

Secretary of State AUDIT REPORT

Report No. 2000-39 • November 27, 2000

Department of Education: Database Initiative Project



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John Lattimer, Director, Audits Division

Summary

PURPOSE

The purpose of the audit was to determine, through review of the pilot project, whether the Database Initiative (DBI) Project will be capable of producing valid, comparable information for state decision makers.

BACKGROUND

The 1997 Legislative Assembly passed House Bill 3636 authorizing the Database Initiative Project. The bill required the State Board of Education to adopt a uniform budget and accounting system for school districts and education service districts. This system was to include uniform definitions that would allow for valid comparisons of expenditures among schools and districts. Further, the legislation required the Department of Education (department) to collect this information and other information about schools and districts and place it in a database accessible to the public through the internet.

RESULTS IN BRIEF

During the pilot project the department has done a good job developing a database to process and report information. Reports are available on the department's website at <http://dbi.ode.state.or.us/>. It appears that the department will meet the project's objectives if the quality of the non-

financial information input to the system is improved. The department needs to provide better guidance, monitoring, training, and tools to the districts in order to improve the quality and comparability of the input data.

In addition, the announced closure of a computer service provider who services close to one third of the school and educational service districts in the state poses an additional risk to the success of the project.

We also reviewed the department's revision of the state Program Budgeting and Accounting Manual for School Districts and its implementation by five of the pilot districts. We found some inconsistencies. Complete results of our review can be found in Management Letter No. 581-2000-06-01.

RECOMMENDATIONS

We recommend that the department implement a comprehensive program of training and support for school district staff. The department should provide the necessary guidance and tools on an ongoing basis to improve the quality and comparability of the data input to the system.

AGENCY RESPONSE

The department generally agrees with the recommendations.

Introduction

Since the passage of Measure 5 in 1990, the primary responsibility for Kindergarten through 12th grade (K-12) school funding in Oregon has shifted from local governments to the state. During 1990-1991, the state provided less than 30 percent of K-12 school funding. During 1998-1999, the state provided about 70 percent of the funding. For the 1999-2001 biennium, the state is providing \$4.6 billion. This is 43 percent of the state's general fund and lottery fund spending.

With that shift has come an increased desire by state policy makers for comparative information about schools and school district performance. The 1997 Legislative

Assembly passed House Bill 3636 authorizing the Database Initiative Project.

The bill required the State Board of Education to adopt a uniform budget and accounting system for school and education service districts. The system was to include uniform definitions for a chart of general ledger accounts to allow for valid comparisons of expenditures among schools and districts. Further, the legislation required the Department of Education to collect information including, but not limited to, individual schools, grade levels, curriculum areas, class sizes, and extracurricular activities. The legislation directed the department to gather the information and place it in

a database accessible to the public through the internet.

Project History

On July 25, 1997, the governor signed House Bill 3636 into law. The legislature provided the DBI project funding of \$2.9 million, and the department quickly started work on the project.

In October 1997, the department selected KPMG Peat Marwick to work in collaboration with the department to develop the database. Fifteen of the state's 198 school districts and one of the 21 educational service districts agreed to participate in a pilot project. The pilot project had three main parts. First was to revise the budget and accounting

manual to provide more consistency and detail. Second was to develop the database using a web-based data loading system. The final part was to make reports from the database available over the internet.

The pilot project was scheduled to run from August 1997 through June 1999. The department staff and contractor worked together to develop, build and test a system designed to meet the objectives outlined in House Bill 3636. The department completed the pilot phase early, allowing several additional enhancements to the project to be completed prior to the start of phase two, statewide implementation. Statewide implementation is scheduled to be completed in January 2001.

Background

An automated system has three main components. Systems accept input data, which is then processed to provide users with output information in order to reach conclusions or answer questions. For a system to produce good output, the data entering the system must be accurate and properly formatted, the processing must follow prescribed and agreed-to methods, and the output must accurately represent information in the database.

The department has accepted responsibility for reviewing input for data formatting, processing, and output. The department relies on independent auditors to assess the accuracy of financial data. It relies on the districts to assure the accuracy of the non-financial data.

Audit Results

The department has generally done a good job with the processing and output portions of the system for both financial and non-financial data. Reports are now available to the public on the department's website at <http://dbi.ode.state.or.us/>.

