

Speaker Jim Weiers
Arizona House of Representatives



Arizona House of Representatives House Majority Research MEMORANDUM

Thomas Adkins *BA*
Assistant Legislative Research Analyst
(602) 926-3240

1700 W. Washington
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FAX (602) 417-3050

To: JOINT LEGISLATIVE AUDIT COMMITTEE
cc: Representative Warde Nichols, Co-Chair
Senator Toni Hellon, Co-Chair
Re: Sunset Hearing of the School Safety Program Oversight Committee
Date: November 20, 2006

Attached is the final report of the sunset review of the **School Safety Program Oversight Committee**, which was conducted by the Senate K-12 Education and House of Representatives K-12 Education Committee of Reference.

This report has been distributed to the following individuals and agencies:

Governor of the State of Arizona
The Honorable Janet Napolitano

President of the Senate
Senator Ken Bennett

Speaker of the House of Representatives
Representative Jim Weiers

Senate Members
Senator Toni Hellon, Co-Chair
Senator Ed Ableser
Senator Ron Gould
Senator Karen Johnson
Senator Linda Aguirre

House Members
Representative Warde Nichols, Co-Chair
Representative Nancy Barto
Representative Martha Garcia
Representative Ann Kirkpatrick
Representative Bob Stump

School Safety Program Oversight Committee
Department of Library, Archives & Public Records
Auditor General

Senate Republican Staff
Senate Research Staff
Senate Democratic Staff

House Majority Staff
House Research Staff
House Democratic Staff

*Senate K-12 Education and House of Representatives K-12 Education
Committee of Reference Report*

School Safety Program Oversight Committee

Date: November 20, 2006

To: Joint Legislative Audit Committee
Representative Warde Nichols, Co-Chair
Senator Toni Hellon, Co-Chair

Background

Pursuant to Arizona Revised Statutes (A.R.S.) Section 41-2953, the Joint Legislative Audit Committee (JLAC) assigned the sunset review of the School Safety Program Oversight Committee (Committee) to the Senate K-12 Education and House of Representatives K-12 Education Committee of Reference.

The Committee was established by Laws 1997, Chapter 220, Section 102, to provide a proactive approach to prevent juvenile referrals to the court system of Arizona and to prevent detention in the Arizona Department of Juvenile Corrections, county jails and the Arizona Department of Corrections. The Committee is charged with reviewing plans submitted by applicants seeking participation in the School Safety Program and selecting sites that are eligible to receive funding based on school safety needs. Additionally, the Committee reviews renewal applications from participating sites. Membership of the Committee consists of 10 appointed members, four of whom are non-voting advisory members. The Committee also provides fiduciary and programmatic oversight to the School Safety Program, which currently funds approximately 272 school resource officers. The current School Safety Program Administrator for the Arizona Department of Education is Rani Collins.

Committee of Reference Sunset Review Procedures

The Committee of Reference held one public meeting on November 14, 2006 to review the Committee's responses to the sunset factors as required by A.R.S. Section 41-2954, Subsections D and F, and to hear public testimony.

Committee of Reference Recommendations

The Committee of Reference recommends continuing the School Safety Program Oversight Committee and the School Safety Program for 10 years.

Attachments:

1. Brief overview of the School Safety Program Oversight Committee for the members of the Senate K-12 Education and House of Representatives K-12 Education Committee of Reference.
2. Sunset report requirements pursuant to ARS Section 41-2954, subsections D and F. Additional information, including the full report of the Committee's responses to the sunset factors, is available in the Chief Clerk's Office.
3. Meeting notice.
4. Minutes of the Committee of Reference meeting.



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Thomas Adkins
Assistant Legislative Research Analyst
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1700 W. Washington
Phoenix, AZ 85007-2848
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To: Members of the Senate K-12 Education and House K-12 Education Committee of Reference

Re: Sunset Review of the School Safety Program Oversight Committee

Date: November 20, 2006

The School Safety Program Oversight Committee (Committee) is scheduled to sunset on July 1, 2007. Following is a brief description of the history and duties of the Committee, as well as the Committee's summary response to the sunset questionnaire. A copy of the Committee's responses in total is available in the Chief Clerk's Office. If you have any questions or need further assistance, please feel free to contact me.

COMMITTEE MISSION AND HISTORY

In 1997, the School Safety Program Oversight Committee was established to provide a proactive approach to prevent juvenile referrals to the court system of Arizona and to prevent detention in the Arizona Department of Juvenile Corrections, county jails and the Arizona Department of Corrections. The Committee provides fiduciary and programmatic oversight to the School Safety Program (Program) and works closely with the Arizona Department of Education, which establishes and maintains systems for ensuring effectiveness and efficiency in meeting Program objectives. The statutory authority of the Committee can be found in A.R.S. Section 15-153 *et. seq.*

The stated mission of the Committee is to review plans submitted by applicants seeking participation in the Program and to select sites that are eligible to receive funding based on school safety needs. Additionally, the Committee reviews renewal applications from participating sites, evaluates the Program and produces an annual report.

ORGANIZATION AND DUTIES

The Committee is comprised of 10 appointed members. Membership on the Committee consists of two members of the Senate from different political parties as non-voting advisory members, two members of the House of Representatives from different political parties as non-voting advisory members, the Governor or the Governor's designee, the Superintendent of Public Instruction or the Superintendent's designee, a law enforcement officer, a juvenile probation officer, a public school principal and a representative from the field of law related education. Furthermore, the President of the Senate and the Speaker of the House of Representatives each select one of the Senate or House members to serve as the Committee's two co-chairs.

Current membership of the Committee is as follows:

Senator Thayer Verschoor, Co-Chair	Representative Mark Anderson, Co-Chair
Senator Victor Soltero	Representative Debbie McCune-Davis
Alice Bustillo, Probation	Richard Fimbres, Governor's Designee
Rani Collins, Superintendent's Designee	Bob Mitchell, Law Enforcement
Dr. Fred DePrez, High School Principal	William Udall, Law Related Education

FISCAL ISSUES

Pursuant to A.R.S. Section 15-155, the costs for assigning peace officers and juvenile probation officers participating in the Program are funded by the Arizona Department of Education.

In fiscal year 2006-07, the Committee had a funding level of just over \$6,700,000 from the General Fund and \$7,800,000 from Proposition 301 monies. Currently, the Program funds approximately 272 school resource officers and probation officers.



Arizona House of Representatives
Phoenix, Arizona 85007

July 6, 2006

Ms. Rani Collins
Arizona Department of Education
School Safety and Prevention
1535 West Jefferson
Phoenix, Arizona 85007

Dear Ms. Collins:

The sunset review process prescribed in Title 41, Chapter 27, Arizona Revised Statutes, provides a system for the Legislature to evaluate the need to continue the existence of state agencies. During the sunset review process, an agency is reviewed by a legislative committee of reference. On completion of the sunset review, the committee of reference recommends to continue, revise, consolidate or terminate the agency.

The Joint Legislative Audit Committee has assigned the sunset review of the School Safety Program Oversight Committee to the committee of reference comprised of members of the House of Representatives' Committee on K-12 Education and the Senate's Committee on K-12 Education.

Pursuant to A.R.S. § 41-2954, the committee of reference is required to consider certain factors in deciding whether to recommend continuance, modification or termination of an agency. Please provide your response to those factors as provided below:

1. The objective and purpose in establishing the agency.
2. The effectiveness with which the agency has met its objective and purpose and the efficiency with which it has operated.
3. The extent to which the agency has operated within the public interest.
4. The extent to which rules adopted by the agency are consistent with the legislative mandate.
5. The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.
6. The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction.
7. The extent to which the Attorney General or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.



8. The extent to which the agency has addressed deficiencies in its enabling statutes that prevent it from fulfilling its statutory mandate.
9. The extent to which changes are necessary in the laws of the agency to adequately comply with these factors.
10. The extent to which the termination of the agency would significantly harm the public health, safety or welfare.
11. The extent to which the level of regulation exercised by the agency is appropriate and whether less or more stringent levels of regulation would be appropriate.
12. The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished.

