

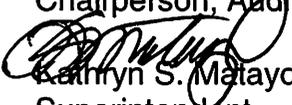


STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

February 2, 2016

TO: The Honorable Lance A. Mizumoto  
Chairperson, Audit Committee

FROM:   
Kathryn S. Matayoshi  
Superintendent

SUBJECT: **Presentation of the Operational Review of the Special Education Program**

1. DESCRIPTION

Presentation of the Operational Review of the Special Education Program.

2. PRESENTATION

The presentation will be on the review of the internal controls of the Special Education Program and assessing the design and operating effectiveness of the program and business processes along with identifying opportunities for efficiency and operational improvements.

KSM:DY:jy  
Attachment

c: Internal Audit Office



# **Department of Education**

## **Internal Audit**

# **Operational Review of the Special Education Program**

**Issue Date: January 2016**

**Report Number: FY2016-02**

Department of Education  
Operational Review of the Special Education Program  
*Executive Summary*

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<b>AUDIT OF:</b> Special Education Program	<b>DATE:</b> Fieldwork performed October 2015 – November 2015	<b>AUDIT RATING:</b> Acceptable [ <input type="checkbox"/> ] Marginal [ <input checked="" type="checkbox"/> ] Unacceptable [ <input type="checkbox"/> ]
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**INTRODUCTION:**

In connection with the Department of Education’s (DOE) Updated Risk Assessment and Internal Audit Plan approved on August 4, 2015, Internal Audit (IA) performed an “*Operational Review of the Special Education Program.*” The purpose of this project was to review the DOE’s internal controls and business processes over the development, implementation, monitoring and reporting processes of the special education (SPED) program to ensure policies and procedures are in compliance with Federal and State laws and regulations. The review also focused on assessing the design and operating effectiveness of the program and business processes and to identify opportunities for efficiency and operational improvements within the administration of SPED.

**BACKGROUND:**

SPED is specially designed instruction and services to meet the unique needs of students with disabilities, and can include academic services, speech-language services, psychological services, physical and occupational therapy and counseling services.

The federal Individuals with Disabilities Education Improvement Act of 2004 (IDEA) and state regulations (Hawaii Administrative Rules (HAR), Title 8, Chapter 60) require the DOE to provide a free appropriate public education (FAPE), which includes a continuum of services for students who are eligible for special education and related services. Other regulations include HAR Chapter 61 and Chapter 34, along with Hawaii Revised Statutes (HRS), Section 302A-442, 302A-442.5 and 302A-443.

The Special Education Section (SES) in the Office of Curriculum, Instruction and Student Support (OCISS) ensures that all children with disabilities have available FAPE and that the rights of children with disabilities and their parents are protected. They monitor, enforce and report on the implementation of federal and state SPED requirements. In addition, SES also performs the following:

- 1) Develops procedures, standards and policies, and rules for the education of students with disabilities, ages 3 to 22, for application throughout the school system.
- 2) Provides technical assistance and training to complex areas, districts, schools, other cooperating agencies, and parents to address the IDEA, and the corresponding administrative rule.
- 3) Monitors the activities of schools and complex areas to ensure conformance to program standards, established instructional policies, and legal and administrative directives.
- 4) Provides leadership, technical support and training to complex areas, schools, and parents in organizing the instructional and student support components to maximize the use of available resources.

The SES consists of one Administrator, four Educational Specialists, eight Resource Teachers, one Speech Language Pathologist, one Nurse, four Secretaries, four Clerks, one Accountant and one Account Clerk.

The Special Projects Office (SPO) in the Office of the Superintendent also shares responsibilities for the administration of IDEA with SES.

# Department of Education

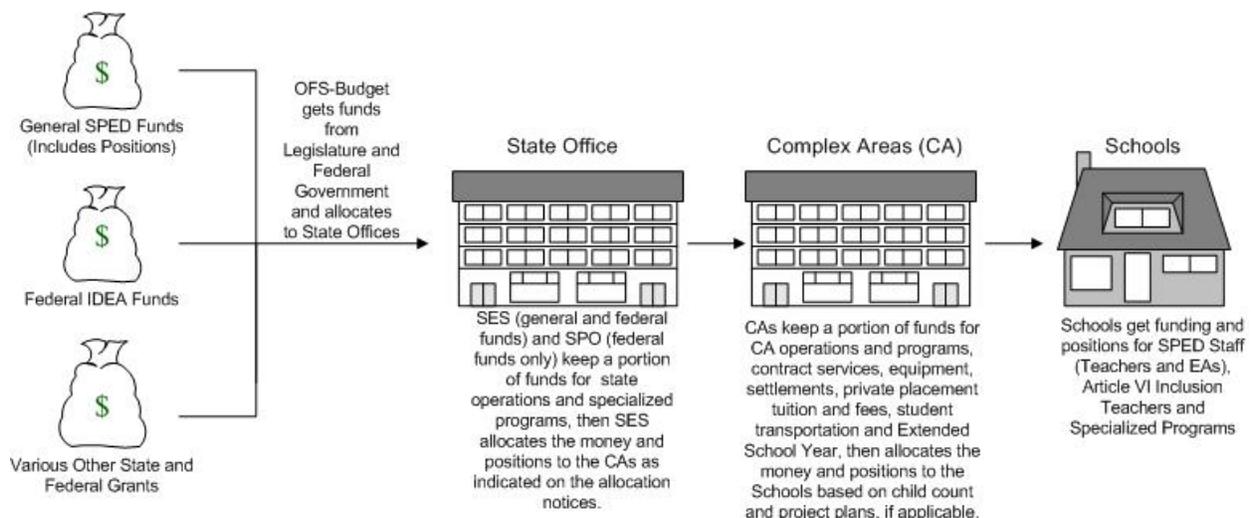
## Operational Review of the Special Education Program

