

## MINUTES

### Legislative Post Audit Committee August 28, 2009

The meeting was called to order by Chair Representative Virgil Peck, Jr. at 10:07 a.m. in Room 143-N of the Statehouse. Committee members present:

Representative Virgil Peck, Jr., Chair	Senator Terry Bruce, Vice-Chair
Representative Tom Burroughs	Senator Anthony Hensley
Representative John Grange	Senator Derek Schmidt
Representative Peggy Mast	Senator Chris Steineger
Representative Tom Sawyer	Senator Dwayne Umbarger

#### Approval of Minutes

Senator Bruce moved approval of the July 1, 2009, minutes. Representative Burroughs seconded the motion; motion carried.

#### Completed Performance Audits

***Children in Need of Care: Reviewing Selected Issues Related to Handling Their Cases.*** This audit was presented by Katrin Osterhaus, Principal Auditor. Statewide, about 80% of social workers responding to the auditors' survey said they've never felt unduly pressured by county or district attorneys to include or exclude facts in documents they prepare for attorneys that they felt could distort the circumstances of a case. However, at least one social worker in all six SRS regions told staff they had felt unduly pressured at some point to include or exclude information. Responses from social workers in Wichita were more negative, and interviews with social workers and judges revealed several past issues may be largely to blame. Filing a petition to remove a child from the home is decided by the county or district attorney's office. Social workers across the State clearly feel frustrated that attorneys don't always respect or follow their recommendations. All SRS social workers the staff reviewed met the licensure requirements of the State. However, initial and ongoing training social workers receive on writing legal documents, working with attorneys and the courts is sparse and insufficient. On average, social workers were responsible for about 35 open cases during fiscal year 2009. Average caseloads Statewide have remained relatively stable over the last three years, but vary quite a bit among the six SRS regions. Caseloads are somewhat higher than they otherwise would be because of a large number of vacancies that currently exist.

Don Jordan, Secretary of SRS, answered members' questions. Kim Parker, Sedgwick County Chief Deputy District Attorney, was available to answer members' questions.

Representative Mast moved to accept the audit and Senator Bruce seconded the motion. Motion carried. All legislators will receive the audit highlights document. Full copies of the audit will be distributed to the chairs, vice-chairs, and ranking minority members of the House Health and Human Services Committee, the Senate Public Health and Welfare Committee, and the Joint Committee on Children's Issues.

***State Universities: Can State Universities Provide Postsecondary Education More Efficiently To Reduce Costs? (A K-GOAL Audit).*** This audit was presented by Joe Lawhon, Principal Auditor. The focus of the audit was on general use operating expenditures funded with State General Fund and tuition revenues; staff excluded restricted funds like federal grants and student fees, the University of Kansas Medical School, and Kansas State's Veterinary Medicine School and Extension Programs. In fiscal year 2008, general use operating expenditures per FTE student ranged from \$8,330 at Fort Hays State to \$14,191 at the University of Kansas. Overall, Emporia State and the University of Kansas spent about \$2,000 more per FTE student than their in-State counterparts. The vast majority of the universities' general use operating expenditures were for education-related expenditures (72% to 85% of the total). Most of the differences in the amounts spent for educational programs appeared to be caused by differences among the six universities in staffing and salary levels.

Numerous options exist for delivering universities' academic programs and courses more economically or efficiently. Actions that universities in other states have reported taking to help reduce academic spending include eliminating or combining low-enrollment course sections, academic departments, or degree programs within universities; collaborating across universities to share course content, teachers, and instructional programs; increasing the number of courses offered online or through distance learning; and increasing faculty workloads. Actions they've reported taking to help reduce their institutional spending include maximizing the use of existing classroom and laboratory space to reduce the need for additional space; consolidating or changing administrative functions or processes—both within and across universities; outsourcing some non-academic services such as food service and grounds maintenance; sharing purchasing costs, and reducing energy costs. The State's six universities have implemented some of these ideas to varying degrees, but there are numerous opportunities for additional efficiencies. Given recent budget cuts, the universities already may have taken some of the actions described in this report.

Diane Duffy, Kansas Board of Regents Vice President of Finance and Administration, responded to questions. Reggie Robinson, Board of Regents President and CEO, distributed and delivered prepared remarks. Representative Mast requested that Mr. Robinson provide information on the cost to the State when university faculty participate in phased retirement; Mr. Robinson said that he would get those figures for her. Representative Mast also asked whether published work produced by a faculty member on sabbatical is the property of the university. Mr. Robinson said that the Board has a policy on that question, and he would send it to her.

Dale Dennis, Deputy Commissioner of Education, also was available to answer members' questions.

Senator Steineger stated that the audit had exceeded his expectations and praised the audit team for their work on the report.

Senator Bruce moved to accept the audit and Representative Sawyer seconded the motion. Motion carried. All legislators will receive the audit highlights document. Full copies of the audit will be distributed to the chairs, vice-chairs, and ranking minority members of the House Higher Education Committee, the Senate Education Committee, the Legislative Educational Planning Committee, and the House Appropriations and Senate Ways & Means Committee. Staff also will send full copies to all members of the House Education Budget Committee and the Senate Ways & Means Subcommittee on Higher Education.

