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MEMORANDUM

DATE: October 20, 2003

TO: Richard La Pointe
Deputy Assistant Secretary
Office of Vocational and Adult Education

FROM: J. Wayne Bynum */s/ J. Wayne Bynum*
Regional Inspector General for Audit
Office of Inspector General

SUBJECT: **FINAL AUDIT REPORT**
*Kentucky Department of Technical Education's Management Controls Over
Perkins III Performance Data Needs Strengthening*
Control Number ED-OIG/A04-D0007

You have been designated as the action official responsible for the resolution of the findings and recommendations in the attached final report. We have also provided a copy to the auditee and to your Audit Liaison Officer.

The Office of Inspector General is required to review and approve your proposed Program Determination Letter (PDL) and the Audit Clearance Document (ACD) before the PDL is forwarded to the auditee. Please provide these documents for review, electronically if you wish or by mail, to:

J. Wayne Bynum
Regional Inspector General, Region IV
U.S. Department of Education
Office of Inspector General
61 Forsyth Street, Room 18T71
Atlanta, GA 30303

In accordance with the Inspector General Act of 1978, as amended, the Office of Inspector General is required to report to Congress twice a year on the number of audits unresolved. In addition, any report unresolved after 180 days from the date of issuance will be shown as overdue in our reports to Congress.

In accordance with the Freedom of Information Act (5 U.S.C. §552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

If you have any questions, please contact me at 404-562-6477 or Assistant Regional Inspector General Mary Allen at 404-562-6465.

Attachment



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October 20, 2003

Emil Jezik
Commissioner
Department of Technical Education
20th Floor Capital Plaza Tower
500 Mero Street
Frankfort, KY 40601

Dear Mr. Jezik:

Enclosed is our final audit report, Control Number ED-OIG/A04-D0007, entitled *Kentucky Department of Technical Education's Management Controls Over Perkins III Performance Data Needs Strengthening*. This report incorporates the comments you provided in response to the draft report. If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Education Department official, who will consider them before taking final Departmental action on this audit:

Richard La Pointe
Deputy Assistant Secretary
Office of Vocational and Adult Education
Department of Education
1990 K Street, NW, Room 7115
Washington, DC 20006

It is the policy of the U.S. Department of Education to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 days would be greatly appreciated.

In accordance with the Freedom of Information Act (5 U.S.C. §552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

Sincerely,

/s/ J. Wayne Bynum

J. Wayne Bynum

Regional Inspector General for Audit

Region IV

Enclosure

Kentucky Department of Technical Education's Management Controls Over Perkins III Performance Data Needs Strengthening

FINAL AUDIT REPORT



ED-OIG/A04-D0007
October 2003

Our mission is to promote the efficiency, effectiveness, and integrity of the Department's programs and operations.



U.S. Department of Education
Office of Inspector General
Atlanta, Georgia

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. Determinations of corrective action to be taken will be made by the appropriate Department of Education officials.

In accordance with the Freedom of Information Act (5 U.S.C. § 552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

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EXECUTIVE SUMMARY

The purpose of this audit was to assess management controls at the Kentucky Department of Technical Education (KDTE) and Perkins sub-recipient agencies (sub-recipients) to ensure that performance data reported to the U.S. Department of Education (Department) for the Carl D. Perkins Vocational and Technology Education Act of 1998 (Perkins III), Public Law 105-332, for the 2000-2001 program year were complete, accurate, and reliable. We evaluated the controls at KDTE, and at three sub-recipients including a high school, an Area Technical Center (ATC), and a post-secondary institution. Kentucky was awarded \$19.8 million in Perkins III grant funds for program year 2000-2001. Kentucky also received a \$3 million Workforce Investment Act incentive award for exceeding program performance levels in program year 2000-2001 from the U.S. Department of Labor.

While KDTE had a process and controls in place to collect and report Perkins III performance data, we found that the controls were inadequate to ensure that the data submitted to the Department were complete, accurate, and reliable. Controls at the three sub-recipient agencies we visited were also inadequate to ensure that complete, accurate, and reliable data were reported to KDTE. As such, KDTE needed to strengthen controls over the Perkins III data collection process. Specifically, our audit disclosed that:

- KDTE did not report complete data, used previous year's data, and used estimates to report on program performance to the Department;
- Sub-recipients reported inaccurate performance data to KDTE for program year 2000-2001; and
- KDTE's system was inadequate to identify sub-recipients that did not meet program performance levels.

Among other recommendations, we recommend that the Assistant Secretary for Vocational and Adult Education require KDTE to —

- Establish controls to ensure that sub-recipient agencies meet Perkins III performance reporting requirements and submit accurate performance data, as required;
- Ensure that the data collection system allows sub-recipient agencies to input all required data;
- Disclose the use of estimates, previous year's data, and any other departure from complete, accurate, and reliable data in the Consolidated Annual Report (CAR);
- Monitor sub-recipient agencies to evaluate the progress made for improving performance data quality;
- Ensure that the current database system captures all of the Perkins performance data reporting requirements; and
- Ensure that the required improvement plan process is implemented for all sub-recipient agencies that do not meet the established program performance levels.

KDTE provided written comments to the draft report. In its response, a copy of which is included as Attachment C, KDTE indicated general concurrence with the findings and recommendations contained in the report. For each recommendation, KDTE provided details on its efforts to implement management controls and activities to ensure that all sub-recipients submit performance data as required.

BACKGROUND

General Perkins III Information

The Carl D. Perkins Vocational and Technology Education Act of 1998 (Perkins III), Public Law 105-332, was signed into law on October 31, 1998, and is administered by the U.S. Department of Education, Office of Vocational and Adult Education (OVAE). The purpose of this Act is to develop more fully the academic, vocational, and technical skills of secondary students and postsecondary students who elect to enroll in vocational and technical education programs.

Perkins III established a rigorous State performance accountability system to assess the effectiveness of the State in achieving progress in vocational and technical education and to optimize the return of investment on Federal funds in vocational and technical education activities. Perkins III requires each State to identify specific measures (sub-indicators) and targeted levels of performance in its State plan, and to track its achievements in four specific outcome areas:

- *academic and technical attainment,*
- *credential attainment,*
- *skill preparation for postsecondary education, and*
- *non-traditional participation and completion.*

States report on these established measures and levels of performance annually in the Department's Consolidated Annual Report (CAR).

Kentucky State Perkins III Program Administration

Kentucky was awarded \$19.8 million in Perkins III grant funds for program year 2000-2001. Kentucky also received a \$3 million Workforce Investment Act incentive award for exceeding program performance levels in program year 2000-2001 from the U.S. Department of Labor.

In the State of Kentucky, the Perkins III program is administered by the Kentucky Department for Technical Education (KDTE). KDTE is part of the State's Workforce Development Cabinet. The Federal Programs Branch in KDTE's Division of Administrative Services is responsible for carrying out the provisions of Perkins III, as approved by the KDTE Commissioner. KDTE provided the funding allocations for the Local Educational Agencies (LEAs) and reviewed and approved the applications from the ATCs and post-secondary educational institutions that have vocational programs. The administrative function includes the oversight of the funds to assure that the intent of the law is being met by the entities receiving Perkins III funding. KDTE is also responsible for preparing and submitting the CAR to the Department.

