November 12, 2003

To the Citizens of the City of New York

Ladies and Gentlemen:

In accordance with the Comptroller’s responsibilities contained in Chapter 5, § 93, of the New York City Charter, my office has performed an audit on the compliance of United Cerebral Palsy of New York City, Inc., (UCP) with its contracts with the Department of Education (DOE). We determined whether UCP is in compliance with the terms of the contracts with the DOE that relate to the provision of special education services to preschool and school-age students and whether UCP takes adequate security and safety measures to protect its students and staff.

The results of our audit, which are presented in this report, have been discussed with DOE and UCP officials, and their comments have been considered in the preparation of this report.

Audits such as this provide a means of ensuring that providers of special education services are in compliance with their contracts with the DOE, that City funds are used as intended and that providers take adequate security and safety measures to protect students and staff.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at audit@comptroller.nyc.gov or telephone my office at 212-669-3747.

Very truly yours,

William C. Thompson, Jr.

Report: MD03-119A
Filed: November 12, 2003
# Table of Contents

AUDIT REPORT IN BRIEF .......................... 1

INTRODUCTION .......................... 3

Background ................................ 3

Objective ................................ 4

Scope and Methodology .................. 4

Discussion of Audit Results ....... 5

FINDINGS AND RECOMMENDATIONS .... 7

Fire Safety Concerns at a Preschool Site ........................ 7

Bronx Facility Lacks Adequate Security .......................... 8

Addenda
Audit Report on the Compliance of United Cerebral Palsy of New York City, Inc., with Its Contracts with the Department of Education

MD03-119A

AUDIT REPORT IN BRIEF

This audit determined whether United Cerebral Palsy of New York City, Inc. (UCP) is in compliance with the terms of the contracts with the Department of Education (DOE) that relate to the provision of special education services to preschool and school-age students and whether UCP takes adequate safety and security measures to protect its students and staff members.

Audit Findings and Conclusions

In general, UCP is in compliance with the terms of the contracts that relate to the provision of special education services to preschool and school-age students with the DOE. Specifically:

- Head teachers are appropriately licensed or certified, as required by the DOE contracts, each having a temporary license, provisional certificate, or permanent certificate.

- Class-staffing ratios are maintained as recommended on the students’ Individualized Education Plans (IEPs).

- Individual student files include complete and current documentation. They included the required DOE approvals of eligibility, annual IEP reviews, health records, emergency contacts and parental consents, and educational progress reports prepared by the head teachers.

- Students’ attendance is recorded daily, and any absences in excess of five consecutive days are followed up by the teachers.

However, there were fire safety concerns at the Manhattan preschool, and poor security at the Bronx preschool. These issues are discussed in the following sections of the report.
To address these issues, the report makes the following recommendations:

- DOE and UCP officials should ensure that school hallways are free of any kind of obstruction that might hinder the safe and immediate evacuation of students and staff in an emergency.
- UCP should develop ways to improve security at the Bronx preschool site.

**Discussion of Audit Results**

On September 30, 2003, we submitted a draft report to DOE and UCP officials with a request for comments. We received written responses from DOE and UCP officials on October 22, 2003.

In their comments, DOE officials stated, “The DOE brought the Report’s concerns and recommendations to the attention of the New York State Education Department’s Vocational and Educational Services for Individuals with Disabilities (VESID), the agency that is charged with responsibility for approving and monitoring special education schools.

“The DOE will work with VESID, as has been the practice, to share critical information about our providers as it comes to the DOE’s attention.”

In their comments, UCP officials stated that they have taken steps to address the fire safety concerns at the Manhattan preschool. However, UCP officials objected to our finding of the lack of adequate security at the Bronx preschool site, stating that “its security policies . . . are commensurate with contract language and satisfactory for the requirements of the site.”

