



UNITED STATES DEPARTMENT OF EDUCATION
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1999 BRYAN STREET, HARWOOD CENTER, SUITE 2630
DALLAS, TEXAS 75201-6817
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MAY 30 2003

MEMORANDUM

TO : Eugene Hickok
Acting Assistant Secretary for Elementary and Secondary Education

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

SUBJECT: FINAL AUDIT REPORT
California Department of Education's Compliance with the Priority for Services Requirements of the Migrant Education Program.
Control Number ED-OIG/A06-C0033

Attached is our subject report presenting our findings and recommendations resulting from our audit of the California Department of Education's Migrant Education Program.

In accordance with the Department's Audit Resolution Directive, the Office of Elementary and Secondary Education has been designated as the action office responsible for the resolution of the findings and recommendations in this report.

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

Attachment

cc: Delores Warner, Audit Liaison Officer, OESE



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MAY 30 2003

Mr. Jack O'Connell
State Superintendent of Public Instruction
California Department of Education
1430 N Street
Sacramento, California 95814

Dear Superintendent O'Connell:

This **Final Audit Report** (Control Number ED-OIG/A06-C0033) presents the results of our audit of the Migrant Education Program at the California Department of Education (California). The objectives of our audit were to determine whether California 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 Service" migratory children in California. Our audit focused on the period July 1, 2000, through July 31, 2002.

A draft of this report was provided to the California Department of Education. In its response, California did not completely agree with our findings, but generally agreed with our recommendations. California's 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, over \$371.3 million was authorized for the education of migratory children. California received approximately \$120.9 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." Priority for Services means students who meet both criteria will receive Migrant Education Program funded services before services are provided to other migratory children. Guidance from the Department provides 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 price lunch, limited English proficient) to determine the child's need for services." The Department also establishes that "the state, in collaboration with local operating agencies, is free to determine what constitutes 'educational interruption' under Section 1304 (d)."

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 [most] 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

California did not comply with Section 1304(d) of the Elementary and Secondary Education Act of 1965, as amended. Specifically, California 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, the U.S. Department of Education has no assurance that California used the \$120.9 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; and, California was unable to report an accurate number of Priority for Services migratory children served in the Consolidated State Performance Report to the Department's Office of Migrant Education.

California did not allocate migrant funds to its sub-grantees based on identified Priority for Services migratory children to be served. Instead, California provided 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 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 for migrant education.

We concluded that these conditions occurred because California (1) relied upon its sub-grantees' assurances that they were properly identifying Priority for Services 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. We also determined that the sub-grantees did not maintain the detailed information on the number of Priority for Services migratory children.

RECOMMENDATIONS

We recommend that the Assistant Secretary for the Office of Elementary and Secondary Education require California 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 California schools.

CALIFORNIA COMMENTS TO THE DRAFT REPORT

California officials indicated that they 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 subgrantees 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.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objectives of our audit were to determine whether California 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 California.

To accomplish our objectives, we:

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

We obtained computer-processed data from California that we used for background information. Because we did not use the data for projection or to make any determinations, we did not perform reliability assessments on the data.

Our audit of California's Migrant Education Program covered the period July 1, 2000, through July 31, 2002. We performed fieldwork from September 9-12, 2002, at the State offices in Sacramento, and at three sub-grantees' offices from September 13-25, 2002. We selected one of the largest sub-grantees in California at the request of the Office of Migrant Education. We selected two other sub-grantees at our discretion. The sub-grantees visited were Region 2 Butte

County, Yuba City, California; Region 22 Santa Maria Bonita School District; and Region 11 Pajaro Valley Unified School District. We held an exit conference with California officials on November 19, 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 California's administration of the Priority for Services portion of the Migrant Education Program. Our assessment was performed to determine whether California 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. Our assessment disclosed that California had neither developed and implemented procedures nor established a monitoring system for sub-grantees to identify, target, and count migratory children to be served first through the Migrant Education Program. As a result, we concluded that California 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:

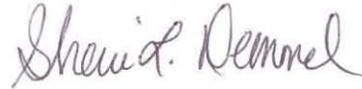
Eugene Hickok, Acting Assistant Secretary
U.S. Department of Education
Office of Elementary and Secondary Education
400 Maryland Avenue, SW
Room 3W315, FB6 Building
Washington, D.C. 20202

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 the 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,

A handwritten signature in cursive script that reads "Sherri L. Demmel".

Sherri L. Demmel
Regional Inspector General
for Audit

Attachment

May 6, 2003

Ms. Sherri L. Demmel, Regional Inspector General for Audit
U.S. Department of Education
Office of Inspector General
1999 Bryan Street, Suite 2630
Dallas, Texas 75201-6817

Re: **Audit Control #:** ED-OIG/A06-C0033
Auditee: State of California
Audit Period: July 1, 2000 – July 31, 2002

Dear Ms. Demmel:

This is the California Department of Education's (CDE) response to the Draft Audit Report on the Migrant Education Program, Control Number ED-OIG/A06-C0033.