Uniform Chart of Accounts – Financial Data

We reviewed the department's revision to the Program Budgeting and Accounting Manual that was a part of the DBI Pilot Project. Our review was limited to five of the pilot project school districts. We noted six inconsistencies between financial information reported on the project's website and the districts' audited financial statements. We made recommendations that the department review these inconsistencies and ensure future reporting adheres to generally accepted accounting principles (GAAP). Fieldwork was conducted in April and May 2000. Results of that review can be found in Management Letter No. 581-2000-06-01, dated June 12, 2000.

Non-Financial Data

We found the accuracy of non-financial information input to the DBI to be questionable. We conducted reviews at 17 districts statewide, representing 43 percent of the state's student population. Our review included, among other things, those factors having the greatest potential financial impact due to the State School Funding Formula.

Attendance

Oregon's school funding formula is driven primarily by student enrollment, and the major component of enrollment is attendance.¹ Schools, particularly high schools, devote a considerable amount of effort to recording and reporting student attendance. A major focus of our fieldwork was the review of attendance systems at the 28 high schools we visited.

While most students attend classes and are correctly reported as present, we found problems with the accuracy of recorded absences and tardies at approximately half of the high schools we visited. Information from

one school was characterized as unreliable.

One of the main problems we noted was that the ten-day consecutive absence rule was widely misinterpreted. This long-standing attendance rule requires that students who are absent for ten consecutive days be withdrawn from enrollment as of the eleventh day.² The rules specify that a student must attend at least one half day of school in order to restart the count of consecutive absences. Examples of misinterpretations of the rule include the following:

- Many of the high schools visited restarted the count of consecutive days if a student attended one class.
- We noted two instances of students attending school abroad who were carried on the roles as if they were attending school on site.

In the case of expulsions or suspensions, if it is known that a student will be out of school for ten or more days, the student is to be withdrawn on the day that the suspension begins and re-enrolled upon his or her return.³

- We noted instances in which students had ten-day suspensions and did not return to school at the end of the suspension period. These students were not withdrawn until they had missed an additional ten days of school.

The rule states that at the start of the school year, under no circumstances are students absent for the first ten days of school to be counted in membership prior to the first day of school attendance.⁴

- We noted two high schools that did not follow this rule.

Block scheduling has created new challenges for attendance reporting. Most of the high schools we visited

² OAR 581-23-006 (4)(b)

³ *Oregon Student Personnel Accounting Manual*, 1993, Appendix E

⁴ OAR 581-23-006 (4)(b)

¹ See "State School Funding Formula" on page 7.

use block scheduling, which has become common in Oregon public high schools since the mid-1990s.

The one school that we deemed to have unreliable attendance information had an unusual modified block schedule. Although all classes did not meet each day, students were marked present or absent for all classes each day. This practice does not appear to conform to the reporting rule.⁵ We found major discrepancies in 60 percent of the records we tested. Based upon this finding, it was determined that no reliance could be placed on information produced by this school's attendance system.

While it is unclear as to whether the errors noted would make a large difference in the reported membership for any one school, the errors indicate a need to improve communication and consistency of reporting.

Special Education

Districts receive double funding from the state for each student identified as having certain disabilities.⁶ To qualify for the additional state funding, students must be between the ages of 5 and 21 and receive federal funding for special education.⁷ Federal guidelines require that Individual Education Plans (IEPs) be prepared, reviewed, and revised at least annually.⁸ We found, in most instances, that required documentation (an IEP) existed in the files.

See "Other Matters," page 5, for further discussion of special education designation.

English as a Second Language (ESL)

Schools are required to provide an equal education to students not

⁵ According to OAR 581-023-0006 (5)(b), "A student not scheduled to attend daily shall be marked present or absent only on the days the student is scheduled to attend."

⁶ ORS 327.013(7)(a)(A)

⁷ OAR 581-23-100 (2)(a)(B)

⁸ 34 CFR 300.343

proficient in the English language.⁹ Districts receive one-and-a-half times the funding for each student designated as having English as a Second Language (ESL).¹⁰

Our review found that ESL record keeping and programs ranged from good to poor. The department has not provided guidance on program standards and, as a result, we had no basis upon which to make a determination on the accuracy of the ESL student count.

See "Other Matters," page 5, for further discussion of the ESL program.

Better Guidance Needed

Most of the problems identified appeared to result from the department's lack of effective guidance to schools and districts. Even when information or resources were available, there was an apparent lack of knowledge as to their existence or how to access them. The abundance and variety of misinterpretations of existing attendance rules is evidence of this problem.

