

Education Audits Capstone Report: *Achieving Oregon's Education Goals for All Students*

A strong education system is vital to the health and welfare of Oregonians. It strengthens our workforce and overall economy, and can help individuals and families transition off of public assistance.

Large changes in Oregon's education structure the last several years are intended to create an integrated and outcomes-based system of public education. Despite plans and efforts to improve our education system, Oregon continues to struggle in areas such as low on-time high school graduation rates and high absenteeism, poor national rankings for overall student achievement, low community college and university completion rates, and continued increases in college student debt burden.

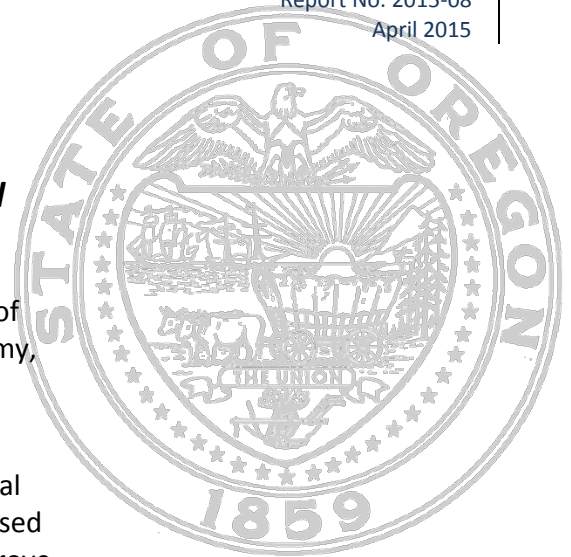
Additionally, over 340,000 adult Oregonians (11%) do not have a high school diploma or equivalent. Oregon's workforce no longer provides the types of jobs it once did for individuals without a high school diploma, making education a priority for so many more Oregonians.

In the past few years the Oregon Secretary of State, Audits Division has released several performance audits focusing on efforts and opportunities to fulfill Oregon's ambitious education goals and improve the quality of education.

Many of our education audit recommendations have been implemented, and the results of our work have been widely discussed and helped in setting policy direction for Oregon's education system.

The following are some of the challenging areas we identified through our audit work that need continued focus by state agencies, their partners, and the Oregon Legislature to help ensure an equitable and effective education for all Oregonians:

- coordination and clarification of roles among agencies and oversight boards
- data informed instruction and decision-making
- targeted support services for teachers and students
- the high cost of child care, which restricts learning
- education funding to support Oregon's education goals



Increased coordination and clarification of roles among agencies and boards

Oregon has made some progress in addressing the education system's gaps and coordination challenges. State policy makers have set the goal of creating a seamless education system that helps prepare students for higher education and the workplace and helps other Oregonians return to work. Yet several of our audits point out the need for additional coordination and collaboration among educational institutions, state agencies, and other partners. Further attention is needed to the challenges unique to urban and rural schools, community colleges and state universities.

Efforts are underway to develop a shared longitudinal data system, but the continued commitment among agencies and partners to completing and implementing such a system is vital for evaluating student outcomes, including achievement gaps, and program efforts and results.

Data informed instruction and decision-making

Good data on student progress and outcomes can help guide improvements to the education system. Data informed decision-making and instruction translates analysis into actions for improvement at the student level as well as the system level. Currently, there is limited capacity for analyzing existing data at the school or college level or by state agencies designated to collect and report the data.

Targeted support services to teachers and students

Targeted services to students and support for teachers are essential to ensuring the success of all students. Support such as mentoring for new teachers helps better prepare teachers for the classroom. Academic advising for community college students can help increase Oregon's low completion rate. And mentoring and tutoring services for adult GED students can help break down barriers and improve student success.

