



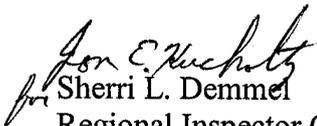
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SEP 30 2003

MANAGEMENT INFORMATION REPORT
State and Local No. 03-03

TO: Ronald J. Tomalis
Chief of Staff to the Under Secretary

FROM: 
for Sherri L. Demmel
Regional Inspector General for Audit

SUBJECT: States' Compliance with Priority for Services for Migratory Children
Control Number ED-OIG/X06-D0021

The purpose of this Management Information Report is to summarize the results of our audits at four State Education Agencies (Texas, Florida, Kansas, and California) and their sub-grantees, and to identify how the Office of Migrant Education (OME) can improve the Migrant Education Program. OME requested that we visit States with large allocations of Federal funds and provide suggestions to improve the administration of the Migrant Education Program. We determined that none of the four States complied with Section 1304(d) of the Elementary and Secondary Education Act of 1965, as amended. Specifically, none of the four States (1) established and implemented appropriate procedures to identify and target services to migratory children who are failing, or most at risk of failing, to meet State standards, and whose education was interrupted during the regular school year, and (2) established procedures to report to the Department an accurate number of "Priority for Services" migratory children served.

As a result, the Department of Education cannot determine whether the \$212.2 million in Migrant Education Program funds received by these four States in Fiscal Year 2001 were used to provide services to Priority for Services migratory children before services were provided to other migratory children. Our audits focused on the period July 1, 2000, through July 31, 2002.

Although the four States selected for audit were judgmentally selected and the results cannot be projected to the remaining States, we believe a high probability exists that more States have not complied with the Priority for Services requirements. Specifically, we found that:

- Texas allocated migrant education funds based on migratory students who were overage for grades 7 through 12 and allocated additional funds for migratory children with a qualified move during the preceding 12 months. Texas also did not provide a number of

Priority for Services migratory children in their Fiscal Year 2001 Consolidated State Performance Report.

- Florida allocated migrant education funds to its sub-grantees based solely on the total number of identified migratory children and did not consider migratory children with Priority for Services. Florida also provided an inaccurate number of Priority for Services migratory children in their Fiscal Year 2001 Consolidated State Performance Report.
- Kansas allocated migrant education funds to its sub-grantees by reviewing various funding factors from the annual Needs Assessment and student information from the State database. Only two of the eight funding factors used by Kansas related to Priority for Services criteria. Kansas also provided an inaccurate number of Priority for Services migratory children in their Fiscal Year 2001 Consolidated State Performance Report.
- California allocated migrant education funds to its sub-grantees based on several components: 1) number of A-1 enrollments (regular migrant school year population); 2) migrant students who have moved within one year; 3) migrant children age 3-4; 4) migrant children age 19 –21; 5) migrant students who are overage for their grade; and 6) migrant students attending summer/intersession school. California also overstated the number of Priority for Services migratory children in their Fiscal Year 2001 Consolidated State Performance Report.

Based on our audits at four States, these conditions occurred primarily because the Improving America's Schools Act of 1994 did not specifically define what constitutes "at risk of failing" State standards and "whose education has been interrupted during the regular school year." OME provided preliminary guidance on the Improving America's Schools Act to the States regarding "at risk of failing" and "whose education has been interrupted during the regular school year." This guidance stated that if "the State does not have assessment data on a particular migrant child (e.g., the child was not present in the district when the assessment was administered), then the state might use other relevant information, like the degree to which the child is subject to multiple risk factors (e.g., being overage or behind grade level, eligible for free/reduced lunch, limited English proficient) to determine the child's need for services." The guidance also established that "the state, in collaboration with local operating agencies, is free to determine what constitutes educational interruption." Consequently, States have interpreted and applied the Priority for Services requirements in various ways, as discussed.

OME provided guidance and assistance when requested by a State, but not otherwise. Due to the Integrated Review process previously used by the Office of Elementary and Secondary Education, OME did not separately conduct comprehensive on-site monitoring on Priority for Services. Although OME participated in the Integrated Review process, that process did not examine specific program compliance. OME relied instead on the States' monitoring systems and the Office of Management and Budget (OMB) Circular A-133 Compliance Supplement used by the auditors performing the A-133 single audits to provide monitoring of the State Migrant Education programs. OME also relied on the States to identify and report an accurate number of migratory children in the Consolidated State Performance Report. OME requested this audit because they had questions about how well the States were targeting Priority for Services

migratory children. Summaries of the four audits are included in an attachment to this Management Information Report.

