



# MICHIGAN

OFFICE OF THE AUDITOR GENERAL

## AUDIT REPORT



THOMAS H. McTAVISH, C.P.A.  
AUDITOR GENERAL

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– Article IV, Section 53 of the Michigan Constitution

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Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Performance Audit*

Report Number:  
313-0203-06

*School Report Card Program*

*Michigan Department of Education*

Released:  
June 2008

*The Michigan Department of Education's (MDE's) Accountability Program coordinates information for the School Report Card Program. The School Report Card is the main dissemination vehicle for reporting school accountability data related to public schools and districts in the State. MDE's objective relating to the School Report Card Program is to provide accurate, reliable, and timely reporting.*

***Audit Objective:***

To assess the effectiveness of MDE's efforts to ensure that accurate and timely State and School Report Card data and adequate yearly progress (AYP) status are reported to schools and to the public.

***Audit Conclusion:***

We concluded that MDE was moderately effective in its efforts to ensure that accurate and timely State and School Report Card data and AYP status are reported to schools and to the public. Our overall conclusion on the effectiveness of MDE's efforts considered the impact of noted discrepancies and weaknesses on the final School Report Card grades and AYP status for over 3,600 schools. However, we considered some of our audit findings material because of the potential effect that the error could have on an individual school's grade or AYP status. We noted four material conditions (Findings 1 through 4) and seven reportable conditions (Findings 5 through 11).

***Material Conditions:***

MDE, in conjunction with the Department of Information Technology, had not implemented sufficient management controls to help detect and correct inaccuracies and inconsistencies in programming logic used to compile School Report Card results. As a result, MDE reported inaccurate components of AYP status and *Education YES!* grades for at least 620 schools, which may have resulted in MDE incorrectly reporting some schools and districts as meeting AYP. (Finding 1)

MDE improperly included the test scores of nonpublic school students when calculating *Education YES!* letter grade score ranges. The inclusion of the nonpublic school student test scores resulted in inflated *Education YES!* letter grade score ranges for some grade levels and content areas, which may have resulted in some public schools receiving incorrect lower letter grades. (Finding 2)

MDE had not established sufficient controls to ensure compliance with federal regulations relating to the calculation of proficiency rates for students with disabilities. As a result, MDE included proficient scores for at least 1,719 more students with disabilities than allowed under federal regulations and guidance, which resulted in MDE incorrectly concluding that at least 126 schools met AYP in the 2005-06 School Report Card. (Finding 3)

MDE did not ensure that school districts included all required information when notifying parents of students attending schools that were identified for improvement. Without complete notification, parents may not have been able to make informed and timely decisions regarding school choice transfer and supplemental educational services (SES) options. (Finding 4)

**Reportable Conditions:**

Our assessment also disclosed seven reportable conditions related to verification of high school test data, full academic year students, documentation of the business process, change management and access controls, school performance indicators, appeals documentation, and the State Report Card (Findings 5 through 11).

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**Audit Objective:**

To assess the effectiveness of MDE's monitoring of school districts' annual reports to ensure compliance with State and federal reporting requirements.

**Audit Conclusion:**

We concluded that MDE was not effective in its monitoring of school districts' annual reports to ensure compliance with State and federal reporting requirements. We noted one material condition.

**Material Condition:**

MDE had not implemented procedures to ensure that school districts prepared annual reports in accordance with State and federal requirements. As a result, MDE could not ensure that school districts provided complete and accurate data regarding student performance and program effectiveness to parents and the public. (Finding 12)

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**Agency Response:**

Our audit report contains 12 findings and 14 corresponding recommendations. MDE's preliminary response indicates that it agrees with 13 of the recommendations and disagrees with 1 recommendation.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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June 25, 2008

Mr. Michael P. Flanagan  
Superintendent of Public Instruction  
Michigan Department of Education  
John A. Hannah Building  
Lansing, Michigan

Dear Mr. Flanagan:

This is our report on the performance audit of the School Report Card Program, Michigan Department of Education.

This report contains our report summary; description of program; audit objectives, scope, and methodology and agency responses; comments, findings, recommendations, and agency preliminary responses; two flowcharts and three exhibits, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's response subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

AUDITOR GENERAL



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## Description of Program

The Michigan Department of Education's (MDE's) Accountability Program coordinates information for the School Report Card Program. The School Report Card is the main dissemination vehicle for reporting school accountability data related to public schools\* and districts in the State. MDE's objective relating to the School Report Card Program is to provide accurate, reliable, and timely reporting.

MDE publishes School Report Cards for all public schools and districts on its Web site. According to data reported by MDE, there were 834 public school districts and 1,712,133 public school students in Michigan during school year 2005-06.

MDE's Accountability Program is located administratively within the Office of Educational Assessment and Accountability (OEAA). OEAA administers the State's assessment tests, which include the Michigan Educational Assessment Program\* (MEAP), Michigan's alternative assessment program (MI-Access\*), and the English Language Proficiency assessment. Beginning with the 2006-07 School Report Card, MEAP was replaced by the Michigan Merit Exam (MME) for high school students as of March 2007.

During school year 2005-06, OEAA administered the MEAP tests to the following number of students in the subjects of reading, writing, mathematics, science, and social studies:

Grade Level	Reading	Writing	Mathematics	Science	Social Studies
3	118,933	118,573	119,681		
4	119,496	119,280	120,247		
5	121,958	121,781	122,637	122,797	
6	125,711	125,336	126,185		126,027
7	134,573	134,026	133,080		
8	133,843	133,269	135,622	135,749	
9					142,512
High School	140,481	155,786	154,496	150,517	133,462
Total	<u>894,995</u>	<u>908,051</u>	<u>911,948</u>	<u>409,063</u>	<u>402,001</u>

\* See glossary at end of report for definition.

Approximately 96% of the students who took the MEAP tests were public school students and the remaining 4% were nonpublic school\* and home-schooled students.

The two major components of the School Report Card Program include adequate yearly progress\* (AYP) and *Education YES! - A Yardstick for Excellent Schools\** (*Education YES!*) (see Flowchart 1, presented as supplemental information).

AYP is the measure used to hold public schools and districts accountable based on the provisions of Title I\* of the federal No Child Left Behind (NCLB) Act of 2001\*. To meet AYP, public schools and districts must:

- Meet the State's target achievement goals (proficiency rates) in English language arts\* and mathematics (and science beginning in school year 2007-08) on the Statewide tests. The NCLB Act requires states to ensure that all students meet or exceed the states' proficiency rate targets by 2014.
- Test at least 95% of their students (participation rates) in the grade level tested for the school as a whole and for each required subgroup.
- Meet the State's target graduation rate for high schools (80%) and attendance rate for elementary and middle schools.

According to MDE's School Report Card Program, the following number of schools met and did not meet AYP for school years 2004-05 and 2005-06:

School Report Card Year	Schools That Met AYP		Schools That Did Not Meet AYP	
	Number	Percentage	Number	Percentage
2004-05	3,180	89%	406	11%
2005-06	3,027	85%	544	15%

*Education YES!* is the State's school accreditation\* system, where MDE grades each public school based on the following measures:

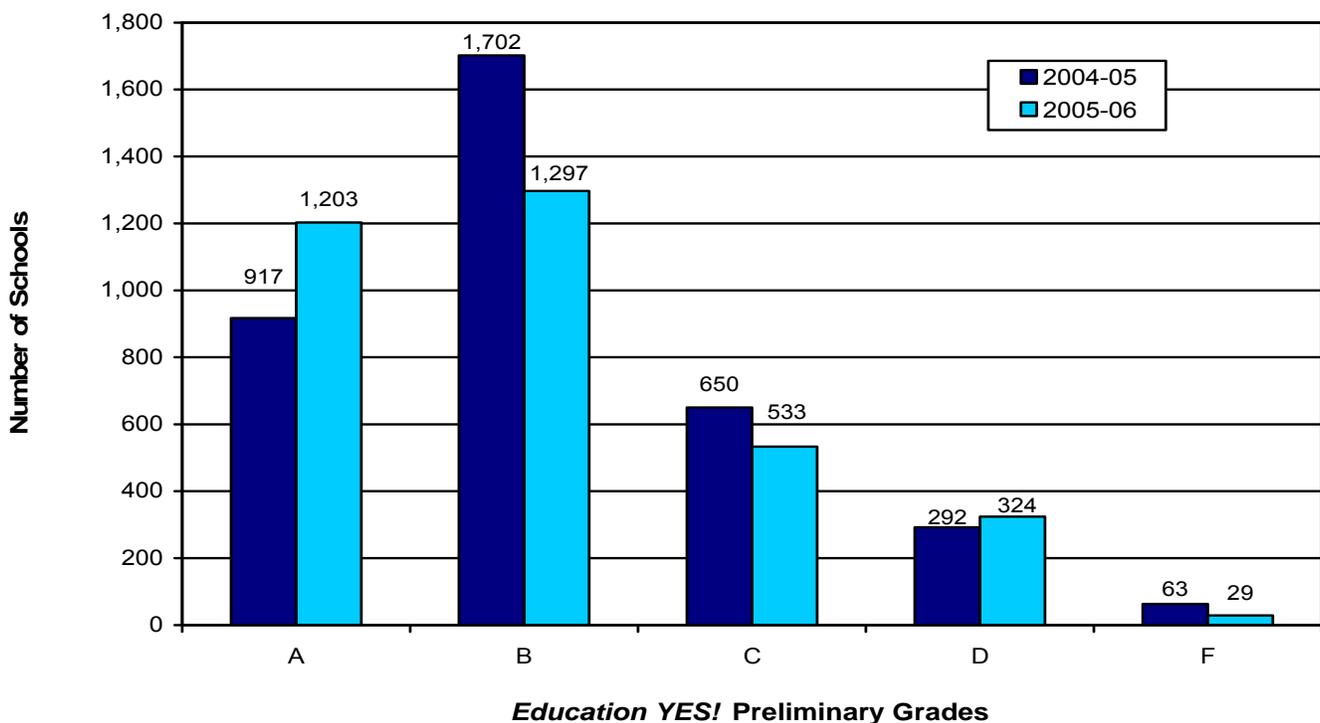
- Averages of student achievement test scores to measure how well a school is doing in educating its students.

\* See glossary at end of report for definition.

- Changes in student achievement test scores to measure whether student achievement is improving or declining.
- Eleven self-rating performance indicators related to programs and investments that schools have made to help improve student performance (see Exhibit 1, presented as supplemental information).

The scores on each component are weighted to determine an *Education YES!* preliminary score and converted to a preliminary letter grade. MDE determines a school's *Education YES!* final composite grade based on the preliminary grade and whether the school did or did not meet AYP. Letter grades of D and F are not used for the composite grade; instead, the labels "D/Alert" and "Unaccredited" are used. See Exhibit 2, presented as supplemental information, for an example of a School Report Card as shown on MDE's Web site.

The following graph shows the *Education YES!* preliminary grades issued to schools for the 2004-05 and 2005-06 School Report Card Program:



Note: This information may not reflect data that MDE reported to the public because MDE subsequently made changes as a result of appeals submitted by public school districts.

