



PERFORMANCE AUDIT REPORT

School District Audit

**K-12 Education: Reviewing the Cost of
Vocational Education Programs**

Executive Summary ***with Conclusions and Recommendations***

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
August 2007**

Legislative Post Audit Committee

Legislative Division of Post Audit

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August 24, 2007

To: Members of the Kansas Legislature

This executive summary contains the findings and conclusions, together with a summary of our recommendations and the agency response, from our completed performance audit, *K-12 Education: Reviewing the Cost of Vocational Education Programs*.

The report also contains several appendices including an inventory of the 2006-07 Vocational Education enrollment and number of programs by district, the 30 school districts chosen as our sample, and a list of classes we categorized as teaching independent living skills and basic employment skills.

The report includes several recommendations for the Department of Education and for appropriate legislative committees. We would be happy to discuss these recommendations or any other items in the report with any legislative committees, individual legislators, or other State officials.

If you would like a copy of the full audit report, please call our office and we will send you one right away.

A handwritten signature in black ink that reads "Barbara J. Hinton". The signature is written in a cursive, flowing style.

Barbara J. Hinton
Legislative Post Auditor

EXECUTIVE SUMMARY
LEGISLATIVE DIVISION OF POST AUDIT

Overview of Vocational Education

Vocational Education programs prepare students for occupations that don't require a bachelor's degree. page 3
Vocational Education focuses on occupations in the following seven areas: Agriculture, Business and Computer Technology, Family and Consumer Sciences, Health Science, Marketing, Technology, and Trade and Industry. Kansas has mirrored its requirements after the definitions established under the federal Carl Perkins Vocational and Technical Education Act. To be eligible for State funding, a Vocational Education program has to include a sequence of at least three classes, including an introductory class that the State doesn't pay for.

Enrollment in Vocational Education programs has grown by more than 26% over the last eight years. page 4
In contrast, the overall K-12 student enrollment in Kansas dropped by 1% during the same period. During the 2006-07 school year, almost 16,000 FTE students participated in approved Vocational Education programs.

In 2006-07, school districts received almost \$39 million in State and federal funding for Vocational Education programs. page 6
The State provided school districts with an additional \$2,158 for each of the nearly 16,000 FTE Vocational Education students in 2006-07—a total of \$34 million. School districts also received about \$5 million in federal funding through the Carl Perkins Act. Between 1999-00 and 2006-07, total Vocational Education funding increased by almost 17%.

Question 1: What Types of Vocational Education Programs Do School Districts Offer?

The most common Vocational Education program areas are Business and Computer Technology, Family and Consumer Sciences, and Trade and Industry. page 7
In 2006-07, 276 school districts offered a total of 1,655 approved Vocational Education programs. We estimated 4,538 FTE students enrolled in classes within the Business and Computer Technology program area that year, accounting for 29% of the total Vocational Education FTE enrollment, and \$9.8 million in Vocational Education funding. The next most common program areas were Family and Consumer Sciences (2,971 FTE, \$6.4 million) and Trade and Industry (2,766 FTE, \$6.0 million).

More than 13% of the State's Vocational Education funding is for classes that aren't related to a specific occupation. page 8
To determine the types of skills taught in different Vocational Education programs, we reviewed the number of students enrolled in different Vocational Education classes for a random sample of 30 districts, and assigned them to four different skills categories—specific occupational skills (87% of total

enrollment), basic employment skills (3%), independent living skills (7%), and study hall (4%).

Projecting our findings Statewide, we found districts received about \$5 million in Vocational Education funding for classes that focused on independent living and basic employment skills, or that were general study hall periods. Our results likely are conservative because class titles may not always reflect the content of the class, and because we categorized many classes that teach independent living skills as occupation-related if we could identify a logical career path (for example, we categorized nutrition classes as occupational if the district had at least two additional food preparation courses that could lead to a career in a restaurant or in catering).

The Department of Education approved some Vocational Education programs without having all the necessary information to assess their quality. *Department staff review new and existing programs to ensure that they meet State standards and are eligible for Vocational Education funding. Based on our review of 10 Vocational Education programs, we found four programs that were approved even though some important documents were either incomplete or missing. Without this information, there's no way for Department staff to determine whether these programs met State standards. Additionally, we found that the Department staff responsible for approving Vocational Education programs receive little training and oversight.*

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A major overhaul of Vocational Education at the federal level could affect State funding. *The 2006 reauthorization of the federal Carl Perkins Act significantly expands and reorganizes the State's Vocational Education program. It replaces the seven traditional program areas that focus on technical careers with 16 career clusters that include a variety of new professional careers, including law, public safety, government and public administration, finance, and hospitality and tourism.*

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The expanded definition of Vocational Education may affect State funding in the coming years, because the number of approvable Vocational Education programs—as well as the number of students who will be interested in those programs—likely will increase.

Conclusion. *Vocational Education programs traditionally have served as an alternative for students who might not be college-bound, training them for a variety of technical careers in such areas as agriculture, business, industry, and technology. The majority of the State's Vocational Education funding goes for classes that prepare students for specific occupations, but about \$5 million is paid to districts for classes that help students develop general employability and life skills, as well as for generic seminar classes. While these classes may be an important part of readying students for life after graduation, it may not be the intent of the Legislature to provide additional State funding for these types of classes—even though they're part of an approved Vocational Education program.*

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More importantly, changes at the federal level are radically changing the focus of Vocational Education—from a more-limited notion of technical careers that don't require a four-year degree to an expanded notion that includes almost all professional career paths. This change likely will increase the number of programs and students who participate in those programs throughout the State.

For years, the Legislature has supported all school district Vocational Education programs with additional funding through the school finance formula. As the number of programs and students grows, the cost of Vocational Education to the State also will grow. In light of this, the Legislature should re-examine its funding policy and decide if it wants to continue to pay for all Vocational Education programs equally, or if it wants to focus its resources on a smaller group of employment areas that are most likely to benefit the State.

Recommendations. We recommend that the House or Senate Education Committees consider amending State law to exclude general seminar periods from the calculation of Vocational Education FTE students for funding purposes. In addition, the Committees should consider whether they want to continue to fund classes that teach independent living skills or basic employment skills and don't relate to a specific occupation.

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Also, the House and Senate Education Committees should request that the Department of Education provide them with a summary of the upcoming changes to the State's Vocational Education program, a timetable on implementing those changes, and any available information on enrollment, expenditures, and outcome information for different types of Vocational Education programs. That information could then be used to help decide whether to amend the State's school finance formula to focus State Vocational Education funding on selected programs or to establish different funding levels for different programs.

We also recommend that the Department should develop written guidelines for the staff in charge of approving Vocational Education programs that clearly identify when programs should be approved or disapproved. It should also establish a procedure to have management periodically review a sample of program decisions to ensure that those decisions are consistent and in accordance with Department policies.

Finally, we recommend that the Department require districts to collect and report more detailed Vocational Education enrollment and expenditure data broken down by the new programs, and to periodically report this information to the Legislature for consideration in shaping future funding policies.

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In their response, the Department of Education agreed with these findings, and agreed to implement the recommendations.

This audit was conducted by Katrin Osterhaus, Dan Bryan, Brenda Heafey, and Heidi Zimmerman. Scott Frank was the audit manager. If you need any additional information about the audit's findings, please contact Katrin at the Division's offices. Our address is: Legislative Division of Post Audit, 800 SW Jackson Street, Suite 1200, Topeka, Kansas 66612. You also may call us at (785) 296-3792, or contact us via the Internet at LPA@lpa.state.ks.us.