

# Use of Average Daily Attendance in Public Education Funding

Follow-up Report  
February 2009

Office of Performance Evaluations  
Idaho Legislature



Report 09-06F

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The eight-member, bipartisan Joint Legislative Oversight Committee approves evaluation topics and receives completed reports. Evaluations are conducted by Office of Performance Evaluations staff. The findings, conclusions, and recommendations in the reports do not necessarily reflect the views of the committee or its individual members.

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Office of Performance Evaluations

### **Acknowledgments**

We appreciate the cooperation and assistance of Board and Department of Education staff. Office of Performance Evaluations staff Maureen Shea conducted the follow-up review, and Carrie Parrish did the quality control on this project.

# Use of Average Daily Attendance in Public Education Funding

## *Follow-up Report*

*In February 2007, we released a report on the collection and reporting of average daily attendance in public education. In that report, we provided seven recommendations to address both policy and operational issues. This follow-up review finds that some limited progress has been made to address our recommendations.*

### **Background**

In 2007, we evaluated the use of average daily attendance (ADA) in funding public school districts and charters. We found that schools generally collect and report attendance correctly, and that there is no evidence to suggest that anyone manipulates attendance to receive more funding. However, our review did reveal two areas that warranted changes to Idaho's method of funding public schools:

1. The design of the funding formula may occasionally create unexpected and inequitable results in funding for smaller districts and charters.
2. Many schools are either inaccurately reporting or having difficulty with reporting half-day and part-time attendance, as well as attendance for students enrolled in multiple schools, virtual schools, or distance learning programs.

To ensure that schools collect and report attendance as accurately as possible, thereby allowing the funding formula to distribute funds as intended, we made seven recommendations. We addressed these recommendations to the Legislature, the State Board of Education, and the State Department of Education. This follow-up review details each entity's efforts in implementing our recommendations.

### **Current Status**

Since our original report, three recommendations have been partially implemented and the remaining four recommendations have not been implemented. Both the board's and the department's assessments of current implementation efforts are provided in the appendix.

***Recommendation 2.1:*** *The Legislature should consider authorizing a study to review the state’s funding formula, including an analysis of funding anomalies and a review of the benefits and drawbacks of other funding methods.*

The Joint Legislative Oversight Committee took the first step toward reviewing Idaho’s funding formula by authorizing a study on the adequacy of funding. We released the report *Public Education Funding in Idaho* in January 2009. The report analyzed other states’ general approaches to adequately funding public education, and it analyzed some potential funding anomalies on the issues of adequacy, equity, and state versus local funding, including the ability of districts to levy for additional funds. The report did not, however, evaluate how other states fund specific components of public education nor did it analyze other issues identified in the report *Use of Average Daily Attendance in Public Education Funding*, such as tables, ranges, and protections in Idaho’s current formula that the state uses to calculate support units.

*Use of Average Daily Attendance in Public Education Funding* discussed the need to review the assumptions and criteria of the formula for relevancy and accuracy. In *Public Education Funding in Idaho*, we found that certain components of the formula no longer have a clear rationale since they were last revised by the Legislature 15 years ago. Both reports recommend a review of these components, such as the calculation of teacher salaries, to ensure they are relevant and accurate in meeting current public education needs.

**Status:** This recommendation has been **partially implemented**.

***Recommendation 4.1:*** *The Board of Education should work with the Legislature to clarify statutes and rules that define attendance for virtual schools including:*

- a. Type of coursework activity that can be counted toward attendance*
- b. Difference between a virtual school and a distance learning program*
- c. Level of teacher or school review and approval required for attendance data*

During the 2008 legislative session, the Legislature passed legislation amending two sections of Idaho Code.<sup>1</sup> The legislation revised the definition of a virtual school and removed language that referenced the term “distance learning.” However, the legislation did not clarify the difference between a virtual school and a distance learning program. Under Idaho Code § 33-1003C, districts and charters can count distance learning programs towards attendance. Consequently, districts or charters with distance learning programs that function like virtual schools can continue to operate their programs without the approval

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<sup>1</sup> IDAHO CODE § 33-5202A and § 33-5205.

and oversight of the Idaho Charter School Commission.<sup>2</sup>

The legislation also added new virtual school petition requirements. New virtual schools are now required to specify how they will verify attendance; attendance should focus primarily on coursework that aligns with Idaho’s thoroughness standards. However, the petition requirements do not make a distinction between coursework and homework. Further, the legislation does not specify what level of review and approval is required for attendance data.