### *Executive Summary*

SPED uses an electronic Comprehensive Student Support System (eCSSS) to track students who receive supports and services. Through a central database, the DOE is able to gather information from many sources yet retain “a single story of a student.” In doing so, eCSSS plays a key role in ensuring that students receive the appropriate support and intervention.

Fiscal support for education and services provided to students with disabilities is provided through various federal and state funds, and national or local grants. For the fiscal year (FY) 2014-15, about 23.1% of the operating budget was allocated for SPED which is approximately \$325.5 million of the \$1.4 billion the DOE received from state general funds. These general funds are allocated to the complex areas by OCISS based upon child count numbers which are the numbers submitted to the United States Department of Education (USDOE). DOE also received approximately \$40 million in federal funds under IDEA. These federal funds were utilized by SPO and other state-level offices for State Educational Agency (SEA) activities and statewide contracts, and distributed by OCISS to complex areas based upon child count and a project plan for use by complex areas and schools. Majority of the federal and state funding is allocated for school-level services.

Below is a depiction of the budget allocation process of positions and funding not included in the Weighted Student Formula (WSF):



For the school year 2014-15, official enrollment count numbers showed 182,384 students<sup>1</sup> were enrolled in our public schools, of which 18,805 were students that have been identified as students receiving SPED services through an Individualized Education Program (IEP), which is approximately 10.3% of our total student population.

<sup>1</sup>Includes charter schools and pre-K students

Department of Education  
Operational Review of the Special Education Program  
*Executive Summary*

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**SCOPE and OBJECTIVES:**

The scope of our review included an examination of the SPED program business processes. We reviewed the design and operating effectiveness of the existing control procedures in place for various SPED business processes. The scope of our review specifically focused on the processes related to the following subcategories that IA deemed as high risk:

- Contract Service Provider Management
- Compliance Monitoring/Oversight
- Professional Development/Training
- Budget Allocations

The scope of the detailed testing covered FY 2014-15 and FY 2015-16 up to fieldwork date.

We excluded the following areas:

- Curriculum and Instruction processes, as this review focused primarily on business processes within the SPED program.
- Compliance testing already performed by the external auditors during the Annual Financial and Single Audit.
- In addition, IA inquired with management regarding the status of their action plans based on the recommendations provided by West Ed. Management has informed IA that the data and processes in the report are based on 2008 data and systems in place during the SY 2007-08, thus many of the processes have already been updated by the DOE prior to the publication of the 2010 West Ed report. While we considered the recommendations of the consultant, based on the results of our project level risk assessment, IA focused its efforts and resources on assessing higher risk areas such as contract service provider management. Any further questions related to the West Ed report can be addressed directly to the Assistant Superintendent of OCISS.

The objectives of our review included the following:

1. To obtain a general understanding of the design and operating effectiveness of the SPED program and business processes.
2. To review, evaluate and test the design of the internal controls and business processes over the development, implementation, monitoring and reporting processes of the SPED program to ensure policies and procedures are in compliance with Federal and State laws and regulations.
3. To review, evaluate and test the design of the monitoring of third party contracts involved in SPED services.
4. To identify opportunities for efficiency and operational improvements within the administration of SPED.

**OBSERVATIONS:**

Based upon our review, we found the DOE's controls related to the business processes to manage the SPED program are functioning at a "marginal" level. A marginal rating indicates that there may be a potential for loss to the auditable area and ultimately to the DOE. Some improvements are necessary to bring the area to an acceptable status, and if weaknesses continue without attention, further deterioration of the rating to an unacceptable status may occur. Please refer to the Risk Ratings section of this report (page 6) for a complete definition of the ratings used by IA and the Observations and Recommendations section for a detailed description of our findings.

