

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF THE DISTRICT OF  
COLUMBIA PUBLIC SCHOOLS'  
RESIDENCY REQUIREMENTS**



**CHARLES J. WILLOUGHBY  
INSPECTOR GENERAL**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



January 24, 2008

Michelle A. Rhee  
Chancellor  
District of Columbia Public Schools  
825 North Capitol Street, N.E., 9th Floor  
Washington, D.C. 20002

Deborah A. Gist  
State Superintendent of Education  
Office of the State Superintendent of Education  
441 4th Street, NW, Suite 350 North  
Washington, D.C. 20001

Dear Ms. Rhee and Ms. Gist:

Enclosed is our final report summarizing the results of the Office of the Inspector General's (OIG) Audit of the District of Columbia Public Schools' Residency Requirements (OIG No. 06-1-14GA).

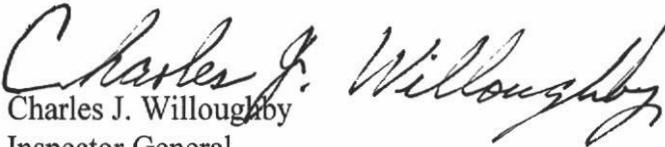
Our report contains nine recommendations for necessary action to correct the described deficiencies. Three of the recommendations were directed to the State Superintendent for Education, Office of the State Superintendent of Education (OSSE). On December 27, 2007, we received OSSE's response to the draft report. We consider the actions taken and/or planned to be responsive to our recommendations. However, OSSE did not provide target dates for completing the planned actions. Thus, we respectfully request that OSSE provide our Office with the target dates for addressing the recommendations no later than February 7, 2008. The full text of the OSSE's response is included at Exhibit B.

We directed six recommendations to the Chancellor, D.C. Public Schools (DCPS). We received DCPS' final response to the draft report on January 14, 2008. We consider the actions taken and/or planned to be fully responsive to four of six recommendations. DCPS indicated it is currently taking corrective action for Recommendation 6; however, DCPS did not provide the target date for completing the planned action. In addition, DCPS' response to Recommendation 7 does not fully address the intent of our recommendation. Thus, we respectfully request that DCPS provide our Office with the target completion date for corrective action on Recommendation 6 and fully address Recommendation 7 no later than February 7, 2008. The full text of the DCPS' response is included at Exhibit C.

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We appreciate the cooperation extended to our staff during the audit. If you have questions, please contact William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

  
Charles J. Willoughby  
Inspector General

CJW/mg

Enclosure

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**AUDIT OF THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS’  
RESIDENCY REQUIREMENTS**

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## **EXECUTIVE DIGEST**

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### **OVERVIEW**

This report summarizes the results of the Office of the Inspector General's (OIG) Audit of the District of Columbia Public Schools' Residency Requirements (OIG No. 06-1-14GA).

We conducted the audit in response to concerns raised by the former Superintendent of the District of Columbia Public Schools (DCPS). Our overall audit objective was to determine whether the residency policy is effectively implemented.

### **CONCLUSIONS**

This report contains three findings that detail the conditions found during our audit. In our first finding, our audit disclosed that current law (D.C. Code § 38-308(a)) requires the residency status for students attending D.C. public schools and public charter schools to be established annually, but does not require a residency status determination for students placed in private and out-of-state public facilities. Therefore, D.C. Code § 38-308(a) should be amended to include residency verification for students attending private and out-of-state public facilities to ensure that the District does not pay the cost associated with placing non-resident students in such facilities.

Our second finding revealed that DCPS allowed students whose residency had not been established to remain enrolled in D.C. public schools and private and out-of-state public facilities. Specifically, we found that school personnel at the seven local public schools we visited did not have Residency Verification Forms or Residency Variance Forms for 56 students, and 43 of these students were enrolled in their schools at the time of our visits. Further, the DCPS Student Residency Office did not have Residency Verification Forms, Residency Variance Forms, or court orders for 166 students attending private and out-of-state public facilities, and 116 of these students were enrolled in their respective facilities. As a result, DCPS paid over \$2.7 million for 166 potentially ineligible students to attend private and out-of-state public facilities and may be entitled to recover funds through tuition reimbursement requests.

Our third finding addresses the fact that DCPS has not developed written policies and procedures for collecting tuition payments from non-residents. The absence of written policies and procedures increases the risk that operational practices will not be consistent with organizational objectives.

## **EXECUTIVE DIGEST**

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### **SUMMARY OF RECOMMENDATIONS**

We directed six recommendations to the Chancellor, D.C. Public Schools, and three recommendations to the State Superintendent for Education, Office of the State Superintendent of Education (OSSE) that we believe are necessary to correct the deficiencies noted in this report. The recommendations, in part, center on:

- Implementing measures to ensure the residency requirements and guidelines require all students attending DCPS-funded facilities (D.C. public schools and private and out-of-state public facilities) to have their residency status established annually.
- Instituting procedures to ensure: (1) all students attending DCPS-funded facilities have their residency status timely established; (2) students are withdrawn from DCPS-funded facilities when their residency status is not timely established; and (3) tuition payments are terminated when students are not in compliance with the residency requirements.
- Developing written policies and procedures for the non-resident tuition collection process to ensure: (1) operational practices are consistent with organizational objectives; (2) uniformity in the payment collection process; and (3) uniform continuation of the collection process notwithstanding management and operational personnel changes.

A summary of the potential benefits resulting from the audit is shown at Exhibit A.

### **MANAGEMENT RESPONSES AND OIG COMMENTS**

On December 27, 2007, OSSE provided its written response to our draft report. The responses submitted by OSSE fully addressed all of our recommendations, and we consider the actions taken and/or planned to be responsive to our recommendations. However, OSSE did not provide target dates for completing the planned actions. Thus, we respectfully request that OSSE provide our Office with the target dates for addressing the recommendations no later than February 7, 2008. The full text of OSSE's response is included at Exhibit B.

We received DCPS' final response to the draft report on January 14, 2008. DCPS' responses fully addressed four of six recommendations. As for Recommendation 7, DCPS did not fully address the intent of the recommendations. In addition, DCPS did not provide the target date for completing the planned action for Recommendation 6. Thus, we respectfully request that DCPS provide our Office with the target date for corrective action on Recommendation 6 and fully address Recommendation 7 no later than February 7, 2008. The full text of the DCPS' response is included at Exhibit C.

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## INTRODUCTION

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### BACKGROUND

**School Operations and Enrollment.** The District of Columbia Public Schools (DCPS) operated 144 schools in school year (SY) 2006-2007. As of October 5, 2006, there were 52,645 students enrolled in D.C. public schools.<sup>1</sup> DCPS also had 2,710 students enrolled in private and out-of-state public facilities.<sup>2</sup>

**Students Entitled to a Free Education.** D.C. Municipal Regulations (DCMR) Title 5 § 5001.1, provides that the following students are entitled to receive a free public education:<sup>3</sup>

- (a) a student who is otherwise eligible for admission and who is under 18 years of age and falls into one of the following categories:
  - (1) a student in the care or control of a parent, custodian, or guardian who is a District resident;
  - (2) a student in the care or control of a primary caregiver who is a District resident;
  - (3) a student who is a District resident and does not have a living parent or custodial caregiver;
  - (4) a student who is a District ward;<sup>4</sup> and
  - (5) a student living with his/her spouse provided the spouse is 18 years of age or older and is a District resident.
  
- (b) an adult student who is a District resident.

Pursuant to 5 DCMR § 3803.1, DCPS also pays tuition for special education students placed in private facilities by DCPS. This provision is in compliance with the Individuals with Disabilities Education Improvement Act of 2004 (IDEA), as amended, which provides that “Children with disabilities in private schools and facilities are provided special education and related services, in accordance with an individualized education program, at no cost to their parents, if such children are placed in, or referred to, such schools or facilities by the State....”<sup>5</sup> DCPS places some of its special education students in private facilities located in Washington, D.C. and other states, and also places some students in out-of-state public facilities in Prince George’s County, Maryland and other neighboring counties.