High cost of child care restricts learning at every level

The high cost of child care is problematic for ensuring equitable education because it impacts students on so many levels: early childhood learning; adults attempting to obtain a high school equivalency, enter/reenter the workforce or get a higher paying job; and individuals wanting to attend college classes. State and federally funded programs that once provided child care have had to eliminate or reduce this service, and others have never

had the resources to begin with. Additionally, Oregon income tax credits for child care are scheduled to sunset at the end of 2015.

Education funding to match Oregon's education goals

The recession further limited available education funding to match Oregon's ambitious goals, particularly for community colleges and universities. The cost of higher education continues to rise while financial aid has failed to keep pace, putting an advanced degree further out of reach for many Oregonians. Investing in an outcomes-based system of education can enhance learning, but student achievement is still greatly influenced by how effective teachers are in the classroom. Resources for training, mentoring, and support for beginning teachers have been scarce for some school districts. Large K-12 class sizes continue to strain resources and impact a student's ability to effectively learn.

Oregon's changing education system

In recent years, Oregon has made large changes to create an integrated and outcomes-based system of public education.

In 2011, the Oregon Legislature passed Senate Bill 909, which required the creation of a unified system of public education from early childhood learning through post-secondary education (P-20), and established the Oregon Education Investment Board (OEIB) to ensure that all public school students achieve the state's education outcome goals. It also established the position of the Chief Education Officer.

The OEIB is expected to create a coordinated public education system; focus state investment on achieving student outcomes; and build an integrated, statewide, student-based data center that monitors expenditures and outcomes to determine the return on statewide education investments.

Created initially to coordinate between Oregon's universities and community colleges, the Higher Education Coordinating Commission (HECC) is a 15-member, volunteer board now responsible for advising the Legislature, the Governor, and the OEIB on higher education policy.

As part of this restructuring, community colleges moved from under the State Board of Education to the HECC effective July 2014.

Also beginning in July 2014, Oregon's three largest public universities – Oregon State University, Portland State University, and the University of Oregon – transitioned to their own institutional governing boards and are no longer governed by the State Board of Higher Education.

Oregon's four technical and regional universities – Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University, and Western Oregon University – continue to be governed by the State Board of Higher Education through June 2015 and then transition to their own institutional governing boards.

As we heard throughout our audits of Oregon's education system, the combination and the magnitude of these and other changes, has created some confusion and uncertainty among the education community.

The 2011 Legislature also passed Senate Bill 253, which established the 40-40-20 education goal, to be achieved by 2025:

- at least 40% of adult Oregonians will have earned a bachelor's degree or higher;
- at least 40% of adult Oregonians will have earned an associate's degree or post-secondary credential as their highest level of educational attainment; and
- the remaining 20% or less of all adult Oregonians will have earned a high school diploma or equivalent.

Lagging student outcomes

Many students in Oregon succeed and thrive as they progress through their education experience. However, not all of Oregon's students have the same opportunities to succeed in their academic and professional careers.

Despite past efforts to improve Oregon's education system, Oregon continues to struggle in areas such as declining on-time high school graduation rates and high absenteeism, low community college and university graduation rates, and the continued rising cost of higher education and student debt burden.

Recent reports and studies paint a picture of an education system that is in need of continued focus and improvement.

They indicate the following shortcomings in Oregon's education system:

- Over 340,000 (11%) of adults in Oregon do not have a high school diploma or equivalency.
- Oregon's high school class of 2013 ranked last in the nation with a graduation rate of just under 69%. The rate is expected to improve slightly with the recent inclusion of students who receive modified diplomas (does not include GEDs).
- The K-12 average absenteeism rate, which has been chronically low for some time, was 15.3% for the 2013-14 school year. The absenteeism rate for 11th and 12th graders were particularly high – 20% and 26% respectively.
- Education Week recently ranked Oregon 41st in the nation for academic achievement, with a grade of C-.
- A 2012 Oregon Secretary of State audit report found significant achievement gaps for low-income and minority 8th graders.
- The class of 2014 ACT scores indicated that most Oregon high school graduates do not have strong enough science, reading and math skills needed to pass freshman college classes.
- Only 24% of degree seeking students who entered Oregon's community colleges in 2007-08 went on to complete a degree or certificate within seven years. The completion rates were even lower for students of color.
- The average six-year graduation rate at one of Oregon's three largest public universities was only 63% for students who entered as full-time freshman between 1998-99 and 2005-06.

