U.S. Department of Education
Office of Inspector General

New York State's and Selected Districts' Implementation of Selected Every Student Succeeds Act Requirements under the McKinney-Vento Homeless Assistance Act

March 2018
ED-OIG/A03Q0005

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services

March 29, 2018

Ira Schwartz
Associate Commissioner
Office of Accountability
New York State Department of Education
55 Hanson Place, Room 400
Brooklyn, New York 11217

Dear Associate Commissioner Schwartz:

Enclosed is our final audit report, "New York State's and Selected Districts' Implementation of Selected Every Student Succeeds Act Requirements under the McKinney-Vento Homeless Assistance Act," Control Number ED-OIG/A03Q0005. This report incorporates the comments you provided in response to the draft report. 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 this audit:

Jason Botel
Principal Deputy Assistant Secretary, Delegated the Authority to Perform the Functions and Duties of the Assistant Secretary of Elementary and Secondary Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

The U.S. Department of Education's policy is to expedite audit resolution by timely acting on findings and recommendations. Therefore, the receipt of comments within 30 days would be appreciated.

Sincerely,

/s/
Bernard Tadley
Regional Inspector General for Audit

Enclosure

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Results in Brief

What We Did

The McKinney-Vento Homeless Assistance Act, as amended (McKinney-Vento Act) authorizes the Education for Homeless Children and Youth (EHCY) program. Under this program, the U.S. Department of Education (Department) provides grants to States to ensure that homeless children and youths have equal access to the same free, appropriate public education available to other children. In 2015, the Every Student Succeeds Act (ESSA) reauthorized the EHCY program and amended the McKinney-Vento Act. This included new requirements for State and local educational agencies to review and undertake steps to revise laws, regulations, practices, or policies that may act as barriers to the identification, enrollment, attendance, or success in school of homeless children and youths. Most of these ESSA amendments to the McKinney-Vento Act (referred to below as the "ESSA requirements") went into effect on October 1, 2016.

The audit objectives were to determine whether (1) selected State educational agencies (SEA) were providing effective oversight of local educational agencies (LEA) and coordinating with other entities to implement selected ESSA requirements related to identifying, educating, and reporting on homeless children and youths and (2) selected LEAs were effectively implementing selected ESSA requirements related to identifying, educating, coordinating services for, and reporting on homeless children and youths. Our audit covered the oversight and implementation of the selected ESSA requirements from October 1, 2016, through August 15, 2017.

For the first objective, we judgmentally selected the New York State Department of Education (New York SEA). We also performed work at the New York State Technical and Education Assistance Center for Homeless Students (TEACHS) because the New York SEA contracted with it to help administer the EHCY program. For the second objective, we judgmentally selected three LEAs—the New York City Department of Education (New York City LEA), the Lackawanna City School District (Lackawanna), and the Uniondale Union Free School District (Uniondale)—to review their implementation of selected ESSA requirements. For information about how we selected the New York SEA and the three LEAs for this audit, see Appendix A.

What We Found

We determined that the New York SEA generally provided effective oversight of LEAs and coordinated with other entities to implement selected ESSA requirements related to identifying and educating homeless children and youths. The New York SEA prioritized the education of homeless children; collaborated with other New York State offices; and contracted with TEACHS to help provide professional development,

technical assistance, and guidance to LEA and school personnel. The New York SEA performed many of the ESSA requirements related to identifying, educating, and reporting on homeless students before ESSA's enactment. For example, the New York SEA conducted monitoring of its LEAs' homeless programs, provided professional development to LEA and school personnel, and posted homeless student data on its website.

However, we found that the New York SEA could improve its oversight of LEA data reporting and improve its internal controls by better documenting and updating policies and procedures, following up on LEA corrective actions from monitoring reviews, and providing technical assistance to LEAs related to the reporting of unaccompanied youths who are homeless.

Based on the work we performed, we found that, generally, the LEAs were effectively implementing selected ESSA requirements related to coordinating services, identifying, educating, and reporting on homeless students. We found that the LEAs coordinated with other LEA agencies and community-based organizations to provide services and support to homeless students. All of the LEAs used the housing questionnaires and posted McKinney-Vento Act posters in the LEAs to help staff and families identify homeless students. The LEAs had student database systems to collect data on homeless students, and the LEAs certified the data for accuracy before submitting them to the New York SEA. Our review of LEA policies and procedures and related documents, and interviews with LEA officials showed that all of the LEAs reviewed had effective practices to coordinate, identify, educate, and report on homeless students.[1]

However, the LEAs could improve their internal controls by better documenting policies, procedures, and roles. Specifically, the New York City LEA's and Lackawanna's homeless education policies were outdated and had not been revised to include the ESSA requirements. Uniondale had not documented its data entry policies and procedures and the roles and responsibilities of officials responsible for informing parents or guardians of homeless students of the educational and related opportunities they are entitled to under the McKinney-Vento Act.

[1] We did not perform any testing of student data at the LEAs.

What We Recommend

We recommend that the Assistant Secretary for the Office of Elementary and Secondary Education require the New York SEA to—

- Include a review of LEA supporting documentation for the homeless student data it reported in all of its monitoring reviews, and include a review of the LEAs' processes for verifying the accuracy of the data.
- Require LEAs to certify that (1) the data reported are accurate and complete; (2) all known data issues have been disclosed, (3) they have documentation of the procedures performed to ensure that the data submitted are accurate and complete, (4) all controls are working as intended, and (5) they understand submitting incomplete or inaccurate data may result in corrective actions or other consequences.
- Complete the documentation of its monitoring and risk assessment processes, including updating the forms used to perform monitoring to incorporate compliance with the ESSA requirements.
- Document its data processing policies and procedures.
- Revise its monitoring process to close a finding after receipt of final documents showing that corrective actions are fully completed.
- Provide technical assistance to ensure that officials at Lackawanna understand that if they are aware of any unaccompanied youth experiencing homelessness, they should report the student in the homeless student count; further, consider providing additional technical assistance or guidance to other LEAs.
- Require the New York City LEA and Lackawanna to review and revise their education of homeless students policies so they comply with the ESSA requirements and State requirements.
- Require Uniondale to document its policies and procedures for entering homeless student data in its student database system.
- Require Uniondale to update its homeless education policy to clarify who is responsible for informing parents or guardians of homeless students of the educational and related opportunities under the McKinney-Vento Act. Also require Uniondale to develop a process to ensure that Uniondale maintains documentation to support that it is informing parents or guardians of all of the educational and related opportunities their child is entitled to receive.

We provided a draft of this report to the New York SEA for review and comment. Finding No. 1 does not contain any recommendations, and the New York SEA did not

provide comments. The New York SEA agreed with Finding Numbers 2 and 3 and all of the recommendations, and identified corrective actions that it has taken or plans to take for each recommendation.

We summarize the New York SEA's comments at the end of each finding and include its comments in their entirety at the end of this report.

Introduction

Background

According to the U.S. Department of Education (Department), 1,304,803 homeless students attended public schools nationwide in school year (SY) 2015–2016, which was a 3.3 percent increase from the previous year. The McKinney-Vento Homeless Assistance Act, as amended[2] (McKinney-Vento Act), defines "homeless children and youths" as people who lack a fixed, regular, and adequate nighttime residence. This includes children who live in motels, hotels, trailer parks, or camping grounds because they do not have alternative adequate accommodations; children who live in cars, parks, abandoned buildings, and public spaces; or children who live in shared housing (commonly referred as "doubled up") because of loss of housing, economic hardship, or similar reason. An unaccompanied youth includes a homeless child or youth not in the physical custody of a parent or guardian.[3] To be considered an unaccompanied youth under the McKinney-Vento Act, a child or youth's living arrangement must meet the Act's definition of homeless and the child or youth must not be in the physical custody of a parent or guardian. The term "unaccompanied youth" as used throughout this report refers to youths who are both unaccompanied and experiencing homelessness.[4]

To ensure that homeless children and youths have equal access to the same free, appropriate public education available to other children, the McKinney-Vento Act authorizes the Department to provide Federal grants to States to administer and oversee activities under the Education for Homeless Children and Youth (EHCY) program. The Office of Safe and Healthy Students in the Department's Office of Elementary and Secondary Education administers the program and provides grants to States. In turn, States award a majority of these funds to select local educational agencies (LEA) based on factors such as the needs of homeless children and youths within a particular school district and the ability of the district to meet those needs.

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[2] Subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. §§ 11431 et seq.)(McKinney-Vento Act), as amended by the Every Student Succeeds Act (Public Law 114-95, Title X, Part A, §§ 9101-9107 (2015), to be codified at 41 U.S.C. §§ 11431 et seq.).

[3] Section 725(6) of the McKinney-Vento Act.

[4] The National Center for Homeless Education brief, "Supporting the Education of Unaccompanied Students Experiencing Homelessness," (August 2017). The National Center for Homeless Education operates the Department's technical assistance and information center for the Federal EHCY program.