The full texts of the responses from DOE and UCP officials are included as addenda to this report.
INTRODUCTION

Background

The Department of Education (DOE) is required by the New York State Education Law to identify, evaluate, and recommend free special education services for New York City resident preschool and school-age students with disabilities. For students that have been identified as having one of the disabilities based on NYS Regulations, a DOE Committee on Preschool Education (for students ages three to five) or a Committee on Special Education (for students ages 5 to 21) develops an IEP based on their educational needs. Services may include physical therapy, occupational therapy, speech therapy, psychological counseling, and skilled nursing care.

For preschool or school-age students whose needs cannot be met in the City public school environment, DOE is authorized to contract with New York State Education Department (SED)-approved private providers to provide special education services for that student. One such provider is the United Cerebral Palsy of New York City (UCP).

DOE entered into two contracts with UCP to evaluate and provide special education services to preschool children ages three to five and to evaluate and provide special education services to school-age children ages five to 21. The contract for preschool students is for an estimated $9,620,000 and covers the period from July 1, 1999, to June 30, 2002. The contract for school-age students is for an estimated $15,957,480 and covers July 1, 2000, to June 30, 2005. Actual contract expenditures are based on actual student enrollment and services provided. SED sets the reimbursement rates for all student services. DOE’s actual expenses incurred during Fiscal Year 2002 are $6,687,000 for the preschool contract and $2,677,000 for the school-age contract.

UCP operates self-contained, full-day center-based preschool and school-age programs for students who have been recommended for special education by DOE. The four UCP preschool sites are in Manhattan, the Bronx, Brooklyn, and Staten Island. Its school-age site is in Brooklyn. All sites are fully accessible and barrier-free. Table I, following, shows the number of classes at each school site and their total student capacity for Fiscal Year 2002.

---

1 New York State Regulations include the following categories of disabilities: autism, deaf-blindness, deafness, hearing impairment, emotional disturbance, learning disability, mental retardation, multiple disabilities, orthopedic impairment, other health impairment, speech or language impairment, traumatic brain injury, and visual impairment, including blindness.

2 Committee members include the student’s parent, a special education teacher, and a representative of a school district. A school psychologist is also part of a Committee on Special Education.
Table I

UCP School Information

<table>
<thead>
<tr>
<th>School Site</th>
<th># of Classes</th>
<th># of Students Per Class</th>
<th>Total Student Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronx Preschool</td>
<td>8</td>
<td>12</td>
<td>96</td>
</tr>
<tr>
<td>Manhattan Preschool</td>
<td>5</td>
<td>12</td>
<td>60</td>
</tr>
<tr>
<td>Staten Is. Preschool</td>
<td>3</td>
<td>12</td>
<td>36</td>
</tr>
<tr>
<td>Brooklyn Preschool</td>
<td>7</td>
<td>12</td>
<td>84</td>
</tr>
<tr>
<td>Brooklyn School-Age</td>
<td>8</td>
<td>12</td>
<td>96</td>
</tr>
<tr>
<td>Totals</td>
<td>31</td>
<td></td>
<td>372</td>
</tr>
</tbody>
</table>

**Objective**

The objective of this audit was to determine whether UCP is in compliance with the terms of the contracts with the DOE that relate to the provision of special education services to preschool and school-age students, as well as to determine whether UCP takes adequate security and safety measures to protect its students and staff.

**Scope and Methodology**

The scope of our audit was Fiscal Year 2002.

To obtain an understanding of UCP operations, we met with its Chief Financial Officer, Assistant Executive Director, and Controller. To determine how UCP financial and operational activities are monitored, we met with representatives of the DOE Office of Auditor General (OAG). In addition to reviewing the two UCP contracts with DOE, we reviewed the following: the Mayor’s Management Report of Fiscal Year 2002, the UCP Consolidated Fiscal Reports (CFRs) filed with SED for July 1, 1999, to June 30, 2000, the DOE Standard Operating Procedures Manual for the Committees on Preschool Education of June 2001, and the SED Office of Special Education Services monitoring reports of UCP preschool programs.