Single Audit Reports

We reviewed the Fiscal Year 2001 State Auditor's Report during each of our four audits. None of the four reports identified findings regarding Priority for Services. In OMB Circular A-133 Compliance Supplement there are suggested audit procedures for reviewing Priority for Services children. The Department has relied upon this information in the compliance supplement to ensure that the States have been following the proper guidance. However, the Compliance Supplement states that: "The auditor is not expected to test the SEA's (State Education Agency) or local operating agency's identification of a child as deserving priority." We believe the suggested audit procedures should be expanded to ensure that agencies are properly defining, identifying, and counting Priority for Services children. The Compliance Supplement should also note that the Office of Inspector General identified Priority for Services as a problem in four states and that auditors performing the A-133 audit should take this into consideration when determining risk.

Suggestions

We suggest that the Assistant Secretary for Elementary and Secondary Education:

1. Provide additional guidance and technical assistance to all States on the Priority for Services requirements of the Migrant Education Program with emphasis on what constitutes "at risk of failing" State standards and "whose education has been interrupted during the regular school year."
2. Develop and implement a monitoring process for determining whether States are identifying and accurately reporting Priority for Services migratory children. The process would include reviewing all State Education Agencies' reporting procedures and performing on-site monitoring as needed.
3. Provide input for the 2004 OMB Circular A-133 Compliance Supplement that the Office of Inspector General has reported that identification and counting of Priority for Services migratory children is an issue area, which should be taken into consideration when determining risk. The suggested audit procedures should be expanded to ensure that agencies are defining, and properly identifying, and counting Priority for Services children based on their definitions.

Purpose and Methodology

The purpose of this Management Information Report is to summarize the results of our audits at four State Education Agencies and their sub-grantees, and to identify how the OME can improve the Migrant Education Program. The objectives of our audits of the State agencies were to determine whether the States (1) established and implemented appropriate procedures to identify and target services to migratory children who are failing or most at risk of failing to meet State standards and whose education has been interrupted during the regular school year, and (2) established procedures to report to the Department the number of Priority for Services migratory children in their State.

Our audits covered the period July 1, 2000, through July 31, 2002. We performed fieldwork from July 2002 through November 2002, and we conducted an exit conference with officials from each of the four States. We also conducted an exit conference with Department officials on June 12, 2003. Our work was performed in accordance with generally accepted government auditing standards.

Action Official Response

We received your comments dated September 26, 2003, stating that the Department is in general agreement with our suggestions. In your comments you outlined the corrective actions you plan to take to address these issues. Your comments are attached to this memorandum.

No response from your office is necessary regarding the information contained herein. If you would like to discuss the information presented in this memorandum or obtain additional information, please contact me at 214-880-3031.

Attachments

cc: Francisco Garcia, Director, Office of Migrant Education

The following summarizes our audits at four State Education Agencies.

Texas Education Agency

Texas allocated migrant education funds to sub-grantees for migratory students who were overage students in grades 7 through 12 and additional funds for migratory children with a qualified migratory move during the preceding 12 months. Texas did not require that migratory students meet both Priority for Services criteria in order for the sub-grantee to receive additional migrant education funding. Additionally, we found that neither Texas nor its sub-grantees established procedures to report to the Department the number of Priority for Services migratory children in Texas. In its Fiscal Year 2001 Consolidated State Performance Report, Texas reported to the Department that, "this count is not collected at the state level by the MEP (Migrant Education Program) and therefore cannot be submitted. Migrant funded districts are required to collect and maintain this data at the local level for program planning purposes."

We visited four sub-grantees and found that three of the four had procedures in place to properly identify and target migratory children for Priority for Services. Two sub-grantees used State test scores and an interruption in the child's education during the preceding 12 months to identify students as Priority for Services. Another sub-grantee reviewed the most recent mobile report (moved in the last 12 months) and also considered those students' grades. The fourth sub-grantee only used the most recent mobile report to identify migratory students for Priority for Services. Although Texas required the sub-grantees to maintain this information for program planning purposes, they did not require the sub-grantees to submit the information. We also determined that the sub-grantees did not maintain the detailed information on the number of Priority for Services migratory children. Neither Texas nor the sub-grantees could obtain this information from any individual source in a manner that would avoid possible duplicate student counts. The four sub-grantees received nearly \$5.9 million of the \$54.8 million received by Texas for migrant education.

Texas officials agreed with our findings and recommendations. They stated that they (1) propose to implement a variety of procedures for the 2003-2004 school year that incorporates preventative, observational, evaluative and reporting activities by Texas in order to ensure compliance and to enhance "Priority for Services" student success; (2) have implemented procedures to define what constitutes "at risk of failing State standards" and "whose education has been interrupted during the regular school year;" and (3) have implemented procedures to identify and report to the Department the unduplicated number of Priority for Service migrant children identified through its migrant education program.

