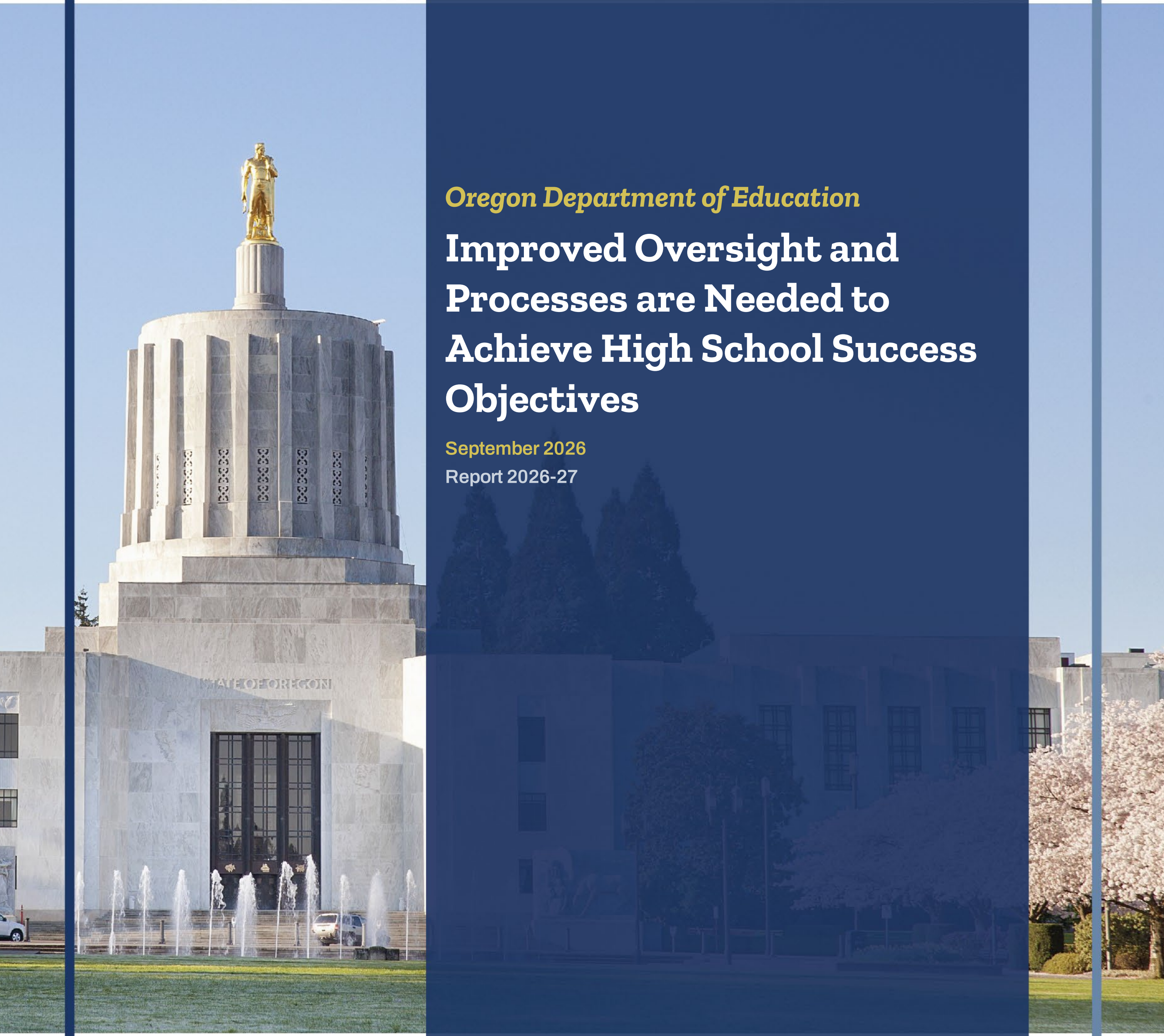


Oregon Department of Education

Improved Oversight and Processes are Needed to Achieve High School Success Objectives

September 2026

Report 2026-27

Oregon Secretary *of* State

Oregon Secretary *of* State

Secretary of State **Tobias Read**
Audits Director **Steve Bergmann**

Audit Summary

Oregon Department of Education

ODE Needs Improved Oversight and Processes to Ensure High School Success Objectives are Achieved

OBJECTIVE

Assess the extent to which the Oregon Department of Education (ODE) has implemented the recommendations from report #2024-34.

SCOPE

The audit focused on efforts made by ODE to implement our recommendations from the prior High School Success (Measure 98) audit. We also examined ODE's processes to address identified issues, such as those from external audits. Our audit covered progress made by the agency prior to July 2026.

Why this audit is important

In both 2016 and 2017, Oregon's graduation rates were among the lowest in the country. Graduation rates were even lower for many student groups who experienced significant opportunity and participation gaps. These have been persistent trends in Oregon that reflect systemic challenges.

Oregon voters approved Measure 98 in 2016 to address chronically low graduation rates and expand opportunities that help students prepare for post-secondary education and careers. Under the voter-approved measure, the High School Success program within ODE administers grant funding and the Secretary of State is required to conduct performance and financial reviews every two years.

Measure 98 required the state to allocate $800 per student separate and distinct from the state General Fund. In the 2025-27 biennium, the Legislature allocated $338 million to the program.

What we found

ODE has made progress on some recommendations, but further work is necessary to improve the High School Success program (pg. 3)

ODE has not fully implemented the 2024 audit recommendations. At the time of the report's release, ODE leadership expected to implement the eight recommendations by June 2027. Based on ODE's self-assessment and our evaluation of evidence provided by the agency we determined that one recommendation has been fully implemented, five are partially implemented, and two have not been implemented.

ODE needs a documented process to address and monitor deficiencies (pg. 11)

ODE lacks a process to document and address issues, such as those identified in external audits. As a result, it is unclear whether ODE is reasonably on track to fully implement our 2024 recommendations by the agency's target implementation date. A clear process and documented corrective action plan would allow the agency's oversight body to monitor the status to ensure issues are addressed on a timely basis.

