

AUDIT PROPOSAL

Evaluating At-Risk Expenditures and Statutory Compliance

SOURCE

This audit is required by K.S.A. 72-5173(h).

BACKGROUND

Kansas school districts receive at-risk funding to provide additional services for students who are at risk of academic failure. The state provides at-risk funding based on the number of students in the district who receive a free lunch through the National School Lunch Program. The state also provides additional funding to districts with 35% or more of its students eligible for free lunch. State law directs the state board of education to identify and approve evidence-based practices for at-risk students and to provide that list to school districts. School districts can then spend their at-risk funding on any at-risk program that the state board has approved. In the 2021 school year, the state provided about \$423 million in at-risk funding to Kansas school districts.

In 2019, our office released an audit of at-risk funding that found a few problems. The audit found most at-risk funding was spent on teachers and programs that serve all students rather than focusing on at-risk students. Further, most of the at-risk practices approved by the board of education did not target at-risk students and were not clearly evidence based. Last, we found the Kansas Department of Education (KSDE) updated the list of at-risk practices throughout the year, which reduced oversight and made it more difficult for districts to plan.

K.S.A. 72-5173(h) requires our office to conduct this follow-up audit. The final audit report is to be submitted to the Legislature by January 15, 2024.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How do school districts spend their at-risk funding and does that spending comply with state law? Our tentative methodology would include the following:

- Work with a sample of school districts to receive and review their accounting records to determine how districts spent their at-risk funds in the most recently concluded school year.
- Review state law and work with KSDE to understand what types of at-risk expenditures are allowable under state law.
- Compare how districts spent their at-risk funding to the allowable expenditures to determine whether the expenditures aligned with state law.

Objective 2: Has the Department of Education and State Board of Education acted in accordance with state laws related to at-risk programs? Our tentative methodology would include the following:

- Review state statute and work with KSDE officials to understand how at-risk funding is determined. Review KSDE financial documents to determine if the department calculated at-risk funding in accordance with state statute in recent years.
- Review the statutory provisions related to approving at-risk programs. Talk with KSDE and Board of Education officials to understand their approval process.
- Review a sample of programs and practices the board has approved and determine whether they comply with state law.

Objective 3: How have at-risk students performed on state assessments in the last several years? Our tentative methodology would include the following:

- Work with KSDE officials to get state assessment data from the last several years.
- Analyze state assessment data to determine what percentage of at-risk students have met state standards in the last several years. If possible, look at other outcome indicators such as graduation rates or National Assessment of Educational Progress (NAEP) scores.
- Talk with stakeholders to get their opinions about ways to improve outcomes for at-risk students.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **5 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).