

***State of New York
Office of the State Comptroller
Division of Management Audit
and State Financial Services***

STATE EDUCATION DEPARTMENT

**ACCURACY OF SELECTED SCHOOL
DISTRICT DATA**

REPORT 97-S-62



H. Carl McCall

Comptroller



State of New York Office of the State Comptroller

Division of Management Audit and State Financial Services

Report 97-S-62

Mr. Carl T. Hayden
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State Education Building
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Dear Mr. Hayden:

The following is our audit report on the accuracy of selected school district data.

We conducted this audit pursuant to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law. Major contributors to this report are listed in Appendix A.

*Office of the State Comptroller
Division of Management Audit
and State Financial Services*

November 4, 1998

Executive Summary

State Education Department Accuracy of Selected School District Data

Scope of Audit

The State Education Department (Department) obtains extensive data from the approximately 700 school districts throughout the State. The Department publishes much of this data in reports that are available to State policymakers, taxpayers and parents. For example, the Department publishes for each public school building in the State an annual School Report Card with information about its academic performance and curricula, as well as comparable information for the district, for all public schools in the State and for similar schools. The Department also annually reports on a range of educational and financial indicators in "A Report to the Governor and the Legislature on the Educational Status of the State's Schools." The Department, State policymakers and taxpayers rely on this data when assessing school districts' performance and allocating State Aid, which amounts to over \$10 billion annually. The Department requires that districts submit completely accurate attendance, enrollment, school lunch program participation, student test scores and financial statement information because of the importance of this information for Department reporting purposes.

Our audit addressed the following questions about the above categories of data submitted to the Department by six selected school districts for the period July 1, 1995 through March 31, 1998:

- Did the Department receive accurate data from the six school districts?
- Is there a risk that internal controls at the Department and at school districts do not provide adequate assurance that reported data is accurate and reliable?

Audit Observations and Conclusions

At the six districts we visited, we found errors in school district data in four of the five categories we examined; we found no errors in financial statement data. The errors do not appear to be material in terms of numbers, State Aid impact or information reporting. We believe it is significant, however, that all the errors are attributable to inadequate systems of internal control at both the Department and school districts. Inadequate Department and school district internal controls increase the risk that data can be materially inaccurate and unreliable and State Aid can be materially misstated.

Attendance days are an important factor in the calculation of State Aid, and in the Department's measurement of student and district performance. However, we found attendance-related data errors and discrepancies at all six districts we visited. For example, one district's automated attendance system reported significantly different attendance days on two separate reports for the 1995-96 school year. Neither report agreed with totals reported to the Department for the same period of time. District officials did not know the reason for this difference or which total was correct. Most attendance reporting errors occurred because district managers did not understand how their automated systems worked and did not review attendance system reports. When Department staff find errors in reviewing reported attendance, they ask districts to supply additional information without verifying its accuracy. We recommend that the Department guide districts in establishing controls over their attendance systems. In addition, the Department should identify those districts that are likely to submit inaccurate attendance and enrollment data and should periodically visit these districts to review the validity of their data. (See pp. 6-10)

Districts annually report enrollment by grade and school building to the Department's Basic Educational Data System (BEDS). The Department uses BEDS data to check the reasonableness of reported enrollment and to calculate per pupil costs. We found BEDS data errors at two of six districts. These errors may result because district managers do not review BEDS data for accuracy or compare it to attendance system data. In addition, Department staff do not verify that BEDS data is accurate. (See pp. 10-11)

The Federally-assisted Free and Reduced Price Lunch (FRPL) program, is available to qualified students in school districts. The Department uses FRPL data as an indicator of poverty level, and as a means of estimating educational needs among district students. We found errors in FRPL data at three of the six districts. In addition, we recommend that the Department reevaluate use of FRPL data for report card purposes. (See pp. 12-13)

While we did not detect errors in the test scores on standardized achievement tests we reviewed, we believe current Department procedures, which allow teachers to score their own students' tests, do not provide adequate assurances of accurate reporting. We recommend the Department require, at a minimum, that districts separate duties. (See pp. 13-14)

Comments of Department Officials

Department officials agreed with most of our recommendations.