ODE needs oversight to ensure it corrects identified problems (pg. 11)

ODE's governing body does not provide adequate oversight for corrective actions. The agency has not explicitly assigned and documented oversight responsibility, and we found no evidence that the State Board of Education or any other oversight body reviewed or provided input for identified deficiencies from internal or external reviews.

What we recommend

To improve graduation rates and college and career readiness of high school students, ODE management should:

1. Complete efforts to implement the outstanding recommendations from the Secretary of State's 2024 audit (see Appendix A).
2. Implement the process designed to evaluate whether systems implemented in high schools to meet eligibility requirements improve students' progress.
3. Collect and maintain sufficient data to ensure program outcomes can be evaluated to the extent required by statute, including external evaluations.

To ensure deficiencies in management's processes to achieve its objectives are remediated, ODE should:

4. Develop a policy to document corrective actions. This policy should assign responsibility for maintaining written corrective action plans.
5. Document corrective action plans to address deficiencies. Documentation may include root cause analysis, planned actions, interim milestones, completion dates, measurable indicators to assess and validate progress of remediation efforts, and the role responsible for monitoring the status of corrective actions.
6. Assign and document responsibility for the oversight of remediation of deficiencies identified in external audits.
7. Once oversight is established, regularly report to the oversight function on progress toward implementing recommendations and solicit direction.

Agency response

The Oregon Department of Education agreed with all of our recommendations. The response can be found at the end of the report.

Read the full audit report at sos.oregon.gov/audits

Introduction

Oregon voters approved Measure 98 in 2016 to address chronically low graduation rates and expand opportunities that help students prepare for post-secondary education and careers. Measure 98 directed Oregon Department of Education (ODE) administer High School Success grants for three categories of activities — dropout prevention, career and technical education, and college-level learning opportunities — and the Secretary of State conducts performance and financial reviews every two years.[1]

Measure 98 required that the state provide dedicated funding of $800 per student, separate and distinct from the state's General Fund. However, in the first budget passed after the measure the Legislature only allocated approximately half of the required per-student funding, totaling about $170 million for the 2017-19 biennium. In 2019, the Legislature's passage of the Student Success Act filled the gap and ensured the program was fully funded by adding an additional $133 million. In the 2025 session, the Legislature allocated just over $338 million to the program.

This is our fourth audit of ODE's High School Success program

This report meets the requirement for a performance audit every two years and builds on our past performance audits. The first audit, completed in 2020, looked at early planning and implementation. We found that planning was robust, but ODE could do more to monitor progress and analyze results.[2] The second audit, completed in 2022, reviewed ODE's progress toward implementing recommendations and how ODE was integrating Measure 98 with related education programs. We found ODE was reducing silos within the agency and implemented most of our prior recommendations.[3] The third audit, completed in 2024, was the first to analyze spending patterns, program administration, and student outcomes over time. We found programs and services had expanded significantly, but results for student outcomes were mixed. We also found ODE could not directly link High School Success investments to outcomes.[4]

Audit standards require us to assess whether previous findings and recommendations have been addressed.[5] This report evaluates whether ODE has implemented recommendations from our 2024 audit.

As part of this review, we looked at each recommendation and determined whether it fit into one of the following categories:

- **Implemented/Resolved:** The auditee has fully implemented the recommendation or otherwise taken appropriate action to resolve the issue identified by the audit.

[1] There are many variations of names associate with Measure 98. The measure approved by voters established the High School Graduation and College and Career Readiness Fund. This was codified into law as the High School Graduation and College and Career Readiness Act, ORS 327.850 to 357.985, and is now commonly known as High School Success – a program within ODE's Office of Education Innovation and Improvement and a grant distributed across the state. The Secretary of State has performed audits of the grant program every two years, beginning in 2020, as required by ORS 327.895.

[2] High School Success Planning Is Robust, but ODE Can Enhance Benefits of Measure 98 by Improving Monitoring and Analysis (#2020-44)

[3] ODE Continues to Effectively Implement Measure 98 and Increase Collaboration Across Agency Programs (#2022-33)

[4] High School Success Grants Have Expanded Important Programs, but ODE Can Do More to Identify and Share Effective Strategies (#2024-34)

[5] U.S. Government Accountability Office's Government Auditing Standards (GAGAS) 8.30

- **Partially implemented:** The auditee has begun acting 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 not made meaningful progress on the recommendation. This could mean the auditee plans to implement the recommendation but has not yet acted. It could also mean the auditee declines to implement the recommendation and may pursue other action, or the auditee disagreed with the initial recommendation.

Audit Results

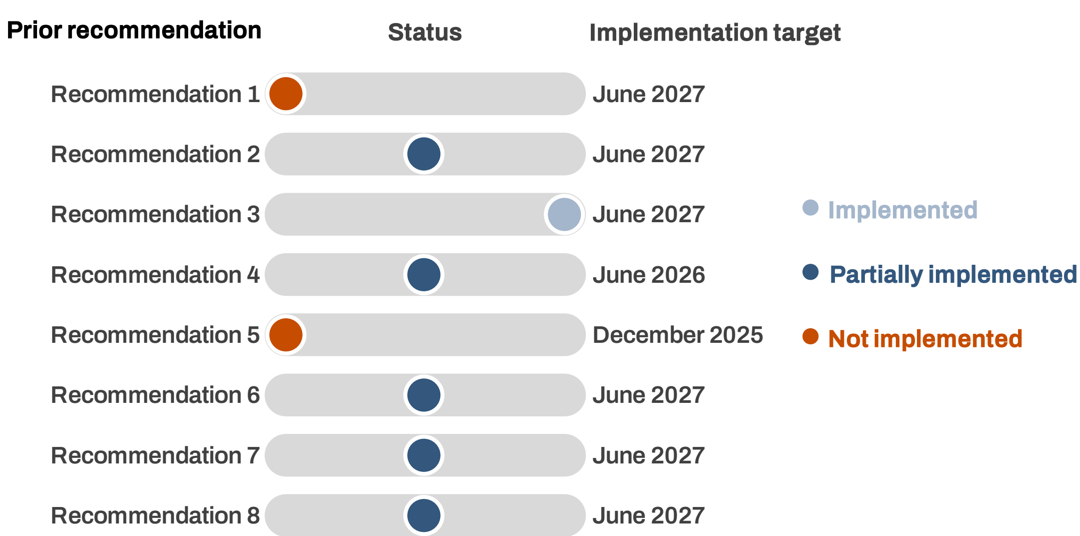
ODE has not fully implemented the 2024 audit recommendations. At the time of the report's release, ODE leadership expected to implement the eight recommendations by June 2027. Based on ODE's self-assessment and our evaluation of evidence provided by the agency, we determined that one recommendation has been fully implemented, five are partially implemented, and two have not been implemented.

