A Joint Audit Report on

# The Status of State Student Assessment Systems and the Quality of Title I School Accountability Data

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# Key Points of Report

## A Joint Audit Report on the Status of State Student Assessment Systems and the Quality of Title I School Accountability Data

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### Overall Conclusion

The majority of states have not complied with the 1994 Title I student assessment requirements of the Elementary and Secondary Education Act (ESEA). As a result, many states may not be positioned well for timely implementation of the new requirements of the 2002 No Child Left Behind Act's ESEA reauthorization. ESEA, which will provide $10.3 billion in fiscal year 2002 to improve the educational achievement of children at risk, allows the U.S. Department of Education (Education) to withhold up to 25 percent of administrative funds from states that are not in compliance. At the local level, schools may face significant consequences, such as restructuring, should their accountability data fail to demonstrate adequate yearly progress over certain time frames.

Accountability data, which measures compliance with Title I requirements, can be improved at the federal, state, and local levels. Accurate, complete, valid, and timely information is critical to ensure that funding and decisions regarding adequate progress are based on reliable data.

*State Accountability Systems:* Accountability systems are used for developing information to identify Title I campuses that are not making adequate yearly educational progress. As of March 2002, 17 states had complied with the 1994 ESEA Title I student assessment requirements; however, 35 states (including the District of Columbia and Puerto Rico) had not. Congress gave states until the beginning of the 2000–01 school year to meet those requirements.

Many states are not adequately monitoring critical components of their accountability systems, including local education agencies' (LEA) data reporting procedures, to ensure that accountability data are reliable. LEAs and campuses also need to make improvements to ensure the quality of the accountability data they report to their state education agencies (SEAs).

We compiled state level information for our joint audit from the following:

- A survey of the 50 states, District of Columbia, and Puerto Rico
- Interviews with Education's data processing contractor
- Detailed audits of the school improvement data in three of the largest states—California, Pennsylvania, and Texas

References in this report to "many states" are taken either from the survey of all states or from interviews with Education's data processing contractor. References to only one, two, or three states apply to the individual audits we conducted in California, Texas, and Pennsylvania.

*State Title I Reporting Systems:* Two of the three large states we audited were reporting to Education inaccurate or incomplete information on Title I schools in need of improvement. These two states lacked adequate procedures and controls to ensure the reporting of reliable information. All three states lacked adequate documentation of procedures and controls for reporting on Title I schools in need of improvement.

*The Department of Education's Methods for Ensuring Accountability Data Quality:* Education's accountability data controls can be improved. The deadline for state Title I reporting may be unrealistic given the complexity of gathering and reporting school accountability data. Education needs a systematic process for enforcing the deadline that it sets. Education can also make enhancements to its state monitoring visits and to the single audit requirements to help ensure the quality of state Title I data.

State Auditor's Office
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# Key Points of Report

## Key Facts and Findings

- State implementation of accountability systems varies widely:
  - As of March 2002, 35 states had not complied with 1994 Title I assessment and accountability requirements.
  - Assessment requirements most frequently unmet include requirements to (1) assess *all* students and (2) break out assessments by subcategories such as gender, race, and disability status.
  - Because the accountability system of one large state we audited did not yet include *all* Title I schools in need of improvement, the SEA in that state may have underreported the number of schools in need of improvement.
- State officials identified certain factors that affect the implementation of assessment and accountability systems:
  - Factors that further implementation are active participation and support from governors, legislators, and business leaders; development of high-level committees, focus groups, and new state legislation; collaboration and coordination at all levels of public education administration; and state level expertise.
  - Factors that hinder implementation are inadequate funds and prior investments in systems that predated and conflicted with the 1994 requirements.
- Many states are not adequately monitoring critical components of their accountability systems:
  - States are not ensuring they receive accurate, complete assessment results from test contractors.
  - One state was not adequately monitoring student assessment test participation.
  - When administering assessment tests, many states are not ensuring LEA accommodation of students with limited English proficiency and students with disabilities.
  - States are not monitoring LEA accountability data quality.
- Campuses and LEAs have significant weaknesses in data-reporting procedures and quality controls:
  - Error rates in campus reporting prevent full assurance regarding accountability data.
  - Errors in manual processes for data from 259 campuses in one LEA were not identified or corrected before data were used to report schools in need of improvement. In addition, this LEA had not maintained supporting documentation for school improvement data it reported to Education, which is a violation of record retention requirements. The LEA also used inappropriate sampling methods to report student assessment results.
- Some states are not reporting accurate, complete, or timely information to Education:
  - SEA noncompliance with Title I program and reporting requirements results in misreported or underreported school improvement data:
    - Two states misinterpreted Title I reporting requirements.
    - One state's accountability system did not apply to all Title I campuses.

# Key Points of Report

        - Two states failed to develop and maintain supporting documentation as required by federal regulation.
        - Two states failed to report significant data quality issues as required by Education.
        - Many states failed to meet Education's December 1 reporting deadline.
    - States lack systematic procedures and controls for developing and reporting reliable accountability information, including school improvement data:
        - Two states lacked systematic procedures and controls to ensure data reliability.
        - All three states we audited lacked adequate documentation for their data procedures and controls.
- Improvements are needed in data quality controls at Education:
    - Education needs to monitor and address the problem of late state Title I data submissions.
    - Education returned 40 state submissions for 1998–99 because of anomalies in the data.
    - Education published the 2000 and 2001 Title I reports 22 months after the state data submission deadline.
    - Education was not using its state monitoring visits to assess data quality.
    - Education has not distributed its current data quality standards to states.
    - The *OMB Compliance Supplement* does not require reviews of states' accountability data.

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# Executive Summary

Our joint audits found variation in states' implementation of student assessment and school accountability systems. We also found variation in states' methods for ensuring the quality of the accountability data they use to report on students' and schools' performance and on schools in need of improvement. (See Appendix 2 for a list of the six audit reports and contact information.)

States report accountability information to students, parents, school districts, state officials, and the U.S. Department of Education (Education).

We compiled state level information for our joint audit from interviews with state Title I officials, Education's data processing contractor, and 50 responses to a detailed survey conducted across all states, the District of Columbia, and Puerto Rico. We also audited school improvement data in three large states—California, Pennsylvania, and Texas—in greater detail. In addition, we reviewed Education's controls over data quality.

## State Implementation of Accountability Systems Varies Widely

As of March 2002, 17 states were in compliance with the 1994 Title I assessment requirements of the Elementary and Secondary Education Act (ESEA). These requirements were intended to provide the basis for the development of accountability systems. Thirty-five states (including the District of Columbia and Puerto Rico) were not in compliance.

Congress gave states until the beginning of the 2000–01 school year to fully implement those requirements. The 2001 No Child Left Behind Act's reauthorization of ESEA has deadlines that vary according to the specific requirements in the reauthorization (see Appendix 3).

Because the majority of states have not met the requirements of the 1994 law, it appears that many states may not be positioned well to meet the schedule for implementing the new requirements of the 2001 reauthorization. Education may withhold 25 percent of administrative funds if a state does not comply with these requirements.

The two assessment requirements that states most frequently have not met are (1) the requirement to assess all schools and students and (2) the requirement to break out assessment results by subcategories such as gender, race, and disability status. One of the three states we audited in detail did not yet have a school accountability system in place for all schools. Because of this, the state education agency (SEA) in this state may have underreported the number of Title I schools in need of improvement.

**What Is Title I?**

Title I of the ESEA (reauthorized by the No Child Left Behind Act) is the largest source of federal funding for public education and will provide states with $10.3 billion in fiscal year 2002 to improve the educational achievement of children at risk.

Title I serves about 12.5 million children in all 50 states, the District of Columbia, and Puerto Rico.

## Certain Factors Affect the Implementation of Accountability Systems

States we surveyed and state officials we interviewed indicate that the following factors are key to the successful implementation of compliant assessment and accountability systems:

- Active participation and support from governors, legislators, and business leaders to make compliance with assessment and accountability system requirements a high priority
- Development of high-level committees; focus groups; and new, enabling state legislation

- The ability of agencies and different levels of public education administration to collaborate and coordinate their efforts to meet requirements
- The availability of state level expertise that can facilitate the implementation of an accountability system

States cite inadequate funding as the primary barrier hindering the implementation of compliant assessment and accountability systems. Some states reported investments in assessment systems that predated and conflicted with the 1994 Title I reauthorization. Building support and obtaining funding for a new system can take several years. In addition, the SEA in one small state reported that its small staff lacked the technical expertise to develop a new system.

## Many States Are Not Adequately Monitoring Critical Components of Their Accountability Systems to Ensure Reliable Data

**Test Scoring.** Most states are taking some action to ensure that Title I student assessment tests are scored accurately. However, these measures do not always provide adequate assurance of accurate scoring.

Most states (44) hire contractors to score Title I assessment tests, and about one-third of these states (16) report that they monitor the scoring the contractors perform. Some states have found scoring errors and, in some cases, these errors have had serious negative consequences for schools and students. In one state, contractor-scoring errors resulted in children's unnecessarily being required to attend summer school. In another state, contractor-scoring errors resulted in the inaccurate identification of schools in need of improvement.

One of the three states we audited in detail reported to Education inaccurate information on adequate yearly progress and Title I schools in need of improvement. This happened because the state did not detect errors in its accountability database and in the test contractor's compilation of student assessment results before it submitted its report.

Another of the three states we audited in detail was not adequately monitoring test participation by all eligible and qualified students. This left unaddressed the risk that not all students were receiving the tests they were eligible and qualified to take. The inadequate monitoring also created the possibility that school accountability ratings were not being accurately calculated and that schools in need of improvement were not being accurately reported to Education.

**Test Exemptions and Accommodations.** Most states report that they have established standards for ensuring that (1) any exemptions for students with limited English proficiency are justified and (2) students with disabilities are accommodated when these students take assessment tests. However, states' efforts to ensure adherence to these standards are limited.

Some states reported that their primary means of verifying the existence of appropriate accommodations was to compare the number of students who receive accommodation in the current year with the number from the previous year. Because of high student mobility and students' changing status with regard to English proficiency, this comparison has limitations. It addresses only the presence of accommodations rather than their appropriateness.

**State Monitoring of LEA Procedures to Ensure Data Quality.** Many states were not monitoring or otherwise supervising their local education agencies' (LEAs) procedures

and controls to ensure the quality of the accountability data they report. States use LEA data to identify and report schools in need of improvement to Education.

## Campuses and LEAs Have Significant Weaknesses in Data Reporting Procedures and Quality Controls

Individual campuses and LEAs vary significantly with regard to the procedures and controls they use to ensure the quality of the accountability data they report to their SEAs. In one state, the campuses and LEAs had numerous controls to help ensure the quality of accountability data. However, statistical error rates in their documentation and reporting of accountability data were sufficiently high to prevent full assurance regarding the quality of that state's accountability information.

In another state, the largest urban LEA relied on manual processes to gather and report accountability data. This resulted in errors that were not identified or corrected before the data were used to determine school accountability ratings and to identify schools in need of improvement.

Additionally, this LEA and its campuses were not complying with the record retention requirements of the Title I program. Therefore, data the LEA reported to the SEA and to Education for the 1999–2000 school year were not supported by source documentation and could not be verified.

