

Review
Secretary of State Audit
Department of Education High School Graduation Rate
(Report 2017-29)

Secretary of State Audit Plan Item

Title of Audit:

The Oregon Department of Education Should Take Further Steps to Help Districts and High Schools Increase Oregon's Graduation Rate

Overview:

Scope and Purpose of Audit – The Secretary of State's Audits Division identified the primary purpose of the audit was to determine how the Department of Education (ODE) and school districts could increase four-year graduation rates in Oregon's public high schools.

Audit Recommendations – The audit identified several recommendations which may be summarized in the following categories:

- ODE should conduct, and, in some cases, improve research, data collection and analysis, and reporting on approaches and student progress and performance.
- ODE should increase support and guidance to districts on coordination between middle and high schools; better use of student data, the required student education plan and profile, and Continuous Improvement Plans; and effective solicitation of student feedback and assessment of school climate.
- ODE should develop strategies to support economically disadvantaged students.
- ODE should recommend initiatives and performance measures focused on middle schools.
- ODE should improve communication strategies, both internally and statewide.

For a full listing and discussion of the audit findings and recommendations, go to sos.oregon.gov/audits/Documents/2017-29.pdf)

Agency Response – The agency agreed with the audit recommendations and notes that the audit confirms weaknesses that have been identified in recent years and highlights work underway to improve Oregon's graduation rate. Strategies already approved and funded by the Legislature are underway and on schedule to be implemented during this biennium. Additional actions that can be implemented by agency management within current authority and approved resources are underway or will be initiated and most will be completed no later than the end of calendar year 2018. The agency response letter to the Secretary of State is included in the audit and provides further detail on the agency's position regarding the audit findings and detail. The agency notes that strategies to address audit recommendations that require legislative action will need to be addressed during the 2019 Session.

Analysis:

When reviewing the findings and recommendations in this audit, it is important to understand the current governance structure in Oregon and how responsibilities and authorities are divided between state government (ODE) and local school boards and districts. Oregon is, generally, a local control state, where general policy and standards are established at the State level, but the responsibility and authority to carry out the policy and develop strategies, programs, and processes to meet those statewide standards largely rests with the local districts. While ODE can provide technical assistance, suggest best practices, and monitor district performance, it is limited in its authority to direct districts on how they carry out statewide policies and meet those standards. Implementation of some of the recommendations in this audit may result in changes at the local level or establish new requirements on districts. Discussions on finding the correct balance between statewide requirements and consistency across the state and local control to determine highest priorities for use of resources has been and will continue to be a fundamental policy and budget discussion. In addition, there are recommendations in the audit that require coordination and, potentially, resources in other agencies, including the Department of Human Services. Not all the issues and reasons for students failing to graduate can be solved by the educational community alone.

The issue of improving graduation rates in Oregon has received substantial attention in recent years. The audit notes that Oregon still lags the national average, although there has been improvement in graduation rates. National rankings are complicated by the fact that state graduation requirements differ significantly. Oregon's graduation requirements exceed those in most other states. As noted in the audit, Oregon is one of eight states that require 24 credits for graduation, the highest level of credit requirement in the nation. Graduation rates in 2014-15 for these eight states ranged from 69% to 87%, with Oregon's rate that school year at 74%. There are four states that only require 13 credits for graduation, which is the lowest credit requirement in the nation. Not surprisingly, those states for that same school year had significantly better graduation rates ranging from 82% to 91%. The number of credits required is just one variable; there are other differences between states (e.g. variety of diploma types) that are not accounted for in national rankings. The result is the rankings may not be of significant use in determining best practices to improve graduation rates if Oregon's policy is to continue to have more rigorous education requirements. It may be more telling to compare Oregon to other states with similarly high standards or to evaluate programs and practices within the state to determine which are most effective and efficient.

As noted above, Oregon's graduation rate in 2014-15 was 74%. That rate improved to 75% in 2015-16 and to 77% in 2016-17. While the percentage increase may not seem significant, such rates do not change quickly as strategies to improve graduation rates are often focused on younger students, many who have not even entered high school. As a result, it can take several years to see measurable results of those programs. For context, the national average high school graduation rate was 79% in 2010-11 and rose to 83% by 2014-15, four percentage points in five years.

The education community, including ODE, have seen graduation rates as a key issue for many years. ODE has presented performance measures on graduation rates since the Legislature began reviewing such measures. A focus on improving graduation rates and identifying weaknesses in current programs, as well as research and development on new strategies to achieve that result, have been ongoing. The audit notes actions have occurred in recent years to improve graduation rates in Oregon, but does not specifically address the effectiveness of these changes. Major investments

designed to improve graduation rates, either directly or indirectly, made during the 2017 Session included Ballot Measure 98 and an initiative to address chronic absenteeism. As noted above, it may take several years to see the impact of these actions.

Recommendation:

The Legislative Fiscal Office (LFO) recommends acknowledging receipt of the audit report. LFO expects the agency to complete changes outlined in their agency response to the audit and as directed by the Legislature in actions taken during previous legislative sessions to improve graduation rates. Notification should be provided to the Joint Legislative Audit Committee (JLAC) when work outlined in the Agency Response section of the audit report is completed.

If the Secretary of State is requested or elects to conduct an audit in the near future on graduation rates or initiatives to improve graduation rates, a discussion should occur with the Legislature about how best to focus the audit. For example, it may be worthwhile to have an audit on the effectiveness of Ballot Measure 98 and the chronic absenteeism initiative in improving graduation rates, but such an audit should not occur until the programs have operated for a sufficient time to have meaningful results.

LFO notes that discussions regarding the need for additional funding, staffing, or other changes or enhancements should continue to be part of the regular budget discussions and hearings for the agency. If the agency cannot complete the work outlined in their response to the audit within the current budget authority, specific audit recommendations and agency responses may be taken into consideration during the 2019 session when they can be evaluated in the context of all agency programs and services. Ultimately, decisions on program and service levels for state programs, as well as funding, continue to need to be made within the context of total available statewide resources and priorities.