

An Audit Report on the

Texas Education Agency's Monitoring of School Districts

March 2002

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Key Points of Report

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Overall Conclusion

Increased agency-level planning, coordination, and information management for its monitoring function could enable the Texas Education Agency (Agency) to resolve long-standing monitoring problems. This increased effort would allow the Agency and other public education stakeholders to realize more of the benefits of the Agency's significant monitoring efforts. Information compiled with a central perspective and monitoring direction at the executive level, rather than at the division level would allow the Agency to better identify risks and systemic problems in districts' delivery of educational services. It would also allow the Agency to allocate limited monitoring resources accordingly.

Eleven Agency divisions spend \$8 million annually to conduct many different types of monitoring of more than 150 different state and federal programs. The Agency is responsible for monitoring more than 1,200 school districts' and charter schools' use of \$14 billion in state and federal funds to educate 4 million students.

Key Facts and Findings

- The Agency cannot easily provide public education stakeholders with certain comprehensive monitoring information because it does not compile or consistently track monitoring results. It also does not use comprehensive monitoring information to identify risks of noncompliance or poor program quality and allocate resources accordingly.
- The agencywide monitoring plan does not include agency-level planning and coordination of the monitoring function and resources. The current plan inventories division-level monitoring achievements, which limits its usefulness as a decision-making tool.
- The risk assessment system for District Effectiveness and Compliance (DEC) monitoring may not accurately identify the highest risk districts. The system lacks documented technical procedures for compiling final results, and there is no evaluation of the system's effectiveness in identifying risk.
- DEC on-site monitoring processes may not ensure an accurate assessment of a district's compliance with state and federal requirements or of the quality of services the district provides. The processes also could be improved to require consistent verification of districts' corrective actions.

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Executive Summary

Increased agency-level planning, coordination, and information management for its monitoring function could enable the Texas Education Agency (Agency) to resolve long-standing monitoring problems. This increased effort would allow the Agency and other public education stakeholders to realize more of the benefits of the Agency's significant monitoring efforts.

Eleven Agency divisions spend \$8 million annually to conduct many different types of monitoring of more than 150 state and federal programs. The Agency is responsible for monitoring more than 1,200 school districts' and charter schools' use of \$14 billion in state and federal funds to educate 4 million students. To fulfill this responsibility, the Agency conducted more than 1,000 on-site visits at over 700 districts during the 2000-2001 school year.

However, the Agency is not currently compiling important monitoring information or efficiently allocating resources. The Agency also does not ensure that its monitoring efforts address the highest-risk districts or improve district compliance, service delivery, and management of state and federal funds. These problems limit the Agency's ability to fulfill its mission of building the capacity for excellence and accountability in public education. The problems can best be resolved with centralized, executive-level perspective and direction.

Since 1996, the State Auditor's Office has recommended the following monitoring improvements (see Appendix 2):

- Develop an agencywide plan for monitoring that outlines a consistent, systematic approach to monitoring significant compliance requirements (SAO Report Nos. 01-555, 00-555, and 99-555).

- Improve Agency oversight of monitoring activities to ensure effective monitoring, resource allocation, and information sharing (SAO Report No. 00-555).
- Coordinate the monitoring efforts of Agency divisions (SAO Report No. 98-021).
- Establish a unified approach to internal information management (SAO Report Nos. 97-024 and 98-021).
- Share information across divisions (SAO Report Nos. 01-555, 00-555, 99-555, 98-021, and 96-072).
- Use risk-based methods to allocate resources (SAO Report No. 99-555).
- Improve monitoring procedures to ensure effective monitoring (SAO Report No. 99-555).
- Collect and track results from site visits (SAO Report Nos. 00-555 and 99-555).
- Complete Bilingual Education monitoring as required by law (SAO Report Nos. 98-021 and 96-072).
- Document monitoring visits sufficiently (SAO Report No. 01-555).

In response to these audits, the Agency developed and implemented a number of changes. The Agency established the Agencywide Planning Committee and developed an agencywide monitoring plan. Program and monitoring staff developed risk-based systems to select districts for most on-site visits. The Agency is implementing a monitoring scheduling system and is planning an agencywide monitoring database to track information from all divisions with monitoring responsibilities. The Agency has worked diligently to improve its monitoring function but has been hampered by continuing weaknesses in agency-level planning, coordination, and information management.

Executive Summary

Increase Agency-Level Planning for Monitoring; Develop and Report Comprehensive Monitoring Information

The current agencywide monitoring plan (Plan) does not provide for high-level analysis and coordination of the monitoring function and resources. It inventories division-level monitoring achievements and future plans. It does not include a monitoring purpose linked to the agency mission or monitoring definitions and standards. The Plan also lacks time lines to achieve objectives and a process for evaluating agency monitoring and resource allocation.

The Plan does not define or call for information that the Agency needs to ensure effective monitoring and that public education stakeholders need to make decisions about districts.

Information about district compliance, quality of services, and spending of state and federal funds is stored across the Agency in different formats and levels of detail. Program administration staff, who work with districts to implement programs, do not have comprehensive information about districts' monitoring results or the status of corrective actions. Composite views of monitoring results by individual district, including the district's total spending of its grants, are not available. As a result, the Agency does not use comprehensive monitoring information as a management tool.

Reviewing monitoring results by individual district, by peer groups, and statewide by district or program would allow the identification of systemic trends and problems so the Agency could more effectively allocate its limited resources. It would also allow the Agency to determine if correlations exist between monitoring results and key performance measures. Such correlations could allow the Agency to

identify needed improvements in a district's delivery of educational services.

Improve Risk Assessment Systems for Selecting Districts to Monitor

The risk assessment system for District Effectiveness and Compliance (DEC) monitoring lacks documented technical procedures for selecting districts for on-site monitoring and for recording changes to the monitoring schedule. Without these procedures, risk assessments may not accurately identify the highest-risk districts.

The Accountability Development and Support Division, which developed the risk assessment system, does not compare the results of on-site monitoring to the results of the risk assessment to verify a risk assessment's effectiveness. Because there is no formal analysis of risk indicators, the division cannot be sure it selects districts that are most at risk of noncompliance.

Improve Processes Used to Plan and Conduct District Monitoring

Monitoring processes may not ensure an accurate assessment of a district's level of compliance with state and federal requirements or the quality of services that a district provides. The following issues decrease the consistency and effectiveness of the Agency's monitoring efforts:

- The Agency notifies districts at least nine months in advance about planned on-site visits and the information monitors will review.
- Staff time is not used efficiently during on-site visits.
- Monitoring procedures lack specific detail to ensure consistent compliance determinations.
- Monitors do not consistently follow up on the implementation of approved district corrective action plans.

Executive Summary

As a result of these issues, the Agency is not optimizing its limited monitoring resources, and it cannot ensure that students are getting the intended benefits of the educational programs.

Summary of Management's Responses

The Agency generally agrees with our recommendations and reports that it is already conducting many of the activities called for in this report.

Summary of Objective and Scope

The objective of this audit was to evaluate the Agency's monitoring function. The evaluation included an examination of the monitoring functions for discretionary grants, accountability evaluations, financial administration, and special education. The audit team also assessed the Agency's use of information resources and the status of the Agency's Plan. For this audit we reviewed all types of monitoring conducted by the

Agency but focused on the three types of monitoring that cover the greatest amount of state and federal funds:

- DEC and special education monitoring of major state and federal formula grants.
- Discretionary grants monitoring of state and federal discretionary grants.
- Financial monitoring of district and charter schools' independent financial audits and of Education Service Centers' regular audits.

