

Oregon Department of Education

ODE Continues to Effectively Implement Measure 98 and Increase Collaboration Across Agency Programs

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Report 2022-33



Secretary of State
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Audit Highlights

Oregon Department of Education
ODE Continues to Effectively Implement Measure 98 and
Increase Collaboration Across Agency Programs

Why this audit is important

- In the six years since Measure 98 passed creating the High School Success program, ODE has worked to improve processes for participants.
- ODE has developed and released a new document integrating the guidance and applications for six programs, including the High School Success program.
- Measure 98 also requires an audit of the program be conducted every two years. Our previous performance audit, released in 2020, identified five recommendations for improvement.

What we found

1. The new integrated guidance developed by the Oregon Department of Education (ODE) has many potential benefits, including reduced administrative confusion for school districts, unified support for all six programs on a regional basis, and better alignment between programs with similar goals. If the new guidance is thoughtfully implemented, program participants should be able to accomplish goals more holistically while still maintaining the original intent and integrity of the component programs. ([pg. 6](#))
2. The new guidance is designed to ensure High School Success requirements are met by program participants. ([pg. 8](#))
3. It is too soon in the implementation of the new guidance to review and conclude on its effectiveness. We expect to be able to do this review in a future audit. ([pg. 9](#))
4. ODE has partially implemented one of the five recommendations from the 2020 audit of the High School Success program and fully implemented the other four. Among other benefits, fully implementing four of the previous recommendations resulted in reduced time spent addressing technical difficulties and additional focus on how mid-year changes to districts' approved plans might impact expected outcomes. To fully implement the final recommendation, ODE will need to add a step to their plan approval process to look at how past mid-year changes affected expected outcomes. ([pg. 9](#))

What we recommend

We made four recommendations to ODE. ODE agreed with all of our recommendations. The response can be found at the end of the report.



Introduction

Oregon Ballot Measure 98, approved by voters in November 2016, established the High School Graduation and College and Career Readiness Fund (“High School Success Fund”). The measure’s intent was to provide targeted funding to address Oregon’s low high school graduation rate and expand career and technical programs and college-level course offerings.

Since then, the program has undergone several changes, including increased flexibility in some areas and integration of the guidance and application with five other related programs administered by ODE. This most recent change will bring the program into greater alignment with five other programs housed within the Office of Education Innovation and Improvement and the Office of Teaching, Learning and Assessment within ODE. This audit is the second performance audit required by the ballot measure.

Many entities share responsibility for the quality of education in Oregon

The success of Oregon schools requires a coordinated response from state government, local education agencies, and their partners. **State legislators** are responsible for biennial allocations to the High School Success fund. For the 2021-23 biennium, the fund was allocated \$307 million, with \$137 million funded by a corporate activities tax established by the student success act of 2019.

The **State Board of Education** and **ODE** have responsibility for the general governance of Oregon’s 1,257 public schools serving over 550,000 students. The seven members of the board are appointed by the **Governor**, who serves as Oregon’s Superintendent of Public Instruction. **ODE’s director** is the Deputy Superintendent of Public Instruction. Beyond the \$9.3 billion state school fund, the main source of state funding for public schools, ODE administers 108 state and federal programs, including the High School Success fund.

ODE staff administer and monitor grants, provide technical assistance to local education authorities, and play an important role in carrying out the State Board of Education’s policies and standards. Oregon’s 19 **Education Service Districts** are organized regionally and may act as Career and Technical Education providers and coordinators. **Community colleges** and **businesses** may also partner to deliver programs to high school students. Oregon’s 197 **school districts** and their **elected school boards** are responsible for governing their schools consistent with the policies and standards set by the State Board of Education.

Low graduation rates prompted Oregonians to pass Measure 98 in 2016, establishing the High School Success program

To address Oregon’s low graduation rate relative to other states, voters passed Measure 98 by ballot initiative in 2016, creating the High School Success program. For the 2016-17 school year, when Measure 98 passed, 76.7% of Oregon students graduated within four years. The national rate, at that time, was 84.6%. By the end of the 2017-18 school year, Oregon’s rate improved to 79% for all students — but disparities in educational achievement persisted for some student populations.

Through the program, ODE was charged with improving students’ progress toward graduation, increasing graduation rates, and advancing high school students’ college and career readiness. Districts

and charter schools can apply for the funds and are required to meet specific eligibility criteria to receive their allocation. The funds must be used to create new programs, not to maintain existing ones.

The measure provides \$800 per student to school districts for Career and Technical Education, increased access to college-level opportunities and dropout prevention programs.

Career and technical education programs of study cut across multiple employment sectors, including agriculture, food and natural resource systems, arts, information and communications, business and management, human resources, health sciences, and industrial and engineering systems.

College-level education opportunities include advanced and dual-credit programs in conjunction with accredited institutions of higher learning, such as community colleges or public universities that allow a student to earn college credit while still enrolled in high school.

Dropout prevention strategies include activities to reduce chronic absenteeism, such as identifying students at risk of dropping out and giving them academic and social support and providing them with early exposure to employment opportunities and options for post-secondary education.

The funding is targeted at students in 9th through 12th grades. To qualify for an apportionment, districts and charter schools are required to conduct a needs assessment and have a biennial plan approved by ODE.

