
Audit Report

Hempstead Union Free School District Validity of Grade Changes

For the Period

July 1, 2012 through June 30, 2013

SD-0813-03

April 11, 2014

The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Office of Audit Services
Albany, New York 12234





THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

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April 11, 2014

Mrs. Betty Cross
Board President
Hempstead Union Free School District
185 Peninsula Boulevard
Hempstead, NY 11550

Dear Mrs. Cross,

The following is our final audit report (SD-0813-03) of the Hempstead Union Free School District's Validity of Grade Changes for the period July 1, 2012 through June 30, 2013. The audit was conducted pursuant to Section 305 of the Education Law in pursuit of Goal #5 of the Board of Regents/State Education Department Strategic Plan: "Resources under our care will be used or maintained in the public interest."

Ninety days from the issuance of this report, District officials will be asked to submit a report on actions taken as a result of this review. This required report will be in the format of a recommendation implementation plan and it must specifically address what actions have been taken on each recommendation.

I appreciate the cooperation and courtesies extended to the staff during the review.

Sincerely,

Maria C. Guzman

Enclosure

c: Commissioner King, S. Cates-Williams, K. Slentz, R. Reyes, C. Szuberla, J. Delaney, J. Conroy, A. Timoney (DOB), J. Dougherty (OSC), S. Johnson (Superintendent), T. Rogers (DS Nassau County BOCES)

Executive Summary

Background

The Federal No Child Left Behind Act requires that states develop and report on student performance. To meet this requirement, the State Education Department collects data from school districts within the State. Collected student data provides critical information to school leaders, policy makers, parents, and the public. Therefore, it is essential that adequate controls are in place to ensure student data is accurate and valid.

The Hempstead Union Free School District (District) is located in Hempstead, NY and served approximately 6,000 students (grades K-12) during the 2011-12 school year. The District reported 222 student graduates for the same year.

Scope of Audit

The Office of Audit Services conducted an audit to substantiate the validity of student grade changes made by District personnel. We examined high school student records for the 2012-13 school year to determine if the grade changes were valid.

Audit Results

We found that the District does not have policies and procedures for changing student grades, nor did they have documentation to support a majority of the grade changes for students included in our sample. In addition, we noted that many of the sampled students whose grades were changed from failing to passing had numerous absences, which could have affected their ability to receive a passing score. Specifically, we found the following:

- District personnel changed approximately 2,225 grades for 1,294 students at the high school level. The grade changes consisted of quarterly and final grades from 63 or 64 to 65, as well as other grades that were changed from passing to failing (e.g., 71 to 59), passing to passing (e.g., 70 to 80), or failing to failing (e.g., 60 to 50).
- For the 180 students we sampled, the District made a combined 463 grade changes, as many of the students had grade changes for multiple classes. The District only had support for 37 (8 percent) of the 463 grades that were changed.
- Eighty-six of the 180 sampled students had absences that ranged from 20 to 194 days in 142 classes for which they received a passing grade.

Comments of District Officials

District officials' comments about the findings were considered in preparing this report. Their response to the draft report is included as Appendix B. We note that District officials provided the same response to the draft report as to the preliminary findings report. As a result, there were issues raised by the District in its December 19, 2013 letter (originally response to the

preliminary report) that was already addressed when we issued the draft report. Auditor's Note is in Appendix C.

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Introduction

Background

The Federal No Child Left Behind Act requires that states develop and report on student performance. To meet this requirement, the State Education Department collects data from school districts within the State. Collected student data provides critical information to school leaders, policy makers, parents, and the public. Therefore, it is essential that adequate controls are in place to ensure student data is accurate and valid.

In June of 2013, it was reported in the news that the Hempstead Union Free School District (District) changed failing students' grades of 63 or 64 to a passing score of 65 for all students in grades 6-12. As a result, the Department's Office of Audit Services performed an audit to substantiate the validity of student grade changes at the District.

The District is located in Hempstead, NY and serves approximately 6,000 students (grades K-12) and reported 222 graduates for the 2011-12 school year.