All LEAs in a State receiving EHCY funds must comply with the requirements of the McKinney-Vento Act, regardless of whether the LEA itself receives a subgrant under the program. These requirements include ensuring that homeless children and youths are appropriately identified, immediately enrolled in school, and receive the educational and other services for which they are eligible, such as transportation to and from school. All LEAs must also designate an LEA liaison who serves as one of the primary contacts between homeless families and school staff, district personnel, shelter workers, and other service providers.

In fiscal year (FY) 2016, Congress appropriated $70 million for the EHCY program. The Every Student Succeeds Act (ESSA) amended the McKinney-Vento Act in 2015, and increased the authorized amount to $85 million for FYs 2017 through 2020.[5] ESSA also added new requirements to the program, most of which went into effect on October 1, 2016. The new or changed requirements focused on the following:

- identifying homeless children and youths;
- clarifying that local liaisons must ensure that eligible preschool-aged homeless children and their families have access to services under LEA-administered preschool programs;
- collaborating and coordinating with other service providers;
- providing professional development and technical assistance at both the State and local levels;
- removing enrollment barriers;
- improving school stability, including expanding the school of origin[6] to include preschools and receiving schools and providing transportation until the end of the school year, even if a student becomes permanently housed;
- protecting privacy of student records, including information about a homeless child or youth's living situation; and

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[5] Although $85 million was authorized, Congress may not appropriate that amount each year.

[6] The school of origin is the school the student attended before becoming homeless or the school in which the student was last enrolled, including preschool (Section 722(g)(3)(I)(i) of the McKinney-Vento Act). The McKinney-Vento Act instructs LEAs to presume that keeping homeless students in their schools of origin (referred to as school stability) is in students' best interest, unless doing so is contrary to the wishes of their parents, guardians, or in the case of unaccompanied youth, the wishes of the youths themselves (Section 722(g)(3)(B)(i) of the McKinney-Vento Act).

- improving the dispute resolution process.

The McKinney-Vento Act requires State educational agencies (SEA) receiving grants to establish an Office of Coordinator to administer the State's EHCY program. A State coordinator has certain responsibilities under the EHCY program. Under ESSA, the State coordinator's responsibilities have expanded to include annually posting to its website the number of homeless children and youths identified in the State and an updated list of LEA liaisons, monitoring LEAs, providing professional development opportunities to personnel involved in meeting the needs of homeless children and youths, responding to inquiries from parents and guardians of homeless children and youths, and informing parents and guardians of homeless children and youths of the duties of LEA liaisons.

ESSA also expanded the LEA liaison's responsibilities. The LEA liaison must ensure that school staff receive professional development and other support if they are providing services to homeless children, ensure unaccompanied youths are enrolled in school and have the opportunity to meet the same State academic standards, ensure unaccompanied youths are informed of and get assistance in verifying their status as independent students for the purpose of the Free Application for Federal Student Aid, and ensure the educational rights of homeless children and youths are posted in locations the public frequents.

Additionally, the ESSA requirements mandate SEAs and LEAs to review and revise any laws, regulations, practices or policies that may act as barriers to the identification, enrollment, attendance, or success in school of homeless children and youths.

New York State

New York State had 2,640,250 students enrolled in 4,758 public and charter schools in SY 2015–2016. New York reported the second highest homeless student population (139,959) in the nation in SY 2015–2016, which was an 18.2-percent increase from the previous school year.

New York State received a $5.3 million EHCY program grant in FY 2016. The program is administered by the New York State Department of Education (New York SEA) Office of Accountability. The New York SEA designated a State coordinator as required by law. The New York SEA contracted with Advocates for Children of New York, Inc.,[7] to run the

[7] According to its website, Advocates for Children of New York is an organization that works on behalf of children who are at greatest risk for school-based discrimination or academic failure.

Technical and Educational Assistance Center for Homeless Students (TEACHS)[8] to provide technical assistance to the LEAs and assist the State coordinator in administering the State's EHCY program. TEACHS provides professional development and technical assistance, created and maintains a McKinney-Vento Act website, and provides materials to LEA staff to help homeless children and unaccompanied youths enroll in and succeed in school.

The New York SEA maintained homeless student data in the Student Information Repository System (SIRS). LEAs recorded, maintained, and transmitted the homeless student data to the New York SEA, usually using a local school management system. LEAs were required to report to SIRS the students who had

- a homeless indicator showing whether the student met the definition of homeless at some point during the academic year, as determined by the LEA liaison;
- a homeless primary nighttime residence code indicating a student's primary nighttime residence at the time the student was identified as homeless;
- a homeless indicator showing whether the student was a homeless child or unaccompanied youth, which is required for Federal reporting purposes; and
- an entry date for when the student was classified as homeless or as an unaccompanied youth and an exit date when the student was no longer homeless.

LEAs

LEAs in New York include school districts, charter schools, and BOCES.[9] The New York SEA awarded 39[10] 3-year McKinney-Vento Act grants to LEAs and BOCES for SY 2016–2017. This included 28 LEAs and 11 BOCES. We reviewed three LEAs as a part of our audit: New York City Department of Education, Uniondale Union Free School District, and Lackawanna City School District.

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[8] The New York SEA required that TEACHS set up either its principal place of business or a staffed satellite office in New York City because the largest concentration of homeless children and their families are located in that area.

[9] BOCES were created by the State; they partner with LEAs to provide shared educational programs and a broad range of services that help meet the educational needs of students.

[10] The New York SEA awarded 10 additional grants to 1 BOCES and 9 LEAs from the 39 grantees. These grants known as enhanced grants were intended to support trauma sensitive activities.

New York City Department of Education

New York City had the highest homeless student population (105,445) in the State in SY 2015–2016. New York City had 1,842 public and charter schools in SY 2016–2017. The New York City Department of Education (New York City LEA) was awarded a $2.2 million McKinney-Vento Act grant for the SY 2016–2017. The Students in Temporary Housing unit within the New York City LEA's Office of Safety and Youth Development administered the McKinney-Vento Act grant. The New York City LEA had content experts (LEA liaisons) for each borough of the city (Manhattan, Bronx, Brooklyn, Staten Island, and Queens). New York City LEA officials and school staff entered student data into the Automate the School student database system.

Uniondale Union Free School District

The Uniondale Union Free School District (Uniondale) is located in New York's Nassau County and is a member of the Nassau BOCES. The LEA served 6,736 students in 9 public schools in SY 2015–2016. The Nassau BOCES was awarded a $79,983 McKinney-Vento Act grant for SY 2016–2017 and allocated $33,594[11] of the grant funds to Uniondale, which identified 324 homeless students in SY 2015–2016. Uniondale designated the Administrative Assistant for Special Services as the LEA liaison. Additionally, the LEA had social workers who performed nonmandated outreach and academic intervention for the homeless students. The Nassau BOCES administered the McKinney-Vento Act grant for its LEA grantees, including Uniondale, and ensured that the LEAs complied with the McKinney-Vento Act. The BOCES arranged McKinney-Vento Act trainings for the LEAs and hired a consultant to distribute information, such as posters, throughout the community. Uniondale used PowerSchool for its student database system. The LEA's central registration staff entered student information into the database.

Lackawanna City School District

Lackawanna City School District (Lackawanna) is located in New York's Erie County and is a member of the Erie BOCES. It served 1,730 students in 4 schools in SY 2015-2016. Lackawanna was not a McKinney-Vento Act grantee in SY 2016–2017. The LEA identified 17 homeless students in SY 2015–2016. Lackawanna designated the attendance teacher as the LEA liaison. Lackawanna used the eSchool system as its student database system. The Erie BOCES maintained the database.

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[11] The McKinney-Vento Act grant awarded to the Nassau BOCES was divided among the three LEAs. Uniondale had the largest number of homeless students and therefore received the largest share of the grant funds.

Finding 1. The New York SEA Generally Provided Effective Oversight of LEAs, and LEAs Generally Were Effectively Implementing Selected ESSA Requirements

The New York SEA generally provided effective oversight of LEAs and coordinated with other entities to implement selected ESSA requirements related to identifying and educating homeless students. LEAs generally were effectively implementing selected ESSA requirements related to coordinating services and identifying, educating, and reporting on homeless students.

New York SEA

The New York SEA made the education of homeless students a priority. This is evidenced by actions such as contracting with TEACHS to assist with the State coordinator responsibilities. Also, the New York SEA had a statewide EHCY program assessment performed beginning in January 2015, before ESSA's enactment. The New York SEA contracted with Measurement Incorporated to perform the assessment. The goals of this assessment were to give the New York SEA information about the aspects of the program that were most valuable to schools and students and the LEAs' challenges and needs for technical assistance so that the New York SEA could better support them. Measurement Incorporated visited 11 McKinney-Vento Act grantee LEAs during the 2015–2016 school year and received survey responses from another 363 LEAs. Measurement Incorporated concluded that the McKinney-Vento Act grants were making a difference in the New York communities visited, and that the LEAs rated TEACHS as useful, and the assistance provided as high quality; however, Management Incorporated also found some challenges. These challenges included the persistent and complex needs of the homeless student population, the costs of transportation, lack of affordable housing, and inconsistent awareness of the McKinney-Vento Act from school staff other than the LEA liaison. This assessment reported on the successes and promising practices of the New York SEA, while also highlighting areas that it could improve to better serve the homeless student population.

