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**Rewarding Excellence in Instruction &
Leadership (REIL) Program**

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*Internal Audit Report Authorized by the
Maricopa County Board of Supervisors*

Report Highlights

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Trending analysis of REIL Program data demonstrates an upward trend in student growth and teachers rated as effective.	1
The design of the REIL Program facilitates school compliance with select state statutes.	5
Nearly all students had access to teachers rated as effective.	6

Audit Introduction The REIL Program is a developmental program funded by a grant from the U.S. Department of Education. Pursuant to the grant terms, participation in the program is limited to “high-needs” schools only. Each school implements the program to the best of their abilities within the confines of their vision, policies, procedures, and budget; MCSS does not have the authority to mandate specific school policies and procedures. As such, program results will vary from school to school based on the school’s ability to implement the various program initiatives.

- Objectives** To ensure that:
- The REIL Program is effective at increasing the number/percentage of effective teachers.
 - The REIL Program is effective at increasing student growth.
 - The REIL Program complies with select state statutes.
 - Student classroom placement is adequate to ensure that students are not denied access to an effective teacher for two or more consecutive years.
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Scope This audit primarily focused on the effectiveness of the overall REIL Program at achieving its overarching goals and objectives. The primary audit period was School Year (SY) 2015 through SY 2018. In order to achieve our objectives, we reviewed relevant federal grant information and REIL Program documentation. We also conducted interviews with staff and examined relevant records, reports, and processes.

Standards This audit was approved by the Board of Supervisors and was conducted in conformance with International Standards for the Professional Practice of Internal Auditing. The specific areas reviewed were selected through a formal risk-assessment process.

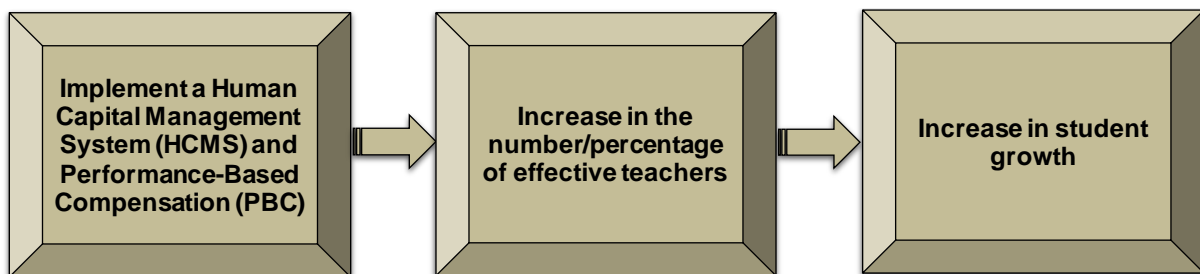
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This report is intended primarily for the information and use of the County Board of Supervisors, County leadership, and other County stakeholders. However, this report is a public record and its distribution is not limited. We have reviewed this information with the Maricopa County School Superintendent. If you have any questions about this report, please contact Mike McGee, County Auditor, at 602-506-1585.

Audit Results

Background: The “Rewarding Excellence in Instruction & Leadership” (REIL) Program is a research and development project designed, created, and administered by the Office of the Maricopa County School Superintendent (MCSS). The program is funded by a Teacher Incentive Fund (TIF) grant from the U.S. Department of Education. MCSS is the only educational agency to receive this TIF funding in each of the last three cohorts; the current federal grant provides approximately \$60 million from SY 2016 through SY 2021. Our audit differs from those of the Arizona Auditor General as we focused on program results and efficiency rather than compliance with the grant terms.

The purpose of the program is to develop a Human Capital Management System (HCMS) and Performance-Based Compensation (PBC) plan that (1) will increase the number/percentage of effective teachers, which (2) will lead to increased student growth. During this phase of the project, the federal grant requirements restrict participation to “high-needs” schools only (defined as a school where 50% or more of the student population is eligible for the free/reduced student lunch program).



The REIL Program HCMS is centered on a comprehensive performance evaluation system that rates each educator as (a) ineffective, (b) developing, (c) effective, or (d) highly-effective. The term “educator” includes teachers, principals and other school leaders. The rating considers the academic outcomes (growth) of students assigned to the educator as well as actual observations of the educator at work. Then, rather than relying on seniority or other ineffectual measures, the HCMS uses the effectiveness rating to make routine human resources decisions such as hiring, placement, retention, promotion, dismissal, professional development, and the awarding of PBC.

