

OFFICE OF CHIEF OPERATIONS OFFICER
Summary of State Board of Education Agenda Items
Consent Agenda
December 15, 2016

OFFICE OF SCHOOL FINANCIAL SERVICES

J. Approval of Report from the Commission on School District Efficiency

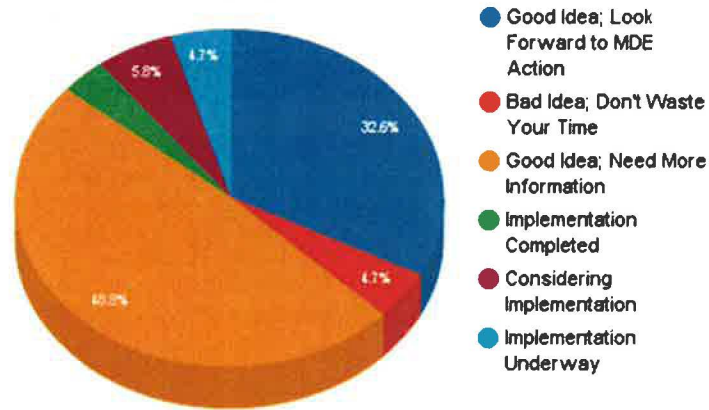
Mississippi Code Ann. § 37-7-1001 authorized the State Board of Education to establish a Standing Commission on School District Efficiency. The purpose of the Commission is to study the operations, rules, policies and regulations in school districts on an ongoing basis for the purpose of identifying opportunities to increase efficiencies, and to determine appropriate efficiency standards that should be considered for accreditation standards. The Commission shall report annually its findings and recommendations to the State Board of Education, and the State Board of Education may make its report and recommendations to the legislature seeking legislative support to achieve efficiencies in school districts.

Recommendation: Approval

Back-up material attached

Report to Mississippi State Board of Education – November 2016
SB 2761 (2012 Session) – Standing Commission on School District Efficiencies

2016-1. Development of Employee Self Service Portal for State Health Plan



Existing Condition: This recommendation is a continuation of recommendation 2015-3. The Commission carried this forward to stress the benefit school districts would receive from implementation. The Commission hosted a survey in which 86 districts participated. The chart above, based on a survey of school districts, indicates that approximately 82% of responding districts think favorably of the development of an Employee Self Service Portal for, at least, the state health plan.

Employee and dependent information required for participation in the state health plan administered by Blue Cross Blue Shield continues to be voluminous and growing each year with more requirements from the Affordable Care Act. Many districts have contracted with third party administrators or employed additional personnel to achieve compliance. Also, much of the newly required information is personal information regarding dependents which is information required only for the state health plan. Maintaining this information is not only inefficient, but this adds an additional layer of exposure for districts to have to protect this information.

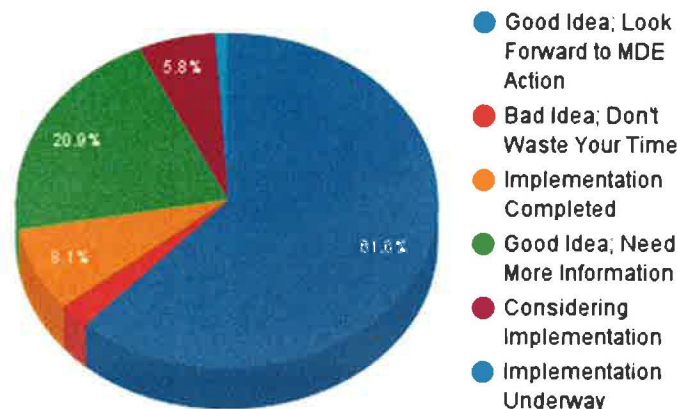
Recommendation for Change: The Commission reiterates the recommendation that the Mississippi Department of Finance and Administration (DFA) be encouraged to research and expand the use of an Employee Self Service System.