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Major Contributors to This Report

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Introduction

Background

The State Education Department (Department) obtains extensive data from the approximately 700 school districts throughout the State. The Department compiles this data and uses it to measure school district performance, calculate State Aid payments and monitor school district spending. The following identifies some of the more important data reported to the Department:

- student attendance data used to calculate State Aid and to measure student performance,
- student enrollment statistics used to verify student attendance and to calculate per pupil costs,
- data pertaining to students receiving free and reduced lunches which is used to calculate certain categories of State Aid and to measure the educational needs of students,
- student test scores used to measure student and school district performance, and
- financial statement data used to monitor the financial status of school districts and to measure school district operating efficiency.

The Department publishes much of this school district data in reports that are available to State policymakers, taxpayers and parents. For example, each year, the Department publishes a School Report Card for each public school building in the State. The School Report Card presents data on each school's academic performance for representative curriculum areas. The Report Card also includes comparable information for schools in the district, all public schools in the State and for similar schools. The Department also annually publishes *A Report to the Governor and the Legislature on the Educational Status of the State's Schools* (Chapter 655 Report). This report presents statewide and individual school district data on enrollment, student achievement and various information about teachers, administrators and financial matters. The annual *School District Fiscal Profile Report* presents five-year data trends for revenues and expenditures, school district characteristics, student characteristics and educational performance.

School district data helps the Department to oversee school district operations. In addition, the Department, State policymakers and taxpayers

rely on this data when assessing school district performance. Much of this information is also essential to State Legislators when they decide how they will allocate State Aid to school districts, which amounts to over \$10 billion annually. Recognizing these important purposes, the Department requires school districts to submit error-free data. The Department, as part of its statewide oversight responsibility, must provide the control and guidance to ensure the districts comply with this expectation.

Audit Scope, Objectives and Methodology

We audited selected data submitted to the Department by six school districts for the period July 1, 1995 through March 31, 1998. We judgmentally selected these districts taking into consideration geographic and enrollment factors. We also audited the procedures and practices used by the Department and the six school districts to control the generation and the submission of data for the same period. The primary objectives of our performance audit were to determine whether selected data submitted to the Department by the six school districts were accurate and reliable and whether overall Department and school district data controls were adequate to reduce the risk for incorrect data reporting.

To accomplish our objectives, we reviewed and analyzed relevant Department records and interviewed appropriate Department managers and staff. We also reviewed records and interviewed managers and staff at six school districts. The selected districts included: Bethpage Union Free School District (Nassau County), Buffalo City School District (Erie County), Cohoes City School District (Albany County), Hudson City School District (Columbia County), Katonah-Lewisboro Union Free School District (Westchester County) and the Oneonta City School District (Otsego County). Our school district reviews did not necessarily include all school buildings at the districts we visited. In addition, we met with officials of the Capital Region Board of Cooperative Educational Services (BOCES) and the Erie 1 BOCES to review records related to attendance systems that they operated. Our school district visits focused on verifying the accuracy and reliability attendance, enrollment, school lunch program participation, test score and financial statement data reported to the Department. We did not use audited results to draw conclusions about possible statewide error rates in data submitted to the Department by school districts.

We conducted our audit according to generally accepted government auditing standards. Such standards require that we plan and do our audit to adequately assess those procedures and operations included within the audit scope. Further, these standards require that we understand the

Department's and the districts' internal control systems and compliance with those laws, rules and regulations that are relevant to the Department's procedures and operations that are included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures that we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe our audit provides a reasonable basis for our findings, conclusions and recommendations.

We use a risk-based approach when selecting activities to be audited. This approach focuses our audit efforts on those procedures and operations that we have identified through a preliminary survey as having the greatest probability of needing improvement. Consequently, by design, we use our finite audit resources to identify where and how improvements can be made. Thus, we devote little audit effort to reviewing procedures and operations that may be relatively efficient or effective. As a result, our reports are prepared on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

Response of Department Officials to Audit

A draft copy of this report was provided to Department officials for their review and comment. Their comments have been considered in preparing this report and are included as Appendix B.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the State Education Department shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

Establishing Systems of Internal Control

We visited six school districts to examine the accuracy and the reliability of attendance, enrollment, school lunch program, student test score, and selected financial data that had been submitted to the Department. Department managers told us that such data submitted by school districts to the Department must be error-free. Our examination of data accuracy and reliability at the six schools showed the following overall results:

- all six districts had attendance data errors or discrepancies,
- two of six districts had enrollment data errors,
- three of six districts had school lunch program participation data inaccuracies, and
- control weaknesses increased the risk that student test results might be reported incorrectly.