Schools that do not meet AYP for two or more consecutive years are considered "identified for improvement" and are subject to various school improvement efforts and penalties, depending on the length of time they have been identified for improvement (see Exhibit 3, presented as supplemental information). Schools that receive *Education YES!* composite grades of "Unaccredited" for three consecutive years are subject to one or more penalties as determined by MDE, which may include the appointment of an administrator over the school or closure of the school. According to MDE's School Report Card Program information system, seven schools had received grades of "Unaccredited" for three consecutive years at the end of school year 2005-06.

MDE's OEAA expended \$24.8 million during fiscal year 2005-06. The Accountability Program expended \$310,450 during fiscal year 2005-06 and had 3 employees as of August 31, 2006.

## Audit Objectives, Scope, and Methodology and Agency Responses

### Audit Objectives

Our performance audit\* of the School Report Card Program, Michigan Department of Education (MDE), had the following audit objectives:

1. To assess the effectiveness\* of MDE's efforts to ensure that accurate and timely State and School Report Card data and adequate yearly progress status are reported to schools and to the public.
2. To assess the effectiveness of MDE's monitoring of school districts' annual reports to ensure compliance with State and federal reporting requirements.

### Audit Scope

Our audit scope was to examine the program and other records related to the School Report Card Program. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances. Our audit procedures, conducted from March through September 2006 and from January through June 2007, included a review of MDE's School Report Card Program records and procedures primarily for the period September 1, 2004 through August 31, 2006 and School Report Cards issued for school years 2004-05 and 2005-06.

### Audit Methodology

We conducted a preliminary review of MDE's School Report Card Program operations to formulate a basis for defining the audit objectives and scope. Our preliminary review included a review of applicable federal and State laws and regulations, MDE policies and procedures, MDE reports of School Report Card Program results and other accountability data, and public school annual reports posted on public school district Web sites. We interviewed personnel responsible for School Report Card Program data and operations, including personnel within MDE, the Department of Information Technology, and the Department of Management and Budget's Center for Educational Performance and Information\*. We obtained an understanding of the School Report

\* See glossary at end of report for definition.

Card Program components, the sources of data used (see Flowcharts 1 and 2 and Exhibit 2), and an understanding of system controls. We also obtained an understanding of the appeal process related to the School Report Card Program.

Our preliminary review also included a review of national information relating to the school report card programs and results of other states. According to the United States Department of Education, states have the flexibility to define various elements in determining adequate yearly progress, including, but not limited to, minimum group size, full academic year, major racial and ethnic subgroups, the selection of other academic indicators (e.g., attendance rates), the use of multiple-year averaging procedures, the use of confidence intervals or other statistical treatments, and the time line for reaching 100% proficiency by 2014. In addition, state tests vary in difficulty and states have different definitions of proficiency. Therefore, school report card results are not comparable across states.

To accomplish our first objective, we obtained an understanding of the School Report Card Program information system by reviewing the programming logic, data elements, and the original source data used to calculate School Report Card Program results. We analyzed and tested various data elements related to components of the School Report Cards and recalculated School Report Card results for selected schools. We tested State Report Card data elements and calculations using source data and verified whether all applicable schools and grades received a School Report Card. We reviewed documentation and correspondence relating to a sample of appeals to School Report Cards submitted by public school districts. We reviewed documentation and correspondence relating to schools identified for improvement.

To accomplish our second objective, we selected a sample of public school districts and requested copies of their annual reports for their district and for one of their schools. We tested the information presented in school district annual reports against federal and State requirements. We also compared the information presented to data reported by MDE in School Report Cards.

In selecting our sample of appeals and annual reports, we judgmentally determined our sample sizes and randomly selected our test items. Our sample was not designed to project results to the population.

We use a risk and opportunity based approach when selecting activities or programs to be audited. Accordingly, our audit efforts are focused on activities or programs having

the greatest probability for needing improvement as identified through a preliminary review. By design, our limited audit resources are used to identify where and how improvements can be made. Consequently, our performance audit reports are prepared on an exception basis.

### Agency Responses

Our audit report contains 12 findings and 14 corresponding recommendations. MDE's preliminary response indicates that it agrees with 13 of the recommendations and disagrees with 1 recommendation.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require MDE to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

COMMENTS, FINDINGS, RECOMMENDATIONS,  
AND AGENCY PRELIMINARY RESPONSES

# EFFECTIVENESS OF EFFORTS TO ENSURE ACCURATE AND TIMELY REPORTING OF STATE AND SCHOOL REPORT CARD DATA AND ADEQUATE YEARLY PROGRESS STATUS

## COMMENT

**Background:** The Michigan Department of Education (MDE), in conjunction with the Department of Information Technology (DIT), developed and maintained the programming logic used to calculate and report adequate yearly progress (AYP) status and *Education YES! - A Yardstick for Excellent Schools (Education YES!)* scores for schools and districts from the data collected. Data from seven different sources is used in eight key calculations for the School Report Card Program. The data includes test results (from the Michigan Educational Assessment Program [MEAP] and Michigan's alternative assessment program [MI-Access] tests) and data collected from school districts (enrollment data, attendance rate data, graduation rate data, teacher qualification data, and self-reported school performance indicators). Flowchart 2, presented as supplemental information, explains the data collection sources for the School Report Card Program.

The federal No Child Left Behind (NCLB) Act of 2001 allows states the flexibility to select from several options when determining AYP status for schools and school districts. For example, if a school does not meet the State's achievement rate objectives based on current year test results, or when there are fewer than 30 students tested in a school, MDE can calculate an average achievement rate for the school over a two- or three-year period to determine if the school met AYP. Flowchart 1, presented as supplemental information, provides a high-level summary of the various components that are part of the calculation and determination of AYP status and *Education YES!* scores.

**Audit Objective:** To assess the effectiveness of MDE's efforts to ensure that accurate and timely State and School Report Card data and AYP status are reported to schools and to the public.

**Audit Conclusion:** We concluded that MDE was moderately effective in its efforts to ensure that accurate and timely State and School Report Card data and AYP status are reported to schools and to the public. Our overall conclusion on the effectiveness of MDE's efforts considered the impact of noted discrepancies and weaknesses on the final School Report Card grades and AYP status for over

3,600 schools. However, we considered some of our audit findings material because of the potential effect that the error could have on an individual school's grade or AYP status. Our conclusion methodology considered: whether the calculation discrepancy or weakness significantly impacted the final school building grade and AYP status or just an underlying component of the calculations that resulted in limited or unknown effect; the number of calculations performed correctly compared to those performed incorrectly for the complex and multiple calculations for approximately 1 million students, 27 assessment tests (grade level and subject matter), and over 3,600 schools included in *Education YES!* and AYP; and the number of issues that MDE corrected from school year 2005-06. Our assessment disclosed four material conditions\*:

- MDE, in conjunction with DIT, had not implemented sufficient management controls to help detect and correct inaccuracies and inconsistencies in programming logic used to compile School Report Card results (Finding 1).
- MDE improperly included the test scores of nonpublic school students when it calculated *Education YES!* letter grade score ranges (Finding 2).
- MDE had not established sufficient controls to ensure compliance with federal regulations relating to the calculation of proficiency rates for students with disabilities (Finding 3).
- MDE did not ensure that school districts included all required information when notifying parents of students attending schools that were identified for improvement (Finding 4).

Our assessment also disclosed seven reportable conditions\* related to verification of high school test data, full academic year students, documentation of the business process, change management and access controls, school performance indicators, appeals documentation, and the State Report Card (Findings 5 through 11).

We performed our audit to assess MDE's processes and controls and to identify opportunities for improvement and not to recalculate AYP status and *Education YES!* scores for individual schools. We noted errors and discrepancies in calculations of various components used to determine AYP status and *Education YES!* scores and grades. Because there are many factors and calculations affecting the determination of

\* See glossary at end of report for definition.

AYP status and *Education YES!* scores and because some of the errors we noted may have been offset by errors noted in other areas, we could not always determine the impact of each error on AYP status and *Education YES!* composite grades for each public school and district.

## **FINDING**

### **1. Data Quality Management Controls**

MDE, in conjunction with DIT, had not implemented sufficient management controls to help detect and correct inaccuracies and inconsistencies in programming logic used to compile School Report Card results. As a result, MDE reported inaccurate components of AYP status and *Education YES!* grades for at least 620 schools, which may have resulted in MDE incorrectly reporting some schools and districts as meeting AYP.

The United States Department of Education (USDOE) nonregulatory guidance for "Improving Data Quality for Title I Standards, Assessments, and Accountability Reporting" states that it is vitally important for states to implement the best enhanced management controls possible over school accountability data used to make key judgments about AYP and other state and local education policies. The nonregulatory guidance provides that states should implement data quality management controls that include ongoing validation of new and existing data, using procedures such as automated data quality checks, test runs of the reporting database using preliminary data, 100% verification of a sample of records from the system, and validation of aggregated data to flag out-of-range errors.

MDE calculated and reported AYP status for 3,586 and 3,571 schools in the 2004-05 and 2005-06 School Report Cards, respectively. MDE calculated and reported *Education YES!* preliminary grades for 3,624 and 3,386 schools in the 2004-05 and 2005-06 School Report Cards, respectively. There are subtle differences in the way AYP and *Education YES!* are calculated, which results in not all schools receiving both designations.

We analyzed and recalculated School Report Card results and noted:

- a. MDE, in conjunction with DIT, did not sufficiently test programming logic to ensure the accurate calculation of School Report Card results. We noted the

following errors in calculations of various components of AYP and *Education YES!* scores caused by errors in programming logic:

- (1) MDE's programming logic in the 2004-05 School Report Card incorrectly included 16,312 (3.5%) of the 470,650 students as tested in English language arts (ELA) when these students did not participate in both the reading and writing tests. As a result, ELA participation rates for 1,684 (47.0%) of 3,586 schools were overstated by an average of 6.9%. Furthermore, these overstated participation rates may have resulted in MDE incorrectly reporting 307 (8.6%) schools as meeting AYP.

If a school does not meet the required 95% participation rate based on test participation in the current school year, AYP allows the rate to be averaged over a two- or three-year period. Therefore, some schools may have met the 95% participation AYP requirement for the 2004-05 School Report Card after the two- or three-year average was calculated. However, MDE did not recalculate AYP for these 307 schools to determine if they had met the requirement.

MDE corrected the programming logic in the 2005-06 School Report Card; however, MDE did not amend prior year School Report Card results.

- (2) MDE's programming logic in the 2004-05 School Report Card incorrectly included the MI-Access ELA test scores of 30,519 students and the MI-Access mathematics test scores of 28,114 students in the calculation of *Education YES!* achievement scores of 2,271 elementary and middle schools. This represented approximately 5% of the total test scores included in the calculation.

*Education YES!* achievement scores are calculated based on a three-year average of weighted index values calculated from MEAP test scores only and should not have included MI-Access test scores. The inclusion of MI-Access test scores may have resulted in some schools receiving lower *Education YES!* achievement letter grades than they should have received in the 2004-05 School Report Card. We noted that in one school, the inclusion of 20 MI-Access ELA test scores, which represented 36% of the total test scores included, resulted in the school

receiving an achievement letter grade of F when it should have received a letter grade of D. Of the 2,271 schools impacted, 29 schools had MI-Access scores that were more than 30% of its total scores.

MDE corrected the programming logic in the 2005-06 School Report Card; however, MDE did not amend prior year School Report Card results.