Kentucky utilized a consolidated application process, where each LEA submitted one application for all of its Federal programs including the Perkins III program to the Kentucky Department of

Education (KDE). These plans contain the LEA's details of the number of schools and type of Perkins III programs funded at the schools. KDTE entered into a Memorandum of Agreement with KDE to review, approve, monitor, evaluate, and provide technical assistance for the Perkins III program at the LEAs.

Preparation of the 2000-2001 CAR

In July 1999, KDTE implemented the Technical Education Database System (TEDS), a computer mainframe-based application. During program year 2000-2001, KDTE used TEDS to capture Perkins III student data for all technical programs taught in Kentucky. Universities, community and technical colleges, State operated ATCs, locally operated Area Vocational Educational Centers (AVEC), middle schools, and other entities were required to report Perkins III data through TEDS.

Although TEDS was used to capture and maintain Perkins data, KDTE used several data sources to prepare the Perkins III 2000-2001 program year CAR. For the 2000-2001 CAR, KDTE compiled the Perkins III performance data into a series of electronic spreadsheets. KDTE pulled some of the data from TEDS, manually consolidated some data and used reports prepared by KDE to complete the spreadsheets. We compared the data KDTE reported for selected sub-indicators in the 2000-2001 CAR with the electronic spreadsheets KDTE used to prepare the CAR. We also used KDTE's spreadsheets to evaluate the accuracy and completeness of the Perkins III performance data reported by KDTE.

KDTE no longer uses TEDS for agencies to report Perkins III performance data. In July 2002, KDTE implemented a new Internet based application called WebTEDS. KDTE and sub-recipient officials stated that WebTEDS is a great improvement over TEDS and that they do not experience the problems with the new system that they did with TEDS. Since WebTEDS was implemented outside of our audit period, we did not perform any tests on the new system or the performance data submitted through the new system.

AUDIT RESULTS

Our audit objective was to assess management controls at KDTE and sub-recipient agencies to ensure that performance data reported to the Department for Perkins III for the 2000-2001 program year were complete, accurate, and reliable. We identified inadequate management controls at KDTE over reporting Perkins III performance data to the Department and found that sub-recipients had inadequate controls over reporting performance data to KDTE. We also found that KDTE's system was inadequate to identify all sub-recipients that did not meet program performance levels.

Finding 1 - KDTE's Management Controls Were Inadequate to Ensure the Data Reported to the Department in the 2000-2001 CAR Were Complete, Accurate, and Reliable

KDTE's management controls over reporting Perkins III performance data were inadequate to ensure that the data submitted to the Department were complete, accurate, and reliable. We found that KDTE did not report complete data to the Department for program year 2000-2001, used the previous year's data to estimate academic attainment for secondary schools in the 2000-2001 CAR, and used estimates to report on placement for secondary schools in the 2000-2001 CAR. As a result, the data reported to the Department were not complete, accurate, and reliable.

Perkins III, Part B, § 123(b) (1998) states that “[e]ach eligible agency shall evaluate annually, using the State adjusted levels of performance, the vocational and technical education activities of each eligible recipient receiving funds under this title.”

Perkins III, Part B, § 122(c)(20) (1998), requires the State plan to include information that “describes how the eligible agency will ensure that the data reported to the eligible agency from local educational agencies and eligible institutions under this title and the data the eligible agency reports to the Secretary are complete, accurate, and reliable.”

OVAE's *Core Indicator Framework*, dated January 2000, established the data quality criteria below for reporting performance measures. This framework is the basis for States to report Perkins III performance data to the Department.

Data Quality Criteria

Validity – The degree to which the performance measures approach directly and fully measure the student outcomes at an appropriate interval. Directly measures what they are supposed to measure.

Reliability – Requires states to use effective management information systems for insuring data quality.

In addition, KDTE’s Technical Education Policies and Procedures Manual covering the Perkins III program year 2000-2001 required eligible recipients to annually evaluate their measures. According to the Manual, each eligible institution is to annually complete the Core Standards and Measures.

KDTE did not report complete data in the CAR

KDTE did not report complete Perkins III performance data for 15 percent of its Perkins III sub-recipients for program year 2000-2001. Also, KDTE did not disclose this information in the CAR. As shown in the Table 1.1, 50 of the 341 agencies did not submit performance data or submitted incomplete data to KDTE. KDTE did not have procedures in place to verify that all sub-recipient agencies submitted performance data.

Table 1.1 - Sub-recipients that did not submit any data or submitted incomplete performance data to KDTE

Perkins III Sub-recipients	Number of Recipients	Number Reporting Data*	Number Reporting No or Incomplete Data**
Secondary Schools	210	177	33
Locally Operated Area Vocational Educational Centers	26	23	3
State Operated Area Technical Centers	52	46	6
Post-Secondary Institutions	53	45	8
Total	341	291	50 (15 %)

*The KDTE Branch Manager for Federal Programs stated that the secondary schools locally operated area vocational educational centers did not report placement data to KDTE for program year 2000-2001.

**33 secondary schools did not report any performance data; 3 AVECs did not report any performance data; 5 ATCs did not report completion data and 1 did not report placement data; and 7 postsecondary institutions did not report completion data and 2 institutions did not report placement data (including one institution that did not report both completion and placement data).

Some LEAs had both a Perkins secondary program and an AVEC. The Director of Career and Technical Education stated that LEAs included their Perkins funding information in their consolidated plan submitted to KDE. Although KDE reviewed and approved the LEA consolidated plans, it did not provide KDTE with a list of schools with funded Perkins programs. Even though the consolidated plans were available through KDE’s website, the Branch Manager for the Federal Perkins Program stated that they did not review the plans. Our review of the consolidated plans showed that most plans listed the amount of Perkins funds designated for each school. Others only provided the total funding amount. However, there was sufficient information to identify which LEAs operated a Perkins III program.

The ATCs and post-secondary institutions submitted their Perkins applications directly to KDTE for review and approval. During the audit period, they were required to submit their performance data through TEDS. KDTE officials offered no explanation as to why some of these entities did not report performance data, other than some had difficulties entering data into TEDS.

In its Perkins III State plan, KDTE stated that student data would be collected for all vocational/technical education students in Kentucky using TEDS. It was the sub-recipient's responsibility to submit its Perkins data using TEDS. KDTE's Branch Manager for Federal Programs, who is mainly responsible for preparing the CAR, said the LEAs decided which secondary schools received funds. The LEAs did not communicate directly with the Branch Manager as to which individual schools received funds. This information was contained in the LEAs consolidated plan. KDTE did not compare the funding information in the LEA consolidated plans to TEDS to ensure that all schools reported performance data. KDTE did not enforce the reporting requirements.

KDTE used previous year's data to estimate academic attainment reported for secondary schools

KDTE used 1999-2000 graduation data to report on academic attainment for secondary schools in the 2000-2001 CAR. Also, KDTE did not disclose the use of the 1999-2000 data in the 2000-2001 CAR. KDTE's Branch Manager of Federal Programs and the Administrative Consultant, who is responsible for providing TEDS technical assistance to sub-recipients, said that TEDS did not have a data field to capture graduation data in program year 2000-2001. As a result, sub-recipients were not able to enter graduation data into TEDS.