Stitching together the parts of an education system

Oregon has made progress in addressing the education system's gaps and coordination challenges. Yet statewide coordination continues to be a challenge with 240-plus governing bodies that comprise Oregon's education system. For example, elected board members of the 197 school districts and 17 community colleges may favor local interests and priorities over system expectations. The newly created public university boards may encounter similar challenges.

Students experience the consequences of Oregon's fragmented education system. For example, some students have difficulties crossing the gaps between the distinct and independent schools and colleges. Oregon's high schools have some of the highest dropout rates in the nation, yet we found few provisions made to re-engage the 340,000 Oregonians who had dropped out.

For example, high schools do not forward contact information of drop outs to Oregon's 17 community colleges that could promote their GED classes and testing. With this information, community colleges could attempt to contact former students about GED preparatory programs and the exam. Without this sharing of information, students can fall further through this gap between organizational priorities. In fact, experience has shown that the longer students are out of school, the less likely they are to take the GED exam and pass it.

Good data on student progress and outcomes can help guide improvements to the education system. Efforts are underway to develop a longitudinal data system to track student outcomes that could be used to evaluate education program efforts and results. Many insights can be developed in future years about student learning and progress as the data is gathered, analyzed, and used to refine education efforts.

Oversight boards – the OEIB and the HECC – were created to span the many organizations of the education system. Since our 2013 audit recommendations regarding increasing the number of adult GEDs, the roles and authorities of these boards continue to be defined and clarified, but many aspects and questions still need attention.

One key area of uncertainty is the accountability role and authority of OEIB and HECC regarding K-12 schools, community colleges, and universities. 'Achievement compacts' are intended

help the state meet its 40-40-20 education goal while also offering flexibility to individual educational institutions. However, OEIB and HECC have not settled on the specific outcomes and related funding for all the education organizations. Developing meaningful accountability measures is extremely difficult and poses risks when they are used to reward or penalize individuals or programs. Instead, research suggests that indicators are best used cautiously, as one element to inform decision-making.

Data informed instruction and decision-making essential to student achievement

Effective school practice research suggests that extensive use of data is key to monitoring and supporting achievement for all students. Regularly analyzing student data is essential to identify areas for instructional improvement and student development. Data informed decision-making and instruction translates analysis into actions for improvement at the student level as well as the system level.

During our 2012 audit, we identified significant 8th grade student achievement gaps. We also found that one of the methods schools used to close achievement gaps between students of color and economically disadvantaged students was data analysis to place incoming students in level appropriate classes. These successful schools also used data to identify students for learning interventions, and to monitor student achievement and growth. We noted some schools seemed more proficient with data, while others expressed interest in having additional data support and training in the use of data.

At the state level, the Oregon Department of Education (ODE) has made educational equity and closing achievement gaps a priority. However, ODE's reporting of schools' achievement gaps is somewhat limited and should include regular re-measurement of gaps, and an evaluation of the state's progress in closing any achievement gaps.

As with middle schools, the preliminary results of our audit of Oregon's community college completion rates shows that many community colleges struggle with the use of data for informed decision making. Community colleges collect and report on extensive data points but often times do not have the resources to perform additional analysis and interpret the results of

student performance data. Further, CCWD has limited capacity to analyze data for state initiatives or to help support smaller community colleges.

Targeted support services can increase student success

Students and teachers need support for better educational success. For example, mentoring for new teachers can increase student success, and academic advising for community college students can help improve their completion rate.