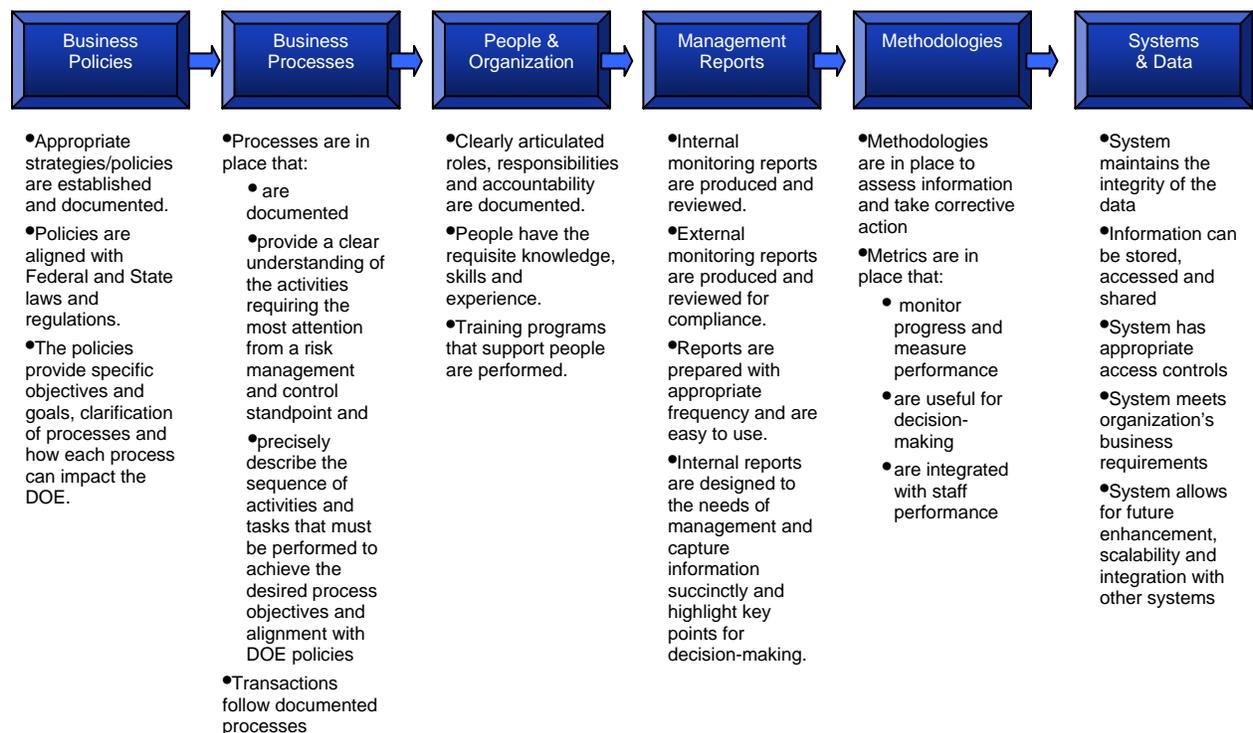
# Department of Education

## Operational Review of the Special Education Program

### *Executive Summary*

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Accordingly, we have presented the observations of this review based on the “Six Elements of Infrastructure.” The “Six Elements of Infrastructure” is a framework designed by Protiviti<sup>2</sup> to help organizations evaluate, identify and prioritize gaps in their capabilities and effectively manage risks. Essentially, the framework suggests that any key business system and process in an organization is composed of six key elements: 1) Policies, 2) Processes, 3) People and Organization, 4) Management Reports, 5) Methodology, and 6) Systems and Data. Each component is driven by the previous one and if any one component in the process is deficient, the effectiveness of the other components can be diminished significantly. An effective infrastructure for the SPED program processes may include some of the following characteristics:



<sup>2</sup> Protiviti is a global business consulting and internal audit firm that publishes expert papers specializing in risk, compliance, governance, finance, operations, and technology.

Department of Education  
Operational Review of the Special Education Program  
*Executive Summary*

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However, based on our review we noted design and operational deficiencies in five of the six elements. The following is a list of IA’s observations noted in the five infrastructure elements and its corresponding observation rating. Please refer to the Rating Scale Definitions section of this report for a complete definition of the ratings used by IA and the Observations and Recommendations section for a detailed discussion of our findings.

Element(s)		Observation	Rating
	1.	Lack of Qualified Personnel and Incentives to Recruit and Retain Personnel	Moderate
	2.	Need for More Professional Development and Training	Moderate
 	3.	Inefficiencies in the Monitoring Process	Moderate
 	4.	Inefficiencies in the Process of Documenting and Communicating Policies and Procedures	Low
	5.	eCSSS not meeting certain business objectives	Low

We discussed our preliminary findings and recommendations with management and they were receptive to our findings and agreed to consider our recommendations for implementation.

Each observation presented in this report is followed by specific recommendations that will help to ensure that control gaps are addressed and, if enforced and monitored, will mitigate the control weaknesses.

**PLANNED FOLLOW UP BY MANAGEMENT AND INTERNAL AUDIT:**

IA will follow up with management on their progress of completion for their action plans and report accordingly through the audit committee quarterly updates.

