



KANSAS LEGISLATIVE
DIVISION *of*
POST AUDIT

A Performance Audit Report Presented to the Legislative Post Audit Committee

Evaluating At-Risk Expenditures and Statutory Compliance

July 2023

Report Number: R-23-008

Introduction

K.S.A. 72-5173(h) requires this audit, which the Legislative Post Audit Committee authorized at its December 12, 2022 meeting.

Objectives, Scope, & Methodology

Our audit objective was to answer the following questions:

1. How did school districts spend at-risk funding, and did districts and the Kansas Department of Education act in accordance with state laws related to at-risk programs?
2. How have at-risk students performed on state assessments in the last several years?

For reporting purposes, we consolidated questions 1 and 2 from the original audit proposal into one question.

To answer the audit objectives, we reviewed state laws that direct how at-risk funds should be spent and what responsibilities the State Board of Education has. We reviewed expenditures made from 20 school districts' at-risk funds in the 2021-22 school year. The results of that work are not projectable because we did not choose the districts randomly. We talked with Kansas State Department of Education (KSDE) officials to understand their process for selecting programs for the approved at-risk list. We also reviewed various KSDE documents for compliance with state law. Last, we reviewed state assessment data, graduation rates, and ACT scores for the last several years provided by KSDE. More specific details about the scope of our work and the methods we used are included throughout the report as appropriate.

Important Disclosures

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Overall, we believe the evidence obtained provides a reasonable basis for our findings and conclusions based on those audit objectives.

Audit standards require us to report our work on internal controls relevant to our audit objectives. They also require us to report deficiencies we identified through this work. In this audit, we evaluated school district processes for ensuring that at-risk funds were spent in compliance with state law. We also reviewed KSDE's process for selecting at-risk programs. We found deficiencies in both processes that are detailed in this report.

Our audit reports and podcasts are available on our website (www.kslpa.org).

KSDE's list of approved at-risk programs continued to not comply with state law, and about 30% of the \$5.2 million in district expenditures we reviewed did not adhere to state law.

Background

In 2021-22, the state provided \$406.3 million in dedicated funding for school districts to deliver additional services to students at risk of academic failure.

- Districts receive additional state funding to provide services to students who are at risk of academic failure. K.S.A. 72-5151(c) notes that the purpose of at-risk funding is to provide at-risk students with services that are in addition to regular instructional services.
- The state provides two types of at-risk funding to school districts. Funding is based on the number of students who are eligible for free lunches through the National School Lunch Program. Additionally, to be eligible for at-risk funding, students must be under the age of 20 and be a full-time student. We will refer to both types as at-risk funding.
 - At-risk funding is calculated using a weighting. The number of eligible students in the district is multiplied by .484. That number is then multiplied by the BASE aid (\$4,706 in 2021-22). In the 2021-22 school year, school districts received \$360.1 million in at-risk funding.
 - The state provides high-density at-risk funding to districts with 35% or more of its students eligible for free lunch. This funding is based on a formula that provides a greater weighting for districts with higher percentages of students eligible for free lunches. In the 2021-22 school year, the state provided \$46.2 million in high-density at-risk funding.
- At-risk funding has increased significantly over the last 15 years, but recently has decreased slightly. After accounting for inflation, total at-risk funding has increased almost 50% over the last 15 years. However, over the last 5 years, total at-risk funding has declined by about 2%. The state provided \$406.3 million in at-risk funding in 2021-22, compared to \$414.2 million in 2017-18. The decline in funding was the result of a decline in the number of students eligible for free lunches.

State law requires that districts spend money from their at-risk fund only on programs approved by the State Board of Education.

- K.S.A 72-5153 requires the State Board of Education (the board) to publish a list of evidence-based at-risk practices and programs. Statute requires the programs on the list to be for at-risk educational programs and for the

instruction of at-risk students. Further, each program on the list must be based on peer-reviewed research that shows the program produced better student outcomes over a 5-year period than would otherwise be achieved.

- State law also allows the board to approve provisional at-risk programs. These are programs that are likely to produce success, but the board has not fully approved them yet. Districts may spend at-risk funds on these programs for up to 3 years. If the board finds that they are evidence-based, it can then include them on the fully approved list.
- Additionally, the law requires districts to spend money for at-risk programs from their at-risk fund. Districts may spend money from their at-risk funds only on the following things:
 - at-risk programs that the board has approved provisionally or fully
 - personnel providing educational services associated with approved programs
 - training related to approved programs
 - contracted services related to approved programs

Districts determine which programs from the approved list they will offer, how they will deliver them, and which students will participate in them.

- Districts decide which of the approved programs they will offer to address the needs of their at-risk students. This can include a variety of programs such as high school credit recovery, after school homework assistance, or small group work.
- Further, districts can provide services in many settings including after school, summer school, and in the regular classroom.
- State law does not require that the students who generate at-risk funding be the same students who receive at-risk services. It is up to the districts to determine which students will receive services. They typically make that decision based on more factors than just poverty. Student attendance, academic performance, and behavior in the classroom are often considered. Districts also use teacher referrals, state assessments, and other test results to identify students who are at-risk of academic failure.

We found significant problems in our 2019 at-risk audit and made several recommendations.

- We conducted an at-risk audit in 2019 that evaluated how much at-risk funding districts received, how districts spent those funds, and KSDE's oversight and guidance.

- The audit was published in December 2019 and found significant problems, including:
 - Most of the at-risk funding we reviewed was spent on teachers and programs that served all students rather than focusing on at-risk students.
 - Most of the at-risk programs the board approved did not target at-risk students and were not clearly evidence-based, as required by state law.
 - The spending guidance KSDE provided school districts did not align with state law.
- As a result of those problems, we made 3 recommendations.
 - We recommended that the board more thoroughly oversee the process for approving evidence-based at-risk programs.
 - We also recommended that KSDE establish a process to ensure that approved programs met statutory criteria.
 - Last, we recommended that the department ensure that any at-risk spending guidance they provided to the districts should accurately reflect state law.
- Because of these audit findings, the 2021 Legislature asked us to conduct another at-risk audit. This audit was added to the statutory list of education audits in K.S.A. 72-5173. Our findings for this audit start in the next section.

