

OFFICE OF AUDITOR GENERAL



Grants – Supplemental Educational Services (SES)  
Audit Report

June 19, 2009



## Grants – Supplemental Educational Services (SES) Index

<u>Report Section</u>	<u>Pages</u>
Executive Summary	1
Summary of Recommendations	3
Observations, Recommendations and Action Plans	
Documentation Standards	4
Provider Catalog	6
Utilization of SES Funds	7
Provider Relationship	9
Rates	10
Provider Monitoring	12
Site Visits	14
Cayen SES System	16



## Grants SES Executive Summary

### OBJECTIVE

To evaluate the operating control environment supporting Federal Title I Supplemental Educational Services (SES) administration and related activities to achieve funding objectives.

### BACKGROUND

Title I SES is intended to increase academic achievement for eligible students in low performing schools. Title I revenues allocated for Supplemental Educational Services (SES) for the 2008-09 school year are approximately \$5.6M. The SES services are provided by independent providers that are approved by the New York State Education Department for tutoring. The Title I office is assigned as the Project Manager to ensure that expenditures are in compliance with mandated federal and state regulations. In the case of Supplemental Educational Services, the service providers maintain documentation and submit claims to the Title I Department for billing verification, compliance monitoring and processing claims (invoices) for reimbursement.

The Title one office administers the SES program with one full time staff member. This individual is responsible for managing provider relationships, process administration, training, billing verification, site visits and reporting. Due to the limited resources assigned to this program, it is difficult to comprehensively perform all services.

### SCOPE

To identify key operating controls necessary to support proper monitoring of grants and associated activities. We will evaluate current operating procedures, process documentation, and compare to best practices and related controls. This general control review will include the administration and monitoring for a sample of grants. Specifically, we will evaluate Title I funds for Supplemental Educational Services.



## Grants SES Executive Summary

### CONCLUSION

Supplemental Educational Services are mandated by the state with little guidance on how to appropriately manage SES providers. Providers submit a business plan to the state for approval. Once approved, the provider becomes an eligible SES provider. The District is limited in their ability to direct or mandate the activities of the providers. The District is unable to set the hourly reimbursement rates for tutoring, discontinue the provider relationship, or mandate comparable assessment methodology for SES providers. The District's best method of providing oversight can be achieved through the formal contract that is initiated with each provider. Management should develop specific standard operating procedures and protocols within the contract that will simplify the monitoring and compliance of SES providers. Currently, providers are communicating their own performance outcomes to parents utilizing individually developed criteria. This practice does not provide assurance that parents receive appropriate unbiased information about provider outcomes prior to commitment for SES services. To the extent possible, management should identify and implement documentation requirements that will allow the District to compare provider outcomes in a consistent comparable manner.

We also believe that management should make considerable changes in the content of the provider catalog. The catalog is sent to parents to facilitate selection of a service provider. Clear consistent and comparable information would allow parents to make a more informed decision. At a minimum, parents should be aware of the number of tutoring hours that will be available based on their provider selection. The current provider catalog vaguely identifies this information, but it is not clearly stated. One key item that drives the number of hours of instruction is the hourly reimbursement rate for providers. Although the District provides guidance in this area, our review of the reimbursement rates and discussions with providers suggest that the rates for all providers are not equitable based on program differences. Lastly, the SES program allocation is generally underutilized by approximately \$2M annually. Although this funding can be reallocated to other Title I programs, efforts should be made to realize the intended benefits of this program. Organizational support should be obtained from the Superintendent, Zone Chiefs, and Principals to utilize the SES Program. If concerns exist regarding the SES services received, procedures and monitoring should be in place to resolve these concerns and improve student achievement through this program.



