

**OPPORTUNITIES TO
IMPROVE THE EXCEPTIONAL
STUDENT EDUCATION
PROGRAM**



MAY 2006

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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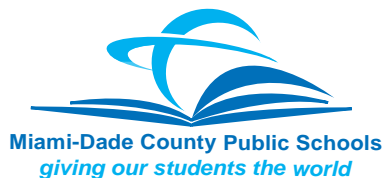
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Miami-Dade County Public Schools

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April 27, 2006

Members of The School Board of Miami-Dade County, Florida
Members of the School Board Audit Committee
Dr. Rudolph F. Crew, Superintendent of Schools

Ladies and Gentlemen:

In accordance with the FY 2006 Audit Plan, we have performed an audit of the District's Exceptional Student Education Program administered by the Office of Special Education, Alternative Outreach and Psychological Services covering Fiscal Year 2005. During the fiscal year the program served almost 62,000 students at a cost of over \$700 million dollars.

The objectives of our audit were to assess the adequacy of the fiscal operations of the ESE program and to determine whether the District's services to the ESE student population and other stakeholders comport with applicable laws, rules, regulations and best practices.

Overall, staffing and related expenditures were adequate and complied with program requirements. However, the ESE program could be more efficient by completing a greater number of student initial evaluations more timely, developing the tools and information needed to better monitor the program's operations, and employing various cost containment strategies.

Our findings and recommendations were discussed with management. Their responses along with explanations needed to assure that the findings and recommendations are addressed are included herein. As always, we would like to thank the administration for its cooperation and courtesies extended to our staff during the audit.

Sincerely,

Allen M. Vann, CPA
Chief Auditor

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EXECUTIVE SUMMARY

Our audit of the District's Exceptional Student Education Program disclosed the following opportunities for improvement:

- Many of the areas we reviewed in the District's Exceptional Student Education Program appeared to be well functioning. For example, the teacher/paraprofessional to student ratios at schools visited, and the staffing formula process, appeared to be reasonable. Also, the District's ESE staffing ratios are in line with the other large districts we benchmarked. ESE expenditures at sampled schools tested were in compliance with applicable laws and rules. Certification/licensure for teachers and school psychologists tested were proper and in accordance with State Board of Education Rules. The ESE department has a number of mechanisms in place, including the Superintendent's District Advisory Panel for Exceptional Student Education and various printed brochures to raise the awareness of the ESE programs to parents and guardians. The ESE department has established relationships with a number of other organizations, such as Parent to Parent of Miami, Inc., in efforts to best serve the ESE population.
- Because of the large size of the District's ESE Program (\$701 million), an incremental improvement in cost efficiency or revenue enhancement in the ESE program could have a substantial financial impact on the District. Development and periodic review/comparison of cost efficiency and staffing indicators of the ESE Program may enable the District to identify areas within the Program where unnecessary costs could be eliminated while maintaining the level of service to various stakeholders.
- Twenty-one percent (21%) of initial evaluations of students were not completed within the required statutory timeline, and the reports used to monitor full compliance with requirements of the laws are not yet adequate. Additionally, procedures to document and notify parents when the timeline is not met, as required by SBER 6A-6.0331(4)(b) and (c) are not currently in place.
- The system used by the ESE department's Medicaid Reimbursement Unit does not effectively track all Medicaid-eligible services provided to ESE students. The Department does not analyze data to determine the percentage of total Medicaid eligible expenses actually claimed and reimbursed, or what percent of eligible students actually received services.

- For 66% of the cases tested during fiscal year 2004-2005 Medicaid-eligible reimbursable services provided to students valued at \$26,400 were not claimed.
- In seven cases, documentary evidence reviewed suggest that eligible services provided were below the amount required in the students' Individual Educational Plan (IEP).
- Based on our review of 10 sampled residential placements, we concluded that there was no systematic and documented process evidencing cost containment efforts or that the District engaged other agencies for cost sharing opportunities. While not required by law or Board Rule, the School Board Attorneys' office was not always represented at the IEP placement meetings, whereas students and their parents were routinely represented by legal counsel. The District would benefit if staff involved the Board Attorney's Office in the residential placement process.

Based on our observations, we made 11 recommendations. Our detailed findings and recommendations start on page 7. The Deputy Superintendent of Curriculum, Instruction and School Improvement provide us with management's response, which includes implementation dates (see page 30).

INTERNAL CONTROL EVALUATION

While many ESE program areas are functioning well (see page 7), based on the weight of the overall evidence examined, improvements can be made in the system of internal controls as summarized in the table below.

INTERNAL CONTROLS RATING			
CRITERIA	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE
Process Controls		X	
Policy & Procedures Compliance		X	
Effect		X	
Information Risk		X	
External Risk		X	

INTERNAL CONTROLS LEGEND			
CRITERIA	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE
Process Controls	Effective	Opportunities exist to improve effectiveness.	Do not exist or are not reliable.
Policy & Procedures Compliance	In compliance	Non-compliance issues exist.	Non-compliance issues are pervasive, significant, or have severe consequences.
Effect	Not likely to impact operations or program outcomes	Impact on outcomes contained	Negative impact on outcomes
Information Risk	Information systems are reliable.	Data systems are mostly accurate but can be improved.	Systems produce incomplete or inaccurate data which may cause inappropriate financial and operational decisions.
External Risk	None or low	Potential for damage	Severe risk of damage

BACKGROUND

The Office of Special Education, Alternative Outreach and Psychological Services (the ESE department) is responsible for ensuring that the District delivers appropriate instructional services to all students identified as needing an exceptional education program. The District's Exceptional Student Education (ESE) Program is governed at the federal level by the Individuals with Disabilities Education Improvement Act (IDEA), at the state level by Section 1003.57 Florida Statutes and various State Board of Education Rules, and locally by School Board Rule 6Gx13-6A-1.331 (the ESE Manual). Special programs are available for students classified in the following primary exceptionalities:

- Educable, Trainable, and Profoundly Mentally Handicapped
- Autistic
- Physically Impaired; Traumatic Brain Injury; Orthopedically Impaired; and Other Health Impaired
- Speech and Language Impaired
- Deaf or Hard-of-Hearing
- Visually Impaired
- Emotionally Handicapped and Severely Emotionally Disturbed
- Specific Learning Disabled
- Gifted
- Homebound/Hospitalized
- Developmentally Delayed
- Dual-Sensory Impaired
- Established Conditions

A number of other special programs are offered, often in cooperation with other agencies/institutions, which provide supplemental and/or specialized services.