At-Risk Program List

None of the KSDE-approved programs we reviewed met the statutory criteria necessary to be included on the list.

- As mentioned before, state statute requires the board to identify and approve evidence-based at-risk programs. However, KSDE officials told us the board has delegated this responsibility to the department. As a result, KSDE staff reviewed the research and created the list of approved evidence-based at-risk programs.
- We evaluated 40 programs (out of 272) that were on the approved list for the 2021-22 school year. We chose some of the programs randomly. We chose others because we saw districts using them. Our results cannot be projected because we did not choose all of the programs randomly. We looked for evidence of effectiveness at the What Works Clearinghouse and Evidence for ESSA. These are sources KSDE uses as well. Both websites review and

aggregate evidence related to effectiveness for various educational programs. We also reviewed additional research KSDE used to make program decisions and conducted our own research of the programs.

- Statute requires that programs included on the approved list be evidence-based. K.S.A. 72-5153 defines evidence-based as peer-reviewed research that shows the program produced better outcomes over a 5-year period than would otherwise be achieved. Statute also requires that the program be for at-risk programs and at-risk students. We reviewed 40 programs to determine if they met the statutory criteria. None of the 40 programs met all 3 criteria:
 - For 22 (55%) of the programs we reviewed, we could not find peer-reviewed research. In several cases, the only research we could find was student dissertations or research conducted by the program's vendor. We did not consider research from either of these sources to be peer-reviewed.
 - 17 (43%) programs had peer-reviewed research, but the research did not evaluate students over a 5-year period. In all cases, the research evaluated students for much shorter durations.
 - 1 (3%) program met the statutory evidence-based requirement but it was not for at-risk. It had peer-reviewed research that evaluated students over a 5-year period. The research showed improved outcomes over the years it reviewed. However, the program was a general education program (career and technical education) that did not target at-risk students.

Most of the approved programs we reviewed had little to no evidence of effectiveness.

- As noted above, only 1 of the programs we reviewed met the statutory definition for evidence-based. However, that definition is quite narrow. That is because it requires the research to show better outcomes over a 5-year time period. However, most educational research does not follow students for that long. As a result, we reviewed the research to determine if the programs had any peer-reviewed evidence of effectiveness, regardless of how long the students were followed.
- Overall, the quality of the evidence for the 40 programs we reviewed was poor. For 22 (55%) programs, we could not find any peer-reviewed research. For the 18 programs we could find peer-reviewed research:
 - For 6 (15%) programs, the research indicated the program was not effective or had only weak evidence of effectiveness. For example, one study did not find any improvement in students who used visual phonics (a system of

hand shapes that represent how letters sound). Additionally, a meta-analysis of that program noted that more research was necessary if it was to become an evidence-based practice.

- 5 (13%) programs had mixed results. For example, a study examining phoneme sequencing (connecting the sounds of letters to the formation of words) found potentially positive effects on reading fluency, no effects on reading comprehension, and potentially negative effects on writing.
- 7 (18%) programs had moderate to strong evidence of effectiveness. For example, a research clearinghouse associated with U.S. Housing and Human Services rated Parents as Teachers as a well-supported practice. It also noted that research had found a sustained favorable effect for at least 12 months.
- The purpose of an evidence-based list of at-risk programs is to ensure that districts spend their funds on programs that are effective. When the department approves programs that lack quality evidence, districts may waste their resources on programs that do not work. As a result, at-risk students may not receive services that effectively address their needs.
- KSDE officials told us they plan to have a new list of approved programs ready for districts for the 2024-25 school year. They told us that district curriculum directors have asked the department to re-evaluate the evidence for some of the programs currently on the list. Additionally, they told us they plan to have higher standards but plan to use the same basic process.

Many KSDE-approved programs did not appear to meet the purpose of at-risk programs.

- K.S.A. 72-5153(5) defines the purpose of at-risk programs as providing opportunities, interventions, and services that are “above and beyond” regular educational services.
- Many of the programs on the approved list are designed for all students. Based on the statute, we expected programs to provide at-risk students an “above and beyond” opportunity or service. A few categories of programs do not appear to meet this expectation:
 - Many programs on the approved list are general educational opportunities available to all students. For example, the approved list included career and technical education, virtual schools, dual-credit courses, and Kahn Academy (free online courses for pre-K through high school). KSDE approved these programs even though all students have access to them. Further, several general math and reading curriculums, such as GoMath or

Dreambox were listed as approved at-risk programs. These are general curricula districts often use district-wide.

- Some programs on the approved list were general teaching strategies for use in any classroom and for all students. For example, co-teaching (two teachers share the planning, assessment, and instructional responsibilities in the same classroom) or project-based learning (students learn through solving real world problems) were approved programs.
- A few programs were actually assessment tools districts use to routinely assess all students. For example, Fast Bridge is on the approved list. However, many districts use Fast Bridge to assess all students' progress throughout the year.
- Department officials agreed that some general programs may not be appropriate for inclusion on an at-risk program list. For example, the department told us that programs such as Kahn Academy and Kansas Connections Academy are unlikely to be approved for future lists.

The problems we identified with KSDE's approved at-risk list are the result of several factors.

