



# 2013-2014 Non-Resident Student Review and Findings

Final Report  
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District of Columbia  
Office of the  
State Superintendent  
of Education



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The Office of the State Superintendent of Education (OSSE) submits this report to the Council of the District of Columbia in accordance with D.C. Code § 38-312.03.

## I. INTRODUCTION

The purpose of this document is to report on the non-resident students enrolled in District of Columbia public or public charter schools during the 2013-2014 school year (SY 13-14). The primary focus will be given to the SY 13-14 enrollment audit; however, information will also be provided about the residency fraud prevention hotline, recent DC auditor findings, and steps being taken to improve the process for confirming and investigating student residency status and non-resident tuition collection.

Pursuant to the District of Columbia Official Code ("DC Code") §38-1804.02, the Office of the State Superintendent of Education ("OSSE") is responsible for calculating student enrollment no later than October 15 of each year.<sup>1</sup> OSSE is also responsible for verifying the initial enrollment calculations through an audit process.

This school year the independent audit was conducted by F.S. Taylor & Associates, P.C. ("F.S. Taylor") and concluded with a final report issued on January 31, 2014. Based on the audit, F.S. Taylor reported a total combined public school population of 82,958 students enrolled in the District of Columbia's public schools and public charter schools.<sup>2</sup>

The enrollment audit process also serves as a means for OSSE to verify student residency and identify possible student residency fraud.<sup>3</sup> If a student is enrolled in school as a non-resident of the District, OSSE confirms with the student's Local Educational Agency ("LEA") that he/she has paid tuition, or is paying tuition pursuant to a tuition payment agreement. Based on the SY 13-14 audit, there were **58 non-resident students paying tuition as of January 31, 2014.**

When the audit reveals that a non-tuition paying student (excluding a ward of the District or a homeless student) is enrolled at school but has not provided legally sufficient documentation to establish DC residency, OSSE flags the student as a potential non-resident, provides the LEA with the student's name for follow-up, and takes additional steps to ensure the student complies with non-residency requirements.

In response to an allegation of residency fraud, the student or his/her adult caregiver has the option to (1) request a home visit to confirm DC residency, pursuant to DC Code § 38-309(e); (2) request an administrative review of contested residency, pursuant to Chapter 5-A50 of the District of Columbia Municipal Regulations (DCMR); (3) pay full tuition, which may entail entering into a payment plan/agreement; or (4) withdraw from the DC public school or public charter school and pay a prorated amount of tuition equal to their time spent at the school.

When tuition is owed on behalf of a non-resident student but the student or his/her adult caregiver has refused to pay, OSSE may seek to recoup tuition payments through the involvement of the DC Office of the Attorney General ("OAG"). For SY 13-14, F.S. Taylor was **unable to verify DC residency for 93 students.** Steps were taken to confirm those student's residency status and ensure that they complied with non-resident requirements as necessary.

## II. SY 2013-2014 SPECIFIC FINDINGS BASED ON ENROLLMENT AUDIT

The SY 13-14 audit revealed 93 students for which F.S. Taylor could not initially verify residency. Figure A below reflects the current residency verification status of those 93 students.

