

RECOVERY OF FUNDS FOR MISCLASSIFIED CHILDREN

I. STATE POLICY

It shall be the policy of the Arkansas Department of Education to ensure that steps shall be taken to recover any funds made available under IDEA-B for services to a child who is determined to be erroneously classified as eligible, or is ineligible to be classified, if evidence is found that he/she was -

- A. Classified (identified) in accordance with procedures established in *Special Education and Related Services: Procedural Requirements and Program Standards* (ADE, 2000) and *Special Education and Eligibility Criteria and Program Guidelines for Children with Disabilities, Ages 3 - 21* (ADE, 2000); and/or
- B. Not receiving any or all of the special education and related services set forth in the student's IEP on the date when he/she was reported in the count; and/or
- C. Not receiving any or all of the special education and related services as set forth in the student's IEP in an approved special education program on the date when he/she was reported in the count.

II. STATE PROCEDURES

A. Determination of Misclassification

- 1. If in the administration of the monitoring procedures to verify the accuracy of child count data evidence is found that a student meets any of the criteria for misclassification in state policy, the Area Supervisor conducting the monitoring activity shall notify the Administrator of Monitoring and Technical Assistance (AMTA). The AMTA will study the matter and notify the Associate Director for Special Education and the Chief Administrative Officer of the Agency in writing, if evidence is confirmed, within (10) working days.
- 2. Within ten (10) working days after receiving the notification, the Associate Director for Special Education shall appoint an investigating team headed up by the Administrator, Grants and Data Management Section, and consisting of the Area Supervisor assigned to that Agency, the AMTA, and other employees of the Department of Education, as necessary.
- 3. At the time of the appointment of the team, the Associate Director shall schedule a team visit to the Agency at a time and date mutually agreeable to the team and shall notify the Chief Administrative Official of this in writing.

4. During the team visit, both an entrance and an exit interview shall be conducted by the team with the Chief Administrative Official.
5. The team shall make such inspections and conduct such interviews during the visit as are necessary to obtain evidence regarding misclassifications. These activities can include, but are not limited to -
 - a. Inspection of student folders;
 - b. Inspection of student attendance reports, class rolls or rosters, and/or
 - c. Interviews with instructional and/or support personnel.
6. At the exit interview, the team members shall discuss the findings of the visit.
7. After the visit, the Associate Director may require such additional team meetings, additional visits or additional items of evidence as are necessary to make a determination as to misclassification.
8. The investigative team shall prepare a report of findings and conclusions and submit it to the Associate Director.
9. Within ten (10) working days from the receipt of the team's investigative report, the Associate Director shall submit in writing via certified mail the findings of the team and decisions regarding recovery of funds. This notice shall be given to the Chief Administrative Official of the Agency, the Director of the Department of Education and, if recovery of funds is recommended, to the Federal Finance Officer. This notice shall also advise the Chief Administrative Official of the Agency that he/she may request a hearing with the Director of the Department of Education for the purpose of appealing these findings and decisions within thirty (30) calendar days.
10. If there is no written request for an appeal and hearing, the decision regarding recovery of funds shall become final thirty (30) calendar days after transmittal of the Associate Director's findings and decision.
11. If there is an appeal and hearing, the decision of the Director of the Department of Education is final when transmitted to the Chief Administrative Official of the Agency via certified mail and procedures for recovery of funds shall be implemented, if appropriate.

B. Recovery of Funds

1. The Administrator of Grants and Data Management shall review all findings and decisions regarding recovery of funds which are final and determine the amount of funds to be recovered. This amount will be computed by multiplying the number of students determined to be misclassified by the amount of IDEA-B funds per child passed-through to the agency. For misclassified students counted during more than one

year, these computations will be made retroactive to the earliest date for which IDEA-B funds were released.

- 2.** The Administrator for Grants and Data Management for Special Education shall instruct the Chief Administrative Official of the Agency in writing to refund the amount required to the Department made payable to "Treasurer, State of Arkansas" on a district warrant not drawn on the IDEA-B account on any federal program account.
- 3.** The Federal Finance Officer shall deposit or credit these recovered funds to the appropriate account as prescribed by federal law.