Benefit:

- Eliminate paper and labor intensive processes
- Improve accuracy of entered information
- Increase convenience for teachers and staff completing requirements and making changes
- Improved storage and retrieval of records
- Potential reduction in personnel
- Reduction in risk exposure of non-employee information

State Law Changes Needed: None

2016-2a. Development of Database of Teacher Years of Experience



Existing Condition: This recommendation is a continuation of recommendation 2015-4. The Commission carried this

forward to stress the benefit the districts would receive from implementation. The chart above indicates that approximately 83% of responding districts think favorably of the MDE developing a database to track teacher experience. Each local district must verify actual teaching experience for all new potential candidates by requesting paper forms from all of the previous districts in which the teacher served every time they move to a new district. This process can be lengthy and time consuming for both the local district and teacher. Delays by districts in submitting this information often result in multiple contract corrections and back pay calculations for teachers as the verifications are received. If verification is not received, the teacher's contract pay may not reflect the credit they deserve

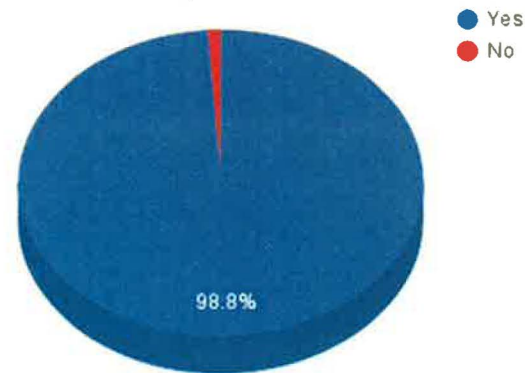
Recommendation for change: The Commission recommends that the Mississippi Department of Education (MDE) develop a database for local school districts to report annually the years of experience completed by all licensed employees.

State Law Changes Needed: None

**Report to Mississippi State Board of Education – November 2016
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**2016-2b. Automatic Licensure Expiration
Notifications from MDE**

Teachers receive notification of pending licensure expiration directly from the MDE Office of Licensure, beneficial?

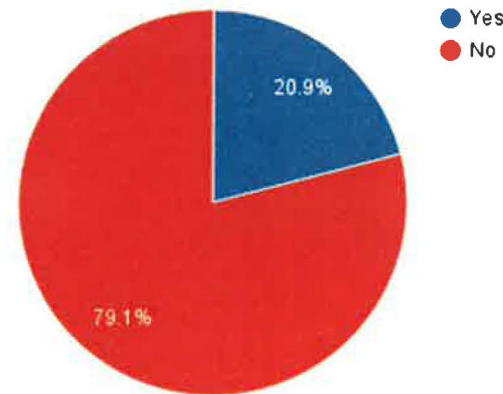


Existing Condition: As it stands now, many districts have developed internal processes to assist teacher staff on monitoring and maintaining licensure. As a by-product of the commission's research on item 2016-2, it was determined that this item should be highlighted. The Commission believes it warrants some consideration by MDE for the benefit the districts would receive from implementation. As indicated in the chart above, responding school districts were asked whether they thought it would be beneficial if teachers received licensure expiration notification directly from MDE. 98.9% responded yes.

Recommendation for change: The Commission recommends that MDE develop a standard notification of pending expiration of licensure.

2016-3. Utilization of Managed Print Services

Has your district, now or ever, utilized a Managed Print Service contract or agreement?



Existing Condition: Copying and printing are necessary components of every department in a school district. But funding the capital outlay for equipment can be an issue, and many districts do not have the technology staff to handle printer and copier issues in a timely manner.

Managed print services are contracts where school districts pay a per copy amount for a company to not only provide supplies and equipment but manage all aspects of printing and copying including technology services. The company also provides data protection technology and usage reports for better control of printing and copying.