Issue #1: Effectiveness at Increasing the Number/Percentage of Effective Teachers and Student Growth

We interviewed MCSS personnel, reviewed the grant and program documentation, and conducted a four-year trending analysis to determine if the REIL Program is effective at increasing the number/percentage of effective teachers, and at increasing student growth. For the purposes of trending, we limited the analysis to those schools that participated in the REIL Program for at least three of the four years subject to review.

Observation: The trending analysis showed that teacher effectiveness increased year over year at most participating schools. We also noted a positive correlation with student academic outcomes as shown in the graphs below.

The following charts indicate the REIL Program’s impact on the percentage of effective teachers and the percentage of students meeting/exceeding their expected growth. The charts display the information using the following three categories:

- Group 1 Schools (74% of schools examined): Schools with positive results.
- Group 2 Schools (26% of schools examined): Schools with inconclusive (flat) or negative results. According to MCSS management, schools may face significant internal and external challenges in implementing the program, such as resistance from leaders/teachers, changes in leadership, educator turnover and/or retirement, policy or budgetary constraints, etc.
- Average: All schools combined.

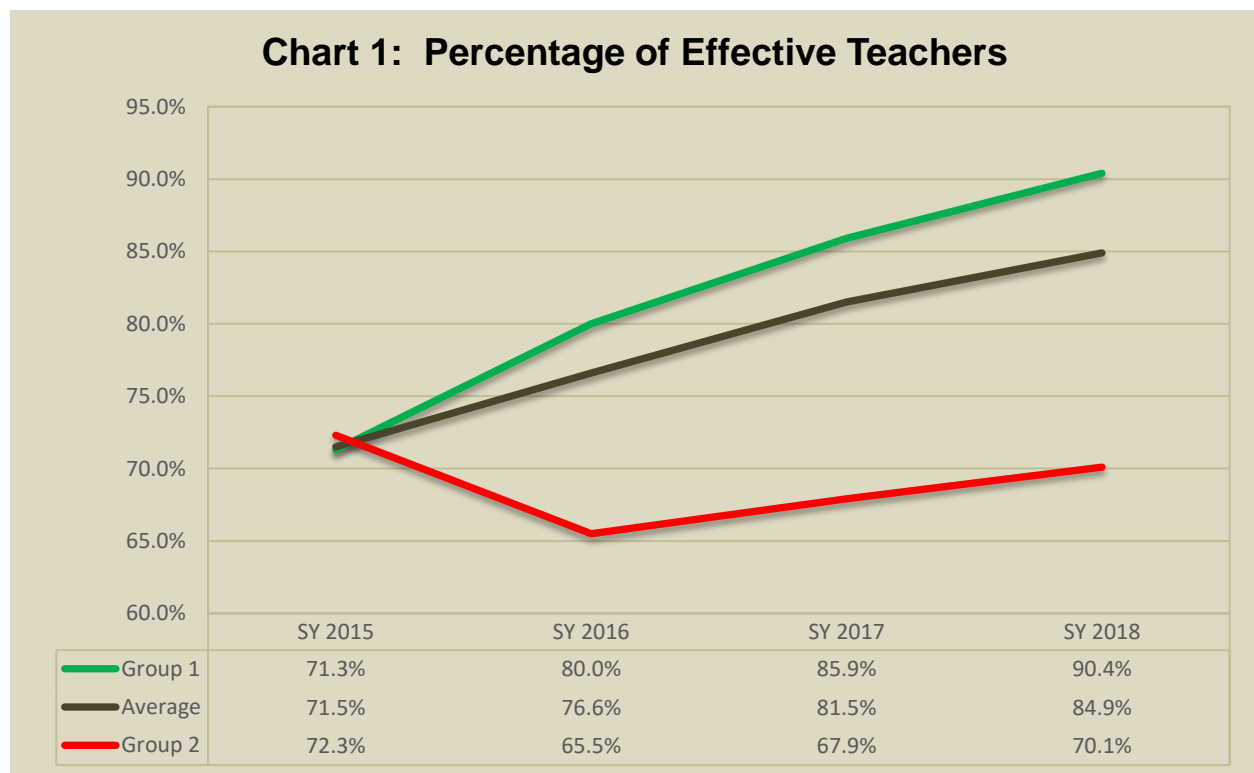


Chart 2a: Percentage of Students Meeting/Exceeding Expected Growth (Math)