Additionally please provide written responses to the following:

1. An identification of the problem or the needs that the agency is intended to address.
2. A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of such agency and its anticipated accomplishments.
3. An identification of any other agencies having similar, conflicting or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.
4. An assessment of the consequences of eliminating the agency or of consolidating it with another agency.

In addition to responding to the factors in A.R.S. § 41-2954, please provide the committee of reference with a copy of your most recent annual report. Your response should be received by October 2, 2006 so we may proceed with the sunset review and schedule the required public hearing. Please submit the requested information to:

Brian Lockery
Arizona House of Representatives
1700 West Washington
Phoenix, AZ 85007

Thank you for your time and cooperation. If you have any questions, please feel free to contact me at 602-926-5168 or Brian Lockery, the Legislative Research Analyst for the House of Representatives' Committee on K-12 Education, at 602-926-5526.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ward Nichols".

Ward Nichols
State Representative
Chair, Committee on K-12 Education Committee of Reference



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

October 2, 2006

Representative Warde Nichols, Chair
Committee on K-12 Education Committee of Reference
1700 W. Washington
Phoenix, AZ 85007

Dear Representative Nichols:

Thank you for the opportunity to respond to the sunset factors from ARS 41-2954. The Arizona Department of Education (ADE) appreciates the opportunity to demonstrate the functionality and achievements of the School Safety Program and the Legislative Oversight Committee.

The School Safety Program Oversight Committee provides fiduciary and programmatic oversight to the School Safety Program, according to ARS 15-153. The Committee provides leadership and vision to a program that greatly influences the safety of many students, school personnel, and the general school community. Members of the Committee have been a catalyst for ensuring that multiple perspectives are represented in the development of program policy and procedures. The Committee works closely with the ADE, which establishes and maintains systems for ensuring effectiveness and efficiency in meeting School Safety Program objectives.

The purpose of the School Safety Program is to provide funding for the salary and benefits of full-time police officers or juvenile probation officers. The presence of an officer on school campus is primarily for the purpose of prevention through implementation of Law-Related Education. These officers serve as educators, role models, and resources to the schools. According to the most recent SSP evaluation, 74% of students state that having the officer at school makes them feel safer. The School Safety Program is the impetus for schools to work collaboratively with police and probation officers to achieve the ultimate goal of the School Safety Program: *to contribute to an orderly purposeful atmosphere, which promotes the feeling of safety conducive to teaching and learning.*

The first section of this packet is the Sunset Item Responses and some supporting documents. The following attachments are included:

- Attachment A: 2005 Annual Report
- Attachment B: Program Evaluations
- Attachment C: School Safety & Prevention training brochure
- Attachment D: Program Accomplishments
- Attachment E: Guidance Manual
- Attachment F: Contracts

If you have any questions or need further clarification, please do not hesitate to contact us.

Sincerely,

Jean Ajamie, Director
School Safety and Prevention
(602) 542-8734

Rani Collins, School Safety Program Administrator
School Safety and Prevention
(602) 542-8728

ARIZONA STATE LEGISLATURE

Attachment 3

INTERIM MEETING NOTICE OPEN TO THE PUBLIC

SENATE K-12 EDUCATION AND HOUSE OF REPRESENTATIVES K-12 EDUCATION COMMITTEE OF REFERENCE FOR THE SUNSET HEARING OF THE SCHOOL SAFETY PROGRAM OVERSIGHT COMMITTEE AND STATUTORY AUDITS OF THE ARIZONA DEPARTMENT OF EDUCATION

Date: Tuesday, November 14, 2006
Time: 12:05 p.m. or upon adjournment of the House Committee on K-12 Education
Place: HHR 5

AGENDA

1. Call to Order
2. Overview of the Sunset Review Process by House Research Staff
3. Presentation on the School Safety Program Oversight Committee by Rani Collins, Arizona Department of Education
 - ❖ Public Testimony
 - ❖ Discussion
 - ❖ Recommendations by the Committee of Reference
4. Presentation on Audits Required Pursuant to Arizona Revised Statutes, Section 41-2958, by the Office of the Auditor General:
 - ❖ Accountability Programs
 - Response by the Arizona Department of Education
 - Public Testimony
 - Discussion
 - Recommendations by the Committee of Reference
 - ❖ Administration and Allocation of Funds
 - Response by the Arizona Department of Education
 - Public Testimony
 - Discussion
 - Recommendations by the Committee of Reference
 - ❖ Information Management
 - Response by the Arizona Department of Education
 - Public Testimony
 - Discussion
 - Recommendations by the Committee of Reference
5. Adjourn

Members:

Senator Toni Hellon, Co-Chair
Senator Ed Ableser
Senator Ron Gould
Senator Karen Johnson
Senator Linda Aguirre

Representative Warde Nichols, Co-Chair
Representative Martha Garcia
Representative Ann Kirkpatrick
Representative Bob Stump

10/25/06
jmb

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032, TDD (602) 926-3241.

ARIZONA STATE LEGISLATURE
Forty-seventh Legislature – Second Regular Session

**SENATE K-12 EDUCATION AND HOUSE OF REPRESENTATIVES
K-12 EDUCATION COMMITTEE OF REFERENCE FOR THE SUNSET HEARING
OF THE SCHOOL SAFETY PROGRAM OVERSIGHT COMMITTEE AND
STATUTORY AUDITS OF THE ARIZONA DEPARTMENT OF EDUCATION**

Minutes of Meeting
Tuesday, November 14, 2006
House Hearing Room 5 -- 12:05 p.m. or upon adjournment
of the House Committee on K-12 Education

Chairman Nichols called the meeting to order at 12:31 p.m. and attendance was noted by the secretary.

Members Present

Senator Ableser
Senator Aguirre
Senator Gould
Senator Hellon, Cochair

Representative Barto
Representative Garcia
Representative Stump
Representative Nichols, Cochair

Members Absent

Senator Johnson

Representative Kirkpatrick

Speakers Present

Brian Lockery, Majority Research Analyst
Rani Collins, Safety & Prevention Unit, Arizona Department of Education
Yvette Harpe, Assistant Principal, Rim Country Middle School, Payson
Micheal Chavez, Student, Lee Kornegay Junior High School, Miami
Kelsey Jensen, Student, Copper Rim Elementary School, Globe Unified School District
Liz Harpe, Student, Rim Country Middle School, Payson
Robert Hoyt, Teacher/Coach/ Volunteer Police Officer, Payson High School
David Franquero, School Safety Officer/Juvenile Probation Officer, Globe Unified School District
Robert Church, Police Officer, Clarkdale Police Department
Lauren Galhotra, Student, Rim Country Middle School, Payson
David Vaughn, School Resource Officer, Payson Police Department/Payson Unified School District #10
Laurie Lindell, School Health Specialist, Payson Elementary School, Payson Unified School District #10
Kathe Ketchem, Principal, Payson Center For Success High School
Sue Habkirk, Prevention Coordinator, Tucson Unified School District

Jessalyn Carpino, Student, Payson High School
Alan Ienn, School Resource Officer, Centennial Middle School
Vicky Farland, Teacher, Centennial Middle School
Joe Greene, Administrator, Chandler Unified School District
Leslie Reisdorf, Teacher, Julia Randall Elementary School, Payson Unified School District #10
David Garrison, Student, Cibola High School, Yuma
Rachel Difelice, Student, Rim Country Middle School, Payson
Jerron Baroldy, Student/Peer Mediator, Copper Rim Elementary School, Globe
Tainui Brewster, Student/Peer Mediator, Copper Rim Elementary School, Globe
Kevin Quinn, School Resource Officer, Chandler Police Department/Hamilton High School
Chris Horton, Senior Performance Auditor, Office of the Auditor General
Nancy Konitzer, Deputy Associate, Title I/State Tutoring Program, Arizona Department of Education
Dale Parcell, Deputy Associate Superintendent, School Improvement, Arizona Department of Education
Lisa Eddy, Performance Audit Manager, Office of the Auditor General
Art Heikkila, Audit Director, Audit Resolution Unit, Arizona Department of Education
Joe Moore, Director, Information Technology Services, Office of the Auditor General
Janice McGoldrick, Chief Information Officer, Arizona Department of Education
Donald Hood, Independent Consultant/Technical Strategist