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<sup>1</sup> THOMPSON, COBB, BAZILIO & ASSOCIATES, P.C., DISTRICT OF COLUMBIA PUBLIC SCHOOLS ENROLLMENT CENSUS (Oct. 5, 2006).

<sup>2</sup> *Id.*

<sup>3</sup> Public education includes D.C. public schools and public charter schools (Title 5 DCMR § 5000.1).

<sup>4</sup> A ward is a child in the legal custody of the Child and Family Services Agency. A ward is also called a foster child.

<sup>5</sup> Pub. L. No. 108-446, § 612, 118 Stat. 2681 (2004).

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## INTRODUCTION

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In addition, DCPS pays tuition for District wards to receive special education services and non-special education services at private and out-of-state public facilities, as required by two Memorandums of Understanding. One Memorandum of Understanding provides that DCPS and the Child and Family Services Agency (CFSA) “mutually agree that DCPS shall assume full responsibility for the timely assessment, placement, reevaluation, and funding of public and private special education and related services for subject students.”<sup>6</sup> The other Memorandum of Understanding provides that “DCPS is responsible for making payments for tuition for non-special education students in foster care enrolled in schools outside of the District...”<sup>7</sup> The majority of all of the students placed in private and out-of-state public facilities receive special education services. Of the 2,710 students enrolled in these facilities as of October 5, 2006, 2,372 students received special education services.<sup>8</sup>

### Residency Regulations and Procedures

The Office of the State Superintendent for Education (OSSE) is responsible for establishing the rules and procedures for residency verification.<sup>9</sup> However, DCPS is responsible for ensuring only eligible students attending D.C. public schools and DCPS-funded facilities receive a free education, and the charter schools are responsible for ensuring only eligible students attending D.C. public charter schools receive a free education.

**Annual Confirmation of District Residency.** In order for students to receive a free education, their residency status must be established every school year. D.C. Code § 38-308 (a) (Supp. 2007) provides:

The residency status of each student enrolling in a DCPS school or public charter school shall be established by October 5, or within 10 days of the time of initial enrollment, whichever occurs later, within the school year for which the student is being enrolled. Residency status must be re-established annually.

This provision does not address students (special education and non-special education), funded by DCPS, who are enrolled in private or out-of-state public facilities. However, the

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<sup>6</sup> Memorandum of Understanding Between the District of Columbia (“DCPS”) and Child and Family Services Agency (“CFSA”) Regarding Provision of Special Education Services Under IDEA to Children Committed to the Custody of the Child and Family Services Agency, 1, *adopted* Aug. 4, 1998.

<sup>7</sup> Memorandum of Understanding Between the District of Columbia Child and Family Services Agency, the District of Columbia Public Schools, and the State Education Office, Executive Office of the Mayor to Transfer Responsibility for Payment of Tuition for Children in Foster Care Who Are Non-Special Education Students in Schools in Jurisdictions Outside of the District of Columbia From CFSA to the DCPS, 2, *adopted* May 24, 2004.

<sup>8</sup> THOMPSON, COBB, BAZILIO & ASSOCIATES, P.C., DISTRICT OF COLUMBIA PUBLIC SCHOOLS ENROLLMENT CENSUS (Oct. 5, 2006).

<sup>9</sup> The State Education Office became the Office of the State Superintendent of Education on June 12, 2007.

## INTRODUCTION

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Board of Education's regulations clearly require special education students to be District residents or wards.<sup>10</sup> Title 5 DCMR § 3000.1 provides:

All local education agencies (LEA) in the District of Columbia shall ensure, pursuant to the Individuals with Disabilities Education Act (IDEA), that all children with disabilities, ages three to twenty-two, who are residents or wards of the District of Columbia, have available to them a free appropriate public education (FAPE)<sup>11</sup> and that the rights of these children and their parents are protected.

In addition, DCPS Directive 509.1, "Verification of Student Residency," (Jun. 30, 2006) requires annual residency verification for all students attending D.C. public schools or schools funded by DCPS, and states that "[o]nly residents of DC are entitled to a free public education."

**Documentation to Establish Residency.** To ensure only eligible students receive a free education, parents, guardians, custodians, or other primary caregivers enrolling students must submit documentation to prove they are D.C. residents. Residency is based on where these individuals reside and not where the children actually live. The individuals have the option to either provide one document or two documents to establish residency. D.C. Code § 38-309 (b) (Supp. 2007) provides that one of the following items shall suffice to establish District residency:

- (1) Proof of payment of District personal income tax, in the name of the person seeking to enroll the student, for the tax period closest in time to the consideration of District residency;
- (2) A pay stub issued less than 45 days prior to consideration of residency in the name of the person seeking to enroll the student that shows his or her District residency and evidence of the withholding of District income tax;
- (3) Current official documentation of financial assistance received by the person seeking to enroll the student, from the District Government...;
- (4) Confirmation, based upon completion and submission of a tax information authorization waiver form, by the District Office of Finance and Revenue of payment of District income taxes by the person seeking to enroll the student;
- (5) Current official military housing orders showing residency in the District of the person seeking to enroll the student; or
- (6) A currently valid court order indicating that the student is a ward of the District.

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<sup>10</sup> The Board of Education became the State Board of Education on June 12, 2007.

<sup>11</sup> Under IDEA, FAPE is defined as special education and related services that have been provided at the public expense, under public supervision and direction, and without charge (*See* Pub. L. No. 108-446, § 602, 118 Stat. 2653 (2004)).

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## INTRODUCTION

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D.C. Code § 38-309(c) (Supp. 2007) provides that two of the following items shall also suffice to establish residency:

- (1) A current motor vehicle registration in the name of the person seeking to enroll the student and evidencing District residency;
- (2) A valid unexpired lease or rental agreement in the name of the person seeking to enroll the student, and paid receipts or canceled checks (for a period within 2 months immediately preceding consideration of residency) for payment of rent on a District residence in which the student actually resides;
- (3) A valid unexpired District motor vehicle operator's permit or other official non-driver identification in the name of the person seeking to enroll the student; and
- (4) Utility bills (excluding telephone bills) and paid receipts or cancelled checks (from a period within the 2 months immediately preceding consideration of residency) in the name of the person seeking to enroll the student that show a District residence address.

Other primary caregivers must submit documentation establishing their status as the student's primary caregivers by submitting: (1) previous school records, (2) immunization or medical records, (3) documentation showing they receive public or medical benefits for the student, (4) a signed sworn statement that he or she is the primary caregiver for the student, or (5) an attestation completed by legal, medical, or social service professionals attesting to the caregiver's status relevant to the student.<sup>12</sup>

When an individual enrolling a student is unable to submit the required documentation, the principal or his designee may conduct a home visit to verify residency. However, the principal or designee must have the individual's consent to conduct the home visit and the individual must complete a Home Visitation Consent Form. In addition, the principal or designee must document the home visit on the Home Visitation Residency Verification Form.<sup>13</sup>

**Verification of Residency Involving Local Schools.** Individuals enrolling students in D.C. public schools generally enroll at the local schools. During enrollment, DCPS requires school personnel to review the presented documentation and note the documents on the Residency Verification Form. DCPS Directive 509.1 prohibits school personnel from generally keeping the presented documents on file. The directive provides:

The Residency Verification Form is the only documentation of DC residency that is to be kept on file at the local school for each student. If the Residency

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<sup>12</sup> D.C. Code § 38-310 (b) (Supp. 2007).

<sup>13</sup> D.C. Code §§ 38-309(d) (Supp. 2007) and DCPS Directive 509.1.

