

March 30, 2001

MEMORANDUM

TO: Thomas Corwin
Office of Elementary and Secondary Education

FROM: Lorraine Lewis /s/

SUBJECT: Final Audit Report
Safe and Drug-Free Schools and Communities Act
Governor's Program: ED-OIG/A04-A0005

This *Final Audit Report* (Control Number ED-OIG/A04-A0005) presents the results of our audit of the Governor's Program portion of the Safe and Drug-Free Schools and Communities Act.

EXECUTIVE SUMMARY

We performed a limited review of the Governor's Program of the Safe and Drug-Free Schools and Communities Act (Act) in six states for fiscal years 1998, 1999 and 2000. In the states we reviewed, we determined that the funds were used for diverse drug and violence prevention programs and activities allowed by law, regulations and Departmental guidance. While our review did not disclose any instances of misuse of program funds in the states we reviewed, we did note the following issues that caused us to question whether the states were administering the program as intended by the Act.

- * The Governor's Program in the states we reviewed was not primarily serving youths that the state education agency or local education agencies did not normally serve or those with special needs as defined in the law.
- * Agencies that receive Governor's Program funds were not determining if their activities were progressing toward achieving the goals of drug, alcohol and violence reduction and prevention. The Department's 1999 Annual Performance Report required by the Government Performance Results Act (GPRA) states that the lack of uniform information on program activities and effectiveness make Federal oversight difficult.
- * Governor's Program offices were neither adequately monitoring nor providing adequate technical assistance to agencies receiving Governor's Program funds.

We discuss these findings and make recommendations in the Audit Results Section of the report.

The Office of Elementary and Secondary Education (OESE) did not concur with our findings and recommendations. OESE's comments and our responses are discussed in the Audit Results Section of the report. A copy of the response is included as an Attachment to the report.

BACKGROUND

Title IV of the Improving America's Schools Act of 1994, the Safe and Drug-Free Schools and Communities Act (the Act), Public Law 103-382, authorizes programs administered by the Safe and Drug-Free Schools Program (SDFSP). State education agencies receive 80 percent of the funding; the Governors receive 20 percent. The Act provides the funds to the Chief Executive Office in each state for grants and contracts with parent groups, community action and job training agencies, community-based organizations and other public and private nonprofit organizations and consortia for drug and violence prevention programs and activities.

The program provides support for a variety of drug and violence prevention activities focused primarily on school-age youths. Governors are to use their program funds to support drug and violence prevention activities that complement the state educational agency/local educational agency portion of the Safe and Drug Free Schools and Communities program.

The Governors' Programs must give priority to activities that serve youths not normally served by a state education agency or local education agencies, or that reach populations that need special or additional resources such as youths in juvenile detention facilities, runaway or homeless youths, and school dropouts.

AUDIT RESULTS

Finding No. 1 -- The Governor's Program was not serving youths designated in the law as having priority for service.

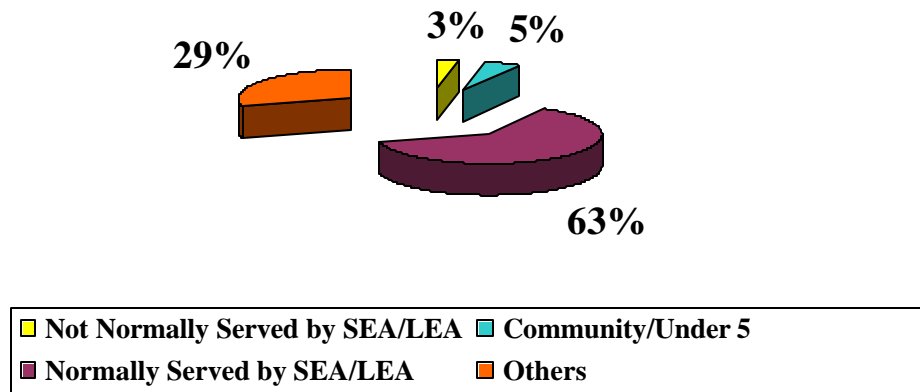
Under Section 4114 (b) of the Act, a state's Chief Executive Officer must give priority to programs that serve children and youths not normally served by the state education agency or a local education agency, or populations that need special services or additional resources, when awarding grants and contracts. Section 4114 (b) (1)(B) provides the following populations as examples of groups that may need special services or additional resources:

- preschoolers,
- youths in detention facilities,
- runaway or homeless children and youths,
- pregnant and parenting teenagers, or
- dropouts.

