



KANSAS LEGISLATIVE DIVISION *of* POST AUDIT

The Rundown podcast transcript for Performance Audit report titled ***K-12 Education: Evaluating At-Risk Student Counts, Weights, and Expenditures*** – Released December 2019

Andy Brienzo, Host and Principal Auditor: [00:00]

From the Kansas Legislative Division of Post Audit. This is the Rundown. Your source for news and updates from LPA including performance audits recently released to the Kansas Legislature. I'm Andy Brienzo. In December 2019, Legislative Post Audit released a performance audit examining how funding meant to support at-risk students is provided by the state and spent by local school districts. I'm with Heidi Zimmerman, Principal Auditor at Legislative Post Audit, who supervised this audit. Heidi, welcome back to The Rundown. Thanks for taking the time to discuss this audit with me.

Heidi Zimmerman, Principal Auditor and Supervisor: [00:39]

Thanks for having me.

Andy Brienzo, Host and Principal Auditor: [00:42]

So, let's start off with what at-risk funding is and why Kansas school districts receive it.

Heidi Zimmerman, Principal Auditor and Supervisor: [00:48]

So, at-risk funding is additional funding that districts receive to provide services to students who are at-risk of academic failure. So, districts get this money kind of in recognition that certain students might cost more to educate either because of some struggle in the classroom or maybe there's a struggle at home. Whatever the reason, they may need some additional resources to help them be successful and this funding is intended to help school districts provide those additional resources.

Andy Brienzo, Host and Principal Auditor: [01:21]

How are districts' at-risk funding amounts calculated and how much money do they receive?

Heidi Zimmerman, Principal Auditor and Supervisor: [01:28]

Districts receive at-risk funding based on the number of kids in the school district

who are eligible for a free lunch through the national school lunch program. So, there are actually two prongs to at-risk funding. One is funding that all school districts receive and so that money is distributed based on the number of students eligible for a free lunch in the district multiplied by a weighting and then multiplied by the base and then the district gets that amount of money. The second kind of at-risk funding is for districts whose percentages of kids who receive a free lunch is 35% or greater. So, for those districts, they get an additional amount that's more than just the regular at-risk amount. And basically, the higher that percentage gets, the more money they receive. So, in total, for both of those kinds of funding and the 2018-19 school year, which was the year that we looked at throughout the audit, the school districts received a total of about \$413 million.

Andy Brienzo, Host and Principal Auditor: [02:32]

So who determines which students are considered at-risk and what services those students receive?

Heidi Zimmerman, Principal Auditor and Supervisor: [02:39]

The school districts are in charge of determining which students are at-risk. Districts look for a kind of variety of indicators that a student might be struggling. So sometimes that's academic, like their grades or the state assessments. Other times that can be how many days a student is absent. Obviously, if you're absent a lot, you aren't probably going to be real successful in school. They also look at things like social emotional needs that might be interfering with the child's ability to really be successful in the classroom. So, they're the ones in charge of identifying which students need those services. They're also in charge of deciding what service is appropriate to address that student's need. So, in the state of Kansas this does create a little bit of disconnect between funding and services. So, they get funding based on the number of kids who get free lunch, but then school districts identify the kids who they determine needs the service. So, there is a little disconnect between the students who generate the funding and the kids who receive the service.

Andy Brienzo, Host and Principal Auditor: [03:44]

So, it looks like as part of the audit your team talked to a number of school district officials and other stakeholders like education associations. What were their thoughts on how the state distributes at-risk funding?