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## INTRODUCTION

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Verification Form is called into question during the audit of the student enrollment count, schools will be required to obtain and provide to the auditor photocopies of the residency documents presented by the individual who enrolled the student.<sup>14</sup>

The OSSE's Residency Verification Guidelines (on page 1) also provide that "Schools are not required to photocopy residency proofs; however, if the Residency Form is called into question during the audit of the student enrollment counts, schools may be required to obtain and provide photocopies."

If individuals experience problems enrolling students at the local D.C. public schools, DCPS Directive 509.1 provides that they may enroll at the DCPS Student Residency Office, which may accept alternative documents not specified in D.C. Code § 38-309.<sup>15</sup> When the Student Residency Office confirms residency for students attending local schools, the office is required to issue a Residency Variance Form.<sup>16</sup>

**Verification of Residency Involving Private and Out-of-State Public Facilities.** DCPS requires individuals enrolling students to attend private facilities funded by DCPS to verify their residency at the Student Residency Office.<sup>17</sup> However, DCPS officials stated that they do not require the foster parents of District wards attending private and out-of-state public facilities to visit the Student Residency Office and prove their residency because the District is responsible for the wards regardless of where they live with their foster parents. Instead, CFSA provides the court orders for the District wards to the Student Residency Office, and the Student Residency Office uses the court orders as the basis for verifying their residency status. Because the status of wards may change from month to month, it is imperative for CFSA to timely provide court orders and other pertinent documents that accurately reflect the status of the wards.<sup>18</sup>

**Penalties for Providing False Information.** Persons who knowingly provide false residency information are subjected to fines and/or imprisonment. D.C. Code § 38-312 (Supp. 2007) provides that any person, including public school personnel, who knowingly supplies false information shall be subject to retroactive tuition charges, a fine not to exceed \$500, imprisonment not to exceed 90 days, or any combination thereof.

**Non-Resident Tuition.** Non-District residents may attend D.C. public schools and public charter schools; however, the students or their parents or guardians must pay tuition. The

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<sup>14</sup> DCPS Directive 509.1, § III.B.7.

<sup>15</sup> *Id.* § III.B.13.

<sup>16</sup> *Id.* § III.B.14.

<sup>17</sup> *Id.* § III.E.

<sup>18</sup> The status of a ward may change because the child was reunified with the parents, someone legally adopted the child, or someone became the legal guardian or custodian of the child.

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## INTRODUCTION

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OSSE establishes the tuition rates, and DCPS collects the tuition payments for students attending D.C. public schools. The tuition rate, which is published annually in 5 DCMR § 2008.13, is based upon a student’s grade level and additional services that will be provided to the student. The following table shows the rates for the last 2 school years.

**Table 1.**  
**Yearly Tuition Rates for Non-Residents**  
**(SY 2005-2006 and SY 2006-2007)<sup>19</sup>**

Grade Level	Tuition Rate (SY 2005-2006)	Tuition Rate (SY 2006-2007)
Pre-School/Pre-Kindergarten	\$8,077	\$8,550
Kindergarten	8,077	7,527
1 <sup>st</sup> Grade - 3 <sup>rd</sup> Grade	7,111	7,527
4 <sup>th</sup> Grade - 5 <sup>th</sup> Grade	6,904	7,307
Ungraded Elementary School	7,111	7,527
6 <sup>th</sup> Grade - 8 <sup>th</sup> Grade	7,111	7,527
Ungraded Middle School/Junior High School	7,111	7,527
9 <sup>th</sup> Grade - 12 <sup>th</sup> Grade	8,077	8,550
Ungraded Senior High School	8,077	8,550
Alternate School	8,975	9,500
Special Education School	8,077	8,550
Adult	5,178	5,481

**Investigation Process.** DCPS has a mechanism to identify students who are improperly receiving a free education. When individuals, including principals and other school employees, suspect that non-resident students are improperly enrolled as resident students, they can contact the Student Residency Office. The Student Residency Office will initiate an investigation if it is warranted. The Student Residency Office opened 105 investigations, which involved 172 students, in SY 2005-2006.<sup>20</sup> For SY 2006-2007, as of March 19, 2007, the Student Residency Office opened 58 investigations.

If DCPS determines that an individual is not a D.C. resident and the individual does not agree with the decision, the individual can appeal the decision within 10 school days.<sup>21</sup> After an individual requests an appeal, the individual is allowed to present his or her case to a hearing officer who serves as DCPS’ designee. When appeals are pending, DCPS allows currently enrolled students to continue to attend their schools. The hearing officer’s

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<sup>19</sup> This table does not include the costs for additional services, such as special education services.

<sup>20</sup> The Student Residency Office assigns the same investigation number to siblings; thus, the number of students involved exceeds the number of investigations opened. In SY 2005-2006, the Student Residency Office also investigated several students at one school and assigned the same investigation number to the students.

<sup>21</sup> Title 5 DCMR § 2009.3.

## INTRODUCTION

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determination is the final administrative decision of DCPS. Thus, if a hearing officer determines a student's parent or legal guardian is not a D.C. resident, the student must be disenrolled. If the individual disagrees with the hearing officer's determination, the individual can appeal to the D.C. Superior Court; however, the student cannot remain enrolled while the appeal is pending.

### OBJECTIVE, SCOPE, AND METHODOLOGY

The audit objective was to determine whether the residency policy is effectively implemented. Our audit period generally covered SY 2006-2007; however, in some instances, we reviewed documents dating back to SY 2005-2006. Our audit details the conditions found in the D.C. public school system and not the D.C. public charter school system.

To accomplish our objective, we interviewed OSSE and DCPS officials, reviewed investigation files and tuition payments at the Student Residency Office, and observed residency verification training sessions. In addition, we visited seven D.C. public schools. At each of the schools, we interviewed the principals and personnel responsible for verifying residency, and we selected a judgmental sample of students to determine if school personnel properly completed residency forms. We also attempted to verify if the individuals enrolling students at the schools were D.C. residents by reviewing property records, conducting Internet searches, and searching Accurint.<sup>22</sup>

Further, we reviewed the District of Columbia Public Schools Enrollment Census Report, dated October 5, 2006, and obtained a list of students with unverified residency as of October 5, 2006.<sup>23</sup> We conducted follow-up procedures for the students attending the seven schools that we visited and the students attending private and out-of-state public facilities. Specifically, we reviewed documents at the schools and the Student Residency Office to determine if the students with unverified residency subsequently established their residency status. The census report is discussed in more detail later in this report (see section entitled "Prior Reviews").

We obtained school rosters and enrollment data from the D.C. Student Tracking and Reporting System (DCSTARS).<sup>24</sup> We relied on information in the system to determine the current enrollment status of students and when students withdrew from local schools and private and out-of-state public facilities.

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<sup>22</sup> Accurint is a widely accepted locate-and-research tool that is used by government and law enforcement personnel. Information included in Accurint is based on public records and non-public information.

<sup>23</sup> "Unverified residency" means the students did not have residency forms or properly completed forms.

<sup>24</sup> DCSTARS is DCPS' student information system.

## INTRODUCTION

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We conducted the audit in accordance with generally accepted government auditing standards and included such tests as we considered necessary under the circumstances.

### PRIOR REVIEWS

D.C. Code § 38-1804.02 (d)(2) (Supp. 2007) requires an annual audit to evaluate the accuracy of the fall enrollment count for DCPS and D.C. public charter schools. The OSSE, which is responsible for the audit, hires a contractor to perform the audit. In addition to evaluating the accuracy of the enrollment count, the contractor also reviews the student files to determine whether they contain proper documentation to support residency. The current contractor, Thompson, Cobb, Bazilio & Associates, PC (TCBA), identified several deficiencies that pertained to residency verification in the last several years.

