A REPORT BY THE NEW YORK STATE OFFICE OF THE STATE COMPTROLLER

H. Carl McCall
STATE COMPTROLLER

STATE EDUCATION DEPARTMENT

OVERSIGHT OF THE EXPANSION OF THE UNIVERSAL PREKINDERGARTEN PROGRAM

2000-S-13

DIVISION OF MANAGEMENT AUDIT AND STATE FINANCIAL SERVICES
Report 2000-S-13

Mr. Carl T. Hayden
Chancellor of the Board of Regents
The University of the State of New York
State Education Building
Albany, NY 12234

Dear Mr. Hayden:

The following is our report addressing the State Education Department’s oversight of the expansion of the Universal Prekindergarten Program.

This audit was performed pursuant to the State Comptroller’s authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law. We list major contributors to the report in Appendix A.

Office of the State Comptroller
Division of Management Audit and State Financial Services

May 31, 2001
EXECUTIVE SUMMARY

STATE EDUCATION DEPARTMENT
OVERSIGHT OF THE EXPANSION OF THE
UNIVERSAL PREKINDERGARTEN PROGRAM

SCOPE OF AUDIT

In 1997, in an effort to provide all four-year olds in New York with an opportunity for an early education experience, the Legislature established the Universal PreKindergarten (UPK) program, which is administered by the State Education Department (Department). If a school district elects to participate in the UPK program, it receives a certain amount of State funding for every four-year old, up to a maximum budgeted number, enrolled in an approved prekindergarten program provided, or overseen, by the district. Even if a district elects to participate, the parents in the district are not required to place their four-year old children in any prekindergarten program. The UPK program was to be phased in over a four-year period, and each year of the phase-in period, additional districts become eligible for program funding. State funding for the program was expected to increase from $67 million in the 1998-99 school year to $500 million in the 2001-2002 school year (enough to support the participation of about 150,000 four-year olds), when all 700 school districts were expected to be eligible. However, in each year of the expansion, the funding has been at risk and Executive budgets have proposed either cuts to the planned level, or providing the funding without dedicating it to UPK programs.

Our audit addressed the following questions about the Department’s oversight of the UPK program for the period July 1, 1998 through November 30, 2000:

- What progress has been made in providing four-year olds statewide with access to the UPK program?
- Has school district compliance with UPK requirements been adequately monitored by the Department?

AUDIT OBSERVATIONS AND CONCLUSIONS

We found that, while the UPK program has successfully been made available to thousands of four-year olds, many four-year olds may not be able to participate because of a lack of available classroom space, a lack of community-based providers willing or able to participate in the program, a lack of certified teachers, and insufficient or uncertain funding.
We found that many eligible districts have elected not to participate in the program, and some of the participating districts have not been able to enroll as many children as were funded by the State. For example, in the 2000-2001 school year, 257 (61 percent) of the 419 eligible districts elected not to participate, and 7,726 (13 percent) of the 60,216 program slots funded in the participating districts were unable to be filled. (An additional 8,141 funded slots were not filled in the 257 non-participating districts). We note that New York City schools, which accounted for almost three-quarters of the 52,490 children enrolled in the 2000-2001 school year, filled a significantly higher portion of their funded slots (87 percent) than schools in the rest of the State (58 percent). (See pp. 6-10)

We determined that, some districts do not participate in the UPK program or cannot fill funded slots because existing prekindergarten services are considered sufficient. However, in many other instances, districts do not participate or cannot fill funded slots because of a lack of classroom space in district facilities, a lack of community-based providers, and funding inadequacies and uncertainties. Unless actions are taken to address these barriers to participation, many of the four-year olds in New York State may not be given the opportunity to participate in a high-quality prekindergarten program. (See pp. 10-14)

We visited 20 UPK providers in four participating school districts and found the providers complied with UPK requirements relating to curriculum content and child health and safety. However, we also identified 12 local school boards that did not seek required community input before they elected not to participate in the UPK program. We also determined that some districts may not be able to comply with the requirement that, beginning in the 2001-2002 school year, all UPK classes be supervised by certified teachers. (See pp. 15-19)

Comments of Department Officials

Department officials agree with our recommendations and indicated steps that are underway or planned to implement them.
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The 20 UPK Providers Visited During the Audit

Appendix A

Major Contributors to This Report

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Comments of State Education Department Officials
**INTRODUCTION**

**Background**

Elementary, middle and secondary schools in New York State are overseen by the Board of Regents. The 16 Regents, who are elected to five-year terms by the State Legislature, are headed by a Chancellor. The Regents are served by the State Education Department (Department). The Department oversees local school boards, administers the State’s education policies and programs, and monitors compliance with education laws and regulations. The Department also offers technical assistance to teachers and administrators at local schools. The Department employs about 3,000 staff, of whom about 650 are involved in the oversight of elementary, middle and secondary schools. The schools are directly administered by local school boards in about 700 school districts throughout New York State.

