

PERFORMANCE AUDIT REPORT

Reviewing Special Education Programs And Costs

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
October 1987**

Legislative Post Audit Committee

Legislative Division of Post Audit

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PERFORMANCE AUDIT REPORT

REVIEWING SPECIAL EDUCATION PROGRAMS AND COSTS

OBTAINING AUDIT INFORMATION

This audit was conducted by Allan Foster, Auditor, of the Division's staff. If you need any additional information about the audit's findings, please contact Mr. Foster at the Division's offices.

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REVIEWING SPECIAL EDUCATION PROGRAMS AND COSTS

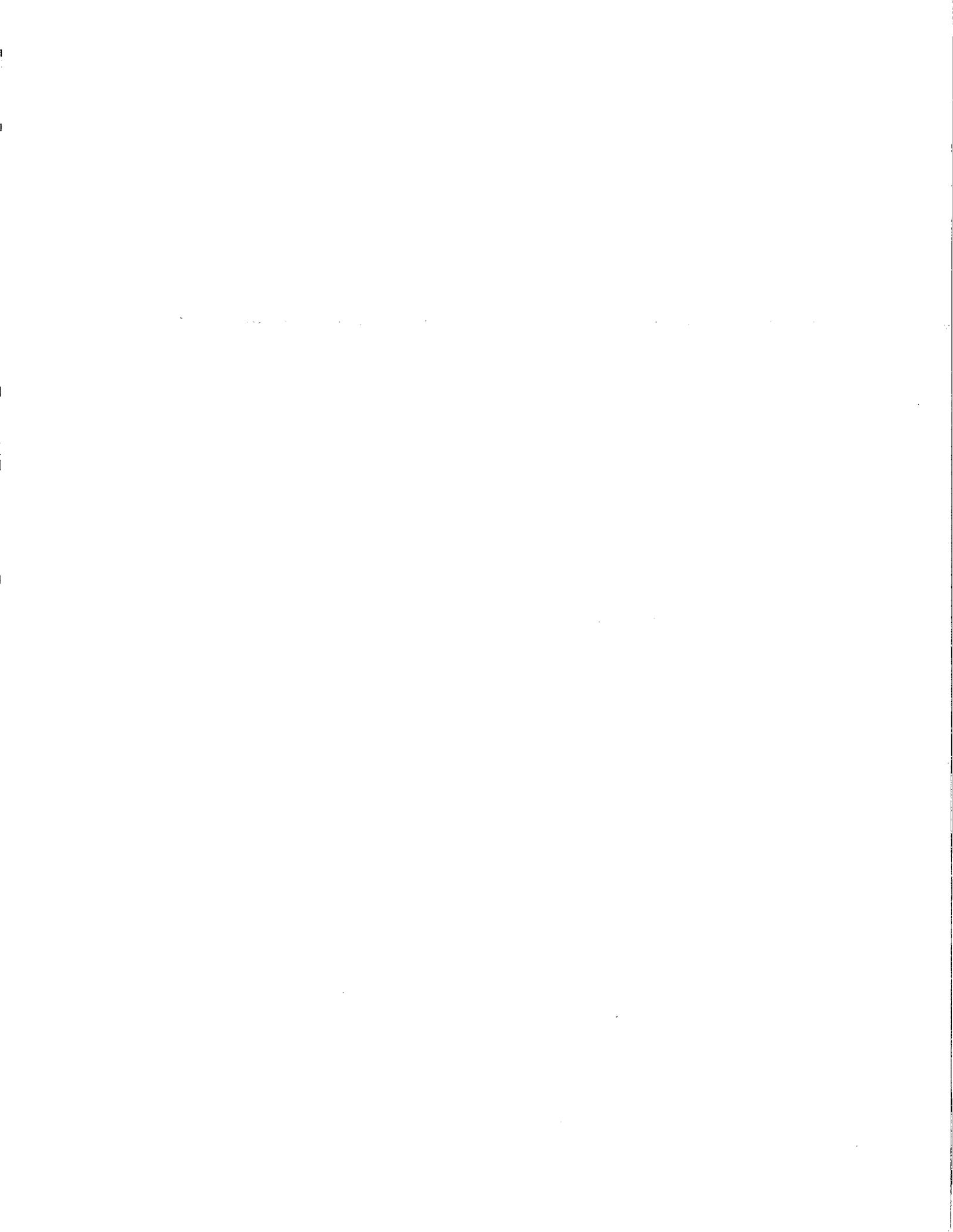
Summary of Legislative Post Audit's Findings

State and federal laws mandate that public schools provide a free, appropriate education to all exceptional students. The cost of providing this education continues to increase. Department of Education statistics show that State aid for special education has increased by 39 percent in the past five years, from \$57.4 million in fiscal year 1983 to \$79.7 million in fiscal year 1987. Recently, legislative concerns have been expressed about special education enrollments, the rising costs of special education, and the districts' compliance with the criteria for placing students in special education programs.

Which special education programs have shown the most growth in recent years? The number of students receiving special education services was essentially unchanged between fiscal years 1983 and 1987. However, because total school enrollments grew during the same period, the percent of all students receiving special education services declined by nearly two percent. Gifted, learning disabilities, and behavior disorders programs increased in enrollments. Enrollments in the other large special education programs declined. Recent changes in Department guidelines could reduce enrollments in future years.

What factors have caused special education expenditures to increase over the past five years? Total special education expenditures increased 36 percent between fiscal years 1983 and 1986. (Complete expenditure data were not available for fiscal year 1987.) Regular education expenditures increased by 35 percent during the same period. Most of the increase in special education costs can be attributed to the increase in salary and benefit costs. During the four year period, teacher and administrator salaries increased more than 20 percent, and employee benefits increased by nearly 60 percent. In addition, the numbers of special education staff increased by nearly eight percent. Recent federal legislation is expected to increase special education costs in the near future by requiring the State to mandate schools to give special education services to preschool children.

Are students placed in special education programs meeting the criteria for placement? Half the student files reviewed by the auditors did not contain the required documentation showing that these students were properly placed in special education. Not all these students may be misplaced, but the cost of educating any student placed in special education who does not belong there or is not eligible is high--nearly \$6,000 for each full-time-equivalent student. The Department monitors the districts on an ongoing basis, but has not caught the types or extent of problems found by the auditors, apparently because Department officials are not checking all the State and federal regulatory requirements.



Reviewing Special Education Programs and Costs

State and federal laws mandate that public schools provide a free, appropriate education to all exceptional students. The cost of providing this education continues to increase. Department of Education statistics show that State aid for special education has increased by 39 percent in the past five years, from \$57.4 million in fiscal year 1983 to \$79.7 million in fiscal year 1987. Over the same period, student enrollments in special education programs in Kansas schools dropped slightly. In fiscal year 1987, the total special education enrollment was about 54,000 students.

Legislative Post Audit reviewed special education programs in 1982 and 1983 in connection with audits of specific school districts. Some of these audits showed problems in the area of compliance with the State plan for special education. An audit specifically addressing variation among school districts in the number of students placed in special education, issued in November 1983, found a significant variation in the percentages of students placed in special education programs in school districts across the State. An audit specifically addressing options for containing special education costs, issued in March 1985, found that costs were increasing because the number of teachers was increasing and presented several options for containing rising costs. Recently, legislative concerns have been expressed about special education enrollments, the rising costs of special education, and the districts' compliance with the criteria for placing students in special education programs. This audit addresses those concerns through the following questions:

- 1. Which special education programs have shown the most growth in recent years?**
- 2. What factors have caused special education expenditures to increase over the past five years?**
- 3. Are students placed in special education programs meeting the criteria for placement?**

To answer these questions, the auditors reviewed State and federal laws and regulations and reviewed and analyzed special education financial information, changes in enrollment, and changes in the number of teachers for fiscal years 1983 through 1987. They reviewed student files at five school districts or cooperatives. In addition, they interviewed Department and school district staff about the increasing costs of special education.