**Annual Audit for SY 2006-2007.** The report entitled, “District of Columbia Public Schools Enrollment Census,” dated October 5, 2006, identifies the deficiencies for the most recently completed school year. TCBA determined that student files did not contain proper documentation to support residency for 454 students attending D.C. public schools and 253 students attending private and out-of-state facilities. Because schools do not maintain copies of the documents submitted to prove residency, TCBA assumed individuals submitted the required documents to prove residency if they had properly completed residency forms on file.

However, TCBA performed alternate procedures that revealed school personnel did not always require individuals to submit proper documents. Specifically, TCBA visited some schools during the summer to observe the enrollment process, interviewed personnel at some schools, and reviewed copies of submitted documents made available to the firm. TCBA noted that school personnel: (1) did not obtain receipts for utility bills and leases; (2) accepted bills other than gas, electric, and water bills as utilities; (3) accepted documents that did not show current addresses; and (4) accepted alternate documents (such as mortgage payments, social security cards, employment identification cards, and birth certificates) that did not show addresses. Further, TCBA determined that most schools do not withdraw students when they do not comply with the residency mandates, as required. Although TCBA determined that school personnel did not strictly adhere to the residency rules, TCBA concluded that school personnel were generally aware of the residency rules.

TCBA made several recommendations in the report. TCBA recommended that the OSSE issue additional guidance for the residency verification process. The firm also recommended that OSSE revamp the residency verification process.

**Annual Audit for SY 2005-2006.** The report entitled, “District of Columbia Public Schools Enrollment Census,” dated October 5, 2005, identifies the deficiencies for SY 2005-2006. TCBA determined that student files did not contain proper documentation to support

## **INTRODUCTION**

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residency for 697 students attending D.C. public schools and 481 students attending private and out-of-state public facilities. Although these numbers decreased in SY 2006-2007, TCBA reported the same deficiencies continue to exist from year to year. While some individual schools have shown improvement, the overall findings remain the same.

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## FINDINGS AND RECOMMENDATIONS

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### FINDING 1. RESIDENCY REQUIREMENTS

#### SYNOPSIS

While D.C. Code § 38-308(a) (Supp. 2007) requires the residency status for students attending D.C. public schools and public charter schools to be established annually, the provision does not require a residency status determination for students placed in private and out-of-state public facilities. Therefore, D.C. Code § 38-308(a) should be amended to include residency verification for students attending private and out-of-state public facilities to ensure that the District does not pay the cost associated with placing non-resident students in such facilities.

#### DISCUSSION

D.C. Code § 38-308(a) (Supp. 2007) provides:

The residency status of each student enrolling in a DCPS school or public charter school shall be established by October 5, or within 10 days of the time of initial enrollment, whichever occurs later, within the school year for which the student is being enrolled. Residency status shall be re-established annually.

The intent of the residency requirement is to ensure that all students receiving a free education are D.C. residents regardless of whether they attend a D.C. public school, or a private or out-of-state public facility. However, D.C. Code § 38-308(a) does not require residency status to be established for students placed in private and out-of-state public facilities. The provision, then, does not prevent the District from placing non-resident students in private and out-of-state public facilities at the District's expense.

The OSSE's guidelines are not clear as to whether students attending private or out-of-state public facilities must have their residency status established. For example, the Residency Verification Guidelines provide that "Only residents of the District of Columbia are eligible to receive a free public education in the District. Consequently, all public school students in the District are required to provide proof of their residency in the District or pay tuition." Further, 5 DCMR § 5000.1 provides that "Public education in the District of Columbia includes the District of Columbia Public Schools and all public charter schools. All students in such schools must have proof of residency in the District of Columbia or pay tuition." We believe these guidelines are not clear on establishing the residency of students attending private and out-of-state public facility because they were modeled after D.C. Code § 38-308(a).

## FINDINGS AND RECOMMENDATIONS

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While the requirements in D.C. Code § 38-308(a) and the guidelines issued by the OSSE can be misleading, Section I of DCPS Directive 509.1 clearly requires all students receiving a free education to have their residency status established annually. The directive provides:

District of Columbia law requires annual verification of District of Columbia (DC) residency for all students enrolled or seeking to enroll in District of Columbia public schools, **or schools funded by the District of Columbia Public Schools (DCPS)**. Only residents of DC are entitled to a free public education. Consequently, non-residents and persons who fail to prove residency must pay nonresident tuition. (Emphasis supplied.)

Notwithstanding the clarity of policy stated in DCPS Directive 509.1, prior audits and our audit results (see Finding 2) revealed that a large number of students lacking residency verification are attending private and out-of-state public facilities at the District's expense. Accordingly, we believe that D.C. Code § 38-308(a) should be amended to include residency verification for students attending private and out-of-state public facilities to ensure that the District does not pay the cost associated with placing non-resident students in such facilities. In addition, the OSSE should revise its guidelines.

### RECOMMENDATIONS

We recommended that the State Superintendent for Education, Office of the State Superintendent of Education:

1. Request that the Council of the District of Columbia amend D.C. Code § 38-308(a) to require all students attending D.C. public schools and private and out-of-state public facilities to have their residency status established annually.
2. Revise the Residency Verification Guidelines and 5 DCMR § 5000.1 to require all students attending D.C. public schools and private and out-of-state public facilities to have their residency status established annually.

## **FINDINGS AND RECOMMENDATIONS**

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### **MANAGEMENT RESPONSE AND OIG COMMENT**

#### **Management Response (Recommendations 1 and 2)**

OSSE concurred with these two recommendations. In its response, OSSE stated it will work to request the recommended amendment of the D.C. Code and revise the Residency Verification Guidelines and the DCMR. However, OSSE did not provide estimated completion dates for taking corrective actions.

#### **OIG Comment**

We consider OSSE's actions to be responsive to these recommendations and request OSSE provide estimated completion dates for the corrective actions.

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## FINDINGS AND RECOMMENDATIONS

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### FINDING 2. ESTABLISHING RESIDENCY

#### SYNOPSIS

DCPS allowed students with unverified residency to remain enrolled in D.C. public schools and private and out-of-state public facilities. Specifically, we found that school personnel at the seven local public schools we visited did not have Residency Verification Forms or Residency Variance Forms for 56 students, and 43 of these students were enrolled in their schools at the time of our visits. Further, the Student Residency Office did not have Residency Verification Forms, Residency Variance Forms, or court orders for 166 students attending private and out-of-state public facilities, and 116 of these students were enrolled in their schools. We believe these conditions occurred because DCPS management did not provide adequate oversight to ensure students with unverified residency were dis-enrolled from their schools, and the Student Residency Office and the contractor performing the enrollment audit did not coordinate to discuss the enrollment audit results. As a result, DCPS paid over \$2.7 million for potentially ineligible students to attend private and out-of-state public facilities and may be entitled to recover funds through tuition reimbursement.

#### DISCUSSION

DCPS Directive 509.1 § II.J provides: “Students may temporarily enroll for 10 days pending compliance with residency requirements, after which they must be prohibited from attending classes and participating in school activities, and must be placed [on] inactive status in the automated student database until residency is confirmed.” In addition, Section III.B.12 states: “If documentation is not provided within ten (10) business days, the school shall contact the parent, guardian, custodian or other primary caregiver to inform him or her of the failure to verify DC residency, and shall exclude the student from attendance until appropriate documentation is received.” The directive clearly indicates DCPS must not allow students with unverified residency to remain enrolled in D.C. public schools and private and out-of-state public facilities beyond 10 days of enrollment. However, DCPS allowed students to remain enrolled beyond the 10-day time period. In addition, DCPS granted the parents of special education students attending private facilities more than 10 days to establish their residency, and allowed these students to remain enrolled beyond the extended time period as well.