The operations of New York’s elementary, middle and secondary schools are funded by (1) property taxes levied by local school boards, (2) State aid appropriated by the Legislature and distributed to the school districts on the basis of complex formulas, and (3) grants appropriated by the Legislature for certain designated purposes. State aid and grant funding are administered by the Department, which is responsible for monitoring how the funds are used.

In 1997, in an effort to ensure that all children in New York are given an opportunity to receive an early education experience that enables them to begin school with the cognitive and social skills necessary for a successful journey through the educational system, the Legislature established the Universal PreKindergarten (UPK) program. In this program, every four-year-old child in the State is to be given the opportunity to participate in a high-quality prekindergarten program. The UPK program was enacted as part of the Legislature’s Learning, Achieving, and Developing by Directing Educational Resources (LADDER) initiatives, which also include programs for reducing class size, funding facility maintenance, enhancing instructional technology, and addressing other educational needs.

The UPK program was to be phased in over a four-year period that began in the 1998-99 school year. Each year of the phase-
in period, additional school districts are to be identified by the Department as eligible for program funding, which is distributed through grants appropriated by the Legislature. In addition, the number of four-year olds enrolled in the UPK program of each eligible district was expected to increase each year of the phase-in period. Eligible districts are identified on the basis of a formula that incorporates several factors, including the proportion of economically disadvantaged children in each district. (According to statutory requirements, economically disadvantaged children are to be given preference when program slots are filled during the phase-in period.) The total grant funding appropriated by the Legislature for the UPK program was expected to increase from $67 million in the 1998-99 school year to $500 million in the 2001-2002 school year (enough to support the participation of about 150,000 four-year olds at the current level of funding per student), when all districts were expected to be eligible for program funding.

The amount of program funding allocated to each district is based on the number of four-year olds who are expected to enroll in each district’s UPK program (for the 1999-2000 school year, this amount ranged between $2,700 and $4,000 per enrolled child, the amount varying on the basis of several factors). If fewer children than budgeted enroll in a district’s program, the district’s grant for that year is reduced accordingly. If more children than budgeted enroll, the grant for that year is not increased. However, for the 2000-2001 school year, any funds allocated to a district, but not used by the district, can be reserved by the district for use in the 2001-2002 school year, if enrollment is higher than budgeted. Since the amount of grant funding allocated to a district does not necessarily cover all the costs incurred by the district in providing its UPK program, some of the district’s costs in providing the program may have to be covered by other available funds.

While it is expected that all school districts will eventually be eligible for UPK grant funding and participation in the UPK program, participation is not required. However, in the year prior to becoming eligible for program funding, a district must convene a range of key stakeholders and hold at least one public hearing for the purpose of considering whether to participate in the program. Ultimately, the UPK program is entirely voluntary because, even if a district elects to participate in the program, the parents in the district are not required to
place their four-year olds in this or any other prekindergarten program.

According to Department estimates, in the Fall of 1998 when the UPK program began, there were more than 260,000 four-year olds in New York State. Some of these four-year olds were served by other publicly funded prekindergarten programs, such as the Department’s Experimental PreKindergarten Program and the Federal Head Start Program, which are intended primarily for economically disadvantaged children. (In 1998, about 19,000 four-year olds were served by the Department’s Experimental PreKindergarten Program.) In addition, each year many of the four-year olds in New York participate in privately funded prekindergarten programs provided by nursery schools, private schools, day care centers, or other community-based early childhood service providers. To promote collaboration with these existing prekindergarten programs, the school districts participating in the UPK program are required by law to set aside at least 10 percent of their total UPK grant award for contracted services with eligible community-based agencies. Therefore, while a portion of the prekindergarten services in a district’s UPK program may be provided directly by the district, some portion must also be provided by day care centers, preschool special education providers, nursery schools, private schools, or other eligible community-based early childhood service providers, including the Head Start Program, through contracts with the district.

