



Secretary of State Oregon Audits Division



Oregon Department of Education
**Recommendation Follow-up Report:
Stronger Accountability, Oversight, and Support
Would Improve Results for Academically At-Risk
Students in Alternative and Online Education**

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Secretary of State Report Highlights

March 2019

Oregon Department of Education

Recommendation Follow-up Report: Stronger Accountability, Oversight, and Support Would Improve Results for Academically At-Risk Students in Alternative and Online Education

Recommendation Follow-up Results

At the time of the original audit, the Oregon Department of Education (ODE) fully agreed with all 15 of the recommendations we made. Our follow-up work shows that while ODE has partially implemented three of those recommendations, it has not made progress to implement the remaining 12. As such, significant work is needed to fully implement all 15 recommendations. Addressing these recommendations will help improve results for at-risk students in alternative and online schools and programs.

Highlights from the Original Audit

The Oregon Department of Education (ODE) has not focused on improving education for at-risk students in alternative and online schools and programs, though they account for nearly half the state's high school dropouts. Sharpening Oregon's focus would improve accountability, district oversight, and school and program performance, and would benefit at-risk students and the state's economy.

Background

Many vulnerable students, those most academically at risk of not graduating on time or dropping out, attend Oregon's alternative schools and programs and online schools. Responsibility for improving education for those students is shared by ODE, school districts, and others.

Purpose

The purpose of the original audit was to determine how ODE and school districts can help increase the success of academically at-risk students in alternative and online education. The purpose of this follow-up report is to provide a status on the auditee's efforts to implement the audit recommendations.

Key Findings from the Original Audit

1. ODE has not adequately tracked and reported on the performance of alternative schools and programs. As a result, the state lacks critical information about school and program effectiveness.
2. Enhanced state monitoring and support, and more robust district oversight, could improve results for at-risk students in alternative schools and programs, and in online schools.
3. Some states have held districts, alternative schools, and programs to high standards and provided more support to help at-risk students succeed.
4. Other states have also increased oversight of fast-growing online schools. In contrast to these states, Oregon's laws allow online schools to increase enrollment rapidly regardless of their performance.

Introduction

The purpose of this report is to follow up on the recommendations we made to ODE as included in audit report 2017-30, “Stronger Accountability, Oversight, and Support Would Improve Results for Academically At-Risk Students in Alternative and Online Education.”

The Oregon Audits Division conducts follow-up procedures for each of our performance audits. This process helps assess the impact of our audit work, promotes accountability and transparency within state government, and ensures audit recommendations are implemented and related risks mitigated to the greatest extent possible.

We use a standard set of procedures for these engagements that includes gathering evidence and assessing the efforts of the auditee to implement our recommendations; concluding and reporting on those efforts; and employing a rigorous quality assurance process to ensure our conclusions are accurate. Implementation status determinations are made by the report team and based on an assessment of evidence rather than self-reported information. This follow-up is not an audit, but a status check on the agency’s actions.

To ensure the timeliness of this effort, the division asks all auditees to provide a timeframe for implementing the recommendations in our audit reports. We use this timeframe to schedule and execute our follow-up procedures.

Our follow-up procedures evaluate the status of each recommendation and assign it one of the following categories:

- **Implemented/Resolved:** The auditee has fully implemented the recommendation or otherwise taken the appropriate action to resolve the issue identified by the audit.
- **Partially implemented:** The auditee has begun taking action on the recommendation, but has not fully implemented it. In some cases, this simply means the auditee needs more time to fully implement the recommendation. However, it may also mean the auditee believes it has taken sufficient action to address the issue and does not plan to pursue further action on that recommendation.
- **Not implemented:** The auditee has taken no action on the recommendation. This could mean the auditee still plans to implement the recommendation and simply has not yet taken action; it could also mean the auditee has declined to take the action identified by the recommendation and may pursue other action, or the auditee disagreed with the initial recommendation.

The status of each recommendation and full results of our follow-up work are detailed in the following pages.