We found no errors in the specific financial data we reviewed at the districts.

We visited only six of the 700 school districts in the State. Therefore, we cannot estimate the incidence of errors in reporting from the districts statewide. However, the presence of errors at the six districts does represent noncompliance with Department expectations for data accuracy and reliability. The errors also raise questions about the validity of Department statistics and reports compiled from information provided by these districts. The errors do not appear to be material in terms of numbers, State Aid impact, or information reporting.

We concluded that the errors we found were the result of the districts' and the Department's weaknesses in internal controls for ensuring the accuracy and the reliability of data submitted to the Department. The presence of these weaknesses increases the risks that data can be materially inaccurate and unreliable and that State Aid can be materially misstated. In addition, we believe that guidance and direction from the Department to the districts about the establishment of necessary internal controls in support of data submissions would be helpful and appropriate given the Department's general oversight responsibilities and its need to rely on district data for important information needs. The following sections of this report detail the errors and internal control weaknesses that our audit found.

Attendance Reporting Systems

Section 3211 of the State Education Law requires that school districts maintain an accurate record of the attendance and absence for every student. School districts summarize attendance data and report it to the Department annually on the SA-129 form. It is essential that school districts report attendance accurately since the Department uses this data in many important calculations. For example, Department officials estimate that student attendance days affect the calculation of 80 percent of the State Aid payments due to school districts. Therefore, reporting incorrect attendance days to the Department could significantly impact the total State Aid a district receives.

The Department also uses attendance data as a measure of student and school district performance. Low attendance is associated with poor performance on standardized tests. The factors that cause frequent absences, such as family problems and economic difficulties, may also cause students to drop out of school. The Department uses reported attendance rates as criteria for determining whether school districts are eligible for the Attendance Improvement program. Eligible schools receive additional funds to develop programs intended to improve attendance rates.

The Department also publishes reports that include data on the average percentage of each district's pupils that attend school each day. These reports include the Chapter 655 Report and the "School District Fiscal Profile Report." State policymakers, school administrators, taxpayers and parents use these reports to assess school district performance.

We reviewed school district attendance reporting systems to determine whether they accurately accounted for all student attendance days and to determine whether school districts reported those days correctly to the Department. We also reviewed attendance recording procedures to determine whether school districts accurately recorded student attendance days on their attendance systems. We found many attendance recording and reporting errors and discrepancies at the school districts we reviewed. As a result, we believe there is an increased risk that the Department is not receiving accurate attendance data from school districts.

School districts have several options for processing attendance data, including operating their own systems or using a system supplied by BOCES. Five of the school districts we reviewed used automated systems to gather and report attendance data. One district used a manual system for its elementary grades and automated systems for its middle and high school. While the school districts did not all use the same attendance

system, each system in use had similar functions. For example, at each district, classroom teachers take attendance and report absences to an attendance officer who enters the information into the attendance system. At the end of each school year, the attendance system generates district-wide reports that summarize total attendance days.

We found errors or discrepancies in summary attendance data reported to the Department for four of the six school districts that we reviewed. For example:

- During the 1995-96 school year the Buffalo City School District (Buffalo) used two automated attendance systems. One system gathered attendance data while the second system generated the SA-129. The Buffalo SA-129 reported 7,328,922 attendance days to the Department for the 1995-96 school year.

We found attendance figures on two summary reports which the district used to prepare the SA-129 did not agree. The School Summary report, which summarized student attendance by school building, showed a total of 7,306,335 attendance days. A second report, which summarized attendance for the entire district, showed 7,286,260 attendance days. Therefore, there is a discrepancy between the district's SA-129 and the supporting summary attendance reports of either 22,587 or 42,662 days. District officials could not explain the reason for this discrepancy or identify which report was correct.

- The Katonah-Lewisboro Union Free School District (Katonah-Lewisboro) reported 561,460 attendance days to the Department for the 1995-96 school year on its SA-129. We compared a summary of days present and absent for individual students at one of the district's six schools (the Increase Miller Elementary School) to school building summary attendance reports used to support the SA-129. This school accounted for 94,636 (about 17 percent) of the Katonah-Lewisboro's total attendance. We found that the total summary of days present and absent did not agree with school summary attendance reports. In this particular instance we further determined that district managers overstated SA-129 attendance at this school by 1,374 days. Based on the usual 180-day school year, Katonah-Lewisboro claimed attendance days for seven more students than was supportable by its attendance system.