We determined that the states we reviewed were not primarily serving those youths not served by the state education agency or a local education agency by reviewing the annual reports submitted to the Department by the states. Also, our review did not find that states were primarily serving those with special needs as described in the Act.

For example, the Governor’s Program, according to annual reports for the states reviewed, served about 1,275,000 persons in Fiscal Year 1998. The program served only about 38,800 youths that the state education agency or a local education agency would not normally serve. Further, the states served only about 66,600 persons from the general community, including youths under five years of age.

The chart below shows whom the Governor’s Programs served in Fiscal Year 1998 in the states we reviewed.



The chart shows that almost two-thirds of the persons served by the Governor’s Programs were youths attending public or private schools who normally would be served by the state educational agency/local educational agency portion of the Safe and Drug Free Schools and Communities Act. About one-third were parents, teachers and law enforcement personnel. Only three percent of the persons served were those that the state education agency or a local education agency would not normally serve. In addition, the Governor’s Programs served only about five percent of other community members, including youths under five years of age.

Several state officials told us that there were very few youths that their state education agency and the local education agencies did not serve. Officials from two states said us that they received only a few or no applications from agencies that served out-of-school youths or youths with the special needs cited in the law. One administrator told us that all students in the state need additional services. Other officials stated that many youths in school also need services from community organizations. One state official said that the programs were serving those with special needs even though those needs were not described in the law. Another state official told us that pregnant and parenting youths generally remain in school.

Some Governor's programs had similar characteristics to activities of the State Education Agency portion of the Act in that they provided services during school hours; were held in school buildings; or were restricted to persons attending a particular school. Officials in one state said that, while the state education agency and Governor's Program may serve the same child, they each do it differently. These same officials also told us the schools have a lot of trouble adequately serving the needs of all the children.

We asked state level officials if there is a need for a State Education Agency Program and a separate Governor's Program, administered by two separate agencies. Some state officials said that combining the programs would reduce administrative costs and burdens, allowing more funds for services. One state agency official said the programs should be combined or the law changed so that the Governor's Program would serve only those not in school. Other officials said there was a distinct difference between the Governor's Program and the State Education Agency Program and, therefore, one agency should not administer both programs.

Recommendations

We recommend that the Assistant Secretary for Elementary and Secondary Education:

- 1.1 Assist state administrators in finding ways to identify and serve those not served by state and local education agencies and those with special needs as defined in the law, or consider whether the law needs to be changed to remove these provisions.
- 1.2 Study the feasibility of combining the Governor's Program and the State Education Agency Program into one program within the Safe and Drug-Free Schools and Communities Act with adequate provisions to serve schools and communities.

Auditee's Response

In its response to the draft report, OESE stated that the data provided demonstrated that most service recipients were likely to be eligible for service by State or local education agencies, it did not provide information about whether or not students served needed additional resources or services.

The response also stated that the draft report did not explore whether or not States have implemented grant/contract priorities or other processes designed to result in awards to projects that link to the statutory requirement concerning services for out of school youth needing additional resources or services. The response further stated that it was not clear if administering agencies pursued strategies that would have resulted in more funds being devoted to the designated priority populations, or if those strategies were unsuccessful.

OIG Reply

The Safe and Drug-Free Schools and Communities Act clearly says that funds should go to designated priority populations. The state agencies we reviewed were not doing this. As shown above, only about 8 percent of the persons served by the Governor's Program were those

specifically designated by the Act as having priority for service. We reported the reasons given to us by state agency officials. We also reported that officials told us that many youths in school also need additional services. The point of our finding is not whether youths in school need additional services. The point of our finding is two fold: (1) states need assistance in implementing the priority for service provision of the law; and (2) consideration needs to be given as to whether this part of the law needs to be revised.

If there is a need for the service priority provisions, then state administrators need assistance in finding better ways to identify and serve those not served by state and local education agencies and those with special needs as defined in the law.

Our recommendations remain unchanged.

Finding No. 2 – Agencies that received Governor’s Program funds did not determine if their activities were progressing toward achieving the goals of drug, alcohol and violence reduction and prevention.

