



Legislative Post Audit Performance Audit Report Highlights

K-12 Education: Efficiency Audit of the Ashland School District

Report Highlights

March 2014 • R-14-004

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 from fiscal year 2014 to fiscal year 2017. The audits are to include one small, one medium, and one large school district.

Officials from the Ashland school districts (a small school district) volunteered for an audit of its operations.

Background Information

The Ashland school district is located in south central Kansas in Clark County.

Five-year trend data show the district's student enrollment has declined, but staffing levels and expenditures per full-time-equivalent student have increased.

QUESTION 1: *Could the Ashland 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 \$34,000 annually by reducing supplemental pay to align with what three other similar districts offer.
 - In the 2012-13 school year, Ashland paid 34 staff a total of \$96,000 in supplemental pay for a variety of extracurricular activities.
 - Ashland's supplemental pay was about \$1,700 more per teacher than three other small comparable districts.
 - Districts officials could not explain some supplemental payments and others appeared duplicative of teacher's regular duties.
 - Reducing supplemental pay would also save the state up to \$3,500 annually in Kansas Public Employees Retirement System (KPERS) funding.
- The district could save between \$25,000 and \$76,000 annually in food service expenditures by setting a budget and adopting better purchasing practices.
 - The district spent about \$1 more per meal than its peer district average in the 2012-13 school year.
 - The district does not set a budget and has several poor purchasing practices such as not buying in bulk and not routinely comparing prices across vendors, which contribute to high food service costs.
 - The district could save between \$25,000 and \$76,000 if it could reduce its per-meal cost to its peer average.

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

- The district could save about \$75,000 annually by consolidating low-enrollment courses and reducing underutilized staff.
 - The district could save about \$46,000 annually by consolidating low-enrollment junior high and high school courses and eliminating one teaching position.
 - The district could save about \$28,000 annually by reducing the high school band and music teacher to part time.
 - The district could also save about \$1,800 annually by having a salaried teacher monitor a distance learning Spanish class instead of a custodian.
 - Reducing the math and band teaching positions would also save the state about \$7,600 per year in KPERS costs.

- The district could save more than \$5,000 annually by eliminating funding for two low-participation sports teams that play in other districts.
 - The district could save about \$1,700 annually by no longer offering supplemental pay or transportation for high school volleyball.
 - Beginning in the 2015-16 school year, the district could save about \$3,700 annually by no longer funding junior high football.
 - District officials expressed concerns about reducing the number of opportunities students have to participate in sports.

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

- The district could save up to \$25,000 annually by consolidating one or two bus routes.
 - Districts officials agreed that one bus route could be consolidated with little to no impact on students and generate about \$13,000 in savings annually.
 - If the district consolidated a second route it could save an additional \$12,000 annually, but it would likely also increase travel time for several students.
 - In addition to eliminating bus routes, we evaluated two other transportation options used in other districts to reduce costs (contracting out for transportation and paying parents to transport students) but found they were not feasible for Ashland.

Other Findings

- The district has poorly managed its information technology (IT) expenditures.
 - The district lacks adequate controls to properly manage or evaluate its IT expenditures.
 - The district could not easily determine how much it spends on IT labor and equipment.
- The district lacks appropriate inventory policies and procedures.

SUMMARY OF RECOMMENDATIONS

We made several recommendations to the Ashland school district to either implement, or consider implementing, the cost savings options we identified.

DISTRICT RESPONSE

- The district generally concurred with our findings, conclusions, and recommendations.

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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