



Legislative Post Audit Performance Audit Report Highlights

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

Report Highlights

July 2014 • R-14-009

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.

Legislative Post Audit randomly selected the Emporia school district for an audit in September 2013 in the large-sized school district category.

Background Information

The Emporia school district is located in east central Kansas, in Lyon County.

Five-year trend data show the district's student enrollment and staffing have remained relatively constant, but expenditures per FTE students have declined.

The Emporia school district serves a socio-economically disadvantaged student population. For example, 59% of Emporia's students receive free lunches compared to the state average of 40%.

QUESTION 1: *Could the Emporia 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 \$190,000 annually by reducing food service staff to align with KSDE productivity guidelines.
 - Emporia's food service operations appear to be overstaffed according to KSDE guidelines and its peers.
 - If food service staff could be as productive as KSDE guidelines suggest, Emporia could reduce 14.5 FTE food service staff to achieve savings.
 - We identified at least two factors that potentially contribute to the district's high food service staffing levels: the district uses a quasi-centralized food service model that likely results in duplication of food service positions and some staff may be working more hours than necessary.
 - Because federal rules prohibit transfers out of the food service fund, savings in food service will not result in general fund savings.
- The district could generate up to \$42,000 in revenue annually by switching to procurement cards that earn cash-back bonuses and expanding their use.
 - The Emporia school district foregoes about \$9,000 annually in rebates by not using cash-back procurement cards. However, the district could earn up to \$42,000 by maximizing their use of cash-back cards.
- The district could save about \$34,000 annually by issuing employees cell phones to maximize federal reimbursements.
 - The Emporia school district currently spends about \$45,400 annually in cell phone stipends which are not eligible for federal E-Rate reimbursements. By providing cell phones instead of stipends, the district would be eligible for E-Rate reimbursements, which would result in net savings.

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

- The district could reallocate or reduce four to six teaching staff by arranging its high school and middle school schedule more efficiently.
 - By consolidating classes not currently filled to capacity, the district would need fewer classroom teachers.
 - The district could reassign the teacher to other types of instructional positions or reduce teaching staff and save money.

- The district could increase instructional time for students by switching to a traditional eight-period schedule at the middle school.
 - We identified a number of inefficiencies in the district's current schedule that reduce instructional time for middle school students.
 - Converting from the district's current block schedule to a traditional eight-period schedule would allow students to gain 67 more hours of instructional time each year.
 - Switching to a traditional schedule provides other benefits such as a reduced course load for students and daily contact between teachers and students.
 - District officials expressed some concerns about the effect this change would have on teachers' planning time.

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

- The district could save between \$260,000 and \$600,000 annually by housing its charter school within existing traditional school buildings or by closing it entirely.
 - The district's charter school offers students an alternative learning environment through project-based learning and multi-grade classrooms.
 - Because of the fixed costs associated with operating a small school (67 students), the charter school costs \$1,400 more per student to operate than the district's other schools.
 - District officials acknowledged the current structure of the charter school is not sustainable but expressed concerns about how the community might react to closing it.

Other Findings

- The district lacks written procurement card policies which could result in cards being misused.
 - Although the district has written policies for cards used for travel expenses, it lacks written policies for other types of procurement cards.
 - Two assistant superintendents have procurement cards with very high spending limits that increase the district's risk.

SUMMARY OF RECOMMENDATIONS

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

AGENCY 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.

80% of the district staff we surveyed reported that the district operated efficiently or very efficiently, although some respondents told us the district could operate more efficiently in food services and how the middle and high schools arranged their class schedules.

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