

Detroit Public Schools Office of Auditor General

ACCOUNTABILITY



TRANSPARENCY

Pupil Population Management Audit

School Year 2013-14

REPORT NO: OP-13-113

Report Date: January 27, 2015

BACKGROUND

The Department of Pupil Population Management (PPM) is under the Division of Academic Affairs and is charged with the mission to establish policies and practices that support sound pupil accounting practices, coherent boundary realignment and academic reporting. The goals established by the department to achieve its mission are to:

1. Create, coordinate and monitor the basic enrollment and auditing processes;
2. Manage the boundary enforcement process;
3. Maintain student attendance data;
4. Serve as a liaison between Detroit Public Schools and WRESA
5. Train and assist school staff in the completion of student enrollment, scheduling and attendance, pupil accounting, marking reporting, and student software support.

The Office of Pupil Population Management (PPM) consists of seven (7) units see Appendix 1 for PPM's organizational chart and Appendix II for the number of full time equivalent positions in each unit and their assigned responsibilities for the 2013-14 Fiscal Year. The Office is located in the Student Services & Data Management Complex – South Wing, 2001 W. Warren Avenue. The Executive director for PPM retired in June 2013, which was delayed until June 2014. In August, 2014 she returned to fulfill the duties of the Executive Director for PPM as a retired administrator working as a contractor until a permanent replacement could be identified. In January, 2015 subsequent to the completion of our field work, the District hired an Assistant Principal to fill the Acting Executive Director position. The District also transferred the responsibilities for student record management and the student information system to IT while transferring the responsibility for student code of conduct to General Counsel.

School districts in Michigan receive their funding from the state based on the number of students attending on two 10-day periods during the school year referred to as Count Day. In School Year (SY) 2013-14, the District received \$7,246 for each student attending district schools on a full time basis. One of the primary responsibilities of PPM is to ensure that all students attending DPS are properly accounted for to ensure full membership (i.e., foundation) funding from the state of Michigan's Department of Education. The state through its intermediate school district for Wayne County, Wayne County Regional Educational Service Agency, known as WRESA audits student attendance records that are maintained in the District's student information system (MiStar) to verify the attendance for the number of students claimed by the district on Count Day. In the 2009-10 School Year the District contracted with WRESA for the implementation of MiStar, technical support and training. The 4-year contract expired in 2012-13, but is continued on an as needed basis.

The membership funding the District receives can be reduced if the 75% daily attendance requirement is not met. The calculation is based on the percentage below 75 % attendance achieved by all District schools on each school day. In addition, beginning School Year 2013-14 under the Section 25e of the State School Aide Act, districts can claim any student who enrolls in their district after fall Count Day and receive a pro-rata share of the per pupil funding that was credited to the student's former school district. If the enrolling student did not attend another Michigan school district prior to enrolling after Count Day, no funding is available for that student.

OBJECTIVE SCOPE AND METHODOLOGY

The audit objectives were to (1) assess PPM's effectiveness and efficiency in achieving its mission and goals (2) identify opportunities to strengthen and enhance internal controls over PPM processes and procedures.

The scope of our engagement covers fiscal year 2013-2014. However, we also gathered and analyzed relevant data from prior fiscal years for comparison purposes and updated the report through January 2015. In early January 2015, the District reorganized PPM by moving the responsibility for the MiStar system to DPS IT.

The methodology employed to perform the audit included, information gathering, data review and assessment, trend analysis and other techniques. This included, but was not limited to: interviews with the executive director of PPM and other PPM personnel, the WRESA contractors responsible for programming, trouble-shooting and training on the MiStar system and members of their teams, and the WRESA auditor. We gathered relevant data on pupil enrollment, attendance, the student transcript and record request processes through walk-throughs, data review and observation. We also visited and observed PPM warehouse operations; reviewed and assessed PPM's website for information accuracy; performed an actual transcript request; conducted audit tests related to transcript and graduation verification requests; performed comparative analysis with other school districts relative to the transcript request process; conducted a survey of K-12 principals on PPM performance; and other procedures and analysis as deemed necessary and appropriate in order to address the objectives.

SUBSEQUENT EVENT

After the fieldwork was complete, the District took two actions that impact this report. The District hired an Acting Executive Director for PPM and re-organized PPM by transferring responsibilities for the student information system MiStar and student records from PPM to the IT department and transferring Student Code of Conduct to General Counsel.

EXECUTIVE SUMMARY

The greatest risks facing the District's Pupil Population Management (PPM) Office is the lack of succession planning and the over reliance on third-party contractors who perform several vital roles for the Office without having trained internal resources to assume their responsibilities. Specifically, MiStar data management, trouble shooting, state reporting, help desk and training services as well as certain daily operational tasks are being performed by WRESA contractors. Additionally, the current PPM director is retired and has returned on a part-time contractual basis to fulfill director duties for the Office. The concern is heightened given the lack of documented internal policies and procedures for the PPM operation. We believe these conditions pose a significant risk for the PPM operation, and ultimately for the District.

Notwithstanding these conditions, the Office has made significant progress working with schools to reduce audit findings that had reduced foundation funding in prior years. For example, in SY 2012-2013, the District lost just over 9 full time equivalents (FTEs) valued at just over \$ 65,000 compared to a loss of 1,404 FTEs totaling over \$10.7 Million in SY 2009-10. However, even with this noted progress the District continues to experience foundation funding losses due to poor student attendance and poor accounting of students at the school level for students who enter or leave DPS after Count Day.

Our audit also revealed operational challenges facing PPM that among other things impacts the ability to serve former students and prospective employers in a timely manner concerning their transcript and graduation verification requests. The Office lacks a tracking system and documented process for managing transcript requests that come in via mail. In some cases transcript requests go unfilled for months leaving requestors frustrated without insight on timeframes to complete their requests. This condition is compounded when the request is for a transcript for a student who attended DPS prior to the 1982, but also for former students who attended several large high schools that are now closed.

With over 100 schools closing in the last 8 years, the process of retrieving school records and documenting that information in some organized fashion in the District's warehouse either did not occur or was not done effectively. As a result, when PPM receives a transcript request for a student who attended one of these closed schools, it requires a search through unlabeled boxes of flat files stored at the District's warehouse. To do this, the transcript office closes down each Thursday to send staff to search for the hard copy transcripts.