Department of Education  
Operational Review of the Special Education Program  
*Rating Scale Definitions*

<b>OVERALL RATING SCALE</b>	
<b><i>Acceptable</i></b>	No significant deficiencies exist, while improvement continues to be appropriate; controls are considered adequate and findings are not significant to the overall unit/department.
<b><i>Marginal</i></b>	Potential for loss to the auditable unit/department and ultimately to the DOE. Indicates a number of observations, more serious in nature related to the control environment. Some improvement is needed to bring the unit to an acceptable status, but if weaknesses continue without attention, it could lead to further deterioration of the rating to an unacceptable status.
<b><i>Unacceptable</i></b>	Significant deficiencies exist which could lead to material financial loss to the auditable unit/department and potentially to the DOE. Corrective action should be a high priority of management and may require significant amounts of time and resources to implement.

<b>OBSERVATION RATING SCALE</b>	
<b><i>High (1)</i></b>	<p>1 - The impact of the finding is <i>material</i><sup>3</sup> and the likelihood of loss is probable in one of the following ways:</p> <ul style="list-style-type: none"> <li>• A material misstatement of the DOE’s financial statements could occur;</li> <li>• The DOE’s business objectives, processes, financial results or image could be materially impaired;</li> <li>• The DOE may fail to comply with applicable laws, regulations or contractual agreements, which could result in fines, sanctions and/or liabilities that are material to the DOE’s financial performance, operations or image.</li> </ul> <p><i>Immediate action is recommended to mitigate the DOE’s exposure</i></p>
<b><i>Moderate (2)</i></b>	<p>2 - The impact of the finding is <i>significant</i><sup>3</sup> and the likelihood of loss is possible in one of the following ways:</p> <ul style="list-style-type: none"> <li>➤ A significant misstatement of the DOE’s financial statements could occur;</li> <li>➤ The DOE’s business objectives, processes, financial performance or image could be notably impaired;</li> <li>➤ The DOE may fail to comply with applicable laws, regulations or contractual agreements, which could result in fines, sanctions and/or liabilities that are significant to the DOE’s financial performance, operations or image.</li> </ul> <p><i>Corrective action by management should be prioritized and completed in a timely manner to mitigate any risk exposure.</i></p>
<b><i>Low (3)</i></b>	<p>3 – The impact of the finding is moderate and the probability of an event resulting in loss is possible.</p> <p><i>Action is recommended to limit further deterioration of controls.</i></p>

<sup>3</sup> The application of these terms are consistent with the guidelines provided by the Institute of Internal Auditors

Department of Education  
Operational Review of the Special Education Program

*Observations*

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The detailed observations noted herein were based on work performed by IA through the last date of fieldwork and are generally focused on internal controls and enhancing the effectiveness of processes for future organizational benefit.

<b>Obs. No.</b>	<b>Description</b>	<b>Page #</b>
1	Lack of Qualified Personnel and Incentives to Recruit and Retain Personnel	8
2	Need for More Professional Development and Training	11
3	Inefficiencies in the Monitoring Process	13
4	Inefficiencies in the Process of Documenting and Communicating Policies and Procedures	15
5	eCSSS not meeting certain business objectives	17

Department of Education  
Operational Review of the Special Education Program  
*Observations*

<b>Observation Number: 1</b>	<b>Infrastructure Element: People &amp; Organization</b>
<b>Observation: Lack of Qualified Personnel and Incentives to Recruit and Retain Personnel</b>	<b>Rating: Moderate</b>
<p>The third element of any system’s infrastructure, People &amp; Organization, includes having enough people and resources with the knowledge and experience to perform the processes. IA noted several issues with respect to the element of infrastructure, People &amp; Organization. They are as follows:</p> <ol style="list-style-type: none"> <li><b>1. Lack of Qualified Personnel at the District Level</b> Through numerous interviews with District Educational Specialists (DES), a common problem is a shortage of qualified personnel. As of October 1, 2015 DOE had approximately 652 vacant SPED related classified positions<sup>4</sup> (i.e. Educational Assistants III (EA), Speech Pathologists, Psychologists, etc.) of the 3,786 available positions which is approximately a 17.2% vacancy rate. Common reasons for the vacancies were that the DOE’s compensation offerings is not comparable to private companies who are paying a lot more, private companies are aggressively recruiting people, and the universities here in Hawaii don’t offer some of these professional license programs which reduces the chance in finding qualified personnel locally.</li> <li><b>2. Lack of Qualified Personnel at the School Level</b> The schools also have a hard time finding qualified SPED Teachers. As previously reported to the BOE at the October 20, 2015 Human Resources Committee Meeting by Barbara A. Krieg, Assistant Superintendent (AS) of the Office of Human Resources (OHR) and Suzanne Mulcahy, AS of OCISS, as of August 1, 2014, the DOE has about 120 vacant SPED Teacher positions of the 1,830 available positions which is approximately a 6.6% vacancy rate; however, most of the vacant positions are filled by substitute teachers. The vacancies also cause a problem in matching the skillset of SPED teachers to corresponding positions due to the limited amount of qualified teachers available. Common reasons for the vacancies were lack of incentives to teach SPED, excessive paperwork, location and fewer qualified applicants.</li> <li><b>3. Lack of Incentive to Retain Qualified Personnel</b> As previously mentioned above, there are numerous reasons why the DOE has a hard time finding qualified personnel which are also some of the same reasons it makes it difficult to retain the existing personnel. Additional reasons include: lack of incentives for them to stay, lack of support, larger caseloads and excessive paperwork due to shortages of personnel, as well as existing personnel approaching retirement age.</li> </ol> <p>IA noted that this isn’t an isolated problem only here in Hawaii, as according to data and reports from the National Coalition on Personnel Shortages in SPED and Related Services, 49 states have reported a shortage of SPED teachers or related service personnel. The national rate of SPED teachers leaving the profession is nearly double the rate of general education teachers, at 12.3%. Part of the problem seems to be that along with the normal demands of teaching, the IDEA and IEP require hours of paperwork, filling out forms and writing reports documenting each student’s progress. Teachers also have to deal with the added pressures of the job from the fear of lawsuits, students who demand extra attention as well as meeting all of the curriculum demands.</p> <p>To compensate for the shortage of personnel, outside service contractors are used to provide the necessary services. Although the number has gone down from last year, the DOE is still spending a lot</p>	

