



INDIANA GOVERNMENT EFFICIENCY COMMISSION

STEPHEN BARANYK CO-CHAIRMAN

JIM BAKER CO-CHAIRMAN

REVISED MINUTES (7 MAY 06)
K-12 EDUCATION SUBCOMMITTEE
17 APRIL, 2006
Conference Room 130, IGCS
10:00 A.M.

The Subcommittee meeting began at 10:00 as a joint meeting with the Regional Directors of the Educational Service Centers and key staff members of the IDOE lead by Dr. William Riley in the Riley Conference Room of the IDOE, 151 West Ohio Street. Minutes of that meeting have been prepared and circulated independently to the participants.

I. REVIEW OF MINUTES FROM 24 MAR 06 MEETING

The minutes from the previous two meetings and supporting documentation were distributed and reviewed without comment by the members of the K-12 Subcommittee

II. REVIEW OF SUBCOMMITTEE WORK ASSIGNMENTS

A. EDUCATIONAL SERVICE CENTERS

The question was asked as to what do the ESCs really do?

Based on their comments to us (and independent of the listing of their services as contained in the attached Excel Spreadsheet) it appears that the ESCs are engaged in:

Cooperative Purchasing of goods and services for member school corporations,

The development of Professional Development Programs for member school corporations,

To what extent do the ESCs keep records of their actions/activities and the savings generated?

What are the items purchased by the ESCs – textbooks?

What was the intent of the original legislation and how has that intent been modified by subsequent legislation?

Why do some of the districts refrain from participating?

It appears that this may be an issue of “Local Control – see the ESC Meeting Minutes

Why do the member school corporations belong to their local ESC while others do not?

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Lowell Rose pointed out that the local participating school superintendents run the individual ESC districts.

The superintendents and their staff will examine the ESC budget with a fine tooth comb looking for items which can be reduced or eliminated to keep down the cost of operating the district ESC.

This begged the question of just how the participating district superintendents measure the success of their local ESC?

S. W. Baranyk was directed to visit the DOE web site and pull data on items such a fuel oil and other items for circulation to the attendees – not yet completed at this writing.

HEA 1006 is specific only on natural gas

S. W. Baranyk has asked for and has been granted a meeting with the State Board of Accounts to review the revisions to the Chart of Accounts. The meeting is scheduled for Monday, May 1 at 2:00 p.m. in the State Board of Accounts office with Chuck Nemeth and Stan Mettler – all are welcome to join in.

III. CONSTRUCTION AND OCCUPANCY COSTS

These costs are looked upon by the local school corporations as being totally under their local control as no state money is involved.

Hon. Sen. Mills feels it is important that the true costs of occupying a building during the projected life of the building need to be identified at the time of construction planning to provide an accurate measure of the total cost of a given building.

Tom Taylor recommended that the Subcommittee approach the DLGF and the State Board of Accounts on how they feel the Commission could help them in their work. What recommendations can we make that will help them? We will do this.

Are there legislative conflicts impacting the development of better controls on the cost of school construction?

It was pointed out that the DLGF does in fact gather detailed information on school construction costs but has not yet posted this data to their web site.

We will approach the DLGF on this issue.

It was pointed out that the local school boards and their superintendents are the ones who control school construction and occupancy costs and not the voting public – there is an acquiescence by the public to the local school board and the superintendent on the issue of construction and occupancy.

The Tax Board hearing data sheets have lots of information but they are not posted to the web – why?

IV. LOCAL SCHOOL CORPORATION FINANCIAL MANAGEMENT

Hon. Sen. Mills said the State Board of Accounts should answer the question;

What should an effective Accounting and Financial Management System look like for a public school corporation to support good Financial Management?

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How should this be melded into the State Board of Accounts work in support of the legislative directives?

It was suggested that the Chart of Accounts used by the IDOE and the local school corporations to manage their operations is different from the Chart of Accounts used by the State Board of Accounts

Dr. Riley of the IDOE offered the following comment after reading these minutes:

"I don't remember where this comment came from. School corporations have to use the uniform chart of accounts as prescribed by the State Board of Accounts if for no other reason that the uniform chart of accounts is what schools are audited against by the S.B.O.A. They may indeed expand the chart of accounts for detail purposes, but an expenditure for gas or oil is still captured under the respective account/account numbers for gas or oil. The data collected by IDOE is driven from the same uniform chart of account prescribed by the S.B.O.A. Again, I don't remember where this comment came from, but thought it would be necessary to say something about it."

S. W. B. RESPONSE

In checking my notes from the meeting I was unable to add any additional information on this subject. The Minutes are consistent with my hand written notes.

We need to ask the question:

How does the local school corporation Chart of Accounts fail to support sound financial management at the local school corporation level?

Lots of work to do.

V. NEXT MEETING

The next meeting of the K-12 Subcommittee is scheduled for 10:00 a.m. on Tuesday, May 9. Andy Norris has reserved Room 21 in the IGCS for this meeting.