- KSDE has a written process for identifying programs for the approved list, but it does not include some statutorily required criteria. The process directs staff to use research tools such as the What Works Clearinghouse, Evidence for ESSA, and Google. It also requires staff to consider sample sizes, demographics, and effect size when deciding whether the program is evidence-based. However, it does not require that staff consider whether the program meets 2 statutory requirements:
 - The process does not require that staff consider whether the program targets at-risk students. Department officials told us they do not require approved programs to target at-risk students specifically, as long as some aspect of the program works for at-risk students.
 - The process also does not require that programs have evidence that they produce better student outcomes over a 5-year period. Officials told us it is difficult to find research that meets that criteria. We agree with that assessment. Based on our review, research often follows students for the year, or occasionally, a couple years. The 5-year requirement significantly reduces the number of programs that can meet that aspect of statutory compliance.
- KSDE staff do not appear to follow their own rules for ensuring that research is peer-reviewed. Much of the research the department submitted to us was not

peer-reviewed even though officials told us they require it. Department officials told us that prior to 2020, their process did not require research to be peer-reviewed. When KSDE officials changed the process, they did not re-evaluate the programs on the approved list to ensure they were peer-reviewed.

- KSDE's process also does not adequately review provisional programs to determine if they meet statutory requirements. Provisional programs must be likely to produce measurable success. However, the department accepts self-reported information from the districts to determine whether to include it provisionally. Further, it does not take steps to determine whether any reported improvements are a result of the program. KSDE officials told us they often cannot isolate the effects of the program they are reviewing to determine whether it is likely to produce success.
- The board does not appear to provide any oversight to KSDE's list of approved programs. As mentioned previously, statute requires the board to identify and approve evidence-based at-risk programs. KSDE officials told us the board has delegated this task to the department. A board member told us the board has delegated this task because many members lack education backgrounds. KSDE officials told us that the department updates the board about the list. We were unable to find any evidence that an update has occurred in the last 4 years. However, department officials updated the board about general at-risk issues in June 2023.

District At-Risk Expenditures

Most of the \$176 million in at-risk expenditures we reviewed for 20 districts was spent on salaries and benefits.

- The state provides districts with at-risk funding meant to provide additional services to students who are at-risk of academic failure. We reviewed the accounting records for 20 districts' (out of 286) at-risk funds from the 2021-22 school year to determine how they spent those funds. We chose 10 districts from our previous at-risk audit and 10 new districts. We selected districts to provide a good cross-section of Kansas school districts. 31% of all at-risk students in the state are represented in our sample. Last, the results from this sample are not projectable because we did not randomly select the districts.
- Most of the nearly \$176 million the 20 districts spent in the 2021-22 school year was for salaries and benefits. **Figure 1** shows how much each of the 20 districts spent from their at-risk fund and what percentage was for salaries and benefits. As the figure shows, overall, 97% (\$171.2 million) of expenditures were for salaries and benefits.

Figure 1: In the 2021-22 school year, the districts we reviewed spent nearly all of their \$175.7 million in at-risk expenditures on salaries and benefits.

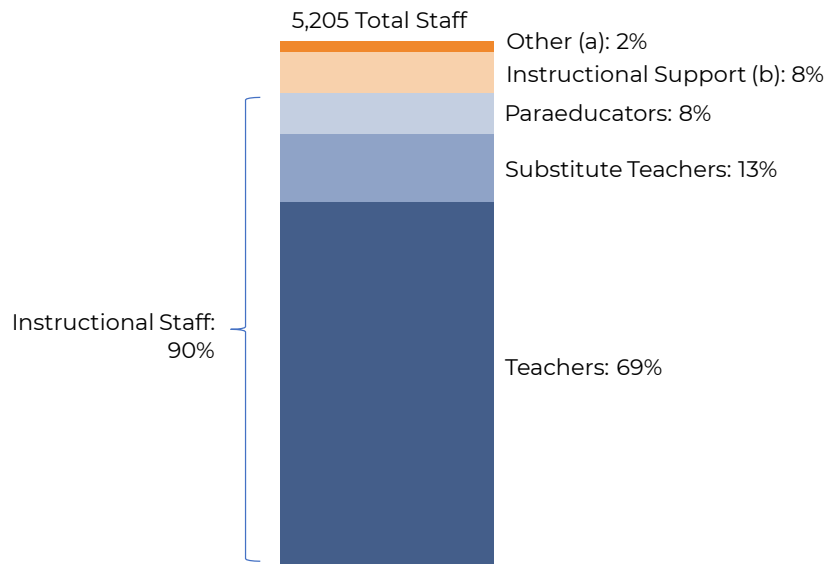
School District	Total At-Risk Expenditures	\$ spent on salaries and benefits	% spent on salaries and benefits
Beloit	\$855,074	\$855,074	100%
Caldwell	\$248,578	\$248,578	100%
Coffeyville	\$3,988,950	\$3,988,950	100%
Elkhart	\$423,706	\$423,706	100%
Eureka	\$830,445	\$830,445	100%
Ingalls	\$258,175	\$258,175	100%
Morris County	\$1,069,600	\$1,069,600	100%
WaKeeney	\$211,601	\$211,601	100%
Atchison County	\$723,790	\$721,719	100%
Great Bend	\$5,262,404	\$5,205,258	99%
Wichita	\$103,489,329	\$102,059,390	99%
Bucklin	\$292,886	\$288,065	98%
Inman	\$349,689	\$343,189	98%
Chanute	\$3,173,669	\$3,050,204	96%
Onaga	\$250,085	\$238,122	95%
Kansas City	\$52,275,794	\$49,641,034	95%
Weskan	\$61,999	\$58,733	95%
Colby	\$929,060	\$833,267	90%
Spring Hill	\$859,736	\$750,047	87%
Oberlin	\$180,548	\$121,330	67%
Total	\$175,735,118	\$171,196,489	97%

Source: LPA analysis of 20 school district accounting records (audited).

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- The remaining 3% (\$4.5 million) the districts spent was largely for professional services (i.e. professional development or transportation) and supplies.
- Districts paid for salaries and benefits from their at-risk fund for a variety of staff, but the majority was for instructional staff. **Figure 2** shows what types of staff districts reported paying from their at-risk fund. As the figure shows, most were instructional staff such as teachers (69%), substitute teachers (13%), and paraeducators (8%). Most of the remainder were instructional support staff. This includes staff such as psychologists, social workers, and instructional coaches.

