

**OFFICE OF CHIEF OPERATIONS OFFICER**  
**Summary of State Board of Education Agenda Items**  
**November 9, 2017**

**OFFICE OF SCHOOL FINANCIAL SERVICES**

04. Information: Report from the Commission on School District Efficiency  
[Goals 4 and 5 – MBE Strategic Plan]

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 annually to the legislature seeking legislative support to achieve efficiencies in school districts.

This item references Goals 4 and 5 of the *Mississippi Board of Education 2016-2020 Strategic Plan*.

Information Only

Back-up material attached

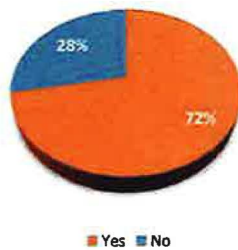
**Report to Mississippi State Board of Education – October 2017  
SB 2761 (2012 Session) – Standing Commission on School District Efficiencies**

**2017-1 Offering computers to out- going seniors at fair market value**

**Existing Condition:** Currently, districts with one to one technology initiatives in place are allowed by law to sell the device to outgoing seniors for \$1 if the student is going to attend college and \$75 if they are not planning on attending college.



Out of the 25 districts that currently have one to one initiatives and responded to the survey, 96% of these districts do not offer the devices for sale to outgoing seniors under the current parameters.



As indicated by the chart above, based on these same districts, 72% of these districts would offer the devices to outgoing seniors if they allowed to charge fair market value.

75% of the districts surveyed also stated that they would be more likely to sell the devices to outgoing seniors if they were able to charge a fair market value across the board. There are currently no specifications on how districts should verify whether students are going to attend college to qualify for the \$1 sales price.

**Recommendation for Change:** The Commission recommends that the Mississippi Legislature allow school districts to offer devices to all outgoing seniors for fair market value.

**Benefit:**

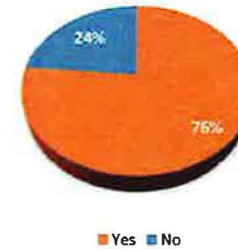
- More devices will be offered to outgoing seniors
- Generates additional revenue for school districts to replace aging devices
- Eliminates the process of verifying college enrollment to offer the devices

**State Law Changes Needed:** Amend 37-7-459 to allow for the sale of computers, peripheral equipment and adaptive devices to all outgoing seniors for fair market value.

**2017-2 Allow school districts to direct bill for eligible Medicaid services provided by the school district**

**Existing Condition:**

In the past, school districts were allowed to direct bill Medicaid for services provided by personnel in their districts that qualified under the Medicaid program. Those services included but were not limited to speech pathology, nursing services, occupational and physical therapy, etc. Several years ago, the Medicaid plan was changed by the State which eliminated the ability for school districts to bill for these services. School districts were leaving significant amounts of money on the table that they could not access. The school districts need an avenue to be able to direct bill. When surveyed, 75% of school districts responded that they would be interested in participating in a state program for reimbursement through Medicaid for direct billed services such as occupational therapy, physical therapy, speech pathology, and nursing services.



**Recommendation for change:** The Mississippi Department of Education and the Office of Medicaid have begun a collaboration to build a bridge between the school districts and Medicaid to reinstate direct billing. MDE needs to continue to support the effort and push for a quick resolution so the districts can begin receiving the Medicaid funding they should have been receiving all along.

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**State Law Changes Needed:** No state law needs to be changed. However, the state plan for the Office of Medicaid may need revisions.

**2017-3 Early Learning Collaborative Tax Credits**

**Existing Condition:**

Each year, the MS Legislature sets a limit (cap) on donations to Early Learning Collaboratives (ELCs) that qualify for Prekindergarten state income tax credits. These donations provide a means for ELCs to obtain required matching dollars to supplement the prekindergarten grant program. Currently, these donations cannot be guaranteed for use as a tax credit for the tax year in which the donation is made. If informed of this fact, many donors will be reluctant to make donations.

Section 37-21-51, Mississippi Code of 1972, Section 6(5) states that, "The Mississippi Department of Revenue shall promulgate rules necessary to effectuate the purposes of this act."

The Department of Revenue determines eligibility of Prekindergarten tax credits by setting a dollar limit for prekindergarten tax credits based on the legislatively approved cap for the given year. If the limit is reached, ensuing credits are disallowed.

Situations that would lead to the disallowance of tax credits include:

- The three-year carryforward provision in the law allows a taxpayer to exercise an unclaimed tax credit from a previous year in the current

year. This use could result in the claiming of more tax credits than allowed by the cap for the year.

- Since donations can be collected by all fourteen collaboratives, MDE must depend on collaboratives to report donations accurately and timely. A rush at year end could result in collection of excess donations. Therefore, expected tax credits would be denied.

**Recommendation for change:** Other tax credits already exist that are based on amounts certified. These credits must be certified by agencies other than the Department of Revenue and have a yearly cap. Two of them are:

- New Markets Income Tax Credit
- Historical Rehabilitation Credit

Certification of individual tax credits would alleviate the potential problem of disallowance with the Prekindergarten tax credit. Each donor would be individually "pre-approved" for the tax credit. The Department of Revenue would use a certified list of donors from the Mississippi Department of Education for a given tax year as a basis for allowance of the tax credit.

**State Law Changes Needed:** State law currently exists allowing the Department of Revenue to work with MDE to accomplish this goal.

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**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.

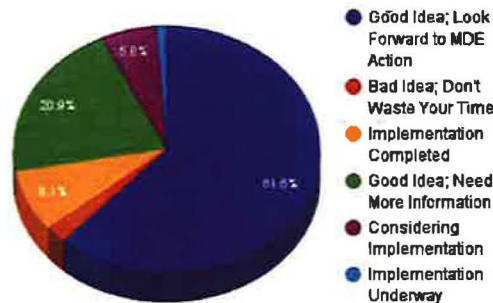
**Recommendation for Change:** The Commission reiterates the recommendation that the Mississippi Department of Finance and Administration (DFA) be encouraged to research and expand the use of an Employee Self Service System.

**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.

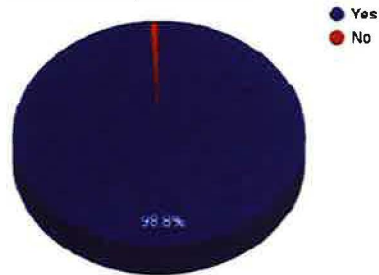
**Recommendation for change:** The Commission recommends that the Mississippi Department of Education (MDE) develop a database for local school districts to report annually the years of experience completed by all licensed employees.

**State Law Changes Needed:** None

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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.



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**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.

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**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.