To understand how special education services are administered and provided at each UCP school site, we interviewed each school’s director/principal and assistant directors. We toured each school and observed the children in classrooms, hallways, gyms, and other areas. Also, we inspected the therapeutic swimming pools at the Brooklyn school. For each classroom, we determined whether the class-staffing ratios are maintained as recommended on the students’ IEPs, reviewed the teaching curricula, and noted what activities were conducted.
We obtained copies of the student registers, listing all students attending the schools for the school year September 2001 to June 2002. From each student register, we randomly selected a sample of students whose records we reviewed. At the Manhattan preschool, from a population of 68 students, we reviewed the records for 25 students. At the Bronx preschool, from a population of 92 students, we reviewed the records for 20 students. At the Staten Island preschool, from a population of 48 students, we reviewed the records for 20 students. At the Brooklyn school, from a population of 82 preschool students, we reviewed the records for 10 students, and from a population of 79 school-age students, we reviewed the records of 15 students.

To determine whether the individual records of sampled students included complete and current documentation, we reviewed the following: DOE approvals of eligibility, annual reviews of IEPs, health records, emergency contacts and parental consents. To determine how each sampled student’s progress was monitored and reported, we reviewed the educational progress reports prepared by the head teachers.

To determine whether the teachers properly monitored the students’ attendance, we reviewed the attendance reports for each of the sampled students. We also reviewed supporting documentation of extended absences and determined how teachers followed up on the absences.

To verify that head teachers meet the certification requirements specified in UCP contracts with DOE, we obtained and reviewed the employment records, licenses, and certificates of the head teachers at the schools.

To determine whether UCP has on-site safety procedures as required by the contracts, we reviewed school emergency safety procedures, fire drill evacuation reports, and annual fire inspection reports from the Fire Department.

During our visits to the UCP school sites we observed the security measures taken by the schools to ensure the safety of the students and staff.

Since the DOE payment process for private special education providers is undergoing procedural changes, we did not review DOE’s payments to UCP.

**Independence Disclosure**

The Comptroller was President of the former Board of Education until his resignation effective March 31, 2001. The Deputy Comptroller for Audit, Policy, Contracts & Accountancy was the Brooklyn member of the former Board of Education for the period April 1, 2001 through December 30, 2001. The Comptroller, under whose signature this report is being transmitted, was not involved in planning or conducting this audit, or in writing or reviewing the audit report. The Deputy Comptroller has recused himself and was therefore also not involved in planning or conducting this audit, or in writing or reviewing the audit report.
This audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. This audit was performed in accordance with the responsibilities of the City Comptroller as set forth in Chapter 5, § 93, of the New York City Charter.

Discussion of Audit Results

The matters covered in this report were discussed with DOE and UCP officials during and at the conclusion of this audit. A preliminary draft report was sent to DOE and UCP officials on August 20, 2003. We discussed the report with DOE officials at an exit conference on September 16, 2003, and with UCP officials at an exit conference on September 17, 2003. We submitted a draft report to DOE and UCP officials with a request for comments on September 30, 2003. We received written responses from DOE and UCP officials on October 22, 2003.

In their comments, DOE officials stated, “The DOE brought the Report’s concerns and recommendations to the attention of the New York State Education Department’s Vocational and Educational Services for Individuals with Disabilities (VESID), the agency that is charged with responsibility for approving and monitoring special education schools.

“The DOE will work with VESID, as has been the practice, to share critical information about our providers as it comes to the DOE’s attention.”

In their comments, UCP officials stated that UCP has taken steps to address the fire safety concerns at the Manhattan preschool. However, UCP officials objected to our finding of the lack of adequate security at the Bronx preschool site, stating that “its security policies . . . are commensurate with contract language and satisfactory for the requirements of the site.”