Oversight of LEAs

The New York SEA's State coordinator, in conjunction with its McKinney-Vento Act contractor TEACHS, performed many of the ESSA requirements related to identifying, educating, and reporting on homeless children and youths, as well as providing effective oversight of LEAs. For example, the New York SEA conducted monitoring of its LEAs' homeless programs and provided professional development to LEA and school staff (as required by Section 722(f)(5)-(6) of the McKinney-Vento Act). The New York SEA

monitored about 155 LEAs annually using three types of monitoring reviews: desk, targeted, and coordinated.[12] Desk reviews are off-site reviews that focus on the implementation of the Title I[13] and EHCY programs. Targeted reviews are on-site reviews that focus on the implementation of the Title I, Title II,[14] and EHCY programs. Coordinated reviews are on-site reviews that focus on the implementation of several programs, including the EHCY program.

TEACHS provided professional development through webinars and workshops to LEA staff before the McKinney-Vento Act was amended by ESSA and continued these services after the amendments. The training topics included the McKinney-Vento Act, data reporting, and other topics related to supporting the needs of homeless students. In addition, the New York SEA required all LEA liaisons to participate in at least one training session a year starting in the 2015–2016 school year.

To prepare for the implementation of the ESSA requirements, in June 2016, the New York SEA issued a memorandum to the LEA liaisons and school staff on the Department's proposed regulations to implement ESSA including three proposed rules related to homelessness. In September 2016, the SEA issued memoranda to inform the LEA staff of the ESSA requirements and of upcoming training opportunities on ESSA updates and other McKinney-Vento Act related topics.

Coordinating with Other Entities

As required by Section 722(f)(4) of the McKinney-Vento Act, the New York SEA coordinated with other entities to provide services to homeless children. The New York SEA collaborated with educators; other State agencies; and State, local, and Federal policymakers to revise the State plan and its homeless policies and procedures to implement ESSA and provide LEA oversight. The State coordinator attended and delivered McKinney-Vento Act training to New York State's Office of Temporary Disability Assistance, the Office for Children, and Office of Transportation. TEACHS and New York SEA Title I program office staff attended professional development sessions

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[12] Each year, the New York SEA conducted 100 desk reviews, 50 targeted reviews, and 5 coordinated reviews of LEAs with the greatest funding each year.

[13] Title I of the Elementary and Secondary Education Act of 1965, as amended, Improving the Academic Achievement of the Disadvantaged program.

[14] Title II of the Elementary and Secondary Education Act of 1965, as amended, Preparing, Training, and Recruiting High Quality Teachers and Principals.

offered by the National Association for the Education of Homeless Children and Youth and the Institute for Children, Poverty, and Homelessness.

To ensure that LEAs coordinated with other entities, the New York SEA provided training on coordinating services and reviewed LEA homeless education policies, McKinney-Vento Act grant applications, and grant survey reports[15] for evidence of coordination. Beginning in March 2016, the New York SEA also helped LEAs coordinate with each other by conducting quarterly conference calls on which grantee LEA liaisons discussed EHCY programming and best practices.

Identifying Homeless Students

The New York SEA generally provided effective oversight of LEAs' activities to identify homeless students. The New York SEA provided guidance, training, monitoring, and technical assistance to LEAs to help LEAs identify homeless students and eliminate barriers to identification and enrollment. As stated above, the New York SEA reviewed LEAs' homeless education policies to ensure they contained no barriers to immediate enrollment and that transportation would be provided. New York State also reviewed and revised its education laws (N.Y. Educ. Law Section 3209) and the New York SEA subsequently revised its implementing regulations (N.Y. Comp. Codes R. and Regs. tit. 8, section 100.2(x)) to reflect changes resulting from the ESSA requirements. In July 2017, the New York SEA issued a memorandum to its LEAs on the changes to New York State's education law[16] and the regulations.

To provide guidance and assistance on identifying homeless students, TEACHS updated and posted sample housing questionnaires (used to identify homeless students) and McKinney-Vento Act posters and brochures on its website for LEA use. The posters and brochures included homeless students' rights under the McKinney-Vento Act and were available in several languages. The New York SEA also developed a sample homeless education policy for LEA use. The SEA was in the process of revising the sample homeless education policy to reflect its revised laws and regulations. In addition, TEACHS provided technical assistance and support to LEAs, school staff, and others through its telephone hotline and email address. The hotline staff provided technical assistance and guidance to callers who had questions about educating homeless students. If hotline staff identified any barriers to identification (enrollment or providing services) of homeless students, they included the issue on quarterly barrier reports that

[15] Grantee LEAs were required to submit annual grant survey reports, which included a report of program activities and progress on goals of the program.

[16] The amendments to New York State's education law were effective on April 20, 2017.

they provided to the State coordinator. Barrier reports included the topic of the call, such as enrollment; a summary of the issue; whether the State was previously notified of the issue; and the final outcome, among other things. For example, one call was about three New York City schools that turned away homeless families from enrolling in school on the day before the first day of school. TEACHS staff contacted the New York City LEA's liaison and all the students were enrolled the following day. TEACHS staff flagged repeat issues and contacted the State coordinator. Issues that TEACHS staff could not resolve were referred to the State coordinator. The New York SEA used the barrier reports as a tool for monitoring, training, and technical assistance.

TEACHS also reviewed LEAs' homeless student counts to determine whether the number of students identified as homeless changed significantly from year to year. TEACHS staff used reasonableness reports[17] they obtained from the New York SEA's student database to identify LEAs that had a 10-percent or greater change in the count of homeless students from the previous year. TEACHS sent a letter to LEAs with significant changes recommending that the LEA liaison attend a webinar on homeless data collection and reporting and provided guidance on entering homeless student data and the McKinney-Vento Act. TEACHS recommended that LEAs review this letter with the LEA data coordinator or chief information officer, and it recommended the LEA review its processes for identifying and reporting homeless students. TEACHS staff also sent emails to LEAs that identified zero homeless students that included guidance on the McKinney-Vento Act. Such emails also went out to LEAs with far fewer homeless students than the estimated expected number of homeless students. TEACHS estimated the expected number of students that should be identified as homeless in the LEA using an estimate of homeless developed by the Urban Institute. According to the Urban Institute, about 10 percent of children living in poverty[18] experience homelessness in a given year.

Educating Homeless Students

The New York SEA generally provided effective oversight of LEAs' activities to educate homeless students. The New York SEA's policies, guidance, technical assistance, training, and monitoring of LEAs helped ensure that homeless students received the same

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[17] A reasonableness report identified significant changes in homeless student data from year to year. The report provided the student counts from the previous school year and current school year, the difference between these counts, and the percent change between these counts of students by housing status.

[18] TEACHS used poverty data from the U.S. Census Bureau.

education as other students and did not face barriers to accessing academic and extracurricular activities (as required by Section 722(g)(1)(F)(iii) of the McKinney-Vento Act). For example, the New York SEA sent out guidance near the end of the school year to LEAs to ensure homeless students were given access to the same opportunity to attend summer school as other students, which included ensuring an LEA liaison was on staff throughout the summer months. The New York SEA also sent information to LEA liaisons about scholarship opportunities for homeless students and unaccompanied youths applying for college financial aid. This information, in addition to webinars on unaccompanied youths and college access, helped LEA liaisons assist with the college readiness of homeless students.

During EHCY program monitoring, the New York SEA also reviewed LEAs' Title I set-aside amounts[19] and how LEAs used the funds to provide services to homeless students. In addition, TEACHS provided professional development training on topics such as trauma sensitivity to help homeless students succeed in school. The New York SEA also awarded "enhanced grants" of $20,000 to LEA McKinney-Vento Act grantees whose homeless education program put an emphasis on trauma sensitivity.

LEAs

Coordinating with Other Entities

The three LEAs we reviewed coordinated with other entities and offices to provide programs and services to their homeless students as required by Section 722(g)(5) of the McKinney-Vento Act. For example, all of the LEAs coordinated with their transportation offices to provide students with transportation to school. Lackawanna also coordinated with various agencies in the community, such as the Buffalo City Mission, United Way, and Catholic Charities to provide dental and health services and school supplies to homeless students. The New York City LEA coordinated with community-based organizations to offer various after-school and Saturday programs that provided homework help, exam preparation, and college readiness assistance to students. The New York City LEA also coordinated with community-based organizations to provide incentive programs and exam preparation to help meet program goals such as increasing attendance, increasing the number of homeless students sitting for

[19] Section 1113(c)(3)(A) of Title I, Part A, of the Elementary and Secondary Education Act, as amended by ESSA, requires LEAs, regardless of Title I eligibility, to reserve funds under Title I, Part A (referred to as set-aside amounts) to support the enrollment, attendance, and success of homeless children and youths.

specialized exams, and decreasing the number of behavior incidents involving homeless students.