The curricula and activities included in UPK programs are required to promote cognitive, linguistic, physical, cultural, emotional, and social development in the participating children. In addition, beginning in the 2001-2002 school year, every class in the UPK program must be supervised by an appropriately certified teacher. UPK programs, therefore, are intended to be more educational than traditional day care.

For the 2000-2001 school year, a total of 419 school districts were eligible to participate in the UPK program. A total of 162 of these districts did participate in the program, and more than 52,000 four-year olds in these districts were served by the program. It should be noted that, although initiatives similar to the UPK program have been implemented in other states, only in New York and Georgia is the access to high-quality prekindergarten services intended to be universal.
Audit Scope, Objectives and Methodology

We audited the Department's oversight of the UPK program for the period July 1, 1998 through November 30, 2000. The objectives of our performance audit were (1) to assess the progress made in providing all of New York's four-year olds with access to high-quality prekindergarten services, and (2) to determine whether school district compliance with UPK requirements has been adequately monitored by the Department. To accomplish our objectives, we interviewed officials from the Department and selected school districts, and reviewed records maintained by the Department and selected districts. In addition, we developed and sent a questionnaire to 142 school districts that were eligible for, but did not participate in, the UPK program in the 1999-2000 school year to determine their reasons for not participating. We also selected and visited a judgmental sample of two participating upstate school districts (the Rochester City School District and the Utica City School District) and two participating school districts in New York City (Community School Districts 6 and 9), and visited a total of 20 UPK providers in these four districts to assess their compliance with certain UPK requirements relating to curriculum content and the health and safety of the participating children (the 20 providers are listed in Exhibit A).

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those operations which are included in our audit scope. Further, these standards require that we understand the Department's internal control structure and its compliance with those laws, rules and regulations that are relevant to the operations included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe our audit provides a reasonable basis for our findings, conclusions and recommendations.

We use a risk-based approach when selecting activities to be audited. This approach focuses our audit efforts on operations that have been identified through a preliminary survey as having
the greatest probability for needing improvement. Consequently, by design, finite audit resources are used to identify where and how improvements can be made. Thus, little audit effort is devoted to reviewing operations that may be relatively efficient or effective. As a result, our audit reports are prepared on an exception basis. This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

Response of Department Officials

A draft copy of this report was provided for review and comment to Department officials. Their comments have been considered in preparing this report and are included as Appendix B.

Within 90 days after the final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the State Education Department shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.
The UPK program was to be phased in over a four-year period that began in the 1998-99 school year. In accordance with guidelines established by the Legislature, the Department determined that 126 school districts were eligible for UPK funding in the first year of the phase-in period, an additional 115 school districts were eligible for UPK funding in the second year of the phase-in period, and an additional 178 school districts were eligible for UPK funding in the third year of the phase-in period. As a result, in the 2000-2001 school year, a total of 419 school districts were eligible for UPK funding. It is expected that the remaining approximately 300 (the total number of school districts often changes due to consolidations and other such actions) school districts will become eligible for program funding in the 2001-2002 school year. Since the UPK program initially was made available to districts with both a high proportion of economically disadvantaged children and a minimum number of four-year olds available to enroll in the program, many of the districts initially made eligible for program funding were located in urban areas. Most of the districts subsequently made eligible for program funding have been located in areas that are more suburban or rural in nature.

As is shown in the following table, many of the districts eligible for UPK funding have elected not to participate in the program, and the percentage of eligible districts participating in the program has declined since the first year of the phase-in period.

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<thead>
<tr>
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<tbody>
<tr>
<td>Districts Eligible</td>
<td>126</td>
<td>241</td>
<td>419</td>
</tr>
<tr>
<td>Districts Participating</td>
<td>65</td>
<td>97</td>
<td>162</td>
</tr>
<tr>
<td>Percent of Eligible Districts Participating</td>
<td>51.6%</td>
<td>40.2%</td>
<td>38.7%</td>
</tr>
</tbody>
</table>
The following map shows the 162 districts that participated in the UPK program in the 2000-2001 school year, the 257 eligible districts that did not participate, and the remaining approximately 300 districts that had yet to be made eligible for UPK funding.
Universal Prekindergarten Program:
Eligible and Participating School Districts
For School Year 2000-01

Prepared by the NYS Library
Some of the districts that have elected to participate in the UPK program have not been able to enroll as many children in the program as were funded by their UPK grants. For example, in the 2000-2001 school year, the UPK grants allocated to the 162 participating districts funded a total of 60,216 program slots. However, the districts are projected to be able to fill only 52,490 of these slots. We note that the UPK grants allocated that year to the 257 non-participating districts funded a total of 8,141 programs slots. Therefore, during the 2000-2001 school year, only 52,490 of the total 68,357 funded program slots (60,216 in the participating districts and 8,141 in the non-participating districts) were filled, and about half the unfilled slots were in participating districts (7,726) and half were in non-participating districts (8,141).