Biennial plans must meet the following eligibility criteria:

- Set aside time for teachers to meet and review data to identify students at risk of not graduating and to develop plans for those students;
- Implement evidence-based practices for reducing chronic absenteeism;
- Assign high school students to advanced and dual-credit courses based on academic qualifications to avoid bias in course assignments; and
- Implement systems to ensure that high school students are taking courses required for on-time graduation.

In 2017, legislators passed House Bill 2246, amending the program in several ways. These changes included allowing a portion of funds to be used to fund summer programs to support students rising from 8th to 9th grade and setting tiers of requirements based on the amount of funding a school district or other participant receives.

Facing shortfalls at the state level, the Legislature initially appropriated \$170 million for the fund for the 2017-19 biennium, about half of the intended \$800 per student. With the passage of the Student Success Act in 2019, legislators addressed the remaining gap by adding \$133 million to the fund.

Programs receiving **more than \$350,000** need to use the funds in **all three areas** identified in the legislation: Career and Technical Education, increased access to college-level opportunities, and dropout prevention programs.

Programs receiving **between \$100,000 and \$350,000** are required to use the funds for **Career and Technical Education and at least one of the other two areas**.

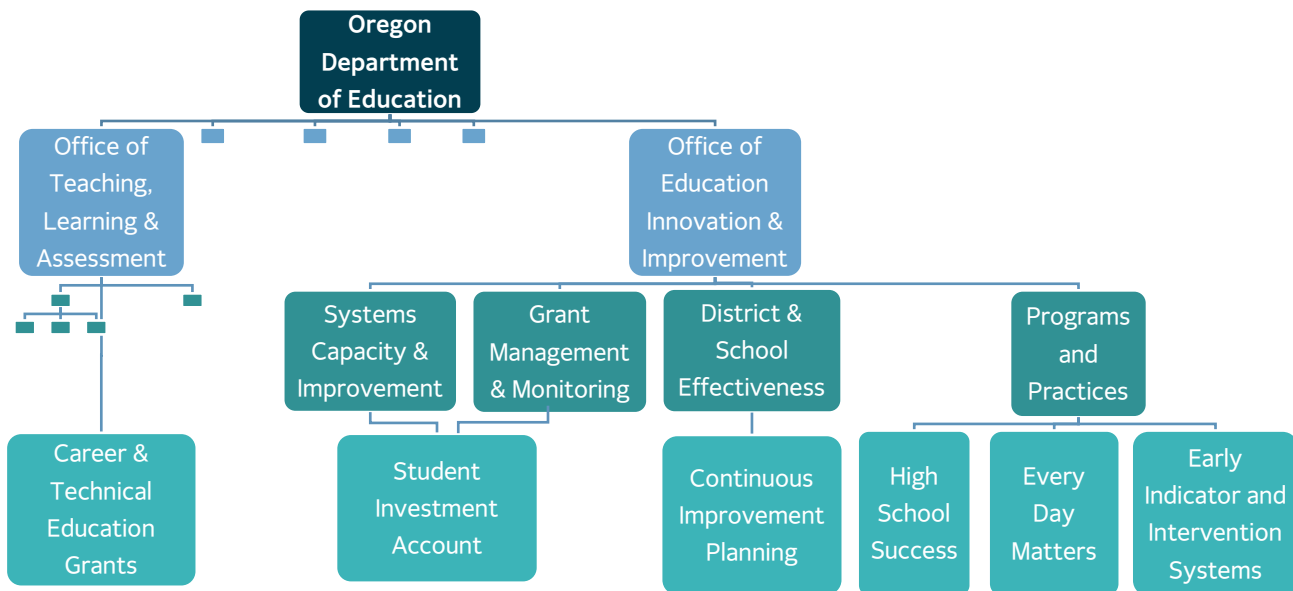
Programs receiving **less than \$100,000** could choose to spend all funds for **one or more** of the three identified purposes.

Passage of the Student Success Act in 2019 created the Office of Education Innovation and Improvement and directed ODE to evaluate options for greater alignment between programs

The Student Success Act added \$1 billion per year to the state budget for early childhood and K-12 education and fully funded the High School Success program for the first time since its passage.

At the request of the Legislature that same year, ODE evaluated the potential for combining applications, agreements, monitoring, and reporting for programs or grants administered by the agency. This included grants made from the High School Success Fund, Title I grants where appropriate, and other grant programs identified by the agency. As a result of this evaluation, ODE identified six programs across multiple offices and divisions that are closely related and often intertwined in district implementation. Figure 1 shows where each program is housed within ODE.

Figure 1: The new guidance integrates six programs from across multiple offices and divisions



The Student Success Act of 2019 provided a historic level of new funding for schools, at least half of which is provided in the **Student Investment Account**. The Student Investment Account provides non-competitive grant money to reduce academic disparities and meet students' mental health and behavioral needs. In 2021-23, the Student Investment Account fund received \$892.3 million from the Legislature. These funds can be used for increased instructional time, addressing students' health or safety needs including mental and behavioral health, targeted reductions in class sizes, expanding

availability of and student participation in well-rounded learning experiences, and ongoing community engagement.

The **High School Success** program is intended to improve high school graduation rates, increase equitable access to advanced coursework, and improve high school graduates' readiness for college and careers. In 2021-23, the High School Success fund received \$307.3 million. More detailed requirements and allowable uses can be found in Appendix A.