Section 4117 (b) of the Act provides that states should report on:

- the implementation and outcomes of the state’s programs and include an assessment of the program’s effectiveness.
- the state’s progress toward attaining its goals for drug and violence prevention.

As one of a series of activities designed to improve the quality of drug and violence prevention, the Department published the Safe and Drug-Free Schools and Communities Principles of Effectiveness (Principles) in June 1998. Non-regulatory guidance for implementing the Principles states that, to ensure use of Title IV funds to reduce drug use and violence among youths, recipients should:

- evaluate programs periodically to assess progress toward achieving goals and objectives.
- use evaluation results to refine, improve and strengthen programs and to refine goals and objectives as appropriate.

The guidance for using the Principles further states that grant recipients should assess their programs and use the information about program outcomes to re-evaluate program efforts. The guidance also states that grantees cannot continue to use funds from the Act to implement programs that cannot demonstrate positive outcomes.

We reviewed 16 subrecipient grant files. Just four of the subrecipient applications reviewed had budgeted for program evaluations. Three grant files had no goals or objectives related to drug, alcohol or violence prevention as a part of their programs. Four subrecipients did not have any evaluations in their file. Three subrecipients were in their first year. One of these subrecipients had no goals or objectives relating to drug, alcohol, and violence prevention. Thus, program results and evaluations were not present in most files we reviewed. Six subrecipients did not

evaluate their program using outcome based results. Only one subrecipient's program evaluation focused on program outcomes or results.

Officials in the Governor's Program offices told us that subgrantees were having a difficult time evaluating program effectiveness. One state official acknowledged that impact evaluations are lacking and that subgrantees were not tracking program information well. Other state and subrecipient agency officials admitted that their agencies did not have the information to determine the effects of their program on the reduction or prevention of drug and alcohol abuse and violence. They attributed their difficulties, and lack of effective program evaluation, to the factors below.

Lack of Available Data

Program officials in one state said they had problems gathering data because the political subdivisions and school districts were reluctant to share information. Law enforcement agencies were also reluctant to provide specific data about drug and violence related activities within their jurisdiction. Officials in another state cited the lack of cooperation by a previous State Superintendent of Education as a hindrance to gathering data. Consequently, some states used general statewide and demographic data in the states' needs assessment and evaluations. However, this information did not provide adequate information to enable subrecipient grantees to determine needs and evaluate the effectiveness of their program. Subrecipient grantees also reported that they did not have data that showed the effectiveness of their programs. Several reported difficulty in getting data and information. One program official stated that, although he understood the necessity of measuring the program, his focus was on serving the child, not gathering data. This official told us he measured effectiveness by observing behaviors.

Difficulty in Developing Performance Measurements and Outcomes

Several state and subgrantee officials told us that they have difficulty developing performance and outcome measurements and evaluations of program effectiveness. Several subrecipient agencies said they did not know the effectiveness of their programs because they did not know where to get specific information. Several agencies use questionnaires and pre and post testing to determine attitudes, but not results. Another subgrantee agency told us that data showing a correlation to their program and prevention of drug abuse and violence was hard to get. Officials from one state told us that they are just beginning the evaluation process and that it would be a while before they will see results. Most of the programs used output goals that defined the activities of the program rather than outcome goals and objectives that measured the program's effectiveness.

Limited Resources and Time

State and subrecipient officials said that thorough evaluations are costly and neither the state nor the subrecipient agencies have the resources to conduct such evaluations. In two states, the Governor's Program was one of several that the officials administered. Several subrecipients told us that a one-year grant did not provide enough funds or time

to adequately evaluate a program. The average award in 1999, in the states that we reviewed, was \$33,174.84. We verified that most of the funds in the subgrants we reviewed went to program activities, including salaries, and left little or no funding for an evaluation. Only four of 16 subrecipients reviewed had budgeted for a program evaluation.

The Principles of Effectiveness states that grant recipients should design and implement programs based on research and evaluation that provides evidence that the programs used prevent or reduce drug use and violence. The Principles of Effectiveness guidance lists resources that can be used to identify programs meeting this criterion. Subrecipient agencies were not using those types of programs. State agency officials and subrecipient agency officials told us that such programs were expensive. One subrecipient official did tell us that inexpensive research-based programs were available through the Internet. Nevertheless, the official did not know where to obtain information locally to determine how the program affected local conditions.

