Performance Measurement and Reporting at Portland Public Schools

A report by the District Performance Auditor
April 2012

PORTLAND PUBLIC SCHOOLS
PORTLAND, OREGON

MEMORANDUM

To: Board of Education

From: Richard C. Tracy, District Performance Auditor

Date: April 2012

Re: **Performance Measurement and Reporting -** Performance Audit

Attached is my audit report on Performance Measurement and Reporting at the Portland Public School district. I performed this audit in response to the 2011-12 Performance Audit Plan approved by the School Board.

I would like to thank the District management and staff for their assistance and cooperation in conducting this audit.

I look forward to meeting with you at upcoming Board and committee meetings to more fully discuss the report's findings and recommendations. Thank you for your ongoing support of performance auditing.

cc:
Carole Smith
Zeke Smith
Jollee Patterson

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SUMMARY

Over the past two decades, school districts around the country are placing more emphasis on measuring and reporting on school performance. Much of this effort is the result of increased accountability demands from federal and state governments through the implementation of the federal ESEA and the No Child Left Behind legislation. School districts are also responding to school reform initiatives sponsored by various organizations including the Council of the Great City Schools, the Malcolm Baldrige quality awards, and private groups such as the Eli Broad and the Bill and Melinda Gates foundations. Increased national interest in improving U.S. student achievement and the continuing pressures on local school budgets has also played a role in encouraging school districts to develop new practices for measuring and reporting on the outcomes of education and the efficiency of service delivery.

Portland Public Schools has certainly not been immune to these initiatives to improve the measurement and reporting of school district performance. The district has collected data on student achievement, developed strategic priorities, and reported to the public on student outcomes. Compared to other districts, PPS has several elements of a functioning performance measurement and reporting system. In particular, the Milestones Framework is a noteworthy example of performance measurement – tracking a limited set of indictors that are predictive of success.

However, opportunities exist to develop a more comprehensive system for measuring and monitoring district performance. Specifically, the district should:

- Finalize the 2011-16 strategic plan to provide a clearer and more complete foundation for the future. Clarify mission, establish measurable goals, and identify a more complete set of performance indicators.

- Confirm the validity, improve the reliability, and strengthen the consistency of a few of the Milestones indicators.

- Strengthen monitoring and reporting practices, add new performance measures to assess financial condition and service efficiency, and include measures of business operations in annual reporting about the district.

While the district is making progress on several of these fronts, the district may lack staffing capacity to plan, manage, and implement these improvements. Options to

address this lack of capacity include adding new resources, shifting funding from existing programs, or slow but incremental development over several years. I make several recommendations on page 27 of this report.

INTRODUCTION

M easuring and reporting on the performance of publicly funded programs has been an important theme in public administration for a number of years. Public organizations, including schools, are placing more focus on achieving the desired outcomes of programs and less on compliance with rules and regulations. For schools, outcomes may include improving student achievement, reducing the achievement gap between student groups, and increasing graduation rates. To address these new demands for more accountability and decision-useful information, school districts around the nation are developing and implementing a variety of systems to measure the performance of schools, report to the public, and use the information to improve delivery strategies. This report evaluates the status of PPS efforts to implement performance measurement and reporting processes.

Managing the performance of public agencies:
Theoretical basis for performance measurement

P erformance measurement is an important element of an overall conceptual approach to managing public agencies. A recent report by the National Performance Management Advisory Commission[1] defined performance management as follows:

> *Performance management in the public sector is an ongoing,*
> *systematic approach to improving results through evidence-based*
> *decision-making, continuous organizational learning, and a focus on*
> *accountability for performance. Performance management is*
> *integrated into all aspects of an organization's management and*
> *policy-making processes, transforming an organization's practices*
> *so it is focused on achieving improved results for the public.*

Performance measurement is the monitoring tool used in a comprehensive performance management process that supplies information to managers and policy

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[1] The National Performance Management Advisory Commission is a consortium of national government organizations: International City and County Managers Association, the League of Cities, the Government Finance Officers Association, the Council of State Governments, Association of School Business Officials, National Association of State Budget Officers, National Association of Counties, National Association of State Legislators, United States Conference of Mayors, National Association of State Auditors, Controllers, and Treasurers, and the National Association of Courts.

makers in order to support organizational planning, funding, and service delivery. Performance measures provide the necessary information to assess progress, report on successes and failures, and to respond to problems with new strategies. While performance measurement and reporting is integral, it does not alone contribute to organizational learning and improved outcomes without an array of other practices that help the organization learn, analyze, improve processes, and focus on results.

A common conceptual model of a performance management system is illustrated below:

Source: GASB Concept Statement No. 5

According to the Governmental Accounting Standards Board (GASB)[2], organizational performance measures provide a basis for assessing the economy, efficiency, and effectiveness of public programs. This type of performance information is needed for:

- Setting goals and objectives

- Planning activities to accomplish the goals and objectives

- Allocating resources to programs

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[2] GASB Concepts Statements Number 2 and 5 – *Service Efforts and Accomplishments Reporting*

- Monitoring and evaluating results to determine if progress is made in achieving the goals and objectives, and

- Modifying program plans to enhance performance

Performance measures are also used to prepare internal and external reports. These reports provide a basis for decision-making and for ensuring transparency and accountability to higher management, policy makers, and the public.

Strategic planning and performance measurement. The fundamental element of a performance management system is a planning phase that establishes organizational or program mission and selects a limited set of goals and priorities to pursue. The goals should be forward-looking, measurable, and provide the basis for strategies that will be pursued.

Organizations develop performance measures to provide a basis for assessing progress in achieving the identified goals and strategies of the strategic plan. Performance measures provide feedback information on the degree to which the organization or program is achieving goals and meeting targets. The measures are indicators of success or failure but do not provide insights into why strategies are working or not working. Additional analysis and evaluation are needed to provide information to modify and adjust strategies and approaches to service delivery.

