U.S. Department of Education
Office of Inspector General

An OIG Perspective on the Reauthorization of the Elementary and Secondary Education Act

February 1999

S1480010

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Executive Summary

The U.S. Department of Education (the Department) and Congress have an opportunity to improve the effectiveness and efficiency of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Improving America's Schools Act of 1994 (IASA), and align the ESEA with the Government Performance and Results Act of 1993 (Results Act). In the 1994 reauthorization, Congress legislated greater flexibility in the administration of ESEA programs in return for increased accountability for results. The Office of Inspector General (OIG) believes that the Department and Congress can build on this effort and continue improvements in the ESEA programs.

To assist in this important task, the OIG has prepared the following recommendations for the new ESEA:

1. The IASA is a comprehensive statute that provides legislative authority for over 36 elementary and secondary education programs. To ease the administrative burden on state education agencies (SEAs) and local education agencies (LEAs), the reauthorized ESEA should be written in plain language that is clear enough to permit implementation of the law at the state and local levels without the need for extensive technical assistance. The OIG has developed two tests that are designed to aid the Department and Congress in determining the appropriate "common sense" requirements to include in the reauthorized ESEA.

2. The Results Act requires the assimilation of valid and reliable performance information from federal programs, including the ESEA. The reauthorized ESEA needs to require not only the compilation of data for use in determining student achievement and program effectiveness, but also should take into consideration the need to assure the validity and reliability of data provided for that purpose from the state and local levels. To accomplish this assurance, an assertion could be considered that is similar to the management assertion required from all Department program managers under Objective 4.7 of the Department's Strategic Plan.

3. To more effectively produce the data required by the Results Act, the OIG has developed a test to help determine whether ESEA data collections fulfill the need for valid and reliable data.

4. An OIG review of the FY 1996 audits conducted under the Single Audit Act revealed weaknesses in SEA oversight of ESEA programs. To address this issue, the Department should establish minimum standards for SEAs in monitoring the LEA administration of ESEA programs.

5. The Department should play a stronger role in ensuring ESEA program integrity by

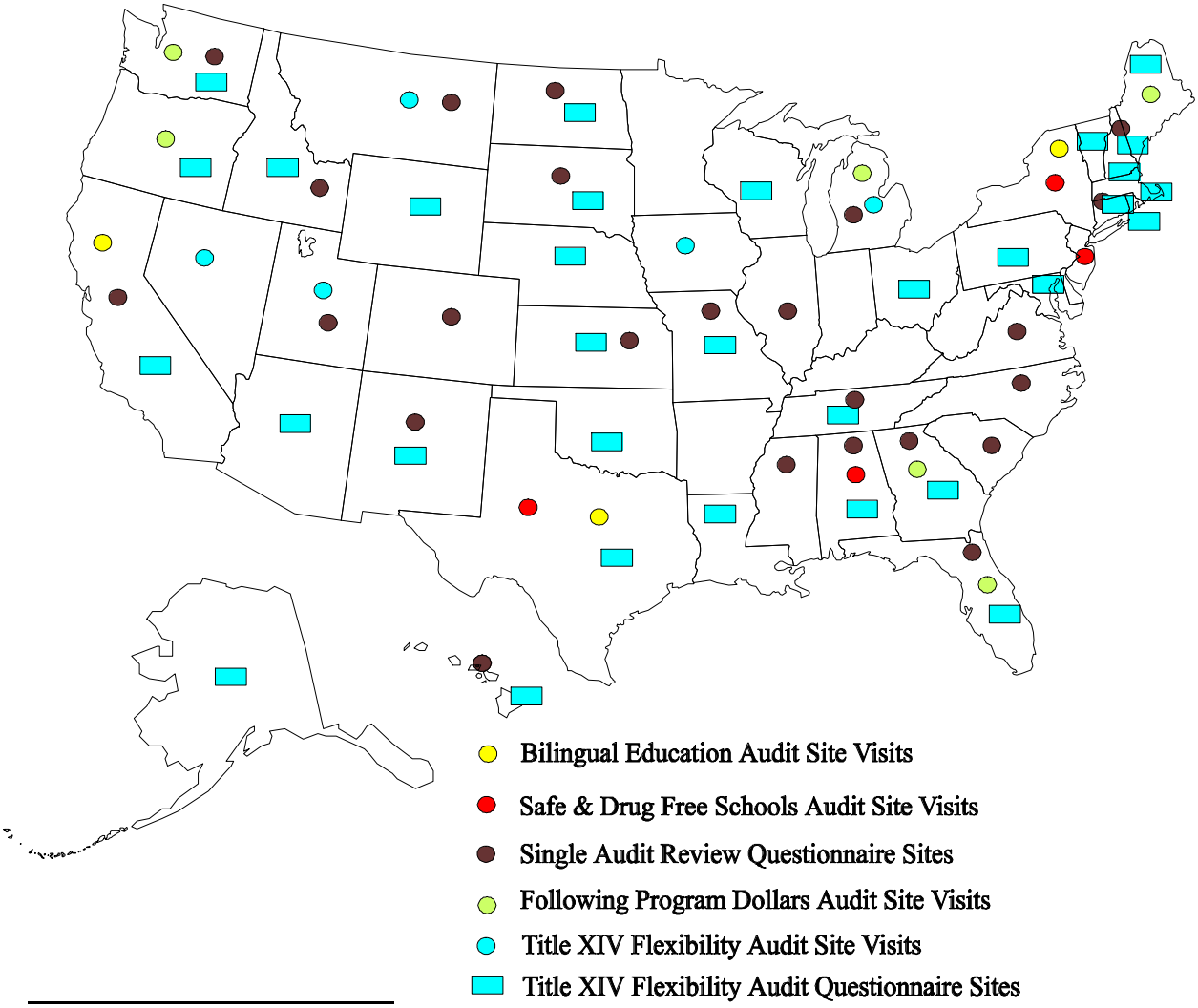
developing an oversight system that integrates program reviews, audits, technical assistance, grantee reporting, and evaluation studies; emphasizes follow-up of corrective actions; takes into account results of state analyses of LEA single audit findings and otherwise ensures compliance with program requirements.

