

Executive Summary: Management Audit of Breathitt County Schools

On December 5, 2012, the Kentucky Board of Education (KBE) approved Breathitt County Schools as being designated a state-managed district. In May 2014, the Kentucky Department of Education (KDE) sent an Audit Review Team to the district to conduct a second management audit. The purpose of the audit was to provide information and make recommendations to the commissioner and, ultimately, the KBE on whether state management should be terminated or extended for a period of time in accordance with KRS 158.785. After completion of the second comprehensive management audit in October 2014, the KBE determined that Breathitt County Schools would continue to be designated as a state-managed district. The district has been in state-management since that time.

In November 2017, an Audit Review Team conducted another management audit of Breathitt County Schools. The purpose of the audit was to provide information and make recommendations to the commissioner and, ultimately, the KBE on whether state management should be extended in accordance with KRS 158.785. The Audit Review Team was comprised of 23 staff from the Kentucky Department of Education and, over the course of four days, met with 217 interviewees, including but not limited to the Superintendent, all advisory board members, central office staff, principals, school-based decision making council members, and the State Manager.

Management Audit Pursuant to KRS 158.780, 158.785, and 703 KAR 3:205

Pursuant to 703 KAR 3:205(2)(2), the comprehensive audit included an investigation of the district's compliance with state and federal statutes and administrative regulations as well as local board policies. The comprehensive management audit included an on-site review, investigation, and analysis of the governance and administration of Breathitt County Schools and determined that a significant lack of a pattern of efficiency and effectiveness exists in the following areas:

Regulation – 703 KAR 3:205, Section 2	Audit Findings
(a) Planning	<p>There is not a clear understanding among the advisory board members as to who is the leader of the governance and management system. Additionally, there is not a clear indication about who is accountable to whom.</p> <p>Advisory board members stated that they have received numerous trainings, however it is not evident that the content of the trainings</p>

	<p>is being implemented effectively and consistently.</p> <p>There is not a district wide communication plan in place and no one is specifically assigned to update the district website.</p> <p>Advisory board members could not clearly articulate how information was communicated to schools.</p> <p>Interviews indicate there is not a consistent understanding on how the district is governed.</p> <p>Advisory board members and central office staff could not consistently describe the governing structure of the advisory board, the interim superintendent and the central office staff.</p> <p>There is not a protocol in place to ensure that policy changes are communicated from the advisory board level to the school level or the community level.</p> <p>After a review of SBDM minutes for each of the schools, evidence indicates that minutes are not consistently posted and agendas are rare.</p> <p>There is not a clear process or procedure in place to monitor the effectiveness of district initiatives, policies, or procedures. Interviews indicated that there is not a consistent understanding of district initiatives or resources needed to achieve district goals.</p>
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	<p>There is not a systematic process in place to review and change policies and procedures to meet the individualized needs of the district and its schools.</p> <p>Interviews indicated that there is no process in place to ensure that policies and procedures continue to be implemented despite changes in personnel.</p> <p>Central office utilizes a school monitoring tool that is intended to provide principals with feedback around school processes and procedures. However, interviews and observations indicate that there is little or no evidence connecting the feedback to long term systemic improvement at the building level.</p>
(b) Operational Support	<p>There is not a posting on the district website for a Facility Director.</p> <p>The district has implemented an on-line Work Order system but does not utilize its capabilities to the fullest.</p> <p>There is not a labor budget for maintenance and operation by facility to better support budgeting.</p> <p>District personnel generally made no reference to procedural checklists when asked directly if there were checklists available.</p> <p>There is no check-out/check-in process for district assets used in maintenance/repair tasks. It is recommended the district establish an equipment inventory and tracking system.</p> <p>There is an overall district operational budget of approximately \$1,500,000, but it is not broken down by facility or function.</p>