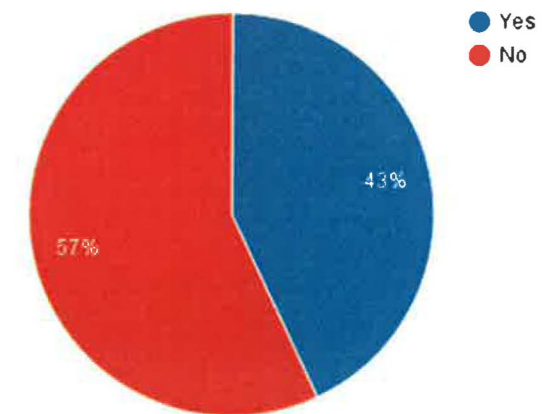
Recommendation for change: The 2016 Commission survey showed that several school districts across the state have implemented managed print services contracts. Some reported significant savings while others were able to get better equipment or more devices at a lower cost. The reduction in the workload of their technology staff was also a benefit. The Commission recommends that

school districts evaluate the possible benefit of a managed print services contract as their technology needs arise.

State Law Changes Needed: None

**2016-4. Implementation of an Energy Savings
Performance Contract**

Has your district, now or ever, implemented an Energy Savings Performance Contract (ESPC)?



Existing Condition: Energy costs are one of the largest non-salary expenses in a district that does not require a reduction in staff to achieve a reduction in cost. Many districts lack the funding to retrofit older buildings with more energy efficient equipment.

An energy savings performance contract allows districts to achieve energy savings and facility improvements funded with guaranteed energy savings.

Recommendation for change: The 2016 Commission survey showed that several school districts have implemented ESPC's, and most felt they had achieved

**Report to Mississippi State Board of Education – November 2016
SB 2761 (2012 Session) – Standing Commission on School District Efficiencies**

significant savings over the life of the program. The districts were able to reduce energy expenditures without reducing personnel. The Commission recommends that school districts evaluate the possible benefits an energy savings performance contract could bring to their district.

State Law Changes Needed: None

**Report to Mississippi State Board of Education – November 2016
SB 2761 (2012 Session) – Standing Commission on School District Efficiencies**

2015-1. Utilization of Electronic Funds Transfers (EFTs) Through Existing Accounting System for Vendor Payment and Remittance

2016 Update/Summary: The Commission recommends that districts evaluate the capability of their existing accounting systems to process Electronic Funds Transfers (EFTs) in order to reduce labor and material cost of wasteful paper driven processes related to the payment of vendors. This process would help eliminate paper and other labor intensive processes, reduces costs of issuing paper payments, improve cash flow, and reduce the risk of bounced ACH transactions. Several schools districts have begun the process of evaluating the benefits in implementing this process at their district.

2015-2. Acceptance of Electronic Payments from Parents and Others for Fee Payments, etc.

2016 Update/Summary: The Commission recommends that districts evaluate the benefits of offering or expanding the use of electronic payment methods in order to reduce or eliminate theft, fraud, and internal control weaknesses related to accepting cash and checks from parents and contributors. Benefits include reducing the time and steps required to handle cash, eliminate lost or misplaced checks, creating an electronic audit trail and payment history, and the ability to offer a more flexible payment program for parents and the public.

2015-3. Development of Employee Self-Service Portal for State Health Plan

2016 Update/Summary: Employee information required for participation in the state health plan administered by Blue Cross and Blue Shield can be voluminous and has traditionally been a paper process at the district level. This includes but is not limited to forms requests, employee enrollments, benefit selection, dependent changes, and address changes. In many districts, this information is manually provided by the employee to one or more departments and is often a duplication of efforts. Employee Self Service (ESS) is a combination of technology and organizational change that enables employees to interact directly with their personal data to inquire, review, and update allowed information. If implemented appropriately, ESS can provide a "paperless" experience, streamline processes, and reduce significantly the local district responsibility for "pushing paper" by allowing transactions via computer that were formerly completed on paper forms and then processed by district staff.

A simple internet search for other states and systems that also utilize Blue Cross and Blue Shield shows numerous examples of those states utilizing Employee Self Service portals. Meanwhile, the use of ESS by State of Mississippi Department of Finance and Administration (DFA) is limited to only beneficiary management for life insurance. The Commission recommends that the Mississippi Department of Finance and Administration (DFA) be encouraged to research and expand the use of ESS to minimize the paperwork burden on local districts and shift responsibility to employees. This topic will remain a focus of the Commission as additional requirements for the Affordable Care Act continue to increase for the districts and their employees.