Federal Perkins V funds are given to states for the purpose of improving access and participation in education and training programs that prepare learners for high-wage, high-skill, in-demand careers. In 2021-23, the state received federal Perkins V funds totaling \$30 million. The funds are primarily for **Career and Technical Education** programs of study which must be developed in partnership with high schools and community colleges, but recipients can also use the funds for career exploration and guidance down to middle school and transitions into postsecondary training.

The **Every Day Matters** initiative focuses on reducing chronic absenteeism. As ODE has integrated, Every Day Matters no longer functions as a stand-alone program. Research and resources to support reducing chronic absenteeism have been embedded across the five other programs.

An **Early Indicator and Intervention System** is comprised of educators within a school or across a district who gather, review, and analyze predictive data at a student level. Grant funding is provided to implement cohesive Early Indicator and Intervention Systems that include: active staff teams; a robust framework of supports and interventions; program innovation and improvement; student, family, and community engagement; a system for data collection and analysis to identify supports for students; and integrated elements, connections across grade levels and schools, and alignment with other ODE initiatives. In 2021-23, the state allocated \$3.7 million to support these systems.

Continuous Improvement Plans are a requirement of Oregon administrative rule and all Oregon districts must submit a plan to ODE at least every three years. The goal of the Continuous Improvement Planning program is to improve experiences and outcomes for students by promoting shifts in educator behaviors through fostering engagement in collaboration, data analysis, professional learning and reflection.

Measure 98 requires an audit every two years

Due to the recurring nature of this audit, we have adapted our standard report to include a follow-up review of recommendations from the previous audit.¹ Our most recent performance audit of the program found High School Success planning was robust, but ODE could enhance the benefits of Measure 98 by improving monitoring and analysis.²

In that audit, we found ODE held a robust and effective planning process to implement Measure 98, resulting in 230 recipients with approved plans. The majority of High School Success program recipients were satisfied with the planning process. High School Success program staff are deliberate about

¹ Oregon Laws 2017 Chapter 1, which established the High School Success Fund, requires the Secretary of State to conduct financial and program audits every two years. House Bill 2246, which amended the Measure 98 Act, retained this requirement. The most recent financial audit of the fund ([report 2022-24](#)) was released in August 2022.

² The previous performance audit, "High School Success Planning Is Robust, but ODE Can Enhance Benefits of Measure 98 by Improving Monitoring and Analysis" ([report 2020-44](#)) was released in December 2020.

involving staff from other ODE programs, increasing collaboration within the agency and reducing the burden on recipients.

However, we also identified some changes ODE could make to improve the program. A major focus of our first two recommendations was mid-year changes to participants' spending plans and the effect that had on expected outcomes. We also asked ODE staff to make a plan to address technical difficulties that ODE and district staff were spending a lot of time resolving. We asked ODE to develop outcome measures to demonstrate the benefits of the High School Success program, and to use data from site visits with participants to further program and equity goals and to align with larger ODE initiatives. The results of our efforts to follow up on these recommendations are included in this report.

We want to acknowledge the effects the pandemic has had on ODE and the High School Success program. We approached this audit with a narrow focus on the implementation status of past recommendations and a review of newly released guidance.

Audit Results

Previous audit work has shown ODE has struggled with a “siloeing” effect of its many programs. Keeping program staff in separate offices and divisions means the agency has struggled to effectively collaborate and reduce duplicative efforts among similar programs. The new integrated guidance the agency has implemented across six programs has gone a long way to breaking down these siloes.

ODE is integrating six programs to streamline the application process for school districts and other program participants, and to allow a larger pool of staff to support districts in all six programs. If integration is successful and school districts are able to use funds from the separate programs with similar purposes, students could experience more robust programs than they would if districts are limited to smaller offerings from separate funds. ODE will need to ensure participants are able to meet the statutory requirements for the High School Success program under the new integrated guidance, and they are well on track to do so.

Additionally, since our previous performance audit of this program, ODE has fully implemented four of the five recommendations. The fifth recommendation is expected to be completed by summer 2023.

ODE has developed robust new guidance integrating six programs, including the High School Success program

At the request of the Legislature in 2019, ODE identified several programs with complementary goals and developed an integrated guidance document and application. The programs remain separate organizationally and by statute, but school districts and other eligible participants will be able to apply for the funds holistically.

Changes within the Office of Education Innovation and Improvement address several concerns identified in previous audits

In our view, the new integrated guidance is a positive step in several areas of concern we identified in our K-12 Systemic Risk Report, released in May 2022.³ The report identified areas of systemic risk for ODE and state leaders to address to improve the K-12 system, including several relevant to this audit.

The Student Success Act requires ODE to monitor performance growth targets of each Student Investment Account grant recipient each biennium and gives ODE authority to audit recipients and require coaching. For recipients who use the integrated application for both Student Investment Account and High School Success program funds, the enhanced data collection and reporting required for the Student Investment Account could have positive spillover effects by increasing accountability for High School Success fund recipients.

While the guidance has a strong focus on local priorities and collaboration with local leaders, ODE does lay out a series of corrective actions and ways to meet compliance challenges. It reinforces ODE’s authority, after other more collaborative and supportive options have been exhausted, to direct expenditure of grant funds or to withhold them as a last resort.