	<p>The DFP indicates there are buildings designated as ‘transition’ buildings that will have debt service for the next eighteen years that is derived from energy savings in those buildings.</p> <p>Bus drivers who transport special needs students, stated that they are lacking beneficial information and training to deal with the student’s different disabilities</p> <p>There is a safety concern with students walking between buses while the buses are entering or leaving the loading and unloading area.</p> <p>Insufficient school staff members are present at the loading/unloading areas to monitor students. Some staff at the loading/unloading locations were inattentive to student safety.</p> <p>Buses were not ordered for 2018 due to budgetary constraints.</p> <p>The timely completion of required documentation such as production records is not consistent. There are no backup persons trained to complete production records when management is unable to be present.</p> <p>Documentation revealed Sebastian Middle School has a breakfast participation percentage of 34%.</p> <p>Food service policy and procedure manuals were present in all facilities although they were outdated.</p> <p>Physical limitations exist with having the food service director be solely responsible for all administrative aspects of the programs.</p>
(c) Fiscal Management	<p>There is no policy for usage of non-bus district vehicles.</p>

	<p>There is no formal process for employees or the public to file complaints (a hotline).</p> <p>The district doesn't have a formal Disaster Recovery Plan, nor a Business Continuity Plan should a major loss of resources (human or physical) occur.</p> <p>There is no evidence of formal Standard Operating Procedures documentation to verify that the district's policies and procedures are implemented consistently.</p> <p>There is concern that the public will respond negatively if the district uses a bank outside the county.</p> <p>It is not clear that the advisory board has defined the criteria by which a program will be funded or terminated.</p> <p>A decline in enrollment as well as a decline in attendance percentage negatively impact SEEK funding.</p> <p>Finance personnel at the school level did not have a working knowledge of grants utilized by their schools.</p> <p>The assistant principals and teachers do not consistently receive formal Redbook trainings as evidenced by interview responses. There is no evidence of applicable Redbook training for other entities, such as booster clubs or a PTO.</p> <p>There are no financial reports attached to the SBDM minutes</p> <p>A lack of segregation of duties was routinely noted throughout Breathitt County Schools. A single person was observed to record the checks in chronological order, record receipts on a deposit ticket, and record revenue in the school accounting system and make the deposit.</p>
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	<p>There is no evidence of district-wide Standard Operation Procedures.</p> <p>Principals consistently stated that their SBDM members did not understand allocations.</p>
(d) Personnel Administration	<p>The district does not utilize any formal task oriented Standard Operating Procedure documentation to execute the tasks related to personnel administration.</p> <p>There is no designated space on the Job Vacancy Notice form to formally capture the approval signatures or dates of approval.</p> <p>The Records Room sustained significant water damage in past and appears to have black mold on the walls.</p> <p>There are two different programs for online application and it is unclear if they are the same or if one is preferred over the other.</p> <p>There is no standard content to provide a consistent employee profile.</p> <p>There is an Employee Handbook dated 2014-15 on the Breathitt County Schools website that indicates a section on “Employee Discipline”. The handbook bears little correlation to the district’s Policy/Procedures Manual.</p> <p>Professional development and job-related training is tracked and monitored at the departmental level through Excel spreadsheets and is not consistently reflected in personnel files.</p> <p>For certified employees, the employee evaluations are maintained at the school level. The files did not consistently contain job descriptions to document employee responsibilities.</p>
(e) Instructional Management	<p>The review of curriculum documents and interviews found that some documents were</p>

	<p>nearly blank and others demonstrated various levels of completion.</p> <p>There is evidence supporting inconsistent occurrences of horizontal curriculum alignment across the district.</p> <p>District feedback to schools that impacts student growth and achievement is limited.</p> <p>The district and schools have purchased numerous programs for progress monitoring but it is unclear which program initiatives have been a direct influence on student achievement.</p> <p>Written processes are not in place that address CTE data collection and accuracy, finance, review of program standards by both the district and schools, or student scheduling.</p> <p>There is not a process in place to ensure CTE advisory councils meet the requirements outlined in the Perkins Act.</p>
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Division of Learning Services Audit:

In November 2017, a special education management audit was conducted in Breathitt County by the Office of Teaching and Learning, specifically the Division of Learning Services (DLS). DLS was tasked with reviewing the district's implementation of the Individuals with Disabilities Education Act (IDEA) and Positive Behavior Interventions and Supports (PBIS).