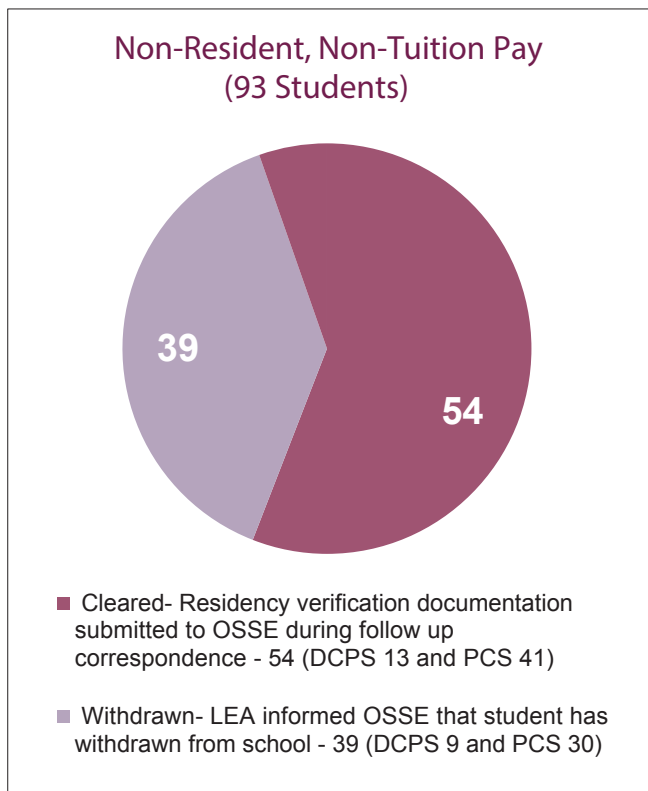


Figure A

To verify the current status of the 93 students, OSSE took the following steps:

1. OSSE provided LEAs with the names of non-verified students enrolled in their schools, and requested the following information for review:
  - a. All residency verification documentation on file for these students that were provided when the student enrolled. LEAs were given a time frame to provide responsive documents to OSSE. This information was used to verify residency, if possible.
  - b. Any withdrawal documentation that shows a student withdrew from the school before documentation was sent or within the 30 day response deadline.
  - c. Any written plan for tuition payment remittance. The plan could have been implemented before documentation was sent or within the 30 day response deadline.
2. If the documentation on file was not legally sufficient, OSSE required LEAs to contact parents, guardians, or adult students to request appropriate residency verification documentation.
3. OSSE asked LEAs and individual schools to provide the payments for each non-verified student who made tuition payments.

Additionally, during the enrollment audit head count process, OSSE took the following actions to request non-resident tuition payments for deposit into the “Student Residency Verification Fund”:<sup>4</sup>

1. OSSE sent written correspondence to LEAs to inform them of the process for providing OSSE with tuition payments made on behalf of non-resident students.
2. OSSE provided LEAs with the OSSE point of contact that could assist LEAs with the process if necessary.
3. OSSE sent follow-up correspondence to rectify any issues that arose.

After concluding the process, OSSE found that a portion of the 93 students who were initially characterized as non-resident students were mischaracterized for the following reasons:

- In some cases, parents, guardians, and caregivers did not provide the correct residency verification documentation to the LEA. OSSE worked with the LEA to retrieve sufficient documentation to verify the residency status of the student.
- Some students withdrew from the LEA before or soon after the official head count on October 7, 2013.

After this internal residency verification process, **students that were flagged during the enrollment audit were cleared of residency verification for SY 13-14.**

### III. SY 2013-2014 OSSE RESIDENCY FRAUD PREVENTION HOTLINE FINDINGS

OSSE is responsible for managing a residency fraud prevention hotline for DC public charter schools only. DC Public Schools (“DCPS”) has its own residency fraud prevention hotline for its schools. OSSE is in constant contact with the LEAs regarding tips received from the OSSE hotline and full investigations often result from them.

Updates for each respective party are located in the following chart.

	Cases received directly from DCPS <sup>5</sup>	Cases received from the OSSE Residency Fraud Prevention Hotline and other source investigations (i.e. new articles, Athletics Division, etc.) <sup>6</sup>	Cases received from Public Charter School Board (PCSB) <sup>7</sup>	Cases received from Enrollment Audit Determinations <sup>8</sup>	Total
<b>Residency Investigations on File</b>	98	17	13	93	221
<b>Total Completed Cases With DC Residency Determination</b>	24	6	0	93	123
<b>Total Completed Cases With Non-resident Determination</b>	31	0	0	0	31
<b>Total Cases Currently Active</b>	43	11	13	0	67

As of June 2014.

### IV. DC AUDITOR REPORT

During FY 13, the DC Auditor conducted an audit of the process for verifying and investigating student residency in the District of Columbia. On September 30, 2013, OSSE received the DC Auditor’s final report entitled “Audit of Non-District Resident Students Enrolled in Public Schools.” The audit report presented five recommendations to enhance the process of enrollment and residency verification. OSSE has taken all recommendations into consideration and adopted some new processes as a result.

The DC Auditor's recommendations and OSSE's updated responses are below.

