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ABSTRACT

This study used state plans from 50 states to collect and analyze descriptive information on child count verification procedures used in implementing Part B of the Individuals with Disabilities Education Act. Content analysis suggests that verification procedures can be organized under five broad categories: on-site monitoring (used by 41 states), audits (used by 19 states), data inspection/comparisons (used by 14 states), complaint investigation (used by 5 states), and voluntary admissions by the local education agency (used by 4 states). The majority of states (51 percent) utilize more than one of these procedures. A second part of the study describes validation procedures used in Alabama, Kentucky, and Illinois in greater detail. The study reports that the Office of Special Education Programs' Division of Assistance to States recommends that states implement a procedure to address mechanical errors and review a random sample of student records and school enrollment data. State education agencies are urged to consider providing technical assistance to local education agencies to improve local procedures for collecting and updating the information used in the child count. Four appendixes contain data on number of states using compliance monitoring and number of states using data comparisons to verify child count; suggestions for collecting and updating child count information; and a special educator funding and child tracking system data form. (JDD)

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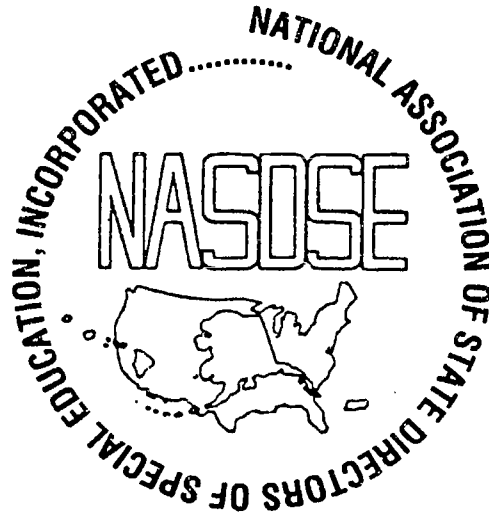
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STATES' APPROACHES TO CHILD COUNT VERIFICATION

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EXECUTIVE SUMMARY

This study used the State Plans from 50 States to collect and analyze descriptive information on child count verification procedures. The results of the content analysis suggested that current verification procedures can be organized under five broad categories: 1) on-site monitoring, 2) audits, 3) data inspection/comparisons, 4) complaint investigation, and 5) voluntary admissions by the local education agency (LEA). The majority of States (51 percent) utilize more than one of these procedures.

On-site monitoring is used by 41 States to check the accuracy of the child count. In many of these States the IEP, or "the student record", is the principal source of information for determining a child's eligibility for child count. The next most frequent procedure, audit, is conducted by 19 States. The analysis also found that 14 States use some form of data inspection or comparison, employing figures from a variety of sources to "red flag" potential errors. Five and four States, respectively, use complaint investigation and LEA admissions as one means of validating their child count.

A second part of this study described validation procedures used in Alabama, Kentucky, and Illinois in greater detail. Some general similarities between these States were noted. For example, all three States used more than one procedure to verify the count, including on-site review, and data inspection or comparisons. Illinois and Kentucky rely on their cyclical compliance review process to verify the child count from student records, and both States have adopted child count audit procedures to accompany on-site monitoring. In Kentucky, when monitoring activities identify possible systemic problems, a specific on-site child count audit procedure is initiated. In Illinois, the child count audit is conducted as part of the monitoring process. Taking a different approach, Alabama conducts an annual, on-site review (audit) in every LEA to validate the accuracy of the child count. This process is separate from their compliance review.

The Office of Special Education Programs' Division of Assistance to States (DAS), while tightening their overall scrutiny of child count verification procedures, thus far has kept the requirements general in order to accommodate State differences. During the 1993 monitoring cycle, DAS looked for documentation of the following information either in the State Plan or onsite at the SEA (N. Eano, personal communication, March 4, 1993):

- a written system for verifying the child count census data,
- documentation of a process to be conducted upon finding an error(s) in child count, and,
- procedures for amending the child count census data.

During her presentation in April, 1993 at the *Seventh Annual Conference on the Management of Federal/State Data Systems*, Dr. Eano described two kinds of procedures that together have met DAS requirements for child count verification: a procedure to address

mechanical errors, such as mathematical miscalculations and duplication; and a procedure for on-site monitoring of LEA student files. As part of the on-site monitoring process, Eano recommended that States review a random sample of student records and school enrollment data for December 1st.

Verification procedures that ensure the accuracy of the count on the established count date (12/1) appear to be prone to errors and deserving of review. In this regard, the audit report of Pennsylvania (Office of Inspector General, U.S. Department of Education, 1992) identified several LEA weaknesses centered around verifying the child count on other than the established date and failing to update enrollment records in a timely manner. In addition, the Office of Inspector General report stated that "the SEA [State Education Agency] did not have procedures in place to verify the accuracy of the child counts reported by the LEAs, as part of their monitoring activities" (p. 5).

The audit results from the Office of Inspector General and the recent recommendations of OSEP clearly suggest that States amend their child count verification procedures to include on-site monitoring that reviews both the student record and enrollment data for December 1. Additionally, SEAs should consider providing technical assistance to LEAs to improve local procedures for collecting and updating the information used in the child count.