OVERVIEW OF THE SUNSET REVIEW PROCESS BY HOUSE RESEARCH STAFF

Brian Lockery, Majority Research Analyst, explained that as an agency nears the scheduled date of termination, the Joint Legislative Audit Committee (JLAC) determines if the audit will be conducted by the Office of the Auditor General (OAG) or the Committee of Reference (COR). The OAG conducts a performance audit and submits a report for public review while the COR requests specific statutorily established information from the agency. The questions required to be answered are contained on documents submitted to the Arizona Department of Education (ADE) (Attachment 1) and the School Safety Program Oversight Committee (Attachment 2). The purpose of this meeting is to review the audit findings and responses from the agency, take public testimony, make recommendations, and determine whether to continue, revise, consolidate or terminate the School Safety Program Oversight Committee. Staff will then direct Legislative Council to draft the recommendations into proposed legislation for the upcoming session. Three performance audits were also conducted by the OAG on the ADE that are not sunset reviews and do not require recommendations; however, the COR may make recommendations based on the audit findings and responses by ADE.

Rani Collins, Safety & Prevention Unit, Arizona Department of Education, noted that the Members were provided with responses to the sunset review questions along with supporting documentation (Attachments 3 and 4). She summarized the contents of the documents in a slide presentation (Attachment 5) and provided handouts containing Highlights from the 2003 School Safety Program Evaluation (Attachment 6) and 2006 Evaluation (Attachment 7), making the following recommendations:

- In order to maintain the number of school sites and officers participating in the School Safety Program, increase the annual funding level by 6.8 percent each year.
- To address the rapid growth in Arizona and interest in the program, increase the funding level by \$1 million each year, which will allow about 16 new officers and schools to be added to the program annually.
- Provide additional full-time equivalents for ADE program administration and increase the administrative allowance to three percent.
- Remove the application deadline of April 15 from statute and allow ADE to set a new deadline.

Ms. Collins indicated to Senator Hellon that the Oversight Committee is required to meet annually to review applications, which usually occurs during the month of July. Senator Hellon surmised that recommendations should be made by the Oversight Committee for legislation in the upcoming session. If that is the case, the timing is off.

Yvette Harpe, Assistant Principal, Rim Country Middle School, Payson, stated that she is happy to be in a job where a School Resource Officer (SRO) provides support in potentially dangerous situations or when students make poor choices and break the law. There have been drugs and alcohol in the school and SROs are present to be supportive of the parents and school administration. SROs help with situations involving volatile parents at sporting events and meetings. Administration and the SROs work as a team to change negative behaviors of students who learn to trust and are comfortable talking to the police officers about problems at home, for example. The SROs get to know the students and deal with the students differently than police officers who are not familiar with the students. SROs also teach law-related education classes such as mock trials, which both of her children attended and were very excited about. The children feel safer with SROs on campus, so she hopes the COR will support keeping SROs in the school system.

Micheal Chavez, Student, Lee Kornegay Junior High School, Miami, provided a letter from Susan T. Hocking, Principal, and Cynthia Mugridge, Counselor, encouraging the Committee to continue the School Safety Program (Attachment 8). He said he enjoys having SROs on site to help educate students about the negative effects of committing crimes or using drugs, as well as teach about good citizenship and life skills. He enjoys getting to know the SRO and hearing some of the things he has gone through in order to prevent students from making bad decisions.

Kelsey Jensen, Student, Copper Rim Elementary School, Globe Unified School District, testified that she is in fourth grade. The SRO teaches the students many things, such as how to handle bullies. A peer mediation program helps students learn how to handle problems with other students and be a peacemaker. The SRO teaches about rules in the school and community, which help the students be safe and happy, and about the dangers of drugs and how to stay away from drugs. She is the student body vice president this year, and the SRO helps run student council meetings. She had to give a speech to run for vice president, but it was not so scary after the SRO helped students practice and taught the students about all the responsibilities. These skills will help her during her whole life. She added that the SRO is a great example. He is a peacemaker, he helps students solve problems, and he is a friend to everyone. He does not let students be mean to each other, which makes her feel safe at school.

Liz Harpe, Student, Rim Country Middle School, Payson, stated that one reason to have SROs at school is the classes taught by the officers are fun and the officers explain things and make it easy for her to understand. She learned what it is like to be in court and some of the jobs the officers do at school. Another reason to have SROs at the school is if anything happens someone is automatically there to help and keep everyone safe. The officers are also extremely nice, so she hopes the Committee will support keeping the program.

Robert Hoyt, Teacher/Coach/Volunteer Police Officer, Payson High School, related that he has been at the high school for 11 years and has seen a significant, positive influence from having officers on campus. He has had the opportunity to work with several SROs. Having these officers at the school humanizes the officers' job and makes the students feel more at ease and open around the officers. The SROs teach the students about date rape, alcohol and drug abuse, bullying, and drunken driving around prom time. As the parent of three children, it is imperative to have the officers on campus for security. The officers attend all of the ballgames, dances and school functions, easing parents' minds whose children attend or compete. During games, especially regional games and things like that, many things happen, so it is good to have the "guys in blue" present. The funds to support this program are imperative to a safe and better educated student body, and he hopes the State Legislature will keep the program working.

David Franquero, School Safety Officer/Juvenile Probation Officer, Globe Unified School District, indicated that he covers Globe Middle School and Globe High School. He endorsed the recommendations presented by Ms. Collins and ADE, which are vital to the success of the program. He said he and his partner are involved in many different activities. Both donate time to coach sports. He recently completed the head coaching job of the Junior Varsity football team, he coached basketball and baseball, and he is a mock trial coach for the high school. Because of the shortage of teachers, the school district asked if he would teach an elected class on the Arizona and U.S. Constitutions. He is currently a teacher for We The People, the Citizen and the Constitution, and there is a competition each year in which his school participates. He also teaches street law, which is a practical law class, and received several awards by the Arizona Foundation for Legal Services and Education that he appreciates; however, from his associations with the various SROs and probation officers throughout the state, every officer is worthy of every honor and accolade that can possibly be provided. He added that many of the incidents involving shootings on campus involved rural schools, so it is imperative to continue the School Safety Program, particularly for the rural areas of Arizona.

Robert Church, Police Officer, Clarkdale Police Department, testified that this is his fourth year as an SRO. The current chief of police began the program almost 18 years ago when he was an officer with the department. During the first year, the school's juvenile referral rate decreased by almost 95 percent and has remained low ever since. His chief and town council saw how successful the program could be and realized the need for a full-time position SRO at the school.

Officer Church related that Clarkdale is a small, rural community with about 4,000 residents and 450 students in K-8. He is on the school grounds approximately 95 percent of the school hours during the school year, and even though he may not know every student by name, the students know who he is. The students see him at his son's activities or other places in town. One of the main reasons he believes the program is so successful is the positive interaction the students have with the police officer over an extended period of time, which has helped break down barriers in

the community between the police and citizens and aids the department in not only solving crimes on campus, but crimes in the community and neighboring communities of Jerome, Cottonwood and Sedona.