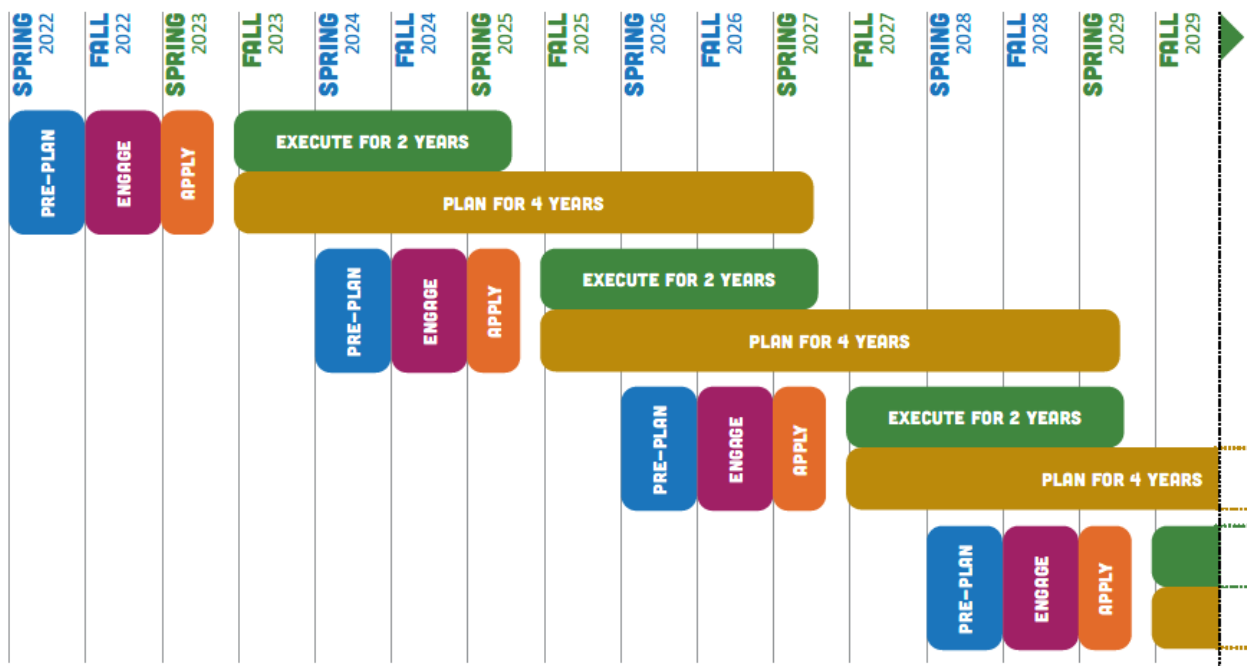
³ [“K-12 Education - Systemic Risk Report: State Leaders and Policymakers Must Address Persistent System Risks to Improve K-12 Equity and Student Success”](#) Report no. 2022-16, May 2022

While ODE is not able to control legislative decisions about funding and program continuity, this integrated guidance is a substantial step toward reducing duplicative efforts and some degree of volatility. The guidance emphasizes the importance of “tiered” planning, which identifies how program participants can adapt to reductions in funding or a lack of available staff in ways that still support local priorities identified in their needs assessments.

The new guidance breaks down some barriers within ODE in an effort to provide more comprehensive support in areas of alignment. A single application for multiple grant programs with overlapping purposes encourages a holistic approach to using grant funds, while still retaining the separate requirements and allowable uses of each individual program. In the past, the programs have operated on different timelines and may have required separate needs assessments or spending plans. The new guidance creates a combined timeline that includes time for developing a needs assessment and soliciting community input.

Figure 2: ODE has developed a timeline for recipients showing an iterative planning process

The following graphic illustrates how this guidance is implemented over the next decade.



Source: ODE Integrated Guidance

In past audits, we have identified instances where different departments within ODE have not adequately communicated with each other or worked together to support schools and districts. ODE has made progress towards breaking down siloes through the integrated guidance and changes in how districts are supported.

For example, staff in the six integrated programs have been trained to provide regional support in each of the programs. Prior to integration, one district might have worked with one ODE staff member to support their High School Success program funds, another for a federal Career and Technical Education grant, and another for support with their mandatory continuous improvement plan. Under the new model, staff provide support regionally, rather than by separate program. As a result, school districts have fewer points of contact and can receive support on all programs for which they are eligible.

The integrated guidance is well designed to ensure participants meet High School Success program requirements

Because the guidance and integration are just rolling out in 2022, we are not yet able to evaluate whether it has been well implemented. However, based on an initial review, the new guidance developed by ODE is thorough and appears to be designed to ensure the statutory requirements of the program are met by program participants. This review covered requirements for appropriate use of funds, plan development and community involvement, and monitoring. For more details of the requirements we reviewed, see Appendix A.

The integrated guidance includes summary tables for each of the six integrated programs, and a more thorough section is included as an appendix that addresses every required use as described by the legislation. While the guidance and related budgeting tool are designed to support districts that want to “braid and blend” funds from multiple sources, the guidance is also very clear the six programs retain their own allowable uses and eligibility requirements, which are succinctly spelled out.