The Accountability Evaluations Division conducts DEC visits; the Grants Administration Division is responsible for selecting the districts to be monitored by contract monitors for discretionary grants; and the School Financial Audits Division conducts financial monitoring of district and charter schools' independent financial audits and of ESCs' regular audits.

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Increase Agency-Level Planning for Monitoring; Develop and Report Comprehensive Monitoring Information

Increased agency-level planning, coordination, and information management for its monitoring efforts could enable the Texas Education Agency (Agency) to resolve long-standing monitoring problems. This increased effort would allow the Agency and other public education stakeholders to realize more of the benefits of the Agency's significant monitoring efforts. Realizing the full value of the monitoring information the Agency collects can best occur with centralized perspective and direction at the executive level rather than at the division level where the monitoring function resides.

The Agency could use comprehensive monitoring information to focus its limited monitoring resources on the districts and programs that most need review. It could also use such information to respond to legislative and public inquiries. Divisions could use the results of monitoring visits to improve risk assessments and advise Regional Education Service Centers on what types of technical assistance districts may need.

The responsibility for monitoring currently is split among 11 divisions of the Agency (see Appendix 3). In response to reduced staffing and audit recommendations, the Agency separated on-site monitoring from program management for many state and federal programs and grants. This organizational change decreased the amount of communication between program administrators and program monitors, which limits the use of monitoring information as a management tool.

Section 1-A:

Expand Agency-Level Planning and Coordination to Improve the Agency's Monitoring Function

The Agency's planning for its monitoring function does not include sufficient high-level cost-benefit analyses or coordination across the Agency to allocate limited resources effectively. Increased centralized planning could help the Agency fulfill its

Agencywide Monitoring Plan Goals and Strategies

In 2000, the Agency developed a monitoring plan with two goals and supporting strategies.

Goal 1 - Develop a comprehensive, agencywide system of monitoring that includes risk-based and cyclical reviews. Develop and implement:

- Risk indicators to identify schools at high risk of noncompliance.
- Procedures for selecting cyclical reviews and identifying schools to monitor.
- Procedures for conducting risk-based and cyclical on-site visits and/or desk reviews.
- Procedures to evaluate risk indicators, selection criteria for cyclical reviews, and the effectiveness of the Agency's Plan.

Goal 2 - Improve sharing of monitoring information among divisions.

- Include all divisions with monitoring responsibilities in needs assessment, planning, implementation, and evaluation of the Plan.
- Develop methods to formalize information sharing among divisions.

monitoring responsibilities to ensure that school districts provide educational programs in accordance with federal and state statutes and regulations.

The agencywide monitoring plan (Plan), which is one aspect of the Agency's planning efforts (see text box),

inventories division-level monitoring achievements and future plans by strategies. It calls for the development of an agencywide monitoring information system, and includes a provision for evaluating the Plan. The Agency developed the Plan in response to a 1998 State Auditor's Office finding that the Agency might not detect serious noncompliance because it lacked an overall plan for effective monitoring and allocation of limited resources. However, the Plan lacks key components that would allow it to serve as a management tool for achieving the Agency's monitoring goals and for aligning resources with those goals. For example, it does not include the following:

- Overall objectives, priorities, and purpose for the Agency's monitoring function or time lines for their achievement.
- Cost-benefit analysis or other analysis to determine whether resources are allocated efficiently.
- Guidance for monitoring that occurs as part of ongoing program and fiscal grant administration.
- Procedures for addressing high-risk districts that do not receive on-site monitoring visits. (During the 2000-2001 school year, although the Grants Administration Division visited only 36 of the 180 highest risk educational entities, there were no standard procedures to address risk at the 144 high-risk entities not visited.)

Although the Agency conducted more than 1,000 on-site reviews during the 2000-2001 school year, Agency data shows it did not meet the following cyclical monitoring requirements:

- Monitor special education every six years. More than 40 districts have not had a special education review in at least 10 years, and 63 have not had a review in at least six years. In 1996-1997, the Agency made an agreement with the U.S. Department of Education to monitor all districts every six years.
- Monitor bilingual education every three years. More than 400 districts have not received a bilingual education review within the past three years as required by Texas Education Code (see Appendix 4). So that the Agency could complete other monitoring during the school year, it conducted almost all of the bilingual education visits during the summer when few students were present.
- Monitor number of reported students and textbooks. The Agency did not complete any textbook audits during the 2000-2001 school year. As of October 2001, it had not finished audits of 1998-1999 attendance data. Through textbook and attendance audits, the Agency identifies school districts that have received excess state funds due to over-reporting enrollment and textbook quantities. According to staff, the Agency reclaimed more than \$4 million from one school in 1998-1999.

Although required by law, performing cyclical visits for more than 1,200 school districts may not be the best use of limited monitoring resources given that only 148 districts enroll almost 75 percent of the state's students. To fulfill the requirement

to conduct bilingual education visits every three years, the Agency would have to visit almost 400 districts and charter schools each year.

Recommendations:

The Agency should conduct high-level cost benefit analyses and coordination to achieve its monitoring goals in a timely manner with its limited resources.

The Agency should complete the Plan by developing the following:

- Overall agency monitoring purpose, objectives, and standards.
- Provisions and analyses to set priorities and effectively allocate Agency monitoring resources.
- Definitions of the different types of activities that fall within the monitoring function.
- Responsibility and target dates for the Plan's implementation.
- Responsibility and a cyclical schedule for evaluation of the implementation of the Plan and of the Agency's monitoring function.
- Inclusion of all divisions with monitoring responsibilities and all types of monitoring in each strategy.
- Guidance on how the 11 divisions with monitoring responsibilities should gather and share information until the agencywide monitoring database is available.

The Agency should perform cyclical visits as required by law. To accomplish this requirement, the Agency could conduct less comprehensive visits at certain districts. The Agency could use a risk assessment to identify these districts and combine the less comprehensive reviews with other on-site monitoring visits.

Management's Response:

In the span of less than three years, the Agency has completely revised its processes for identifying school districts and charter schools for on-site monitoring visits. Specifically, the Agency has developed and implemented a comprehensive system for monitoring school district and charter school compliance with federal and state laws relating to special education and other special programs. The Agency's monitoring system provides for ongoing analysis of district and charter school data in thirteen separate program areas including bilingual education; career and technology education; emergency immigrant education; gifted and talented education; migrant education; optional extended year education; state compensatory education; Title I, Part A; Title I, Part D, Subpart 2; Title II – Eisenhower; Title IV – Safe and Drug-Free Schools and Communities; Title VI – Innovative Education; and special education. The Agency also analyzes data obtained through the investigation of complaints and due process hearings filed with the Agency concerning special education services. This analysis of data, or risk-based analysis, is conducted in

accordance with the methodologies developed as part of the Agency's Program Analysis System (PAS) and Special Education Data Analysis System (DAS).

The Agency's on-site DEC monitoring system is based on a system that was originally devised in 1996 as part of a settlement agreement in a federal lawsuit brought against the Agency alleging that the agency's monitoring of school district compliance with federal and state special education laws was inadequate (the "Angel G. Lawsuit"). At that time, the Agency developed a six-year cycle for conducting an on-site visit to every school district in the state by the end of the 2001-2002 school year. That system was implemented as planned from 1996-1997 through 1998-1999.