**Status:** This recommendation has been **partially implemented**.

***Recommendation 4.2:** Even after definitions and requirements for virtual schools are better defined, virtual school attendance will not be readily compatible with the current funding formula. The Board of Education should work with the Legislature to develop a different method to count students for funding virtual schools.*

Board officials report that because of the complexity involved in creating compatibility between funding virtual schools and the current funding formula, no solution has been identified to determine how to count virtual school students. Officials state that they will not propose changes to the Legislature on this issue until they have worked with the Department of Education and other stakeholders to identify a viable method.

**Status:** This recommendation has **not been implemented**.

***Recommendation 4.3:** To mitigate the difficulty of tracking half-day attendance, the Board of Education should review and modify, if necessary, the requirements for tracking half-day attendance.*

Board officials state that they will work with the Department of Education on language to clarify the tracking of half-day attendance in the coming year and will propose rule changes after that.

**Status:** This recommendation has **not been implemented**.

***Recommendation 4.4:** To prevent districts and charters from double counting student attendance, the Board of Education should develop rules requiring students who are dually enrolled to complete a dual form and have it signed by officials from both schools. The form should stipulate the proportion of attendance claimed by each school.*

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<sup>2</sup> Under Idaho Code § 33-5205(1b), the Idaho Charter School Commission must approve all new virtual schools.

The board has not developed rules to require a dual enrollment form that stipulates the proportion of attendance claimed by each school, and it does not have plans to implement the recommendation by creating such a form at this time. Board officials indicate that tracking students using a dual enrollment form may be unnecessary because the Department of Education plans to assign all public school students a unique student identifier this spring, with the goal to eventually complete all data collection using the identifier.

**Status:** This recommendation has **not been implemented**.

**Recommendation 4.5:** *To ensure districts and charters are accurately collecting and reporting attendance information, the Department of Education should take these steps:*

- a. Modify the attendance manual to make it consistent with statutes and rules, differentiate between requirements and guidelines, and include guidance for virtual schools*
- b. Formalize the use of the attendance manual by incorporating it into administrative rule by reference*
- c. Provide training to district and charter staff responsible for collecting and reporting attendance*

In 2007 and 2008, the department conducted a total of 14 training sessions on the collection and reporting of student attendance for district and charter schools. Staff attending the training included school secretaries and attendance clerks, as well as business managers, superintendents, and principals.

The department last updated its attendance manual in September 2008. In the most recent version, the department has cited statute and rule, distinguished between reporting requirements versus recommendations, and added a section on virtual school attendance. Department officials report that they have not formalized the use of the manual in administrative rule.

**Status:** This recommendation has been **partially implemented**.

**Recommendation 4.6:** *The Board of Education should clarify the requirements for oversight of attendance collection and reporting:*

- a. Formalize requirements that the independent audits referenced in Idaho Code § 33-701 include a component that tests attendance information and verifies its accuracy*
- b. Require districts and charters to discuss the attendance testing performed during the audit in the attendance report they submit to the Department of Education*

- c. Direct the Department of Education to review district audits for attendance testing and develop procedures to address lack of testing and findings of inaccurate data*

Board officials said they will not formalize the requirement that independent district audits test and verify the accuracy of attendance information until the cost of the requirement is quantified. Consequently, board officials state that they have not drafted rules requiring districts and charters to discuss attendance testing in the attendance reports they submit to the department, nor has the board directed the department to review district audits for attendance testing or findings of inaccurate data.

**Status:** This recommendation has **not been implemented**.



***Appendix A***

**Update of Implementation Efforts**





## IDAHO STATE BOARD OF EDUCATION

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January 20, 2009

Rakesh Mohan  
Office of Performance Evaluations  
700 W State St  
PO Box 83720  
Boise, Idaho 83720-0055

Dear Mr. Mohan:

Thank you for this opportunity to provide an update regarding the Office of Performance Evaluation recommendations regarding the use of average daily attendance in public education funding.

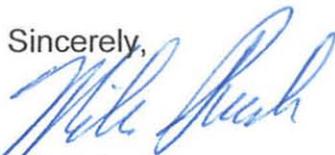
Recommendations:

1. In 2008, the legislature passed HB 423, which amended the definition of a "virtual school," providing clarity regarding the difference between a virtual school and a distance learning program. The bill also added to the list of required elements of a virtual charter school petition a description of "the means by which the public virtual school will verify student attendance and award course credit. Attendance at public virtual schools shall focus primarily on coursework and activities that are correlated to the Idaho state thoroughness standards." I.C. 33-5205(5)(e)
2. Although discussions continue regarding the inadequacy of Idaho's current public education funding formula with regard to virtual school attendance, no solution has yet been proposed. This is a complex issue requiring extensive research. The Office of the State Board of Education will continue to work with the State Department of Education and various stakeholder groups to establish a viable method to count students for funding virtual schools. Once a viable method has been identified the State Board of Education will then propose changes as necessary.