Furthermore, the office is only opened from 8:30 am to 2:15 pm every day except Thursday when it is closed so staff can search for hard copy records at the District warehouse. We contacted 6 other Michigan school districts and found that each were opened at least 40 hours per week with a couple opened 45 hours while DPS' transcript office is only opened for 24.6 hours each week. This limits the public's access to the most efficient way to obtain a transcript at DPS, which is walk in service.

Moreover, without an effective approach for storing and retrieving records, the District cannot be assured that it is complying with state-mandated retention and disposal requirements for student records. Another consequence of using this approach is that it can delay the deposit of fees which are received via money orders attached to the transcript requests. When transcripts cannot be located in a timely manner, the money orders are not forwarded to the District for deposit. At the time of an onsite visit to PPM, we noted money orders that were dated for the prior year.

The former executive director of PPM requested funding to digitize student records including transcripts for 10 closed schools which totaled about \$500,000 when the request was prepared in 2012. Although no action was taken on that proposal, the District recently reorganized PPM and transferred the responsibility for student records to the Information Technology department. We believe this should help address some of the noted problems.

Much of the success of the PPM Office in achieving its mission and goals is based on its ability to support, direct and work with school personnel to perform certain duties related to the District's accountability for its student population. To assess how effectively the Office performs this role, we surveyed 20 school principals for their input on PPM's performance. Using their input, we measured the level of technical assistance, time allotted to provide assistance, timeliness and accuracy of PPM guidance, the accessibility to PPM staff and the level of customer service provided by PPM staff.

More than one half of the schools ranked PPM service as good or excellent in 3 categories; accuracy of the guidance provided, accessibility of PPM staff and customer service provided by PPM staff. Ironically, customer service was also the area that respondents said needed the most improvement. One common point made by the principals was the need to work more collaboratively with the schools as opposed to the current situation where some respondents felt that PPM was overly critical when school-based staff were not familiar with a given task. Principals also cited a need for more training on new requirements such as the Section 25e reporting process.

In early January 2015, the District took action to reorganize PPM to address a number of issues identified in this report. Specifically, the PPM database (MiStar) will be managed by the District's Information and Technology division as well as student records and the archivist function. Student Code of Conduct will be assigned to the District's General Counsel Office, which currently manages student expulsion hearings, to better ensure that disciplinary actions are aligned with federal and state law as well as school district policy. Student attendance, McKinney Vento and pupil accounting and auditing functions will remain under PPM, which will continue to report to the Superintendent of Academics.

The PPM reorganization changes are consistent with our observations, particularly moving the PPM database and student record management functions to IT. However, issues related to the need for additional resources and changes to the WRESA contract still require attention. Overall, we believe the changes will help address several long-standing problems with student record management.

AUDIT FINDINGS

LACK OF SUCCESSION PLANNING AND OVER RELIANCE ON VENDORS INCREASES SUSTAINABILITY RISK

The District lacks a succession plan for the PPM operations, which is evident by the need to bring the retired PPM director back as a contractor to serve as director on a part-time basis. Moreover, PPM relies heavily on third-party contractors to perform critical PPM tasks including data management, help desk services and training and reporting duties. Without plans to train internal resources or to recruit qualified staff who could assume these responsibilities, the District faces significant risk of sustaining an effective PPM operation. The situation is compounded by a lack of documented internal policies and procedures that support the operation.

In January 2015, the District transferred the responsibility for the PPM database (MiStar) to IT, but the need for contractors to perform troubleshooting and programming activities for MiStar still exist. Also, the District should ensure that the next contract with WRESA accurately reflects the actual work and cost of the work being performed by these contractors and includes specific performance metrics, which according to the Superintendent, are absent in the existing contract.

Lack of Succession Planning Poses Risk for PPM Operation

The current PPM director is working as a retired administrator on a part-time basis because the District failed to identify a replacement prior to her retirement date of 6/30/2013, which was extended one year. Even with the extension it took until January 2015 before the District assigned a school-based administrator as the Acting Director of PPM. Having the Acting PPM Director on board to go through the winter student count and during the 25e effort to shadow the former director of PPM prior to assuming full responsibility for the PPM programs is the right decision to ensure an effective fall student count campaign.

At the same time, the data analyst who was responsible for assisting with enrollment including 25e claims and compiling key reports retired in June 2014. The District contracted with a former IT employee to fill this position as a contractor and assigned him to the Section 25e process. However, given the knowledge and lessons learned from this year's 25e effort, the District may want to consider hiring this individual to ensure some continuity next year for the 25e program. In mid-January 2015, the District promoted an assistant principal to fill the executive director position for PPM.

Over Reliance on Third Party Vendors

The District is the owner of the student information that is housed in the Student Information System known as the MiStar database and the District is ultimately responsible for assessing and reporting student information timely and accurately to meet internal and external requirements.

Wayne RESA contractors are relied upon to perform the following PPM tasks:

- Assessing and evaluating student data for accuracy and reasonableness
- Troubleshooting issues that impact student count and other matters
- Generating reports to meet state requirements and reporting deadlines
- Programming changes and running queries in MiStar
- Staying current with state reporting requirements
- Providing MiStar user training for District personnel
- Managing the help desk for MiStar issues.

Our discussion with the WRESA contractors providing the above services disclosed that PPM has not been properly staffed to manage the MiStar operational student data needs of the District. As a result, the District lacks trained personnel to perform critical tasks currently assigned to contractors. Specifically, the District lacks a trained SIS data analyst who can troubleshoot and make programming changes and create queries. In addition to the listed duties above, PPM also employs contractors to perform daily operational duties such as transcript requests and daily interaction with school based personnel.

Service Provider Agreement with Wayne RESA Should Be Revised

The application service agreement between Wayne RESA (WRESA) and Detroit Public Schools which supports the third party contractors assigned to PPM was executed on July 29, 2009 for four year total of \$8,517,952. Since the contract ended in SYU 2012-13, the district is billed \$1,700,000 annually for the WRESA contractor services. The term of the agreement was in effect for four years from the effective date and is currently expired but continued on an annual basis. The agreement's term, scope of work and cost have not been revised to reflect current services being provided by the contractors. The current agreement includes system implementation activities that were completed during the 2012-2013 fiscal year.

