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STATE COMPTROLLER



STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

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

October 28, 1996

Mr. Carl T. Hayden  
Chancellor  
The University of the State of New York  
Education Building  
Albany, NY 12234

Re: Report 96-F-8

Dear Mr. Hayden:

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 reviewed the actions taken by officials of the New York State Education Department (Department), as of August 1, 1996, to implement the recommendations included in our prior audit report 94-S-48, issued on April 24, 1995, concerning the Department's oversight of the Attendance Improvement and Dropout Prevention Program.

**Background**

To improve attendance and reduce dropout rates in New York schools, the State Legislature established the Attendance Improvement and Dropout Prevention Program (Program) in 1984. School districts' eligibility for Program aid is based upon student attendance. From 1984 to 1992, the State provided categorical Program aid for the districts whose attendance rates were among the lowest 10 percent of the districts in the State. Seventy school districts qualified annually for Program aid through the 1992-93 school year. In 1993, the Legislature changed the Program significantly. Based on 1991-92 attendance figures, only those districts that were identified as being among the lowest 10 percent in attendance rates and as having an average of at least 462 absences each day are eligible. As a result, most of the 18 districts who qualified for the Program in 1995-96 are city districts with a large number of students. During the 1995-96 school year about \$54.4 million was distributed to the 18 eligible school districts. The New York City Board of Education (NYCBE) received \$48.4 million, or 89 percent of the total Program funding.

The Regulations of the Commissioner of Education require an eligible school district to annually submit an application to the Department to provide the following information: the amount of local funding to be expended for attendance improvement and dropout prevention purposes, the coordination of Program services with those of other school and community groups, the eligible buildings to be served, the procedures to be used to identify the target population, and a budget with details of the projected expenditure of State funds.

Although districts must target schools with attendance rates below the district average, district officials can otherwise use Program funds at their discretion. Consequently, a variety of approaches and strategies have been used with at-risk students across all grade levels. These include counseling, home visits and other techniques considered appropriate by district officials.

### **Summary Conclusions**

In our prior audit, we concluded that opportunities exist for the Department to strengthen its guidance and monitoring of school districts' Programs, which could enhance the effectiveness of the Statewide Program efforts. Specifically, the Department needed to ensure that participating districts submitted the required Program plans and reports. Also, Program plans needed to be complete and contain meaningful performance goals and outcomes. In our prior audit of Programs at the NYCBE and the Buffalo City School District we found that improvement is needed in the accuracy of attendance data for students in the Program. Also, minimum standards needed to be established for when and how often attendance outreach services are provided.

In our follow-up review, we found that while Department officials have instituted new procedures for the collection of Program plans, these plans are still not being received timely. The Department has made significant progress in ensuring that Program plans are complete and contain meaningful performance goals and outcomes. All five recommendations related to this issue have been fully implemented. However, for the issues of accuracy of attendance data, evaluations of the effectiveness of various Program services, and the documentation that Program services have actually been provided, Department officials have taken limited action. Generally, Department officials state that they do not have the staff and resources required to implement most of our prior audit recommendations.

We acknowledge the Department's reductions in staff and resources. However, we believe the issues are significant and the Department must identify and develop alternative means to address such reductions. The Department needs to rethink its operating philosophy and give consideration to alternatives such as:

- introducing the concept of risk assessments to determine if certain Department resources might be better used elsewhere;
- testing school districts on a random basis and distributing the results of such reviews to all school districts;
- establishing a system of fines and/or penalties to school districts for noncompliance with reporting requirements;
- utilizing technological advances to maximize the existing staff's oversight efforts; and

- coordinating all Department units to improve the effectiveness and efficiency of various field visits to school districts.

### **Summary of Status of Implementation**

Department officials have fully implemented six and have not implemented eight of our prior audit recommendations.

### **Follow-up Observations**

#### **Recommendation 1**

*Ensure that districts submit Program plans and reports timely, as required by the Law.*

Status - Not Implemented

Agency Action - Department officials did send applications and Program materials to school districts in June 1995. Those districts that did not submit the materials by the September 1, 1995 due date were sent follow-up letters and contacted by phone. These procedures were implemented to address this recommendation. However, Department records indicate that approximately 67 percent of the school districts did not submit the required materials on time.

Auditors' Comments - The minimal response from the school districts makes it difficult for the Department to properly assess the extent to which a district's Program has succeeded in improving attendance and reducing dropout rates.

#### **Recommendation 2**

*Provide technical guidance to the districts to help them to prepare effective Program plans, including measurable and meaningful performance goals. Such guidance could include the use of model plans.*

Status - Fully Implemented

Agency Action - Program plan instructions sent to school districts call for the inclusion of measurable and meaningful performance goals. Model plans have been shared with districts. In addition, all Program plan correspondence encourages districts to contact specific Department staff if they have any questions. Technical guidance or Program specific assistance is generally provided by telephone.

**Recommendation 3**

*Establish minimum standards for assessing the adequacy and effectiveness of districts proposed Program plans.*

Status - Fully Implemented

Agency Action - Department officials are using a revised Program plan review form to assist them in evaluating the adequacy and effectiveness of a school district's proposed Program plan. Program plans not meeting minimum standards are returned to the districts for revision.