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- The Bethpage Union Free School District (Bethpage) uses three different systems to gather attendance data and report it to the Department. The three elementary schools manually record attendance, while the middle school and the high school use different automated attendance systems. District staff manually summarize information to develop the SA-129 attendance report.

Bethpage's SA-129 reported 446,344 attendance days for the 1995-96 school year. We compared this total to summary attendance reports and found several errors existed in the SA-129 reported data. These errors resulted in an overstatement of reported attendance by 3,201 days. For example, an error in the automated attendance system used by the middle school resulted in an overstatement of sixth grade attendance days by 789 days. We believe the error was caused because District's automated attendance system was using the wrong number of total school days to calculate attendance. We believe that this error also affects attendance days for grades 7 and 8. Therefore, district managers may have overstated attendance days for the middle school by an additional 2,100 days.

- The Hudson City School District (Hudson) reported 416,838 attendance days for school year 1995-96 on its SA-129. We compared these reported days with summary classroom attendance reports and found several errors. The net effect of these errors was that Hudson's SA-129 understated attendance by 4,086 days. Based on the usual 180-day school year, this would equate to Hudson's not claiming attendance days for about 22 students.

The attendance reporting errors we identified have an impact on State Aid that school districts receive. When districts overstate attendance, they probably receive more aid than they are due. When districts understate attendance days, they reduce their State Aid. Local taxpayers in the latter districts may be paying a higher proportion of school expenses than they should. Because of the complexities of the current State Aid process, we were unable to quantify the exact impact of these errors on State Aid payments.

Attendance reporting errors also affect student performance measures. Overstated attendance artificially inflates average attendance rates. This will affect the accuracy of attendance statistics published by the Department. Therefore, there is an increased risk that policymakers, taxpayers

and parents may be receiving incorrect information concerning this important measure of school district performance.

Attendance Controls

An adequate system of internal controls can help to prevent and to detect the reporting errors and discrepancies we identified. Given the importance of attendance information, adequate internal controls are essential. However, most of the school districts we reviewed had weaknesses in controls over attendance systems. One control weakness is the general lack of understanding by managers and staff of the automated attendance systems that their school districts use. During our audit, we identified many examples of attendance reports that did not reconcile with supporting attendance system data. In most of those cases, school district managers and attendance staff could not explain why the discrepancies occurred because they did not understand how their systems worked. This included districts that used BOCES-operated systems and those that operated their own systems.

We also noted a general lack of school district management oversight and review of attendance systems. For example, classroom teachers in all the districts we visited identify students that are absent and report absences to an attendance clerk or nurse who enters the information on the district attendance system. However, we detected many instances where the district attendance systems did not reflect reported student attendance. At Buffalo, we found errors between student attendance records and the automated attendance system for 27 of 39 (69 percent) students in our sample. We reviewed 45 student attendance records at Hudson and found at least one error in recorded attendance for 21 (47 percent) of the student records in our sample. The remaining four districts had error rates ranging from 5 to 18 percent. These errors increase the risk for inaccuracies in both attendance days reported to the Department and in records which measure individual student attendance performance. School district managers would have detected these and other errors that we found if they had monitored their attendance systems and compared them periodically to supporting records.

Further, we found that there is a lack of adequate Department oversight over reported school district attendance data. Department staff do not verify the accuracy of attendance data, though it plays an important role in the calculation of State Aid payments. The Department has an automated process for examining reported attendance days which addresses the reasonableness of this data. If this process identifies data that is outside the Department's established parameters, Department staff ask

school district officials to supply additional information. However, no actual verification of attendance data is done even if the Department's edits identify problems.

Section 101 of the State Education Law (Law) charges the Department with the general management and supervision of all public schools. Section 305 of the Law states that the Commissioner of Education should advise and guide school officials in relation to their duties and the general management of the schools under their control. We believe the Department should provide more guidance to school districts concerning the establishment of internal controls over their attendance reporting systems.