In 2013 the Division of Technology and Information Services reviewed the Service Provider Agreement currently in effect in preparation for transitioning provided services in-house. This review identified specific roles in DPS to support the technical transition (i.e., security, systems administration) and additional job functions that were necessary to continue future PPM and MiStar services (i.e., help desk, functional/technical training, quality assurance management and business analysts). Estimated at \$1,276,127, the cost of this proposal was less than the \$1,586,800 the District paid WRESA for the FY 2012-2013 year.

However, just prior to the release of this report the District took action to realign the management of the MiStar database to the District's IT department, a move we believe will result in greater efficiencies while reducing the reliance on third-party vendors.

LACK OF DOCUMENTATION AND POOR ATTENDANCE REDUCE MEMBERSHIP FUNDING

Despite major improvements in student count audits that has significantly reduced any losses in membership funding over the last three years, the District continues to experience funding losses due to a lack of documentation on students who enroll in the District after Count Day and failure to meet the average daily 75 percent attendance requirement for the District. In past years the District lost significant amounts of funding during the biannual student count audits conducted by the Wayne County Regional Educational Service Agency. The implementation of the MiStar student information system in addition to outreach assistance and guidance provided by the PPM staff and supported by the Superintendent's office has had a positive impact on the losses resulting from student count audits, but additional steps are needed to limit membership funding losses.

District Makes Significant Progress Ensuring Full Funding for Students

Under Michigan Department of Education's funding for students, school districts are audited twice a year—once in the fall and once in the winter—based on student counts for two designated days called Count Day. The District receives full funding for students who attend their classes during the 10-day count window. Students in kindergarten through 5th grade only have to attend their homeroom class once during this period to receive full funding, which was \$7,246 in the 2013-2014 School Year. Students in grades 6-12 must attend all their classes during this 10-day window for the District to receive full funding.

In 2010, when the District implemented the Student Information System MiStar, the losses resulting from audit findings by WRESA declined from 397 Full Time Equivalents (FTE) in the 2010-2011 School Year to 9.08 FTEs in the 2013-2014 School year. As shown in Table 1.1 that follows, the amount of funding losses due to audit findings have been significantly reduced.

Table 1.1 Dollar losses From Pupil Count Audits

School Year	Student Type	Number of Audit Findings	Lost Revenue Due to Audit Findings
2010-2011	Special Education	38.56	\$ 295,369.60
	General Education	358.16	2,743,505.60
2011-2012	Special Education	16.41	117,987.90
	General Education	28.21	202,829.90
2012-2013	Special Education	12.70	91,313.00
	General Education	36.30	260,997.00
2013-2014	Special Education	0.00	-
	General Education	9.08	\$ 65,793.68

The loss in funding for School Year 2010-2011 was over \$3,000,000 compared to the loss for School Year 2013-2014 of \$65,793.68. The significant reduction in funding losses is primarily attributable to the implementation of the MiStar student information system that offers an ability to track student enrollment and attendance to help facilitate full per student funding. In addition, the level of guidance and assistance provided by the PPM staff to school principals to better prepare for the audits also had a major impact on the District’s ability to limit losses resulting from attendance audits. For example, one of the outreach efforts employed by the PPM staff is “pre-audits” that requires schools selected for audits to stage a preliminary audit with PPM staff reviewing the documentation for accuracy and completeness. This effort has been successful in ensuring that school personnel are prepared for WRESA’s attendance audits.

Documentation on Students Who Enroll After Count Day Not Adequate to Ensure Supplemental Funding

Beginning in School Year 2013-2014, the state implemented a program that allowed school districts to claim a pro-rata share of membership funding for students who leave one school district to attend another school district after the fall pupil membership Count Day. Under the program called Section 25e of the Revised State School Aid Act, school districts have up 30 days after a student transfers, or 30 days after the Fall General Collection certification deadline to claim this funding.

The school district must provide the required support documentation for Section 25e requests, which is audited for completeness and accuracy. Students that were not counted by any Michigan local educational agency, public school academy or Intermediate School District on the Fall Membership Count date are not eligible for a Section 25e transfer.

Additionally, non-resident students (from other states) who enroll in a Michigan school district after the fall Count Day are not eligible for the funding. For eligible students the required information includes:

1. Enrollment form with parent/guardian signature and dates
2. Residency verification (preparation of auditor provided form)
3. Student schedule
4. Student attendance from MI-S-tar verifying first day of attendance

Last year, the District identified over 1,100 students as of December, 2013 who came to the District after Count Day. Of this number, only 230 were claimed by DPS in the first and largest 25e submission. Some of these claims were denied by the state because the students had not attended another Michigan school district prior to enrolling in DPS and therefore were not eligible for 25e funding. However, a significant number of the claims were denied due to a lack of complete and accurate enrollment documentation on the students who came to DPS after Count Day. Consequently, the District only received funding for 20 FTEs in total. This stemmed in part from a lack of an effective process and dedicated resources to implement the process. Alternatively, Section 25e claims of DPS students by other school districts totaling 284 FTEs were approved resulting in a net loss of \$2,035,640.

For the current year, 2014-2015, the Office of the Auditor General (OAG) has dedicated resources to assist the PPM team with the collection, documentation and submission of 25e claims. As a result, the District submitted 779 claims for the first Section 25e submission in December 2014. The approval status of these claims are pending until the WRESA auditors review the documentation. At the same time, the number of students who left DPS since Count Day and are being claimed by other school districts as of the first submission was 780 which is more than last year. Notwithstanding this, the District through the combined efforts of the OAG, Academics and PPM, has made significant progress over last year's Section 25e results.

Better Enrollment Documentation Needed

Failure on the part of school personnel to obtain required information at the time of enrollment is a contributing cause for last year's Section 25e losses. We were told by the WRESA auditor that last year many of our 25e claims either had incomplete or inaccurate support documentation. One noted deficiency was the lack of documentation to support student residency. Also, the District did not have an effective process in place to appeal some of the claims denied by the state. According to the WRESA auditor that performed the review of DPS' 25e documentation, when she found starting attendance dates on the student record submitted to the state that did not match the starting dates in MiStar she told PPM what date to change it to so the claim would be approved. However, the District never resubmitted these claims with the right dates so they were denied. The Although the lack of accurate enrollment documentation and untimely submittal of requested information by some schools contributed to poor results last year the acting PPM director identified

the lack of resources to meet the heavy labor demands required to submit 25e claims as the primary reason for last year's Section 25e results.

