



Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

Official Audit Report – Issued June 2, 2020

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## Department of Elementary and Secondary Education

For the period July 1, 2018 through June 30, 2019





Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

June 2, 2020

Commissioner Jeffrey C. Riley  
Department of Elementary and Secondary Education  
75 Pleasant Street  
Malden, MA 02148-4906

Dear Commissioner Riley:

I am pleased to provide this performance audit of the Department of Elementary and Secondary Education. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2018 through June 30, 2019. My audit staff discussed the contents of this report with management of the agency, whose comments are reflected in this report.

I would also like to express my appreciation to the Department of Elementary and Secondary Education for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a light blue circular background.

Suzanne M. Bump  
Auditor of the Commonwealth

cc: James Peyser, Secretary, Executive Office of Education  
Paul Sagan, Chair, Board of Elementary and Secondary Education

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## LIST OF ABBREVIATIONS

AE	adult education
ACLS	Adult and Community Learning Services
DESE	Department of Elementary and Secondary Education
IPQ	indicator of program quality
LACES	Literacy, Adult and Community Education System
OSA	Office of the State Auditor
PQR	program quality review
RFP	request for proposals
SV	site visit
SMARTT	System for Managing Accountability and Results Through Technology

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## EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of the Department of Elementary and Secondary Education (DESE) for the period July 1, 2018 through June 30, 2019. In this performance audit, we examined whether DESE conducted all program quality reviews and site visits (SVs) of adult education (AE) providers and ensured that AE providers maintained complete, accurate, and up-to-date course attendance records and waitlists in accordance with its policies and procedures.

Below is a summary of our findings and recommendations, with links to each page listed.

<b>Finding 1</b> <b>Page <a href="#">10</a></b>	DESE did not ensure the accuracy of attendance data entered in the Literacy, Adult and Community Education System (LACES) by its contracted AE providers.
<b>Recommendation</b> <b>Page <a href="#">11</a></b>	DESE should implement policies and procedures to define a process for entering attendance records in LACES and implement controls to monitor the accuracy of AE course attendance data entered by providers.
<b>Finding 2</b> <b>Page <a href="#">12</a></b>	DESE did not ensure that its contracted AE providers maintained complete, accurate, and up-to-date waitlists.
<b>Recommendation</b> <b>Page <a href="#">13</a></b>	DESE should implement policies and procedures to provide guidance and oversight, as well as controls, to ensure that its AE providers maintain complete, accurate, and up-to-date waitlists in LACES.
<b>Finding 3</b> <b>Page <a href="#">13</a></b>	DESE did not correctly schedule AE provider monitoring visits using its risk-based approach.
<b>Recommendation</b> <b>Page <a href="#">14</a></b>	DESE should implement controls to ensure that AE providers are placed in the appropriate cohorts and monitoring visits are scheduled in accordance with its risk-based cohort assignment policy.
<b>Finding 4</b> <b>Page <a href="#">16</a></b>	DESE did not always perform its scheduled SVs for AE providers.
<b>Recommendation</b> <b>Page <a href="#">17</a></b>	DESE should perform SVs for all AE providers.

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## OVERVIEW OF AUDITED ENTITY

The Department of Elementary and Secondary Education (DESE), established by Section 1A of Chapter 69 of the Massachusetts General Laws, is within the Commonwealth's Executive Office of Education, under the supervision and management of the Commissioner of Elementary and Secondary Education. DESE is responsible for overseeing the education of children in pre-kindergarten through grade 12 in Massachusetts.

As of June 30, 2019, DESE had a total of 414 employees at its headquarters in Malden. For our audit period, DESE had state appropriations of approximately \$5.6 billion and federal appropriations of approximately \$1 billion. According to its website,

*The Department of Elementary and Secondary Education provides leadership, oversight, funding, support, and accountability for the Commonwealth's 404 school districts that are charged with educating close to 1 million public school children and 20,000 adult learners each year.*

DESE's Adult and Community Learning Services (ACLS) Unit is charged with managing the Commonwealth's adult education (AE) program. The AE program was established under Section 1H of Chapter 69 of the General Laws to deliver adult basic education and literacy services intended to increase options for those requiring these services and lead to better employment opportunities. This section states,

*Trainees shall include parents of young children who need strong basic skills to move their families out of poverty and raise the educational aspirations of their children.*

The program offers educational assistance to Massachusetts residents who are 16 years and older, are not enrolled in high school, and require instruction ranging from basic literacy and numeracy, as well as English for speakers of other languages, to high school equivalency and college and career readiness skills. The services are delivered by third-party providers at no cost to the students.