#### Establishing Residency at the Local Schools

We identified 56 students without a properly completed Residency Verification Form or Residency Variance Form at the seven D.C. public schools that we visited. TCBA either

## FINDINGS AND RECOMMENDATIONS

identified these students as having unverified residency during the enrollment audit (50 students), or these students were included in the judgmental sample that we selected (6 students). We believe these students remained enrolled in their schools because DCPS management did not provide adequate oversight to ensure the students were dis-enrolled.

**Students Without Residency Verification Identified During Enrollment Audit.** In the enrollment audit for SY 2006-2007, TCBA identified 119 students with unverified residency attending the 7 schools. When we subsequently visited these schools, 50 of the 119 students still did not have a properly completed Residency Verification Form or Residency Variance Form. These students either did not have forms on file, or the forms on file were incomplete.

School personnel did not sign some residency forms, and some forms showed individuals did not submit all of the required documentation. For example, D.C. Code § 38-309(c) (Supp. 2007) requires individuals to submit two documents to establish their residency if they do not submit one of the documents cited in D.C. Code § 38-309(b) (Supp. 2007); however, the Residency Verification Forms for some individuals showed that they only submitted one of the two required documents.

Of the 50 students without residency verification, 37 students were currently enrolled in their schools at the time of our visits. The following table shows the enrollment status for the students per school.

**Table 2.  
Missing or Incomplete Residency Forms**

School	Date of Initial Visit	Missing or Incomplete Residency Forms <sup>25</sup>		
		Currently Enrolled	Not Currently Enrolled	Total
Roosevelt SHS	01/29/07	1	0	1
Ferebee-Hope ES <sup>26</sup>	03/13/07	-	-	-
Ellington SHS	03/28/07	5	0	5
Anacostia SHS	04/04/07	16	4	20
Patricia R. Harris EC	04/12/07	9	7	16
Woodson SHS	04/17/07	5	2	7
Schools Without Walls SHS	04/20/07	1	0	1
<b>Total</b>		<b>37</b>	<b>13</b>	<b>50</b>

Acronyms: SHS – Senior High School; ES – Elementary School; EC – Educational Center

<sup>25</sup> These students either did not have a verification form or their forms were not properly completed.

<sup>26</sup> The contractor did not identify any students with unverified residency at Ferebee-Hope.

## FINDINGS AND RECOMMENDATIONS

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**Students Without Residency Verification Included in Audit Sample.** At each school that we visited, we selected a judgmental sample of 30-40 current students to determine if the students had properly completed residency forms. We identified six currently enrolled students whose residency had not been established. We also attempted to verify whether the parents or guardians of the students in our sample were actually D.C. residents by reviewing property records, conducting Internet searches, and searching Accurint. However, we suspended our review of the residency of parents and guardians and excluded the results because we could not report this information with 100 percent accuracy based on our audit procedures.

While we could not conclude that individuals were not D.C. residents based on our audit procedures, the Student Residency Office's procedures for investigating suspected non-residents allow the office to accurately identify non-residents. In addition to searching Internet sites, such as the Haines Directory and the White Pages, the Student Residency Office also performs the following tasks: (1) conducts unannounced home visits; (2) coordinates with other D.C. agencies, such as the Metropolitan Police Department and the Department of Human Services; and (3) coordinates with Maryland government agencies. Although the Student Residency Office has an effective process in place to identify non-residents, there is only one staff person solely dedicated to investigating complaints. We believe that DCPS should augment the Student Residency Office's staff to enable the office to conduct random tests of records in addition to investigating complaints. Further, augmenting the staff will allow the Student Residency Office to analyze the completed investigations to identify systemic problems in the residency verification process and track corrective actions taken in response to the annual enrollment audits performed by TCBA.

**Management Oversight.** The Student Residency Office, which holds an annual residency training session for school personnel, did provide adequate training. In addition, personnel responsible for reviewing residency documents and completing the residency forms at all of the schools that we visited, except for Schools Without Walls, attended training. Thus, we do not believe that the lack of training contributed to school personnel not adhering to the residency verification guidelines. However, we believe the students without verified residency continued to remain enrolled in public schools because DCPS management did not provide adequate oversight.

A DCPS official stated that the Regional Superintendents are responsible for ensuring the school principals correct the deficiencies identified at their schools during the enrollment census. However, no one with oversight responsibility for the seven schools that we visited ensured that the deficiencies were corrected. In addition, although DCPS Directive 509.1 § II.F provides that principals are accountable for residency verification requirements, the DCPS residency guidelines do not specify who is accountable for ensuring students identified with unverified residency during the enrollment census are dis-enrolled from D.C. public schools. Because school personnel did not have residency forms or properly

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## FINDINGS AND RECOMMENDATIONS

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completed forms for the 56 students, these students may have been ineligible to receive a free education.

### **Establishing Residency for Private and Out-of-State Public Facilities**

In the enrollment audit for SY 2006-2007, TCBA identified 253 students attending private and out-of-state public facilities who did not have residency forms on file to establish District residency. We followed-up on this condition and found that 166 of the 253 students still did not have their residency established. We believe the students remained enrolled in private and out-of-state public facilities because the Student Residency Office and TCBA did not coordinate to discuss the enrollment audit results, and DCPS management did not provide adequate oversight to ensure that the students were dis-enrolled.

**Students Without Residency Verification Attending Private Facilities.** TCBA identified 200 students who attended private facilities and did not have District residency verified. When we conducted our review, the Student Residency Office did not have a Residency Verification Form, Residency Variance Form, or court order for 144 of the 200 students.

For SY 2006-2007, DCPS did not require the parents of special education students attending private facilities to establish their residency until November 27, 2006. On November 27, 2006, the Student Residency Office prepared a list of the students attending private facilities who were not in compliance with the residency requirements. The list did not include 102 of the 200 students identified by TCBA. Of the 102 students, we found that the Student Residency Office did not have Residency Verification Forms, Residency Variance Forms, or court orders for 68 students.

Although the Student Residency Office's list included 98 students identified by TCBA, the majority of these students still did not have their residency established by the time of our audit. According to the Student Residency Office, 22 of the 98 students had their residency established between November 28, 2006, and March 21, 2007, and the remaining 76 students did not have their residency established. When we searched DCSTARS in April 2007, the system showed 65 of these 76 students were currently enrolled. An official with the Office of Special Education stated that DCSTARS may not show the accurate enrollment status for the students. Thus, we provided this official with the list of the 76 students and the official verified that 57 of the 76 students were still enrolled as of May 2007 although they did not have their residency established. Because these results were consistent with our results, we believe DCSTARS generally showed the accurate enrollment status for students who did not establish their residency. In total, 105 of the 144 students who did not establish their residency were enrolled in private facilities when we searched DCSTARS during the audit.

**Students Without Residency Verification Attending Out-of-State Public Facilities.** TCBA identified 53 students who attended out-of-state public facilities and did not have

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## FINDINGS AND RECOMMENDATIONS

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District residency verified. These students were District wards receiving special education services and non-special education services. When we conducted our review, the Student Residency Office did not have court orders for 22 of the 53 students. Of the 22 students, 11 students were enrolled in DCPS-funded facilities when we searched DCSTARS during the audit.

We could not determine whether CFSA failed to provide the court orders, or whether DCPS misplaced court orders provided by CFSA. However, DCPS officials indicated CFSA does not always provide court orders in a timely manner. One official stated that it has been a challenge trying to obtain court orders. To alleviate this problem, the Coordinator for the Student Residency Office stated that DCPS is trying to get the D.C. Superior Court to provide a copy of the court orders directly to DCPS.