For the 2005 fiscal year, the District has 8,294 positions budgeted (7,892 filled, 402 open) for ESE services; down from 9,564 (9,042 filled, 522 open) in the previous fiscal year. For the staff providing ESE services, 3,602 are teachers and the remainder comprises support staff such as paraprofessionals, school psychologists, social workers, nurses, bus aides, etc. Approximately 150 of these support staff report to the ESE department, while the remainder report to various school locations. The ESE department also serves as Regional Center 8, which directly oversees operations of five special education centers. ESE student membership in FY05 was 61,767 (including 25,076 gifted students); a decrease of 4% from FY04 membership of 64,419.

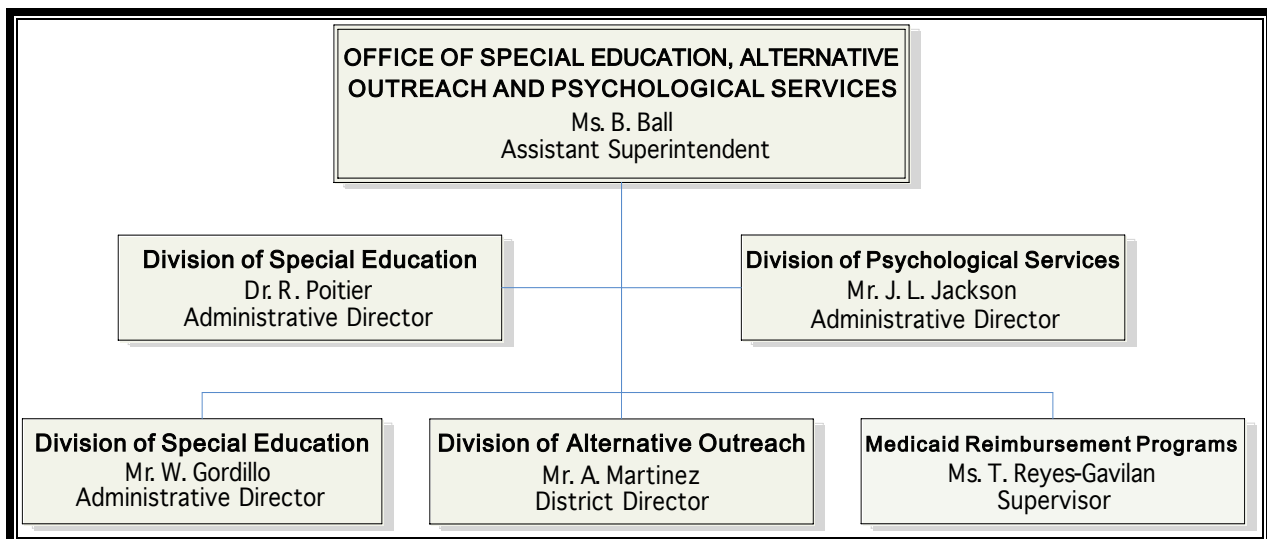
The main funding sources for the District's ESE Program in FY05 comprise Florida Education Finance Program (FEFP) (\$469 million), Federal IDEA grants (\$91 million) and Medicaid reimbursement (\$15 million). The program's total expenses for FY05 were \$701 million.

The following table shows selected ESE programmatic performance indicators for the District:

District's Exceptional Student Education Programmatic Performance Indicators		
	2004	2005
ESE Graduation Rate	60.6%	To Be Determined
ESE Dropout Rate	4.6%	To Be Determined
Grade 3 Reading FCAT Participation/ Percent Scoring at or Above Level 3	91%/23%	89%/28%
Grade 3 Math FCAT Participation/ Percent Scoring at or Above Level 3	91%/27%	89%/35%
Grade 3 Reading Alternate Assessment Participation/Percent Scoring at or Above Level 3	7%/62%	8%/62%
Grade 3 Math Alternate Assessment Participation/Percent Scoring at or Above Level 3	7%/55%	8%/59%

Source: AMM Databook, Florida State Bureau of Exceptional Education and Student Services

The following shows the organizational structure of the ESE department in place during the audit:



OBJECTIVES, SCOPE AND METHODOLOGY

In accordance with the approved Audit Plan for the 2005-06 fiscal year, we performed an audit of the District's Exceptional Student Education Program. Our primary objectives were to:

- Assess the adequacy of the fiscal operations of the ESE function; and
- Determine whether the District's services to the ESE student population and other stakeholders comport with applicable laws, rules, regulations and best practices.

The period covered by our audit was primarily July 1, 2004 to June 30, 2005, but included certain limited transactions that occurred prior or subsequent to this period. Based on our assessment of the School District's risks related to ESE, we concentrated our testing on transactions and processes pertaining to the residential placement process, Medicaid Certified School Match program, initial evaluation process, and cost efficiency measures and awareness. We did not audit ESE programmatic performance measures, such as FCAT and alternate assessment participation and performance, racial and ethnic indicators, conflict resolution/mediations/due process hearings, graduation and dropout rates, and absenteeism.¹

In order to satisfy our audit objectives, we:

- reviewed the organizational structure, policies and procedures, and applicable federal and state laws;
- performed substantive testing of financial and operating transactions;
- conducted numerous interviews with M-DCPS staff and officials from other school districts and agencies of the State of Florida;
- examined a sample of ESE teachers and school psychologists certifications;
- visited six schools and observed the teacher/staff to student ratios, and tested a sample of ESE related expenditures; and
- benchmarked certain ESE practices with Broward, Palm Beach, and Hillsborough Counties School Districts;

Our audit was conducted in accordance with generally accepted governmental auditing standards applicable to performance audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States of America. This audit included an assessment of applicable internal controls.

¹ This data is published each Fall by the Florida State Bureau of Exceptional Education and Student Services in the AMM Databook.

FINDINGS AND RECOMMENDATIONS

Some of the areas we reviewed in the District's Exceptional Student Education Program appeared to be well functioning. We observed program operations at six sampled schools visited in November and December 2005:

- Neva King Cooper Education Center
- Melrose Elementary
- Miami Palmetto Senior High
- Barbara Goleman Senior High
- Fienberg-Fisher Elementary
- Jose De Diego Middle

We found dedicated ESE teachers and other professionals. The teacher/paraprofessional to student ratios at these schools, and the staffing formula process, appeared reasonable given the varying disability levels of students in the classrooms observed. The District's total ESE staff ratio to weighted Full-Time Equivalent (FTE) is in line with the large districts that we benchmarked (see table on page 8). Additionally, the District's ratio of administrative staff as a percent of weighted ESE FTE is less than that of the other large school districts that we benchmarked. Further, our tests of ESE expenditures at three of the sampled schools (i.e., Miami Palmetto Senior High, Jose De Diego Middle and Fienberg-Fisher Elementary), revealed that ESE expenditures tested were in compliance with applicable laws and rules.