DLS conducted formal interviews with school employees, school administrators, the Director of Special Education, and parents. DLS also engaged in additional information discussions with staff and students as well as completed classroom walkthroughs and record reviews for 20 students with Individual Education Programs (IEPs). Further, prior to the on-site visit, DLS reviewed the following data: a master schedule for each school, special education policies and procedures, the district's website, district calendars, child count data, and removal data for students with disabilities.

Based on an analysis of data reviewed, DLS has substantiated systemic findings of noncompliance under the IDEA. Breathitt County Schools' organizational structure impedes the

district's ability to model and deliver an appropriate, districtwide approach to its most significant need--that of behavior supports and student discipline. The results are significant violations of the IDEA. Specifically, DLS makes the following determinations:

- Positive Behavior Interventions and Supports (PBIS):
 - The district lacks an evidence-based structure for positive behavior interventions and lacks the support from the district level to address student behavioral issues.
 - BCS staff lacks sufficient training to support students with behavioral needs.
 - Without a district-wide structure for behavior in place, the district is unable to consistently implement, evaluate, and support student behavior.
- Disciplinary Procedures:
 - The district utilizes in-school suspension (ISS) as a means to prevent needing to conduct a manifestation determination meeting. As a result, students with disabilities are subjected to ISS in excess of 20-30 school days.
 - The Office of Special Education Programs (OSEP) has set forth specific criteria for ISS to not be counted towards the 10-day suspension threshold. The district's practice of sending work to ISS and having random special education teacher drop-ins does not meet OSEP's criteria.
 - Review of student due process folders revealed violations of Section 14 of 707 KAR 1:340, which requires a manifestation determination meeting be held for students with IEPs after a "change in placement" in order to determine whether the behavior at issue is a manifestation of the student's disability. This demonstrates either a lack of understanding of manifestation determinations or a lack of attention to the process by staff.
- Individual Education Program (IEP):
 - Measurable annual goals in all required components were not present in every IEP in violation of 707 KAR 1:320, Section 5(7)(b).
 - The district lacked evidence of progress data collection and analysis for each annual goal to show how the child's progress toward meeting the annual goals was measured in violation of 707 KAR 1:320, Section 5(13).
 - The district did not ensure specially-designed instruction was based on the student's current needs in violation of 707 KAR 1:320, Section 5(8).
 - The district failed to document why special classes, separate schooling, or other removals of children with disabilities from the regular education environment were necessary based on the severity of the disability in violation of 707 KAR 1:350, Section 1(1).
- Eligibility Under the IDEA:
 - The district failed to follow procedures to obtain parental consent for all evaluations in violation of 707 KAR 1:340, Section 5.

Because KDE discovered numerous IDEA violations, an IDEA Corrective Action Plan (CAP) is required. The district and DLS will work together to develop a CAP to set out activities that address the root causes of the noncompliance at the systems level.

Career and Technical Education

Several concerns were discovered during the management audit with regard to Career and Technical Education (CTE), including:

- There is little evidence that course sequences for the pathways are being followed. A review of student records demonstrated that most students did not have the correct number of CTE credits based on the pathway. Of 10 records that were reviewed, only one student had the proper credits.
- Several students participating in CTE cooperative education did not meet eligibility requirements.
- Interviews indicated students are pulled from CTE courses for academic interventions.
- The Carl D. Perkins Career and Technical Education Act requires each CTE pathway have an advisory council for each program of study. Interviews revealed each of the programs in the district has an advisory council established; however, these councils are not utilized and no evidence of council meetings (e.g. agendas, minutes, etc.) exists.
- College and Career Readiness Data has improved over the last year; however, there is little evidence that this improvement is sustainable because a monitoring process is not in place.
- There is not a process to ensure that all staff attend professional development for their program area.
- There is little evidence that data is being used to improve learning processes.
- Interviews with school leadership and CTE staff did not indicate a clear direction for growing or improving the program.

Conclusions

As a result of analysis of all reviewed Kentucky Department of Education data, Breathitt County Schools' data, and information gathered during the comprehensive management audit which occurred November 6-10, 2017, and ongoing oversight of the district while under state management it is the recommendation of the Interim Commissioner that Breathitt County Schools remain under state management, pursuant to KRS 158.785(8).