Heidi Zimmerman, Principal Auditor and Supervisor: [03:57]

So, the people that we talked to, I would say generally they were pretty positive about the way the state distributes funding. There were kind of a mix of strengths and weaknesses. So, some of the strengths that people mentioned to us is that basing funding on the free lunch program-the free lunch is a very stable program. It's been around a long time and doesn't change much from year to year. It's got a very defined criteria that's not in the school districts' control. It's the federal government that decides at what point a student is eligible for a free lunch. The numbers are very easy to access, and they're updated every year. So, there's a certain kind of ease to using that as the way to distribute funding. There are few weaknesses though that the districts and stakeholders mentioned to us. First of all, determining free lunch eligibility is based on an application. So, the family has to turn in the

application. Sometimes families who might nevertheless be eligible for free lunch don't turn that application in for a variety of reasons, so the student doesn't get counted. Thus, the school district doesn't receive the funding. The other thing that a number of the districts that we talked to who have kind of comparatively lower free lunch rates told us was that poverty is a very good indicator for how many kids in a district might need additional resources, but it's not a perfect indicator. And so that some of those districts who had less poverty they still had kids who needed at-risk services. So, distributing that money solely on a poverty measure, sometimes they felt shortchanged a little bit.

Andy Brienzo, Host and Principal Auditor: [05:41]

To better understand districts' at-risk spending, the team reviewed 20 districts statewide. So, tell me about your sample and how you chose it.

Heidi Zimmerman, Principal Auditor and Supervisor: [05:52]

The 20 districts were chosen to be essentially a cross section of the state's 286 school districts. So, we looked for a lot of variety within that sample. So, we looked first of all its size in terms of the number of kids in the school district. So, we chose districts like Weskan, which has about a hundred kids in the school district. We also included Wichita, which has over 50,000 kids in the school district. We also looked for some geographic balance to make sure we got kind of all the way across the state. Certainly rural, western school districts face some unique challenges. So, we wanted to make sure we included districts like Victoria and St. Francis, which are a little further west to make sure we kind of got that perspective as well. And then last, we also looked for some socioeconomic diversity. So, we included districts like Coffeyville who have 70% of their kids are eligible for a free lunch and then also Blue Valley, which has only 5% of their kids qualifying for free lunch. So, we just aimed for kind of balance and a good cross section. I should mention that this time when we chose those districts, we did not choose them randomly. They were chosen to help maintain that good cross section, but because they were not chosen randomly, the results of our audit are not projectable to all 286 school districts in the state.

Andy Brienzo, Host and Principal Auditor: [07:16]

So the 20 districts, the team reviewed reported spending about \$162 million on at-risk services during the 2018-19 school year. Tell me about how those districts spent that money.

Heidi Zimmerman, Principal Auditor and Supervisor: [07:32]

So, those districts overwhelmingly spent that money on wages and benefits for staff. So, 96% spent on staff. We kind of looked into it a little further because so much of that money was spent on staff. So, we drilled down a little bit further to look on to look into who those staff were. So, the districts reported a little over 4,000 staff to us that they paid using some sort of at-risk funding and 82% of that staff were for teachers, that 9% were on paraprofessionals, and then that remainder was a little bit of counselors and school psychologists, a little bit of instructional coaches, a little bit of administration, but mostly it was teachers and paras. So, staff who are in the classroom. We also drilled down a little further into those teachers to kind of understand who those teachers were and what we found was mostly they are

regular classroom teachers- your third-grade teacher, your fifth-grade teacher. At the high school level, they were mostly teachers who taught core classes, so English, math, science and social studies, but we did find a number of band teachers, choir and PE teachers who were also being paid for with at-risk funds. We did find a little bit of variation though in how the districts paid for those teachers. Some districts paid for certain staff-100% of that salary was paid for with at-risk funds. A lot of the districts, it was just partial payments. Maybe 30% of all of our teachers were paid for with at-risk funds and the remainder was paid for through other funds so we did see a little bit of variety there.

Andy Brienzo, Host and Principal Auditor: [09:26]

So, how does the 20 districts that you reviewed their at-risk spending compare to the at-risk funding they received?

Heidi Zimmerman, Principal Auditor and Supervisor: [09:37]

So the school districts reported spending about \$162 million in at-risk services to us. They received about \$125 million from the state in at-risk funding. So, 77% of what they spent was covered in state at-risk funding. They received another \$9 million in federal funding and then the remaining \$28 million was spent through a combination of local sources and some other state funds that have unrestricted uses that they were able to use to make up that difference. So, these results really were not surprising to us given that the districts reported providing services to more students than they received funding for. So, across the 20 [school districts] that we looked at, on average, they provided services to about 16% more kids than they received funding for. But there was a lot of variation across the districts that we looked at. So one hand, St. Francis provided services to only about half the number of kids that they received funding for, but on the other extreme was Blue Valley who provided services to over 200% more kids than they received funding for so there was quite a bit of diversity when we looked at it in that way.