This LEA also allowed some of its campuses to determine student assessment results by inappropriate and inconsistent sampling methods, resulting in unreliable accountability data for those campuses.

## Some States Are Not Reporting to Education Accurate, Complete, or Timely Information on Schools in Need of Improvement

**Noncompliance and Weaknesses in Procedures and Controls for Ensuring Reliability of Title I Data.** Regardless of an SEA's procedures and controls to ensure the quality of the accountability data it collects, processes, and reports, its state accountability information is unreliable at least to the extent that the LEAs' data are unreliable. One of the three states we audited in detail has had a strong, fully automated accountability system in place since 1991. This state has an automated process for reporting reliable information on schools in need of improvement to Education. However, error rates in reporting Title I data at campuses and LEAs prevented us from providing full assurance regarding that state's accountability information.

The other two states we audited in detail underreported or misreported information on schools in need of improvement, or the accuracy of their reported data could not be determined. This occurred because of the following conditions:

- Accountability system that did not include all Title I campuses
- Misinterpretation of the requirement to report all schools in improvement status, regardless of when they are identified for improvement
- Failure to develop and retain supporting documentation as required by federal regulations
- Failure to report data quality issues (such as LEAs' use of sampling to report accountability data) in the designated section in the report to Education
- Accountability ratings based on undetected errors in the accountability database and the compilation of

assessment results from the test contractor

- Inadequacies in or the absence of systematic procedures and controls for developing and reporting reliable data to Education

All three states we audited in detail lacked adequate documentation of their procedures and quality controls for developing and reporting to Education their Title I performance data and school improvement information. The absence of such documentation creates a risk of inconsistency and interruption in reporting in the event of an unexpected interruption in business processes or staff changes, absences, or departures.

**Delayed Submission of State Title I Data.** Although one state had a strong, fully automated accountability system, this state's requirements and time lines for processing LEA data did not match well with Education's reporting time lines. Because of this, the state reported to Education student assessment data from the report year but dropout and attendance data from the previous year. Even using that data, the state could not meet Education's December 1 deadline to submit data because of the time needed to properly aggregate, disaggregate, and verify final accountability data.

Each of the other two states we audited in detail submitted its *Consolidated State Performance Report* to Education after the deadline. Our audit determined that only four states met the deadline for submission to Education for the 1998–99 school year. Education's *State ESEA Title I Participation Information for 1998–99: Final Summary Report* (2001) reports that one-fifth of the states submitted reports as late as 18 months after the deadline.

Education's data processing contractor for state Title I data reported that it had to return the data submissions of 40 states for the 1998–99 school year for correction and revision. This further hindered Education's ability to submit timely reports to Congress and states on Title I, Part A program performance.

## Improvements Are Needed in Data Quality Controls at Education

Education did not publish reports for the 1997–98 and 1998–99 school years until 22 months after accountability data was due from the states. This delay was caused by states' late data submissions and poor data quality, as well as by the absence of adequate procedures at Education to ensure timely receipt, review, and publication of accountability data.

Examples of steps Education can take to improve the quality of accountability data include the following:

- Education should establish a systematic process to enforce the deadline for states to submit accountability data. For the most recent reporting year, Education did not initiate actions on late submissions of state data until three months after the December 1 due date. Education took no action against states that repeatedly submitted data late or states that were non-responsive.
- Education should assess the quality of accountability data during its state monitoring visits. Education relies on a contractor to perform edit checks of accountability data, but this control alone is not enough to ensure the quality of accountability data.
- Education should expand the requirements in the *OMB Compliance Supplement* to include a review of accountability data controls during single audits. Currently, Education does not require states to formally attest to the

validity and reliability of their accountability data.

### There Are Additional Data Collection Options for Education to Consider

This audit determined that most states submit Title I data late, and these submissions require revisions because of errors in the data. Additionally, because states follow their own criteria for evaluating school accountability and identifying schools not making adequate yearly progress, aggregation of these data at the national level is not meaningful.

Some of the state Title I officials we interviewed suggested alternatives to the present reporting requirements of Education's *Consolidated State Performance Report.* These alternatives would allow the collection of reliable information for evaluating Title I in a timely manner:

- Education could consider developing a more realistic deadline for the *Consolidated State Performance Report* on Title I programs. The deadline could take into account the time states need to process and verify their Title I data. The deadline should be one that Education can monitor and enforce.
- Education could evaluate how individual states are and are not meeting the objectives of the federal law, instead of attempting to aggregate state results to a national summary level. This would allow Congress to identify successes and weaknesses in the program as enabled by statute and implemented by states.
- To evaluate program performance nationwide, Education could use sampling (stratified if necessary) as an alternative to gathering all program information from all states. This is currently the method used for assessing student performance through the National Assessment of Educational Progress (NAEP), a 30-year longitudinal study that uses a small statistical sample from each state. The new law requires that students in grades 4 and 8 take the NAEP exams in reading and math every other year beginning in 2002–03 (subject to federal financing).

### Summary of Objective, Scope, and Methodology

The overall objective of this audit was to determine whether the accountability data states use to report on Title I, Part A program performance are accurate, complete, valid, and timely. In particular, we examined the data used to identify and report on schools in need of improvement.

We conducted the audits resulting in this joint report as part of a project of the U.S. Comptroller General's Domestic Working Group. Our goal was to provide recommendations that Education, SEAs, and LEAs could use to improve the quality of accountability data used to evaluate the effectiveness of Title I, Part A funds in improving the performance of at-risk students.

The following were participants in this joint effort:

- The U.S. General Accounting Office
- The U.S. Department of Education's Office of Inspector General
- The Texas State Auditor's Office
- The Pennsylvania Department of the Auditor General
- The Office of the City Controller, Philadelphia

# Executive Summary

| Summary of Findings, Recommendations, and Management Responses | | |
|---|---|---|
| **Finding** | **Recommendation** | **Response** |
| **Implementation of State School Accountability Systems** | | |
| Based on the status of states' compliance with the requirements of the 1994 ESEA reauthorization, many states may not be well positioned to meet the additional requirements in the 2001 No Child Left Behind legislation. Thirty-five states (including the District of Columbia and Puerto Rico) have not met the 1994 assessment and accountability requirements. | No recommendation made. | |
| One state's accountability system did not include 11 percent of the state's Title I campuses in the 1999–2000 school year. (The campuses excluded were alternative campuses and very small campuses.) As a result, the state's SEA may have underreported to Education the number of Title I schools in need of improvement. | Education's assistant secretary for Elementary and Secondary Education should:<br>• Ensure that the SEA fully implements its alternative accountability system and has in place appropriate management controls over the reliability, validity, and timeliness of performance data from that system.<br>• Ensure that the SEA includes all Title I schools in its review to identify schools in need of improvement. | The SEA stated that its alternative accountability system for alternative and very small schools will be fully implemented by fall 2003. Management controls will be comprehensive and the data from the system will be reliable and valid. The SEA intends to review all schools receiving Title I funds in fall 2002 and to perform subsequent annual reviews to identify schools in need of program improvement. |
| **State Oversight and Monitoring of Accountability Systems** | | |
| Despite the enhanced emphasis on assessment results, states still appear to be struggling with ensuring that assessment data are complete and correct. | To enhance confidence in state assessment results, Education should include in its compliance reviews a check on the controls states have in place to ensure proper test scoring and the effective implementation of these controls by states. | Management generally concurs.<br>Education will include in its monitoring activities a review of a state's compliance in monitoring the technical quality of products delivered by its contractor and its procedures to ensure the accuracy of assessment data prior to dissemination. |
| One state was not adequately monitoring student assessment participation to ensure full participation by all eligible, qualified students as required by state law. | The SEA should implement needed controls to evaluate and help ensure full participation of eligible, qualified students in required tests. | Management agrees and will develop methods to help ensure full participation in student assessment testing as required by law. |

# Executive Summary

| Summary of Findings, Recommendations, and Management Responses | | |
|---|---|---|
| **Finding** | **Recommendation** | **Response** |
| There was no evidence that one SEA was properly supervising, reviewing, or verifying the accuracy of the state's student assessment test contractor's scoring results. | The SEA should:<br>• Enhance procedures for reviewing reported test scores to detect errors in the test contractor's data.<br>• Document the procedures and maintain the documentation. | Management generally concurs.<br>The SEA agrees that the data should be reviewed more accurately; however, a detailed review was not possible due to the time constraints of reporting deadlines. Documented procedures for these processes have not been established but will be with the implementation of the No Child Left Behind Act. |
| Reviews of SEAs' monitoring of LEAs found that some SEAs were not sufficiently monitoring LEAs' procedures and controls or otherwise exercising adequate oversight to ensure the quality of the accountability data the LEAs report to the states. | Two audits included recommendations to SEAs.<br>In one audit, the recommendations included the following:<br>• Implement monitoring or auditing procedures at LEAs to review the LEAs' controls over and the accuracy and completeness of Title I data they submit to the SEA in order to ensure that reliance on that data is justified for reporting schools in need of improvement to Education. | The responses below correspond to each of the two audits:<br>Management disagrees. Education's data processing contractor reviews and approves the data submitted to Education. The data submitted to Education is final. Auditor's Comment: The SEA should discuss with Education staff methods for correcting information submitted that is later found to be incorrect. |
| | • Identify LEA data quality issues and report them in the designated section of the Consolidated State Performance Report. | Management does not specifically address this recommendation in its response. |
| | In the second audit, the recommendations included the following:<br>• Maximize the value of audits of LEAs and campuses for data quality problems.<br>• The SEA and LEAs should communicate and collaborate to focus training on specific data quality problems identified by this audit, by monitoring, and by subsequent audits. | Management concurs with both recommendations.<br>Management describes plans, provides time lines, and names parties responsible for ensuring the implementation of needed improvements. |

# Executive Summary

| Summary of Findings, Recommendations, and Management Responses | | |
|---|---|---|
| **Finding** | **Recommendation** | **Response** |
| **LEA and Campus Accountability Data Quality** | | |
| Statistical error rates in campus and LEA documentation and in the reporting of accountability data were sufficiently high to prevent full assurance regarding the quality of one large state's accountability information. | SEA and LEAs should collaborate in developing measures to ensure the continuing improvement of accountability data quality.<br><br>LEAs should increase supervision over data-gathering and reporting processes to improve data reliability. | Management concurs.<br><br>Management describes plans, provides time lines, and names parties responsible for ensuring the implementation of needed improvements. |
| In one of the states we audited in detail, most LEAs submitted accountability data to the SEA electronically, using a Web-based application that identified all fatal errors for correction before final submission. | No recommendation made. | |
| One large urban LEA had numerous and significant errors in its school accountability information. This LEA and its 259 campuses relied on manual procedures for gathering and recording accountability data. The absence of written procedures and quality controls for developing the data, and the absence of procedures such as reviews to ensure data quality, allowed errors in the identification of schools in need of improvement to remain undetected. | LEAs should:<br>• Automate the data-gathering and reporting process to the extent possible.<br>• Develop and implement written procedures for developing and reporting school accountability data.<br>• Implement data quality assurance standards that include a systematic review by a second party, a review of data for reasonableness, and the identification and correction of data anomalies due to errors. | The SEA responded as follows:<br>• For 2002, all data will be processed electronically.<br>• Documentation was in place in 2001 and 2002.<br>• For 2002, all data will be electronically collected and shared. There will be no need for individual teachers or schools to report data. |
| The same LEA discussed above allowed some of its campuses to report student assessment results using inappropriate and inconsistent sampling methods, resulting in unreliable performance data for those campuses. | LEAs should seek approval for any methods used for reporting assessment results based on less than the entire data population.<br><br>The SEA and LEAs should identify and report data quality issues in the designated section of the *Consolidated State Performance Report*. | The LEA will seek approval from the SEA if necessary. The LEA does not intentionally send less than complete population data. |

