

Administrative Efficiencies In Select States

Staff was tasked to provide examples of school district-level administrative efficiencies in neighboring and other states. Eight one-page synopses of such state examples follow here. In some instances there are footnoted references to other supporting documents that are coming to you in hard copy by mail. (We did not want to overload your printers with what are essentially deeper background documents.)

Neighboring states included here are Idaho, Wyoming and Washington, and other states cited are North Carolina, South Carolina, Iowa, Florida, and Michigan. The varied administrative efficiencies / cost saving initiatives found in these states tended to fall within the following categories:

School consolidation inducements or requirements

- Idaho, N. Carolina, S. Carolina

School configuration guidelines (akin to consolidation)

- Wyoming

Cooperative services and purchasing arrangements

- Washington

Shared operational functions inducements

- Iowa

Review of financial management practices; study of cost-savings opportunities

- Florida, Michigan

Idaho

SB-1067

Allows consolidated school districts to offer limited severance payments, and reimburses for the same.

SECTION 3. That Chapter 5, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-521, Idaho Code, and to read as follows: 33-521.

EMPLOYEE SEVERANCE IN CONSOLIDATED DISTRICT. The board of 50 trustees of any school district newly formed within the last twelve (12) months through the consolidation of two (2) or more school districts may offer a one (1) time severance payment to a maximum of ten percent (10%) of the employees that were previously employed by the separate school districts. Such severance offers shall be made entirely at the discretion of the board of trustees, and shall not be bound by custom, seniority or contractual commitment. Employees are under no obligation to accept a severance offer. Any employee accepting a severance payment shall not be eligible for reemployment by the school district for a one (1) year period thereafter. The severance payment shall consist of fifty-five percent (55%) of the salary-based apportionment funds allocated for the employee in the last year, plus any applicable state paid employee benefits. Such severance shall be reduced by one-half (1/2) for any employee who is simultaneously receiving a disbursement of early retirement incentive funds, pursuant to section 33-1004G, Idaho Code. The state department of education shall reimburse eligible school districts for one hundred percent (100%) of such costs, upon application by the school district.

Consolidated school districts can avail of an enhanced a state bond subsidy.

SECTION 4. That Section 33-906, Idaho Code, be, and the same is hereby amended to read as follows: 33-906. BOND LEVY EQUALIZATION SUPPORT PROGRAM.

(6) Any school district formed as a result of the consolidation of two (2) or more school districts that passes an eligible bond within three (3) years of the successful consolidation election shall participate in the bond levy equalization support program at the district's actual value index minus twenty-five hundredths (.25). This adjustment shall apply for the duration of the bond interest and redemption payment schedule. If a school district advantaged by this subsection (6) deconsolidates either during the applicable bond interest and redemption payment schedule, or within a three (3) year period thereafter, each deconsolidated district shall, upon deconsolidation, repay to the bond levy equalization fund all additional subsidies received pursuant to this subsection (6). The proportions owed by each deconsolidated district shall be determined by the proportion that each district's market value for assessment purposes bears to the whole.

Extended support unit funding based on pre subsidy-consolidation

SECTION 6. That Section 33-1003, Idaho Code, be, and the same is hereby amended to read as follows:

(4) Support Program When District Boundaries are Changed.

(c) In new districts formed by consolidation of former districts after January 1, 2007, the support program allowance for a seven (7) year period following the formation of the new district, shall not be less than the combined support program allowances of the component districts in the last year of operation before consolidation. After the expiration of this period, the state department of education shall annually calculate the number of support units that would have been generated had the previous school districts not consolidated. All applicable state funding to the consolidated district shall then be provided based on a support unit number that is halfway between this figure and the actual support units, provided that it cannot be less than the actual support units.

Wyoming

School Configuration Guidelines (Excerpts) ↓

New schools below a given enrollment shall merge their elementary and middle schools, or their elementary, middle and high schools.