Our audit of teacher education and support found that comprehensive professional development and support, especially during teachers' first three to five years on the job, is instrumental for professional growth and improved student outcomes. Professional development includes high quality mentoring, ongoing learning opportunities, and standards-based teacher evaluations.

While some Oregon school districts reported they provide professional development to beginning teachers, other districts face challenges in doing so. This is particularly true of Oregon's rural school districts, where small numbers of teachers make it difficult to form teacher collaboration teams and provide mentoring, and where travel for training can be cost prohibitive.

In previous audits we identified best practices used by schools closing 8th grade achievement gaps, and by community colleges to address the needs of GED students. But we also found that those best practices are not routinely shared among educators and the state agencies that support them. As with many other aspects of Oregon's education system, there is a need for increased collaboration in order to help break down barriers many students face.

Less than half of students in community college Adult Basic Education programs achieve their goal of attaining a GED. Barriers, such as the need for child care, can be monumental. Support services that can help these students succeed include mentoring, academic advising and tutoring, follow-up with students who miss class or have stopped attending, and referrals of students with potential learning disabilities.

Many of the targeted services that benefit adult GED students are also essential to the success of other higher education

students. Preliminary results of our audit of community college completion rates indicate that low completion rates can be addressed in part through support services such as tutoring and academic advising.

The transition from high school to a university can also be a challenge. About 30% of Oregon's students 'stop out' in their first year at a university, and 'stop outs' grow to 40% by the second year. Student-centered support and good coordination can ease transitions and close the gaps between high schools, community colleges and universities. Increasing graduation rates is one outcome addressed by the university achievement compacts.

Additionally, only about 3% of Oregon's veterans have accessed Veterans Administration (VA) education benefits such as the GI Bill. For a brief two-year period, most of Oregon's public universities provided outreach services through the Oregon Department of Veterans' Affairs (ODVA). When the program ended, only a handful of universities continued providing this service.

High child care costs restrict learning at every level

In 2012, the average annual cost of infant care in Oregon ranked the 5th highest in the nation and the state median income ranked in the bottom third for married couples and single mothers.

The high cost of child care is problematic for Oregon's education system because it impacts student learning potential at each level, including early childhood learning, adults attempting to obtain a high school equivalency or GED to enter/reenter the workforce or get a higher paying job, and individuals wanting to attend college classes.

Our audit of child care found that new federal rules scheduled to take effect this year will increase Oregon's oversight of child care providers and could improve safety for children. However, the new rules risk reducing the number of regulated providers and raising costs in a state where child care is already difficult to afford.

We found several other states use child care subsidies and tax credits to help parents pay for child care. Both the Oregon Working Family Child Care and the Oregon Child and Dependent

Care personal income tax credits are scheduled to sunset at the end of 2015. Oregon's income eligibility limit for child care subsidies ranks in the middle compared to other states. The state's Employment Related Day Care (ERDC) program helps eligible low-income families pay for child care but was reduced during the recession.

Affordable child care can offer more opportunities for parents to place their children in higher quality regulated child care settings that may also provide structure to support early learning. Regulated child care, which includes trained teachers, smaller group size, and lower adult-child ratios, is associated with school readiness.

Our audit found that the lack of affordable child care is a significant barrier to adults seeking to obtain a GED and successfully transition into the workforce or to increase their earning potential. We also found that high child care costs can be a barrier to students trying to obtain a community college degree or certificate.

Other audits have found that state programs that once provided child care have had to eliminate this service, and some never had the resources to start with. For example, in our audit of Temporary Assistance to Needy Families (TANF), we reported that in 2014, as TANF cases rose, the state stopped supporting clients 20 and older to pursue GEDs, and also cut GED support services such as child care.

Clients without a GED receive roughly \$3.8 million in monthly TANF benefits, in addition to various other social service supports.

