

## AUDIT PROPOSAL

### K-12 Education: Evaluating At-Risk Student Counts, Weights, and Expenditures

#### SOURCE

This audit proposal is intended to satisfy requirements in 2018 Substitute for Senate Bill 423.

#### BACKGROUND

Kansas provides dedicated funding to school districts for additional educational services to students who are at risk of academic failure. School districts receive this funding in three ways:

- At-risk funding is provided based on the number of students in the district who receive a free lunch through the National School Lunch Program.
- High density at-risk funding is based on a formula that provides additional funds to districts that have more than 35% of their students on the free lunch program.
- Four-year old at-risk funding is provided to districts based on the number of four-year old students enrolled in the district who are at-risk as defined by the school board.

Although school districts receive this funding based on student counts, districts can use at-risk funds to provide services to any student the district has deemed to be at-risk. In many districts, students who are not working at grade level, have a high rate of absenteeism, or have been suspended from school are considered at-risk. School districts must use at-risk funding to provide additional education services such as tutoring, to hire paraprofessionals, or to provide early intervention services to pre-school students. In the 2017-18 school year, the state provided about \$415 million in total at-risk funding to Kansas school districts.

2018 Substitute for Senate Bill 423 requires our office to evaluate several issues related to at-risk funding. The final audit report is to be submitted to the Legislature by January 15, 2020.

#### AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

*The audit objectives listed below represent the questions that we would answer through our audit work. The proposed steps for each objective are intended to convey the type of work we would do but are subject to change as we learn more about the audit issues and are able to refine our methodology.*

**Objective 1: How does the method Kansas uses to count the number of at-risk students in a district compare to other methods?** Our tentative methodology would include the following:

- Work with Kansas school district officials and other stakeholders to collect their opinions on whether the free lunch count accurately reflects the number of at-risk students in their district.

- Review academic literature to determine what factors might put students at risk of academic failure and what methods might be used to identify those students.
- Interview officials in a sample of other states to identify other possible methods of counting at-risk students and the associated strengths and weaknesses of those methods.
- Compare Kansas' method for counting at-risk students to other possible methods identified above to help identify its relative strengths and weaknesses.

**Objective 2: How does the funding school districts receive through at-risk and high-density at-risk student weightings compare to what districts spend to provide services to those students?** Our tentative methodology would include the following:

- Work with Kansas State Department of Education (KSDE) and school district officials to determine how much funding districts receive through at-risk and high-density at-risk student weightings.
- On a sample basis, work with Kansas school district officials to determine the following:
  - how districts define at-risk students
  - what services districts provide to these students
  - how many students receive at-risk services
  - how much the districts spent for those services
- Compare the at-risk funding districts receive through the at-risk weighting to expenditures districts make for providing services, in total and on a per-student basis. Work with districts and KSDE officials to explain differences among districts.

**Objective 3: Has at-risk funding been calculated in accordance with state law and how do districts spend that funding?**

- Work with Kansas State Department of Education (KSDE) officials to understand what laws or regulations govern how school districts can spend their at-risk funding and to understand how they have calculated at-risk funding in recent years.
- Assess whether the department calculated at-risk funding correctly in recent years.
- Work with school district officials and review relevant financial documents and reports to determine how at-risk funds are spent in a sample of districts.

- Determine whether those expenditures align with the types of expenditures allowed by state law or regulations.

#### **ESTIMATED RESOURCES**

We estimate this audit would require a team of **three (3) auditors** for a total of **six (6) months** (from the time the audit starts to our best estimate of when it would be ready for the committee).