As is shown in the following table, since the inception of the UPK program, New York City schools have filled a significantly higher portion of their funded program slots than schools in the rest of the State.

<table>
<thead>
<tr>
<th></th>
<th>School Year</th>
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<tbody>
<tr>
<td>NYC</td>
<td>Elsewhere</td>
<td>NYC</td>
<td>Elsewhere</td>
<td>NYC</td>
</tr>
<tr>
<td>Number of Children</td>
<td>14,002</td>
<td>6,521</td>
<td>20,135</td>
<td>10,355</td>
</tr>
<tr>
<td>Funded</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Children</td>
<td>13,589</td>
<td>4,659</td>
<td>20,135</td>
<td>7,277</td>
</tr>
<tr>
<td>Enrolled</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Funded</td>
<td>97.1%</td>
<td>71.4%</td>
<td>100%</td>
<td>70.3%</td>
</tr>
<tr>
<td>Children Served</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Includes projected data

Therefore, as the UPK program is extended to the remaining 300 school districts in New York State, most of which are suburban and rural districts and all of which are located outside New York City, the percentage of funded program slots that are filled may be lower than it was in the 2000-2001 school year, when 77 percent (52,490 of 68,357) of all funded slots were filled.
Because so many of the districts eligible for UPK funding have elected not to participate in the program and because fewer children than budgeted have enrolled in the UPK programs of the participating districts, the amounts appropriated for the UPK program in each of the first three years of the phase-in period have yet to be fully used, as is shown in the following table.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>UPK Funding Appropriated</strong></td>
<td>$67.4 million</td>
<td>$100.1 million</td>
<td>$225.2 million</td>
</tr>
<tr>
<td><strong>UPK Funding Expended</strong></td>
<td>$56.3 million</td>
<td>$89.0 million</td>
<td>$172.9 million</td>
</tr>
<tr>
<td><strong>Percent of Available Funds Expended</strong></td>
<td>83.5%</td>
<td>88.9%</td>
<td>76.8%</td>
</tr>
</tbody>
</table>

* Includes projected data

In order to determine why so many districts eligible for UPK funding have elected not to participate in the program, we sent a questionnaire to 142 of the 144 school districts that were eligible for, but did not participate in, the UPK program in the 1999-2000 school year (we did not send questionnaires to the other two non-participating districts because, at the time we sent the questionnaires, these two districts still intended to participate in the UPK program that year). We received responses including reasons for non-participation from 90 of the 142 districts, many of which cited more than one reason for their non-participation. Following are the reasons cited most frequently by the districts:

- district facilities did not have enough space for prekindergarten classes (cited by 53 of the 90 districts, or 59 percent),
- the amount of funding provided by the State and other sources was not sufficient (cited by 48 districts, or 53 percent),
future State funding was uncertain (cited by 18 districts, or 20 percent), and

the existing prekindergarten programs were sufficient (cited by 14 districts, or 16 percent).

To further determine why so many districts eligible for UPK funding have elected not to participate in the program, and to determine why some of the participating districts have been unable to enroll as many children as were funded by their UPK grants, we reviewed certain records submitted to the Department for the 2000-2001 school year for eight eligible districts not participating in the UPK program that year and 13 participating districts that were unable to fill all their funded slots for that year. We selected these 21 school districts because they had asked the Department to reserve their unused UPK grant funds for the following year, and were therefore required by the Department to report their reason(s) for non-participation or under-enrollment for the 2000-2001 school year. We judgmentally selected these 21 districts from the 86 districts that made such a request. The $24.1 million in funds reserved by these 21 districts accounted for 83 percent of the total $28.9 million reserved by all 86 districts.

