

H. CARL McCALL
STATE COMPTROLLER



A.E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

August 15, 1996

Dr. John W. Ryan
Interim Chancellor
State University of New York
State University Plaza
Albany, New York 12246

Re: Report 96-F-11

Dear Dr. Ryan:

Pursuant to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law, we have reviewed the actions taken by officials of the State University of New York (SUNY) as of May 31, 1996, to implement the recommendations included in our prior study 93-D-16. Our prior study, issued December 10, 1993, related to the Educational Opportunity Center (EOC) program.

Background

SUNY's EOC program provides vocational, academic and remedial training to educationally and economically disadvantaged individuals in centers located throughout the State. Each center is administered by a sponsoring college; the sponsoring college can be a part of the City University of New York (CUNY) or SUNY. The program's ten centers are located in the State's larger metropolitan areas. For the year ended June 30, 1995, the program expended \$32.8 million in State funds and had a total student enrollment of 11,571. The EOCs represent one of two major programs administered by SUNY System Administration's Office of Special Programs (OSP). Since our prior study, the OSP has re-organized so that oversight and development of the centers includes, in addition to the Director of EOC Operations and the Associate Vice Chancellor of Special Programs, a Director of Planning and Policy, a Research Associate and a Data Specialist.

Summary Conclusions

Our prior study contained 15 recommendations designed to strengthen management oversight. In our follow-up review, we found that SUNY officials have made significant progress in implementing the recommendations contained in our prior study.

Summary of Status of Prior Study Recommendations

Of the 15 prior study recommendations, OSP has fully implemented 12 recommendations, partially implemented 2 recommendations, and has not implemented 1 recommendation.

Follow-up Observations

Recommendation 1

Do not allow centers to accumulate unexpended operating funds.

Status - Fully Implemented

Agency Action - Each center is required to send a monthly financial report providing expenditures, encumbrances, and unspent balances to SUNY System Administration for monitoring purposes. At year end all unencumbered funds are to be liquidated and the amount of unexpended funds, including those encumbered but not liquidated, are to be paid to SUNY or are to be applied to payments due on outstanding liabilities owed to vendors.

Recommendation 2

Review centers' contracts to ensure that they are proper and in the best interest of the State.

Status - Fully Implemented

Agency Action - The OSP is involved in the leasing process and approves all centers' contracts.

Recommendations 3 & 4

Initiate recovery of funds spent without benefit to the Brooklyn Center.

Resolve the issues identified under Brooklyn's existing lease.

Status - Fully Implemented

Agency Action - SUNY has turned this issue over to the Attorney General's Office for litigation. The Brooklyn Center has found a new site for operations and will not renew its current lease.

Recommendation 5

Establish staffing guidelines and ensure that centers comply with them.

Status - Not Implemented

Agency Action - The OSP established general administrative staffing guidelines. However, variation among faculty will necessarily occur as a result of differing program requirements (e.g., ESL, Basic Education or certain vocational specialties may require smaller student/faculty ratios than do other courses). Because the primary assessment factor should be the extent to which students are effectively served within the limits of the annual allocation rather than adherence to a particular staffing formula, no specific ratios or targets have been promulgated in the academic and student service categories.

Auditors' Comments - Budgets should be based on student enrollments according to the General Plans and Guidelines for the Educational Opportunity Centers of SUNY, issued by OSP in 1986-87. However OSP officials have not established specific guidelines to follow in accomplishing this objective. OSP officials should establish staffing guidelines and ensure that centers comply with them.

Recommendations 6, 7, & 8

Establish performance standards for program outcomes.

Develop action plans to improve centers' placement outcomes.

Make center directors and staff accountable for achieving program objectives.

Status - Fully Implemented

Agency Action - OSP officials have established performance standards for enrollment, educational gains, completions, job placements, General Equivalency Diplomas, and English proficiency. Each center is required to submit a plan for outcome achievement and is evaluated, by OSP, on the degree to which the performance standards have been attained.

Recommendation 9

Conduct comprehensive site visits sufficient to evaluate program operations.

Status - Fully Implemented

Agency Action - OSP has six staff that make visits to the individual centers, and each staff reviews different target areas. OSP staff plan to spend more time with those centers that have not implemented the established performance standards.

Recommendation 10

Provide the centers with specific written feedback on results of site visits.

Status - Partially Implemented

Agency Action - Written reports of visits are done on an as-needed basis to communicate issues uncovered that need follow-up. Otherwise, OSP reports their findings verbally during the closing meeting at the end of their visit.

Auditors' Comments - We recommend that OSP officials generate a written report specific to each location for all visitations. A written report would allow officials to track the progress of each center in implementing program objectives.

Recommendation 11

Take action to improve performance at the Brooklyn Center. Conduct periodic follow-up reviews of the Center to assess operations and to ensure that improvements continue to be implemented.

Status - Fully Implemented

Agency Action - There has been a retrenchment of the Brooklyn Center staff and a cut in the budget by about \$2 million. OSP officials worked closely with the Brooklyn Center to ensure an improvement in operations.

Recommendation 12

Take action to improve performance at the Manhattan Center. Conduct periodic reviews to assess operations and to ensure that improvements continue to be implemented.

Status - Partially Implemented

Agency Action - An action plan has been developed and OSP officials were able to provide documentation, through travel vouchers, that visits to the center did occur; however, there were no written reports documenting their review and assessment of operations.

Auditors' Comments - OSP officials should document their visits to the center by providing written feedback based on their assessment of operations and use the written reports to track the center's progress.

Recommendation 13

Ensure the centers report program results accurately.

Status - Fully Implemented

Agency Action - OSP has issued guidelines clarifying what data to report and how to report it.

Recommendation 14

Require the centers to adjust continuing student data and related attrition rates to reflect those students who do not return to the centers in the Fall.

Status - Fully Implemented

Agency Action - Reports now contain an attrition section that indicates the students who did not return to the centers.

Recommendation 15

Require the Brooklyn Center to issue both certificates of completion and letters of attendance to non-vocational students, as appropriate.

Status - Fully Implemented

Agency Action - In the interest of avoiding confusion and of ensuring consistency with policies at other centers across the State, the Brooklyn Center has eliminated the letter of attendance for any formal use and now issues certificates to students who complete program requirements, whether in vocational or non-vocational program areas.

Major contributors to this report were Jerry Barber, Marty Chauvin, Todd Seeberger, and Melissa Little.

We would appreciate your written response to this report within 30 days, indicating any additional action you have planned or have taken to address the unresolved matters discussed in this report.

We wish to thank the management and staff of SUNY for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Robert H. Attmore
Deputy Comptroller

cc: Patricia A. Woodworth