During the 1997-1998 school year, the Agency began the development of a new system for analyzing district and charter school special education data and using the results of that analysis to select districts and charter schools for on-site visits. The Agency piloted that system with 15 school districts in Spring 1999. During the 1999-2000 and 2000-2001 school years, the Agency implemented a dual system of data analysis for all specials programs resulting in the identification of districts and charter schools for on-site monitoring reviews. Certain districts and charter schools were visited as planned under the six-year cycle adopted in 1996. Another set of districts and charter schools were visited based on PAS, DAS, and special education complaints.

Between 1999-2000 and 2000-2001, the Agency made a number of revisions to the PAS and the DAS. These revisions were designed to make the PAS and the DAS more valid and accurate systems for analyzing district-level data. The Agency continues to be engaged in the process of reviewing and revising the data elements in the PAS and DAS as part of its commitment to support the continual improvement of education services for students across the state.

In addition to the development of the PAS and the DAS, the Agency has, in accordance with House Bill 2172, enacted by the 76th Texas Legislature in 1999, developed and implemented a system for determining and reporting the Special Education Compliance Status ("SpECS") of every school district and charter school in the state. The SpECS of each district and charter school is reported annually and is one of the considerations of the Agency in determining the district's or charter school's accreditation rating.

Monitoring resources are limited and must be allocated thoughtfully and deliberately to fulfill all of the Agency's monitoring responsibilities. The Agency agrees that cost benefit analyses are important when resources are limited and conducts them in conjunction with its annual budget process and biennial legislative appropriations request. The Agency agrees to continue analyzing the cost benefit for monitoring.

The Agency agrees that the Plan to provide centralized oversight of all of the monitoring functions should be expanded and completed. The Plan calls for review of the implementation process. With the publication of the recommendations in this report, the Agency will evaluate and revise the Plan to incorporate the elements cited by the SAO. Initial planning for this evaluation and revision has already begun, and the revision is expected to be completed by the end of the current fiscal year.

The Agency also agrees that cyclical monitoring visits as currently required by statute must be conducted. The Agency will evaluate the potential use of less comprehensive visits at certain districts while weighing the obligation of the Agency to ensure an accurate assessment of a district's compliance with state and federal requirements and the quality of services a district provides. This evaluation could include the exploration of other types of monitoring in place of on-site visits.

The Agency would also like to clarify that it agrees with the importance of textbook audits and attendance data audits and to provide assurances that these activities will be conducted. Resources were temporarily reallocated to meet a significant increase in on-site charter school visits as the number of charter schools increased from the original 20 to nearly 200.

State Auditor's Follow-Up Comment:

The cost-benefit analyses that the Agency performs in conjunction with its annual budget process and biennial legislative appropriations request are not specific to monitoring conducted by all 11 Agency divisions. The Agency does not specify how it will analyze the costs versus benefits of different types of monitoring and how it will coordinate its efforts to achieve its monitoring goals in a timely manner with limited resources.

While the Agency has made substantial progress, it has been slow to fully implement recommendations from previous audits. In response to *The Report on the 1998 Financial and Compliance Audit Results*, the Agency stated that "a comprehensive monitoring plan will be developed that not only ensures compliance, but also makes the most effective and efficient use of limited Agency resources. Our goal will be to implement the comprehensive monitoring plan in the 2000-2001 school year."

Section 1-B:

Develop and Report Important Monitoring Information to Agency and to Public Education Stakeholders

The Agency realizes that comprehensive monitoring information is important, but it has not designed steps to compile and use the information as a management and planning tool. By compiling monitoring information, the Agency could review complete monitoring results to evaluate a district's compliance, service delivery, and total spending of state and federal grant funds. The Agency could share this information with stakeholders.

In a 1998 audit and in subsequent audits the State Auditor's Office found that the divisions with monitoring responsibility were not sharing information gained from their monitoring efforts. The Agency responded by including in its Plan an agencywide monitoring database to be completed by the Fall of 2001. As of September 2001, the Agency had completed part of the scheduling component of the monitoring database, but it had not begun developing a system to collect, track, and report monitoring results agencywide. Monitoring information is currently stored across the Agency in different formats and levels of detail, making it difficult for different program staff to access and use the monitoring information.

Electronic Information

Electronic monitoring information is not readily accessible to the Agency as a whole. Divisions store information in separate locations with limited access to staff outside the division.

Both our August 1996 and December 1998 reports made recommendations to correct inconsistent data definitions and fragmented information-systems planning and coordination. While some progress was made, there are still no standards for all divisions to follow for developing and maintaining information. For example, the Accountability Evaluations Division uses inconsistent formats to record dates for the eight types of on-site monitoring it conducts, making it difficult to determine a district's monitoring history.

Hard Copy Information

Most divisions do not track monitoring results electronically. For example, Accountability and Evaluations conducted accreditation visits during the 2000-2001 school year at 72 campuses that had low performance ratings because of poor test scores and high dropout rates. Information collected on these visits is kept as hard copy reports. While program administrators have access to the reports for information about a specific visit, they do not receive comprehensive information about a district and across districts, such as noncompliance types and trends, risk assessment results, and the status of corrective action plans.

The Agency does not compile and use financial information to identify high-risk districts. During the 1999-2000 school year, districts, charter schools, and other entities did not use \$303.9 million (16 percent) of the total \$1.9 billion in state and federal awards. Several of these entities were not able to spend from 30 percent to nearly 100 percent of the funds they were awarded for educational services. There are legitimate reasons for an entity not to spend all of its annual state and federal grants within the award year, and these unspent funds may be available for use in the future. However, by compiling this type of information, the Agency could use it to identify potential organizational or management problems that need to be corrected in order to provide funded educational services in a timely manner.

By reporting combined monitoring results by district or by program, the Agency could identify high-level risks and systemic problems that are not visible at the single program level. The Agency could also identify trends and relationships among peer districts and across the state to clarify weaknesses, highlight best practices, and more clearly define monitoring goals and resource allocation. Additionally, the Agency could easily respond to inquiries from school districts, parents, legislators, and other public education stakeholders with timely and useful monitoring information in reports such as:

- A monitoring snapshot and history of an entire district for all state and federal programs.
- An analysis of peer group and statewide trends in compliance, service delivery, and spending—by district or by program.

- A comparison between a district's overall monitoring results and its accountability rating.

Recommendations:

The Agency should:

- Ensure that planning for a monitoring information system includes the data elements and reporting capabilities necessary to maximize the value of the Agency's monitoring efforts.
- Require monitoring divisions to collect monitoring results and status of corrective actions in monitoring systems accessible to all program and fiscal grant managers.
- Develop and implement standard monitoring data definitions and formats for all monitoring divisions to allow easy data interface for combined reports.
- Develop a reporting system for combined grant expenditures by district to allow monitoring of overall district spending of state and federal funds.

Management's Response:

The Agency acknowledges the need for a centralized, electronic information tracking system and is currently in the process of developing a more comprehensive system. This is an ongoing process that, as with any major automation project, will take several years to complete. In the interim period, several actions have been taken by the Agency. For example, all completed reports from on-site visits have been moved to a shared drive accessible to all Agency employees. In addition, aggregation of monitoring results is occurring using currently existing automated systems, including the District Effectiveness and Compliance and Accreditation Report Tracking (DART) System. Aggregated information includes district names, dates and types of visits, compliance findings, status of corrective actions, and dates of final closure.