Figure 2: In the 20 districts we reviewed, most staff that districts paid for from their at-risk funds were instructional staff.



(a) This category includes staff such as administrators, nurses, and clerical staff.

(b) This category includes staff such as social workers, psychologists, and instructional coaches.

Source: LPA analysis of personnel reported by 20 school districts (audited).

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About 30% of the \$5.2 million in expenditures we reviewed did not adhere to statutory spending rules.

- We reviewed 179 (\$5.2 million) expenditures that the 20 selected districts paid for from their at-risk funds in the 2021-22 school year. This represented about 3% of those districts’ \$175.7 million at-risk expenditures that year. We selected items that reflected the types of expenditures the district made from its at-risk fund. We also selected expenditures that appeared questionable. The results are not projectable because we did not randomly choose the expenditures.
- We reviewed expenditures to determine if they were allowable under state law. State law requires that all expenditures from the at-risk fund be for approved programs or the educational staff, training, or contracted services related to an approved program. However, as mentioned before, many of the programs on the state’s list of approved at-risk programs did not meet

statutory requirements to be on the list. With that in mind, this review only evaluated if district spending was connected to a program on the approved list. It did not account for whether the program should be on that list in the first place.

- For many expenditures, allowability was based on whether or not a teacher or other staff member used an approved program. We could not verify through direct observation what programs were used by staff last year. Instead, we looked for indirect evidence. This included evidence such as invoices proving the district had purchased an approved program or evidence showing the district had provided training for an approved program.
- 71% (127) of the items we reviewed were related to a program on the department's list of approved at-risk programs. For 11 of the 20 districts, all of the expenditures we reviewed were related to programs on the list. This included expenditures for things such as teachers and paraprofessionals who were using approved programs, software, and training related to an approved program.
- However, 29% (52) of the expenditure items we evaluated were not allowable. 9 of the 20 districts we reviewed had at least 1 unallowable expenditure. Unallowable items included things such as salary and benefits for food service or clerical staff, 65 inch TVs, Sam's Club memberships, food, and office equipment. These items were not allowable because they were not directly related to KSDE-approved at-risk programs or their educational staff, training, or contracted services. **Appendix B** provides more information on each district's expenditure compliance.
- The items that were not allowable represented nearly half of the at-risk expenditures we reviewed for the 20 districts: The 179 items we reviewed totaled about \$5.2 million. We determined \$2.4 million, or 47%, was not allowable. However, half of that amount was a single \$1.2 million expenditure for an adult diploma completion program.

It is unclear how much of the districts' at-risk spending targets at-risk students or provides them an "above and beyond" opportunity.

- Statute says the purpose of at-risk programs is to provide "above and beyond" educational opportunities to at-risk students. For that reason, we expected districts to spend their at-risk funds in a way that specifically targeted at-risk students.
- The inclusion of broad and general programs on the approved at-risk program list means many expenditures are unlikely to target at-risk students. For example, GoMath is a general math curriculum, but it is on the approved list

of at-risk programs. Thus, districts can use at-risk funds to pay teacher salaries for any teacher using Go Math. This results in at-risk funds being used for general services rather than for services that provide at-risk students an additional opportunity.

- Most districts spent most of their at-risk funds on teachers and paraeducators (paras). If teachers and paras are providing additional services within the classroom, such as small group or one on one work, these could represent additional opportunities for at-risk students. However, simply paying regular classroom teachers and paras with at-risk funds does not ensure that at-risk students will receive additional services.
- Many districts' processes for spending at-risk funds do not directly connect spending to providing "above and beyond" services. Nearly all of the districts we reviewed use their at-risk funds to pay for a portion of teacher and para salaries. Most of the districts told us they base that portion on the percentage of students who are at-risk in the classroom or the building. For example, if 30% of the students are at-risk in the school, then they pay 30% of the teacher salary from at-risk funds. However, this method does not connect spending to providing any particular service to at-risk students. As a result, it does not ensure that at-risk students will receive additional services.

Problems with the at-risk spending guidance KSDE provided to school districts may contribute to some of the unallowable spending we found.

- We reviewed the 2021-22 school year guidance document KSDE provided to school districts. This document answers commonly asked questions about how districts may provide at-risk services and spend their at-risk funds. We reviewed it to determine whether the KSDE guidance aligns with state statute.
- The guidance document does not specify that the programs the districts can spend their at-risk funds on must be approved by KSDE. The document only says that funds must be used on evidence-based programs. However, state law requires that any money spent from the at-risk fund must be spent on approved evidence-based programs. KSDE officials told us they mean approved programs when they say evidence-based. Based on the compliance work we conducted, it is not clear that districts understand this distinction.
- The guidance document allows districts to spend at-risk funds for certain staff who work at schools that are 100% at-risk, which is contrary to state law. For example, the guidance notes that administrative and clerical staff can be paid for with at-risk funds if the staff works at a school that is 100% at-risk. However, these methods are not allowed by statute. Statute only allows funds to be spent on certain expenditures related to approved programs. The percentage of at-risk students in the school is not a consideration. KSDE officials agreed that in certain circumstances that guidance may not be accurate.

- Other aspects of the guidance are more restrictive than statute. For example, the guidance document tells districts they can only spend 25% of their at-risk funds on equipment. State law has no such restriction. KSDE officials told us they thought this was a reasonable restriction as they do not want districts to spend all their funds just on equipment.
- When guidance does not reflect state law, districts may not spend their money in compliance with state law. For example, a couple districts that had several unallowable expenditures, told us that their spending should be allowable because it was spent at a school that was 100% at-risk. This does not comply with statute, but KSDE guidance allows it.

Recurrent Problems

This audit showed the same problems as in our 2019 at-risk audit, and none of our recommendations have been adequately implemented.