Officer Church stated that an SRO is a mentor, teacher, friend, role model, coach, and assistant coach. With the SRO program, in addition to teaching law-related education, the officers try to teach life skills to the students and provide the students with coping mechanisms to deal with peer pressure, thoughts of suicide, or even parents who may be involved in drugs or alcohol. With the rise in school violence, SROs need to be in the schools now more than ever as a proactive deterrent and a reactive force to neutralize violence in schools. Funding for the program needs to continue to expand this successful program and make a difference in the future of their children.

Lauren Galhotra, Student, Rim Country Middle School, Payson, stated that she is in seventh grade. It is so important to have officers stationed at all schools because the officers help teach students about the evils of drugs, protect students, and the students develop friendships with the officers. When she was in fifth grade, police officers had mock trials once or twice a week to teach students about the legal system. The students also did fun skits and paperwork exercises to learn about the evils of drugs and alcohol. The lessons she learned in those classes will stay with her for a lifetime and keep her from using drugs and alcohol abusively. She said officers on school campuses provide protection, and students need that kind of secure feeling in order to be able to concentrate on schoolwork. She is friends with Officer David Vaughn who would always say hi to her and other students in the hall when she attended Payson Elementary School. Students can be friends with the officers stationed at school and become comfortable with the officers so they are not afraid of police officers. Nothing is more important than the lives of children.

David Vaughn, SRO, Payson Police Department/Payson Unified School District #10, stated that he has a plaque in his office that reads, "The aim of education is to develop resources in the child that will contribute to his well being as long as life endures, to develop power of self mastery that he may never be a slave to indulgence or other weaknesses." He takes that to heart as he considers what youth are constantly bombarded with every waking moment of their lives while going through the process of changing, constantly progressing and advancing toward a set goal. He has been a police officer in the Payson area for nearly 22 years and has had many work assignments, but the assignment as an SRO for nearly eight years has been very rewarding.

He conveyed that during those 22 years, he arrested thousands of individuals, and to have a person leave the jail annex before he finished the paperwork was disturbing. Also, when that person leaves the jail annex and goes through the trial process there is no rehabilitative process, so once the individual goes back into a dysfunctional home lifestyle, it becomes a cyclic event, not only for the individual but that person's children, grandchildren, and on and on. For example, a third grader was caught going through a backpack at school, and when the parent was called, the parent was not mad at the child for going through the backpack, but for being caught. He was working with the child, in conjunction with a team from the child's school, but the parents saw what was going on and left the area. He is concerned for that child, his children, grandchildren, etc., and any friends of that child.

Officer Vaughn said he is aligned with the Arizona SRO Association as a Central Arizona regional representative and has been contacted many times about the possibility of extra SROs for the school district. He asked the Committee to provide funding so as Ms. Collins recommended, this worthwhile program can go forth and be edited upon at the entire state level.

Laurie Lindell, School Health Specialist, Payson Elementary School, Payson Unified School District #10, thanked the Legislators for allowing the School Safety Program to make a positive and significant impact on the school campuses of Arizona. She said she has been employed by the school district for 20 years and has seen many positive and negative changes. The School Safety Program is one of the greatest programs implemented in the district to date. The School Safety Program, in conjunction with the school administrator, designed and implemented a lockdown program, which has been instrumental in securing the most valuable asset, the children, in the event of a major security event on campus. If an angry or belligerent individual behaves in an intimidating and threatening manner, a lockdown can occur and all parties will be protected until the situation is resolved. Occasionally a non-custodial parent may attempt to pick up a child at school, which can evolve rapidly into a potentially dangerous and volatile situation. In the past, school office personnel would try to detain the parent, someone else would go in a back room to call 911, and someone else would try to remove the child from the classroom to an isolated area, while the situation became more volatile. Now the SRO, David Vaughn, is located on site and available within a moment's notice to resolve the situation before anyone is harmed or there is irreversible trauma to the child.

She said a designated safe zone was established at the school for parents to pick up or drop off students. She was recently walking across the parking lot when a parent dropped her daughter off and started driving ahead while watching her daughter, and hit her. If a child had been hit, the child could have been injured severely or fatally. Officer Vaughn contacted parents and set up a new area to drop off and pick up children. The multifaceted duties of the SRO, in conjunction with the school health specialist, has helped reaffirm safety protocol with students, thus protecting the children from potential harm, as well as enforcing the concept that the severity of consequences in not abiding by rules or laws becomes greater as an individual matures to adulthood, which is important for children to learn.

Ms. Lindell added that the SRO acts as an interagency liaison in the event an agency such as Child Protective Services must be contacted. In the rural setting, school age children may reside in a location where a jurisdiction is covered by the police department, sheriff's office, or other agencies. The child may live with a grandparent or distant relative, in a timeout shelter or in a campsite at the river. It is essential that all agencies maintain a proactive rapport when working with school-related incidents. In this day and age, with media readily available to give a less than glamorous image of law enforcement personnel, it is essential that children learn the many positive attributes of a police officer. The presence of Officer Vaughn at the school site has been effective in allowing students to know a police officer is a person rather than only a uniform or badge. As the children speak with Officer Vaughn, he is able to directly impact their outlook and choices the students make in resolving problems on a daily basis. He offers immediate encouragement and recognition for students' accomplishments in class and at home. The students recognize the SRO as a person of authority, often a role model, but someone who truly would like to make a difference in their lives. She has witnessed teenage students with past behavioral problems who succeeded with the help of the SRO, walk up to the SRO at a football

game and shake his hand. These types of personal interactions and positive influences occurring at the school, due to the School Safety Program and the SROs, are priceless. She thanked the Members for allowing the children to feel safe, secure and valuable on the campuses.

Kathe Ketchem, Principal, Payson Center for Success High School, explained that the school is a charter and alternative school where the greatest impact the School Safety Program makes is in helping the students make informed decisions. The students are ages 16 to 22 and many have been involved with law enforcement in a negative way, but re-entered school determined to change their lifestyle and earn a high school diploma through rigorous curriculum. Without this program, the students do not have the opportunity to sit back and ask questions about making decisions in a safe environment. The law-related education classes deal with hate crimes, methamphetamine use, underage drinking, search and seizure, and rights and responsibilities. She noted that a young lady who was fighting recovery from methamphetamine use reported that there were drugs on campus, which is difficult to do under peer pressure, that resulted in search and seizure and arrest of a student. The young lady then talked on the phone with her foster mom for about 20 minutes about her desire to take the drug and run again, which is the power of this program.

Sue Habkirk, Prevention Coordinator, Tucson Unified School District (TUSD), conveyed that in TUSD, the School Safety Program supports 11 probation officers in four middle schools and seven high schools. The officers receive excellent training and resources from ADE to provide the necessary information and skills to youth to counter violence and destructive behavior. Although 11 probation officers sounds like a lot, TUSD has 74 elementary schools, 21 middle schools, and 11 high schools, and principals are waiting in line to get another probation officer on campus. Because the officers are site-based, the officers are an instructional aid to teachers with the primary responsibility for teaching law-related education, which is a visible support as well as a deterrent, and most importantly, as mentor to countless students that need the guidance of a caring adult. She urged the COR to reauthorize the program and incorporate the recommendations to help schools provide a safe, best practices and collaborative approach to prevention.

Jessalyn Carpino, Student, Payson High School, indicated that when she was in the seventh grade, she was walking home with a friend and someone stopped and offered a ride. She and her friend declined, but the person continued to follow, speeding up to keep pace when she and her friend walked faster. Fortunately, a male friend was in the area and walked with them. Even though she lives in a small town, abductions, rapes and violence are real, but she feels safe at school, which is her and every student's right. Having an officer on campus eases the fears students may face so students can focus on studies. Over half the crimes stop when a police officer is present on campus, which, at her school is the difference between 20 fights compared to 40, or 10 drug deals compared to 20.

She noted that an officer's presence on campus also reduces teachers' involvement with many of the school's disciplinary issues such as fights, drugs, weapons, and other illegal activities, so the teachers can focus on teaching. The officers also teach in classrooms periodically about topics like drug awareness, date rape, racism, violence in society, juvenile rights and search and seizure. She feels safe at school, but removing the police officers would detract from that feeling, which would violate students' rights.