Subgrantee agency officials also told us that one year was not enough time to determine if a program was effective. These officials stated that multi-year grants would benefit program continuity and enhance an agency's ability to better evaluate programs.

Some state agency officials agreed with the assessment that multi-year funding would help program evaluations. Other officials told us that state laws did not allow multi-year grants. One state official told us that increased funding for some grants would eliminate some smaller grants thus preventing programs from serving youths. Another state official said multi-year grants would limit program oversight and they would lose control over the grants.

The Government Performance and Results Act requires the Department to develop performance goals and objectives and report on results of its performance annually. The Department reported in its 1999 Annual Performance Report that it monitors progress toward safe and drug-free schools through national trends in student drug and alcohol use and in student victimization and violent incidents in school. The Department also noted that drug use and violence involving youth are affected by other factors, only some of which are under schools' control. These include societal and parental attitudes, peer pressure, activities of organized crime and gangs, community risk factors and advertising and other media factors. These factors are different in each locality, making it more difficult for Federal actions to respond effectively to local needs. The Department further reported that the lack of uniform information on program activities and effectiveness make Federal oversight difficult. Our audit work supported the statements made in the Department's 1999 Annual Performance Report concerning the challenges to achieving the objective of having schools that are strong, safe, disciplined and drug-free.

Recommendations

We recommend that the Assistant Secretary for Elementary and Secondary Education:

- 2.1 Provide technical assistance to help Governor's Program officials gather data they can use to develop and measure the effectiveness of their programs.
- 2.2 Provide assistance to Governor's Program officials in developing performance and outcome measures.
- 2.3 Work with state Governor's Programs to develop methods of funding programs that will allow for the evaluation of progress toward reduction and prevention of drug and alcohol abuse and violence among youths.

Auditee's Response

In its response to the draft report, OESE stated that we relied heavily on comments from program officials in the States and requested additional documentation about the results of our review of evaluation results, evaluation plans or other documents.

OIG Reply

We agree that we relied heavily on program officials in the states in support of this finding. Program officials interviewed included state agency officials and officials from agencies receiving Governor's Program funds. From these officials, we obtained the information that there were little or no objective indicators concerning evaluation requirements such as plans, assessment results, or other documents as suggested by the Principles of Effectiveness. While we did rely heavily on the information received in interviews, we did review subgrantee applications and budgets. The applications and budgets contained neither outcome objective indicators nor funds for evaluations of results. We added information to the report to reflect the results of those reviews. We suggested the Department assist the states in developing objective indicators and a means of gathering and reporting results because neither the states nor the subgrantees were doing this.

Our recommendations remain unchanged.

Finding No. 3 – Governor's Program offices were neither adequately monitoring nor providing adequate technical assistance to agencies receiving Governor's Program funds.

Section 4112 (c)(4) the Act requires that states develop a plan for monitoring the implementation of, and providing technical assistance for, drug and violence prevention programs conducted with Governor's Program funds. Section 80.40 of Education Department General Administrative Regulations (EDGAR) requires grantees to monitor grants and subgrant activities to assure compliance with applicable Federal requirements and the achievement of performance goals. Section 76.770 of EDGAR requires the development of procedures for providing technical assistance to ensure compliance with applicable statutes and regulations.

Most of the states reviewed were not adequately monitoring and providing technical assistance to subgrantees. Only one of the six states had implemented a monitoring plan that reasonably satisfied the requirements of the applicable laws and regulations regarding monitoring.

Monitoring

Two of the six states reviewed did not have a formal monitoring plan. State officials in one state said that they have not adequately monitored subgrantees. The officials attributed their limited monitoring efforts to the lack of time, funds, knowledge and training. They had developed a proposed monitoring plan and technical assistance program. In the other state, an official acknowledged that their program does not have a monitoring plan. Instead, program staff review the subgrantees' plans and applications. The official said they are planning to visit subgrantees that need assistance.

Officials in the other four states said that they have a monitoring plan. Although these states had a plan, monitoring efforts were limited. For example, one state awarded 58 grants one year and 59 grants the next year. Governor's Program officials in this state said program staff reviewed only three to five grants per year. Two states required that subgrantees submit monthly program reports. Officials in one state said that they had been remiss in not monitoring, even though they require monthly reports from subrecipients. Officials in the other state told us that while they review the monthly reports, there were not enough administrative funds to properly monitor and visit grantees.