- For new schools, elementary schools shall be configured K-5, middle schools 6-8, and high schools 9-12.
- For new schools whose total student population is below 315 in grades K-8, the configuration of K-8 shall be used.
- For new schools whose total student population is below 315 in grades K-12, the configuration of K-12 shall be used.
- For existing schools, the current configuration will be “grandfathered”.
- Beginning in school year 2010-11, all co-located schools will meet the above configurations. [Co-located means two or more schools, each with its own unique identifier, that exist within the same building.]

Minimum enrollment set for stand-alone schools. As of 2008, new school < 49 students only approved as satellite. As of 2010, existing school < 49 students to become satellite.

- Effective in the 2008-09 school year, the State Superintendent shall not approve the configuration of any new school whose projected enrollment is less than 49 students. [Note: Wyoming will not build a new school whose projected enrollment is less than 49. Nor will it allow a current school to reconfigure its grades served if the reconfiguration will serve less than 49 students. The current schools whose enrollments are less than 49 not be affected.]
- Districts who choose to provide on-site educational services in remote areas to a student population of less than 49 may, upon approval by the State Superintendent, may create a satellite school administered and served by the principal and support staff from another approved school within the district. [Note: In other words, if a school does choose to reconfigure a current school and that reconfiguration has a projected enrollment of less than 49 students, then that school will be considered a “satellite” school. A satellite school is an extension of an existing school. Those students would belong to the existing school whose population is larger than 49 students. A satellite school is not funded as a separate school in the funding formula, but rather as part of the school it is an extension to.]
- Beginning in school year 2010-11, all schools with less than 49 students shall become satellite schools administered and served by the principal and support staff from another approved school within the district.
- The State Superintendent may grant waivers to the above configurations based upon the appropriate delivery of the required educational program, the cost effectiveness of the modified grade configuration, and any extraordinary circumstances related to the safe and efficient delivery of the education program to students.

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Washington

Education Service Districts

Enabling legislation: RCW 28A.320.080 and RCW 39.34.030 ↓

ESDs create scales of economy (one-stop shopping) for a range of services

Educational Service Districts in Washington provide training, technical assistance, administrative support and other services to public and private school districts. ESDs also serve as an intermediary between school districts and the Office of the Superintendent of Public Instruction (OSPI), the state agency that regulates schools. ESDs were created by the state Legislature in 1969. As of 2007, the nine ESDs employed 1,407 people and served 296 school districts with more than 1 million students. Services that ESDs provide to school districts include:

- Financial support and guidance.
- Grant management.
- Special education, Head Start and early learning programs.
- Teacher certification.
- Purchasing cooperatives.
- Teacher training and staff development.
- Learning resources.
- Construction management.

Purchasing & Services cooperatives

Enabling legislation: RCW 28A.320.080 and RCW 39.34.030 ↓

KCDA ↓, a purchasing co-op, is owned by Washington State public school districts. It eliminates duplicative costs throughout the state.

- Founded in 1938, KCDA now includes virtually all 295 public school districts in Washington.
- A purchasing cooperative eliminates the need for participating entities to do formal bidding or quoting. This saves taxpayer dollars as well as time and energy.
- A purchasing cooperative also creates volume and single-source purchasing for school supplies, furniture, equipment and services requested by its members.
- KCDA is completely self-funded. Operating expenses are covered solely on the service fee for each item.
- KCDA contracts are in compliance with all State of Washington statutes.

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North Carolina

Would require the allotment of school funds on the basis of only one local school administrative unit per county. (Bill failed)

Senate Bill 120 (Did not pass)

February 12, 2007

A BILL TO BE ENTITLED

AN ACT DIRECTING THE STATE BOARD OF EDUCATION TO PROVIDE FUNDS FOR ONLY ONE LOCAL SCHOOL ADMINISTRATIVE UNIT PER COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any other provision of law, the State Board of Education shall allot State funds on the basis of only one local school administrative unit per county. To implement this change, the State Board shall change formulas that allot funds on a per local school administrative unit basis to formulas that allot funds on a per county basis. If the amount previously allotted per local school administrative unit was graduated on the basis of average daily membership, the amount allotted per county shall be graduated on the basis of the total average daily membership of all units located in the county.

If a city school administrative unit is located in more than one county, the State Board of Education shall include in each county's average daily membership the average daily membership of the county's students in the city school administrative unit.