- In our 2019 audit, we found the same issues with KSDE's guidance document and their approved at-risk list. In that audit we also raised concerns about whether districts were spending their at-risk funds on teachers and programs that served all students rather than focusing on at-risk students.
- Further, none of the recommendations we made in the 2019 audit were adequately implemented:
 - We recommended that the department ensure that any guidance they provide to the districts reflects current state law. This audit noted a number of ways in which the guidance does not reflect state law.
 - We recommended that KSDE establish a process to determine that approved programs are evidence-based and for at-risk students. Although the department implemented a process for reviewing programs, it does not include statutorily required criteria that programs be evidence-based and for at-risk programs or students.
 - Last, we recommended that the board more thoroughly oversee the process for identifying at-risk programs and practices. The board has delegated the approval of programs to department staff. We found no evidence that the board has taken a larger role in overseeing the approval process.

Other Findings

KSDE complied with other aspects of state law related to at-risk funding.

- Statute requires KSDE to take a few other actions regarding at-risk funding. We reviewed statute to determine what those actions were. To determine whether the department had complied with those things, we reviewed KSDE's website and various documents and checked its at-risk funding calculations.
- State law requires KSDE to calculate at-risk funding based on a formula. We reviewed KSDE's at-risk and high-density at-risk funding calculation for the 2020-21 and 2021-22 school years. Funding appeared to be calculated correctly and in accordance with state law in both years.
- State law requires KSDE to "prominently" display the approved at-risk program list on its website homepage. A link to the list is displayed on KSDE's homepage and we did not have any difficulty finding it.
- Additionally, state law requires the department to collect certain information about at-risk programs from the districts. This includes information such as the number of students who received at-risk services and the types of services provided. The form the department uses to collect this information included all of the required elements.

Students eligible for free lunches have generally performed more poorly than other students over the last several years.

Kansas public school students take state assessments in various subjects several times in grades 3 through 11.

- The Kansas Assessment Program is a series of standardized tests mandated by K.S.A. 72-5170. The assessments are designed to evaluate whether a student has mastered state standards.
- The Kansas Assessment Program includes assessments for English language arts, math, and science. Students also take assessments in history, government, and social studies. However, KSDE has recently updated those tests, which created consistency issues. As a result, we only evaluated student performance in English language arts, math and science.
- Students take assessments periodically from 3rd grade through 11th grade. Students take the English language arts and math assessment every year in grades 3 through 8 and in the 10th grade. Students take the science

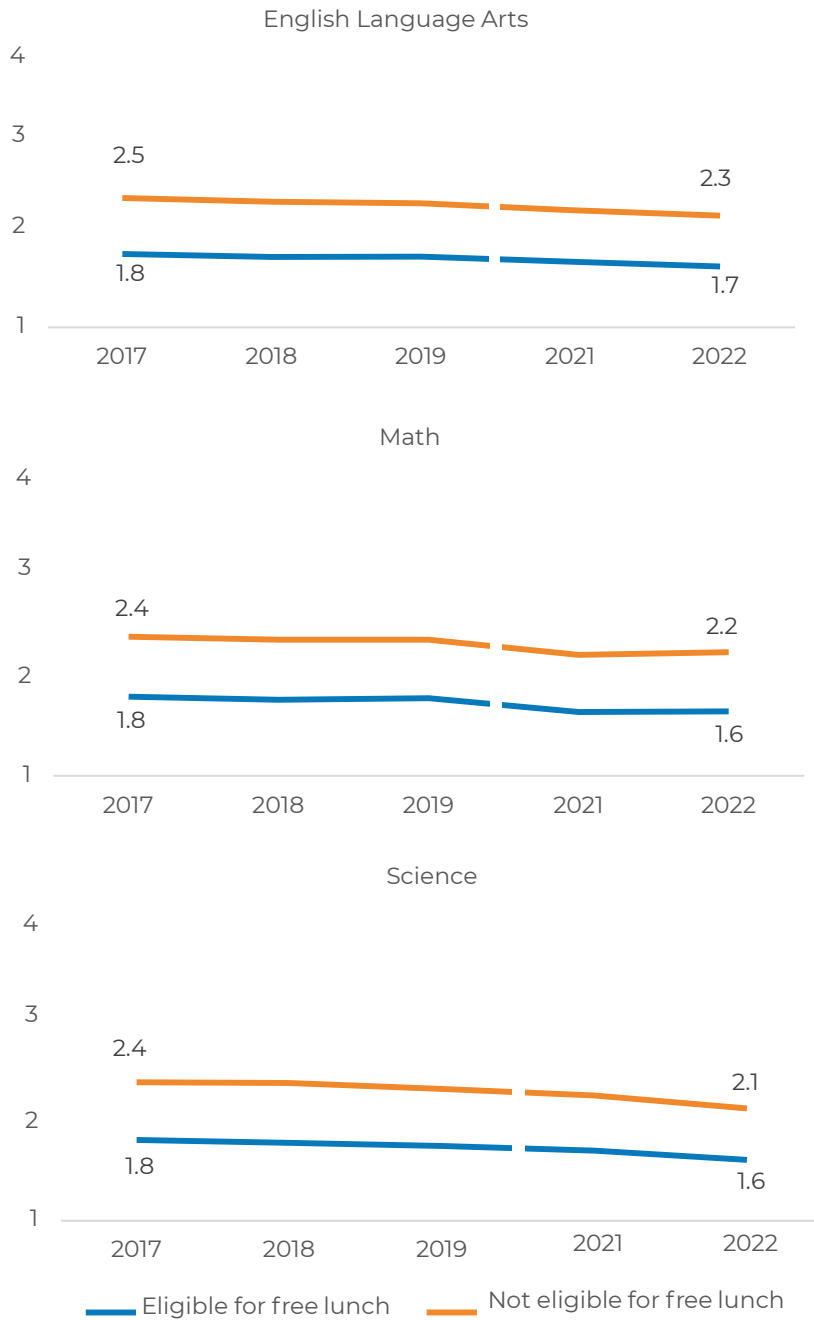
assessment in grades 5, 8, and 11. Students take the tests across two days in March or April and are allowed to take as much time as they need to complete it.