The *Oregon Student Personnel Accounting Manual* was last updated in 1993. Since its last revision, block scheduling has become common in high schools. The most current manual does not address block scheduling. Further, while the manual is available on the department's website, many school staffs stated that they were unaware of it or ODE's website.

Although DBI Project staff has been conducting training focused on DBI implementation, the School Finance Office has conducted training on attendance issues only on request in recent years. Auditors found several schools with new principals, new attendance staff, or both. Staff turnover occurs regularly and training opportunities from the department do not appear sufficient to ensure that

⁹ OAR 581-021-0046 (8) and (9)

¹⁰ OAR 581-23-100 (4)

familiarity with reporting and record-keeping requirements is maintained through staff transitions.

Comparability for Non-Financial Data Questionable

Based on our review the comparability of non-financial data is questionable. Since the objective of the Database Initiative Project is to provide comparable information to policy makers for school funding decisions the quality of the input data must be improved to ensure the success of the project.

Because State School Funding is allocated based primarily on student enrollment, errors interpreting student attendance rules could impact school funding. Most errors resulted in a failure to withdraw students in a timely manner. This overstates student enrollment.

We recommend that the department better identify the appropriate target audience to receive training and ongoing communications about various programs. Training should be offered regularly to compensate for district staff turnover.

Further, we recommend that the department:

- Update the *Oregon Student Personnel Manual*. In particular, the manual should address block scheduling issues.
- Schedule more targeted reviews at schools to improve the accuracy of information reported.
- Consider consulting with the Audits Division to revise guidance provided to independent auditors of school districts. Auditors of school districts are required to review funding factors in their audits. More effective auditing would help improve the quality of reported information.

Agency Response:

We agree with the audit recommendations regarding training. We are confident that the attendance reporting problems noted in some high schools have only a minimal

impact on the accuracy of the DBI, but we are committed to improving data quality across the board. The Oregon Student Personnel Manual was updated during Phase 2 of the project and the final draft is currently posted on the ODE website for comment from school districts. We look forward to working more closely with the Audits Division to provide training and guidance to school districts and independent auditors.

Service Provider Risk

In assessing risks to the successful implementation of the DBI Project, we found that one of the major computer service providers in the state has announced its intention to close as of June 30, 2001. Oregon Total Information Systems (OTIS) is an enterprise operation of the Lane County ESD. OTIS provides both business and student accounting software. During our review, OTIS provided services to 70 of the 219 school and education service districts in the state. Lane ESD plans to take over OTIS operations and pledged to keep the software running until at least June 30, 2002 while other solutions are sought for OTIS customers.

This situation poses a risk to the successful implementation of the DBI project. In March 2000, the department hired an outside contractor "to add ODE Database Initiative reporting capability to OTIS system" at a maximum amount of \$9,000. Successful DBI implementation is dependent on the ability of each reporting entity to develop and maintain the capability to extract information from its business and student accounting systems and format it in the manner required by DBI for submission. It appears that OTIS is not able to provide this service to its customers without assistance from the department. We found no evidence that the department had provided such assistance to any other service providers.

The need for one-third of the school districts and ESDs to plan for, choose,

and implement new systems may either delay successful statewide implementation of DBI or cause, at least temporarily, a loss of DBI capability for the district during the system conversion and implementation process.

We recommend that the department continue to take a proactive role in assisting the OTIS clients in their new system development.

Agency Response:

We agree with the recommendations regarding OTIS clients. The department will continue to work with the affected districts to assist them in selecting qualified computer service providers. The ODE has also submitted a budget request to provide districts support and incentives to move to qualified providers.

Processing and Output

Based on our review of the pilot project, it appeared that the DBI pilot system was capable of processing data received and reporting output consistent with the input received.

Better Guidance Needed

Analysts within the department have roles and responsibilities for DBI information. During the pilot phase of the project, much of the information was reported directly to analysts, who then provided the data to DBI. In the future, some of this data will be reported directly to DBI. Due to the differing flow of information, roles and responsibilities for the information will change. We found that misunderstandings exist between DBI and departmental analysts regarding the analysts' roles and responsibilities. These roles and responsibilities have not been clearly defined in formal procedures. For example:

- Certain offices within the department filter (suppress) data detail if information about an individual student could be inferred from published reports. During the pilot project, some

analysts may have filtered the data before providing it to DBI and believe that they will have that ability in the future. DBI staff members believe that they are responsible for filtering and were not aware that they might have received filtered data.

- Procedures for amending data after receipt and acceptance by DBI have not been addressed with all of the relevant departmental analysts.