In general, the auditors found that special education enrollment as a percent of total school enrollment declined about two percent between fiscal years 1983 and 1987. The gifted program had the largest growth of the specific programs. Between fiscal years 1983 and 1986 (the last year for which expenditure information was available), special education expenditures increased 36 percent, only slightly more than the 35 percent increase in regular education expenditures during the same period. Most the increase in special education expenditures appeared to be caused by increases in salaries and fringe benefits. Finally, the auditors found that half the student files they reviewed lacked the documentation showing that the districts met the regulatory placement requirements. These and other findings are discussed in the sections that follow.

Which Special Education Programs Have Shown the Most Growth In Recent Years?

Special education is made up of 11 different categorical programs. Federal laws mandate all the programs except the gifted program, which is a Kansas mandate. In fiscal year 1987, enrollments in these programs ranged from 42 students in the deaf/blind program to nearly 17,000 students in the learning disabilities program. The six programs with enrollment over 1,000 students--behavior disorders, hearing impaired, learning disabilities, speech/language impaired, trainable mentally handicapped, and gifted--contain more than 95 percent of the special education enrollment. Therefore, the auditors concentrated on those programs in their analysis of enrollment changes.

To determine which special education programs have grown the most in recent years, the auditors examined special education program enrollments and total school enrollments for fiscal years 1983 through 1987. They found that total special education enrollment has declined by about 30 students. Most programs declined, but specific programs such as gifted and learning disabilities had enrollment increases.

The Number of Students Receiving Special Education Services Was Essentially Unchanged Between Fiscal Years 1983 and 1987

Special education headcount enrollments dropped by only a few students, from 54,296 in fiscal year 1983 to 54,263 in fiscal year 1987. This decrease of 33 students represents a one-tenth of one percent decrease in enrollment. Over the same period, total school enrollments increased by nearly two percent, from 438,502 to 446,532. Because total school enrollments increased, it is also useful to examine how special education enrollments have changed in relation to total enrollments. The table below makes this comparison. As the table shows, the percentage of all school students who were receiving special education services dropped from 12.4 percent to 12.2 percent, a 1.9 percent decrease.

Enrollment In Special Education Programs Fiscal Year 1983-1987

	Headcount Enrollment		% change FY 83/87	% of Total School Enrollment	
	FY 1983	FY 1987		FY 1983	FY 1987
Gifted	10,137	11,786	16.3%	2.3%	2.6%
Learning Disabilities	16,190	16,814	3.9	3.7	3.8
Behavior Disorders	4,323	4,384	1.4	1.0	1.0
Educable Mentally Handicapped	5,131	4,957	- 3.4	1.2	1.1
Speech/Language Impaired	14,274	12,398	-13.1	3.3	2.7
Trainable Mentally Handicapped	1,648	1,287	-21.9	0.4	0.3
All Other Handicapped	<u>2,593</u>	<u>2,637</u>	<u>- 1.7%</u>	<u>0.6%</u>	<u>0.6%</u>
Total Special Education	54,296	54,263	0.1%	12.4%	12.2%
Total School Enrollment (a)	438,502	446,532	1.8%		

(a) Includes enrollments in public schools, private schools, and State institutions.

Enrollments Grew in Three Special Education Programs-- Gifted, Learning Disabilities, and Behavior Disorders--and Declined in the Other Programs

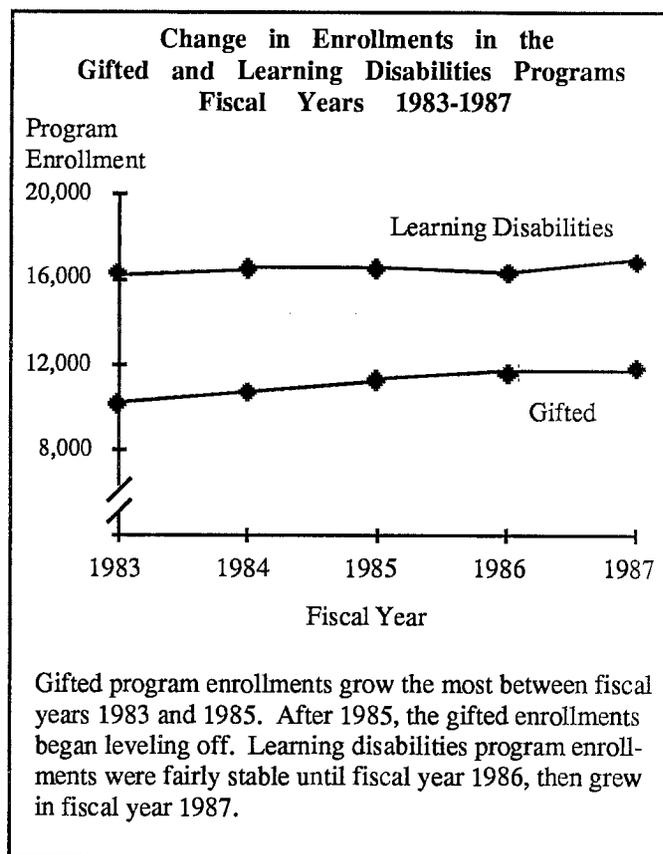
The preceding table also shows the change in enrollments in special education programs. As the table shows, between fiscal years 1983 and 1987 the gifted program enrollment increased by 1,649 students, and the percent of school enrollment receiving gifted services increased from 2.3 percent to 2.6 percent. Department officials indicated that gifted enrollments increased because it has taken a long time for school districts to bring their gifted programs up to full service. Enrollment in the learning disabilities program grew by 624 students, or 3.9 percent. Together, these two programs account for more than half of all special education enrollments. The behavior disorders program grew by 61 students.

The other large special education programs fell in enrollment. Two of those programs, trainable mentally handicapped and speech/language impaired declined by approximately 22 percent and 13 percent, respectively. (Appendix A lists complete enrollment figures for all special education programs for fiscal years 1983-1987.)

Recent Changes in Department Guidelines Could Reduce Special Education Enrollments

The Department of Education has recently tightened the criteria for three programs: speech/language impaired, learning disabilities, and behavior disorders. These changes affect only those students identified and placed in the programs after the new guidelines were issued. No students already in these special education programs were affected.

Two years ago, the Department instituted guidelines requiring districts to grade students with speech/language impairments on a severity scale of one to four, with four being the most severe. The guidelines specify that, with certain exceptions, only students with severity levels three and four should receive services. Before this change, the guidelines gave no indication of how severe a student's impairment had to be to be eligible for services. This change is expected to reduce enrollments in the speech/language impaired program. The effect might be limited because these are guidelines and not regulations, and the Department has not required schools to stop serving students with less severe speech/language impairments. Department officials indicated that they strongly discourage schools



from serving students rated one or two, and that compliance reports of schools routinely contain recommendations on this point.

During 1987, the Department issued new guidelines tightening the criteria for the behavior disorders and learning disabilities programs. The new learning disabilities guidelines require districts to use a different formula for determining students' eligibility for placement. The new behavior disorders guidelines eliminate those students whose disorder was not the result of a mental problem. The new guidelines were designed to eliminate students who are anti-social or have ordinary discipline problems. Both changes are expected to reduce enrollments, but Department officials could not provide estimates of those reductions.

District special education directors the auditors interviewed generally indicated that tighter guidelines are useful because they make identification and placement more objective. They also prevent regular education from "loading up" special education programs with students who are behavior problems or slow learners whose needs should be met within the regular education program.

Conclusion

Special education enrollments were essentially unchanged between fiscal years 1983 and 1987, but because total school enrollments increased during that period, special education enrollments as a percent of total school enrollments declined 1.9 percent. Three special education programs with enrollments over 1,000 students increased during this period: gifted, learning disabilities, and behavior disorders. The rest dropped in enrollments. The Department has introduced tighter criteria for some programs that are expected to reduce enrollments in the future.