Recommendations	Accomplishments To Date / Strategic Steps
<b>1. Work with schools to ensure all eligible students are enrolled before non-resident students in accordance with legal requirements.</b>	<ol style="list-style-type: none"> <li>1) Provided guidance on student enrollment to LEAs through on-site technical assistance sessions, webinars, and distribution of the SY 13-14 Student Enrollment Audit Handbook.</li> <li>2) Published an advance notice for proposed rulemaking on residency regulations. This rule revision improves OSSE's knowledge of non-resident students attending publicly-funded schools. It also provides procedures for investigating non-residents by centralizing investigations to OSSE.</li> <li>3) Continued to work with a third party auditor to verify student residency.</li> </ol>
<b>2. Ensure tuition is calculated and deposited in accordance with the law</b>	<ol style="list-style-type: none"> <li>1) OSSE has notified all LEAs of the requirement that tuition payments be deposited into the OSSE Student Residency Verification Fund.</li> <li>2) Based on the enrollment audit, OSSE has identified non-resident tuition paying students and is in the process of collecting non-resident tuition payments.</li> <li>3) OSSE continues to work with all LEAs, including DCPS, to ensure tuition payments are sent to OSSE and deposited into the state residency fund.</li> <li>4) The proposed residency regulations give specific instructions on how to calculate and where to send non-resident tuition payments (Subchapter 5008).</li> </ol>
<b>3. Work with schools to ensure that</b> <b>a. There is only one District residency fraud hotline</b> <b>b. It is promoted in accordance with the law</b> <b>c. Investigations are performed in accordance with the law</b>	<ol style="list-style-type: none"> <li>1) The proposed residency regulations provide concise guidance on the steps and procedures for residency verification, investigations, and appeals. (Subchapter 5007).</li> <li>2) OSSE has worked to create one centralized point for residency fraud. In addition, OSSE is working to ensure investigations are conducted, as required by the DC Residency Fraud Prevention Amendment Act of 2012 (DC Code 38-312.01)</li> <li>3) OSSE is clarifying the investigation process along with other issues relating to non-resident students.</li> </ol>
<b>4. Comply with the legal requirements and spend from the Residency Fund to support investigations</b>	<p>Since the new law took effect in May 2012, OSSE has strengthened non-residency statutory mandates and continues to work collaboratively with all schools to ensure resident students have access to open spaces at schools. OSSE is working to strengthen systems to ensure compliance with the residency law mandates, including appropriate actions following investigations.</p>
<b>5. Incorporate additional internal controls to enhance the program</b>	<p>OSSE has reviewed the findings of the report and will take into consideration recommendations as it revises its guidance, technical assistance and residency regulations. In addition, OSSE has created an Enrollment and Residency Verification Office that will streamline all processes and procedures dealing with enrollment, projections, residency verification and fraud investigations.</p>

## V. PROCESS IMPROVEMENTS

Beginning in SY 13-14, OSSE made improvements in the enrollment and residency verification process. Those improvements include providing LEAs with more technical assistance; implementing internal processes for easier access to student residency information (such as DC ward status); the hiring of a trained private investigator; and centralizing the fraud reporting process.

OSSE has also continued to engage our LEA stakeholders with an Enrollment Audit Stakeholders Working Group opportunity. The working group participants were tasked with brainstorming ways to enhance the enrollment audit process. The group held bi-weekly meetings either in-person or through webinars, and their feedback has allowed OSSE to adopt essential changes to the process for the upcoming school year.

All of these improvements have led to better overall results in the enrollment and residency verification process. For example, after the SY 12-13 audit, OSSE referred 19 students to OAG as potential non-resident students. Due to our improved internal residency verification process, students that were flagged during the enrollment audit were cleared of residency verification and no further review or legal action was required for SY 13-14.