The final section of this perspective paper is a summary of major audit results and reviews regarding charter school accountability, the flow of Title I program dollars to the schools, the use of Title XIV flexibility provisions and other related matters. (This summary appears on pages 13 to 18 of this report.)

An OIG Perspective on the Reauthorization of the Elementary and Secondary Education Act

Purpose and Scope:

In anticipation of the 1999 reauthorization of the Elementary and Secondary Education Act[1] (ESEA), the Office of Inspector General (OIG) conducted audits and reviews[2], actively engaged in the Cooperative Audit Resolution and Oversight Initiative (CAROI), participated in U.S. Department of Education (the Department) work teams, Program Coordination Review teams, and ESEA related conferences. Additionally, we reviewed General Accounting Office (GAO) and single audit reports and studies and evaluations from other sources. As part of our audits and reviews, we visited many different states, local educational agencies (LEAs), and schools interviewing numerous state, local, and school officials.



[1]The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.). The authorizations of appropriations for programs under the ESEA were extended for five years by the Improving America's Schools Act of 1994.

[2]For a complete listing and brief description of the audits and reviews used in developing this paper, please refer to the Compendium on page 13.

Using these audits and reviews, as well as our experience on related ESEA initiatives and work teams, we developed this paper to provide our perspective on the ESEA reauthorization. This paper provides a discussion of "common sense" tests for determining necessary and comprehensible compliance requirements and how they might be formulated to incorporate the requirements of the Government Performance and Results Act (Results Act). The paper also provides a compendium of the pertinent audit results with recommendations for legislative changes. This paper is designed to assist the Department and Congress in determining needed revisions, additions, and/or deletions to the ESEA. To avoid a duplication of effort, we focused on compliance and accountability in the administration of programs rather than on specific statutory program content.

Background/Introduction:

The ESEA of 1965 was reauthorized through the Improving America's Schools Act of 1994. One purpose of the revised ESEA was to introduce greater flexibility in the administration of programs in return for increased accountability for results. Based on our experience with the ESEA programs and their administration, the 1999 reauthorization should strive to make the law more "user friendly" to better achieve the flexibility and accountability provided in the 1994 reauthorization. To accomplish this objective, the ESEA should:

- be written in "plain language" to ensure uniform interpretation by users at all levels-from the federal to the school level;
- include essential requirements to achieve the desired program results;
- consider necessary controls to ensure data validity and reliability; and
- ensure compliance monitoring and enforcement of essential requirements.

Plain Language

The Improving America's Schools Act (IASA) contains approximately 233,000 words and provides congressional authority for over 36 elementary and secondary education programs. In the current environment of federal regulation reduction, it is critical that the reauthorization of this law be clearly written so state educational agencies (SEAs) and LEAs can implement it without the need for substantial supplemental guidance. This approach also is supported by the Presidential Memorandum on Plain Language issued by President Clinton on June 1, 1998. The memorandum to all Executive Agencies and Departments begins by stating:

> "The Federal Government's writing must be in plain language. By using plain language, we send a clear message about what the Government is doing, what it requires, and what services it offers. **Plain language saves the Government and the private sector time, effort, and money**." (Emphasis added.)

Essential Requirements

It is essential that the reauthorized ESEA be guided by common sense because, at a time of increasing competition for scarce resources, the costs to educational agencies in implementing the law must not outweigh or unnecessarily diminish the benefits of the programs.

There are indications that the current ESEA may not be sufficiently clear to meet this requirement. In September 1998, our office issued a memorandum to the Office of Elementary and Secondary Education that compiled comments from state auditors relating to the reauthorization of the ESEA. Several state auditors believed that greater clarity should be provided in the reauthorized ESEA. For example, additional clarity was recommended for the current schoolwide provisions, supplement/not supplant requirements, and certain accounting and auditing provisions.

Additionally, the GAO issued a report in September 1998 entitled, *Elementary and Secondary Education: Flexibility Initiatives Do Not Address Districts' Key Concerns About Federal Requirements*. GAO found that the flexibility initiatives contained in Title XIV of the IASA have not been widely used by LEAs. Additionally, the report stated that the waiver provision in Title XIV has been used by less than three percent of the school districts nationwide. As indicated by the GAO findings, SEAs and LEAs appear to continue to rely predominately on Titles I-XIII of the ESEA to implement applicable federal education programs. This reliance further demonstrates the need for the language in all parts of the reauthorized ESEA to be clearly written.

