



INDIANA GOVERNMENT EFFICIENCY COMMISSION

STEPHEN BARANYK CO-CHAIRMAN

JIM BAKER CO-CHAIRMAN

MINUTES K-12 EDUCATION SUBCOMMITTEE 24 February 2006 Conference Room 1, IGCS 10:00 A.M.

The Subcommittee was called to order at 10:00 a.m. A quorum of the members of the Subcommittee was present.

I. LEGISLATIVE REVIEW/UPDATE

David Shane, Senior Advisor to the Governor, Education and Employment, provided a review of pending legislation impacting K-12 Education. The key bill of interest to our Subcommittee, H.B. 1006, was passed into law but at this writing I do not know the full extent of the contents of the bill. As proposed it included the following:

Part One: An expansion/clarification of the flexibility for local districts to share resources,

Part Two: Provided common language on how to spend local school funds to provide for common language and better management of funds between the General Fund and other Funds,

Part Three: Provides for local school boards to establish targets for spending with differences between rural and urban districts based on student demographics,

Part Four: Directs the IDOE Financial Division to improve the flow of Financial Management Data to support GAAP type analyses,

File sharing, not simply new systems,

Common Analyses

Define categories of spending to more clearly define In-Classroom versus Out-of-Classroom expenditures to promote both efficiencies and increased flow of funding into the Classroom.

It is my understanding that the as passed bill includes the provisions of Part Four. This ties into the work of our Subcommittee and makes our effort to develop a better definition of In-Classroom versus Out-of-Classroom expenditures to support improved financial management within school districts very important.

During our discussions Hon. Sen. Mills suggested we look into K-12 school spending on several levels; by individual school corporations, by categories of spending and by the Results achieved. This analysis will

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I. LEGISLATIVE REVIEW/UPDATE (CONTINUED)

lead to more questions. Lowell Rose asked that we look at family income and not per capita income and that we work closely with C.E.E.P.

It was pointed out that 288 of the 292 school corporations are in the IDOE database and that Hamilton Southeastern Schools are not in the database (don't know why).

II. SCHOOL CONSTRUCTION COST FACTORS

It was noted that school construction costs are lowest where districts have to compete for money to build schools with other community needs.

The next lowest level of school construction costs occur where Referenda are used to approve spending although this often causes school construction to lag behind actual demographic needs.

Some possible solutions for Indiana would include:

More/Increased State Control through either Administrative (Tax Board/IDLGF) means or through Legislation

Institution of Referenda to approve local school spending

We were advised that the IDOE does not collect school costs/spending data at the specific building level by district and that there is no central inventory of buildings and associated data at the State level

It was recommended that our Subcommittee should look into the construction of an appropriate database including an inventory of local school corporation buildings and the associated costs (construction and occupancy) to support more effective management and analyses of spending patterns.

III. EDUCATIONAL SERVICE CENTERS

A number of questions have been raised based on our work to date.

Why is it that not all school corporations participate in the Educational Service Centers?

Why is it that many large school districts do not participate?

Why do the Educational Service Centers not cover more of the total purchases by local school corporations?

Why do the ESCs engage in quasi-educational issues such as workshops?

The Marion County superintendents meet as a group to review common issues including school spending while rural school corporations may not participated for a variety of reasons.

It appears that our Subcommittee needs to look into this (the participation in the ESCs and the level of expense

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III. EDUCATIONAL SERVICE CENTERS (CONTINUED)

items which are included) to determine how to make the ESCs work more effectively across the State.

IV. CHART OF ACCOUNTS/FINANCIAL DATA DEFINITIONS

There continues to be a need to develop a common definition of;

What is "Classroom Spending ?

What items of spending are "Instructional ?

It was recommended that the Subcommittee gather first hand information from local school corporation business managers, review their approach and use the information to support the Legislature's desire to develop a more effective method of measuring the distribution of costs (Note; H.B. 1006).

What are the key categories of spending within a school corporation and what specific transactions should be recorded in which categories?

It was suggested that we work to match the current Chart of Accounts Objects to the four categories in H.B. 1006 or to those categories suggested by Hon. Sen. Mills and see what comes out.

The IDOE staff can provide some support for this effort.

The following was suggested by Hon. Sen. Mills as a possible approach to this issue.

Redefine the spending within the General Fund as follows:

Instructional

Instructional Support

Student Services (Nurse, Counselors, Food, etc)

Facilities

Administration

V. OTHER INFORMATION

A. CINDY THE SUPERMODEL

Dr. William Styring, Senior Technical Advisor to the Subcommittee, presented the initial findings generated by the multiple regression model which indicates that the most significant item in the Complexity Index which impacts student achievement as measured by ISTEP scores is the percentage of students in the population of the school district eligible for the Free Lunch Program and several items were of no statistical significance.

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V. OTHER INFORMATION (CONTINUED)

A. CINDY THE SUPERMODEL (CONTINUED)

Based on the results obtained to date it was agreed that work would continue on the development and application of the Cindy Model beginning with a meeting with C.E.E.P. and continuing with a joint effort with C.E.E.P. and I.D.O.E. and other interested parties (ISTA/Dan Clark has expressed interest in working with the Subcommittee on the application of the model to various factors of interest to ISTA) to gain as much information as possible in support of the Mission of the Subcommittee.

Dr. Styring and Mr. Baranyk met with C.E.E.P. on Friday, March 17 on this issue with the result that the effort is continuing with a meeting on March 30 with IDOE, C.E.E.P. and ISTA staff to continue this work.

B. Lowell Rose offered the following:

The academic performance of a school is largely dependent on the leadership demonstrated by the Principal who believes in a Mission and convinces the Staff to buy into the Mission and then finds a way to obtain the Resources needed to support the attainment of the Mission.

This helps to explain why some schools within a local district succeed while others within the same local district do not.

C. KEY THRUSTS FOR THE WORK OF THE SUBCOMMITTEE

Based on the discussions during the meeting it was agreed that the Subcommittee would focus on the following for the duration of our work:

1. Develop a more effective definition of the distribution of costs within the General Fund to Instructional and Non-Instructional applications/uses following the suggestion by Hon. Sen. Mills.

This work would support the effort required by H.B. 1006 to revise the Chart of Accounts used to track K-12 spending.

2. Develop recommendations for improving the effectiveness of the ESCs (Buying Co-ops) to support improved cost efficiencies within individual school districts.
3. Continue to Develop the Cindy Model and apply it to as many factors as reasonable to determine the proper definition of items to be included in the School Funding Formula including the Complexity Index

Respectfully submitted by S. W. Baranyk, Acting Chairman, K-12 Subcommittee, Indiana Government Efficiency Commission