Alan Ienn, School Resource Officer, Centennial Middle School, said it is evident from the testimony that this program is extremely important for all schools in Arizona. He has been an SRO for four years, and in the last three years, has seen departmental reports drop drastically. He has a good rapport with the students who also talk to him when he is out with his family. Parents call to ask him questions or talk to him at the request of a student. Besides the safety issue, the program involves mock trials and We The People. Also close to his heart are forensic science competitions, which involved 12 students last year who went on to win the state competition, and this year there are almost 80 students. He now teaches a forensic science class on a daily basis. Additionally, he teaches Internet safety in computer classes to sexual harassment in Physical Education, so he is in contact with all of the students. There are almost 700 students on campus, and he does not know all of the students by name, but the students know him. He asked the Members to consider the recommendations made by Ms. Collins for improvement and funds to keep the program going because it is extremely important, not only to the students and school districts, but also to the community.

When Senator Ableser asked if the school has the resources to track on-line predators, Officer Ienn responded that the computers at Centennial are monitored. The teacher sits behind the students and has access, and only certain programs can be accessed by the students. He is teaching the Net Smart program about Internet dangers and also included Internet safety for parents last year using a program endorsed by Attorney General Terry Goddard.

Vicky Farland, Teacher, Centennial Middle School, respectfully requested that the COR continue to support law-related education. She said the bottom line for educators is time on task and teaching students to become productive citizens. As school boundaries change and lower socioeconomic groups attend the school, which has grown from approximately 425 to about 650 students, there is a very tranquil atmosphere. Officer Ienn operates through the science and social studies classes so he is in contact with all of the students, even special needs students. A group of students who normally do not participate in band, cheerleading, or sports is in the forensic club. Officer Ienn also has a myriad of contacts and helps the students network. She is an advisor for some of the service-based organizations and clubs at the school and helps nonprofits. Some students painted the steps at the memorial park, which is not in the best neighborhood, but Officer Ienn was present. He also attends the dances so everything is very safe. If students see something, it is very powerful for a 13-or-14-year-old to talk to a big, very imposing figure such as Officer Ienn, but he is very in tune with the students' needs, and the students are open to him, so minimal incidents occur at the school. He is a very vital part of keeping the school safe.

Joe Greene, Administrator, Chandler Unified School District, submitted that the School Safety Program is an awesome program the Legislature provides for the schools that has a very positive effect. The partnership established between the school and law enforcement agencies offers a very proactive approach to assist students in becoming contributing, positive members of society. In today's environment, school safety is probably one of the most important items in the schools. Parents entrust the schools to provide the safest environment possible for their children, which is a challenge. SROs add to that environment more than anything else, so he hopes the Members will approve funding for the program.

Leslie Reisdorf, Teacher, Julia Randall Elementary School, Payson Unified School District, remarked that Officer Vaughn is one of the officers on campus. She began her career about 30 years ago and has seen dramatic changes within the family. She has seen children who are abused, have family relationship problems, and children with no adult or very little adult involvement in their lives. She thanked the Legislators for what has been done in the past and asked that the program be continued and expanded.

She related that a student began crying in class one day and explained that she witnessed her father beating her mother. Officer Vaughn said the situation had been addressed already, but as she began talking with the child further, she found that many of the other children in the class witnessed the same experience. Having an officer in the building has made it possible for the children to feel more comfortable, so when things happen, the children can talk to the officers about problems. The officers relate to the children, and by developing a relationship with the children now, the children will have a connection when they become older.

Ms. Reisdorf said as a teacher she has sometimes taken an individual to Officer Vaughn about a problem and he is able to talk to the child about where the child is headed and what needs to change. She indicated to Officer Vaughn that she is concerned about meeting with a parent during conferences, so he waited in the hallway. His presence makes her job easier. Her three children, who graduated from Payson High School, see the officers as people they can relate to instead of being afraid. She is very impressed with the program, which she has not seen anywhere else and she has teaching certificates in three different states. She added that one of her children is in prevention work, which she believes is because of her experience in working with the police officers and learning to make the right kinds of decisions. She made the right choices and now helps other children do the same.

Senator Aguirre surmised that the COR is not dealing with the School Safety Program, but the Oversight Committee, which is not clear to the people in the audience.

Mr. Lockery advised that in legislation drafted and introduced years ago, the Oversight Committee was given the sunset and the program was placed under the Oversight Committee, so eliminating the Oversight Committee would eliminate the program and associated general fund monies unless the Legislature established a secondary or new oversight committee in charge of the program.

Chairman Nichols agreed with Senator Hellon's comment about the Oversight Committee meeting in July, which is not good timing to propose recommendations for the next session, so perhaps some adjustment is needed so meetings are held in November or December. Senator Hellon surmised that it would be appropriate for the recommendations to be made by ADE.

David Garrison, Student, Cibola High School, Yuma, opined that everyone in the world has a common job, which is to bring a change, whether it is to change a child's way of life as an SRO or change the way a child thinks. SROs bring great activity possibilities to schools, such as the forensic science program where students worked together as a group and became state champions. SROs not only protect, but change lives or the standard of life.

Rachel Difelice, Student, Rim Country Middle School, Payson, said she is in seventh grade and having SROs on campus is very important. For as long as she can remember, SROs have been present at school and have made a significant impression on her and her peers. In the four-and-one-half years of attending school in Payson, she felt safe, secure and proud knowing there are SROs around. She notices that the behavior of students is better when an SRO is on campus. She asked what Columbine High School, Platte Canyon High School and West Nickel Mines Amish School mean to the Legislators, noting that to her it means death, sadness and that schools need to be made safe. Having SROs on campus can lessen the severability of physical threat to students and teachers. Nothing is more important than the lives and safety of schoolchildren.

Senator Hellon commented that these meetings are somewhat boring, but she is impressed, not only because so many students traveled from around the state and paid such close attention to everything that is going on, but also the students represented themselves, the schools and officers so well. She thanked everyone for attending and congratulated the teachers and administrators in the schools because the students are impressive.

Senator Gould wondered if SROs were present during the incident at Columbine High School. Mr. Lockery indicated that he will try to get a definitive answer.

Jerron Baroldy, Student/Peer Mediator, Copper Rim Elementary School, Globe, stated that he is in the fourth grade and opined that the School Safety Program should remain in the school because it is the main means of communication between the students, teachers and parents. The program teaches students about responsibility and requires students to make the right decisions for the safety of the school and students. The SRO dedicates many hours to students to encourage improvement throughout the school. He teaches students to speak their mind as long as it is respectful and not to back down from a challenge. The SRO teaches students to make the right decisions and that decisions students make can affect their future, positively or negatively. Mr. Baroldy recommended keeping the program at Copper Rim School.

Tainui Brewster, Student/Peer Mediator, Copper Rim Elementary School, Globe, indicated that she is in fourth grade. The SRO teaches students many things, such as how to deal with bullies. For example, if a bully says mean things to a student or ruins the student's belongings, the student should ignore what the bully says and tell the bully to leave them alone. A student should not get into a fight or get into trouble, but tell the teacher and ignore the bully. She said she is a peer mediator this year and it is fun. The SRO is teaching her how to solve problems, talk in front of audiences, and be the best person she can be. She is making new friends and helping other students be better people. The officer also teaches students about how drugs and smoking are harmful. In second and third grade, there was a mock trial in the form of a play. In second grade she was a witness and in third grade she was the accused. The SRO taught the students about responsibility, how to be a friend and more.

Kevin Quinn, SRO, Chandler Police Department/Hamilton High School, advised that Columbine High School did have an SRO who was at the park down the street citing students for tobacco possession during lunchtime, which is probably why he was not killed. From all the research he has done and from different training classes around the country, the SRO was the initial target of the shooters because he was the only one who could stop the plan.