STRATEGIC GOALS ········▶ Performance indicators ·········▶ Analysis and Evaluation ········▶ Decision-making

·········▶ Annual targets
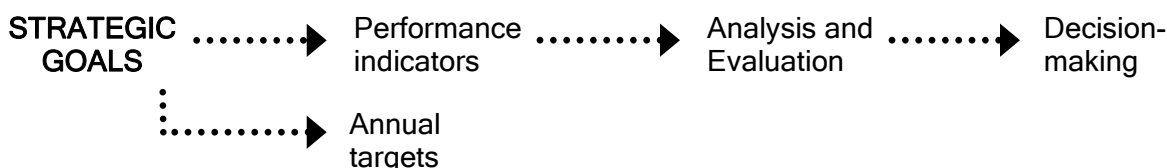
Measuring and reporting on school performance

The federal Elementary and Secondary Education Act (ESEA) legislation has had a profound impact on how state and local education agencies measuring and report on performance. The passage of the No Child Left Behind legislation in 2002 established a goal of ensuring that all students be proficient in reading and math by 2014 and required each state to establish annual progress targets – called Adequate Annual Yearly Progress (AYP). State education agencies established standardized exams and initiated reporting systems to communicate student progress in reading, math, and other aspects of school performance such as graduation rates. Schools receiving federal funding that failed to meet AYP targets are subject to a series of federal mandated interventions.

State accountability systems.   In response to NCLB, states established new or revised existing school accountability systems to comply with federal requirements. Some states operated accountability systems that addressed NCLB performance indicators but also included their own measures of performance that went beyond NCLB requirements.

Based on a decade of experience with state accountability systems, there is some general agreement on the primary components of a statewide accountability system. These components are relevant to local school district accountability systems as well. These components include:

COMPONENTS OF A SCHOOL ACCOUNTABILITY SYSTEM	
GOALS	Purpose and use of the accountability system? ("explicit theory of action")
PERFORMANCE INDICATORS	What gets measured? Relevance and reliability
DESIGN DECISIONS	How to use measures to make decisions?
CONSEQUENCES	What are the rewards and sanctions for success or failure?
COMMUNICATION	How to report to the public in useful and understandable ways?
SUPPORTS	What resources and services do school need to improve?
SYSTEM EVALUATION, MONITORING, IMPROVEMENT	How to continual adjust and improve the model to ensure goals are met?

    <u>Best practices at local school districts</u>. Several local school districts around the country are recognized for their excellence in managing school performance and implementing noteworthy performance measurement and reporting systems. The following are three case examples of these local school districts particularly highlighting some of their performance measurement and reporting practices.

Charlotte-Mecklenburg Schools – North Carolina

- Comprehensive strategic plan guides the district
- Defined Theory of Action: Managed Instruction with Freedom and Flexibility at the school level
- Two key goals – Improving Teaching and Managing Performance
- Six areas of focus receive priority for time, people, and money
- Each focus area has measures of success and defined strategies
- Accountability system: School Progress Reports (quantitative), School Quality Reviews (qualitative), and School Improvement Plans (process) measures

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Montgomery County Public Schools – Maryland

- Multi-year strategic plan – A Call to Action – first created in 1999
- Cyclical strategic planning process: plan, do, study, act model
- Clear mission, vision, goals, and Board priorities
- Student achievement performance targets for the next five years
- Budget and strategic plan are aligned
- Set of strategic initiatives to achieve each of the five district goals
- Performance indicators (milestones) for each goal – defined data source for each indicator
- Seven keys to college readiness – leading indicators predicting success

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Austin Independent School District - Texas

- Strategic plan defines mission, beliefs, goals, strategies, and measurable performance outcomes
- Key action steps define strategies and inform annual plan and budgeting
- Annual Planning aligns budget, district, school plans
- Formal planning, monitoring, and reporting tools: Annual District Improvement Plan, Campus Improvement Plan, Strategic Plan Scorecard
- Annual Review of Plan Scorecard to determine if targets met and to develop improvement strategies

Performance measurement and reporting at Portland Public Schools

P ortland Public Schools has a variety of mechanism that are currently used to measure and report on school district performance. The major elements are illustrated and describe below.

Adequate Yearly Progress Report. Mandated by federal law, the annual AYP report produced by the Oregon Department of Education determines if the district and its schools made adequate progress in reading, mathematics, graduation rates, attendance and other targets in accordance with requirements of the NCLB legislation. District and school reports are available on the ODE and PPS websites.

School and District Report Cards. An annual report by the Oregon Department of Education mandated by state legislation provides parents and the community with information on how local schools are performing. The report rates schools as either "Outstanding, "Satisfactory", or "In Need of Improvement" based on a number of factors including student test results, participation, and academic growth. The report compares PPS performance to state and national averages in several categories. Report is available on ODE and PPS websites.

Milestones Framework. Annual assessment prepared by Portland Public Schools that evaluates the district's success in preparing students for success at the next grade level and beyond. The assessment focuses on five critical measures ("milestones") at key transition points in grades K-12 that are predictive of success at the next level of schooling and high school graduation. Milestones Assessments are available on the PPS website.

Annual School Profiles and Enrollment Data. Annual report by PPS that provides comprehensive historical data on *student enrollment* (by program, grade level, and ethnicity), *school characteristics* (budget, student make-up, class size, average daily membership, discipline data, teachers experience, etc.), *neighborhood attendance patterns*, and individual *school profiles* for each PPS school based on these data. The report is available on the PPS website.

Periodic Public Reports. The district has periodically prepared public reports that summarize student performance results, key facts and enrollment details, and various academic and operational initiatives. The *2011 Report on Our Schools* provided information on Milestones progress, proposed school building upgrades, and school budgets and state funding.