### **Consideration of Audit Topics**

Leo Hafner, Deputy Legislative Post Auditor, took the Committee through the list of possible audit topics.

Senator Steineger made a motion to approve audit topic #19, *Judicial and Prosecutorial Districts in Kansas: Determining Whether Boundaries Could Be Redrawn to Increase Efficiency and Reduce Costs*. Senator Bruce seconded the motion. Motion carried. Senator Schmidt suggested adding language to the scope statement to require looking at how costs are divided between the counties and the State. Members decided by consensus to move this audit to the front of the list of audits to be started. After discussion about how to adjust the schedule, Senator Steineger made a motion to un-approve the ARRA audit, but the motion died for lack of a second. Representative Peck suggested that the Committee allow the Post Audit staff to determine which audit to defer in order to proceed with the judicial-district audit. His suggestion was approved by consensus.

Senator Bruce made a motion to approve audit topic # 11, *K-12 Education: Reviewing the Potential for Cost Savings from Reorganization of Kansas School Districts*. Representative Grange seconded the motion. Motion carried.

## **Legislative Post Audit Operations**

**Consideration of Legislative Post Audit's FY 2011 Budget Request.** Under the Legislative Post Audit Act, the Division is required to submit its budget request to the Committee for review and approval. For the past several years, the Chair has asked the Committee to establish a 3-member subcommittee to review the Division's budget request and make recommendations to the full Committee. However, because of timing problems this year in getting a subcommittee appointed before the meeting when the budget was to be approved, the Chair decided instead to discuss the draft budget request with the Vice-Chair and the ranking minority member, Representative Sawyer.

Ms. Hinton asked the Committee to authorize her to make changes to the approved budget request, if necessary, before the budget is submitted to the LCC for review and approval at its October meeting. She said she anticipated that changes may be needed either because of directives from the LCC at its September 3<sup>rd</sup> meeting, or because of uncertainty surrounding the cost of the Single Audit for fiscal years 2010 and 2011.

Representative Mast moved to accept the budget as presented, and to authorize Ms. Hinton to amend the budget if the changes result in totals about the same or less than the approved budget. If a substantial increase is needed, Ms. Hinton will seek additional direction from the Committee. Representative Sawyer seconded the motion. Motion carried.

**Discussion of Committee Rule Relating to Subcommittees.** Ms. Hinton told members that Committee Rule 4-3(a) states, "*During each biennium, the Legislative Post Audit Committee may establish subcommittees and authorize the meetings thereof. The... Committee may delegate the authority to authorize subcommittee meetings to the Chairperson of the... Committee.*" As discussed above, this year the timing of the meetings made it difficult to get a budget subcommittee established before the meeting when the budget was to be approved. Ms. Hinton reported to the Committee that to avoid such problems in the future, the Chair would like the Committee to consider options for appointing the subcommittee, such as having the Committee establish a budget subcommittee at the start of each biennium or each year, or delegating the authority to establish a budget subcommittee each year to the Chair.

The Committee decided by consensus to establish a budget subcommittee at the beginning of the legislative session.

**Fiscal Year 2009 Annual and Follow-Up Reports:** Rick Riggs, Administrative Auditor, presented the 2009 Annual and Follow-Up reports. Committee rules require staff to report to the Committee by September 1 of each year about the extent to which audit recommendations have been implemented for audits issued in the previous calendar year. Mr. Riggs answered members' questions. Senator Bruce moved to accept the reports, seconded by Representative Mast. Motion carried.

Mr. Riggs asked the Committee for guidance on how best to reach legislators with the reports. Senator Bruce recommended the reports, in CD form, be distributed to all legislators in November along with the report highlights document. Representative Mast suggested that a hard copy of the reports be sent to the Chairs, Vice-Chairs and ranking minority members of the committees with an interest in the three audit reports discussed in the "Matters Needing Further Attention" box in the front of the Follow-Up Report.

**Results from the 2009 survey of legislators.** At the direction of the Committee, the Division sends out a survey to all legislators every two years to get their opinions about the usefulness of the audit work the Committee approves and Post Audit conducts. Barb Hinton presented the results of these surveys to the Committee.

**Status of follow-up items.** Rick Riggs, Administrative Auditor, updated members regarding the status of follow-up items related to previous audit reports or recommendations.

**Budget update.** Barb Hinton gave a summary of the Division's budget status for fiscal year 2010.

**Audits in process.** Ms. Hinton gave a summary of the standard schedule showing the status of the performance audits under way.

### **Old/New Business**

Barb Hinton presented staff member Lisa Hoopes with a 10-year pin for her years of service to Kansas.

### **Date of the Next Meeting**

The Chair scheduled the next meeting for October 12, 2009. Ms. Hinton suggested that the evaluation of the Post Auditor be considered at the October meeting. Meeting adjourned at 3:05 p.m.

*(All handouts and other documents referred to in these minutes are on file with Legislative Post Audit.)*