Failure to Meet the 75% Attendance Requirement Costs District

Each Michigan school district must meet the minimum daily pupil attendance requirement of 75 percent in order to avoid a state aid reduction. The percentage of pupil attendance is based upon the actual number of pupils enrolled and scheduled for pupil instruction compared to the number of pupils actually in attendance on that day. Districts must have a procedures in place to capture this information at the district and building level.

The District failed to meet the 75 percent requirement for 13 days during the 2013-2014 school year and the unaudited state-aid deduction is \$3,396,710.82. Student attendance is the responsibility of the schools; however, one of PPM's goals is to maintain student attendance data, therefore, PPM responsibility is to ensure schools are reporting attendance daily and accurately.

Based on information provided by the Office of Management and Budget, the following penalties were assessed for falling below the 75 percent district-wide attendance for 13 days in SY 2013-2014.

Table 1.2: Losses Due to Falling Below 75% Daily Average Attendance in SY 2013-2014

Count	Date	Total DPS Enrollment	Total Number of Students Present	Percentage of students present	Amount Owed
1	9/3/2013	47,013	35,054	74.57%	11,325.44
2	11/11/2013	48,857	27,417	56.12%	488,661.30
3	11/27/2013	48,937	33,409	68.27%	174,175.21
4	12/20/2013	48,211	35,389	73.40%	41,290.91
5	1/9/2014	48,974	27,360	55.87%	495,142.55
6	1/10/2014	48,829	27,873	57.08%	463,661.72
7	1/27/2014	48,390	28,889	59.70%	395,926.46
8	2/5/2014	48,898	32,889	67.26%	200,285.95
9	4/11/2014	49,216	29,988	60.93%	364,069.09
10	6/12/2014	46,855	25,597	54.63%	527,131.45
11	6/18/2014	29,059	15,449	53.16%	221,120.56
12	6/24/2014	18,879	11,286	59.78%	7,093.56
13	6/26/2014	18,480	11,049	59.79%	6,826.62
Total					\$3,396,710.82

Source: DPS Office of Management & Budget

The total cost of not meeting the 75 percent attendance requirement to the District was nearly \$3.4 million. However, other factors such as whether or not to close schools on days with inclement weather and low building temperatures can have an impact on student attendance as well.

The lowest attendance days occurred in January and June, 2014. However, the most costly day for the District was June 12th when poor attendance resulted in a one day penalty of \$ 527,131.45. The District was challenged to keep some schools open for the period in question due to power outages that were not the fault of the District.

To ensure better attendance at the end of the year, the Office of Academics moved the final examination date for grades 9 through 11. The District also strengthened its attendance policy and eliminated half days to limit losses due to poor attendance, which helped. However, according to the retired director of PPM who is serving on a contractual basis this action helped to improve attendance, but additional efforts are needed to avoid funding losses going forward. Compliance with the 75 percent daily attendance requirement will take the combined efforts of school leaders and attendance officers to ensure students with high absenteeism are identified and investigated in a timely manner to allow for intervention.

RECORD REQUEST PROCESS NEEDS CHANGES TO ASSESS ACCOUNTABILITY & TIMELINESS

Pupil Population Management staff process thousands of requests for student transcripts, graduation verifications and other requests for other student records annually. The Office has a 10-15 day timeframe to process student transcripts and graduation verifications which represent the most requested student records. However, without tracking and capturing data needed to assess the timeliness of processing these requests the accountability over the process is reduced. We also found other conditions that can adversely impact the efficient processing of transcript requests including inaccurate information on the PPM website and lack of follow up on requests made by mail, fax or phone. The delay in processing some requests can result in lost revenue for the District resulting from dated money orders that are no longer negotiable.

Vital Data Not Captured and Productivity Reports Not Utilized

Based on discussion with PPM personnel, we were able to estimate that on an annual basis they process in excess of 26,000 requests for student records. Table 1.2 illustrates the types and quantity of student record requests received annually by PPM.

Table 1.3: Estimated Annual Volume of Student Record Requests Processed

Record Types	Estimated Quantity Processed Annually
Transcripts	12,000
Student Records to Other School Districts	20,000
Graduation Verification	12,000
Subpoenas	600
Disability Request	1,200
Military Request	All 11 th and 12 th Graders
FOIA	120

Given the number of concerns voiced by DPS management about complaints they receive about the transcript process, we focused our audit testing on PPM’s transcript and graduation verification process. We found that an estimated 25 percent of the transcript and graduation requests are walk-in requests. These requests are logged in and generally processed that day while the requestor waits. However, the greater challenge for PPM is processing mailed requests for transcripts and graduation verifications, which account for 70 percent of the requests received, within the 10 – 15 business day timeframe established by PPM.

We attempted to assess the extent to which PPM is complying with its 10 -15 business day metric; however, we found that PPM does not date stamp incoming mail nor does it have a tracking mechanism to document and monitor the processing time. In addition, some request forms were not maintained while others could not be located. As a result, our test was inconclusive. Specifically, we attempted to test the timeliness for processing 84 transcript and graduation verification requests from the period of June 2013 – February 2014. Of the 52 that were located and could be tested, none of the requests received by mail were date stamped when they were received in PPM’s office. Without a receipt date on the request forms or tracking mechanism for such requests, we could not determine how long the requests had been at PPM and there was no way of determining whether PPM is meeting its 10-15 day metric for transcripts.

The challenge is heightened for requestors that are seeking transcripts or graduation verifications for years prior to 1982 and for certain closed high schools because many of these records are stored on different mediums. Most of these transcript records are not organized which has resulted in an inefficient practice of closing down the transcript window every Thursday to send staff to the warehouse to retrieve requested transcripts.

This practice also reduces the available hours for obtaining student records. We surveyed 6 Michigan school districts and 1 out of state school district. We found that each of the 6 Michigan school districts are open for at least 40 hours a week compared to PPM’s 24.6 hours and 4 of these districts have online transcript services that could not be located in the Office..