2015-4 Development of Database of Teacher Years of Experience

2016 Update/Summary: Each local district must verify actual teaching experience for all new potential candidates by requesting paper forms from all of the previous districts in which the teacher served every time they move to a new district. Utilizing the definition of teaching experience in Miss. Code Ann. § 37-151-5 (m), each local district collects submitted information and makes a determination of the contracting annual salary amount for each teacher. This process can be lengthy and time consuming for both the local district and teacher. Delays by districts in submitting this information often result in multiple contract corrections and back pay calculations for teachers as the verifications are received. If verification is not received, the teacher's contract pay may not reflect the credit they deserve. The Commission recommends that the MDE develop a database for local districts to report annually the years of experience completed by teaching staff or all licensed employees. The Commission also recommends that software interfaces be developed to allow data to be imported directly from school district software packages to maximize and leverage technology. This topic will remain a focus of the Commission in an effort to ease the burden on teachers to contact past districts for verification of information.

**Report to Mississippi State Board of Education – November 2016
SB 2761 (2012 Session) – Standing Commission on School District Efficiencies**

2014-1. Benchmarking and Cost Efficiency Measures

2016 Update/Summary: The Commission has asked the Mississippi Association of School Business Officials to take on the responsibility of establishing benchmarks to share with its members for comparative purposes in the hope that districts can identify areas for cost savings.

2014-2. Efficiencies in Payroll/Employee Self-Service

2016 Update/Summary: Employee information requested for human resources, payroll, and MDE is voluminous and traditionally a paper process leading to increased personnel, increased risk of key entry mistakes, loss of time, and storage of required documents. The Commission has recommended that districts utilize all existing capabilities within the various accounting software systems and work with software providers to identify areas of possible efficiency improvements.

2014-3 Outsourcing or Privatization of Non-Instructional Services

2016 Update/Summary: Districts may outsource non-instructional services as a method to save funds and operate more efficiently. Cost analysis must be carefully conducted to ensure that these services are in the best interest of the school district.

2014-4. Utilization of Third Party for Vendor Payment and Remittance – *This recommendation expanded upon in 2015-1*

2014-5. Consortiums for Alternative School Programs and Career/Technical Programs

2016 Update/Summary: The Commission encourages school districts to research partnering with neighboring districts to possibly reduce costs, increase course offerings, and overall efficiencies by using shared facilities and staff.

2013-1. Implement Plan for Efficiency Audits of School Districts

2016 Update/Summary: The Commission recommends a coordinated effort between the State and school districts to share in the cost of performance audits by a reputable nationally recognized firm to evaluate current issues and recommend improvements from which all school districts could benefit. This topic will remain a focus of the Commission.

2013-2. Study the Bridging of Software Systems between Local District and State Data

2016 Update/Summary: School districts continue to spend unnecessary effort to manually input information required by the State. It has been recommended that the MDE develop bridging software. This topic will remain a focus of the Commission in an effort to increase the accuracy of data and reduce the unnecessary efforts of districts.

2013-3. Re-Establish the Office of Purchasing at the MS Department of Education for a Resource for School Districts

2016 Update/Summary: Most school districts do not have a trained, dedicated purchasing agent on staff. It has been recommended that the MDE re-establish the Office of Purchasing to provide experience in the area of RFP's and promote competition among vendors to assist school districts with procuring the best goods and services for the best value. This topic will remain a focus of the Commission in an effort to assist School Districts with increasingly challenging federal and state purchasing requirements.

2013-4. Review of Current Purchasing Laws

2016 Update/Summary: The Commission recommends that purchasing laws be reviewed for needed improvements to help eliminate possible delays in meeting the needs of the students and reduce the cost of administration and processing paperwork.

2013-5. Consolidating Payroll and Other Business Services – *This recommendation same as 2014-3*

2013-6. Centralizing of School Activity Funds

2016 Update/Summary: The Commission encourages school districts to centralize activity funds to eliminate manual processes, reduce the number of bank accounts to maintain, and allow for review by the central office and board of education prior to checks being released. The integrity of the budget would be maintained as well.