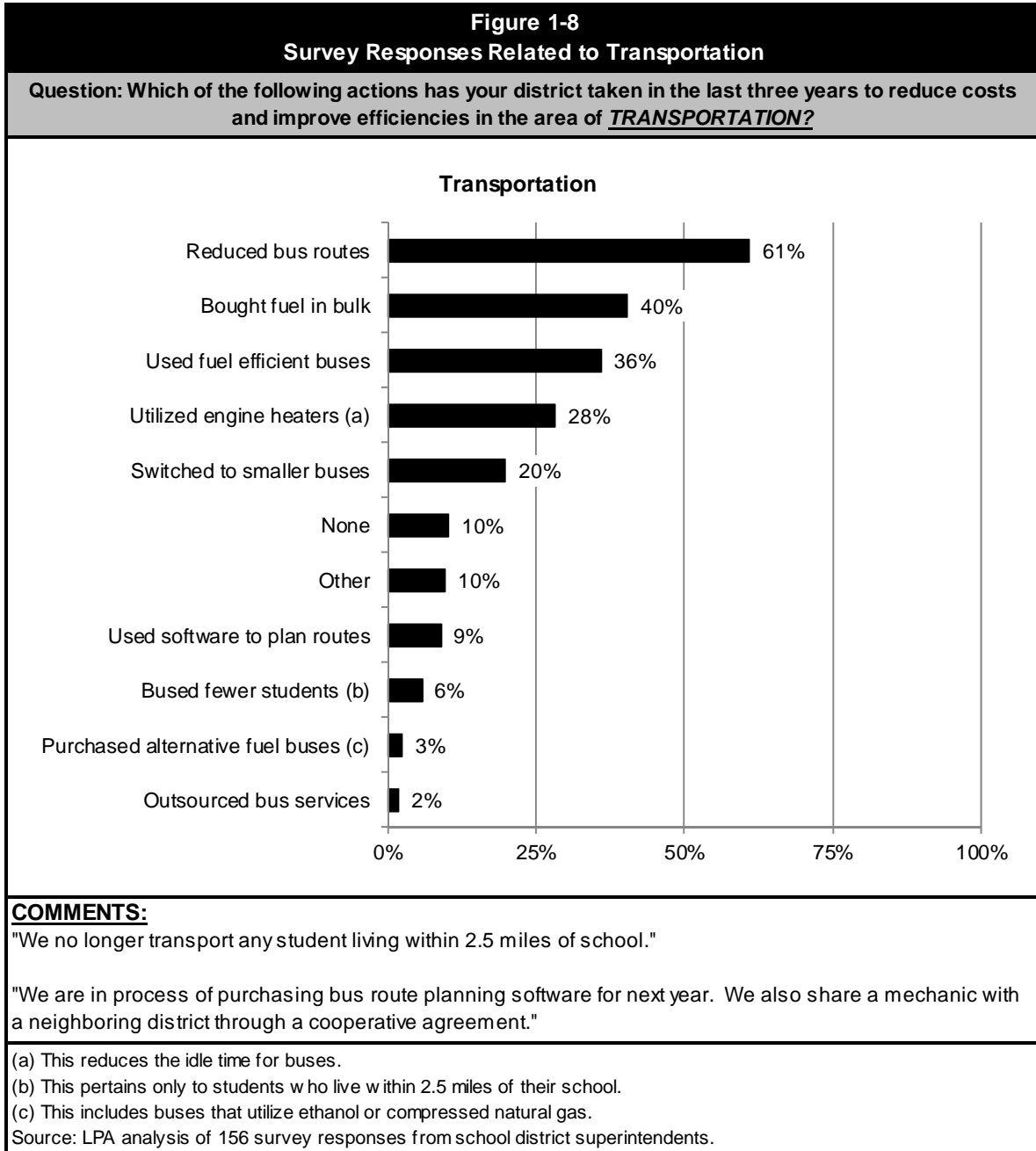
Figure 1-7 summarizes actions taken by school districts in the last three years intended to reduce costs and improve efficiencies in staffing.