Objectives, Scope, and Methodology

The purpose of our audit was to substantiate the validity of high school student grade changes within the District during the 2012-13 school year. To accomplish our objectives, we reviewed Department regulation, policy, and guidance; interviewed District management and staff; requested documentation regarding the District's grade change policy; and reviewed student records and other documentation that was available.

We conducted our audit in accordance with Government Auditing Standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence provides a reasonable basis for our findings, conclusions, and recommendations.

Comments of District Officials

District officials' comments about the findings were considered in preparing this report. Their response to the draft report is included as Appendix B. We note that District officials provided the same response to the draft report as to the preliminary findings report. As a result, there were issues raised by the District in its December 19, 2013 letter (originally response to the preliminary report) that was already addressed when we issued the draft report. Auditor's Note is in Appendix C.

GRADE CHANGE POLICY & SUPPORT FOR GRADE CHANGES

Internal controls are a combination of attitudes, policies, and efforts of the people within an organization working together to achieve the organization's objectives and mission. Written support of these controls is essential to an organization because it provides its employees with guidance on how specific policies should be carried out and the public with a level of assurance that information reported is accurate and reliable. Management is responsible for making sure this system of internal controls has been developed, implemented, and communicated throughout the organization.

An essential component of an organization's internal control structure is control activities; these consist of policies, procedures, and other safeguards an organization puts in place to help prevent or reduce risks that threaten the success of its objectives and mission. Policies and procedures should be documented to allow employees to understand their roles and responsibilities; provide guidance on how specific tasks should be performed and documented; and lessen the likelihood of inconsistencies in carrying out organizational directives. Documentation must be kept to provide assurance that employees of an organization are carrying out directives in a manner for which they are intended.

The District has a long standing informal policy in which grades ranging from 61 to 64 have been changed to 65. During the time of our audit, we found that the District did not have a formal policy or procedures in place to address the changing of student grades, and support was lacking for the majority of grade changes that we selected for review. However, it should be noted that the District's Board of Education (Board) met in July 2013, just prior to our audit, and adopted a policy barring such a practice.

Policies and Procedures for Changing Student Grades Do Not Exist

Education Law Section 2503(2) states that the Board has the responsibility to establish policies and procedures for the general management, operation, control, maintenance and discipline of schools, and all other educational, social, recreational activities, and other interests under its charge or direction. In addition, the New York State Internal Control Act of 1987 requires that organizations promote and practice good internal control to provide accountability for their activities.

During the 2012-13 school year, District personnel changed approximately 2,225 grades at the high school level. These grade changes consisted of quarterly and final grades from 63 or 64 to 65, as well as other grades that were changed from passing to failing (e.g., 71 to 59), passing to passing (e.g., 70 to 80), or failing to failing (e.g., 60 to 50).

We requested the District's policies and procedures for changing student grades, but none were provided. However, we did receive copies of memorandums, which date from June 1999 to June 2009, from District administrators to teachers instructing them not to use any grades ranging from 61 to 64. We noted that these memorandums did not constitute formal Board approved District policy.

Policies and procedures help to ensure that certain job related tasks are performed consistently and in accordance with organizational directives. Because the District does not have written policies and procedures for the changing of student grades, District personnel do not have formal guidance on how the changes should be processed, documented, and approved. District administrators cannot be sure these changes are warranted or if they are being made consistently.

Recommendation

1. Develop formal policies and procedures for the changing of student grades.

Documentation to Support Student Grade Changes is Lacking

Section 185.12 of the Regulations of the Commissioner of Education prescribes retention requirements for specific records. For instance, student records, such as registration, screening, and accommodation plan reports; participation in remedial programs; counselor notes and teacher comments; correspondence; and transfer or discharge notices should be retained for six years after a student graduates or would have graduated from high school. The New York State Comptrollers' *Standards for Internal Control* guide states documentation involves preserving evidence to substantiate a decision or event, and that all documentation should be complete, accurate, and recorded timely.