Recommendation Implementation Status

Recommendation	Auditee Action	Status
<p>1. Develop a clear definition of alternative education schools and programs, make accurate lists of these schools and programs, and identify them in public performance reporting.</p>	<p>ODE has developed a definition of alternative education schools and programs. ODE management stated that this definition will be used with future data collections of Oregon schools. ODE had yet to make accurate lists of alternative education schools and programs and identify them in public performance reporting.</p>	<p>Partially implemented</p>
<p>2. Add an alternative designation for performance reporting purposes for charter schools that focus on at-risk students.</p>	<p>ODE has not made progress on this recommendation for alternative school performance reporting. According to ODE management, as part of the federal Every Student Succeeds Act (ESSA), ODE prioritized ESSA accountability requirements for a major redesign to Oregon’s school report card.¹ ODE management explained they dedicated resources and personnel to this effort to comply with ESSA and therefore did not make progress on implementing this recommendation.</p>	<p>Not implemented</p>
<p>3. Develop publicly reported measures for alternative schools and for alternative programs that allow for more meaningful performance evaluation. Focusing on a limited set of additional measures — such as student growth, credit accumulation rates, and attendance improvement — could help address district workload concerns.</p>	<p>ODE has not made progress on this recommendation for alternative school performance measures. Management stated that it allocated resources and personnel to fulfill ESSA accountability requirements.</p>	<p>Not implemented</p>

¹ The Every Student Succeeds Act (ESSA) provides federal funds to states to support students in poverty and other historically underserved groups. It also requires states to have an accountability system that meets certain requirements. ESSA gives states some flexibility in designing accountability systems and in identifying and supporting schools and districts that need improvement. Federal officials approved Oregon’s most recent ESSA plan in August 2017.

4. Use those more meaningful metrics to identify schools and programs that need improvement.	ODE has not made progress on this recommendation for more meaningful alternative school metrics. Management stated that it allocated resources and personnel to fulfill ESSA accountability requirements.	Not implemented
5. Evaluate methods to increase accountability for traditional high schools that transfer students to alternative schools and programs.	ODE has not made progress on this recommendation for alternative school accountability. Management stated that it allocated resources and personnel to fulfill ESSA accountability requirements.	Not implemented
6. Evaluate the adequacy of its staffing for alternative education and how other departments and staff, such as school improvement staff and data analysts, can best support that function.	ODE has not evaluated the staffing level needed for alternative education. However, ODE management recognized the need for additional staff devoted to alternative education and therefore added a position as well as increased the alternative education specialist to a 1.0 Full Time Equivalent (FTE). As such, ODE increased its alternative education staffing from 0.5 FTE to 1.4 FTE.	Partially implemented
7. Establish standards and guidance for key practices, including district annual evaluations, referrals to alternative education schools and programs, credit standards, monitoring of student progress, and student-teacher ratios.	ODE has not made progress on establishing standards and guidance to help monitor and support alternative schools and programs. ODE assigned these tasks to newly hired full-time staff in February 2019.	Not implemented
8. Confirm that districts with alternative schools and programs are following those standards by reviewing efforts at districts and schools. Reviews could focus on low-performing schools.	ODE has not made progress on this recommendation as the agency had yet to establish standard and practices outlined in recommendation no. 7.	Not implemented

<p>9. Work with districts and schools to identify successful alternative education approaches that other districts and schools can emulate.</p>	<p>ODE has not begun working with districts and schools to identify successful alternative education approaches. According to ODE management, staff had gathered some national resources on alternative education leading practices used in other states. However, the alternative education position was vacated before work with districts and schools started.</p>	<p>Not implemented</p>
<p>10. Work with online schools and other stakeholders to strengthen attendance and funding standards for virtual schools.</p>	<p>In early 2018, ODE held work sessions with several community educators and administrators to solicit recommendations for how ODE can strengthen attendance and funding standards for virtual schools. Four proposals were made and discussed but none satisfied agency and stakeholder concerns. ODE plans to continue working towards a solution that strengthens standards for virtual schools. ODE originally anticipated having the State Board of Education review proposed revisions by March 2019 with implementation taking effect for the 2019-20 school year.</p>	<p>Partially implemented</p>
<p>11. Improve public reporting of online school performance and student engagement. Options include reporting teacher-student loads, student turnover, and credit accumulation rates, and including virtual schools in new alternative school accountability systems when appropriate.</p>	<p>No progress made on this recommendation. ODE management explained the agency prioritized redesigning report cards to comply with ESSA accountability requirements.</p>	<p>Not implemented</p>
<p>12. Verify the quality and suitability of online credit recovery options used by Oregon schools.</p>	<p>While ODE has not made progress on this recommendation, with its increase in alternative education program staffing, management stated it plans to either add online credit recovery materials to its review schedule of instructional materials or provide a supplemental review of online credit recovery materials. This decision will be made in consultation between staff and ODE management. ODE originally anticipated having the recommendation implemented in June 2019.</p>	<p>Not implemented</p>