What Factors Have Caused Special Education Expenditures To Increase Over the Past Five Years

Total special education expenditures increased 36 percent in the four years between fiscal year 1983 and fiscal year 1986. (Complete expenditure data were not available for fiscal year 1987.) Funding for these expenditures came from three sources: State, federal, and local. In fiscal year 1986, the State's share of special education costs was 47.1 percent, the local share 46.6 percent, and the federal share 6.3 percent. During the four-year period, local revenues increased by 44 percent and State revenues rose by 33 percent. Federal revenues increased by only 6 percent.

To determine what factors have caused special education expenditures to increase over the past four years, the auditors analyzed special education revenue and expenditure information for fiscal years 1983 through 1986, and interviewed Department of Education staff. In general, they found that special education expenditures have risen only slightly more than regular education expenditures. Most of the increase in expenditures for special education was caused by an increase in salaries and fringe benefits.

Over the Past Four Years, Special Education Expenditures Increased Slightly More Than Regular Education Expenditures

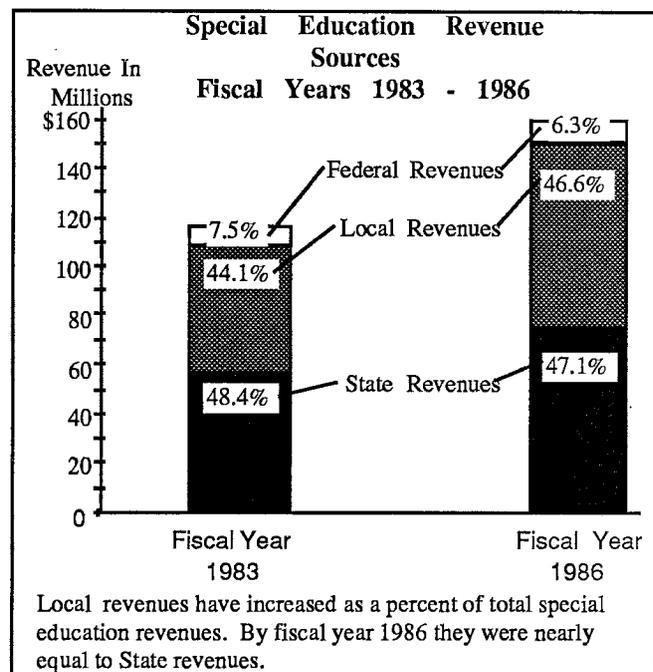
Special education expenditures rose from \$118.8 million in fiscal year 1983 to \$162 million in fiscal year 1986, an increase of 36.4 percent. At the same time, regular education expenditures increased 35.1 percent to nearly \$1.4 billion. The following table presents special education expenditures and regular education expenditures for the four-year period.

Regular and Special Education Expenditures Fiscal Years 1983-1986

	FY 1983	FY 1986	FY 1986	Change FY 83-86	
			% of Total	\$	%
Administration	\$ 3,392,464	\$ 5,200,503	3.2%	\$ 1,808,039	53.3%
Instruction	92,193,854	124,432,571	76.8	32,238,717	35.0
Transportation	9,309,960	11,241,477	6.9	1,931,517	20.7
Plant	1,454,095	1,944,645	1.2	490,550	33.7
Employee Benefits	9,820,420	15,628,936	9.6	5,808,516	59.1
Capital Outlay	732,978	903,730	0.6	170,752	23.3
Other	1,880,231	2,683,148	1.7	802,917	4.7
Total					
Special Education	\$118,784,002	\$162,035,010	100.0%	\$43,251,008	36.4%
Regular Education (excluding Special Education)	<u>\$1,034,173,120</u>	<u>\$1,397,026,333</u>	100.0%	<u>\$362,853,213</u>	35.1%
Total Education	\$1,152,957,122	\$1,559,061,343	100.0%	\$406,104,221	35.2%

As the table shows, instructional costs accounted for nearly 77 percent of special education expenditures in fiscal year 1986. In addition, the \$32.2 million increase in instructional costs over the four years represents nearly 75 percent of the total increase in special education expenditures. (See Appendix B for complete special education expenditure information for fiscal years 1983-1986.)

When expenditures are expressed on a per-pupil basis, special education expenditures rose from \$6,611 to \$9,276, or an increase of about 40 percent. Per-pupil expenditures for regular education grew from \$2,541 to \$3,405, or an increase of 34 percent. The difference between special education and regular education expenditures is larger when expressed on a per-



pupil basis because special education enrollments decreased somewhat over the period while regular education enrollments increased. As a result, the amount spent for special education in fiscal year 1986 was spread over fewer students, while the amount spent for regular education was spread over a greater number of students. (See Appendix C for complete special education expenditure-per-pupil information.)

Most of the Increase in Special Education Expenditures Can Be Attributed to the Increase in Salary and Benefit Costs

As the preceding table shows, employee benefits increased by 59 percent between fiscal years 1983 and 1986, more than any other expenditure category. These benefits, which include Social Security, workmen's compensation, insurance, and other fringe benefits, accounted for about 10 percent of total special education costs in 1986. Administration costs grew by more than 50 percent, but they made up only 3 percent of total expenditures. Instructional costs grew by only 35 percent, but accounted for nearly 77 percent of all special education costs.

Because most special education expenditures are for personnel, the auditors also reviewed special education costs by salary and non-salary expenditures for fiscal years 1983 and 1986. The results of their review are presented in the accompanying table.

Comparison of Salary and Non-Salary Expenditures Fiscal Years 1983-1986

	FY 1983	FY 1986	FY 1986 % of Total	Change FY 83-86 \$	%
Salary Expenditures					
Administration Salaries	\$ 2,377,404	\$ 3,721,233	2.3%	\$ 1,343,829	56.5%
Instruction Salaries (a)	86,176,965	116,949,059	72.2	30,772,094	35.7%
Other Personnel Salaries (b)	1,693,736	2,607,077	1.6	913,341	53.9%
Employee Benefits	9,820,420	15,628,936	9.6	5,808,516	59.1%
Total Salary Expenditures	\$100,068,525	\$138,906,305	85.7%	\$38,837,780	38.8%
Total Non-Salary Expenditures					
	\$ 18,715,477	\$ 23,128,705	14.3%	\$ 4,413,228	24.6%
Total Special Education Expenditures					
	118,784,002	162,035,010	100.0%	\$43,251,008	36.4%

(a) Includes teachers, consultants, secretarial, clerical, and other instructional staff.

(b) Includes transportation employees and plant employees.

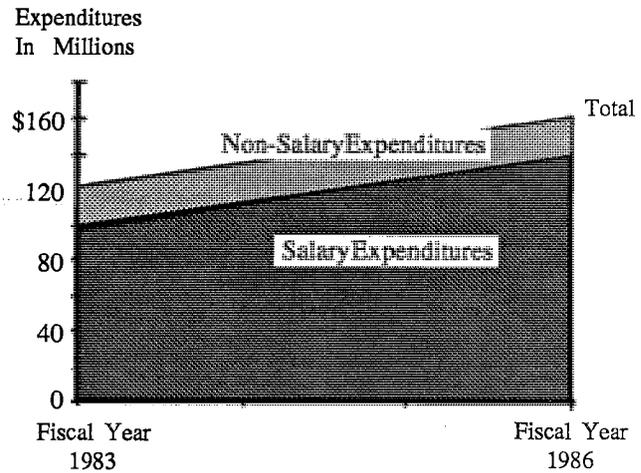
As the table shows, salaries represented about 86 percent of total expenditures in fiscal year 1986. Over the four-year period, salary expenditures increased 38.8 percent, while non-salary expenditures increased by only 24.6 percent. The much higher growth in salary costs, combined with the fact that salaries make up the bulk of special education costs, mean that the increase in salaries has caused most of the increase in total special education expenditures.

Of the salary expenses, employee benefits, administration salaries, and other salaries had the highest percentage increase. It is interesting to note that the largest salary expenditure category--instructional salaries, which includes teachers--actually had the lowest percentage growth, about 36 percent.