To substantiate the validity of student grade changes, we examined District hardcopy and electronic (via PowerSchool) records for a sample of 180 students that were in high school during 2012-13 and had their grade(s) changed. Of the 180 students, 115 (64 percent) had one or more of their grades changed from failing to passing; this includes 75 (42 percent) who had their grades changed from 63 or 64 to 65.

The sampled students had a combined 463 grade changes, not all of which were from failing to passing; other changes were from passing to failing, passing to passing, and failing to failing. During our review of these changes, we noted that 220 (48 percent) were from failing to passing, in which more than a quarter of the grades were changed by 30 or more points.

District personnel provided us with a copy of a *Hempstead High School Change of Grade Form*. The form documents previous grade and grade change, reason for change (e.g., mathematical error, project points, home tutoring points, etc.), and teacher/principal signature. At a minimum, we anticipated that each student's record would include a copy of the grade change form to support the change of grade. Our review of student records showed that the District only had support for 37 (8 percent) of the 463 grades that were changed.

Students whose grades were changed from failing to passing may not have earned the passing grades, and other grade

changes may not have been warranted, as there was no support to substantiate a majority of the grade changes.

Recommendation

2. Maintain documentation in each student's record to support any grade changes that were made during a given marking period.

Students with Excessive Absences Had Grades Changed from Failing to Passing

The District's attendance policy states that regular school attendance is essential if each student is to make the maximum scholastic progress possible. Most of the study skills taught are sequentially arranged, and it is necessary for each student to learn and master one skill before proceeding to the next. One of the most important factors influencing skill mastery is the continuity of exposure that is assured through regular attendance.

During our review of sampled students' records, we noted that many of the students had numerous absences throughout the school year. Based on our review of the 180 sampled students, we found that 86 students (48 percent) had absences ranging from 20 to 194 days in 142 classes for which they received a passing grade.

In response to this finding, District officials stated that many of the students in our sample who had high absenteeism and whose grades were changed were on homeschool status for medical or disciplinary reasons. They further stated that in these instances, the District's practice is for the teacher of the class to which the student is registered to give a low or minimal grade (so the student is given a grade) and then the homeschool tutor reports the real grade at the end of the marking period; however, formal policies or procedures in support of this practice were not provided.

District officials did provide *Hempstead High School Change of Grade Forms* and/or *Home Tutoring Grade Reports* for 22 students. Our review of these documents showed that 11 of the students were not in our sample, but documentation provided for a majority of the remaining 11

did support the grade changes identified in their student records.

Students with excessive class absences are being awarded passing grades even though, in many instances, there is no documentation in their student record to substantiate the grade.

Recommendations

3. Develop formal policies and procedures for documenting grades awarded to students who are on home-school status due to medical or disciplinary reasons.
4. Retain documentation in student records to support their home-school status as well as their grade for the affected marking period.

Contributors to the Report
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March 18, 2014

Appendix B

**BY EMAIL
AND BY REGULAR MAIL**

Maria C. Guzman, Acting Director
The State Education Department
The University of the State of New York
Office of Audit Services
Albany, New York 12234

Re: Hempstead U.F.S.D. Grading Audit

Dear Ms. Guzman,

This letter serves as the Hempstead Union Free School District's ("District") response to the State Education Department's ("Department") final audit findings regarding the validity of grade changes audit.

On December 9, 2013 the District wrote to the Department outlining and discussing the result of the District's internal investigation and the Department's preliminary audit findings regarding the validity of grade changes. A copy of the letter is enclosed with this response for your ready reference.

It is clear that the Department's final audit findings and recommendations reflected the District's December 2013 comments. The District has drafted policies that reflect the Department's recommendations and also addresses certain concerns revealed during the District's own internal investigation.

Finally, the District thanks the Department's auditors for their diligent work in conducting the audit and working with the District during this process.

If there are any other questions or concerns regarding the audit or this response, please do not hesitate to contact me.