Our sample of certification/licensure for 56 ESE teachers and 30 school psychologists revealed that all were properly certified/licensed or otherwise eligible to teach in accordance with State Board of Education Rules. Also, the ESE department has a comprehensive professional development program for ESE and regular classroom teachers.

The ESE department has developed relationships with other organizations, such as Parent to Parent of Miami, Inc., and has a number of mechanisms in place, including the Superintendent's District Advisory Panel for Exceptional Student Education to raise the awareness of the ESE programs to parents and guardians, and to help ensure that the ESE programs and processes are effective in serving the ESE population.

The ESE department's administrative staff with which we interacted during the audit demonstrated a strong commitment to the well being of the District's ESE students and other stakeholders and displayed a comprehensive professional knowledge of special education matters. The ESE staff has received various recognitions over the years such as the Educational Leadership Award – Parent to Parent of Miami and the Florida Landis Stetler Award for Exceptional Children.

1. DEVELOP FISCAL MEASURES AND INDICATORS FOR THE ESE PROGRAM

The State of Florida has numerous programmatic performance measures in place where Florida's 67 school districts are required to report on a number of ESE outcomes,² including FCAT and alternate assessment participation and performance, racial and ethnic indicators, conflict resolution/mediations/due process hearings, graduation and dropout rates, and absenteeism. The State also has some ESE financial performance indicators.

The ESE department conducts its ongoing fiscal operations, such as budgeting, staffing, purchasing, and cash management, through collaborative efforts with those applicable departments and within established District procedures. As part of this audit, we compiled and performed a high level analysis of certain fiscal and staffing data for M-DCPS and certain benchmarked districts' ESE functions, as shown in the tables on the following page. These and similar ratios could be beneficial in highlighting negative trends that may develop within the ESE Program. The comparative data generally reflect that M-DCPS compares favorably with the benchmarked districts in such things as overall ESE cost indicators and staffing ratios.

Fiscal Year 2004-05 ESE FEFP Revenue, Costs, and Staffing Comparison With Other Florida Large School Districts (Monetary Values in Thousands)				
	Miami-Dade	Broward	Palm Beach	Hillsborough
ESE FEFP Revenue	\$469,425	\$287,005	\$212,723	\$238,733
General Fund ESE Costs	\$603,147	\$397,867	\$295,690	\$292,307
Special Revenue Fund ESE Costs	97,998	60,127	43,256	49,647
Total ESE Costs	\$701,145	\$457,994	\$338,946	\$341,954
Total District Non-Capital Costs	\$2,544,342	\$1,743,551	\$1,151,117	\$1,093,002
Number of ESE Teachers	3,602	2,616	1,756	2,321
Number of ESE Administrators	36	44	39	50
Number of Other ESE Staff	4,254	2,861	1,298	2,482
Total ESE Staff	7,892	5,521	3,093	4,853
Weighted ESE FTE	84,388	52,736	40,182	43,108
ESE Costs as a Percent of Total District Non-capital Costs	27.56%	26.27%	29.44%	31.29%
Total ESE Costs as a Percent of FEFP ESE Revenue	149.36%	159.58%	159.34%	143.24%
Total ESE Staff as a Percent of Weighted ESE FTE	9.35%	10.47%	7.69%	11.26%
ESE Administrators as a Percent of Weighted ESE FTE	0.043%	0.083%	0.097%	0.116%

² This data is published each Fall by the Florida State Bureau of Exceptional Education and Student Services in the AMM Databook.

More specifically, looking at the cost measures above, the ESE costs as a percent of total District non-capital costs for Miami-Dade (27.56%) is 6.8% lower than Palm Beach (29.44%) and 13.5% lower than Hillsborough (31.29%). Only Broward (26.27%) is 4.7% lower than Miami-Dade. In terms of total ESE costs as a percent of Florida Education Finance Program (FEFP) ESE revenue, Miami-Dade (149.36%) is significantly lower than Broward (159.58%) and Palm Beach (159.34%), but is higher than Hillsborough (143.24%). While overall staffing ratios are in line with those of the benchmarked districts, our ratio of ESE administrators as a percentage of weighted ESE full-time equivalents (FTE) is substantially lower than the other districts.

M-DCPS' ESE FEFP Revenue, Costs, and Staffing for the Past Three Fiscal Years			
	FY 02-03	FY 03-04	FY 04-05
Total ESE FEFP Revenue	\$454,913,506	\$471,497,919	\$469,425,358
General Fund ESE Costs	\$559,057,937	\$575,813,607	\$603,146,687
Special Revenue Fund ESE Costs	66,101,612	76,940,666	97,998,253
Total ESE Costs	\$625,159,549	\$652,754,273	\$701,144,940
Total District Non-capital Costs	\$2,312,900,856	\$2,394,638,235	\$2,544,342,430
Number of ESE Teachers	3,646	4,243	3,602
Number of ESE Administrators	32	32	36
Number of Other ESE Staff	4,338	4,767	4,254
Total ESE Staff	8,016	9,042	7,892
Weighted ESE FTE	83,338	85,304	84,388
ESE Costs as a Percent of Total District Non-capital Costs	27.03%	27.26%	27.56%
Total ESE Costs as a Percent of FEFP ESE Revenue	137.42%	138.44%	149.36%
Total ESE Staff as a Percent of Weighted ESE FTE	9.62%	10.60%	9.35%
ESE Administrators as a Percent of Weighted ESE FTE	0.038%	0.038%	0.043%

Trending the above fiscal and staffing indicators of M-DCPS over the past three years, shows that the District's total ESE costs have increased moderately over the past three fiscal years, from \$625 million in FY02-03 to \$653 million in FY03-04 to \$701 million in FY04-05, or by 4.41% in FY03-04 and 7.41% in FY04-05. The District's total ESE costs as a percentage of State FEFP ESE revenue have increased from 137.42% to 138.44% to 149.36% in fiscal years 2003 through 2005, respectively, with a meaningful increase of 7.9% during FY04-05, even though total ESE staff decreased by 12.7% in that fiscal year. These indicators may suggest a trend whereby our ESE costs are growing as a percentage of total District costs and relative to related ESE revenues. In terms of staffing, total

ESE staff as a percentage of weighted ESE full-time equivalents (FTE) declined from 10.60% in FY03-04 to 9.35% in FY04-05. This reflects the District's organizational realignment that took place during FY04-05.

Because of the large size of the District's ESE Program (\$701 million), an incremental improvement in cost efficiency or revenue enhancement in the ESE program could have a substantial financial impact on the District. Development and periodic review of financial measures and staffing indicators of the ESE Program may enable the District to identify areas within the Program where negative trends could be identified and eliminated while maintaining the level of service to various stakeholders.

RECOMMENDATION

1.1 Work with Financial Operations and Business Operations Performance Improvement to consider developing and periodically reviewing/ comparing fiscal and staffing indicators for the ESE Program.