Andy Brienzo, Host and Principal Auditor: [10:55]

It looks like one of the biggest findings that came out of this audit was related to some concerns about the way that local school districts spend their at-risk funding. So tell me about those concerns.

Heidi Zimmerman, Principal Auditor and Supervisor: [11:08]

So, when we looked at how the district spent that money, we found of course that they mostly spent that money on regular classroom teachers, which did concern us a little bit because it wasn't clear to us whether or not spending their at-risk funding just on kind of regular classroom teachers whether that really met the intent of state law, which is to use this fund specifically to help at-risk students. So, that was kind of our first concern. We had a few others though as well. So, we looked at some of the programs and practices that districts told us that they used for their at-risk students and we found that many of those programs were simply not geared to at-risk students. So, we looked at 29 programs and practices that they reported to us, which was not all of them. The 29 that we looked at were ones they had a research that we could easily kind of access so we could quickly understand what the purpose of the program was. Across those 29, we found that only nine of them were actually

designed to help struggling students. We also looked at those programs, those same 29 programs to see what kind of research there was out there whether or not there was evidence behind them that showed them to be effective for improving student outcomes and out of that 29 we found that only three of them showed clear, positive results for improving outcomes. Eleven of them showed some potential positive effects and the remainder, which is about 15 of them really had mixed effects or the effect was just inconclusive. That obviously was a concern as well. The last thing we looked at was class sizes. Many of the districts we talked to told us they use their at-risk funds to pay for teachers in an effort to achieve smaller class sizes. So, we looked at what the research had to say about smaller class sizes and there was kind of some positive and some negative. On one hand, the research did show that there were positive effects for smaller class sizes in kindergarten through the third grade. It also found that kids in poverty especially benefited from smaller class sizes in those grades. However, after those grades, the research starts to become a little more inconclusive. It's just not clear, , whether or not there's any academic benefit for grades four through 12. In terms of smaller class sizes, we also noted that the research pointed to the fact that you needed about 15 or fewer kids in the class before you saw those academic benefits from smaller class sizes. So basically, moving your class size from 24 to 21 was unlikely to produce any measurable improved student outcomes. In this audit, though, we did not look at what the class sizes were in our 20 districts. So, this is just kind of a review of the literature, but we don't know what the class sizes are on the districts we looked at.

Andy Brienzo, Host and Principal Auditor: [14:21]

So, beginning with the 2018-19 school year, the Legislature is requiring the Kansas State Board of Education to identify and approve evidence based practices for at-risk programs, but the team found during the audit that these board approved practices and programs didn't comply with state law. Tell me about this.

Heidi Zimmerman, Principal Auditor and Supervisor: [14:44]

So, starting with the 2018-19 school year, , state law directed the State Board of Education to evidence-based practices for at-risk programs and for the instruction of at-risk students. So, the Board approves those programs and practices, but it's the Department of Education who maintains the website where all of those practices are listed, and they also do some work in compiling those practices and programs as well. So, we reviewed those programs and practices that the Board has approved and had a couple of concerns. First of all, those practices by state law requires them to be for at-risk programs or for the instruction of at-risk students. And we found that most of the resources on that website were not actually related to at-risk students. So, we found a number of programs and practices that were related to kind of just general resources for teaching. So, things like how to improve civic engagement in your classroom. A number of resources on common core math and how to implement those things in the classroom [and] things like writing instruction. Largely the things on that website are not related to at-risk students or to at-risk programs. The second criteria in statute is that it be evidence- based. When we looked at that those things on the website and we asked the Department to provide us what the evidence was for those things, the Department was not able to provide us any evidence that those things that were listed on the website were in fact

evidence-based. We also found that don't have any process for reviewing any literature or anything else to make sure that those resources that they're identifying meet that statutory requirement. We also raised a few other issues about those approved practices and programs. First of all, we know that it's difficult to use a website with 83 links on it. Essentially, the school districts told us it was hard to use. They struggled to find the things that they needed and the things that worked for their kind of unique situation. In other cases, it's just difficult to figure out what the practice is. So, when you click on the link, it leads you to another place on the Department's website. it's not always clear what the practice is that has been approved. We do have a number of concerns with those approved practices and programs.