Strategic Planning. Every five years, the district updates its strategic plan. The 2005-10 plan involved significant community input and identified a variety of goals and

priorities for the five-year period. The 2011-16 plan is in draft and is awaiting final development by the Board. The new proposed strategic plan includes a focus on the Milestones indicators, four strategic academic priorities, and three operational priorities to provide support for achievement of the academic goals.

   Key Performance Indicators - Business Services. The district's operations departments (facilities, IT, transportation, nutrition, and security) are creating performance measures linked to departmental goals to monitor and track departmental performance on a monthly and quarterly basis. The system is under development and final measures, targets, and reporting structure will be tested and finalized over the next few years.

Audit objectives, scope, and methods

T his audit had one primary objective: to evaluate the performance measurement and reporting practices of the Portland Public Schools. To conduct this evaluation I pursued four sub-objectives:

- To compare PPS to national best practices for school district performance measurement

- To assess the relevance and reliability of the Milestones indicators

- Review progress of strategic planning efforts, and

- To identify opportunities to strengthen PPS efforts to plan, measure and report of district performance

To address these objectives, I interviewed PPS executive management, managers and administrators, PPS Research and Evaluation staff, and Budget and Finance Office officials. I also interviewed former PPS employees involved with strategic planning, evaluation, and performance planning. I reviewed various studies and reports on the topic of performance measurement and reporting, and identified school districts with noteworthy practices in performance management. I evaluated documents produced by the district to develop the last two strategic plans. I also review district policies and procedures for preparing and reporting performance information.

I performed this audit in accordance with the 2011-12 Audit Plan approved by the PPS School Board. Fieldwork was performed from November 2011 through January 2012. Report writing and processing was performed from February through March of 2012.

I conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. I believe the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives. I have implemented an internal quality control process to ensure standards are met but have not undergone an external quality review as required by standards.

AUDIT RESULTS

The Portland Public School district has produced significant information over the past ten years to strengthen accountability, assess performance, and improve internal decision making. Some of the district's performance measurement and reporting efforts are similar to noteworthy national models including conducting strategic planning, establishing organizational priorities, and creating a set of performance metrics to track student outcomes. In particular, the Milestones Framework provides a strong foundation of information to predict the success of students at various stages in the journey from kindergarten through high school. The Milestones Framework will also be an integral part of two new but complimentary performance measurement efforts at the county-level (Career to Cradle) and state-level (Achievement Compacts).

I also found that the PPS could strengthen their performance measurement and reporting practices in several ways.

- Finalizing the 2011-16 strategic plan would provide the district with a clear and consistent foundation for the future. While the current strategic priorities are useful for guiding the organization, a more complete strategic plan could clarify mission and goals, focus the district on desired outcomes, and help the organization resist short-term thinking.

- While research does not fully support the predictive validity of some Milestones, most Milestones are relatively strong predictors of future success in school. However, the district could improve the reliability and consistency of the milestones data. The Milestones may change in the next few years to better align with regional and state performance measurement efforts.

- The district could improve progress monitoring and reporting practices by producing more timely, standardized, and complete information on 1.) student progress, 2.) the status of strategies, and 3.) the efficiency of service delivery.

The loss of critical staff and reductions in state school funding inhibits the ability of the district to develop a more complete performance management system and strategic plan. However, the imperatives to improve performance and demonstrate accountability will continue. Reprogramming existing funding to staff this effort may have long-term benefits for PPS.

PPS compared to best practices

My review of literature on performance management and school district reform identified a number of local school districts that are recognized for employing noteworthy practices to measure and report on school performance. While some school districts focus on student outcome, others have developed extensive measurement processes for their business services. I also identified districts that have a more comprehensive approach to managing performance, improving student achievement, and pursuing service efficiencies. The following discusses the major elements of a comprehensive approach to school performance measurement and reporting, and compares PPS to these elements.

PPS HAS MANY ELEMENTS OF NOTEWORTHY SCHOOL PERFORMANCE MEASUREMENT SYSTEMS

As shown in the table below, compared to four other large school districts recognized for their performance measurement and reporting practices, PPS has implemented important elements. For example, the district has identified a set of Strategic Priorities to guide work and budgeting decisions. In addition, the district has identified a number of specific strategies to address the priorities. For example, to address the Effective Educators priority the district developed and implemented a new teacher evaluation tool. Finally, the district has developed student achievement measures in the form of the Milestones Framework and annual performance targets associated with these Milestones.

The district also appears to be missing other elements of a complete performance management system that some other districts employ. The district lacks a final strategic plan for the 2011-16 time-periods. While the district is taking action to address its identified priorities, a complete strategic plan could provide several benefits to the organization. First, a five-year plan provides a longer-term commitment to goals and priorities that improves the consistency and stability of budgeting and actions. A five-year plan reduces the need to respond to short-term problems and moderates the "stops and starts" that are part of shorter-term decision-making. In addition, a completed five-year plan helps all parts of the organization know the direction the organization is heading so that they can align their program planning in support of the larger planning goals and priorities. This improves coordination and consistency, and helps the organization move in a common direction. For example, individual school improvement plans can use the district strategic plan as a foundation for decisions related to individual building improvement.

The district also does not appear to have formal systems for monitoring goals and priorities, preparing periodic reports on status (monthly or quarterly), and reviewing and

revising strategies that are not working as intended. While there are some reporting and monitoring processes in place (see page 8), it was difficult to determine if they provide sufficient transparent, tangible, and usable information for decisions and accountability. Existing monitoring helps improve communications and ensures information is shared, however, I could not verify that these meetings result in actions to reward success or sanction failure. More standardized monitoring and reporting processes could keep the organization focused on key goals and strategies and the progress in meeting targets.