We noted another issue that should be communicated to promote consistency. DBI adopted filtering guidelines that do not agree with guidelines adopted by some offices within the department. We noted an instance in which information available on DBI's website differed from information provided by an office within the department because of these differences in filtering policies.

These situations appear to be the result of a lack of development of formal policies and procedures. DBI's decisions regarding treatment of data have differed from treatment of the same data by offices within the department.

We recommend that the department evaluate its methods of communication. Assigned roles and responsibilities of all involved parties should be clearly communicated through formal policies and procedures within the department. DBI and the offices within the department should have consistent procedures in place for data treatment.

Agency Response:

We agree with the recommendations regarding communications, but believe that improving communications alone is not sufficient. Phase 2 of the DBI Project included a Business Process Re-engineering component to integrate the data collection, validation, and reporting processes developed in the pilot with existing processes within the department. Currently, School

Finance functions have been integrated with DBI processes, and integration of the Report Card efforts is underway.

Scope and Methodology

We conducted this audit according to generally accepted government auditing standards. We limited our review to the areas specified below.

Fieldwork was conducted from December 1999 to July 2000.

Non-Financial Data

The objective of this portion of the audit was to evaluate the accuracy and reliability of non-financial information reported by schools and district that is the input to the DBI system.

Sample districts were judgmentally selected based on population and geography. Districts included 10 of the top 11 in student population and represented 43 percent of the state's student population. Factors were selected for review based on their impact on the state school funding formula. (See Figure 1 on Page 7.)

In addition, we reviewed CIM and TAG program records.

Processing and Output

The objective of this portion of the audit was to determine if the DBI project would be capable of processing and reporting information consistent with the input received to produce valid information for decision-makers. We used Control Objectives for Information and related Technology (COBIT) to help identify risks and expected controls that may be associated with the project.

We interviewed agency, contractor, school and district staff. We reviewed procedures, system documentation, reports and other relevant documentation. We designed and performed procedures to determine if the system would be capable of producing valid data.

We note that the project has not yet been fully implemented and our conclusions are based on our review of the pilot project. We did not review detail design and did not review how data completeness will be assured under statewide implementation.

Other Matters

During the course of this review, we noted other matters outside the scope of this audit that warrant management's attention.

Special Education

Our review of the special education factor raised questions about whether some of the designations were reasonable. For example:

- One student had an IEP requiring 15 minutes per month of special education services.
- In another district, IEPs showed that students needed services one percent of the time, three percent of the time, and five minutes per week for three students.
- One district planned four hours in a year for a student's out-of-classroom special education needs.

English as a Second Language (ESL)

The ESL population varies among school districts and even among schools within districts. In some schools the ESL population is predominantly Spanish-speaking, while in others it is Asian or Russian. Frequently, the population is very transient.

ESL programs and services vary dramatically from district to district. We noted one school with a single ESL student who received one-on-one tutoring services three hours per week. In another high school with an ESL population of eleven, two periods of ESL were offered on alternate days. When ESL classes were not available, students were

placed in mainstream remedial classes.

As a result of our reviews we noted:

- Criteria for identifying students were erratic. While standard tests to evaluate a student's English proficiency were often administered upon entry into the program, this was not always the case.
- Students were sometimes continued in the program as a "social" placement when they no longer needed ESL services. One program coordinator told us that once a student entered the program, he or she would never be asked to leave, regardless of his or her English proficiency.
- Other schools classified students as either "Active" or "Consult." "Consult" students were in transition and monitored by ESL teachers. In some cases, these students still were claimed for additional funding.
- Exit criteria seemed unreasonable in some instances. One district required students to pass the CIM in English before being allowed to exit the ESL program. This standard is often difficult to attain for students whose native language is English.

At the time of our audit, the department had not provided a manual on ESL program operation. This lack contributed to the wide range of practices that we observed.

Districts are required by rule to provide an equal education to all students.¹¹ Districts that do not conform to reasonable standards for ESL program record keeping, program content, and availability could be liable if complaints were filed.

We further noted that many of the school ESL practices we questioned, such as social placement and unreasonable exit criteria, have the effect of overstating the number of

¹¹ OAR 581-022-1140

students in the program. This inflates state school funding to the district.

We recommend that the department complete and issue its draft ESL manual as soon as possible. Guidance provided should include:

- Record keeping standards,
- Suggestions as to appropriate testing intervals,
- Allowability and length of transition services and social placement, and
- Suggested minimums for program availability based on ESL population (sliding scale relating number of students to minimum number of ESL periods/classes offered).