Two factors cause salary expenses to rise: an increase in the number of personnel and an increase in the amount paid to those personnel. The auditors found that both factors have risen for special education since fiscal year 1983.

Classroom teachers accounted for three-fourths of the increase in special education personnel, but their numbers grew at a much slower rate than the increase in administrators and support staff. As the accompanying table shows, special education "teaching units" grew from 5,019.4 in fiscal year 1983 to 5,409.3 in fiscal year 1986, a 7.8 percent increase. (Numbers in the table are rounded to the nearest whole. During this period, a teaching unit was defined as one professional full-time-equivalent teacher, administrator, or support person, or two full-time-equivalent paraprofessional teachers or support people. A paraprofessional teacher is a non-certified person qualified to assist a certified teacher in instructing special education students. Beginning in fiscal year 1988, for counting purposes paraprofessionals were reduced from .5 to .4 full-time-equivalent professional teacher. The impact of this change will be to shift State money from districts with a large percentage of paraprofessional teachers to districts with smaller percentages of paraprofessionals.)

**Change in Salary and Non-Salary Special Education Expenditures
Fiscal Years 1983 - 1986**



Between fiscal years 1983 and 1986 total special education expenditures increased 36.4%. During that period, special education salary and benefit costs, which make up the bulk of special education costs, increased 38.8%. Non-salary costs increased only 24.6%.

**Change in Full-Time-Equivalent Special Education
"Teaching Units," Fiscal Years 1983-1986**

	<u>FY 1983</u>	<u>FY 1986</u>	<u>Change FY 83-86</u>	
			<u>#</u>	<u>%</u>
Classroom Teachers				
Professionals	3,284	3,458	174	5.3%
Paraprofessionals	1,961	2,200	239	12.2
Total Teaching Units	4,264	4,558	293	6.9
Support Staff (a)				
Professionals	602	652	50	8.4%
Paraprofessionals	147	198	51	34.5
Total Teaching Units	676	751	75	11.2

Administrators				
Professional	79	100	21	26.2%
Total Teaching Units	79	100	21	26.2
Total Special Education Teaching Units				
	5,019	5,409	390	7.8%
Regular Education				
Administrators	2,046	2,100	54	2.6%
Teachers (b)	23,449	23,891	442	1.9%
Total Regular Education	25,495	25,991	496	1.9%

(a) Includes psychologists; social workers; audiologists; nurses; physical, art, and occupational therapists, etc.

(b) Includes classroom teachers only.

As the table shows, 293 of the 390 new special education teaching units, or about 75 percent, were professional and paraprofessional classroom teachers. However, the total number of special education teachers increased by only 6.9 percent over four years. Total support staff and administrators increased by 11.2 percent and 26.2 percent, respectively.

The table also shows that the total special education teaching units increased considerably more than regular education teachers and administrators--7.8 percent compared with 1.9. (See Appendixes D, E, and F for more complete information on professional staff, paraprofessional staff, and teaching units.)

School district officials the auditors interviewed indicated that special education staffs have grown as schools have tried to come up to full service. In addition, several officials reported that the public has become more aware of the rights of exceptional students and demand more services than they used to.

Salaries for teachers and administrators--in both special and regular education areas--grew at similar rates. The following table shows average salaries for special and regular education teachers and administrators. (These figures do not include fringe benefits.)

**Average Teacher and Administrator Salaries
Fiscal Years 1983-1986**

	<u>FY 1983</u>	<u>FY 1986</u>	<u>% Change FY 83-86</u>
Special Education			
Teacher (a)	\$18,210	\$22,096	21.3%
Administrator	\$31,614	\$37,324	18.1%
Regular Education			
Teacher	\$18,313	\$22,596	23.4%
Principal	\$29,276	\$35,898	22.6%

(a) Includes only professional classroom teachers.

As the table shows, special education teachers' and administrators' salaries have increased slightly less than regular education teachers' and administrators' salaries. Employee benefits for special education employees have increased by nearly 60 percent. Comparable benefit information for regular education employees was not available.

Special Education Costs Are Expected To Increase Within the Next Few Years Because of New Federal Legislation

Between fiscal years 1983 and 1987, there were no changes in federal regulations that would have increased special education costs. However, a federal law that took effect this year will raise costs in the near future. It requires that states mandate districts to provide special education services by 1990 to all children aged three to five who need those services. If the State does not mandate the services, all federal funding of special education for children of these ages will be stopped.

Department of Education officials could not provide an exact amount of funding that would be lost, but estimated the figure would be more than \$3 million. Funds that would be lost include federal funding for those districts that currently give services to children below the age of five, federal funding that currently goes to all districts for services provided to five-year-old children, and federal grants to Kansas Regents' institutions for research in the area of preschool special education.

Currently, Kansas allows but does not require districts to serve preschool children. Department officials indicated that the effect of this law will be to raise special education costs initially because the federal funding will not cover all the costs of serving this larger population of preschool children. (Department officials estimate that an additional 2,100 children will have to be served; they could not estimate the increase in costs.) The rationale for early identification and intervention is that the children who are served early will overcome some of their handicap and need fewer services as they get older.

Beginning this year, this law is offering incentives to districts to start preschool special education programs. At the end of September, the Department will receive \$3,200 in bonus funds for each child between ages three and five that schools plan to enroll next year above the number they served this year. At least 70 percent of this amount will be passed on to the districts. These bonus funds will probably be less each year, and will be discontinued in 1990.

The law also gives the State approximately \$300 for each preschool child already receiving services. Each year, this amount for children being served will increase. By 1990, the Department may receive \$1,000 for each child served. At least 70 percent of these funds must also go to the districts.

Conclusion

Special education expenditures increased somewhat more than regular education expenditures between fiscal years 1983 and 1986. During that period, special education enrollments fell slightly while regular education enrollments increased slightly. Increases in salaries and benefits caused most of the increase in special education expenditures. The numbers of special education staff increased by

nearly eight percent, teacher and administrator salaries increased more than 20 percent, and employee benefits increased by nearly 60 percent. Recent federal legislation is expected to increase special education costs in the near future by requiring the State to mandate schools to give special education services to preschool children.

Are Students Placed In Special Education Programs Meeting the Criteria For Placement?

To answer this question, the auditors reviewed changes in federal and State laws, regulations, and guidelines concerning identification and placement in special education programs. They interviewed Department officials and reviewed recent monitoring reports of districts. In addition, they visited three school districts and two special education cooperatives to review files of students placed in the learning disability, gifted, and speech/language impairment programs during the 1986-1987 school year.

In general, the auditors found that federal and State regulations govern the identification and placement of children in special education programs. Half the student files they examined lacked complete documentation required by those regulations. In addition, the auditors found that the Department's monitoring process has not identified the types of problems found by the auditors. These findings are discussed in the sections that follow.

Federal and State Regulations Govern the Identification and Placement of Children In Special Education Programs

Federal regulations specify certain requirements for the identification of special education students. The Department of Education incorporated these requirements into its regulations, and expanded on them to develop a comprehensive set of identification and placement requirements.

The State screening and evaluation regulations specify basic criteria that students must meet to be eligible for any special education program. For example, the district must document that the student has been presented with learning experiences that are appropriate for the child's age and ability levels, and that the child's potential for learning has not been achieved in that regular education environment. The district must maintain documentation of the student meeting these criteria. In addition, no child can be placed on the basis of a single evaluation procedure. These regulations are based on federal requirements.

Specific criteria must also be met for each specific program. For example, to qualify for the gifted program, students must score not lower than the 97th percentile on a standardized, individual test of intelligence, and not lower than the 95th percentile on a standardized test of academic achievement. The Department requires districts to maintain student files documenting that students met all regulatory requirements.

In addition to the regulatory requirements, the Department has published a set of guidelines for each special education program. These guidelines spell out

additional criteria. For example, the guidelines specify steps to be taken before a child is placed in a special education program. These steps are designed to give the district officials more comprehensive information about the child and to help them identify ways a child might be helped without placing him or her in special education. Since these are guidelines, the Department does not enforce them to the extent they do regulations.