- (3) MDE's programming logic in the 2005-06 School Report Card incorrectly applied the high school reading test confidence interval\* to the students' combined reading and writing test scores (or ELA test scores). As a result, the high school ELA proficiency rates for 620 (55.4%) of 1,120 high schools were overstated by an average of 4% because MDE incorrectly counted 3,188 (9.5%) of the 33,557 students as provisionally proficient in ELA when they did not score in the provisionally proficient range for the reading test.

As a result, MDE may have incorrectly reported 10 high schools as meeting the State's 52% proficiency rate objective in ELA in school year 2005-06. Schools must meet annual State achievement (proficiency) rate objectives for each grade and subject on the Statewide tests in order to meet AYP. If a school does not meet the State's proficiency rate objective based on test results of the current school year, the rate is averaged over a two- or three-year period. Therefore, some schools may have met the 52% proficiency rate objective for the 2005-06 School Report Card.

- b. MDE, in conjunction with DIT, did not perform validation checks of *Education YES!* achievement scores to identify scores that were outside the established score range. As a result, *Education YES!* achievement letter grades may not be accurate for some schools in some content areas in the 2004-05 and 2005-06 School Report Cards.

MDE calculates achievement scores for schools in up to four different content areas (ELA, mathematics, science, and social studies) depending on the grade levels in the school.

\* See glossary at end of report for definition.

MDE calculated 11,443 and 13,683 content area achievement scores for 3,624 and 3,386 schools in the 2004-05 and 2005-06 School Report Cards, respectively. We identified 204 (1.8%) and 346 (2.5%) achievement scores assigned to 194 (5.4%) and 336 (9.9%) schools in the 2004-05 and 2005-06 School Report Cards, respectively, which were not given the correct grade based on the schools' achievement score for those subjects. For example, we noted one school that received a weighted index value of 100.7, a letter grade of B, in middle school mathematics, yet it was assigned an *Education YES!* achievement letter grade of F.

We noted instances in which the letter grade was greater and lower than the actual achievement scores in both years. Of the 346 scores out-of-range in school year 2005-06, 267 (77.2%) caused a difference in one letter grade and 79 (22.8%) caused a difference in two or more letter grades. MDE should investigate the reason for these discrepancies and amend prior year School Report Card results for letter grade errors.

Because programming logic could change each year as a result of changes in federal requirements, MDE policies, or confidence intervals in test scores, it is important that MDE test programming logic prior to calculating and reporting School Report Card results.

Because inaccurate School Report Card results could impact a school's "identified for improvement" status, MDE should evaluate the costs and benefits of amending previously reported inaccurate School Report Card results and reporting the revised results to schools and to the public.

## **RECOMMENDATIONS**

We recommend that MDE, in conjunction with DIT, implement sufficient management controls to help detect and correct inaccuracies and inconsistencies in programming logic used to compile School Report Card results.

We also recommend that MDE evaluate the costs and benefits of amending previously reported inaccurate School Report Card results and reporting the revised results to schools and to the public.

## **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that it has complied by correcting and adding additional checks in programming logic to prevent these problems from recurring. MDE also informed us that the "overstated participation rates" in ELA in 2004-05 were due to a change in its business rules. Prior to 2004-05, MDE considered a student to have tested in ELA if the student had a valid score in reading or in writing because, although many students tested in both areas, a composite ELA score could not be calculated for all students because the students' data could not be matched reliably. MDE informed us that the business rule was changed to require that the student have valid scores in both reading and writing starting with the 2005-06 School Report Card. MDE informed us that it does not plan to issue revised results because MDE believes that the costs would outweigh the benefits of amending previously reported inaccurate School Report Card results and reporting the revised results to schools and to the public.

MDE stated that it made lapses in the verification and validation of the School Report Card data because of a lack of human and financial resources. MDE informed us that over the last several years, this very visible, high-impact, and heavy-workload program has been carried by a staff of two to three, with many overly long hours for the manager. Additional human and financial resources within the Accountability unit of the Office of Educational Assessment and Accountability are needed to address this and to correct it in the future. MDE informed us that one additional full-time employee is planned to be added to the unit and one more additional full-time employee is also needed to adequately separate the roles of day-to-day program monitoring of AYP and *Education YES!* from management and validation of program accuracy.

## **FINDING**

### **2. *Education YES! Score Ranges and Grades***

MDE improperly included the test scores of nonpublic school students when calculating *Education YES!* letter grade score ranges. The inclusion of the nonpublic school student test scores resulted in inflated *Education YES!* letter grade score ranges for some grade levels and content areas, which may have resulted in some public schools receiving incorrect lower letter grades.

The Accreditation Advisory Committee, appointed by the State Board of Education, made recommendations on the criteria for establishing *Education YES!* letter grade score ranges. This was based on the percentage of schools that should receive each letter grade in each content area using historical MEAP test score data. For example, the *Education YES!* letter grade score ranges established for high school mathematics were based on 14.5% of the schools receiving A's, 24.9% receiving B's, and 35.1% receiving C's. The *Education YES!* letter grades are provided as a comparative indicator of public schools' academic achievement.

Section 380.1279(14) of the *Michigan Compiled Laws* (Act 451, P.A. 1976) provides that nonpublic school students may take Statewide tests; however, nonpublic school student test scores are not to be included with the scores of public school students for purposes of determining public school academic achievement. Federal regulations require that 95% of public school students participate in Statewide tests, thus ensuring that test result data is representative for the entire school for the purpose of measuring achievement. MDE does not evaluate nonpublic schools under *Education YES!*; therefore, nonpublic schools are not required to administer the Statewide tests and are not subject to participation rate requirements. By including the test scores of only the nonpublic school students who chose to take the Statewide tests, MDE may have unfairly skewed the test score data that MDE used to calculate public school letter grade score ranges.

Using the percentages established by the Accreditation Advisory Committee, MDE calculated score ranges that would result in that percentage of schools falling within the score range. However, MDE used its School Report Card Program information system, which included both nonpublic and public schools' average scores, when it calculated the score ranges. In our analysis of high school mathematics school achievement scores in school year 2002-03, we noted that only 10.0% of public high schools achieved the letter grade of A instead of 14.5% because the calculated score ranges incorrectly included the nonpublic schools. In school year 2005-06, only 4.0% (32) of public high schools achieved a letter grade of A in high school mathematics.

The inclusion of the nonpublic school student test scores in the test score data inflated the letter grade score range calculated by MDE. As a result, an undeterminable number of public schools received lower *Education YES!* letter grades. Without recalculating the score ranges for each subject area in

elementary, secondary, and high schools and reassigning content area grades, we cannot determine which schools received a lower grade in which subjects.

## **RECOMMENDATIONS**

We recommend that MDE exclude the test scores of nonpublic school students when calculating *Education YES!* letter grade score ranges.

We also recommend that MDE correct its *Education YES!* letter grade score ranges.

## **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that it has taken steps to ensure that such an error does not happen again. However, MDE informed us that it does not plan any correction of *Education YES!* letter grade score ranges because it has reviewed the error and found that the impact was minor.

## **OFFICE OF THE AUDITOR GENERAL EPILOGUE**

MDE did not provide us with its analysis of the impact on the number of schools that received lower grades due to the inclusion of nonpublic school students' test scores in the calculation of *Education YES!* letter grade score ranges. Therefore, we cannot determine if the impact was minor.

## **FINDING**

### **3. Proficiency Rates of Students With Disabilities**

MDE had not established sufficient controls to ensure compliance with federal regulations relating to the calculation of proficiency rates for students with disabilities. As a result, MDE included proficient scores for at least 1,719 more students with disabilities than allowed under federal regulations and guidance, which resulted in MDE incorrectly concluding that at least 126 schools met AYP in the 2005-06 School Report Card.

Title 34, Section 200.13(c) of the *Code of Federal Regulations* provides that, in calculating proficiency rates for schools and districts, states may include the proficient scores of those students with the most significant cognitive disabilities who have taken alternative tests (MI-Access) as long as the number of students who are counted as proficient on the alternative tests does not exceed 1.0% of all

students in the grades tested at the school district level. School districts may request an exception to the 1.0% cap by providing information to MDE explaining why more than 1.0% of their students having significant cognitive disabilities achieved a proficient score on MI-Access tests.

In May 2005, the USDOE issued guidance relating to two additional interim flexibility options. Under Option 1, eligible states are allowed to adjust the proficiency rate for the students with disabilities subgroup for schools or districts that did not meet AYP based solely on the students with disabilities subgroup scores. The state must base the adjustment on a formula and also compare the adjusted proficiency rates for each school to the state's annual measurable objective. However, under Option 1, states must not use confidence intervals or other statistical treatments in calculating the proficiency rates.

MDE used Option 1 to determine how many students with disabilities who took the MI-Access could be counted as proficient in the 2005-06 School Report Card calculations. In our review of MDE's compliance with federal regulations, we noted:

- a. MDE improperly applied confidence intervals in its calculation of proficiency rates in applying Option 1 in the 2005-06 School Report Card for all schools. As a result, MDE incorrectly counted as proficient 1,247 (25.3%) of 4,938 students with disabilities in ELA and 1,719 (29.3%) of 5,873 students with disabilities in mathematics. This further resulted in MDE incorrectly reporting 98 schools as meeting AYP in ELA and 126 schools as meeting AYP in mathematics.
- b. MDE did not obtain applications from 157 of 167 school districts for exceptions to the 1.0% cap in school year 2005-06. MDE automatically granted approval for the exceptions to these school districts to include more than 1.0% of the students with disabilities as proficient who had taken MI-Access as an alternative test. As a result, MDE should not have included 831 (13.2%) of 6,318 students with disabilities in the proficiency rate for ELA and 699 (12.3%) of 5,667 students with disabilities in the proficiency rate for mathematics in accordance with federal regulations. MDE informed us that it notified districts of the requirement to apply for an exception to the 1.0% cap, but it did not proactively analyze data at the school district level to determine the districts that exceeded the 1.0% cap and had not requested an exception.

- c. MDE did not maintain sufficient documentation to support that 41 school districts applied for an exception to exceed the 1.0% cap in school year 2004-05. As a result, MDE could not support that the number of students with disabilities counted as proficient in the 2004-05 School Report Card was allowed under federal regulations. For those 41 school districts, MDE counted 834 (77.6%) of 1,075 more students as proficient in ELA and 847 (77.8%) of 1,088 more students as proficient in mathematics than allowed without submitting an exception to the 1.0% cap. MDE informed us that all 41 districts submitted an application for an exception; however, it could not locate copies of the applications.

### **RECOMMENDATION**

We recommend that MDE establish sufficient controls to ensure compliance with federal regulations relating to the calculation of proficiency rates for students with disabilities.

### **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that it has complied by correcting and adding new programming logic in the 2006-07 School Report Card. MDE informed us that new procedures and additional staffing have addressed part c. of this finding, and all applications are maintained as appropriate.

### **FINDING**

#### **4. Notification to Parents of Schools Identified for Improvement**

MDE did not ensure that school districts included all required information when notifying parents of students attending schools that were identified for improvement. Without complete notification, parents may not have been able to make informed and timely decisions regarding school choice transfer and supplemental educational services (SES) options.