Senator Gould asked if an SRO would be effective in deterring a takeover in such situations. Mr. Quinn said yes, because no one else on campus is armed to deal with a violent threat. Several other school shootings occurred where an officer was on scene, so the threat was eliminated much sooner and there were not as many casualties, such as Santana High School in Santee, California.

Senator Aguirre moved that the Committee of Reference recommend that the School Safety Program Oversight Committee and the School Safety Program be continued for 10 years. The motion carried.

**PRESENTATION ON AUDITS REQUIRED PURSUANT TO A.R.S. SECTION 41-2958
BY THE OFFICE OF THE AUDITOR GENERAL**

Accountability Programs

Chris Horton, Senior Performance Auditor, Office of the Auditor General, gave a slide presentation on the audit performed on ADE Accountability Programs (Attachment 9; Report Highlights, Attachment 10; Audit Report, Attachment 11).

Mr. Horton informed Ms. Garcia that under the state tutoring program, about two percent of the students eligible to participate were participating. With the federal tutoring program, it was not possible to find a specific number, but it was probably fairly low.

When Ms. Garcia asked if the tutoring programs could be offered at the school site to improve participation, Mr. Horton responded that he understands there are some legal issues related to offering the federally funded tutoring programs at the school site.

Mrs. Barto asked if the changes that took place at the end of 2005 for improving retention of providers have made a difference. Mr. Horton answered that he is not sure about the numbers after the audit took place. During the audit period, the latest figures used were from the fall of 2005, and the changes actually took place in December 2005, so additional information was not reported at the time of the audit. There is a follow-up process by the OAG on each of the recommendations on a six-month ongoing basis through June 2008, with the first audit scheduled for December 2006.

Nancy Konitzer, Deputy Associate for Title I/State Tutoring Program, Arizona Department of Education, related to Ms. Garcia that the federal program is designed specifically to be delivered by private providers. ADE is responsible for making an approved list of providers, the providers meet with the school districts, and a contract is drawn up between the providers and school districts to serve students whose parents request tutoring. It is up to the school district whether to allow providers to use school facilities. Federal law does not provide a requirement for the school districts to provide transportation, only to pay for the actual tutoring services.

Regarding participation, she conveyed that after some of the changes were implemented, the number of tutors increased from 166 in the fall of 2005 to 763 in the spring of 2006. In the spring of 2006, 3,400 students were tutored, which resulted in about \$916,000 worth of tutoring.

A preliminary report prior to the meeting shows a commitment of \$1 million worth of tutoring for the current semester, so the participation rates are increasing.

Senator Gould wondered if availability of tutors is the result of legislation last year eliminating the money back guarantee. Ms. Konitzer answered that one of the barriers to participation was the initial requirement that if tutors are not successful with students, the tutors have to pay back the money, although the program was designed so the tutors were actually not paid for those students. A few tutors reported that students did not make progress and were not paid for those hours, but some of the other flexibility that was offered was equally as successful in increasing participation as removal of that requirement, such as requiring that tutoring did not have to occur after school, but could be during school hours.

Senator Gould commented that it is troubling that school districts will not allow private tutors to use school facilities since it would be in the school district's best interest to have the children pass the test.

Dale Parcell, Deputy Associate Superintendent, School Improvement, Arizona Department of Education, related that he oversees School Improvement Program initiatives covered by the statutory audit. He noted that the School Effectiveness Division at ADE had only been in existence for two-and-one-half years at the time the audit was initiated, so the timing was appropriate and helpful to gain objective, evidence-based input to what had been put in place. Mr. Horton and his staff conducted a professional and thorough review and contacted other state education agencies, from whose input ADE benefited.

He said ADE is in the process of implementing or fully implemented four of the six recommendations and continues to conduct further research on two items that may be approached slightly different, which is the external assistance piece, because as the needs of schools vary, response to the needs of schools vary. About 93 percent of schools in the state need minimal assistance from the Division. About 6 percent of the schools are underperforming, so response to those includes a solutions team visit, and depending on what the team finds, further work with the school according to the school's needs. Also, less than 1 percent of schools in the state fall into the failing category, which is addressed by the State Intervention Group. There is differentiated support and Mr. Horton's staff had a lot of communication with the Department of Education in the State of Kentucky. That discussion is continuing because Kentucky is on the leading edge, as well as the states of Washington and Massachusetts, and ADE is learning from what is being done in those states. South Carolina and Kentucky are undergoing similar statutory audits and contacted his office to see what is being done in Arizona, so there is a good sharing of information.

Ms. Konitzer explained to Mrs. Barto that the federal formula for meeting Average Yearly Progress (AYP) is established over the trajectory of 12 years beginning from the baseline 2001-2002 school year through the 2013-2014 school year with benchmarks along the way to approach 100 percent proficiency in reading and math for all students. Currently, school districts are on the second step and increments will increase as 2014 approaches. The measurements for proficiency for each grade level and each subject level are different. For example, the benchmark for third grade reading is now 53 percent proficiency. The formula allows a safe harbor, so if that is not made exactly, there is a way to calculate statistically to have a 10 percent

leeway; however, two other factors involved beyond reading and math proficiency are attendance or graduation rate (depending on whether it is an elementary or high school), and 95 percent participation rate in the testing. All those factors contribute to whether a school is designated meeting AYP or not.

Ms. Konitzer noted that the auditors reviewed the state and federally funded tutoring programs, both of which are aimed at improving the performance of students at schools identified for school improvement either under Arizona Learns or No Child Left Behind (NCLB), and the state program includes high school students who need tutoring in order to pass the high school Arizona's Instrument to Measure Standards (AIMS) test for graduation. The auditors addressed participation rates and monitoring as concerns in both programs.

Regarding state tutoring, she said changes were made in state statute and significant changes were implemented by the State Board of Education (SBE) in December 2005 to increase the participation rate, including:

- Increasing the number of hours students could receive tutoring.
- Increasing the hourly rate for tutors to \$40.
- Increasing the flexibility of the design of programs.
- The use of a formal pre-or-post-test is no longer required.
- Accountability is now measured by the response to a yes or no question with an indication that the progress was measured by either informal or formal standards-based assessment developed by the tutor, district, or a commercial entity.

Ms. Konitzer said in 2006, the Legislature transferred review of the tutor's performance to the SBE, which now has the authority to remove tutors for failure to meet stated levels of improvement. A proposal for the criteria to be used to evaluate the performance level of tutors by the SBE, developed with the assistance of the Research and Evaluation Section of ADE, is still under consideration. ADE implemented the Auditor General's suggestion that an additional check on the determination of skills and performance criteria to be met by the tutor requires a review and signature by the principal. ADE recognizes the need to monitor this program. The program coordinator is currently limited in the amount of time that can be devoted to monitoring by the volume of work required to ensure the program is operational, but she developed a monitoring plan that includes a limited number of on-site reviews of tutoring rosters, attendance sheets, signed certificates of supplemental instruction with the principal's signatures and the highly qualified teacher exception documentation.

Ms. Konitzer said last spring 3,445 students were tutored by 763 tutors, which is a significant increase over previous years. Based on the amount of activity noted so far from the preliminary report received today, the number of new tutors and students is significantly increasing this fall so that about \$1.2 million is under obligation. Also, four private providers were approved, so parents now have more options beyond the school district, and two providers plan to tutor a group of students outside the school.