Department of Education  
Operational Review of the Special Education Program

**Observations**

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on contracted services; per SES for the FY 2014-2015 the DOE spent approximately \$37,902,547 on contracted Paraprofessional Support Services and Behavioral Instructional Support Services (BISS).

<sup>4</sup>Includes a mixture of full-time, part-time, permanent and temporary positions.

**Impact**

Lack of qualified personnel and incentives to recruit and retain personnel may possibly lead to:

- Higher turnover rate of teachers and personnel.
- Inconsistent services provided to students when there is a lot of turnover in their teachers or service providers.
- Unqualified teachers in the classrooms if substitutes are used.
- Larger caseloads to current personnel whom may become overworked with services and paperwork.
- Loss of funds due to the greater use of outside service contractors to provide needed services.
- Higher number of complaints and due process cases and possible loss of funds from settlements.

**Recommendation**

Recommendations to address the lack of qualified personnel and incentives to recruit and retain personnel include:

- Consider working with OHR to:
  - Provide contingency-based financial incentives to recruit and retain employees such as bonuses and relocation reimbursements.
  - Aggressively recruit candidates to fill the many vacant positions by actively searching and marketing incentive programs and partnerships using social media, include the promotion of existing stipend and federal teacher loan forgiveness programs available at the universities.
  - Find ways to decrease and streamline the hiring process to eliminate delays in processing applicants and giving lists of applicants to the schools and districts.
  - Revisit bargaining unit contracts to offer higher pay to recruit and retain SPED personnel.
- Continue partnerships with universities to offer SPED programs designed to prepare teachers with little or no experience in SPED with possible mentoring support and instructional strategies as they begin their new career.

**Management Plan**

OCISS will work with OHR to:

- Make the application process for teacher positions, educational assistants and related service providers more user friendly.
- Research the possibility and feasibility of using national search engines to advertise positions, as well as advertise locally.
- Attend local job fairs.
- Collaborate with local institutes of higher education (IHEs) to increase number of courses provided in education, number of students in teacher cohorts and/or possibility of providing tuition waivers.
- Revisit the EA Career Ladder.

Anticipated Completion Date: June 30, 2016

Department of Education  
Operational Review of the Special Education Program

*Observations*

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<p><u>Contact Person:</u> Debra Farmer, Acting Director Student Support Branch OCISS</p>
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<p><b>Responsible Offices</b></p>
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<p>OCISS and OHR</p>
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Department of Education  
Operational Review of the Special Education Program  
*Observations*