# Executive Summary

| Summary of Findings, Recommendations, and Management Responses | | |
|---|---|---|
| **Finding** | **Recommendation** | **Response** |
| The same LEA discussed above was not in compliance with the federal reporting requirements for record retention. It had not maintained source documentation for student performance or for schools identified as needing improvement. Additionally, summary-level records to calculate annual school performance had been destroyed in storage. Therefore, validating the school improvement data the LEA reported to the SEA was not possible. | The LEA should better safeguard and retain financial and programmatic information by:<br>• Implementing strategies to prevent, mitigate, or recover from identified physical risks<br>• Monitoring and enforcing compliance with the record-retention requirements of the Title I program | The LEA has distributed to all schools and area academic offices a copy of the LEA's records retention policy. |
| **State Title I Reporting Systems for Schools In Need of Improvement** | | |
| One state has a fully automated school accountability system and an automated process for reporting schools in need of improvement to Education. It has numerous and comprehensive procedures and controls to help ensure the reliability of school accountability data. However, campus and LEA errors continue to compromise the quality of the state's accountability data. | The SEA is commended for its school accountability system.<br>The SEA and LEAs should work together to identify and address data quality issues at LEAs. | |
| Because of a misinterpretation of the requirement, two states audited in detail did not report the *total* of all schools currently in need of improvement. Instead they reported only those schools identified as in need of improvement during the report year. One state underreported this number by 40 percent in the 1999—2000 school year. | The SEAs should report all Title I schools identified as needing improvement, including both newly and previously identified schools, in their *Consolidated State Performance Report*. | In one state, management concurs. The SEA will report all Title I schools identified for improvement and will maintain all supporting documentation for three years.<br>Another state did not concur and stated that no one with Education or Education's data processing contractor had pointed this out in the past. This state asserted that it relied on this review process. Auditors recommended that this state consult with Education on this matter. |

# Executive Summary

| Summary of Findings, Recommendations, and Management Responses | | |
|---|---|---|
| **Finding** | **Recommendation** | **Response** |
| One state may have underreported to Education the Title I schools in need of improvement because it had not yet included alternative and very small campuses. These campuses comprised 11 percent of the state's Title I campuses in the 1999–2000 school year. | See above recommendation and the response under Implementation of State School Accountability Systems. | |
| Two states had not complied with federal record retention requirements that they retain source documentation to support the data they reported to Education on schools in need of improvement. | The SEAs should:<br>• Retain documentation to support development of the reported data.<br>• Ensure that LEAs comply with the record retention requirements of the Title I program. | One SEA responded that it will maintain all supporting documentation for three years.<br>The other SEA stated that a copy of the records retention policy has been distributed to all schools and to area academic offices. |
| All three states had accountability data quality issues, but the SEAs in these states did not identify or report these issues in the designated section of the *Consolidated State Performance Report*. This violates a data quality requirement for full disclosure of all issues that could affect the quality of the Title I data being reported. | SEAs should strengthen data verification procedures and communications with LEAs and should detect and evaluate data quality issues at both the state and local levels. SEAs should disclose data quality issues in the annual report to Education. | SEAs did not specifically respond to this summary recommendation. |
| Many states are not able to finalize school accountability data in time to meet the December 1 deadline for submission of the *Consolidated State Performance Report* to Education. | See the first recommendation under U.S. Department of Education Quality Controls for State Accountability Data below. | See the first response under U.S. Department of Education Quality Controls for State Accountability Data below. |
| One state reported to Education incorrect data on adequate yearly progress and Title I schools in need of improvement because of undetected errors in its accountability database and in the test contractor's compilation of student assessment results. When the errors were corrected, the state did not correct its Title I report to Education. | The SEA should ensure that test data from the test contractor is properly and timely reviewed by both the SEA and LEAs to ensure completeness and accuracy before it is compiled for Table C-1 of the *Consolidated State Performance Report*. | Management generally concurs and is revising its written procedures regarding data verification. Time constraints were a major factor in the data submission during the year covered by this audit. |

# Executive Summary

| Summary of Findings, Recommendations, and Management Responses | | |
|---|---|---|
| **Finding** | **Recommendation** | **Response** |
| SEAs lack systematic procedures for identifying schools in need of improvement or controls, including analytical and supervisory review, to ensure reliable school improvement data. As a result, some states are reporting inaccurate or incomplete school improvement information to Education.<br><br>One state underreported the total number of schools in need of improvement from the 1996–97 school year through the 1999–2000 school year by a percentage ranging from 40 percent to 86 percent. This occurred because the SEA did not have sufficient management controls to ensure that the reported data were reliable and valid. | SEAs should develop systematic procedures for developing school improvement information and adequate controls to ensure the reliability of the data. Controls should include a supervisory, an analytical, and a reasonableness review of the data against sources and across years to identify errors and anomalies. | One state reported that, since the audit, it has completed and implemented written procedures for developing and reviewing the data on Title I schools in need of improvement. |
| All three states audited in detail lacked adequate documentation of procedures and controls for (1) developing the data on schools in need of improvement, (2) reporting data to Education in the *Consolidated State Performance Report,* and (3) ensuring that they were reporting reliable information. | The SEAs should develop and maintain current documentation of all manual and automated procedures and controls for preparing and ensuring the quality of the data submitted in the *Consolidated State Performance Report* on schools in need of improvement. | Management concurs.<br><br>SEAs plan to develop and maintain documentation of procedures and controls for preparing the *Consolidated State Performance Report*. One SEA reported that it completed and implemented written procedures and controls in February 2002. |
| **U.S. Department of Education Quality Controls for State Accountability Data** | | |
| Management controls over the timely publication of school improvement data need to be strengthened. Approximately 40 states were asked to revise their initial 1998–99 data submission because of conditions identified during an edit. Education published the 2000 (1997–98 data) and 2001 (1998–99 data) reports approximately 22 months after the data were due from the states. | Education's assistant secretary for Elementary and Secondary Education and the undersecretary should strengthen management controls to ensure the timely receipt, review, and publication of performance data concerning schools identified for improvement. | Management generally concurs.<br><br>The offices of the Undersecretary and of the Elementary and Secondary Education are working on developing more efficient follow-up procedures. Education plans to provide technical assistance to states in implementing new reporting requirements of the No Child Left Behind Act. |

# Executive Summary

| Summary of Findings, Recommendations, and Management Responses | | |
|---|---|---|
| **Finding** | **Recommendation** | **Response** |
| Education needs to strengthen its process for ensuring that Title I school improvement data are reliable and valid. | Education's assistant secretary for elementary and secondary education and the undersecretary should:<br>• Develop and implement written procedures to assess, during monitoring visits to SEAs and LEAs, whether school improvement data are reliable and valid.<br>• Distribute Education's Data Quality Standards to SEAs and encourage them to provide the standards to LEAs for their use.<br>• Include audit procedures in the OMB Compliance Supplement to review controls over Title I, Part A school improvement data at LEAs and SEAs during annual single audits. | Management generally concurs.<br>The Office of Elementary and Secondary Education (OESE) plans to develop written procedures to assess the reliability and validity of school improvement data during monitoring visits to states. Furthermore, OESE hopes to improve the quality of federal data, as well as minimize the burden on states, by implementing a performance-based data management initiative. |

# Executive Summary

| Summary of Additional Observations |
| --- |
| Factors that further success in implementing state assessment and accountability systems:<br>• Active involvement and support by state leaders<br>• Coordination among the levels of public education administration<br>• Depth of assessment expertise at the state level |
| Factors that hinder success in implementing state assessment and accountability systems:<br>• Inadequate funding<br>• Prior investments in systems that predated and conflicted with the 1994 requirements |
| Areas of greatest noncompliance with assessment requirements:<br>• The requirement to assess *all* students and schools<br>• The requirement to break out assessment results by subcategories such as gender, race, and disability status |
| Limited state measures to ensure appropriate testing exemptions and accommodations:<br>• Most states report that they have developed standards for LEAs to follow to justify exemptions of students with limited English proficiency and to ensure appropriate accommodations for students with disabilities. However, states reported few actions that would ensure that their guidelines were followed. SEA on-site monitoring visits could be used to assess the appropriateness of LEA policy and practice with regard to testing accommodations. However, in a recent review, the U.S. General Accounting Office found that states varied dramatically on how often they conducted on-site visits. The average time between visits ranged from 2 years or fewer (in 6 states) to more than 7 years (in 17 states). |
| Failure to describe data quality issues in designated section of *Consolidated State Performance Report* to Education:<br>• Two states did not report significant data quality issues regarding schools needing improvement in the designated section of the *Consolidated State Performance Report*. |
| Failure to report states that have changed assessment systems from one year to the next:<br>• In Education's *State ESEA Title I Participation Information: Final Summary Report* for each school year, Education's Performance and Evaluation Services Division has not identified states that have changed their assessment systems from year to year. Without such disclosure, year-to-year comparisons can mislead the reader or cause the reader to question the reliability of the data. |
| Failure to report or the misreporting of Title I LEAs in need of improvement:<br>• One large state did not report the number of Title I LEAs identified for improvement in its performance report for the 1996–97 and 1999–2000 *Consolidated State Performance Reports*. For both the 1997–98 and 1998–99 school years, this state reported the same numbers for the total number of Title I LEAs and the number of Title I LEAs in need of improvement. |

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## Introduction: The Joint Audit of Title I Accountability Data Identified Improvements to Be Made at Federal, State, and Local Levels

This report summarizes the work of five public auditing offices that collaborated to audit the quality of Title I accountability data gathered and reported at three governmental levels: local education agencies (LEAs), state education agencies (SEAs), and the U.S. Department of Education (Education). The following were the participants in the audit:

- U.S. General Accounting Office
- U.S. Department of Education's Office of Inspector General
- Texas State Auditor's Office
- Pennsylvania Department of the Auditor General
- Office of the City Controller, Philadelphia

We conducted audits of Title I accountability data quality, specifically focusing on the reliability, validity, and timeliness of information on schools in need of improvement reported to and used by Education in reports to Congress. We surveyed all states; interviewed state Title I officials; and conducted detailed audits in California, Pennsylvania, Texas, and the Philadelphia School District. We also reviewed Education's controls over data quality. Our audit results are intended to provide useful information to all LEAs, SEAs, and the federal government about improving the quality of Title I accountability data nationwide. (See Appendix 2 for a list of the six audit reports and contact information.)

Section 1:

## State Implementation of Accountability Systems Varies Widely

Our joint audits found variation among states':

- Implementation of school accountability systems.
- Methods for ensuring the quality of the accountability data they use to report on students' and schools' performance and on schools in need of improvement.