The AE program is funded by both state and federal grants administered by DESE. During our audit period, DESE granted \$39,927,932 to AE providers; \$30,019,765 of this consisted of state appropriations and \$9,908,167 consisted of federal appropriations.

## **AE Providers**

The AE program in Massachusetts is delivered by independent providers through community-based organizations that offer adults easier ways to enroll in courses that are geographically accessible and that meet their educational needs.

AE providers are located in cities and towns throughout the Commonwealth. Providers include nonprofit community-based organizations, religious institutions, local governments (through their school systems), and correctional facilities. Information about the program's existence is spread through word of mouth and referrals from other agencies.

## **AE Program Databases**

In 1998, as the need for increased AE program performance accountability grew, DESE implemented a Web-based system, the System for Managing Accountability and Results Through Technology (SMARTT), which enabled AE providers to enter student performance data in a central database. DESE could now better monitor AE providers and identify what was going well and what could be improved in a more timely fashion. In fiscal year 2019, DESE replaced SMARTT with its latest software—the Literacy, Adult and Community Education System (LACES)—which providers could continue to use to capture student performance data. The new software also gave DESE additional reporting capabilities. DESE takes the details from LACES and enters key AE student performance data in the federal National Reporting System.<sup>1</sup> Provider performance is a crucial component in receiving and maintaining AE program funding, so the reliability of the provider data entered in LACES is paramount in evaluating providers' performance.

## **AE Provider Cohort Allocation and Frequency of Monitoring Visits**

DESE grants funds to providers that have gone through an open and competitive bid process and have submitted applications in response to a request for proposals (RFP) from DESE (herein referred to as "RFP applications"). DESE reviews and scores the submitted applications. DESE then ranks the providers

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1. According to the federal Office of Career, Technical, and Adult Education's page on the United States Department of Education's website, this system "is an outcome-based accountability system for the State-administered, federally funded adult education program. Developed by the U.S. Department of Education's Division of Adult Education and Literacy (DAEL), the [National Reporting System] continues a cooperative process through which State adult education directors and DAEL manage a reporting system that demonstrates learner outcomes for adult education."

according to their RFP application scores,<sup>2</sup> and because limited funds are available, it awards funds to those with the highest scores. This scoring system is also used to assign providers into three cohorts<sup>3</sup> for oversight purposes. For fiscal year 2019, DESE granted funds to 77 AE providers. It assigned 25 providers to cohort 1, 26 providers to cohort 2, and 26 providers to cohort 3. Monitoring visits are scheduled based on these cohorts, as described below.

## **AE Provider Monitoring Process**

DESE has four ACLS program specialists, including one program team leader, who make up the program quality review (PQR) team. They are responsible for monitoring providers' performance and the quality of the curriculum delivered to adult learners. In addition to the program specialists, the PQR team uses other DESE staff members and outside consultants who have knowledge about specific monitored providers, as needed.

The provider monitoring process covers the four-year funding cycle for providers. Each provider is monitored by either a PQR or a site visit (SV), conducted by the PQR team, once a year over the first three years of the four-year funding cycle. No providers are reviewed in the fourth year, so that the PQR team can evaluate providers' performance and determine grant allocations for the next four-year cycle. A PQR is a full-day monitoring visit. An SV is a half-day monitoring visit. A provider receives one PQR and two SVs over the four-year cycle.

DESE instituted this process in fiscal year 2019 to monitor the performance of AE providers and ensure that they complied with DESE policies for providing quality education to adult learners. In prior funding cycles, the PQR team reviewed only a sample of the providers. Although this gave the ACLS program specialists the option of conducting more thorough evaluations, the PQR team determined that there was an unacceptable risk involved in not reviewing some providers. The previous reviews lasted a few days, and the PQR team had time to go through all of the providers' records and cross-reference data. This new protocol enables the team to monitor every provider during each of the first three years of the funding cycle.

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2. RFP application scoring and risk level assignments are based on criteria such as program design, access and equity, curriculum and instruction, and educational leadership.
  3. Each cohort represents a group of providers with similar performance risks based on their RFP responses. Cohort 1 contains the highest-risk providers, cohort 2 contains medium-risk providers, and cohort 3 contains the lowest-risk providers.