## VI. NEXT STEPS/RECOMMENDATIONS

- **Enrollment Trainings:** OSSE will offer enrollment audit process and procedure trainings for SY 14-15 beginning in August 2014. This will supplement existing knowledge to ensure LEAs will be aware of current practices, requirements, and tools to effectuate accurate enrollment numbers and student residency verification.
- **Data Verification:** OSSE will reach out to the Department of Motor Vehicles and the Office of Human Services in FY 15 to explore the use of their information to automatically verify the residency status of certain students. This would reduce LEA, auditor and OSSE burdens during the audit process and safeguards the accuracy of residency verification.
- **Community-Based Organizations:** OSSE will add to the enrollment audit process all infant and toddler students at community-based organizations that receive funding based on the Uniform Per Student Funding Formula calculation. This will provide the District with a means of verifying the enrollment numbers and residency status of this population of students served and funded by the District.
- **Proposed Residency Verification Regulations:** OSSE proposes an update to Chapter 50 and 51 of Title 5-A of the DCMR, Residency Verification regulations, to clarify policies and procedures required to ensure District residents have access to available space at local schools, and that, when extra space is available, non-resident students enrolled in a D.C. public school pay non-resident tuition. The proposed rules include amendments which will:
  - Cover D.C. residents having priority over non-residents (with the inclusion of a “grandfather clause”);
  - Codify the implementation of a centralization residency investigations office within OSSE;
  - Permit the SEA to withhold a portion of subsequent LEA funding for previously distributed non-resident tuition until OSSE receives non-resident tuition payment; and
  - Clarify the definition of ‘Other Primary Caregiver’ and its required documentation.
- **Centralizing Student Residency and Enrollment:** OSSE will centralize its residency verification and enrollment work within the agency. Under the direction of the Chief Operating Officer, the Office of Student Residency and Enrollment will be responsible for the statewide annual enrollment audit, residency verification processes and procedures, LEA enrollment projections and residency investigations of potential non-resident students. In addition, the office will be responsible for ensuring all local education agencies receive adequate and appropriate funding based on the Uniform Per Student Funding Formula (UPSFF).

## VII. ADDITIONAL RESOURCES

### SY 2013-2014 Residency Verification Forms

- <http://osse.dc.gov/service/enrollment-audit-documents-and-resources-sy-2013-2014>