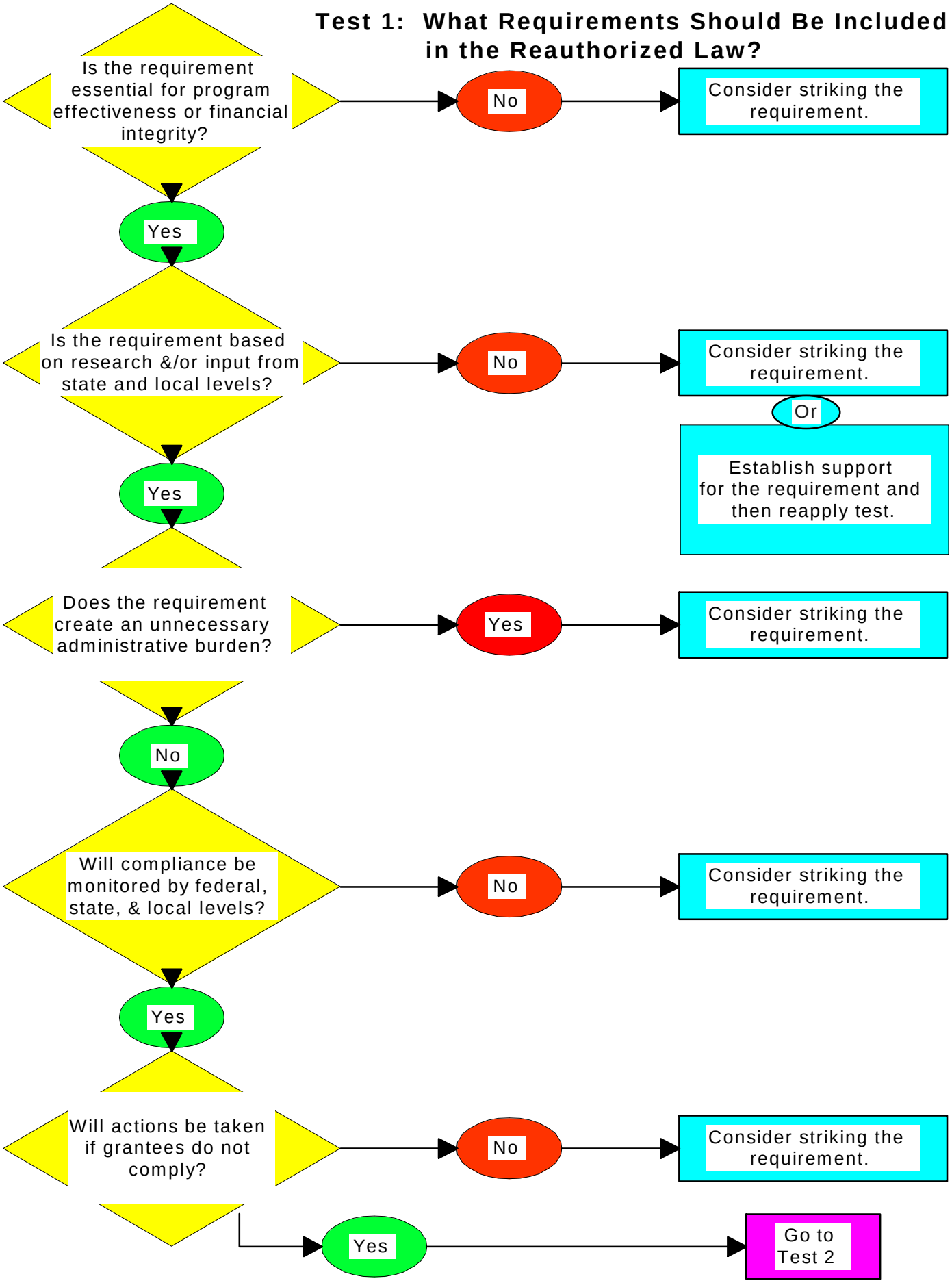
The importance of the need for clarity in the provisions contained in Titles I-XIII of the ESEA is further supported by the findings contained in an audit report our office issued in August 1997 entitled, *State and Local Education Agencies Need More Technical Assistance to Take Full Advantage of the Flexibility Provisions of Title XIV of the Improving America's Schools Act*. The audit was a "mid-term" assessment of the major flexibility provisions contained in Title XIV of the IASA. The report found a general under-utilization of the flexibility provisions by SEAs and LEAs because officials did not understand the provisions or how to implement them.

The low number of SEAs and LEAs using the flexibility provisions contained in the IASA demonstrates that the law is not sufficiently self-explanatory for them to implement the provisions without additional guidance from the Department. For example, the Department published a 16 page Q&A document to respond to questions concerning Title XIV as well as a 26 page document on the administration of schoolwide programs.