The Agency did not receive dedicated funding for the technology project to address this area as requested in its Legislative Appropriations Request for the FY2002–2003 biennium and in its Biennial Operating Plan. Using funds reallocated from other agency technology projects, however, the Agency was able to fund and complete the development of a prototype scheduling component, the first phase of the project, by the end of FY2001. Funding limitations have somewhat delayed the Agency's efforts to move forward into project implementation for an expanded system that could serve staff in the collection, tracking, and sharing of monitoring information. Given the importance of this endeavor, however, Agency management has continued to give this initiative a high priority and has realigned technology funding to allow for project continuation into FY2002. Outsourcing the second phase of the project will include the analysis of current monitoring processes to assess the scope of business needs and to provide the basis for further development of a system that will allow for the following:

- *Population of an agencywide database with information from existing monitoring databases and direct data entry,*
- *Cross-agency access to defined monitoring and compliance data,*
- *Continuous input and updates,*
- *Queries, standardized reports, and ad hoc reporting on database information, and*
- *On-site and off-site data input and access.*

Program administration staff will assist in the design and implementation of the system that will include common and agreed upon data that can be easily manipulated. Such a system will give Agency management instant access to accountability and monitoring information at district and statewide levels in order to maximize the value of the Agency's monitoring efforts. Additionally, the system must make the data available to all monitoring areas and provide the capability for collecting and monitoring overall district spending of state and federal funds. As of February 2002, a project manager has been contracted to make substantive progress on the project development activities.

The Agency agrees that an organized approach to the collection and use of accountability and monitoring information is critical. To the extent possible based on the requirements of various grant programs and monitoring functions, consistent data definitions and formats are essential elements of the agencywide system. The planned system will provide combined monitoring results by district and/or by program area. Users of the system will be able to analyze the data for many purposes such as identifying trends, high-level risks, and systemic problems that may not be visible at the single program area level.

State Auditor's Follow-Up Comment:

The Agency's response indicated that its current automation project will take several more years to complete. The response mentioned certain steps the Agency is taking until the automation system is implemented. While a comprehensive automated system may be the optimum solution to the problems identified by the State Auditor's Office in *A Report on the 1998 Financial and Compliance Audit Results* (SAO Report No. 99-555, June 1999), the Agency can take steps now to achieve similar results and to facilitate population of the new automated system when it is implemented. For example, the Agency could compile basic information such as district name, visit date, type of visit, compliance assessment, and corrective action status from divisions that collect on-site monitoring information in hard copy form. The Agency also could provide these divisions with a simple database program from a division that successfully tracks monitoring information. All divisions should begin collecting current information using standard data definitions and formats.

Improve Risk Assessment Systems for Selecting Districts to Monitor

While the Agency has made progress in using a risk-based approach in its monitoring efforts, opportunities exist to enhance the risk assessment systems. In response to internal and external recommendations, Agency divisions developed risk assessments to improve the selection of districts for on-site monitoring. However, the system used to select districts for comprehensive DEC visits could be improved to ensure the system selects districts most at risk of noncompliance. The system lacks documented technical procedures on how to compile final results and record changes to the monitoring schedule. There are also no procedures to formally verify the risk assessment's effectiveness. The Accountability Development and Support Division conducts the risk assessment that is used in part to select districts for DEC visits.

Section 2-A:

Document Procedures Used to Select Districts For On-Site Visits

The Accountability Development and Support Division developed a detailed methodology manual that describes how data elements are used to assess risk. However, there are no technical procedures that instruct program staff and systems analysts on how to (1) perform a risk assessment for individual programs or (2)

compile the combined program risk assessment results. Without documented procedures, risk assessments may not be performed as intended or be consistent from year to year, especially if different people perform the calculations each year.

For the 2001-2002 school year, the system analyzed a total of 86 data elements for 13 different programs to assign district risk levels. Staff in some of the program areas use the methodology manual to calculate a district's risk level for its program area. For other programs, the Accountability Development and Support Division performs the calculation. The division then compiles these program risk-level assignments, and calculates two overall district risk levels—one for special

Factors Used In Selecting School Districts For On-Site District Effectiveness and Compliance Reviews

- Information obtained from special education complaints filed with the Agency
- Six-year cycle
- An analysis of data elements in the following 13 program areas:
 - Special Education
 - Bilingual
 - Career and Technology
 - Emergency Immigrant
 - Gifted and Talented
 - Migrant
 - Optional Extended Year
 - State Compensatory Education
 - Federal Title Programs:
 - Title I, Part A
 - Title I, Part D, Subpart 2
 - Title II – Eisenhower
 - Title IV – Safe and Drug Free Schools and Communities
 - Title VI – Innovative

education and one for the 12 other programs. The Agency uses this analysis, information from special education complaints filed with the Agency, and consideration of the six-year monitoring cycle to select school districts for on-site monitoring visits. (See text box.)

The Grants Administration Division did not consistently use numerical scoring in its risk assessment. Grants Administration developed a standard risk assessment

worksheet for program managers to use in preparing their risk assessments. Program managers were given a choice between ranking grantee programs with a numerical score or designating them as high-, medium-, or low-risk. However, Grants Administration only receives a risk-ranked list of districts by grantee program from the program managers. Without numerical scores that prioritize the high-risk districts, Grants Administration cannot identify districts with the highest overall risk. This is important because the division conducts very few on-site visits. The lack of numerical scoring also increases the possibility of subjective and inconsistent risk assessments. The division reports that it has taken steps to use only numerical scoring in its risk assessment.

Neither the Accountability Development and Support Division nor the Grants Administration Division formally document changes to the monitoring schedule. According to staff in Grants Administration, the visit schedule changes during the year as risk changes. Districts requiring immediate attention replace districts on the original list. The reasons for these changes are not standardized, formally documented, or used to determine the need for future on-site visits.

Recommendation:

The Agency should develop comprehensive and detailed procedures for performing risk assessments. The procedures should include how to determine and document changes to the monitoring schedule. To accomplish this, systems analysts and other staff who prepare the program and final risk assessments could document procedures as they perform them.

Management's Response:

The Agency has implemented procedures and methods for standardizing and documenting changes to the monitoring schedule. Levels of authorization to make changes are also being established. In addition, the Agency agrees that comprehensive and detailed procedures for performing risk assessments are valuable. Efforts to produce such documentation have been and continue to be underway.

Section 2-B:

Validate Risk Assessments and Improve Risk Elements

The Accountability Development and Support Division does not compare on-site monitoring results to its risk assessment results to verify accuracy. Program managers advise the division on ways to improve the risk assessment system based on input from stakeholders and analyses of previous risk assessment results. However, the division does not determine whether these changes actually improve the system. Because there is no formal analysis of the elements used in a risk assessment, the division cannot be sure it selects districts that are most at risk of noncompliance. We compared risk assessment results to on-site monitoring visit results and found that, for some programs, monitors identified fewer problems at high-risk districts than at low-risk districts.

Accountability Development and Support responded to suggestions from program staff and stakeholders and revised the risk assessment system for 2002-2003 by:

- Combining duplicative risk elements for federal title programs.
- Splitting districts into two groups—small program districts and large program districts—to take into account the number of programs operated by individual school districts.
- Recognizing that high student test scores reduce risk.
- Reducing misleading risk results for districts with small numbers of students.

However, risk is still focused on single programs rather than comprehensive indicators. The division assigns districts' final risk levels by summing point values for program risk levels and ranking all districts. The risk assessment system does not consider information that would indicate problems in overall district compliance and service delivery, such as financial indicators or district accountability ratings. In addition, risk assessments do not consider previous noncompliance or the date of a district's last monitoring visit in evaluating overall risk.