## Grants SES Summary of Recommendations

Rec#	Recommendations
1	<p><i>Develop, Communicate, and Enforce the following uniform standards for SES providers:</i></p> <ul style="list-style-type: none"> <li>• <i>Student attendance reporting</i></li> <li>• <i>District-wide methods for student assessment and improvement</i></li> <li>• <i>Parent communications for SES providers.</i></li> </ul>
2	<p><i>Simplify, Reorganize, and Improve the content for the SES Provider catalog.</i></p>
3	<p><i>Actively campaign and Engage school Personnel to increase consistent student participation in SES services. Obtain buy-in from the Superintendent, Chiefs, and Principals and Communicate tangible benefits of participation by school to increase attention and utilization of SES services.</i></p>
4	<p><i>Eliminate the appearance of inherent bias in the SES provider selection process by selecting additional school based providers with school building access.</i></p>
5	<p><i>Clearly communicate the average number of student tutoring hours available based on the negotiated SES provider rates to reinforce equity amongst providers.</i></p>
6	<p><i>Implement improved monitoring procedures to identify billing inconsistencies.</i></p>
7	<p><i>Implement consistent formal monitoring procedures for SES Providers. Establish a plan to increase unannounced reviews of all providers over a designated timeframe.</i></p> <p><i>Evaluate ways to increase operating efficiencies in the Title I office and Establish a plan that identifies the level of monitoring that can be performed within current staffing constraints. Obtain Senior management approval on the level of monitoring performed to ensure that agreement is obtained.</i></p>
8	<p><i>Establish and implement a comprehensive plan with appropriate timelines to improve Cayen functionality, provider training and reporting.</i></p>



## Grants SES Observations, Recommendations and Action Plans

### OBSERVATION #1

#### Documentation Standards

While the District continually looks to improve the SES program, comprehensive formalized documentation requirements have not been developed for SES providers to facilitate monitoring of student attendance, assessments, and parent communication. The District does not have the ability to evaluate the adequacy of the SES Providers business plan; however they are able to communicate contractual expectations within federal guidelines.

Providers are expected to maintain attendance records for each session held. Standard expectations do not exist regarding documentation required to verify services received. Some providers require the student or guardian to sign evidencing services have been received, while other providers allow the tutor to take student attendance. If the tutor records student attendance, it provides the SES Provider with control over the services billed without independent verification of services from the recipient. This practice is problematic, since the tutor only gets paid if the student is present. Although we found no specific evidence of wrongdoing, we did identify inconsistencies during our review. The district should establish clear expectations regarding the independence required for reimbursement. This standard should be monitored by the Title I office when billing verification is performed.

Providers communicate student achievement based on participation in their respective tutoring session. All providers suggest that they are successful; however regulations allow each provider to determine the type of assessment that will be used to measure student achievement. Since there is no standard methodology to assess achievement, it is difficult to compare one provider against the next. It is also unlikely that a provider will perform an analysis that does not produce a favorable result. The Title I office communicated that they are unable to direct providers to utilize a specific assessment tool to measure achievement, based on SES regulations. Although this limitation exists, Title I is responsible for monitoring and reporting on the services provided. To facilitate this, Title I should establish standard criteria to compare the providers amongst each other and better assess the achievement rate. At a minimum, school testing information for all SES students could be obtained to assess improvement over the course of a school year.

The SES providers are required to maintain a certain level of contact with parents to ensure they are aware of the services being provided. Parents must initiate tutoring services and also approve the learning plan for the tutoring sessions. Documentation did not support parent approval of learning plans to acknowledge receipt. There was also a lack of evidence that progress reports are sent and received by parents, as required by NCLB. The District should contractually establish and monitor minimum standards to facilitate verification of these required services.



## Grants SES Observations, Recommendations and Action Plans

### **RECOMMENDATIONS and MANAGEMENT RESPONSES**

*Develop, Communicate, and Enforce the following uniform SES standards:*

- *Student attendance reporting*
- *District-wide methods for measuring student assessment and improvement*
- *Parent communications for SES providers.*

#### **Management Responses:**

A customization has been requested for the Cayen system to improve student attendance reporting. We are also in the process of analyzing and planning improved student assessment information, since no good model currently exists nationwide. We anticipate using state assessments to facilitate comparison. We have plans to roll out the "parent contact" module in the upcoming year to improve tracking and monitoring of parent communications for SES providers.

