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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

December 31, 2009

Mr. Joel I. Klein, Esq
Chancellor
NYC Department of Education
52 Chambers Street
New York, NY 10007

Re: Report: 2009-F-24

Dear Chancellor Klein:

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 followed up on the actions taken by officials of New York City Department of Education to implement the recommendations contained in our audit report, *Student Participation in the Supplemental Education Services Program* (Report 2006-N-11).

Background, Scope and Objectives

The Federal No Child Left Behind (NCLB) Act of 2001 requires states and local school districts to improve the academic performance of students so that they are proficient in reading and math by the year 2014. Under the NCLB Act, each State Educational Agency is required to set performance goals that must be met by the schools receiving NCLB funds in that state. The performance of these schools is to be monitored by the appropriate Local Educational Agencies. In New York State, the State Educational Agency is the State Education Department (SED). In New York City, the Local Educational Agency is the New York City Department of Education (DoE).

DoE first implemented the Supplemental Educational Services program (SES) in the 2002-03 school year. SES is tutoring and remediation programs that are provided to students before or after school or on weekends. The services are provided by specially approved contractors and are supported by Federal funding. The services are offered free-of-charge to low-income students at low-performing schools, and are intended to help the students (and the schools) meet their state's performance goals. The students are not required to enroll in the SES Program; however, the Local Educational Agencies are directed to encourage their enrollment.

Our initial audit report, issued on May 14, 2008, was to determine whether these services are being offered and promoted in accordance with requirements in New York City public schools. We found that the DoE and the schools are offering the SES Program in accordance with requirements, but can be more proactive and effective in promoting and encouraging enrollment.

In the 2008-09 school year, the DoE received and spent approximately \$108 million for vendor costs and another \$1.3 million administratively for its SES Program. In that year, 200,000 students at 274 New York City public schools were reportedly eligible for the SES Program, and 85,500 of those students (43 percent) reportedly enrolled in the Program.

Summary Conclusions and Status of Audit Recommendations

We found that DoE officials have made significant progress in implementing the recommendations contained in our initial report. Of the 12 recommendations, one recommendation is no longer applicable; six recommendations have been implemented, two recommendations have been partially implemented, and three recommendations have not been implemented.

Follow-up Observations

Recommendation 1

Recommendation removed from the final report based upon the response of agency officials.

Status - No Longer Applicable

Recommendation 2

Increase the availability of SES enrollment forms by allowing schools to photocopy the forms and by distributing the forms to SES providers.

Status - Not Implemented

Agency Action - In DoE's response to the original audit report, officials stated they could not accept this recommendation and therefore would not implement it. Based on our follow-up review, DoE's position remains the same as stated in their response to the original audit report.

Recommendation 3

Require the schools in the SES Program to provide the Office of Special Projects with advance notification of their parent information sessions and provider fairs. Follow up with any schools not providing such notification, and inform all participating providers of the fairs that are scheduled.

Status - Not Implemented

Agency Action - Schools do not provide DoE officials with advance notification of their scheduled parent information sessions and provider fairs. As a result, DoE officials are neither able to follow-up with schools not providing such notification nor inform all participating providers of the fairs that are scheduled. However, DoE officials advised us that, effective immediately, they have instructed their Integrated Service Centers and Children First Network, to gather and retain information on school activities, such as parent information sessions and provider fairs and to follow-up as appropriate.

Recommendation 4

Supplement ongoing efforts to promote the SES Program by adding less traditional forms of communications.

Status - Implemented

Agency Action - DoE officials provided us with documentation showing efforts made to promote the SES program in less traditional forms of communications. For example, DoE has collaborated with library branches located in Manhattan, the Bronx and Staten Island to promote the SES program.

Recommendation 5

Develop and implement a system for formally evaluating the effectiveness of SES outreach efforts. As part of this system, include a question on the SES enrollment form asking parents where they learned about the SES Program.

Status - Partially Implemented

Agency Action - In the 2007-08 school year, DoE officials revised the SES enrollment form to include a question that asked parents how they had learned about the SES program. DoE has since developed a form on which parent interviews related to the SES program, are documented. However, DoE officials have not yet developed a system to formally evaluate the effectiveness of their SES outreach efforts.

Recommendation 6

Advise school officials to begin contacting parents to discuss the SES Program at the end of the prior school year or during the summer months.

Status - Not Implemented

Agency Action - DoE's officials have not implemented this recommendation. However, DoE officials advised that it is more effective to contact parents at the start of the school year rather than at the end of the prior school year or during the summer months.

Recommendation 7

Advise school officials to make follow-up phone calls to eligible parents who have not enrolled their children in the SES Program to encourage them to do so.

Status - Implemented

Agency Action - Our review of the spring 2009 training material showed that DoE officials have conducted outreach to parents who had not yet enrolled their children in the program. This outreach included using AutoDial to encourage parents to enroll their child in the SES program.

Recommendation 8

Encourage the schools to work closely with SES service providers in their efforts to promote the SES Program.

Status - Implemented

Agency Action - Our review of the guidelines promulgated in DoE's 2008-2009 and 2009-2010 SES Manuals show that DoE has instructed eligible schools to welcome, support and work with all providers, regardless of whether or not the providers operate SES programs in the relevant school buildings.

Recommendation 9

Provide schools with specific guidance on coordinating the SES Program with other after-school activities, and monitor the schools' effectiveness in coordinating these activities to determine whether any additional guidance is needed.

Status - Partially Implemented

Agency Action - Our review of the information in the SES manual for the 2008-2009 and 2009-2010 school years indicate that DoE has provided the schools with more specific guidance on coordinating the SES program with other after-school activities. However, DoE officials are not monitoring the effectiveness of the schools' coordination efforts to determine whether any additional guidance is needed. DoE officials state that they will work toward creating greater coordination between after-school activities and SES program activities, as required.

Recommendation 10

Strengthen communications among all parties involved in the SES Program.

Status - Implemented

Agency Action - DoE officials provided documentation showing that they have strengthened communication amongst the various parties involved in the SES program. For example, DoE held a workshop on the SES program in spring 2009 for Parent Coordinators. DoE has also enhanced its website to provide school administrators, providers and parents with more detailed information on the SES program. In addition, based on the phone calls we made in July 2009 to New York City's 311 Hotline, we found that the information disseminated by the operators, though limited, was accurate.

Recommendation 11

Revise the manual to provide clear guidance on the selection of on-site providers.

Status - Implemented

Agency Action - Our review of the information in DoE's SES manual for the 2009-2010 school year, shows that DoE officials have provided school principals and providers with clear guidance on the criteria that is used for the selection of on-site providers.

Recommendation 12

Determine why ineligible students are allowed to enroll in the SES Program and develop controls to prevent such enrollments.

Status - Implemented

Agency Action - DoE officials provided us with documentation which shows that they have investigated the reasons why ineligible students appeared in the SES database. In addition, DoE officials provided us with information showing that they have since developed and implemented data system edits to prevent ineligible students from being included in the database.

Major contributors to this report were Sheila Jones, Joan Williams and Teeranmattie Mahtoo-Dhanraj.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We also thank the management and staff of New York City Department of Education for the courtesies and cooperation extended to our auditors during this process.

Very truly yours,

Ken Sifontes,
Audit Manager

cc. Brian Fleischer, Auditor General - DoE
George Davis, Mayor's Office of Operations