The full texts of the responses from DOE and UCP officials are included as addenda to this report.
FINDINGS AND RECOMMENDATIONS

UCP is generally complying with the terms of the contracts with the DOE that relate to the provision of special education services to preschool and school-age students, as well as providing adequate security and safety measures to protect its students and staff. Specifically:

- Head teachers are appropriately licensed or certified, as required by the DOE contracts, each having a temporary license, a provisional certificate, or a permanent certificate.
- Class-staffing ratios are maintained as recommended on the students’ IEPs.
- Individual student files include complete and current documentation. They included, the required DOE approvals of eligibility, annual IEP reviews, health records, emergency contacts and parental consents, and educational progress reports prepared by the head teachers.
- Students’ attendance is recorded daily and any absences in excess of five consecutive days are followed up by the teachers.

However, there were fire safety concerns at the Manhattan preschool and poor security at the Bronx preschool. These issues are discussed in the following sections of the report.

Fire Safety Concerns at a Preschool Site

Conditions at the Manhattan preschool may prevent an orderly, safe, and immediate evacuation of students and staff.

The Manhattan preschool classrooms are on the fourth floor of a UCP building. As required in its contract, monthly fire drills are conducted from January to August and twice a month from September to December.

Most of the monthly fire drill reports for the Manhattan preschool indicate that, “The fourth floor corridors are congested with furniture,” which prevents immediate and safe passage through the hallways in case of a fire or an emergency. In addition, the July and October 2002 fire drill reports stated that the furniture also prevented self-closing doors from automatically closing when fire alarms ring.

The Manhattan Children’s Program Evacuation and Emergency Plan requires that “All means of egress (including halls, stairways and landings) are free of obstructions.”

During our school tour, we again found that several wheelchairs and other articles of adaptive equipment were left in the hallways. These could obstruct the immediate and safe passage of students and staff members in the event of an evacuation or emergency, as well as prevent the self-closing doors from automatically closing.
At the exit conference, UCP officials stated that they are checking the items that remain in the hallways to ensure that all means of egress are free of obstructions. However, they pointed out a problem with removing the wheelchairs, which must be readily accessible to the students.

**Bronx Facility Lacks Adequate Security**

The UCP Bronx preschool does not have adequate security services.

At the Manhattan, Brooklyn, and Staten Island schools, there are uniformed security guards at the entrances of the buildings. Visitors are required to show identification and sign in on the visitor’s log, and must wear visitor ID tags while inside the building.

However, at the Bronx preschool, we saw no uniformed security guards at any of the parking lots or building entrances. Nor were uniformed guards patrolling the grounds accessible to the public. When we visited the building, on three different occasions, we saw only a receptionist in a room near the entrance. She asked for our identification and required us to sign a visitor’s log. We were not required to wear visitor ID tags, as in the other schools. The receptionist told us that she is the sole security guard. She said if she required assistance, she would call on another school employee.

The Bronx facility is on a 13-acre campus in a residential section of the borough. The preschool is in its own two-story building—one of several on the campus that house a variety of UCP services. There is an outdoor playground adjacent to the preschool building. Given the size of the grounds and the current climate of security alert, additional security measures must be taken to ensure the safety of the students and the staff, even though those measures are not required in the UCP contracts.

**Recommendations**

1. DOE and UCP officials should ensure that the school hallways are free of any kind obstruction that might hinder the safe and immediate evacuation of students and staff members in an emergency.

2. UCP should develop ways to improve security at the Bronx preschool site.

**DOE Response**: “The DOE brought the Report’s concerns and recommendations to the attention of the New York State Education Department’s Vocational and Educational Services for Individuals with Disabilities (VESID), the agency that is charged with responsibility for approving and monitoring special education schools. VESID contacted UCP and received from them a report of a New York City Fire Department inspection conducted on July 29, 2003. According to the report . . . the Inspectors found that ‘all laws, regulations, etc. under the jurisdiction of the Fire Department have been complied
with,’ but recommended that one hallway be ‘kept free of obstruction at least 3 feet clear or more.’

“The DOE will work with VESID, as has been the practice, to share critical information about our providers as it comes to the DOE’s attention.”