### SY 2013-2014 DC Auditor Report

- <http://dcauditor.org/sites/default/files/DCA242013.pdf>

### SY 2013-2014 Enrollment Audit Handbook

- <http://osse.dc.gov/publication/enrollment-audit-handbook>

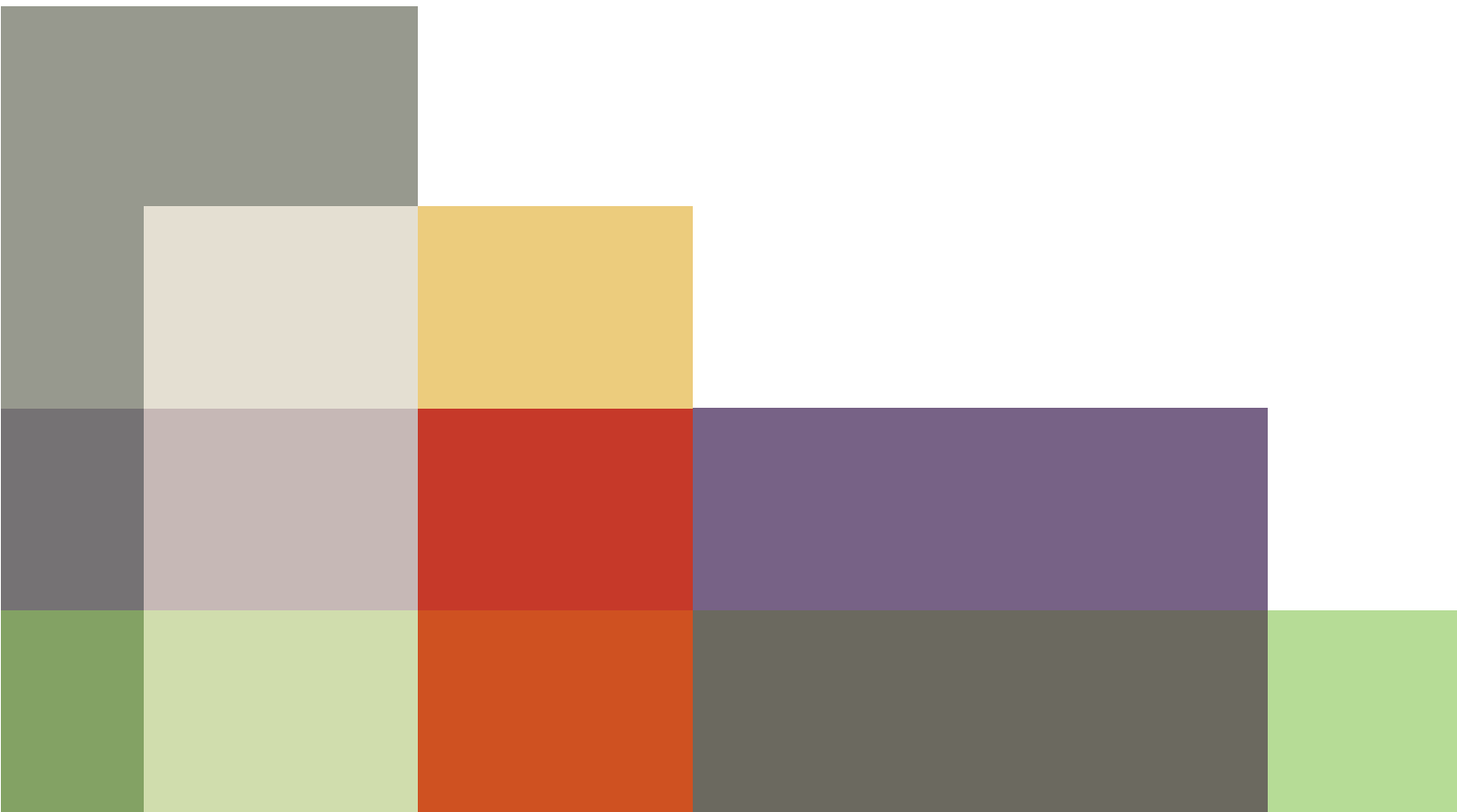
### SY 2013-2014 Enrollment Audit Press Release

- <http://osse.dc.gov/publication/sy-2013-2014-general-education-enrollment-audit-data-and-overview>

## ENDNOTES

1. In the District, the District of Columbia Public Schools (DCPS) is its own LEA, and each public charter school (PCS) is an LEA. Thus, this document will use DCPS or PCS when appropriate.
2. This number also includes all special education students attending a nonpublic school funded by the District of Columbia.
3. Another important way in which OSSE identifies possible student residency fraud is through its residency fraud prevention hotline. This hotline is used to collect tips and information from the public through the following process.
  - a. Calls are received (anonymous if preferred) and information is obtained concerning potential out-of-state students receiving tuition free education at a DC public school or public charter school.
  - b. Cases are recorded and documentation is requested from the LEA of record for the student. If the LEA has relevant information regarding the student's residency or has conducted a home visit, OSSE may use this information to make a final determination.
  - c. If a determination cannot be made from information provided by the LEA, OSSE may work with a private investigator to verify the student's place of residency.

LEAs also have safeguards in place to protect against residency fraud. For example, LEAs are required to post signs in their schools notifying the public of the residency fraud prevention hotline and of penalties for committing residency fraud.
4. This fund was created pursuant to DC Code § 38-312.02 and is administered by OSSE.
5. Where a determination of non-residency has been made, parents are given the right to appeal the determination with the Office of Administrative Hearings. Where parents have not appealed the determination, the case is forwarded to OAG for collections and other legal action.
6. (1) These cases are often brought to OSSE's attention through athletics and other public reporting/tips.  
(2) All open cases are currently under review for residency determination by OSSE and a private investigator has been hired to gather information needed to make a determination.
7. In early 2014, PCSB transitioned all residency investigations to OSSE. This was based on the DC Auditor's recommendation that the residency hotline and investigation process be streamlined. A private investigator is currently investigating the open cases so that OSSE can issue its residency determinations.
8. The 88 completed cases reflect the data given earlier in the report specific to students that withdrew or provided additional documentation.



**Office of the State Superintendent of Education**

810 1st Street NE, 9th Floor

Washington, DC 20002

[osse.dc.gov](http://osse.dc.gov)