Where possible, it appears ODE is working to identify areas of overlap, such as development of a needs assessment with local input and identifying local performance measures that can be combined in a way that supports all the programs which may reduce duplication. Our review of the guidance has not identified any areas of rule or statute relevant to High School Success program participants that are not appropriately covered.

Figure 3: ODE expects to finalize grants under the integrated guidance in summer 2023



Source: ODE Integrated Guidance

ODE has more work to do to ensure the guidance is successfully implemented

Because the High School Success program is still operating under the previous model, we were not able to evaluate the effectiveness of the new program. Based on the expected timeline, it seems likely these changes will be fully in place for our future audit in 2024.

High School Success managers and staff are aware of possible challenges that may arise as they implement the new integrated guidance. One challenge is the increased difficulty of determining the individual effect of the High School Success program as funds are used holistically. The High School Success team will need to find ways to measure outcomes that allow them to assess how well the program is meeting the intent of the original ballot measure.

Another challenge is that the tiered planning approach, while promising, is not required. Participants who decline to use it may be more likely to miss outcome targets if they experience obstacles or funding reductions for which they have not planned. ODE may benefit from tracking how many participants choose to use the tiered planning model, and to find out what barriers may be keeping others from taking that approach.

The new guidance is very promising, and successful implementation will be complicated but could be a positive step for ODE staff, school administrators, and the students Measure 98 was intended to benefit.

ODE fully implemented four of the five recommendations from the 2020 audit of the High School Success program

One purpose of this report is to follow up on the recommendations we made to ODE as included in audit report 2020-44, "High School Success Planning Is Robust, but ODE Can Enhance Benefits of Measure 98 by Improving Monitoring and Analysis."

The Oregon Audits Division conducts follow-up procedures for each of our performance audits. This process helps assess the impact of our audit work, promotes accountability and transparency within state government, and ensures audit recommendations are implemented and related risks mitigated to the greatest extent possible.

Our follow-up procedures evaluate the status of each recommendation and assign it one of the following categories:

Implemented/Resolved: The auditee has fully implemented the recommendation or otherwise taken the appropriate action to resolve the issue identified by the audit.

Partially implemented: The auditee has begun taking action on the recommendation but has not fully implemented it. In some cases, this simply means the auditee needs more time to fully implement the recommendation. However, it may also mean the auditee believes it has taken sufficient action to address the issue and does not plan to pursue further action on that recommendation.

Not implemented: The auditee has taken no action on the recommendation. This could mean the auditee still plans to implement the recommendation and simply has not yet taken action; it

could also mean the auditee has declined to take the action identified by the recommendation and may pursue other action, or the auditee disagreed with the initial recommendation.

Recommendation #1

Include in the annual expenditure review process, and in future plan development and approval processes, a review of past planned and actual expenditures, and the impact of mid-year changes on expected outcomes.

Partially
Implemented

Why did we make this recommendation? As we had concerns about how mid-year changes could affect planned outcomes, we wanted to see a more robust plan change approval process (see recommendation 2). We also wanted ODE to ensure the planning process will take a grant recipient's past challenges into account when developing future plans.

What has ODE done so far? ODE staff have taken steps that lay the groundwork for this recommendation and outlined their expected timeline for full implementation. They have held one-on-one meetings with grant recipients to discuss current planned and actual expenditures; but because they did not previously have robust tracking for past plan changes and the impact on expected outcomes, those conversations have been more informal than they expect them to be in the future. The updated plan change approval process will collect the information ODE will need to formalize those discussions in the future and agency staff plan to incorporate those discussions into future plan development and approval processes.

What does ODE still have to do? At the end of the 2021-23 biennium, ODE expects to conduct a detailed expenditure reporting process incorporating all spending throughout the two year period.

Recommendation #2

Include in the change approval process and rubric a review of expected changes to local outcomes.

Implemented

Why did we make this recommendation? We found the High School Success team had procedures for reviewing and approving changes that ensure the recipient is still in compliance with statute, but these procedures did not include a step to look at how the changes are expected to affect the recipient's planned outcomes.

What has ODE done so far? At the time of the previous audit, the High School Success team was using software that made it nearly impossible to track changes to plans throughout a biennium. They have since switched to a new software that can capture and track plans and mid-year changes.

Recipients must now submit a written request online requesting a plan change. This submission includes a description of the reason for the change, what evidence the grant recipient has to support the change, how this change will affect the existing goals and outcomes, and any potential impacts on identified focal student populations. The approval process also includes a discussion between ODE staff and the grant recipient to discuss their responses, ask any follow-up questions about possible implications of the request, and determine if the change is approved.

The High School Success team has added intentional steps and questions to review expected changes to local outcomes when recipients request to change their plan and budget.

Recommendation #3

Document the most time-consuming technical difficulties for High School Success program staff and recipients and create a plan to minimize them.

Implemented

Why did we make this recommendation? Time-consuming technical challenges were a common problem we heard about in our previous audit. To make the best use of time for the High School Success team, as well as the limited staff in some school districts, we recommended finding solutions for the most persistent technical challenges.

What has ODE done so far? The High School Success team concluded that most of the time-consuming technical difficulties were a result of issues with the platform they had been using to manage grant applications and plans. The team has transitioned to a new platform and expects short-term gains to efficiency and the ability to better integrate with other programs within ODE for later biennia.