Funding to support education goals remains a challenge

In recent years, state funding for K-12 schools has not kept pace with rising costs and enrollment. Despite increased spending in the past ten years, student-teacher ratios did not improve; they went from an average of 21 students per teacher ten years ago, to 22 students per teacher in the 2013-14 school year. For high schools, student-teacher ratios increased from 17 to 22.

However, some teachers work with smaller groups of students that have special needs and others may have planning periods, requiring a typical teacher to take on larger classes. This causes

the average class size to be bigger usually than the pupil-teach ratio. Some K-12 class sizes can be as high as 35-40 students.

Districts reduced administrative staff, froze pay, cut professional development, closed schools, and cut school days. School districts will also be providing and funding full-day kindergarten beginning this fall.

Oregon has spent less than the national average per student since 2002-03, when the Legislature made significant cuts to the K-12 budget. For the 2011-12 biennium, spending was at just 89% of the national average. However, for the 2013-15 biennium, the Legislature boosted the state school fund by \$774 million to \$6.55 billion.

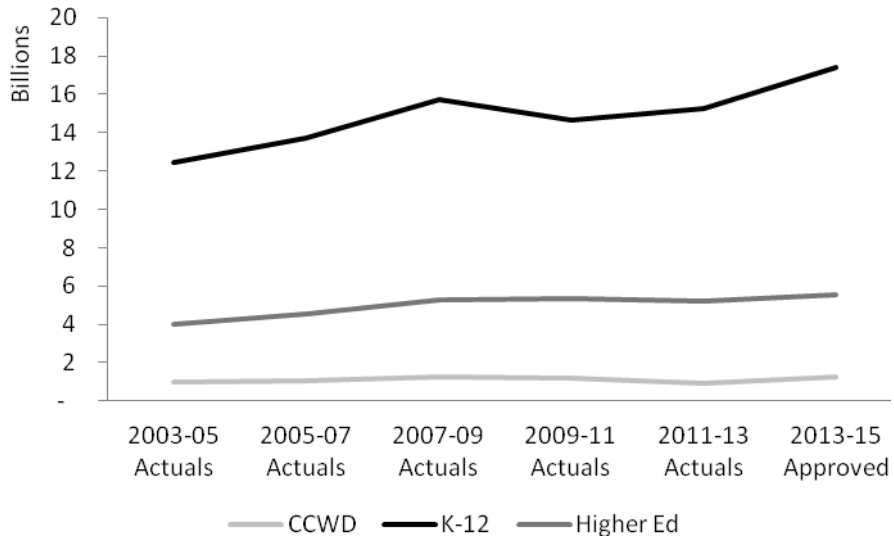
The Governor's recommended education budget for the 2015-17 biennium focuses on pathways to kindergarten readiness and 3rd grade reading, and connecting education to careers. This budget contains targeted education funding for some of the areas highlighted in our audits, such as K-12 teacher mentoring, adult GEDs, child care assistance, data driven decision making, and clarification of governance responsibilities.

Investing in an outcomes-based system of education can enhance learning, but student achievement is still greatly influenced by an effective teacher in the classroom. But resources for training, mentoring, and support for beginning teachers have been scarce for some school districts.

While K-12 schools recently saw some funding increases, community colleges and universities received little in additional funding. These funding constraints were compounded when admissions jumped in the recession, as workers pursued degrees when jobs were scarce. The result was increased tuition, which placed more burden on students to fund their education, often by borrowing.

Oregon has taken various actions to increase student success, such as developing performance measures and creating a more coordinated education system. Yet its 40-40-20 goal is ambitious and the level of needed funding may not be keeping pace with those goals.

Total funding by education program area, 2003-2015



Education Capstone – Appendix A Summary of Prior Education & Education Related Audits

Education: Efforts to Close Achievement Gaps (Report # 2014-10)

This audit found significant achievement gaps for economically disadvantaged, Hispanic, black and Native American 8th grade students in the 2011-12 school year. Achievement gaps are larger when minority and economically disadvantage status are considered together. We also found no improvement for most statewide achievement gaps for 8th grade students from 2004-05 to 2011-12.

