

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



May 19, 2021

Shana Young
Interim State Superintendent
Office of the State Superintendent of Education
1050 First Street, N.E.
Washington, D.C. 20002

Dear Interim State Superintendent Young:

I am writing to inform you that the Office of the Inspector General (OIG) Inspections and Evaluations Unit (I&E) has concluded its assessment of local education agencies' (LEAs) and community-based organizations' (CBOs) residency verification processes for preschool (PK3) and prekindergarten (PK4) education programs and the Office of the State Superintendent of Education (OSSE)'s oversight of those processes. This letter is the close-out report for the project.¹

Background

The District of Columbia provides free early childhood PK3 and PK4 education options for District residents.² The District of Columbia is one of the few jurisdictions in the United States that offers universal PK3 and PK4 (hereafter jointly referred to as PK3/4) education options to its residents – meaning that program enrollments are not limited.³ In the District, individuals looking to enroll a child are able to apply to DC Public Schools (DCPS) and DC Charter Schools (DCPCS) PK3/4 programs through the District's My School DC website. Individuals applying to CBO PK3/4 programs must register with the organization directly.

¹ I&E projects are conducted under the *Quality Standards for Inspection and Evaluation* promulgated by the Council of the Inspectors General on Integrity and Efficiency.

² Under 5-A DCMR § 3599, PK3 and PK4 children include those “who are three (3) years of age on or before September 30 of the program year for which the child is being enrolled, four (4) years of age; or five (5) years of age after September 30 of the program year for which the child is being enrolled.”

³ EDUCATION COMMISSION OF THE STATES, HOW STATES FUND PRE-K 5 (2018), https://www.ecs.org/wp-content/uploads/How-States-Fund-Pre-K_A-Primer-for-Policymakers.pdf.

Table 1 contains School Years (SY) 2018-19 and 2019-20 student enrollment data for the District’s PK3/4 programs.

Table 1: PK3/4 Enrollment Data

School Year	PK3 Enrollment (DCPS and DCPCS)	PK4 Student Enrollment (DCPS and DCPCS)	PK3 Student Enrollment (CBOs)	PK4 Student Enrollment (CBOs)	Total District PK3/4 Student Enrollments
SY 2018-2019	5,844	7,022	564	351	13,781
SY 2019-2020	5,789	7,075	656	371	13,891

Source: *Enrollment Audit Data*, D.C. OFFICE OF THE STATE SUPERINTENDENT OF EDUC., <https://osse.dc.gov/enrollment>, (last visited Apr. 28, 2021).

To enroll a child in a PK3/4 program, a parent, guardian, custodian, or other primary caregiver (enrolling person) must provide to the specific LEA or CBO documentation that verifies his/her DC residency for each student assigned to or wishing to attend a traditional public or public charter school in the District. The documentation includes a completed DC Residency Verification Form and information that establishes the enrolling person’s physical presence⁴ in the District. Both LEAs⁵ and CBOs⁶ are responsible for processing and verifying the enrolling person’s residency status using the documents submitted, and maintaining the documentation for each student.

OSSE is responsible for verifying the number of students enrolled in each LEA⁷ and certain CBOs⁸ because funds are allocated to each school on a per-pupil basis.

[T]o fulfill this responsibility, under D.C. Official Code § 38-1804.02, OSSE is required to collect annual enrollment data for

⁴ “Physical presence” is defined as “[t]he actual occupation and inhabitation of a place of abode with the intent to dwell for a continuous period of time.” 5-A DCMR § 5099.

⁵ 5-A DCMR § 5002.

⁶ 5-A DCMR § 3500.3(c).

⁷ An LEA is “an entity that operates public elementary and secondary schools. DCPS is its own LEA and each charter network is its own LEA. Each LEA sets its own set of policies and helps ensure the on-the-ground implementation of federal and state policies.” *Key Terms to Know – DC Public Education Enrollment*, D.C. STATE BD. OF EDUC., <https://sboe.dc.gov/page/key-terms-know-dc-public-education-enrollment> (last visited Mar. 15, 2021).