- Student scores are placed into 1 of 4 performance levels for each test.
 - Level 1: the student shows limited ability for postsecondary readiness
 - Level 2: the student shows basic ability for postsecondary readiness.
 - Level 3: the student shows effective ability for postsecondary readiness.
 - Level 4: the student shows excellent ability for postsecondary readiness.

Over the last 6 years, students eligible for free lunch have consistently performed worse on state assessments than students who are not eligible for free lunches.

- The data we used did not have an indicator for which students received at-risk services. However, it did indicate which students were eligible for free lunch. Although free lunch is not an exact indicator for which students received at-risk services, it is often used as a good proxy indicator.
- We examined state assessment scores for English language arts (ELA), math, and science provided by KSDE. We compared the scores of students who were eligible for free lunches to those of students who were not eligible for free lunches. We reviewed scores for school years 2017 through 2022. However, students did not take state assessments in the 2020 school year due to COVID-related issues.
- **Figure 3** shows the average score for students in ELA, math, and science from school years 2017 to 2022. As the figure shows, between 2017 and 2019 the average state assessment scores for all students and for all subjects remained steady or declined slightly. However, the decline became more pronounced in 2021. We used a regression model and a T-test to analyze the significance in the change in average test scores between 2017-2019 and 2021-2022. The results showed a statistically significant decline in average test scores. This may be related to COVID-related issues.
- Students eligible for free lunch performed worse than other students in all subjects and across all 5 years. As **Figure 3** shows, scores for students eligible for free lunch typically lagged behind other students by about half a level. For example, in the 2021-22 school year, students eligible for free lunches scored an average of 1.7 (just under level 2) in ELA. In contrast, students not eligible scored a 2.3 (a little above level 2).

Figure 3: Students eligible for free lunches consistently scored about a half a level below other students in the last several years. (a)



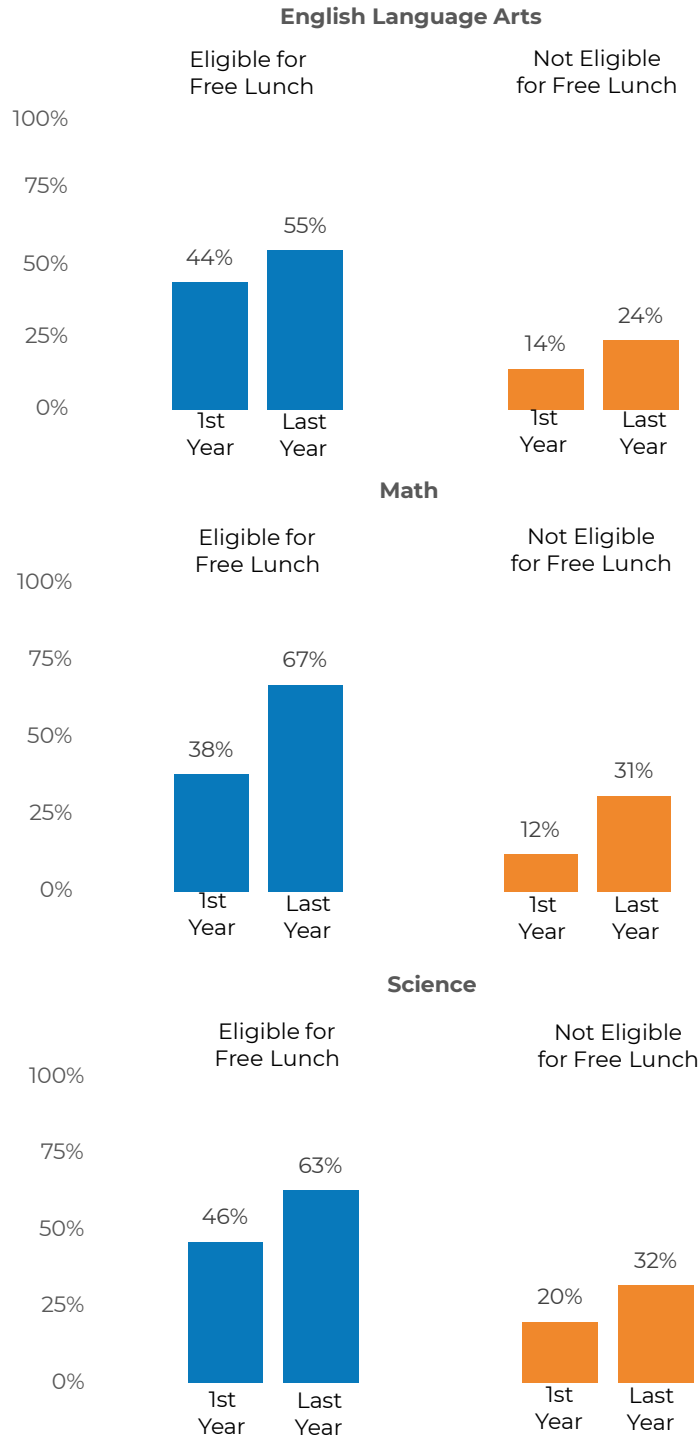
(a) Students did not take state assessments in 2020 due to COVID-related issues.

Source: LPA analysis of state assessment data provided by KSDE (audited).

All 4 cohort groups we evaluated performed worse over time, but this trend was more pronounced for students eligible for free lunch.

- We tracked state assessment scores of 4 cohorts of students for several years. Those cohorts include all students who were 3rd, 5th, 6th, or 7th graders in school year 2017. We then followed each of those student groups for 6 years (excluding 2020). We compared how those students did on state assessments the first year they took it with how they did in the last year. For example, we looked at 3rd grade students in the 2016-17 school year and 8th grade students in the 2021-22 school year. We only included students who appeared in every year in this analysis.
- The proportion of all students scoring at level 1 (the lowest level) increased over time. However, the trend was slightly more pronounced for students eligible for free lunch. **Figure 4** compares the percentage of students that scored in level 1 in the first year and last year we reviewed. As the figure shows, in math, 38% of students eligible for free lunches scored at level 1 in the first year we evaluated. Several years later, that percentage increased to 67% for the same students. We saw a similar trend for students not eligible for free lunch but it was less pronounced. For example, 12% of students not eligible for free lunch scored at level 1 in the first year we evaluated. Several years later, it was 31%.
- Very few students scored better over time. For example, in math only about 7% of all students scored better over time. This means that the vast majority of students either scored at the same level or at a lower level over the years we analyzed.