Performance Measurement Systems: Best Practices Compared to PPS

ELEMENTS	Charlotte-Mecklenberg Schools	Montgomery County Public Schools	Austin Independent Schools	Denver United Schools	Portland Public Schools
Current Strategic Plan	✓	✓	✓	✓	draft form
Clear goals and priorities	✓	✓	✓	✓	✓
Student outcome measures	✓	✓	✓	✓	✓
Operational/fiscal efficiency measures	✓	✓	✓	no	Under development
Delivery strategies linked to goals/priorities	✓	✓	no	✓	✓
Annual performance targets	✓	✓	✓	✓	✓
Budget reflects focus on key goals/priorities	✓	✓	✓	✓	✓
Progress monitoring tools	✓	✓	✓	✓	partial
Formal process to review/revise strategies	✓	✓	✓	no	partial
Internal and external reporting	✓	✓	partial	✓	partial

Milestones Framework: A strong foundation

Beginning in 2008-09, PPS initiated the Milestones Framework. The purpose of the Milestones Framework is to determine how well the district is preparing students for success at various stages so that they can graduate on time and are prepared for college, career, and citizenship. Milestones Framework involves collecting and evaluating specific performance information at five key stages or "milestones" in the path from Kindergarten to high school graduation. The Milestones measures are viewed as good predictors of future academic success or, conversely, an early warning of academic problems that should be addressed if students are to graduate on time. Each Milestone provides a checkpoint to evaluate how well students are progressing through school – success at one stage should be a good indicator of success at the next stage. The Milestones Framework is the district's primary tool for measuring performance and evaluating the success of all students.

The graphic below illustrates the Milestones Framework and the five critical stages on the road to high school graduation where the Milestones measures are collected.
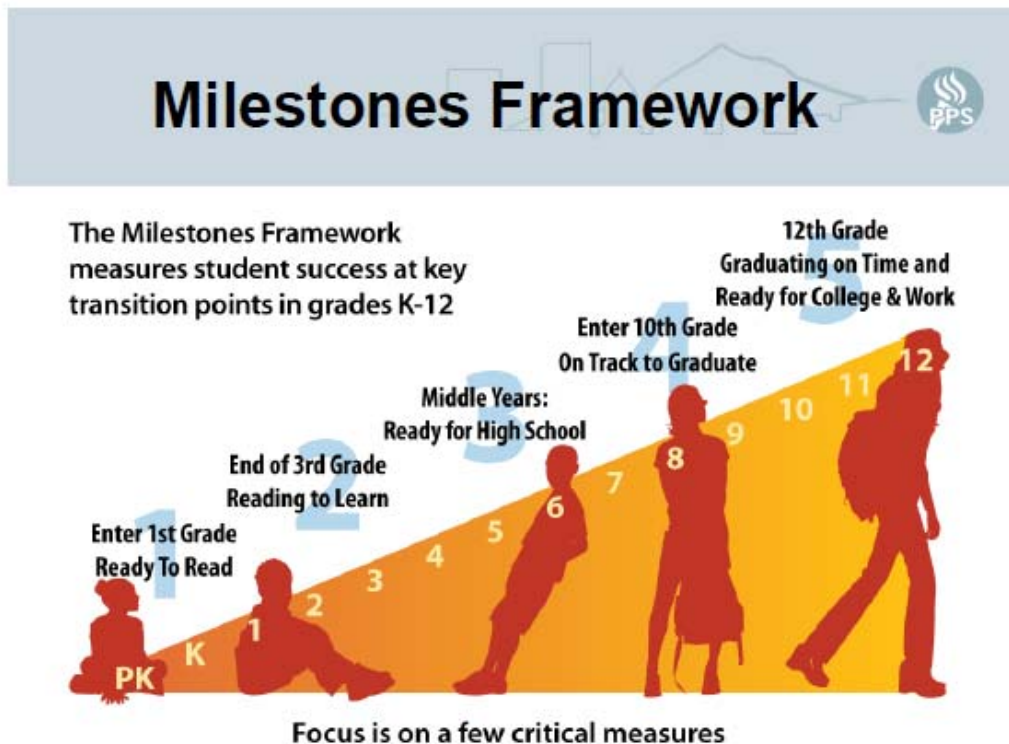
DESCRIPTION OF THE MILESTONES INDICATORS

The following describes the five Milestone stages and the performance measures, data sources, and targets associated with each Milestone.

1. **Ready to Read**: Enter First Grade Ready to Read

   Performance Measures:

   1. Percent of students meeting fall of First grade literacy benchmarks (Letter name, letter sounds, phonemic awareness)

   Data Source: Dibels assessment tests and other testing by schools using a similar approach to Dibels. All schools testing for past two years

   Targets: Currently no targets. The district is collecting and assessing multi-year data on this milestone prior to setting goals and targets.

2. **Reading to Learn**: By the End of Third Grade Exceed Reading Benchmarks

   Performance Measures:

   1. Percent of students exceeding third grade reading benchmarks.

   Data Source: Oregon Assessment of Knowledge and Skills (OAKS) administered and reported by the Oregon Department of Education

   Targets: 5-percentage point annual increase for all students and 5 percentage point reduction in the achievement gap between African-American students and white students.

3. **Ready for High School**: Good Attendance in Middle School, Meet Writing Benchmarks, and Pass Algebra

   Performance Measures:

   1. Percent of 7th grade students with greater than 90% attendance

   2. Percent of 7th grade students meeting or exceeding writing benchmarks

   3. Percent of 8th graders passing algebra

   Data Sources: PPS Electronic Student Information System (eSIS) and Oregon OAKS testing

   Targets: 5-point increase in the percent of students meeting or exceeding the state Writing benchmark. 5-percentage point reduction in the student achievement gap for the Writing benchmark between African American students and white students. No targets for the 7th grade attendance milestone or the 8th grade algebra milestone.

On Track to Graduate: Enter 10th Grade Passing Core Subjects and With Sufficient Credits to Graduate on Time

Performance Measures:

1. Percent of students with 6 or more credits in core subjects at a C or higher in fall of 10th grade.

Data Source: PPS Electronic Student Information System

Targets: 5-percentage point annual increase for all students. Five percentage-point annual reduction in the achievement gap between African-American students and white students.