**Coordination With TCBA.** We examined the differences between TCBA's list of students without residency verification and the Student Residency Office's list of students without residency verification to account for the differences.<sup>27</sup> We identified one issue, other than the timing difference, that could account for some of the differences. The Coordinator for the Student Residency Office stated her office compiled its list of students without residency verification from DCSTARS; however, TCBA determined DCSTARS did not include some students. For example, TCBA identified 151 students attending private and out-of-state public facilities that were not in DCSTARS, but whose attendance was confirmed by their schools.<sup>28</sup> Because these students were not included in DCSTARS, the Student Residency Office did not know they were enrolled in DCPS-funded facilities.

The Coordinator stated TCBA does not provide her office with its list of students who have not established residency. In the future, we believe the OSSE should obtain the contractor's list of students without residency verification who attend private and out-of-state public facilities and provide the list to the Student Residency Office. The Student Residency Office should reconcile its list to the contractor's list to identify potentially ineligible students.

**Management Oversight.** On November 27, 2006, the Assistant Superintendent for the Office of Student Support Services submitted a memorandum to the Executive Director of Special Education Reform to inform her of the students attending private facilities who were not in compliance with the residency requirements.<sup>29</sup> The Assistant Superintendent

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<sup>27</sup> The Student Residency Office prepared its list several days after TCBA completed the enrollment audit. Therefore, the Student Residency Office's list did not include all students on TCBA's list because some students established their residency after the enrollment audit. Similarly, the Student Residency Office's list included some students who were not on TCBA's list because they enrolled after the audit.

<sup>28</sup> During the enrollment audit, TCBA sends confirmation letters to the private and out-of-state public facilities to confirm the students attending the facilities. The enrollment census report does not specify how many of the 151 students had unverified residency.

<sup>29</sup> The Student Residency Office falls under the Office of Student Support Services.

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## FINDINGS AND RECOMMENDATIONS

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requested that the Executive Director terminate tuition payments for the students. However, the Office of Special Education allowed students on the list to remain enrolled in the private facilities.<sup>30</sup> The memorandum and list were distributed to several employees, but DCPS management did not ensure these students were not allowed to continue attending the private facilities.

On April 26, 2007, a DCPS official stated DCPS cannot withdraw students from private facilities and terminate tuition payments until the Special Master for the *Petties* Court Order (Special Master) grants approval. The official also indicated that the Special Master sometimes does not grant approval until late in the school year. We subsequently met with the Special Master and she admitted that in the past, she did not grant DCPS approval to terminate tuition payments until late in the school year because DCPS did not timely identify all of the District wards, and the District cannot risk discontinuing services provided to the wards. For example, the Special Master did not grant DCPS approval to terminate tuition payments until April 2006 for SY 2005-2006. However, the Special Master did not know the reason why DCPS had not yet terminated tuition payments (as of May 2007) for the students without residency verification in SY 2006-2007 because DCPS provided assurances that it had identified all of the wards in November 2006.

**Payments for Students Without Residency Verification.** Because the Student Residency Office did not have Residency Verification Forms, Residency Variance Forms, or court orders for 166 students, these students may have been ineligible to receive a free education. DCPS paid approximately \$2.7 million for these potentially ineligible students from October 2006 through March 2007 and may be entitled to recover these funds through tuition reimbursement.

### RECOMMENDATIONS

We recommended that the Chancellor, D.C. Public Schools:

3. Augment the Student Residency Office's staff to enable the office to: (a) conduct investigations on the students identified with unverified residency; (b) conduct random tests of records; and (c) analyze the completed investigations to identify systemic problems in the residency verification process.
4. Require the Regional Superintendents to verify whether the principals correct the deficiencies cited in the annual enrollment census report.

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<sup>30</sup> The Student Residency Office's list included 161 students and, according to the Student Residency Office, approximately 70 of these students had their residency status verified between November 28, 2006, and March 21, 2007.

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## FINDINGS AND RECOMMENDATIONS

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5. Reconcile, on an annual basis, DCPS' list of students with unverified residency status that attend private and out-of-state public facilities with the list of students with unverified residency status identified during the enrollment audit.
6. Develop procedures for withdrawing students from DCPS-funded facilities and terminating their tuition payments when their residency status is not timely established.
7. Determine whether the students with unverified residency for SY 2006-2007 were actually District residents or wards and attempt to recover tuition payments from the parents, guardians, or caregivers of students who improperly received a free education.

We recommended that the State Superintendent for Education, Office of the State Superintendent of Education:

8. Provide the Student Residency Office with a list of the students with unverified residency attending private and out-of-state public facilities identified during the enrollment audit.

## MANAGEMENT RESPONSES AND OIG COMMENTS

### Management Response (Recommendation 3)

DCPS concurred with this recommendation stating that the Student Residency Office should be appropriately staffed to investigate residency non-compliance, conduct unannounced reviews, and perform data analysis. DCPS also indicated this recommendation has budgetary implications. The estimated completion date is the second quarter of FY 2009.

### OIG Comment

We consider DCPS' actions to be responsive to this recommendation.

### Management Response (Recommendation 4)

DCPS concurred with this recommendation. DCPS stated it will amend Directive 509.1 to require: (1) schools to contact the Student Residency Office when students fail to have their residency verified within 10 days of enrollment; and (2) Cluster Superintendents to provide instructions to principals for ensuring that the deficiencies cited in the annual enrollment census report are corrected. The estimated completion date is the first quarter of FY 2009.

### OIG Comment

## **FINDINGS AND RECOMMENDATIONS**

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We consider DCPS' actions to be responsive to this recommendation.

### **Management Response (Recommendation 5)**

DCPS concurred with this recommendation. The estimated completion date is August 2008. In its response, DCPS stated OSSE has assumed responsibility for wards receiving general education services in Maryland and Virginia county schools and in residential treatment facilities. Thus, OSSE should assume responsibility for reconciling a list of the known District wards receiving general education services to the list of unverified students identified during the enrollment audit.

### **OIG Comment**

We consider DCPS' actions to be responsive to this recommendation.

### **Management Response (Recommendation 6)**

DCPS concurred with this recommendation. In its response, DCPS stated the Office of Special Education will review the current DCPS Directive 509.1 and take a more proactive approach by obtaining residency verification prior to student enrollment. DCPS' response indicates it is currently taking corrective action. However, DCPS did not provide an estimated completion date for developing procedures for withdrawing students from DCPS-funded facilities and terminating their tuition payments when their residency status is not timely established.

### **OIG Comment**

We consider DCPS' actions to be responsive to this recommendation and request DCPS provide the estimated completion date for the corrective action.

### **Management Response (Recommendation 7)**

DCPS concurred with this recommendation. In its response, DCPS stated recommendations 3 and 6 should accomplish this task with assistance from local school staff and Regional Superintendents, and DCPS indicated this recommendation has budgetary implications. The estimated completion date is the second quarter of FY 2009.

## **FINDINGS AND RECOMMENDATIONS**

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### **OIG Comment**

Although DCPS concurred with this recommendation, we do not believe DCPS' response fully satisfies the intent of this recommendation. We request that DCPS address its efforts to verify the residency status for the unverified students identified in SY 2006-2007 and to recover payments from the non-District residents. Also, we request that DCPS provide an estimated completion date.

### **Management Response (Recommendation 8)**

OSSE concurred with this recommendation. OSSE stated that in 2008 it will provide the Student Residency Office with a list of the students with unverified residency attending private and out-of-state public facilities identified during the enrollment audit. OSSE did not provide a specific estimated completion date.

### **OIG Comment**

We consider OSSE's actions to be responsive to this recommendation and request OSSE provide an estimated completion date for the corrective action.

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## FINDINGS AND RECOMMENDATIONS

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### FINDING 3. NON-RESIDENT TUITION PAYMENT PROCESS

#### SYNOPSIS

DCPS collected tuition payments for non-residents totaling over \$900,000 from August 2005 through March 2007. However, DCPS has not developed written policies and procedures for the payment collection process. We attributed this condition to the lack of management oversight. The absence of written policies and procedures increases the risk that operational practices will not be consistent with organizational objectives.