Due to the importance of attendance data, we conclude that Department officials need to evaluate and implement a cost effective system to use independent resources to periodically review and/or audit the adequacy of attendance reporting systems and the reliability and accuracy of school district attendance data. In this regard, there are several entities that interact with school districts that could potentially perform such periodic reviews and/or audits. These entities include Department program and administrative audit staffs, BOCES staff and independent auditors.

Enrollment

The Department gathers student enrollment data from school districts each year. School districts report enrollment by grade and by school building to the Department's Basic Educational Data System (BEDS). Each district's official enrollment is based on the number of students attending school on the first Wednesday of each October. School districts do not report to the Department any student transfers or dropouts that occur after this date.

Department staff use enrollment data to check the reasonableness of reported attendance days; if reported enrollment is not accurate, then the risk of accepting inaccurate attendance data is increased. The Department also uses enrollment data to calculate per pupil costs as presented in several Department publications. If school districts overstate their enrollment, per pupil costs will appear lower. This may lead policymakers and taxpayers to incorrect conclusions about the efficiency of operations or the need for additional resources. The Department also uses enrollment data to group similar-sized school districts for comparison purposes and for competitive sports.

We identified enrollment errors at two of the six school districts we reviewed. At Buffalo, we found errors in BEDS enrollment data at two of the four school buildings we visited. In these instances, enrollment lists provided by the schools did not match the enrollment data reported to BEDS. For example, Public School number 80 reported 35 fewer students to BEDS than were on the enrollment roster. Buffalo's Grover Cleveland High School's BEDS enrollment data included 40 more students than the enrollment roster. District officials explained that these errors may have resulted from their inability to keep enrollment records up to date, especially in the beginning of the school year when there may be an unexpected influx of students.

Katonah-Lewisboro's reported BEDS enrollment was 3,285 students for school year 1995-96. However, the District's attendance system accounted for 37 more students than were reported to the Department. School district officials explained that the BEDS data was in error.

Enrollment Controls

We believe that a lack of adequate internal controls contributes to errors in enrollment data. For example, adequate internal controls would require district management's review of BEDS submissions to ensure this data is accurate. Such a review should include a comparison of BEDS forms to data maintained on districts' attendance systems to help to ensure the accuracy of reported enrollment data. The errors we found show that school district managers have not implemented such basic controls.

The Department also needs to establish improved internal controls over enrollment data. Department staff check enrollment data they receive from school districts for reasonableness by comparing it to historical information. In addition, they check the consistency of data throughout the BEDS form. After completing these reviews, and making adjustments as deemed necessary, the Department sends the information back to school districts for verification. However, Department officials informed us that they have not done any actual independent verification of enrollment data since the late 1970s.

The Department maintains other data that could be used to help establish the accuracy of reported enrollment data. For example, districts annually report standardized test scores for selected grades. Department managers should use this information as a check on the reasonableness of reported enrollment.

School Lunch Program

The Federally-assisted Free and Reduced Price Lunch (FRPL) program is available to qualified students in school districts. Qualifications for program participation are based on household size and income. FRPL data is collected on a school building basis by the Department and is recorded on the annual BEDS forms each October. The Department maintains that increased FRPL participation correlates with a greater poverty level and that a greater poverty level, in turn, may be correlated with increased educational need. These assumptions follow through to how the Department uses FRPL data for satisfying important measurement and information needs.

In accordance with statute, the Department uses FRPL data as a component in the calculation of several State Aid categories including Extraordinary Needs Aid, Educationally Related Support Services, Universal Pre-Kindergarten Grants and Grants for Early Grade Class Size Reduction. In addition, since FRPL data may be related to educational needs, the Department uses the percentage of students participating in the FRPL as one of its criteria for determining which school buildings to compare for the purpose of fairly showing student performance.

During our examination, we noted that State aid formulas only use the Kindergarten through Grade 6 FRPL data to calculate aid due to the school districts. Department officials explained that Grade 7 and above FRPL data is not deemed sufficiently reliable for these purposes because older students in these grades may purposely avoid participating in the FRPL due to social concerns, even though they may be eligible for the program. Because of this limitation in the data, we question whether it is appropriate to rely on the FRPL data for determining which school buildings to group together for comparisons of middle and high schools on the Report Card. We believe the Department needs to determine to what extent the limitations of Grade 7 and above FRPL data impacts on the comparisons presented in the Report Card. Modifications to criteria for comparisons should be made if the impact is found to be material. In addition, the Report Card ought to disclose limitations inherent in the use of FRPL data.