STATES' APPROACHES TO CHILD COUNT VERIFICATION

The *Individuals with Disabilities Education Act* (IDEA) defines two broad purposes for collecting data on the number of infants, toddlers, children, and youth with disabilities receiving a free appropriate public education (FAPE) or early intervention services. The first purpose is to provide information for use in evaluation, policymaking, and special education program management, administration, and delivery [20 U.S.C. 1418(a)]. Child count information is to be used, in part, to assess progress in the implementation of the IDEA and to assess the impact and effectiveness of Federal, State, and local efforts to provide FAPE and early intervention services. The Secretary of Education, and through his/her authority, the Office of Special Education Programs (OSEP), has primary responsibility for the collection of child count data.

Child count data also is the basis of the formula for the distribution of funds under Part B of the IDEA, including preschool grants¹ [20 U.S.C. 1411(a)(1)]. For funding purposes, child count is defined as the number of children with disabilities receiving special education and related services on December 1st of each year. Federal IDEA Part B funds are distributed to States annually based on the child count performed the preceding year. In other words, the higher the child count, the more Federal Part B dollars a State will receive². In addition, at least 75 percent of the total State grant award in any fiscal year must be distributed to local education agencies (LEAs) according to child count (34 C.F.R. §300.707).

In addition to Federal funds, State general aid funds also may be allocated based on the number and type of children served. O'Reilly (1989) indicated that 17 States use weighted pupil formulae to distribute State special education dollars to local education agencies. Thus, the importance of adequate procedures for taking child count, aggregating child count, and verifying the accuracy of the child count is not only of concern to the Federal government, but to many State governments as well.

The Federal Requirement

¹ The distribution of funds for programs for youth with disabilities under Chapter 1 of P.L. 89-313 also is based on child count.

² There is a "ceiling" on child count provided in the IDEA [20 U.S.C. 1411(a)(5)(A)] in determining the allotment. The Secretary may not count children with disabilities aged three to seventeen in States to the extent that the number of such children is greater than 12 percent of all children in the respective age bracket [34 CFR §300.702(a)(1)(2)].

There are essentially three areas of regulation pertaining to Part B of the IDEA that implicitly require States to verify the annual child count data of students in special education as submitted by LEAs. The section describing "Recovery of funds for misclassified children" at 34 C.F.R. §300.141 requires the State Plan to include "policies and procedures that ensure that the State seeks to recover any funds provided under Part B of the Act for services to a child who is determined to be erroneously classified as eligible to be counted under section 611(a) or (d) of the Act."

This regulation implies that the State has a means of determining erroneously classified children, which according to law, would be children 3-21 who were counted on December 1 of a given year, but who were *not* receiving special education and related services on that date. C.F.R. §300.753 provides the criteria for determining which children to count, including a specific description of children who may *not* be counted. Misclassification can result, for example, from counting children, who as of December 1st are still in the process of being assessed for eligibility or for whom an Individualized Education Program (IEP) is being developed and services are pending its completion. Other errors in child count occur when children who have received services in the past are counted even though they are not enrolled on December 1st.

A second requirement under 34 C.F.R. §300.754(e), "Annual report of children served--other responsibilities of the State education agency", directs the State Education Agency (SEA) to "ensure that documentation is maintained that enables the State and the Secretary to audit the accuracy of the count." This regulation requires the State to maintain documentation that can be used to verify the December 1 child count.

Both these regulations allow the States flexibility in determining how child count verification will be accomplished. It is the responsibility of the SEA to determine what types of documentation at the State and local levels are to be used for verification purposes, to develop the procedures to be used in gathering the documentation, and to adopt a reasonable schedule for obtaining this documentation.

A third supporting area of regulation demands certifications of accurate and unduplicated counts. In one instance, a certification from each LEA is to be obtained by the SEA at the time of the count (see 34 C.F.R. §300.754(c)). A second certification by the SEA as to the accuracy of the count is to accompany the annual report of children served sent to the U.S. Department of Education on February 1 (see 34 C.F.R. §300.752). Both these requirements are predicated on the fact that child count verification does occur, but include no procedural requirements as to how or when.

The Recent Federal Focus on Child Count Verification

In March of 1991, the Office of Inspector General (OIG), U.S. Department of Education completed a report entitled, *Stronger Enforcement of Program Requirements Could Result in Greater Benefit to Handicapped Children*. The report found that three percent of children in their sample were erroneously included in the December 1, 1986 child count in special education. They explained that if the error rate in the sample was reflective of the universe of children counted, then nationwide approximately 119,500 children were erroneously counted. They recommended that SEAs be advised that procedures for monitoring LEAs should include strategies for verifying the accuracy of the most recently reported count of children with disabilities, as well as procedures for expanding the review when errors in the counts are detected. Monitoring procedures should provide for identifying the problems that lead to the errors, corrective actions quantifying the effect of the errors, and appropriate financial adjustments, including the withholding of Federal funds to address areas of noncompliance.

Subsequent to this audit report, OSEP issued a letter to Chief State School Officers (dated April 24, 1991) which summarized the OIG findings, reiterated Federal regulation, and prescribed the following actions to be taken:

Therefore, in accordance with these requirements, each SEA is required to develop procedures for ensuring that:

- the child count data submitted by LEAs is accurate;
- the SEA is using appropriate procedures to validate the accuracy of the count; and
- the SEA will make appropriate financial adjustments as necessary.

Beginning with State plans submitted for Part B grant awards for fiscal year 1993, [OSEP] will require SEAs to include in their State plans a description of the validation procedures for the accuracy of the Part B child count....In addition, OSEP will include procedures for ensuring the accuracy of child count data within our Federal monitoring review of State policies and procedures and administrative systems.