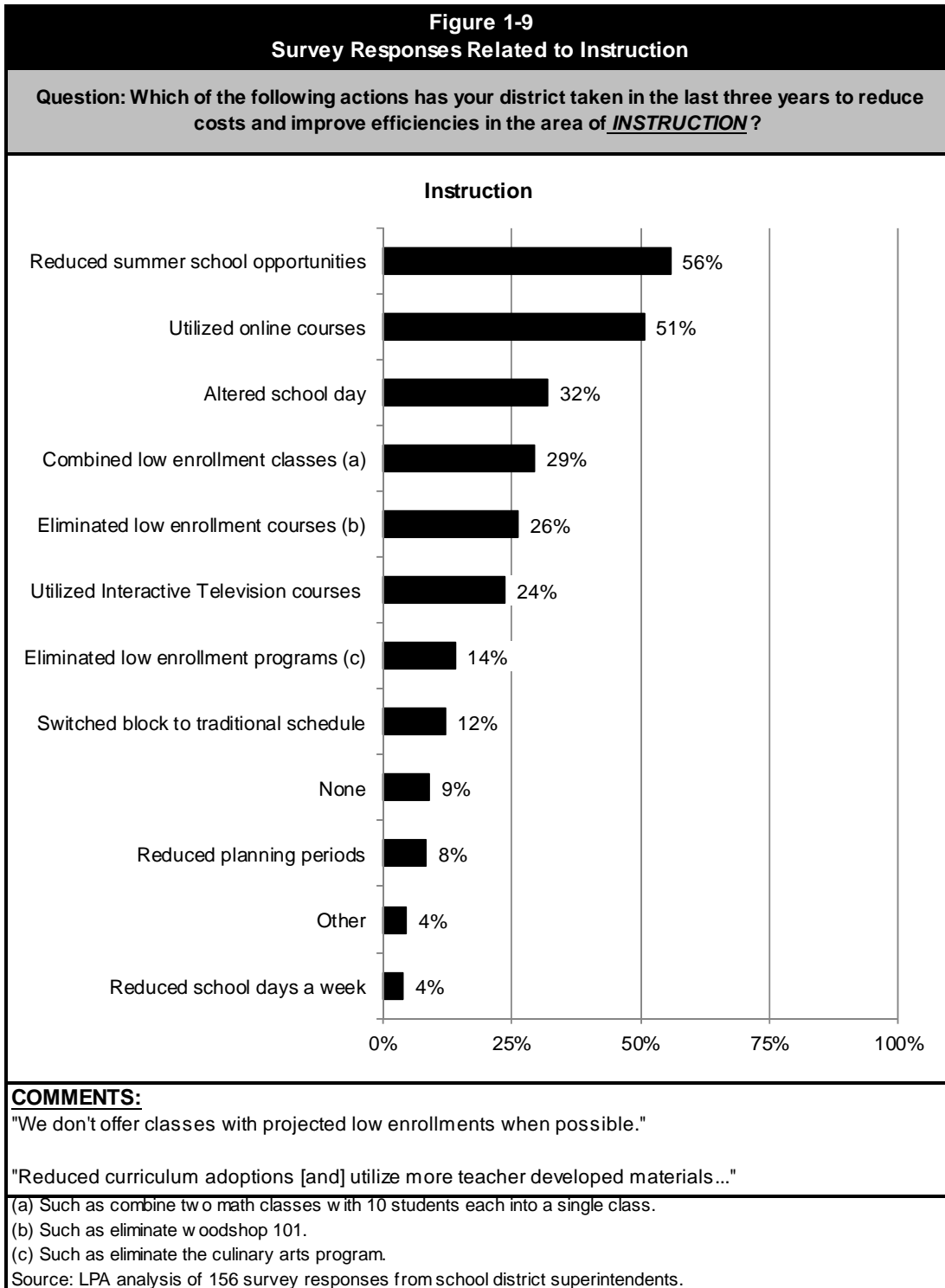
***Reducing Bus Routes and Buying Fuel in Bulk Were the Most Common Transportation Costs Savings Actions Districts Reported***

**Figure 1-8** summarizes actions taken by school districts in the last three years intended to reduce costs and improve efficiencies in transportation.