**Responsibility:** Cheryl Wheeler, Acting Director of Grants and Program Accountability; Jeanette Silvers, Chief Accountability Officer

**Due Date:** June 30, 2010



## Grants SES Observations, Recommendations and Action Plans

### OBSERVATION #2

#### Provider Catalog

The SES provider catalog is not produced in a format that is user friendly and informative to the average family. The District produces a SES provider catalog annually to notify parents of the various SES providers. On the first two pages of the catalog are detailed eligibility forms that must be completed for the services. The forms appear prior to communicating to the reader the purpose of the SES program and the content within the catalog. We noted that the welcome letter appears on the third page, which can only be read if the reader is not discouraged after first two pages of forms. We believe the catalog can be intimidating to the average parent with too many words and a lack of simplicity regarding a parent's service choices. On each page, the providers have a description of their program and statistics to inform the reader. The program descriptions are not simple and some use complex language understood by educators, but not the average family. We also noted that the catalog does not clearly state that the services are from NYS approved vendors and the District has no legal responsibility for the actions of providers.

#### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Simplify the content for the SES Provider catalog. Consider improving the appearance of the SES catalog by adding color using different fonts to create interest.*

*Reorganize the catalog so that information is presented in a logical order. Reduce the amount of information provided to the essential facts necessary for parents to determine provider selection.*

#### Management Responses:

Improvements will be made to simplify the SES provider catalog starting in the 2009-2010. In the 2010-2011 Provider catalog, we will evaluate the provider catalog and implement additional improvements to simplify the catalog for parents. We will also obtain parent feedback from the District Advisory Council to facilitate appropriate updates.

Responsibility: Cheryl Wheeler, Acting Director of Grants and Program Accountability; Jeanette Silvers, Chief Accountability Officer

Due Date: August 31, 2010



## Grants SES Observations, Recommendations and Action Plans

### OBSERVATION #3

#### Utilization of SES Funds

The District consistently under-spends the SES allocated funding annually, due to a lack of student participation. The SES program is based on voluntary participation of eligible students. In the 2008-2009 school year, 13,148 students were eligible for SES services; however, 3,384 (26%) students voluntarily enrolled. If all students received the maximum available services, funding would not be sufficient to cover SES services. Out of \$5.6M set aside for SES, \$3.5M was expended for SES services. Based on the enrollment trends and participation, increased attention should be given towards utilizing the program. Title I makes efforts to expose families to the SES services at various times during the year; however additional efforts are needed in this area.

We believe that the schools have the best opportunity to increase participation due to increased parent interaction. These SES services are intended to increase student achievement, but the level of participation hinders the achievement opportunity for eligible students. School Principals and teachers should strongly advocate to parents for all eligible students to access and fully utilize SES, to improve educational excellence. Additional attention, buy-in, and reporting at the Superintendent and Chief level could increase awareness at the school level regarding participation in SES services. Title I should work with the schools to increase communication to parents and providers and work to reduce any barriers or negative attitudes towards receiving tutorial services. Recognizing that the District has designated funding for SES services, additional efforts should occur to support this program. The District should seek to expend the SES allocated funding on tutorial services in an effort to improve student achievement. If specific concerns exist regarding the service from SES providers, feedback and monitoring should occur for providers in an effort to fulfill the spirit of this program. Increased efforts and a grassroots campaign should be utilized to increase participation. The dollars are so frequently under-spent that the District anticipates utilizing unspent SES allocations annually to supporting other Title I programs. We recognize that students could benefit from the other Title I programs, however the funding is mandated for individualized tutoring to improve achievement.



## Grants SES Observations, Recommendations and Action Plans

### **RECOMMENDATIONS and MANAGEMENT RESPONSES**

*Actively campaign and Engage school Personnel to increase consistent student participation in SES services. Obtain buy-in from the Superintendent, Chiefs, and Principals and Communicate tangible benefits of participation by school to increase attention and utilization of SES services.*

**Management Responses:**

While the program is traditionally over-enrolled in anticipation of student withdrawals, the program utilization is and has been lower than enrollment. If all of the enrolled students completed their allowed services, there would actually be a budget shortage. We will evaluate your suggestions, as well as other ideas and develop and implement a plan to increase communication and consistent participation.