While ODE has taken some steps to address recommendations, it has not documented a plan describing the actions it intends to take, identifying key interim milestones with target dates, and assigning responsibility for overseeing these efforts and ensuring the issues are addressed. These important actions help to ensure issues identified in audits, as well as those identified by the agency, are reviewed, tracked, and resolved in a timely and appropriate manner.

ODE has made progress on some recommendations, but further work is necessary to improve the High School Success program

ODE has fully implemented one of the eight recommendations included in our 2024 audit report and partially implemented five. The agency has not made meaningful progress with the other two. ODE still has not identified and assessed measurable indicators against baseline data to identify which investments effectively improve student success and has not yet presented a plan to the Legislature on how ODE will identify and share successful practices, effective spending, and statewide challenges. Without a systematic approach to evaluating the High School Success program, ODE will not be able to demonstrate whether the program meets its objectives.

Figure 1: ODE has made progress implementing prior audit recommendations



Source: Auditor prepared.

Recommendation 1 – target implementation June 2027

Update ODE processes for High School Success grantees to enable ODE to collect baseline data, efficiently connect strategies to results, identify effective investments in student success, and identify barriers that policy makers can address.

a. As part of the biennial planning process, work with grantees to identify measurable indicators relevant to the strategies they choose to invest in, including career and technical education participation and accelerated learning rates where applicable. Grantees should briefly explain, and ODE should document the effect strategies are expected to have on Longitudinal Performance Growth Targets, Local Optional Metrics, or other measurable indicators, to better understand whether expectations are appropriate.

b. Collect and review outcome data on the measurable indicators selected during the biennial planning process, in addition to any Longitudinal Performance Growth Targets and Local Optional Metrics.

c. As part of biennial plan approval, ensure that grantees consider past performance and address strategies that aren't working.

d. Ensure ODE collects information during quarterly and annual reporting to understand whether a strategy is effective for multiple grantees and what common challenges grantees face in adopting their strategies.

e. Consider adopting these processes for grantees who participate in other programs integrated with High School Success.

Not Implemented

Why we made the recommendation: In essence, this recommendation advised the department to collect the data necessary to ensure funding strategies led to desired results. ODE's monitoring focused primarily on compliance rather than understanding which investments produce measurable improvements in student outcomes. Without baseline data, outcome measures, and documented links between strategies and results, ODE cannot reliably identify effective practices or barriers to success.

What has been done: The Legislature introduced statewide Performance Growth Targets as part of an accountability framework passed in 2025.

Under the new Performance Growth Targets, districts are required to work toward each of the common metrics, as well as one local metric of their choosing. Although statewide Performance Growth Targets are not directly connected to the High School Success program, the goals of the program are reflected in the new targets.

Figure 2: High School Success aligns with several statewide Performance Growth Targets and local metrics

High School Success funding opportunity	Statewide Performance Growth Target Common or Local Metric[6]
Establish or expand career and technical education	Career and workforce readiness (local metric)
Establish or expand college-level educational opportunities	Postsecondary readiness (local metric)
Establish or expand dropout-prevention strategies	On-time graduation rate of 92.3%; Five-year completion rate of 95.4%
High School Success eligibility requirement[7]	
Provide sufficient planning time for ninth grade teachers and staff to ensure students are on track to graduate	Ninth grade on-track rate of 94.9%
Implement evidence-based best practices for reducing chronic absenteeism	Regular attendance rate of 78.3%
Assign students to advanced and dual-credit courses based on academic qualifications	Postsecondary readiness (local metric)

Source: Auditor prepared based on funding requirements under ORS 327.865-871, eligibility requirements defined in ORS 327.883 and ODE's Statewide Performance Targets established in OAR 581-003-0025.

What work remains: Despite the shift from Longitudinal Performance Growth Targets to Statewide Performance Growth Targets, the intent of the recommendation is still relevant. To fully implement the recommendation, ODE needs to collect data, including baseline data, before new strategies are implemented to demonstrate that High School Success strategies are effective at improving intended outcomes.[8] Collecting and documenting intended outcomes, target populations, implementation strategies, and leading indicators before funds are spent would provide the context necessary to meaningfully evaluate results and understand why outcomes differ across districts. This information would help ODE identify effective practices sooner, make more informed funding and support decisions, and strengthen accountability for public investments by supporting continuous improvement rather than relying solely on retrospective outcome measures.

In its self-assessment, ODE leadership stated that the agency is shifting from treating individual programs as standalone efforts to integrating performance management across programs. However, High School Success remains separate in statute with its own funding, objectives, and requirements. ODE must ensure that High School Success funds are achieving their voter-approved intent.

[6] This table does not include all statewide Performance Growth Targets – only those auditors determined to be aligned with High School Success strategies.

[7] ORS 327.883 defines eligibility requirements. To be eligible for the High School Success funds, applicants must have a biennial plan which includes these elements as well as others.

[8] Baseline data, in this context, refers to data collected before strategies are implemented as a reference point to measure progress, impact, and change. This should not be confused with ODE's definition of baseline targets in OAR 581-003-0030 as the minimum growth target that the school district and the Oregon Department of Education agree is satisfactory for all students included in the metric.

Recommendation 2 – target implementation June 2027

Develop a plan for how ODE will use any information requested from grantees so grantees are only asked to provide information ODE will use.

Partially Implemented

Why we made the recommendation: ODE was requesting substantial information from grantees but had not clearly demonstrated how all collected information was used. Collecting data without a defined purpose creates unnecessary burden and limits the value of reporting efforts.