If a county contains more than one local school administrative unit, the State Board shall divide the amount allotted on a per county basis between the units on the basis of average daily membership.

SECTION 2. This act does not apply to allotments to the Nash-Rocky Mount School Administrative Unit, the Edgecombe County School Administrative Unit, the Cleveland County School Administrative Unit, or the Gaston County School Administrative Unit.

SECTION 3. This act becomes effective July 1, 2007.

South Carolina

Would require each county also be constituted as a school district, with only one school district being allowed per county.

HB-3262 (Bill still active)

HB-3262 A BILL

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59-17-160 SO AS TO PROVIDE THAT ON JULY 1, 2009, THE AREA OF EACH COUNTY OF THIS STATE ALSO MUST BE CONSTITUTED AS A SCHOOL DISTRICT AND A COUNTY MAY NOT HAVE MULTIPLE SCHOOL DISTRICTS WITHIN ITS BOUNDARIES, AND TO PROVIDE THAT THE GENERAL ASSEMBLY BY LOCAL LAW BEFORE JULY 1, 2009, SHALL PROVIDE FOR THE GOVERNANCE, FISCAL AUTHORITY, AND ADMINISTRATIVE AND OPERATIONAL RESPONSIBILITIES FOR A COUNTYWIDE SCHOOL DISTRICT WHERE NO PROVISIONS OF LAW NOW APPLY; AND TO PROVIDE THAT ALL ACTS OR PARTS OF ACTS RELATING TO A SCHOOL DISTRICT THAT IS NOT A COUNTYWIDE SCHOOL DISTRICT REQUIRED BY SECTION 59-17-160 ARE REPEALED AS OF JULY 1, 2009.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 17, Title 59 of the 1976 Code is amended by adding:

“Section 59-17-160. (A) On July 1, 2009, the area of each county of this State also must be constituted as a school district and a county may not have multiple school districts within its boundaries, provided that nothing in this section prevents a portion of a county from being a part of a school district in another county.

(B) The General Assembly by local law before July 1, 2009, shall provide for the governance, fiscal authority, and administrative and operational responsibilities for a countywide school district where no provisions of law now apply.”

Iowa

Provides districts incentive for shared operational functions.

House File 889 (Bill passed) ↓

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Sec. 4. Section 257.11, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. SHARED OPERATIONAL FUNCTIONS INCREASED STUDENT OPPORTUNITIES.

a. In order to provide additional funding to increase student opportunities and redirect more resources to student programming for school districts that share operational functions, a supplementary weighting of two hundredths per pupil shall be assigned to pupils enrolled in a district that shares with a political subdivision one or more operational functions in the areas of superintendent management, business management, human resources, transportation, or operation and maintenance for at least twenty percent of the school year. The additional weighting shall be assigned for each discrete operational function shared. For the purposes of this section, "political subdivision" means a city, township, county, school corporation, merged area, area education agency, institution governed by the state board of regents, or any other governmental subdivision.

b. Supplementary weighting pursuant to this subsection shall be available to a school district for a maximum of five years during the period commencing with the budget year beginning July 1, 2008, through the budget year beginning July 1, 2013. The minimum amount of additional weighting for which a school district shall be eligible is an amount equivalent to ten additional pupils, and the maximum amount of additional weighting for which a school district shall be eligible is an amount equivalent to forty additional pupils. Receipt of supplementary weighting by a school district pursuant to this subsection for more than one year shall be contingent upon the annual submission of information by the district to the department documenting cost savings directly attributable to the shared operational functions. Criteria for determining the number of years for which supplementary weighting shall be received pursuant to this subsection, subject to the five-year maximum, and for determining qualification of operational functions for supplementary weighting shall be determined by the department by rule, through consideration of long-term savings by the school district or increased student opportunities.

c. ... <Portion deleted>

d. The amount of any supplementary weighting originally received under this subsection shall be reduced by an additional twenty percent from the original amount for each subsequent budget year that supplementary weighting may be received.

e. This subsection is repealed effective July 1, 2014.