**UCP Response:** In regard to the first recommendation, UCP officials stated that they “will insist on corridors and all means of egress remaining free of obstructions at all times as recommended by the New York City Fire Department. Adaptive equipment necessary for daily use by children in attendance will be located on one side of the corridor leaving no less than a three-foot corridor free from obstruction. In order to ensure enforcement of this policy, UCP issued specific mandates to responsible personnel within the facility with new and reinforced procedural guidelines.”

In regard to the second recommendation, UCP officials stated that they object to the finding of a lack of adequate security.

“Contract language does not address the issue, nor are we aware of any promulgated security standards applicable to an educational setting such as that found on our Bronx Campus. The grounds are fenced and located in a low crime neighborhood that has virtually no transient pedestrian traffic. In this sense, the Bronx location is quite different that the audit referenced Manhattan, Brooklyn, and Staten Island schools where security guards are employed. We have never experienced security incidents that would suggest the necessity of a security guard.”
October 10, 2003

Faige Hornung  
Director of Management Audit  
The City of New York  
Office of the Comptroller  
1 Centre Street, Room 1100 North  /New York, NY 10007

Re: Draft Audit Report on the Compliance of United Cerebral Palsy of New York City, Inc., with its Contracts with the Department of Education (MD 03-119A)

Dear Ms. Hornung:

This letter, with attachments, reflects the New York City Department of Education's ("Department") response to the findings and recommendations made in the City of New York Office of the Comptroller ("Comptroller") Draft Audit Report on the Compliance of United Cerebral Palsy of New York City, Inc., ("UCP") with its Contracts with the Department of Education ("Report"). In conducting its audit, Comptroller staff, among other steps, visited five UCP sites (four boroughs) serving special education prekindergarten and school-aged students.

The Department is pleased that "UCP is generally complying with the terms of the contracts with the DOE" to provide services "as well as providing adequate security and safety measures to protect its students and staff." Comptroller staff found only two exceptions: a site in Manhattan where wheelchairs and other adaptive equipment were left in the hallway outside classrooms on one floor and a Bronx site that had not taken the same security measures as had been found at other UCP sites.

To address these findings the Report recommends that the Department and UCP ensure that the hallways at UCP's site are free of obstructions that might hinder egress in the event of an emergency. Additionally, it is recommended that UCP develop ways to enhance security at its Bronx site.
Upon learning of the findings, the Department brought the Report's concerns and recommendations to the attention of the New York State Education Department's Vocational and Educational Services for Individuals with Disabilities (VESID), the agency that is charged with responsibility for approving and monitoring special education schools. VESID contacted UCP and received from them a report of a New York City Fire Department inspection conducted on July 29, 2003. According to the report, a copy of which is attached, the Inspectors found that "all laws, regulations, etc. under the jurisdiction of the Fire Department have been complied with," but recommended that one halfway be "kept free of obstruction at least 3 feet clear or more."

The DOE will work with VESID, as has been the practice, to share critical information about our providers as it comes to the DOE's attention.

Sincerely,

[Signature]

Kathleen Grimm
Deputy Chancellor for Finance and Administration

KG:mf
Enclosures

C: Joel I. Klein
   Maureen Hayes
   LaVerne Srinivasan
   Lou Benevento
   Richard Carlo

   Diana Lam
   Chad Vignola
   Andrew Levine
   Linda Wernikoff
   Nader Francis

   Rick Stewart
   Marlene Malamy
   Lisa Secular
   Elliot Golden

---

1 The DOE did not learn of the conditions described in the Report until the Report was shared in a preliminary draft format. At a conference to discuss the findings, Comptroller's staff told us that the safety and security issues noted in the Report had been brought to the attention of UCP administrators upon their discovery. Nonetheless, we asked, and the Comptroller has agreed, to bring matters that raise safety concerns to the attention of the DOE as soon as they are discovered during fieldwork so that appropriate action can be taken before the issuance of a report.
Agency for Child Development
Facilities Development and Management
Office of Licensing
66 John Street, 8th Floor
New York, NY 10038
Mss. Hollie Stillman, Director

