



OFFICE OF EDUCATION ACCOUNTABILITY

Quarterly Report

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INTERIM JOINT COMMITTEE ON EDUCATION

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OFFICE OF EDUCATION ACCOUNTABILITY

The Office of Education Accountability (OEA) is charged with the responsibility of reviewing the state's system of school finance; verifying the accuracy of school district and state performance; and, investigating unresolved allegations of wrongdoing at the state, regional, or district level.

The OEA is comprised of three divisions: the Division of Finance, the Division of Research, and the Division of Investigations. Many of the inquiries we receive are forwarded directly to the Department of Education for appropriate action, with follow-up by OEA staff. Our staff meets and confers continually with other state agencies and educational support organizations. Staff also meets with school administrators, parents, and legislators to feel the pulse of change and concern.

The **Division of Finance** has focused on the mandate of KRS 7.410(2) with preliminary work underway on the study of the equity of Kentucky's financing system. Staff, in conjunction with consultant John Augenblick, is gathering and reviewing information relative to national equity studies, Kentucky specific equity studies, and Kentucky's court decisions and related testimony. This information, combined with input from various educators and interest groups, will be used to define the parameters of the Kentucky study. Following is a brief outline of the Division's mandate and current activities.

OEA DIVISION OF FINANCE

DESCRIPTION: As per KRS 7.410, the OEA Division of Finance is to conduct an ongoing review of the finance system including an analysis of the equity of Kentucky's financing system and whether adequate funds are available to districts. The review will also address recommendations for program weights, base per pupil funding for SEEK, and a statewide salary schedule. Plans are being discussed regarding the assessment of the transportation formula. Other finance issues are to be reviewed as needed.

UPDATE: Preliminary work has begun on the study of the equity of Kentucky's financing system. With John Augenblick's assistance, the process for the evaluation has been determined. Information relative to national equity studies, Kentucky's court decisions, and input from educators/interest groups will be used in defining study parameters. Data will be compiled, formatted and analyzed for presentation along with supporting materials.

A similar plan is being developed for a study of the transportation formula. The remaining mandates are under review to determine the appropriate mechanism for dealing with each issue.

OBSERVATIONS: °Preliminary work by John Augenblick indicates that SEEK performed as anticipated the first year.

°The disparity in per pupil funding by districts was reduced significantly.

°During 1990-91, 169 school districts participated in varying degrees in Tier I, 57 districts participated in Tier II.

°The early review of the system also indicates revenues to school districts from local sources increasing by approximately 25%.

The **Division of Research** staff is actively involved in reviewing program studies and analyzing available data to determine the effectiveness of the KERA curriculum and governance components.

Research initiatives in the following six areas have been the priority during the previous months and will continue to be monitored during the second year of their implementation (a summary of each area is provided on the following pages):

- At-risk four-year-old program;
- Extended school services;
- Family resource/Youth services centers;
- Primary school program;
- School-based decision making; and,
- Superintendent screening committees.

In addition to the previously mentioned components, the Division of Research staff will be examining the following KERA provisions in the near future:

- Council on School Performance Standards framing of KERA goals and outcomes;
- Council on Education Technology comprehensive plan; and,
- Principal and Superintendent Assessment Centers.

The Division staff places an emphasis on collaboration with the Department of Education and local school districts in assessing KERA programs to assure comprehensive data analysis and recommendations.

AT-RISK FOUR-YEAR-OLD PROGRAM

DESCRIPTION: KRS 157.317 requires the appointment of an Early Childhood Advisory Council to advise the chief state school officer on preschool programs. KRS 157.3175 requires districts to provide half-day preschool education programs for four-year-old children considered at risk of educational failure. Implementation was optional in 1990-91, but is mandatory in 1991-92. KRS 157.226 requires districts to provide preschool education services for three- and four-year-old children with identified disabilities, reflecting the federal mandate for preschool handicapped services under P.L. 99-457.

UPDATE: One hundred thirty (130) districts administered programs in 1990-91 and served approximately 6,000 children considered at risk of educational failure. Approximately 15% of these children had identified disabilities. Of those 130 districts, 120 provided transportation. Fifty-two (52) contracted with other agencies for placement of children. Preliminary figures indicate over 60% of the eligible at-risk four-year-old population were served last year. Projections are that over 80% will be served next year in all programs.

\$18 million was allocated for preschool programs in 1990-91 and over \$14 million was expended. The 1991-92 allocation is \$36 million with a projected enrollment of approximately 7,500.

The State Board for Elementary and Secondary Education approved administrative regulations for the preschool programs for children with identified disabilities. These establish additional components to the four-year-old program that relate specifically to certain handicapping conditions and three-year-old children. A grant allocation system has been developed and was approved at the May State Board meeting.

OBSERVATIONS: °Concerns regarding interagency contracting and collaboration have been raised.

°Eligibility criteria, definition of "at-risk," and transportation costs require additional review.