⁸ “Under 5A DCMR § 3504.3 and DC Official Code § 38-1804.02, the Office of the State Superintendent of Education (OSSE) is required to annually collect enrollment counts for children in high-quality pre-K 3 (PK3) and pre-K 4 (PK4) programs in community-based organizations (CBOs), as of Oct. 5 of each school year. A high quality pre-K program is a program providing pre-K education services to pre-K age children operated by a CBO, designated by OSSE, as a program meeting and maintaining the high quality standards and eligibility criteria pursuant to DC Official Code § 38-272.01 or as provided 5A DCMR § 3500 *et seq.* OSSE is then required to conduct an annual audit to verify the accuracy of the enrollment counts, as well as to identify any material weaknesses, if any, in the enrollment systems, procedures, or methodology at the CBO level.” *STUDENT ENROLLMENT AUDIT HANDBOOK - GUIDE FOR COMMUNITY-BASED ORGANIZATIONS (CBOs) PARTICIPATING IN THE PRE-K ENHANCEMENT AND EXPANSION FUNDING PROGRAM - SCHOOL YEAR 2020-21*, D.C. OFFICE OF THE STATE SUPERINTENDENT OF EDUC. 4 (2020), <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/2020-21%20School%20Year%20Enrollment%20Audit%20and%20Child%20Count%20Handbook%20for%20CBOs.pdf>.

any District residents whose education is supported through District funds. OSSE's Office of Enrollment and Residency (OER) carries out this annual process.... OER also verifies residency documents, investigates reported tips of non-residency, and administers tuition collection for non-residents.⁹

Methodology

When the OIG [announced this project on February 27, 2020](#), prior to the declaration of the COVID-19 public health emergency, our primary objectives were to assess: (1) the thoroughness and effectiveness of LEAs' and CBOs' residency verification processes, with an initial focus on PK3 and PK4 programs; and (2) the methodology and selected results of OSSE's *Audit and Verification of Student Enrollment* (annual enrollment audit) for SYs 2018-19 and 2019-20.

Due to the public health emergency and resulting workplace restrictions, the OIG was unable to conduct on-site observations of the LEAs' and CBOs' residency verification processes and review supporting documentation. As a result, we focused our work on OSSE's annual enrollment audit and post-audit activities. To that end, the OIG reviewed the following information and documentation:

- [Contract CW54041](#), awarded to F.S. Taylor & Associates, P.C., (external auditor) in August 2017 to "conduct the Student Enrollment Audit to provide an opinion as to the accuracy of enrollment counts, generated by OSSE, and verify residency status for District of Columbia students" and several of its deliverables.
- [Audit and Verification of Student Enrollment for the 2018-19 School Year](#), a primary deliverable of the enrollment audit contract, and supporting documentation.
- [Audit and Verification of Student Enrollment for the 2019-20 School Year](#) and supporting documentation.
- Information OSSE provided pertaining to additional investigative activities they conducted in response to cases of "unverified resident students" identified during the SY 2018-19 audit.
- Information OSSE provided pertaining to tips/allegations of potential residency fraud received during SYs 2017-18, 2018-19, and 2019-20.
- Documentation of investigative outcomes from residency fraud investigations involving public charter schools that were initiated in SY 2017-18.

⁹ AUDIT AND VERIFICATION OF STUDENT ENROLLMENT FOR THE 2019-2020 SCHOOL YEAR, D.C. OFFICE OF THE STATE SUPERINTENDENT OF EDUC. 3 (2020), https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/SY19-20%20Annual%20Enrollment%20Audit%20Report.pdf.

Observations

Audit and Verification of Student Enrollment Conducted by External Auditor

Verification Through Data Exchange; 20 Percent Sample of the Eligible Student Population at Each School – During the annual enrollment audit, the external auditor reviews each student's D.C. Residency Verification (DCRV) form, which is the sworn statement of the person enrolling the student attesting to the student's residency. OSSE and the external auditor then work to establish students' residency by reviewing information provided by other District government agencies or inspecting supporting documentation.

[F]or a randomly selected 20 percent sample of the eligible student population at each school, procedures include [] an inspection and assessment of residency supporting documentation. In an effort to alleviate burden on resident families, OSSE has established direct data exchanges with the following government and independent agencies:

- DC Department of Human Services (DHS);
- DC Child and Family Services Agency (CFSA);
- DC Office of Tax and Revenue (OTR); and
- The Community Partnership (TCP) – a nonprofit that coordinates DC's continuum of care.