**Responsibility:** Cheryl Wheeler, Acting Director of Grants and Program Accountability; Jeanette Silvers, Chief Accountability Officer

**Due Date:** June 30, 2010 and Ongoing



## Grants SES Observations, Recommendations and Action Plans

### OBSERVATION #4

#### Provider Relationship

[REDACTED] School Based Planning Teams are able to select a minimum of two providers to offer services in their school. In most cases, two providers were chosen. There appeared to be a selection advantage for Dial-A-Teacher, an exclusive school based provider. They were the provider with the largest number of school programs and resided in 13 of the 19 schools. We noted, however that although they had many school locations, they were not provider with the largest number of students.

[REDACTED] In the teacher's case, they could vote for an option in which a direct benefit (compensation) could be obtained.

[REDACTED] For the 2009-10 school year, new regulations were established for equal access to all SES providers. As a result, if the provider does not have a facility or transportation it would be difficult for the provider to offer services. Title I should consider recommending an alternate method of selecting providers and/or increase the number of providers to eliminate the perception of impropriety. Providers should be granted a fair and impartial process for accessing school facilities for SES.

#### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Eliminate the appearance of inherent bias in the SES provider selection process by selecting additional school based providers with school building access.*

#### Management Responses:

The original process recommended that a minimum of two providers be selected to provide onsite SES services. We did not limit schools regarding the number of providers chosen, however most schools selected just two providers. The Title I Office has been working with School Chiefs and the process will be changed for the 2009-2010 school year to provide more equitable access to all vendors. In 2009-2010, the District will provide access to school facilities when parent selection and active enrollment reaches 20 or more students. Facility approval will be monitored by the Title I Office.

**Responsibility:** Cheryl Wheeler, Acting Director of Grants and Program Accountability; Jeanette Silvers, Chief Accountability Officer

**Due Date:** October 31, 2009



## Grants SES Observations, Recommendations and Action Plans

### OBSERVATION #5

#### *Rates*

The District does not pay all providers the same hourly rate for similar services provided by tutors with similar qualifications. The District presents providers with a "local market share billing range" for SES services. If a provider believes the rate is not feasible, they are able to negotiate adjustments to their rate schedule. It is not clear that all providers understand and are provided with this flexibility. We were also unable to identify rate differences in consideration of additional services, such as transportation, local offices, and meals. It should be noted that all services provided were based on the vendors designated business plan and the final rate is accepted by each Provider. The Title I office has communicated that all providers have been told that rates could not be mandated. Enforcing billing rates inconsistently is contrary to the Federal SES guidelines section E-5 pg 24 which states that Local Educational Agencies are prohibited from imposing conditions that are more stringent than applied to other contractors and have the effect of limiting educational options.

Providers can determine their cost of service rates with the "understanding that services must continue until the end of the school year in which services are first received. However if the availability of funds and the intensity of services selected (i.e., the number of sessions per week) may limit the provision of services to a shorter period of time. In such case, the parent should be made aware of the anticipated duration of services and this information should be detailed in the child's individual student agreement." Per Federal SES guidelines section H-7 pg 35. We noted that Dial-A-Teacher had operating policies that cancelled or consolidated tutoring sessions if a certain number of students did not attend. They also ended tutoring services in early May, when the other providers were still providing services. We did not identify documentation that clearly communicated to parents the impact that the negotiated hourly rate has on the number of sessions that will be provided for any of the providers reviewed. This communication should appropriately occur when parents are given a choice of providers.

Although some level of structure should be established, equity is critical. We recognize that provider services and costs vary based on many factors. These types of decisions are up to each provider. The number of hours available for tutoring is based on a fixed amount of dollars available to each student. The differences in service hours, based on the Provider negotiated hourly rates should be clearly communicated to families when making their provider selection. We noted Iglesia Services provided several supplemental services such as transportation, open scheduling, and meals; however, their hourly reimbursement rate was not as high as some providers. We also noted that Iglesia continued to provide services and continues to attract students through the year-end even if they cannot be reimbursed.