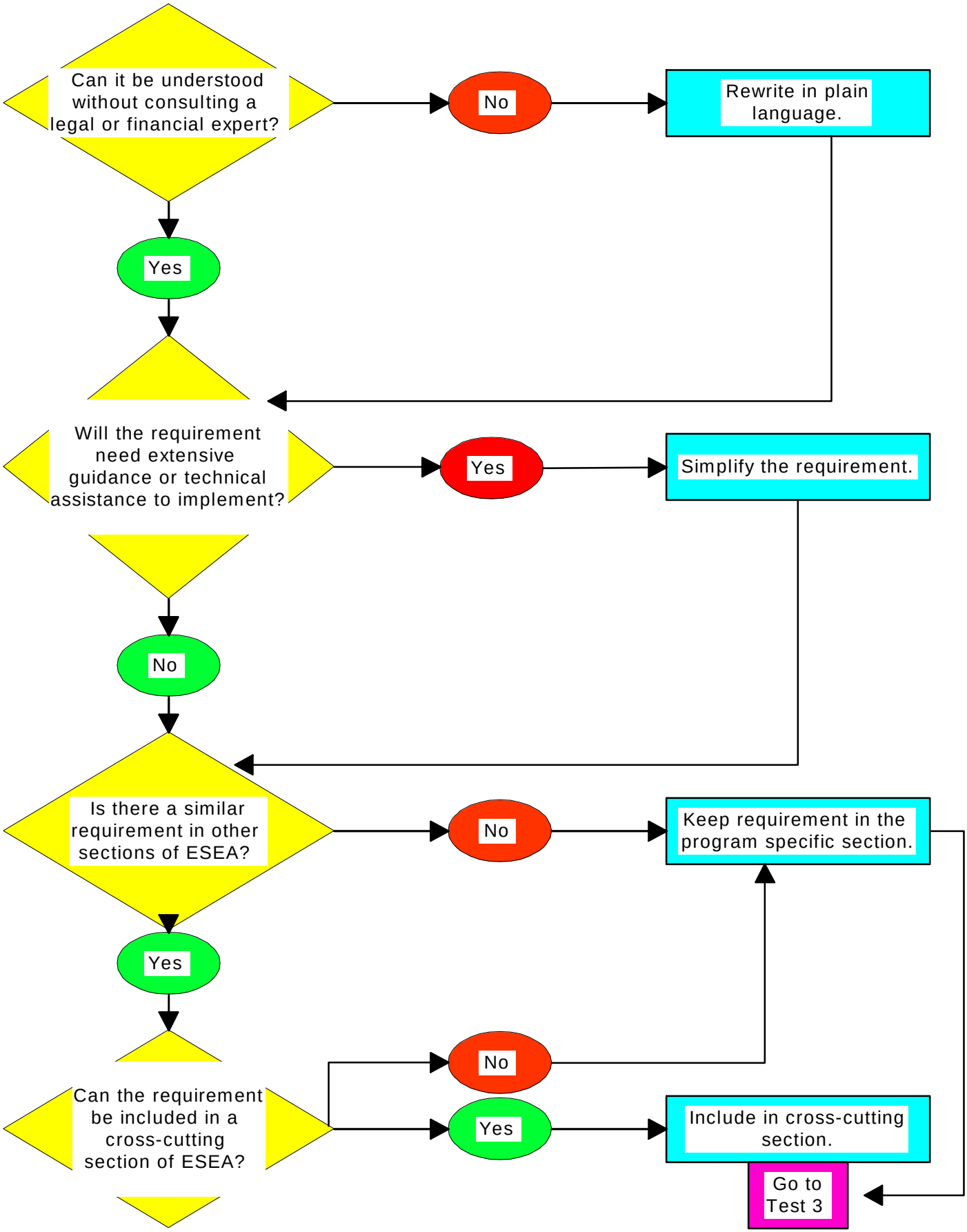
Recommendation 1:
Use common sense tests to determine needed requirements.

To ease the burden on SEAs and LEAs, the reauthorized ESEA should not require substantial clarification, but be written in plain language that is clear enough to be implemented at the state and local level without the need for extensive technical assistance. The following tests are designed to aid the Department and Congress in helping to determine the appropriate requirements to include in the reauthorized ESEA.

Test 1: What Requirements Should Be Included in the Reauthorized Law?



Test 2: Is the Law Written in Plain Language?



We believe that the uniform application of the above tests by all Department project teams and congressional staff will produce a reauthorized ESEA that will be easier for SEAs and LEAs to understand and to implement. It also should produce an ESEA that will accomplish the precise goals the Department and Congress want to achieve through the legislation. To further aid in the development of the new legislation, we recommend use of the Plain Language Action Network on the Internet **(www.plainlanguage.gov)**. This web site is part of the National Partnership for Reinventing Government and is dedicated to improving communications between the federal government and the public.

Data Validity and Reliability

The reauthorization of the ESEA provides a renewed opportunity to incorporate the purposes and goals of the Results Act into the legislation. The Department, in its Strategic Plan, 1998-2002, recognized the need for reliable data with its core strategy of providing timely and reliable information to program offices to help them manage their programs through the Education Department's Central Automated Processing System (EDCAPS). The reliability of the EDCAPS information depends upon the reliability of the data provided by the SEAs, LEAs, and others. The Department recognizes that program outcomes for education are almost always the joint results of state, local, institutional, and federal efforts, rather than of federal programs acting in isolation.

In the OIG report, *Moving Towards a Results-Oriented Organization* (September 1998), we emphasized the need for the Department to use reliable data to determine program performance and costs to operate, manage and oversee the Department's programs. The report points out that education professionals have concerns regarding the quality of some current data collection efforts.

Recent GAO reports have cited data concerns as well. One example provided by GAO[3] concerned some programs which permitted states to define the information they collect on program activities and effectiveness. The report concluded that without requirements for states to use consistent measures, the Department faces a difficult challenge in assembling reports necessary to develop a nationwide picture of program effectiveness.

[3] The Results Act: Observations on the Department of Education's Fiscal Year 1999 Annual Performance Plan (GAO/HEHS-98-172R, June 1998).

