



State of Arizona
Department of Education
Office of Diane M. Douglas
Superintendent of Public Instruction



March 25, 2016

Debbie Davenport
Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Dear Ms. Davenport:

The Department of Education has reviewed the preliminary draft of the Performance Audit of the K-3 Reading Program. As requested, our written response is detailed below.

Before responding to the individual findings outlined herein, the Department would like to address the Auditor General's decision to make the Department the primary focus of this audit's findings. It is important to note that the State Board of Education was responsible for the administration of the K-3 Reading Program from its inception until the Board voted to transfer oversight of the program to the Department less than six months ago. In fact, as of this date the Department still has not received full statutory authority to administer the program. Therefore, the Department strongly disagrees with the audit's conclusion that the responsibility for the program's perceived shortcomings lies with the Department as opposed to the Board.

1.1 To help strengthen its program administration and oversight, the Department should develop and implement guidance to help Arizona school district and charters effectively implement the program, including guidance for:

- a. Selecting and adopting a reading curriculum that is scientifically based, as defined in A.R.S. §15-704.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Additional funding is required to hire the necessary staff resources to develop guidance to assist schools with the selection of a scientifically-based reading program, as defined in A.R.S. 15-704. However, while the Department can provide guidance to assist schools with the selection of a scientifically-based reading program, curriculum is locally determined.*

- b. Providing and/or promoting teacher professional development that is based on scientifically based reading research, as defined in A.R.S. §15-704.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Although the Department is already providing teacher professional development based on scientifically-based reading research as defined in A.R.S. 15-704, it requires additional funding to develop guidance for these functions.*

- c. Identifying appropriate program expenditures, consistent with A.R.S. §15-211.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Additional funding is required to hire the necessary staff resources to develop guidance to identify appropriate program expenditures, consistent with A.R.S. 15-211.*

1.2 The Department should develop and implement the following written policies and procedures related to program administration and oversight:

- a. Requiring all school districts and charter schools to submit all of the required components of their annual reading plans in a timely manner and conducting follow up of schools that are untimely or submit incomplete information. These policies and procedures should require school districts and charter schools to provide information on how their teacher professional development will be based on scientifically based reading research, as defined by A.R.S. §15-704.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Additional funding is required for the Department to develop and implement policies and procedures for the submission of literacy plans in a timely manner as well as follow up with schools that are untimely. Additionally, funding is needed in order to make changes to the Department's current literacy plan submission form on the ADE Connect portal.*

- b. Guiding Department staff's review of all the required information school districts and charter schools submit, including the development of various checklists as appropriate.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Additional funding is needed for the Department to develop policies and procedures to guide staff on reviewing all of the required information school districts and charter schools submit, including the development of various checklists as appropriate.*

- c. Validating and verifying program implementation by requesting and reviewing documentation from school districts and charter schools, conducting random compliance reviews, and conducting site visits. In developing these policies and procedures, the Department should develop and implement appropriate tools to guide staff, such as

checklists and risk-based review schedules, and develop guidance for school districts and charter schools on the documentation they should maintain and submit to the Department to demonstrate implementation of various program requirements.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Additional funding is necessary for the Department to develop policies and procedures and to hire the staff resources necessary to request and review documentation from school districts and charter schools, conduct random compliance reviews and to conduct site visits.*

- d. Assessing program outcomes. These policies and procedures should address the Department's processes for collecting, assessing the reliability of, and analyzing the assessment of data school districts and charter schools submit, and its analysis of state-wide standardized test results to determine program outcomes.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Additional funding is necessary for the Department to develop and implement policies and procedures for assessing program outcomes by collecting, assessing the reliability of, and analyzing the assessment of data that school districts and charter schools submit.*

- e. Developing and implementing a process to monitor and oversee school districts' and charter schools' tracking of their program outcomes.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Additional funding is necessary for the Department to develop and implement a process to monitor and oversee school districts' and charter schools' tracking of their program outcomes.*

- f. Using assessment data school districts and charter schools provide to identify the most effective interventions and remedial strategies schools use to improve the reading proficiency of K-3 students with reading deficiencies.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Additional funding is necessary for the Department to use assessment data from school districts and charter schools to identify the most effective interventions and remedial strategies schools could use to improve the reading proficiency of K-3 students with reading deficiencies.*

1.3 If legislation introduced in the 2016 legislative session that would assign the Department responsibility for the Program is not passed, and the Department believes it needs statutory authority to administer and oversee the Program, it should work with the Legislature to modify statute as needed.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented. The Department is already working with the Legislature and has cases pending in court to determine the authority to administer the Program.*

1.4 The Department should assess its resources and staffing needs to appropriately administer and oversee the program, which would include implementing the recommendations made in this finding. This assessment should include an analysis of the efficiency and effectiveness of the Department's program administration, and a documented workload analysis that compares the Department's program workload, including an estimate of future workload, with its staff resources. The Department should then take appropriate action based on the results of this analysis. If the Department determines that additional staff resources are needed, it should first identify additional department resources and/or monies that might be available to help with program administration and oversight. Then, if necessary, it could work with the Legislature to seek additional funding through the appropriations process. Alternatively, if additional staff resources are occasionally needed to address workload fluctuations, the Department could consider using contract help as needed and identify additional department monies or work with the Legislature, as appropriate, to seek additional funding for contractors if necessary.