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Florida

Requires districts to go through “best financial management practices reviews”.

- Best financial management practices reviews required.
- Private contractor to conduct reviews. Department of Education consulted throughout.
- All school districts shall be reviewed on a continuing 5-year cycle.
- Requirements for public forums, action plans, status reports included.
- Eligible districts awarded receive states “Seal of Best Management Practices”. [Note: this does not appear tied to any financial reward.]

Florida Statutes Title XLVIII, 1008.35 ↓

1008.35 Best financial management practices for school districts; standards; reviews; designation of school districts.--

(1) The purpose of best financial management practices reviews is to improve Florida school district management and use of resources and to identify cost savings. The Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Office of the Auditor General are directed to develop a system for reviewing the financial management practices of school districts. In this system, the Auditor General shall assist OPPAGA in examining district operations to determine whether they meet "best financial management practices."

(2) The best financial management practices adopted by the Commissioner of Education may be updated periodically after consultation with the Legislature, the Governor, the Department of Education, school districts, and the Auditor General. OPPAGA shall submit to the Commissioner of Education for review and adoption proposed revisions to the best financial management practices adopted by the commissioner. The best financial management practices, at a minimum, must instill public confidence by addressing the school district's use of resources, identifying ways that the district could save funds, and improving districts' performance accountability systems, including public accountability. To achieve these objectives, best practices shall be developed for, but need not be limited to, the following areas:

- (a) Management structures.
- (b) Performance accountability.
- (c) Efficient delivery of educational services, including instructional materials.
- (d) Administrative and instructional technology.
- (e) Personnel systems and benefits management.
- (f) Facilities construction.
- (g) Facilities maintenance.
- (h) Student transportation.
- (i) Food service operations.
- (j) Cost control systems, including asset management, risk management, financial management, purchasing, internal auditing, and financial auditing.

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Michigan

Requires (intermediate) school districts to conduct studies on cost-savings opportunities.

380.761 The Revised School Code Act 451 of 1976

380.761 Intermediate school district; study to share services; report; average cost of services; submission of summary to legislative standing committees; use of funds.

Sec. 761.

(1) Subject to subsection (3), each intermediate school district shall conduct a study concerning opportunities for its constituent districts to share services with other providers of similar services, such as the intermediate school district, 1 or more other school districts or intermediate school districts, other units of local government, or other programs designed to achieve cost savings. The board and other school officials of each constituent district shall cooperate with the intermediate school district in the study. Not later than 6 months after the effective date of this section, each intermediate school district shall submit a report on the results of its study to the department in the form and manner prescribed by the department. An intermediate school district's study and report shall address possibilities for sharing of at least all of the following noninstructional services:

- (a) Pupil transportation for all classes of pupils and all types of programs.
 - (b) Human resources administration.
 - (c) Procurement of supplies and other purchasing.
 - (d) Technology support services, including, but not limited to, information technology.
 - (e) Professional development.
 - (f) Accounting and other financial services.
 - (g) Legal services.
 - (h) Food and child nutritional services.
 - (i) Event management.
 - (j) Production printing and graphics.
 - (k) Shipping and receiving services.
 - (l) Any other service described in section 627.
 - (m) Any other noninstructional services identified by the superintendent of public instruction.
- (2) In addition to the requirements of subsection (1), an intermediate school district's report under this section shall include a detailed description of the average cost per constituent district within the intermediate school district for each of the services listed in subsection (1).
- (3) If an intermediate school district has already conducted a study that meets the requirements of subsection (1), the intermediate school district is not required to conduct another study but shall submit a report on the results of the study to the department as required under subsections (1) and (2).
- (4) Not later than 2 months after receiving the reports from intermediate school districts under this section, the department shall compile this information and submit a summary to the standing committees of the legislature having responsibility for education legislation.
- (5) There are sufficient funds allocated to intermediate school districts under section 81 of the state school aid act of 1979, MCL 388.1681, for the purposes of this section, and an intermediate school district shall use those funds to comply with the requirements of this section.

History: Add. 2007, Act 63, Imd. Eff. Sept. 19, 2007

Popular Name: Act 451