An achievement gap indicates students are falling behind in learning. According to research, a five-point gap in test scores is equal to one year of learning. By that measure, Hispanic, black, and Native American 8th graders were at least one year behind in math and reading. Economically disadvantaged (e.g. eligible for free or reduced lunches) were at least one year behind in math.

We visited some of the schools that were closing achievement gaps and found common practices such as a safe and positive school environment, high expectations and high support, teacher collaboration, data informed instruction, and strong leadership.

Additional Efforts and Resources Needed to Improve PreK-12 Teacher Preparation and Professional Development (Report #2013-26)

Public teaching colleges vary on how well they coordinate coursework and student teaching experiences. They also vary in the partnerships they have developed with local school districts.

Our survey of school district administrators found that half of the respondents did not believe Oregon's public teaching colleges sufficiently prepare their graduates. However, no state agency or commission in Oregon routinely reports performance indicators relating to the effectiveness of Oregon public teaching colleges' graduates. Additionally, strengthening licensing requirements could provide greater assurances of teacher preparedness.

We also recommended the creation and implementation of professional development guidelines, and the provision for

consistent funding needed to improve professional development opportunities for beginning K-12 teachers.

Opportunities to Increase Adult General Education Development (GEDs) In Support of 40-40-20 Education Plan (Report #2013-02)

In 2011, 11% of Oregon's adult population lacked a high school diploma or equivalent. Strategies aimed at implementing Oregon's 40-40-20 education goals did not sufficiently address the education needs of adults that have already dropped out of school, or those that may drop out. Community colleges have limited services for adult GED students, and successful models could be better shared among the colleges.

The audit also found that high schools do not routinely share with Oregon's 17 community colleges or other organizations any information about students who recently dropped out. Instead, colleges largely rely on traditional marketing and outreach efforts.

The colleges and CCWD have developed partnerships to refer clients to GED programs when education is a barrier to employment. Yet, financial assistance for educational purposes has been dramatically reduced. Additionally, Oregon does not provide dedicated funding as other states do for GED testing.

Targeted Investments Could Improve Student Success and Completion Rates (Report scheduled to be released in May 2015)

Studies show that students who complete an associate's degree have greater employment opportunities and earn higher wages than those with only a high diploma. When looking at the state as a whole, average earnings go up and unemployment rates decrease with each level of education attained.

Of degree seeking students starting college in one of Oregon's 17 community colleges in 2007-08, only 24% completed a degree or certificate within seven years. This completion rate is lower than 31 other states.

Completion rates were even lower for black (14%), Hispanic (21%), Native American (22%) and multi-racial (19%) students.

Most community college students have at least one recognized challenge to succeeding in higher education. These include being the first in the family to go to college, having a break in

their education, being low income, or having a need for developmental (remedial) education. With support, students with these challenges are more likely to complete a degree or certificate.

Child Care in Oregon: Difficult to Afford; New Regulations May Improve Safety but Further Raise Costs (Report # 2014-25)

The affordability of childcare can not only increase parents' earnings and the state's economic vitality, it can also promote a child's early learning. Regulated child care, which includes trained teachers, smaller group size, and lower adult-child ratios, is associated with school readiness.

As we found in the adult GED audit, affordable childcare can also increase the potential for obtaining a higher education by allowing students with dependent children to enroll in college and complete a degree or certificate.

This report raised concerns about impending federal regulations which may further drive up the cost of child care depending on how they are implemented by Oregon's Department of Human Services and Department of Education.

General Review of Veteran Services and Further Considerations for the Department's New Plans (Report #2014-18)

While 41% of Oregon veterans have some college or an associate's degree, only 26% have a bachelor's degree or higher. Between 2011 and 2013, only about 3% of veterans in Oregon accessed VA education benefits (e.g. GI Bill).