For example, the New York City LEA coordinated with the New York City Department of Homeless Services and developed a monthly data match program, which helped ensure that both New York City's Department of Homeless Services and Department of Education identified and served homeless students. The New York City LEA's EHCY program data analyst received student data, including student name, shelter address, identification number, and guardian information, from the Department of Homeless Services. The data analyst matched the data to New York City LEA's student database. The data analyst sent the data, along with other information from New York City LEA's student database, to the LEA liaisons so that they could review the data to ensure that all homeless students were being identified, students were attending school, and students were on track to be promoted to the next grade level.

Identifying Homeless Students

The three LEAs we reviewed had processes to identify homeless students. The ESSA requirements mandate LEAs to designate an appropriate staff person able to carry out the duties as an LEA liaison for homeless students, which includes identifying homeless students (Section 722(g)(1)(J)(ii) of the McKinney-Vento Act). All three LEAs identified an LEA liaison. The LEA liaisons assisted homeless families with understanding eligibility requirements for McKinney-Vento Act services and completing the housing questionnaires used to identify homeless students. Posters that described a student's eligibility for and rights under the McKinney-Vento Act were displayed around the three LEAs and their schools (see Figure 1). Additional LEA and school staff from all three LEAs were involved in identifying and providing services to homeless students, including guidance counselors, social workers, and registration secretaries.

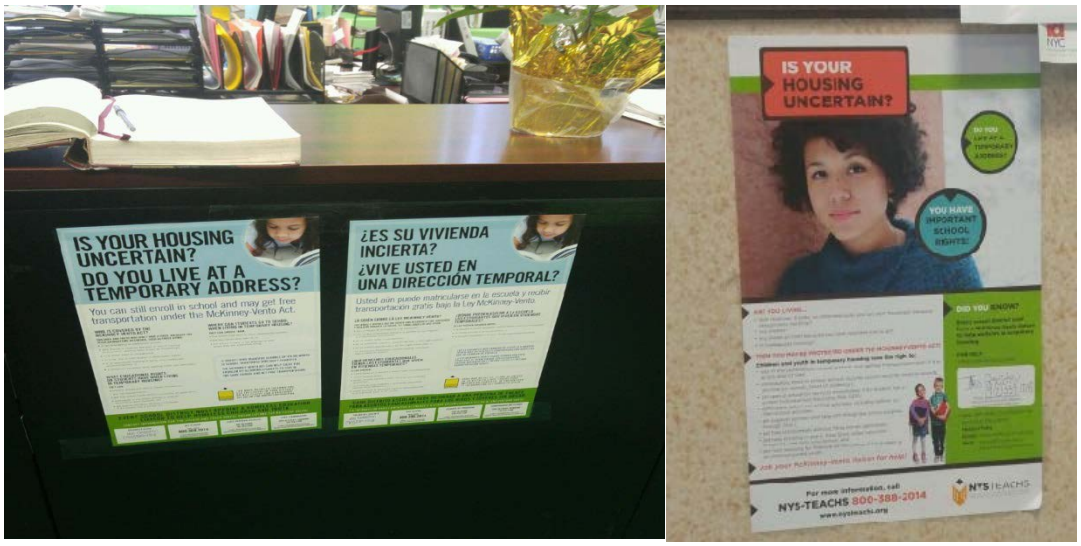

Figure 1. McKinney-Vento Act posters displayed in New York City LEA.

All three LEAs' liaisons attended training provided by TEACHS, which covered the identification of homeless students under the McKinney-Vento Act. LEA staff also attended webinar training provided by TEACHS and received training from the LEA liaisons. As a result of our audit, Uniondale's LEA liaison stated that she plans to hold quarterly training sessions for all staff, including enrollment secretaries and bus drivers, so that they can learn more about the McKinney-Vento Act beyond education services. The training sessions will cover additional services available in the district, such as the free lunch program, school supplies, clothing, and food pantries.

The following are examples from two LEAs of additional processes they had for identifying homeless students.

- The New York City LEA used multiple levels of staff to help identify homeless students, including LEA liaisons, family assistants, school-based liaisons, and "bridging the gap" social workers, who helped bridge the gap between school staff and homeless students. Each borough in the New York City LEA had two LEA liaisons. Family assistants were located at city shelters and assisted in identifying and enrolling the students at the shelters. They explained the McKinney-Vento Act rights to the students and their parents when they arrived at the shelters. Family assistants asked parents to sign a form, which included an explanation of the student's rights under the McKinney-Vento Act, to acknowledge that they were informed of their rights. Each school in the New York City LEA assigned a school official to be the school-based liaison. School-based liaisons provided support services to homeless students and families and coordinated with the LEA liaison and family assistants. In 2016, the New York City LEA placed "bridging the gap" social workers in schools with the largest

populations of homeless students to support the educational, social, and emotional needs of homeless students and their guardians. They differed from other school social workers because they also provided support and guidance to other school staff on the issues facing homeless students.

- Uniondale, as part of the Nassau BOCES, used the BOCES's contractor, New Ground Incorporated, to help identify homeless students. New Ground Incorporated's consultant assisted homeless families with the school registration process and delivered training on the McKinney-Vento Act to the LEA liaison and school social workers. The consultant also visited area shelters to ensure all homeless children were registered for school, fielded questions on the McKinney-Vento Act, and provided tutoring to homeless students.

Educating Homeless Students

All three LEAs ensured that homeless students did not face barriers to accessing the same academic and extracurricular activities (as required by Section 722(g)(1)(F)(iii) of the McKinney-Vento Act). Additionally, all of the LEAs' homeless education policies required immediate enrollment of homeless students (as required by Section 722(g)(3)(C) of the McKinney-Vento Act). The LEAs also provided needed support to the homeless students with Title I set-aside funds, such as school supplies, exam fees, and graduation caps and gowns.

Based on interviews with LEA officials and a review of LEA policies and procedures and related documents the New York City LEA's family assistants were required to support the educational needs of homeless students by monitoring attendance and academic progress. For example, family assistants were required to use the data match program previously discussed, and routinely review student attendance and academic progress reports to determine whether the student was on track to be promoted to the next grade level. Also, as needed, the family assistant should contact homeless students and their families and develop a strategy to improve attendance or academic progress. The family assistants offered incentives for perfect attendance, like award certificates or special breakfasts to improve the attendance of homeless students. The New York City LEA also encouraged homeless families to enroll in universal prekindergarten. Family assistants provided registration information to homeless families with age-eligible children within their shelters. [20]

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[20] The City of New York, Office of the Comptroller issued a report, "Audit Report on the Department of Education's Efforts to Monitor and Address School Attendance of Homeless Children Residing in Shelters" (March 2018).

Reporting Homeless Student Data

The three LEAs had processes and systems for collecting and reporting homeless student data. All three used student database systems that collected the data. The LEAs identified students as homeless in the databases using the codes that the New York SEA required. Both the New York City LEA and Lackawanna had manuals that explained how to enter their homeless data. The LEAs reviewed and certified their data for accuracy throughout the school year.

The following are examples of the processes the LEAs had for reporting homeless student data.

- Uniondale's central registration staff entered student information into its PowerSchool database system. A program ran nightly within PowerSchool to check that the data were entered correctly based on the business rules set by the Nassau BOCES to ensure the data complied with the New York SEA reporting requirements and rules. The Director of Learning, Teaching, Assessments, and Grants certified that the data were accurate when pushing the data from PowerSchool to the BOCES and State levels.
- The Erie BOCES maintained the eSchool student database system used by Lackawanna. Lackawanna's central registration staff entered the homeless student data into the system, and the LEA liaison had access to the database to review the data. The system had built-in edit checks and sent the data to SIRS on a weekly basis. The superintendent certified that the data were accurate in SIRS.
- To maintain accurate and complete data, two of the LEAs (Uniondale and Lackawanna) requested that the parents of all students and unaccompanied youths complete another housing questionnaire at the end of the school year. The LEAs compared the results of this questionnaire to the housing status previously entered in the system and updated the student's housing status, if necessary. Uniondale and Lackawanna also compared the names and housing statuses of students shown as homeless in the student database to the New York SEA's "Designation of School District of Attendance for a Homeless Child" form as a way to review the student data for accuracy. School staff completed the form at the time of registration, and the LEAs used it to request reimbursement from the State for the homeless student's educational services.
- New York City LEA officials and school staff entered student data into the Automate the School student database system. The New York City LEA required school principals to certify that the housing status of all homeless

students was entered and updated in the New York City LEA's student database at the end of the school year. The New York City LEA's Division of Instructional and Information Technology team received files automatically from the Automate the School system for all New York City schools and transferred the student data to SIRS. Also, the New York City LEA's EHCY program data analyst analyzed the homeless student data. She reviewed the number of students identified as homeless in the student database to determine whether it had increased or decreased significantly compared to the previous 2 years. She also analyzed the data to determine whether students had the same housing codes for 2 or more years. If a student's housing code was the same, she requested that the school verify the housing status and suggested that the school have all parents and unaccompanied youths complete a new housing questionnaire.