Section 1116(b) of the NCLB Act requires that school districts promptly notify parents of students enrolled in a school within the district that receives Title I funding when the school has been identified for improvement. Public schools and districts identified for improvement are those that fail to meet AYP for two consecutive years. Also, school districts are required to explain the meaning of "identified for improvement," the reasons for the classification, what the school

district or State educational agency is doing to help the school, and the parents' options to transfer their child to another school within the district. If the school is in its second consecutive year of being classified as "identified for improvement," the school district must also explain the parents' options to obtain SES for their child. School districts are required to provide students the option to transfer to another public school within the district no later than the first day of the school year following the identification.

For school year 2004-05, MDE classified 488 schools as "identified for improvement." MDE informed us that it sent letters and compliance packets to all school districts with one or more schools identified for improvement in school year 2004-05 and requested copies of the school districts' notification letter to parents, regardless of whether the applicable school received Title I funding. Because public schools that do not receive Title I funding are not subject to the notification requirements of Section 1116 of the NCLB Act, MDE requires school districts to indicate if the school was receiving Title I funding on the compliance packet and return it to MDE.

Our review of compliance packets and notification letters to parents prepared by school districts noted:

- a. MDE did not ensure that school districts included all required elements in their notification letters to parents. Our review of the school district notification letters relating to 25 Title I schools identified for improvement noted that all of the schools' letters failed to contain one or more of the required elements. The most significant discrepancies included:
  - (1) None of the letters explained the reason the school was identified for improvement, and 10 (40.0%) of the 25 letters did not explain what the identification means.
  - (2) Twenty-three (92.0%) of the 25 letters did not include a comparison, in terms of academic achievement, of the school identified for improvement to other schools in the district and the State, and 15 (60.0%) did not explain what the school is doing to address the achievement problem.
  - (3) Two (8.0%) of the 25 letters did not explain the parents' right to transfer their child to another public school within the district, and 21 (84.0%) did

not include a list of available schools within the district that were not identified for improvement to which parents could transfer their child. School districts are responsible for providing, or paying for, student transportation if the student transfers from a school identified for improvement to another school.

- (4) Fourteen (70.0%) of the 20 notification letters that should have explained that SES options were available did not include a description of the services and the qualifications and evidence of effectiveness of each SES provider as required. In addition, 5 (25.0%) of the 20 applicable letters did not include a list of approved providers within the school district's geographical location. School districts are responsible for providing funds to pay for SES for families choosing those services.

- b. MDE did not verify the accuracy of the Title I status as submitted by school districts in response to MDE's request for copies of notification letters. MDE informed us that it relied on the information submitted by school districts for determining whether the applicable schools identified for improvement received Title I funds and, therefore, were required to send notification letters to parents.

School districts that completed and returned compliance packets to MDE reported that 220 (45.1%) of the 488 schools identified for improvement did not receive Title I funding and, therefore, were not required to send notification letters to parents. However, we noted that 19 (8.6%) of these 220 schools were reported to the USDOE as Title I schools based on information the school districts submitted to the Center for Educational Performance and Information (CEPI). In addition, of the 28 schools that did not respond to MDE's request for notification letters, 12 (42.9%) were reported to the USDOE as Title I schools.

- c. MDE did not ensure that school districts reported in their annual reports to parents the status of the non-Title I schools that were identified for improvement. We contacted 10 non-Title I schools that were identified for improvement and requested copies of their 2004-05 annual reports. Our review of the annual reports of 7 schools noted that 5 (71.4%) schools did not include information relating to their status of "identified for improvement" in their annual report. Three schools did not respond to our request.

Section 1111 of the NCLB Act requires all public schools identified for improvement, regardless of their Title I status, to explain what their "identified for improvement" status means in their annual report cards.

MDE used a checklist to document its review of the notification letters to ensure compliance with federal regulations; however, MDE informed us that it only followed up with school districts if their notification letters did not explain school choice and SES options.

MDE's 2004-05 Consolidated State Performance Report submitted to the USDOE reported that only 1,125 (0.7%) of 162,712 eligible students were offered the opportunity to transfer to another public school under the provisions of the NCLB Act during school year 2004-05 and that 796 (0.5%) students actually transferred to another public school. In addition, only 11,044 (13.6%) of 80,917 eligible students received SES under the provisions of the NCLB Act during school year 2004-05.

MDE informed us that the low number of eligible students transferring to other public schools could be due to the fact that some students may already be taking advantage of the school choice options available under Sections 105 and 105c of the State School Aid Act of 1979 (Act 94, P.A. 1979, as amended). Also, in some school districts, there may be no other school within the district that is not identified for improvement. While we acknowledge that there are other factors that may contribute to the reasons an eligible student would not take advantage of the public school choice and SES options under the NCLB Act, the lack of complete notification to parents could also be a contributing factor to the low number of students taking advantage of these options.

### **RECOMMENDATION**

We recommend that MDE ensure that school districts include all required information when notifying parents of students attending schools that were identified for improvement.

### **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that it has taken steps to address these deficiencies. MDE informed us that its Office of School Improvement's Field Services has recently reviewed 30 - 60 schools and again found that nearly 100% of the notifications did not meet all requirements. MDE informed us that it is evaluating

whether to publish the required notices with all the required information for districts and their schools so that districts can then deliver these notices to parents. MDE informed us that beginning in school year 2006-07, it required districts to document the Title I status as part of the district applications for Title I funds through MDE's electronic grants system. MDE also informed us that its Office of School Improvement has initiated review of school district Report Cards to verify compliance with federal regulations.

## **FINDING**

### **5. Verification of High School Test Data**

MDE had not implemented procedures to assess the accuracy of high school test data used in the calculation of participation and proficiency rates for AYP. As a result, MDE did not detect inconsistencies between its programming logic and the data obtained from the Department of Treasury that resulted in calculation errors in AYP for high schools.

The USDOE nonregulatory guidance for "Improving Data Quality for Title I Standards, Assessments, and Accountability Reporting" provides that much of the data required for state report cards is obtained from existing data sources, such as individual student record systems and does not require separate collection. The guidance further states that it is important that states implement an ongoing data quality monitoring process to help prevent inaccurate data from entering their reporting systems and to improve the quality of the results reported.

The Department of Treasury accumulates the scores of high school students from data originally obtained from MDE's testing contractor. High school students may elect to take the Statewide test multiple times. The Department of Treasury keeps track of high school students' best test scores for purposes of determining eligibility for the student scholarships, specifically the Michigan Merit Award. Because MDE also uses the students' best scores for calculating AYP for high schools, MDE used the Department of Treasury data rather than data obtained directly from MDE's testing contractor.

In the 2004-05 School Report Cards, MDE determined AYP status for 1,133 high schools based on the best test scores of 224,254 high school students in the

graduating class of 2006. We noted that the following calculation errors occurred because MDE did not test Department of Treasury data prior to using it:

- a. MDE incorrectly included high school students who did not actually take the high school MEAP test, which overstated participation rates and understated proficiency rates used in high schools' AYP determinations in the 2004-05 School Report Card. As a result, MDE may have incorrectly reported 55 and 38 high schools as meeting the 95% test participation rate in ELA and mathematics, respectively. In addition, MDE incorrectly reported 15 schools as failing to meet the ELA proficiency rate objective and 3 schools as failing to meet the mathematics proficiency rate objective for school year 2004-05. Our review disclosed:

	ELA			Mathematics		
	Number	Percent of Total	Average Percent per High School	Number	Percent of Total	Average Percent per High School
Students incorrectly included in rate calculations	3,790	1.7%		2,604	1.2%	
High schools with overstated participation rates	511	45.1%	4.8%	438	38.7%	3.7%
High schools with understated proficiency rates	471	41.6%	3.4%	403	35.6%	1.6%

Because multiple year averaging would have been used in these circumstances, some schools may have met the 95% participation rate requirement for the 2004-05 School Report Card.

MDE informed us that the Department of Treasury entered the number "7" in the proficiency level field to identify students in the high school data who did not participate in the high school tests. Because MDE's programming logic counted students as participating in the high school tests if the student had a proficiency level of greater than "0," MDE incorrectly included these records in its calculation of participation and proficiency rates for high schools.

- b. MDE incorrectly included the retake scores of 489 (0.2%) 12th grade students, which overstated ELA and mathematics participation rates for 119 high schools by an average of 5.7% and 7.6%, respectively, and understated ELA and mathematics proficiency rates for 112 high schools by 2.9% and 1.3%,

respectively. These calculation errors may have resulted in MDE incorrectly reporting 5 high schools as meeting the 95% participation rate in ELA and 5 high schools as meeting the 95% participation rate in mathematics based on test participation in school year 2004-05.

Because multiple year averaging is used, some of these schools may have met the 95% participation rate requirement for the 2004-05 School Report Card.

In accordance with federal regulations, MDE must exclude the scores of 12th grade students who retake the Statewide test for scholarship purposes in its calculation of AYP status for high schools.

MDE informed us that the high school test data it obtains from the Department of Treasury does not contain fields indicating the student's grade at the time of test. MDE incorrectly classified these students as 11th grade students in the graduating class of 2006, when they were actually 12th grade students in the graduating class of 2005.

### **RECOMMENDATION**

We recommend that MDE implement procedures to assess the accuracy of high school test data used in the calculation of participation and proficiency rates for AYP.

### **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that it no longer used Department of Treasury data for AYP calculations starting with school year 2006-07 and for *Education YES!* calculations starting with school year 2007-08. MDE informed us that it will use data obtained directly from MDE's testing contractors.

### **FINDING**

#### **6. Full Academic Year Students**

MDE had not developed a sufficient methodology to ensure that it included only the assessment scores of students enrolled in a school for a full academic year when calculating a school's AYP status and *Education YES!* scores. As a result, MDE

may have incorrectly held schools accountable for the achievement of students they had not had an opportunity to teach for at least a full academic year.

The NCLB Act and MDE's *Education YES!* policy provide that, in calculating AYP status, achievement scores, and letter grades for schools and districts, MDE may use only the test scores of students enrolled in a school or district for a full academic year, as defined by states. MDE uses the data collected periodically from schools in the Single Record Student Database (SRSD) to identify students enrolled in schools for a full academic year based on the student's unique identification code (UIC).

As of school year 2005-06, MDE's definition of "full academic year" required students to be enrolled in the same school for the three most recent semiannual official count days for the student scores to be included in the determination of a school's AYP status and *Education YES!* scores.

For the AYP determination of 3,571 schools for the 2005-06 School Report Card, MDE classified 823,211 (92.7%) of 888,259 students as full academic year students with test scores in ELA or mathematics. Using MDE's definition of "full academic year," we analyzed the enrollment records of the 823,211 students and noted the following inconsistencies in the enrollment records of 46,057 (5.6%) students:

- a. MDE classified 34,975 (4.2%) of the 823,211 students as full academic year when the enrollment records for these students indicated that they were not enrolled in any public school on at least one of the official count days. MDE informed us that because of inaccuracies in the UIC field in SRSD, it assumed a student was a full academic year student if the student could not be located in SRSD for the prior September or February count day. We noted that the enrollment records of 27,798 (79.5%) of the 34,975 students indicated that these students were not enrolled in any public school on both the prior two count days, which could indicate that they were new to the public school system in school year 2005-06.
- b. MDE classified 11,082 (1.3%) of the 823,211 students as full academic year when the enrollment records for these students indicated that they were enrolled at a different public school on one of the three official count days. We noted that MDE's programming logic classified a student as full academic year

if the student was enrolled at the same school on the prior September count day but did not take into consideration the student's enrollment on the February count day.