What has been done: ODE has begun to roll out a new unified application process, starting with a subset of districts. ODE has provided a planning guide for the pilot phase of the rollout, which ties application questions to statutory requirements, as applicable; this can help grantees understand why ODE is requesting information.

What work remains: For this recommendation to be fully implemented, ODE should complete the roll-out of the unified application and document the use case for any other information they request from districts, including information collected for monitoring and reporting. ODE is rolling out a unified application in phases, starting with phase 1 in March 2026. ODE plans to evaluate phase 1 and launch phase 2 in spring 2027.

It is not yet clear how interim reporting will work under the unified application. In the prior audit, we heard from districts that inefficient and redundant documentation requirements created a burdensome process. Developing a clear plan for how all requested information will be used would help ensure data collection efforts are purposeful, support program oversight and improvement, and avoid imposing unnecessary burden on districts. A more intentional approach to data collection would improve the quality and usefulness of information while allowing district resources to remain focused on supporting students. As ODE works toward finalizing reporting requirements under the unified application, the department should document how all interim reporting information will be used by the department to ensure only necessary information is requested.

Recommendation 3 – target implementation June 2027

To ensure eligibility requirements meet statutory intent, develop a process to evaluate whether systems implemented in high schools to meet eligibility requirements improve students' progress toward graduation beginning with grade 9, increase the graduation rates of high schools, and improve high school graduates' readiness for college or career.

Implemented

Why we made the recommendation: ODE was reviewing whether districts had systems in place to meet eligibility requirements, but it had not sufficiently evaluated whether those systems actually improved graduation readiness, graduation rates, and college and career outcomes.

What has been done: The High School Success team at ODE has developed a written process to collect student outcome data related to students on track to graduation status, graduation rates, and college and career readiness. Every two years, ODE will use this data in conjunction with eligibility review data to analyze whether systems implemented to meet eligibility requirements improve student progress in these areas. ODE plans to begin implementing the process in summer of 2027.

What work remains: While we consider the 2024 recommendation that ODE develop this plan to be fully implemented, ODE should now implement the process and review it periodically to assess whether it remains relevant and effective.

Recommendation 4 – target implementation June 2026

Develop a plan to document and share strategies statewide that have been effective at helping grantees meet their targets or overcome challenges, including the roles played by ODE staff, Education Service District liaisons, and any other external partners.

Partially Implemented

Why we made the recommendation: ODE identified some promising practices but lacked a systematic process to document, evaluate, and share strategies that help districts achieve better outcomes or overcome common challenges.

What has been done: ODE has developed a plan which includes steps to document and share strategies to achieve agency-level priority outcomes.[9] While some of these priorities and strategies are relevant to High School Success, the purpose of the document is to articulate how the agency will implement agency-level initiatives including those which address other areas and priorities.

What work remains: The department does not have a plan to document and share High School Success strategies statewide shown to be effective at helping grantees meet their targets or overcome challenges. While ODE has drafted processes to identify improved outcomes, it has not connected implemented strategies to results.

ODE indicated they are developing qualitative research briefs, but the first briefs aren't expected to be completed until December 2026. ODE's Grant Management and Monitoring team has developed a draft protocol to review spending reports from Education Service Districts to investigate the connection between grant expenditures and observed outcomes, but this plan does not include school district spending or describe how ODE will use the reviews to share effective strategies with grantees.[10]

[9] ODE's Implementation and Monitoring Plan is a supplement to its strategic plan and documents specific strategies the agency will employ to achieve its agency-wide priority outcomes.
[10] Education Service Districts are regional public education agencies which provide services to local school districts and assist ODE.

Recommendation 5 – target implementation December 2025

No later than the 2026 legislative session, report to the Legislature on how ODE plans to identify, disseminate, and report on successful practices, effective spending, and statewide challenges facing grantees.

Not Implemented

Why we made the recommendation: ODE had not yet established a clear plan for reporting successful practices, effective spending, and statewide implementation challenges to policymakers and the public. Transparent reporting is critical to accountability and continuous improvement.

What has been done: ODE has not presented this information to the legislature.

What work remains: ODE failed to implement this recommendation by the agreed timeline. However, ODE management indicated it expects to present this information as part of the update on their unified accountability work. While High School Success has been integrated with other grant programs, current statute still requires districts to use funds from the grant to establish or expand career and technical education, college-level education opportunities, and drop-out prevention strategies. ODE should ensure that its presentation builds on the plan developed to implement Recommendation 4 and articulates how districts have effectively used High School Success funds to identify successful practices and challenges in meeting program objectives.

Recommendation 6 – target implementation June 2027

Work with the State Board of Education and Legislature to further integrate related grants.

Partially Implemented

Why we made the recommendation: ODE administers multiple grants with overlapping goals and requirements. Further integration would reduce duplication and allow ODE to focus more attention on outcomes rather than program-specific processes.

What has been done: ODE has begun to pilot a unified application, which will help to operationally integrate management of related grants.

What work remains: The agency has not yet launched the unified application statewide.

As ODE moves forward with program integration, the agency should look for opportunities to propose legislative changes to integrate grants in statute. This aligns with directives to reduce redundancies included in more recent legislation.

Recommendation 7 – target implementation June 2027

Work with the State Board of Education and Legislature to further standardize reporting systems.

Partially Implemented

Why we made the recommendation: Differences in reporting systems create inefficiencies, increase administrative burden, and make it more difficult to analyze results consistently across programs and districts.

What has been done: ODE launched the pilot phase for its unified application in March of 2026. The Unified Application applies to 18 grant programs, including High School Success. Historically, school districts have had to submit multiple applications (with various timelines and requirements) to access grant funding. The unified application is intended to streamline the process by having districts develop a single plan to advance student outcomes and use all available grant funds to implement the plan.

This work has been done in part to address SB 141, passed by the legislature in 2025, which aims to reduce redundancies by directing ODE to study the reporting requirements imposed on school districts to identify (a) current requirements, (b) requirements that can be decreased in frequency, eliminated, or consolidated, (c) requirements that can be aligned with federal reporting requirements, including necessary changes to state programs to align with federal programs, and (d) statutory changes that would provide for alignment of grants, programs planning, reporting, and monitoring processes.