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According to DESE's "Program Quality Review and Site Visit Protocol," the team conducts these reviews for the following purposes:

- 1. to determine the quality of services against a set of Indicators through a diagnostic assessment (program quality reviews);*
- 2. to offer technical assistance for program improvement (site visits).*
- 3. to identify and disseminate promising practices that may impact student outcomes (program quality reviews and site visits).*
- 4. to ensure state and federally-funded adult education providers are compliant with state and federal policies (program quality reviews and site visits).*

The protocol further states that the goals of SVs are as follows:

- 1. Provide programs the opportunity to receive technical assistance (TA) grounded in and guided by the ACLS Indicators of Program Quality. Areas needing technical assistance may be identified in a number of ways:*
  - a. Results of a self-assessment conducted by the program*
  - b. Results of a desk review conducted by program specialist*
  - c. Findings from the program quality review*
  - d. Improvement plan triggered by the Program Accountability Protocol and/or open and competitive award funding conditions.*
- 2. Provide ACLS with a deeper, more holistic understanding of the programs in order to identify areas of non-compliance and promising practices.*

See the Appendix to this report for further information about indicators of program quality (IPQs).<sup>4</sup> The process for both a PQR and an SV consists of a planning phase, a physical visit phase, and a report writing phase. The planning phase involves identifying the providers to visit in the coming year, announcing the visits, giving providers' program directors general information about the visits, and requesting information and documents. Requested information and documents include scope and sequence of course instruction, lesson plans and curriculum for the visit date, resumes and job descriptions for the program's leaders, and staff evaluations.

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4. According to DESE's "Program Quality Review and Site Visit Protocol," "The National Literacy Act of 1991 required states to develop Indicators of Program Quality (IPQ) to be used in the development and evaluation of local adult education (AE) programs. . . . The IPQ were influenced by research in curriculum and instruction, program administration, and advising and were also informed by guidelines and standards developed by ACLS and the Office of Career, Technical and Adult Education."

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## **PQR and SV Processes**

On the visit date, for both PQRs and SVs, the PQR team meets at the provider location. Pairs of team members evaluate the providers' teaching skills and program leadership. They observe courses; tour the facility; and interview students, teachers, and program directors.

For PQRs, classroom observations are used to evaluate the level of curriculum rigor and the scope and sequence of instruction. The program leaders, students, and teachers are all asked the same set of questions, which are designed to address IPQs, as well as program goals, advisor availability, course study topics, and training programs. Program leader interviews last one and a half hours, student interviews last half an hour, and teacher and advisor interviews last one hour. For SVs, the agenda includes discussions with the program director regarding technical assistance, classroom observations, interviews with teachers, and wrap-up and recommendations for next steps with the program director.

The interview questions for PQRs focus on 4 of 10 predefined IPQs. To review all providers during the 2019–2022 funding cycle, the PQR team determined that PQRs should focus on IPQs 3, 4, 7, and 8, which are pathway collaborations (collaborations with local education and workforce partners designed to assist students with their next steps after leaving the program), curriculum and instruction, organizational capacity, and educational leadership, respectively. The interview questions for SVs focus on areas identified by an ACLS program specialist and the program director in the planning stage and on any findings that were revealed when the ACLS program specialist performed a prior desk review.

At the end of a PQR or an SV, the PQR team reassembles for a meeting to discuss its observations and the aggregated rating of each pair of team members. The group then comes to a consensus on the final rating and discusses any areas of contention. All of the notes are given to the team member who has been selected as the report writer.

Once the report is written and finalized, the provider is given an opportunity to respond, and any response is added to the report. The PQR and SV reports and responses are then submitted to the ACLS director for final approval.

## AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of the Department of Elementary and Secondary Education (DESE) for the period July 1, 2018 through June 30, 2019.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and where each objective is discussed in the audit findings.

Objective	Conclusion
1. Does DESE conduct adult education (AE) provider program quality reviews (PQRs) and site visits (SVs) in accordance with its “Program Quality Review and Site Visit Protocol”?	No; see Findings <u>3</u> and <u>4</u>
2. Does DESE ensure that AE providers maintain accurate, complete, and up-to-date attendance records and waitlists in accordance with its “FY19 Massachusetts Policies for Effective Adult Education”?	No; see Findings <u>1</u> and <u>2</u>

To achieve our objectives, we gained an understanding of DESE’s internal control environment related to our audit objectives by reviewing applicable laws and agency policies and procedures, as well as conducting inquiries with DESE management.