We issued our final audit report to the Texas Education Agency on February 4, 2003 (Control Number ED-OIG/A06-C0030).

Florida Department of Education

Florida allocated migrant education funds to its sub-grantees based solely on the total number of identified migratory children and did not consider migratory children with Priority for Services. Additionally, in its Fiscal Year 2001 Consolidated State Performance Report, Florida reported to the Department the number of migratory children who failed the State assessment test (5,918), but did not identify which of those children who failed the test also had an interruption of education.

We visited three sub-grantees and found that two sub-grantees delivered services to migratory children who were failing or most at risk of failing or who had an interruption of education on a priority basis, but did not require both elements to be present. The third sub-grantee did not distinguish from among its migratory children which children were Priority for Services. The three sub-grantees received nearly \$6.7 million of the \$25.4 million received by Florida for migrant education.

Florida officials indicated that they agreed with our findings and recommendations. They stated that they (1) are currently developing an agency-wide monitoring system for all federal programs and have targeted the 2003-04 School Year as the initial year for full implementation; (2) will provide technical assistance to all sub-grantees to ensure that “at risk of failing” State standards and “whose education has been interrupted during the regular school year” are properly addressed in the service delivery plans; and (3) will share procedures for reporting the number of Priority for Service migratory students with sub-grantees.

We issued our final audit report to the Florida Department of Education on May 2, 2003 (Control Number ED-OIG/A06-C0031).

Kansas Department of Education

Kansas allocated migrant education funds to the sub-grantees by reviewing various funding factors from the annual Needs Assessment and student information from the State database. Only two of the eight funding factors used by Kansas related to Priority for Services criteria. Those two factors were: 1) a qualifying move in the last year and 2) low-test scores. However, the Kansas Coordinator for State and Federal Programs stated that low-test scores were rarely used as a deciding factor.

Kansas also overstated the number of Priority for Services migratory children served in the Fiscal Year 2001 Consolidated State Performance Report. Kansas reported to the Department that there were 5,130 Priority for Services students. We determined that the number was obtained from the State’s MIS2000 system and represented the recently mobile students without identifying which of these students also met the at risk of failing criteria.

We visited three sub-grantees and found that none of the three were properly identifying and targeting migratory children for Priority for Services. Instead of focusing services on migratory children with low-test scores and a qualifying move during the regular school year, all three sub-grantees delivered services to children with limited English skills. One sub-grantee delivered services to migratory children who were also English-as-a-Second Language (ESL) students. The second sub-grantee prioritized services to migratory children who were new to the district or had a limited English proficiency. The last sub-grantee considered all ESL students to be at risk of failing regardless of whether the student's education had been interrupted during the regular school year. The three sub-grantees visited received nearly \$2.3 million of the \$11.2 million received by Kansas for migrant education. Additionally, Kansas did not have an accurate number of Priority for Services migratory children in its Fiscal Year 2001 Consolidated State Performance Report because they only considered recently mobile migratory children.

Kansas officials indicated that they agreed with our findings and recommendations. They stated that they (1) are revising the Local Consolidated Plan onsite monitoring instrument to include specific review of documentation of appropriate use of migrant funds for the Priority for Services migratory children; (2) have defined what constitutes "at risk of failing" State standards and "whose education has been interrupted during the regular school year"; and (3) are implementing procedures to identify and collect the number of Priority for Service migratory students served in Kansas's schools.

We issued our final audit report to the Kansas Department of Education on May 15, 2003 (Control Number ED-OIG/A06-C0032).

California Department of Education

California allocated migrant education funds to its sub-grantees based on several components: (1) number of A-1 enrollments (regular migrant school year population); (2) migrant students who have moved within one year; (3) migrant children age 3-4; (4) migrant children age 19 -21; (5) migrant students who are overage for their grade; and (6) migrant students attending summer/intersession school. Additionally, California overstated the number of Priority for Services migratory children in its Fiscal Year 2001 Consolidated State Performance Report because it also used these same components to report migratory children served. California reported to the Department that there were 209,261 Priority for Service migratory students, or 81 percent of the total migratory student population in California.

We visited three sub-grantees and found that none of the three had procedures in place to properly identify and target migratory children for Priority for Services. One sub-grantee only used the failing to meet State standards as criteria to identify Priority for Services migratory students. Another used the failing to meet State standards or the interruption of education criteria but did not use both criteria together as required to identify Priority for Service students.

