

H. CARL McCALL
STATE COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

December 13, 2002

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

Re: Compliance with Section 3602
Subdivision 26 of the State Education
Law
Report 2002-S-7

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 audited school district compliance with the requirements for providing an instructional technology plan as specified by Article 73, Section 3602, Subdivision 26 of the New York State Education Law (Education Law). We also audited the State Education Department's monitoring and oversight over school district efforts to provide instructional technology plans. Our audit covered the period July 1, 1999 through June 15, 2002.

A. Background

The Board of Regents is responsible for setting education policies and for guiding, managing and monitoring the education system in New York State. In fulfilling these responsibilities, the Regents work with the Governor and Legislature, who also initiate education programs and ultimately control State funds devoted to education. The 16 Regents are elected for five-year terms by the Legislature and are headed by a Chancellor. The Regents are served by the State Education Department (Department), which administers the State's education policies and programs. The Department oversees local school boards and monitors compliance with education laws and regulations. Public schools in New York State are administered by about 700 school districts. There are approximately 2.8 million students in more than 4,000 schools that receive public education. It has become widely accepted that schools should incorporate information technology into their curriculums and that each student should have ample opportunity to use a computer during his or her learning experience.

In recognition that planning is essential to achieving complete technology integration into instructional programs, the State Legislature enacted Section 3602, Subsection 26 of the Education Law. This Section requires that beginning in the 1999 school year, school districts must produce and maintain an instructional technology plan for the use of computer technology equipment. The purpose of the plan is to develop guidance for the school districts to help ensure that public school children receive adequate learning experiences with computers. Development of the plan makes the school district eligible for aid pursuant to this Section of the Education Law.

In 1998, the Regents approved Regulation 100.12 that was promulgated by the Department's Commissioner. This Regulation requires all school districts in New York State to develop and maintain an instructional technology plan which includes (1) a description of how the school district will apply instructional computer technology to the overall K-12 instructional program, (2) a provision for the maintenance and repair of equipment consistent with the five year capital assets preservation plan as specified in Education Law and (3) a provision for staff development to demonstrate how classroom teachers will use instructional computer technology across the K-12 curriculum.

In addition, the federal Universal Service Discount (E-Rate) Program for schools and libraries requires school districts to produce a technology plan in order for schools to receive discounts on eligible technology and equipment. The technology plan must address five core elements of the E-Rate program. These elements are a (1) mission and goals statement, (2) staff development plan, (3) current inventory, (4) budget and (5) evaluation process.

The Department has a formal written agreement with the Board of Cooperative Educational Services (BOCES) to review and approve the school districts technology plans for compliance with E-Rate requirements. (BOCES are regional not-for-profit organizations that provide education and support services to school districts.) Pursuant to the agreement, the staff from the BOCES Regional Information Centers (RICs) actually review the technology plans and then notify the Department of their decision to either approve or disapprove the plans for E-Rate eligibility purposes.

For the 1999-2001 school year, all school districts (including New York City) received a total of nearly \$170.2 million in State categorical aid for instructional technology. During the 1999-2000 school year, the State allocated categorical aid to school districts totaling \$18.2 million for hardware, \$22.3 million for software and \$25 million for technology incentives. For the 2000-2001 school year, categorical aid totaled \$27.3 million for hardware, \$41.4 million for software and \$36 million for technology incentives. Furthermore, during the 2000-2001 school year, school districts received about \$39 million in Federal Title III funding through the Technology Literacy Challenge Fund program.

The Department has established a Basic Educational Data System (BEDS) where individual schools are asked to perform a self-assessment of their technology capabilities, in addition to providing other education program data. The 2000-2001 school year was the first year that a self-assessment of educational technology data was requested. The schools rated their satisfaction in each of five technology areas ranging from 1 (low satisfaction) to 5 (high satisfaction) in relation to the schools' current computer and instructional technology capacity. The following chart of BEDS data (does not include New York City schools) indicates that many schools expressed levels of dissatisfaction with their information technology programs. Specifically, we noted that about 24

percent (ratings 1 and 2) of the schools are dissatisfied with their technology-related capabilities. This information further emphasizes the need for adequate instructional technology plans for school districts.

**State Education Department
Schools' Self-Assessment of Technology Capabilities**

Technology Area	1	2	3	4	5	*Total
Hardware	250	359	828	951	653	3,041
Software	204	405	994	1,018	419	3,040
Hardware Support	341	544	1,028	735	391	3,039
Software Support	343	542	1,048	754	353	3,040
Hardware Maintenance	300	427	944	879	486	3,036
Total	1,438	2,277	4,842	4,337	2,302	15,196
Percentage	9%	15%	32%	29%	15%	100%

* The total number of schools is different because not all schools responded to each category.

Section 305 of the Education Law requires the Commissioner of Education to enforce all general and special laws relating to the Education system of the State and to execute all educational policies determined by the Regents. The Commissioner provides general supervision over all schools, has the authority to examine and inspect schools and advises and guides the school officers of all districts in relation to their duties.