What work remains: According to ODE, the unified application is being rolled out in phases. ODE plans to evaluate phase 1 and launch phase 2 in spring 2027. ODE expects statewide implementation of the consolidated grant application and reduced reporting processes will be implemented statewide in the 2027-28 school year. As ODE progresses through piloting and finalizing the unified application, management should ensure that other requirements, such as interim and annual reporting, are consolidated and simplified where possible.

As directed under SB 141, ODE is required to report its findings on alignment opportunities to the Legislature by December 15, 2026. To adequately address this recommendation, ODE should include opportunities for efficiency in compliance and reporting requirements High School Success in this report.

Recommendation 8 – target implementation June 2027

Work with the State Board of Education and Legislature to make compliance requirements more efficient.

Partially Implemented

Why we made the recommendation: Compliance requirements consumed significant time and effort for districts and ODE staff, limiting capacity to focus on improving student outcomes and identifying successful strategies.

What has been done: As previously mentioned, ODE has begun to pilot its new unified application that has the potential to improve compliance requirements.

Agency leadership indicated ODE has also expanded the scope of Regional Support Teams. These teams are intended to streamline communications by assigning staff to support school districts, rather than individual grants. This allows a school district to reach out to a single team to discuss multiple grants rather than having different contacts to reach out to when they have questions about individual grants. Management hopes these teams will help reduce misinformation and provide more accurate, timely, and contextual support based on district needs.

What work remains: While these efforts may help to make compliance requirements more efficient, none of them are complete.

The unified application is currently being piloted. Statewide rollout has not yet occurred, and the final scope of the application is yet to be determined. Moreover, the application does not address inefficiencies in annual or interim reporting which was a significant source of inefficiencies identified in the prior audit.

According to ODE, Regional Support Teams will not be fully staffed until August 2026 and will not be fully trained until January 2027. Ensuring these teams are fully staffed and trained could improve efficiencies by giving districts a smaller set of contacts who understand the needs of the districts they work with and the specific requirements of multiple grants.

ODE needs a documented process to address and monitor deficiencies

While other factors contributed to why recommendations are not fully implemented, such as the agency's prioritization of SB 141, we identified a key gap: ODE lacks a process to complete and document corrective actions to address issues, such as those identified in external audits. This may result in the agency failing to implement basic recommendations, such as reporting to the Legislature in a timely manner as noted in the status of prior audit Recommendation 5. While ODE assigned a staff member to track the recommendations' implementation status, the process was largely ad hoc. Leadership was able to provide a self-assessment of their implementation status and provide some supporting examples to support their conclusion. However, they could not provide a succinct summary of work completed. Moreover, they have not identified root causes for why the deficiencies existed, documented planned corrective actions, or set interim milestones to measure progress. As a result, it is unclear whether ODE is reasonably on track to complete implementation of our 2024 recommendations by June 2027.

ODE management is responsible for establishing and maintaining processes to achieve agency objectives.[11] However, they have not explicitly assigned and documented management responsibility to address identified issues. Going forward, ODE leadership should assign and document responsibility for the completion and documentation of corrective actions to address issues. A documented corrective action plan may include root cause analysis, planned milestones, interim milestones, completion dates, measurable indicators of remediation, and officials responsible for monitoring corrective action status. This documentation would provide the information necessary for the agency's oversight body to monitor the status of these efforts to ensure issues are addressed and corrective actions are documented on a timely basis in accordance with the agency's risk management plan.

ODE needs oversight to ensure it corrects identified problems

In addition to lacking a documented corrective action plan, we also found the agency has not explicitly assigned and documented oversight responsibility, and we found no evidence that the State Board of Education or any other oversight body reviewed or provided input for identified deficiencies from internal or external reviews.

While the State Board of Education, the Superintendent of Public Instruction, and agency management should all play a role in overseeing how the agency addresses issues that come to their attention, ill-defined roles and responsibilities have resulted in a lack of oversight.

ODE has a Chief Audit Executive that monitors corrective action status but does not direct corrective efforts which could impair their independence on future audits. The agency's internal audit committee oversees the work of the Chief Audit Executive but also does not play a role in corrective action oversight. The Chair of the State Board of Education sits on the audit committee, but we found no evidence that the State Board of Education reviewed or provided input for issues identified in internal or external reviews. While the Oregon Constitution establishes the Governor as the Superintendent of Public Instruction, the

[11] The Oregon Accounting Manual (10.10.00.PO, 10.10.00.PR) designates management as responsible for establishing and maintaining processes to help an entity achieve its objectives, including running its operation efficiently and effectively, reporting reliable information about its operations, and complying with applicable laws and regulations. As part of maintaining these processes, agency management should address issues on a timely basis and document its actions.

Governor does not play a direct role in agency operations, delegating that authority to the Deputy Superintendent of Public Instruction who serves as the agency director.

To ensure management performs timely correction of identified issues, ODE should assign and document responsibility for this oversight. Once management has documented and begun to execute its corrective action plan, it should periodically report on the status of known issues to the established oversight body. This allows the oversight body to provide direction to management on corrective efforts and appropriate timeframes for addressing issues. The oversight body should also ensure these efforts are properly monitored so they are completed in a timely manner.

Recommendations

To improve graduation rates and college and career readiness of high school students, ODE management should:

1. Complete efforts to implement the outstanding recommendations from the Secretary of State's 2024 audit (see Appendix A).
2. Implement the process designed to evaluate whether systems implemented in high schools to meet eligibility requirements improve students' progress.[12]
3. Collect and maintain sufficient data to ensure High School Success program outcomes can be evaluated to the extent required by statute, including external evaluations.

To ensure deficiencies in management's processes to achieve its objectives are remediated, ODE should:

4. Develop a policy to document corrective actions. This policy should assign responsibility for maintaining written corrective action plans.
5. Document corrective action plans to address deficiencies. Documentation may include root cause analysis, planned actions, interim milestones, completion dates, measurable indicators to assess and validate progress of remediation efforts, and the role responsible for monitoring the status of corrective actions.
6. Assign and document responsibility for the oversight of remediation of deficiencies identified in external audits.
7. Once oversight is established, regularly report to the oversight function on progress toward implementing recommendations and solicit direction.