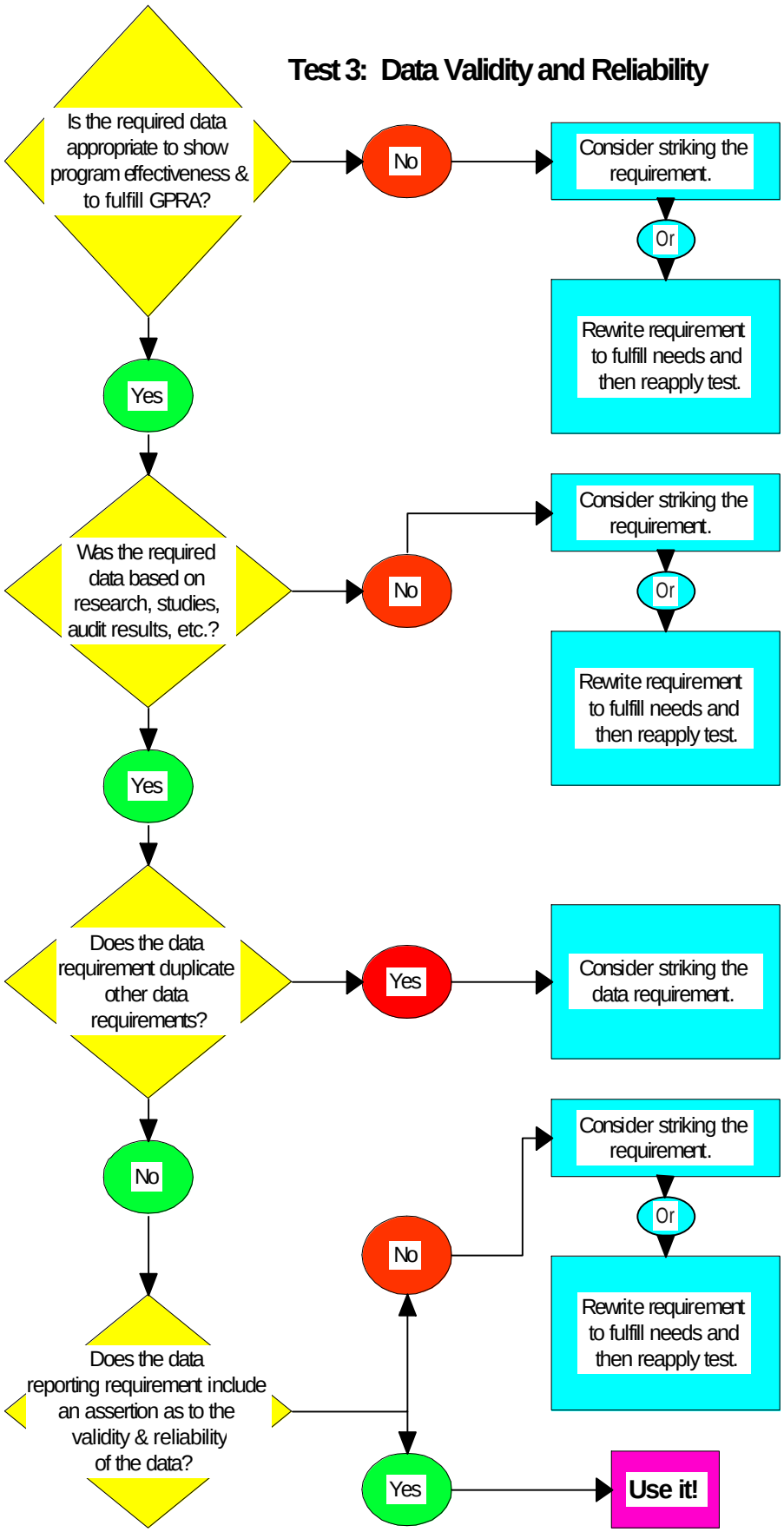
Recommendation 2:
Consider managerial assertions of data validity and reliability.

With the need for all levels to provide valid and reliable data, the reauthorized ESEA needs to require not only the compilation of data for use in determining student achievement and program effectiveness, but also should take into consideration the need to assure the validity and reliability of data from the state and local levels. To accomplish this assurance, an assertion could be considered that is similar to the management assertion required from all Department program managers under Objective 4.7 of the Department's Strategic Plan, which reads:

> *Objective 4.7: All levels of the agency are fully performance-driven.*
>
> *Performance Indicator 30:*
>
> *By 2000 all ED (Department) program managers will assert that the data used for their program's performance measurement are reliable and valid or will have plans for improvement.*

Recommendation 3:
Use a data validity and reliability test to determine valid and reliable data requirements.

We developed the following test to help determine whether ESEA data collections fulfill the need for valid and reliable data as well as the overall need of fulfilling the Results Act requirements.


Test 3: Data Validity and Reliability
Is the required data appropriate to show program effectiveness & to fulfill GPRA?
No
Consider striking the requirement.
Or
Rewrite requirement to fulfill needs and then reapply test.
Yes
Was the required data based on research, studies, audit results, etc.?
No
Consider striking the requirement.
Or
Rewrite requirement to fulfill needs and then reapply test.
Yes
Does the data requirement duplicate other data requirements?
Yes
Consider striking the data requirement.
No
Does the data reporting requirement include an assertion as to the validity & reliability of the data?
No
Consider striking the requirement.
Or
Rewrite requirement to fulfill needs and then reapply test.
Yes
Use it!

Compliance Monitoring

The reauthorized ESEA needs to answer the question: "What program oversight is needed for an ESEA that focuses on results and administrative flexibility?" (We are using the term "oversight" to refer to monitoring, technical assistance, grantee reporting requirements, audits, and evaluations.)

With the increasing emphasis on accountability for results, it is important to consider the implications of this change on the oversight of ESEA programs for the Department, SEAs, LEAs, and the schools. Should the new emphasis affect the extent of the coverage provided by each of these levels? Should there be more effort devoted to technical assistance and performance evaluations versus on-site monitoring?

The following four points reflect the changes occurring in oversight responsibilities:

(1) With the movement towards administrative flexibility and results-oriented accountability, there should be a reduction in the number of compliance requirements for each program area. For the remaining essential requirements, the performance of compliance monitoring coupled with appropriate technical assistance and enforcement measures is critical.

(2) Given the limited resources of state audit agencies and the limited coverage of single audits (because entities expending less than $300,000 in federal awards annually are not required to be audited), audits have a diminished capacity to fulfill the need for compliance monitoring.

(3) With the information now available from the Single Audit Clearinghouse, Department program managers should be able to determine more quickly and accurately the extent and nature of the audit coverage that is being provided. Thus, they will be able to develop more effective strategies for understanding compliance related issues, resolving findings, and monitoring the corrective actions of SEAs and directly funded local agencies.

