



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

MICHAEL F. RICE, Ph.D.  
STATE SUPERINTENDENT

October 29, 2021

Mr. Richard Lowe, Chief Internal Auditor  
State Budget Office  
Office of Internal Audit Services  
111 S Capitol Ave  
8th Floor, Romney Building  
Lansing, MI 48933

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, enclosed is our final corrective action plan to address recommendations contained within the Office of the Auditor General's report of the Michigan Department of Education and Virtual Learning in Cyber Schools (313-0225-18).

Questions regarding the corrective action plan should be directed to me at 517-335-1121 or [SuastoJ@michigan.gov](mailto:SuastoJ@michigan.gov).

Sincerely,

A handwritten signature in cursive script that reads "Juan C. Suasto".

Juan Suasto  
State Administrative Manager  
Office of Financial Management

cc: Executive Office  
Office of the Auditor General  
Senate Appropriations Committee Chair  
House Appropriations Committee Chair  
Senate Appropriations Sub-Committee Chair  
House Appropriations Sub-Committee Chair  
Senate Fiscal Agency  
House Fiscal Agency  
Kyle L. Guerrant, Deputy Superintendent, MDE  
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Michigan Department of Education  
 Performance Audit of Virtual Learning in Cyber Schools  
 Issued By The Office of the Auditor General (OAG)  
 September 2021  
 Department Final Corrective Action Plan

**Summary Response Matrix**

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees		2		
Partially Agrees			1, 3	
Disagrees				

**Final Corrective Action Plan (CAP)**

**Finding Number 1**

Finding Title: Improvement needed in A&V process to identify and remediate when authorizers are not effectively monitoring cyber schools.

Department Response

Management Views: Partially Agrees

Planned Corrective Action and Milestones (Management Response):

MDE will enhance the current A&V process to include all cyber school law requirements and to address the increased number of Local Education Agency authorizers that have authorized cyber schools.

The A&V visit schedule will be adjusted based on authorizer experience. This updated A&V schedule will begin for cyber authorizers in the 2022-2023 school year. The A&V schedule will be adjusted so that authorizers of cyber academies are visited with more frequency based on the number of recommendations in the A&V visit.

A formal feedback component to discuss the findings will be added to the A&V process identifying the authorizer’s individual level of oversight.

Council member authorizers that work with cyber academies will have their A&V visit aligned to their Cognia self-assessment. The A&V visit for these entities will

include additional questions to address cyber law. LEA authorizers that authorize only a single cyber school will be expected to answer the A&V questions as they relate to the oversight of the cyber academy.

In addition, MDE will include a follow-up/feedback meeting with each cyber authorizer two weeks after the final report has been provided from MDE to the authorizer. If 50% or more of the A&V components are identified as “under development” by MDE staff, MDE may request that the authorizer provides written feedback on any outstanding concerns or processes that were not observed.

Anticipated Compliance Date: It is anticipated that these changes will occur beginning with the 2022-23 school year.

Responsible Individual: Paula Daniels, Director of the Office of Educational Supports

## **Finding Number 2**

Finding Title: Improvement needed to demonstrate cyber school students' participation in courses and for the school year.

### **Department Response**

Management Views: Agrees

Planned Corrective Action and Milestones (Management Response):

MDE will make additional improvements to the pupil accounting manual and pupil membership auditing manual to improve guidance to cyber schools and pupil membership auditors regarding cyber school attendance and participation. Cyber schools will be required to provide the pupil membership auditor with sample reports of the tracking method used to satisfy MCL 380.551 and 380.553a for review during the count periods, in addition to full documentation required to satisfy MCL 380.551 and MCL 388.1701 as the law currently stands as written related to State Aid at the end of the school year. The pupil accounting manual and pupil membership auditing manual also include criteria for the cyber school to ensure each pupil participates in each scheduled course on count day to satisfy the participation requirement.

Anticipated Compliance Date: December 2021

Responsible Individual: Ann Richmond, Director of the Office of Financial Services

### **Finding Number 3**

Finding Title: A more comprehensive strategy is needed to evaluate the quality and effectiveness of virtual learning provided by the cyber school model.

#### **Department Response**

Management Views: Partially Agrees

Planned Corrective Action and Milestones (Management Response):

MDE will incorporate the iNACOL/Aurora Self-Evaluation Tool into reauthorization processes for cyber academies.

This additional aspect to the reauthorization process will require that the authorizer updates the original self-evaluation which was completed when the cyber academy was first authorized. MDE will review any changes or updates to the self-review of the approved platform. This will take place for any cyber reauthorization effective July 1, 2022. Any new cyber academy contracts that are issued an entity code for the 2022-2023 school year will need to submit the legislative review to MDE.

Anticipated Compliance Date: It is anticipated that these changes will occur beginning with the 2022-23 school year.

Responsible Individual: Paula Daniels, Director of the Office of Educational Supports