Accountability information measures school performance based on state-established criteria, which include standards for student performance on statewide student assessment tests. It may also include additional indicators, such as school attendance and dropout rates. States use accountability information to determine schools making adequate yearly progress and to identify schools in need of improvement. States report accountability information to students,

**Title I, Part A**

The Title I, Part A program was enacted under the Elementary and Secondary Education Act (ESEA) and was amended by the Improving America's Schools Act of 1994.

The 1994 reauthorization of ESEA required each state to develop an assessment system for all students and all schools to identify schools that were not meeting state standards for adequate yearly progress in student performance.

The 2001 reauthorization of ESEA augments the assessment and accountability requirements that states must implement and increases the stakes for schools that fail to make adequate yearly progress.

parents, school districts, state officials, and the general public. They also report accountability information on Title I schools in their annual *Consolidated State Performance Report* to Education.

Title I of the Elementary and Secondary Education Act (ESEA), which was reauthorized by the 2001 No Child Left Behind Act, is the largest source of federal funding for public education. Title I will provide states with $10.3 billion in fiscal year 2002 to improve the educational achievement of children at risk. Title I serves about 12.5 million children in all 50 states, the District of Columbia, and Puerto Rico.

Section 1-A:

## States Lacking Accountability Systems Risk Losing Federal Title I Funds

As of March 2002, 17 states were in compliance with the 1994 Title I student assessment requirements of ESEA. Thirty-five states (including the District of Columbia and Puerto Rico) were not in compliance with those requirements (see Table 1 below).

Table 1

**Status of States' Compliance With 1994 Title I Assessment Requirements as of March 2002**

| Compliant (17) | Noncompliant (35) | |
|---|---|---|
| Colorado | Alabama | Nebraska |
| Delaware | Alaska | Nevada |
| Indiana | Arizona | New Hampshire |
| Kansas | Arkansas | New Jersey |
| Louisiana | California | New Mexico |
| Maine | Connecticut | New York |
| Maryland | District of Columbia | North Dakota |
| Massachusetts | Florida | Ohio |
| Missouri | Georgia | Oklahoma |
| North Carolina | Hawaii | Puerto Rico |
| Oregon | Idaho | South Carolina |
| Pennsylvania | Illinois | South Dakota |
| Rhode Island | Iowa | Tennessee |
| Texas | Kentucky | Utah |
| Vermont | Michigan | Washington |
| Virginia | Minnesota | West Virginia |
| Wyoming | Mississippi | Wisconsin |
| | Montana | |

Source: *Title I: Education Needs to Monitor States' Scoring*, U.S. General Accounting Office, April 2002

Congress gave states until the beginning of the 2000–01 school year to fully implement those requirements. The status of the 35 states that were not in compliance as of March 2002 was as follows:

- Thirty states held a waiver extending the 2000–01 deadline.
- Five states had been asked by Education to enter into compliance agreements that establish the date by which they must be in compliance before being subject to losing some Title I administrative funds.

Documents from Education show that data for the disabled, migrant, and economically disadvantaged subcategories are the most common subgroups excluded from campus, LEA, and state reports. In addition, many states are behind in other areas such as aligning assessments to state content standards and including all schools and students in the accountability system. For example, one of the three large states we audited in detail had not yet included all Title I schools in its accountability system as required by law.

> The assessment requirements that states most frequently have not met are the following:
>
> - Assess *all* schools and students
> - Break out assessment results by the following subcategories of students:
>  - Gender
>  - Race
>  - Ethnicity
>  - English proficiency status
>  - Migrant status
>  - Disability status
>  - Economic disadvantage

The 2001 No Child Left Behind Act's reauthorization of ESEA includes deadlines that vary according to the specific requirements in the reauthorization. States can receive a one-year extension beyond those deadlines only in the case of a "natural disaster or precipitous and unforeseen decline in the financial resources of the state." Because the majority of states have not met the requirements of the 1994 law, it appears that many states may not be positioned well to meet the schedule for implementing the new requirements.

Education may withhold funds if a state does not meet the terms of its compliance agreement. The 1994 legislation was not specific in the amount of administrative funds that could be withheld, but the 2001 legislation states that Education must withhold 25 percent of state administrative funds until a state meets the 1994 requirements (including the terms of any time line waivers or compliance agreements).

Section 1-B:

## Several Factors Affect the Implementation of Compliant Accountability Systems

Responses from 50 state Title I directors to a survey, as well as information gained from interviews with state officials, revealed four primary factors that further or hinder compliance with 1994 Title I requirements.

**Factors Furthering Implementation:**

Efforts of State Leaders

Officials we interviewed in states that had attained compliance with 1994 Title I requirements said that their respective governors, legislators, and business leaders made compliance a high priority. They described the development of high-level committees, new state legislation, and other measures to raise the visibility and

priority of school accountability. One governor spearheaded a plan that used commissions to develop content standards and assessments aligned with those standards.

Some state officials reported that SEA leaders had initiated organizational changes to facilitate implementation of accountability systems. One SEA reorganized according to function (rather than funding stream) to enhance coordination. In one case, SEA managers who did not support changes necessary to achieve compliance with Title I were replaced with more supportive staff.

One large state also noted the importance of state leadership and collaboration among levels of government and education in developing and implementing the automated information systems necessary to operate the state's assessment and accountability systems.

Coordination Among Staff and Levels of Administration

More than 80 percent of the state Title I officials identified the ability of agencies and different levels of public education administration to coordinate their efforts as a factor that helped them meet requirements. Two states reported that having assessment and Title I staff share working space enhanced their ability to achieve Title I compliance. One state emphasized the importance of coordination and collaboration among state and local information managers, administrators, and teachers in the development and continued improvement of the data quality within accountability systems.

Title I and other state officials in states that had met the 1994 Title I requirements noted that they had made great efforts to secure the support and participation of other state officials, local administrators, educators, and the public. Several officials reported holding public meetings and focus groups to obtain input from parents, teachers, and local administrators. They also reported conducting public relations campaigns to educate the public about the importance of complying with Title I requirements. One state conducted focus groups and hearings over a period of six years, and it conducts annual conferences to allow local education officials to address issues and gain advice from experts.

Availability of Expertise at the State Level

More than 80 percent of the state Title I directors identified the availability of state level expertise as a factor that facilitated their efforts to meet Title I requirements. Training for teachers and district personnel was a key factor in achieving success in the administration of assessment and accountability systems. Two states use regional education centers to train and provide technical assistance on assessments and standards to local staff.

**Factors Hindering Implementation:**

Half of the survey respondents identified inadequate funding as an obstacle in moving toward compliance. Noncompliant states cited this problem more often than compliant ones. Officials from noncompliant states also reported that progress toward compliance with Title I requirements was stalled because of previous investments they

had made in assessment systems that predated and conflicted with the 1994 Title I reauthorization. One example of this conflict was the shift from norm-referenced assessments to criterion-referenced assessments. Respondents specified that building support and obtaining funding for a new system was time-consuming, and it took their respective states several years to change from old systems to new, compliant ones. One survey respondent from a very small state noted that, due to the state's size, the SEA has a small staff that lacks the technical expertise to develop a new system.

Section 2:

## State Actions to Ensure Accurate Assessment Test Scoring and Student Accommodations (Where Applicable) Are Limited

Most states are taking some action to ensure that Title I student assessment tests are scored accurately, that any exemptions for students with limited English proficiency are justified, and that students with disabilities are receiving appropriate testing accommodations to gather an accurate assessment of their abilities. However, although they reported establishing standards and guidelines for LEAs to follow, they reported few activities to ensure that these guidelines were followed.

Section 2-A:

### State Monitoring of Test Contractor Scoring Is Inadequate to Ensure Accuracy

Monitoring methods states use to ensure the accuracy of test contractors' scoring and reporting do not always provide adequate assurance of complete and accurate scoring results. Several states reported problems with scoring and calculation errors, regardless of whether they had monitoring procedures in place. These states reported that local district officials, parents, and state agency staff discovered the errors. The errors affected students, families, and school and district resources—in some cases significantly. One state sent thousands of children to summer school based on erroneous scores the test contractor calculated. In another case, based on a test contractor's errors, a state incorrectly identified several schools as needing improvement, a designation that carried with it both bad publicity and the extra expense of providing technical assistance to schools that did not need it.

Of the 44 states that hire contractors for test scoring, 16 (one-third) have no monitoring mechanism to ensure the accuracy of the contractor's test scoring and reporting. Of the 28 states that reported they do use one or more monitoring mechanisms, 15 reported that they monitor the contractor's scoring by comparing a sample of original student test results to the contractors' results. Some also reported comparing current test scores with those from previous years to identify significant variations, but this comparison may, in some cases, be informal. Several states indicated they are still relying on contractor self-monitoring to ensure accurate scoring. For example, one of the three large states we audited in detail had submitted to Education incorrect information on adequate yearly progress and Title I schools in need of improvement because of errors in its accountability database and in the test contractor's compilation of student assessment results. When the state discovered the

errors and corrected its accountability ratings, it did not submit corrected data to Education.

States that were in compliance with Title I requirements generally had more-complete monitoring systems that included measures such as using technical advisory committees to review results, conducting site visits, and following a sample of tests through the scoring and reporting process. One large state simulates six complete district student populations and test answer documents to check the contractor's scoring and reporting for all possible types of errors. Three states direct staff or hire third parties to conduct independent audits of test scoring.

Education is obligated under the Federal Managers' Financial Integrity Act of 1982 and the Single Audit Act to ensure that states that receive federal funds comply with statutory and regulatory requirements for monitoring contractors. However, Education currently takes limited action regarding states' monitoring of assessment test contractors. Education has an important vehicle for such oversight: compliance reviews of state programs that it conducts on a four-year cycle, which includes a weeklong, on-site visit. However, Education's Office of Inspector General has reported the following deficiencies in this review:

- Insufficient time to conduct the reviews
- Lack of knowledge among Education staff about areas they review
- Lack of consistency in how Education staff conduct the reviews

Senior Education officials report that Education is developing a new achievement-focused monitoring process that it will pilot during fiscal year 2002. However, a senior Education official who is working on the redesign of the compliance reviews reported that the current draft plans do not include specific checks on state monitoring of assessment scoring. Confidence in the accuracy of test scoring is critical to the acceptance of the test results used in assessing school performance.

Education should include in its new compliance reviews a check of (1) the controls states have in place to ensure proper test scoring and reporting of results and (2) effective implementation of these controls by states.

Section 2-B:

## States' Efforts to Ensure Compliance With Guidelines for Accommodating All Students Are Limited

According to our surveys and interviews, 33 states have taken at least minimal actions to ensure that assessment test exemptions for students with limited English proficiency are justified; 41 states have taken actions to ensure that assessment test accommodations for students with disabilities are appropriate. Most states have developed standards for LEAs to follow in accommodating these students so that assessments can yield accurate measures of their performance. However, states report they have made limited efforts to ensure that LEAs follow these guidelines. For example, 17 states reported that they compare the number of students with limited English proficiency tested within a given year against the number for the previous year. Because of high student mobility and students' changing status with regard to

English proficiency, this comparison has obvious limitations. It is also not evident how such comparisons would allow states to ascertain the appropriateness of the accommodations.