Andy Brienzo, Host and Principal Auditor: [17:23]

The report also noted that the Department of Education did not update its guidance to districts to reflect some new spending rules for at-risk funding. So, what are those rules and what role did they play in causing some of the problems that your team identified?

Heidi Zimmerman, Principal Auditor and Supervisor: [17:41]

One of the new rules that was implemented in the 2018-19 school year was that school districts now must spend their at-risk funding only on the practices and programs that the Board has approved. So basically that, that list of resources we just talked about so they can only spend their at-risk funding- on those things. The Department provides guidance to the districts to help them understand how they should spend that funding. We found for the 2018-2019 school year that document did not get updated. So that document did not mention at all that there were new rules and that the districts could only spend that money on those approved practices and programs from the state Board. The law also says that school districts can spend that funding on the educational personnel and contracted services related to those programs and practices as well, but that just did not get communicated to the school districts through that guidance document. Now the Department told us that they did communicate that accurately in other settings, but that document was certainly inaccurate. In terms of how that related to some of the problems we found. We think it was related to a few of the things that we found, , in terms of how the districts spent their money. So, first of all, the districts did not seem to understand that they could only spend their at-risk funding on those approved items. The districts were largely aware of the website, many of them told us they had seen it and they had used it, but they did not seem to understand that they had to spend their money on those things. When we talked to the districts a number of them told us that they did spend their money on those things. When we asked them to kind of point us to where you spent that, they gave us lists related to federal programs or other state programs or virtual schools. So, it was very clear to us that the districts-there was some confusion among the districts, and maybe they didn't quite get the message that they could spend their money only on those things. We also found that for combination of reasons, including kind of the confusion from the school districts as well as the state of those Board approved programs and practices, we were not able to connect what the districts spent their money on to the items on that website. Basically, we cannot provide any assurance that the school districts

spent their money in ways that complied with state law. And last, we also noted that the Department of Education in the guidance that they provided the school district for the 2018-19 school year as well as many previous years has told the districts that they can spend their at-risk funding on teachers, regular classroom teachers, and they can do so in a proportion that is equal to the percentage of kids who are at-risk in the building. So, for example, if 30% of the kids in the building are at-risk, then they can then they can pay for teacher salaries-30% of teacher salaries can be paid for with at-risk funding. That is largely what school districts do. That is exactly what we saw. However, it wasn't clear to us whether that really meets the intent of state at-risk funding or the intent of state law. So, there were a number of concerns that came directly out of the guidance that the Department was providing to the school districts.

Andy Brienzo, Host and Principal Auditor: [21:20]

Finally, what's the main takeaway of this report?

Heidi Zimmerman, Principal Auditor and Supervisor: [21:24]

I think at-risk funding is really intended to provide additional services to struggling students. It was very clear I think that that those funds are being used in ways that don't specifically address the needs of those students. So I think this audit is perhaps an opportunity to kind of revamp, reevaluate what the expectation for at-risk funding is, and also how best to ensure that districts use that funding to meet the needs of students so that all kids can succeed in Kansas public schools.

Andy Brienzo, Host and Principal Auditor: [22:02]

Heidi Zimmerman is a Principal Auditor at Legislative Post Audit. She supervised an audit examining how funding meant to support at-risk students is provided by the state and spent by local school districts. Heidi, thank you so much for taking the time to walk me through your findings.

Heidi Zimmerman, Principal Auditor and Supervisor: [22:18]

Thanks for having me, Andy.

Andy Brienzo, Host and Principal Auditor: [22:20]

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