Another state awarded an average of 37 grants a year. Officials said that they have monitored about two-thirds of their sub-grantees. However, one subgrantee official told us that the state has not conducted a monitoring visit during his four years as director of the agency. A state agency official in another state said they had intended to monitor each sub-grantee twice a year, but they were unable to do so.

Though some states were monitoring subgrantees, these efforts were inadequate. For example, one state had a program that reasonably satisfied the monitoring requirements stated in the Act and in Departmental guidance. But the state had limited information in its monitoring records about subgrantees meeting program goals and implementing the Principles of Effectiveness. Another state official confirmed that monitoring teams do not determine if sub-grantee goals and objectives are outcome based. Their monitoring reports did not address performance indicators or assess progress toward reduction and prevention of drug and alcohol abuse and violence. Further, their monitoring emphasis was not on the Principles on Effectiveness. Most states focused their monitoring and evaluation efforts on verifying that subgrantees are carrying out the activities listed in the application. Field reports in one state say nothing about the Principles of Effectiveness, measured goals, evaluations or any of the programs' objectives.

Technical Assistance

Officials in each of the states told us that they provided some technical assistance to subgrantees. They stated their offices typically provide technical assistance whenever subgrantees request it; when the Governor's Program office became aware of problems; when reviewing plans and applications; and during grants negotiations. Documentation was not available to support their claim. Some officials said they provide technical assistance during monitoring visits. However, the monitoring reports we reviewed do not show the staff provided any technical assistance during the visit.

Despite the lack of written documentation of technical assistance at the state offices, several sub-grantee agency officials said that state offices have provided valuable technical assistance when needed. Other sub-grantee officials said that they have had limited contact with their respective state office.

Recommendation

We recommend that the Assistant Secretary for Elementary and Secondary Education:

- 3.1 Provide additional training to assist Governor's Program officials develop and effectively implement a monitoring and technical assistance plan, including how to document and report on monitoring and technical assistance visits, with emphasis on the Principles of Effectiveness.

Auditee's Response

In its response to the draft report, OESE stated that the report did not present much objective documentation for the finding.

OIG Reply

The OESE response to the finding suggests that objective documentation to this finding is missing. We could not analyze data that was not there. Officials in two states reported that they did not have a monitoring plan, nor had they monitored their programs. We reported that officials from two states believed that although they review monthly reports, they were remiss in monitoring or that they were not properly monitoring, even though they require monthly reports from subrecipients. We reviewed monitoring reports where they were available. We reported those results. We found that technical assistance on the part of state program officials has been haphazard at best for the states we reviewed. We based this on interviews with state agency and subrecipient agency officials. Our recommendation that the Program Office work more closely with state officials to assist them in monitoring and technical assistance techniques remains.

AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

Specifically, our objectives were to determine (1) the types of activities funded, (2) whether grantees were complying with applicable laws and regulations, and (3) whether states were monitoring and providing technical assistance to grant recipients.

We accomplished our objectives by reviewing laws, regulations and policies applicable to the Governor's Program. We met with officials from the Safe and Drug-Free Schools and Communities Program office. We reviewed reports from state agencies. We stratified states as small, medium and large, and randomly selected two from each stratum to include in our review. We visited four Governor's Program offices (i.e., Delaware, South Carolina, Louisiana and Florida), interviewed officials and reviewed grant applications, policies, procedures and reports applicable to the Governor's Program in the respective states. We visited sixteen recipient agencies where we interviewed program administrators and reviewed program activities. We held teleconferences with officials from two other states (i.e., Utah and Michigan).

Our review covered Federal fiscal years 1998, 1999 and some data for fiscal year 2000. We performed our fieldwork between January and July 2000. We held an exit conference with Departmental officials in November 2000. We conducted the audit according to government auditing standards appropriate to the limited scope of our review.

STATEMENT ON MANAGEMENT CONTROLS

We did not access the Governor's Program Offices' system of management controls because it was not significant to the specific objectives of our audit. Instead, we reviewed documentation applicable to awarding, monitoring and reporting on the use of Federal funds designated for use in the reduction and prevention of drugs, alcohol, and violence.