### PQRs and SVs

To determine whether DESE conducted AE provider PQRs and SVs in accordance with its policies and procedures, we obtained a cohort list (a list of cohort assignments maintained as an Excel spreadsheet by DESE’s Adult and Community Learning Services Unit) from DESE that included both the request for proposals (RFP) application score and the cohort assignment for each of the 77 AE providers that were

active during our audit period. We compared the cohort assignments to determine whether the providers were assigned to cohorts that were consistent with their RFP application scores.

Only AE providers assigned to cohort 1 were required to receive PQRs in fiscal year 2019. We inspected all 25 PQR reports for fiscal year 2019 to determine whether DESE completed the four key components of the PQR process—specifically, that all providers with PQRs were in cohort 1, all PQRs were reviewed by a supervisor, the predefined 4 of 10 indicators of program quality were assessed by the PQR team, and all reports were sent to the providers with recommendations.

Finally, we obtained a list of all 52 providers that were required to receive SVs during fiscal year 2019 (cohorts 2 and 3). From those, we selected a nonstatistical, random sample of 20 providers. We examined SV reports to assess whether these SVs were completed and the reports were reviewed by supervisors and issued to the providers with recommendations.

### **Program Attendance Records and Waitlists**

To assess whether DESE ensured that AE providers maintained accurate, complete, and up-to-date attendance records in the Literacy, Adult and Community Education System (LACES), we examined a statistical sample of 60 courses from a population of 1,828. Using LACES, we extracted provider-entered attendance records for those 60 courses. The courses were distributed among 41 providers. We also obtained the source attendance records from the 41 providers and compared them to the records maintained in LACES.

To assess whether AE providers maintained accurate, complete, and up-to-date waitlists, we evaluated DESE's waitlist management processes and the level of oversight and guidance it gave to its providers. We selected a judgmental sample of 32 of 41 providers for interviews. During these interviews, we asked about procedures used to maintain waitlists for the providers' AE courses. To arrive at our sample of 32, we excluded 5 providers that were not required to maintain waitlists because they were correctional facilities; 2 providers that no longer participated in DESE's AE program; and 2 secondary locations for two community colleges, since their waitlist procedures were centralized.

To determine whether DESE monitored the management of AE providers' waitlists, we reviewed the data quality checklists submitted by all 77 providers that were active during our audit period. The

checklists serve as evidence that required data management activities were performed during the audit period, including those associated with waitlist maintenance.

## **Data Reliability**

To assess the reliability of the attendance and waitlist data in LACES, we interviewed DESE management and staff members. To determine the completeness and accuracy of the data, we reviewed various attributes in the waitlist and attendance records in LACES (e.g., provider names, student names, course names, dates, and hours attended). Based on this review, we determined the LACES data to be sufficiently reliable for the purposes of this audit.

To assess the completeness and accuracy of the cohort list, we compared the AE providers on the cohort list to DESE's list of funded AE programs. We determined that the cohort list was sufficiently reliable for the purposes of this audit.

To assess the reliability of the fiscal year 2019 AE provider cohort assignments, we compared each of the 77 provider RFP application scores from the cohort list to each provider's fiscal year 2019 RFP application scorecard. We determined that the fiscal year 2019 AE provider cohort assignments from LACES were sufficiently reliable for the purpose of this audit.

Where nonstatistical sampling was used, we could not project the results of our testing to the overall populations.

## DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

### **1. The Department of Elementary and Secondary Education did not ensure the accuracy of attendance data entered in the Literacy, Adult and Community Education System by its contracted adult education providers.**

During the audit period, attendance records for adult education (AE) courses in the Literacy, Adult and Community Education System (LACES) were not accurate and up to date. In our comparison of attendance records obtained from providers (i.e., source documents) to LACES attendance data, we found that records for 59 of 60 courses had been inaccurately entered in LACES, and source documents were not available for 1 course because the provider entered attendance directly in LACES. The attendance records for the 59 courses consisted of 112,125 accumulated total days, of which 24,263 (21.6%) were improperly entered in LACES. The improper entries included instances of students who were recorded as absent in source documents but present in LACES, students who were recorded as present in source documents but absent in LACES, and students who were recorded as present in LACES but whose attendance was not indicated in source documents.