13. Develop standards for district reviews of online programs and charter agreements with online schools, and ensure districts are following them.

No progress has been made in this recommendation for alternative school standards and guidance. ODE intends to have the new full-time staff partially address this recommendation. ODE stated it does not have the funded staffing level for its alternative education unit needed to perform this comprehensive approach.

Not implemented

14. Require upgrades to accountability and oversight for alternative education, as some other states have done.

Possibilities include:

- a) Developing a more precise statutory definition of alternative education.
- b) Upgrading public performance reporting for alternative schools and programs.
- c) Requiring publicly available annual improvement plans.
- d) Requiring ODE review of plans for low-performing schools and programs.
- e) Establishing performance requirements that statewide and regional online schools must meet before they can grow.

No progress has been made in this recommendation for alternative school standards and guidance. ODE intends to have the newly hired full-time staff partially address this recommendation. ODE management stated the agency does not have the funded staffing level for its alternative education unit needed to perform this comprehensive approach. ODE originally anticipated having implementation activities for this completed by April 9, 2019.

Not implemented

15. Increase standards for sponsors of statewide and regional virtual charter schools. Options that ODE and the Legislature could explore include spelling out individual district responsibilities in detail, increased ODE oversight of districts, and shifting sponsorship of the schools to a central body.

ODE management stated that it determined that increasing standards for sponsors of statewide and regional virtual charter schools would not be politically viable in the 2019 legislative session. ODE originally anticipated having implementation activities for this completed by April 9, 2019.

Not implemented

Conclusion

In general, ODE has taken minimal action to address the recommendations of the report.

ODE agreed with all 15 recommendations in the original audit. As indicated in its response, it planned to have 11 recommendations fully implemented by fall 2018, with the other four recommendations to be fully implemented by summer 2019. Our follow-up work shows ODE has not fully implemented any of the 15 recommendations, though some progress was made on three of them. Students from alternative education school and programs and online schools accounted for about half of the state's dropouts during 2015-16 school year. Addressing these recommendations would help improve the state's oversight, accountability, and support of these schools and programs.

ODE has partially implemented three recommendations related to defining and tracking alternative education schools and programs and assessing its alternative education staffing. Specifically, the agency developed a clearer definition of alternative schools and programs to use in future data collections; increased its alternative education program staff; and held work sessions with stakeholders to discuss ways to strengthen attendance and funding standards for virtual schools. ODE needs to do more work to fully resolve these recommendations.

ODE did not make progress on implementing the other 12 recommendations. These recommendations related to improving accountability, monitoring, and supporting alternative schools and programs and online education.

ODE management cited the following two factors that impacted agency efforts to implement recommendations:

- One factor was federal ESSA requirements. ODE in 2018 prioritized the redesign of district and school report cards to make them more relevant to parents, especially parents from historically underserved communities. This involved convening statewide groups of parents and other community stakeholders and developing prototypes and final report card versions.
- The other factor was alternative education staffing. The program had a dedicated 0.5 FTE, but the person filling that position retired in August 2018. While some of the position duties were assigned to another staff, the position itself was not filled until February 2019. ODE dedicated 1 FTE to the position. As of February 2019, ODE had two staff comprising 1.4 FTE for its alternative education program.

We sincerely appreciate the courtesies and cooperation extended by officials and employees of ODE during the course of this follow-up work.



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About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of his office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the elected Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division has constitutional authority to audit all state officers, agencies, boards and commissions as well as administer municipal audit law.

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