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April 5, 2013

Mr. Bruce J. Karam, Superintendent
Members of the Board of Education
Utica City School District
106 Memorial Parkway
Utica, NY 13501

Report Number: S9-12-28

Dear Mr. Karam and Members of the Board of Education:

A top priority of the Office of the State Comptroller is to help school district officials manage their districts efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support district operations. The Comptroller oversees the fiscal affairs of districts statewide, as well as districts' compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving district operations and Board of Education governance. Audits also can identify strategies to reduce district costs and to strengthen controls intended to safeguard district assets.

In accordance with these goals, we conducted an audit of eight school districts throughout New York State. The objective of our audit was to determine whether school districts have designed Credit Recovery Programs (CRPs) to meet the requirements of Section 100.5(d)8 of the New York State Commissioner of Education's Regulations (Regulations). We included the Utica City School District (District) in this audit. Within the scope of this audit, we examined the policies and procedures of the District and reviewed its CRP for the period July 1, 2011, to May 18, 2012.

This report of examination letter contains our findings and recommendations specific to the District. We discussed the findings and recommendations with District officials and considered their comments, which appear in Appendix A, in preparing this report. District officials agreed with our findings and plan to initiate corrective action. At the completion of our audit of the eight school districts, we prepared a global report that summarizes the significant issues we identified at all of the school districts audited.

Summary of Findings

The District has generally designed the CRP in accordance with Regulations and have ensured that students have made satisfactory progress in the previously failed subject areas. However, improvement opportunities are possible in the process for approving students' participation in

CRPs. In all 44 classes we examined, the teachers actively instructing students were certified in the subject areas, and the CRPs met the New York State Learning Standards (Learning Standards). District officials maintained adequate documentation of each participating student's progress in the CRP and adopted formal procedures for establishing CRPs. In addition, the District designed an adequate system of access controls for online study. However, District officials do not always maintain documentation to support the approval of the students' participation in the CRPs.

Background and Methodology

The Utica City School District is located in the City of Utica, in Oneida County and has about 9,866 students. The District has 14 schools in operation, one of which is a high school, and employs approximately 2,400 staff. The District's operating expenditures totaled \$133.1 million in the 2011-12 school year. Major expenditures included administration and operations. These expenditures are funded primarily through State aid and property taxes.

The District is governed by a seven-member Board of Education (Board). The Board's primary function is to provide general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the chief executive officer of the District and is responsible, along with other administrative staff, for the day-to-day management of the District under the direction of the Board.

Typically, a student successfully passes a high school class and, if applicable, a Regents exam, and is awarded credit for the course. If a student is unable to complete a course satisfactorily, then the student can earn the credit by alternative means as listed in the Regulations. A make-up credit program may include, but is not limited to, repeating an entire course, taking the course again as part of a summer school program, receiving intensive instruction in the deficiency areas of the course, or pursuing digital learning (online study). The Regulations allow school district officials to provide such programs to students who were previously enrolled in a course, but failed to demonstrate mastery of the intended course outcomes. To receive credit, the student must successfully complete a make-up credit program and demonstrate mastery of the subject by passing the Regents examination in the subject or completing some other assessment required for graduation.

Our audit focused specifically on students' participation in programs other than summer school or repeating the entire course to make up credit; namely, we examined intensive instruction in deficiency areas and online study. These educational programs are referred to as CRPs.

The Regulations include the following requirements:

- Instruction by a Certified Teacher – The District must ensure that the students enrolled in CRPs receive equivalent, intensive instruction in the deficiency areas of the course under the direction of and/or supervised by a teacher certified in the subject area. An official of the New York State Department of Education (Department) told us that a teaching assistant could be the teacher of record, if the teaching assistant is under the supervision of a certified teacher. School districts using this approach should maintain documentation of the interactions between teaching assistants and the certified teachers overseeing the instruction.

- Alignment With the Learning Standards – The CRP must be aligned with the applicable Learning Standards for such subject.
- Student Participation Approval – A school-based panel (consisting of, at a minimum, the principal, a teacher in the subject area for which the student must make up credit, and a guidance director or other administrator) must approve the student’s participation in the CRP.

In the 2010-11 and 2011-12 school years, the District offered 43 and 111 CRP classes, respectively. According to District guidelines, in order to qualify for the credit recovery program a student needs to have failed the course.