Program funding is awarded based on estimated student attendance, so without accurate and up-to-date attendance data, the Department of Elementary and Secondary Education (DESE) cannot ensure fair and equitable distribution of funding to AE providers.

### **Authoritative Guidance**

DESE's "FY19 Massachusetts Policies for Effective Adult Education" state,

*Data entry, including student attendance, assessment, [program development] participation, and other information as the need arises must be entered accurately. . . . Data entry must be consistent with program records in the grantee's files.*

### **Reasons for Issue**

DESE did not have policies and procedures, including monitoring, to ensure that the AE course attendance information that providers entered in LACES was accurate and up to date.

## Recommendation

DESE should implement policies and procedures to define a process for entering attendance records in LACES and implement controls to monitor the accuracy of AE course attendance data entered by providers.

## Auditee's Response

*[DESE's Adult and Community Learning Services Unit, or ACLS Unit] concurs with this finding. The audit year, FY19, was also the year [the] Massachusetts [Adult Basic Education Program] transitioned to a new [management information system, or MIS]. We believe that the timeline of the transition contributed to the data entry error. The legacy system, [the System for Managing Accountability and Results Through Technology, or SMARTT], was not available for attendance as of July 1, 2018. The new MIS, LACES, was launched three months later. This created a significant backlog as providers rushed to enter data and not fall further behind while administering the day-to-day services.*

*The learning curve was significantly steeper than ACLS and providers anticipated. Many providers sent only one staff person to the initial training. While the data fields in LACES are similar to those in SMARTT, the screens and workflow are very different.*

*The authorizing legislation, [the Workforce Innovation and Opportunity Act], requires grantees to provide much more detail. This requirement contributed to our decision to procure a new MIS. Rather than enter a single number of monthly hours for each student as had been the requirement for two decades, providers enter attendance for each class meeting. That could mean up to 20 times the number of entries for each student. This was a significant change and challenge for the adult education system and we anticipated errors.*

*ACLS has taken several concrete steps to improve data quality. First, all providers submit a data quality checklist as part of annual refunding. The FY20 version will be electronic and easier to monitor. Second, ACLS requires programs to submit desk review workbooks every other month and program specialists then analyze and review. This process ensures that providers and state staff examine the data closely and regularly. This process was included [in] the FY20 [Program Specialist Employee Performance Review System]. Finally, ACLS developed a systematic process to review statewide data to identify attendance irregularities.*

## Auditor's Reply

Through its ACLS Unit, DESE is taking measures to improve the quality of the attendance data reported for AE courses. DESE should ensure that any controls it establishes over this activity are properly documented and followed. It should also consider implementing policies and procedures that define a formal process to ensure that AE providers enter attendance information in LACES in a complete and consistent manner.

## **2. DESE did not ensure that its contracted AE providers maintained complete, accurate, and up-to-date waitlists.**

During the audit period, DESE did not provide adequate oversight and guidance to ensure that the waitlist information entered in LACES by third-party AE providers was complete, accurate, and up to date. DESE did not ensure that 20 of our sample of 32 providers surveyed had contacted waitlisted students at least annually to determine whether they were still interested in services. Also, all 32 providers in our sample indicated that DESE did not provide them with guidance to follow to ensure that waitlists were complete, accurate, and up to date.

Without adequate assurance that waitlist information is properly maintained, DESE cannot ensure fair and equitable access for individuals who would like to benefit from the AE program. Also, a lack of accurate waitlist information may result in ineffective planning and oversight as well as negative policymaking consequences, such as an inaccurate assessment of demand for AE services.

### **Authoritative Guidance**

DESE's "FY19 Massachusetts Policies for Effective Adult Education" require providers to do the following:

- *maintain an active waitlist for applicants who are unable to enroll in instructional classes due to capacity constraints;*
- *contact students placed on the waitlist at least annually to determine whether they are still interested in services;*
- *remove the names of individuals who cannot be contacted or are no longer interested in services; and*
- *submit a "Waitlist Update" in the ACLS data management system each year attesting that waitlist information is accurate and up-to-date.*

Additionally, this document states that DESE "requires that programs submit a data quality checklist . . . annually," certifying that these waitlist requirements are met. The waitlist requirements are listed on the data quality checklist under Indicator of Program Quality (IPQ) 2: Access and Equity. As previously mentioned, the National Literacy Act of 1991 requires DESE, as the overseer of the Commonwealth's AE program, to use IPQs to evaluate AE providers.