4. **Graduate HS on Time, Ready for College and Work**

Performance Measures:

1. 12th grade four year graduation rate

2. % of students scoring at college ready level on 3 of 4 ACT tests

Data Sources: PPS Electronic Student Information System. ACT test scores

Targets: No targets

VALIDITY AND PREDICTIVE VALUE OF MILESTONES

The underlying principle for the Milestones Framework is the belief that the individual measures have value in predicting how well students will succeed at the next level of school. For example, entering first grade ready to read is predictive of how well students will achieve Reading test benchmarks in 3rd grade. Based on my interviews and review of research, there is evidence supporting the predictive value for most of the measures but only limited evidence for others. The following is a brief assessment of the predictive validity.

Milestone Measures	PREDICTIVE VALIDITY
1. Enter first grade ready to learn (3 literacy assessments)	GOOD
2. Reading to learn at end of 3rd grade (Exceed reading benchmarks)	GOOD
3. Ready for High School	
a. 7th grade attendance	GOOD
b. 7th grade writing	UNCERTAIN

Note: I was unable to find any research on whether this milestone is predictive of future success in high school.

c. 8th grade passing algebra	PARTIAL

Note: I was unable to find any research on whether this milestone is correlated with future success in high school. However, for some students, completing 8th grade algebra increases the likelihood of completing advanced mathematics in high school, which, in turn, increases the likelihood of enrolling in a four-year college.

4. On track to graduate	
a. Six or more course credits with C or better (no fails)	GOOD
5. Graduate on time, ready for college and work	
a. Graduation rate – four years	GOOD
b. Score college ready on 3 or 4 ACT tests	GOOD

RELIABILITY AND CONSISTENCY OF MILESTONES DATA

The reliability of the Milestones data is relatively good. Much of the data is derived from controlled assessment systems such as the Oregon OAKS assessments, Dibels tests, or from national normed tests like ACT. Other data from the PPS Electronic Student Information System, such as grades, receive scrutiny from teachers, students, and parents.

However, several measures may have reliability and consistency concerns due to changes in the measurement definitions, methods of collection, or test scoring approaches. For example,

- The time period for first grade literacy tests was initially the fall of 1st grade then changed to spring of Kindergarten and now may be changed back to fall of 1st grade. Different testing periods affect the consistency of year-to-year comparisons and usefulness of the information.

- Ongoing reliability of the 7th grade writing measures may be compromised due to discontinued state funding, more subjective scoring (from two to one rater), and a change from state to local test administration. Comparisons to past years may not be valid.

- Improvement in the four-year graduation rate in 2010-11, was partially due to more accurate data collection by the district in addition to intentional educational approaches. More complete disclosure of factors affecting milestone changes would improve the understanding of reported results.

- The subjectivity of course grading practices can also affect the reliability of measures that use grades as a gauge of future success. Course failures may be a more reliable predictor of future difficulties graduating from high school.

The district also does not consistently report on all of the five Milestones each year. While the district reports on all five Milestones in some years, in 2010 -11 the district purposely focused on three Milestones and reported publicly on only three of the five Milestones targets. To help users of the Milestones understand and be familiar with the Milestones, more consistent reporting of the data would be desirable.

OTHER STATE AND REGIONAL EFFORTS WILL IMPACT THE PPS MILESTONES FRAMEWORK

Two other major efforts currently underway in the region and the state may modify the definitions of certain milestones and perhaps increase the number and type of measures used by the district to define student success. The two efforts are the Cradle to Career initiative administered by All Hands Raised (former Portland Schools Foundation) and the proposed Achievement Compacts sponsored by newly created Oregon Educational Investment Board. PPS has been very influential in shaping the direction of both these efforts bringing knowledge to the discussion of how to identify performance measures and report to the public.

Cradle to Career (C2C).   The C2C initiative is funded and supported by a number of public and private organizations in the Multnomah County region and is administered by All Hands Raised. It is designed to address three priorities for children and youth in Multnomah County:

- Removing disparities in success

- Linking community and family supports, and

- Ensuring every child enters school prepared to learn.

While still in the planning and development phase, C2C will establish public and private collaboratives to address these priorities. A number of academic and social indictors will be developed and tracked to determine progress in achieving five primary goals:

- Be prepared for school

- Be supported in and outside of school

- Succeed academically

- Enroll in postsecondary education or training

- Complete College/Training, and Enter a Career

While C2C has a broader measurement mandate than PPS, C2C will likely adopt a number of PPS Milestones that will serve as common metrics for other schools in Multnomah County. A C2C data team is currently reviewing existing school performance metrics and developing common definitions and data sources for all participants to use. Final decisions on C2C school performance indicators may change or modify the current

definitions of PPS Milestones. Changes in definitions would disrupt the consistency of current Milestones trend information.

Achievement Compacts: Oregon Education Investment Board. The State of Oregon, acting through the recently created Oregon Educational Investment Board, is developing new funding, accountability, and reporting mechanisms to help the State achieve the state education goal of 100% of Oregon students obtaining an education degree.[3] One feature of this proposed effort is the creation of Achievement Compacts between the state and all education agencies that receive state funding, including K-12 school districts.

An Achievement Compact is an agreement that defines key measures of student success and sets targets for achievement. If approved by the federal government and the state legislature, the compact would replace existing accountability requirements required by the federal No Child Left Behind Legislation. The compacts would encourage all state educational agencies to align their activities around common goals, permit comparisons of student outcomes, spotlight best practices, and provide communities and parents with clear information on how educational agencies are performing.