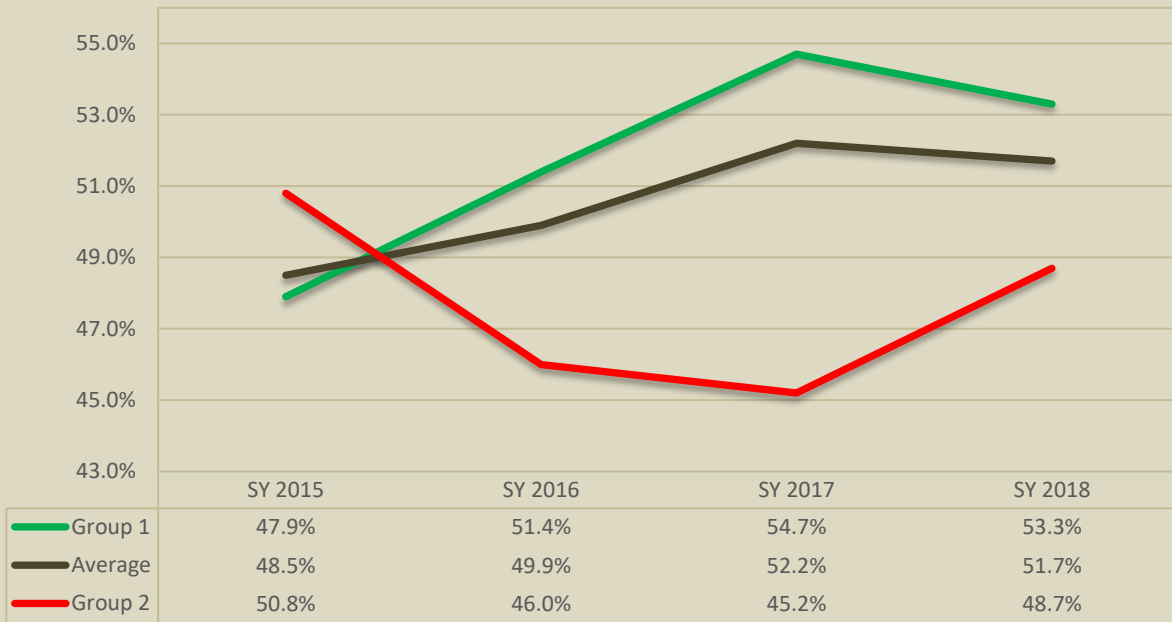
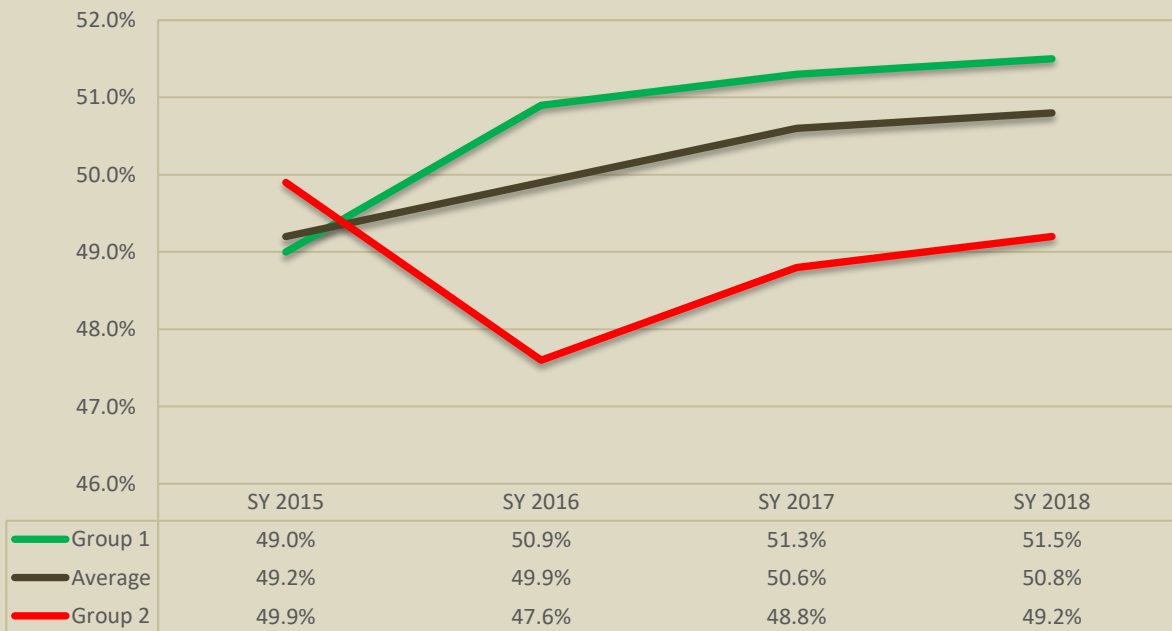