## Reasons for Issue

DESE had no internal policies and procedures to provide guidance and oversight, nor did it have controls, to ensure that its AE providers maintained complete, accurate, and up-to-date waitlists in LACES.

## Recommendation

DESE should implement policies and procedures to provide guidance and oversight, as well as controls, to ensure that its AE providers maintain complete, accurate, and up-to-date waitlists in LACES.

## Auditee's Response

*ACLS concurs with the finding. One reason DESE procured the new MIS was to address the limitations for the SMARTT waitlist functionality. None of the MIS bidders had waitlist functionality so development and implementation were contract requirements. Unfortunately, the contractor did not develop a workable solution until late October 2018 when the SMARTT waitlist was migrated, nearly a month after the system deployment. The migration was smooth for providers who had maintained accurate and up-to-date waitlists in SMARTT. For others, the migration resulted in even more duplicate records as their staff were just beginning to learn the new MIS.*

*Because so many programs were struggling to catch up with their data entry, ACLS updated expectations in a January 23, 2019 memorandum and required that programs remove duplicates and update their waitlists by July 12, 2019. Then, recognizing that providers were struggling to meet the requirement, ACLS adjusted the deadline and provided detailed steps and a listing of potential duplicates in a July 2019 mailing to directors.*

*ACLS will provide ongoing guidance and oversight as well as develop and implement controls to ensure that its AE providers maintain complete, accurate, and up-to-date waitlists in LACES.*

## Auditor's Reply

Based on its response, the ACLS Unit is taking measures to improve the quality of the waitlist information for AE programs.

### **3. DESE did not correctly schedule AE provider monitoring visits using its risk-based approach.**

During the audit period, DESE did not consistently follow its risk-based approach for scheduling AE provider monitoring visits, which is based on cohort assignments. In our review of the cohort assignments for the 77 AE providers that were active during our audit period, we found that, based on the providers' request for proposals (RFP) application scores, 13 were incorrectly assigned to lower-risk

cohorts than they should have been, and 12 were incorrectly assigned to higher-risk cohorts. (The other 52 were assigned to the correct cohorts.) Monitoring visits were not conducted in the appropriate order because of the incorrect cohort assignments.

If providers are not assigned to the appropriate cohorts, higher-risk providers may not receive the assistance they need to ensure that they meet program requirements.

## Authoritative Guidance

DESE's "Program Quality Review and Site Visit Protocol" states,

*Programs will be reviewed on a cohort-based model during the 2019–2022 funding cycle:*

- *approximately a third of programs will be reviewed in Year 1 (FY2019);*
- *approximately a third of the funded programs will be reviewed in Year 2 (FY2020);*
- *approximately a third of the funded programs will be reviewed in Year 3 (FY2021).*

*No visits will be conducted in Year 4 (FY2022) due to the next open and competitive rebid.*

DESE management told us the aforementioned cohort-based model involved scoring the applications received in response to an RFP and using those scores to assess risk levels. The lowest-scoring third of AE providers are assigned to cohort 1 (high risk), the second-lowest-scoring third of AE providers are assigned to cohort 2 (medium risk), and the highest-scoring third of AE providers are assigned to cohort 3 (low risk). Cohorts are used to schedule program quality reviews (PQRs) and site visits (SVs).

## Reasons for Issues

DESE lacked controls to ensure that AE provider monitoring visits were scheduled in accordance with its risk-based cohort assignment policy.

## Recommendation

DESE should implement controls to ensure that AE providers are placed in the appropriate cohorts and monitoring visits are scheduled in accordance with its risk-based cohort assignment policy.

## Auditee's Response

*We do not concur with this finding. ACLS is required to monitor our sub recipient grantees, the monitoring of which can take many forms as defined by the federal Uniform Grant Guidance [issued by the Office of Management and Budget], including budget reviews, communication with*

*sub recipients, technical training and on-site visits. In FY19, ACLS changed its monitoring protocols, adding ambitious new criteria, including the monitoring, or program quality of review of every sub recipient program within a four-year funding cycle. It should also be noted that ACLS was not required to follow a strict protocol beyond the requirements previously mentioned, and all the changes made to its protocol were approved by management and had control activities put in place.*

*The text in the "Program Quality Review and Site Visit Protocol" that follows the portion quoted above states:*

To accelerate outcomes, PQR schedules factor in the performance of programs. Performance in this case refers to a program's open and competitive proposal score and any funding conditions. Other factors may include previous fiscal year Measurable Skill Gains (MSG) target completion, Educational Functioning Level (EFL) completion rates when full MSG data is not available, and/or recommendations from program specialists.