Responsible Department: Exceptional Student Education

Management Response: The Office of Special Education, Alternative Outreach, and Psychological Services staff currently works/meets regularly with personnel in Financial Operations, Accountability and Systemwide Performance, Office of Budget Management, Grants Administration, Procurement Management, Accounts Payable, Risk Management and School Facilities to:

- review Cliff Reports/FR-05-08s/FR-15s/ITS Expenditure Reports/Grant_Expenditure/Percentage Reports/Local Budget/ESE Center, Alternative Outreach and Title 1 Reports, Medicaid Administrative Claiming/Fee-for-Service Reports, etc.
- monitor, transfer, and assign ESE personnel, e.g., teachers, related service providers, paraprofessionals, ESE clerical, ESE support personnel, etc.
- create RFPs/contracts/cooperative agreements.
- purchase and monitor expenditures in compliance with grant guidelines for materials, supplies, equipment, critical needs resources for individual students with disabilities (SWD), assistive technology, technology, software, protocols, etc.
- review needs and distribute/monitor IDEA/Medicaid funds to support SWD and personnel who serve SWD.

- distribute/monitor IDEA proportionate share funds to private school students.
- plan/purchase expenditures to build and maintain school/FDLRS-S facilities.
- develop grants targeting recruitment/retention of ESE critical shortage teachers, special projects, etc.

URGENCY OF CORRECTIVE ACTION

IMPLEMENTATION SCHEDULE

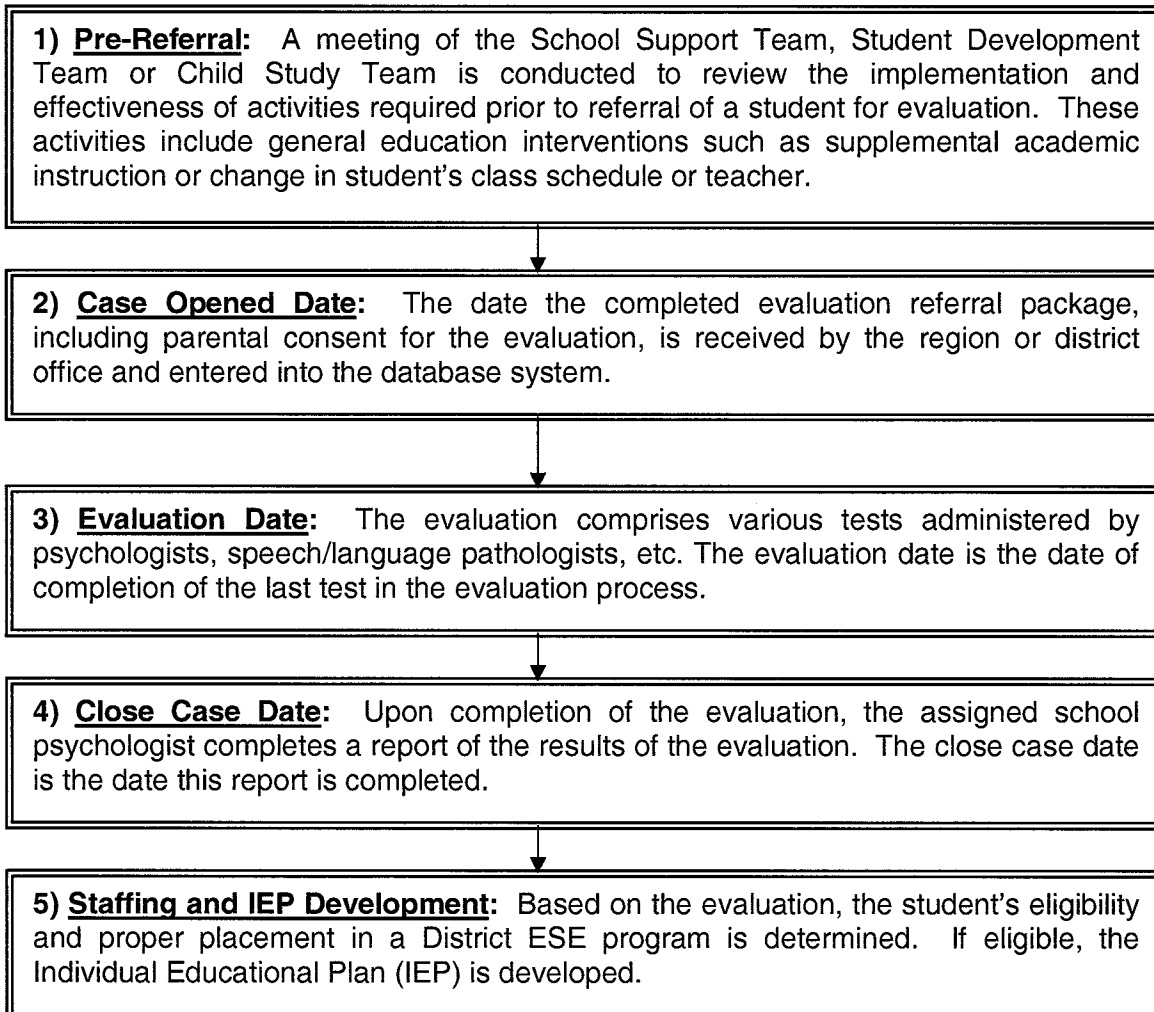
- Critical**
- Important**
- Desirable**

- Immediately (Short Term)**
- By _____**
- Contingent upon funding**

2. IMPROVE THE TIMELINESS OF INITIAL EVALUATIONS AND ENHANCE THE MONITORING MECHANISM

Twenty-one percent (21%) of initial evaluations of students were not completed within the required statutory timeline, and the reports used to monitor full compliance with requirements of the laws are not yet adequate. Additionally, procedures to document and notify parents when the timeline is not met, as required by SBER 6A-6.0331(4)(b) and (c) are not currently in place.

The process of evaluating students with apparent disabilities to determine their eligibility to receive services from the District's ESE Program is governed by State Board of Education Rule (SBER) and the federally mandated Individuals with Disabilities Education Improvement Act (IDEA). The District's Policies and Procedures for the Provision of Specially Designed Instruction and Related Services for Exceptional Students (ESE Manual), which has been approved by the State Department of Education, details the initial evaluation process as follows:



SBER 6A-6.0331(4)(b) and (c) became effective September 20, 2004, and states:

“The school board shall ensure that students suspected of having a disability are evaluated within a period of time, not to exceed sixty (60) school days of which the student is in attendance...Circumstances that cause a delay, so that the evaluation cannot be completed within the timeframe required by this rule, shall be documented in the student’s educational record and communicated to the student’s parents.”