As an alternative, KDTE used a combination of 1999-2000 data from KDE's *Transition to Adult Life Report* and from TEDS' data field "termination status" to estimate the secondary academic attainment reported in the 2000-2001 CAR. KDTE did not maintain supporting documentation for its estimates.

The KDTE Branch Manager for Federal Programs stated that the Department granted the agency permission to use 1999-2000 data; however, KDTE did not have written documentation to support the approval. The OVAE Accountability and Performance Specialist for Kentucky stated that it is likely that KDTE received verbal permission from a former program director at OVAE to use 1999-2000 data and, therefore, did not have any supporting documentation.

We found no individual listing of vocational students who graduated during program years 1999-2000 or 2000-2001 in our review of the summary data KDTE used to develop the 2000-2001 CAR. For the 2000-2001 CAR, KDTE reported 43 vocational graduates for the secondary sub-recipient we visited. While at the sub-recipient, we attempted to verify the number reported by KDTE. The sub-recipient did not maintain documentation to identify vocational students who graduated; therefore, we could not verify the validity of the estimate. Consequently, KDTE did not provide secondary academic attainment data to the Department that were reliable or relevant to the reporting program year.

KDTE used estimates to report on placement for secondary schools

KDTE used estimates, not specific student data, to report on placement for secondary schools in the 2000-2001 CAR. KDTE did not disclose the use of estimates in the CAR. KDTE did not use data directly obtained from the sub-recipient level for placement data and did not enforce their reporting requirements. The secondary sub-recipient we visited did not report any placement in TEDS. According to the Branch Manager for Federal Programs and the Administrative Consultant, secondary schools were required to submit placement data through TEDS; however, they did not always do so.

KDTE used a combination of TEDS data from the “completers” data-field and percentages from KDE’s *Transition to Adult Life Report* that contained student placement data by individual school to report on placement in the CAR. KDE’s report showed the percentages of students who chose a certain career path, such as military service, college, or employment. To arrive at the placement data reported in the CAR, KDTE applied the student placement percentages from KDE’s report to the program completers data shown in TEDS. The KDTE Branch Manager for Federal Programs could not provide any support for the figures in KDE’s report or a listing of the placement data from TEDS that they used.

Overall, KDTE’s management controls were inadequate to ensure that the sub-recipient agencies that were required to report placement data did so. KDTE did not verify that sub-recipient agencies submitted performance data. KDTE did not have a checks and balances system in place to determine whether all Perkins sub-recipients submitted performance data. As a result, the Department cannot be assured that the data KDTE submitted for secondary placement were complete, accurate, and reliable.

RECOMMENDATIONS

We recommend that the Assistant Secretary for Vocational and Adult Education require KDTE to:

- 1.1 Establish controls to ensure that all sub-recipients meet Perkins III performance reporting requirements and submit performance data, as required.
- 1.2 Ensure that the data collection system allows sub-recipients to input all required data that pertain to the applicable program year.
- 1.3 Disclose the use of estimates, previous year’s data, and any other data quality issues that affect the completeness, accuracy, and reliability of the data in the CAR.

KDTE RESPONSE

In its written response to the draft report (see Attachment C), KDTE stated that because of the problems that it experienced with the first generation TEDS (Technical Education Data System), it developed a new WEB TEDS. The new WEB TEDS is operational. KDTE also stated that besides the new web system, a variety of reports needed for program evaluation and

accountability were identified. These reports will be revised and new reports developed as needed.

KDTE further stated that Perkins III funds would not be allocated to institutions/ local schools districts that do not submit performance data, as required. KDTE stated that it would run monthly reports for each school to verify that appropriate data is entered and will ask each agency that it has a Memorandum of Agreement (MOA) with to monitor data progress with its respective schools on a monthly basis. In addition, it will provide technical assistance and on-site visits to its sub-recipients, where needed, and continue to hold WEB TEDS training sessions with its sub-recipients. Further, KDTE agreed to report in its Consolidated Annual Report (CAR) any circumstances that may affect the completeness, accuracy or reliability of the data.

After each recommendation, KDTE provided details on the controls it has established to address the recommendation. For recommendation number 1.2, KDTE stated that the data system has been revised to include all the data needed for the Annual Consolidated Report with the exception of the CATS (Commonwealth Accountability and Testing System) English test score to measure the academic attainment for students who attend the area technology centers. Efforts have been made to obtain the data ever since the U. S. Department of Education accepted the English test score of seniors as the measure of academic attainment. However, the Kentucky Department of Education continues to use the privacy of students as the reason for not releasing the aggregate data by school to the state operated area technology centers. Also, the EDGAR regulations that state the information may be released without permission if the data is needed to report to the Federal government or the State government has been shared with the Division of Career and Technical Education. However, the Department of Technical Education does not have the data to date.

OIG COMMENTS

KDTE indicated general concurrence with our finding and recommendations. We appreciate KDTE's efforts to implement management controls and activities to ensure that all sub-recipients submit performance data as required; data quality issues affecting the completeness, accuracy and reliability of the data are disclosed; and its data collection system allows all sub-recipients to enter all pertinent data. The improvement activities described in KDTE's response should help to ensure that the data reported to the Department in future CARs are complete, accurate, and reliable. However, KDTE needs to continue its efforts to obtain the appropriate data needed to annually report on academic attainment or find an alternative data source or measurement approach to evaluate its progress in achieving the prescribed level of performance for this sub-indicator.

Finding 2 - Sub-recipients Reported Inaccurate Performance Data to KDTE for Program Year 2000-2001

Sub-recipients did not always enter accurate student data into TEDS. Even though KDTE provided sub-recipients with a TEDS manual and some technical assistance and training, the data reported to KDTE were not always accurate. The percentage of errors found in the data

submitted to KDTE by the secondary school, the ATC, and postsecondary institution we visited ranged from zero to 100 percent, zero to 71 percent, and zero to 80 percent, respectively. The sub-recipient agencies' controls over the data were inadequate.

Perkins III, Part B, § 122(c)(20) (1998) requires States to include information that “describes how the eligible agency will ensure that the data reported to the eligible agency from local educational agencies and eligible institutions under this title and the data the eligible agency reports to the Secretary are complete, accurate, and reliable.”

The majority of the errors we found at the sub-recipient level were the result of improperly coded termination statuses and dates. The termination statuses designate students who completed, left, or transferred out of a Perkins III program. We also found errors that resulted from sub-recipient staff input errors. Finally, we could not verify some data such as student names, social security numbers, race, gender, and enrollment dates back to supporting documentation.

The post-secondary institution reported incorrect termination statuses and placement data. The termination statuses for 17 of the 75 students sampled were inaccurate. We found that 16 of the 75 (21 percent) students were reported as completers; however, they did not have sufficient credits to meet KDTE's requirement for program completion. One student was incorrectly identified as a transfer. We also found that the termination dates entered for the 16 students were incorrectly entered or not entered into TEDS. The termination dates had a direct effect on the appropriate program year the student actually completed the program. Under KDTE's accountability system, vocational completers were those students who completed all of the necessary courses and earned a certificate of completion in a designated program. In addition, the postsecondary institution could not provide any supporting documentation for 8 of the 10 (80 percent) students for whom placement information was reported to KDTE.