<b>Observation Number: 2</b>	<b>Infrastructure Element: People &amp; Organization</b>
<b>Observation: Need for More Professional Development and Training</b>	<b>Rating: Moderate</b>
<p>In addition to having enough qualified personnel to perform the processes, a significant element includes that the people executing the processes have the appropriate training, skills and support. Through IA's numerous interviews, we noted that the number one strength mentioned in the SPED program was the personnel. It was consistently mentioned that teachers, staff and administrators are dedicated, hardworking and supportive to each other and to the students. Nevertheless, there is always room for improvement and with the ever-increasing demands and changes, educators and administrators must keep abreast with important advances and issues related to their job. IA noted several areas that could use improvement:</p> <ol style="list-style-type: none"> <li><b>1. Professional Development and Training for Legal and/or Program Issues</b> Through numerous interviews with district personnel, a common problem is a lack of training and support in regards to handling difficult legal and/or program questions. The DES felt the SES was very helpful in answering their technical support issues, but felt that they needed further support in addressing legal questions or concerns. Through discussions with management, part of the problem is that DES classify program questions as legal questions and don't understand the difference; therefore, need further training. IA also noted that most districts worked well together and supported each other, but there is no open forum for them to share best practices used in their district or to discuss important legal/program issues that may set future precedence throughout the DOE.</li> <li><b>2. Professional Development for Teachers and Principals</b> As mentioned in the West Ed report, as well as mentioned in interviews, the DOE needs to provide more professional development guidance and tools for teachers and principals. IA noted that the DOE has recently made extensive progress in developing training modules for SPED and preparing training materials for leadership in the last couple of years; however, further ongoing training materials and monitoring of progress need to be developed. Some areas mentioned in interviews that could use more training include: improving early identification of learning and behavior problems, co-teaching and supports to students not making progress should be created.</li> <li><b>3. Communication with Parents</b> Best practices states that when the lines of communication between schools and parents are kept open, the relationship is more likely to remain a positive one. This positive relationship serves as a model for the students as they observe disputes being resolved in a positive way thru teamwork and compromise. This topic has been brought up in the West Ed report, as well as discussions with Management that schools' communication with parents can be improved and that further training provided to schools on how to communicate effectively with parents is needed. Parents need to feel their concerns are being heard, processes and goals are being explained to them, including what best practices they can provide at home to improve student achievement as well as what resources are available to them if they have questions.</li> </ol>	

Department of Education  
Operational Review of the Special Education Program

*Observations*

<b>Impact</b>
<p>Need for more professional development and training may possibly lead to:</p> <ul style="list-style-type: none"> <li>➤ Higher number of complaints and due process cases and possible loss of funds from settlements.</li> <li>➤ Important decisions setting precedence throughout the DOE without considering all the factors involved.</li> <li>➤ Teachers and principals not getting the needed training to efficiently and effectively carry out their job responsibilities.</li> </ul>
<b>Recommendation</b>
<p>Recommendations to address the need for more professional development and training include:</p> <ul style="list-style-type: none"> <li>➤ Continue having mandatory monthly meetings with DES, SES and AS Mulcahy to use as a forum to discuss program and/or legal issues to keep consistency throughout the DOE. These meetings should also be used to build the internal capacity of the DES by including professional development that includes training on what is a legal issue and what is a program issue.</li> <li>➤ Offer incentives to schools that create effective SPED tools, training modules, or new processes that can be implemented throughout the DOE.</li> <li>➤ Continue to work on finalizing their “Special Education Guide for Schools: A Resource Handbook.”</li> <li>➤ Consider creating professional development training for teachers and principals on how to communicate better with parents.</li> </ul>
<b>Management Plan</b>
<p>OCISS will:</p> <ul style="list-style-type: none"> <li>➤ Continue to conduct mandatory monthly meetings with District Educational Specialists (DESs) to build capacity and professional knowledge through PLCs. <u>Anticipated Completion Date:</u> Completed – DES meetings are on-going</li> <li>➤ Complete the “Special Education Guide for Schools: A Resource Handbook”</li> <li>➤ Create, present and post professional development modules to support districts, teachers and principals in co-teaching and teaching strategies for students with varied disabilities.</li> <li>➤ Create and make available for schools, tips for parents on reading aloud to their children with disabilities.</li> <li>➤ Compile and provide data to verify the number of due process cases have decreased over time from 140 to 70 per year. <u>Anticipated Completion Date:</u> June 30, 2016</li> </ul> <p><u>Contact Person:</u> Debra Farmer, Acting Director Student Support Branch OCISS</p>
<b>Responsible Office</b>
OCISS

Department of Education  
Operational Review of the Special Education Program  
*Observations*

<b>Observation Number: 3</b>	<b>Infrastructure Element: Business Processes and Management Reports</b>
<b>Observation: Inefficiencies in the Monitoring Process</b>	<b>Rating: Moderate</b>
<p>The following are process issues related to some of the inefficiencies in the monitoring process:</p> <ol style="list-style-type: none"> <li><b>1. Credentialing Verification should be responsibility of service provider.</b> The validation of contract employees’ credentials appears to be inefficient as there are too many points of validation. As stated in the contracts, the vendor is responsible to validate their employees’ credentials prior to performing services for the DOE. Currently, SES also reviews the employee’s credentials prior to entering the employee into eCSSS as well as checking the employee’s credentials again when they perform annual monitoring on-site reviews of the vendors. In total, the employee’s credentials are checked three (3) times, resulting in a duplication of work, which takes time out from SES staff from doing other SPED program-related tasks.</li>   <li><b>2. Private School Placement</b> The DOE spent approximately \$6.5 million in FY 2014-2015 on private education facilities (both in-state and out-of-state) for SPED students. IA noted that the DOE did not currently have a tracking system of all its SPED students that are in private education facilities paid for by the DOE; therefore, we were unable to get a count of how many students attended private education facilities paid for by the DOE. However, we did obtain an Impact Aid data report for FY 2013-14 that reported approximately 57 SPED students attended private education facilities (both in-state and out-of-state). The SES is currently developing a lotus notes database to track those students, but in the meantime, rely on the schools and districts to track and monitor the students in private education facilities in accordance with Act 129, HRS 302-443.</li> </ol> <p>IA noted that the DOE did have policies and procedures documented as to how often private school facilities should be monitored and what to review, but they did not provide tracking sheets to the districts to ensure that those students were monitored and whether monitoring should be documented into eCSSS. IA tested 31 purchase orders of 27 SPED students that DOE pays for private education facilities both in-state and out-of-state. IA noted that for 14 of the 27 students tested, their eCSSS record did not have any indication in the “events” tab that monitoring was conducted. However, this does not indicate that monitoring was not conducted by the school or district, just that it was not documented in eCSSS which makes it inefficient for district and school level management to monitor all the private school placed students.</p>	
<b>Impact</b>	
<p>Inefficiencies in the monitoring process may possibly lead to:</p> <ul style="list-style-type: none"> <li>➤ Inefficiencies due to the duplication of the verification process.</li> <li>➤ Less time for SES staff to be developing curriculum or training materials and more time wasted on administrative duties.</li> <li>➤ Violations in the law, due to SPED private school placed students not being monitored on an annual basis by their respective “home” school.</li> </ul>	