(4) The Department will need to train reviewers and modify its monitoring strategies to meet the information needs of the annual performance plan it has submitted to Congress under the Results Act.

The Results Act Adds a New Oversight Responsibility

In its report, *The Results Act: Observations on the Department of Education's Fiscal Year 1999 Annual Performance Plan* (June 8, 1998), GAO concluded that the Department's 1999 performance plan under the Results Act does not provide sufficient confidence that its elementary and secondary education performance information will be credible. This conclusion paralleled findings from our review of the status of the Department's implementation of the Results Act. Our September 1998 report, *Moving Towards a Results-Oriented Organization*, noted that the most common issue raised by Department officials during the review was the availability of quality data. We found that data sources had not been found for all 930 performance indicators the Department had identified in its plan and many baselines had not been established.

Because of the large number of programs authorized under ESEA and the fact that the sources for much of the required performance information are at the state level, the need to obtain reliable performance information adds a significant new element to the Department's oversight responsibilities. To ensure the integrity of the data used for the Department's performance measurement systems, the Department or independent state agencies will need to determine whether internal controls at the state level are sufficient. To efficiently accomplish this review, the reauthorized ESEA should include the assertions described in Recommendation 2 (page 8).

OIG Review of FY 1996 Single Audits

To determine if the ESEA Compliance Supplement had achieved its purpose of informing the audit community about the IASA, we analyzed 39 state-level single audit reports, which represented all of the 1996 reports that had been received at that time by the Department. We also analyzed 34 randomly selected LEA single audits. Our review showed that the most common type of finding related to weaknesses in the oversight of ESEA programs. Of the state-level single audits, over half reported that SEA oversight of the LEAs was unsatisfactory. The specific conditions included:

- SEA program review strategies are inadequate;
- Reviews of LEAs are not documented;
- SEAs are not monitoring subrecipients for compliance with specific provisions (e.g., the supplement/not supplant rule and comparability);
- SEAs did not have procedures to ensure that required audits of subrecipients are performed;
- Findings from audits of subrecipients are not appropriately resolved; and

- Corrective actions by subrecipients are not monitored by SEAs. (Some of the ESEA related findings contained in the reports were recurring from previous years.)

Recommendation 4: Minimum standards.

The Department should establish minimum standards for SEAs in monitoring the LEA administration of ESEA programs, be it through ESEA reauthorization (e.g., within Title XIV), other legislation (such as the General Education Provisions Act), regulations, or administrative guidance. The standards should require SEAs to:

- Conduct monitoring of LEAs sufficient to ensure compliance with program requirements;
- Document the purpose, scope, and results of each oversight activity;
- Ensure that appropriate technical assistance and enforcement measures are taken when necessary;
- Systematically analyze the results of LEA audits and other oversight activities to identify trends in findings and develop monitoring and technical assistance strategies to reduce occurrences of similar problems; and
- Annually report the results of these analyses to the Department.

The cost for these required activities could be covered by revising the ESEA to include an allowance for oversight, in addition to current administrative allowances.

Recommendation 5:
Developing an effective system for monitoring SEAs.

The Department should consider ways it can play a stronger role in ensuring ESEA program integrity. Its oversight system of the future should:

- Ensure compliance with the program requirements and the achievement of program results;
- Integrate on-site program reviews, audits, technical assistance, reporting, and evaluative studies;
- Emphasize follow-up of corrective actions, including recommended improvements and enforcement measures when necessary;
- Take into account SEA analyses of LEA single audit findings;
- Satisfy the data reliability requirements of the Results Act and the Department's annual performance plans; and
- Hold SEAs accountable for developing and implementing oversight strategies that meet the five criteria listed above.

Compendium of Pertinent OIG Audit Results and Recommendations

Issued Reports:

Safe and Drug-Free Schools: Increasing Accountability and Preserving Flexibility, ACN: 03-80001. December 21, 1998.

State and local educational agencies need more guidance or technical assistance to maximize the impact of their programs under the Safe and Drug Free Schools and Communities Act (SDFSCA). This report summarizes our review at the federal program office, 4 States and 26 local educational agencies. As a result of this fieldwork, we found that:

(1) The Federal and States' application review process generally complies with the Act.

The Department's SDFS application process improved from the interim program year 1995/96 to the year under review 1996/97. These improvements resulted in stronger management controls during the application review process and additional technical assistance to States. As a result, States' applications approved by ED include outcome-based performance indicators for the SDFS program.

Although the States we reviewed have a process for reviewing LEA applications, the process needs improvement. States have not assured that LEAs have outcome-based performance indicators. In three of the four States reviewed, the performance indicators developed by most LEAs were output-based, and did not measure program effectiveness.

(2) Funds are properly distributed to States and LEAs.

The Federal program office distributed SDFS grants to all four States in accordance with the statute. States were also allocating grants to LEAs in compliance with the law. Expenditures we reviewed at States and LEAs were supported and consistent with the applications and program objectives.

Although all districts incurred administrative expenses in operating the program, large and small districts differed in the amount of administrative burden associated with their SDFS program. Requiring districts to submit applications each year added to the burden. There is a considerable effort by the LEAs to have comprehensive programs. Many are using local funds to supplement their programs.

(3) Some LEAs do not plan their SDFS activities to address their needs.

One State visited did not require the LEAs to prepare a comprehensive plan for drug

and violence prevention, including how SDFS funds would be spent to meet its measurable goals and objectives. As a result, LEAs visited that did not have a comprehensive plan appeared to be unclear as to the direction of the SDFS program and the best use of the funds.

