



# Legislative Post Audit Performance Audit Report Highlights

## K-12 Education: Efficiency Audit of the Maize School District

### Report Highlights

July 2016 • R-16-007

#### **Summary of Legislator Concerns**

K.S.A. 46-1133 requires the Legislative Division of Post Audit to conduct a series of efficiency audits of Kansas school districts. The audits are to include one small, one medium, and one large school district each year.

The Maize school district was randomly selected for an audit in September 2015 in the large-sized school district category

#### **Background Information**

*The Maize school district is located in south central Kansas in Sedgwick County.*

*The district served about 6,485 FTE students and had about 667 FTE staff in the 2014-15 school year.*

*In the 2014-15 school year, the districts' expenditures were about \$71.1 million.*

*Five-year trend data show the district's student enrollment and staffing have increased. Additionally, the district's expenditures per FTE student have increased by 1.6% over the past four years.*

**QUESTION 1:** *Could the Maize school district achieve significant cost savings by improving resource management, and what effect would those actions have?*

#### **Savings Options That Would Have Little to No Impact on Students or the Community and Should be Implemented**

- The district could save up to \$370,000 annually by reducing 9.0 FTE information technology staff.
  - Maize has twice as many IT staff as peer districts.
  - Factors such as the presence of a virtual school and the number or type of computer equipment maintained, did not explain why Maize has more staff than its peers.
  - By centralizing its IT staff, Maize could reduce staff and save money.
  - District officials thought the district could reduce some IT staff, but not to the same level as its peers.
- The district could save \$100,000 by eliminating its leave buy-back policy.
  - The Maize school district offers a leave buy-back benefit that pays staff for accumulated leave days over a certain threshold.
  - This is not a standard policy, and if the district eliminated this leave policy it would save about \$100,000 annually.
  - District officials told us the policy helps retain staff but we had concerns about its effectiveness.
- The district could save \$65,000 in general fund money by using food service funds to pay for lunch room supervisors.
  - The district spends about \$65,000 annually in general fund money to pay teachers to supervise the middle school and high school lunch rooms and to pay for their lunches.
  - The district could pay for these costs out of its food service fund, which would save \$65,000 in general fund money that could be used on additional items or programs for students.
  - District officials had concerns about the additional training necessary to implement this option.
  - However, we identified several reasons why we think the district should still consider the cost savings options despite its concerns.

- The district could save \$11,000 by reducing its stipend or up to \$21,000 per year by providing district-owned cell phones in place of its stipend.
  - The district spends about \$30,000 per year to pay cell phone stipends to certain teachers and administrators.
  - The district's cell phone stipend seems excessive and is paid year round.
  - District officials had concerns about offering staff a district-owned cell phone but did not have concerns about reducing its stipend.

### **Savings Options That Could Have a Moderate Impact on Students or the Community, but Should be Considered**

- The district could save up to \$335,000 annually by reducing two or three assistant or associate superintendent positions.
  - The district has about twice as many assistant and associate superintendents as similar peer districts on a per student basis.
  - District officials disagreed that they could reduce the number of assistant and associate superintendents.
  - Although some of the district's concerns were legitimate, a staffing reduction still appears to be feasible and worth considering.
- The district could save up to \$300,000 annually by eliminating four elementary school assistant principal positions.
  - Maize assigns an assistant principal to each of its elementary schools although none of its peer districts do.
  - If Maize eliminated assistant principals at all but its largest elementary school, it would reduce four positions.
  - District officials were concerned that eliminating assistant principals may make it difficult to operate certain programs and may reduce supervision.

### **Savings Options That Could Have a Significant Impact on Students or the Community, but Should be Considered**

- The district could save up to \$477,000 annually by switching to a traditional schedule at the district's high schools.
  - The district's use of a block schedule at two of its high schools results in the district having more teachers than necessary.
  - If the district switched to a traditional schedule it could reduce the number of teachers by 7.0 or 8.0 FTE.
  - Converting to a traditional schedule would create some challenges for the district, but many schools use a traditional schedule which includes several benefits.
  - The superintendent was concerned this change would reduce student access to certain classes.
- The district could save \$190,000 in transportation expenditures by establishing school boundaries.
  - The Maize school district is unique in that it has not established school boundaries, which means students can generally attend the school of their choice.

- If the district establishing school boundaries, it could reduce an estimated seven bus routes and save about \$190,0000 annually in driver salaries, fuel, and bus maintenance.
- The district is in the process of evaluating and implementing school boundaries.

#### **Other Findings**

- The district has inadequate IT inventory and purchasing controls, which appear to have contributed to a 2014 fraud.
  - In 2014, the district's review of a staff member's activities found evidence of fraud.
  - We conducted a limited evaluation of the district's controls to identify some of the weaknesses that contributed to the fraud.
  - We identified three control weaknesses that likely contributed to the previous fraud that have not been corrected.
  - Those control weaknesses included problems with the district's inventory and a lack of sufficient oversight and evaluation of its major IT purchases.

#### **SUMMARY OF RECOMMENDATIONS**

- We made several recommendations to the Maize school districts to either implement, or consider implementing, the cost savings options we identified.

#### **AGENCY RESPONSE**

- Maize school district officials raised concerns about audit methodology for some findings. We considered their concerns but made no changes to our findings, conclusions or recommendations based on this information. Additionally, the district indicated it will not consider switching from a block schedule to a traditional eight-period schedule.

### HOW DO I REQUEST AN AUDIT?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the division must be directed by the Legislative Post Audit Committee. Any legislator who would like to request an audit should contact the division directly at (785) 296-3792.

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