Figure 4: The percentage of students performing at level 1 increased over time for all students, but it is more pronounced for students eligible for free lunch.



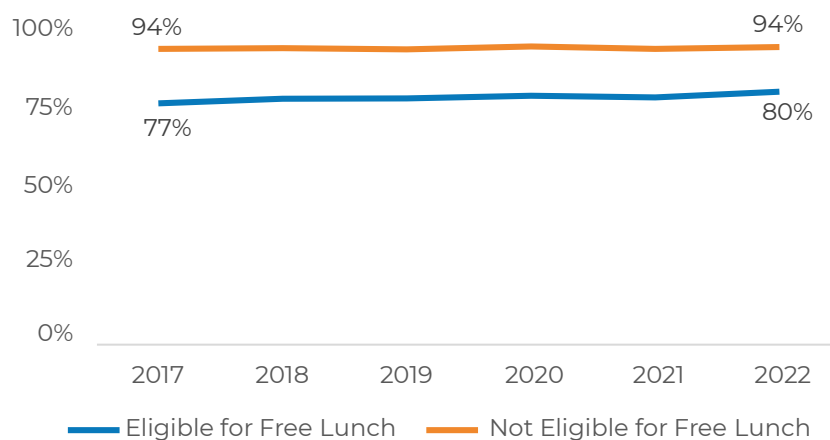
Source: LPA analysis of state assessment data provided by KSDE (audited).

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The graduation rates and ACT scores of students eligible for free lunch were also lower than other students.

- KSDE provided us with data on graduation rates and ACT scores for 2017 through 2022. We estimated the four-year cohort graduation rate to provide a more complete picture of the percentage of graduating students. We did this because the data we had did not allow us to directly determine graduation rates. We compared those rates and scores for students eligible for free lunches to students that were not eligible.
- Overall, the graduation rate improved slightly from 2017 to 2022. In 2016-17 it was 87% and in 2022 it was 89%. Rates dipped slightly in 2020-21, potentially due to COVID-related issues. However, they recovered in the 2021-22 school year.
- Graduation rates for free lunch students were lower than the rates for other students across the 6 years we evaluated. **Figure 5** compares graduation rates for the 2 groups. As the figure shows, students eligible for free lunch graduated at lower rates than students not eligible. Although there is a difference in graduation rates between the two groups, the gap is narrowing. In 2017 there was a 17% difference between the two groups. By 2022, the gap had narrowed to 14%, because graduation rates for students who are eligible for free lunches improved.

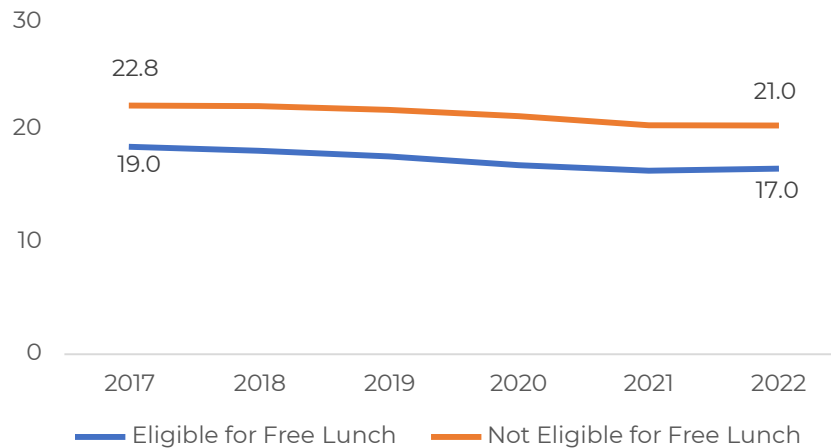
Figure 5: For each year we evaluated, graduation rates for students eligible for free lunch were lower than the rate for other students.



Source: LPA analysis of graduation data provided by KSDE (audited).

- Overall, from 2017 to 2022, the average ACT score declined for all high school seniors. However, it was declining slightly before 2020 and then declined more rapidly after. This may be due to COVID-related issues.
- During the years we evaluated, the average ACT score for high school seniors eligible for free lunches was lower than the average for other students. **Figure 6** compares the average ACT score for both groups. As the figure shows, the gap between the two groups was consistently about 4 points across the years we evaluated.

Figure 6: The average ACT score for high school seniors eligible for free lunch was consistently about 4 points lower than the average for other students.



Source: LPA analysis of ACT data provided by KSDE (audited).

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Conclusion

This is the second time we have evaluated district at-risk expenditures and KSDE’s role in at-risk programs in the last 4 years. Despite calling out several problems and making recommendations to correct those problems in December 2019, little appears to have changed. The problems with the department’s approved at-risk program list have persisted and are especially concerning. Districts depend on that list to drive at-risk spending and ultimately, the programs and services they offer. As outcomes show, at-risk students are behind academically and do not appear to be making up much ground. It is critical that the department’s list includes programs that are proven effective for at-risk students. When the department’s list is poor, district spending is less likely to be targeted to at-risk students. More importantly, struggling students are less likely to get the effective help they need.

Recommendations

1. The Legislature should consider eliminating the five-year research requirement from the definition of evidence-based instruction.

2. The department should ensure that its guidance document accurately reflects the at-risk related statutes.
 - Edits have already been made to the guidance document. A process is in place for periodic reviews to facilitate future updates.

