

ALAN G. HEVESI
COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

August 21, 2003

Mr. Richard P. Mills
Commissioner
New York State Education Department
State Education Building
Albany, NY 12234

Re: Report 2003-F-8

Dear Mr. Mills:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution; and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the New York State Education Department (Department) as of June 10, 2003, to implement the recommendations contained in our audit report, *Oversight of the Expansion of the Universal Pre-Kindergarten Program* (Report 2000-S-13). Our report, which was issued May 31, 2001, reviewed the Department's efforts to provide all of New York's four-year-olds with access to high-quality pre-kindergarten services, and to determine whether the Department adequately monitors the school districts' compliance with Universal Pre-Kindergarten (UPK) program requirements.

Background

In 1997, the New York State Legislature established the Universal Pre-Kindergarten Program to provide all four-year-olds in the State with the opportunity to benefit from an early education experience. The UPK program, which is administered by the Department, was to be phased in over four years, with funding expected to increase from \$67 million in the 1998-99 school year to \$500 million in the 2001-02 school year, when all of the State's 700 districts would be eligible to participate. However, actual appropriations were much lower for the 2001-02 and 2002-03 school years – about \$202 million and \$205 million, respectively. Consequently, all districts have not become eligible for the UPK program.

Summary Conclusions

In our prior audit, we found that many eligible districts had elected not to participate, and that some participating districts had not been able to enroll the number of children for which their programs had been funded. Some districts did not participate or fill slots because they lacked classroom space, lacked community-based providers, or lacked adequate assurance about the level of funding that would be available to support the UPK program. We also determined that some

districts could not comply with the requirement that all UPK classes be supervised by certified teachers as of the 2001-02 school year.

In our follow-up review, we found that the Department has made progress in implementing the recommendations contained in our prior audit.

Summary of Status of Prior Audit Recommendations

Of the six prior audit recommendations, Department officials have implemented three recommendations and partially implemented two recommendations. One recommendation is not applicable.

Follow-up Observations

Recommendation 1

Make future annual reports about the UPK program as complete and up-to-date as possible, and submit the reports to the Legislature by February 15 of each year.

Status - Partially Implemented

Agency Action - Although the Department's Annual Report to the Legislature is being submitted on a more-timely basis than in the past, it continues to be late; the 2001-02 report was submitted on April 29, 2003. Department officials indicate that they have implemented new procedures they believe will help them complete the Annual Report on time. We did observe that the reports are more comprehensive. For example, the current report contains a section called Program Challenges, which includes topics such as how the late State budgets affect program implementation and planning.

Recommendation 2

Ensure that all school districts eligible for the UPK program comply with the advisory board requirements.

Status - Implemented

Agency Action - According to Department officials, the lack of funding has resulted in no new first-time eligible districts in the past two years. However, some districts opted to establish reserve funds for the UPK program, a practice that is allowed by the Education Law if a district chooses to postpone implementation to a future year. Before this reserve fund can be set up, however, these districts have to comply with the advisory board requirements. We reviewed a sample of applications and found that the districts we sampled had complied with these requirements.

Recommendation 3

Require participating school districts to submit continuous long-term implementation plans for the UPK program. These plans should include timetables for accomplishing program goals and indicate how the program will be expanded so that all eligible children seeking enrollment in the program may be served.

Status - Not Applicable

Agency Action - Because actual program appropriations for the 2001-02 and 2002-03 school years were significantly less than originally planned, new districts have not been allowed to enter the UPK program and participating districts can not expand. The Department will require long-term implementation plans when or if funding levels increase.

Recommendation 4

Closely monitor district efforts to comply with the UPK teacher certification requirement, and determine what actions are needed for districts not likely to meet the requirement.

Status - Implemented

Agency Action - The Department has revised its UPK application and the districts' annual reports to include data on the number of certified and uncertified teachers in the UPK program. Department staff analyze this information, which is also included in the Department's Annual Report to the Legislature, to identify the districts that may not meet current legislative requirements for certification. For the past three years, the Legislature has extended the deadline by which teachers must obtain certification. The deadline currently stands at September 2004.

Recommendation 5

Assess the extent to which additional staff resources can be dedicated to formal monitoring of school districts' compliance with UPK program requirements.

Status - Implemented

Agency Action - The Department established a committee to identify its core obligations and to draft a plan for monitoring district compliance with various program requirements, including those for the UPK program. The committee's monitoring plan and recommendations were sent to the Deputy Commissioner on June 9, 2003. The committee recommended that districts be separated into three tiers and a menu of monitoring and auditing activities be developed, based on risk management, for each tier. The committee also recommended the development of a Technical Assistance Plan for school improvement that would make it possible to track the improvement of high-risk school districts.

Recommendation 6

Ensure that Department reviews of districts' early childhood educational programs and comprehensive education plans clearly document the extent to which the UPK program has been evaluated and the nature of any findings about the program.

Status - Partially Implemented

Agency Action - Department officials indicate that, because staff travel to the districts has been severely limited, there has been little onsite evaluation of UPK programs on the district level. Therefore, the Department relies on information the districts provide in their annual applications to monitor the changes in UPK activities. In addition, New York was chosen to be one of six states participating in a national study of the effectiveness of pre-kindergarten programs. As part of this study, researchers are using formal education assessment tools to evaluate the effectiveness of UPK programs at selected districts.

Major contributors to this report were John Buyce, Joel Biederman, and Don Wilson.

We would appreciate your response to this report within 30 days, indicating any actions planned or taken to address the unresolved issues discussed in this report. We also thank the management and staff of the State Education Department for the courtesies and cooperation extended to our auditor during this review.

Very truly yours,

Frank J. Houston
Audit Director

cc: Richard H. Cate
Thomas E. Sheldon
Deirdre A. Taylor