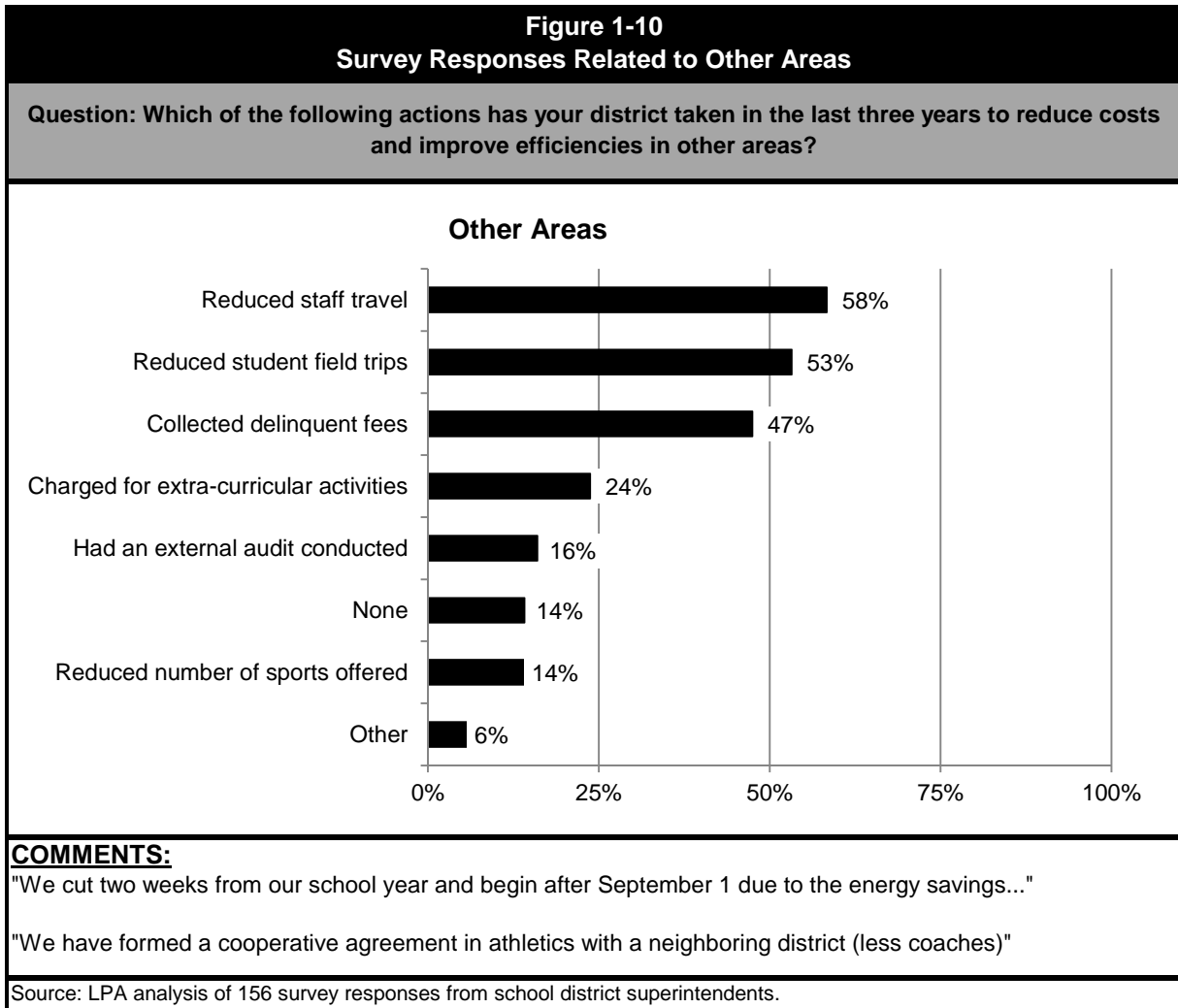
***Reducing Summer School Opportunities and Utilizing Online Courses Were the Most Common Instructional Cost Savings Actions Districts Reported***

**Figure 1-9** summarizes actions taken by school districts in the last three years intended to reduce costs and improve efficiencies in instruction.



***Reducing Staff Travel and Student Field Trips Were the Most Common Other Types of Cost Savings Actions Districts Reported***

**Figure 1-10** summarizes other actions taken by school districts in the last three years intended to reduce costs and improve efficiencies.





## APPENDIX A

### Scope Statement

This appendix contains the scope statement approved by the Legislative Post Audit Committee for this audit on July 10, 2012. The audit was required by a 2013 budget proviso.

#### **K-12 Education: Efficiency Audit of Selected School Districts**

During fiscal year 2010, the Legislative Division of Post Audit conducted voluntary efficiency audits of school districts. Officials from several school districts volunteered for the audits as a way to help them identify ways they could reduce costs without affecting the education they provide students. In total, seven school district efficiency audits were conducted. Among other things, these audits found potential savings related to food service programs, high school scheduling, and consolidating administrative functions into a single building.

During the 2012 legislative session, legislators expressed an interest in having us perform an efficiency audit similar to those performed in 2009 and 2010. As a result of that interest, the Legislature included a proviso in the fiscal year 2013 appropriations bill requiring an audit of three school districts by the end of the fiscal year.

This school district performance audit answers the following question:

- 1. Could selected school districts achieve significant cost savings by improving resource management, and what effect would those actions have?** To answer this question, we would select three school districts for review (one small, one medium, and one large), with preference given to districts that voluntarily requested an audit. We would interview district officials, tour facilities, and compare each district's staffing and expenditures to its peers to identify areas where the district could potentially save money. We would evaluate each district's practices in the areas we identified to see if there are ways the district could use fewer resources without significantly affecting their ability to educate students. Further, we would interview school district officials and others to identify the potential effect those actions might have on the local community, teachers, parents, and students. **Finally, we would survey school districts to identify what types of efficiency measures they have already taken to reduce costs.** We would perform additional work in this area as necessary.

**Estimated Resources:** 3 LPA staff

**Estimated Time:** 6 months (a)

- (a) From the audit start date to our best estimate of when it would be ready for the committee. This time estimate includes a two-week agency review period.*



## **APPENDIX B**

### **Agency Response**

On June 25, 2013 we provided copies of the draft audit report to the Kansas State Department of Education. Its response is included as this Appendix. The agency concurred with the report's findings.



## Office of the Commissioner

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June 27, 2013

Mr. Scott Frank  
Legislative Post Auditor  
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Dear Mr. Frank:

Thank you for the opportunity to review your recent audit, *K-12 Education: Efficiency Audit of Selected School Districts*. It appears the auditors have followed the direction of the Legislative Post Audit Committee. We hope the information will be used in an effective and efficient manner.

Please feel free to contact this office if we can assist you further.

Sincerely,

Dr. Diane M. DeBacker  
Commissioner of Education  
Kansas State Department of Education