The New York SEA prioritized addressing homelessness in the State and established practices and policies to do so. As a result, it generally provided effective oversight of LEAs and coordinated with other entities to implement selected ESSA requirements relating to identifying and educating homeless children and youths. The LEAs generally effectively implemented the ESSA requirements relating to coordinating, identifying, educating, and reporting on homeless children and youths.

Although we found that the New York SEA generally provided effective oversight and the three LEAs generally were effectively implementing selected ESSA requirements for homeless students, the SEA could improve its oversight of LEAs' homeless data reporting. Additionally, the SEA and the LEAs could improve their internal controls over the administration of the EHCY program. We discuss these issues in Finding Numbers 2 and 3.

Finding 2. The New York SEA Could Improve Its Internal Controls over EHCY Program Administration

Although the New York SEA generally provided effective oversight of the LEAs, it could improve its internal controls by improving its oversight of LEA data reporting and by better documenting policies and procedures; following up to ensure that findings from monitoring reviews are appropriately resolved; and providing technical assistance related to the reporting of homeless student data. These weaknesses in internal controls occurred because the SEA believed its processes to review LEAs' data were sufficient, had not yet completed updating its policies and procedures in response to changes made under ESSA, did not require LEAs to submit final documentation in response to monitoring findings, and was not ensuring that LEAs were reporting all unaccompanied youths. The New York SEA could strengthen its internal controls to help ensure homeless student data are accurate and complete, that LEAs are in compliance with ESSA requirements, and that they are reporting all unaccompanied youths.

The New York SEA Could Improve Oversight of Homeless Student Data Reporting

The New York SEA could improve its oversight of the homeless student data that LEAs reported. While the New York SEA conducted edit and reasonableness checks of data LEAs submitted, it did not review LEA homeless student data when conducting monitoring reviews. Also, the LEAs were required to certify that the data were accurate, but the New York SEA did not have a data certification that included other assertions. For example, LEAs were not required to certify that controls over the data were working as intended and known issues were disclosed, which would help ensure that the data submitted were reliable.

Monitoring of LEAs

During its Title I monitoring reviews, the New York SEA reviewed each LEA's compliance with the McKinney-Vento Act. The SEA reviewed the LEA's homeless education policies and related forms and obtained barrier reports from TEACHS for the LEAs selected for monitoring. Barrier reports included the number of students reported as homeless. Although the New York SEA reviewed the "Designation of School District of Attendance for a Homeless Child" forms maintained by the LEA (used to request reimbursement for the educational services provided to homeless students) to determine whether they were completed correctly when conducting coordinated reviews, a review of the processes used by the LEA to verify their data was not included for any type of monitoring review (coordinated, targeted, or desk). To ensure that LEAs are performing

reviews of the data and that the data submitted are accurate and complete, the New York SEA should include a review of the supporting documentation for the data in all of its monitoring reviews. The SEA should also review the LEAs' processes for verifying the accuracy of the data.

Reviewing and Certifying Data

The New York SEA is required to collect and report to the Department data on homeless children and youths within the State (Section 722(f)(3) of the McKinney-Vento Act). The New York SEA required LEAs to submit their homeless student data through its SIRS student database. SIRS had edit checks and business rules to minimize input errors. The edit checks were flags in the system to check for data reasonableness based on the reporting requirements. For example, if the data indicated that a student was being served under the McKinney-Vento Act, but there was no corresponding code entered that indicated a homeless housing status, the entry would be flagged for follow-up.

As stated previously, TEACHS, for the New York SEA, analyzed LEA homeless student data for students who were identified and reported as homeless. TEACHS reviewed LEAs' homeless student counts to determine whether the number of students reported as homeless changed significantly from year to year and whether the number of students reported was less than expected based on poverty data. If it found underreporting or a significant change in the number of students reported, TEACHS recommended that the LEA review its data and its processes for identifying and reporting homeless students; however, the SEA did not require that the LEAs review their data and processes. Therefore, the LEA may not have performed a review.

The New York SEA required that LEAs certify the data at the end of the reporting year by submitting an "End of Year Statement of Certification of Verification Reports" form. The LEA's chief school officer was required to submit the form certifying that he or she reviewed the reasonableness report for the LEA as of the final data submission date and that the data in the report were accurate.

The New York SEA should revise its data certification to include language stating that the data are accurate and complete and that all known data issues have been disclosed. The certification should also include an assertion about maintaining supporting documentation of the procedures performed to ensure that the data were accurate and complete and that all controls are working as intended. A certification that includes all of these elements could result in more reliable data by making LEA officials explicitly accountable for the accuracy of the data or misreporting of the data and could also help ensure that LEAs take steps to improve the processes used to validate the accuracy and completeness of the data.

Including a review of the homeless student data in all monitoring reviews and enhancing certifications will help to improve the New York SEA's oversight of LEA homeless student data reporting and help to ensure that the data being submitted to the Department are accurate and complete. Performing these steps will help to provide reasonable assurance that the LEAs are reporting reliable data that can be used for internal and external use (Title 2 of the Code of Federal Regulations (2 C.F.R.) § 200.61(b)). Lack of adequate oversight of LEA data reporting could result in unreliable data being reported to Department.

The New York SEA Could Improve Its Documentation of Policies and Procedures

Documenting Policies and Procedures for Monitoring and Risk Assessment and Updating Monitoring Review Forms

The SEA is required to monitor a subrecipient's activities to ensure that the subaward is used in compliance with Federal law, regulations, and the terms and conditions of the subaward (2 C.F.R. § 200.331(d)). The New York SEA began developing policies and procedures for monitoring its LEAs' compliance with the updated provisions of the McKinney-Vento Act and EHCY program requirements in February 2016. However, as of August 2017, it had neither completed these policies and procedures nor distributed them to program office staff. Although the New York SEA had forms to document results of the three different types of monitoring reviews (coordinated, targeted, and desk review) it conducted, it did not document the process it used to monitor its LEAs.

The New York SEA needs to update its monitoring forms to include a review of LEAs' compliance with ESSA requirements related to the education of homeless children and youth. The State coordinator indicated that she planned to develop a checklist that would be used to review compliance with the new requirements. The State coordinator stated that because of other priorities preparing for the implementation of the ESSA requirements, she did not have time to prepare the checklist as of August 2017. As stated previously, as part of its Title I program monitoring, the New York SEA reviewed the LEAs' homeless education programs. Specifically, the SEA reviewed each LEA's homeless education, enrollment, and transportation policies, housing questionnaire, and other related forms. The SEA would also determine whether the LEA complied with the McKinney-Vento Act, such as determining whether the LEA designated an LEA liaison and whether parents of homeless students were informed of the educational rights and opportunities available to their children. The monitoring forms should be updated to help provide reasonable assurance that the LEAs are in compliance with the ESSA requirements (2 C.F.R. § 200.61(c)).

The New York SEA used risk factors to select LEAs for monitoring. The risk factors included items such as prior year monitoring, staff recommendations, and whether the LEA had prior programmatic or fiscal issues. After selecting LEAs to monitor, the State coordinator also obtained a list of any barriers to education that TEACHS noted. According to 2 C.F.R. § 200.331(b), SEAs are required to conduct a risk assessment of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. As stated above, New York SEA officials stated that they assessed LEA risk based on a set of conditions or risk factors, but although it plans to do so, the SEA had not documented the process it used to assess risk and select LEAs for monitoring as of August 2017. This issue was also a finding for the New York SEA in New York State's FY 2016 A-133 single audit report, albeit not specific to the EHCY program.

Undocumented procedures reduce the assurance that staff members correctly and consistently perform processes and activities, increase the risk of disruption and errors when staff absences and changes occur, and could affect the reliability of data reported. Also, documentation of policies and procedures facilitates the training of new employees and ensures continuity of operations.

Data Processing Policies and Procedures Documentation

The New York SEA did not document its policies and procedures for receiving, reviewing, and reporting homeless student data to the Department. The homeless student data flowed from data management systems at schools, to LEAs, to the New York SEA, and finally to the Department. Two New York SEA officials worked with the student data in SIRS, the New York SEA's data management system. One official reviewed the homeless student data that LEAs submitted for any anomalies or issues before the SEA submitted them to the Department. The other official reported all required student data, including homeless student data, to the Department. One official stated that she learned her duties and the data process through on-the-job training. The New York SEA had a SIRS manual that included information on data flow and instructions on data entry and formatting; however, the manual did not include information on the procedures New York SEA officials used to process the student data. This process should be documented.

Federal regulations require non-Federal entities to establish and maintain effective internal controls over the Federal award. These internal controls should comply with guidance in the Government Accountability Office's "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report) (2 C.F.R. § 200.303(a)). According to the COSO Report, a component of internal control is control activities.

Organizations deploy control activities through policies that establish what is expected and procedures that put policies into action. Not having written data processing policies and procedures could result in the New York SEA reporting inaccurate or incomplete homeless data to the Department because new staff may not know how to properly process and report the data.