Half the Student Files Reviewed Lacked Documentation Showing Proper Identification and Placement in Special Education Programs

The auditors visited three school districts and two special education cooperatives to determine whether students were being placed properly. Fifteen files each in the areas of speech/language, learning disability, and gifted were reviewed for documentation of meeting selected regulatory requirements. The following table shows the results of the auditors' review.

Review of Documentation in Special Education Student Files

Program Area	<u>Number of Files Reviewed</u>	<u>Files Lacking Documentation of Proper Placement</u>	
		<u>Number</u>	<u>Percent</u>
Speech/language	15	9	60%
Learning Disability	15	8	53%
Gifted	<u>15</u>	<u>6</u>	<u>40%</u>
Total	45	23	51%

As the table shows, 23 of the 45 files reviewed did not contain all the documentation required to show that districts met the regulatory requirements.

In the speech/language program area, nine of the 15 files lacked documentation that the students had been presented with learning experiences appropriate for their ages and ability levels, and eight lacked documentation verifying the absence of learning or behavioral problems.

In learning disabilities area, eight files contained no documentation of a classroom observation by a member of the comprehensive evaluation team other than the students' classroom teacher. This is a federal regulation as well as a State regulation.

Finally, in the gifted area, six of the 15 files reviewed showed that the students did not meet the intelligence and achievement test criteria and, therefore, did not qualify for the program. Three files lacked documentation that the students had been presented with learning experiences appropriate for their ages and ability levels, and did not have the required certification statement by the special education administrator that a complete and appropriate evaluation had been conducted. In addition, three lacked documentation of the use of more than one evaluation procedure or instrument. This is a federal requirement.

In addition to not meeting regulatory requirements, many of the files did not show compliance with Department guidelines. For example, nine of the 15 speech/language files reviewed either lacked a severity rating or had a severity rating that, by the Department's guidelines, would normally preclude the students from receiving services. Many of the gifted files also lacked documentation of activities specified in Department guidelines, such as collection of data on the student, preassessment checklists, and evidence that interventions were recommended before placement.

According to Department officials, documentation is important to verify that only students who need special education are placed in special education programs; if a file lacks documentation of meeting all the regulatory requirements for proper placement in special education, the student was not properly placed. Thus, half the students whose files the auditors reviewed were not properly placed in a special education program.

This finding does not necessarily mean that none of these 23 students belong in special education; the districts may not be documenting their activities or may be skipping certain steps in placement. Nonetheless, the districts are not complying with State regulations, and in some cases with federal regulations regarding placement of children in special education.

The high non-compliance rate does suggest that at least some students may not belong in special education. Each student improperly placed in special education has a significant cost impact. In fiscal year 1986, the average expenditure per pupil in regular education was \$3,405 compared with the average expenditure per pupil for special education of \$9,276. Therefore, the average cost for each full-time-equivalent student improperly placed in special education was \$5,871.

Preliminary Results of a Department Evaluation of Districts' Special Education Identification Procedures Shows Similar Documentation Problems

As part of a special study of districts' special education identification procedures, Department staff conducted an extensive file review in the program areas of learning disabilities, speech/language, and behavior disorders. In the area of learning disabilities, three of the specific regulatory requirements these staff reviewed corresponded to ones reviewed by the auditors.

The Department's study found that 76 percent of the files reviewed lacked documentation of a classroom observation, 54 percent lacked documentation of an examination of other variables that might be causing the student's problem, and 20 percent either lacked documentation of testing for a significant discrepancy between ability and achievement, or the discrepancy did not meet the criteria.

The Department's Ongoing Monitoring Process Has Not Identified the Problems Found By the Auditors

The Department is required by State and federal law to conduct monitoring visits of the districts and special education cooperatives. Each district and cooperative is visited at least once every three years by either by a single monitor or a monitoring team.

During this visit, the monitors are to determine the degree of implementation of State and federal regulations, identify any compliance problems, and develop a plan to correct the problems. They also interview parents, principals, and all levels of special education staff. In addition, they review at least one file from each special education program area offered at the district. In reviewing the files, the monitors use a checklist to determine problem areas.

The auditors reviewed the most recent monitoring reports for the districts and cooperatives in their sample. They found that these reports included at least one citation in each district for problems with placement documentation or teacher caseload. However, none of the citations were for the types or extent of problems found by the auditors or by the Department's own evaluation team.

One reason why these monitoring visits did not identify as many problems may be that the checklist used by the monitoring teams did not cover all the regulatory requirements relating to identification and placement in special education programs. Most of the problem areas the auditors identified were not included on the checklist. For example, the checklist does not require that speech/language files be reviewed for documentation verifying the student's lack of learning or behavioral problems, or the fact that the student was presented with an appropriate learning experience.

Conclusion

Half the student files reviewed by the auditors did not contain the required documentation showing that these students were properly placed in special education. Not all these students may be misplaced, but the cost of educating any student placed in special education who does not belong there or is not eligible is high--nearly \$6,000. The Department monitors the districts on an ongoing basis, but has not caught the types or extent of problems found by the auditors, apparently because monitors are not checking all the State and federal regulatory requirements.

Recommendations

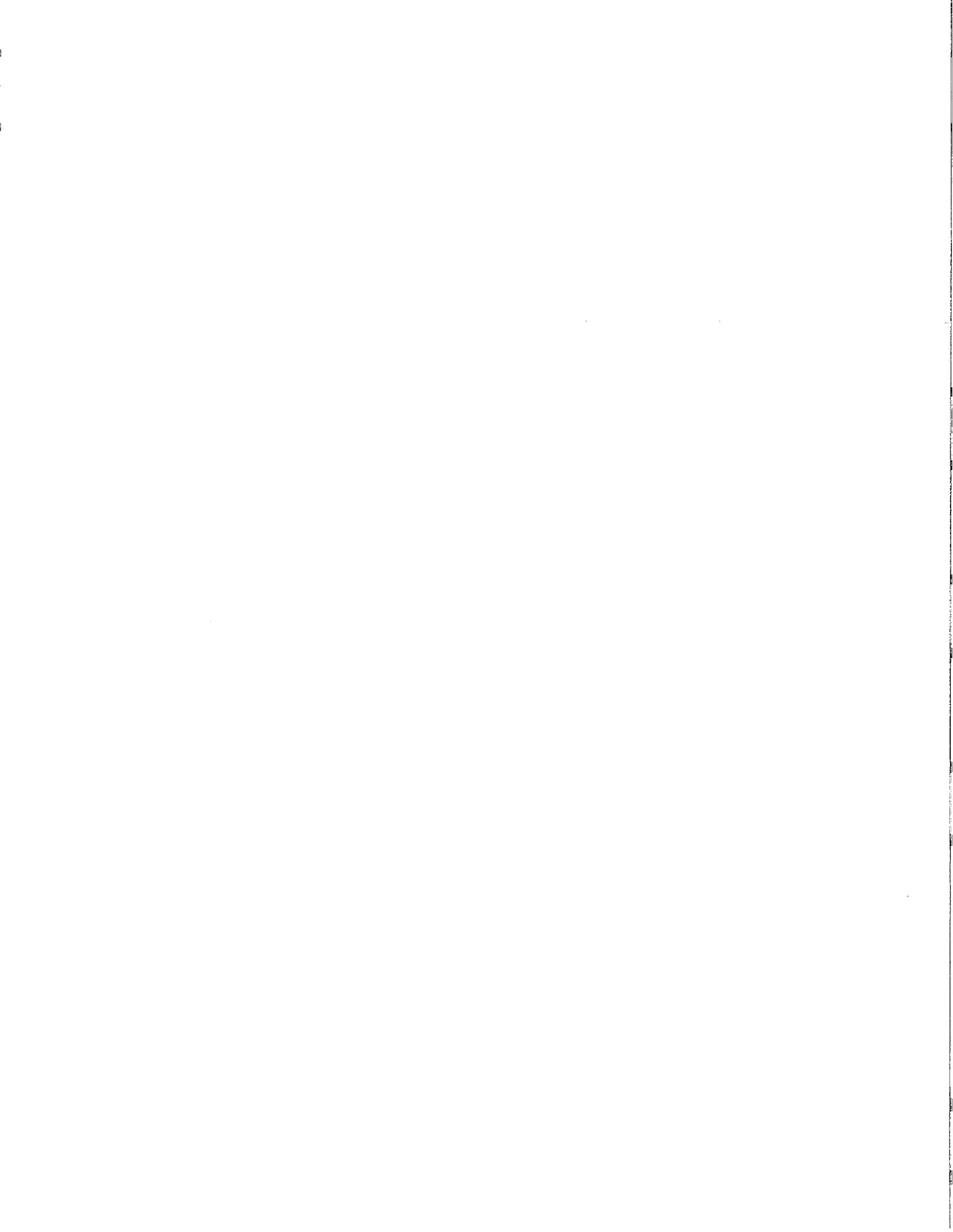
1. The Department of Education should strictly enforce all federal and State regulatory requirements for identifying students who are eligible for special education services and for placing them in special education programs.
2. The Department should increase its efforts to encourage districts to implement requirements listed in Department guidelines. Where appropriate, such guidelines should become regulatory requirements that will be enforced.



