

Digest of A Follow-up of \$23.7 Million Textbook Supplemental Funding Expenditure by Education

The effectiveness of the \$23.7 million textbook supplemental provided by the 2001 Legislature does not appear to have been maximized. First, district textbook expenditures did not match the state's textbook expenditure efforts. Second, some districts may have used supplemental funds for purposes other than textbooks. Third, supplemental textbook funds were proportionally allocated—although auditors recommended a different methodology. Perhaps as a result of these three concerns, half of the 2000 textbook shortage was satisfied by 2003. The Utah State Office of Education (USOE) reported unmet textbook needs in October 2003; however, the methodology used for the estimate appears flawed.

District Textbook Expenditure Effort Did Not Match State Effort. Of the four years reviewed (2000 through 2003) district textbook expenditures were the lowest in fiscal year 2002, the year in which the supplemental was spent. This expenditure pattern was unexpected given the expressed concerns surrounding textbooks. The USOE explains that it was unrealistic to expect districts to increase their spending on textbooks in 2002 for the following reasons: 1) textbooks were only one of several critical spending needs, and 2) districts were not appropriated additional funding for ongoing textbook needs. The USOE also points out that, with the supplemental expenditure, spending for textbooks in 2002 nearly doubled over the prior year. Regardless, we believe districts should have increased, not decreased, their textbook expenditures to complement large supplemental funds. For whatever reason, this did not occur.

Some Districts May Have Used Supplemental for Purchases Other Than Textbooks. When districts received their portion of the textbook supplemental, some districts indicated that they did not have significant textbook needs. These districts suggested that they would use supplemental funds for other needs. Ironically, two of these districts reported unmet textbook needs in 2003. Because of the nature of this follow-up audit, we were unable to pursue this area in detail. However, we are aware that some districts reportedly used the supplemental for

teacher training, library books, and regularly scheduled textbook adoptions.

Supplemental Money Allocated Proportionally. The 2000 report recommended against using a proportionate methodology (i.e., one based on relative number of Weighted Pupil Units (WPU)) to allocate the textbook supplemental. Proportionate allocation does not correspond well to classroom needs—the basis of the \$23.7 million supplemental. However, the Legislature supported the methodology and the USOE proportionally allocated the textbook supplemental. Using one method to develop the estimate (i.e., specific classroom needs) and another method to allocate the supplemental (i.e., number of WPUs in elementary, junior high, and high school), does not promote maximum effective usage.

Half of 2000 Textbook Need Satisfied. Half of the textbook needs identified in May 2000 were satisfied by April 2003. We estimated the percentage by re-interviewing a sample of teachers from the original survey. Analysis of textbook need satisfaction should have included textbook needs as identified by school districts. Unfortunately, though required by the *Utah Code*, the USOE did not request and, with few exceptions, the districts did not supply specific textbook needs. Comparisons of district-identified textbook needs with teacher-identified needs could not be made.

USOE Methodology for 2003 Unmet Textbook Need Appears Flawed. The USOE did not provide adequate guidance to school districts for a reliable 2003 unmet textbook needs estimate. As a result, districts adopted varying, and subjective methodologies. This lack of guidance caused one large district to misinterpret a critical question causing a \$2.5 million error to the USOE's \$9.5 million textbook estimate. Finally, the USOE's methodology produced two estimates of 2003 unmet textbook need which caused confusion.