In addition to displaying the same goals, budgets, activities, and expenditures that had previously been available in a more user-friendly format, the new system incorporates contact information, plan change requests, eligibility requirements, deadlines, guidance documents, and budget tracking to create a single source for recipients to refer to and use to manage their plans over the biennium.

So far, feedback on the new system has been positive, and ODE staff have not had reports of recipients being unable to access the system once authorized to do so, a common problem with the old software. Agency staff have reported the new system has substantially reduced the time they spend resolving and working around technical difficulties, and increased staff availability for higher-level functions.

Recommendation #4

Develop goals, targets, timelines, and data measures for the High School Success program in the final internal program evaluation plan.

Implemented

Why did we make this recommendation? Auditors found a draft internal performance evaluation plan focused on process measures such as documentation of site visits, approved plans, and executed grant agreements, but did not include state-level goals, targets, timelines, and performance measures for evaluating interim outcomes. Without these, it could be difficult for the program to capture the work of local recipients and demonstrate its value to the public.

What has ODE done so far? Targets and data measures for the four internal High School Success goals have been fully developed and incorporated into the team's internal program evaluation plan. The plan was approved in December 2020 and a full review of progress toward identified goals is planned for summer 2022.

Recommendation #5

Use data from ODE and from site visits in higher-level analyses to further program and equity goals and to align with larger ODE initiatives.

Implemented

Why did we make this recommendation? We found the High School Success team experienced barriers to data collection and analysis that hinder the examination of programmatic and equity goals. Because some data is held by individual districts and schools, the team also could not easily aggregate that information across participants. These limitations prevented the team from conducting some important analyses related to equity and program improvement.

What has ODE done so far? The High School Success team has several ongoing projects to use data to further program and ODE goals, particularly equity. Some examples:

- Evaluation of recipient progress towards eligibility requirements resulting in the development of specific action steps, both for meeting eligibility and for continuous improvement, and in the development of corrective action plans when necessary.
- Using High School Success and ODE data to create research briefs evaluating topics relevant to recipients. Several have been published on the program guidance page.⁴ These briefs weave together high-level data analysis and the experience of educational specialists across the agency to incorporate actionable recommendations for recipients.
- Integrating with the other Education Innovation and Improvement programs and Career and Technical Education programs to encourage recipients to take a holistic view of their goals and program activities.

⁴ See “Research and Data” section at <https://www.oregon.gov/ode/students-and-family/GraduationImprovement/Pages/HSSguidance.aspx>

Recommendations

While we did not identify concerns with the integrated guidance that has been released, implementation of the guidance will be a complex process. We encourage ODE to be mindful of challenges and opportunities that might arise. As the agency implements the new integrated guidance, ODE should:

1. Document challenges encountered by ODE staff or High School Success program participants during implementation of the new integrated guidance.
2. Document the number of program participants who use the tiered planning approach recommended by the integrated guidance.
3. Measure outcomes that can be attributed to the High School Success program to demonstrate how well the program is meeting the intent of the original ballot measure.

To complete the recommendations from the 2020 audit of the High School Success program, ODE should:

4. Include in the annual expenditure review process, and in future plan development and approval processes, a review of past planned and actual expenditures, and the impact of mid-year changes on expected outcomes.

Objective, Scope, and Methodology

Objective

This audit is required by Measure 98, which called for financial and performance audits of the program every two years. The Oregon Audits Division most recently released a performance audit of the program in December 2020 and a financial audit in August 2022.

The two objectives of this performance audit are to determine whether ODE has fully implemented the five recommendations from the 2020 audit of the High School Success program, and to determine whether newly released guidance integrating the application and support for six different programs in ODE is designed to ensure requirements of the High School Success program are met by participants.

Scope

This audit examines steps ODE has taken to implement the five recommendations from the 2020 audit of the High School Success Program, including review of documented policies and procedures. The audit also includes a review of newly released guidance integrating the application and support for six different programs. It does not include a review of whether that guidance is effective, as it is not expected to be fully implemented at the time the audit is due for release.

Methodology

To address our objectives, we used a methodology that included, but was not limited to: conducting interviews, reviewing documentation, and evaluating the design of internal controls.

Within ODE, we met with the Chief of Staff, an Assistant Superintendent, the Director of the High School Success team, education program specialists, and research and policy analysts. We also conducted interviews with staff at Hillsboro School District, a large program participant within the High School Success program.

Internal control review

We determined that the following internal controls were relevant to our audit objective.⁵

- Control activities
 - We evaluated the design of new integrated guidance to determine whether ODE is collecting information that allows it to ensure plans developed by program participants are meeting requirements set out in state statute and rules.
- Monitoring activities
 - We evaluated the design of new integrated guidance to determine whether ODE is collecting information that allows it to ensure program participants are spending funds in ways that meet requirements set out in state statute and rules.

We did not identify any deficiencies with these internal controls.

⁵ Auditors relied on standards for internal controls from the U.S. Government Accountability Office, report [GAO-14-704G](#).

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We sincerely appreciate the courtesies and cooperation extended by officials and employees of ODE during the course of this audit.

Audit team

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About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of the office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the elected Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division has constitutional authority to audit all state officers, agencies, boards and commissions as well as administer municipal audit law.