Chart 2b: Percentage of Students Meeting/Exceeding Expected Growth (English Language Arts)



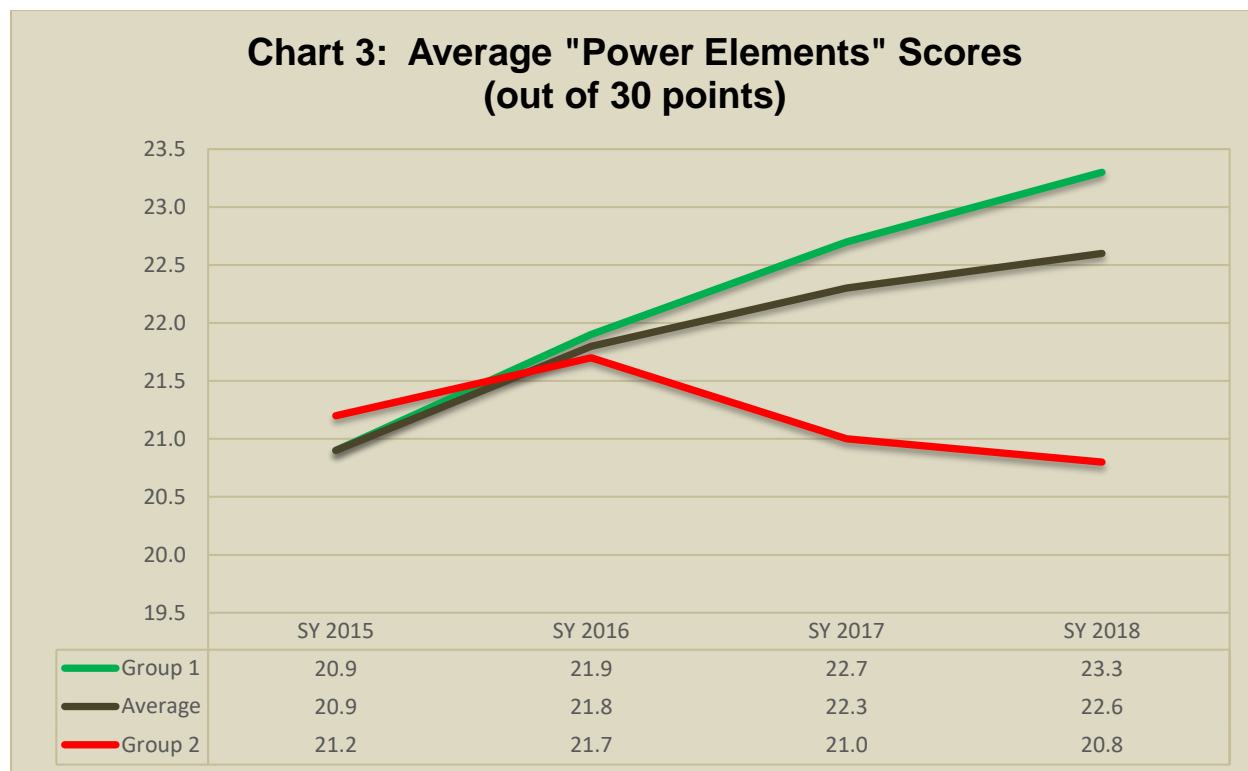
During our analyses, we noted that the percentage of effective teachers increased at a higher rate than student growth. From SY 2015 to SY 2018, the percentage of effective

teachers increased by 18.7% (average) while the percentage of students meeting or exceeding their expected growth increased by only 6.6% (average) in math and 3.2% (average) in ELA (English Language Arts).

The lower rate for student growth is expected, as it is a lagging indicator. That is, the first step is to design, create, and implement the HCMS and PBC, which will then lead to an increase in the number/percentage of effective teachers, which will then lead to an increase in the percentage of students meeting/exceeding their expected growth.

Due to the lagging nature of the student growth metric, we supplemented our analysis by conducting a four-year trending analysis of the “Power Elements” to determine if the average scores support the student growth analysis.

Power Elements - A portion of the teacher’s effectiveness rating (ranging from 50% to 65%) is based on the results of classroom observations. During the observation process, the evaluator uses an observation tool to measure the quality of the teacher’s instructional practice; 22 unique elements are evaluated during the observation. Six of the 22 elements have a high statistical correlation to student growth; these six elements are known as the “Power Elements.” As shown below, there was an upward trend in the Power Element scores at Group 1 schools.



Conclusion #1A: Trending analysis of the REIL Program data appears to demonstrate a generally upward trend in student growth and in the percentage of teachers rated as effective; results, however, vary from school-to-school due to implementation challenges beyond MCSS's control.