We examined the reasons for non-participation and under-enrollment that were reported to the Department by the 21 districts, and determined that the following reasons were cited most frequently by the districts:

- district facilities did not have enough space (cited by 10 of the 21 districts, or 48 percent),
- there was a lack of qualified community-based providers willing to provide contracted services (cited by 8 of the 21 districts, or 38 percent),
- the district did not have enough time to adequately plan for participation in the UPK program (cited by 5 of the 21 districts, or 24 percent), and
- the amount of funding provided by the State was not sufficient (cited by 4 of the 21 districts, or 19 percent).

We note that 8 of the 13 participating districts were unable to fill all their funded slots for the 2000-2001 school year, even
though they have participated in the program since its inception. The New York City Board of Education, which alone accounted for $18.9 million of the total $28.9 million (65 percent) in reserved funds, reported that it would not be able to fully implement the UPK program in the 2000-2001 school year because of space limitations in public school buildings, a lack of qualified community-based providers, and the inability to provide prekindergarten services for a full day, as requested by some parents. New York City Board of Education officials further stated that the capacity of their public school facilities had been strained by the implementation of State and Federal initiatives for reducing class size. As a result of these initiatives, for the two years ending June 30, 2001, the officials anticipated the creation of more than 2,000 additional classrooms for students in kindergarten through grade 3. The officials reported that, in effect, the UPK program must compete for classroom space with initiatives to reduce the size of classes in early grades. We note that this competition will take place in districts outside New York City, as well.

On the basis of the information reported to the Department by the 21 districts, and on the basis of the responses to our questionnaire, we conclude that many four-year olds in New York State may not be given the opportunity to participate in a high-quality prekindergarten program, unless actions are taken to address some of the barriers to participation cited by the districts. In particular, the lack of space in district facilities, the lack of community-based providers, and funding inadequacies and uncertainties may be significant barriers to participation for some four-year olds.

Beginning in the year 2000, the Department is required by the Education Law to submit an annual report to the Legislature on the overall status of the UPK program. The purpose of this report is to formally inform the Legislature of the progress made toward the objectives established for the UPK program, to convey any other relevant information about the program, and to recommend actions that are needed if program objectives are to be met. For example, the Department would be expected to report problems encountered by the districts in establishing and filling UPK programs (such as the lack of space, lack of community providers, and funding problems cited by the districts addressed by our audit), and this information could be used by legislators and their staff to determine whether any statutory changes were needed in the law authorizing the UPK program.
We examined the first annual report submitted by the Department. We found that this annual report, which was submitted in July 2000, described a number of difficulties encountered by the districts in their efforts to establish and fill UPK programs. Specifically, the report noted that, because of the long delay in finalizing the State budget for the 1998-99 fiscal year, school districts did not have the reliable fiscal information they needed for timely program planning and implementation. The report further noted that the collaboration requirement created challenges for districts not accustomed to overseeing contracts and managing instructional services provided in community-based agencies. The report also noted that districts had difficulty integrating children with disabilities into UPK programs.

However, the Department’s annual report did not mention other significant problems encountered by many districts in their efforts to establish and fill UPK programs. For example, it did not mention the lack of space in public school facilities, the lack of qualified community-based providers, or the likely shortage of certified prekindergarten teachers beginning in the 2001-02 school year, when such certification is required by law. The annual report also did not include up-to-date information about the extent of participation by eligible districts and the extent of enrollment in participating districts, because participation and enrollment data was included for the 1998-99 school year only (the first year of the phase-in period), even though data was available for the 1999-2000 school year and had been estimated for the 2000-01 school year. In addition, the report was submitted to the Legislature about five months late, as it is due by February 15 of each year, but was not submitted until July 2000. Department officials advised us that the final UPK participation statistics for the 1999-2000 year and the participation projection for the 2000-01 year were not available in February 2000. Thus, such statistics could not have been reported at that time. We agree. However, in addition to the final 1998-99 statistics, the Department could have reported the planned or projected figures for the 1999-2000 year in February 2000.

Based on the results of our audit, we conclude that it will be important for the Legislature and the Department to work together to develop policies to help maximize the number of districts that participate in UPK Statewide. Moreover, to help ensure that legislators and the public are fully informed about
the status of the UPK program, future annual reports about the UPK program should be as complete and up-to-date as possible and should be submitted to the Legislature in a timely manner.