The risk assessment system depends on the use of mostly district-reported data from several sources and databases across the Agency. While information cannot all be verified, using Agency generated information such as previous monitoring results and information verified by independent sources would increase the reliability and the accuracy of risk assessments. For example, the risk indicators for the bilingual education program use data from the visit history maintained by Accountability Evaluations, dropout information from the Office of Research and Evaluation, student test scores provided by testing contractors, student data from the Public Education Information Management System (PEIMS), and exception and waiver information maintained by the Curriculum and Professional Development Division. Incomplete or inaccurate data in any one of these systems may reduce the accuracy of the entire risk assessment.

Recommendations:

The Agency should:

- Compare the results of risk assessments to the results of monitoring visits to assess the validity of the system and risk indicators. The Agency could use the comparison study conducted for the Grants Administration Division as a model.
- Improve risk assessment by:
 - Including previous noncompliance in risk assessments. This information is not reported by districts and is more recent than some of the available information. Recent monitoring visits should reduce a district's risk proportionate to the degree of compliance found during the visit.
 - Considering the accuracy of information when using it in risk assessments. Agency monitoring results and information verified by

independent auditors, such as PEIMS financial records and dropout rates, may increase the confidence level that information is accurate.

- Including global risk indicators that would signify a systemic problem in the district, such as indicators developed for the Agency's Financial Integrity Rating System of Texas (FIRST). FIRST is used to assign comparative ratings of district financial management and performance indicators such as accreditation ratings, dropout rates, student assessment scores, and enhanced performance accountability ratings.

Management's Response:

The Agency agrees with the importance of evaluating the validity of the system and risk indicators. A study for the PAS and the DAS is being conducted by the Division of Accountability Development and Support. The findings from on-site visits conducted during 2000-2001 and 2001-2002 will be analyzed and compared to the PAS and the DAS data elements as part of this validation study. The Agency also agrees to continue the efforts being made currently to improve the risk assessment.

Section 3:

Improve Processes Used to Plan and Conduct District Monitoring

The on-site monitoring processes used by the Accountability Evaluations Division may not ensure an accurate assessment of a district's level of compliance with state and federal requirements or the quality of services that the district provides. The following issues decrease the consistency and effectiveness of the Agency's monitoring efforts:

- The Agency notifies districts at least nine months prior to monitoring visits, and provides a comprehensive guide to what monitors will review.
- Staff time is not used efficiently during on-site visits.
- Monitoring procedures are vague, which prevents consistent compliance determinations.
- Monitors do not always follow up to see if districts corrected problems found during on-site visits.

As a result of these issues, the Agency is not optimizing its limited monitoring resources, and it cannot ensure that students are getting the intended benefits of programs. In fiscal year 2001, the Agency spent \$8 million to conduct on-site monitoring visits.

Agency staff, special education contractors, and peer reviewers selected from other school districts conduct DEC reviews. Monitors use the Agency's Reference Guides

while at the district to review information and determine compliance with state and federal requirements. The Reference Guide, Parts 1 and 2, has several indicators for each of the 13 programs reviewed during a DEC visit (see text box). Each indicator includes a description of the legal requirement, a list of documents to review, and suggestions for how to determine compliance. If monitors identify noncompliance, the district must submit a corrective action plan that describes how it will correct identified problems.

Section 3-A:

Improve Accuracy of Monitoring Results

Monitoring results may measure how well a district can prepare for an on-site visit, rather than measure a district's compliance with state and federal requirements. During a DEC visit, monitors may spend time reviewing information provided by the district that may not reflect a true picture of

State and Federal Programs Monitored During District Effectiveness and Compliance (DEC) Visits

- Bilingual Education/English as a Second Language
- Career and Technology Education
- Dyslexia
- Gifted and Talented Education
- Optional Extended Year
- State Compensatory Education
- Special Education
- PreKindergarten Notification
- Federal Title Programs
 - Title I, Part A, Improving Basic Programs Operated By Districts
 - Title I, Part C, Education of Migratory Students
 - Title I, Part D, Subpart 2, District Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At Risk of Dropping Out
 - Title II, Part B, Dwight D. Eisenhower Professional Development
 - Title IV, Safe and Drug-Free Schools and Communities
 - Title VI, Innovative Education Program Strategies and Class-Size Reduction Program
 - Title VII, Part C, Emergency Immigrant Education Program

the district. The Agency notifies districts at least nine months in advance of the visits and provides a list of student folders that will be reviewed as part of the special education portion of the visit. District teachers and administrators use the Agency's Reference Guides to assemble information for the monitors, spending a considerable amount of time away from their regular responsibilities. Education Service Center staff, who provide technical assistance to districts, may conduct mock visits with simulated interviews and round table discussions using the same questions monitors will use during a visit. During observations on two monitoring visits, monitors focused their review on information prepared by district staff, including student files selected by the district rather than at random. By the time monitors arrive, districts have had the opportunity to correct any problems that may have existed in the information the monitors review.

Recommendations:

The Agency should:

- Consider whether current monitoring efforts truly measure compliance given the level of district preparation or whether other methods of monitoring would be more effective and reduce the burden on districts.

- Prepare random samples of student folders for monitors to review based on the total number of students in the program or district.

Management Responses:

The Agency maintains that school district preparation for an on-site monitoring visit may result in improved compliance with federal and state mandate. If a district, in preparation for a visit, identifies a problem and self corrects it, then the beneficiaries are the children being educated by that district. This position supports the mission of the Agency to build the capacity for an excellent public education system and thus ensure that all schoolchildren across the state are receiving a quality education. The Agency will, however, continue to evaluate the validity of its monitoring efforts.

Additional procedures will be put in place to ensure that appropriate samples of student folders are reviewed by monitors, including folders about which the districts have not received prior notification. The Agency will develop these procedures after analyzing various statistical sampling methodologies and relevant legal and regulatory requirements.

State Auditor's Follow-Up Comment:

District staff spend a considerable amount of time away from their regular responsibilities to assemble information for monitors. While school district preparation may correct problems in the information provided to monitors, our concern is that districts may correct only the items to be reviewed. Monitors may not recognize that a systemic problem exists and noncompliance may not be corrected for all students.

Section 3-B:

Increase Efficiency and Effectiveness of Monitoring in Accountability Evaluations

The Accountability Evaluations Division does not maximize staff resources because of inefficient processes and scheduling of staff for on-site visits. Agency and contract staff are not scheduled based on district size or risk. For example, 10 monitors were sent to each of two districts even though one district had less than 150 students and the other district had more than 10,000 students. Sending fewer monitors to smaller districts could increase the total number of districts monitored. Additionally, on at least 5 of the 30 visits we reviewed, the Agency paid contract staff to monitor special education requirements at districts with 15 or fewer students. Because contract monitors are paid more than \$8,000 per visit, using contract monitors for larger districts and Agency staff to monitor smaller districts may allow the Agency to get more coverage for the contract visit price and use staff monitors more efficiently.

Time spent during on-site DEC reviews could be more efficient. For example, at one district, eight monitors led a roundtable of 37 teachers and administrators. Monitors generally spend one day of their weeklong visit at a hotel writing a report even though monitors do not provide districts with a draft of the written report before they leave.

Instead, monitors read the report in its entirety during their final meeting with district staff. Although districts are expected to begin preparing corrective action plans immediately after a visit, they must rely on notes taken during this final meeting until they receive the written report.