The ATC and secondary school sub-recipients could not provide supporting documentation for students reported as disabled and academically or economically disadvantaged. The ATC could not provide supporting documentation for 3 of the 10 (30 percent) students reported as disabled and 14 of the 21 (67 percent) students reported as academically or economically disadvantaged. The secondary school could not provide supporting documentation for the four students reported as academically or economically disadvantaged.

The sub-recipient agencies did not have adequate controls over reporting Perkins III performance data to KDTE. One sub-recipient's staff relied on verbal confirmations from students to determine termination statuses instead of reviewing academic transcripts. Two of the sub-recipients did not maintain sufficient supporting documentation. There was no supervisory review of the data submitted to KDTE at any of the three sub-recipients visited.

Although KDTE provided the sub-recipients with TEDS manuals and other guidance, KDTE did not conduct on-site monitoring visits at the sub-recipients. An Administrative Consultant with KDTE said that visual checks were performed on the data sub-recipients submitted through TEDS for accuracy and completeness; however, this was not performed on a consistent basis.

We found numerous errors at the three sub-recipients visited. See Tables 2.1, 2.2, and 2.3 for details. Not that not all of the students in our sample were reported as disabled or disadvantaged.

We verified only those students identified in the category. See Appendix A for the definitions of KDTE’s performance measures.

Table 2.1 - Errors found in the secondary school sample for sub-indicators 1S1, 1S2, and 2S1*

Data Field	Sample Size	Number of Errors	Error Rate
Name	75	9	12%
SSN	75	8	11%
DOB	75	5	7%
Enroll Date	75	75 ¹	100%
Program	75	75 ²	100%
Race	75	6	8%
Gender	75	5	7%
Term Date	75	75 ³	100%
Termination Status	75	14	19%
Objective	75	0	None
Education Level	75	6	8%
Disability	0	0	None
Disadvantage (academic or economic)	4	4	100%
Special Population*	0	0	N/A

*1S1 = Secondary Academic Attainment; 1S2 = Secondary Vocational & Technical Skill Attainment; 2S1 = Secondary Completion

¹ The school was unable to provide supporting documentation for the students’ enrollment date field; therefore, all of the students in the sample are shown as having errors in that field.

² Teachers at the school determined which program they thought students should be categorized, but the students did not declare in which program they were enrolled. Further, the school could not provide any supporting documentation for the vocational programs in which students were enrolled.

³ KDTE required sub-recipients to enter the date a student exits the program. However, the school did not enter any termination dates in TEDS for program year 2000-2001.

Table 2.2 - Errors found in the ATC sample for sub-indicators 1S1, 1S2, and 2S1*

Data Field	Sample Size	Number of Errors	Error Rate
Name	75	1	1%
SSN	75	3	4%
DOB	75	5	7%
Enroll Date	75	43	57%
Program	75	3	4%
Race	75	2	3%
Gender	75	0	None
Term Date	75	53	71%
Termination Status	75	39	52%
Objective	75	1	1%
Education Level	75	9	12%
Disability*	10	3	30%
Disadvantage* (academic or economic)	21	14	67%
Special Population*	4	1	25%

*1S1 = Secondary Academic Attainment; 1S2 = Secondary Vocational & Technical Skill Attainment; 2S1 = Secondary Completion

Table 2.3 - Errors found in the Post-secondary sample for sub-indicators 1P1, 1P2, 2P1, and 3P1*

Data Field	Sample Size	Number of Errors	Error Rate
Name	75	2	3%
SSN	75	0	None
DOB	75	4	5%
Enroll Date	75	10	13%
Program	75	1	1%
Race	75	0	None
Gender	75	2	3%
Term Date	75	48	64%
Term Status	75	17	23%
Objective	75	0	None
Education Level	75	0	None
Disability*	1	0	None
Disadvantage* (academic or economic)	14	0	None
Special Population*	2	0	None
Placement*	10	8	80%

*1P1 = Postsecondary Academic Attainment; 1P2 = Postsecondary Vocational & Technical Skill Attainment; 2P1 = Postsecondary Completion; 3P1 = Postsecondary Placement

As a result of the errors found at the sub-recipients we visited, we concluded that the data KDTE submitted to the Department were not always accurate. Consequently, the data did not provide an accurate representation to the Department in order to determine whether or not the State met its agreed upon performance levels involving the affected sub-indicators.

RECOMMENDATIONS

We recommend that the Assistant Secretary for Vocational and Adult Education require KDTE to:

- 2.1 Establish controls, including data review, to ensure that sub-recipients submit accurate student performance data.
- 2.2 Monitor sub-recipients to evaluate the progress made for improving performance data quality.
- 2.3 Disclose any significant problems or difficulties in reporting complete, accurate, and reliable data to the Department along with the corrective action taken to alleviate these problems in future CARs.

KDTE RESPONSE

In its written response, KDTE stated that monthly reviews of data entered into WEB-TEDS will be conducted by running reports for each institution to identify schools that have data missing. Schools that lack data will be reminded that the data needs to be entered, and they will be asked if there is a problem with the system. In addition, periodic visits to schools will be made to audit the data entered and the source documents used to enter the data. KDTE said that it would distribute a list of suggested source documents to each staff person responsible for entering data into the system. In addition, KDTE stated that other state agency personnel delegated with authority to operate and monitor schools receiving federal funds will evaluate the progress made in improving a school's performance quality. Each agency with an MOA will forward their reports to the Department for Technical Education. The responsibility for these visits will be included in the Memorandum of Agreement. KDTE further stated that it would disclose any problems it may experience with data quality along with any explanation of the corrective action taken.

KDTE also stated that it believes that the statement in the report regarding termination dates having a direct effect on the appropriate program year the student actually completed the program was a miscommunication during the visit. The date the student exited the program has nothing to do with the program year.

OIG COMMENTS

KDTE indicated general concurrence with the finding and recommendations. We appreciate its efforts to implement management controls and activities to ensure that sub-recipients report accurate program performance data. The actions KDTE described in its response, if

implemented, should help ensure that sub-recipients submit accurate performance data to KDTE in future program years.

It is our understanding that termination dates are entered into the database for students who are identified as completers, leavers, and transfers. We also understand that termination dates are not entered into the system for students continuing in the programs and that system users are allowed to adjust data entries if a student's status changes. Our review of the academic transcripts for the 16 students referenced in the audit report showed that these students were incorrectly identified as program completers because the termination dates were either incorrect or not entered into the system. The termination dates should directly correspond with the termination statuses to reflect the appropriate program year a student actually completes, leaves or transfers out of a program. If not there is a risk that the data will be misstated or overstated. We suggest that KDTE communicate with its sub-recipients, the importance of entering the correct termination dates and statuses.

Finding 3 - KDTE's System Was Inadequate to Identify Sub-recipients that Did Not Meet Program Performance Levels

KDTE's system was inadequate to identify all sub-recipients that did not meet program performance levels. Fourteen of 52 ATCs (27 percent) did not meet the established performance level for secondary vocational and technical skill attainment. However, KDTE did not require any of the ATCs to submit improvement plans, as required in the Perkins III Act. In addition, for secondary schools, KDE did not base its program evaluation on TEDS data or any of the data KDTE reported to the Department. As a result, KDTE did not implement an effective improvement plan process for those sub-recipients who did not meet the State-established levels of program performance for selected sub-indicators, as required in the Act.