The District allows students to take part in the following credit recovery courses online: Applied Algebra 1, Applied Algebra 2, Applied Geometry, Art, Business Math, Chemistry, Computers, Earth Science, Economics, English 10, English 11, English 12, English 9, Environmental Science, Global Studies 10, Global Studies 9, Government, Gym, Health, Intermediate Algebra, Living Environment 1, Living Environment 2, and U.S. History.

To complete our objective, we interviewed District officials, and reviewed policies, procedures, student information, the CRP course list, and the online learning program. We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is included in Appendix B of this report.

Audit Results

The District has generally designed the CRP in accordance with Regulations and has ensured that students have made satisfactory progress in the previously failed subject areas. However, improvements opportunities are possible in the process for approving students’ participation in CRPs. In all 44 classes we examined, the teachers actively instructing students were certified in the subject areas and the CRPs met the Learning Standards. District officials maintained adequate documentation of each participating student’s progress in CRP and adopted formal procedures for establishing and approving CRPs. In addition, the District designed an adequate system of access controls for online study. However, District officials do not always maintain documentation to support the approval of the students’ participation in the CRPs.

Instruction by a Certified Teacher – The District is ensuring that the students have received equivalent, intensive instruction in the deficiency areas under the direction of and/or supervised by a certified teacher in the subject area.

The District uses an online learning program for students enrolled in CRPs. Each CRP is scheduled for the student with a certified teacher in the subject matter. The teacher has the ability to assess the students’ progress reports in the online system. We judgmentally tested the records of 44 classes of CRP and found that teachers were certified in the subject areas in all 44 of the classes.

Alignment With the Learning Standards – The CRP courses were aligned with Learning Standards. Per vendor documentation, common core alignment shows that the program is

aligned with the Learning Standards. In addition, a certified teacher is assigned to each session of the CRP and has the option to modify the course for the student's needs and the teacher's preferences. Having the ability to modify the course can help the District ensure that CRPs meet the Learning Standards.

CRP Design and Student Participation Approval – The District has adopted formal guidelines for establishing and approving CRPs, and to help in the administration of CRPs to ensure that each school is following Regulations. Toward the end of the school year, the guidance counselors identify students who are at risk of failing a course. The teachers also notify the guidance counselors to identify students who are failing a course. Starting in the 2011-12 school year, the guidance counselors send an application packet (referral, student contract, and a current transcript) to the assistant principal. Assuming the student is approved by the assistant principal, the assistant principal will forward the packet to the teacher responsible for the CRP, who will assign a username and password to the student. For the 2010-11 school year, the process for approving participation in a CRP was similar, except that the only document required for review prior to approval was a transcript to ensure the student had failed the course.

However, the District does not always have documentation to support the approval of the students' participation in the CRPs, as the Regulations require. When we judgmentally tested the records of 20 students who participated in CRPs (10 students in 2010-11 and 10 students in 2011-12) we found no documentation approving participation for the 10 students in 2010-11; however, there was documentation approving the 10 students' participation in 2011-12. Documentation was in the form of referrals, transcripts, and student contracts.

Documentation of Participation and Progress – Good practice dictates, and Department staff told us, that District officials should maintain documentation of a student's participation and learning progress to manage and evaluate the success of CRPs and demonstrate that students have achieved mastery of the learning outcomes of a subject. Further, the Regulations state that on-line learning programs should provide for documentation of satisfactory student achievement.

The District has maintained documentation to support the participation and learning progress of students in CRPs. This includes reports for each student enrolled in the CRP, which also serve as progress reports for the students. The reports show the student's progress throughout the CRP, along with pre-unit and post-unit tests and time logged on the system. The teachers maintain the grades for the students and will submit the grades to the assistant principal for entering into the Student Information System.

Online Access Controls – School districts should have access controls in place over online CRPs to ensure the individual working on the computer is the student approved to participate in the CRP. We found the District's designed system controls are adequate for qualifying students before enrollment and mitigating the risk of cheating.

Once the students are granted access to the course they are allowed to work on class work both at home and in school. Access is controlled using individual usernames and passwords. The District has established controls to mitigate the risk of cheating. For example, the program will lock the student's access to tests. Per discussions with various teachers, the tests are unlocked by the teachers. Teachers are able to monitor the student's progress in real time, so they can see what the student is working on at all times.