Our test also revealed that PPM does not consistently complete the “office use only” section of the form that would allow critical information such as: method of receipt, who filled the request, where the request is sent to, and where transcript data is located to be gathered for future analysis. Failure to capture and document critical date information about transcript and graduation requests and the lack of productivity reports hinders PPM ability to manage the process and assess its effectiveness in doing so. The former director of PPM who is currently serving in that capacity as a contractor indicated that due to the limited human resources available to PPM, they are unable to assign personnel to log requests received via mail and generate productivity reports.

Inaccurate Website Information and Limited Public Access Impact Customer Service

The District’s website, under the PPM webpage provides information on how to request a transcript. It includes, among other information, that a transcript can be requested through the following methods: in person (walk-in), email, fax, drop-box, or U.S. mail. However PPM began charging a \$5 fee in April 2013 to process transcript requests. When requests are received that do not include the \$5 fee, there is no mechanism to track those requests and advise requestors that their request will not be processed until the fee is received. The former Executive Director of PPM and Superintendent of Academics to whom PPM reports, attributed this condition to a lack of resources. However, the benefit of tracking and following up with requests outweighs the cost of resources needed to implement such a procedure. ,

Given the lack of data to assess the timeliness for processing transcript requests, the OAG had an intern who attended DPS request their transcript so we could objectively assess the timeframes for processing the request. The following events occurred:

- On Wednesday, 2/18/2014: The intern submitted a faxed-in transcript release form to the Transcript department at (313) 873.7590 with an attached copy of their driver’s license,
- On Wednesday, 3/4/2014, the Intern called the phone number listed on the Transcript release request form and was told this was the wrong number. The correct number for the Transcript department was provided (313.748.6382) The intern called this number at 9:23 am 3/4/2014 but no one answered so the intern left a message requesting the status of the request made on 2/18/2014. A call back was never received.
- On Friday, March 14, 2014, nearly one month after the initial request was made, the intern called 313.748.6382 at 3:15pm. The intern was told that the Transcript Department no longer accepts faxed transcript requests since April 2013 when the department began charging a \$5 fee to process transcript requests. At that time, the intern was told that the quickest way to obtain a transcript is to come into the office. The only other way to obtain a transcript is through the mail with the \$5 fee included.

- On Friday, April 4, 2014 the intern arrived at PPM located Frederick Douglas School at 8:51 am. The intern received the transcript within 1.5 hours that day.

As we noted previously, most customers coming to PPM's office to request a transcript are able to leave with their transcript in hand. However, there are instances when transcript requests cannot be filled readily because the transcript cannot be located. This could occur for both mail requests and walk-in request. However for mailed requests, PPM does not have a process in place to alert requestors that their request will require additional time to fill and provide an estimated timeframe to complete. During our field work, we became aware of a request that was received June 28, 2013, based on the date of the money order, but the request had not been processed as of August 6, 2014, some 14 months later and the requestor had not received any communication from PPM on the status of the request. The transcript was needed for employment purposes.

We also found that PPM does not maintain a comprehensive listing of all transcript requests that captures receipt dates and tracks processing activity. Instead the request are maintained by individual staff. A member of the transcript team advised that on average there are 50 requests that cannot be readily processed upon receipt. Failure to maintain a comprehensive listing of requests that cannot be readily processed hampers the ability to monitor the status of the request and creates a customer service challenge.

Fees Collected Not Deposited Timely

One of the effects of not timely processing transcript requests that come in through the mail is that money orders that are sent along with these requests can become spoiled and no longer negotiable. The practice employed by PPM is to hold onto receipts for transcript requests until they can be processed. Specifically, we found that PPM holds receipts it receives for transcript and graduation verification request in some instances for months in a cabinet before remitting the funds to the department of cash management for processing and deposit into a district bank account. Currently, PPM does not have a process in place to follow up with requestors to get the money orders reissued. As a result, the District is losing revenue from the transcript fees and the associated interest that could have been earned.

Management of Student Records

The District transferred the responsibility for student records including transcripts from PPM to IT in January 2015. Given the demonstrated leadership for this department, we believe this was the right move to help ensure that student records are being managed effectively. However, even with this move we believe that additional resources or outsourcing may be needed to strengthen the student record process.

GREATER COLLABORATION NEEDED TO ENSURE EFFECTIVE PROGRAM

To ensure PPM initiatives are effective, PPM staff, principals and their staff must work collaboratively. Essentially, PPM cannot effectively carry out its mission without the cooperation and assistance from school leaders. An integral part of PPM's role is to inform, guide and assist schools in complying with membership requirements that, when done effectively, maximize district membership funds. We obtained the views of principals who have to work with PPM and are in the best position to assess their level of assistance, guidance and customer service. As such, we surveyed 20 school principals to obtain their assessment of PPM and their views on how collaboration can be improved. Principals rated PPM service the highest for accuracy of guidance provided and customer service, but their comments were more revealing and critical of PPM and cited the need for improvement. On the other hand, schools are not mandating that their staff have to attend training. As a result, some of the school based staff are not knowledgeable about enrollment and MiStar procedures, which can result in additional work for PPM staff. According to the acting PPM director, this has been a constant form of frustration for her and the PPM team.

Schools Rate PPM High for Accuracy And Customer Service But Cite Need for Improvement

To assess the level of collaboration and its effectiveness between schools and PPM, we surveyed 20 school principals representing elementary, k-8 and high schools to obtain their views on the adequacy of assistance, guidance and customer service provided by PPM as a way to assess the how effectively PPM is working with schools on pupil accounting and related activities. Seven of the 20 or 35 percent of the principals surveyed rated PPM service as excellent for the accuracy of guidance provided and customer service. The same 7 schools gave PPM the highest ranking in both categories. Of the six categories of service measured, at least one school rated PPM poorly in four areas.

The comments that were submitted by the schools, however, were more critical of PPM and in one case a principal stated that had the survey been anonymous they would have been more willing to share their honest views of PPM. Other comments touched on concerns about customer service and how PPM staff talk to school personnel including principals; chastising them when something is not completed properly and being generally impatient with staff who need their assistance. Principals also cited concerns with limited time to meet PPM requests, the need for better training on new programs like the Section 25e and the lack of a process that would date and time stamp received documents from schools. Accordingly, a couple principals stated that they send requested documents to PPM that are sometimes misplaced or lost. To foster greater collaboration and teamwork between PPM and school personnel, the District should consider scheduling PPM staff for customer service training, which is one of the goals in the District's strategic plan.

