



LEGISLATURE OF KANSAS
LEGISLATIVE DIVISION OF POST AUDIT

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To: Kansas School Board Presidents

As many of you know, our office has conducted school district performance audits on an ongoing basis since 2005, when the Legislature created a five-person school audit team to “monitor school district funding and other oversight issues through audit work.” Those audits are directed by the 2010 Commission, a statutorily created steering committee charged with ongoing monitoring and evaluation of the school finance formula, and with making recommendations to the Legislature regarding school finance.

We currently are completing an audit looking at school district efficiency. As originally directed by the Commission, that audit would have consisted of two phases: The first phase called for analyzing district staffing and expenditure data to identify areas where spending for districts appeared to be out-of-line compared with their peers. The second phase called for following up on a sample of districts to evaluate their processes in the areas that appeared to be out-of-line to determine if there were ways they could reduce costs. At its April 2009 meeting, the Commission directed us to suspend the follow-up part of the audit to alleviate concerns some superintendents had expressed about having an efficiency audit conducted while they were trying to address funding cuts from the State.

However, at its May 2009 meeting, the Commission discussed the fact that some districts may want to take advantage of the external review we could provide as part of an audit—at no cost to the districts—in helping them look for opportunities to provide their non-instructional operations more economically or more efficiently. As an audit agency, we still would have to produce a public report of our findings. The Commission directed us to contact school districts to see if any of them would like that assistance.

Since April 2008, about half the regular performance audits we’ve conducted have focused on cost savings and efficiencies. Such audits focus on ways in which agencies can change the way they currently operate to *essentially accomplish the same thing using fewer resources, or to allow their existing resources to become more productive*. If fewer resources are needed to maintain the services and protections agencies provide, policymakers can use the savings either to reduce costs, or to redirect those resources to other activities. The following are some examples of the kinds of cost savings we’ve found through our efficiency audits:

- The Department of Health and Environment could save almost \$29,000 a year, and free up another 1,800 hours of staff time, by automating its process for preparing, storing, sharing, and retrieving inspection reports.

- The State could save more than \$700,000 a year—primarily from eliminating or restructuring staff positions—by moving the Animal Health Department and the Conservation Commission with the Department of Agriculture.
- State agencies could generate between \$380,000 and \$1.3 million in additional cash-back rebates each year by making more purchases with their business procurement cards.

In the course of our work on efficiency audits, we've also reviewed a number of articles and audits from other states, and compiled a list of things agencies and other governmental units can do to streamline their operations, become more efficient, and better cover their costs. We're providing a copy of that list in hopes it can help you identify ways you could reduce costs without hurting your mission of providing high-quality education to Kansas students.

Once again, if you would like your district to participate in an efficiency audit, or if you have any other questions, please contact Scott Frank or me at (785) 296-3792.

Sincerely,



Barbara J. Hinton
Legislative Post Auditor

cc: Kansas School Superintendents
Members, 2010 Commission
Sharon Wenger, Martha Dorsey, and Reagan Cussimano, Legislative Research
Theresa Kiernan, Office of the Revisor of Statutes
Dale Dennis, Deputy Commissioner, Kansas Department of Education

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