Because MDE classified these 46,057 students as full academic year, it may have incorrectly included the scores of these students in the calculation of AYP status and *Education YES!* scores of 3,317 schools. MDE informed us that it changed its methodology for determining full academic year in the 2006-07 School Report Cards and no longer assumes a student has been enrolled for a full academic year if the student cannot be located in SRSD for the September or February count day.

### **RECOMMENDATION**

We recommend that MDE develop a sufficient methodology to ensure that it includes only the assessment scores of students enrolled in a school for a full academic year when calculating a school's AYP status and *Education YES!* scores.

### **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that it intentionally decided to err on the side of caution because of discrepancies in the UICs for some students in SRSD. MDE informed us that in the 2005-06 School Report, it did not exclude a student's score unless the student was found to have been enrolled in another school in an SRSD submission during the prior year.

### **FINDING**

#### **7. Documentation of the Business Process**

MDE, in conjunction with DIT, had not developed documentation of its business process for the School Report Card Program information system. Without documentation of its business process, MDE cannot ensure that adequate system documentation is available in the event of the departure of key personnel to assist other personnel in compiling School Report Card Program data, calculating AYP status and *Education YES!* scores, and validating program changes to ensure compliance with State and federal regulations.

Control Objectives for Information and Related Technology\* (COBIT) requires organizations to develop and maintain procedures documenting system program specifications and defining input, processing, and output requirements as part of every information system.

Our review noted that MDE and DIT did not develop or maintain flowcharts or narratives explaining how the various tables and data elements within the School Report Card Program information system were used to calculate AYP status and *Education YES!* scores. MDE did maintain a list of tables and data element definitions; however, we noted in many cases that the data element definitions were not complete. MDE relied on the knowledge of a few key personnel to develop and implement processes and changes in programming for the School Report Card Program information system. We developed Flowcharts 1 and 2, presented as supplemental information, to provide a high-level overview of the different components used to calculate AYP status and *Education YES!* scores.

The lack of sufficient documentation of the School Report Card Program business process may have contributed to the programming logic errors and insufficient testing of programming logic noted in Finding 1.

### **RECOMMENDATION**

We recommend that MDE, in conjunction with DIT, develop documentation of its business process of the School Report Card Program information system.

### **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that it has made many improvements already. MDE stated that it has many elements in place, but has not integrated the pieces into a comprehensive, well-documented process. MDE informed us that it plans to engage a contractor to bring together all of the current elements into a comprehensive business process. MDE also informed us that it is working with DIT to develop specifications and to select a contractor to put this into place.

\* See glossary at end of report for definition.

## **FINDING**

### **8. Change Management and Access Controls**

MDE and DIT had not established effective controls over program changes and user access to the School Report Card Program information system and data. As a result, MDE and DIT could not ensure that only authorized changes were made to the programming logic and data within the School Report Card Program information system.

COBIT requires an organization to establish formal change management procedures to ensure that all change requests are properly authorized and documented and that testing results are properly retained. COBIT also requires an organization to establish procedures to ensure that access to program and data files is restricted to only those users requiring access to perform their job functions.

Our review of change management and access controls over the School Report Card Program information system and data disclosed:

- a. MDE and DIT did not document the initiation, testing, and approval of all program changes. Our review of the programming logic used to compile the 2004-05 and 2005-06 School Report Cards noted 82 program changes referenced within the modification histories. Although MDE maintained a log of some program change requests, we noted that only 7 (8.5%) of these changes were documented in the program change log. We requested supporting documentation relating to the testing and approval of 10 program changes. MDE did not provide us with supporting documentation for 3 (30.0%) of these program changes and did not provide us with documentation of approvals for 10 (100%) of the program changes. In addition, MDE did not provide us with documentation to support that 9 (90.0%) program changes had been tested. One of these program changes was to revise the computation of provisionally proficient students in ELA for the 2005-06 School Report Card. We noted in Finding 1, part a(3) that errors in this programming logic resulted in the calculation of inaccurate proficiency rates in ELA for 620 high schools.
- b. MDE and DIT did not restrict system developers' access to the School Report Card Program information system and data stored in the production

environment\*. Because system developers possess detailed knowledge about the School Report Card Program information system and its controls, allowing system developers to have access to systems and data in the production environment increases the risk that data edits, system security features, or other controls in the system could be turned off or bypassed or that unauthorized changes could be made to the data stored in the production environment.

- c. MDE did not terminate user access to the School Report Card Program information system for 5 employees who no longer had job responsibilities related to the School Report Card Program. Three of these employees had the ability to add, edit, and delete data within the production environment. MDE subsequently terminated user access for 4 of these employees and provided read-only access to 1 of these employees.

### **RECOMMENDATION**

We recommend that MDE and DIT establish effective controls over program changes and user access to the School Report Card Program information system and data.

### **AGENCY PRELIMINARY RESPONSE**

MDE agrees with the finding. MDE informed us that all changes to data in the production environment are tracked with the user identification and the date and time of the edit, and there is no evidence that any user made any unauthorized change. MDE also informed us that DIT used established procedures to store versions of code in its system, and MDE specifically authorized all implementation, including moving code and data from the system test environment to production. MDE informed us that duties have been separated between system developers and the database administrator.

### **FINDING**

#### **9. School Performance Indicators**

MDE did not evaluate the reasonableness of the school performance indicator self-ratings, which account for 33% of the *Education YES!* grade portion of the

\* See glossary at end of report for definition.

School Report Card. As a result, MDE could not ensure the usefulness and integrity of the school performance indicator self-ratings used in the calculation of the School Report Card scores. Potentially inflated scores weaken the credibility of the *Education YES!* grades and accreditation status of public schools reported to the public.

MDE's *Education YES!* policy provides that MDE calculate a letter grade for each public school based on its achievement on the Statewide tests, as well as on 11 self-reported school performance indicators. School letter grades are intended to communicate to the public how well a school is performing relative to State standards. MDE calculated a school's *Education YES!* preliminary grade based on 67% of the school's achievement grade on Statewide tests and 33% of the school's performance indicator grade. MDE then calculated a final composite grade based on the school's *Education YES!* preliminary grade and the school's AYP status under the NCLB Act.

MDE, with the recommendations of school administrators, established 11 school performance indicators to measure school processes that support academic achievement and to reward schools for implementing best educational practices. Each public school rates itself on 32 components within the 11 indicators and is to provide evidence explaining the ratings, using the following scale: systematically and consistently meeting criteria; progressing toward criteria; starting to meet criteria; or not yet meeting criteria (see Exhibit 1, presented as supplemental information). MDE then converted these self-ratings to points for each indicator and assigned a performance indicator score and letter grade based on the percentage of points awarded.

Our review of the schools' performance indicator scores in the 2004-05 School Report Cards noted:

- a. MDE did not evaluate the reasonableness of the high self-ratings reported by schools. We noted:
  - (1) Of 3,715 schools, 3,229 (86.9%) gave themselves ratings resulting in a performance indicator letter grade of A. The average performance indicator score for all schools was 95.5%. Only 93 schools (2.5%) gave themselves ratings resulting in performance indicator letter grades of D or F.

- (2) Of the 3,229 schools whose self-ratings resulted in letter grades of A, 563 (17.4%) had student assessment scores that resulted in an achievement grade of D or F. MDE informed us that based on discussions with some of these schools, it believed these schools may be putting forth extra effort in making improvements, but they had not yet realized the results of their efforts, as reflected in their achievement grades.
- b. MDE did not use information gathered by CEPI or MDE's Office of School Improvement (OSI) to verify the reasonableness of some of the schools' performance indicator self-ratings.

We noted three CEPI databases that contained data that was directly related to 4 (12.5%) of the 32 performance indicator components. This data included information on highly qualified teachers in the Registry of Educational Personnel (REP) database; attendance, graduation, and dropout rates in SRSD; and school facility and safety data in the School Infrastructure Database (SID). Our review of school self-ratings for one performance indicator component, which indicated whether 100% of the school's instructional staff were highly qualified under the NCLB Act, noted that 2,803 (75.5%) of 3,715 schools rated themselves as meeting this criteria in the 2004-05 School Report Card. However, our review of the data submitted by these schools in the REP database noted that 1,136 (40.5%) of the 2,803 schools did not meet this criteria.

We also noted 17 elements on the OSI site visit reports that were directly related to 10 (31.3%) of the 32 performance indicator components. Our comparison of the site visit reports for 23 schools visited by OSI during school year 2004-05 with the performance indicator scores for these schools noted that 16 (69.6%) schools had one or more deficiencies noted by OSI in areas in which the schools rated themselves as systematically and consistently meeting these criteria.

MDE recognized the potential for schools to inflate their scores and implemented a policy beginning with school year 2004-05 that a school's performance indicator score cannot improve its *Education YES!* composite grade by more than one letter grade higher than the school's achievement grade. This means that a school that receives an achievement letter grade of F cannot receive an *Education YES!*

composite grade higher than "D/Alert." The significant number of schools that gave themselves high ratings and the wide variation between performance indicator grades and achievement grades for some schools may indicate that the self-ratings do not provide useful data from which to assess school performance.

MDE implemented a new School Improvement Framework effective for the 2006-07 School Report Card, which includes 40 school performance indicators. MDE informed us that this new framework includes more demanding scoring criteria (see Exhibit 1).

### **RECOMMENDATION**

We recommend that MDE evaluate the reasonableness of the school performance indicator self-ratings used to determine the *Education YES!* grade portion of the School Report Card.

### **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that it has taken steps to remedy the situation. MDE developed and implemented the School Improvement Framework to replace the 11 indicators. Schools' self-ratings were based on the School Improvement Framework in the 2006-07 School Report Card. MDE informed us that the distribution of schools' self-ratings changed with the implementation of the School Improvement Framework in the 2006-07 School Report Card. MDE informed us that it is currently working with a referent group of educators to review the *Education YES!* system and to make changes for the future, and the group's recommendations will be presented to the State Board of Education in the fall of 2008. MDE informed us that this issue has been discussed with the referent group, who will make recommendations on the use of the school performance indicators with this issue in mind. Part of the work of the referent group will be to identify new and existing data collection to be included in the accreditation process.

### **FINDING**

#### **10. Appeals Documentation**

MDE did not always retain sufficient documentation to support its analysis and conclusions regarding School Report Card appeals. As a result, MDE could not ensure that changes to School Report Card scores and grades were valid.

COBIT requires organizations to have procedures in place to ensure that original source documents are retained or are reproducible by an organization for an adequate amount of time to facilitate the retrieval or reconstruction of data.

The NCLB Act requires MDE to allow schools and districts to review the school-level data used by MDE in the determination of the school's AYP status. Districts can submit a formal appeal to MDE if the district believes that the determination is in error for statistical or other substantive reasons.

MDE has developed a school district appeals tracking system to keep track of communications about each appeal between MDE and the districts. MDE reviewed over 68% of submitted appeals related to the 2004-05 and 2005-06 School Report Cards within its established 30-day time frame. MDE's appeals tracking system records indicated that MDE received 842 and 710 appeals related to the 2004-05 and 2005-06 School Report Cards, respectively. Changes resulting from these appeals may result in a change to the applicable school's AYP status or *Education YES!* letter grade.