Recommendation	MCSS Action Plan
None	N/A

Issue #2: Compliance with Select State Statutes

MCSS Statutory Compliance

Pursuant to ARS 15-302(A)(11) and (A)(12), MCSS is required to provide the schools with assistance regarding staff development and annual progress goals.

Observation: We reviewed the assistance that MCSS provided to the schools participating in the REIL program, and found that they were in compliance with the state statutes for staff development and annual progress goals.

Conclusion #2A: MCSS provided assistance to the schools participating in the REIL program as required by select state statutes.

Recommendation	MCSS Action Plan
None	N/A

School Statutory Compliance

Compliance with the statutory requirements outlined below is the responsibility of each participating school rather than MCSS.

ARS 15-203(A)(38) (in part) requires that: (1) Each principal and teacher receive an annual evaluation, and (2) The annual evaluation use student academic outcomes to account for at least 33%, but not more than 50%, of the final evaluation score.

ARS 15-537(F)(1) (in part) requires that: (1) Each teacher rated as “ineffective” or “developing” receive at least two classroom observations during the school year, and (2) There be at least 60 days between the first observation and the last observation.

We interviewed MCSS personnel, reviewed the program documentation, and examined program data to determine if the REIL Program facilitates school compliance with the noted state statutes. For the purposes of this examination, we limited testing to those schools participating in the REIL Program during SY 2018.

Observation: For SY 2018, we examined 541 educators (515 teachers; 26 leaders) at the REIL participating schools to determine if the schools complied with the select state statutes. We found that all participating schools were in compliance:

- All 541 educators received an annual evaluation (REIL Score) as required.
- The annual evaluation score for each educator used student academic outcomes to account for between 35% and 50% of the final score and effectiveness rating.
- All 515 teachers received the required number of classroom observations.
- The time interval between teacher observations complied with the statutory requirements.

Conclusion #2B: The REIL Program participant schools complied with the select state statutes during SY2018. When used as designed, the REIL Program can be a tool to assist the participating schools in complying with their statutory requirements.	
Recommendation	MCSS Action Plan
None	N/A

Issue #3: Student Access to Effective Teachers

One objective of the REIL Program is to ensure that students have adequate access to effective teachers. According to MCSS management, academic research indicates that a student who does not have access to an effective teacher for three or more consecutive years may become academically disadvantaged. The REIL Program is designed to measure teacher effectiveness and ensure that students have adequate access to teachers with effective ratings.

We interviewed MCSS personnel, reviewed the program documentation, and developed a metric from program data to determine if any students did not have access to an effective teacher for two or more consecutive years. For the purposes of this examination, we examined data for SY 2015 to SY 2018. We limited testing to those schools that participated in the REIL Program for at least three of the four years, and to students that were actively enrolled for at least three of the four years – totaling 10,489 students.

Observation: We found that 10,146 (97%) students had access to an effective teacher in at least two of the four school years. Of the remaining students, 303 students (2.9%) did not have access to an effective teacher for two consecutive years, and 40 students (less than one-half of 1%) did not have access to an effective teacher for three consecutive years.

We concluded that nearly all students had access to effective teachers. We also assessed whether adequate controls were in place to easily identify students that might not have access to effective teachers, and to maintain or improve the success rate. We

learned that there was no report readily available to identify students at risk of not having access to an effective teacher; however, MCSS is planning to review the schools' student placement procedures during the current grant year. MCSS's data-rich environment now provides access to data necessary to develop a sound process for identifying students at risk of not having access to effective teachers.

Conclusion #3A: Under the REIL Program, nearly all students had access to teachers with effective ratings.	
Recommendation	MCSS Action Plan
None	N/A
Conclusion #3B: MCSS plans to assist Local Education Agencies (LEAs) in reviewing student placement procedures during the current grant year to increase/facilitate the use of educator evaluation data in student placement decisions.	
Recommendation	MCSS Response
None	During the current grant year, we plan to work with currently participating LEAs to identify data needs related to the use of educator evaluation data as part of school-level student placement procedures, resulting in identification of necessary resources (e.g., training, data packets, reports). These resources can help LEAs support their schools in maintaining or improving student access to teachers with effective ratings.

Moving forward, there are two positives to consider regarding the issue of student access to effective teachers:

- Prior to the REIL program, it is unlikely that data would have existed to complete this type of audit test. With data now available, students at risk can be identified, which is the first step in reducing or eliminating the potential risk.
- As the number/percentage of effective teachers continues to increase, the risk of students not having access to an effective teacher is expected to decrease.