



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

February 5, 2007

Mr. Joel I. Klein
Chancellor
New York City Department of Education
52 Chambers Street
New York, NY 10007

Re: Report 2006-F-45

Dear Chancellor Klein:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III, Section 33 of the General Municipal Law, we have followed up on the actions taken by officials of the New York City Department of Education (DoE) to implement the recommendations contained in our audit report, *Services Rendered to Special Education Students* (Report 2004-N-2).

Background, Scope and Objective

Section 4402 of the State Education Law requires school districts to identify and evaluate all students with disabilities within their area, and to ensure such students receive appropriate educational services in the least restrictive environment, consistent with their needs. In New York City, the DoE arranges special education services for about 180,000 students, including the 23,000 students in District 75. This district was established to meet the special needs of severely disabled students who require a structured, twelve-month learning environment. The DoE budgeted approximately \$4 billion for special education services during the 2006 fiscal year.

School districts are required to create an Individualized Education Program (IEP) for every student who receives special education services. An IEP lists the specific educational goals and the types and frequency of the special education services for a student. In addition to classroom instruction, special education students, depending on their individual needs, often receive various related services, such as physical therapy, occupational therapy, speech therapy, crisis management and psychological counseling. Although required to annually update a student's IEP, district officials often do so more than once a year to meet changing student needs.

The DoE requires that related service providers document the services they provide. A separate related services card should be maintained for each service a student receives. Schools

should keep these cards so they will be available to demonstrate compliance with the student's IEP requirements. In addition, schools are required to maintain attendance records to indicate, among other things, that students were actually present to receive the services recorded on their related service cards.

The DoE uses the Child Assistance Program (CAP) System to track the therapy and counseling services that special education students require and receive. CAP is a computerized database, which identifies students who were referred for evaluation; who are awaiting special education services; and who are currently receiving such services. The CAP system provides DoE's management with a snapshot of the overall progress of the implementation of a student's IEP.

Our initial audit report, which was issued on November 17, 2005, examined DoE's delivery of special education related services to students. The audit assessed the extent to which school-age students in District 75 received the special education related services prescribed by their IEPs for the period July 1, 2002 through June 30, 2004. Our report identified several areas for improvement by the DoE such as converting the IEP to an electronic format, enforcing document retention policies, and improving the accuracy of the CAP used to track services received by special education students.

The objective of our follow-up, which was conducted in accordance with generally accepted government auditing standards, was to assess the extent of implementation as of December 19, 2006 of the six recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

We found that DoE officials have corrected the problems we identified. Of the six audit recommendations, five recommendations have been implemented, and one recommendation is no longer applicable.

Follow-up Observations

Recommendation 1

Enforce policies for retaining documents, such as related service cards, which support the provision of services to special education students.

Status - Implemented

Agency Action - Through the Chancellor's weekly newsletter to school principals, DoE enforces its requirements for appropriate record keeping, including the retention of documents that support the delivery of services to special education students. In addition, school officials and other service providers now document service delivery with attendance booklets rather than related service cards. Further, DoE officials have created an intranet web-link that provides related service providers with access to current requirements.

Recommendation 2

Consider maintaining Individualized Education Programs electronically so that complete information is available on-line.

Status - Implemented

Agency Action - DoE officials are currently in the process of replacing the CAP system with a new special education data system featuring an on-line IEP, and an attendance recording and document management application.

Recommendation 3

Follow up with the two schools that we visited to locate missing or prior Individualized Education Programs.

Status - Not Applicable

Agency Action - DoE officials advised that a significant amount of time was expended, during the initial audit, in an attempt to locate the missing IEPs. They contend that since IEPs are updated at least annually, it was not relevant to the students, service providers, or DoE to expend additional resources looking for the missing IEPs. Our test confirmed that updated IEPs were prepared for those students whose IEPs were missing.

Recommendation 4

Continue to improve the CAP system to enhance the integrity of system data concerning services DoE provides to special education students.

Status - Implemented

Agency Action - DoE officials have developed and implemented a related services data collection system - the Integrated Voice Response System (IVR). The IVR documents the first time a student attends a related services session. In addition, all services are recorded in attendance booklets. DoE officials have also issued a mini-bid for a vendor to develop a Business/Technology Plan for the completion of a new special education data system. This system, which will replace the CAP system, will feature an on-line IEP, and an attendance recording and document management system.

Recommendation 5

Instruct related service providers about the importance of recording accurate information on related service cards.

Status - Implemented

Agency Action - DoE officials, including officials in District 75, have issued a number of documents to related service providers. These documents, which contain instructions on the importance of recording accurate information, include the Chancellors' newsletters, District 75 Memorandum of Practice, and District 75 Procedures for Related Services.

Recommendation 6

On a periodic basis, review a sample of related service cards to verify that services, as recorded, were actually provided to students.

Status - Implemented

Agency Action - Regional administrators and District 75 staff regularly visit schools to ensure that appropriate record keeping procedures and practices are in place. A School Visitation Checklist (Checklist) is completed during these visits. Our tests confirmed that, among other things, these checklists document that students are receiving the services specified in their IEPs.

Major contributors to this report were Stephen Lynch, Joan Williams, and Irina Kovaneva.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We also thank the management and staff of the New York City Department of Education for the courtesies and cooperation extended to our auditors during this process.

Very truly yours,

Kenrick A. Sifontes
Audit Manager

cc. Brian Fleischer, Auditor General, DoE
Nader Francis, Director, Office of the Auditor General, DoE