Survey results and interviews indicated that relatively more states are taking actions to monitor accommodations for students with disabilities, but relatively fewer states are taking actions to monitor accommodations for students with limited English proficiency. While 25 states reported that they have standards for accommodating students with limited English proficiency, 36 have standards for accommodating students with disabilities. State officials report that this is the case because LEAs have been able to build on steps they have taken under the Individuals with Disabilities in Education Act (IDEA) to document accommodations needed by students with disabilities. More states are still in the process of developing alternative assessments or standards to accommodate students with limited English proficiency.

SEAs conduct cyclical or risk-based monitoring of the implementation of all of their programs. This same monitoring process could be used to assess the appropriateness of LEA policy and practice with regard to testing accommodations. However, in a recent review, the U.S. General Accounting Office found that states varied dramatically on how often they conducted on-site visits. The average time between visits ranged from 2 years or fewer (in 6 states) to more than 7 years (in 17 states).

Section 2-C:

## Some States Are Not Adequately Monitoring LEAs or Otherwise Exercising Oversight of LEA Procedures and Controls to Ensure Accountability Data Quality

We identified a number of practices and procedures that helped ensure data quality when we reviewed SEA and LEA procedures for (1) gathering, processing, and reporting accountability data and (2) ensuring data quality. Best practices included the following:

- Automated attendance-recording systems for teachers
- Required reconciliations between campus and LEA reports and source documentation
- Comprehensive manuals providing data definitions, procedures, and requirements
- Ongoing training provided by the SEA, regional education service centers, and LEAs
- LEA and campus officials designated as coordinators for the data quality of accountability indicators
- LEA superintendent validation of LEA data submitted to the SEA
- Electronic editing systems for LEAs to use in submitting data to the SEA
- Independent or SEA audits of LEA data quality

- Sanctions (built in to the accountability system) for LEAs and campuses with significant data quality problems

However, the states we audited were not adequately monitoring the procedures and controls their LEAs have in place to ensure the quality of the accountability data they reported to the SEAs. One of the states we audited in detail provided comprehensive guidance and training to LEA personnel, but it did not monitor or otherwise verify LEA data submitted to the SEA. Our audit revealed significant error rates in Title I campus and LEA accountability data submissions in that state, which may have affected the quality of the school improvement data this SEA reported to Education. Instead of monitoring or auditing LEA data at the time of submission, this state's SEA relied on a special data inquiry unit to identify and audit LEAs and campuses with potential data quality problems after accountability ratings had been determined. The SEA then lowered accountability ratings for LEAs that had significant data quality problems. However, the data inquiry unit was not reporting its results in a way that allowed the SEA to quantify error rates and types, determine the significance of LEA data quality problems, or address these problems.

In another state we audited in detail, we found that the SEA was not monitoring its LEAs for data quality or otherwise becoming aware of problems with LEA data quality. The audit we conducted at this state's largest urban LEA revealed serious data quality problems that the SEA had not acknowledged in its *Consolidated State Performance Report* to Education for the 1999–2000 school year.

As mentioned previously, states conduct cyclical monitoring of the implementation of their programs at LEAs. These monitoring visits could include reviews of accountability data procedures and controls. However, some states may not be visiting LEAs frequently enough to provide ongoing assurance about LEA data quality. States should at least become aware of the potential problems. Then they would be able to develop some method for evaluating and disclosing the extent to which poor LEA data quality could be affecting the information on schools in need of improvement reported within the state and to Education.

Section 3:

## Campuses and LEAs Have Significant Weaknesses in Data Reporting and Quality Control Procedures

LEAs from state to state differ in terms of the degree of automation and quality controls they use in gathering, processing, and reporting basic Title I accountability data. Their systems range from highly automated processes to mostly manual processes, and their systematic procedures and controls range from established and well documented to almost nonexistent.

Section 3-A:

## Data Quality Problems Persist at LEAs and Campuses in One State With Automated Reporting and Editing Systems

As mentioned in Section 2-C, we found significant statistical error rates in the gathering and reporting of basic accountability data at Title I campuses and LEAs in one of the states we audited in detail—a state that is recognized as having one of the best accountability information systems in the country. Extended to all Title I campuses statewide, these error rates prevented us from providing full assurance regarding the quality of the state's accountability information used within the state and reported to Education.

The SEA in this state does not monitor or otherwise verify the accountability data the LEAs submit to it. Instead, it provides thorough and annually updated data definitions, standards, and guidelines to the LEAs, as well as ongoing training. It also has implemented a secure automated data transfer process. The data transfer process requires the LEAs to use a Web-based edit application for each data submission to identify and correct all fatal errors and two other types of errors. This procedure ensures that data is logically correct, but it cannot address the weaknesses in data quality controls that exist during the data gathering and reporting process.

In the 1999–2000 school year, this state used three base accountability indicators: student assessment results, attendance rates, and dropout rates. We found an error rate of 7 percent in the coding of student assessment test answer documents for students' "tested" or "not tested" status. We also found certain unmonitored areas with the potential for careless or purposeful miscoding that would result in eligible students' being unaccounted for with regard to required testing. Additionally, we found a 10 percent error rate in the documentation and coding of school leaver reasons (including dropouts) and a 0.55 percent error rate in attendance reporting. The error rate in reporting student attendance and absence was relatively low, but extended statewide, it meant that as much as $27 million in state public education funds was allocated on the basis of reported but undocumented student attendance.

These data quality problems suggest the need for enhanced training and procedures at campuses and LEA central offices, including improved supervisory review, to help ensure the reliability of the data LEAs report to their SEAs. Campuses can implement routine reconciliations between source documentation and campus reports to the LEA and can perform additional review of the coding of students' answer documents for test participation status. There are additional steps the SEA can take to ensure campus and LEA data quality, such as data quality audits followed by sanctions, if necessary. However, as mentioned previously, the states we reviewed were not monitoring LEAs and campuses for Title I data quality.

Section 3-B:

## Manual Reporting Procedures for Which There Is No Oversight or Review Produce Poor Data Quality

In the large LEA we audited, 259 campuses and the LEA were gathering, recording, and reporting accountability data manually. This resulted in numerous errors of

multiple types that remained undetected as the data were processed and reported to the SEA.

Moreover, it was not possible to test or verify the accuracy, completeness, validity, or timeliness of the data. The LEA and campuses had not complied with federal record retention requirements and had maintained almost no supporting documentation for the data that they submitted to the SEA and that the SEA would use to determine schools in need of improvement. Both the original source documents and the campus summary sheets for student assessment results were missing. Some of this documentation had been lost as a result of damage, and some of it had not been maintained in the first place. The limited testing we were able to conduct using the estimated 4 percent of available records indicated that there were problems with the validity and reliability of the information reported to the LEA for the 1999–2000 school year.

Additionally, this LEA had allowed its campuses to use inconsistent and perhaps inappropriate sampling methods for reporting student assessment results for middle and high schools. The SEA had not sanctioned the use of sampling, and we could not verify the manner in which or the extent to which the sampling had occurred.

There was no evidence that supervisors or other staff reviewed data before submitting it to the next level in the process. No one at campuses or at the LEA compared classroom summary sheets to source documents, checked on the completeness of the summaries, or verified that all classrooms were included in the campus summaries sent to the LEA.

Moreover, at this LEA, one person was responsible for manually entering all the campus data—more than 8,000 entries—into an Excel spreadsheet. This person also manually keyed in data to the formatted Title I report. However, no one reviewed the accuracy of the spreadsheet formulas or totals, nor did anyone review the accuracy and completeness of the data reported. No one reviewed the spreadsheet totals or the final report for anomalies such as unusual year-to year differences or omissions.

Examples of the types of errors we discovered during our audit included the following:

- Schools failed to report student assessment results for significant numbers of students, and the LEA reported incomplete data to the SEA.
- On LEA summary spreadsheets, there was a significant discrepancy between the number of grades reported for math assessment and the number of grades reported for reading assessment.
- Nine schools had no data on the number of students tested. The SEA reported that it prepared the report from orally conveyed information without completing the spreadsheet.
- Serious data entry errors for one high school occurred when data from campus summary sheets were keyed into the LEA spreadsheet.
- Information for one entire classroom of assessment results was missing from the LEA Title I spreadsheet.

In another state we audited in detail, LEAs were not required to submit data for the SEA to use in preparing its *Consolidated State Performance Report* until shortly before the report was due to Education. Additionally, the LEAs manually submitted their data, which were often inconsistent and took time to reconcile. As a result, the SEA could not submit its report by the December 1 deadline. Beginning in the 2001–02 school year, however, the SEA reports that LEAs started submitting data to the SEA electronically and were required to resolve edit discrepancies prior to submission.

To improve data quality, LEAs should:

- Identify and address risks to the security of records required for compliance with Title I law.
- Implement strategies to prevent, mitigate, or recover from loss of required documentation.
- Monitor and enforce campus and LEA compliance with federal record retention requirements.
- Develop and implement written procedures for campuses and the LEA to follow in developing and reporting Title I performance data.
- Develop and implement data quality controls that include reconciliations with source documentation; systematic review of data for reasonableness, accuracy, and completeness; and identification of anomalies that could be errors.
- Automate, to the extent possible, Title I accountability data gathering, processing, and reporting procedures.
- Use monitoring and audit results to focus resources, training, and oversight on identified data quality problems.

In addition, SEAs should monitor LEAs to ensure they are using appropriate methods for collecting and reporting accountability data.

Section 4:

## Some States Are Not Reporting Accurate, Complete, or Timely Information to Education

The SEAs in two of the three large states we audited were not reporting to Education accurate, complete, valid, or timely Title I accountability data on schools in need of improvement. In the third state we audited, the state's school improvement information may have been compromised by campus and LEA data quality problems.

States' submissions of incorrect Title I data to Education result in the use of unreliable data to prepare Education's Title I performance reports to the U.S. Congress. Because of the lateness and poor quality of many states' submissions, Education's reports to Congress for the 1997–98 and 1998–99 school years were not published until 22 months after the state data submission deadline. Consequently, Congress may have

been making Title I policy and funding decisions on the basis of inconsistent, unreliable, and out-of-date data.

Our audits allowed us to identify three primary causes of poor state Title I accountability data quality:

- Significant errors in basic accountability data reported to SEAs by campuses and LEAs
- SEA noncompliance with the Title I law and reporting requirements
- Absence of systematic procedures and basic controls at SEAs to help ensure the quality of state accountability data developed and reported within the state and to Education

In Sections 4-A through 4-C, we provide additional details on the causes of and the recommendations for eliminating problems in the accountability information development and reporting process.

Section 4-A:

## Significant Errors in LEA Accountability Data Reported to the SEAs Continue to Affect the Quality of Data That SEAs Report to Education

As mentioned in Section 2-C, our audits of three states determined that SEAs may not be adequately monitoring or otherwise exercising adequate oversight over LEA procedures and controls to ensure the quality of the accountability data they report to the state. Regardless of an SEA's procedures and controls to ensure the quality of the accountability data it collects, processes, and reports, its state accountability data are incorrect at least to the extent that the LEAs' data are incorrect.