Respectfully submitted,


Susan Johnson
Superintendent of Schools

/SJ

Enclosure

c: File



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December 9, 2013

Maria C. Guzman, Acting Director
The State Education Department
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Office of Audit Services
Albany, New York 12234

Re: Hempstead U.F.S.D. Grading Audit

Dear Ms. Guzman,

This letter serves as the Hempstead Union Free School District's ("District") response to the State Education Department's ("Department") preliminary audit findings regarding the validity of grade changes audit.

To begin with, it is important for the Department to know that the District, its Superintendent of Schools and its Board of Education took very seriously the allegations and the findings uncovered in the Department's preliminary audit report. The Superintendent of Schools and the Board of Education working together are prepared to present answers to many of the Department's findings. The District has performed a significant amount of due diligence and investigation into the issues raised by the Department's preliminary audit report.

A. Documentary Evidence To Support Grade Changes

As part of the District's due diligence, the District interviewed the District's employees who implemented the grade changes and most of the teachers of the students whose grades were changed. As a result of the interviews, the District was able to obtain Grade Change Forms that support 92 out of the 463 grade changes uncovered by the audit. Exhibit 1 to this letter is the Grade Change Forms, in alphabetical order supporting the grade changes identified by the audit.

See
Auditor's
Note 1

For 20% of the grade changes uncovered by the Department's audit, the District has supporting documentation identifying why specific grade changes were implemented.

Although at the time of the audit the District did not produce the documentary evidence, the documents were maintained by the individual employees who entered the grade changes into the PowerSchool system.

For 20% of the grade changes, the supporting documentation substantiates the changes.

B. Some Grade Changes Cannot Be Supported Through Documentation

There are two components to the remaining 80% of grade changes that cannot be substantiated through documentary evidence.

The first component is the grade changes that were not grade changes of 63 or 64 to 65. There are 279 out of the 463 grade changes that fall into this category. For these 279 grade changes, the documentation supporting the grade changes cannot be

located. Despite requesting the information from the employees who implemented the changes, the documents cannot be found.

The second component is the grade changes that were changes of 63 or 64 to 65. For these 92 out of the 463 grade changes, there is no documentation to support the changes.

The District, in May 2013 manually (through PowerSchool) implemented an old District practice of rounding all students' grades of 63 or 64 to a 65. Subsequent to this revival of the old District practice, the Board of Education adopted a policy proposed by me, barring such a practice in the District. See, **Exhibit 2**, a copy of the Board's resolution regarding changing grades 63 or 64 to 65.

C. High Absenteeism And Grade Changing

As part of the District's due diligence, we have learned that many of the students who had high absenteeism and whose grades were changed were on home-school for medical or disciplinary reasons.

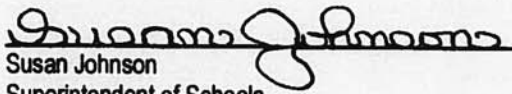
The practice of the District is for the teacher of the class to which the student is registered give a low or minimal grade (so the student is given a grade) and then the home-school tutor reports the real grade for the student at the end of the quarter/semester/year as determined by the home tutor. The insertion of the home-school tutor's grade was the grade change.

This practice was reflected on the students who had high absenteeism and whose grades were not one of the 63 or 64 to 65 grade changes.

With this additional information, we hope that we shed new light on the Department's preliminary audit report and have aided the Department in its drafting of its final audit report. When the final audit report is completed, we look forward to reading, reviewing and commenting upon it.

If there are any other questions or concerns regarding the audit or this response, please do not hesitate to contact me.

Respectfully submitted,


Susan Johnson
Superintendent of Schools

/SJ

Enclosure

c: File

Auditor's Note

Note 1: District officials provided us with 49 grade change forms, not the stated 92. For the 49 that were provided, 11 were for students who were not in our sample. However, the remaining 38 resulted in the finding being waived for 37 of the 463 classes that we identified as having unsupported grade changes. This is discussed on page 5 of the report.