During the 1993 monitoring cycle, OSEP's Division of Assistance to States (DAS) looked for documentation of the following information either in the State Plan or on-site at the SEA (N. Eano, personal communication, March 4, 1993):

- a written system for verifying the child count census data,
- documentation of a process to be conducted upon finding an error(s) in child count, and

- procedures for amending the child count census data.

During her presentation in April, 1993 at the *Seventh Annual Conference on the Management of Federal/State Data Systems*, Dr. Eano described two kinds of procedures that together have met DAS requirements for child count verification: a procedure to address mechanical errors, such as mathematical miscalculations and duplication; and a procedure for on-site monitoring of LEA student files. As part of the on-site monitoring process, Eano recommended that States review a random sample of student records and school enrollment data for December 1st³.

In 1992 the OIG again focused on the accuracy of child count data in its audit report from Pennsylvania. The OIG recommended that Pennsylvania be required to return \$3.55 million dollars based on what the auditors estimated was a 5 percent overcount of special education students on December 1, 1990. In addition, verification procedures that ensure the accuracy of the count on the established count date (12/1) appear to be prone to errors and deserving of review. In this regard, the audit report of Pennsylvania (Office of Inspector General, U.S. Department of Education, 1992) identified several LEA weaknesses:

Some of the LEAs sampled had procedures in place to verify attendance on other than the established count date.

Some of the sampled LEAs perform many of their count steps or procedures at the beginning of the school year and do not have procedures in place to properly review for status changes and/or student transfers which occur prior to the December count date.

For many of the LEAs sampled, the person responsible for the accuracy of the count did not have reliable review procedures to determine if the students were being served on the count date. (p. 4)

In addition, the OIG report stated that "the SEA did not have procedures in place to verify the accuracy of the child counts reported by the LEAs, as part of their monitoring activities" (p. 5). These OIG findings and the recent recommendations of OSEP clearly suggest that States insure their child count verification procedures include on-site monitoring of both student records and enrollment data for December 1.

³ During on-site monitoring in 1992-93, DAS checked the child count against a random sample of student files and the school's official enrollment data on December 1st. DAS is currently evaluating this procedure and may make changes prior to the 1993-94 cycle.

The Purpose of the Study

It can be assumed from recent communications by the Federal government that the accuracy of the annual child count will come under continued scrutiny in the upcoming years. While the requirement for child count validation procedures has been implicitly stated in Federal statute and regulation, State procedures may need to be explicitly defined to fulfill the new requirements for State plans and Federal monitoring compliance. It is also conceivable that continued audits by OIG will put these procedures to test.

The purpose of this study is to describe the types of procedures currently employed by States to validate their annual child count. This information can be used by States to assess the effectiveness and appropriateness of their own procedures and to make improvements, if necessary.

Method

Data Collection

The State Plans and special education rules and regulations from the 50 States were reviewed for this study. The primary source of information on child count verification procedures came from Section IX of the State Plan, *Recovery of Funds for Misclassified Children*; although, a few States referred to these procedures under Section III, *Child Identification*. Only two States had a significant discussion of these procedures in regulation. The State Plans covered the years 1990 through 1995, however, there were only two 1993-95 Plans available for review and they were in draft form. The years of the State Plan are significant because the OSEP requirement to include a description of verification procedures in this document (see above) went into effect for the 1993-95 plans. Therefore, it is quite possible that more extensive descriptions of States' verification procedures exist in documents that were not available for this study.

Content Analysis

A content analysis was performed on the documents described above. This process involved characterizing the child count verification procedures under five broad categories that were not mutually exclusive. In fact, 51 percent of the States reported using more than one of the following procedures:

- on-site monitoring
- audits
- data inspection/comparisons
- complaint investigation

- voluntary admissions by the LEA

Twelve States reported using three of these procedures, 12 States use two, and 23 States described the use of one procedure to verify the accuracy of their child count.

For approximately half the States some descriptive information concerning the procedure was available; however, details regarding child count verification procedures, as supplied in the State Plan, varied substantially from State-to-State⁴. Some State procedures, which might be characterized as relatively prescriptive, are highlighted in the next section.

Analysis of States' Verification Procedures

On-site Monitoring

The majority of States (41) have incorporated child count verification into their on-site monitoring process. Of these 41, 18 States mentioned *only* monitoring as the process by which child count is verified (Refer to figure, Appendix A). Consequently, it is possible that these 18 States verify child count on a cyclical basis only - ranging from three to seven years depending on the specific monitoring cycle.

Approximately 14 States reported that the child count is validated by monitoring IEPs, or more generally, "student records". Using the Louisiana procedure as an example, if it can be determined during on-site monitoring that a child is not receiving *all* the special education and related services specified on the IEP, the child is excluded from the child count. In addition to the IEP, a few States mentioned checking student records specifically for the appropriateness of evaluation procedures and the eligibility decisions of the team members. Other documents or information sources reviewed during monitoring to confirm the accuracy of the child count included district applications, centralized administrative data at the district level, and interviews with administrators, other staff, and parents.

Minnesota's monitoring procedures to verify child count are presented here for illustration. As described in the Minnesota State Plan, the SEA's monitoring division makes on-site comparisons among a) the most recent unduplicated child count submitted to the SEA; b) copies of class registers or lists used to establish those child counts for the previous year; c) student records to determine if IEPs are on file and the child/youth is classified correctly; and d) interviews with staff and parents to verify the provision of services.

⁴ No mention of verification procedures were found in the source documents from one State. Two additional States asserted that they did verify the child count, but gave no description as to how this was done.