One of the three states we audited has a strong, fully automated accountability system in place. This state also has an automated process for calculating and reporting information on schools in need of improvement to Education. The state's assessment and accountability systems received approval by Education in March 2002. The SEA reliably processes data on schools in need of improvement and reports this information on the basis of the data it receives from the LEAs. As noted previously, however, error rates in data gathering and reporting at campuses and LEAs prevented us from providing full assurance regarding the quality of this state's accountability data.

SEAs need to develop some method for identifying data quality problems (and the extent of those problems) at LEAs and need to report that information in the section of the *Consolidated State Performance Report* designated for data quality issues. To continually improve accountability data quality, SEAs and LEAs should collaborate on addressing identified problems.

Section 4-B:

## Noncompliance Within Accountability Systems and Reporting Procedures Results in Errors in Title I Data Reported to Education

In two states we audited in detail, we determined that some of the data quality problems we identified in the school improvement data reported to Education resulted from the SEAs' noncompliance with the Title I law and federal reporting requirements.

**Incomplete School Accountability System.** One SEA had an accountability system in place for determining school performance and identifying schools in need of improvement. The system was not yet in compliance with the Title I statute, however, because its accountability system did not include all Title I schools. The system had not yet been extended to include alternative campuses or very small campuses in the state. As a result, this state failed to consider the performance status of 543 (11 percent) of the 4,868 Title I schools and may have underreported to Education the number of Title I schools in need of improvement.

**Misinterpretation of Title I Reporting Requirements.** Two SEAs were misinterpreting the federal definition of schools in need of improvement. This definition includes schools identified as needing improvement in the current year and schools remaining in that category from prior years. These two states were underreporting the number of Title I schools in need of improvement because they were reporting only schools identified as needing improvement in the current year.

**Failure to Develop and Retain Supporting Documentation.** As described previously, two SEAs were not in compliance with federal record retention requirements. This meant that data could not be verified and corrected before submission to Education or after submission, when adjustments were necessary or when data quality audits were being conducted. In the case of one state, it was not possible to determine whether the school improvement information it submitted to Education was accurate.

**Failure to Report Data Quality Issues.** Two SEAs should have been but were not sufficiently aware of significant issues regarding the quality of their Title I accountability data. As a result, neither state reported these issues in the designated section of the *Consolidated State Performance Report.* The third SEA we audited knew that there were problems with the quality of LEA data, but it did not know the extent of the problem or report it in the Title I report to Education. SEAs that fail to report circumstances that affect the quality of data are not in compliance with Title I reporting requirements. This also violates a data quality requirement for full disclosure of all information that would affect the interpretation and use of the data.

**Inability to Meet Title I Reporting Timelines With Reliable, Timely Data.** SEAs in the three states we audited were not able to submit their *Consolidated State Performance Report*s to Education by the December 1 deadline. The state with the most established student assessment and accountability systems and the most fully automated accountability information system must use data from two different years to determine accountability ratings each year. This state must use student assessment data from the current year, but it must use dropout and attendance data (which were also base accountability indicators) from the previous year.

In this state, student assessment data are not final until the end of November, following the administration of the spring and summer assessment test series. However, these data are not useful because the Title I law and reporting requirements call for final accountability calculations to identify schools not making adequate yearly progress. Given the additional time required to aggregate, disaggregate, and verify final accountability data and to review the *Consolidated State Performance Report* for all entitlement programs, the final report is not ready by December 1. Because this is the case in a state that Education officials and contractors describe as having one of the best accountability information systems in the country, it is likely that timely submission of the *Consolidated State Performance Report* is a problem in other states as well. According to the SEA in another state we audited, LEAs were not required to submit data that the SEA used to prepare its *Consolidated State Performance Report* until shortly before the report was due to Education. In our audit of Title I data quality at Education, we found that another state was not able to finalize its data submission until two weeks before Education published the 1998–99 school year report in October 2001 because the largest LEA in that state was late in submitting its data to the SEA.

Education's *State ESEA Title I Participation Information for 1998–99: Final Summary Report* (2001) indicates that many states do not meet the December 1 deadline. For example, only four states met that deadline for the 1998–99 school year. One-fifth of all states submitted their *Consolidated State Performance Report*s for that school year more than 18 months late.

Additionally, the data processing contractor Education retains to receive and edit state Title I data informed us that, for that same school year, approximately 40 states were asked to revise their initial data submissions because of conditions identified during the contractor's editing process. Moreover, one of the three states we audited in detail was submitting preliminary data based on unreviewed assessment results. It was not sending final, corrected data to Education.

Education originally set the December 1 deadline to meet a legislative requirement for receiving annual performance reports on federal education programs no later than March 31 of each year. This date coincides with Education's submission of its annual financial report to the Office of Management and Budget (OMB). However, because of states' late submissions and the absence of adequate procedures by Education to ensure timely receipt, review, and publication of school improvement data, Education did not publish the reports for the 1997–98 and 1998–99 school years until 22 months after the data were due from the states. (See Section 5 for a discussion of improvements Education could make in its procedures for obtaining timely and reliable state Title I data.)

Each SEA should include all Title I schools in the state's review to identify and report schools in need of improvement. Specifically, SEAs should:

- Report all Title I schools with the status of needing improvement, not just those identified during the current year.
- Ensure that they and LEAs maintain source documentation for and prepare adequate documentation of each year's development of school improvement

information. SEAs and LEAs need to retain documentation for three years, as required by federal regulations.

- Communicate with their LEAs and identify data quality issues at local and state levels. They should disclose these issues in the designated section of the *Consolidated State Performance Report* as necessary.

For a recommendation regarding late state submissions, see Section 5-A.

Section 4-C:

## States Need to Develop and Implement Systematic Procedures and Controls for Gathering, Processing, and Reporting Reliable Title I Accountability Data

In one of the states we audited in detail, the SEA reported having numerous and comprehensive procedures and controls in place to protect the quality of the accountability data it received from the state's campuses and LEAs as it processed and reported that data to Education. Our tests of campus and LEA data as it progressed through that SEA's automated processes and on to the *Consolidated State Performance Report* indicated that the SEA was protecting the integrity of the LEA data it received and used to determine schools in need of improvement. This state's data quality procedures and controls included the following:

- Strategic planning and resource allocation for mission-critical, enterprise information assets
- Current, published data definitions, standards, and procedures
- Published and updated agency policies on security, confidentiality, and information resources
- Automated tools for reporting secure data and for identifying and correcting errors
- Ongoing training and technical assistance for LEAs
- Progressive oversight, review, and data correction
- Data quality audits followed by sanctions when necessary

However, as reported previously, the errors we found in campus and LEA accountability data reported to that SEA prevented us from providing full assurance regarding the quality of the state's accountability data. Like other SEAs we reviewed, the SEA did not monitor its LEAs for accountability data quality. Instead, it relied on audits of LEAs and campuses for data quality after their accountability ratings had been established, followed by sanctions and lowered accountability ratings when necessary.

We recommended that the SEA and LEAs cooperate to identify and address persistent LEA data quality problems. We also identified four ways this SEA could monitor student assessment participation to ensure full participation of all eligible, qualified students. Additionally, we identified ways the SEA could enhance its accountability reporting to make it more accessible to users and to inspire greater public confidence in accountability information for policy- and decision-making.

**Inadequate Procedures and Controls for Developing Accountability Information.** In the other two states we audited in detail, we did not find evidence of systematic procedures or basic controls for gathering, calculating, and reporting accountability and school improvement information. Problems with the basic data procedures included weaknesses in or the absence of:

- Oversight and monitoring of LEA procedures for gathering and reporting accountability data to the SEA or lack of SEA awareness of data quality problems at LEAs
- Documentation of the collection and development of Title I school improvement information and retention of such documentation for the required time
- Evidence and documentation of analytical, reasonableness, and independent supervisory reviews of the data to ensure accuracy, completeness, and validity prior to use within the state and prior to submission to Education

In one state, these weaknesses in controls resulted in significant underreporting of the number of Title I schools in need of improvement. Over four years, this state reported to Education only from 14 to 60 percent of the schools identified as needing improvement in its database. Some schools were not reported because of the misinterpretation of the reporting requirement, but this does not account for all of the incomplete reporting. A proportion of the incomplete reporting also occurred because there was an absence of sufficient procedures and data quality controls for developing and reporting information to ensure its accuracy, completeness, and validity.

As mentioned previously, another of these two states submitted its *Consolidated State Performance Report* to Education without detecting errors in its accountability database or in the test contractor's compilation of student assessment results on which school performance had been based. After the SEA corrected its accountability database, our audit testing identified 24 campuses that were incorrectly reported in the database and 10 Title I LEAs that were not recorded in the database at all. Therefore, this state had not correctly reported to Education adequate yearly progress and Title I schools in need of improvement. The SEA lacked basic data quality controls, including established procedures, documentation of calculations, maintenance of records, and analytic, reasonableness, and supervisory reviews.

**Inadequate or Nonexistent Documentation of Procedures and Controls for Developing and Reporting Title I Accountability Data.** All three states we audited in detail lacked adequate documentation of their procedures and data quality controls for gathering, processing, and reporting information on schools in need of improvement to Education. This weakness ranged from an occasional gap in documentation to a complete absence of such documentation.

Without written documentation for data sources, definitions, business rules, manual and automated procedures, change and test procedures, or security and quality controls, there is an absence of history and accountability for reported data. This increases the risk of reporting inconsistent, unreliable data and of interruption in the case of disaster or absence or loss of staff.

See Table 2 for an overview of the strengths and weaknesses in data processing and quality controls at three states and at Education for state Title I data. We prepared this report from information in the individual reports listed in Appendix 2.

Table 2
Compliance and Data Quality Controls Vary

| Comparison of Compliance and Data Quality Controls for Reporting Title I Schools in Need of Improvement in *Consolidated State Performance Reports* for the 1999–2000 School Year | | | | |
|---|---|---|---|---|
| **Criterion** | **California** | **Pennsylvania** | **Texas** | **Education** |
| **Compliance with Title I Requirements** | | | | |
| Compliance with Title I reporting requirement to report all schools with status of needing improvement, not just schools identified with this status in the report year | No | No | Waiver because of state's annual school improvement requirements | Not audited |
| Compliance with Title I requirement to include *all* schools in evaluation of schools in need of improvement, including alternative and very small campuses | No | No | Yes | Not audited |
| Compliance with Title I reporting requirement to describe data quality issues in designated section of *Consolidated State Performance Report* | No | No | No* | Not audited |
| Compliance with record retention requirements of Title I program | No | No | Yes | Not audited |
| Timely submission of *Consolidated State Performance Report* and controls to help ensure timely submission | No | No | No | No |
| **Data Quality Controls** | | | | |
| Automated state school accountability system for determining schools making and not making adequate yearly progress | Yes | No | Yes | Yes |
| Systematic procedures and controls developed and implemented for identifying schools in need of improvement and for ensuring the quality of the data | No | No | No | No |
| Documentation of manual and automated procedures and data quality controls for identifying and reporting schools in need of improvement internally and to Education | No | No | No | Not audited |

| Summary of Overall Data Quality Controls and State Oversight and Monitoring | | | | |
|---|---|---|---|---|
| **Criterion** | **California** | **Pennsylvania** | **Texas** | **Education** |
| **Overall Data Quality Controls** | | | | |
| Sufficient overall controls in place to ensure reliable data on schools in need of improvement | No | No | No | No |
| **State Oversight and Monitoring of Accountability System** | | | | |
| Monitoring of full participation in student assessment testing by all eligible, qualified students | Not audited | Not audited | No | Not audited |
| Monitoring and verification of student assessment test scores determined and reported by test contractor | Not audited | No | Yes | Not audited |
| Enforcement of timely submission of student assessment data from test contractor | Not audited | No | Yes | Not audited |
| Oversight and monitoring of LEAs' and SEA's accountability data processing procedures and controls to ensure Title I data submitted to SEA and Education are reliable, valid, and timely | Not audited | No | No | No |

* The SEA did not mention data quality weaknesses at campuses and LEAs in the designated section of the *Consolidated State Performance Report*.