Perkins III, Part B, § 122(c)(20) (1998) requires States to “include information that describes how the eligible agency will ensure that the data reported to the eligible agency from local educational agencies and eligible institutions under this title and the data the eligible agency reports to the Secretary are complete, accurate, and reliable.”

Further, according to the Perkins III Act, Part B, § 123(c)(1)(A-B) (1998):

If, after reviewing the evaluation, the eligible agency determines that an eligible recipient is not making substantial progress in achieving the State adjusted levels of performance, the eligible agency shall—

- (A) conduct an assessment of the educational needs that the eligible recipient shall address to overcome local performance deficiencies;
- (B) enter into an improvement plan based on the results of the assessment, which plan shall include instructional and other programmatic innovations of demonstrated effectiveness, and where necessary, strategies for appropriate staffing and staff development. . . .

KDTE's Technical Education Policies and Procedures Manual covering the Perkins III program year 2000-2001 required institutions that had one or more standards with a *Does Not Meet* response to complete an improvement plan developed jointly by administrators and technical and academic instructors.

KDTE was responsible for requiring all ATCs and postsecondary institutions that did not meet the established program performance levels to submit improvement plans. However, KDTE did not always implement the improvement plan process. For example, using KDTE's summary electronic spreadsheets, we found that 14 of the 52 ATCs did not meet the established program performance level for secondary vocational and technical skill attainment. KDTE did not require any of the ATCs to submit improvement plans for program year 2000-2001.

Based on the Memorandum of Agreement established between KDTE and KDE, KDE is responsible for facilitating annual Perkins program evaluations for the secondary schools. According to the Director of KDE's Division of Career and Technical Education, secondary schools submitted program improvement activities in their annual consolidated plans. However, KDE did not base Perkins III program evaluation and improvement on the data captured in TEDS or reported by KDTE to the Department.

Two of KDTE's Administrative Consultants, who work closely with the Perkins III program, and KDE's Director of the Division of Career and Technical Education, stated that the reason they did not have the improvement plans was because of problems with TEDS. The system did not consistently retain previously entered data and generate summary reports. The officials and staff stated that they were aware that the TEDS data did not always produce reliable measurements. The Database Analyst and School Principal at two of the sub-recipients visited stated that they experienced the same types of problems with TEDS.

The inadequacies of KDTE's database system resulted in the State agency's inability to effectively determine whether or not its sub-recipients were making substantial progress in achieving the State's adjusted levels of performance.

In July 2002, KDTE implemented a new system, WebTEDS (Internet based application). KDTE and sub-recipient officials said the new system is a great improvement over the TEDS.

RECOMMENDATIONS

We recommend that the Assistant Secretary for Vocational and Adult Education require KDTE to:

- 3.1 Ensure that the current database system captures all of the Perkins performance data reporting requirements.
- 3.2 Ensure that the required improvement plan process is implemented for all sub-recipients that do not meet the established program performance levels.

KDTE RESPONSE

KDTE stated that its staff has worked with programmers to develop the web-based system that includes more user-friendly menus and allows users to easily prepare summary reports. In addition, KDTE will begin on October 1, implementing on-site data monitoring visits to verify that the data is being entered accurately and timely, and to also provide technical assistance.

KDTE said that it plans to develop a new program to produce an accountability report for each school in the system. This report will be based on the Department of Education's performance indicators and will include program performance, as well as overall institutional performance in meeting the performance indicators. KDTE stated that schools will be required to submit a plan for improving their performance levels and the local applications for the next school year must reflect how the funds will be used to improve programs that did not meet the performance indicators and plans to increase student achievement. In addition, schools that do not submit their improvement plans will risk losing Perkins funding.

OIG COMMENTS

KDTE indicated general concurrence with the finding and recommendations. The actions KDTE described in its response, if implemented, should help ensure that KDTE has an adequate system in place to identify all sub-recipients that do not meet the prescribed program performance levels in future program years.

OBJECTIVE, SCOPE, AND METHODOLOGY

The audit objective was to assess the management controls established at KDTE and at sub-recipient agencies to ensure that the Perkins III performance data reported to the Department were complete, accurate, and reliable. The review focused on the quality of the data submitted by the sub-recipient agencies to KDTE and how KDTE collected and compiled that data for annual reporting to the Department.

To accomplish our objective, we performed the following:

- Reviewed the Carl D. Perkins Vocational and Technological Education Act of 1998, Public law 105-332, October 31, 1998; OVAE's Core Indicator Framework, January 2000; and the State of Kentucky's A-133 audit report for the year ended June 30, 2001.
- Contacted, interviewed, and obtained Perkins III program information from KDTE and KDE staff and officials in Frankfort, Kentucky.
- Conducted site visits to three sub-recipients (high school, area technology center, and postsecondary institution).
- Reviewed student files, academic transcripts, and other source documentation to determine whether the data reported on selected sub-indicators for the three sub-recipients visited were complete, accurate, and reliable.
- Assessed management controls over Perkins III performance data at KDTE and the three sub-recipients visited.

We performed audit work at KDTE and KDE. In addition, we performed audit tests at three sub-recipients and reviewed the data collection and reporting processes related to the Perkins III performance data. We based our selection of sub-recipients on school enrollments, site location, and the availability of performance data submitted by sub-recipients to test. We selected one secondary, one ATC, and one post-secondary institution. We conducted our fieldwork at KDTE and KDE in Frankfort, KY; and Lone Oak High School, Paducah ATC, and West Kentucky Technical College in Paducah, KY.

We sampled and reviewed KDTE's performance data for eight sub-indicators to determine if the data were complete, accurate, and reliable. As part of our audit, we reviewed the following KDTE performance measure sub-indicators:

- | | |
|---|---|
| • Secondary Academic Attainment (1S1) | • Postsecondary Academic Attainment (1P1) |
| • Secondary Vocational & Technical Skill Attainment (1S2) | • Postsecondary Vocational & Technical Skill Attainment (1P2) |
| • Secondary Completion (2S1) | • Postsecondary Completion (2P1) |
| • Secondary Placement (3S1) | • Postsecondary Placement (3P1) |

For our audit, we did not pull our samples directly from KDTE's TEDS system. KDTE could not always establish what detailed TEDS data it used to compile the summary Perkins data. KDTE did not maintain a complete audit trail from TEDS to the electronic spreadsheets used to

prepare the CAR. In two instances, KDTE used data from sources other than TEDS. We compared the data KDTE reported for selected sub-indicators in the 2000-2001 CAR with the electronic spreadsheets KDTE used to prepare the CAR. We also used KDTE's electronic spreadsheets to select a sample of data to test for reliability at the sub-recipient level.

For our detailed tests, we selected a random sample of 75 students from each sub-recipient to determine whether the data reported in the CAR were complete, accurate, and reliable. The student populations for the three sub-recipients visited (secondary school, ATC, and postsecondary institution) were 199, 108, and 771, respectively.

Our audit covered the performance data for Perkins III funds awarded during program year 2000-2001 (July 1, 2000, through June 30, 2001). An exit conference was held with KDTE officials on July 9, 2003.

Our audit was performed in accordance with generally accepted government auditing standards appropriate to the scope of the review described above.