Further, issuance of the manual should be accompanied by training and followed up with onsite monitoring to ensure program integrity.

Agency Response:

The department agrees with the recommendations. A draft of the manual providing additional guidance on program operations for English Language Learners (ESL) is scheduled for release in January 2001. The department has established guidelines for school districts regarding English Second Language (ESL) programs in administrative rule, linked to U.S. Department of Education, Office of Civil Rights guidelines, which currently define program standards. We agree that more guidance will benefit school districts; however, we believe that the audit report does not recognize the realities and complexities of the needs of special student populations, including ESL, special education, and Talented and Gifted students.

Teachers

We performed an analysis of teacher salaries for 1999-2000 in nine random school districts. While the funding formula includes an adjustment for years of experience, it appears that trends in teacher salaries vary more by state region than by

years of experience. While each district has increasing pay with years of experience, the pay scales vary widely across the state. For instance, for a teacher with a bachelor's degree and 45 additional credits, a teacher at step one in Gresham-Barlow earned about the same salary as a teacher at step four in Coos Bay.

Talented and Gifted (TAG)

School districts are required to identify talented and gifted (TAG) students,¹² prepare written plans, and then provide programs and services to these students.¹³ We reviewed files to determine if TAG students were identified and plans existed to provide services to them.

We found that while some districts identify students in the early grades and have services available for these students through high school, many district programs appeared minimal. Students may not be identified until 5th grade, thus negating the need to provide services in elementary school. Additionally, our testing showed that in almost half the high schools reviewed, little or no documentation of TAG services or progress was found. In several instances, high school officials stated that students select their own programs by enrolling in advanced placement and honors classes. Officials said that these classes fulfill their obligations to TAG students. Officials of two other high schools said that they received student's TAG files from middle schools when students entered high school, but nothing further was done with the files.

Parents who felt that districts were not providing adequate services to their TAG students have successfully brought complaints.

We recommend that the department consider offering additional guidance on TAG programs and revising program rules.

- The department could identify the grade at which schools should identify TAG students.
- High schools offering sufficient honors and advanced placement classes could be exempted from the program if the rationale that students select their own appropriate programs is deemed an acceptable practice. This would eliminate the need for unnecessary record-keeping and save staff time.

Agency Response:

We agree with the recommendations regarding the TAG program and plan to offer additional guidance to school districts.

Certificate of Initial Mastery (CIM)

The class of 2001 is the first class eligible to earn a CIM. The program is being phased in, with full implementation scheduled for the 2003-2004 school year. To earn a CIM, a member of the class of 2001 must achieve standard scores on state assessment tests and achieve passing scores on work samples in math, writing, and speech. Our review found that:

- One district awarded CIMs based solely on state assessment tests without work samples.
- Another did not award any CIMs because the school failed to provide opportunities to complete speech work samples.
- The largest district in the state was unable to award or report students who completed CIM in the fall of 1999 because of problems with the implementation of an automated record-keeping system.

CIM problems appear to stem from a lack of effective communication strategies by the department. In the fall of 1999, the department requested information on students who had completed CIM for the first time. Auditors were told by an associate superintendent that, despite extensive training, it appeared that the department had failed to reach those

¹² OAR 581-022-1310

¹³ OAR 581-022-1330

who were actually involved in record-keeping and reporting of the program. The department was inundated with questions from the schools and districts. Two staff members were assigned mainly to respond to these questions.

Further, the program has been undergoing revisions as it moves toward full implementation; yet, auditors were told by one district that the most current information it received on CIM came from local newspapers.

The value and integrity of the CIM program will be lost if the program is not administered uniformly.

- A possibility exists that in the future the state may offer scholarships to students who complete CIM. This has not occurred, in part, because the first class eligible to earn their CIMs has not yet graduated. One school district already provides locally-funded scholarships to CIM completers. Especially if monetary incentives are provided to students who complete CIM, the state and districts could be held accountable for a lack of opportunity to qualify.

- CIMs awarded without actual completion of requirements will result in devaluation of the program.
- The Proficiency-based Admission Standards System (PASS), which is being phased in by the Oregon University System in conjunction with the CIM program, will be in jeopardy if the integrity of the CIM program is not maintained.

We recommend that the department provide guidance in the form of suggested practices for dealing with CIM record keeping. Further, the department should act as a resource to districts in evaluating, choosing, and implementing automated tracking systems.