Families whose residency is verified through these direct data exchanges are not a part of the eligible population for sampling described above. This minimizes burden on families already receiving benefits from the District, as well as on families who grant OSSE permission to access their tax records with the District, and ensures that the auditors are deployed to focus their efforts on populations that are not otherwise validated.¹⁰

Identification of Schools Where Auditors Reviewed All Student Residency Records – LEAs and CBOs collect residency verification documents for each student attending their school, and the external auditor reviews a sample of these documents at each school:

The sample size is 20 percent of the school's enrolled student body, after removing those students whose residency was verified through direct data feeds from other District agencies. If a school's sample fails to show adequate supporting residency

¹⁰ *Id.* at 5.

documentation, auditors begin a 100 percent review of all student residency records that were not included in the sample.¹¹

To determine the extent to which the external auditor reviewed all supporting residency documentation, the OIG asked OSSE to identify every school where the auditors conducted a 100 percent review of student residency records for SYs 2018-19 and 2019-20. Of the 621 schools audited during SY 2018-19, the external auditor conducted a 100 percent review, i.e., “full scope review,” of student residency records at 165 schools (27 percent of all audited schools). During the SY 2019-20 audit, the external auditor conducted a full scope review at 334 of 627 schools (53 percent of all audited schools).

Tracking and Documenting Outcomes of Unverified Resident Student Cases Identified During Enrollment Audit – OSSE’s report *Audit and Verification of Student Enrollment for the 2018-19 School Year* (dated February 7, 2019) stated the audit identified 152 “unverified resident students,”¹² and that OSSE would “undertake further investigation in order to verify their residency status.”¹³

To confirm whether OSSE did investigate, the OIG requested all documentation pertaining to additional investigative activities OSSE conducted in response to that finding. OSSE provided a spreadsheet that included the following information, among other fields, for each of the 152 students: student name; LEA and school name; type of post-audit action taken (e.g., referral to OSSE investigation unit, residency verified by other District agency); investigation case number; investigation status; and the resulting residency determination.

For the majority of the cases referred to OSSE’s investigation unit, OSSE also provided the OIG with the contents of each investigative case file, which included a “Residency Investigation Summary Report.” These summary reports contain standardized fields that capture information regarding the identity and status (relationship to the student) of the person who enrolled the student; the type(s) of documentation submitted with the DCRV; evidence obtained by investigators to establish the enrolling person’s physical presence either in the District or another jurisdiction (e.g., property records; voter registration; driver’s license); and a summary of investigative findings. The OIG reviewed a random, selective sample of the summary reports and found them to be clear and complete. As a result, the OIG is confident that OSSE responds appropriately to potential residency anomalies identified by the external auditor each year.

¹¹ *Id.* at 13.

¹² AUDIT AND VERIFICATION OF STUDENT ENROLLMENT FOR THE 2018-2019 SCHOOL YEAR, D.C. OFFICE OF THE STATE SUPERINTENDENT OF EDUC. 5 (2019), https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/2018-19%20School%20Year%20Audit%20and%20Verification%20of%20Student%20Enrollment%20Report.pdf. The SY 2019-20 enrollment audit identified “89 students attending DCPS or public charter schools whose residency could not be determined during the audit.” D.C. OFFICE OF THE STATE SUPERINTENDENT OF EDUC., *supra* note 9, at 5.

¹³ D.C. OFFICE OF THE STATE SUPERINTENDENT OF EDUC., *supra* note 12, at 6.

Audit Close-Out Activities; Report on Process Improvement Recommendations Related to Student Enrollment Audits – Each year, soon after completing the student enrollment audit, the external auditor leads several post-audit initiatives:

- Administer an enrollment audit survey to LEAs and report survey results to determine enrollment audit satisfaction and identify areas for improvement.
- Facilitate after-action review meetings with OSSE's enrollment audit project team and external working group to evaluate the enrollment audit and recommend process improvements.
- Report on weaknesses in the enrollment audit as it relates to procedures, processes, and methodologies.