Monitors do not determine compliance with indicators before a visit using available information. Prior to a visit, the Agency requests copies of documents, including multiple copies of district and campus improvement plans. The Agency requested that one district submit 14 copies of each of its 21 campus improvement plans and its district improvement plan instead of requesting electronic submission of the documents. Prior to site visits, monitors could review information submitted by districts. They could also review other information that is readily available, such as teacher certifications and the district's application for federal funding. This advance review of information would allow the Agency to determine compliance before site visits occur. Additional information could be gathered by phone. Determining compliance with certain indicators before a visit would allow monitors at a district to focus on information that can only be reviewed on-site. It would reduce time spent at a district and reduce the burden placed on districts to provide information during visits.

The review process may not provide the Agency with complete assurance that a district is in compliance with all program requirements:

- The complete Reference Guide, Part 1, does not address all of the laws and regulations of federal and state programs.
- Each DEC monitoring team uses a subset of the Reference Guide assigned randomly.
- The subset covers less than 65 percent of the total Reference Guide and is not related to the Agency's risk assessment.

For example, Texas Education Code requires monitors to review how districts reclassify Limited English Proficient students for entry into regular classes, but half of the subsets from the Reference Guide do not include procedures to review this process.

Monitoring reports are not sent to districts in a timely manner. Only 5 of the 75 bilingual education program reports we reviewed were mailed to the district within 30 days after the on-site visit as required by law. Eleven of those reports were sent more than 60 days after the on-site visit. Reports for DEC visits were mailed an average of 60 days after the visit rather than the 45 days indicated in Agency policy.

Recommendations:

The Accountability Evaluations Division should:

- Consider the district's size and funding levels when scheduling monitoring teams and using contract monitors.

- Review information to determine compliance with some indicators prior to visits.
- Allow districts to submit information electronically.

Management's Response:

The Agency has evaluated the efficient use of staff time and is field-testing changes through the DEC pilot project for the Spring 2002 monitoring visits. Duplicative procedures have been eliminated, and roundtable discussion time has been reduced. A new focus on campus visits will help to ensure quality as well as compliance. New procedures will also be more cost effective for all concerned. Districts will no longer be required to mail multiple copies of requested documents, and the Agency is equipped to receive electronic document transfers from districts that have this capability. Currently program monitors do review district information prior to the visit and verify some information by telephone, while focusing visits on information that can only be reviewed and verified on-site. The Agency is evaluating additional information that can be reviewed prior to a visit. For example, the DEC pilot project includes a worksheet that districts must complete to provide information on several financial indicators.

The Agency will explore strategies for dedication of resources and time commitments of monitors that take into account a district's size and funding levels yet ensure compliance. During 1999-2000, 37 program specialists conducted 230 monitoring visits. During 2001-2002, 43 program specialists will conduct 606 monitoring visits. This represents a 16-percent increase in staff who will conduct visits that have grown by 164 percent, a significant increase in productivity. With this significant growth the Agency recognizes that it must continue to increase efficiency and effectiveness of monitoring.

Section 3-C:

Include in the Reference Guide Specific Procedures on How to Determine Compliance

Part 1 of the Agency's Reference Guide lacks detailed procedures, which prevents monitors from making consistent and accurate determinations of compliance with state and federal requirements. On DEC visits, monitors follow instructions in Part 1 to review a district's compliance with state and federal laws. Part 1 does not provide detailed instructions on how to determine compliance, but includes a list of documentation to review and offers suggestions on how to determine compliance.

For example, several programs have complicated financial indicators to confirm that districts are using certain state or federal funds to "supplement and not supplant" educational programs. Monitors must review campus allocations to verify that districts provided regular education services at all campuses and used federal funds to provide additional services.

While Agency staff members have received training in applying financial indicators, detailed procedures are especially important for peer review monitors in the Texas

School Improvement Initiative (TSII) who may not be familiar with complicated district accounting and program requirements. TSII members are practicing superintendents, principals, district-level staff, counselors, special programs specialists, teachers, and other educators who have received TSII training as peer review team members. However, TSII training does not provide specific instructions on how to interpret the Agency's Reference Guide and determine compliance for each program.

The Reference Guide does not give specific direction on how many student folders to review. The Reference Guide states that "the extent of the review will depend on the nature of the particular indicator and circumstances present for the reviewer." For example, an indicator for the bilingual education program requires monitors to determine that "all students have a Home Language Survey in their permanent record folders signed by their parents or by the student." The Reference Guide, Part 1, lists permanent record folders as the source of documentation to review, but does not provide any guidance on whether the monitor should review all student folders or a sample. The training material for peer reviewers instructs the reviewer to "look at as many sources that he or she feels is necessary in order to make an accurate determination of compliance or noncompliance."

While the procedures for special education review in Part 2 of the Reference Guide give a target number of folders to review, monitors do not consistently follow the recommendations. For example, of the 30 visits we reviewed, special education monitors did not review the recommended target number of student folders at 16 districts.

Monitors do not consistently document how they determined compliance. Monitors use a checklist when reviewing indicators; however, the checklist is not enough to allow a supervisor to determine whether the monitors followed procedures or whether the assessment of compliance or noncompliance is justified. The checklist provides a space for monitors to indicate yes or no for each indicator, record what documents were reviewed, and provide comments. A review of files found that some checklists were blank or only showed yes or no determinations without documentation of what information was reviewed.

Recommendation:

The Agency should revise the Reference Guides with specific procedures and instructions to ensure that monitors consistently determine and document compliance. There should also be steps to ensure that monitors consistently follow procedures such as supervisory review of compliance decisions. The format of the Agency's Financial Accountability Resource Guide could be used as a model to design clear and detailed procedures.

Management's Response:

The Agency agrees that all documents should be as specific as possible and will refine the Reference Guides so that determination and documentation of compliance occurs consistently. The Reference Guides are revised with input from program areas

annually as part of the Agency's continuous improvement process. A new format for the recording of compliance information is being introduced during Spring 2002 DEC visits to ensure compatibility and accuracy of information. This "check box" format will contain specific procedures and instructions for both quality and compliance issues. Review of compliance decisions will provide further assurance that procedures are followed consistently.

Section 3-D:

Increase Verification of Corrective Action Plan Implementation

Agency divisions do not consistently verify that districts implemented approved corrective action plans and they cannot ensure that districts are actually correcting problems identified on monitoring visits. As a result, districts may remain out of compliance despite monitoring visits. After receiving monitoring reports, districts submit plans to show how they will correct identified areas of noncompliance. Agency staff review and approve the plans; however, there is minimal on-site verification of whether the district implemented a plan. Monitors do not review how districts carried out corrective action plans on subsequent on-site visits. Instead, divisions select a small number of districts for on-site review based on monitoring results and compliance status. During the 2001-2002 school year, the Accountability Evaluations Division will conduct on-site corrective action reviews at about 30 districts based on a risk assessment of the more than 350 monitoring visits conducted during 2000-2001.

The Accountability Development and Support Division was more than a year behind in reviewing and approving special education corrective action plans. Corrective actions are tracked using manual processes and ad hoc database systems. While the division developed a system to track special education visits, the division has not used the system since 1998-1999. The division currently tracks special education visit information using the system developed to track special program monitoring; however, the system does not effectively track less severe student-specific citations.

Recommendations:

The Agency should:

- Develop and implement procedures to follow up on DEC reports. This should include drafting follow-up plans for each report that include:
 - Reviewing support for implementation of corrective actions on subsequent visits to districts.
 - Obtaining and reviewing information to document implementation of approved corrective action plans for those districts not receiving on-site visits.
- Improve the current system of data collection to allow notification of student specific corrective actions.