The New York SEA Could Better Follow Up with LEAs After Monitoring Reviews

The New York SEA did not follow up with LEAs to determine whether LEAs completed corrective actions in response to monitoring reviews. Although the SEA required documentation that the LEA completed the corrective actions identified, staff did not always follow up to ensure that actions stated were fully completed. For example, in one instance, the New York SEA was unaware that an LEA (Lackawanna) had not fully completed a corrective action. In its corrective action plan from an April 2016 monitoring visit, Lackawanna stated that it would revise its homeless education policy as required. The corrective action plan stated that the update to the homeless education policy would be completed by September 2016; however, the LEA did not actually revise the policy. Lackawanna provided a draft policy that included the required revisions to the SEA and the corrective action was considered met and the review was closed. However, we reviewed the homeless policy that the LEA used at the time of our audit and found that the required revisions were not made. The State coordinator was not aware that Lackawanna had not revised the policy. The LEA's homeless education policy sets the rules and requirements for educating homeless students.

The New York SEA considered a corrective action as resolved if the LEA provided documentation of the completed action or if it provided a draft document and stated that the final action would be completed by a specific date. The New York SEA did not follow up with the LEA to ensure the LEA completed the corrective actions before the SEA considered a finding closed. As a result, LEAs may not have completed required corrective actions and may not be in compliance with the McKinney-Vento Act, New York SEA policies, or New York State laws and regulations. Title 2 C.F.R. § 200.331(d)(2) requires subrecipient monitoring to include following up and ensuring that subrecipients take timely and appropriate action on all deficiencies pertaining to the Federal award that are detected through on-site reviews, audits, and other means.

The New York SEA Needs to Provide Additional Technical Assistance to LEAs on Reporting Unaccompanied Youth

Although the New York SEA provided training and technical assistance to LEAs, we found that one LEA needed additional technical assistance on reporting students who do not want to self-identify as homeless. In one instance Lackawanna's LEA liaison, who is also

the attendance teacher, was aware of 25 students who were not included in the LEA's count of homeless students even though she believed they met the definition of unaccompanied youths under the McKinney-Vento Act. The LEA liaison stated that if students do not want to identify themselves as homeless, the LEA cannot make them do so. Although this is true, LEAs should include in their count of homeless students any students, including unaccompanied youth, who they have confirmed are experiencing homelessness through conversations with the student, LEA staff, family, friends, or by other means. Officials from the Office of Safe and Healthy Students in the Department's Office of Elementary and Secondary Education informed us that all unaccompanied youths should be counted as homeless and, therefore, eligible to receive services under the EHCY program, regardless of whether the student self-identifies as homeless.

Occasionally families or unaccompanied youths decline educational services available to them based on their homeless status. According to Appendix C of the National Center for Homeless Education's "Guide to Collecting and Reporting Federal Data, Education for Homeless Children and Youth Program" (May 2017), in those instances, the student should still be included as a part of the homeless student counts; receipt of education assistance is not required and does not impact the student's status as homeless. Because the LEA did not confirm or report these 25 students as unaccompanied youth, it may have underreported the number of homeless students enrolled to the SEA.

New York SEA officials informed us that they had not provided guidance specifically on the "Guide to Collecting and Reporting Federal Data, Education for Homeless Children and Youth Program" to LEAs because it is geared more towards SEAs than LEAs; however, TEACHS provides an annual webinar specifically on homeless data reporting that incorporates information from the Guide that is relevant to LEAs. We reviewed the webinar presentation and although it did include information on data reporting, it did not specifically include information about reporting students or unaccompanied youths who decline educational services available to them based on their homeless status.

New York SEA officials also stated that TEACHS provided technical assistance to LEAs that emphasized that LEAs have the responsibility to identify children and youths experiencing homelessness regardless of whether such children and youths self-identify as homeless or McKinney Vento Act eligible, and that TEACHS instructs LEA staff that they must not wait until a parent or youth self-identifies as homeless before identifying them as such. Although TEACHS provided some technical assistance on the issue, additional assistance may need to be provided. The New York SEA should ensure that all LEAs understand the requirement because they may be underreporting homeless students. This is especially important for those LEAs that TEACHS identified as potentially underreporting homeless students.

Recommendations

We recommend that the Assistant Secretary for the Office of Elementary and Secondary Education require the New York SEA to—

2.1 Include a review of LEA supporting documentation for the homeless student data it reported in all of its monitoring reviews, and include a review of the LEAs' processes for verifying the accuracy of the data.

2.2 Require LEAs to certify that (1) the data reported are accurate and complete, (2) all known data issues have been disclosed, (3) they have documentation of the procedures performed to ensure that the data submitted were accurate and complete, (4) all controls are working as intended, and (5) they understand submitting incomplete or inaccurate data may result in corrective actions or other consequences.

2.3 Complete the documentation of its monitoring and risk assessment processes, including updating the forms used to perform monitoring to incorporate compliance with the ESSA amendments.

2.4 Document its data processing policies and procedures.

2.5 Revise its monitoring process to close a finding after receipt of final documents showing the corrective actions are fully completed.

2.6 Provide technical assistance to ensure that officials at Lackawanna understand that if they are aware of any unaccompanied youths experiencing homelessness, they should report the student in the homeless student count; further, consider providing additional technical assistance or guidance to other LEAs.

New York SEA Comments and OIG Response

The New York SEA agreed with this finding and its recommendations and identified corrective actions that it has taken or plans to take for each recommendation.

New York SEA Comments

In response to Recommendation 2.1, the New York SEA stated that it will investigate the tools that can be used to capture and store LEAs' documentation of homeless student data, including the processes LEAs use to verify the accuracy of the data.

In response to Recommendation 2.2, the New York SEA stated that it will take steps to update its current data certification.

In response to Recommendation 2.3, the New York SEA stated that it has revised its coordinated monitoring form and is in the process of updating its targeted monitoring and desk review forms to incorporate compliance with the ESSA amendments. In an email about the New York SEA's response, the New York SEA's State coordinator also informed us that the New York SEA had completed documenting its monitoring and risk assessment processes.

In response to Recommendation 2.4, the New York SEA stated that it will document its data processing procedures and provide them to all LEAs, post these procedures to the New York SEA's Office of Information and Reporting website, and document the process in its SIRS manual, among other things.

In response to Recommendation 2.5, the New York SEA stated that it will update its monitoring procedures to require SEA staff to follow up on LEA corrective actions to ensure that they have been completed timely and close the corrective action after receiving proof that the LEA has satisfactorily completed the action.

In response to Recommendation 2.6, the New York SEA stated that it will provide guidance to Lackawanna and require that the LEA provide written confirmation that it will report all students and unaccompanied youths experiencing homelessness in its student management system and encourage the LEA's staff to attend related training.

OIG Response

The corrective actions that the New York SEA stated that it has performed and those that it plans to perform should address our recommendations if the SEA completes all of the actions stated.

Finding 3. LEAs Could Improve Internal Controls by Better Documenting Policies, Procedures, and Roles over EHCY Program Administration

Although the three LEAs reviewed generally implemented selected ESSA requirements related to coordinating services and identifying, educating, and reporting on homeless children and youth, the LEAs could improve their internal controls by better documenting policies, procedures, and roles. The weaknesses we found occurred because the LEAs did not ensure that their policies were in line with current practices. The LEAs should update and document their policies and procedures to strengthen their internal controls to help ensure that they are complying with the ESSA requirements and reporting reliable homeless student data.

LEAs Should Update Homeless Education Policies

New York City LEA and Lackawanna did not review and revise their homeless education policies to ensure that the policies were up-to-date and in compliance with the ESSA requirements. An LEA's homeless education policy describes the LEA's policies for identifying, educating, and providing services to homeless students. Although the New York City LEA updated its regulation that discussed the admission of homeless students (Chancellor's Regulation A-101: Admission, Readmissions, Transfers, and List Notices For All Students (January 19, 2017)), the LEA did not update its homeless education policy (Chancellor's Regulation A-780: Students in Temporary Housing). The policy had not been updated since 2009. Lackawanna had not updated its homeless education policy since 2006. As of June 2017, neither LEA had plans to update its homeless policies. Lackawanna officials stated that it was the school board's responsibility to update the policies.

Title 2 C.F.R. § 200.61(a) and (c) define internal controls as a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in its compliance with applicable laws and regulations and in the effectiveness and in the efficiency of its operations. Policies are an internal control that will facilitate compliance with the McKinney-Vento Act requirements. Additionally, the COSO report states that managers should periodically review policies and procedures for continued relevance and effectiveness. Under the McKinney-Vento Act, SEAs and LEAs are required to review and undertake steps to revise laws, regulations, practices, or policies to ensure that homeless students are afforded the same free, appropriate public education as provided to other students (Section 721 of the McKinney-Vento Act).

Although the LEAs had processes to address the ESSA requirements, with outdated policies and procedures, they cannot ensure that they are fully complying with the ESSA requirements and that staff are informing parents or guardians of homeless children and youths of all of the educational and related opportunities that they are eligible to receive, as required by Section 722(g)(6)(A)(v) of the McKinney-Vento Act.