Regarding the federal system, Ms. Konitzer explained that for schools that have not met AYP for three or more years as defined by NCLB, low-income students are eligible for free tutoring in a

program known as Supplemental Education Services (SES). Although the auditors expressed concern about the participation rate, the efforts of ADE to promote participation were recognized. Again, monitoring of the program providers was identified as a concern. ADE approves providers through a Request for Proposals (RFP) process. The ADE Procurement Office assists the program coordinator with ensuring that the providers meet the requirements for an approved vendor of the state. The main monitoring responsibility for the program then falls to the program office on delivery and quality of services. Participation in SES has improved each year based on improved communication with the schools and increasing oversight of the school districts required to offer SES. The program coordinator works closely with the NCLB consolidated program staff at ADE to review district plans and grant applications for compliance with the SES requirement and the school improvement staff who have direct contact with the schools to ensure that parents are notified, providers are given access to parents to provide information, and communication among the schools, parents and providers results in the best services for the students involved. As part of the oversight process, ADE not only provides templates for letters announcing the program, but for the fall of 2006, all letters must be submitted and approved prior to distribution. This ensures the information is accurate and the letter meets the law's requirements. The program coordinator has facilitated meetings with the providers and the districts separately and in combination as a way to break down barriers between the two. ADE is training districts to use supplemental services as an additional service that can be provided to parents and students even if other programs are available, and providers are encouraged to market services to meet the needs of students.

She said ADE is aware of the monitoring requirements of NCLB regarding providers. It has been difficult to assess provider performance every two years when the number of students for each provider is generally small. Some providers do not provide services even though the providers are approved, and the list of approved providers varies annually. It is not possible to track individual students to a specific provider within the accountability system. The program coordinator did some ad hoc data collection from the providers and the districts for last year, but this method is very labor intensive and cannot continue if the number of students increases as expected. Using the RFP process, though, several providers were not renewed based on incomplete responses to the RFP. ADE will be able to evaluate providers not approved for two years after the current school year. The surveys mentioned in the report are used to collect information and have been revised to contain more specific questions and complement end-of-year reports submitted by providers and school districts. The return rate for last year shows a 50 percent increase in school district responses and a 90 percent rate of response by providers. The program provider intends to continue to make concerted efforts through workshops and newsletters to instruct districts about obligations under the law to offer SES to eligible students.

Ms. Konitzer related to Senator Gould that school districts are required to set aside up to 20 percent of Title I funds for SES and transportation for students at schools that are in school improvement. The per student allotment is determined by formula (dividing the number of census poverty students into the total allocation a school district receives for Title I), which varies from county to county, but is roughly \$900 to \$1100 per student. The number of hours spent with the child depends on the provider and the hourly rate. Some providers may charge \$25 per hour for a group, but may charge more for an individual. Part of ADE's oversight is to make sure it is not prohibitively expensive for a limited number of hours. Placing a limit has

been discussed, but it has not been necessary; however, any providers with very high hourly rates would be questioned about services.

Administration and Allocation of Funds

Lisa Eddy, Performance Audit Manager, Office of the Auditor General, gave a slide presentation regarding the findings and recommendations of the audit performed on ADE's Administration and Allocation of Funds (Attachment 12; Report Highlights, Attachment 13; Audit Report, Attachment 14).

Art Heikkila, Audit Director, Audit Resolution Unit, Arizona Department of Education, stated that he agrees with the results of the audit and appreciates the time and effort spent by the OAG team, which identified important issues and provided excellent criteria to build upon. The issue of ensuring proper distribution of the \$3.5 billion in state funds is serious. He agrees with the first finding that more comprehensive school attendance auditing needs to be done, but disagreed with the use of Certified Public Accountant (CPA) firms since ADE is currently contracting with a CPA firm on another study and paying an average of \$130 per hour. He believes it can be done by ADE for less expense, so 12 additional full-time equivalents (FTE) are being requested in the budget package this year.

Mr. Heikkila said he agrees with the second finding and implemented a system to maintain additional records regarding the grant program. Since August, changes were made to improve audit operations:

- This summer, three FTEs were added to perform the special education cost study, a vacant auditor position was filled, and four additional audit positions authorized by the Legislature last session were filled.
- The new auditors were trained, completed the first set of audits, and are beginning the second set.
- An audit selection process was developed that assigns audits of school districts and charter schools.
- ADE is in the process of adopting standardized audit procedures to guide field work, report writing, auditing communication and quality control. Some audit procedures have been automated and other automated processes are being developed in order to use time more wisely.
- The possibility of using statistical sampling as a way of assessing a large district's attendance compliance is being researched.
- Other states with education funding processes similar to Arizona are being surveyed to see if other best practices are available to help ADE's operation.
- Policies and procedures were developed to provide guidance to school districts regarding attendance recordkeeping and reporting.
- In the past several months, outreach efforts were established with school districts and charter schools.
- Bi-monthly meetings are taking place with Arizona School Board Association officials and the School Finance Advisory Committee where he provides updates on audit issues

that are found and proposed policies and procedures are discussed. Effective communication with the people that are audited is important.

Mr. Heikkila added that in addition to the request for additional staff in the budget request, statutory revisions are needed to allow auditing to be done more accurately, effectively and efficiently. The OAG cited Texas in a report as criteria for audit operations where auditors are able to cover all school districts in the state every nine years and have the option to identify problematic districts because of three critical things that do not exist in Arizona:

- A comprehensive student attendance recordkeeping requirement at the classroom, school and school district level that addresses paper systems and the more prevalent automated school attendance systems. Audits in Arizona have found instances of missing or destroyed records, attendance data that was altered before submission to the state, automated systems that were improperly programmed and automated systems that overwrite previous information. Without a statutorily mandated audit trail, it is not possible to totally ensure that the \$3.5 billion in state funds is distributed appropriately.
- Authority to assess penalties to school districts that do not maintain records up to 30 percent of equalization monies per student.
- School districts are required to copy and mail attendance records to the Audit Shop for review once audits are selected.

Mr. Heikkila concluded by stating that he has been in contact with Texas several times and tentatively scheduled an on-site visit for December 12 and 13, 2006 to further understand the operations.

Information Management

Joe Moore, Director, Information Technology (IT) Services, Office of the Auditor General, gave a slide presentation of the findings and recommendations of ADE's Information Management (Attachments 15 and 16; Audit Report, Attachment 17).

Mr. Moore related to Chairman Nichols that the Student Management System (SMS) packages are generally used at the school district and charter school level, which is where initial data collection takes place. The information is uploaded into the ADE Student Accountability Information System (SAIS). The review focused primarily on the portion once it hit the ADE system, but problems were found with some of the systems in terms of the number of transactions that fail, so a few recommendations were made:

- ADE could do a better job of monitoring those transactions, identify where problem transactions are, i.e., if it is a specific kind of transaction causing a problem across all vendors on the system or specific vendors that may be having problems.
- Consider certifying packages where current ADE statute provides the ability to define the requirements for electronic submission of information to SAIS. With that authority, ADE could set up certain standards the packages must meet and test to make sure the requirements are met, which would lead toward a certification process that once the packages meet the requirements the vendor would be certified to process information into

SAIS. If that route is taken, ADE would also have to look at what to do with vendors not able to meet the requirements.

Chairman Nichols commented that setting up guidelines within ADE of criteria to meet is the way to go.

Janice McGoldrick, Chief Information Officer, Arizona Department of Education, related that the audit began the week she took over as CIO. She suspected there were some serious problems initially and the OAG staff agreed to give a heads up if something serious arose. It would still be in the audit report, but ADE was able to get a "leg up" on some of the issues, so she appreciates the opportunity to have the audit done. She did not choose to implement one recommendation, which was just an organizational shift, but agrees with all of the other recommendations.

Regarding SAIS transaction failures, she said the existing system is being expanded aggressively to reduce transaction errors caused by incorrect student management system functionality. The program will entail testing of vendor SMS software and formal certification. Migration to a new storage network has increased the number and size of servers running SAIS so it will run quicker and reduce an additional number of failures caused by slow processing. ADE's School Finance System Training and Response (STaR) team in its capacity of providing SAIS training is in a prime position to identify areas of challenge for users with SMSs and aid in anticipating problems and further minimizing data entry errors.