Appendix A: High School Success Funds

As part of this audit, our team reviewed the integrated guidance to determine whether it is designed to ensure the statutory requirements of the High School Success program are met by program participants. The guidance is directed largely at participants, so our review focused on a subset of elements of statute and administrative rule. We did not review those elements that outline ODE's administrative requirements, except for monitoring requirements. We divided our review into the following three categories: appropriate use of funds, plan development and community involvement requirements, and monitoring requirements. An overview of these elements is provided here.

Appropriate use of funds

High School Success funds are available to establish or expand Career and Technical Education, increased access to college-level opportunities and dropout prevention programs. Participants are required to spend funds in one, two, or all three areas depending on the size of their allocation. Each of these three areas has additional requirements and limitations.

➤ **Career and Technical Education.** Funds for Career and Technical Education may be used to establish or expand programs in high schools that are relevant to the job market in the community or region the school district serves. It should also include a proposed alignment to a community college program. Funds may be used for:

- Purchasing equipment,
- constructing facilities, and
- recruitment, licensing, employment and training of Career and Technical Education personnel.

➤ **College-level opportunities.** Participants who would like to establish or expand access to college-level opportunities must include:

- College-level coursework. This may include
 - Advanced placement, International Baccalaureate or comparable college-level courses, or
 - dual credit and other accelerated college credit programs offered in conjunction with an Oregon community college, public university or other accredited institution of higher learning or post-high school career school.
- Assisting students with selection and successful completion of college-level opportunities, and
- personnel to provide those opportunities for students in all high schools.

➤ **Dropout prevention.** To spend funds for dropout prevention, those funds must be spent on all of the following in every high school within the participating school district:

- Implementing activities designed to reduce chronic absenteeism,
- establishing and maintaining data management systems with detailed information on student progress,
- beginning in grade 8, using specified data to identify students at risk of not graduating,

- beginning in the summer after grade 8, providing academic and social supports for students at risk of not graduating including possibilities like summer programs, additional instructional time before and after school hours, tutoring or small-group instruction or counseling services, and
- counseling and coaching to expose students to employment opportunities and requirements and options for post-secondary education.

Plan development and community involvement requirements

To be eligible to use High School Success funds, a program participant must develop a biennial plan that meets certain requirements. The biennial plan must:

- Cover a minimum of four years but may be longer.
- Include a district needs assessment and an explanation of how the plan addresses those needs.
- Prioritize spending on programs that serve those students identified by the school district as most at-risk of not graduating or being college or career ready, historically and traditionally marginalized⁶ and historically underrepresented.⁷
- Identify resources and specific strategies for historically and traditionally marginalized students and historically underrepresented students and demonstrate what will be accomplished.
- Identify supports for teachers, counselors, and administrators to implement specific strategies.
- Identify projections for disaggregated targets related to graduation, student participation in and completion of Career and Technical Education and college-level opportunities, improvements in attendance, student progress towards career pathways, and projections for “9th Grade-on-Track.”
- Demonstrate coordination between the areas of spending.
- Demonstrate how the district will:
 - Provide sufficient time for teachers and staff of students in grade 9 to review data on students’ grades, absences and discipline by school and by course and to develop strategies to ensure at-risk students stay on track to graduate;
 - Implement district-wide evidence-based practices for reducing chronic absenteeism in grades 9 through 12;⁸
 - Assign high school students to advanced and dual-credit courses based on academic qualifications in order to avoid bias in course assignments; and
 - Implement systems to ensure that high school students, including English Language Learners, are taking courses required for on-time graduation.

⁶ “Historically and traditionally marginalized students” means English language learners, Black and African American students, American Indian and Alaskan Native students, Latino and Hispanic students, Asian and Pacific Islander students, Multi-racial students, students experiencing poverty, and students with disabilities.

⁷ “Historically underrepresented populations” means demographic groups whose representation in Career and Technical Education, science, technology, engineering and math fields, college-level educational opportunities, does not mirror the demographics of the school building.

⁸ 581-013-0005 defines “Evidence-based” in a way that relies heavily on well-designed and well-implemented studies and includes ongoing efforts to examine, evaluate and reflect upon the effectiveness of such activity, strategy, or intervention on the intended outcomes.

Monitoring requirements

Although the integrated guidance is designed for program participants, it is also important ODE be collecting the information necessary to provide appropriate monitoring. ODE is required to:

- Facilitate continuous improvement of use of funds by implementing strategies for school districts share best practices.
- Monitor the performance of school districts including students' progress toward graduation beginning with grade 9, graduation rates, rates of college attendance and need for remedial classes in college and other targets identified in the biennial plan.
- At the end of each biennium, identify program participants that are not making progress on the targets identified in the approved biennial plan or on the multiple-measure indicators designated by ODE as reflecting college and career readiness and work with the participant to determine the specific interventions and technical assistance to be provided.
- Monitor spending to ensure it aligns with the approved biennial plan.
- At the end of each fiscal year, identify program participants that are not spending High School Success funds in accordance with their approved biennial plan, partner and collaborate with the identified participants to ensure funds are being spent appropriately and, if necessary, direct the expenditure of funds or revise the biennial plan



Oregon

Kate Brown, Governor



OREGON
DEPARTMENT OF
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Oregon achieves . . . together!