Schools Responsible for Managing Student Information

Schools are responsible for capturing, verifying and documenting information on students who enroll in their schools. When schools fail to capture this information accurately, it can result in data errors and duplicated work efforts for PPM when they submit information to the state. In some cases, school personnel are not complying with enrollment procedures that require them to verify if the student was previously enrolled in DPS prior to enrolling them as new students or not using a copy of the required birth certificate to verify the spelling of a student's name. Both conditions can result in duplicate student records. We also found that enrollment forms are not always fully completed. Consequently, when enrollment records were requested last year for the inaugural year of the Section 25e initiative, some schools had to reach out to parents to obtain signatures and other missing information from those forms. Ultimately, schools need to ensure they are meeting all the enrollment requirements for pupil accounting and reporting in order for PPM and the District to be effective.

Training Key to Successful Program

Training for the District's student information system (MiStar) is offered to users who are primarily school-based employees and principals. Training and help desk services for MiStar are managed by contractors under the agreement with WRESA. The training process, according to the acting PPM director, is hampered by poor attendance. Currently, there is no requirement that mandates school-based personnel responsible for enrollment and membership activities to be trained. When system users are not trained to use the system as intended this can result in input errors and limit user productivity.

Recognizing this, we identified the membership clerks who should be assigned to pupil count responsibilities at each school during the 2014-2015 Section 25e effort with the intent of ensuring they were prepared to do so. Through the process the 25e team working with PPM would get a good assessment of which membership clerks understood their role and those that may require additional training. However, the team was subsequently instructed by the acting PPM director to ask each principal who they wanted to assign the responsibility to, which was not always the membership clerk who was trained to perform these duties. Consequently, even with a concerted effort to hold membership clerks responsible for their required membership count duties, the procedure was superseded by practice. Although the decision was made based on the preference and input of school principals, it limits the ability to ensure that membership clerks are held responsible and accountable for these activities.

The effectiveness of the MiStar training, which the District is paying for, cannot be fully assessed without holding staff accountable for their assigned duties. To do this, principals have to allow the membership clerks to perform their assigned duties. If the clerks' performance is less than satisfactory in fulfilling these duties then refresher training can be scheduled or the employee may not have the skill set to perform the work and should be reassigned.

LACK OF DOCUMENTED POLICIES AND PROCEDURES

Although PPM issues guidance to schools on a regular basis to comply with MDE requirements, we found that the Office does not have documented policies and procedures for the internal operations within PPM. Documented policies and procedures are key enablers to ensuring (1) consistent work activities among employees and (2) continuity in the operations when personnel turnover occurs. The adverse impact of not having documented procedures for PPM is heightened with the appointment of an Acting Executive Director for PPM who must carry out the functions and responsibilities of the office. Policies address the guidelines that govern how a business unit will function and procedures are detailed instructions to carry out the intent of the policy.

CONCLUSION

The responsibility for ensuring that the District maximizes its membership funding for the students it serves falls on the Pupil Population Management Office. Over recent years, PPM has worked closely with its contractors and school principals to ensure any loss in membership funds due to lack of documentation is limited. As a result, the District has made dramatic improvements in this area and losses in membership funding resulting from audits of attendance documentation were only \$65,000 last year compared to nearly \$3.4 million in 2010-2011 when MiStar was implemented.

Despite these efforts, the District continues to lose some of its membership funding due to poor student attendance and the lack of documentation for students who come to DPS after the Fall Count Day. For the current year's Section 25e initiative, the District through the combined efforts undertaken by Academics, PPM and the OAG took actions to ensure submitted documentation for 25e claims was complete and accurate. As a result, the District will either significantly reduce its Section 25e losses from last year or realize a slight financial gain. However, to ensure compliance with the 75 percent attendance requirement, the concerted efforts of school leaders and the District's attendance officers are needed to ensure students with high absenteeism are being investigated timely to intervene and address any impediments to daily attendance.

In early January 2015, the District took action to reorganize PPM. The reorganization will result in the transfer of responsibility for the student information system (MiStar) to the District's IT department where it used to be along with the responsibility for managing student records including transcripts. While we believe these actions will ultimately save the District money and result in improved customer service, IT may require additional resources to fully bring the operation in house as illustrated in its 2011-2012 proposal on this matter.

Under the leadership of the IT director, we believe many of the concerns related to student record management, internal metrics and policies and procedures will be addressed. Finally, school leaders need to be made timely aware of all requirements that can impact membership funding,

graduation rates and enrollment. The current practice of sending emails delineating new requirements or reminders about existing requirement does not always ensure such requirements are well understood. Requiring membership clerks to attend training and holding them responsible for membership activities instead of allowing other staff to perform their duties is important to drive greater accountability and effectiveness.

RECOMMENDATIONS

To ensure sustainability and future success of PPM operations we recommend the Academic Superintendent:

- Require the acting PPM director to document policies and procedures covering the internal operations of PPM,
- Ensure that school-based staff including principals are trained on enrollment procedures, Section 25e procedures and membership responsibilities, and
- Require PPM staff and transcript contractors to attend customer service training

To ensure the district receives the greatest value for the cost expended: we recommend that the director of Information Technology:

- Determine what level of services is still required from WRESA contractors and renew the expired contract to reflect the actual services being provided with commensurate pricing,
- Ensure that website information accurately reflects procedures for obtaining student transcripts and other records, along with the expected timeframes and hours of operation for walk-in service,
- Conduct a cost benefit study on managing the MiStar help desk and training in house versus contracting out and take the most cost-effective action,
- Establish transcript database and a tracking process that includes date and time received on mailed transcript and graduation requests to ensure we are meeting the established 10-15 business day metric for student record request,
- Seek out ways to operate the transcript office to ensure maximum access for requestors, this could include expanding the hours, providing online transcript services, outsourcing, etc.