(4) LEAs should be accountable for greatest needs funding.

The States we reviewed were properly allocating greatest need funds to LEAs. However, the Act does not contain provisions which are specific as to program effectiveness and greatest need. The four States reviewed did not provide any guidance to the LEAs as to how funds were to be spent. LEAs generally did not distinguish their greatest need funds from regular SDFS funds. Greatest need funds were used to expand the services that were provided by using the regular SDFS funds.

To address the conditions we found, the Assistant Secretary of OESE should:

1. Continue to provide technical assistance/guidance to States and LEAs, building on the assistance provided by the Principles of Effectiveness.

2. Issue guidance to clarify that States can accept multiple-year applications from LEAs.

3. Consider during deliberations on reauthorization changes to the Act to incorporate provisions that will require LEAs to include in their application, a comprehensive plan, with a detailed description of SDFS program services and activities. This plan should be aligned with the LEAs' measurable goals and objectives and include milestones.

4. Consider during deliberations on reauthorization changes to the Act to clarify that States can award greatest needs funds for the same multi-year period as regular SDFS funds.

5. Consider during deliberations on reauthorization changes to the Act to permit States to consider LEAs' planned activities, and the effectiveness of their completed activities, as a criterion in awarding greatest needs funding.

6. Consider during deliberations on reauthorization changes to the Act to permit States to consider the performance of LEAs receiving greatest need funds as a criterion for continued funding.

Charter School Accountability for Federal Education Requirements, Action Memorandum No. 98-05. September 1998.

We generally found that SEA and LEA oversight of charter schools was as rigorous as their oversight of other public schools. However, we found that education officials at the state and local levels were not administering the Public Charter Schools Program (Title X, Part C, ESEA) in accordance with certain federal requirements due to weaknesses in the Department's procedures for providing SEAs and LEAs with guidance and technical

assistance regarding requirements for program participation.

Recommendations:

The Department should complete development of and implement a monitoring strategy that will ensure that recipients of program funds comply with federal education requirements.

Department officials should continue their efforts to develop an operational definition for the term "lottery" and disseminate this information to SEAs.

The Department should monitor the SEAs compliance with the requirements of Section 10306(2) of the ESEA. The Department should also examine the role for-profit companies play in charter schools to ensure that the education of students has top priority.

The Department should implement procedures to monitor SEAs for compliance with Section 10302(d) of the ESEA. The Department should respond accordingly to any instances of noncompliance.

The Department should establish and implement a policy on the allowability of charter schools using program funds for capital improvements. The Department should implement procedures to ensure that grantees and subgrantees are informed about EDGAR requirements.

Department officials should develop operational definitions for the terms "planning" and "implementation" and disseminate this information to SEAs. The Department should require SEAs to structure subgrants to schools to identify planning and implementation activities and explain how these satisfy the 18-month/2-year provisions.

The Department should consider recommending an amendment of the program statute to require the recipients to ensure that their recruitment, selection, admission, and counseling procedures ensure that educational offerings are effectively publicized and made available to the entire community.

ED should review ESEA provisions that have resulted in paperwork burdens and determine if any could be revised to make ESEA programs more accessible to small LEAs and schools.

Moving Towards a Results-Oriented Organization, ACN: 17-70007. September 1998.

The Department has prepared a strategic plan and an annual performance plan for fiscal year 1999. The Department has distributed those plans and established a reporting system on progress with the objectives in the strategic plan. However, during our audit, we identified issues similar to those raised by GAO: the need to establish a results-oriented culture; the importance of senior leadership involvement; the challenging nature of measuring the federal contribution; and the importance of the information being used by the federal agencies and Congress in decision-making. To address these issues and effectively implement the Results Act, the Department needs to take additional steps. We recommend that the Department reassess its reporting systems to the Secretary and Deputy Secretary, increase senior

leadership visibility, and work with Congress to enact any needed changes to program legislation.

As required by the Results Act, the Department has designed a framework for the verification and validation of its performance indicators. The Department now needs to finalize and implement a process for assembling the data and analyzing that data, and preparing the performance report. To ensure accurate and fair reporting, the Department needs to establish controls over the analysis and reporting of performance indicators in this performance report.

To effectively implement the Results Act, the Department will need valid, reliable, and timely data about program performance. However, in some cases, the Department lacks such information. Obtaining quality data will warrant consideration by the Department as it continues to implement the Results Act.

Comments from State Auditors Relating to Reauthorization of the Elementary and Secondary Education Act and the Compliance Supplement, Memorandum. September 1998.

The memorandum reported the results of a May 1998 OIG survey of State auditors. In general, the survey asked state auditors for comments and recommendations for the U.S. Department of Education and Congress to consider during the upcoming reauthorization of the ESEA. It also asked specifically about the provisions in the IASA that were intended to provide SEAs and LEAs greater flexibility in administering ESEA programs, e.g. had the provisions caused auditors any difficulties, brought to light inconsistencies between these provisions and state accounting and reporting requirements, or prompted challenges to audit findings. Auditors from 7 of the 24 states that responded to the survey reported that they had encountered difficulties.

We also learned from the survey that, overall, State agencies are not systematically analyzing the results of LEA audits to identify trends in findings and to develop monitoring and technical assistance strategies to reduce occurrences of similar problems.

Following Title I, Part A and Secondary School Vocational Education Program Dollars to the Schools in 36 LEAs Visited, ACN: 04-70012. June 1998.

Our report shows that in school year 1996-1997, an average of 92 percent of Title I, Part A and an average of 95 percent of Vocational Education dollars used by the 36 LEAs reached the schools. The majority of the Title I, Part A funds were used to support the salaries and benefits of personnel directly related with school activities. For the Secondary School Vocational Education Program, the majority of the dollars were used to support salaries and benefits and to purchase materials and equipment for the schools.