Audits

Nineteen (19) States reported using audits to verify the accuracy of the child count. All but two of these States used this procedure in combination with one or more of the other procedures described here. Four States reported conducting these audits annually, on-site in the districts. The majority of States, however, did not elaborate on specific methods used to perform the audit.

As an example of an on-site audit, Colorado selects a sample of files of students who were counted and determines whether the students: a) were within appropriate age ranges to receive services on the date of the count; b) had an IEP in place on the date of the count; c) were enrolled on the date of the count (had not graduated); d) were counted once on this count; e) were not counted in the Chapter 1, Elementary and Secondary Education Act count [20 U.S.C. 1411(a)(5)(A)(iii)]; f) have been classified under one of the handicapping conditions listed in the State's rules and regulations; and g) have been provided with all procedural safeguards. Other States conduct audits using class registers of enrollment forms.

Data Inspection/Comparisons

Fourteen (14) States check for mathematical errors or incomplete data, cross validate the child count with other data collected by the SEA, or make other data comparisons as an indicator that errors may be present (Refer to figure, Appendix B). The term, "audit" was not used to describe these particular procedures; however, audits and/or monitoring procedures were used in tandem with data procedures in all but one of these States.

Several different data comparisons are used by States to "red flag" district child counts that may require more thorough review. The data used in this type of "discrepancy analysis" are presented in Table 1.

Table 1

Types of Data Compared With Current LEA Child Count
Child count from other LEAs
Child count trends by the LEA across years
Last year's State child count
Other student data collected by the SEA
State and national child count

Only two States referred to specific criteria for comparing these data sources. In one State, discrepancies of ± 10 percent are noted when comparing an LEA's child count over consecutive years. Additionally, a discrepancy of ± 2 percent in any disability category is used as a criteria when comparing LEA child count to last year's State count.

Complaint Investigation

Five States mentioned using information obtained from complaint investigation to check the accuracy of the child count. While there was little elaboration on this procedure, presumably complaints related to the lack of services or to problems in the eligibility determination process would "red flag" potential errors in districts' child counts based on the Federal criteria contained in C.F.R. §300.753.

Voluntary Admission By the LEA

Four States specifically mention this procedure as a means of identifying misclassified children. However, it is likely that all States would accept this information from the proper LEA authorities and make adjustments in the child count and recover funds accordingly. An interesting variation on this procedure comes from one State that, in addition to annual audits, relies heavily on LEA self-monitoring of their child count. The SEA makes certain that such procedures are described in the LEA application and that they are implemented.

Specific State Examples of Verification Procedures

Alabama

The Alabama Division of Special Education Services (DSES) uses three separate procedures to assure an accurate child count, including cross-validation of child count with statewide data, LEA verification with the help of SEA technical assistance, and the on-site review of a sample of student records conducted annually in all LEAs.

The statewide database, the Special Education Management System (SEMS), was created in its current form in 1989 to check for duplication in the LEA child count. The annual on-site review procedure was designed approximately two years ago in response to the OSEP letter reaffirming the need to stipulate verification procedures. It was first implemented during the spring of 1992. Considerable modification to the LEA verification process, as well as SEA technical assistance in this area, occurred as a result of implementing the new on-site review procedure.

Cross-validation of child count with statewide data. All LEAs submit the December 1 child count to the SEA on diskette by December 10th. The data elements for this count

include the student's name, social security number, birthdate, race, sex, school/district identification information, enrollment status, funding source, placement, and exceptionality category. Before the data is submitted to the SEA, it is edited twice at the local level for errors. An additional error check is run by the SEA. The Division of Computer Services within the SEA then runs duplicate checks (e.g., first/last names, birthdate, social security numbers) on the IDEA, Part B child count across school systems and between the Part B and the Chapter 1 child counts. The lists of duplicates are sent to DSES who contacts each LEA or agency with duplicate problems to determine where the child should be counted. This phase of verification is completed prior to February 1st (following the child count).

LEA verification and SEA technical assistance. During the month of February, DSES sends each LEA a computer-generated, alphabetical listing by school of their December 1 child count. The LEA is asked to verify the accuracy of the list and report any changes to the State. It is at this point that many LEAs begin their own verification process.

The Alabama SEA provides technical assistance to the LEAs in designing their own verification procedures (refer to Appendix C). A guide document was prepared for the LEAs especially for the *I Count Child Count Campaign* begun in 1992. The materials in this booklet include the following:

- a flow-chart of student information for the December 1 child count,
- separate descriptions of LEA responsibilities (broken down by personnel) and DSES responsibilities for producing and verifying the child count,
- a description of the Federal requirements for child count verification and the new State procedures developed as part of the "I Count" campaign,
- procedural suggestions for collecting and updating child count information (Appendix C),
- child count forms and computer program information, and
- fliers, aimed at school personnel (e.g., principals, teachers), that review child count procedures and/or draw attention to the importance of accurate child count data.

The on-site review procedure. On-site review of student records is conducted annually between March 1st and May 30th in all 129 school districts. The review procedures are implemented by DSES regional specialists with assistance from other DSES staff members. The regional specialists are assigned to each of the twelve special education regions within Alabama. This review is **separate from** compliance monitoring of programs and services.

Two random samples of students with disabilities in each LEA are generated from the State child count database. This database contains information on all special education preschool, elementary, and secondary-aged children and youth served by public schools in Alabama and is operated by the Division of Computer Services, Department of Education.