LEA Should Document Its Data Entry Procedures

Uniondale did not have documented guidance or a procedures manual on entering homeless student data in its data management system (PowerSchool). Because Uniondale provided training on homeless student data entry and staff learned the process through on-the-job training, Uniondale did not believe it needed a data manual or guide. According to 2 C.F.R. § 200.61(b) and § 200.303(a), non-Federal entities must establish and maintain effective internal controls designed to provide reasonable assurance regarding the achievement of objectives in the reliability of reporting for internal and external use. As stated above, the COSO Report states that policies and procedures establish a control activity, which is a component of internal control.

Undocumented data entry procedures reduce the assurance that Uniondale staff entered and reported its data properly or that the homeless data were reliable. Also, undocumented procedures reduce the assurance that staff members consistently perform processes and activities and increases the risk of disruption and errors when staff absences and changes occur.

LEA Should Improve Documentation Clarifying McKinney-Vento Act Roles and Responsibilities

Uniondale did not clarify the roles and responsibilities of its LEA liaison and the staff that had been delegated some of the liaison's responsibilities. Uniondale's homeless education policy stated that the LEA liaison was responsible for informing parents or guardians of homeless children and youths of all of the educational and related opportunities that they were eligible to receive under the McKinney-Vento Act. Uniondale's LEA liaison, who was also the administrative assistant for special services, stated that she received assistance from other Uniondale staff to perform the liaison responsibilities. The LEA liaison stated that, depending on the school, a social worker or guidance counselor informed the parents or guardians of homeless children and youths of the educational and related opportunities that they were eligible to receive.

However, none of the staff members we interviewed were aware the LEA liaison had delegated this responsibility to them. We interviewed the secretary at the central registration office, guidance counselors, and a social worker at Uniondale's high school. Each believed another party was responsible for informing the parents or guardians of

all of the educational and related opportunities that they were eligible to receive; therefore, they could not demonstrate that all parents or guardians of homeless children and youths were informed of all of the educational and related opportunities that they were eligible to receive.

The delegated roles and responsibilities were not documented or clarified to the staff. As a result, staff members were not sure who was responsible for informing parents or guardians of homeless children and youths of all of the educational and related opportunities that they were eligible to receive as required by Section 722(g)(6)(A)(v) of the McKinney-Vento Act. As stated in the COSO Report, managers should periodically reassess policies for continued relevance and update them when necessary. In addition, according to the COSO Report, whether or not a policy is in writing, it must establish clear responsibility and accountability. Procedures should be clear on the responsibilities of staff performing the control activity.

Recommendations

We recommend that the Assistant Secretary for the Office of Elementary and Secondary Education require the New York SEA to—

3.1 Require the New York City LEA and Lackawanna to review and revise their education of homeless students policies so they comply with the ESSA requirements and any new State requirements.

3.2 Require Uniondale to document its policies and procedures for entering homeless student data in its student database system.

3.3 Require Uniondale to update the homeless education policy to clarify who is responsible for informing parents or guardians of homeless children and youths of all of the educational and related opportunities under the McKinney-Vento Act. Also require Uniondale to develop a process to ensure that it maintains documentation to support that it is informing parents or guardians of all of the educational and related opportunities their child is entitled to receive.

New York SEA Comments and OIG Response

The New York SEA agreed with this finding and its recommendations and identified corrective actions that it plans to take for each recommendation.

New York SEA Comments

In response to Recommendation 3.1, the New York SEA stated that it will request the New York City and Lackawanna LEAs to update their homeless education policies to comply with the ESSA amendments and related changes to State laws and regulations.

In response to Recommendation 3.2, the New York SEA stated that it will require Uniondale to document its data processing processes and procedures and encourage LEA staff to attend training on data collection and reporting.

In response to Recommendation 3.3, the New York SEA stated that it will require Uniondale to update its homeless education policy to address who is responsible for informing parents or guardians of homeless children and youths of all McKinney-Vento Act educational and related opportunities and develop a process to document that the parents or guardians were informed of the educational and related opportunities.

OIG Response

The corrective actions that the New York SEA stated that it plans to perform should address our recommendations if the SEA completes all of the actions stated.

Appendix A. Scope and Methodology

Our audit covered the oversight and implementation of the selected ESSA requirements from October 1, 2016, through August 15, 2017.

To achieve our first objective we performed the following procedures:

1. Reviewed relevant laws, regulations, guidance, key Department policy letters, and related documents, including Subtitle B of Title VII, §§ 721-726 of the McKinney-Vento Act, 42 U.S.C. §§ 11431 et seq.; 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards [2016]; 34 C.F.R. Part 76, State Administered Programs; the Department's "Education for Homeless Children and Youths Program Non-regulatory Guidance," July 27, 2016; and the National Center for Homeless Education's "Guide to Collecting and Reporting Federal Data, Education for Homeless Children and Youth Program," May 2017, to gain an understanding of the requirements of the McKinney-Vento Act, including the ESSA amendments, and for administering the EHCY program.
2. Interviewed New York SEA officials to gain an understanding of the New York SEA's policies, procedures, and processes for the McKinney-Vento Act grant administration. We also interviewed officials from TEACHS to gain a better understanding of its roles and responsibilities in the administration of the New York SEA's EHCY program.
3. Reviewed relevant prior reports; State of New York single audit reports for FYs 2014, 2015, and 2016; New York City single audit reports for FYs 2015 and 2016; Uniondale Financial Statements and Supplementary Information for FYs 2015 and 2016; Lackawanna City School District Financial Statements and Supplementary Information for FYs 2015 and 2016; New York SEA monitoring reviews of LEAs for SY 2015–2016; McKinney-Vento Act grant survey reports of LEAs for SY 2015–2016; and Measurement Incorporated's 2015–2016 Statewide McKinney-Vento Act Needs Assessment report.
4. Reviewed the New York SEA's McKinney-Vento Act housing brochure and poster; sample LEA homeless education policy and housing questionnaire; ESSA draft plan summary and draft plan; McKinney-Vento Act and ESSA training materials, guidance, and field memos; LEA monitoring forms, barrier reports, TEACHS contract documents, and quarterly activity reports; data reporting manuals; and data reports to gain an understanding of the New York SEA's processes and the steps it took to provide oversight of LEAs' implementation of the ESSA requirements related to identifying, educating, and reporting on

homeless children and youths. We also reviewed the TEACHS website and its organizational chart to gain an understanding of its roles and responsibilities in the administration of the New York SEA's EHCY program.

To achieve our second objective, we performed the following procedures to gain an understanding of the LEAs' policies, procedures, and processes for implementing selected ESSA requirements related to identifying, educating, coordinating services for, and reporting on homeless children and youths:

1. Reviewed websites, homeless education policies and procedures and related documents, including housing questionnaires and registration forms, data system manuals,[21] contracts, and training materials for each of the LEAs.
2. Interviewed staff responsible for administering the EHCY program and identifying and providing services to homeless students at each of the LEAs.

We performed audit work at the New York SEA's offices, in Albany, NY, from September 20, 2016, through September 23, 2016. We performed audit work at TEACHS offices in New York, New York, from January 24, 2017, through January 25, 2017. We performed audit work at the New York City LEA's offices in New York, New York, from February 28, 2017, through March 3, 2017, and from March 23, 2017, through March 24, 2017. We performed audit work at Lackawanna's offices in Lackawanna, New York, from April 25, 2017, through April 27, 2017. We performed audit work at Uniondale's offices in Uniondale, New York, from May 8, 2017, through May 11, 2017. We held an exit conference with New York SEA officials on August 15, 2017.

Internal Controls

We assessed the design of the SEA's and LEAs' internal controls through interviews and a review of written policies and procedures and other documentation. We used the COSO Report as criteria for evaluating the SEA's and LEAs' internal controls over their administration of the McKinney-Vento Act and EHCY programs. We concluded that the New York SEA and the LEAs could improve their internal controls, as discussed in Finding Numbers 2 and 3.

Sampling Methodology

We judgmentally selected an SEA and three LEAs to review as follows.

[21] Uniondale did not have a data system manual.

State Selection

We judgmentally selected an SEA by:

1. Determining the funding and enrollment growth for each State by using FY 2014 and FY 2015 McKinney-Vento Act funding and student data.
2. Identifying the number of LEAs in each State that were awarded SY 2013–2014 McKinney-Vento Act grants.
3. Examining each State's SY 2013–2014 homeless student data to identify the number of students that were reported served, enrolled, doubled-up, sheltered, and graduated.[22] We then analyzed the numbers and their relation to each other. We compared the number of homeless students living in a shelter in each State to the number of students reported as being doubled-up.
4. Obtaining recommendations from officials at the Department's Office of Safe and Healthy Students.
5. Reviewing Office of Safe and Healthy Students monitoring reports.
6. Reviewing hotline complaints received by OIG and the Department.