Department of Education  
Operational Review of the Special Education Program

*Observations*

<b>Recommendation</b>
<p>Recommendations to address the observations stated above regarding inefficiencies in the monitoring process include:</p> <ul style="list-style-type: none"> <li>➤ SES should consult with the Attorney General’s office (or Procurement and Contracting office) to confirm if they can rely on the vendor to perform the credential verification of their employees and DOE only test a sample of employees when they perform their annual site visitations.</li> <li>➤ SES should continue to finalize lotus notes database and to include a field for “Date Direct Observation Conducted” &amp; “Date Teacher Interviews Conducted” so that management can track that all private school placed students are being monitored.</li> <li>➤ SES to require schools to document in eCSSS that private school placed students’ records have been reviewed at least quarterly, direct observation conducted annually and teacher interviews conducted annually.</li> </ul>
<b>Management Plan</b>
<p>OCISS will:</p> <ul style="list-style-type: none"> <li>➤ Meet with the Attorney General to discuss credentialing responsibilities of Department regarding contracted service providers.</li> <li>➤ Complete the “Residential &amp; Private School/Program” Lotus Notes database, which is to include a field for “Date Direct Observation Conducted” and “Date of Teacher Interviews”.</li> <li>➤ Establish procedures requiring schools to document in eCSSS that private school placed students’ records are to be reviewed quarterly, and direct observations and teacher interviews are conducted annually.</li> </ul> <p><u>Anticipated Completion Date:</u> June 30, 2016</p> <p><u>Contact Person:</u> Debra Farmer, Acting Director Student Support Branch OCISS</p>
<b>Responsible Office</b>
OCISS

Department of Education  
Operational Review of the Special Education Program  
*Observations*

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<b>Observation Number: 4</b>	<b>Infrastructure Element: Business Policies and Business Processes</b>
<b>Observation: Inefficiencies in the Process of Documenting and Communicating Policies and Procedures</b>	<b>Rating: Low</b>
<p>The following are internal control design issues related to the process of documenting and communicating policies and procedures:</p> <p><b><u>Policies, Procedures and Training Materials are not Centrally Located</u></b></p> <p>The DOE has many policies and procedures governing SPED processes that can be found in various forms which include internal training documents, Board Policies 2160 and 2280 as well as various internal memos and notices posted in Lotus Notes. Based on IA’s review, policies, procedures and training materials are difficult to locate and are not centrally located. This is not the most efficient process and may increase the risk of receiving inaccurate information and wasting time.</p> <p>Many of the SPED processes are documented in various memos and may not be easily found which can lead to inconsistent processes performed throughout the DOE. A centralized library of information would also help reduce the technical support calls received by SES as well as reduce the time wasted looking for information.</p> <p><b><u>The Process of Monitoring of Contracts is Not Documented</u></b></p> <p>SES performs site reviews on its’ Paraprofessional Support Services and BISS contractors annually. This process of monitoring is not documented but is only referenced in the contract that the DOE can request documents to audit. SES uses an “On-Site” review checklist form instructing them on what they should check for when reviewing contract worker’s credentials and services to students. However, IA noted that SES did not have written procedures documenting their current contract monitoring practice that includes, how often reviews should be conducted, how many samples to test, and the goals and objectives of the reviews. IA also noted, that SES mainly relies on the schools to monitor the quality of the contracted services as they are the ones who work directly with them; however, SES does review data collected (if available) to check for student progress.</p>	
<b>Impact</b>	
<p>Inefficiencies in the process of documenting and communicating policies and procedures may possibly lead to:</p> <ul style="list-style-type: none"> <li>➤ Inaccurate information if employees can’t locate reference material.</li> <li>➤ Inefficiencies due to time wasted searching for reference material.</li> <li>➤ Higher risk of not transferring knowledge if processes are not documented.</li> </ul>	
<b>Recommendation</b>	
<p>Recommendations to address the observations stated above regarding inefficiencies in the process of documenting and communicating policies and procedures include:</p> <ul style="list-style-type: none"> <li>➤ SES continue to work on finalizing their “Special Education Guide for Schools: A Resource Handbook.”</li> <li>➤ SES to create a library of reference material and training materials on the DOE’s intranet so it’s centrally located and easily accessible by DOE personnel.</li> <li>➤ Develop procedures that reflect SES current contract monitoring practice.</li> </ul>	