The OIG reviewed two such reports: a report published in March 2019 following completion of the SY 2018-19 audit cycle, and a report published in February 2020 following the SY 2019-20 audit cycle. Both of these 20+ page reports provide specific recommendations for improving audit efficiency and communication as well as insights into LEAs' satisfaction with and preparedness for the enrollment audit. The OIG found these reports useful and informative, and considers them indicators that OSSE is committed to continuously improving the efficacy of the annual enrollment audit while minimizing its impact on LEAs and CBOs.

SY 2018-19 Audit cycle: Process Improvement Recommendations; Selected Data Points from Survey – The report presented 10 specific recommendations for improving the audit process that included: aligning and clarifying residency guideline language across different sources (e.g., D.C. Code, OSSE's Enrollment Handbook, and the DCRV); developing a registrar's handbook; enhancing training experiences and tools available to LEA staff members; and improving school personnel readiness for the external auditors' site visits. The report also summarized the deliberations of post-audit working groups consisting of OSSE employees, the external auditor, and school-based representatives, and action items resulting from these discussions.

To gauge schools' preparedness and satisfaction, the external auditor issued a 16-question survey to LEA representatives and received 198 responses. Nearly seventy-seven percent of respondents "felt they were either very prepared or prepared for the enrollment audit process."¹⁴ Nearly seventy percent "were either very satisfied or satisfied with the enrollment process for SY 2018-19."¹⁵ The survey also asked respondents to rate their satisfaction with three training sessions that OSSE delivered prior to the audit cycle and specific communications (e.g., handbooks, email notifications) they received from OSSE. The survey instrument and results enable OSSE to implement timely improvements to its residency verification and enrollment audit processes before the next enrollment and audit cycle.

¹⁴ F.S. TAYLOR & ASSOCS., P.C., REPORT ON PROCESS IMPROVEMENT RECOMMENDATIONS RELATED TO SY 2018-2019 STUDENT ENROLLMENT AUDIT 20 (2019).

¹⁵ *Id.* at 21.

SY 2019-20 Audit cycle: Process Improvement Recommendations; Selected Data Points from Survey – The process improvement report that resulted from this audit cycle repeated some recommendations from the prior year's report (e.g., align and clarify residency language guidelines; enrich training experiences; increase LEAs' audit readiness) and presented several new recommendations, such as improving the CBO enrollment process, to include the finalization of a CBO Handbook.¹⁶

OSSE's efforts to continuously improve LEAs' audit preparedness and satisfaction appear effective. Approximately eighty-nine percent of respondents to the survey administered following the SY 2019-20 audit cycle felt they were "either very prepared or prepared for the enrollment audit process," compared to seventy-seven percent the prior year.¹⁷ Respondents' satisfaction with OSSE's pre-audit training sessions also increased compared to the previous year, as did satisfaction with OSSE's communications.

Procedures for Tracking and Analyzing Non-Residency Tip Information – To gain an understanding of the quantity and type of information OSSE receives, the OIG requested all documentation pertaining to residency fraud tips received during SYs 2017-18, 2018-19, and 2019-20. OSSE provided detailed spreadsheets indicating OSSE received 365 separate¹⁸ tips during SY 2017-18; 364 separate tips during SY 2018-19; and 360 separate tips during SY 2019-20. While the type and amount of information included with each tip varied, our overall impression is that the tips OSSE received contained specific information about the student and why his or her residency may be questioned that was adequate to conduct additional investigative activity. It is important to note, as OSSE reiterated during this assessment, that even though the information attached to these tips may at first appear to be an obvious violation of residency requirements, OSSE often concludes through subsequent research and investigation that a tipster's perception of another family's situation is not accurate and the student is properly enrolled.

OSSE recently implemented two notable improvements to its information management capabilities to strengthen its analysis and investigation of potential violations of student residency requirements.