Department Response: *The finding of the Auditor General is agreed to and the audit recommendation will be implemented provided that the Department receives additional funding from the Legislature. Additional funding is necessary for the Department to be able to fully implement and administer the Program.*

2.1 To improve access to its trainings, the Department should:

- a. Identify and establish participant categories that will be given priority for enrolling in its Phoenix reading trainings and work with the Southern Arizona Regional Education Center to determine if the Center can prioritize these same participant categories for enrollment in Tucson reading trainings.

Department Response: *The finding of the Auditor General is not agreed to, but the recommendation will be implemented. The Department currently adds additional trainings when scheduled trainings reach capacity, and will explore options to prioritize the trainings. However, the current capability of the Department's online event management system does not allow for the prioritization of participants. Modifications to the system would require additional funding from the Legislature. In addition, it should be noted that the Department does not have the authority to dictate the terms of trainings provided by the regional Centers.*

- b. Continue to allow school districts and charter schools to request alternative reading training locations or schedules that meet their needs and advertise this option on its website as well as in its communications to school districts and charter schools.

Department Response: *The finding of the Auditor General is not agreed to, but the recommendation will be implemented. The Department already allows districts and charters to request alternative training locations and schedules. However, the Department requires additional funding from the Legislature to allow all requests from school districts and charter schools to be met.*

- c. Continue working with regional education centers and county superintendents to schedule reading trainings in rural areas.

Department Response: *The finding of the Auditor General is not agreed to, but the recommendation will be implemented. The Department already works with regional centers and county superintendents. However, the Department requires additional funding from the Legislature to allow all requests from school districts and charter schools to be met.*

- d. Work with school districts and charter schools to identify educators interested in serving as TRE instructors and enroll these educators in TOT trainings.

Department Response: *The finding of the Auditor General is not agreed to, but the recommendation will be implemented. The Department already works with school districts and charter schools to identify educators interested in serving as TRE instructors.*

2.2 The Department should ensure that its use of reading training fee monies is consistent with statute by:

- a. Remitting fee monies from reading trainings to the appropriate accounts associated with the Fund, as required by A.R.S. §15-237.01.

Department Response: *The finding of the Auditor General is not agreed to and the recommendation will not be implemented. According to the Department's Assistant Attorney General's opinion, A.R.S. § 15-237.01 was sought by the Department and passed so that the Department could charge tuition for online professional development and cover costs related to the operation and running of the Department's LMS and EMS systems, and other agency overhead. The Department does not believe that this applies to the K-3 Reading trainings since they are conducted outside of these systems. All K-3 Reading training fees are appropriately accounted for in the Arizona Financial Information System (AFIS).*

- b. Reviewing its records from previous fiscal years to determine if any reading trainings monies should be remitted to the Fund in accordance with A.R.S. §15-237.01, and if any such monies are identified, remit those monies to the Fund.

Department Response: *The finding of the Auditor General is not agreed to and the recommendation will not be implemented. According to the Department's Assistant Attorney General's opinion, A.R.S. § 15-237.01 was sought by the Department and passed so that the Department could charge tuition for online professional development and cover costs related to the operation and running of the Department's LMS and EMS systems, and other agency overhead. The Department does not believe that this applies to the K-3 Reading trainings since they are conducted outside of these systems. All K-3 reading training fees are appropriately accounted for in the Arizona Financial Information System (AFIS).*

- c. Requesting the necessary legislative appropriation to use training fee monies from the Fund.

Department Response: *The finding of the Auditor General is not agreed to, but the recommendation will be implemented. The Department is already seeking legislative clarification of statute.*

2.3 The Department should conduct a full analysis of its reading training costs by taking the following steps:

- a. Ensuring its delivery of reading trainings is as efficient as possible to help ensure that training costs are as low as possible.

Department Response: *The finding of the Auditor General is not agreed to, but the recommendation will be implemented. The Department already ensures the delivery of reading trainings is efficient and that trainings costs are as low as possible, as evident by the five days of training provided at a total cost of only \$80 to the participant.*

- b. Developing and implementing a method for determining and tracking the direct and indirect costs for providing its reading trainings, and create policies and procedures for using this method.

Department Response: *The finding of the Auditor General is not agreed to, but the recommendation will be implemented. The Department already has methods for tracking costs of the reading trainings in the AFIS, and the policies and procedures will be documented.*

- c. After developing this cost methodology, determining the appropriate fees to charge for TRE and TOT trainings and setting training fees accordingly.

Department Response: *The finding of the Auditor General is not agreed to, but the recommendation will be implemented. The Department already has methods to determine the costs of reading trainings, and currently set fees appropriately.*

- d. Considering the effect the proposed fee changes may have on training participants and obtaining their input when reviewing the fees. If proposed fees are significantly higher, the Department might consider increasing fees gradually.

Department Response: The finding of the Auditor General is not agreed to, but the recommendation will be implemented. The Department already considers the effect of proposed fee changes, as evident by the five days of training provided at a total cost of only \$80 to the participant.

Sincerely,

Michael Bradley
Chief of Staff