[12] This is in reference to ODE's process to address Recommendation 3 from report #2024-34.

Objective, Scope, and Methodology

OBJECTIVE

Assess the extent to which Oregon Department of Education has implemented the recommendations from report #2024-34.

SCOPE

The audit focused on new efforts made by ODE to implement our recommendations from the prior Measure 98 audit issued in December 2024. Our audit covered progress made by the agency prior to July 2026.

METHODOLOGY

To meet our objective, we performed the following procedures:

- Reviewed statutes governing the High School Graduation and College and Career Readiness Act and associated audit requirements;
- Reviewed administrative rules governing High School Success program requirements;
- Reviewed ODE's recommendation follow up response and supporting documentation;
- Reviewed agency strategic plans and other planning and guidance documents; and
- Interviewed ODE managers and staff, the State Board of Education Chair, ODE's Audit Committee Chair, and the Chief Audit Executive for the Department of Administrative Services.

INTERNAL CONTROL REVIEW

We determined that the following internal controls were relevant to our audit objective.[13]

- Control Environment
    - We interviewed the Chief Audit Executive at the Department of Administrative Services; the State Board of Education Chair; and ODE's Chief Audit Executive, Audit Committee Chair, and Strategic Initiatives Director (administrative supervisor for the ODE Chief Audit Executive) to evaluate internal control oversight roles and responsibilities.
- Monitoring Activities
    - We reviewed ODE's recommendation follow-up response and evaluated the implementation status of prior audit recommendations.
    - We interviewed ODE's Chief Audit Executive, Strategic Initiatives Director, and other staff to understand processes in place to monitor the remediation of identified deficiencies.
    - We reviewed internal audit policies and procedures to assess roles and responsibilities regarding deficiency tracking and remediation monitoring.

Deficiencies with these internal controls were documented in the results section of this report.

[13] Internal control is a process used by management to help and entity achieve its objectives. Internal control helps an entity run its operation efficiently and effectively, report reliable information about its operations, and comply with applicable laws and regulations. Auditors relied on standards for internal controls from the U.S. Government Accountability Office, report GAO-14-704G.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We sincerely appreciate the courtesies and cooperation extended by officials and employees of ODE during the course of this audit.

Audit team

Andrew Love, CFE, Audit Manager
Amelia Eveland, MBA, Principal Auditor
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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 the office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The Secretary of State has constitutional authority to audit all state officers, agencies, boards and commissions.

Appendix A – Recommendations from the Prior Audit

Our 2024 report entitled, *High School Success Grants Have Expanded Important Programs, but ODE Can Do More to Identify and Share Effective Strategies* (#2024-34), made the following recommendations.

To strengthen its ability to promote improvements in student success through High School Success, ODE should:

1. Update ODE processes for High School Success grantees to enable ODE to collect baseline data, efficiently connect strategies to results, identify effective investments in student success, and identify barriers that policy makers can address. ODE should:
    a. As part of the biennial planning process, work with grantees to identify measurable indicators relevant to the strategies they choose to invest in, including career and technical education participation and accelerated learning rates where applicable. Grantees should briefly explain, and ODE should document, the effect strategies are expected to have on Longitudinal Performance Growth Targets, Local Optional Metrics, or other measurable indicators, to better understand whether expectations are appropriate.
    b. Collect and review outcome data on the measurable indicators selected during the biennial planning process, in addition to any Longitudinal Performance Growth Targets and Local Optional Metrics.
    c. As part of biennial plan approval, ensure that grantees consider past performance and address strategies that aren't working.
    d. Ensure ODE collects information during quarterly and annual reporting to understand whether a strategy is effective for multiple grantees and what common challenges grantees face in adopting their strategies.
    e. Consider adopting these processes for grantees who participate in other programs integrated with HSS.
2. Develop a plan for how ODE will use any information requested from grantees so grantees are only asked to provide information ODE will use.
3. To ensure eligibility requirements meet statutory intent, develop a process to evaluate whether systems implemented in high schools to meet eligibility requirements improve students' progress toward graduation beginning with grade 9, increase the graduation rates of high schools, and improve high school graduates' readiness for college or career.
4. Develop a plan to document and share strategies statewide that have been effective at helping grantees meet their targets or overcome challenges, including the roles played by ODE staff, Education Service District liaisons, and any other external partners.
5. No later than the 2026 legislative session, report to the Legislature on how ODE plans to identify, disseminate, and report on successful practices, effective spending, and statewide challenges facing grantees.

To reduce administrative demands on districts and enable ODE staff to focus more on student success, ODE should work with the State Board of Education and Legislature to further:

6. Integrate related grants.
7. Standardize reporting systems.
8. Make compliance requirements more efficient.

Oregon
Tina Kotek, Governor

OREGON
DEPARTMENT OF EDUCATION
Oregon achieves . . . together!

Dr. Charlene Williams
Director of the Department of Education

September 16, 2026

Steve Bergmann, Director
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255 Capitol St. NE, Suite 180
Salem, OR 97310

Dear Mr. Bergmann,

This letter provides a written response to the Audits Division's final draft audit report titled Improved Oversight and Processes are Needed to Achieve High School Success Objectives.

The Oregon Department of Education (ODE) appreciates the Secretary of State Audits Division's continued review of the High School Success program. Since voters approved Measure 98 in 2016, a year when Oregon's graduation rates ranked among the lowest in the nation, the Department and its education partners have made substantial progress; statewide educational performance now reflects an on-time graduation rate of 83.0%, a 5-year completion rate of 87.4%, and 86.6% of 9th grade students on track to graduate. These gains reflect the sustained impact of high school success investments and the work of educators statewide.

ODE agrees with the audit finding that stronger oversight, documentation, and evaluation practices are needed to ensure this progress continues and can be readily and reliably measured going forward. The Department has already fully implemented one of the eight prior recommendations and made meaningful progress on five others. The responses below outline the specific actions and timelines ODE is committed to taking to fully address the remaining recommendations.

Below is our detailed response to each recommendation in the audit.