Recommendation No. 1.1. Monitor subgrantees to ensure funds are used for Priority for Services migratory children before funds are used for other migratory children.

CDE Response:

CDE's Coordinated Compliance Review Program for fiscal year 2003/2004 incorporates tests to ensure Priority for Services requirements are met. The tests include reviewing subgrantees' criteria for selecting migrant students to participate in the program, and comparing identified needs with services provided (see Attachment 1). Data will be maintained (see response to Recommendation No.1.3) to verify that Priority for Services migratory children received funding for services before other migratory children.

Priority for Services were given to students under the subgranting categories who are failing, or most at risk of failing, to meet the state's challenging content standards and student performing standards, and whose education has been interrupted during the regular school year. The subgrants to the Local Education Agencies (LEA) were compatible with the required annual program application services described to best address the needs and service priorities from each subgranting category. In addition, CDE will issue a letter to the LEAs clarifying the subgrant definitions for Priority for Services.

Recommendation No.1.2. 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.”

CDE Response: CDE believes all subgrantees were provided guidance in identifying students “at risk of failing” and “whose education has been interrupted during the regular school year.” The following methods have been used to define and monitor the requirements of Section 1304 (d) of the Elementary and Secondary Education Act: 1) guidance documents with these definitions are sent with the program application to subgrantees (see Attachment 2); 2) CDE annually reviews the program descriptions contained in the completed application; 3) CDE consultants provide ongoing technical assistance in their Coordinated Compliance Reviews; 4) LEA recruiters verify certificates of eligibility; 5) the state handbook provides federal guidance information.

In addition, CDE will provide subgrantees another more accurate and detailed definition of Priority for Services migratory children, consistent with the state’s interpretation, as allowed under Section 1304(d) of the Elementary and Secondary Education Act.

Recommendation No.1.3. Establish procedures to identify and report to the Department the number of Priority for Services migratory children served in California schools.

CDE Response: CDE’s data management service, West ED, 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.

The process will first identify those students who have moved during the school year and who meet one of the other risk categories used in the Subgranting Report. Any record that is a match will be displayed on the regional Migrant Student Information Network web site to alert the region that the identified student should be targeted for service.

The second step in the process will identify all other students who have moved and are failing or at risk of failing. This list of students will be displayed by region in a separate table on the web site and will inform the region that these students may also be eligible for Priority for Services. The region will be given an option of indicating whether the student is 1) meeting standard, 2) failing, or 3) at-risk. The region will use academic, attendance, and other records available at the local level to make this determination.

Attachment

Sherri Demmel
May 6, 2003
Page 3

Combined, the data will: 1) provide a total of students served under Section 1304 (d) for Table C-6 of the Consolidated State Performance Report, 2) maintain detailed information about student participation and program services for monitoring purposes. This process is scheduled to be implemented by September of 2003.

If you have any questions, please contact CDE's Audit Response Coordinator, Susan Faresh at (916) 323-4124.

Sincerely,



GAVIN PAYNE
Chief Deputy Superintendent of Public Instruction

Compliance item	Review level/Guidance	Examples of how to achieve compliance	C NC N/A
	<p>How do you determine which migrant students are most at risk academically?</p> <ul style="list-style-type: none"> • Review the information about standards and assessment results and confirm that such information included in the district service agreement is disaggregated by grade level for migrant students. • Review a random sample of five current district service agreements submitted to the region and confirm that the information on standards and assessment results is disaggregated by grade level. <p>Site</p> <ul style="list-style-type: none"> • Compare services described in the service agreement with those offered by the school district and other categorical programs. • Interview teachers and aides. <p><i>ASK:</i></p> <p>How do you determine whether the migrant student is receiving all the services for which he/she is eligible?</p> <p>What kinds of services are you obligated to provide according to the service agreement?</p>	<ul style="list-style-type: none"> — Health services related to education — Other educational services as required <ul style="list-style-type: none"> • Disaggregated information on standards and assessment results is available. <ul style="list-style-type: none"> • The list of services provided to students is as indicated in the learning plans and is related to individual needs assessments. • Teachers and aides are knowledgeable of the services to be provided as specified in the service agreement. 	
<p>II-M6 In providing services with funds received under this part, each recipient of such funds shall give priority to migrant children who are failing, or most at risk of failing, to meet the state's content standards and challenging state performance standards, and whose education has been interrupted during the regular school year.</p> <p>(20 USC 1694[d])</p>	<p>Region and District</p> <ul style="list-style-type: none"> • Select a random sample of ten migrant students. • Compare identified needs with services provided (needs assessment, individualized learning plans). • Review the district's established criteria for selecting migrant students to participate in the program, including written or oral tests. 	<ul style="list-style-type: none"> • Procedures are established in writing to compare student needs assessment with services provided. • The district has established, in writing, criteria for selecting migrant students to participate in the program. 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Attachment

Attachment 1

GUIDANCE FOR COMPLETING MIGRANT EDUCATION DISTRICT SERVICE AGREEMENT/DIRECT FUNDED APPLICATION

All Districts are required to submit the following documents:

Page 1: Cover Page

Enter Region number and name of district.