In accordance with the ESE Manual and certain State of Florida and District ESE administrators, the sixty (60) day timeline begins on the Case Opened Date (Step 2 in the preceding flowchart) and ends on the Evaluation Date (Step 3 in the preceding flowchart). Additionally, the ESE Manual requires that the Pre-referral activities of Step 1 in the preceding flowchart take no more than 10 school days.

The reauthorized IDEA, signed into law in December 2004, requires an initial evaluation be conducted within 60 days of receiving parental consent for the evaluation, or within another timeframe the State establishes for conducting the initial evaluation. According to Federal, State of Florida and local special education administrators, Federal guidance for the reauthorized act is in progress and the State will adopt its own laws consistent with it within 2 to 3 years. Prior to these laws, the requirement was that a child be evaluated within a reasonable period of time following receipt of parental consent. Staff believes the reauthorized IDEA will be interpreted to require the whole process from Steps 1 to 5 to be conducted within 60 school days.

We tested for compliance with of SBER 6A-6.0331(4)(b) and (c) regarding the timeliness of completion of the evaluation process as delineated in the preceding flowchart.³ Our test revealed the following:

- 4,502 of 5,681 or 79% of initial evaluations for the period tested had Steps 1 through 3 completed within 70 school days (includes 60 statutory days and 10 District imposed days).⁴ Staff indicated that a likely cause of the initial evaluation process taking longer than it should is that the

³ Our test was based on our examination of two recently developed rolling 12-month reports, where each month the oldest month’s activity drops out of the reporting period as a new month’s activity is added. Both reports are used to monitor the timeliness of evaluations.

⁴ According to the November 25, 2005 report.

budget/staffing formula for psychologists and other employees involved in the process has not been reviewed in many years; and it may be that the initial evaluation process is understaffed or not properly apportioned.

- The entire initial evaluation process – Steps 1 through 5, was completed within 90 school days in 4,211 of 5,664 cases or 74% for the period tested.⁵
- Neither report, in fact, measures the SBER requirement of 60 school days. Consequently, the reports, and for that matter, other monitoring devices are not yet adequate to monitor full compliance with requirements of the laws. However, after completion of the audit fieldwork, staff reported to us that subsequent revisions to the reports have brought them into alignment with the laws.
- According to staff, procedures to document and notify parents when the timeline is not met as required by SBER 6A-6.0331(4)(b) and (c) are not currently in place. However, through subsequent discussion, the Office of the School Board Attorney stated that a form memorandum was recently drafted for the purpose of satisfying this requirement.

The risks to the District of not effectively monitoring and improving the timeliness of initial evaluations, in compliance with the new laws, is that students who are in need of ESE services may not be provided appropriate ESE services in a timely manner. Also, absent adequate monitoring and timeliness of initial evaluations, the District could be subject to legal ramifications and withdrawal of federal funding.

RECOMMENDATIONS

2.1 Work with Information Technology Services (ITS) and the Assessment and Data Analysis group to refine the initial evaluation timeliness reports so that they are aligned with the current SBER 6A-6.0331(4)(b) and (c) requirement and the soon to be implemented reauthorized IDEA.

Responsible Department: Division of Psychological Services

⁵ According to the report developed to monitor the requirement of the reauthorized IDEA, as interpreted by staff to require 60 school days for the entire process (Steps 1-5). As an intermediary action toward compliance with this Act, staff has decided to measure compliance as being within 90 school days until such time as they can identify means to shorten the process.

Management Response: The evaluation timeline report has been completed in compliance with SBER 6A.6.0331(4)(b) and (c). Further directives from the Florida Department of Education in alignment with IDEA may warrant additional revisions. The report has been distributed to appropriate stakeholders and timelines are being monitored.

URGENCY OF CORRECTIVE ACTION

IMPLEMENTATION SCHEDULE

- Critical**
- Important**
- Desirable**

- Immediately (Short Term)**
- By _____**
- Contingent upon funding**

- 2.2 To comply with SBER 6A-6.0331(4)(b) and (c), develop procedures to document and communicate to parents the cause of delays in completing the student evaluation within the timeframe required. Consider incorporating this data into the various timeliness reports used to monitor compliance.**

Responsible Department: Division of Psychological Services

Management Response: The parent notice letter was developed to be sent to parents/guardians when the 60-day timeline has been exceeded. The timeline report identifies those students and generates the letters that will be sent by the school administration to the parents/guardians.

URGENCY OF CORRECTIVE ACTION

IMPLEMENTATION SCHEDULE

- Critical**
- Important**
- Desirable**

- Immediately (Short Term)**
- By _____**
- Contingent upon funding**

- 2.3 Work with the School Board Attorney's Office to define substantial compliance with SBER 6A-6.0331(4)(b) and (c) and the reauthorized IDEA, and identify which phases of the initial evaluation process could be shortened or streamlined. Additionally, work with the Office of Budget Management to ensure adequate resources will be available to become substantially compliant with SBER 6A-6.0331.**

Responsible Department: Division of Psychological Services

Management Response: Representatives from the Division of Special Education meet with staff from the School Board Attorney's office at least weekly to review SWD cases and discuss compliance issues. Compliance with SBER 6A-6.0331(4)(b) and (c) are discussed. The initial evaluation timelines have been shortened. As a part of Zero-based budgeting, adequate resources will be requested from the Office of Budget Management in order to become substantially compliant.

URGENCY OF CORRECTIVE ACTION

**IMPLEMENTATION
SCHEDULE**

- Critical
- Important
- Desirable

- Immediately (Short Term)
- By _____
- Contingent upon funding

3. INCREASE REIMBURSEMENT CLAIMS FOR MEDICAID-ELIGIBLE EXPENSES

Medicaid is a federal and state funded program⁶ whose purpose is to provide health care services to individuals who meet specific criteria. The District had an average of 21,664 Medicaid-eligible ESE students during the 2004-05 fiscal year. In Florida, the Agency for Health Care Administration (AHCA) administers this program. The District participates in two Medicaid programs: Certified School Match (CSM) and Administrative Claiming. For the fiscal year ended June 30, 2005, the District collected \$13.2 million and \$1.5 million in reimbursement revenues from the Administrative Claiming and CSM programs, respectively.

We judgmentally selected for Medicaid reimbursement testing, 44 students who were to be provided a total of 59 Medicaid related reimbursable services during FY04-05 at six (6) schools, pursuant to their Individual Educational Plan (IEP).⁷ The criteria tested included determining:

- whether the administration submitted all Medicaid-eligible ESE expenditures for reimbursement for each student;
- whether each eligible service performed agreed with the student's IEP;
- whether reimbursement claims were submitted only when the student was Medicaid-eligible during FY 04-05; and
- whether the service provider satisfied the education, certification, and/or licensing requirements.