RECOMMENDATION 1

Complete efforts to implement the outstanding recommendations from the Secretary of State's 2024 audit (see Appendix A)		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	June 2027	Cassie Medina 503-510-2968

Narrative for Recommendation 1

ODE agrees with this recommendation and is continuing implementation of the outstanding recommendations from the 2024 audit.

For High School Success, ODE is strengthening planning, reporting, and continuous improvement processes to better connect funded strategies with measurable student outcomes, support the use of performance data in decision-making, and improve ODE's ability to identify effective practices and common implementation challenges across grantees. This work includes the use of Oregon's Unified Grant Application as a planning and continuous improvement tool by asking districts to connect funded strategies to local Performance Growth Targets and other relevant outcome measures, review prior results, and adjust strategies based on evidence.

ODE has partially implemented several related recommendations and is continuing efforts to ensure information collected from grantees is purposeful, actionable, and used to inform technical assistance, program improvement, and policy decisions. As part of broader agency accountability modernization efforts, ODE is aligning planning, reporting, and support structures to reduce duplication, improve consistency, and streamline requirements for grantees.

ODE is also expanding its ability to identify, document, and share effective practices statewide through continuous improvement processes and cross-district learning structures. These efforts will support the identification of successful strategies, effective investments, and common barriers facing grantees, while helping inform future statewide support efforts.

RECOMMENDATION 2

Implement the process designed to evaluate whether systems implemented in high schools to meet eligibility requirements improve students' progress.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	June 2027	Cassie Medina 503-510-2968

Narrative for Recommendation 2

ODE agrees with this recommendation and will fully implement the process by June 2027.

For High School Success, ODE is strengthening its approach to evaluating whether the systems, supports, and improvement strategies implemented by high schools meeting eligibility requirements are resulting in improved student progress and outcomes. This work includes incorporating annual review of student outcome data, local Performance Growth Targets, and other progress indicators into a broader district performance review process, allowing ODE to better assess the relationship between selected strategies and student results.

ODE is also developing Regional Support Teams to support review of performance data, identify implementation challenges, and align technical assistance to school and district needs. Through the district performance review processes, and related continuous improvement structures, ODE will evaluate whether schools are implementing intended strategies, monitor progress toward improvement goals, and use performance information to inform future planning, and support. These efforts will strengthen ODE's ability to determine whether interventions used to meet High School Success eligibility requirements are contributing to meaningful improvements in student outcomes.

RECOMMENDATION 3

Collect and maintain sufficient data to ensure High School Success program outcomes can be evaluated to the extent required by statute, including external evaluations.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	December 2027	Cassie Medina 503-510-2968

Narrative for Recommendation 3

ODE agrees with this recommendation.

For High School Success, ODE is strengthening data collection, reporting, and performance review processes to ensure sufficient information is available to evaluate program implementation and outcomes. ODE is working to improve the consistency and quality of data collected through planning, reporting, and continuous improvement processes, with an emphasis on connecting funded strategies to measurable student outcomes and progress indicators.

As part of broader accountability modernization efforts, ODE is developing structures that will support more systematic collection, analysis, and use of program and performance data. This includes strengthening connections between district-identified needs, selected strategies, local Performance

Growth Targets, and student outcomes, as well as improving ODE's ability to identify effective practices, implementation challenges, and areas requiring additional support. These efforts will enhance ODE's capacity to evaluate High School Success investments and fulfill statutory evaluation requirements.

RECOMMENDATION 4

Develop a policy to document corrective actions. This policy should assign responsibility for maintaining written corrective action plans.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	February 2027	Lindsay Baker 503-877-7019

Narrative for Recommendation 4
ODE agrees with this recommendation.

The Department is developing a formal internal audit policy that will establish a consistent, agency-wide framework for managing audits, reviews, and corrective actions. The policy defines roles, responsibilities, governance structures, and procedures for coordinating audit activities and responding to audit findings.

Importantly, the policy will require the development and maintenance of written corrective action plans for audit and review findings. It will clearly assign responsibility for implementing corrective actions, tracking progress toward completion, maintaining supporting documentation, and validating that corrective actions have been fully implemented. The policy will also establish oversight and reporting requirements to support ongoing monitoring and timely resolution of identified issues.

By standardizing corrective action planning and monitoring across the agency, ODE will strengthen accountability, improve visibility into the status of audit findings, and enhance management's ability to ensure issues are resolved completely and in a timely manner.

The draft policy is currently under review by ODE's Executive Team. ODE plans to present the policy to the ODE Audit Committee in September 2026, with final adoption anticipated in October 2026.

RECOMMENDATION 5

Document corrective action plans to address deficiencies. Documentation may include root cause analysis, planned actions, interim milestones, completion dates, measurable indicators to assess and validate progress of remediation efforts, and the role responsible for monitoring the status of corrective actions.

Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	February 2027	Lindsay Baker 503-877-7019

Narrative for Recommendation 5
ODE agrees with this recommendation.

The Department is developing a formal internal audit policy that will establish a consistent, agency-wide framework for managing audits, reviews, and corrective actions. The policy defines roles, responsibilities, governance structures, and procedures for coordinating audit activities and responding to audit findings.

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By standardizing corrective action planning and monitoring across the agency, ODE will strengthen accountability, improve visibility into the status of audit findings, and enhance management's ability to ensure issues are resolved completely and in a timely manner.

The draft policy is currently under review by ODE's Executive Team. ODE plans to present the policy to the ODE Audit Committee in September 2026, with final adoption anticipated in October 2026.

RECOMMENDATION 6

Assign and document responsibility for the oversight of remediation of deficiencies identified in external audits.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	February 2027	Lindsay Baker 503-877-7019

Narrative for Recommendation 6
ODE agrees with this recommendation.

The Department is developing a formal internal audit policy that will establish a consistent, agency-wide framework for managing audits, reviews, and corrective actions. The policy defines roles, responsibilities, governance structures, and procedures for coordinating audit activities and responding to audit findings.

As part of the policy ODE will establish and document responsibility for overseeing corrective actions, including monitoring implementation progress, maintaining supporting documentation, and verifying completion of remediation efforts. ODE will define roles and responsibilities for program staff, managers, and agency leadership to ensure identified deficiencies are addressed in a timely and consistent manner. These processes will improve oversight, support accountability, and provide greater assurance that audit findings are appropriately resolved and sustained over time.