EXTENDED SCHOOL SERVICES

DESCRIPTION: KRS 158.070 requires districts to provide additional instructional time and related services to students who need additional time to achieve expected outcomes. Additional instructional time may be in the form of before or after school, evening classes, Saturday classes, or summer sessions. Related services include transportation, counseling, therapy, parent training, and arrangements for social, health, or financial assistance through appropriate service agencies. There are four basic areas of student identification: students falling behind (prevention); at-risk of failing to graduate (additional assistance); at-risk of being retained (additional assistance); and, students with low performance (remediation and special education).

UPDATE: Upon application, approved by KDE, all school districts were awarded a grant for 1990-91 to administer a program. The funding formula was based 50% on A.D.A. with the remaining percentage derived through a weighting formula including test scores, economic deprivation, and dropout rate.

A total of \$21 million was allocated for 1990-91 with approximately 65,000 students receiving services. Grants ranged in size from a minimum of \$15,000 to \$2,504,000. The allocation for 1991-92 is \$53 million. Ten percent of the total each year is awarded for special innovative projects within school districts.

During 1991, 165 districts have chosen to administer a summer school program. Eighteen districts operated a summer-only program. The total number of participants for these programs is not yet available.

OBSERVATIONS: °Early data suggests a wide range in costs per child across the districts.

°Concerns have been raised regarding the omission of retention rates in the funding formula.

°Increased accountability may need to be addressed through administrative regulation.

FAMILY RESOURCE/YOUTH SERVICE CENTERS

DESCRIPTION: KRS 156.497 is the blueprint for schools to create a holistic education/social service program for students. Any school where 20% or more of the student population is eligible for federal free lunch may apply for either a family resource center or youth service center (FRYSC), the difference being the age of the student population they serve. While the original projection for total eligible schools was 500, in reality over 1,000 schools were eligible.

UPDATE: On June 19, 1991, 134 grants were awarded to 232 schools (many schools are working together as consortiums) composing 74 family resource centers, 35 youth service centers, and 25 combined family resource and youth service centers. Centers will be located in or near the school(s) they serve.

The total 1991-92 allocation of funds for FRYSC is \$9,055,800 with \$67,600 the average grant award. Grant amounts varied from \$10,800 to \$90,000 (the maximum allowed). The recipients represent a diverse population and a geographic distribution across the Commonwealth.

FRYSC Advisory Councils are in the process of hiring center staff and implementing their organizational plan. While this program is administered by CHR, the employees of the FRYSC are employed by the local district. Center directors are not required to be certified personnel; therefore, districts are exempt from the 30-day posting requirement.

OBSERVATIONS: °Grants were awarded to 30 schools (16%) with school-based decision making.

°OEA is monitoring progress toward collaboration between private daycare providers and FRYSC.

°Western Kentucky is noticeably lacking in centers due to the low number of applications.

PRIMARY SCHOOL PROGRAM

DESCRIPTION: The primary school program as defined by KRS 158.030 is that part of the elementary school in which children are enrolled from the time they begin school until they are ready to enter the fourth grade. Successful completion of the primary school program shall be a prerequisite for a child's entrance into the fourth grade. The State Board for Elementary and Secondary Education is to establish by regulation, methods of verifying successful completion of the primary school program pursuant to the goals of education as described in KRS 158.6451.

UPDATE: KRS 156.095(4)(d) requires staff development in the ungraded concept. KDE staff has conducted two "primary institutes" to prepare teachers and administrators.

The 1991-92 school year has been labeled the year of orientation. Fourteen resource pilot schools have been funded to model the ungraded concept and provide observation sites for other school personnel. Technical assistance will be provided by KDE to further enhance teacher preparedness.

1992-93 is the year of mandated implementation. Realizing that implementation is a process, the primary school program will be phased in.

OBSERVATIONS: °The term "ungraded" has, in many instances, been misinterpreted to mean that students will not be assigned letter grades.

°Definite need for coordination with Chapter I, exceptional children, and gifted programs.

°Concern is growing regarding the establishment of criteria for successful completion of the primary school.

°Potential conflicts have been cited between primary school effective teaching practices and the direct instruction model embedded in the Kentucky Internship Training Program.

SCHOOL-BASED DECISION MAKING

DESCRIPTION: KRS 160.345 stipulates that each local board of education is to adopt a policy on school-based decision making (SBDM) in their district. Each participating school is to form a council composed of two parents, three teachers, and the principal. Schools may submit alternative models for implementing SBDM to the State Board for Elementary and Secondary Education for approval. As of June 30, 1991, each local board is to submit to the Commissioner of Education the name of at least one school which will implement SBDM in the 1991-92 school year. All schools will implement SBDM by July 1, 1996. Districts with only one school are exempt from this provision.

UPDATE: Each local board of education has adopted a policy for implementing SBDM. The OEA has requested Stites & Harbison to review district policies.

Based on KDE and KEA surveys, 168 of 176 districts have initiated SBDM; 8 districts are exempt; and, 40 local boards designated a school to comply with the June 30, 1991, deadline. Approximately 350 schools will be conducting SBDM in 1991-92. Seven schools are operating under approved alternative models.