Each sample selected for review represents 1 percent of special education students in the LEA. However, no fewer than 25 records are selected for any sample.

The review team checks the school records of the student sample for errors. Each record reviewed **must** have all three of the components listed below to be **eligible** for child count.

- a report, dated prior to December 1, from the Multidisciplinary Eligibility Determination Committee affirming the student's eligibility
- IEP meeting dates and implementation dates (month, day, year) on or before December 1
- the **special education teacher's** attendance records/roll books documenting enrollment on December 1 with additional documentation that special education services were provided. Students in indirect, direct, special education resource, and special education/part-time regular class settings must be listed in the responsible special education teacher's grade/attendance records/roll book with documentation that the special education services were provided

Errors with respect to any of these three components results in a determination that the child is ineligible for inclusion in the count. At the point in which four children have been found to be ineligible within the first sample, the second sample is also reviewed. If four errors are found in the second sample, **all** student records are reviewed. Following the completion of the on-site verification process, DSES submits a downward revision of the child count to the Federal government and LEA funds are adjusted accordingly.

Kentucky

As in the Alabama example, the Kentucky SEA also employs three different procedures in the verification of child count: data checking and cross-validation, on-site monitoring, and audits.

Data checking and cross-validation. All child count forms submitted by the LEAs are screened for completeness by the Kentucky SEA. Any forms which are incomplete are returned to the LEA to be completed immediately. Child count forms also are checked for calculation errors. Errors are corrected over the phone, if possible, and a copy of the corrected form is sent to the LEA. If corrections are not possible over the phone, the LEA is asked to submit an amended child count report.

Each year the child count data is compared with other information submitted to the State by the LEA. Comparisons among the various data sources on students with disabilities

are used to signal possible errors in the child count. Discrepancies of 10 percent or more⁵ among the various data sources are "flagged" and the LEA must submit an explanation. The principal data sources used to evaluate the accuracy of the child count are:

- the Professional Staff Data Form, submitted annually, designates the certification of the teacher, type of program unit (special class, resource room, itinerant, etc.), number and age range of children, category of disability, and location of the unit
- the Annual Census of School Age Children reports on all children between the ages of 5 and 18 residing in a district, including information on children with disabilities

On-site monitoring. The primary means of validating the LEA child count is through on-site compliance monitoring, occurring in each LEA once every five years. The students whose records are selected for review during the on-site visit were part of the previous child count. The records are checked for all the requirements of eligibility. Documentation in the student record is required for procedural safeguards (e.g., notification, parental permission, determination of eligibility); the IEP (e.g., goals/objectives, related services, implementation dates); and timelines (e.g., referral to evaluation, re-evaluation). Additional eligibility documentation is reviewed based upon the category of disability.

If during the regular on-site visit there are findings indicating that the special education eligibility requirements were not met, and if these findings appear to be due to systemic problems, an official child count audit may be conducted.

Child count audits. The current Kentucky Child Count Audit Procedure was devised approximately a year ago and is still in draft form. It is authorized by both Federal and State laws. The audit procedure is conducted at the district level on a random basis or upon receiving evidence of one or more of the following conditions:

- districts that identify as disabled more than 15 percent of the total district enrollment
- districts that do not identify as disabled 7.5 percent of the total district enrollment
- districts with unusually high or low numbers of students in one or more disability categories as compared to other districts within the State
- districts that have a significant fluctuation in the number of students identified in one or more disability categories from one count to the next or districts

⁵ The child count information on the various forms is collected at different times during the year; therefore, it rarely matches exactly.

that have a significant change in the percentage of the total district enrollment of students with disabilities

- districts with recurring problems or exceptions as identified through compliance monitoring
- districts that have an increase in formal complaints or due process hearing requests within a calendar year
- districts that fail to comply with corrective action plans, due process hearing or appeal decisions within specified timelines

The audit procedure is divided into three phases - off-site, pre-visit procedures; on-site procedures; and off-site, post-visit procedures. The pre-visit procedures delineate the steps to be taken in the notification of the district and the preparation of the review team. During this phase, the student records to be reviewed for the audit are selected from class rosters. The records of 10 percent of the students eligible for special education under each disability category are selected randomly for review.

During the on-site audit, forms are used to record information and identify errors in the student records selected for review. The content of these forms is similar to that used to perform the on-site compliance review of student records. If the number of records with exceptions exceeds 15 percent of the total records audited, LEA administrative personnel are notified and an additional 10 percent of student records are randomly selected for immediate audit.

The writing of the audit report is a part of the post-visit procedures defined by the Kentucky SEA. This report provides the LEA with the reason for the child count audit; a description of the sample of student records; data on the percentage of error, the child count reduction, and the resulting reduction of Federal and/or State funding allocations; and a description of the specific programmatic areas requiring corrective action. The LEA then has 30 days to provide assurances that the audit exceptions have been addressed and/or to submit information that may change the audit findings. The LEA also has an opportunity to appeal any or all of the audit findings before the child count figures are revised and/or the process of recovering funds is initiated.

Illinois

Currently, two separate procedures are used by the Illinois SEA to verify and ensure an unduplicated child count - analyses of data from the Funding and Child Tracking System (FACTS) and on-site compliance monitoring. The child count audit procedures, conducted as part of the compliance monitoring process, are soon to be reviewed and possibly revised.

Analysis of computerized special education student data. FACTS is a computerized special education student information system. Each school year between December 2nd and

January 15th, districts or cooperatives submit a FACTS form that describes each special education student enrolled on December 1st (see Appendix D). A list of the information fields on the FACTS form appears in Table 2.