The third sub-grantee did not identify Priority for Services migratory students and relied on the individual school districts in the region to identify the Priority for Service students. This sub-grantee did not monitor the school districts to ensure Priority for Services migratory children were properly identified. The three sub-grantees received nearly \$15.4 million of the \$120.9 million received by California for migrant education.

California officials did not completely agree with our findings, but generally agreed with our recommendations. They stated that they (1) incorporated monitoring tests in their 2003/2004 Coordinated Compliance Review Program to ensure Priority for Services requirements are met; (2) will provide sub-grantees another more accurate and detailed definition of Priority for Services migratory children, consistent with the State's interpretation; and (3) will use the academic service data it currently receives from the regional offices to develop a reporting process that identifies students meeting the federal criteria for Priority for Services.

We issued our final audit report to the California Department of Education on May 30, 2003 (Control Number ED-OIG/A06-C0033).



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

MEMORANDUM

TO: Sherri L. Demmel
Regional Inspector General for Audit

SEP 26 2003

FROM: Ronald J. Tomalis *RJ Tomalis*
Chief of Staff to the Under Secretary

SUBJECT: State's Compliance with Priority for Services for Migratory Children –
ACN: ED-OIG/X06-D0021

Thank you for the opportunity to respond to the recommendations contained in the Office of the Inspector General (OIG) audit report, State's Compliance with Priority for Services for Migratory Children. The audit examined the implementation of Section 1304(d) of the Elementary and Secondary Education Act (ESEA), as previously authorized in 1994, by four States operating Title I, Part C, Migrant Education Programs (MEP). While enactment of the No Child Left Behind Act of 2001 subsequently reauthorized the ESEA, the issues the auditors present remain important given that section 1304(d) as currently authorized is substantially the same as its predecessor.

The report summarizes the results of the audit of four State Education Agencies (California, Florida, Kansas, and Texas) and their subgrantees regarding (1) establishing and implementing appropriate procedures to identify and target services to migratory children who are failing, or most at risk of failing, to meet State standards, and whose education was interrupted during the regular school year, and (2) establishing procedures to report to the Department an accurate number of "Priority for Services" migratory children served.

The report contains three recommendations to the Department:

1. Recommendation 1: The Acting Assistant Secretary for Elementary and Secondary Education provide additional guidance and technical assistance to all States on the Priority for Services requirements of the Migrant Education Program with emphasis on what constitutes "at risk of failing" State standards and "whose education has been interrupted during the regular school year."
2. Recommendation 2: The Acting Assistant Secretary for Elementary and Secondary Education develop and implement a monitoring process for determining whether States are identifying and accurately reporting Priority for Services migratory children. The process would include reviewing all State Education Agencies' reporting procedures, and performing on-site monitoring as needed.

3. Recommendation 3: The Acting Assistant Secretary for Elementary and Secondary Education provide input into the 2004 OMB Compliance Circular A-133 Compliance Supplement that states that the OIG has reported that identification and counting of Priority for Services migratory children is an issue area, which should be taken into consideration when determining risk. The suggested audit procedures should be expanded to ensure that agencies are (1) defining, and (2) properly identifying, and (3) counting Priority for Services children based on their definitions.

The Department is in general agreement with these recommendations.

With regard to recommendation 1, the Office of Elementary and Secondary Education (OESE) has prepared additional draft policy guidance on what constitutes "at risk of failing" State standards and "whose education has been interrupted during the regular school year" and will disseminate this guidance in the near future after it completes Department clearance. The Department also will conduct substantive discussions with key State migrant education personnel on the implementation of Priority for Services requirement at the Office of Migrant Education's upcoming annual meeting of State Directors of Migrant Education.

With regard to recommendation 2, the OESE will gather more detailed data on the manner in which State Education Agencies are defining, properly identifying, and counting "Priority for Services" migratory children. First, OESE will continue its current practice of reviewing a State's compliance with the Priority for Service requirement when conducting on-site monitoring of any State's migrant education program. Second, OESE will begin monitoring (via telephone interviews and document review) all States' efforts to implement the Priority for Services requirement, beginning with 10 States in FY 2004.

Finally, consistent with recommendation 3, the OESE will revise the FY 2004 OMB Compliance Single Audit Supplement, through the Department's compliance supplement revision process, to 1) better inform auditors that the identification and counting of Priority for Services migratory children should be considered when determining risk and 2) expand the suggested audit procedures.

We appreciate the hard work done by your staff in preparing this report. At your convenience, we will be happy to provide you with further follow up on our implementation of your recommendations.