We found school lunch data errors at three of the six school districts we visited. These errors raise questions about the accuracy of the school lunch data. At Buffalo, we found that FRPL data presented in the School Report Card did not agree with data maintained at the four schools we reviewed. Differences between the School Report Card and school building data ranged from less than 1 percent to almost 14 percent. At the Oneonta City School District we randomly sampled 44 of the 595

students who received free lunches. No application was available for 1 of the 44 students in our sample. At Bethpage, we randomly sampled 40 of 191 students receiving free lunches. We found that one of the students in our sample was not eligible to receive free lunches. We believe that these errors resulted from weaknesses in controls at these school districts. The weaknesses are similar to those developed earlier in the sections of this report pertaining to enrollment and attendance.

Student Test Scores

Public elementary and middle school students in New York State periodically take standardized achievement tests to measure their academic performance. Pupil Evaluation Program (PEP) tests for reading and math are given to students in grades 3 and 6. Students in grade 5 are given a writing test. The Department developed these tests to identify students who need remediation in these subjects. School districts are eligible for additional State Aid for such students. Program Evaluation Tests are intended to evaluate the effectiveness of instructional programs in elementary science, elementary social studies and middle school social studies. Regents examinations provide a similar measure for secondary grades.

We reviewed the procedures for scoring the Grade 6 Reading PEP test or the English Regents examination at the six school districts we visited. All districts internally graded and reported Regents examination results to the Department. PEP tests at Hudson, Oneonta and Buffalo were graded and reported to the Department by those districts. Cohoes, and Bethpage and Katonah-Lewisboro contracted with their local BOCES to grade PEP tests and report results to the Department.

Test scores are an important measure of school district performance. State policymakers, taxpayers and parents use test results to evaluate the effectiveness of education programs. However, the Department's current controls over the grading and reporting of standardized tests do not provide adequate assurance that school districts accurately report test results. For example, classroom teachers are sometimes responsible for scoring their own students' tests. As a result, there may be a higher risk that school districts will incorrectly report test results to improve reported student performance.

The Department does have procedures in place to review the scoring of standardized tests and Regents examinations. Each year the Department selects a random sample of districts and reviews ten percent of their test papers. If scoring errors are found, the Department requires that the

school district develop a plan of corrective action. However, the Department does not require the districts to change any incorrect test grades because such changes are impractical to follow through on. Therefore, this control does not fully compensate for problems in test scoring.

We believe the Department should require that districts improve controls over the scoring of standardized tests and Regents examinations. Without controls designed to prevent, detect and correct errors, there is an increased risk that test scores reported by the school districts do not accurately represent student performance. State policymakers, taxpayers and parents may, therefore, be relying upon inaccurate data when judging the performance of school districts.

Practices Recommended For School Districts

Following are recommended internal practices and procedures that should be established and followed by school district managers to help ensure that the Department receives accurate and reliable data.

Attendance

- Provide necessary training to all appropriate managers and staff involved in attendance recording and reporting to ensure they understand all aspects of the attendance system.
- Periodically reconcile total attendance days for the district to total attendance days per school building to ensure that all days are accounted for.
- Periodically reconcile classroom attendance data for individual students to data maintained by automated attendance systems to ensure that entries have been made correctly.

Enrollment

- Verify the accuracy of enrollment numbers before data is reported to the Department on the BEDS report.
- Ensure that enrollment data reported to the Department is comparable to enrollment counts maintained on the district's attendance system.

School Lunch Program

- Periodically review procedures for the provision of free and reduced lunches. Ensure there are valid applications for all students that participate in the program.
- Review the accuracy of school lunch data before submitting it to the Department on the BEDS report.

Student Test Scores

- To the extent possible, separate duties for the grading and reporting of test results. Examination grading should be done by someone independent of the teacher of each student taking the exam.
- Do periodic reviews of test scores to ensure that tests are accurately graded and recorded.

Recommendations

1. Use a risk-based approach to identify those school districts that are likely to submit inaccurate enrollment and/or attendance data. Periodically visit those districts to verify the accuracy and the reliability of their data.

