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Auditing for a Better Oregon

December 13, 2002

Stan Bunn, Superintendent of Public Instruction
Oregon Department of Education
255 Capitol Street NE
Salem, OR 97310-0203

Dear Mr. Bunn:

Enclosed is the detail information for individual district expenditures from audit Report Number 2002-45, *Oregon Department of Education: Kindergarten Through 12th Grade Cost Survey*. The enclosed spreadsheets provide the spending per student expenditure information from the 2000-2001 school year for each school district. There is a spreadsheet for each of the three main categories: instruction, support services, and non-instruction services. Of the attached spreadsheets, Part I shows the detail spending for instruction subcategories, Part II shows the detail spending for support services subcategories, and Part III shows the detail spending for non-instruction services. We hope that this information is useful to you as well as school district officials around the state. This information will be available on our website.

During our audit we conducted a follow up review of recommendations in audit Report Number 2000-39, *Department of Education: Database Initiative Project*. We found that five of the six recommendations had been implemented. The one recommendation not implemented, regarding guidance for CIM record keeping, was concluded as partially implemented, since CIM specifications were under development. On pages 2 through 4 is a summary of the department's efforts to implement prior audit recommendations.

Sincerely,
OREGON AUDITS DIVISION

Cathy Pollino
Director

CP:bk
c: Michael Greenfield, Director, Department of Administrative Services

Management Letter No. 581-2002-12-01

Audit Recommendation	Audit Response	Status of Recommendation
<p>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.</p> <p>Further, we recommend that the department:</p> <ul style="list-style-type: none"> ▪ Update the <i>Oregon Student Personnel Manual</i>. 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. 	<p>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.</p>	<p>Implemented.</p> <p>The department provides workshops for specific groups, e.g. during one workshop the training is provided for school level personnel, new employees and district level respectively, during separate time blocks. The Regional Workshops address issues/topics of data collection, financial reporting, and students' count. The material from those workshops is located on the website: http://www.district.ode.state.or.us/. Similar trainings are also offered for every ESD, through workshops as well as videoconferences.</p> <p>The <i>Oregon Student Personnel Manual</i> was updated and available on the department's website.</p> <p>Guidance is provided to independent auditors of school districts in many forms, such as annual trainings and even in a form of audit program written by an Audits Division Audit Administrator. The Audits Division reviews independent school auditors records to make sure they follow auditing standards and for quality of their reported information, specifically verifying auditors reviewed the figures for their accuracy in school districts funding formulas: attendance, teachers experience and transportation's cost.</p>
<p>We recommend that the department continue to take a proactive role in assisting the OTIS clients in their new system development.</p>	<p>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.</p>	<p>Implemented.</p> <p>The department has continued to provide assistance to school districts. The department provides verbal assistance to school districts by encouraging them to consolidate their service providers.</p>
<p>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.</p>	<p>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 Reengineering 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.</p>	<p>Implemented.</p> <p>The department publishes a semi-monthly newsletter "Assessment Zone" with news and updates, provides training modules, has monthly videoconferences on students accounting and records, offers a helpdesk that gives information and assistance to school districts and ESDs, has an analyst that compares DBI data to annual financial statements.</p> <p>ODE Office of School Finance and Data Analysis is in the process of revising its Data Confidentiality Policy.</p>

Audit Recommendation	Audit Response	Status of Recommendation
<p>We recommend that the department complete and issue its draft ESL manual as soon as possible. Guidance provided should include:</p> <ul style="list-style-type: none"> ▪ 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). <p>Further, issuance of the manual should be accompanied by training and followed up with onsite monitoring to ensure program integrity.</p>	<p>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.</p>	<p>Implemented.</p> <p>The ESL manual “The ELL Program Guide” was released in March 2001. The manual provides information about assessment, placement, and program availability. The manual does not address the issue of record keeping standards. Such policy is currently being developed and exists in the draft form.</p> <p>The department has offered and organized numerous trainings and workshops geared towards multiple audiences, such as teachers, administrators, parents and aides.</p> <p>The department hired an ELL specialist, who assists school districts in understanding the new regulations under No Child Left Behind.</p> <p>The department is in the process of developing On-Site Program Reviews and Review Form. The monitoring will take place after the tool is developed, which should be approximately Spring of 2003.</p>
<p>We recommend that the department consider offering additional guidance on TAG programs and revising program rules.</p> <ul style="list-style-type: none"> ▪ 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 recordkeeping and save staff time. 	<p>We agree with the recommendations regarding the TAG program and plan to offer additional guidance to school districts.</p>	<p>Implemented.</p> <p>The department provides guidance by offering training for administrators and TAG coordinators. The department published several materials providing guidance and revision to TAG program rules, such as Toolkit and Differentiated Curriculum.</p> <p>The department decided to look into O.R.S. and research on TAG, that students should be identified at each grade level. The number of identified students should be no less than 3-5 percent in each school district.</p> <p>The department does not consider AP and Honor classes to be an acceptable alternative for TAG classes, because AP and honor classes do not address needs specific to TAG students. In addition, AP and Honor classes should be available to every student who wants to go to college, regardless of his/her TAG status.</p>

Audit Recommendation	Audit Response	Status of Recommendation
<p>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.</p>	<p>The department agrees with the CIM program recommendations, but believes that they are premature because the implementation of CIM reporting is 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.</p>	<p>Partially Implemented.</p> <p>The department's specifications for CIM are under development, and currently being reviewed around the state. The school districts will be required to develop student profiles based on the draft of common specifications being sent to them.</p>