APPENDIX A

Special Education Program Enrollments Fiscal Years 1983 - 1987

<u>Program</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>Change FY 83/FY87</u>	
						<u>#</u>	<u>%</u>
Behavior Disorders	4,323	4,111	4,193	4,527	4,384	61	1.4%
Deaf/Blind	28	10	69	55	42	14	50.0%
Educable Mentally Handicapped	5,131	4,961	4,909	4,931	4,957	-174	--3.4%
Hearing Impaired	771	722	663	650	729	-42	-5.4%
Learning Disabilities	16,190	16,456	16,481	16,242	16,814	624	3.9%
Physically and Other Health Impaired	770	932	947	831	917	147	19.1%
Severely/Multiply Handicapped	747	759	634	624	698	-49	-6.6%
Speech/Language Impaired	14,274	13,196	11,982	11,851	12,398	-1,876	-13.1%
Trainable Mentally Handicapped	1,648	1,482	1,283	1,202	1,287	-361	-21.9%
Visually Impaired	<u>277</u>	<u>278</u>	<u>258</u>	<u>263</u>	<u>251</u>	<u>-26</u>	-9.4%
Total Handicapped	44,159	42,907	41,419	41,176	42,477	-1,682	-3.8%
Gifted	<u>10,137</u>	<u>10,708</u>	<u>11,231</u>	<u>11,606</u>	<u>11,786</u>	<u>1,649</u>	16.3%
Total Exceptional	54,296	53,615	52,650	52,782	54,263	-33	-0.1%



APPENDIX B

Special Education Revenues and Expenditures Fiscal Years 1983 - 1986

LINE ITEM	FY 83	FY 84	FY 85	FY 86	Change FY83/FY86	
					#	%
REVENUE						
State	\$ 57,439,914	\$ 62,661,714	\$ 70,417,874	\$ 76,383,844	\$ 18,943,930	33.0%
Federal	8,942,378	10,401,145	11,399,865	10,192,127	1,249,749	14.0%
Other	<u>52,401,710</u>	<u>56,298,141</u>	<u>61,279,262</u>	<u>75,459,039</u>	<u>23,057,329</u>	44.0%
TOTAL REV.	\$118,784,002	\$129,361,000	\$143,097,001	\$162,035,010	\$43,251,008	36.4%
EXPENDITURES						
Administration						
Salaries	\$ 2,377,404	\$ 2,874,538	\$ 2,940,874	\$ 3,721,233	\$ 1,343,829	56.5%
Contract Services	629,060	733,741	753,148	897,702	268,642	42.7%
Other	<u>386,000</u>	<u>449,802</u>	<u>492,077</u>	<u>581,568</u>	<u>195,568</u>	50.7%
Subtotal-Admin.	3,392,464	4,058,081	4,186,099	5,200,503	1,808,039	53.3%
Instruction						
Principals	363,311	464,736	373,073	388,416	25,105	6.9%
Consultants, Super	3,624,748	3,754,823	4,739,608	6,238,292	2,613,544	72.1%
Teachers	65,993,805	71,873,717	77,583,330	87,626,670	21,632,865	32.8%
Other Staff	6,062,479	7,346,494	8,524,315	8,672,815	2,610,336	43.1%
Secr. and Clerical	1,810,908	1,785,776	2,203,776	2,381,793	570,885	31.5%
Other Salaries for Inst.	8,321,714	8,168,614	9,818,775	11,641,073	3,319,359	39.9%
Textbooks	87,062	61,626	91,759	102,495	15,433	17.7%
Library & A-V	106,785	100,438	148,696	208,057	101,272	94.8%
Teaching Supplies	1,983,033	1,788,393	2,182,958	2,655,653	672,620	33.9%
Other	2,178,531	2,072,993	2,319,452	2,715,069	536,538	24.6%
Tuition	<u>1,661,478</u>	<u>1,872,680</u>	<u>1,831,865</u>	<u>1,802,238</u>	<u>140,760</u>	8.5%
Subtotal-Instr.	92,193,854	99,290,290	109,817,607	124,432,571	32,238,717	35.0%
Transportation						
Salaries	1,222,810	1,409,995	1,678,707	1,944,683	721,873	59.0%
Contractual Services	5,567,444	5,815,442	6,227,924	6,582,382	1,014,938	18.2%
Replacmnt of Vehicles	121,357	148,646	125,789	240,518	119,161	98.2%
Insurance	35,834	40,504	60,820	58,464	22,630	63.2%
Mileage Paid in Lieu	688,987	998,908	929,919	835,132	146,145	21.2%
Gasoline & Fuel	921,316	930,843	868,805	987,995	66,679	7.2%
Other	<u>752,212</u>	<u>486,386</u>	<u>709,333</u>	<u>592,303</u>	<u>-159,909</u>	-21.3%
Subtotal-Trans.	9,309,960	9,830,724	10,601,297	11,241,477	1,931,517	20.7%
Operation of Plant						
Salaries	456,337	531,324	545,600	602,815	146,478	32.1%
Contractual Services	46,531	87,875	107,632	110,930	64,399	138.4%
Heat	124,033	147,628	114,907	114,103	-9,930	-8.0%
Water	13,646	51,641	73,716	26,826	13,180	96.6%
Electricity	181,563	251,079	259,347	275,416	93,853	51.7%
Other Utilities	303,033	314,508	324,388	337,798	34,765	11.5%
Supplies	32,563	29,424	25,653	33,439	876	2.7%
Other	<u>159,312</u>	<u>146,853</u>	<u>138,031</u>	<u>142,955</u>	<u>-16,357</u>	-10.3%
Subtotal-Oper.	\$ 1,317,018	\$ 1,560,332	\$ 1,589,274	\$ 1,644,282	\$ 327,264	24.8%