Colt Gill

Director of the Department of Education

November 18, 2022

Kip Memmott, Director
Secretary of State, Audits Division
255 Capitol St. NE, Suite 180
Salem, OR 97310

Dear Mr. Memmott,

This letter provides a written response to the Audits Division's final draft audit report titled "ODE Continues to Effectively Implement Measure 98 and Increase Collaboration Across Agency Programs."

Over the last several years, the Secretary of State's Office has taken deliberate steps, as part of their audit function and responsibilities, to understand the role, authorities, challenges, and successes of the Oregon Department of Education.

ODE concurs with the audit findings on the status of fully implementing four of the five prior recommendations with the fifth finding being actively addressed. ODE also appreciates the assurance this audit offers regarding the [Integrated Guidance](#) and the operational changes made to support its implementation in the Office of Education Innovation and Improvement.

It is important that the public have confidence that the specific statutory aims of the High School Success Program can be accomplished, and ideally improved, through the changes ODE has and will continue to move forward.

The one note ODE would offer on the new recommendations is connected to the Secretary of State's own language in this audit by naming that, "Many entities share responsibility for the quality of education in Oregon." As the six programs, including High School Success, move forward in this newly aligned way, it is right and appropriate that there eventually be a meaningful review of outcomes. A great deal of attention is paid to outcomes in the Integrated Guidance – as meaningful planning for these significant state investments requires clarity in what is meant to be achieved and what strategies and activities could be pursued to meet desired outcomes. Outcomes are defined as "changes in health, behavior, actions, attitudes, or policies that impact students, educators, people, groups, and organizations with whom a grantee's work is in relationship with." (Section 2, page 44)

Oregon has struggled to have a meaningful understanding of what successful changes in school look like – often moving from metrics and performance frameworks too lightly and too quickly (as the last Audit Advisory report detailed).

Meaningful changes for students and families comes about because of concerted efforts that really do align and lead to both short and long-term changes. We are optimistic that the “performance framework” brought into view in the Integrated Guidance will be a meaningful, right-sized, nuanced way to understand what excellence looks like.

As the Secretary of State, and the public, begin to review performance for the High School Success programs alongside each of the initiatives brought together in this alignment effort, it will be ideal to have a meaningful, right-sized, and nuanced review of performance. Accountability might be best equated to integrity and excellence. ODE is in support and in pursuit of these aims.

Below is our detailed response to each recommendation in the audit.

RECOMMENDATION 1 Document challenges encountered by ODE staff or High School Success program participants during implementation of the new integrated guidance.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	Reviewed at least twice per year and summarized no later than June 30, 2025	Maggie Mashia, Director of Programs and Practices (HSS)

Narrative for Recommendation 1

ODE supports this recommendation. The Office of Education Innovation and Improvement and the High School Success team implements that support through continuous improvement practices in the execution of the new integrated guidance.

RECOMMENDATION 2 Document the number of program participants who use the tiered planning approach recommended by the integrated guidance.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation

Agree	Initial review complete by July 31, 2023	Cassie Medina, Director of Grant Management and Monitoring
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Narrative for Recommendation 2

ODE agrees with this recommendation. This is a meaningful recommendation that can, upon review, offer insight into the planning and expenditure processes of districts with the opportunity to get better information about the quality of district spending when changes are made mid-biennium.

RECOMMENDATION 3 Measure outcomes that can be attributed to the High School Success program to demonstrate how well the program is meeting the intent of the original ballot measure.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree (see comments below)	June 30, 2025	Scott Nine, Assistant Superintendent, Office of Education Innovation and Improvement

Narrative for Recommendation 3

ODE agrees with this recommendation. It is important that we understand how the High School Success program *contributes* to meaningful outcomes. In a school setting with many programs from various funding sources interweaved to support student success and clear pathways to graduation, it can be difficult or impossible to *attribute* changes in outcomes to any single effort. ODE is ready to partner in helping tease apart what are meaningful impacts made possible by High School Success fund for students and how to best understand what is working, what isn't, and where additional changes might be needed to reach desired outcomes.

One additional note: The statute governing this program is not the same as the original ballot measure. ODE's aim will be to meet the intent of the statute.

RECOMMENDATION 4 Include in the annual expenditure review process, and in future plan development and approval processes, a review of past planned and actual expenditures, and the impact of mid-year changes on expected outcomes.
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Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	January 31, 2024	Maggie Mashia, Director of Programs and Practices (HSS)

Narrative for Recommendation 4

ODE agrees with this recommendation. This recommendation is a good practice. We hope to have this practice in place sooner than the named target date.

Please contact Scott Nine at scott.nine@ode.oregon.gov or 503-400-0291 with any questions.

Sincerely,



Colt Gill
 Director Oregon Department of Education

cc: Cindy Hunt, Chief of Staff
 Scott Nine, Assistant Superintendent, Office of Education Innovation and Improvement
 Maggie Mashia, Director of Programs and Practices
 Cassie Medina, Director of Grant Management and Monitoring
 Tamara Dykeman, Operations and Policy Analyst



Secretary of State
Shemia Fagan



Audits Director
Kip Memmott

This report is intended to promote the best possible management of public resources.
Copies may be obtained from:

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