



UNITED STATES DEPARTMENT OF EDUCATION
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FEB - 4 2003

Dr. Felipe Alanis
Commissioner of Education
Texas Education Agency
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701-1494

Dear Dr. Alanis:

This **Final Audit Report** (Control Number ED-OIG/A06-C0030) presents the results of our audit of the Migrant Education Program at the Texas Education Agency (TEA). The objectives of our audit were to determine whether TEA and its sub-grantees (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 Texas. Our audit focused on the period July 1, 2000, through July 31, 2002.

A draft to this report was provided to the Texas Education Agency. In its response, Texas concurred with our recommendations. Texas' comments are summarized in the section that follows the Recommendations. A copy of the complete response is enclosed with this report.

BACKGROUND

The Elementary and Secondary Education Act (ESEA) of 1965, as amended, authorizes federal funding of programs of education for migratory children. In Fiscal Year 2001, Texas received approximately \$53 million in Migrant Education Program funds. A migratory child is a child who is, or whose parent, spouse, or guardian is, a migratory agricultural worker, including a migratory dairy worker or a migratory fisher. The No Child Left Behind Act of 2001 and the Improving America's Schools Act of 1994 further specify that children who are failing, or most at risk of failing, to meet the State's challenging content standards and challenging student performance standards, and whose education has been interrupted during the regular school year shall receive "Priority for Services."

In Texas, students who meet the definition of failing, or most at risk of failing, can be identified using several factors—students who are not passing the state assessment, failing or making low grades, or have been retained in the same grade more than one year. An interruption of education is defined as a student moving from one school to another during the regular school

year. Priority for Services means students who meet both criteria will receive Migrant Education Program funded services before services are provided to other migratory children.

Table C-6 of the Consolidated State Performance Report, which is submitted to the Department's Office of Migrant Education for every award year, requires that States indicate the "count of students served who have a priority for services under Section 1304 (d) of the ESEA (those whose schooling has been interrupted and who are failing or at risk of failing to meet state standards)."

On November 26, 2002, the Department issued final regulations for the No Child Left Behind Act of 2001 governing the Migrant Education Program to, among other changes, require that each State Education Agency determine the effectiveness of its program, particularly for those students who have Priority for Services. These regulations are in response to the *President's Management Agenda* for Fiscal Year 2002 and the Department of Education's *Blueprint For Management Excellence* released October 30, 2001. One of the expected long-term results in the *President's Management Agenda* is better control over resources used and accountability for results by program managers. The Department's *Blueprint* describes one of the Department's commitments to management improvement as achieving an "Accountability for Results" culture. Through the *Blueprint*, the recipients of Department funds will be held responsible for their performance in relation to the goals and objectives.

AUDIT RESULTS

TEA did not comply with Section 1304(d) of the Elementary and Secondary Education Act of 1965, as amended. Specifically, TEA did not establish and implement appropriate procedures to identify and target Priority for 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. As a result, TEA's procedures did not provide assurance that migrant education funds were allocated to sub-grantees based on the school's population of migratory students with Priority for Services; TEA was unable to report the number of Priority for Services migratory children served in the Consolidated State Performance Report to the Department's Office of Migrant Education; and the U.S. Department of Education was unable to determine if Texas used the \$53 million in Migrant Education Program funds it received for Fiscal Year 2001 for Priority for Services migratory children before providing services to other migratory children.

TEA migrant education funding allocation procedures to its sub-grantees were not based on identified Priority for Services migratory children to be served. TEA provided additional 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. TEA did not require that migratory students meet both Priority for Services criteria in order for the sub-grantee to receive additional migrant education funding.

Even though TEA funding decisions were not based on accurate identification of the Priority for Services children, 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.

Additionally, we found that neither TEA nor its sub-grantees established procedures to report to the Department the number of Priority for Services migratory children in Texas. Table C-6 of the Consolidated State Performance Report, which is submitted to the Department's Office of Migrant Education for every award year, requires that States indicate the "count of students served who have a priority for services under Section 1304 (d) of the ESEA (those whose schooling has been interrupted and who are failing or at risk of failing to meet state standards)." In its most recent Consolidated State Performance Report, TEA 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."