We requested supporting documentation for 36 appeals related to the 2004-05 and 2005-06 School Report Cards. MDE did not maintain sufficient documentation to support its analysis of and conclusions regarding 11 (30.6%) of the 36 appeals. For example, for one appeal, MDE provided us with copies of work sheets submitted by the school district but did not provide documentation to support whether MDE verified the information provided by the school district prior to making a change to its 2004-05 School Report Card data. In another example, MDE changed a school's graduation rate calculated by CEPI from 68.8% to 80.0%, without documenting the validity of the change.

We noted that 34 (94.4%) of the 36 appeals in our sample resulted in changes in School Report Card data and that changes made for 17 (50.0%) of these 34 appeals resulted in 20 schools meeting AYP that previously did not meet AYP.

## **RECOMMENDATION**

We recommend that MDE establish procedures to ensure the retention of sufficient documentation to support its analysis and conclusions regarding School Report Card appeals.

## **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that for school year 2007-08, it will keep all messages and attachments together in the appeals tracking system with the documentation of the school's appeal. MDE informed us that a new system has been developed and is in place for school year 2007-08 to track any changes in demographic data by student, which it believes will result in more accurate student enrollment data, which in turn will reduce the need for many appeals.

## **FINDING**

### **11. State Report Card**

MDE did not prepare and disseminate an annual State Report Card for school year 2004-05 and did not include all required elements in its 2003-04 and 2005-06 State Report Cards. As a result, MDE did not provide users of the State Report Card with Statewide academic achievement and school performance information in accordance with federal requirements.

The NCLB Act requires that state educational agencies prepare and disseminate an annual state report card. The state report cards must include information related to statewide test results, accountability, and teacher quality and must include data from all local educational agencies in the state. The USDOE guidance provides states with the flexibility to determine the exact time during the year when they will issue state report cards; however, it encourages states to issue state report cards as early as possible.

Although MDE publicly released individual School Report Cards for school year 2004-05 in August 2005, it did not prepare a State Report Card for school year 2004-05 in accordance with the NCLB Act.

Our review of the 2003-04 and 2005-06 State Report Cards noted:

- a. MDE did not include the percentage of classes not taught by highly qualified teachers and the percentage of teachers teaching with emergency or provisional credentials.
- b. MDE did not include the most recent two-year trend data in achievement and a comparison of the achievement levels with the State's annual objectives.

## **RECOMMENDATION**

We recommend that MDE prepare and disseminate an annual State Report Card in accordance with federal requirements.

## **AGENCY PRELIMINARY RESPONSE**

MDE agrees and informed us that it has revisited the format of the State Report Card to add the additional required elements. MDE also informed us that it will meet the federal time line and element requirements in the future.

# **EFFECTIVENESS OF MONITORING OF SCHOOL DISTRICTS' ANNUAL REPORTS**

## **COMMENT**

**Background:** MDE has required that each school district prepare and issue annual educational reports since 1990 under the accreditation standards (currently known as *Education YES!*) issued under Act 25, P.A. 1990 (an amendment to the Revised School Code, Act 451, P.A. 1976). Subsequently, the NCLB Act, which was effective beginning with school year 2002-03, requires that all states and public school districts prepare and distribute annual report cards to report applicable information relating to AYP and teacher qualifications to parents and the public. MDE collects and reports school achievement data relating to AYP and *Education YES!* in one School Report Card Program database. Public school districts then report this information, along with other information required under the Revised School Code and the NCLB Act, in one annual report to parents and the public.

**Audit Objective:** To assess the effectiveness of MDE's monitoring of school districts' annual reports to ensure compliance with State and federal reporting requirements.

**Audit Conclusion:** **We concluded that MDE was not effective in its monitoring of school districts' annual reports to ensure compliance with State and federal reporting requirements.** Our assessment disclosed one material condition:

- MDE had not implemented procedures to ensure that school districts prepared annual reports in accordance with State and federal requirements (Finding 12).

## **FINDING**

### **12. School District Annual Reports**

MDE had not implemented procedures to ensure that school districts prepared annual reports in accordance with State and federal requirements. As a result, MDE could not ensure that school districts provided complete and accurate data regarding student performance and program effectiveness to parents and the public.

Act 451, P.A. 1976, requires school districts to prepare an annual educational report for each school building that they want accredited. School districts are to submit the annual educational reports to MDE by September 1 of each year and distribute the reports to the public by October 15 of each year. The NCLB Act requires school districts to prepare and disseminate an annual report card before the beginning of each school year and requires that states ensure that each school district collects appropriate data and includes all required information in their annual reports.

MDE provided guidance to school districts for preparing annual reports in a memorandum dated June 2003, which included a checklist of all State and federal requirements, and a recommendation that school districts include all required information from Act 451, P.A. 1976, and the NCLB Act in one annual report. However, MDE did not require that school districts submit their annual educational reports to MDE in compliance with Act 451, P.A. 1976. There were 834 public school districts during school year 2005-06.

We randomly selected 30 school districts and requested copies of their annual reports for school year 2004-05 for both the district and one of the school buildings within the district. One school district informed us that it did not prepare annual reports because it believed they were no longer required. Our review of the annual reports provided by the remaining 29 school districts noted:

- a. Twenty-two (75.9%) school districts did not report one or more of the elements required by Act 451, P.A. 1976. Examples of missing elements included information on school accreditation status, district retention rates, parent-teacher conference participation, and comparisons of current year to prior year data.

- b. All 29 (100.0%) school districts omitted reporting one or more of the elements required by the NCLB Act. For example:
- (1) Three of four applicable school districts did not report that one of their schools was identified for improvement.
  - (2) Of the 27 school districts that administered Statewide tests, 3 (11.1%) did not report any achievement results for the tests and 18 (66.7%) did not report participation rates for the tests. Of the 24 schools that reported achievement results for the Statewide tests, 23 (95.8%) did not properly report a comparison of their Statewide test results to MDE's annual objectives.
  - (3) Of the 10 high school annual reports reviewed, 3 (30.0%) school districts did not report their graduation rates, and of the 19 elementary and middle school annual reports reviewed, 10 (52.6%) school districts did not report their attendance rates. None of the 7 high schools that reported graduation rates and 9 elementary and middle schools that reported attendance rates provided a comparison of their rates to the Statewide average graduation or attendance rates. MDE informed us that the Statewide graduation rate is readily available to school districts on CEPI's Web site, but the Statewide attendance rate is only provided to school districts upon request.
  - (4) Thirteen (44.8%) of the 29 school districts did not report data relating to highly qualified teachers.
- c. MDE did not ensure that school districts reported data in their annual reports that was consistent with the data they reported to MDE. MDE collects School Report Card data from school districts and uses this data to determine AYP status and *Education YES!* scores for schools and districts. Our comparison of some of the data reported by school districts in their annual reports to the data collected from school districts by MDE noted:
- (1) Of the 7 high schools that reported graduation rates, 3 (42.9%) reported different graduation rates from those reported by MDE for these schools.

- (2) Of the 9 elementary and middle school reports that reported attendance rates, 5 (55.6%) reported different attendance rates from those reported by MDE for these schools.
- (3) Of the 13 school district reports that reported Statewide test results, 12 (92.3%) presented different proficiency rates from those reported by MDE for these schools.

MDE relied on its instructional memorandum to provide guidance to school districts on what to include and where the appropriate data can be obtained in its annual reporting to parents. Because this form of communication was not effective, MDE should consider training, templates, and other methods to ensure that school districts report accurate and complete data to parents and the public.

### **RECOMMENDATION**

We recommend that MDE implement procedures to ensure that school districts prepare annual reports in accordance with State and federal requirements.

### **AGENCY PRELIMINARY RESPONSE**

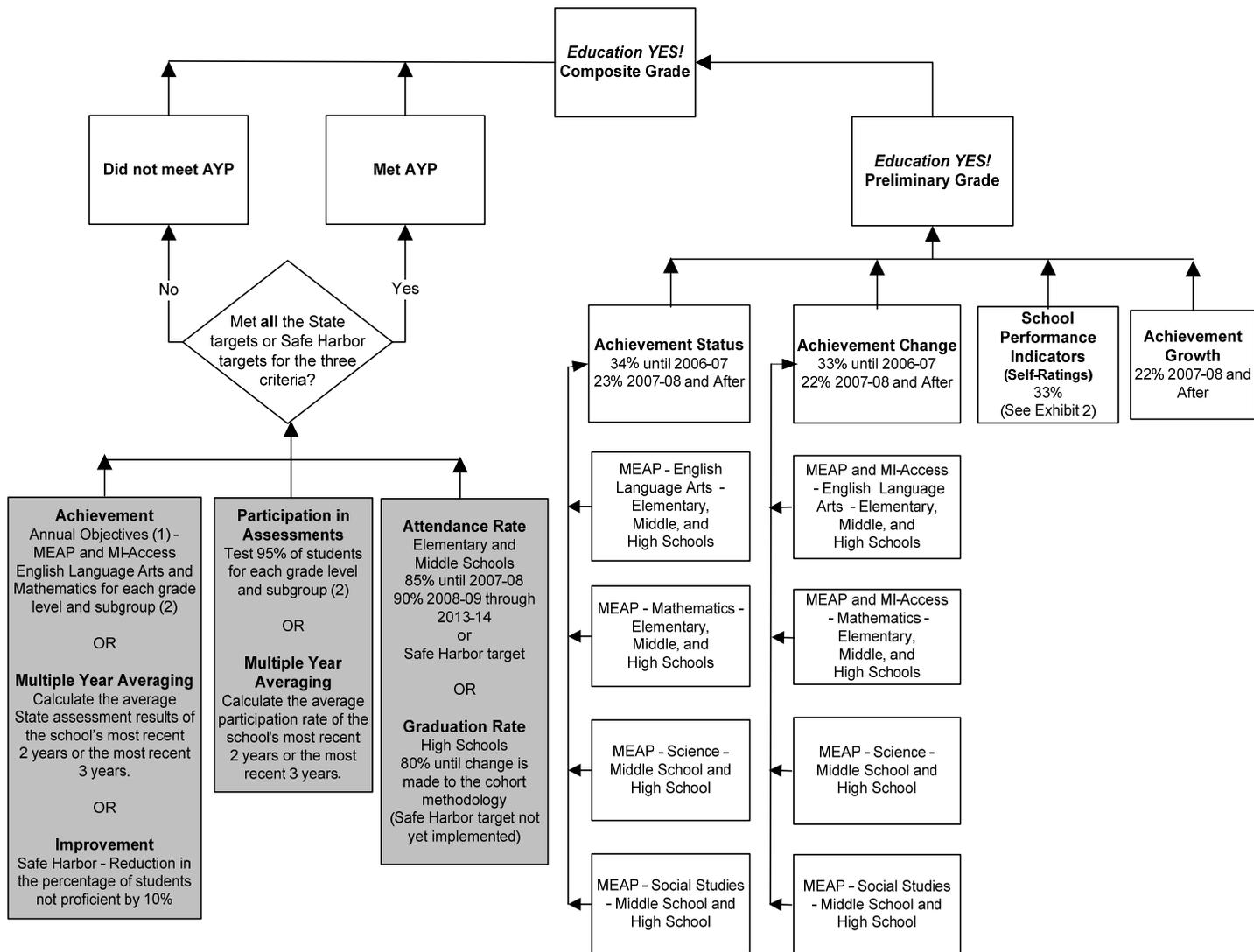
MDE agrees and stated that there are limits in its reviews of federally required School Report Cards. MDE informed us that its Office of School Improvement has initiated a review of school district NCLB Report Cards to verify compliance with federal statute and regulation. MDE also informed us that it is engaged in two projects that are formatting the required data in a manner that districts can simply use for the reports. The projects are: Data 4 Student Success and the Michigan Education Performance Report. MDE informed us that it is evaluating whether to publish the data on behalf of school districts in the future.