## Grants SES Observations, Recommendations and Action Plans

### **RECOMMENDATIONS and MANAGEMENT RESPONSES**

*Clearly communicate the average number of student tutoring hours available based on the negotiated SES provider rates to reinforce equity amongst providers. Include tutor qualifications and group size for parents to facilitate their understanding of the hours of tutoring service that will be provided based on their provider selection.*

#### **Management Responses:**

We have documented a basis for providing rate guidelines to providers. These guidelines will be added to the SES Desk Procedures. We are unable to mandate the rate; however we have and will continue to offer guidance to keep rates equitable. Our interest is to maximize the number of SES Tutoring hours available to our students to increase their achievement. We will also develop a plan of action to clearly communicate the average tutoring hours.

**Responsibility:** Cheryl Wheeler, Acting Director of Grants and Program Accountability Jeanette Silvers, Chief Accountability Officer.

**Due Date:** November 30, 2009



## Grants SES Observations, Recommendations and Action Plans

### OBSERVATION #6

#### Provider Monitoring

The District does not adequately monitor provider reporting of student attendance or session group sizes. Providers billed and received payment for services at incorrect group rates that did not agree with the actual number of students serviced by the tutor. We noted that providers are able to submit claims (invoices) for serving students that do not align with contractual terms. Provider billing requires substantial review prior to District approval of the charges for SES services. Fortunately, the Title I manual invoice monitoring has been able to identify and disallow many of these claims. To improve the process and related oversight additional automated controls should be implemented to reduce the volume of disallowed claims and simplify the bill verification process.

In addition, the District allows providers to bill for old services that occurred more than 60 days prior. This is contrary to Title I's policy of restricting billing to a 60 day window of when services were provided. It also makes it very difficult to verify if the billing is accurate.

Dial-A-Teacher contract schedule B does not agree with RCSD billing rate sheet provided by District records. Iglesia's contract provides a fee for services of groups between 5-8 students; however, they are not authorized to service groups above 4 per NYSED provider summary as of 4/8/09.

Our testing noted the following significant concern:

- Providers billed and received payment for services at incorrect group rates.
  - 23 instances for Dial-A-Teacher
  - 2 instances for Iglesia
  - 1 instances for Murray

Attention to this problem should occur to reduce the frequency of billing wrong group rates.

The District should systematically restrict providers from billing for services rendered prior to the current billing period to facilitate billing review. Title I should also periodically perform additional automated analysis for reasonableness to validate billing accuracy in addition to the regular manual billing review process. Lastly, the District should monitor provider group sizes for compliance with NYSED authorization.



## Grants SES Observations, Recommendations and Action Plans

### **RECOMMENDATIONS and MANAGEMENT RESPONSES**

*Implement improved monitoring procedures to identify billing inconsistencies. At a minimum:*

- *Perform enhanced provider billing analysis to identify additional improprieties in reporting.*
- *Review the number of students served by tutor vs. group rate billed.*
- *Work with the software vendor to automate the bill verification review.*

#### **Management Responses:**

We are increasing provider training to address the provider group rate issue. We are also adding contractual requirements that any billing 60 days past due will require verification. We are also evaluating the effects of limiting the back billing to the last invoice to facilitate our billing verification process. Our manual review process looks for multiple billings and overlapping times, as well as other frequently occurring errors. We will evaluate additional types of analysis that will facilitate finding other billing errors.

**Responsibility:** Cheryl Wheeler, Acting Director of Grants and Program Accountability; Jeanette Silvers, Chief Accountability Officer

**Due Date:** June 30, 2010



## Grants SES Observations, Recommendations and Action Plans

### OBSERVATION #7

#### *Site Visits*

District provider site visits are not sufficient to ensure services are being provided to our students in accordance with NCLB and NYSED requirements. During the 2008-2009 school year the Title I office performed 4 informal site visits, which is insufficient for monitoring in excess of 20,000 tutorial sessions. Currently, there is one staff person responsible for the SES program. We recognize the most significant driver for the number of visits is the lack of resources dedicated to the SES Program. Management should evaluate if additional resources can be identified to support the administration of the SES program. If additional resources do not exist, management should identify how to periodically perform significant tasks within current staffing constraints. Increased automation in the billing review process may be one way to improve efficiency. In addition, the current site visit criteria appear to be based on an open-ended evaluation of the site in lieu of specific SES administrative requirements. The District should perform frequent unannounced site visits to reinforce the District's vested interest in students receiving quality SES services. It also reinforces to vendors that contractual provisions must be complied with and will be monitored. District should ensure providers are evaluated on compliance with NCLB and NYSED SES requirements.