These programs are designed to assist and advise student veterans in accessing GI Bill benefits and other available resources. They also help ensure the campus community understands and serves the student veteran in assisting with educational integration and success.

While a few of Oregon's public universities have created on-campus positions called Veteran Resource Coordinator, our audit suggested ODVA partner with the remaining Oregon public colleges with approved GI Bill programs to assist in outreach for recruiting new student veterans and maximize student veteran success.

Temporary Assistance for Needy Families (TANF): High Expectations, Stronger Partnerships, and Better Data Could Help More Parents Find Work (Report #2014-08A)

Studies suggest that higher education for clients increases wages and job opportunities. Bachelor's degrees and 2-year associate's degrees can help clients break a persistent cycle of low-wage jobs. High school graduates and GED holders also have lower unemployment and higher earnings in Oregon than high school dropouts without a GED.

Few of Oregon's TANF clients report pursuing education. As of June 2014, only 2% were counted in GED programs, though 30% have not graduated from high school.

Clients without a GED receive roughly \$3.8 million in monthly TANF benefits, in addition to other social service supports.

Service cuts contribute to the low numbers. As TANF cases rose, Oregon eliminated new enrollment into a program that allowed clients to pursue 2 or 4 year degrees. The state also stopped allowing pursuing a GED as an activity for clients 20 and older and also cut GED support services, including subsidized child care. Some services have been restored but the number of clients pursuing GEDs remains low.

Opportunities to Control Costs, Improve Student Outcomes, and Clarify Governance Structures (Report #2013-09)

A college degree is becoming more expensive for students, with resident undergraduate tuition and fees increasing 61% over the last decade when adjusted for inflation. Additionally, student debt for Oregon University System graduates was on average 9% higher than the national average for the classes of 2005 through 2010, and increased about 6% over inflation during the past six years.

The audit also found that Oregon's current education governance structure risks creating confusion and a lack of accountability. There is overlap in roles and authority, as well as overlapping performance measures with different reporting structures.

This audit offered recommendations relating to greater transparency in education costs and spending, ways to better track and improve student outcomes, and to make more efforts to control costs and reduce debt for all students.

Workforce Development: Improvements Needed to Better Meet Oregon's Middle-Skill Workforce Needs (Report #2012-18)

This audit pointed out that a broader approach is needed to ensure the supply of trained workers will be aligned with the skill needs of business. At the time of our report, neither the Oregon Workforce Investment Board, nor the State Board of Education, nor the Department of Community Colleges and Workforce Development comprehensively, or collectively, identify high-demand occupations or skill needs of business in their planning or priority setting.

We compared the number of trained middle-skill workers supplied in 2010 to ten-year employee demand projections and found projected supply gaps for a number of middle-skill occupations.

We also found that college completion results are not tracked and evaluated for specific career and technical education programs.

Oregon University System (OUS): Improve Management of Faculty Workload (Report #2011-08)

We found OUS and its universities undertook efforts that could improve efficiency. However, none of the universities have comprehensively addressed instructional faculty workload and student demand for courses.

Further, we found no measures to track efficiency of efforts, linking instructional outcomes to the cost of achieving them at the university, department or faculty level.

Research and service activities, which draw faculty away from teaching, comprise as much as 70% of a tenured or tenure-track faculty members' time at research universities. While faculty research and service activities can have a positive impact on instruction, there is no system in place to track and monitor non-externally funded research.

Universities have taken efforts to identify and analyze low demand course offerings. However, we did not see evidence of a consistent and coordinated effort to analyze the number of students who cannot get into classes due to maximum class size limits. While some departments create wait lists, neither the university nor department waitlists were used systematically to determine total student demand.

About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State, Jeanne P. Atkins, shall be, by virtue of her office, Auditor of Public Accounts. The Audits Division, under the direction of Gary Blackmer, exists to carry out 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 audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

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