STATEMENT ON MANAGEMENT CONTROLS

We have made a study and evaluation of the management control structure of KDTE's accountability system over Perkins III performance data in effect during program year 2000-2001. For the purpose of this report, we assessed and classified the significant management control structure into the following categories: coding and entering Perkins III performance data, receipt of Perkins III performance data, data review and edit process, and reporting Perkins III performance data.

The management of KDTE is responsible for establishing and maintaining a management control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of the management control structure are to provide management with reasonable, but not absolute, assurance that program performance is properly assessed and measured and that the transactions are executed in accordance with management's authorization and recorded properly, so as to permit effective and efficient operations.

Because of inherent limitations in any management control structure, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

Our assessment disclosed the following conditions in the management control structure of KDTE in effect for program year 2000-2001, which, in our opinion, result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to reported information may occur and not be detected within a timely period:

- KDTE controls were inadequate to ensure that Perkins III data submitted to the Department of Education were complete, accurate, and reliable;
- Controls at the sub-recipient agencies we visited were inadequate to ensure that complete, accurate, and reliable data were reported to KDTE;
- KDTE did not report complete data, used previous year's data, and used estimates to report on program performance to the Department;
- Sub-recipients reported inaccurate performance data to KDTE for program year 2000-2001; and
- KDTE's system was inadequate to identify sub-recipients that did not meet program performance levels.

These weaknesses and their affects are fully discussed in the AUDIT RESULTS section of this report.

Attachment A – Definitions of KDTE’s Performance Measures for Program Year 2000-2001

Core Indicator 1 - Academic and Technical Skill Attainment			
Measure	Approach	Numerator +	Denominator+
1S1	High School Graduation	1999-2000 Vocational graduates	1999-2000 Vocational graduates plus program leavers
1S2	Program Completion	2000-2001 Program completers	2000-2001 Program leavers
1P1	Grade Point Average and Program Completion	2000-2001 Program completers with a 2.0 GPA and above	2000-2001 Program completers and leavers
1P2	Grade Point Average and Program Completion	2000-2001 Program completers with a 2.0 GPA and above	Program completers and leavers
Core Indicator 2 – Completion			
Measure	Approach	Numerator +	Denominator+
2S1	State/ Local Administrative Data	2000-2001 Vocational completer graduates	2000-2001 Vocational student graduates (completers plus leavers plus transfers)
2P1	Grade Point Average and Program Completion	2000-2001 Program completers with a 2.0 Grade Point Average or above	2000-2001 Completers and leavers
Core Indicator 3 - Placement and Retention			
Measure	Approach	Numerator +	Denominator+
3S1	State-Developed, School Administered Surveys / Placement Records	1999-2000 vocational graduates placed	1999-2000 vocational graduates
3P1	State-Developed and Locally Administered Surveys / Placement Forms	Program completers who were placed- military, employment, or continuing education	Program completers
Core Indicator 4 - Non-Traditional Participation and Completion			
Measure	Approach	Numerator	Denominator
4S1	State/Local Administrative Data	Females and males in non-traditional occupational preparation	Total enrollment in the program with underrepresented genders
4S2	State / Local Administrative Data	Females and males completed	Total enrollment of all program completers
4P1	State / Local Administrative Data	Female and male students enrolled in program for non-traditional employment	Enrollment in program preparing for non-traditional employment
4P2	State / Local Administrative Date	Female and males program completers of programs for non-traditional employment	Total program completers for non-traditional employment

+ Actual data KDTE used in the numerator and denominator to report on program performance in the 2000-2001 CAR for Core Indicators 1,2, and 3

Attachment B - Glossary

Vocational and technical program – Defined as organized technical educational activities that (a) offer a sequence of courses that provides individuals with the academic and technical knowledge and skills the individuals need to prepare for further education and for careers (other than careers requiring a baccalaureate, master’s or doctoral degree) in current or emerging employment sectors and (b) includes competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills of an individual.

Technical Education Database System (TEDS) - The official database used in Kentucky to capture student data for all vocational/technical programs taught in Kentucky. Universities, community and technical colleges, state-operated area technology centers, locally owned area technology centers, high schools and middle schools report technical program student data to TEDS.

Special Populations – Designated categories specified under Perkins III including: Displaced Homemaker, Single Parent, and Single Pregnant Woman. Special populations also include individuals from economically disadvantaged families, individuals with disabilities and individuals with other barriers to educational achievement.

Termination status - A termination status is entered for students when they exit the program in which they were enrolled. ‘Completer’, ‘leaver’ and ‘transfer’ are the three categories for the termination status form preparatory students.

Completer – Secondary student who leaves secondary education and earns a high school diploma and post-secondary student who completes the requirements to receive a credential for the technical program.

Leaver- Secondary student who did not complete technical program and is not longer enrolled in a secondary school or a post-secondary student who exit the technical program and does not complete the requirement for any credential.

Transfer - Secondary or post-secondary student who was enrolled in a vocational program, but transferred to another program in the same or different school.

Attachment C – KDTE’s Written Response to the Draft Report



Cabinet for Workforce Development Department for Technical Education

W. H. Lile
Secretary

500 Mero Street • Capital Plaza Tower • Frankfort, Kentucky 40601
(502) 564-4286 FAX (502) 564-4800

Emil S. Jezik
Commissioner

September 24, 2003

Mr. J. Wayne Bynum
Regional Inspector General for Audit
U. S. Department of Education
Office of Inspector General
61 Forsyth Street, Room 18T71
Atlanta, Georgia 30303

Dear Mr. Bynum:

The Kentucky responses to the recommendations included in the draft audit report, Control Number ED-OIG/A04-D0007 are enclosed.

We were aware of the problems with the Technical Education Data System for the program year 2000-2001. We worked with the programmers and others to correct the bugs in the system and addressed connectivity issues in various parts of the Commonwealth. This was done to ensure the system provided the information needed for accountability and evaluation. We now use a WEB-based system that is working. So far, when problems with the WEB TEDS system arise, they are quickly resolved. Technical assistance was and is provided through phone calls, e-mails, training sessions for WEB TEDS users, a manual that is updated as changes are made, and a calendar of events for the year. Reminders are sent to the WEB TEDS users concerning deadlines or initiation of a particular WEB TEDS activity on a specific date.

The statement on page 8 of 18 regarding termination dates having a direct effect on the appropriate program year the student actually completed the program seems to be a miscommunication. Students' program completion and high school graduation data are entered into the system after the commencement activities are finished. It is possible the data entry occurred in a new program year, but the data is entered in the program year the program/graduation completion occurred.

Some of the activities that will be initiated will become ongoing activities. Ongoing activities are the following:

First business day of the month Run reports to see if data being entered
Contact schools not entering data



Equal Education and Employment Opportunities M/F/D

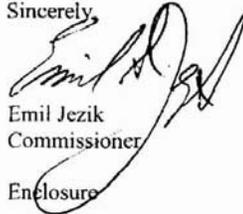
Attachment C – KDTE’s Written Response to the Draft Report

October 1	Identify schools for data audits
October 15	Initiate data audit on-site visits
	Import STI data from local school districts
	Lock 1999-2003 data in WEB TEDS
	Exception: 03 positive placements of Program completers/school graduates
November 1	New reports review for accountability
November 15	Import of CATS Assessment Results for 03
November 15	Identify procedures to interface with Unemployment insurance data
November 15	Complete suggested documentation for source documents to validate data entered
December 1	Design survey instrument to get names of programs with sequence of courses for each program from each institution offering programs (for eligible agency to make allocations)

It is our intent to have accurate and valid data to be used for accountability purposes and for program evaluation.