# SUPPLEMENTAL INFORMATION

**SCHOOL REPORT CARD PROGRAM**  
 Michigan Department of Education (MDE)  
 Determination of Adequate Yearly Progress and *Education YES!* Grades

**Adequate Yearly Progress (AYP) under the federal  
 No Child Left Behind Act (NCLB) of 2001**

**Michigan's School Performance Standards  
*Education YES!* - A Yardstick for Excellent Schools**



Gray = Components that use data collected by the Center for Educational Performance and Information.

- (1) MDE's Annual State Objectives for school years 2004-05 and 2005-06 were:  
 Elementary School English Language Arts: 48%    Middle School English Language Arts: 43%    High School English Language Arts: 52%  
 Elementary School Mathematics: 56%    Middle School Mathematics: 43%    High School Mathematics: 44%

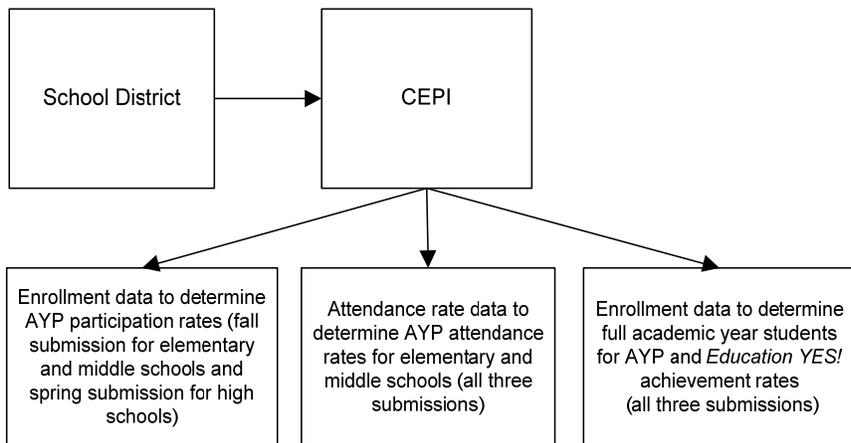
- (2) Achievement and participation goals under NCLB must be met for each of the following subgroups that has at least 30 students: Major Racial/Ethnic Groups, Students with Limited English Proficiency, Students with Disabilities, and Economically Disadvantaged Students.

MEAP = Michigan Educational Assessment Program

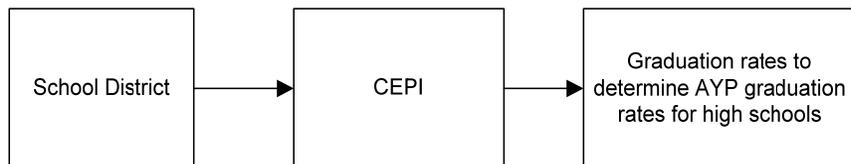
Source: Auditor prepared from MDE's "Guide to Reading the Michigan School Report Cards," 2005 and 2006 Editions, and the NCLB Act.

**SCHOOL REPORT CARD PROGRAM**  
 Michigan Department of Education (MDE)  
 Sources of Data for the School Report Card Program

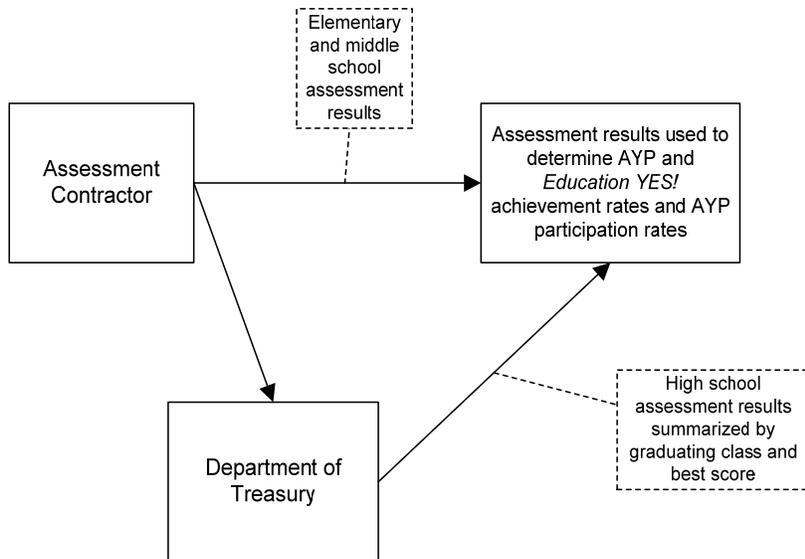
**Single Record Student Database (SRSD)** Database managed by CEPI that stores a record for every student in the State. Data is submitted three times per year: fall, spring, and end of school year.



**Electronic Data Network (EDN)** Data is prepopulated from SRSD and edited, if necessary, by school districts.



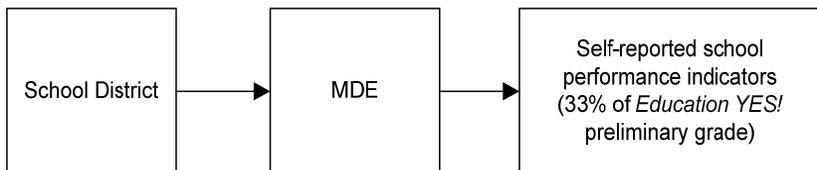
**Michigan Educational Assessment System data** Assessment data is available for elementary and middle schools at the end of January and for high schools at the end of June.



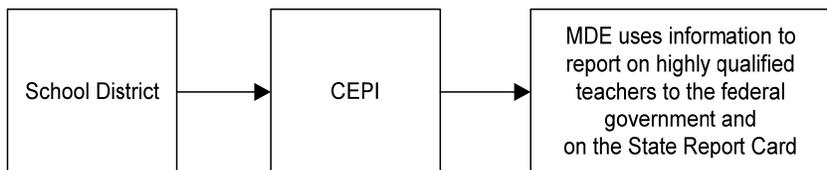
*This flowchart continued on next page.*

**SCHOOL REPORT CARD PROGRAM**  
Michigan Department of Education (MDE)  
Sources of Data for the School Report Card Program

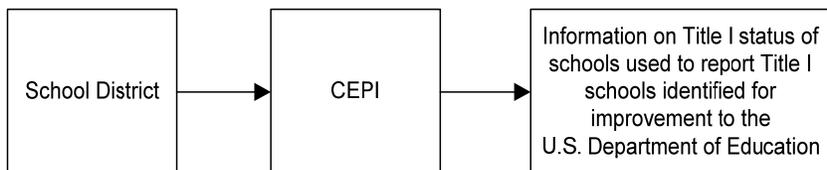
**MI-Plan System** Database managed by MDE that stores information on school performance indicators self-reported by school districts. Data is due to MDE by the end of March of each year.



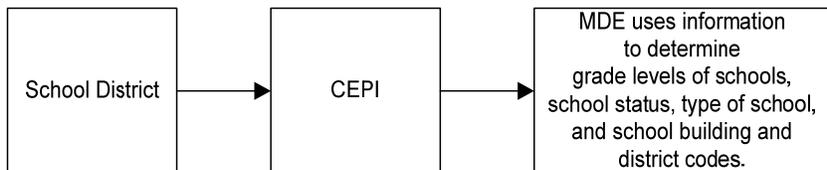
**Registry of Educational Personnel (REP)** Database managed by CEPI that stores basic employment information relating to school personnel, such as certification and degrees held, school and grade/subject assignment, length of service, and salary. Data is due to CEPI the first business day in December and June 30 of each year.



**School Infrastructure Database (SID)** Database managed by CEPI that stores data about safety practices and incidences of crime in public schools/facilities, Title I schoolwide programs, dual enrollment, and alternative education services. Data is due to CEPI by June 30 of each year.



**School Code Master (SCM)** Directory of information about Michigan's schools that can be updated continuously by school districts throughout the school year.



CEPI = Center for Educational Performance and Information.

AYP = adequate yearly progress

Source: Auditor prepared from information obtained during the audit.

**SCHOOL REPORT CARD PROGRAM**  
**Michigan Department of Education (MDE)**  
*Education YES!* School Performance Indicators

For School Report Cards Issued Through School Year 2005-06

Indicators of  
Engagement

1. Curriculum Alignment
  - 1.1 Written Curriculum
  - 1.2 Assessed Curriculum
  - 1.3 Taught Curriculum
2. Continuous Improvement
  - 2.1 Learning Community
  - 2.2 Defined Process for Continuous Improvement
  - 2.3 Guidance and Feedback for the Improvement Process
3. Performance Management Systems
  - 3.1 Data Collection\*
  - 3.2 Data Analysis
  - 3.3 Data Use and Accessibility

Indicators of  
Instructional Quality

4. Teacher Quality and Professional Development
  - 4.1 Instructional Staff Qualification\*
  - 4.2 Teacher Development
  - 4.3 Support and Sustainability
5. Arts Education and Humanities for All Students
  - 5.1 Arts Curriculum
  - 5.2 Arts Program
6. Extended Learning Opportunities
  - 6.1 Identification, Access and Planning Process
  - 6.2 Learning Opportunities
7. Advanced Coursework
  - 7.1 Identification, Access and Guidance Process
  - 7.2 Adaptations and Extensions

Indicators of  
Learning Opportunities

8. Family Involvement
  - 8.1 Communication
  - 8.2 School and Community Relationships
  - 8.3 Family Support
9. Student Attendance and Dropout Rate
  - 9.1 Attendance and Dropout Rates\*
  - 9.2 Policies and Procedures
  - 9.3 School Climate
  - 9.4 Student Connectedness
10. Four-Year Education and Employment Plan
  - 10.1 Career Awareness and Exploration (Grades K-12)
  - 10.2 Preparation for Education Development Plan (Grades 6-8 Only)
  - 10.3 Implementation of the Education Development Plan
11. School Facilities
  - 11.1 Inventory\*
  - 11.2 Plant Operations and Safety
  - 11.3 Support for Teaching and Learning
  - 11.4 Information and Instructional Technology

\*Evidence reported for these indicators could be verified to data collected by the Center for Educational Performance and Information.