RECOMMENDATION 7

Once oversight is established, regularly report to the oversight function on progress toward implementing recommendations and solicit direction.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	June 2027	Lindsay Baker 503-877-7019

Narrative for Recommendation 7
ODE agrees with this recommendation.

The Department is developing a formal internal audit policy that will establish a consistent, agency-wide framework for managing audits, reviews, and corrective actions. The policy defines roles, responsibilities, governance structures, and procedures for coordinating audit activities and responding to audit findings.

As part of this framework, ODE will establish formal oversight and reporting requirements for monitoring the implementation of corrective action plans. Responsibility for reviewing and monitoring corrective action progress will be assigned to designated oversight bodies, including ODE's Executive Team, the ODE Audit Committee, and the Department of Administrative Services.

ODE will provide regular reports on the status of corrective actions, including implementation progress, completion milestones, supporting documentation, evidence of sustained implementation, and measures of effectiveness. These reports will also identify emerging risks, barriers to completion, overdue actions, and areas requiring additional management attention or support.

To ensure timely resolution of issues, ODE will establish procedures for escalating risks, barriers, and implementation challenges to appropriate leadership and designated oversight bodies. This escalation process will support timely guidance, decision-making, accountability, and resolution of issues that may affect the successful implementation of corrective actions.

By formalizing oversight, reporting, and escalation procedures, ODE will strengthen accountability for corrective action implementation, improve transparency into the status of audit recommendations, and provide agency leadership with the information necessary to ensure identified issues are resolved effectively and sustainably.

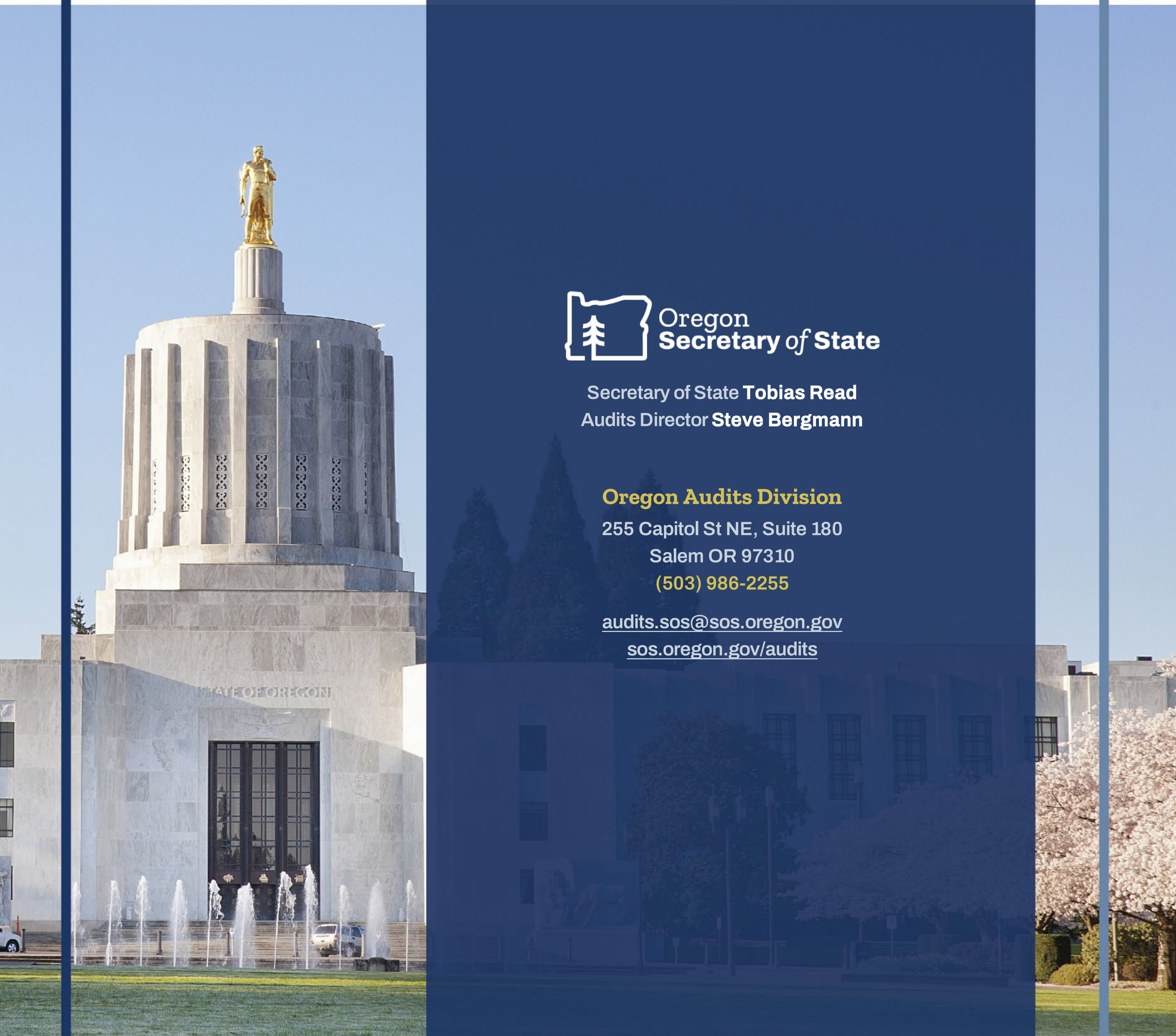
The Department appreciates the Audit Division's diligence and partnership in performing this review and looks forward to continuing to strengthen program and agency performance to improve student outcomes.

Please contact Cassie Medina or Lindsay Baker with any questions.

Sincerely,

Dr. Charlene Williams
Director of the Oregon Department of Education
255 Capitol Street NE | Salem, Oregon 97310
Phone: 503-947-5740

cc: Lindsay Baker
Cassie Medina
Tamara Dykeman
Lisa Durden



Oregon Secretary of State

Secretary of State **Tobias Read**
Audits Director **Steve Bergmann**

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