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Implement consistent formal monitoring procedures for SES Providers and consider a standard form that includes various compliance features. Establish a plan to increase unannounced reviews of all providers over a designated timeframe. Evaluate ways to increase operating efficiencies in the Title I office, then establish a plan that identifies the level of monitoring that can be performed within current staffing constraints. Obtain Senior management approval on the level of monitoring performed to ensure that agreement is obtained.*

#### Management Responses:

We have developed detailed monitoring procedures of items to be reviewed during site visits. We will establish a schedule to increase site visits, within our existing staffing constraints. The Title I Administrator and Director meet weekly to discuss operations and potential efficiencies. In addition, monthly meetings are performed with the Chief of Accountability to discuss Title I operations.

**Responsibility:** Cheryl Wheeler, Acting Director of Grants and Program Accountability; Jeanette Silvers, Chief Accountability Officer  
**Due Date:** June 30, 2010



## Grants SES Observations, Recommendations and Action Plans

### OBSERVATION #8

#### Cayen SES System

The District utilizes a purchased software product (Cayen) to facilitate management of the SES program. The Cayen SES database was not fully implemented and functional during its' first year of implementation. Providers are able to purchase and utilize the system to simplify monthly billing and have upload capability. Providers expressed concerns about their understanding of system functionality. Additional training, functionality and development is necessary to ensure efficiency and accuracy in billing and reporting. For instance, some system settings were not accurate or feasible (i.e. per pupil allocation rates, billing cut offs) to support system use. Providers communicated that Cayen training was insufficient prior to implementation, although it was a good improvement over the manual process. The Title I office believes that sufficient training was provided although the vendor had to conduct a second session to make up for a lack of functionality at the first session. Regardless, we believe that additional training should be offered to improve the Providers perception and utilization of the system.

Concerns were noted in the following areas:

- Tutors have difficulty generating education plans and assessments.
- Providers cannot accurately report billing time and ratios for multiple students to tutor sessions.
- Providers can copy billing information including rates, which may be inaccurate. The burden is on the District to identify erroneous errors.
- Cayen billing uploads bypass system controls that are in place for manual billing.
- Invoices cannot be exported into Excel for analysis.

System controls or exception reports that facilitate program monitoring, billing, provider deadlines, program thresholds and student achievement of goals should exist to best utilize the system investment. Additional training can also facilitate system efficiencies.



## Grants SES Observations, Recommendations and Action Plans

### RECOMMENDATIONS and MANAGEMENT RESPONSES

*Establish and implement a comprehensive plan with appropriate timelines to improve Cayen functionality, provider training and reporting. Consider the following improvements:*

- *Enable billing to allow tutors to report time for correct group sizes with participants working on multiple subjects.*
- *Activate the same system controls for uploads that are available for manual billing.*
- *Track and report historical dates of record creation and changes for student enrollment, SEP's, Progress reports, billing submission, billing approval and review.*
- *Provide automated controls to reinforce billing verification issues.*
- *Include vendor voucher ID in student invoice screen.*
- *Reflect tutor certification on staff screen.*

#### Management Responses:

Upon implementation, we planned to improve functionality in phases. In the past month, some of the items above have been implemented with customizations. We have created a training schedule with twice as many trainings as in the prior year. In addition, we have given Providers a meeting schedule to facilitate regular communication. During the meetings, we will discuss Provider system concerns and operating challenges to improve SES Administration and Cayen functionality.

Responsibility: Cheryl Wheeler, Acting Director of Grants and Program Accountability; Jeanette Silvers, Chief Accountability Officer

Due Date: June 30, 2010