B. Audit Scope, Objectives and Methodology

We audited school districts' (excluding the New York City Board of Education) compliance with requirements for providing an instructional technology plan pursuant to Article 73, Section 3602, Subdivision 26 of the Education Law. We also audited the Department's monitoring and oversight over school district efforts to provide instructional technology plans. Our audit covered the period July 1, 1999 through June 15, 2002.

To accomplish our audit objectives, we interviewed Department, school district and BOCES officials. We also obtained and reviewed a judgmental sample of seven school district technology plans to determine whether the technology plans addressed the Education Law and the Commissioner's Regulation. Our sample was designed to include a cross section of urban, rural and suburban school districts receiving technology aid that ranged from very small to very large amounts for the 2000-2001 fiscal year. We also developed and sent a survey questionnaire to 130 school districts to determine whether the school districts have produced an instructional technology plan. The justification for selecting the 130 school districts was based on a random sample of 100 school districts and a judgmental sample of 30 school districts. The judgmental sample was based on the school districts that received the largest amount of State aid for the fiscal year 2000-2001 (excluding New York City). We also met with officials of the North Colonie school district. In addition, we toured selected schools located in the Buffalo and Fredonia school districts, and we visited the BOCES Northeast RIC. We did not review the instructional technology planning efforts of the New

York City Board of Education because the Comptroller of the City of New York had previously audited this matter.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those operations that are included in our audit scope. Further, these standards require that we understand the Department's internal control structure and compliance with those laws, rules and regulations that are relevant to the operations included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendations.

We use a risk-based approach when selecting activities to be audited. This approach focuses our audit efforts on those operations that have been identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, finite audit resources are used to identify where and how improvements can be made. Thus, little audit effort is devoted to reviewing operations that may be relatively efficient or effective. As a result, our audit reports are prepared on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

C. Results of Audit

Of the 130 school districts that we surveyed to obtain information about instructional technology plans, 86 (66 percent) did not respond. Given the extent of the lack of response, we question whether all districts have provided the required plans. Of the 44 responding school districts (34 percent), 43 districts indicated that they had a plan and one school district indicated that it did not have a plan. The school districts that stated that they had plans indicated that they produce one comprehensive technology plan to address the criteria of the Education Law, Commissioner's Regulation and the E-Rate program.

We reviewed seven of the school districts' technology plans to determine whether the plans addressed the three stated requirements of the Commissioner's Regulation. We found that generally the plans addressed two of the requirements. However, we found that all seven of the technology plans did not address the Regulation requirement for information about the maintenance and repair of (computer) equipment, consistent with the five-year capital assets preservation plan as provided for in the Education Law. We also found that the seven plans in our sample varied widely in their comprehensiveness and quality. For example, we found that two of the plans were very comprehensive and fully explained the districts' utilization of technology in each curriculum area (Math, Science, English). In contrast, we found that five of the plans were much less specific in addressing districts' utilization of technology within their curriculum areas. These five plans provided overall technology goals, needs analyses and general statements about the districts' utilization of technology within their curriculums.

We also noted that the Department has not provided school districts with guidance on what information must be in instructional technology plans to make them minimally satisfactory to demonstrate compliance with the Education Law and the Regulation. In this regard, we did find that

those school districts that voluntarily agree to pay to participate in the BOCES Model Schools Program are provided with an instructional technology plan outline.

Our audit also determined that staff at the RICs do not review the plans for compliance with the Education Law or the Regulation. We contacted six RICS administrators responsible for the review and approval of the school districts' technology plans and all six advised us that their review of school district technology plans was only to see if the plans addressed the five core elements of the E-Rate program. Moreover, this review does not include an evaluation of the adequacy or sufficiency of the information provided.

Based upon these findings we conclude that there is more than minimal risk that school district instructional technology plans may be noncompliant or may be marginally compliant with the Education Law and the Regulation. Furthermore, these findings limit assurances that the hardware, software and technology incentive aid that school districts are supposed to receive for compliant plans is fully justified. We recommend that the Department develop specific guidelines consistent with the Education Law and the Regulation that all school districts can follow in the preparation of instructional technology plans. We also recommend that the Department utilize other methods such as holding workshops and sharing best practices to instruct school districts in the preparation of adequate technology plans.

It is also noteworthy that technology plans have taken on additional significance with the passage in 2001 of the federal government's No Child Left Behind (NCLB) Act. In order to receive federal grant funding totaling about \$61 million from NCLB, the Department must submit to the federal government by March 2003 an application along with a statewide long-range strategic educational technology plan addressing the educational technology needs of school districts. Furthermore, the school districts are also required to submit an application including a technology plan to the Department in order to receive the federal grant funding. The submission date for the school districts' technology plans was tentatively set as August 30, 2002.

Department officials advise us that they plan to make changes to their current administration of technology plans based upon the requirements imposed by NCLB. However, the Department has not finalized a formal review process of the application and technology plan. Moreover, Department officials have decided that the school districts will be required to produce a comprehensive technology plan that meets the criteria of the Education Law, Commissioner's Regulation, E-Rate and the NCLB.