If you need additional information, please call Bettie Tipton, Sarah Galliher, or Debora Almgren at 502-564-4286.

Sincerely,



Emil Jezik
Commissioner

Enclosure

Attachment C – KDTE’s Written Response to the Draft Report

Finding 1 – KDTE’s Management Controls Were Inadequate to Ensure the Data Reported to the Department in the 2000-2001 CAR Were Complete, Accurate, and Reliable

Kentucky initiated an electronic data system in program year 1999-2000. School personnel completed a paper roster for their programs and sent the rosters to the Central Office to be entered into the data system. The first generation TEDS (Technical Education Data System) was developed prior (late 1997 and 1998) to the reauthorization of the 1998 Perkins Act. The data system required the program to be installed on each local user’s computer to enter the data into the system. Individuals trying to enter the data had a host of problems such as the system would not save the entered data, they could not sign on to the system or shortly after they signed on, the system closed down. The consultants providing technical assistance to the system users had some of the same problems as the local users. Other problems included getting different information on the same report printed more than once in the same day. The system would work for some schools and would not work for other schools. The system was flawed. During technical assistance conversations with personnel in the Office of Adult and Vocational Education, the problems we were having with our data system were mentioned. The comments back to us were all states were having problems. In some of the accountability professional development meetings, the topics of discussion were the problems states were having with their data systems.

Because of all the problems we experienced with the new system, we knew the data was not accurate and that the system needed to be fixed to have more accurate data. One of the most frequent complaints about the TEDS system for that year was that data was entered and the program would not save the data. When schools showed up with no data, we had no way of knowing whether it was because the data had not been entered or it had been entered and the system did not save the data. Our efforts were directed toward getting a system that would work. A new WEB TEDS was developed and it is operational. Besides the new web system, a variety of reports needed for program evaluation and accountability were identified. A priority list of the reports to be revised or developed has been established, and reports have been revised, developed or are in the process of development. This is an on-going process.

Section 121 (2) of the Perkins law states “the eligible agency may delegate any of the other responsibilities that involve administration, operation, supervision of activities assisted under this title, in whole or in part, to 1 or more appropriate state agencies”. Supervisor, review and approval of local plans for program improvement, monitoring, and accountability were delegated to the Kentucky Department of Education. The Kentucky Department for Technical Education calculated the allocations for the local school districts and forwarded the allocations to the Kentucky Department of Education. The Department of Education notified the local school districts of the appropriate allocation and the steps the districts must take to have their local plans approved prior to expending federal funds. The Department of Education approved the district local plans and was responsible for monitoring the expenditures and the data entry.

Attachment C – KDTE’s Written Response to the Draft Report

In the initial stages of identifying the Kentucky performance indicators and the support documentation needed to calculate the percentages, some of the support documentation we needed was not included in TEDS. The TEDS system did not capture high school graduation because it was based on the previous accountability measures and the previous data system. However, the data was available in reports from the Department of Education and we agreed to use that data so the local schools would not be required to enter the data twice. Graduation exit data is now a part of the new WEB TEDS.

The source document for follow-up of students in local school districts (successful placement after program completion/graduation for secondary students) was also a Department of Education report. This placement report was chosen as the backup data for local school districts so they would not have to enter data in two different reports. However, the data that indicated the type of placement included all students who graduated and did not separate out the students enrolled in technical education programs. The only choice was to use estimates based on the number of students who completed the program. The 2000-2001 placement (successful transition) report was not available from the Department of Education; the only choice we had was to use 1999-2000 data. We were told to use the data we had, but there is no documentation. This has also been corrected. The termination status entered on the student’s record in WEB TEDS indicates when the students graduates from high school. Because of teachers’ requests, we are in the process of combining Kentucky Department of Education Transition Report and the Kentucky Technical Education Follow-up Report to be used for reporting purposes for both agencies. This is in process.

RECOMMENDATIONS

- 1.1 Establish controls to ensure that all sub-recipients meet Perkins III performance reporting requirements and submit performance data, as required.

The eligible agency will run monthly reports for each school with an approved technical education program to verify that appropriate data is being entered so that the reports used to complete the CAR will be complete. In addition to the eligible agency checking the monthly reports, each agency that has a Memorandum of Agreement with the eligible agency will be asked to monitor the progress of data entry each month and work with their institutions to get the data entered in a timely fashion. Those agencies will be responsible for reporting to the eligible agency on a monthly basis. The eligible agency will provide a check-sheet to the agencies with MOAs to assist in preparing their monthly reports. The eligible agency will also contact any of the schools that have not entered data, entered very little data, or are not meeting the dates on the events calendar to offer technical assistance.

October 15 of each year has been established as the date all data for the applicable program year will be locked into the system. Eligible recipients will not be able to make changes in the data that has been entered for that program year except for student follow-up. The follow-up of students who completed the program and graduated will not be completed until six months after they leave the institution.

Attachment C – KDTE’s Written Response to the Draft Report

Each eligible recipient will be required to submit to the eligible agency documentation of the approved programs offered at the institutions each school year prior to funds being allocated to the schools. The documentation will include the name of the technical education program and the sequence of courses to be offered for the appropriate program year. If an institution does not submit performance data, funds will not be allocated to the institution/local school district for the new reporting year. The schools’ programs with sequences of courses will be compared to the data in TEDS to identify new programs and to confirm that programs are still available for students who choose technical education.

After the allocations are made, monthly reviews of data entry will be conducted to see if the schools are entering data. The school will be called to see if technical assistance is needed to input the data. During the year if a school is not entering data needed for the performance indicators and has turned down offers of technical assistance, an on-site visit will be made to provide one-to-one technical assistance. If this fails, their requests for financial reimbursement will not be approved. The agencies with MOAs will make technical assistance visits to the schools with problems and report their findings to the Department for Technical Education. In addition, the Department for Technical Education will make selected on-site visits to schools that are not entering the data needed for accountability. Some of the visits will be with the MOA agencies and other visits will be only the Department for Technical Education personnel. A check list has been developed to be used during the on-site visit to validate the accuracy of the data.

TEDS training sessions have been held for schools to learn how to use the system, and technical assistance is available through e-mail, phone calls, and on-site visits. These activities will continue. In some schools, more than one person enters data into the TEDS system; efforts will be made to have one person per school to be the data entry person so that the data entered will be consistent. In addition, there are several activities that have different definitions of a program completer. In service and written assistance will be provided so that the data entry person will know which completer definition to use for the accountability purposes. A list of source documents the local schools must keep to validate the accuracy of the entered data will be developed.

1.2 Ensure that the data collection system allows sub-recipients to input all required data that pertain to the applicable program year.