3. The Office of the State Board of Education will be working with Department staff in the coming year to fully vet any clarifying language prior to proposing any rule changes.
4. No form is currently required to document the proportion of attendance each school claims with regard to dual-enrollment arrangements. Because attendance is determined in only half-day or whole-day increments, and most students who dually enroll do so for only one or two courses, state funding is largely unaffected by dual-enrollment arrangements. Exchange of funding for less than half-day increments is generally agreed upon at the district level.
5. (a) The additional cost to add the attendance test to school districts as part of the independent audits referenced in Section 33-701, Idaho Code has not yet been established. Once the impact on the individual school districts can be established, the State Board of Education will bring forward amendments to formalize the requirement.
  - (b) The State Board of Education has not yet drafted rule requiring districts and charters to discuss the attendance testing performed during the audit in the attendance report they submit to the Department of Education.
  - (c) Once the amendments are implemented as indicated above the Department of Education will be directed to develop procedures to address any lack of testing and findings of inaccurate data.

Due to the complexity of the issues and potential impact on school districts the Board of Education is reluctant to make changes that have not been fully researched and vetted. Staffing issues have hampered the Office of the State Board in its ability to do this due diligence. We will address these issues in cooperation with the Department of Education over the next year and will be prepared to propose changes during the next legislative session as necessary.

Sincerely,



Mike Rush  
Executive Director



STATE DEPARTMENT OF EDUCATION

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TOM LUNA  
STATE SUPERINTENDENT  
PUBLIC INSTRUCTION

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## MEMO

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To: Rakesh Mohan, Director, Office of Performance Evaluations

From: Tim Hill, Deputy Superintendent of Finance

Date: January 16, 2009

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Re: OPE Report on Attendance

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The following are the State Department of Education responses to the OPE Report on Use of Average Daily Attendance in Public Education Funding:

- A. The Attendance and Enrollment manual has been modified to show the Idaho Code or Administrative Rule that is being referenced and any State Department of Education recommendation is so stated. Reference to the public virtual school law and State Department of Education recommendation has been added.
- B. Not yet completed.
- C. Fourteen regional full-day Attendance and Enrollment workshops have been held over the past two years, and all the training materials have been posted on the State Department of Education's web site.

If you have any questions, please feel free to contact me directly at (208) 332-6843 or [TDHill@sde.idaho.gov](mailto:TDHill@sde.idaho.gov).



## Office of Performance Evaluations Reports, 2007–Present

Publication numbers ending with “F” are follow-up reports of previous evaluations. Publication numbers ending with three letters are federal mandate reviews—the letters indicate the legislative committee that requested the report.

<u>Pub. #</u>	<u>Report Title</u>	<u>Date Released</u>
07-01	Use of Average Daily Attendance in Public Education Funding	February 2007
07-02	Virtual School Operations	March 2007
07-03F	Higher Education Residency Requirements	July 2007
07-04F	State Substance Abuse Treatment Efforts	July 2007
07-05F	Idaho School for the Deaf and the Blind	July 2007
07-06F	Public Education Technology Initiatives	July 2007
07-07	Health Insurance Coverage in Idaho: A Profile of the Uninsured and Those with Coverage	July 2007
07-08	Options for Expanding Access to Health Care for the Uninsured	July 2007
07-09F	Child Welfare Caseload Management	December 2007
07-10F	Management in the Department of Health and Welfare	December 2007
07-11F	School District Administration and Oversight	December 2007
07-12	Cataloging Public Health Expenditures in Idaho	December 2007
07-13	Estimating Private Health Expenditures in Idaho	December 2007
07-14	Trends in and Drivers of Health Expenditures in Idaho	December 2007
08-01	Governance of Information Technology and Public Safety Communications	March 2008
08-02F	State Substance Abuse Treatment Efforts	March 2008
08-03F	Virtual School Operations	March 2008
09-01	Public Education Funding in Idaho	January 2009
09-02F	Higher Education Residency Requirements	January 2009
09-03	Idaho Transportation Department Performance Audit	January 2009
09-04	Feasibility of School District Services Consolidation	February 2009
09-05F	School District Administration and Oversight	February 2009
09-06F	Use of Average Daily Attendance in Public Education Funding	February 2009
09-07F	Child Welfare Caseload Management	February 2009
09-08F	Public Education Technology Initiatives	February 2009

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