*ACLS makes clear that multiple factors are considered when considering how to schedule monitoring visits, including "recommendations from program specialists." Because ACLS has chosen to meld a census approach to our risk-based approach for scheduling monitoring visits, i.e. all programs will be comprehensively monitored during the contract term, the scheduling of visits has been altered, which incorporates other criteria to ensure that all subsets of ACLS's programs for monitoring are considered.*

*ACLS acknowledges that some but not all of these other factors (e.g. geographic/regional considerations) are outlined in the protocol and recognizes the need to better document any changes to the holistic program quality review protocol. However, it is important to note that ACLS did complete full program quality reviews of approximately 1/3 of the subgrantees in FY19, which aligns with our stated commitment and represents implementation of our new census-based monitoring approach which will cover all programs over a 3-year period.*

## **Auditor's Reply**

The Office of the State Auditor (OSA) acknowledges that DESE's oversight of its AE providers involves a number of activities. OSA's audit work focused on evaluating one of these activities, the process DESE used to schedule monitoring visits, to determine whether they were properly prioritized and scheduled in accordance with DESE's "Program Quality Review and Site Visit Protocol."

The protocol dictates that monitoring visits are to be scheduled using a risk-based cohort model. Although the protocol does not delineate the actual risk assessment process to be followed, DESE management told us during our audit that the agency's risk-based cohort model involved scoring the RFP applications received and using the scores to assess risk levels: the lowest-scoring third of AE providers are assigned to cohort 1 (high risk), the second-lowest-scoring third of AE providers to cohort 2 (medium risk), and the highest-scoring third of AE providers to cohort 3 (low risk). In its response,

DESE's ACLS Unit now asserts that it uses multiple factors when considering how to schedule monitoring visits. However, this was not mentioned to us during our audit work; the protocol does not mention these factors; and there was nothing in the information we reviewed that stated to what extent, if any, the other factors in the ACLS Unit's response may have been used in the risk assessment / cohort determination process. Further, the text that the ACLS Unit mentions in its response as part of the protocol was not included in the documentation provided to us during our audit. If the ACLS Unit does use other factors to establish its risk-based cohorts, these factors should be identified in its protocol, along with how each factor should be weighted in the risk assessment process, to ensure that they are properly documented and the process performed consistently.

Finally, although we acknowledge that DESE's completion of full PQRs of one-third of its AE providers during fiscal year 2019 was a significant achievement, not ensuring that providers are placed in the proper risk cohorts means that some of DESE's high-risk providers may not have been reviewed during that year. Therefore, such providers may not receive the assistance they need to meet program requirements. We again urge DESE to implement our recommendations.

#### **4. DESE did not always perform its scheduled SVs for AE providers.**

Not all AE providers received SVs from DESE's PQR team during the audit period. We reviewed a sample of 20 out of 54 AE providers that were scheduled to receive SVs during fiscal year 2019 and found that 4 (20%) had not received the required SVs. Student outcomes may be negatively affected if providers do not receive timely program assistance, including feedback on educational leadership, course content, and curriculum instruction techniques.

#### **Authoritative Guidance**

DESE's "Program Quality Review and Site Visit Protocol" states,

*Site visits are conducted by one or two ACLS staff, including program specialists, once each fiscal year (unless the program receives a program quality review), for approximately four hours.*

#### **Reasons for Issue**

As stated in the "Overview" section of this report, DESE instituted a new process this year to perform provider monitoring visits at AE provider sites. DESE told us it did not perform all required SVs partly because of a learning curve during the first year of implementation and partly because of unexpected staffing issues.

## Recommendation

DESE should perform SVs for all AE providers.