(Department officials state that they agree with this recommendation. However, their comments primarily focus on new systems for data collection, school district guidelines for selecting student management systems and Department support for using these systems. Specific comments indicating whether and how the Department would use a risk-based approach to identify those school districts likely to submit inaccurate data are not provided. Officials also comment that the Department's capacity to periodically visit school districts is extremely limited at best.)

Auditors' Comments: The steps that the Department outlines for improving data accuracy should include provisions for the recommended risk-based approach and, to the extent that it is feasible, the use of periodic school district visits.

2. Investigate the errors in reported attendance identified in this report and make adjustments to State Aid payments as necessary.

(Department officials agree with this recommendation. Officials plan to follow up with the districts reviewed.)

3. Evaluate and implement a cost effective system for periodic, independent reviews and/or audits of the reliability and accuracy of attendance data and the adequacy of attendance reporting systems.

(Department officials state that they agree with this recommendation. They add that resulting savings from a new automated data collection system may allow some strategic auditing of enrollment data. However, officials further point out that the Department's capacity to conduct the recommended audits is extremely limited at best.)

Auditors' Comments: As our report indicates, using independent auditors and BOCES staff may be options for providing the recommended audit coverage.

Recommendations (continued)

4. Compare enrollment data to other Department information, such as student test scores, to verify its accuracy.

(Department officials state that they agree with this recommendation. They indicate that the Department does compare enrollment data submitted with test scores to BEDS enrollment data. They further explain that the Department is planning a new data collection system that should improve the accuracy of both sets of data.)

5. Determine whether and to what extent the lack of reliability over Grade 7 and above FRPL impacts on the comparisons in the Report Card. If the impact is material, modify criteria for Report Card comparisons. Disclose on the Report Card the limitations inherent in the use of FRPL data.

(Department officials disagree with this recommendation. They state that there is no reason to believe that the lower likelihood of older students applying affects the relative rates of middle and/or secondary schools. They add that they will include this information in the Report Card guides.)

Auditors' Comments: The Department should gather the information and perform the review necessary to validate its belief.

6. Consistent with our recommended practices for school districts, provide guidance to school districts concerning necessary internal controls relating to the gathering and reporting of attendance, enrollment and school lunch data.

(Department officials agree with this recommendation. The officials indicate that they will implement the recommendation through new systems, district training and regional workshops.)

Recommendations (continued)

7. To the extent possible, require that standardized tests are scored and reported to the Department by someone independent of school districts. At a minimum, require that school districts adequately separate duties so that classroom teachers are not responsible for scoring their own students' tests.

(Department officials disagree with this recommendation. They stated that training teachers in scoring rubrics and the experience of scoring are valuable parts of professional development. They added that under a new elementary testing program, extended responses on the English language arts exam will be scored at regional centers. Answers to objective questions will be recorded on forms that will be machine scanned at regional centers. A contractor will assign final scores and submit the results to the regional centers. Officials also stated that Department guidelines for scoring secondary exams call for teachers within each subject area in a school to collaborate in the scoring of papers.)

Auditors' Comments: We maintain that, where classroom teachers are scoring their own students' tests, there may be a higher risk that school districts will incorrectly report test results to improve reported student performance. We continue to maintain that, at a minimum, school districts should adequately separate duties so that classroom teachers are not responsible for scoring their own students' tests.

Major Contributors to This Report

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September 29, 1998

Mr. Jerry Barber
Audit Director
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Dear Mr. Barber:

I am responding to the draft audit report (97-S-62) regarding the accuracy of selected school district data. Department staff has reviewed the recommendations in the draft audit report and has the following responses.

1. *Use a risk-based approach to identify those school districts that are likely to submit inaccurate enrollment and/or attendance data. Periodically visit those districts to verify the accuracy and the reliability of their data.*
3. *Evaluate and implement a cost-effective system for periodic, independent reviews and/or audits of the reliability and accuracy of attendance data and the adequacy of attendance reporting systems.*

We agree with these recommendations. All available staff time in the Information, Reporting & Technology Services Unit is used to do reasonability checks on enrollment data submitted by school districts and follow-up phone calls which, in essence, is a form of risk assessment. A similar reasonability edit process is used by the State Aid Unit to review attendance. The State Aid Unit also includes an edit capability in the automated system used by school districts to report attendance and claim State Aid, allowing the districts to pre-edit attendance data before they are submitted to the Department. We are now designing an automated system for data collection, which will move many of the reasonability checks to the district level. The resulting savings of staff time may allow us to do some strategic auditing of enrollment data.