Table 2

Resident District Code	LRE (Placement)
Fund Code (IDEA/89-313)	Program Type ²
Birthdate	Personnel/Student Ratio
Name	Serving Location
Sex	Serving Entity ³
Ethnic Code	Beginning Date
Language	End Date
Exceptional Characteristic ¹	Student ID#
Related Services Provided	

1	Illinois term for the category of disability
2	This data element is completed only when the combination of the <i>Primary Exceptional Characteristic</i> and the <i>Least Restrictive Environment</i> codes do not accurately describe the student's special education setting
3	Organization employing teachers and aides

A computer program checks the validity of the codes entered on the FACTS form. For example, up to three codes can be entered under Exceptional Characteristic. The computer checks to see that all codes reported are valid and no duplicate codes are entered. Similarly, the Birthdate numbers are checked to make sure they are valid and conform to the age mandates of the State. The computer also checks to make sure that speech and language services are not coded under Related Services for students identified as Speech/Language Impaired. When these types of errors, incorrect codes (e.g., 10 instead of 01), or missing data are found, the computer produces an error message.

The first check of the FACTS information is done by SEA staff as the forms are submitted and entered in the computer. Gross errors such as missing names, birthdates, and invalid ID numbers are corrected at that time. Corrected data from the first round of review is sent to OSEP on February 1. Beginning in mid-February, a report based on the completed FACTS forms submitted by the district/cooperative is generated by the computer, including any error codes from the first round. These are mailed to the

districts/cooperatives for their review and corrections, additions, or deletions. Receipt of corrected forms and revision of the data from the second round of verification continues through mid-April. A third round of correction includes only those student entries that still contain errors. Adjustments in the student data from this round are concluded in July.

Throughout this time, separate procedures are followed to assure an unduplicated child count between Chapter 1 and the IDEA. This procedure involves at least four separate data printouts to locate and rectify possible errors and duplicate counts: students with the same identification numbers within and among Illinois districts and cooperatives; students with identical first and last names (suggests misreported birthdates); students with identical last names and birthdates (suggests misspelled first names or the use of nicknames); and students with identical first names and birthdates (suggests misspelled last names). Duplicates uncovered in these data runs are investigated to ensure that students are counted only once under either IDEA or Chapter 1. When errors or duplications in the data information are resolved, a verification form citing the total number of students aged 3-21 and 3-5 is sent to each district/cooperative. Following verification, the corrected child count is sent to OSEP in October.

Child count audits during on-site monitoring. The child count audit is a component of the compliance review process conducted in each LEA every five years. The computerized student data system, FACTS, generates a random sample of 60-80 student names in each LEA where records will be monitored that cycle. During the on-site visit, the records from approximately 10% of this student sample also are examined for child count accuracy. Monitoring staff use the IEP to verify every piece of data submitted on the FACTS form. When discrepancies are found, the errors are discussed with LEA staff and the procedures used to collect the data are reviewed. Technical assistance is provided to improve faulty data collection or entry procedures. If the errors detected suggest serious, systemic problems leading to an inaccurate child count, an audit of additional student files is conducted and procedures for recovery of funds are initiated, if necessary.

Summary

This study used the State Plans from 50 States to collect and analyze descriptive information on child count verification procedures. The results of the content analysis suggested that current verification procedures can be organized under five broad categories: 1) on-site monitoring, 2) audits, 3) data inspection/comparisons, 4) complaint investigation, and 5) voluntary admissions by the LEA. The majority of States (51 percent) utilize more than one of these procedures.

On-site monitoring is used by 41 States to check the accuracy of the child count. In many of these States the IEP, or "the student record", is the principal source of information

for determining a child's eligibility for child count. The next most frequent procedure, audit, is conducted by 19 States. The analysis also found that 14 States use some form of data inspection or comparison, employing figures from a variety of sources to "red flag" potential errors. Five and four States, respectively, use complaint investigation and LEA admissions as one means of validating their child count.

A second part of this study described validation processes used in Alabama, Kentucky, and Illinois in greater detail. Some general similarities between these States were noted. For example, all three States used more than one procedure to verify the count, including on-site review, and data inspection or comparisons. Illinois and Kentucky rely on their cyclical compliance review process to verify the child count from student records, and both States have adopted child count audit procedures to accompany on-site monitoring. In Kentucky, when monitoring activities identify possible systemic problems, a specific on-site child count audit is initiated. In Illinois, the child count audit is conducted as part of the monitoring process. Taking a different approach, Alabama conducts an annual, on-site review (audit) in every LEA to validate the accuracy of the child count. This process is separate from their compliance review.

Child count verification systems are developed in accordance with the unique characteristics of the data management and monitoring systems of the States. DAS, while tightening their overall scrutiny of these procedures, thus far has followed the statutory requirement while keeping specific criteria for evaluating State verification procedures to a minimum. However, DAS does suggest that States adopt at least two separate procedures as part of their verification process, including a procedure to address mechanical errors, such as mathematical miscalculations and duplication; and a procedure for on-site monitoring of LEA student files. As part of the on-site monitoring process, DAS recommends reviewing a random sample of student records and school enrollment data for December 1st.

Verification procedures that ensure the accuracy of the count on the established count date (12/1) appear to be prone to errors and deserving of review. In this regard, the audit report of Pennsylvania (Office of Inspector General, U.S. Department of Education, 1992) identified several LEA weaknesses centered around verifying the child count on other than the established date and failing to update enrollment records in a timely manner. In addition, the OIG report stated that "the SEA did not have procedures in place to verify the accuracy of the child counts reported by the LEAs, as part of their monitoring activities" (p. 5).