These conditions occurred because TEA (1) relied upon its sub-grantees' assurances that they were providing services to Priority for Services children first before other migratory children, and did not perform independent monitoring of the sub-grantees to ensure services were provided; (2) did not provide clear guidance to the sub-grantees as to the definition of at risk of failing State standards and whose education has been interrupted during the regular school year; and (3) did not require the schools, school districts, or sub-grantees to report the number of Priority for Services migratory students for 2000 and 2001. Although TEA 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 TEA nor sub-grantees could obtain this information from any individual source in a manner that would avoid possible duplicate student counts.

RECOMMENDATIONS

We recommend that the Assistant Secretary for the Office of Elementary and Secondary Education require TEA to:

- 1.1 Monitor sub-grantees to ensure funds are used for Priority for Services migratory children before funds are used for other migratory children.
- 1.2 Provide a clear definition to all sub-grantees of what constitutes at risk of failing State standards and whose education has been interrupted during the regular school year.

- 1.3 Establish procedures to identify and report to the Department the number of Priority for Services migratory children served in Texas schools.

TEXAS EDUCATION AGENCY'S COMMENTS TO THE DRAFT REPORT

Texas officials agreed with our findings and recommendations. They stated that the report identifies areas of improvement and that they will diligently pursue implementing the recommendations.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objectives of our audit were to determine whether TEA and its sub-grantees (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 Texas.

To accomplish our objectives, we:

- Reviewed TEA's and its sub-grantees' policies and procedures for providing services to migratory children.
- Interviewed TEA and sub-grantee officials regarding their procedures for providing Priority for Services to migratory children.
- Reviewed the Texas State Single Audit Report for 2001 and other reviews performed.
- Reviewed applicable laws, regulations, and other guidance.
- Reviewed the sub-grantees' documentation regarding the Priority for Services provided to migratory children.
- Reviewed TEA's and the sub-grantees' decision-making process for allocating migrant education funds.

Computer-processed data from the Department of Education's Office of Migrant Education was used to select Texas to visit. Computer-processed data was also obtained from TEA and analyzed for sub-grantees to visit. This information was not used for projection, or to make any determinations. There was no need for a reliability assessment of the computer-processed data.

Our audit of Texas' Migrant Education Program covered the period July 1, 2000, through July 31, 2002. We performed on-site fieldwork from July 15-19, 2002, at TEA's office in Austin, and at four sub-grantees from July 26-31, 2002. We selected two of the largest sub-grantees in Texas

at the request of the Office of Migrant Education. We also selected two other sub-grantees in the Dallas area. The sub-grantees visited were Region X Educational Service Center, Richardson, Texas; Dallas Independent School District; Weslaco Independent School District; and Brownsville Independent School District. We discussed our results with Texas officials on July 19, 2002, and September 10, 2002. An exit conference was held with Texas officials on October 16, 2002. Our work was performed in accordance with generally accepted government auditing standards appropriate to the scope of the audit described above.

STATEMENT ON MANAGEMENT CONTROLS

As part of our review, we assessed the system of management controls, policies, procedures, and practices applicable to TEA's administration of the Priority for Services portion of the Migrant Education Program. Our assessment was performed to determine whether TEA had management controls established to ensure Priority for Services migratory children received services before services were provided to other migratory children.

Because of inherent limitations, a study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the management controls. However, our assessment disclosed that TEA had not developed and implemented written procedures to ensure that sub-grantees identified, targeted, and counted migratory children that should be served first through the Migrant Education Program. As a result, we concluded that TEA did not have sufficient management controls to ensure that sub-grantees complied with the requirements of Section 1304(d) of the Elementary and Secondary Education Act of 1965, as amended. The AUDIT RESULTS section of the report provides details on our finding.