Page 2: Signature Page

Basic information about the District is to be provided. Be sure to check all boxes that apply. The signature page is not complete if the District Superintendent/Designee or District Advisory Council President/Designee signatures are not provided.

Note that a Superintendent/Designee and the District Advisory Council President/Designee signature implies that they have received a copy of the Agreement and Assurances, have reviewed them, and have had the opportunity to provide consultation on the District Service Agreement. The original signature should be kept on file at the Regional Office.

Page 3: District Demographic Profile

On Page 3 information is to be provided on the number of eligible migrant students at each school at each grade level. These numbers should be determined according to valid Certificates of Eligibility (COE's). Special notations to be made include a YES/NO in the box under "SW" if the school is implementing a Schoolwide Program and under "IIUSP/PI" if the school is an identified IIUSP school or a Program Improvement (PI) school. The number of students in "ungraded programs" such as special education should be noted in the "UG" column, and the number of "out-of-school youth" in the "OSY" column.

Note that students reported under "UG" or "OSY" should not be counted in other grade level categories on this page.

Page 4: Staffing Profile

Information about how your program is staffed is requested on Page 4, **Staffing Profile**. It is important to differentiate between staff who are fully funded by the Migrant Education Program and those who are multi funded.

For multi-funded positions, indicate the funding sources and the % of the individual's time supported from each source. An indication is also needed about how records are kept for multi funded positions.

Page 5: Standards and Assessments Data

On Page 5 provide the specific data that indicate: (1) grade levels; (2) number of migrant students at each grade level; (3) the official count of migrant ELL/LEP students at each grade level; (4) the total number of migrant students assessed using any measures in Reading, Math and Language Arts classes at each grade level; (5) the number of migrant students assessed in other languages (e.g. using an assessment like *SABE* or *APRENDA*); (6) the number of migrant

Attachment

students meeting standards according to proficiency levels established by the district for each grade level.

Note: Information on Page 5 should reflect the student populations identified on Page 3 **District Demographics**. The goal is 100% assessment of Migrant students with some type of measure within the current school year. The District should assess migrant students in K-12. Out-of-School Youth and preschool migrant students may be assessed collaboratively by the district and other organizational agencies.

Page 6: Standards and Assessment Narrative

This page should summarize the data provided on Page 5, as well as information from other existing data. The summary should be written in a manner that clearly delineates the students that have been found to be most at risk and, therefore, in need of supplemental services. **The priority of services should be based on students whose education has been interrupted during the regular school year and are failing or at risk of failing to meet state standards.** In part one, an analysis for each subgroup - Pre-K, K-12, and Out of School Youth should be provided. Include the number of High School graduates from previous year.

In part two, explain how the issue of mobility is being addressed (e.g. mobility patterns and mobility rate). In general, mobile students are the least likely to be included in assessment processes. What is the district doing to ensure the needs of the highly mobile student are fully addressed?

Page 7: MEP Regular Year (RY) Objectives

Under Column #1, **2002-2003 Evaluation** please list all of last year's objectives as stated in the 2002-2003 District Service Agreement. Under the same column include a yes or no to state if the objective was met or not. Under **Accomplishments/Progress made** state the evidence gathered (test data, pre/post assessment, etc.) to determine if the objective was met, or describe the progress made. Under column #2, **Revisions for the 2003-2004 Plan** include a description of modified or new measurable objectives as appropriate. If an entirely new objective is added to this column additional information is required for each activity: (1) Numbers of schools served; (2) Number Served/Grade Level; (3) Total Days Offered; (4) staffing (Number and Positions) and (5) Beginning/Ending Dates.

Page 8: MEP Summer /Intersession Objectives

Under Column #1, **2002-2003 Evaluation** please list all of last year's objectives as stated in the 2002-2003 District Service Agreement. Under the same column include a yes or no to state if the objective was met or not. Under **Accomplishments/Progress made** state the evidence gathered (test data, pre/post assessment, etc.) to determine if the objective was met, or describe the progress made. Under column #2, **Revisions for the 2003-2004 Plan** include a description of modified or new measurable objectives as appropriate. If an entirely new objective is added to this column additional information is required for each activity: (1) Numbers of schools served; (2) Number Served/Grade Level; (3) Total Days Offered; (4) staffing (Number and Positions) and (5) Beginning/Ending Dates.

REPORT DISTRIBUTION LIST
CONTROL NO. ED-OIG/A06-C0033

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