The OIG findings and OSEP recommendations regarding child count verification clearly point to the necessity of on-site monitoring that examines both the student record and enrollment data for December 1. Additionally, SEAs should consider providing technical assistance to LEAs to improve local procedures for collecting and updating the information used in the child count.

References

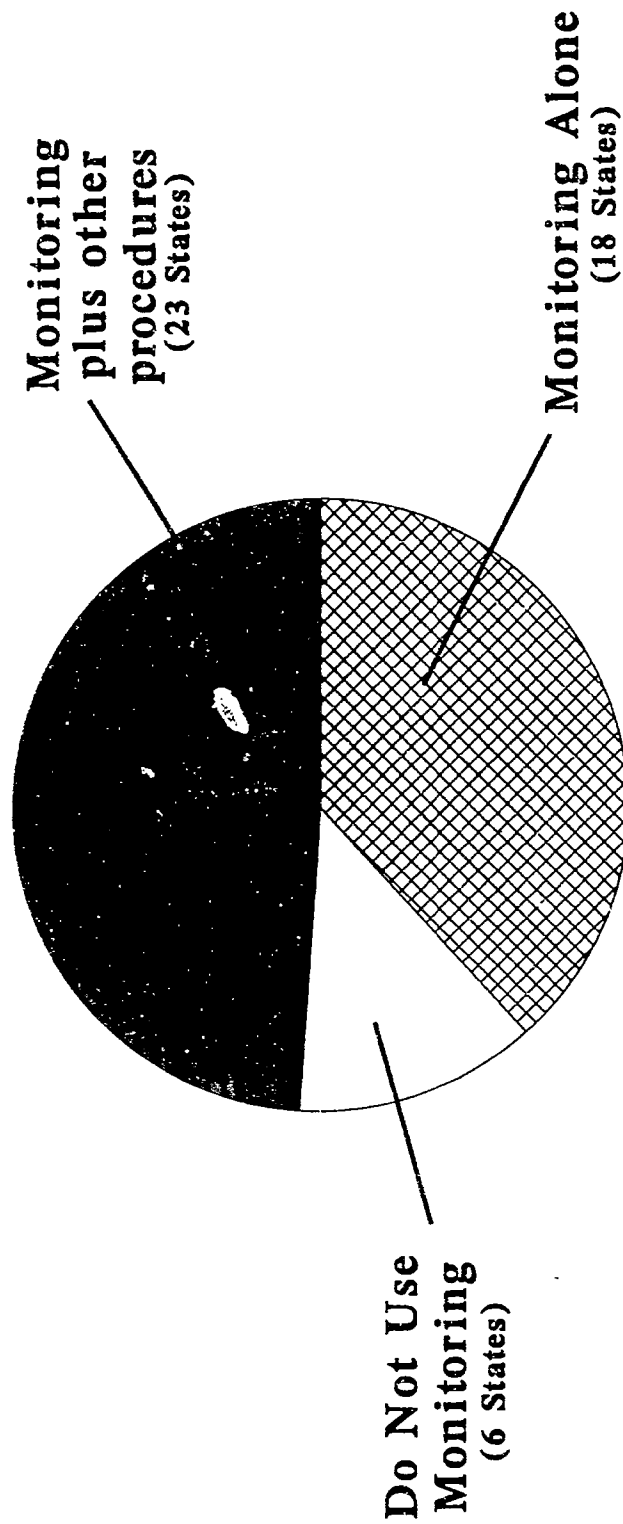
O'Reilly, F. E. (1989). *State special education finance systems, 1988-89*. Alexandria, VA: National Association of State Directors of Special Education.

Office of Audit. (June, 1992). *Audit of the Part B handicapped child count for the Commonwealth of Pennsylvania used for the allocation of FY 1992 funds*. (Audit Control No. 03-10201). Philadelphia, PA: Region III, Office of Inspector General, U.S. Department of Education.