- New case management system; analysis of tip information – In February 2020, OSSE's new non-residency investigation case management system, i-Sight,¹⁹ went live. Prior to that, OSSE organized and saved allegation and tip information using Microsoft Excel. With the implementation of i-Sight, OSSE has the capability to analyze information to

¹⁶ It appears that OSSE implemented this recommendation because OSSE's website contains a link to an "[Enrollment and Child Count Handbook](#)" targeted specifically to CBOs that was published on August 18, 2020. See D.C. OFFICE OF THE STATE SUPERINTENDENT OF EDUC., *supra* note 8.

¹⁷ F.S. TAYLOR & ASSOCS., P.C., REPORT ON PROCESS IMPROVEMENT RECOMMENDATIONS RELATED TO SY 2019-2020 STUDENT ENROLLMENT AUDIT 15 (2020).

¹⁸ The OIG did not analyze the information in the spreadsheets to determine whether any were duplicates.

¹⁹ For an overview of fundamental i-Sight capabilities, see i-Sight, <https://i-sight.com/software/> (last visited Mar. 15, 2021).

identify connections between cases based on an individual (e.g., student, parent, other related party) or addresses.

- “Suspicion of Non-residency Tip Form” – Concurrent with its implementation of i-Sight, OSSE introduced a [new tip submission web form](#) in February 2020 that is tied directly to its case management system. The following information, which is intended to inform users of residency requirements before submitting their tips, appears at the top of the web page where users can submit tip information.

DC law requires OSSE to investigate allegations of non-residency. Tips can be submitted anonymously but prior to submitting a tip please read the information below.

- District residency, for the purposes of enrolling in a DC public school or DC public charter school tuition-free, is based on bona fide residency - establishing a physical presence in the [D]istrict and supplying supporting documentation.
- DC only requires one parent, guardian, custodian to be a bona fide resident of DC for a student to attend a District public school.
- For minor students in the care and control of a parent, guardian, or custodian, bona fide residency is where the parent, guardian, or custodian physically resides, not the student.
- OSSE does not investigate District of Columbia Public School boundary issues, only issues of non-residency.

If you think your suspicion of non-residency is valid based on the information provided above, please proceed with submitting your tip.

We appreciate your participation but please note that OSSE does not provide status updates or outcomes to tips submitted by the general public or anonymously.

Conclusion

Due to the COVID-19 public health emergency, we were unable to review the thoroughness and effectiveness of LEAs' and CBOs' PK3/4 residency verification processes. However, based on the above observations, we believe the annual enrollment audit is supportive of OSSE's

responsibility to oversee LEA and CBO compliance with monitoring student enrollment and residency. OSSE's annual audit methodology is clear and its results well documented. Further, the resulting post-audit activities, such as subsequent investigations, are tracked and well documented. Additionally, results from the deliberations of the post-audit working groups and the survey of LEA personnel administered by the external auditor inform the annual *Report on Process Improvement Recommendations* and suggest a strong commitment to continuous process improvement. Finally, OSSE appears to have adequate mechanisms in place to receive and respond to tips, allegations, and other indicia of potential violations of student residency requirements.

Although we have concluded this review of District LEA and CBO residency verification processes, the OIG may choose to reengage with OSSE once the COVID-19 public health emergency has concluded. In the meantime, the OIG encourages OSSE to continue to explore the capabilities of its i-Sight case management system so that it can effectively analyze tip and case information and identify commonalities and potential trends in data.

We appreciate the cooperation and courtesies extended by your staff during this assessment. If you have any questions concerning this letter, please contact me or Edward Farley, Assistant Inspector General for Inspections and Evaluations, at 202-727-9249 or edward.farley@dc.gov.

Sincerely,



Daniel W. Lucas
Inspector General

cc: The Honorable Muriel Bowser, Mayor, District of Columbia, Attention: Betsy Cavendish
Mr. Kevin Donahue, City Administrator
Mr. Paul Kihn, Deputy Mayor for Education
Dr. Lewis Ferebee, Chancellor, District of Columbia Public Schools
Dr. Michelle J. Walker-Davis, Executive Director, D.C. Public Charter School Board
The Honorable Phil Mendelson, Chairman, Council of the District of Columbia
The Honorable Robert C. White, Jr., Chairperson, Committee on Government Operations
and Facilities, Council of the District of Columbia
The Honorable Kathy Patterson, D.C. Auditor, Office of the D.C. Auditor