The system used by the ESE department's Medicaid Reimbursement Unit is inadequate to effectively track all Medicaid-eligible services provided to ESE students.⁸ Consequently, we were unable to quantify total units of Medicaid reimbursable services provided to each student. We were also unable to determine whether the Medicaid services claimed and reimbursed to the District

⁶ The Medicaid program is established by Title XIX of the Social Security Act and Title 42 of the Code of Federal Regulations. Similarly, the Florida Medicaid program is established by Chapter 409 of the Florida Statutes, as well as Chapter 59G of the Florida Administrative Code.

⁷ The six schools and 44 students selected may not be representative of the ESE program population.

⁸ The Medicaid Reimbursement Unit contracts with a third party claims administrator. During the 2004-05 fiscal year, the contracted fees paid to the claims administrator were \$188,063, representing 13% of the CSM reimbursements of \$1.5 million collected for the year.

represented all services provided. Absent an adequate recordkeeping system or documentation that readily establishes the completeness of Medicaid-eligible services provided, we alternatively determined the total units of Medicaid-eligible services to be provided to each student during the fiscal year, predicated on each student's IEP. We then compared the result to the total Medicaid service units claimed for each Medicaid-eligible student. For 29 of the 44 sampled students, or 66%, the total units of Medicaid-eligible services to be provided to Medicaid-eligible students, based on the IEP⁹, did not agree with the total Medicaid service units claimed during the 2004-05 fiscal year. For these 29 students, there were 39 Medicaid-eligible services to be provided pursuant to their IEPs. The variances in service units claimed ranged between 23% and 100% and a corresponding total of approximately \$26,400. We could not determine whether these variances resulted from not fully executing the students' IEPs or from inadequately reporting services provided, as documentary evidence was not presented that would enable us to make a determination.

Medicaid reimbursement claim documents and therapists' service records reviewed also suggest that seven (7) eligible services were provided, for the most part, at a set amount of minutes per week (MPW) that were below the required MPW as stated on the Medicaid-eligible students' IEPs. Management was unable to provide adequate documentary evidence to substantiate that the services were provided for the required MPW.¹⁰ Not having convincing documentary evidence to show that ESE students were provided the therapy and/or services required per the IEP could have legal and funding implications and could be detrimental to the student.

During the audit fieldwork, the process in place did not delineate eligible transportation claims and reimbursement on a per student basis. Therefore, a system was not in place to determine whether all eligible transportation expenditures were reimbursed to the District. At the conclusion of our fieldwork, staff requested a report from the third party claims administrator which delineated eligible transportation claims and reimbursement on a per student basis, and said report was provided to us. Further, the ESE Department does not have data elucidating such things as the percentage of total Medicaid-eligible expenses actually claimed and reimbursed, or what percent of eligible students actually received services. This type of data would assist staff in collecting all Medicaid reimbursements due and in monitoring claim submission by the service providers. Without adequate means to identify and monitor the entire population

⁹ Some services delineated in the IEP are not Medicaid-eligible and would not be included in reimbursement claims filed.

¹⁰ The evidence presented to us was based on various assumptions. Even when those assumptions are applied, the information is inconsistent and inconclusive, and shows lapses in services.

of Medicaid-eligible ESE services provided, there is no proper way of quantifying the lost revenue dollars in the Certified School Match Program.

Anecdotal evidence of this deficiency is seen in that the District received ESE-related Medicaid claims reimbursement of \$116,300 at an incorrect rate (100% versus 58.9%¹¹) over a period of 18½ months before the District's ESE department became aware of the over billing. As of December 2005, Medicaid had recouped the full \$116,300.

Considering the District had an average of 21,664 Medicaid-eligible ESE students during the 2004-05 fiscal year, and that of the 44 students tested we identified \$26,400 in eligible services potentially not claimed,¹² one can see the potential for vastly increased reimbursement revenue for the District. The most likely cause for the District's inability to file for and collect all reimbursements due is that therapists/service providers do not always submit their CSM eligible services for reimbursement.

Although the impact to the District of the aforementioned condition is substantial, it is important to point out certain mitigating factors. First, the problem of not filing for 100% of Medicaid eligible reimbursement claims is not unique to M-DCPS, as other selected large school districts benchmarked against are also struggling with this issue to varying degrees. Second, the placement and current staffing of the Medicaid Reimbursement unit as part of the ESE department is recent. The Supervisor of this unit has demonstrated a renewed and robust effort to ensure that the District receives all the monies to which it is entitled. She has been spearheading a process to train all service providers on the reimbursement claiming process and their respective responsibilities as part of that process. Currently, some types of service providers perform those services electronically and some manually. The District is attempting to fully automate the process. Also, the Medicaid Reimbursement Unit helps administer the Administrative Claiming program¹³ and is working as part of a state-wide revenue maximization effort for the CSM program, whereby school districts are attempting

¹¹ Currently, AHCA reimburses the District 58.9% of the Medicaid-eligible expenditures billed for reimbursement.

¹² Due to the aforementioned recordkeeping issues, we were unable to determine the entire population of eligible ESE services provided and could not apply statistically valid sampling methodology. Therefore, our test results may not be representative of the sampled population.

¹³ The District has an agreement with Seminole County Public Schools (SCPS) to mutually provide and share information for reimbursement of certain employees' salaries.

to increase the fixed rates in the Program Handbook, which have not been modified in years. The District is also part of the lobbying effort for the CSM program to be fully funded.

RECOMMENDATIONS

- 3.1 Work with Information Technology Services (ITS) to develop and maintain an electronic data processing (EDP) system that captures all Medicaid-eligible services provided to ESE students.**

Responsible Department: Exceptional Student Education

Management Response: A meeting was held with ITS to discuss the development of a “stand-alone” web application/electronic data processing system that details Medicaid-eligible therapy services (i.e., Occupational Therapy, Physical Therapy, Speech Therapy, Language Therapy, Nursing Services, Behavioral Services: IEP-related Counseling Services, and Specialized Transportation) provided to “special education” eligible students under IDEA, Part B, as delineated on the students’ Individual Educational Plans (IEPs).

The framework was compiled and agreed upon by the Medicaid Reimbursement Programs Unit in the Office of Special Education, Alternative Outreach, and Psychological Services, and ITS. A Service Request was submitted for the above-mentioned proposed application. This office anticipates completion of this application prior to the beginning of the 2006-2007 school year.