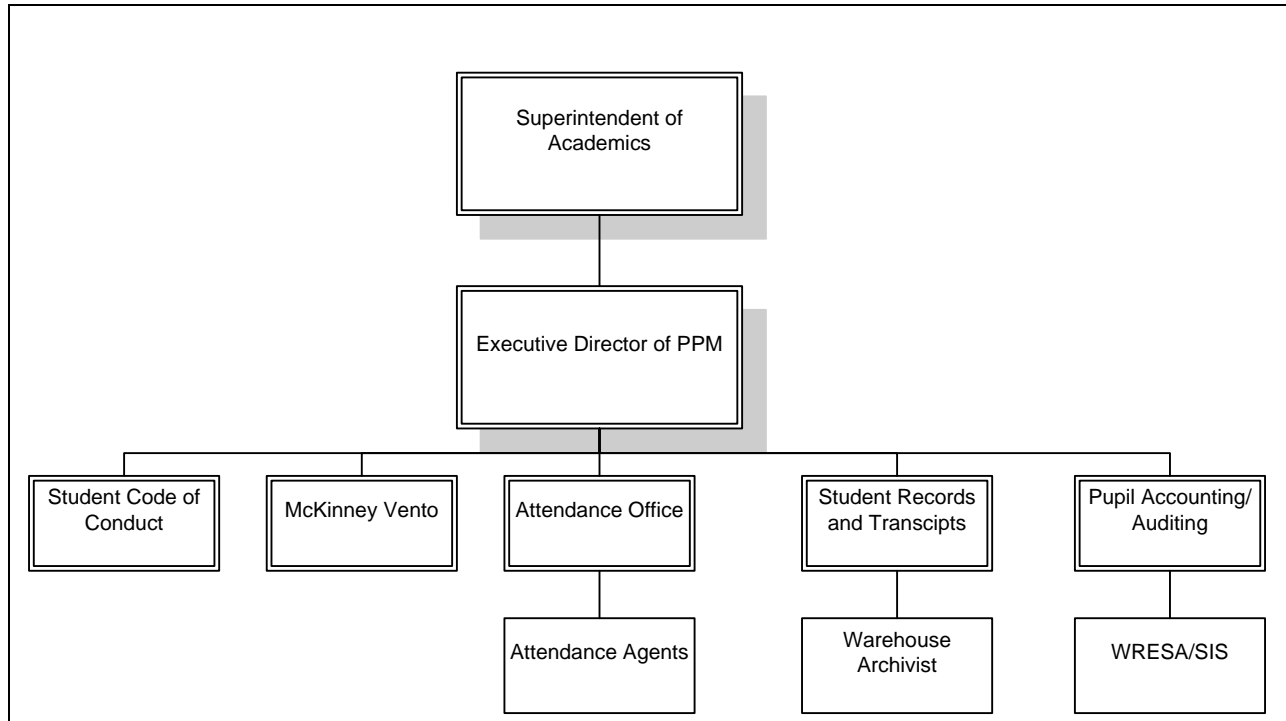
Our audit was performed in accordance with U.S. Government Accountability Office, Government Auditing Standards and the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing, except as it relates to an external peer review. This report is intended solely for management and should not be used for any other purpose. This restriction is not intended to limit the distribution of the report which is a matter of public record.



Odell W. Bailey, CIA, CGFM
Auditor General
Detroit Public Schools

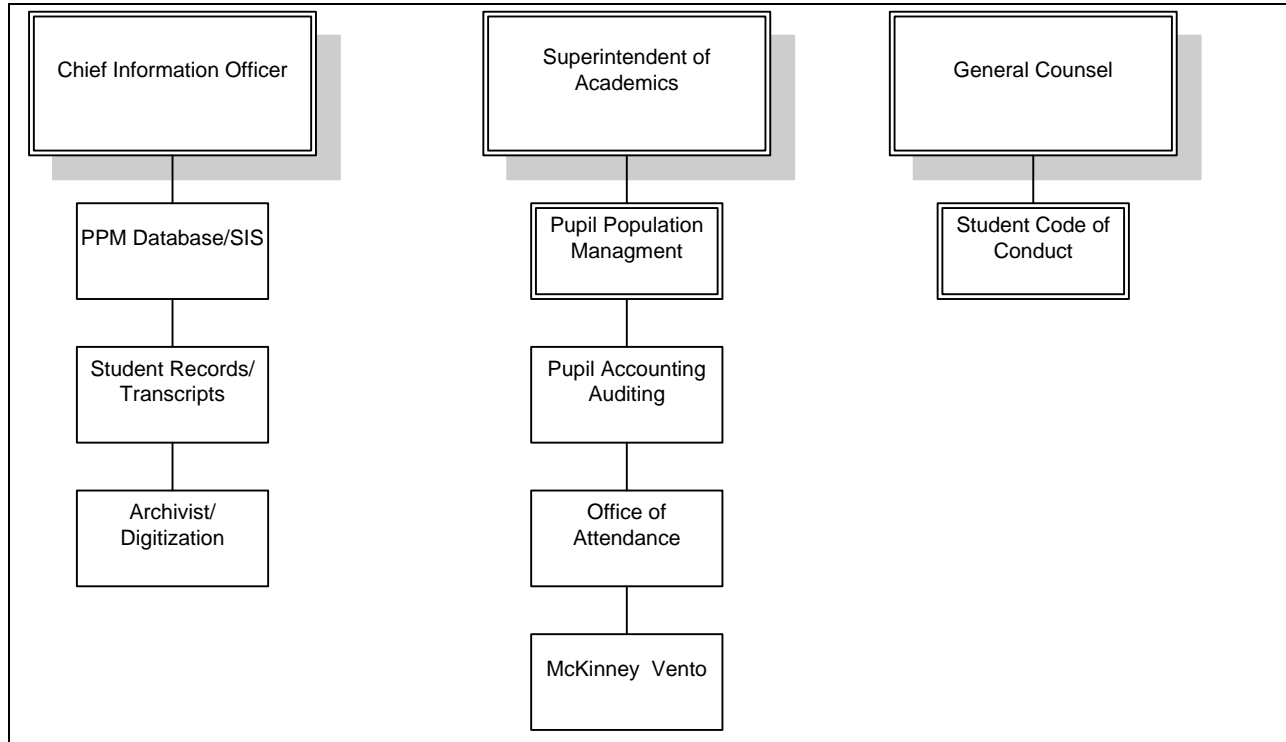
APPENDIX 1

Pupil Population Management Organization Prior to January 7, 2015



APPENDIX I (CONTINUED)

Reorganization of Pupil Population Management after January 7, 2015



APPENDIX II

PPM OPERATIONS: RESPONSIBILITIES AND RESOURCES

Pupil Accounting/Auditing

To ensure an accurate pupil count occurs across the district and is reporting to Michigan Department of Education (MDE) as required 24 FTEs are utilized in this unit, of which 16 are contractors.