While still under development, the Achievement Compact process will likely affect the type and nature of performance measures used by Portland Public Schools to measure and track student achievement, in particular the Milestones measures. Many of the proposed Achievement Compact performance measures will be similar to existing student achievement measures used by PPS such as the percent of students meeting proficiency targets in reading and math, or the percent of students on track to graduate from high school. However, the state may also require new or revised measures that could require the district to modify existing Milestones measures or create new measurements, data, and tracking processes.

Although the C2C and Achievement Compact initiatives may modify the existing PPS Milestones Framework, their purpose and intent compliment the overall direction of the district's existing performance measurement and reporting process. The district may lose some year-to-year trend information if measure definitions change but will gain new data that will support better comparisons with other school districts using the same measures. The district may also continue to use unique measures that are tailored to its student population and programs.

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[3] By 2025, 100% of Oregonians aged 25-34, will earn an educational degree: 40% will have a bachelor's degree or higher, 40% have an associate's degree or post-secondary credential, and 20 % will have a high school diploma or the equivalent.

PPS Strategic Plan partially completed

T he district has not yet completed their new strategic plan for the 2011-2016 time period. Although initially planned for completion in 2011-12, several factors delayed completion including efforts to plan and pass a bond measure for school modernization in 2011. The addition of two new school board members and the loss of key staff managing the strategic plan effort also slowed its development and completion.

The following graphics compares the standard elements of traditional strategic plans to the major elements of the PPS draft Strategic plan.

Standard Strategic Plan Elements		PPS Draft Plan Elements
Values	(what we believe in)	Core Values
Vision	(where we want to be)	Vision
Mission	(our reason for being / purpose)	Single Goal Statement
Goals	(what we want to accomplish)	Strategic Priorities
Strategies/ Priorities	(how we will achieve our goals)	Strategies
Performance Measures	(how we will check our progress)	Milestones

My review of the PPS strategic framework[4] and the partially completed strategic plan shows that the PPS approach contains many of the critical pieces of a standard strategic plan. However, it is missing some elements and logical links between the elements that might make the framework a more coherent and coordinated piece. In my opinion, some of the following changes might provide a more logical flow to the strategic framework and offer clearer connections between each of the elements.

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[4] See Strategic Framework illustration on following page provided by Superintendent Carole Smith.

- Rather than a mission statement, the PPS strategic framework has a single goal statement – "Every student by name is prepared for college, career and participation as an active citizen, regardless of race or class". The district could convert this single goal statement into a mission statement that would serve as the district's underlying reason for being and form the basis for a set of goals. The statement might read – "To prepare every student, regardless of race or class, for college, career, and active citizenship."

- Most strategic plans identify four to six goals that flow from the mission statement. PPS identifies four strategic priorities that appear to have some of the characteristics of goals but the district does not state them in ways that are forward looking and measureable. For example, the strategic priority "Effective Educators" could be stated as a goal – "To ensure every classroom has an effective educator supported by effective administrators and support staff". Measurements of an "effective educator" could include skilled in helping students achieve benchmarks and reducing achievement gaps, demographically diverse, and culturally competent.

STRATEGIC FRAMEWORK: PORTLAND PUBLIC SCHOOLS	
VISION	Equity and Excellence: Every student, teacher, and school succeeding
GOAL	Student Prepared for Success at the Next Level: Every student by name, prepared for college, career, and participation as an active citizen, regardless of race or class
MEASURES	Milestones of student success at key transitions
CORE VALUES	Cultural Transformation of the Organization: Equity, Excellence, Service, Collaboration, Accountability, Sustainability
STRATEGIC PRIORITIES	1. Effective Educators 2. Equitable Access to Rigorous Quality 3. Individual Student Supports 4. Partnership with Family and Community
FOUNDATIONAL ELEMENTS	1. Modernize Infrastructure 2. Sustainable Operating Model

- The Milestones are the key performance measures to monitor the success of PPS and to track the performance of students. While they provide a strong foundation for measuring academic performance, they do not provide any insight on the success of other strategic priorities or goals that the district pursues. For example, the Milestones do not provide any information useful for assessing the accomplishment of a goal such as "To Build and Strengthen Partnerships with Families and the Community". The district would need measures and data related to parent satisfaction and parent participation to determine progress in achieving this goal.

- The "Foundational Elements" appear to be important elements of the Strategic Framework but are not classified as goals or strategic priorities of the district. Due to their vital importance to the delivery of educational services at the district, they may warrant elevation to goal statements or priority strategies.

DISTRICT STRATEGIC PRIORITIES GUIDE ACTION AND BUDGETING

Despite the partially completed plan, several board work sessions over the past year have produced a set of strategic priorities that have been instrumental in guiding district efforts and allocating budget resources. I found that the district uses these priorities to monitor and report on district efforts and to make decisions on how to allocate scarce resources. The graphic below illustrates these priority action areas for 2011-12.
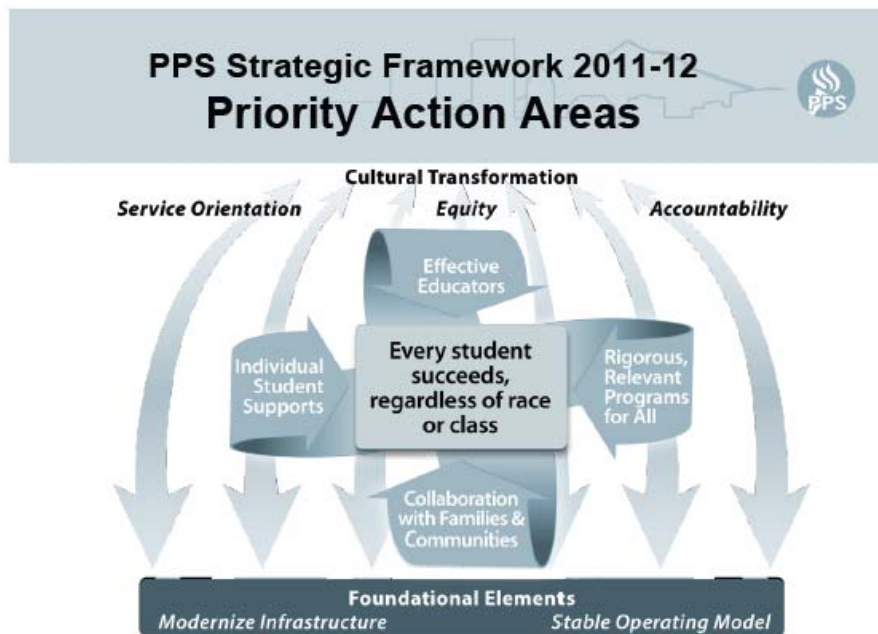
Progress reporting and monitoring. Over the past several years, the district has taken significant strides to develop and use performance data to manage the activities of the district. The district's strategic priorities provide a framework for progress reporting and monitoring at the Board level and at various management levels of the organization from the executive level through the school building level. While still in the first years of this multi-year improvement plan, some of the progress reporting and review practices that have been put in place include:

- *Monthly Superintendent's Report to the Board of Education* – Written monthly report to the PPS Board of Education. Organized by strategic priority area

the report is intended to provide a consistent and formal look at the work of the district and how efforts aligns with identified priorities, mission, and milestones.

- *Executive Leadership - Priority Progress Monitoring* – Two to three hour meeting of executive leaders from the academic and operational departments held twice a month and led by the Chief of Staff. Meetings discuss the progress of various strategies underway to address the district priorities. Participants review school and student performance data and focus on one or two strategies that are in progress.

- *Pre K-12 Cabinet meetings* – Meeting of academic leaders, central office managers, and building administrators to discuss various initiatives and to monitor progress of work. Recent meetings focused on ESL and Special Education programs and reviewed performance data from various sources including Milestones, discipline data, and student assessments.

- *School-based meetings* – School based personnel will also meet on various topics – data teams using Data Wise techniques to monitor student performance, Key Results teams focus on high priority high school students, and Site Councils develop and review School Improvement Plans. Much of this effort to use data better was supported by a five-year Nike grant that helped train school-based teams on how to use data for school improvement.

Aligning the budget to district priorities. Beginning in 2011-12, the district initiated a new effort to better align resource allocation decisions with the district priorities identified by the Superintendent and the School Board. District priorities must be considered when requesting, reviewing, and approving budget requests. Programs and district activities that do not align in some degree with the priorities are less likely to receive funding at requested levels. The 2012-13 budget process includes a checklist for all departmental budget requests to identify if the program aligns with district priorities. Departmental managers must indicate how the service will contribute to the desired outcomes of the district. A color-coded ranking system gives decision makers a way to determine the degree to which the service is essential and aligns with priorities.

In addition, the Board uses performance data in the annual evaluation of the Superintendent and Superintendent uses performance data to evaluate staff that report directly to her. The district also has plans to expand the use of performance data in the evaluation of district employees at many levels.

Additional actions to improve performance measurement and reporting

P PS is making significant progress in developing and implementing systems to manage performance. Consistent with the overall goals of the district, management is currently placing emphasis on measuring, monitoring, and reporting on student academic performance. For example, the Milestones data provides insights on the academic progress of PPS students.

However, a more comprehensive performance management system would also include other practices that are not part of the PPS approach or are only partially implemented. For example, the district does not adequately measure and monitor fiscal and financial performance, and or provide ongoing reports and information on operational and business results. While the effectiveness of academic programs is most central to the purpose of the district, the community also has an interest in the efficiency and productivity of school operations. The business operations departments (Finance, Transportation, Building Operations and Maintenance, etc.) have started to develop a comprehensive performance measurement and monitoring system for internal management purposes that could offer several key performance measure for public reporting. Better information on these services would help report users assess the degree to which the district is progressing toward modernizing its infrastructure, a foundational element of the district strategic framework.

The district could also consider developing a few high level measures on the financial condition and position of the district. These measures could provide the public with insights on general trends related to funding per student and the costs of instruction. The district's ability to sustain an appropriate level of service over time would help the community understand the long-term impact of changes in funding levels. Measures related to organizational efficiency and sustainability would provide information to assess whether the district has a stable operating model, another foundational element of the district's strategic framework.

Finally, the district might consider developing a standardized annual accountability report to the community. The 2011 Report on Our Schools called "Focused on What Counts" is a good example of a report that provides general information on the district and data for accountability purposes. While the district has prepared such reports over the years, they are not standardized or solely dedicated to providing objective information on the performance of the organization. The district could consider developing an external accountability report using a model developed by the Governmental Accounting Standards Board called "Service Efforts and Accomplishments Performance Information". This model is currently used by the City of Portland, Oregon, and King County, Washington, to report service performance

information to their respective communities. To the best of my knowledge, no public school district is using the SEA reporting model.

RECOMMENDATIONS

In order to improve performance measurement and reporting practices at PPS, the Superintendent and the School Board should take the following actions:

1. **Finalize the District Strategic Plan.** In view of the lateness in the school year, the district may wish to develop a new plan for the 2012 – 2017 time-period. This new plan should build off of prior planning work with a focus on the following:

   a. Confirm and clarify the mission of Portland Public Schools

   b. Identify a limited number of measureable and forwarded looking goals. The current strategic priorities could be the basis for these goals.

   c. Establish a set of performance measures on business and financial operations to complement the existing Milestones on student achievement.

   d. Identify the strategies that the district will use to achieve each of the goals of the district.

   e. Establish formal processes to monitor and report on the status of strategies and the accomplishment of goals.

2. **Confirm the validity and improve the reliability and consistency of a few of the Milestones indicators.** The district should evaluate a few of the existing Milestones measures – 7th grade writing and 8th grade algebra – to confirm that they are valid predictors of success at the next school level. In addition, the district should strive to improve the reliability and consistency the milestones data to ensure reported information is complete, understandable, and credible.