URGENCY OF CORRECTIVE ACTION

- Critical**
- Important**
- Desirable**

IMPLEMENTATION SCHEDULE

- Immediately (Short Term)**
- By August 2006**
- Contingent upon funding**

- 3.2 ESE’s Medicaid Reimbursement Unit should work in collaboration with Financial Operations to periodically reconcile Medicaid reimbursement claims to actual reimbursements received.**

Responsible Department: Exceptional Student Education

Management Response: A meeting has been scheduled with the Budget Specialist from Financial Operations assigned to the Medicaid Reimbursement Programs Unit, Office of Special Education, Alternative Outreach, and Psychological Services, to develop a plan for periodic reconciliation of Medicaid reimbursement claims to actual reimbursements received.

Pursuant to the meeting, a cumulative year-to-date spreadsheet will be tailored to indicate the Medicaid reimbursement claim amounts submitted to the actual reimbursements received for both Medicaid Reimbursement Programs (Administrative Claiming, Program 6844, and Fee-For-Service, Program 6845). This office anticipates completion of this spreadsheet (to include FY 05-06 reimbursement information) prior to the beginning of the 2006-2007 school year.

URGENCY OF CORRECTIVE ACTION

IMPLEMENTATION SCHEDULE

- Critical**
- Important**
- Desirable**

- Immediately (Short Term)**
- By August 2006**
- Contingent upon funding**

- 3.3 Consult with other large districts that have transitioned from a third party claim administrator to performing ESE Medicaid reimbursement claims processes in-house and perform a cost-benefit analysis to determine the feasibility of performing this function within the ESE department, and act accordingly.**

Responsible Department: Exceptional Student Education

Management Response: The Medicaid Reimbursement Programs Office within the Office of Special Education, Alternative Outreach, and Psychological Services will implement a plan of action, to consult with large school districts (i.e., Chicago, Las Vegas, Los Angeles, New York, and Washington, D.C.) to determine which districts have transitioned from a third party claim administrator to performing ESE Medicaid reimbursement claims processes in-house. Contingent on the information obtained from these districts, the supervisor will perform a cost-benefit analysis to determine the feasibility of performing this function within the ESE department, and act accordingly.

This office anticipates completion of the above plan of action and the cost-benefit analysis by the end of the 2005-2006 school year. A report will follow.

URGENCY OF CORRECTIVE ACTION

- Critical**
- Important**
- Desirable**

IMPLEMENTATION SCHEDULE

- Immediately (Short Term)**
- By June 2006**
- Contingent upon funding**

4. STRENGTHEN THE RESIDENTIAL PLACEMENT PROCESS AND INCREASE COST SHARING OPPORTUNITIES

Residential placement of students, while limited, creates an extraordinary financial burden on the School District. As of July 2005, M-DCPS had 30¹⁴ residentially placed students, including two children in out of state facilities, with a total projected contractual annual cost of \$3,263,948. This equates to an average annual District cost of \$108,798 per residentially placed student¹⁵.

The Individuals with Disabilities Education Improvement Act (IDEA) part 300.302 requires the School District to fund an ESE student's residential placement, including room, board and non-medical care, whenever such a placement "is necessary to provide special education and related services to a child with a disability." Although there is no explicit provision elucidating when and under what circumstances a residential placement is necessary, the courts have generally denied residential placement when the student is able to achieve "some" educational benefit at a non-residential district school.

State Board of Education Rule 6A-6.0361 (5)(f) and (h) provides that all contractual arrangements with non-public schools providing services must include provisions for the method of determining charges and sharing costs with other agencies for the placements under the contract, identification of financial responsibility, and method of resolving interagency disputes, which may be initiated by district school boards to secure reimbursement from other agencies. The rule, as well as good business practices, presumes that districts will document the facility selection process, negotiate costs with residential facilities and make a concerted effort to arrange for other agencies to share costs. However, we found that there is a lack of an adequate formal procedure for the

¹⁴ This total includes 11 Profoundly Mentally Handicapped students at three residential facilities, where the District pays the FTE cost only. In all but one case, the annual FTE cost was \$18,440 per student. Total FTE for this subset was \$202,490.

¹⁵ As of July 1, 2005, Broward, Palm Beach and Hillsborough County School Districts reported to us zero, nine and five residential placements at total annual contractual costs of \$0, \$537,666 and \$131,448, respectively. The average annual cost for Broward is not applicable since it reported zero residential placements. The average annual cost per residentially placed student for Palm Beach and Hillsborough was \$59,741 and \$26,290, respectively. Palm Beach and Hillsborough's average annual cost per residentially placed student are lower than M-DCPS's because, for a greater percentage of their residential placements, those districts pay only the FTE (educational component) and another agency pays the residential component.

residential placement process, particularly for engaging and cost sharing with other State agencies.

In our testing of the District's residential placement process, we reviewed 10 of the 30 residential placements, with a projected contractual cost of \$1,795,551 for FY 05-06. We examined each student's cumulative file and other records with staff and applied four criteria to each placement as follows:

1. Evidence that the student was not able to achieve some educational benefit at the District's schools prior to placement;
2. Documented evidence of ESE department's residential facility selection process;
3. Documented evidence of the determination of facility cost or negotiations with the facility; and
4. Documented evidence of attempts by the District to share costs with other agencies.

Our test concluded that the determination of educational benefit and decision as to whether the student should be placed residentially, by law, falls to the Individual Educational Plan (IEP) team, comprising experts in various disciplines. The IEP team meetings are documented on the District IEP form which contains a section indicating the team considered all placement options on the placement continuum in order to place the student in the least restrictive environment. We relied on the IEP teams' placement decisions, as documented on the IEP forms to determine that a residential placement was necessary.

All 10 sampled files reviewed had a properly completed IEP form recommending residential placement of student in the least restrictive environment. According to ESE staff and based upon our observation at one IEP placement meeting we attended, we noted – and question procedurally, that the School Board Attorney's office was not always represented at the IEP placement meetings and was not always involved in the residential placement process. However, the parents or guardians of students wanting their child to be residentially placed by the District are often represented at these meetings by an attorney and/or advocate. While the presence of an attorney from the School Board under these circumstances is not required by law, School Board Rule or procedures, good business practice will dictate that one be present. Absent having legal representation at such IEP meetings for residential placement determination, where attorneys for the parents or guardians of students are present, the District and IEP team risk making concessions for funding placements above and beyond what may be required by law. This could be coordinated through the weekly "hot IEP cases" meeting reported to be held between the ESE department and the Office of the School Board Attorney.

Regarding our audit criteria two through four, there was no systematic and documented process evidencing cost containment efforts or that the District engaged other agencies for cost sharing among the 10 sampled placements reviewed. In a few cases, staff recalled communications in the past with agencies about cost sharing or there was a correspondence with a facility about placing a student.