**Recommendation**

1. Make future annual reports about the UPK program as complete and up-to-date as possible, and submit the reports to the Legislature by February 15 of each year

   (Department officials agree with this recommendation.)
MONITORING DISTRICT COMPLIANCE WITH UPK PROGRAM REQUIREMENTS

Once a school district is determined to be eligible for the UPK program, it is expected to comply with various requirements established by the State Education Law and the Commissioner of Education’s Rules and Regulations. For example, district officials must seek community input when deciding whether to participate in the UPK program, and if the district does participate in the program, the officials must prepare a detailed plan describing how they will implement the program, must begin using certified teachers for the program in the 2001-2002 school year, must ensure that the curriculum of the prekindergarten classes meets certain requirements, and must ensure that the facilities used for the classes meet certain health and safety standards.

We visited a total of 20 UPK providers in four participating school districts (the Rochester City School District, the Utica City School District, and Community School Districts 6 and 9 in New York City) to assess their compliance with UPK requirements relating to curriculum content and child health and safety. We found that the 20 providers were in compliance with these requirements.

We also examined the actions taken by the Department in monitoring district compliance with UPK requirements. We found that improvements are needed in the Department’s oversight. For example, we identified local school boards that did not seek community input before they elected not to participate in the UPK program. If community input is not sought, the need for high-quality prekindergarten services may not be identified. We also identified the need for improvement in the Department’s oversight of the districts’ long-term planning for UPK program implementation. We further determined that, due to a shortage of certified prekindergarten teachers, some districts may not be able to comply with the pending requirement that all UPK classes be supervised by certified teachers.
Community Input

Generally, a school district is notified by the Department that it will be eligible for the UPK program about six months before the year of its eligibility. Upon such notification, the district is required by the Education Law to establish a UPK advisory board consisting of a range of key stakeholders. The advisory board is required to hold public hearings to obtain input from district residents regarding the advisability of establishing a UPK program in the district. The meetings can be used to obtain residents’ sentiments in support of or against a UPK initiative. In addition, the hearings can be used to get input on the configuration of a proposed program. District officials can also use the hearings to respond to residents’ questions about the UPK program. After the hearings are completed, the advisory board is to make a recommendation to the school board concerning the district’s participation in the UPK program. This recommendation is not binding on the school board, which is responsible for making the decision about the district’s participation in the program.

In 1998 and 1999, Department officials surveyed the districts eligible for the UPK program in the first two years of the program’s phase-in period to determine whether the districts complied with the advisory board requirements. In each year, the Department determined that several districts did not establish an advisory board. For example, in 1998, the Department determined that 16 of the 121 districts that responded to the survey did not establish an advisory board, and 41 of these 121 districts did not hold any public hearings concerning the UPK program. However, Department officials did not follow up with the non-complying districts to determine why the required process was not followed and whether alternative means were used to seek input from the community concerning the district’s participation in the UPK program.

In addition, the questionnaire we sent to the 142 eligible districts that elected not to participate in the UPK program for the 1999-2000 school year included questions about the districts’ compliance with advisory board requirements. A total of 109 districts responded to these questions, 15 of which indicated that they intended to participate in the UPK program in the 2000-01 school year. However, of the 94 remaining districts, 18 districts reported that they did not form an advisory board, and
12 of these 18 districts further reported that they did not reach out to the community for input concerning the district’s participation in the UPK program. We therefore conclude that the need for a UPK program may not have been adequately considered in these 18 non-participating districts, and as a result, some of the four-year olds in these districts may inappropriately be denied the opportunity to participate in a high-quality prekindergarten program.

**Long-Term Implementation Plans**

It was expected that during the phase-in period of the UPK program, the participating districts would gradually expand their programs until all eligible children seeking enrollment in the program were able to be enrolled. Accordingly, participating districts are required by the Education Law to prepare detailed plans, including timetables, describing how they will expand their program so that all eligible children seeking enrollment may be served. In the absence of such plans, districts are less likely to be able to secure all the facilities and providers that are needed to serve all the four-year olds seeking enrollment in the program.

Despite the explicit planning requirements in the Education Law, the Department does not require that the implementation plans submitted by the districts include timetables or indicate how the program will be expanded so that all eligible children seeking enrollment may be served. Rather, the Department only requires that districts prepare a one-time implementation plan as part of their initial grant application. We believe some of the funded, but unfilled, slots in the UPK program might have been filled if the implementation plans developed by the districts had complied with the requirements in the Education Law. As was noted in the previous section of this report, some districts were unable to fill all their funded program slots because they lacked adequate program space and/or could not find qualified community-based providers. These are the types of problems that may be prevented by effective long-term planning.