For School Report Cards Issued for School Year 2006-07

Strand I:  
Teaching for  
Learning

- Standard 1 - Curriculum
1. Standards Alignment
  2. Communicated to Staff
  3. Communicated to Students
- Standard 2 - Instruction
4. Content Appropriateness
  5. Developmental Appropriateness
  6. Reflection and Refinement
  7. Delivered Curriculum
  8. Best Practice
  9. Student Engagement
- Standard 3 - Assessment
10. Alignment/Content Validity
  11. Multiple Measures

Strand II:  
Leadership

- Standard 1 - Instructional Leadership
12. Knowledge of Curriculum, Instruction and Assessment
  13. Knowledge of Adult Learning
  14. Focus on Student Results
  15. Monitoring
  16. Clear Expectations
- Standard 2 - Shared Leadership
17. Collaborative Inquiry
  18. Data-Driven Culture
  19. Collaborative Decision-Making Process
  20. Monitored
- Standard 3 - Operational and Resource Management
21. Time

Strand III:  
Personnel and  
Professional Learning

- Standard 1 - Personnel Qualifications
22. Content Knowledge
- Standard 2 - Professional Learning
23. Staff Participates in Learning Teams
  24. Uses Best-Practices
  25. Induction/Mentoring/Coaching
  26. Aligned
  27. Job-Embedded
  28. Results-Driven

Strand IV:  
School and  
Community Relations

- Standard 1 - Parent/Family Involvement
29. Diversity
  30. Extended Learning Opportunities
  31. Decision-Making
- Standard 2 - Community Involvement
32. Diversity
  33. Community Agencies

Strand V:  
Data and  
Information Management

- Standard 1 - Data Management
34. Systematic
  35. Multiple Sources
  36. Process
- Standard 2 - Information Management
37. Analysis
  38. Dialogue about Meaning
  39. Dissemination
  40. Data-Driven Decision Making

Source: Auditor prepared from MDE's published School Performance Indicators for *Education YES!*

**SCHOOL REPORT CARD PROGRAM**  
Michigan Department of Education (MDE)  
Example of a School Report Card  
For School Year 2005-06

**PUBLIC HIGH SCHOOL**

COMPOSITE GRADE **B**

**School Report Card - Grade Tested - 11**

	Status Score 2005-2006	Adjusted Score 2005-2006	Ed Yes! Grade 2005- 2006
<b>Student Achievement</b>	<a href="#">View Details</a>		
English Language Arts	80.4	75.2	C
Mathematics	67	62.6	D
Science	73.5	70.8	C
Social Studies	73.2	73.6	C
<b>Achievement Subtotal</b>	<b>73.5</b>	<b>70.6</b>	<b>C</b>
<b>Indicators of School Performance</b>			
<b>Preliminary Grade</b>		<b>100</b>	<b>A</b>
<b>AYP Status (Adequate Yearly Progress)</b>		<b>80</b>	<b>B</b>
<b>Composite Grade</b>		<b>Met AYP</b>	<b>B</b>

These indicators are self-reported (see Exhibit 1).

Education YES!

AYP under the No Child Left Behind Act of 2001. Select "View Details" to determine school's status in meeting AYP components of achievement, participation, and graduation or attendance.

Education YES! achievement status score based on weighted average index calculations of student scale scores on the MEAP averaged from the last three years. Average weighted index value is then compared to score ranges established for each grade and subject. See example for mathematics below.

Adjusted score equals average of achievement status and achievement change score.

(67% X achievement subtotal adjusted score) + (33% X indicator score)

Content Area/ Grade Level	Year	Weighted Index Value	Status Score	Change Adjustment	Adjusted Score
<b>Mathematics</b>	2006	498			
	2005	515			
	2004	519			
	<b>Average</b>	<b>510.5</b>	<b>67</b>	<b>58.1</b>	<b>62.6</b>
<b>Content Area Average</b>			<b>67</b>		<b>62.6</b>

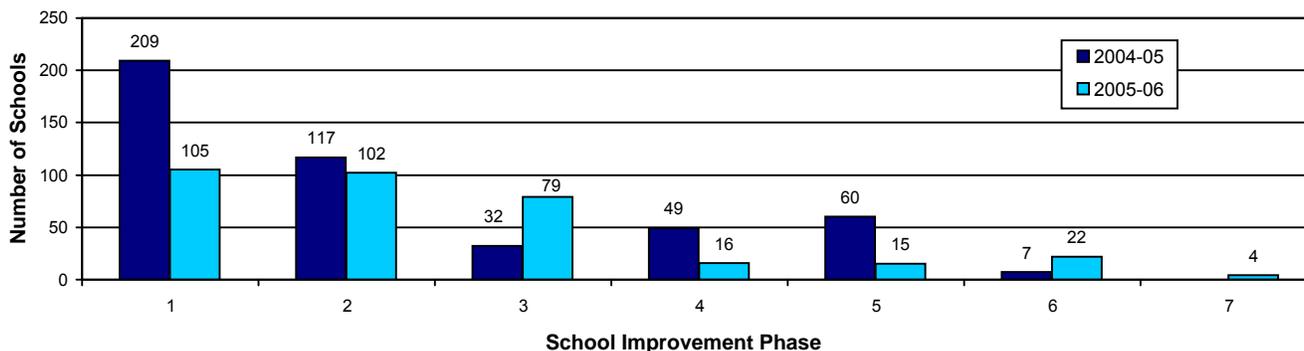
Education YES! achievement change score based on linear regression formula which calculate the average of up to three calculations of improvement rates (slopes) using the school's MEAP data. Achievement change measures whether a school is improving at a rate fast enough to attain the goal of 100% proficient by school year 2013-14. See example for mathematics below

Content Area/ Grade Level	Year	% Proficient	Actual	Target	Ratio of Actual to Target	Change Score
<b>Mathematics</b>	2006	42.07%				
	2005	54.64%				
	2004	47.90%				
	2003	58.90%				
	2003	76.30%				
	2001	74.30%				
	2000	78.20%				
<b>Change Score</b>			<b>-2%</b>	<b>5.76%</b>	<b>-34.7%</b>	<b>58.1%</b>

Source: The 2005-06 School Report Card results shown here were taken from an actual school's report card, with the name of the school omitted.

**SCHOOL REPORT CARD PROGRAM**  
Michigan Department of Education (MDE)  
Number of Schools Identified for Improvement  
In School Years 2004-05 and 2005-06

School Year		Phase	Description
2004-05	2005-06		
209	105	Phase 1	Identified for improvement
117	102	Phase 2	Identified for improvement - Second year
32	79	Phase 3	Identified for corrective action
49	16	Phase 4	Identified for restructuring
60	15	Phase 5	Identified for restructuring - Second year
7	22	Phase 6	Identified for restructuring - Third year
	4	Phase 7	Identified for restructuring - Fourth year
<u>474</u>	<u>343</u>		Total identified for improvement, corrective action, or restructuring



Note: This information may not reflect data that MDE reported to the public because MDE subsequently made changes as a result of appeals submitted by public school districts.

Source: MDE's School Report Card Program information system.

Summary of Corrective Action and/or Penalties Related to Each School Improvement Phase

**Phase 1 - Identified for improvement (school did not meet AYP for two years in a row).**

School district must develop and implement a school improvement plan, spend at least 10% of its Title I allocation on professional development for the next two years, and notify parents of school choice options. The district must also provide, or pay for the provision of, transportation for the student to the public school the student attends.

**Phase 2 - School did not meet AYP for three years in a row.**

In addition to the requirements under Phase 1, the school must offer supplemental educational services and pay for these costs within certain limits.

**Phase 3 - Identified for corrective action (school did not meet AYP for four years in a row).**

In addition to the requirements under Phases 1 and 2, the district must take at least one of the following actions:

- Replace the school staff who are relevant to the failure to meet AYP.
- Implement a new research-based curriculum and provide appropriate professional development for all relevant staff.
- Significantly decrease management authority at the school.
- Appoint an outside expert to advise the school on revising its school improvement plan to address the issues underlying its continued achievement problems.
- Extend the school year or the school day.
- Restructure the internal organization of the school.

**Phase 4 and higher - Identified for restructuring (school did not meet AYP for five or more years in a row).**

The district must then take at least one of the following actions:

- Reopen the school as a public school academy (public charter school).
- Replace all or most of the school staff who are relevant to the failure to meet AYP.
- Enter into a contract to have an outside entity, such as a private management company with a demonstrated record of effectiveness, operate the school.
- Turn the operation of the school over to the State, if permitted under State law and agreed to by the State.
- Restructure the school's governance arrangement in another way that makes fundamental reforms.

Source: Auditor prepared from School Report Card Program data and the No Child Left Behind (NCLB) Act.

# GLOSSARY

## Glossary of Acronyms and Terms

accreditation	A process used to certify that a school is meeting and maintaining minimum standards of quality and integrity regarding academics, administration, and related services.
adequate yearly progress (AYP)	The measure used to hold public schools and districts accountable based on the provisions of Title I of the federal NCLB Act of 2001.
Center for Educational Performance and Information (CEPI)	An agency within the Department of Management and Budget that is responsible for coordinating the collection of all educational data required by State and federal law from entities receiving funds under the State School Aid Act.
confidence interval	A band, interval, or range of scores that has a high probability of including the examinee's "true" score or a score that reflects the true ability of the examinee.
Control Objectives for Information and Related Technology (COBIT)	A framework, control objectives, and audit guidelines developed by the IT Governance Institute as a generally applicable and accepted standard for good practices for controls over information technology.
DIT	Department of Information Technology.
<i>Education YES! - A Yardstick for Excellent Schools (Education YES!)</i>	The State's school accreditation system used to grade public schools based on various measures of student achievement on State assessments, as well as on 11 self-reported school performance indicators.
effectiveness	Program success in achieving mission and goals.
English language arts (ELA)	Combination of reading and writing.

<b>material condition</b>	A reportable condition that could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.
<b>MDE</b>	Michigan Department of Education.
<b>MI-Access</b>	Michigan's alternative assessment program designed for students with disabilities for whom it has been determined that the MEAP assessments are not appropriate.
<b>Michigan Educational Assessment Program (MEAP)</b>	The Statewide assessment program used to test and report student achievement in the core academic subjects at certain grade levels.
<b>No Child Left Behind (NCLB) Act of 2001</b>	The federal law that authorizes funding and contains the current requirements for Title I and other federal educational programs.
<b>nonpublic school</b>	A private, denominational, or parochial school.
<b>OEAA</b>	Office of Educational Assessment and Accountability.
<b>OSI</b>	Office of School Improvement.
<b>performance audit</b>	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
<b>production environment</b>	Environment where an application or system resides that hosts actual or real data (as opposed to test data) or is available on a publicly accessible network or server.

<b>public school</b>	A public elementary or secondary educational entity or agency established under the Revised School Code (Act 451, P.A. 1976, as amended) which has as its primary mission the teaching and learning of academic and vocational-technical skills and knowledge and which is operated by a local educational authority, intermediate school district, or public school academy.
<b>REP</b>	Registry of Educational Personnel.
<b>reportable condition</b>	A matter that, in the auditor's judgment, represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.
<b>SES</b>	supplemental educational services.
<b>SRSD</b>	Single Record Student Database.
<b>Title I</b>	The first section of the federal Elementary and Secondary Education Act, known as the NCLB Act. Title I refers to programs aimed at America's most disadvantaged students. Title I, Part A provides assistance to improve the teaching and learning of children to meet challenging State academic content and performance standards.
<b>UIC</b>	unique identification code.
<b>USDOE</b>	United States Department of Education.