Management's Response:

The Agency recognizes the need to track the actual implementation of corrective actions and conduct follow-up activities. In fact, in the area of special education, no corrective actions, including those for student-specific items are cleared until satisfactory documentation is received by the Agency showing that implementation has occurred. A tracking system that contains the recommended elements will enable the Agency to follow-up more consistently on corrective action plans. Standardized follow-up procedures appropriate for limited Agency resources are taking place. In 1999-2000 the Agency began a risk-based selection of districts to review implementation of corrective actions. For 2001-2002, 30 districts and 30 charter schools have been chosen for corrective action review visits as a result of the risk assessment. Additionally, subsequent monitoring visits include the review of previous corrective actions resolved through the desk audit process. Desk audits are performed on all corrective actions and the results are reviewed.

State Auditor's Follow-Up Comment:

While the Agency recognizes the need to track the actual implementation of corrective actions and conduct follow-up activities, it does not indicate the specific steps it will take to implement follow-up procedures for all DEC reports and to modify the current system so that it can track student-specific corrective actions.

While we agree that standardized procedures are taking place, they only address districts that receive an on-site visit to assess the implementation of approved corrective action plans. The Agency responded that desk audits are performed on every corrective action plan; however, some of these desk audits are merely reviews to determine whether action plans will address compliance issues and do not occur after districts have completed corrective actions. The Agency should develop procedures to address those districts that do not receive an on-site visit. These reviews could be included in other monitoring visits and through expanded desk reviews that obtain evidence that corrective action plans have been implemented.

Objective, Scope, and Methodology

Objective

The objective of this audit was to evaluate the Agency's monitoring process. The evaluation included an examination of the monitoring functions for discretionary grants, accountability evaluations, financial monitoring, and special education. The audit team also assessed the Agency's use of information resources and the status of its agencywide monitoring plan.

Scope

The scope of this audit included:

- Reviewing applicable state and federal code.
- Evaluating the process the Agency uses to select districts for on-site visits and desk reviews.
- Determining the monitoring history of districts.
- Assessing monitoring policies and procedures.
- Analyzing training programs for monitors.
- Examining corrective action policies.
- Calculating monitoring costs.
- Evaluating the use of information resources.
- Determining the status of the agencywide monitoring plan.

Methodology

The methodology for this audit included obtaining and reviewing applicable criteria, policies, and reports; conducting interviews; performing audit tests on district files and Agency databases; and observing two district on-site visits. Our field work was conducted April 2001 through August 2001.

For this audit we reviewed all types of monitoring conducted by the Agency but focused on the three types of monitoring that cover the greatest amount of state and federal funds:

- District Effectiveness and Compliance and special education monitoring of major state and federal formula grants.
- Discretionary grants monitoring of state and federal discretionary grants.
- Financial monitoring of district and charter schools' independent financial audits and Education Service Centers' regular audits.

Information collected to accomplish the audit objectives included the following:

- Direct auditor observations from on-site visits
- Interviews with Agency management, monitors, and program specialists and with district and regional staff
- Data for 2000-2001 school year visits from the DEC Accreditation Report Tracking (DART) database
- Data from visit history databases compiled and maintained by various employees
- Agency Program Analysis System (PAS) and Special Education Data Analysis System (DAS) methodology and district risk rankings using the methodology
- Accountability Evaluation Manual for On-Site Visits
- Special Education Operating Procedures Manual
- Monitor training documents
- Visit and training evaluation documents
- Internal audit reports
- Texas Education Code
- Federal statutes
- Working papers from prior SAO audits
- Office of Special Programs, U.S. Department of Education reports

Procedures and tests conducted:

- Testing of district files
- Testing of DART database

Analysis techniques used:

- Data comparison

Criteria used:

- Texas Education Code
- Federal statute
- Texas House Bill 2172, 76th Legislature, Regular Session
- Established Agency policy and procedures

The following members of the State Auditor's Office staff performed the audit work:

- Paige Buechley, MBA, MPAff (Project Manager)
- Virginia Carmichael, Ph.D., MPAff (Assistant Project Manager)
- Lori Field
- Letty Torres, CPA
- Worth Ferguson, CPA (Quality Control Reviewer)
- Carol Smith, CPA (Audit Manager)
- Deborah Kerr, Ph.D. (Audit Director)

Status of Findings From Prior Audits

Table 1

Finding	Date Issued SAO Report Number	Current Status	Location in Current Report
Findings Related to an Agencywide Plan for Monitoring			
Because the Agency lacks an overall plan to monitor its subrecipients [districts] consistently and ensure its limited resources are used effectively, there is a significant risk that it will not detect serious noncompliance.	June 1999 SAO Report No. 99-555	Partially Resolved	Section 1
A material weakness in the Agency's monitoring of subrecipients continues to exist as it works to develop an agencywide monitoring plan.	May 2000 SAO Report No. 00-555	Partially Resolved	Section 1
The Agency's current oversight of its monitoring activities is not sufficient to ensure that there is effective monitoring of all subrecipients and that divisions properly share monitoring information.	May 2000 SAO Report No. 00-555	Partially Resolved	Section 1
A material weakness continues to exist in the subrecipient monitoring function at the Agency. The Agency does not use a consistent, systematic approach to identify and monitor the significant compliance requirements.	April 2001 SAO Report No. 01-555	Partially Resolved	Section 1
Findings Related to Information Management			
The Agency lacks a unified approach to information management.	December 1996 SAO Report No. 97-024	Partially Resolved	Section 1
The Agency does not effectively use the extensive quantities of financial expenditure data collected from school districts to assess district expenditures.	August 1996 SAO Report No. 96-072	Resolved	Section 1
Inefficient use of resources hinders the monitoring function.	August 1996 SAO Report No. 96-072	Partially Resolved	Section 1
Monitoring efforts are not coordinated between all Agency divisions.	February 1998 SAO Report No. 98-021	Not Resolved	Section 1
[Agency level] standards are still needed for developing and maintaining information systems.	February 1998 SAO Report No. 98-021	Partially Resolved	Section 1
Divisions do not share monitoring information.	June 1999 SAO Report No. 99-555	Not Resolved	Sections 1 and 2
Findings Related to Monitoring Responsibilities			
The Agency has not performed cyclical on-site monitoring visits for the Bilingual Education program at 860 districts. Additionally, the Agency has not visited 205 districts for its Special Education program in eight or more years.	August 1996 SAO Report No. 96-072	Not Resolved	Section 1
The Agency still is not in compliance with the Texas Education Code requirement that every district receiving Bilingual Education program funds be monitored for compliance with program requirements once every three years.	February 1998 SAO Report No. 98-021	Not Resolved	Section 1

Finding	Date Issued SAO Report Number	Current Status	Location in Current Report
Findings Related to the Use of Risk-Based Methods to Allocate Resources			
The Division of Contracts and Grants Administration performed approximately eight on-site visits during fiscal year 1997, less than one-half of 1 percent (8 of 2,000) of the total grantees.	February 1998 SAO Report No. 98-021	Partially Resolved	Section 2
Monitoring resources are not allocated according to risk.	June 1999 SAO Report No. 99-555	Partially Resolved	Section 2
Finding Related to Collecting and Tracking Results From On-Site Monitoring			
At the division level, monitoring procedures need to be improved to ensure effective monitoring. Staff need to consistently document findings and develop systems for tracking monitoring and following up on corrective actions.	June 1999 SAO Report No. 99-555	Partially Resolved	Section 3
Finding Related to the Documentation of On-Site Monitoring Results			
Documentation is not sufficient to support monitoring findings of compliance or effectiveness.	April 2001 SAO Report No. 01-555	Partially Resolved	Section 3