To strengthen systematic procedures and controls for gathering, processing, and reporting reliable Title I accountability data, SEAs should:

- Ensure that test data from test contractors are adequately reviewed, and document the review process before the data are used to determine and report schools in need of improvement to Education.
- Improve their information systems, procedures, and controls to ensure the accuracy, completeness, validity, and timeliness of their school accountability information reported within the state and to Education. Controls should include adequate supervisory, analytical, and reasonableness review of the data prior to publication or submission to Education.
- Correct data as soon as possible if they discover errors in their Title I report to Education.
- Maintain thorough documentation of all their manual and automated systems and data quality controls for developing and reporting accountability information within the state and to Education.

In addition, SEAs and LEAs should collaborate in continually improving state accountability data. SEAs should strengthen data verification procedures and communications with LEAs. They should adequately monitor and audit LEA data procedures and quality controls to ensure the completeness and accuracy of the Title I data they submit to the SEAs.

Section 5:

# Improvements Can Be Made in Data Quality Controls at Education

We assessed whether Education has controls to ensure that state Title I, Part A school improvement data are accurate, complete, valid, and timely. We determined that:

- Management controls over timely publication of school improvement data need to be strengthened.
- Management controls to ensure that Title I school improvement data are reliable and valid need to be strengthened.

To meet its administrative responsibilities and to report performance information to Congress, Education requires states to submit annual performance data. The reporting instrument, the *Consolidated State Performance Report,* requires states to provide data for eight formula grant programs, including Title I, Part A. Education requires states to submit their reports by December 1 with Title I information based on accountability and school improvement data from the previous school year.

Within Education, the Office of Elementary and Secondary Education (OESE) administers the Title I program of the ESEA. This includes the collection, review, and monitoring of the performance information the states provide. The Performance Evaluation Services division (PES) helps guide the Title I program priorities by evaluating the effectiveness, efficiency, and equity of the programs. OESE and PES have shared responsibility for school improvement data that SEAs report to Education.

Education hired a contractor to analyze and edit the participation, services, and achievement data from the Title I portion of the *Consolidated State Performance Report* for the 1997–98 and 1998–99 school years. The contractor consolidated the analysis of the states' data into the *State ESEA Title I Participation Information Summary Report*. This report presented the scope of the Title I program services for two successive school years.

Section 5-A:

## Management Controls Over the Timely Publication of School Improvement Data Need to Be Strengthened

As mentioned in Section 4, Education did not publish the *State ESEA Title I Participation Information Summary Report* for the 1997–98 and 1998–99 school years until approximately 22 months after the deadline for state data submissions.

OESE does not have a systematic process in place to enforce the December 1 deadline with clear and frequent reminders to states. There are no established time frames or regular follow-up procedures for obtaining late data submissions. OESE staff reported that they generally contact state officials by telephone and do not keep consistent records of these contacts. For 1999–2000, the most recent school year for required reporting, OESE program staff specified that they did not initiate actions on late submissions of state data until three months after the December 1 due date.

Additionally, they took no action against states that repeatedly submitted data late or against states that were nonresponsive.

Table 3 details data submission statistics from the log that OESE staff maintained to record the receipt and status of state consolidated reports for the 1998–99 school year. This table indicates that 48 states submitted their *Consolidated State Performance Reports* after the December 1 deadline.

Table 3

**Timeliness of States' Data Submission to Education for the 1998–99 School Year**

| | Submission Category | | | | Total States Reporting |
|---|---|---|---|---|---|
| | On Time | 5–30 days late | 31–120 days late | 121–270 days late | |
| **Number of States Reporting in Each Category** | 4 | 17 | 16 | 15 | 52[a] |

[a] Alaska was omitted from the log, thus reducing the number of reporting entities (including the District of Columbia and Puerto Rico) to 52.

Source: *Improving Title I Data Integrity for Schools Identified for Improvement*, U.S. Department of Education's Office of Inspector General Philadelphia, Pennsylvania, March 2002

Because the subsequent year's log was incomplete, it was not possible to determine the extent of late accountability data submissions by states for the 1999–2000 school year.

Education's Assistant Secretary for Elementary and Secondary Education and the Undersecretary should strengthen management controls to ensure the timely receipt, review, and publication of performance data concerning schools identified for improvement.

**Data Quality Standards**
**March 2000**

| | |
|---|---|
| **Validity:** | Data adequately represent performance. |
| **Accurate Description:** | Data definitions and counts are correct. |
| **Editing:** | Data are correct, internally consistent, and without mistakes. |
| **Calculation:** | Measured amounts are accurately computed using the right numbers and formulas. |
| **Timeliness:** | Data are recent and reported in time to inform policy action. |
| **Reporting:** | Full disclosure is made. Full disclosure can be met in part by documenting data collection processes. |

Source: U.S. Department of Education (http://www.ed.gov/pubs/AnnualPlan2001/Append1.doc)

Section 5-B:

## Education Needs Stronger Management Controls to Ensure that Title I School Improvement Data Are Reliable and Valid

The general instructions in Education's *Consolidated State Performance Report* require that all states must submit this report. Each state report is due December 1 of each year and should reflect data for the previous school year. To help ensure that performance data are of the highest quality, Education adopted data quality standards for its program managers (see text box). (In March 2001, Education published an expanded and revised list of eight data quality standards in its *2000 Performance Report and 2002 Annual Plans*. For this joint audit, however, the audit teams used the six standards published in March 2000.)

Education's processing contractor for state Title I data reported that, for the 1998–99 school year, it asked approximately 40 states to revise their initial data submissions because of anomalies detected through the electronic edit process. Our audit work concerning school improvement in one large state determined that this editing process alone was not adequate to ensure that the published school improvement data the state submitted were reliable and valid.

There are specific controls Education could implement to help ensure greater accuracy of state accountability data. For example, the data processing contractor and OESE staff advised us that they were unable to check the accuracy of the Title I performance data without requesting supporting documentation from states. However, collecting such documentation from the states would require approval from the OMB.

During state monitoring visits, OESE has not requested or reviewed school improvement data to ensure that the data were reliable and valid. The OESE reports that it will be piloting an achievement-focused monitoring process during fiscal year 2002. The monitoring visits will be based on a performance matrix, and school improvement data will be reviewed during those visits. Such monitoring will allow the OESE to identify weaknesses and call for improvements in a state's data quality controls, as the audits summarized in this report have done.

The OESE does not require states to validate the performance data they submit by requiring the appropriate state official to attest that the data reported on the *Consolidated State Performance Report* are reliable and valid. This attestation could provide a significant additional check on the quality of state data.

The Single Audit Act of 1984 established requirements for audits of states, local governments, and Indian tribal governments that administer federal financial assistance programs. The OMB provides a *Compliance Supplement* with guidance to assist auditors in determining compliance requirements relevant to the single audit. However, Education has not included steps to review school improvement data quality controls in this supplement.

In addition, at the time of this audit, Education had not distributed to SEAs its draft of data quality standards so that SEAs and LEAs could use these standards as a guide.

An additional audit observation is that the *State ESEA Title I Participation Information for 1997–98 and 1998–99: Final Summary Report*s do not identify the states that changed their assessment systems. A change in a state's assessment system used to measure schools' performance may affect the number of schools identified as needing improvement. As a result, year-to-year comparisons of the data, without adequate disclosure of a change in the state's assessment system, could lead a reader or decision-maker to draw incorrect conclusions or to question the validity and reliability of the data. We suggest that PES identify in the report the states that change assessment systems from one period to the next.

The recently passed No Child Left Behind Act of 2001 strengthens school accountability for student performance and defines consequences for schools that do not make adequate yearly progress. This increases the importance of reliable, valid accountability data. Improving management controls over the quality of state accountability data will help to ensure greater data quality.

To ensure that Title I School improvement data are reliable and valid, Education's Assistant Secretary for Elementary and Secondary Education and the Undersecretary should:

- Distribute Education's data quality standards to SEAs and encourage them to provide the standards to LEAs.
- Develop and implement written procedures to assess during monitoring visits to SEAs and LEAs whether school improvement data are reliable and valid.
- Include audit procedures in the *OMB Compliance Supplement* to review controls over Title I, Part A school improvement data at LEAs and SEAs during annual single audits.

Section 6:

## There Are Additional Data Collection Options for Education to Consider

This audit determined that the lateness, incompleteness, and inaccuracy of states' Title I data in their *Consolidated State Performance Report*s prevent Education from providing timely evaluations of the Title I, Part A programs for use by states and the U.S. Congress.

Some state Title I officials we interviewed noted that a major intention and effect of the enabling legislation for title programs is the integration of funding and service delivery across many instructional programs for many different types of at-risk students. According to these state officials, the Title I, Part A tables in the *Consolidated State Performance Report* require an arbitrary disaggregation of all information that has been integrated. The report requires input and output indicators and measures for each title program that may not accurately capture the variables or allow evaluation of overall performance and desirable outcomes for all programs combined.

In addition, reporting for schoolwide programs covers all students, including gifted and talented students and other categories of students who are not at risk. Title I, Part A funds are awarded to schools with high percentages of economically disadvantaged students and, although this category overlaps with at-risk students, it is not necessarily the same. According to some Title I officials, this blurring of inputs results in a blurring of the effects of Title I, Part A funding and programs, which makes it equally difficult to attribute outcomes to specific programs. Therefore, the present reporting system limits the validity of conclusions about performance of both the overall Title I, Part A program and its individual components.

Some state Title I officials we interviewed also noted that it would be helpful to have defined overall educational outcomes and then measure each program against those outcomes. This would allow a more meaningful evaluation of the effects of federal funding on student learning. According to these state officials, the previous ESEA and the No Child Left Behind Act, signed into law in January 2002, do not clearly define or quantify expected outcomes and their measures. The officials believe the

No Child Left Behind Act leaves program outcomes, measure definitions, and reporting requirements to Education to define by rule.

Education is currently developing rules for the consolidated state applications for title funding that give the states the flexibility to develop their own performance targets for measuring progress. However, these targets and reporting requirements would supplement Education's requirements for all 50 states to report on numerous variables and indicators for all the complex federal programs for public education. States are not measuring indicators consistently, which makes it impossible to draw conclusions about performance nationwide. Under the new law, limited capacity to draw nationwide conclusions will be offered by a new requirement that states participate in the National Assessment of Educational Progress (NAEP) for fourth- and eighth-grade reading and math.