3. **Improve processes for monitoring and reporting on district performance.** The district should consider developing additional performance indicators on service efficiency and financial condition to strengthen accountability to the community. The district should also consider establishing formal monitoring and reporting processes once or twice a year to review progress, assess performance, and initiate improvements. The district should also consider issuing a brief annual report on the accomplishments of key district goals using established performance measures as indicators of progress.

MANAGEMENT RESPONSE

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Carole Smith
Superintendent

OFFICE OF THE SUPERINTENDENT

April 24, 2012

Richard C. Tracy, District Performance Auditor
Portland Public Schools Board of Education
501 N. Dixon Street
Portland, OR 97227

Dear Mr. Tracy,

Thank you for your work reviewing performance measurement and reporting at Portland Public Schools. I appreciate the way that you have highlighted the progress that we have made in this area while giving concrete and insightful recommendations for how to proceed. While we recognize that there is still work to be done, we have made tremendous strides in this area in the last three years and have been out in front of these initiatives across the state.   Beginning with our Milestones Framework in 2009 and the Board's affirmation of the 2011-12 strategic priorities, PPS has been able to measure progress on a few key targets and focus our work to reach our goal of "every student succeeds, regardless of race or class."

District Strategic Plan

I appreciate your recommendation that we should finalize a strategic plan and your articulation of key points for its development. My review of successful districts also indicates that best practices for raising student achievement include a clearly articulated vision and performance measurements. The 2011-12 strategic priorities have been a great first step. As you pointed out, we have been able to utilize that Board-affirmed framework to prioritize our budget proposal for next school year and created the Priority Progress Monitoring team to ensure that our work remains focused on these strategies.

I will be meeting soon with Board leadership to formalize a strategic plan for years to come that moves us from a budget-constrained model to one that can deliver academic achievement for every student, regardless of race or class.   I am eager to engage in this work of creating a long-range vision for the District. Next year's Kindergartners are the class of 2025 and we have the opportunity to create the public school system that we want for them.

The Milestones Framework

Our Milestones Framework has provided us with a consistent way to communicate with families and the community about the district's performance at key learning stages and our progress at closing the achievement gap between white students and our lowest performing racial subgroup. In practice, our milestones framework makes visible progress we make toward our new racial equity policy and the values that underlie this.

In developing the milestones, we looked at a number of districts' frameworks, including Montgomery County, Charlotte-Mecklenberg, and Seattle Public Schools. This is our third year of committing to targets for three of our milestones. The district-wide targets (5 point gain for all, 5 point narrowing of the gap) were selected to be a stretch goal, yet achievable. The ultimate target is 100%—every student, every school. With these goals in mind we have been able to focus our work across the district. Individual schools or clusters may set more aggressive targets than the district-wide target, but every school has milestone targets and the strategies for how to meet those targets are reflected in their School Improvement Plans.

Additionally, the district-wide milestones are a performance measure on my evaluation and that of all my direct reports. Regional Administrators' evaluations include milestone outcomes for their clusters, and principals' evaluations include milestone data for their schools.

The PPS Milestones Framework has served as a model for a number of the initiatives taking place around the state. PPS staff have been involved in the development of the Achievement Compact indicators as well as those for the Cradle 2 Career. As you point out in your recommendations, we are in the process of reviewing and aligning our current milestone targets with these other process indicators and ensuring that all the Milestones are valid predictors of success at the next school level.

Monitoring and Reporting on District Performance

I appreciate that the audit recognizes the number of reporting mechanisms that school districts across the country are required to provide through federal and state regulations. With the new Achievement Compacts, Oregon school districts will now have additional data points. While I have mentioned that we are currently working to simplify and streamline our indicators, it will continue to be a challenge to focus our work and communicate progress effectively. Once the Board has approved the Achievement Compacts, staff will develop a communications plan around our progress toward these performance indicators as well as our other district goals.

I also recognize that our current financial situation requires that we do business differently. We will not be able to wait until budget season to identify efficiencies and align our work. This will be a year-round process. Staff will begin to identify performance indicators on business and financial operations and service efficiency that we can use to monitor our work in this area and communicate with our constituents.

Thank you again for your research and recommendations in this audit. I anticipate that even with diminished resources, we will be able to implement a number of your recommendations in order to continue to improve our communication regarding performance measurement. This will also continue to concentrate our efforts on our primary focus—every student succeeding, regardless of race or class.

Sincerely,

Carole Smith

APPENDIX A

Performance Measurement Literature and Research

A Performance Measurement Framework for State and Local Government: From Measurement and Reporting to Management and Improvement National Performance Management Advisory Commission 2010

Holding Schools Accountable – Performance-Based Reform in Education Helen E. Ladd, Editor The Brookings Institute 1996

Monitoring School Performance: A Guide for Educators J. Douglas Willms, The Falmer Press 1992

Key Elements for Educational Accountability Models Transition: A Guide for Policymakers Council of Chief State School Officers June 2010

Progress on Development and Reporting Measures of Student Growth The Council of Chief State School Officers, Washington DC 2010

SEA Performance – Suggested Guidelines for Voluntary Reporting Governmental Accounting Standards Board June 2010

The Power of Us Strategic Plan 2010-2015, Austin Independent School District, Austin Texas

2010 Denver Strategic Plan – Denver Public Schools, Denver, Colorado

Strategic Plan 2014: Teaching Our Way to the Top Charlotte-Mecklenburg Schools, Charlotte, North Carolina

Our Call to Action: Pursuit of Excellence 2011-2016 The Strategic Plan for Montgomery County Schools Rockville, Maryland

Equipping U.S. Schools for the Global Fast Lane Education Week, February 13, 2012

An Examination of Teacher Use of the Data Dashboard: Student Information System in Cincinnati Public Schools Council of the Great City Schools, Fall 2011