Recommendations

- 1. Develop specific guidelines consistent with the Education Law and Commissioner's Regulation for school districts to follow in the preparation of technology plans.*

(Department officials agree with recommendation number 1 and indicate that they will develop guidelines, criteria, tools and resources to help schools prepare technology plans that meet new regulations and are aligned, as required under NCLB, with the New York State Technology framework.)

2. *Review technology plans for compliance with the Education Law and the Commissioner's Regulation and develop formal guidance to follow in the evaluation of instructional technology plans.*

(Department officials agree with recommendation number 2 and indicate that they will develop a technology plan evaluation process that will ensure that all plans are reviewed in a consistent manner and comply with Education Law, Commissioner's Regulation and the NCLB Act.)

3. *Develop multiple methods, such as holding workshops and sharing best practices, to instruct school districts to prepare adequate technology plans.*

(Department officials agree with recommendation number 3 and indicate that they plan to use multiple methods to assist school districts in preparing technology plans such as provision of on-line guided formats for development and ongoing revision of technology plans; use of turnkey trainers and technology experts through existing networks and professional development providers; and on-site technical assistance to the State's highest need districts.)

4. *Ensure that all school districts submit a technology plan and follow up with those districts that do not have a plan.*

(Department officials agree with recommendation number 4 and indicate that in 2002-03, all districts are required to include their technology plan as part of their application for funds under Title II-Part D, Enhancing Education through Technology.)

We provided Department officials with a draft copy of this report for their review and comment. Their comments have been considered in the preparation of this report and are included as Appendix A.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the State Education Department shall report to the Governor, the State Comptroller and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

Major contributors to this report were Jason Kearney, Dave Pleeter, Karen Bogucki, and Brian Mason.

We wish to thank the management and staff of the State Education Department for the courtesies and cooperation extended to our auditors during this audit.

Very truly yours,

Jerry Barber
Audit Director

CC: Ms. Deirdre A. Taylor
Mr. Richard Cate
Mr. Thomas Sheldon



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

CHIEF OPERATING OFFICER
Tel. (518) 474-2547
Fax (518) 473-2827
E-mail: rcate@mail.nysed.gov

September 19, 2002

Mr. Jerry Barber
Audit Director
Office of the State Comptroller
Division of Management Audit and State Financial Services
110 State Street
Albany, New York 12236

Dear Mr. Barber:

I am responding to the draft audit report (2002-S-7) of the Office of the State Comptroller's audit: Compliance with Section 3602, Subdivision 26 of the State Education Law. The Office of the State Comptroller audited school district compliance with the requirements for providing an instructional technology plan as specified by Article 73 and included review of the State Education Department's monitoring and oversight of school district efforts to provide instructional technology plans.

Recommendation # 1.

Develop specific guidelines consistent with the Education Law and Commissioner's Regulation for school districts to follow in the preparation of technology plans.

We agree with the recommendation.

Changes to Commissioner's Regulation 100.12 are under way, and include language to ensure that New York State technology regulations will be congruent with the requirements of the federal No Child Left Behind (NCLB) Act. It is anticipated that the Board of Regents will approve these changes in late 2002.

Subsequent to the adoption of the new regulations, the Department will develop guidelines, criteria, tools and resources to assist schools in preparing technology plans that both meet the new regulations and are aligned, as required under NCLB, with the New York State Technology Framework. Written materials and resource links will be available to all schools through the State's web site.

Recommendation # 2.

Review technology plans for compliance with the Education Law and the Commissioner's Regulation and develop formal guidance to follow in the evaluation of instructional technology plans.

We agree with the recommendation.

In light of the changes required by NCLB and the new regulations, the Department has initiated a review of the entire process used for evaluation of technology plans.

The Department will develop a process, criteria and formal guidance to ensure that all district technology plans are reviewed; that reviews are consistent; and that all district technology plans comply with Education Law, Commissioner's Regulation, and the NCLB Act.

Recommendation #3.

Develop multiple methods, such as holding workshops and sharing best practices, to instruct school districts to prepare adequate technology plans.

We agree with the recommendation.

The Department will use multiple methods to assist school districts in preparing technology plans aligned with district needs, Education Law and NCLB requirements. Assistance may include, but not be limited to, provision of on-line guided formats for development and ongoing revision of technology plans; use of turnkey trainers and technology experts through existing networks and professional development providers; and on-site technical assistance to the State's highest need districts.

When the Commissioner's Regulation is revised, the Department will identify and disseminate examples of exemplary technology plans through the State's web site.

Such plans will not only meet the requirements of Education Law, Commissioner's Regulation and NCLB, but will also demonstrate best practices in planning, needs assessment and integration of technology into instruction.

Recommendation #4.

Ensure that all school districts submit a technology plan and follow up with those districts that do not have a plan.

We agree with the recommendation.

In 2002-03, all districts are required to include their technology plan as part of their Consolidated Local Application for funds under Title II-Part D, Enhancing Education through Technology (SEC.2414, LOCAL APPLICATIONS).

The Department will review every district's 2002-03 Consolidated Local Application to ensure that each submits a technology plan meeting NCLB requirements, and will follow up with those that do not.

If you have any questions, please contact Laurie Rowe at (518) 473-7155.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard H. Cate', written in a cursive style.

Richard H. Cate

cc: Laurie Rowe