Two administrative regulations, 702 KAR 3:240 (School council funding formula - eff. 7/1/91) and 701 KAR 5:100 (Guidelines for alternative models for school-based decision making), have been developed as per KRS 160.345. 701 KAR 5:100 will be forwarded to the Administrative Regulations Subcommittee in August.

OBSERVATIONS: °Restrictive language may be contained in local board policies.

°Alleged efforts to thwart implementation of SBDM by local administrators have been cited.

°702 KAR 3:240, which designates a minimum amount of \$75 to be spent by local school councils, has been misinterpreted locally to mean only \$75.

°701 KAR 5:100 offers guidelines to be used by the State Board in reviewing alternative models.

SUPERINTENDENT SCREENING COMMITTEES

DESCRIPTION: KRS 160.352 provides that a screening committee will be established within thirty days after a board has determined a superintendent vacancy has occurred or will occur. Two teachers, one board of education member, one principal, and one parent will serve on the committee. The local board is not bound by the recommendations of the screening committee.

UPDATE: The OEA has surveyed 17 school districts affected by KRS 160.352. Of the 14 districts responding, only two did not meet the thirty-day timeline.

The majority of respondents provided excellent supplementary material validating the elections of teacher, principal, and parent representatives and the appointment of the board of education representative. Three districts did not provide any supplementary material.

Thirteen of fourteen local boards have chosen an individual recommended by the screening committee to serve as the new superintendent.

OBSERVATIONS: °In a few districts, there have been allegations regarding efforts by the local administration and board to sway the committee recommendations.

°Allegations of influence and strained relations appear greater in instances where the interim superintendent is a candidate for the superintendency.

The **Division of Investigations** has approximately twenty investigative matters under review involving twelve school districts. Some of these matters are simple irregularities in travel accounts, activity funds, or purchasing methods. These are generally audited or reviewed with recommendations made to the district regarding changes in policy and procedure or strict adherence to existing policies. Division staff request that the districts advise what their response is to the recommendations so that the matter can be followed to assure compliance with KERA provisions.

Currently, the OEA is cooperating with the Attorney General's Office, Kentucky State Police, Cabinet for Human Resources, and the Kentucky Department of Education in the investigation of multiple allegations in one district. Another multiple issue review is underway in one district involving bidding violations, nepotism, and board member infractions.

Two reports are being prepared for referral to the Commissioner's Office and the State Board for Elementary and Secondary Education for appropriate action.

The allegations most often brought to the attention of the OEA include bidding irregularities, mismanagement of funds, nepotism, and school board members' conflict of interest issues.

OEA DIVISION OF INVESTIGATIONS

DESCRIPTION: KRS 7.410 states that "it is the intent of the General Assembly to provide an efficient system of common schools which shall be operated without waste, duplication, mismanagement, and political influence." The OEA is to "investigate allegations of wrongdoing of any person or agency, including, but not limited to, waste, duplication, mismanagement, political influence, and illegal activity at the state, regional, or school district level which have not been resolved or satisfactorily explained by the local superintendent, local board of education, the chief state school officer, or the State Board for Elementary and Secondary Education, and make recommendations for action to the Legislative Research Commission."

UPDATE: The OEA currently has twenty investigative matters under review involving twelve school districts.

The OEA is cooperating with the Attorney General's Office, Kentucky State Police Special Investigations, Cabinet for Human Resources, and Kentucky Department of Education in the investigation of multiple allegations in one district involving nepotism, misuse of funds, personnel, purchasing irregularities, mismanagement, neglect of facilities, and misuse of federal and state money in funded programs.

As a result of OEA investigations or inquiries, the following has occurred in various school districts: (1) Four alleged illegal school-related bingo operations have been discontinued pending Kentucky State Police investigations; (2) \$120,000 in annual security contracts have been cancelled due to bidding law irregularities; and, (3) Three districts have agreed to review and/or revise their travel reimbursement procedures.

OBSERVATIONS: °The allegations most often brought to the attention of the OEA include bidding irregularities, mismanagement of funds, nepotism, and board members' conflict of interest issues.

In summation, while the Divisions of Finance, Research, and Investigations have clearly distinct and seemingly separate missions, they are interdependent entities that form the Office of Education Accountability to assure comprehensive attention to the assessment of each KERA component.

In addition, the three basic divisions of the OEA are supplemented by public perceptions and suggested improvements from teachers, parents, administrators, and citizens who voice their concerns via the Education Hotline. By maintaining a high level of confidentiality, the OEA is truly able to monitor the pulse of change across the Commonwealth.

Education reform will not bring change overnight. It is a long-term process requiring commitment and determination, but one need only to look ahead to see the vision of the General Assembly as reflected in Representative Greg Stumbo's remarks prior to the passage of House Bill 940:

"No child in Kentucky will ever have to look back and say that he or she didn't receive the full educational opportunity that he or she is entitled to by the Constitution of this state."