Sources:

- An Assessment of the Texas Education Agency's Monitoring Systems for Public Education* (SAO Report No. 96-072, August 1996)
- A Review of Management Controls at the Texas Education Agency* (SAO Report No. 97-024, December 1996)
- A Combined Report on the Texas Education Agency* (SAO Report No. 98-021, February 1998)
- A Report on the 1998 Financial and Compliance Audit* (SAO Report No. 99-555, June 1999)
- The 1999 Statewide Single Audit Report* (SAO Report No. 00-555, May 2000)
- The 2000 Statewide Single Audit Report* (SAO Report No. 01-555, April 2001)

Agency Monitoring Responsibilities By Division

Table 2

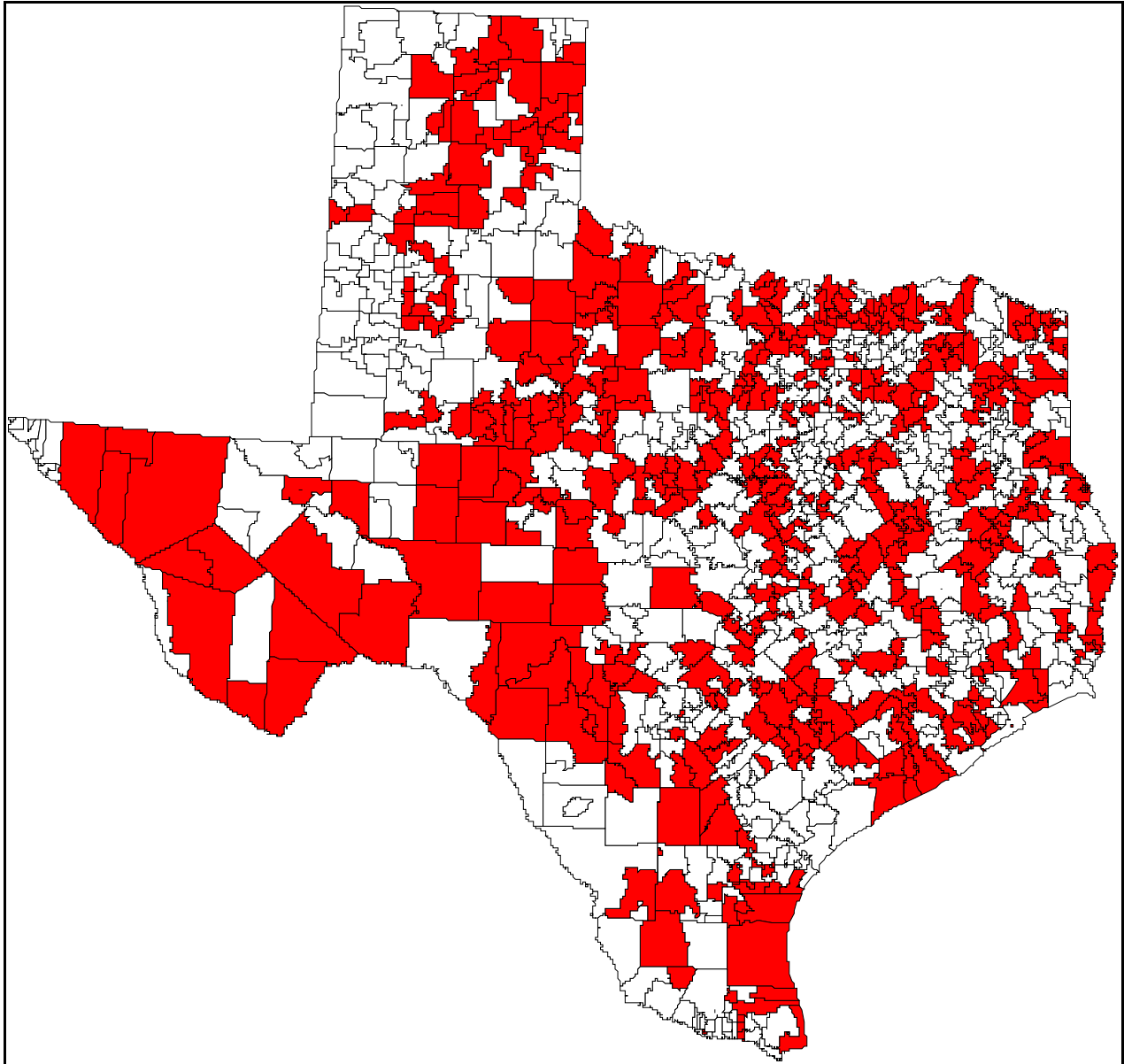
Agency Monitoring Responsibilities By Division
Finance and Accountability
<p>Quality, Compliance, and Accountability Reviews</p> <p>Accountability Evaluations</p> <ul style="list-style-type: none"> ● District Effectiveness and Compliance <ul style="list-style-type: none"> – Bilingual Education – Career and Technology Education – Dyslexia Programs – Federal Title Programs – Gifted and Talented Education – Optional Extended Year – PreKindergarten Notification – Special Education – State Compensatory Education – Textbook Availability ● Accreditation Reviews of Low Performing Campuses ● Needs Peer Review of Alternative Education Campuses ● Bilingual Education/English as a Second Language visits ● Charter School Initial On-Site Visit ● Combination Review (combination of other types of visits) ● Corrective Action Review ● Integrated Review <p>Governance, EEO, and Complaints Management</p> <ul style="list-style-type: none"> ● Governance ● Equal Opportunity/OCR ● Special Data Investigation Unit
<p>Finance and Support Systems</p> <p>School Finance/Fiscal Analysis</p> <p>Child Nutrition Coordinated Review Effort</p> <p>School Financial Audits</p> <ul style="list-style-type: none"> ● Onsite Review of Independent School Audits ● Financial Component of Integrated Review for Academically Unacceptable Districts ● Special Investigations ● Management, Service Audits of Education Service Centers ● Financial Component of Charter School Initial Review ● Attendance Audits ● Textbook Audits <p>State Funding</p> <ul style="list-style-type: none"> ● Instructional Facilities Allotment

Initiatives and Administration
<p>Adult Education</p> <ul style="list-style-type: none"> ● Adult Education ● TANF ● Even Start Family Literacy Programs <p>Charter Schools</p> <ul style="list-style-type: none"> ● Generation One Charters ● Charter Satellite Campuses ● New Charter School Initial Visit
<p>Chief of Operations</p> <p>Grants Administration</p> <ul style="list-style-type: none"> ● Discretionary Grants
Programs and Instruction
<p>Continuing Education and School Improvement</p> <p>Continuing Education</p> <ul style="list-style-type: none"> ● Guidance and Counseling ● General Education Development (GED) Center Reviews <p>School Safety</p> <ul style="list-style-type: none"> ● Alternative Education Campus Review
<p>Curriculum, Assessment and Technology</p> <p>Educational Technology</p> <ul style="list-style-type: none"> ● Technology Demonstration Projects

Source: Texas Education Agency Organization Chart and staff interviews

Appendix 4:

The Agency Has Not Conducted Required Bilingual Reviews at More Than 400 School Districts and Charter Schools



- Districts that have not been visited within three years for a bilingual review. Seventy-eight of these districts are required to have a bilingual education program because of the number of students with limited English proficiency.

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