**Recommendation 4**

*Ensure that the districts' plans address all of the Program components, as prescribed by the Law. Follow up timely with those districts whose plans are missing any of the prescribed components.*

Status - Fully Implemented

Agency Action - The revised Program application review form, noted in recommendation #3, ensures that the districts' plans address all of the Program components. Districts whose plans are incomplete are contacted to ensure that missing components can be completed timely.

**Recommendation 5**

*Ensure that the performance goals and outcomes that are set forth in the districts' plans address all the elements prescribed by the Education Law: pupil performance, attendance, and student retention.*

Status - Fully Implemented

Agency Action - The review form developed by Department officials requires that measurable performance objectives include pupil performance, attendance, and student retention. In addition, Program plan instructions, and the cover letter accompanying the instructions, both stress that performance goals and outcomes address pupil performance, attendance, and student retention.

**Recommendation 6**

*Establish a standard method for the districts to report attendance and dropout data to facilitate more meaningful analysis of Program performance indicators.*

Status - Fully Implemented

Agency Action - Department officials have redesigned the form school districts use to report attendance and dropout data. This revised form prescribes a standard method for all districts to

report attendance and dropout data. In addition, the form requires districts to report information obtained through their evaluation of measurable performance objectives which were included in the districts' Program plan.

**Recommendation 7**

*Provide districts with guidance to help ensure that reported attendance and dropout data is reliable enough to assess Program performance.*

**Recommendation 8**

*Encourage districts to develop procedures to periodically verify, on a test basis, the accuracy of the attendance and dropout data submitted to the Department.*

Status - Not Implemented

Agency Action - Department officials agreed with these recommendations and had intended to develop guidelines to be used by school districts to conduct internal self-reviews of attendance and dropout data. However, officials believe the lack of available expertise within the Department, and the lack of funds to support on-site visits, has prevented them from implementing the recommendations.

Auditors' Comments - Without reliable attendance and dropout data, the Department may not be able to provide the Legislature and other interested parties with the information needed to make informed decisions. In order to meet legislative mandates, Department officials need to consider alternatives to its operating philosophy such as those described on pages 2 and 3 and others to maximize limited resources.

**Recommendation 9**

*Encourage districts to develop and implement written policies and procedures to help ensure that Program services provided are adequately documented and accurately summarized and reported to senior district management. In addition, the districts should have procedures to periodically verify Program data to supporting documentation.*

Status - Not Implemented

Agency Action - Department officials have taken no action regarding this recommendation, again citing a lack of resources.

Auditors' Comments - Districts must ensure that Program services are adequately documented and accurately summarized to assure that students in Programs receive appropriate types and amounts of services. In order to meet legislative mandates, Department officials need to consider alternatives to its operating philosophy such as those described on pages 2 and 3 and others to maximize limited resources.

**Recommendation 10**

*Work with NYCBE and the districts to evaluate and assess the various Program outreach services and determine which services should be used, and when, to achieve the greatest impact on attendance and dropout rates.*

Status - Not Implemented

Agency Action - Department officials had planned to work with the NYCBE staff to develop and conduct a program evaluation to assess the various program outreach services. However, officials stated that this has not been done due to the reduction in staff and resources that the Department has experienced.

Auditors' Comments - Districts need to determine which outreach services affect student attendance and under which conditions they have the greatest impact.

**Recommendation 11**

*Work with NYCBE and the districts to develop guidelines which prescribe minimum standards for the appropriate use of such Program services.*

Status - Fully Implemented

Agency Action - Written guidelines have been developed which prescribe minimum standards for the appropriate use of Program services.

**Recommendation 12**

*Advise districts to develop formal procedures to ensure that all absences and instances of tardiness are properly recorded, summarized and reported by the districts' attendance control systems. Request the districts to review and correct attendance discrepancies identified in this report.*

**Recommendation 13**

*Advise districts to periodically verify the accuracy of the computerized attendance database information to appropriate source documents.*

**Recommendation 14**

*Periodically verify districts' compliance with significant program components of their Department-approved plans. This should include (but not be limited to) ensuring that:*

- *there is adequate documentation that services prescribed by individualized remediation plans were provided;*

- *efforts to enlist the participation of parents (through meetings or home visits, for example) are documented; and*
- *follow-up phone calls are made to the parents/guardians of students with the more significant attendance problems.*

Status - Not Implemented

Agency Action - Department officials agree with these recommendations. However, Department officials feel they do not have the resources necessary to implement the recommendations.

Auditors' Comments - The Department's lack of resources should not prevent it from advising districts to develop formal procedures, periodically verifying the accuracy of the computerized attendance database information, and periodically verifying districts' compliance with significant Program components. In order to meet legislative mandates, Department officials need to consider alternatives to its operating philosophy such as those described on pages 2 and 3 and others to maximize limited resources.

Major contributors to this report were Carmen Maldonado, Frank Russo, Brian Reilly and Robert Backus.

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

Yours truly,

David R. Hancox  
Director of State Audits

cc: Patricia Woodworth