**Certified Teachers**

According to the Education Law, no class in the UPK program should contain more than 20 children. For classes of 19 and
20 children, one teacher and two paraprofessionals are required. For classes of 18 or fewer children, one teacher and one paraprofessional are required. Beginning in the 2001-2002 school year, every teacher in the UPK program, including those not employed directly by school districts, must possess a teaching license or certificate that is valid for serving children in early childhood grades.

However, on the basis of our discussions with officials in various school districts, we found there is a significant risk of a shortage of certified prekindergarten teachers across the State. The shortage could be particularly acute for private providers, as many of the teachers used by these providers are not certified. For example, according to information provided by the New York City Board of Education, 27 percent of the teachers employed by private UPK providers in New York City are not certified. We note that one of the private providers we visited in New York City served 234 children, but had only one certified teacher. If the shortage of certified teachers is not addressed, UPK programs in many districts could be jeopardized.

**Department Oversight Efforts**

If an eligible school district elects to participate in the UPK program, it must submit an application for program funding to the Department. In this application, the district is required to describe its plans for implementing the UPK program, its budget for the program, and the nature of the prekindergarten services to be included in the program. Department staff are required to review the application for completeness and for compliance with program requirements. We evaluated this process, and conclude that Department staff adequately review the districts’ program descriptions and budgets for completeness and compliance with program requirements.

Department staff also visit participating districts to monitor the districts’ implementation of the UPK program and to confirm information provided by the districts in their grant applications and program reports. At the time of our audit field work, these visits were made by four professional staff from the Department’s Office of Child, Family and Community Services. We evaluated the adequacy of these visits and found the following for districts outside of New York City:
• in the 1998-99 school year, only 8 (13 percent) of the 64 participating districts were visited,

• in the 1999-2000 school year, only 6 (6 percent) of the 96 participating districts were visited, and

• in the 2000-2001 school year, it is projected that only 21 (13 percent) of the 161 participating districts will be visited.

Also, for the same three years, Department Staff visited from 6 to 10 of the 32 community school districts within the New York City public school system annually. As such, we conclude that the Department’s efforts to formally monitor districts’ UPK programs have been limited.

In addition to the formal site visits intended specifically for UPK, Department officials indicated that less formal monitoring of UPK programs is accomplished through broader Department reviews of districts’ early childhood education programs and comprehensive education plans. However, although such reviews can be helpful, the benefit they have had on Department efforts to formally monitor districts’ UPK programs is not clear. Moreover, given the unique requirements of UPK and the planned increase in the number of districts with UPK programs, we conclude that Department efforts to monitor the districts may become further diluted unless more staff becomes available to conduct formal site visits.

Recommendations

2. Ensure that all school districts eligible for the UPK program comply with the advisory board requirements.

3. Require participating school districts to submit continuous long-term implementation plans for the UPK program. These plans should include timetables for accomplishing program goals and indicate how the program will be expanded so that all eligible children seeking enrollment in the program may be served.
## Recommendations (Cont’d.)

4. Closely monitor district efforts to comply with the UPK teacher certification requirement, and determine what actions are needed for districts not likely to meet the requirement.

5. Assess the extent to which additional staff resources can be dedicated to formal monitoring of school districts’ compliance with UPK program requirements.

6. Ensure that Department reviews of district’s early childhood educational programs and comprehensive education plans clearly document the extent to which the UPK program has been evaluated and the nature of any findings about the program.

(Department officials agree with recommendations number two through number six.)
The 20 UPK Providers Visited During the Audit

Community School District 6  (New York City)
- Washington Heights Hellenic Greek Orthodox Church
- Little Apple at Public School 98
- NY League for Early Learning
- St. Mathew’s Evangelical Lutheran Church
- Young Men & Young Women Hebrew Association

Community School District 9  (New York City)
- Seventh Avenue Mennonite Head Start
- Highbridge Advisory Council
- Mid-Bronx CCRP Early Childhood Center, Inc.
- Community Elementary School 53
- La Peninsula Headstart Center
- Women’s Housing & Economic Development Corporation Head Start

Rochester City School District
- Henry Lomb School 20
- Rochester Children’s Nursery School
- School 29
- Rochester Family Resource Center (Calvary St. Andrews)
- Ibero/Rainbow Childcare Center
- Action for a Better Community (ABC) Headstart (Hart Street)

Utica City School District
- First Presbyterian Church Nursery School
- New Discoveries Learning Center
- Thea Bowman House
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May 4, 2001

Mr. Jerry Barber  
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Albany, New York 12236

Dear Mr. Barber:

In reply to your letter of March 20, 2001 to Chancellor Carl T. Hayden, transmitting the State Comptroller’s Draft Audit Report (2000-S-13) — *Oversight of the Expansion of the Universal Prekindergarten Program* (UPK), I provide the following responses to the recommendations and suggested revisions to the draft audit narrative for your consideration.