#### DISCUSSION

The Student Residency Office, which collects non-resident tuition payments for DCPS, collected approximately \$503,000 from August 2005 through July 2006, and approximately \$420,000 from August 2006 through March 2007. Despite these substantial collections, DCPS has not developed written policies and procedures for the payment collection process.

We identified instances where the lack of written policies and procedures contributed to inconsistent and incorrect practices. For example, individuals did not sign tuition agreements, as required. Title 5 DCMR § 2007.2 provides: “Except as provided in § 2007.3, an adult student or minor student’s parent or guardian must make payment of tuition for each semester or term at the established rate for the program to which the student is admitted in one lump sum prior to admission.” Title 5 DCMR § 2007.3 provides that in limited circumstances: “Extended payment contracts may be entered into between the D.C. Public Schools and the adult student, or the minor student’s parent or guardian....” However, in SY 2006-2007, we identified 24 students who did not have signed tuition agreements and did not pay their tuition in one lump sum as required by 5 DCMR § 2007.2.

Although DCPS has not developed written policies and procedures, DCPS has processes in place for collecting tuition payments. For example, DCPS has processes in place for: (1) safeguarding payments received for students, (2) transmitting payments to the DCPS Division of Finance, and (3) documenting and tracking payments for students. In addition, DCPS has developed standard forms, such as nonresident tuition payment agreements, and payment schedules.

We believe DCPS has not developed written policies and procedures due to the lack of management oversight. In June 2006, an official stated DCPS was in the process of developing a directive outlining the payment process. However, by March 2007, DCPS still had not developed written policies and procedures. The absence of written policies and procedures increases the risk that operational practices will not be consistent with

## **FINDINGS AND RECOMMENDATIONS**

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organizational objectives. Developing written policies and procedures will ensure uniformity in the payment collection process. In addition, policies and procedures must be written to ensure uniform continuation of the collection process notwithstanding management and operational personnel changes.

### **RECOMMENDATION**

We recommended that the Chancellor, D.C. Public Schools:

9. Develop written policies and procedures for the non-resident tuition payment process.

### **MANAGEMENT RESPONSE AND OIG COMMENT**

#### **Management Response (Recommendation 9)**

DCPS concurred with this recommendation. In its response, DCPS stated it will begin developing procedures for the non-resident tuition payment process. The estimated completion date is the first quarter of FY 2009.

#### **OIG Comment**

We consider DCPS' actions to be responsive to this recommendation.

**EXHIBIT A. SUMMARY OF POTENTIAL BENEFITS  
RESULTING FROM AUDIT**

<b>Recommendation</b>	<b>Description of Benefit</b>	<b>Amount and Type of Benefit</b>	<b>Agency Reported Estimated Completion Date</b>	<b>Status<sup>31</sup></b>
1	<b>Internal Control.</b> Ensures D.C. Code § 38-308(a) requires all students attending D.C. public schools and private and out-of-state public facilities to have their residency status established annually.	Non-Monetary	Estimated Completion Date Not Provided	Open
2	<b>Internal Control.</b> Ensures the Residency Verification Guidelines and Title 5 DCMR § 5000.1 require all students attending D.C. public schools and private and out-of-state public facilities to have their residency status established annually.	Non-Monetary	Estimated Completion Date Not Provided	Open
3	<b>Compliance and Internal Control.</b> Ensures DCPS has the ability to identify non-resident students by increasing staff in the Student Residency Office.	Non-Monetary	2 <sup>nd</sup> Quarter of FY 2009	Open
4	<b>Compliance and Internal Control.</b> Ensures the deficiencies in the annual enrollment census report are corrected.	Non-Monetary	1 <sup>st</sup> Quarter of FY 2009	Open

<sup>31</sup> This column provides the status of a recommendation as of the report date. For final reports, “**Open**” means management and the OIG are in agreement on the action to be taken, but action is not complete. “**Closed**” means management has advised that the action necessary to correct the condition is complete. If a completion date was not provided, the date of management’s response is used. “**Unresolved**” means that management has neither agreed to take the recommended action nor proposed satisfactory alternative actions to correct the condition.

**EXHIBIT A. SUMMARY OF POTENTIAL BENEFITS  
RESULTING FROM AUDIT**

<b>Recommendation</b>	<b>Description of Benefit</b>	<b>Amount and Type of Benefit</b>	<b>Agency Reported Estimated Completion Date</b>	<b>Status</b>
5	<b>Compliance and Internal Control.</b> Ensures DCPS identifies all students attending private and out-of-state public facilities whose residency has not been established.	Non-Monetary	August 2008	Open
6	<b>Compliance.</b> Ensures DCPS prohibits students from attending DCPS-funded facilities when their residency status has not been established and ensures DCPS does not make tuition payments for students who are not D.C. residents.	Non-Monetary	Estimated Completion Date Not Provided	Open
7	<b>Compliance.</b> Ensures DCPS collects tuition payments from non-resident students who attended DCPS-funded facilities in SY 2006-2007.	Up to \$2.7 million	2 <sup>nd</sup> Quarter of FY 2009	Open
8	<b>Compliance and Internal Control.</b> Ensures DCPS identifies all students attending private and out-of-state public facilities whose residency has not been established.	Non-Monetary	Estimated Completion Date Not Provided	Open

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**EXHIBIT A. SUMMARY OF POTENTIAL BENEFITS  
 RESULTING FROM AUDIT**

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<b>Recommendation</b>	<b>Description of Benefit</b>	<b>Amount and Type of Benefit</b>	<b>Agency Reported Estimated Completion Date</b>	<b>Status</b>
9	<b>Compliance and Internal Control.</b> Ensures that operational practices are consistent with organizational objectives, ensures uniformity in the payment collection process, and ensures the process will properly function if there are management and operational personnel changes.	Non-Monetary	1 <sup>st</sup> Quarter of FY 2009	Open

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## EXHIBIT B. OSSE'S RESPONSE TO DRAFT REPORT

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December 27, 2007

Charles Willoughby, Inspector General  
Office of the Inspector General  
Government of the District of Columbia  
717 14th Street, NW, Fifth Floor  
Washington, DC 20005

Dear Inspector Willoughby,

The State Education Office, now re-named as the Office of the State Superintendent of Education (OSSE), assumed the legal responsibility of formulating and promulgating rules for the documentation and verification of District residency for all students receiving their education through DCPS or a public charter school, pursuant to sections 2 and 3 of the District of Columbia Nonresident Student Tuition Act. However, the DC Public Schools and the public charter schools have been and will continue to be responsible for administering and enforcing the rules.

### **Office of the Inspector General Recommendations**

After auditing the District of Columbia public schools' residency requirements, the Office of the Inspector General has made two recommendations for the OSSE with regard to the residency requirements:

1. Request that the Council of the District of Columbia amend D.C. Code § 38-308(a) to require all students attending D.C. public schools and private and out-of-state public facilities to have their residency status established annually.
2. Revise the Residency Verification Guidelines and 5 DCMR § 5000.1 to require all students attending D.C. public schools and private and out-of-state public facilities to have their residency status established annually (page 11).

Current D.C. Code requires residency to be proven for all students "enrolling in a DCPS school or public charter school," which clearly includes students attending any public school in the District of Columbia. DC Code makes no mention, however, of students whose education is funded by DCPS, but do not attend a D.C. public or public charter school due to either special education needs that are provided at a private or out-of-state public facility, or for students who are a Ward of the District in foster care outside of D.C. It is possible to interpret that residency requirements do not extend to DCPS-funded students attending private or out-of-state public schools.

