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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

February 25, 2002

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

Re: Report 2001-F-35

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 State Education Department (Department) as of December 11, 2001, to implement the recommendations contained in our audit *Student Enrollment Data* (Report 98-S-83). Our report, which was issued on May 3, 2000, reviewed certain aspects of school districts' reporting of student enrollment data to the Department and the Department's categorization and verification of this data.

Background

The Department uses its Basic Educational Data System (BEDS) to help compile and publish an extensive amount of data obtained from school districts. Enrollment data reported from the districts and compiled in BEDS includes critical elements for both student and school accountability. It is used by the Department's staff to check the reasonableness of reported attendance and to calculate several categories of State aid allocations. It is also used in conjunction with other school data to produce reports of service efforts and accomplishments, including the School Report Card, the Chapter 655 Report, and the Fiscal Profile. These reports are used by Department managers, the Governor, Legislature, Division of the Budget, and school districts to make financial, program and operating decisions. These reports also provide accountability and information to the public.

Summary Conclusions

In our prior audit, we found that the New York City Board of Education had been reporting student enrollment data electronically to the Department for some time, but school districts outside of New York City continued to manually report student enrollment data to the Department. We also found that while the Department performed desk reviews of student enrollment data, this activity alone may not have been sufficient to adequately reduce the risk of undetected data inaccuracies. Furthermore, we noted that it had been almost 20 years since the Department field audited enrollment data, and our audit did identify some controls problems with record keeping systems at

districts we visited. We also found that two school districts were unable to reestablish their cutoff date student enrollment records when we visited them because their record keeping systems continually updated student enrollment data and did not preserve the data as of the cutoff date. Finally, to ensure more meaningful presentation of enrollment data, we recommended that the Department consider providing for the reporting of student enrollment that reflects the sub categorization of students who are enrolled as long-term absentees and students who are enrolled part-time.

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

Summary of Status of Prior Audit Recommendations

Of the four prior audit recommendations, the Department has implemented two recommendations and partially implemented two recommendations.

Follow-up Observations

Recommendation 1

Continue efforts to plan a computerized process for automatically obtaining enrollment data from districts. In the interim, for those districts that are currently utilizing computerized systems to support the enrollment function, consider obtaining electronic copies of their enrollment records for input into BEDS.

Status - Partially Implemented

Agency Action - The Department has taken initial steps to establish a computerized process for automatically obtaining enrollment data from districts. These steps include: filling the position of Chief Information Officer, initializing a process which will lead to a statewide student identification system, and setting up regional offices where student data will be collected and eventually be entered into the computerized system. However, the Department has not obtained electronic copies of enrollment records from those districts that currently utilize computerized systems to maintain enrollment information. Officials added that such an effort would require too many resources since districts statewide use at least 26 different computer systems to maintain enrollment data.

Recommendation 2

Consider defining the standards for what constitutes long-term absentees and part-time students and for reporting this information where it would be appropriate to do so.

Status - Partially Implemented

Agency Action - The Department recently amended the Regulations of the Commissioner of Education to require school districts to maintain adequate records of student attendance and to establish a mechanism to examine patterns of student absence and develop effective intervention strategies to improve school attendance. The amendment requires, in part, that districts define excusable and unexcusable pupil absences and develop policies regarding pupil attendance and a pupil's ability to receive course credit. Districts may further elect to adopt a minimum attendance standard as a component of their policy. In addition, the Department has established a definition of a dropout (a form of a long-term absence). The definition includes any student who has been absent for 20 consecutive, unexcused days and has not resumed attendance. Each district must report its number of dropouts annually on the Department's Graduation and Dropout Report. Although the Department has not defined part-time students, the Department does require districts to report enrollments on a full-time equivalent (FTE) basis. Officials indicated that part-time students could be identified as those considered less than one FTE for enrollment reporting purposes.

Recommendation 3

Implement a risk assessment procedure for determining high-risk school districts to be visited for verification of student enrollment information and for review of related enrollment data controls.

Status - Implemented

Agency Action - Per the Department's Tactical Audit Plan, officials have developed a risk-based approach that uses indicators of low performance and poor financial practices to identify districts for audit. The overall objective of the district audits is to ensure that adequate management controls are in place. A specific objective of this initiative is to verify that the districts maintain valid and reliable data, including enrollment. SED officials told us that as part of the audit process, they test the accuracy of enrollment data on a sample basis.

Recommendation 4

Inform school districts about the need and the time frames for retaining supporting BEDS enrollment documentation in sufficient detail to identify the specific students enrolled as of the cutoff date.

Status - Implemented

Agency Action - In the fall of 2000, the Department started noting on the BEDS data collection forms the minimum requirements for retention of student attendance records, as stipulated by the Regulations of the Commissioner. According to the Regulations, school districts must retain for a minimum of six years student attendance records (registers), including but not limited to each student's name, date of birth, names of parents or guardians, address, and daily attendance, absence or tardiness.

Major contributors to this report were David Pleeter, Don Wilson, Karen Bogucki and Brian Mason.

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

Very truly yours,

Jerry Barber
Audit Director

cc: Tom Sheldon
Deirdre A. Taylor