ADMINISTRATIVE MATTERS

If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following U.S. Department of Education official, who will consider them before taking final Departmental action on the audit:

U.S. Department of Education
Office of Elementary and Secondary Education
400 Maryland Avenue, SW
Room 3W315, FB6 Building
Washington, D.C. 20202

Office of Management and Budget Circular A-50 directs Federal agencies to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, we request receipt of your comments within 30 days.

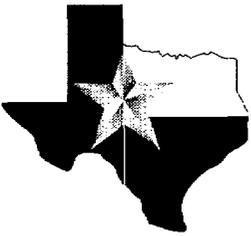
In accordance with the Freedom of Information Act (5 U.S.C. §552), reports issued by the Office of Inspector General are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

If you have any questions or wish to discuss the contents of this report, please contact me at 214-880-3031. Please refer to the control number in all correspondence related to this report.

Sincerely,


for Sherri L. Demmel
Regional Inspector General
for Audit Services

Attachment



TEXAS EDUCATION AGENCY

1701 North Congress Ave. ★ Austin, Texas 78701-1494 ★ 512/463-9734 ★ FAX: 512/463-9838 ★ <http://www.tea.state.tx.us>

Felipe T. Alanis
Commissioner of Education

January 16, 2003

Sherri Demmel, Regional Inspector General for Audit
United States Department of Education
Office of the Inspector General
1999 Bryan St, Suite 2630
Harwood Center
Dallas, Texas 75201-6817

Dear Ms. Demmel:

This letter is in response to the U.S.D.E. Office of the Inspector General Draft Audit Report (Control # ED-OIG/A06-C0030) dated December 17, 2002. The Texas Education Agency (TEA) staff concurs with the findings and the recommendations as stated in the draft document. The following describes the corrective actions that have already been taken and/or those which will be implemented and the targeted completion dates.

1.1 Monitor subgrantees to ensure funds are used for Priority for Services migrant children before funds are used for other migrant children.

Management Response: Agreed.

In order to proactively monitor subgrantees to ensure that funds are used for Priority for Services migrant children before funds are used for other migrant children, the Texas Migrant Education Program (MEP) proposes to implement a variety of procedures for the 2003-2004 school year that incorporate preventative, observational, evaluative and reporting activities by TEA, the regional Education Service Centers (ESCs) and the MEP-funded districts in order to ensure compliance and to enhance "Priority for Services" student success.

Completion Date: The initial phase will be completed by June 2004. A continuous improvement cycle will be implemented to refine the system on an ongoing basis as new data is acquired.

2.1 Provide a clear definition to all subgrantees of what constitutes "at risk of failing State standards" and "whose education has been interrupted during the regular school year."

Management Response: Agreed.

The Texas MEP has clearly defined to subgrantees what constitutes "at risk of failing State standards" and "whose education has been interrupted during the regular school year." The Division of Migrant Education has worked directly with the Office of Migrant Education (OME) in Washington, D.C. defining "Priority for Services" migratory students. NGS Priority for Services reports are currently available on the NGS system.

Completion Date: Completed as of September 1, 2002.

Sheri Demmel
United States Department of Education
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3.1 Establish procedures to identify and report to the Department the number of Priority for Service migrant children served in Texas schools.

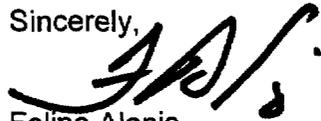
Management Response: Agreed.

The Texas MEP has established written procedures to identify and report to the Department the unduplicated number of Priority for Service migrant children identified through its migrant education program. Beginning September 1, 2002 the Priority for Services report was made available on the New Generation System. These procedures were implemented in submitting the 2001-02 Category 1 and Category 2 Child Counts to the Office of Migrant Education in December 2002.

Completion Date: Completed as of September 1, 2002.

The Texas Education Agency appreciates the work performed by the Regional Inspector General in bringing matters to our attention that need to be addressed. The report identifies areas of improvement and the Agency will diligently pursue implementing the recommendations. Thank you.

Sincerely,



Felipe Alanis
Commissioner of Education

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Auditee

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