One Judiciary Square, 441 4<sup>th</sup> Street, NW Suite 350 North, Washington, DC 20001  
Phone: 202.727.6436 ♦ Fax: 202.727.2019 ♦ [www.osse.dc.gov](http://www.osse.dc.gov)

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## EXHIBIT B. OSSE'S RESPONSE TO DRAFT REPORT

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In practice, the proof of residency for DCPS-funded students in private or out-of-state facilities is already required. Each year, the OSSE is responsible for conducting an independent audit of student enrollment, which includes auditing residency for every student in all DCPS schools, public charter schools, and DCPS-funded students in private or out-of-state facilities. Students who are special education and enrolled in private or out-of-state facilities must have their parents or other primary caregiver establish residency at DCPS in the same manner as a D.C. public school student. Students who are Wards of the District attending out-of-state schools prove their residency through the database at the Child and Family Services Agency or through the court orders placing them in foster care. Included in the audit reports (available online at <http://www.osse.dc.gov/>) are the total number of District-funded students enrolled at DCPS, charter, private, and out-of-state facilities, as well as the subset of those students who had proper proof of residency.

As the Office of the Inspector General's report recommendations involve amending current law to include more specific verbiage with what is already in practice, the OSSE agrees with the recommendations and will work to both request the recommended amendment of D.C. Code and to revise the Residency Verification Guidelines and the DCMR.

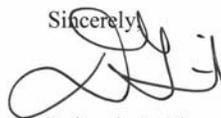
Additionally, the Residency Verification Guidelines may be further revised to better serve the residents of the District. Each year, the OSSE convenes a working group with representatives from DCPS and the chartering authorities. This group develops clear guidelines that help schools and parents better understand the rules and provide a specific list of acceptable documentation. Revised guidelines are issued each spring, are used in school staff training sessions, and are maintained at each traditional public and public charter school.

The Office of the Inspector General also has made one recommendation for the OSSE in regard to establishing residency:

8. Provide the Student Residency Office with a list of the students with unverified residency attending private and out-of-state public facilities identified during the enrollment audit (page 18).

The OSSE agrees that this list should be provided to the Student Residency Office and will begin providing it this year.

Please do not hesitate to contact me if you have any questions.

Sincerely,  


Deborah A. Gist  
State Superintendent of Education

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## EXHIBIT C. DCPS' RESPONSE TO DRAFT REPORT

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### DISTRICT OF COLUMBIA PUBLIC SCHOOLS

OFFICE OF THE CHANCELLOR  
825 North Capitol Street, NE, 9<sup>th</sup> Floor  
Washington, D.C., 20002-1994  
(202) 442-5885 – fax: (202) 442-5026

January 14, 2008

Charles J. Willoughby  
Inspector General  
Office of the Inspector General  
717-14<sup>th</sup> Street, NW 5<sup>th</sup> Floor  
Washington, DC 20005

Dear Mr. Willoughby:

Thank you for the opportunity to respond to the findings and recommendations in the Office of Inspector General's (OIG) draft audit report of the District of Columbia Public Schools' Residency Requirements (OIG No. 06-1-14GA). Our original response to your findings and recommendations was submitted via email on December 27, 2007 as requested by your office.

Please find an official submission of the response attached. If you have further questions, please don't hesitate to contact Sharon R. Artis, Deputy Chief of Staff-Compliance, at (202) 442-5436.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Marie Ruda".

Lisa Marie Ruda

LMR: be

Cc: Jesus Aguirre, Director of School Operations  
Phyllis Harris, Deputy Chancellor, Office of Special Education  
Diane Powell, Assistant Superintendent, Office of Student Services  
James Sandman, DCPS, General Counsel  
Julianne Wade, Coordinator, Student Residency Office  
Michelle Rhee, Chancellor

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## EXHIBIT C. DCPS' RESPONSE TO DRAFT REPORT

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Response to OIG Audit Recommendations and Findings  
"Audit of the DC Public Schools' Residency Requirements"

1. Request that the Council of the DC amend DC Code § 38-308(2) to require all students attending DC public schools and private out-of-state public facilities to have their residency status established annually.

**Response:** DCPS agrees, and recommends that the DC Code 38-308 (2) be amended to require that student residency be established /reestablished annually for all students; and, in addition, residency should be established /reestablished at the time of any change of placement by DCPS. Also, it is recommended that the current process established to prove residency be revised to make it more efficient and stakeholder friendly.

2. Revise the Residency Verification Guidelines and 5 DCMR §5000.1 to require all students attending DC public schools and private and out-of-state public facilities to have their residency status established annually.

**Response:** DCPS agrees, and recommends that the Residency Verification Guidelines and 5 DCMR 5000.1 be amended to require that student residency be established/reestablished annually for all students; and, in addition residency should be established/reestablished at the time of any change of placement by DCPS. Also, it is recommended that the current residency verification guidelines be revised to make them more efficient and stakeholder friendly.

3. Augment the Student Residency Office's staff to enable the office to: (a) conduct investigations on the students identified with unverified residency; (b) conduct random tests of records; and (c) analyze the completed investigations to identify systemic problems in the residency verification process.

**Response:** DCPS agrees that the Student Residency Office 's staff should be appropriately staffed to provide the office with the ability to thoroughly investigate student residency non-compliance, to conduct unannounced student record reviews, and to perform data analysis to inform practices in the residency verification process. Also, additional staff may be needed as the process becomes more "stakeholder friendly." Target Date: 2<sup>nd</sup> Qtr. FY 2009 (Budgetary Implications)

4. Require Cluster Superintendents and the Office of School Operations to verify whether the principals correct the deficiencies cited in the annual enrollment census report.

**Response:** DCPS agrees and will amend the DCPS Directive 509.1 §C.18 to require that schools contact the Student Residency Office regarding the students excluded for failure to verify residency within ten (10) days of enrollment. The amendment will require that Cluster Superintendents have the responsibility for instructing principals to ensure that deficiencies cite are corrected, before and after the annual enrollment census report. Target Date: 1<sup>st</sup> Qtr. FY 2009

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## EXHIBIT C. DCPS' RESPONSE TO DRAFT REPORT

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5. Reconcile, on an annual basis, DCPS' list of students with unverified residency status that attend private and out-of-state public facilities with the list of students with unverified residency status identified during the enrollment audit.

**Response:** DCPS agrees. It is important to remember that the enrollment audit is point-in-time information, a snapshot of the enrollment status for all students DC public schools, as of October 5<sup>th</sup> each school year. Reconciliation of the nonpublic population should occur during early September. OSSE has assumed responsibility for general education students (Wards) attending schools in counties in Maryland and Virginia and in residential facilities. **Target Date: August 2008**

6. Develop procedures for withdrawing students from DCPS-funded facilities and terminating their tuition payments when their residency status is not timely established.

**Response:** DCPS agrees. The Office of Special Education will review the current DCPS Directive 509.1 which requires that students be excluded from school when their parents have not verified residency within ten (10) days and intends to take a more proactive approach by obtaining residency verification prior to student enrollment. **Target Date: In Progress**

7. Determine whether the students with unverified residency for SY 2006-07 were actually District residents or wards and attempt to recover tuition payments from the parents, guardians, or caregivers of students who improperly received a free education.

**Response:** DCPS agrees. **OIG recommendations #3 and #6 of this report should accomplish this task with the assistance from local school staff and Regional Superintendents. Target Date: 2<sup>nd</sup> Qtr. FY 2009 (Budgetary Implications)**

8. Provide the Student Residency Office with a list of the students with unverified residency attending private and out-of-state public facilities identified during the enrollment audit.

**Response:** DCPS agrees. OSSE should also provide listings for Wards attending DCPS as well as private schools and public schools in counties in Maryland and Virginia.

9. Develop written policies and procedures for the non-resident tuition payment process.

**Response:** DCPS agree and will begin the process for developing procedures payment and collecting non-resident tuition. **Target Date: 1<sup>st</sup> Qtr. FY 2009**