



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING



JENNIFER M. GRANHOLM  
GOVERNOR

MICHAEL P. FLANAGAN  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

December 9, 2008

Mr. Doug Ringler  
Office of Internal Audit Services  
Office of the State Budget  
George W. Romney Building  
111 South Capitol, 6<sup>th</sup> Floor  
Lansing, Michigan 48913

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, following are a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the *Michigan Department of Education, School Report Card Program*.

Questions regarding the summary table or corrective action plans should be directed to Kathleen Weller at 335-6858.

Sincerely,

Signature Redacted

Michael P. Flanagan  
Superintendent of Public Instruction

c: The Hon. Jennifer M. Granholm, Executive Office  
Mr. Thomas H. McTavish, Office of the Auditor General  
Mr. Mitchell Bean, House Fiscal Agency  
Mr. Gary Olson, Senate Fiscal Agency  
The Hon. George Cushingberry, Jr., House Appropriations Committee  
The Hon. Ron Jelinek, Senate Appropriations Committee  
The Hon. Tim Melton, House Education Committee  
The Hon. Wayne Kuipers, Senate Education Committee

STATE BOARD OF EDUCATION

KATHLEEN N. STRAUS – PRESIDENT • JOHN C. AUSTIN – VICE PRESIDENT  
CAROLYN L. CURTIN – SECRETARY • MARIANNE YARED MCGUIRE – TREASURER  
NANCY DANHOF – NASBE DELEGATE • ELIZABETH W. BAUER  
REGINALD M. TURNER • CASANDRA E. ULBRICH

608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909  
[www.michigan.gov/mde](http://www.michigan.gov/mde) • (517) 373-3324

State of Michigan  
Financial Management Guide  
Part VII – Internal Control

Chapter 4, Section 100, Exhibit B      Table Summarizing Responses to  
Auditor General Recommendations

Office of Educational Assessment and Accountability  
Department of Education  
Summary of Agency Responses to Recommendations  
Performance Audit of the School Report Card Program  
(313-0203-06)  
Audit Period

1. Audit recommendations the agency complied with:
  1. Data Quality Management Controls
  2. Education YES! Score Ranges and Grades
  3. Proficiency Rates of Students With Disabilities
  4. *Notification to Parents of Schools*
  5. *Verification of High School Test Data*
  6. *Full Academic Year Students*
  7. *Change Management and Access Controls*
  10. *Appeals Documentation*
  
2. Audit recommendations the agency agrees with and will comply:
  7. *Documentation of the Business Process*
  9. *School Performance Indicators*
  11. *State Report Card*
  12. *School District Annual Reports*
  
3. Audit recommendations the agency disagrees with:

## Status of Recommendations from the Performance Audit of the School Report Card Program

(313-0203-06)

Recommendation	Status of Response
<p>1. <i>Data Quality Management Controls</i> 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.</p>	<p>MDE has complied with this recommendation. Improved customer acceptance procedures and filling of an analyst position have allowed this to be completed.</p>
<p>2. <i>Education YES! Score Ranges and Grades</i> MDE improperly included the test scores of nonpublic school students when calculating Education YES! letter grade score ranges.</p>	<p>MDE has complied with this recommendation. New procedures have been implemented to prevent recurrence.</p>
<p>3. <i>Proficiency Rates of Students With Disabilities</i> MDE had not established sufficient controls to ensure compliance with federal regulations relating to the calculation of proficiency rates for students with disabilities.</p>	<p>MDE has complied with this recommendation. New procedures have been implemented for records retention and for programmatic controls.</p>
<p>4. <i>Notification to Parents of Schools Identified for Improvement</i> MDE did not ensure that school districts included all required information when notifying parents of students attending schools that were identified for improvement.</p>	<p>MDE has complied with this recommendation.</p>
<p>5. <i>Verification of High School Test Data</i> 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.</p>	<p>MDE has complied with this recommendation. "Class of" data is no longer used for high school accountability.</p>
<p>6. <i>Full Academic Year Students</i> MDE had not developed a sufficient methodology to ensure that it included</p>	<p>MDE has complied with this recommendation. The scores of students enrolled less than a full academic year are</p>

<p>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.</p>	<p>not included.</p>
<p>7. <i>Documentation of the Business Process</i> MDE, in conjunction with DIT, had not developed a comprehensive documented business process for the School Report Card Program information system.</p>	<p>MDE plans to issue an invitation to bid to develop the documentation called for in this recommendation.</p>
<p>8. <i>Change Management and Access Controls</i> MDE and DIT had not established effective controls over program changes and user access to the School Report Card Program information system and data.</p>	<p>MDE has complied with this recommendation.</p>
<p>9. <i>School Performance Indicators</i> 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 School Report Card.</p>	<p>MDE has complied with this recommendation. The indicators are no longer scored as part of the Education YES! school accreditation system.</p>
<p>10. <i>Appeals Documentation</i> 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.</p>	<p>MDE has complied with this recommendation. New procedures base appeals on changes to the data for individual students.</p>
<p>11. <i>State Report Card</i> 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.</p>	<p>MDE has complied with this recommendation.</p>
<p>12. <i>School District Annual Reports</i> 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.</p>	<p>MDE has complied with this recommendation.</p>

## **Response to Performance Audit of the School Report Card Program**

*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.*

- a) MDE incorrectly 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.*
- b) MDE incorrectly 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.*

**MDE action**

MDE complied with recommendation for the 2006-07 and 2007-08 School Report Cards.