3. The department should re-review all currently approved programs to ensure that approved programs meet all the requirements described in state law.
 - The department is currently in the process of reviewing and updating the approved list of evidence-based best practices. This new list will be presented to the state board for review in January with the intent to be in place for school districts during the 2024-25 school year.

4. Districts should review K.S.A. 72-5153, which specifies allowable uses for spending from the at-risk fund, and ensure that their policies, training, and guidance are in alignment with those laws.
 - USD 377 (Atchison County) will continue to follow K.S.A. 72-51433 to the best of our understanding. USD 377 will continue to monitor expenditures for their appropriateness and compliance and adjust as necessary and prudent. USD 377 will continue to use the State Board of Education’s approved list of educational programs for selection of curriculum, intervention strategies and necessary professional development training for proper implementation for at-risk students.

 - USD 273 (Beloit) will review the above statute on at-risk funds and ensure our policies and trainings meet the necessary guidance and guidelines.

 - USD 459 (Bucklin) will comply with the recommendation by reviewing K.S.A. 72-5153 and ensure that our policies, training, and guidance are in alignment.

 - USD 360 (Caldwell) plans to follow the allowable uses for at-risk funding as stated in K.S.A. 72-5153.

- USD 413 (Chanute) agrees with the recommendations of the LPA and will follow said recommendations by reviewing the state statute and aligning our policies and training with K.S.A 72-5153.
- USD 445 (Coffeyville) abides by state law/statutes and all KSDE rules, regulations and regulations.
- USD 315 (Colby) plans to implement the recommendation made in the at-risk audit report.
- USD 218 (Elkhart) will follow state statutes for at-risk implementation and spending of funds.
- USD 389 (Eureka) will implement the recommendation.
- USD 428 (Great Bend) will review K.S.A. 72-5153 and implement as required the specific allowable uses for the spending of at-risk fund. The Great Bend USD 428 school district will ensure the policies, training, and guidance are in alignment with those laws and will follow recommendations given by the Kansas Department of Education.
- USD 477 (Ingalls) will evaluate K.S.A. 72-5153, and ensure all spending from the at-risk fund is aligned with the law, and ensure that our policies, training, and guidance are in alignment with K.S.A. 72-5153.
- USD 448 (Inman) plans to implement the above recommendation.
- USD 500 (Kansas City) will ensure policy, training, and guidance are in alignment with KSDE guidance and the law.
- USD 417 (Morris County) will follow KSA and ensure that policies, training, and guidance align with state law.
- USD 294 (Oberlin) will review K.S.A. 72-5153 on specified allowable uses for spending from the at-risk fund and plan to implement the recommendation provided from the At-Risk Audit.
- USD 322 (Onaga) will review K.S.A. 72-5153 to ensure our policies, training and guidance continue to remain in alignment with those laws.
- USD 230 (Spring Hill) will follow the recommendation to review K.S.A. 72-5153 to ensure our policies, training, and guidance are in alignment with the law.

- USD 208 (WaKeeney) will continue to make sure our at-risk funds stay in compliance with the statute.
- Since USD 242 (Weskan) had 100% compliance as reported in the audit, I feel comfortable that we are following the required guidelines.
- USD 259 (Wichita) has always strived and will continue strive to adhere to K.S.A 72-5153. The KSDE At-Risk guidelines and the KSDE list of evidence-based practices also support our compliance efforts. The interpretation of legislation during the audit required our community instructional partners paid via contracts to be specifically listed on the evidence-based practices list, regardless of whether the instructional practices and curriculum used by the partner were listed, which led in large part to USD 259 findings. We would urge the evidence-based practices list to be reviewed and updated on a timely basis, with notifications of changes sent to USDs. Based on LPA's audit, we will move out of At Risk funding our adult diploma completion program and all administrative support at our at-risk alternative education centers. While we believe it's reasonable to include these expenses in the At-Risk fund, we accept the findings that statutorily these programs and supports must be funded outside the At-Risk fund. USD 259 received over \$92 million in At-Risk funding. Other than these items noted, we believe the balance of our spending is in full compliance with 72-5153.

Agency Response

On June 14, 2023 we provided the draft audit report to KSDE, the State Board of Education, and the 20 selected districts. KSDE and the districts responded to the recommendations. We did not make a recommendation to the board so a response was optional. They declined to respond.

Appendix A – Cited Reference

This appendix lists the major publication we referenced in this report.

1. K-12 Education: Evaluating At-Risk Student Counts, Weights, and Expenditures (December, 2019). *Kansas Division of Legislative Post Audit*.

Appendix B – District Expenditure Compliance

This appendix provides additional information on the results of the at-risk expenditure compliance work we conducted for 20 selected school districts.

School District	# of items reviewed	% Compliant	\$ Reviewed	% Compliant
Atchison County	6	100%	\$86,362	100%
Beloit	7	100%	\$176,556	100%
Bucklin	7	86%	\$80,024	98%
Caldwell	7	100%	\$104,529	100%
Chanute	14	50%	\$232,904	86%
Coffeyville	7	71%	\$253,902	70%
Colby	12	33%	\$75,351	56%
Elkhart	6	100%	\$79,598	100%
Eureka	6	100%	\$137,186	100%
Great Bend	8	63%	\$158,863	96%
Ingalls	5	100%	\$54,651	100%
Inman	6	100%	\$64,538	100%
Kansas City	23	43%	\$1,244,807	38%
Morris County	5	100%	\$96,688	100%
Oberlin	4	75%	\$84,766	30%
Onaga	9	100%	\$156,087	100%
Spring Hill	14	71%	\$245,385	99%
WaKeeney	5	100%	\$1,335	100%
Weskan	5	100%	\$27,456	100%
Wichita	23	43%	\$1,836,116	21% (a)
Total	179	71%	\$5,197,106	53%

(a) The very low percentage of compliant expenditures in this district is largely related to a single \$1.2 million expenditure for an adult diploma completion program. Adult diploma completion programs are not on KSDE's approved program list.

Source: LPA analysis of district accounting records and other documentation provided by the school districts (audited).