Recommendation

1. The District should maintain documentation regarding the approval of students' participation in credit recovery programs.

The Board has the responsibility to initiate corrective action. Pursuant to Section 35 of the General Municipal Law, Section 2116-a (3)(c) of the Education Law, and Section 170.12 of the Regulations of the Commissioner of Education, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The Board should make the CAP available for public review in the Clerk's office.

Our office is available to assist you upon request. If you have any further questions, please contact Ann Singer, Chief of Regional and Statewide Projects, at (607) 721-8306.

Sincerely,

Steven J. Hancox, Deputy Comptroller
Office of the State Comptroller
Division of Local Government
and School Accountability

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

The District officials' response to this audit can be found on the following pages.



UTICA CITY SCHOOL DISTRICT
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Utica, NY 13501

Bruce J. Karam
Superintendent of Schools

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October 12, 2012

H. Todd Eames, Chief Examiner
Attn: Ms. Ann Singer
Office of the State Comptroller
Division of Local Government and School Accountability
Binghamton Regional Office
State Office Building, Room 1702
44 Hawley Street
Binghamton, New York 13901-4417

Dear Mr. Eames:

I am writing in response to the preliminary draft findings that were a result of the recent Credit Recovery Program (CRP) audit conducted by the Office of the State Comptroller. Overall, the audit of our Credit Recovery Program was very positive and shows that we are in compliance with Commissioner's Regulations Part 100.5(d)(8). The district is very pleased with the results of the audit. The lone recommendation made regarding the approval process was corrected before the audit began.

Since the inception of the program, we have worked diligently to implement procedures to ensure that our CRP complies with the Commissioner's Regulations. This included careful study of various CRPs and choosing a platform [REDACTED] that was aligned to the New York State standards for all of the courses offered. Our procedures also include a referral process, student/parent contract, and policies for the use of the on-line CRP. Many of these procedures were adopted with input from our local B.O.C.E.S. The Utica City School District was one of the first in the area to establish a CRP as a strategy to help students graduate on time. Soon after, our regional B.O.C.E.S. studied our program and also adopted the PLATO platform as a CRP choice for the region.

As a result of the audit, the following recommendation on page five (5) was made.

Recommendation:

1. The District should maintain documentation regarding the approval of student's participation in credit recovery programs.

As noted by the auditor in paragraph 2 on page 4 under CRP Design and Student Participation Approval:

We judgmentally tested the records of 20 students that participated in CRPs in the 2010-2011 and 2011-2012 school years; we found no documentation (for 10 students) in 2010-2011 and for 2011-2012 we found documentation (for 10 students)...

Since the beginning of the 2011-2012 school year, all students participating in the CRP are now fully approved for participation. This is a result of the administration working with our local B.O.C.E.S. to adopt and implement a uniform procedure for CRP enrollment that complies with the Commissioner's Regulations that were adopted July 2011.

On Friday, October 5, 2012 I met with [REDACTED] and [REDACTED] [REDACTED] from the State Comptroller's Office along with our High School principal Steven Falchi and Edward Simpson, Assistant Principal overseeing the Credit Recovery Program to discuss this draft report. We shared the corrective action that the district took regarding the approval process and they were pleased with our response.

I would like to thank the Office of the State Comptroller for its guidance and feedback regarding our Credit Recovery Program, and look forward to the final report regarding CRPs that were audited across the state. We will use these reports to further strengthen the Credit Recovery Program used in our district.

Please feel free to contact me if you have any questions or need any additional information.

Sincerely,

Bruce J. Karam
Superintendent of Schools

/dlv

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

We interviewed District staff to find out and review any documentation that was kept on the credit recovery program. We reviewed core alignment documentation and discussion with District teachers. We reviewed the certificates for teachers that taught the credit recovery courses, as well as the 2010-11 and 2011-12 report cards of the students participating in the credit recovery program. We also reviewed student progress reports, to show that the program was addressing student needs and that the students were receiving equivalent, intensive instruction under the direction of a certified teacher. Using a non-biased judgmental sampling method, we tested a sample of 20 students to determine the level of documentation maintained and compliance with regulations. We also reviewed documentation that the District maintained to support student learning progress and participation.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.