**Recommendation #1** - Make future annual reports about the UPK program as complete and up-to-date as possible, and submit the reports to the Legislature by February 15 of each year.

We agree with this recommendation. For school years 2002-03 and thereafter, a report on UPK will be transmitted to the Legislature by February 15.

**Recommendation #2** - Ensure that all school districts eligible for the UPK Program comply with the advisory board requirements.

We agree with this recommendation. The school year 2001-02 is the final year for phase-in for the UPK program. This recommendation becomes moot for school districts eligible for UPK program funding. The UPK law requires school districts to have complied with the advisory board requirements the year prior to first being eligible to receive funding.

**Recommendation #3** - Require participating school districts to submit continuous long-term implementation plans for the UPK program. These plans should include timetables for accomplishing program goals and indicate how the program will be expanded so that all eligible children seeking enrollment in the program may be served.

We agree with this recommendation. The Department requires that all first-time applicants for a UPK grant submit a UPK plan that includes timelines for implementation. In large part, future timelines for expansion will be controlled by the availability of State funding. However, current uncertainty about funding levels makes developing detailed timelines very difficult for districts.
Recommendation #4 - Closely monitor district efforts to comply with the UPK teacher certification requirement, and determine what actions are needed for districts not likely to meet the requirement.

We agree with this recommendation. The applications and final data reports that districts must complete, require reporting the number of certified teachers by site. This data will show trends in shortages when, where and if such shortages arise.

Recommendation #5 - Assess the extent to which additional staff resources can be dedicated to formal monitoring of school districts’ compliance with UPK program requirements.

We agree with this recommendation. The Department continues to examine the extent to which allocation of resources can be dedicated for the purpose of monitoring local programs.

Recommendation #6 - Ensure that Department reviews of district’s early childhood educational programs and comprehensive education plans clearly document the extent to which the UPK program has been evaluated and the nature of any findings about the program.

We agree with this recommendation. Districts are required to report evaluation data on their final UPK reports. These final UPK reports are reviewed by staff.

Please contact Cindy Gallagher at (518) 474-5807 if you have any additional questions.

Sincerely,

Richard H. Cate

Attachment

cc: Cindy Gallagher
Suggested revisions to draft audit narrative:

1. Page 2, ¶1, statement. "According to program guidelines, economically disadvantaged children are to be given preference when program slots are filled during the phase-in period." The requirement that districts give preference to children from families that are economically disadvantaged is a statutory mandate. For purposes of accuracy, the Department would suggest that "program guidelines" be revised to "statutory."

2. Page 10, chart. For the 2000-01 school year, the amount of UPK funding projected to be expended should be $172.9 million, thus making the percent of available funds expended 76.8%.

3. Page 13, ¶1, 4th sentence. "The report further noted that some districts had difficulty monitoring the UPK program provided by community-based agencies." This sentence is an inference that is not consistent with the statements made in the annual report. The annual report noted that "the collaboration requirement created challenges for districts not accustomed to overseeing contracts and managing instructional services provided in community-based agencies." It concludes, "these tasks were challenging, yet districts succeeded in developing partnerships resulting in very solid program statewide." This conclusion is supported by the fact that the audit staff reported that they found the 20 providers to be in compliance with the UPK requirements.

4. Page 19, top of page. While New York City is considered one district for the purpose of allocating funds, its applications include information for each of the 32 Community School Districts (CSD). Each CSD is treated individually for purposes of monitoring. The following data more accurately portray the Department's monitoring of the UPK program:

- In the 1998-99 school year, 10 CSDs in NYC and eight other districts were visited.
- In the 1999-00 school year, six CSDs in NYC and six other districts were visited.
- In the 2000-01 school year, eight CSDs in NYC and 21 other districts were visited.

*State Comptroller's Note:*

1. Certain matters addressed in the draft report were revised or deleted in the final report. Therefore, some Department comments included in Appendix B may relate to matters no longer contained in this report.