<u>LINE ITEM</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>Change FY83/FY86</u>	
					<u>#</u>	<u>%</u>
Maintenance of Plant						
Salaries	\$ 14,589	\$ 15,728	\$ 19,369	\$ 59,579	\$ 44,990	308.4%
Contractual Services	59,871	86,383	107,655	89,052	29,181	48.7%
Replacement of Equip.	22,452	21,296	82,392	102,817	80,365	357.9%
Other	<u>40,165</u>	<u>43,188</u>	<u>56,667</u>	<u>48,915</u>	<u>8,750</u>	21.8%
Subtotal-Maintenance	137,077	166,595	266,083	300,363	163,286	119.1%
Fixed Charges						
Social Security	5,393,634	5,968,605	6,875,263	8,320,202	2,926,568	54.3%
Workmen's Comp.	170,058	225,834	197,376	257,111	87,053	51.2%
Unemp. Insurance	209,910	231,174	252,130	229,688	19,778	9.4%
Insurance	248,518	151,793	323,138	456,910	208,392	83.9%
Fringe Benefits	<u>3,798,300</u>	<u>4,619,128</u>	<u>5,544,731</u>	<u>6,365,025</u>	<u>2,566,725</u>	67.6%
Subtotal-Fixed Ch.	9,820,420	11,196,534	13,192,638	15,628,936	5,808,516	59.1%
Capital Outlay						
Repair of Buildings	61,774	109,605	123,344	54,635	-7,139	-11.6%
Equipment	625,189	612,124	963,292	810,667	185,478	29.7%
School Bus (Sp. Ed.)	<u>46,015</u>	<u>17,842</u>	<u>21,515</u>	<u>38,428</u>	<u>-7,587</u>	-16.5%
Subtotal-Cap. Outlay	732,978	739,571	1,108,151	903,730	170,752	23.3%
Other	1,880,231	2,518,873	2,335,852	2,683,148	802,917	42.7%
TOTAL	\$118,784,002	\$129,361,000	\$143,097,001	\$162,035,010	\$43,251,008	36.4%

APPENDIX C

Special Education Revenues and Expenditures Per FTE Pupil Fiscal Years 1983 - 1986

	<u>FY 1983</u>	<u>FY 1986</u>	<u>Change FY 83/86</u>	
			<u>#</u>	<u>%</u>
REVENUE				
State	\$3,197	\$4,373	\$1,176	\$36.8%
Federal	498	583	86	17.2%
Other	<u>2,917</u>	<u>4,320</u>	<u>1,403</u>	48.1%
TOTAL REVENUE	\$6,611	\$9,276	\$2,664	\$40.3%
EXPENDITURES				
Administration				
Salaries	\$132	\$213	\$81	\$61.0%
Contract Services	35	51	16	46.8%
Other	<u>21</u>	<u>33</u>	<u>12</u>	55.0%
Subtotal-Admin.	189	298	109	57.7%
Instruction				
Principals	20	22	2	10.0%
Consultants, Super	202	357	155	77.0%
Teachers	3,673	5,016	1,343	36.6%
Other Staff	337	496	159	47.1%
Secr. and Clerical	101	136	36	35.3%
Other Salaries for Inst.	463	666	203	43.9%
Textbooks	5	6	1	21.1%
Library & Audio-Visual	6	12	6	100.4%
Teaching Supplies	110	152	42	37.7%
Other	121	155	34	28.2%
Tuition	<u>92</u>	<u>103</u>	<u>11</u>	11.6%
Subtotal-Instruction	5,131	7,123	1,992	38.8%
Transportation				
Salaries	68	111	43	63.6%
Contractual Services	310	377	67	21.6%
Replacement of Vehicles	7	14	7	103.8%
Insurance	2	3	1	67.8%
Mileage Paid in Lieu	38	48	9	24.7%
Gasoline & Other Fuel	51	57	5	10.3%
Other	<u>42</u>	<u>34</u>	<u>-8</u>	-19.0%
Subtotal-Trans.	518	644	125	24.2%
Operation of Plant				
Salaries	25	35	9	35.9%
Contractual Services	3	6	4	145.2%
Heat	7	7	0	-5.4%
Water	1	2	1	102.2%
Electricity	10	16	6	56.0%
Other Utilities	17	19	2	14.7%
Supplies	2	2	0	5.6%
Other	<u>9</u>	<u>8</u>	<u>-1</u>	-7.7%
Subtotal-Op. of Plant	73	94	21	28.4%

	<u>FY 1983</u>	<u>FY 1986</u>	<u>Change FY 83/86</u>	
			<u>#</u>	<u>%</u>
Maintenance of Plant				
Salaries	\$1	\$3	\$3	320.0%
Contractual Services	3	5	2	53.0%
Replacement of Equipment	1	6	5	371.0%
Other	2	3	1	25.3%
Subtotal-Maint. of Plant	8	17	10	125.4%
Fixed Charges				
Social Security	300	476	176	58.7%
Workmen's Comp.	9	15	5	55.5%
Unemployment Insurance	12	13	1	12.5%
Insurance	14	26	12	89.1%
Fringe Benefits	<u>211</u>	<u>364</u>	<u>153</u>	72.4%
Subtotal-Fixed Ch.	547	895	348	63.7%
Capital Outlay				
Repair of Buildings	3	3	0	-9.0%
Equipment (Exclude Busses)	35	46	12	33.4%
School Bus (Sp. Ed.)	<u>3</u>	<u>2</u>	<u>0</u>	-14.1%
Subtotal-Cap. Outlay	41	52	11	26.8%
Other	105	154	49	46.8%
TOTAL	\$6,611	\$9,276	\$2,664	40.3%

APPENDIX D

Special Education FTE Professional Staff Fiscal Years 1983 - 1986

	FY 83	FY 84	FY 85	FY 86	Change FY83/FY86	
					#	%
Teachers						
Gifted	320.3	330.5	350.0	358.0	37.7	11.8%
Hearing Impaired	65.0	65.4	61.5	62.6	-2.4	-3.6%
Learning Disabilities	824.3	827.2	836.0	862.8	38.5	4.7%
Behavior Disorders	387.8	415.7	417.4	435.4	47.6	12.3%
Physically Impaired	17.0	13.8	14.0	15.0	-2	-11.8%
Semi-Dependent	152.8	144.1	133.2	133.3	-19.6	-12.8%
Semi-Independent	410.4	411.9	382.1	364.8	-45.6	-11.1%
Severely Multiply Handicapped	99.1	93.8	95.0	94.6	-4.5	-4.5%
Speech/Language	393.9	407.0	421.3	427.0	33.1	8.4%
Visually Impaired	24.0	22.7	23.0	20.5	-3.5	-14.6%
Early Childhood Handicapped	52.4	60.0	73.8	69.9	17.5	33.4%
Homebound/Hospitalized	50.8	18.4	20.8	21.0	-29.8	-58.7%
Interrelated	468.8	484.7	523.4	569.1	100.3	21.4%
Adaptive Physical Education	<u>17.5</u>	<u>17.8</u>	<u>20.7</u>	<u>24.4</u>	<u>6.9</u>	39.4%
Subtotal-teachers	3,284.0	3,313.0	3,372.3	3,458.2	1,74.2	5.3%
Support Services						
Audiologist	14.9	16.4	15.9	16.7	1.8	12.1%
Counselor	12.0	15.0	15.4	23.0	11.0	91.6%
Nurse	29.3	30.2	35.8	36.8	7.5	25.6%
Occupational Therapist	32.1	37.8	38.5	34.7	2.6	8.1%
Physical Therapist	17.0	21.5	24.3	17.7	0.7	4.0%
School Psychologist	325.8	330.2	326.4	329.2	3.4	1.0%
School Social Worker	92.8	95.1	99.9	107.2	14.4	15.5%
Special Education Instructional Materials Center	23.0	27.4	27.5	25.5	2.5	10.9%
Other	<u>55.2</u>	<u>57.1</u>	<u>56.1</u>	<u>61.7</u>	<u>6.5</u>	11.8%
Subtotal-support services	602.1	630.7	639.8	652.5	50.4	8.4%
Administrators	79.0	82.5	90.2	99.7	20.7	26.2%
Total	3,965.1	4,026.3	4,102.2	4,210.4	245.3	6.2%