APPENDIX A

**Number of States Using Compliance Monitoring
to Verify Child Count**

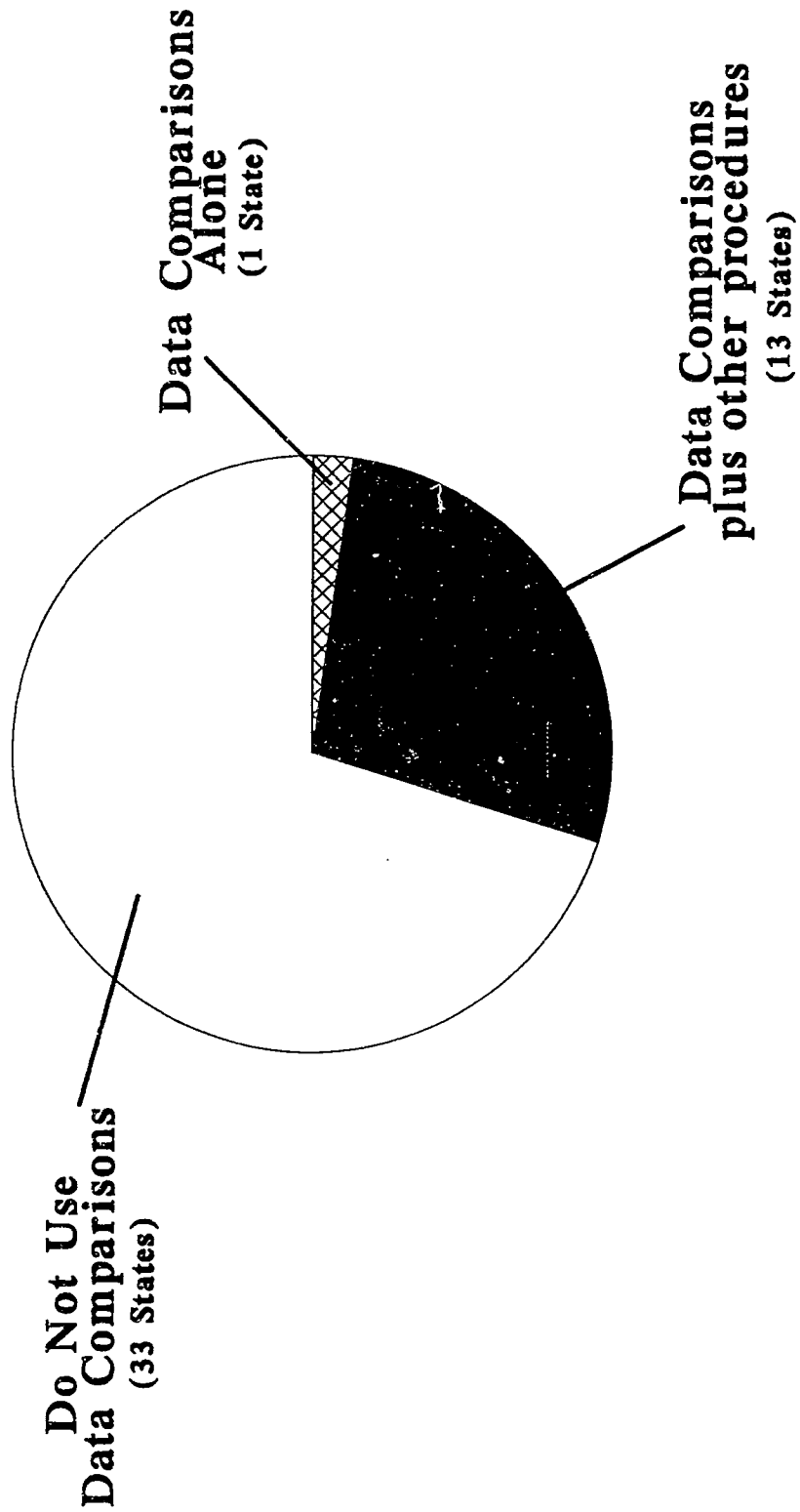
Number of States Using Compliance Monitoring to Verify Child Count



APPENDIX B

**Number of States Using Data Comparisons
to Verify Child Count**

Number of States Using Data Comparisons to Verify Child Count



APPENDIX C

Suggestions for Collecting and Updating Child Count Information

**Alabama Department of Education
Division of Special Education Services**

Suggestions for Collecting and Updating Child Count Information

1. When school starts, print a class roll for each special education teacher (see attached LTI directions).
2. Send the rolls by September 1 to each teacher with instructions that they mark any changes and submit them back to the central office by the tenth.
3. Check your listing of teachers and contact those who have not returned class rolls. Enter all corrections received into the LTI system.
4. Continually send out class rolls every six weeks. Ask teachers to be sure and a) write in the names of new students and the dates they entered the special education program; and b) indicate withdrawal dates of students who leave.
5. Quarterly (October, January, April), print from LTI individual student State Child Count Data Verification forms and send each teacher one for each of her students, along with a copy of the Directions for completing that form.
 - a) Instruct teachers to mark all changes and send them back to you.
 - b) Provide each teacher with blank copies of the State Child Count Data Verification form to complete and send to you whenever they get a new student.
6. Prior to December 1, meet with your special education coordinator/supervisor and discuss last year's Child Count:
 - Have you updated all files as requested by the State Department (corrected social security numbers, deleted students, etc.)?
 - What was the final number of students on your count?
7. After completing December 1 Child Count, before mailing your diskette to the State Department, meet with your special education coordinator to discuss:
 - The total for this year's Child Count.
 - Compare that number to last year's Child Count.
 - Is that number an increase, a decrease, the same?
 - Is that final number accurate?
8. Get the superintendent's signature on the Child Count verification letter after the coordinator has discussed it with him or her.
9. Mail diskette and verification letter by December 7, 1992 to the Division of Computer Services, state Department of Education.

APPENDIX D

The Special Education Funding and Child Tracking System (FACTS) Data Form

Illinois State Board of Education
Department of Special Education

CONFIDENTIAL STUDENT DATA
 DUE RSO DUE ISBE
 SCHOOL YEAR

SPECIAL EDUCATION FUNDING AND CHILD TRACKING SYSTEM (FACTS)

- (1) RESIDENT DISTRICT
- (2) DISTRICT NAME
- (3) CLAIMING DISTRICT

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CERTIFICATION:

This is to certify that the school district is substantially in compliance with Article 14 of The School Code of Illinois. The handicapped children listed above demonstrate needs for services based upon an appropriate case study, multidisciplinary conference and individualized education program, and are placed in the least restrictive appropriate environment.

Date _____ Signature of Superintendent of Resident District _____ Date _____ Signature of State-Approved Director of Special Education _____ Date _____ Signature of Regional Superintendent _____

ILLINOIS STATE BOARD OF EDUCATION