We believe that the automation of our data collection systems will also contribute to the accuracy of data. First, the software will include reasonability checks to be conducted at the school and district levels, resulting in more accurate submission of data. Second, we are in the process of implementing a system of collecting individual student records for assessment results. We plan to expand that system to collect other data based on individual student counts, such as enrollment and dropout counts. Although these unit records will not be traceable to particular students by Department staff, we believe that preparing individual student records will encourage the districts to be more accurate and precise. An auditor visiting the school could require the school to produce a student

record supporting the electronic record submitted to the Department. In addition, we plan to develop guidelines for districts for use in selecting automated student management systems. Through the Regional Information Centers (RICs), we also plan to provide support in the correct use of these systems to supply accurate data.

While, in general, we agree that it would be desirable to audit data submitted by schools and districts, the Department's capacity to conduct such audits or visits is extremely limited at best.

2. *Investigate the errors in reported attendance identified in this report and make adjustments to State Aid payments as necessary.*

We agree with this recommendation. Based on the audit findings, the Education Department will contact the districts reviewed and ask for revisions to previously reported attendance or explanations of discrepancies identified in the audit report as appropriate.

4. *Compare enrollment data to other Department information, such as student test scores, to verify its accuracy.*

We agree with this recommendation. The State Education Department does compare the enrollment data submitted with test scores with the BEDS enrollment data to evaluate the reasonability of testing data. We believe that there is more reason to suspect the accuracy of assessment reporting than enrollment reporting. At best, these comparisons can suggest schools where reporting may be inaccurate. Many schools, particularly in the Big 5 districts, have high rates of student mobility, resulting in large changes in enrollment between October and May or June. The Department is planning a system that collects data on individual students and integrates the collection of assessment and enrollment data. This system should improve the accuracy of both sets of data.

5. *Determine whether and to what extent the lack of reliability over Grade 7 and above FRPL impacts on the comparisons in the Report Card. If the impact is material, modify criteria for Report Card comparisons. Disclose on the Report Card the limitations inherent in the use of FRPL data.*

We disagree with this recommendation. We are aware that older students may be less likely than younger students to apply for subsidized lunches. We believe that the effect on similar school groups is minimal. Similar school groupings are determined by a two-stage process. The first stage divides districts into groups using district K-6 free-and-reduced price lunch data as well as Census poverty data and combined wealth ratio. The second stage considers the relative rate of free-lunch participation within schools with comparable grades. There is no reason to believe that the lower likelihood of older students applying affects the relative rates of middle and/or secondary schools. We will include this information in our report card guides.

6. *Consistent with our recommended practices for school districts, provide guidance to school districts concerning necessary internal controls relating to the gathering and reporting of attendance, enrollment and school lunch data.*

We agree with this recommendation. The new BEDS electronic data-collection system will incorporate reasonability checks for free- and reduced-price lunch data. When we implement this system, we will do extensive training on appropriate district procedures. In addition, districts receive guidance on gathering and reporting subsidized

lunch data from the Department office responsible for reimbursing district expenditures for the program. The Education Department will continue to provide regional workshops on attendance records and reports upon request of local school districts.

7. *To the extent possible, require that standardized tests are scored and reported to the Department by someone independent of school districts. At a minimum, require that school districts adequately separate duties so that classroom teachers are not responsible for scoring their own students' tests.*

We disagree with this recommendation. The training of teachers in scoring rubrics and the experience of scoring are valuable parts of professional development in the new standards. Under the new elementary testing program, extended responses on the English language arts examination will be scored at regional centers. Answers to objective questions will be recorded on forms to be machine scanned at RICs. The Contractor (CTB/McGraw-Hill) will assign final scores and submit the results to the RICs. The RICs will report scores to the Department. Department guidelines for scoring secondary examinations call for teachers within each subject area in a school to collaborate in the scoring of papers. This procedure is intended to improve the consistency of scoring.

If you have any questions, contact Martha Musser at (518) 474-7965.

Sincerely,



Richard H. Cate

cc: Martha Musser