We compared the data above for each State and selected the New York SEA. We selected the New York SEA because it had the third highest McKinney-Vento Act funding in FY 2016 and the second largest homeless student population among all other States. We also selected the New York SEA because of issues that were identified in prior Department monitoring reviews and complaints received that related to our audit objective.

LEA Selections

We judgmentally selected LEAs by:

1. Reviewing the New York SEA's FY 2015 SIRS homeless student data for each LEA and stratifying the data into groups of small, medium, and large LEAs by the number of homeless students.
2. Determining whether an LEA received a McKinney-Vento grant and if so, the amount of grant funding received.
3. Determining whether an LEA was a part of a BOCES.

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[22] We obtained the data from the Department's EDFacts database system. EDFacts collects and stores education data that a State is required to submit to the Department yearly.

4. Reviewing New York SEA monitoring and barrier reports for LEAs to identify issues or findings relating to our audit objective.
5. Obtaining input from the New York SEA's State coordinator.

Based on the factors noted above, we selected the New York City LEA as the large LEA because it received the most McKinney-Vento grant funds from the New York SEA, it had the largest homeless student population among all other LEAs in the State, and the New York SEA found issues related to our objective through its EHCY hotline process. We selected Uniondale as the medium LEA because it was a member of a BOCES and had issues or findings related to our audit objective found in prior New York SEA monitoring reviews or through the SEA's hotline process. We selected Lackawanna as the small LEA because it did not receive funding under the McKinney-Vento Act during our audit period.

Use of Computer-Processed Data

Use of computer-processed data for the audit was limited to data we obtained from the Department's EDFacts database system and the New York SEA's SIRS database. We used homeless children and youths data contained in these systems to help select our SEA and LEAs for review. We did not assess the reliability of these computer-processed data because it was not necessary to answer our audit objectives.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B. Acronyms and Abbreviations

2 C.F.R.	Title 2 of the Code of Federal Regulations
BOCES	Boards of Cooperative Educational Services
COSO Report	"Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission
Department	U.S. Department of Education
EHCY	Education for Homeless Children and Youth Program
FY	fiscal year
McKinney-Vento Act	McKinney-Vento Homeless Assistance Act
Lackawanna	Lackawanna City School District
LEA	local educational agency
New York City LEA	New York City Department of Education
New York SEA	New York State Department of Education
SEA	State educational agency
SIRS	Student Information Repository System
State Coordinator	State Coordinator for the Education for Homeless Children and Youth Program
SY	school year
TEACHS	New York State Technical and Educational Assistance Center for Homeless Students
Uniondale	Uniondale Union Free School District

New York SEA Comments

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To: Bernard Tadley

From: Ira Schwartz

Date: January 18, 2018

Subject: Draft Audit Report: "New York State and Selected District's Implementation of Selected Every Student Succeeds Act Requirements under the McKinney-Vento Homeless Assistance Act.," ED-OIG/A03Q0005

Please find enclosed the New York State Education Department's response to the Draft Audit, "ED-OIG/A03Q0005."

If you have any questions, please feel free to contact me.

Enclosed: NYSED Response

FINDING	RECOMMENDATION	NYSED RESPONSE
FINDING #1: The New York SEA Generally Provided Effective Oversight of LEAs, and LEAs Were Generally Effectively Implementing Selected ESSA Requirements	None	• None
FINDING #2: New York SEA Could Improve Its Internal Controls Over EHCY Program Administration	2.1 Include a review of LEA supporting documentation for the homeless student data it reported in all of its monitoring reviews, and include a review of the LEAs' processes for verifying the accuracy of the data.	• The New York State Education Department (NYSED) concurs with this finding. NYSED will investigate tools that can be used to capture and store LEA documentation of homeless student data, including the processes used by the LEA for verifying the accuracy of the data.

FINDING	RECOMMENDATION	NYSED RESPONSE
FINDING #2: New York SEA Could Improve Its Internal Controls Over EHCY Program Administration	2.2 Require LEAs to certify that (1) the data reported are accurate and complete; (2) all known data issues have been disclosed; (3) they have documentation of the procedures performed to ensure that the data submitted were accurate and complete; (4) all controls are working as intended; and (5) they understand submitting incomplete or inaccurate data may result in corrective actions or other consequences.	• NYSED concurs with this finding. NYSED will take steps to review and update our current data certification form.
	2.3 Complete the documentation of its monitoring and risk assessment processes, including updating the forms used to perform monitoring to incorporate compliance with the ESSA amendments.	• NYSED concurs with this finding. Since OIG issued its report, the NYSED has revised its Coordinated Monitoring Protocol to incorporate compliance with the ESSA amendments. Presently, we are in the process of updating the Targeted Monitoring Protocol and Desk Audit form to also incorporate compliance with the ESSA amendments.
	2.4 Document its data processing policies and procedures.	• NYSED concurs with this finding. This process will be documented in targeted technical assistance documents that will be distributed to all LEAs and regional data managers and posted on the New York State Education Department Office of Information and Reporting website. • NYSED will (a) add a section to the SIRS manual documenting how the data are certified by the LEAs; (b) create a document detailing how the data are extracted from Level 1 and stored in the Level 2 data warehouse; (c) update documentation on the reporting of data through EDFacts and the CSPR, detailing the business rules used to compile the data; (d) create a document detailing the business rules used for posting to data.nysed.gov.

FINDING	RECOMMENDATION	NYSED RESPONSE
FINDING #2: New York SEA Could Improve Its Internal Controls Over EHCY Program Administration		
	2.5 Revise its monitoring process to close a finding after receipt of final documents showing the corrective actions are fully completed.	• NYSED concurs with this finding. NYSED will update its monitoring procedures to reflect that whenever a corrective action is indicated, NYSED follows up with the LEA to ensure that the LEA has completed the corrective action in a timely fashion and promptly closes the corrective action after receipt of proof from the LEA demonstrating that the correction action has been satisfactorily completely.
	2.6 Provide technical assistance to ensure that officials at Lackawanna understand that all unaccompanied youth experiencing homelessness that they are aware of are required to be reported in the homeless student count, and consider providing additional technical assistance or guidance to other LEAs.	• NYSED concurs with this finding. NYSED will send guidance to Lackawanna addressing this point and will require that the district provide written confirmation that it will report all students identified as homeless and all students identified homeless unaccompanied youth in the district's student management system. In the guidance letter NYSED sends to Lackawanna, it will encourage district staff, including the McKinney-Vento Liaison, social workers, guidance counselors, registration staff, and the data coordinator to participate in NYS-TEACHS upcoming webinars: Rights and Responsibilities of Homeless Unaccompanied Youth**,** March 21, 2018 (https://register.gotowebinar.com/register/4290760949147630594) and Homeless Data Collection and Reporting, June 6, 2018 (https://register.gotowebinar.com/register/597736686936583682).
FINDING #3: LEAs Could Improve Internal Controls By Better Documenting Policies,	3.1 Require the New York City LEA and Lackawanna to review and revise their education of homeless students' policies so they comply with the ESSA requirements and any new State requirements.	• NYSED concurs with this finding. NYSED will issue corrective actions to the New York City Department of Education and Lackawanna requesting that they update their policies to comply with the ESSA amendments to the McKinney-Vento Act and the recent changes to State statute and regulations regarding the education of children and youth experiencing homelessness.
	3.2 Require Uniondale to develop a manual or	• NYSED concurs with this finding. NYSED will issue a corrective action to the

FINDING	RECOMMENDATION	NYSED RESPONSE
Procedures, and Roles Over EHCY Program Administration	guide for entering homeless student data in its student database system.	Uniondale CSD directing Uniondale to utilize the manual for their school management system to document their processes and procedures for how they enter homeless data into the student management system (SMS). This would be a resource to be used by anyone putting data into the SMS to use to get the data in the SMS and get it in accurately. The data going into the student management system at the LEA level is the first, or foundational, step in having quality and accurate data.to then feed into the RIC data collection Level 2 Report and then to NYSED (Student Information Reporting System). In the guidance letter NYSED sends to Uniondale it will also encourage district staff, including the McKinney-Vento Liaison, social workers, guidance counselors, registration staff, and the data coordinator to participate in NYS-TEACHS scheduled webinar about Homeless Data Collection and Reporting, June 6, 2018 (https://register.gotowebinar.com/register/597736686936583682)
	3.3 Require Uniondale to update the homeless education policy to clarify who is responsible for informing parents or guardians of homeless children and youths of all of the educational and related opportunities under the McKinney-Vento Act. Also develop a process to ensure that there is documentation that parents or guardians are being informed of all of the educational and related opportunities their child is entitled to receive.	• NYSED concurs with this finding. NYSED will issue a corrective action to Uniondale requesting that it update its policies to address who is responsible for informing parents or guardians of homeless children and youths of all of the educational and related opportunities under the McKinney-Vento Act. NYSED will also request that Uniondale develop a process to ensure that there is documentation that parents or guardians are being informed of all of the educational and related opportunities their child is entitled to receive, and will follow up with the district to ensure that such a process is developed and implemented.