APPENDIX E

Special Education FTE Paraprofessional Staff Fiscal Years 1983 - 1986

	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>Change FY83/FY86</u>	
					<u>#</u>	<u>%</u>
Teachers						
Gifted	61.3	64.6	70.2	80.3	19.0	30.9%
Hearing Impaired	61.3	64.1	75.7	62.1	0.8	1.3%
Learning Disabilities	418.3	430.6	423.7	428.8	10.5	2.5%
Behavior Disorders	269.1	310.9	318.6	332.9	63.8	23.7%
Physically Impaired	53.5	54.1	60.1	31.2	-22.3	-41.8%
Semi-Dependent	181.9	188.6	172.9	166.3	-15.6	-8.6%
Semi-Independent	269.7	279.2	277.9	256.2	-13.5	-5.0%
Severely Multiply Handicapped	191.6	186.8	193.3	177.6	-14.0	-7.3%
Speech/Language	66.2	89.6	95.7	105.1	38.9	58.7%
Visually Impaired	19.7	24.6	26.0	15.8	-3.9	-19.6%
Early Childhood Handicapped	86.3	96.1	110.9	102.4	16.0	18.5%
Homebound/Hospitalized	2.0	3.2	5.0	4.9	2.9	145.0%
Interrelated	274.9	315.4	377.4	426.7	151.8	55.2%
Adaptive Physical Education	<u>5.8</u>	<u>5.0</u>	<u>7.1</u>	<u>9.9</u>	<u>4.1</u>	70.7%
Subtotal-teachers	1,961.6	2,112.7	2,214.5	2,200.1	238.5	12.2%
Support Services						
Audiologist	7.7	8.6	11.7	10.8	3.1	40.3%
Counselor	0.0	0.0	0.0	2.8	2.8	
Nurse	0.0	1.0	2.1	0.9	0.9	
Occupational Therapist	9.7	13.9	13.9	17.1	7.4	76.7%
Physical Therapist	5.9	7.1	14.7	18.8	12.9	217.2%
School Psychologist	8.6	8.3	6.0	21.0	12.4	144.1%
School Social Worker	18.4	15.0	16.6	15.5	-2.9	-15.8%
Special Education Instructional Materials Center	56.8	67.2	64.5	52.7	-4.1	-7.2%
Other	<u>39.9</u>	<u>43.4</u>	<u>34.1</u>	<u>58.2</u>	<u>18.3</u>	45.8%
Subtotal-support services	147.0	164.4	163.4	197.8	50.8	34.5%
Administrators	0.0	0.0	0.0	0.0	0.0	
Total	2,108.6	2,277.1	2,378.0	2,397.9	289.3	13.7%



APPENDIX F

Special Education FTE Teaching Units Fiscal Years 1983 - 1986

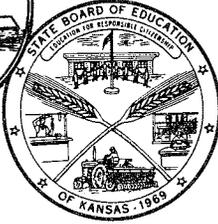
	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>Change FY83/FY86</u>	
					<u>#</u>	<u>%</u>
Teachers						
Gifted	351.0	362.7	385.1	398.1	47.2	13.4%
Hearing Impaired	95.6	97.4	99.4	93.6	-1.9	-2.0%
Learning Disabilities	1,033.4	1,042.5	1,047.9	1,077.1	43.8	4.2%
Behavior Disorders	522.4	571.1	576.7	601.9	79.5	15.2%
Physically Impaired	43.7	40.8	44.1	30.6	-13.2	-30.1%
Semi-Dependent	243.8	238.4	219.6	216.4	-27.4	-11.2%
Semi-Independent	545.3	551.5	521.0	492.9	-52.4	-9.6%
Severely Multiply Handicapped	194.9	187.2	191.7	183.4	-11.5	-5.9%
Speech/Language	427.0	451.8	469.2	479.5	52.5	12.3%
Visually Impaired	33.8	35.0	36.0	28.4	-5.4	-16.0%
Early Childhood Handicapped	95.6	108.1	129.2	121.1	25.5	26.7%
Homebound/Hospitalized	51.8	20.0	23.3	23.5	-28.4	-54.7%
Interrelated	606.3	642.4	712.1	782.5	176.2	29.1%
Adaptive Physical Education	<u>20.4</u>	<u>20.3</u>	<u>24.3</u>	<u>29.4</u>	<u>9.0</u>	43.9%
Subtotal-teachers	4,264.8	4,369.4	4,479.5	4,558.3	293.5	6.9%
Support Services						
Audiologist	18.8	20.7	21.7	22.1	3.4	17.9%
Counselor	12.0	15.0	15.4	24.4	12.4	103.3%
Nurse	29.3	30.7	36.8	37.2	8.0	27.1%
Occupational Therapist	36.9	44.8	45.4	43.2	6.3	17.1%
Physical Therapist	20.0	25.1	31.7	27.1	7.1	35.6%
School Psychologist	330.1	334.3	329.4	339.7	9.6	2.9%
School Social Worker	102.0	102.6	108.2	115.0	12.9	12.7%
Special Education Instructional Materials Center	51.4	61.0	59.7	51.9	0.5	0.9%
Other	<u>75.1</u>	<u>78.8</u>	<u>73.1</u>	<u>90.8</u>	<u>15.7</u>	20.8%
Subtotal-support services	675.6	712.9	721.5	751.3	75.8	11.2%
Administrators	79.0	82.5	90.2	99.7	20.7	26.2%
Total	5,019.4	5,164.8	5,291.2	5,409.3	389.9	7.8%



APPENDIX G

Agency Response

On October 9, 1987, a copy of the draft audit report was sent to the Department of Education for review and comment. The Department's written response is included in this appendix.

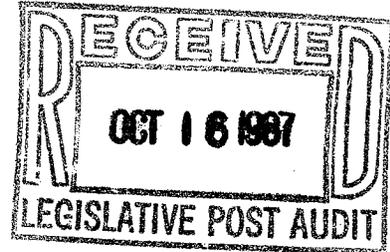


Kansas State Department of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103

October 16, 1987



Meredith Williams
Legislative Post Auditor
Legislative Division of Post Audit
109 West 9th, Suite 301
Mills Building
Topeka, KS 66612-1285

Dear Mr. Williams:

We appreciate the opportunity to respond to the Legislative Division of Post Audit's report, Reviewing Special Education Programs and Costs. Attached is a memorandum containing the Kansas State Department of Education's response to the recommendations contained in the report.

If we can be of further assistance do not hesitate to call me or any member of our staff.

Sincerely,

Lee Droegemueller
Commissioner of Education

LD/SEF/trc

Attachment



Kansas State Department of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103

TO: Legislative Post Audit Committee
FROM: State Department of Education
SUBJECT: Response to the Legislative Post Audit Reviewing Special Education Costs
DATE: October 16, 1987

The State Department of Education takes this opportunity to express our appreciation for the courteous and professional manner in which this Legislative Post Audit was conducted. In every meeting Auditor Foster was friendly, courteous, and professional in his contacts in our office. According to reports from the field this same professionalism was exhibited in the selected sites, as well.

LEGISLATIVE POST AUDIT RECOMMENDATIONS

1. The Department of Education should strictly enforce all federal and State regulatory requirements for identifying students who are eligible for special education services and for placing them in special education programs.
2. The Department should increase its efforts to encourage districts to implement requirements listed in Department guidelines. Where appropriate, such guidelines should become regulatory requirements that will be enforced.

KANSAS STATE DEPARTMENT OF EDUCATION RESPONSES TO THE RECOMMENDATIONS

1. The Department agrees that they should strictly enforce all federal and state regulatory requirements for identifying students who are in special education services. The Department also concurs that the local record keeping needs to be more complete. Special Education Compliance checklists are being revised and will be used to insure more complete record keeping. Technical Assistance is being offered statewide to insure that records, including the identification files, are complete.

2. The Department is increasing its efforts to insure that districts implement the requirements of state and federal regulations through revised monitoring procedures. In addition, the guidelines in Speech and Language are being field tested. Guidelines in Learning Disabilities and Gifted have previously been field tested. The Department agrees that guidelines should become regulations wherever necessary and will recommend that appropriate portions of the guidelines noted above be developed into regulations

The State Department of Education staff did re-analyze the prevalence figures for each of the five districts or cooperatives that were reviewed. The findings indicate that four of the five were well within the expected prevalence figures. On a statewide basis the total number of special education students in Kansas falls within the average range of the number identified nationally.

The Department appreciates the opportunity to respond to this audit reviewing special education costs. If the Committee has other suggestions or recommendations, please feel free to contact the Department at any time.