State Title I officials in one large state we audited in detail compare Education's reporting requirements with those of another report on state compensatory education (which complements Title I, Part A programs). The state legislature defined in law the expected outcomes and the measurements required to report on those outcomes. Reporting is simple and straightforward and is not unduly burdensome on campus, LEA, or SEA personnel. It serves the state legislature's purposes in evaluating the effect of state funding on improving the academic performance of at-risk students.

State Title I officials suggest two alternatives to the burdensome reporting requirements of the *Consolidated State Performance Report*:

- Education could evaluate how individual states are and are not meeting the objectives of the federal law, instead of attempting to aggregate state results to a national summary level. This would allow Congress to identify successes and weaknesses in the program as enabled by statute and implemented by states.
- To evaluate program performance nationwide, Education could use sampling (stratified if necessary) to evaluate program performance nationwide. This would be an alternative to gathering all program information from all states, which is currently the method for assessing the national effect of student performance through the NAEP, a 30-year longitudinal study using a small statistical sample from each state.

Appendix 1:

# Objective, Scope, and Methodology

The overall objective of this audit was to determine whether data that states reported on Title I, Part A program performance were accurate, complete, valid, and timely. We conducted the audits resulting in this joint report as part of a project of the U.S. Comptroller General's Domestic Working Group. Our goal was to examine the quality of the data used for identifying Title I schools in need of improvement. The participants in this joint effort were the U.S. General Accounting Office (GAO), the U.S. Department of Education's Office of Inspector General (ED-OIG), the Texas State Auditor's Office (SAO), the Pennsylvania Department of the Auditor General, and the Office of the City Controller, Philadelphia.

Each participant defined a specific role in the audit:

- The GAO surveyed all states and conducted detailed interviews with several regarding their experiences in implementing major provisions of Title I.
- The ED-OIG conducted an assessment of data quality at the state and local levels in California and conducted additional work on control processes at the Department of Education.
- The SAO conducted a detailed assessment of data quality at the state and local levels in Texas.
- The Pennsylvania Department of the Auditor General assessed data at the state level, and the Philadelphia City Controller's Office pursued the same goal within the city of Philadelphia.

Our methodology included the following procedures:

- Interviews with Education and state and local public education officials
- Interviews with officials at Education's regional assistance centers
- Interviews with officials at the Council of Chief State School Officers
- Survey of state Title I directors
- Survey of a state's LEA public education information managers
- Reviews of legislation, rules, and regulations
- Review of peer reviews and reports completed or commissioned by Education's Planning and Evaluation Service
- Review of state consolidated plans and performance reports
- Review of relevant previous audit reports
- Review of major manual and automated information systems
- Review of state and local policies and procedures governing data collection, processing, and reporting
- Testing of data quality at campuses, LEAs, and SEAs

- Analysis of Title I data reported by SEAs and LEAs
- Analysis of data quality and security controls
- Coordination among our audit partners who provided information relative to their states' activities

Our criteria included the following:

- State and federal law and regulations
- Education and SEA data quality definitions
- SEA rules and regulations
- SEA standards, requirements, policies, and procedures

Appendix 2:

# Joint Audit Reports and Contact Information

### U.S. General Accounting Office

*Title I: Education Needs to Monitor States' Scoring* (General Accounting Office, GAO-02-393, April 2002)

Contact: Marnie Shaul, Director, Education, Workforce, and Income Security

Telephone: (202) 512-7215 E-mail: shaulm@gao.gov

Web site: http://www.gao.gov

### U.S. Department of Education

*Improving Title I Data Integrity for Schools Identified for Improvement* (U.S. Department of Education Office of Inspector General, ED-OIG/A03 – B0025, March 2002)

Contact: Bernard Tadley, Regional Inspector General for Audit - Philadelphia

Telephone: (215) 656-6279 E-mail: mshaul@gao.gov

Web site: http://www.ed.gov/offices/OIG/Areports.htm

### Pennsylvania Department of Education

*An Audit of the Pennsylvania Department of Education (PDE) Title I Performance Data* (Pennsylvania Department of the Auditor General, June 2002)

Contact: Richard Jordan, Director, Bureau of Federal Audits

Telephone: (717) 783-2858 E-mail: Richard_Jordan@auditorgen.state.pa.us

Web site: http://www.auditorgen.state.pa.us

### School District of Philadelphia

*An Audit of the School District of Philadelphia's Management Controls for Compiling and Reporting Performance Data that Measured the Effectiveness of the Title I, Part A Program in Philadelphia for the 1999–2000 School Year* (Office of the City Controller, Philadelphia, April 2002)

Contact: Albert Scaperotto, Deputy Controller

Telephone: (215) 686-6684 E-mail: Albert.Scaperotto@phila.gov

Web site: http://www.philadelphiacontroller.org

**Texas Accountability Information System**

*An Audit Report on the Quality of the State's Public Education Accountability Information* (Texas State Auditor's Office, SAO Report No. 02-044, May 2002)

Contact: Carol Smith, Audit Manager

Telephone: (512) 936-9500 E-mail: csmith@sao.state.tx.us

Web site: http://www.sao.state.tx.us/Reports

**California Department of Education**

*California Department of Education Needs to Report Reliable and Valid Data on Title I Schools Identified for Improvement* (U.S. Department of Education Office of Inspector General, ED-OIG/A09-B0019, February 2002)

Contact: Gloria Pilotti, Regional Inspector General for Audit - Sacramento

Telephone: (916) 930-2399 E-mail: gloria.pilotti@ed.gov

Web site: http://www.ed.gov/offices/OIG/Areports.htm

**California Department of Education**

*California Department of Education's Management Controls Over Performance Data for Identifying Title I Schools for Improvement* [(U.S. Department of Education Office of Inspector General, ED-OIG/A09-C0002, March 2002) and (Corrected Response Letter April 2002)]

Contact: Gloria Pilotti, Regional Inspector General for Audit - Sacramento

Telephone: (916) 930-2399 E-mail: gloria.pilotti@ed.gov

Web site: http://www.ed.gov/offices/OIG/Areports.htm

Appendix 3:

# Accountability and Assessment Requirements Under the 1994 and 2001 Reauthorizations of Title I

| 1994 Requirements | 2001 Requirements |
|---|---|
| **Developing standards for content and performance** | |
| Develop challenging standards for what students should know in math and reading or language arts. In addition, for each of these standards, states should develop performance standards representing three levels: partially proficient, proficient, and advanced. The standards must be the same for all children. If the state does not have standards for all children, it must develop standards for Title I children that incorporate the same skills, knowledge, and performance expected of other children. | In addition, develop standards for science content by 2005. The same standards must be used for all children. |
| **Implementing and administering assessments** | |
| Develop and implement assessments aligned with the content and performance standards in at least math and reading or language arts. | Add assessments aligned with the content and performance standards in science by the 2007–08 school year. These science assessments must be administered at some time in each of the following grade ranges: from grades 3 through 5, 6 through 9, and 10 through 12. |
| Use the same assessment system to measure Title I students as the state uses to measure the performance of all other students. In the absence of a state system, a system that meets Title I requirements must be developed for use in all Title I schools. | Use the same assessment system to measure Title I students as the state uses to measure the performance of all other students. If the state provides evidence to the secretary that it lacks authority to adopt a statewide system, it may meet the Title I requirement by adopting an assessment system on a statewide basis and limiting its applicability to Title I students or by ensuring that the Title I local educational agency (LEA) adopts standards and aligned assessments. |
| Include in the assessment system multiple measures of student performance, including measures that assess higher-order thinking skills and understanding. | Unchanged |

| 1994 Requirements | 2001 Requirements |
|---|---|
| Administer assessments for math and reading in each of the following grade spans: from grades 3 through 5, 6 through 9, and 10 through 12. | Administer reading and math tests annually in grades 3 through 8, starting in the 2005–06 school year (in addition to the assessments previously required sometime within grades 10 through 12).<br><br>States do not have to administer math and reading or language arts tests annually in grades 3 through 8 if Congress does not provide specified amounts of funds to do so, but states have to continue to work on the development of the standards and assessments for those grades.<br><br>Have students in grades 4 and 8 take the National Assessment for Educational Performance (NAEP) exams in reading and math every other year beginning in 2002–03, as long as the federal government pays for it. |
| Implement controls to ensure the quality of the data collected from the assessments. | Unchanged |
| **Including students with limited English proficiency and with disabilities in assessments** | |
| Assess students with disabilities and limited English proficiency according to standards for all other students.<br><br>Provide reasonable adaptations and accommodations for students with disabilities or limited English proficiency, to include testing in the language and form most likely to yield accurate and reliable information on what they know and can do. | By 2002–03, annually assess the language proficiency of students with limited English proficiency. Students who have attended a U.S. school for 3 consecutive years must be tested in English unless an individual assessment by the district shows testing in a native language will be more reliable. |
| **Reporting data** | |
| Report assessment results according to the following: by state, LEA, school, gender, major racial and ethnic groups, English proficiency, migrant status, disability, and economic disadvantage. | Unchanged |
| LEAs must produce for each Title I school a performance profile with disaggregated results and must publicize and disseminate these to teachers, parents, students, and the community. LEAs must also provide individual student reports, including test scores and other information on the attainment of student performance standards. | Provide annual information on the test performance of individual students and other indicators included in the state accountability system by 2002–03. Make this annual information available to parents and the public and include data on teacher qualifications. Compare high- and low-poverty schools with respect to the percentage of classes taught by teachers who are "highly qualified," as defined in the law, and conduct similar analyses for subgroups listed in previous law. |

| 1994 Requirements | 2001 Requirements |
|---|---|
| **Measuring improvement** | |
| Use performance standards to establish a benchmark for improvement referred to as "adequate yearly progress." All LEAs and schools must meet the state's adequate yearly progress standard, for example, having 90 percent of their students performing at the proficient level in math. LEAs and schools must show continuous progress toward meeting the adequate yearly progress standard. The state defines the level of progress a school or LEA must show. Schools that do not make the required advancement toward the adequate yearly progress standard can face consequences, such as the replacement of the existing staff. | In addition to showing gains in the academic achievement of the overall school population, schools and districts must show that the following subcategories of students have made gains in their academic achievement: pupils who are economically disadvantaged, have limited English proficiency, are disabled, or belong to a major racial and ethnic group. To demonstrate gains among these subcategories of students, school districts measure their progress against the state's definition of adequate yearly progress.<br><br>States have 12 years for all students to perform at the proficient level. |
| **Consequences for not meeting the adequate yearly progress standard** | |
| LEAs are required to identify for improvement any schools that fail to make adequate yearly progress for 2 consecutive years and to provide technical assistance to help failing schools develop and implement required improvement plans. After a school has failed to meet the adequate yearly progress standard for 3 consecutive years, LEAs may take corrective action to improve the school. | New requirements are more specific as to what actions an LEA must take to improve failing schools. Actions are defined for each year the school continues to fail leading up to the 5th year of failure when a school must be restructured by changing to a charter school, replacing school staff, or state takeover of the school administration. The new law also provides that LEAs offer options to children in failing schools. Depending on the number of years a school has been designated for improvement, these options may include going to another public school with transportation paid by the LEA or using Title I funds to pay for supplemental tutoring services. |

Source: U.S. General Accounting Office, P.L. 103–382 and P.L. 107–110.

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