The data system has been revised to include all the data needed for the Annual Consolidated Report with the exception of the CATS (Commonwealth Accountability and Testing System) English test score to measure the academic attainment for students who attend the area technology centers. Efforts have been made to get the data ever since the U.S. Department of Education accepted the English test score of seniors as the measure of academic attainment. However, the Kentucky Department of Education continues to use the privacy of students as the reason for not releasing the aggregate data by school to the state operated area

Attachment C – KDTE’s Written Response to the Draft Report

technology centers. The EDGAR regulations that state the information may be released without permission if the data is needed to report to the Federal government or the State government have been shared with the Division of Career and Technical Education. The Department for Technical Education does not have the data to date.

The Kentucky Department of Education has a data system that all local school districts must use. Currently, the Department of Education and the Department for Technical Education are working on an import of technical education student data from the Department of Education to TEDS. This will eliminate local school district technical education personnel entering student data into two different systems and should increase the accuracy and validity of the data in the TEDS system. The initial import contact person left the Department of Education and we are working with personnel who were not been involved in the planning process.

Personnel from local school districts have also asked if we could revise the student follow-up survey (placement) to include categories that will get the data needed for technical education students for the Consolidated Annual Report and the Kentucky Department of Education reporting requirements. The TEDS follow-up instrument is being revised to accomplish this task.

Jefferson County is the largest school district in the Commonwealth and was sending us paper records. An import process to TEDS has been developed and tested for Jefferson County. The first test of the import process did not work because the files were too large; the process did work with smaller amounts of import data in the files.

The eligible agency will conduct periodic data audits in high schools and locally operated area technology centers, state operated area technology centers, and postsecondary institutions. The sites to be visited will be determined based on the monthly reviews of data entered and schools that are slow in getting the data entered. While at the site, support documents to validate the data will be reviewed, and the data entry person will be interviewed to verify the definitions used for data entry is the correct definition for reporting performance measures.

1.3 Disclose the use of estimates, previous year’s data, and any other data quality issues that affect the completeness, accuracy and reliability of the data in the CAR.

It is our plan to have performance data for each reporting year from all eligible recipients so that it will not be necessary to use estimates or previous year’s data. However, if it becomes necessary, we will report in the CAR anything that may affect the completeness, accuracy or reliability of the data in the Consolidated Annual Report.

Finding 2 - Sub-recipients Reported Inaccurate Performance Data to KDTE for Program Year 2000-2001

Attachment C – KDTE’s Written Response to the Draft Report

The design of the tabled fields in the old TEDS system made it easy to select the wrong item in the menu list. Some of the inaccurate data entries can be attributed to the design of the data entry. The WEB TEDS pull-down menus are designed to minimize incorrect selections. Screen edits have been implemented when appropriate. The TEDS training included the identification of source data entry documents and it was included in the TEDS Manual. Definitions of terms were included in the TEDS Manual. However, the turnover rate of the individuals who entered the data into TEDS was high.

We believe the statement on page 8 of 18 regarding termination dates having a direct effect on the appropriate program year the student actually completed the program was a miscommunication during the visit. The date the student exited the program has nothing to do with the program year. Each student record in WEB TEDS includes the school year in which the student was enrolled. Reports are generated based on the school year included in the student records. Students who continue in the program will not have an exit date. Enrollment records for returning students roll over from one year to another at the beginning of the next school year (program year). If the student does not come back to the program at the beginning of the next school year, the student shows an appropriate exit in the previous program year. Student records stay in the system, and if the student comes back to the program the second semester, the appropriate entries are made in the system. Postsecondary institutions do not know whether or not the student will return to school until the students return to the program the second semester or the next year (program year). If the student does not return, the student is terminated in the appropriate program year they were enrolled in the program. This could also occur in the secondary programs from one semester to another or block to block.

The state operated area technology centers have to depend on the feeder schools to provide the documentation to identify special populations, i.e. a student who needs curriculum modifications because of an educational barrier or is economically disadvantaged. The student privacy rights have been an issue in identifying students who meet the special populations definitions.

RECOMMENDATIONS

- 2.1 Establish controls, including data review, to ensure that sub-recipients submit accurate student performance data.

As mentioned in other parts of this report, monthly reviews of data entered into WEB TEDS will be conducted by running reports for each institution to identify schools that have data missing. Schools that lack data will be reminded that the data needs to be entered, and they will be asked if there is a problem with the system. In addition to that, periodic visits to schools will be made to audit the data entered and the source documents used to enter the data.

- 2.2 Monitor sub-recipients to evaluate the progress made in improving performance quality.

Attachment C – KDTE’s Written Response to the Draft Report

Each person entering data into WEB TEDS will be sent a list of suggested source documents to back up the data entered into WEBTEDS. This suggested list of source documents will help users identify the types of documents they must keep on file to verify accurate and valid data entered into TEDS. The eligible agency will monitor the schools to evaluate the progress made in improving performance quality. Other state agency personnel delegated with authority to operate and monitor schools receiving federal funds will evaluate the progress made in improving a school’s performance quality. Each agency with an MOA will forward their reports to the Department for Technical Education. The responsibility for these visits will be included in the Memorandum of Agreement.

- 2.3 Disclose any significant problems or difficulties in reporting complete, accurate, and reliable data to the Department along with the corrective action taken to alleviate these problems in future CARs.

Our plan is to report complete, accurate, and reliable data to the Department; when we have a problem with data quality, it will be noted in the CAR with an explanation of the action taken to correct or alleviate the problem(s).

Finding 3: Inadequate system to identify sub-recipients not meeting performance levels

As indicated in the report and verified by school personnel, for the year being audited, 2000-2001, the TEDS database retained only original data entered into the system. If a school made an error in their data entry and re-entered the data, the re-entry was lost and the original entry remained. After running our first summary report in November, it was noted that data for the area technology centers looked incomplete. Schools were notified to check their data and make corrections. The schools did this, but the corrections they entered did not remain in the system. We were not confident that the data being sent to Washington was accurate. With the schools believing the data within TEDS did not accurately reflect the makeup of the schools, we made the decision not to ask ATC’s for plans for improvement for performance data. We believed it would be beneficial for schools to develop a plan for improvement when they had confidence in the data being used to determine performance criteria, and that the time spent developing a plan of improvement would be better spent determining what went wrong with the system and formulating a plan to assure that it did not happen again.

In order to ensure that the current database captures all the Perkins performance reporting requirements, our staff has worked with the programmers to develop a web-based system that has been tested to assure that changes to data can be captured and maintained, menus are more user friendly, and summary reports are easier to prepare at the school level so principals and database administrators can determine if entered data is accurate within the system. In addition, beginning October 1, the Department for Technical Education will begin implementing on-site data monitoring visits to verify that data being entered into the system is accurate and timely; to provide technical assistance to school personnel on data entry, definitions or other CAR-related items; and to verify that backup

Attachment C – KDTE’s Written Response to the Draft Report

documentation is available to support accountability information entered into TEDS. A copy of the draft form to be used during the data-monitoring visit is attached.

In order to assure that an improvement plan process is implemented for all sub-recipients that do not meet established program performance levels, a new program will be developed to produce an accountability report for each school in the system. The report will be based on the performance indicators approved by the U. S. Department of Education. The report will include the performance of each program in the school as well as the overall institution performance in meeting the performance indicators. Schools will be required to submit a plan for improving their performance levels by improving programs. The local application for the next school year must reflect how the funds will be used to improve the programs that did not meet the performance indicators and increase student achievement. Schools that do not submit their plan for improving performance will risk losing Perkins funding.