## Auditee's Response

*In FY19, ACLS changed its site visit protocol, adding ambitious new criteria, including an annual site visit of every sub recipient program that was not scheduled to receive a program quality review for that year. All changes were approved by management and control activities were put in place.*

*The unanticipated loss in personnel necessitated modifications to the site visit schedule, with the result that four programs did not receive a site visit in FY19. Nonetheless, all programs, including these four, receive timely assistance from their program specialists in ways other than site visits. Such assistance includes feedback on data collected from desk reviews and technical assistance on budget amendments, among other types of assistance.*

## Auditor's Reply

We do not dispute that the four programs in question may have received assistance as needed from their program specialists. However, in OSA's opinion, such assistance cannot be viewed as a substitute for the required SVs. During SVs, ACLS program specialists conduct thorough program reviews that use formal agendas based on individual program needs and include such things as classroom observations and instructor and advisor interviews. SVs are important because they allow the ACLS Unit to identify specific program needs as well as areas of program noncompliance that should be addressed in a timely and efficient manner. OSA also acknowledges that staffing issues may arise; however, given the importance of SVs, OSA believes that the ACLS Unit should take the measures necessary to ensure that its staff members can perform SVs in accordance with agency policy.

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## APPENDIX<sup>5</sup>

### Indicators of Program Quality

#### **Purposes**

*The overarching goal of the [indicators of program quality, or IPQ] is to guide the planning, delivery, and evaluation of all adult education programs in Massachusetts in order to improve services for learners enrolled in [adult education] programs. The IPQ have three primary purposes:*

- **Guidance in Proposals to the Field:** *The IPQ are used to guide the development of [the Department of Elementary and Secondary Education's Adult and Community Learning Services Unit, or ACLS] Requests for Proposals (RFPs).*
- **Program Self-Assessment:** *Adult education programs are advised to use the IPQ as benchmarks in designing high quality programs and in measuring progress in key areas. To that end, programs are encouraged to use the IPQ in tandem with the Massachusetts Policies for Effective Adult Basic Education in Community Adult Learning Centers and Correctional Institutions to inform continuous improvement planning.*
- **Site Visits and Program Quality Reviews:** *ACLS will use the IPQ as a guide in conducting site visits and program quality reviews. During these visits, ACLS will identify promising practices and areas where further improvement and technical assistance are needed to help support the adult education program.*

#### **Organization**

*The IPQ are not sequential and are meant to support one another. They are divided into two categories:*

- **Student Success:** *includes indicators and standards that help programs to support students' progress towards their next steps in postsecondary education, training, and/or employment leading to a family-sustaining wage.*
- **Organizational Capacity:** *includes indicators and standards that help programs to support their staff and guide directors in administering a quality program.*

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5. The text and table in this appendix are taken from the Department of Elementary and Secondary Education's "Program Quality Review and Site Visit Protocol."

Indicators of Program Quality Community Adult Learning Centers and Correctional Institutions		
Alignment to WIOA	Student Success	<b>Indicator 1: Program Design:</b> The program implements the key design elements articulated in its funded proposal.
		<b>Indicator 2: Access and Equity:</b> The program is responsive to the education and employment needs of the region and to individuals most in need of services.
		<b>Indicator 3: Career Pathways Collaboration:</b> The program takes concrete steps toward implementing the Workforce Innovation and Opportunity Act (WIOA) vision as expressed in the Massachusetts state and local plan for a seamless system of education and workforce services that supports career pathways.
		<b>Indicator 4: Curriculum and Instruction:</b> The program delivers high quality standards-based instruction that meets the academic needs of all students.
		<b>Indicator 5: Student Progress:</b> The program consistently meets or exceeds state student performance targets for academic growth, and for postsecondary education, training and employment.
		<b>Indicator 6: Advising and Student Support Services:</b> The program ensures effective and equitable delivery of advising and support services.
	Capacity	<b>Indicator 7: Organizational Support:</b> The agency/institution (e.g., Community Based Organizations, Local Education Agency, Community College) actively builds and supports the capacity of the program and maintains quality working conditions to ensure its success.
		<b>Indicator 8: Educational Leadership:</b> The program leadership (e.g., executive director, director, program manager, program coordinator, principal) ensures that the vision for academic success is shared by staff and students and that the program engages in a continuous improvement planning process with the goal of improving student outcomes.
		<b>Indicator 9: Professional Culture:</b> The program promotes a culture that is ethical, culturally proficient, and collaborative that builds the expertise and experience of staff to grow in their career and assume leadership roles.
		<b>Indicator 10: Fiscal and Data Accountability:</b> The agency/institution maintains a stable financial condition operating in a financially sound and publicly accountable manner. The program has a system for collecting and reporting data that ensures its integrity.