Agency Response:

The department agrees with the CIM program recommendations, but believes that they are premature because the implementation of CIM reporting was just underway at the time of the audit. The department agrees with the recommendation for additional support for CIM record keeping systems and has submitted a budget request for the next biennium to provide systems support for school districts.

Days in Session

Auditors also noted that one district misreported by six days the number of days it was in session for the 1999-2000 school year. Districts are required to report the number of days in session. Days that qualify are clearly defined in the *Oregon Student Personnel Accounting Manual* and do not include full-day parent-teacher conference days. The district included parent-teacher conference days in its count. The district planned to file amended reports to correct the error.

Districts are required by rule to provide a minimum number of instructional hours each school year. Allowance is made under certain circumstances for some parent-teacher conference time to be included. Misreporting six days could cause a failure to meet the minimum standards.

Additional Information

Additional information regarding risks associated with department programs was conveyed to the department in Management Letter No. 581-2000-09-01, dated September 14, 2000.

Figure 1: State School Funding Formula

$$\text{State School Fund Grant} + \text{Local Revenue} = \text{Students (ADMw)} \times \text{\$4,500 Target Adjusted by Teacher Experience} + \text{70\% of Transportation Costs} + \text{8\% of New Construction Costs}$$

The basis of the formula is Average Daily Membership (ADM). ADM is equivalent to school enrollment. Basic ADM, however, is weighted (ADMw) for certain factors. For certain students with special needs, extra resources are needed to provide basic educational services. Weighting factors and their additional weights include special education (1.0), ESL (.5), pregnant and parenting (1.0), students in poverty (.25), students in foster care (.25) and neglected and delinquent students (.25). Some of these factors are based on federal reports but others, such as Special Education and ESL, are reported by schools and districts. Additional weighting for special education students is capped at 11 percent of the district's ADM, although waivers allowing more were granted to 44 percent of the districts for 1998-1999.

It is important to note that districts are not required to expend the additional funds received as a result of the extra weighting on these programs.

As an item of interest, we performed a regression analysis on state school funding data to determine the relative importance of enrollment and other funding factors in the funding formula. The analysis showed that most of the information used in school funding formula plays a small role in funding. Enrollment alone can be used as an accurate predictor of all other funding factors for medium and large school districts although it is a poor estimator of small districts. The poor estimation of smaller districts is due largely to the remote small school adjustment.

ORS 328.465(5) requires audits of school districts annually, stating that they "shall include...those factors that are used to compute the State School fund distribution under ORS 327.013."

Department of Education's Response to the Audit Report

The department generally agrees with the recommendations regarding the DBI Pilot Project and is pleased that the audit showed that the Pilot produced a reliable database and web reporting system that processes data accurately. The audit also recognized the department for completing the Pilot Project early, allowing the completion of several additional enhancements to the project during the pilot phase.

The positive audit findings regarding the financial data in the DBI are also gratifying. The department is currently working with school districts on a minor revision to the 1998 Chart of Accounts as part of a continuous improvement process for financial reporting. The State Board of Education will consider the proposed refinements in January 2001.

The reporting of non-financial data was not required in the DBI Pilot Project; however, the auditors' comments will be helpful in refining our strategies for improving data quality. The department is pleased to note that the audit disclosed no major discrepancies in the non-financial data. The inconsistencies identified are relatively minor in terms of the entire database and certainly in terms of dollar impact on the State School Fund Distribution. The department was puzzled by some of the generalizations drawn by the audit report regarding the non-financial data and believes that the findings do not adequately describe the context, given the considerable scope of the project.

The department agrees that ongoing comprehensive training and support for school and district staff is necessary to ensure the quality of all of the data. In fact, implementation of this training program is part of Phase 2 of the Database Initiative and was initiated prior to the audit. Phase 2 included a series of actions in addition to training that will help to improve data quality: automating collection of non-financial data via the Internet; standardizing and clarifying data definitions; and reducing the amount of data requested. Even so, we believe that improving and maintaining data quality is a long-term-effort that will require increased attention and resources in the future.

This report, which is a public record, is intended to promote the best possible management of public resources. Copies may be obtained by mail at Oregon Audits Division, Public Service Building, Salem, Oregon 97310, by phone at 503-986-2255 and 800-336-8218 (hotline), or internet at Audits.Hotline@state.or.us and <http://www.sos.state.or.us/audits/audithp.htm>.

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The courtesies and cooperation extended by officials and staff of the Department of Education, and the districts and schools visited were commendable and much appreciated.

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