Ms. McGoldrick related that implementation of a software development life cycle and a formal change control process will ensure that ADE has a comprehensive procedure for developing and implementing business rules. Even though the audit survey showed mostly positive results, ADE nonetheless wishes to further investigate the issues the survey identified; however, because of a variety of confidentiality issues, it is not possible to go back to the people that made specific complaints. An additional survey is being developed to follow-up, and hopefully, the same results will be obtained so those individuals can be helped in working through the processes and all of those issues can be addressed and resolved.

Ms. McGoldrick related that when SAIS was developed, a rigorous testing program was set up between ADE and SMS vendors, but unfortunately, lack of funding and resources after one year of SAIS forced ADE to reduce the attraction with the vendors. Once funding and resources are made available, ADE is eager to resume and expand the program to work more closely with all vendors that provide interfaces to SAIS. The program will include annual testing to ensure that vendor software is up to date, that it operates according to published rules, and that the vendor testing site remains available. Monitoring and publicly reporting results of testing on the various available SMS software will be available throughout the school year, which will be an improvement over the previous program where ADE could only afford to have a one-time only review of a product and post the results. Vendors worked on improving their software through the year and those results were quickly eclipsed by new versions of software.

She said the IT Section developed the capacity to archive a key student level funding report, which will be fully implemented pending internal ADE user sign-off as urged in the audit report. The goal is to have this and many reports available in archived form. Following this accomplishment, IT will need the advice and recommendation of SAIS stakeholders to determine

what other reports should be available for archiving. ADE is working to improve methodologies, communication and interaction with all SAIS users. The audit report acknowledges the existence of the current SAIS stakeholders group, which is a valuable user group comprising great depth of local expertise across many agency units. The IT section is creating a new technical team that can identify and prioritize SAIS needs as presented in one of the audit report recommendations. The SAIS tactical team will be driven by the new IT project initiation and change management procedures to ensure that appropriate business rules are completely and successfully implemented. The SAIS tactical team will identify a designated user group, quite possibly the STaR team, to be involved in all user steps such as requirements, identification and testing processes.

Ms. McGoldrick conveyed that ADE needs to ensure that business user needs are met, in particular, IT technologies. This is one of the areas she knew needed change right away. ADE was operating with an ineffective planning process and IT was underrepresented in strategic planning efforts. Superintendent of Public Instruction Tom Horne immediately embarked on an encompassing set of remedies. In the fall of 2005, she was charged with transforming the IT Section from a production shop to a service-oriented organization driven by industry standard methodologies. She was added to the Executive team for closer exposure to all ADE divisions at the Executive level. A report written a few months ago brought up the fact that plans are underway for a new IT Executive Steering Committee, which was actually formed at ADE, so IT is no longer operated by the IT group. The planning is now done by the associate superintendents who prioritize their IT projects and initiatives. Hands-on work began in early fall.

She said with the new software development life cycle (SDLC), ADE IT implemented a broad suite of standard policies, procedures and practices that support and expand upon previous lightly documented methods in place for managing system issues and bug fixes. This new suite of changes gives IT, the ADE divisions and the IT Executive Steering Committee the tools necessary to manage and anticipate the demand for IT services.

Ms. McGoldrick said the primary objective for the new IT Executive Steering Committee is commitment to involve IT in agency wide technology planning. Beginning in the FY 2008 planning cycle, the IT Section will be included in each division's strategic planning process. The IT Executive Steering Committee will review not only IT projects, but all technology projects taking place at ADE that are not provided by the IT Section, which is all part of information management.

Regarding the one recommendation that will not be implemented, she related that the IT Section's placement in ADE will remain unchanged. Agency management from the Deputy Superintendent down to the Deputy Associate Superintendent level is given the opportunity to decide by consensus on commitment to enforce IT policies, procedures and initiatives on a case-by-case basis, which has proven to be effective in terms of buy-in from division sections and units on the way information is managed in the agency. IT's physical placement, however, will change from an off-site location to the main ADE building on Jefferson Street, which will be closer to major customers at ADE.

In terms of IT planning, Ms. McGoldrick said the IT Section is implementing steps to improve the internal planning process. In February 2006, ADE began requiring industry standard formal project planning materials for new projects and enhancement requests, which are an integral part of the foundation for IT's ability to plan effectively. ADE is evaluating a new resource allocation planning methodology for practical workability in the state agency arena.

She added that she placed a higher priority on participating in Government Information Technology Agency's (GITA) CIO Council group. This participation has positioned ADE's IT Section to build partnerships with other state agencies, fostering dialogues that have assisted ADE in moving toward creating more meaningful, stronger IT operational and strategic plans. The IT Section has begun steps to synchronize the various strategic planning efforts in which it is involved, to transform those efforts from required deliverables into useful management tools.

Donald Hood, Independent Consultant/Technical Strategist, said he was brought into ADE about 14 months ago to assist in addressing some of the issues discussed, but his comments are specifically to the findings that ADE needs to better manage and secure assets, which is primarily data and information, and improve project management and operations oversight. In his experience, these types of things are symptomatic of other issues. What is happening with the first finding is that he did a moratorium on all development within ADE for a 30-day period that actually went beyond 60 days to be able to plan. He took all the technical assets at ADE and addressed the security issues Mr. Moore talked about, the 12 applications and beyond. He was not targeting specific items, but systemic issues that were happening with assets managed within ADE, the technical assets.

He said during that 60-day period, the technical staff changed organizationally, so the quality assurance staff was trained on how to test things from a security perspective. There were years of inertia that is hard to change where different divisions within ADE developed technical tools and did not have a set of standards, so security has not been at the top of the list. That has changed and ADE is much more focused on security, process controls and enterprise management. This involved determining the roles and responsibilities of management technical staff, business units and users, creating policies for privacy and confidential data storage, including stratification of data from a risk analysis standpoint, creating a physical security plan, and reconfiguring all of the networks. ADE is now in the process of implementing a business continuity plan. A change control process was formalized, there is a software and licensing policy and methodology for user awareness training, improved help desk and security training, and an inventory of ADE managed applications is being developed.

Regarding project management and operations oversight, Mr. Hood said there was an operations group that created things, but the focus was not on how to operate, so Ms. McGoldrick's team and the IT group, under the sponsorship of ADE's Executive Team, developed an operations group focused on operating the applications and have a set of very complex processes where things must go through the operations team before promotion to a production environment. This is very critical because operation is key to the success of all the initiatives put forward. The project management office was not empowered to truly manage a project, but has now matured to one that is empowered to say how a plan needs to be put together, how the plan integrates with all the resources within ADE, and stakeholders are part of delivering a project and quality product. Business analysts are closely tied to the project management group who become

liaisons since the analysts understand the business side and the IT side. The project management group works closely then to build projects, which is part of the ability to work better with business units within ADE, but also outside with school districts.

Mr. Hood stated that the IT steering group will be reaching out and including more from the school district level. It will help decide the type of priorities the IT teams deliver and help everyone within the agency understand sensitive points. In the last year, he and Ms. McGoldrick spent much time meeting with groups and going to school districts to obtain their perspective on what ADE can better deliver. There is a lot more to be done and these are very serious challenges, but the people he is working with at ADE are extremely committed to rectifying the findings, and all of the recommendations are acceptable.

Ms. McGoldrick commented that this kind of audit did not occur at ADE for some time. Her background is in corporate, not government work, and she recommends that this kind of audit take place more often as she obtained much assistance from the OAG. The problems at ADE were indicative of an organization with a lot of work to do and not enough time, but the staff just kept churning out the work. Most of the people who crafted the new policies and procedures are internal staff who were thrilled to have the opportunity to implement the changes, so this kind of audit is a fabulous idea for all of the agencies.

Chairman Nichols remarked that ADE has a lot of work to do and he looks forward to any recommendations for session in January.

Without objection, the meeting adjourned at 3:50 p.m.

Linda Taylor, Committee Secretary
November 22, 2006

(Original minutes, attachments, and tape are on file in the Office of the Chief Clerk.)