



Legislative Post Audit Performance Audit Report Highlights

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

Report Highlights

July 2016 • R-16-006

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. The audits are to include one small, one medium, and one large school district each year.

The Frontenac school district volunteered for an audit the medium-sized school district category.

Background Information

The Frontenac school district is located in southeast Kansas in Crawford County.

The district served about 876 FTE students and employed about 96 FTE staff in the 2014-15 school year.

In the 2014-15 school year, the districts' expenditures were about \$10.1 million.

Five-year trend data show the district's student enrollment and staffing have remained relatively constant. However, the district's expenditures per FTE student have increased by 13% over the past four years.

QUESTION 1: *Could the Frontenac 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 \$30,000 annually by limiting routine food service transfers.
 - The district has routinely transferred \$30,000 from its general fund to its food service fund each of the last four years without evaluating how much it actually needed to cover its expenses.
 - Limiting the \$30,000 annual transfer would free up money for other uses such as classroom supplies, information technology upgrades, or paraprofessional salaries.
 - Given the district's relatively small size and the uncertainties related to food service costs and revenues, the district may need to transfer some funds in future years.
- The district could generate \$5,000 to \$14,000 annually in revenue by increasing meal prices to the peer or state average.
 - District officials were concerned about the financial affect an increase in meal prices would have on students' families.

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

- The district could save up to \$180,000 annually by switching to a traditional eight-period schedule and fillings its core high school classes.
 - The district's use of a block schedule and its practice of not filling core high school classes to capacity means the district has more teachers than necessary.
 - If the district switched to a traditional schedule and filled core high school classes to capacity, it could reduce the number of teachers by two to three FTE in the middle and high school.
 - Converting to a traditional schedule would create some challenges for the district, but many schools use a traditional schedule which includes several benefits.

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

- The district could save \$20,000 annually by ending its practice of busing students who live less than 2.5 miles from their school.
 - The district currently chooses to bus 55 students who live less than 2.5 miles from school.
 - If the district no longer bused these 55 students it could eliminate one bus route.
 - District officials expressed concerns about student safety if the district were to stop busing students who live within 2.5 miles of school.
 - Another option is for the district to charge students who want to ride the bus but live less than 2.5 miles from school.

Other Findings

- The district lacks certain practices and policies to adequately protect its assets.
 - Although two individuals are involved in cash handling, their duties are not sufficiently segregated to reduce the district's risk of fraud and abuse.
 - The district does not have a functional inventory that allows staff to appropriately monitor the district's physical assets.
 - The Kansas Association of School Boards (KASB) offers a variety of policy development services and could assist the district as it develops its own policies.
- The district has offered an expensive and unique retirement bonus that cannot be easily eliminated.
 - Until recently, the district offered a unique retirement bonus to staff who worked for the district for at least 15 years.
 - The district has spent almost \$586,000 on this retirement bonus since 2004 and will likely spend an additional \$490,000 over the next four years.
 - Districts should consider the long-term liabilities they may create when negotiating similar salary benefits.

SUMMARY OF RECOMMENDATIONS

- We made several recommendations to the Frontenac school districts to either implement, or consider implementing, the cost savings options we identified.

AGENCY RESPONSE

- District officials generally concurred with the report's 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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