Date: 8-1-03 Fire Co. No. 3-14

PREMISES

Manhattan UCP
122 East 23 Street
Manhattan, NY 1001

Sir/Madam:

In reply to your letter dated ________________ relative to the above premises, please be advised that the records of this Unit indicate that as of this date:

1. The requirements of all laws, regulations, etc. under the jurisdiction of the Fire Department
   (a) have been complied with
   (b) have not been complied with (Due to violations of items listed below)
   (c) clearance cannot be given at this time for reason(s) below

NOTE: Nature of Violation(s) is indicated by item number(s) listed below:
(For explanation of item numbers see key * below)

Violation Numbers: ______________________________

II. Additional Information:

Dated of Inspection: 7-29-03

Recommendations: Keep 4th Floor Hallway free at least 3 feet clear or more

Please be advised that the lawful occupancy and use of the above building, in whole or in part, is contingent upon the issuance of a Certificate of Occupancy by the Buildings Department certifying that such building conforms substantially to the approved plans and the provisions of the Building Code and other applicable laws and regulations.

FP Control # ACD- 2599

*Key to Nature of Violations under Fire Department Jurisdiction:

1. Auxiliary Fire Alarm Systems
2. Egress-Obstruction, Lights, Signs
3. Electrical Defects (F.D. only)
4. Extinguishers, Portable Fire Extinguishers
5. Fire Drill and Evacuation Plan
6. Interior Fire Alarm
7. Oil Burner Rules
8. Permits and/or Certificates Required
9. Rubbish Accumulations
10. Sprinkler System
11. Standpipe System
12. Watchperson's Service—Detector System, etc.
Faige Hornung  
Director of Management Audit  
New York City Controller's Office  
1 Centre Street, Room 1100N  
New York, NY 10007

October 21, 2003

Dear Faige Hornung,

In the City of New York Audit Report (Audit # MD03-119A) on the Compliance of United Cerebral Palsy of New York City, Inc., with Its Contracts with the Department of Education dated September 30, 2003, the City of New York presents fire safety concerns at a preschool site in Manhattan, and security concerns with a Bronx facility. In response to the aforementioned findings, UCP-NYC has taken steps to correct any violation in evacuation requirements for the preschool in the Manhattan facility, but maintains its security policies for the Bronx facility are commensurate with contract language, and satisfactory for the requirements of the site.

In regard to the preschool at the Manhattan Children's Program located at 122 East 23rd Street, UCP-NYC will insist on corridors and all means of egress remaining free of obstructions at all times as recommended by the New York City Fire Department. Adaptive equipment necessary for daily use by children in attendance will be located on one side of the corridor leaving no less than a three-foot corridor free from obstruction. In order to ensure enforcement of this policy, UCP-NYC issued specific mandates to responsible personnel within the facility with new and reinforced procedural guidelines.

In regard to the Bronx Campus, UCP-NYC objects to the finding of security violations. Contract language does not address the issue, nor are we aware of any promulgated security standards applicable to an educational setting such as that found on our Bronx Campus. The grounds are fenced and located in a low crime neighborhood that has virtually no transient pedestrian traffic. In this sense the Bronx location is quite different than the audit referenced Manhattan, Brooklyn, and Staten Island schools where security guards are employed. We have never experienced security incidents that would suggest the necessity of a security guard. It is not clear, therefore, that a security guard is relevant for the Bronx school. If in some way we have misunderstood...
the contractual rhetoric regarding security at an educational location, please let us know.

We hope that this satisfies the concerns of the City of New York Department of Education, and we appreciate your interest in our programs, and your recommendations for improvement. Please incorporate our response into your final report, and let us know if you have any further suggestions.

Sincerely yours,

[Signature]

Alan Meltzer
Controller