SEAs and LEAs Need More Technical Assistance to Take Full Advantage of the Flexibility Provisions of Title XIV of the Improving America's Schools Act, ACN: 04-70001. August 1997.

SEAs and LEAs need more guidance or technical assistance to take full advantage of the

flexibility provisions of Title XIV of the Improving America's Schools Act. LEAs did not always know about or have sufficient guidance to implement the Title XIV provisions.

Recommendations:

For the Department:

1. Issue guidance on the consolidation of administrative funds and use of unneeded funds.

2. Improve technical assistance relationships with each SEA individually.

3. Evaluate the effectiveness of its actions to increase SEA and LEA awareness and understanding of the Title XIV provisions.

For SEAs:

1. Work to ensure better distribution of information about the Title XIV provisions to LEAs.

2. Provide technical assistance to LEAs on use of the Title XIV provisions.

For LEAs:

1. Where needed, work to avail themselves of guidance and technical assistance provided on Title XIV to obtain a better understanding of the flexibility provisions.

2. Work to improve communications within LEAs, among LEAs, the SEAs and the U.S. Department of Education to better understand the Title XIV flexibility issues.

Review of Monitoring Controls Used to Ensure Fulfillment of Title VII Bilingual Education Grant Program Objectives, ACN: 04-60152. June 30, 1997.

Our audit identified a need for improving the grant control environment to include additional monitoring by OBEMLA and the SEAs. Without monitoring, officials cannot ensure that:

(1) bilingual program objectives are being met;
(2) Title VII grant dollars are being used appropriately by grant officials and project directors; and
(3) grants are fulfilling the Department's capacity-building policy to assure that the schools can continue to offer bilingual education after federal assistance is reduced or eliminated.

Recommendations:

The Director of OBEMLA should work with appropriate officials to:

1. Develop revisions to Title VII of the IASA during the 1999 Reauthorization to clarify the

need and requirement for federal level monitoring reviews of grants, including appropriations as needed.

2. Prior to the 1999 Reauthorization, develop and implement a monitoring program to provide for thorough on-site reviews of Title VII grants and thorough documentation of monitoring results.

   The monitoring program should include:

   (1) Documentation of telephone calls and decisions made based on the calls and inclusion of results in the working and official grant files.
   (2) Development of a central mechanism to provide results from monitoring reviews and decisions made from telephone calls.

3. Collaborate with Title VII State Grant Program grant recipients to increase consultation with LEAs to enhance the effectiveness of Title VII grant awards and provide an additional source of compliance oversight.

4. Conduct a thorough monitoring review of the Grant TX(1) (Houston Independent School District-Mark Twain Elementary School). Document review results to support either terminating or continuing the grant.

Letter to Representative William H. Zeliff, Jr. Concerning Drug-Free Schools and Communities Act (DFSCA). February 1996.

Using a sample of nine LEAs in eight states nationwide, we visited with each DFSCA program coordinator. Our review included the following results:

- All nine LEAs had program elements that clearly discouraged drug use. All nine LEAs had programs that included aspects other than drug avoidance, such as improving self-esteem, conflict resolution, and improving social behavior.

- Eight of nine LEAs solicited suggestions from the community in developing their DFSCA Program.

- Five of the nine LEAs received significant amounts of state and local funding for drug-free activities. The amounts ranged from $850,000 to $2.4 million.

- Five of the eight states allocated DFSCA funds among their LEAs in such a manner that some districts received less than $150. Four of the eight states allocated less than $50 of DFSCA funds to some LEAs.

Glossary

1. CAROI - Cooperative Audit Resolution and Oversight Initiative.

   CAROI serves as a collaborative method to provide alternative and creative approaches to resolve audit findings as well as their underlying causes. The states and the Department work together to help solve recurring problems identified in single audits as well as audits from the OIG. The goal of CAROI is to improve education programs and student performance at state and local levels through better use of audits, monitoring, and technical assistance. The Department has entered into cooperative agreements to resolve outstanding single audit findings with Florida, Mississippi, Pennsylvania and Washington. In early 1999, the Department plans to publish a CAROI handbook entitled, *Discovering New Solutions Through Cooperative Audit Resolution: A Guide*.

   For further information on the Department's CAROI activities, please refer to the CAROI Home Page at **www.ed.gov/inits/CAROI.**

2. Single Audit - The Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156 were enacted:

   (1) to improve the financial management of state and local governments with respect to federal financial assistance programs;

   (2) to establish uniform requirements for audits of federal financial assistance provided to state and local governments;

   (3) to promote the efficient and effective use of audit resources; and

   (4) to ensure that federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to the Single Audit Act.

   Non-federal entities that expend $300,000 or more in federal awards in a year shall have a single audit conducted in accordance with OMB Circular A-133 except when they elect to have a program-specific audit conducted.

   ESEA Compliance Supplement - The ESEA Compliance Supplement is the audit guide for single audits of ESEA programs at the state and local levels. The ESEA Compliance Supplement is part of a much larger Compliance Supplement issued by OMB which covers single audits of all federal programs.

   For information on current single audit reports, please refer to the Federal Audit Clearinghouse web site at **harvester.census.gov/sac.**

3. Program Coordination Reviews (PCRs) - PCRs are designed to examine the implementation of federal education programs as a coherent set of funding efforts that link with each other and support state and local reform efforts to improve the performance of all students. PCR teams are made up of representatives of the Department's various program and staff offices. The Department continues to evaluate its approach of conducting reviews to ensure that the Department serves the needs of the state and local levels.