Because of inherent limitations, a study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in management controls. Except as noted in the audit results' section, our assessment did not disclose any significant management control weaknesses that could adversely affect the administration of the Governor's Program portion of the Safe and Drug-Free Schools and Communities Act in the states reviewed.

ADMINISTRATIVE MATTERS

Please provide us with your final response to each open recommendation within 60 days of the date of this report indicating what corrective actions you have taken or plan, and related milestones.

In accordance with Office of Management and Budget Circular A-50, we will keep this audit report on the OIG list of unresolved audits until all open issues have been resolved. Any reports unresolved after 180 days from the date of issuance will be shown as overdue in the OIG's Semiannual Report to Congress.

Please provide the Supervisor, Post Audit Group, Financial Improvement, Receivables and Post Audit Operations, Office of Chief Financial Officer and the Office of Inspector General, Audit Services with semiannual status reports on promised corrective actions until all such actions have been completed or continued follow-up is unnecessary.

In accordance with the Freedom of Information Act (Public Law 90-23), reports issued by the Office of Inspector General are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act. Copies of this audit report have been provided to the offices shown on the distribution list attached.

Attachments



UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, D.C. 20202- _____

MAR 15 2001

Memorandum

To: Lorraine Lewis
Inspector General

From: Thomas Corwin *Thomas M. Corwin*
Acting Deputy Assistant Secretary, Office of Elementary and
Secondary Education

Stephen Freid *Stephen Freid*
Acting Assistant General Counsel, Division of Elementary,
Secondary, Adult and Vocational Education

Subject: Draft Audit Report - Safe and Drug-Free Schools and
Communities Act Governor's Program: ED-OIG/A04-A0005

Thank you for sharing a copy of your draft report concerning the Safe and Drug-Free Schools and Communities Act (SDFSCA) Governor's Program, audit control number ED-OIG/A04-A0005.

We have reviewed the report and have the following comments:

Finding No. 1 -- While the draft report accurately quotes the statutory language that requires States administering the SDFSCA Governor's Program to give priority to programs serving youth not normally served by the State or local educational agencies, or populations that need special services or additional resources, we believe that the data provided in the draft report do not necessarily identify or reflect a problem in program administration.

While the data provided demonstrate that most service recipients were likely to be eligible for service by State or local educational agencies, the draft does not provide information about whether or not students served needed additional resources or services.

Additionally, the draft report does not explore whether or not States have implemented grant/contract priorities or other processes designed to result in awards to projects that link to the statutory requirement concerning services for out of school youth or youth needing additional resources or services. Based on the information provided in the draft, it is not clear if administering agencies pursued strategies that would have resulted in more funds being devoted to the designated priority populations, or if those strategies were unsuccessful (e.g., applications for funds to benefit the target groups were not received or were of inferior quality.)

Finding No.2 - The current draft report contains little documentation to support the stated finding. Instead it focuses heavily on comments from program officials in the States. Did auditors ask to review objective indicators concerning the evaluation requirements such as evaluation results, evaluation plans, or other documents? If so, what were the results of that review?

The discussion contained in the report about the comments of State or local program officials highlights important issues that would contribute to problems in meeting the requirements for documenting effectiveness, but little evidence about the results of an objective review are included. We believe that the report would be significantly strengthened by inclusion of objective documentation supporting the auditors' conclusion on this issue.

Finding No.3 - Again, the draft report does not present much objective documentation for this finding. For example, the report cites comments from a State official that indicate that the State has been remiss in monitoring, even though that State requires monthly progress reports. This statement seems to suggest that such reports do not constitute a satisfactory monitoring strategy. Indeed, monthly reports could constitute

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an adequate monitoring strategy, depending on their content and the review and follow-up provided by program staff, but the draft report fails to discuss key issues like these that would constitute documentation for the finding presented. We believe that the report would be significantly strengthened by inclusion of objective documentation supporting the auditors' conclusion on this issue.

We appreciate the commitment of resources that your office has made in conducting this fieldwork, and appreciate your providing us with an opportunity to review and comment on the draft report. We hope that you will contact us or our staff (Mari Colvin -OGC; Deborah Rudy -OESE) if you have any questions about these comments or if we can assist you in any other way.