Cross-functional teams in Pupil Population Management, Student Information Systems, Attendance, Special Education, World Language, Early Childhood Education, Bilingual Education, Adult Education Research, Evaluation, Assessment & Accountability, and the Student Code of Conduct work collaboratively to coordinate efforts to submit general collections per MDE deadlines. Applicable process applications include, but are not limited to:

- Enrollment
- Scheduling
- Attendance
- Behavior
- Mark Reporting
- Academic History
- General Collections (Fall, Spring, Early Childhood, Year End, Section 25e)
 - Non-Resident Students
 - Pop III Students (Homebound/Hospitalized, Work-based, Homeschooled)
 - Early On
- Student Data Error Validations
- Teacher-Student Data Link (TSDL)
- Graduation and Dropout Application (GAD)
- Dual Enrollment
- Civil Rights

Student Transcripts and Records

To fill request for student transcripts and school age student records from students (former/current) and other school districts. The unit is also responsible for filling request for an array of student records, Seven (7) FTEs (Of this number, a Program Associate I has pupil accounting and auditing responsibilities; the Clerical Level IV serves as the Payroll Clerk, personally manages high profile and difficult to solve cases, and manages calls for the Office; the Clerical Level II supports data collection for the GAD application, researches and confirms Graduation Validations; supports student name changes, updates MI-Star and student records for deceased students; validates Elementary, Middle and High School courses; supports quarterly grade change updates; supports the resolution of how to

resolve transcript cases) are utilized in this unit, of which 4 are contractors; a Customer Service Representative and 3 Data Entry Clerks.

MI-Star Student Information System

To ensure the district's student information system, MiStar, is operating and functioning to account for and track student enrollments, attendance and grade performance and to provide state-mandated reporting on these and related activities. 24 FTEs are utilized in this unit, 16 are contractors.

Also, the training component (webinars, professional development/training [standard and specialized symposiums], quick reference guides, user support, special projects [e.g., dual enrollment], system upgrades and on demand queries which support the District are some of the functions provided by the Team that supports the MI-Star SIS system.

Warehouse/Archives

To transport, index, batch, organize and store student records, along with other district-wide records, files, and memorabilia as required Per MCL 380.1135(4) *Records Retention and Disposal Schedule for Michigan Public Schools*, Michigan Department of Education, 2010. Four (4) FTEs are assigned to this unit; a Program Associate I and three (3) are substitute clericals. The transport of student records (10 or less) is currently supported by the Attendance Office. *The transition of this office to IT is anticipated on or by March 13, 2015.*

McKinney Vento

To identify homeless students and ensure they receive educational services as required under the McKinney-Vento Homeless Assistance Act of 1987. Two FTEs are employed in this unit. The Attendance Office works in collaboration with the unit; an Attendance Clerical supports work assignments whenever possible.

Attendance Office

The unit works closely with individual schools to monitor student ~~absences~~ attendance and to identify related patterns. Twenty-one FTEs are assigned to the unit, all are DPS employees. The unit of 20 attendance agents is led by a supervisor. (Ten of the Attendance Agent positions are funded through Title -I/31A while ten are funded with General Fund dollars). Through collaborative efforts, the Attendance Office has established a partnership with the Department of Human Services for the purpose of having a positive influence on student truancy.

Student Code of Conduct, Student Assistance and Intervention

Ensure the District's Student Code of Conduct is issued to each student and parent as required by MDE and district policy. Also to ensure student rights are properly safeguarded along with arranging expulsions, readmissions, and reinstatement hearings for expelled students, and reporting to MDE. *The student code of conduct office transitioned to the General Counsel on or about January 8, 2015.*

PPM MANAGEMENT RESPONSE

RECOMMENDATIONS

To ensure sustainability and future success of PPM operations we recommend the Academic Superintendent:

1. Require the PPM Director to document policies and procedures covering the internal operations of PPM,
2. Ensure that school-based staff, including principals, are trained on enrollment/exit procedures, and
3. Require PPM staff and transcript contractors to attend customer service training

PPM Response to Recommendation 1

PPM will document training provided to SIS Administrators and Clericals pupil accounting and auditing (including Section 25e) requirements as mandated by the Michigan Department of Education.

PPM Response to Recommendation 2

Rely upon the accuracy and quality of the District's student data, all student data symposiums and training session should be mandatory. Successful completion of these sessions should be tracked and evaluations maintained on file. Accountability assessments are recommended.

PPM Response to Recommendation 3

This should be a requirement for ALL District Personnel. This document (report) overlooks the reality that the PPM team have consistently suffered from reduced staffing. To ensure some level of success, primarily with operations, two positions are essential:

- 1) Quality Assurance Manager (formerly a Database Systems Analyst)
 - Manages the District's Student Information System
 - Provide guidelines to school district personnel to sort and cleanse student data
 - Provide Federal, State and County compliance reports and statistical reports to district departments (CEPI, SRSD/ UIC requests and resolutions)
 - Creates and submits the General Collections (count) databases to MDE
 - Creates and submits the Special Education database to MDE
 - Creates and submits the Civil Rights Survey to the U.S. Department of Education
 - Compiles, tracks and monitors Student School Attendance data
- 2) State Reporting Analyst
 - Primary responsibilities include, but are not limited to, transitioning the management and control of student data required for State Aid, from the WRESA SIS Consultants to DPS;

- Provide Federal, State and County compliance reports and statistical reports to District departments (i.e. CEPI, SRSD/UIC requests and resolutions); Create and submit the General Collection databases to the Michigan Department of Education (CEPI).
- Manage the Duplicate Student ID Number process.

INFORMATION TECHNOLOGY MANAGEMENT RESPONSE

The Chief Information and Innovation Officer (CIIO) generally agreed with the report recommendations related to her areas and has begun actions to reorganize the student record process including relocating and reassigning staff assigned to these areas and pursuing online services for transcript requests. According to the CIIO, they are currently reviewing the services that will be needed from Wayne County Regional Education Service agency (WRESA, Intermediate school district for Wayne County). Once the review is completed she will pursue a new contract with WRESA that better reflects the current SIS services being provided.