Department of Education  
Operational Review of the Special Education Program

*Observations*

<b>Management Plan</b>
<p>OCISS will:</p> <ul style="list-style-type: none"><li>➤ Research and select a user friendly site to use as a repository for special education documents.</li><li>➤ Develop and organize a library of memos/policies/special education documents and training materials for districts and teachers.</li><li>➤ Complete the “Special Education Guide for Schools: A Resource Handbook”</li><li>➤ Document the current contract monitoring processes and procedures.</li></ul> <p><u>Anticipated Completion Date:</u> June 30, 2016</p> <p><u>Contact Person:</u> Debra Farmer, Acting Director Student Support Branch OCISS</p>
<b>Responsible Office</b>
OCISS

Department of Education  
Operational Review of the Special Education Program  
*Observations*

<b>Observation Number: 5</b>	<b>Infrastructure Element: Systems and Data</b>
<b>Observation: eCSSS not meeting certain business objectives</b>	<b>Rating: Low</b>
<p>IA noted several issues with respect to the last element of infrastructure, Systems and Data. As stated in the background section, eCSSS is a system that tracks students who receive supports and services and through the central database, the DOE is able to gather information from many sources yet retain “a single story of a student.” eCSSS also has a Service Verification Module (SVM) that allows services rendered to be entered directly into a student’s file by the vendor. SVM also has the ability to allow for payments to be processed when data is transferred to the Financial Management System (FMS) upon approval from the schools and districts. The scope of this review did not include a comprehensive review of eCSSS’s programming. However, several inefficiencies were noted that require attention, they are as follows:</p> <ol style="list-style-type: none"> <li><b>1. SVM does not allow information to be edited.</b> Once vendor/contractor information is entered into the system by SES, the system does not let them edit the data if there is an error, instead they have to delete the record and then input all the information again.</li> <li><b>2. SVM does not populate vendor/contract employee’s information throughout multiple districts.</b> When vendor/contract employee information is entered into the system by SES, the information is not populated to all districts that the employee services. Instead, the SES staff must enter the employee’s information multiple times for each district and errors can occur.</li> <li><b>3. eCSSS does not allow for the users to easily create ad hoc reports.</b> eCSSS contains standard reports for users to print, but it does not easily allow users to create ad hoc reports, especially for SES staff who may need information for reporting purposes.</li> <li><b>4. System change requests are costly to make.</b> The Office of Information Technology Services (OITS) is in charge of facilitating changes to eCSSS and has been working with SES on possibly adding/editing some of the features to make it more efficient. However, OITS has gone through reorganization and the OITS staff working on eCSSS has been reassigned, which has left SES unsure on who will assist them with the system change requests.</li> </ol>	
<b>Impact</b>	
<p>The observations stated above regarding eCSSS not meeting certain business objectives may possibly lead to:</p> <ul style="list-style-type: none"> <li>➤ Inefficiencies due to duplicate of effort and manual creation of reports.</li> <li>➤ Less time for SES staff to be developing curriculum or training materials and more time wasted on administrative duties.</li> <li>➤ Overstatement/Understatement in billing amounts paid to service providers if errors in contract or contract employee.</li> </ul>	

Department of Education  
Operational Review of the Special Education Program

*Observations*

<b>Recommendation</b>
Recommendations to address the observations stated above regarding eCSSS not meeting certain business objectives include: <ul style="list-style-type: none"><li>➤ While we understand that system change request are costly, as a leading practice to consider management may want to address these system changes to increase the efficiency and effectiveness of the eCSSS system.</li></ul>
<b>Management Plan</b>
OCISS will work with OITS to: <ul style="list-style-type: none"><li>➤ Clarify the updated roles and responsibilities of OITS and SES staff as changes are made to the eCSSS system.</li><li>➤ Continue to collaborate with the OITS staff to address identified inefficiencies in the SVM system.</li></ul> <p style="margin-left: 40px;"><u>Anticipated Completion Date:</u> June 30, 2016</p> <p><u>Contact Person:</u> Debra Farmer, Acting Director Student Support Branch OCISS</p>
<b>Responsible Office</b>
OCISS and OITS

Department of Education  
Operational Review of the Special Education Program  
*Acknowledgements*

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We also wish to express our appreciation for the cooperation and assistance afforded to the review team by management and staff during the course of this review.