Palm Beach and Hillsborough County Schools currently have six (6) and four (4) students, respectively, enrolled in a residential facility located in Mount Dora, Florida. Both districts pay only the educational portion (approximately \$20,000 to \$26,000 annually) and other state agencies pay the much more costly residential portion (more than \$100,000 annually). These arrangements have been in effect at Palm Beach and Hillsborough since at least 2000, where the administrations of those districts have effectively worked with parents/guardians and state agencies and facilitated cost sharing when it was determined that a student needed to be residentially placed.¹⁶ M-DCPS had a student enrolled in the same facility and paid both the educational and residential components, with no cost sharing from any state agencies.

M-DCPS has 11 of 30 (37%) of the residential portion of its placements, (most housed and funded by United Cerebral Palsy Baby House), paid for by another agency. In contrast, Hillsborough County School District has arranged for a state agency to pay the residential component in 4 of 5 (80%) of its residential placements. Palm Beach County School District has a similar arrangement in 6 of 9 (67%).¹⁷

The District could enjoy lower costs while providing these essential services by strengthening its procedures to ensure it gets the most competitive rates from selected facilities and by effectively negotiating with other agencies to share the costs.

¹⁶ According to the School Board Attorney's Office, cost cannot be the determining factor in deciding the type and level of services provided to an ESE student in executing the IEP. This decision however, does not preclude a district from considering cost if all other things are equal at competing facilities where the student's needs could be effectively served.

¹⁷ Conservatively assuming the residential portion of a residential placement costs \$100,000 annually, if we could increase the number of placements funded in part by another agency to the same level as Palm Beach (i.e., 67%), the District could save \$900,000 (67%-37%=30%) x \$100,000 x 30 annually.

RECOMMENDATIONS

- 4.1 **Develop and implement procedures to have representation from the School Board Attorney's Office at IEP meetings and other proceedings where the residential placement of student is discussed and the parent or guardian of the student is represented by legal counsel.**

Responsible Department: **Exceptional Student Education and the Office of the School Board Attorney**

Management Response: The Office of Special Education, Alternative Outreach, and Psychological Services has had a long-standing policy of collaboration with the School Board Attorney's office on all school-based, regional and District level IEP meetings that have resulted in litigation (i.e. request for due process hearings/mediations, including proceedings in which there have been recommendations on residential placements. In such instances, a representative of the School Board Attorney's office is either present during the proceedings and/or consulted on a case by case basis as needed.)

During this past year, the School Board Attorney's office formalized the process of providing consultation on cases that are escalating towards or in the process of litigation by conducting a weekly review of cases. At these meetings, the School Board Attorney's office and the special education administrative staff meet jointly to discuss cases, coordinate activities, and plan the action needed. This process ensures that cases involving possible residential placement, or a student's discharge from a residential facility are discussed.

Please note, there is no existing language in IDEA, State Board Rules, or Miami-Dade County Public Schools (M-DCPS) School Board Rules that require an attorney to be present when a decision is made about residential placements for SWD.

URGENCY OF CORRECTIVE ACTION

- Critical**
- Important**
- Desirable**

IMPLEMENTATION SCHEDULE

- Immediately (Short Term)**
- By _____**
- Contingent upon funding**

4.2 Develop, in collaboration with the Office of the School Board Attorney, detailed written procedures and a checklist for staff to formally use to document the processes of selecting a residential placement facility, determining and negotiating the cost, and all cost sharing efforts pursued.

Responsible Department: Exceptional Student Education and the Office of the School Board Attorney

Management Response: Staff from the Office of Special Education, Alternative Outreach, and Psychological Services is in the process of revising their current request for District Review of Placement Form including additional evidence supporting educational need of residential placement. In addition, this office has begun to develop a draft checklist and web based log for implementation ensuring proper documentation of the selection process of a residential facility, determining and negotiating costs, and exploring cost sharing efforts with other agencies. These procedures will be shared and discussed with the School board Attorney's office prior to implementation. Implementation is targeted for the 2006-2007 school year. Evidence of documentation will follow.

URGENCY OF CORRECTIVE ACTION

IMPLEMENTATION SCHEDULE

- Critical
- Important
- Desirable

- Immediately (Short Term)
- 2006-2007 school year
- Contingent upon funding

4.3 Aggressively pursue cost sharing opportunities with other agencies, as well as working with parents/guardians prior to placing students residentially. Also, regularly and systematically revisit those cases where cost sharing is not in effect and pursue cost sharing.

Responsible Department: Exceptional Student Education

Management Response: Staff from the Office of Special Education, Alternative Outreach, and Psychological Services is in the process of scheduling meetings in collaboration with the School Board Attorney's office with the District II Director for the Agency for Persons with Disabilities and Department of Children and Families (DCF) Utilization Management Residential Placement in order to discuss current referral

procedures. In addition, a data collection system will be established to review and monitor cases of M-DCPS students in which the placement was initiated and funded by the Agency for Persons with Disabilities or through DCF Utilization Management Residential Placement. This office is in the process of negotiating a cost sharing placement with Agency for Persons with Disabilities for a student currently in residential placement being funded solely by M-DCPS. This office anticipates completion of the above plan of action by the beginning of the 2006-2007 school year. A report will follow.

URGENCY OF CORRECTIVE ACTION

IMPLEMENTATION SCHEDULE

- Critical**
- Important**
- Desirable**

- Immediately (Short Term)**
- By August 2006**
- Contingent upon funding**

4.4 Insofar as costs of residential placements of ESE students are substantial, the administration should consider reviewing its residential placements to determine whether we can reduce residential placements through enhancements to our in-house educational resources.

Responsible Department: Exceptional Student Education

Management Response: The Office of Special Education, Alternative Outreach, and Psychological Services has been proactive in systematically reviewing the residential placement of students in order to reduce residential placements through program development and the provision of resources and services as needed. Special consideration is given to address the unique needs of SWD with educationally challenging conditions and provide them a Free and Appropriate Public Education (FAPE) in accordance with the Individuals with Disabilities Education Act (IDEA). Some of the tasks already completed are summarized below.

- Staff negotiated a Day Treatment Program with Ft. Lauderdale Hospital that has a potential to save the District approximately \$125,950 per student which will be made effective in May of 2006 with one student currently served in residential.
- At the beginning of the school year this office reconfigured and expanded the Ruth Owens Kruse and Robert Renick Educational

Center schools to serve severely emotionally disturbed or dually-diagnosed mild/moderate cognitively impaired students and students with autism spectrum disorders in grades 9-12.

- A significantly involved student was stepped down to one of the aforementioned special education centers into a new specially designed classroom from a residential placement for a savings of \$187,150.
- Another student whose parents were actively seeking a residential placement was also placed at one of the specialized educational centers.
- District staffing specialists are currently working in collaboration with regional and District supervisors to monitor students' progress and coordinate additional services and programs in order to decrease the current number of students in residential placements.
- Year to date, the District staffing specialist has been personally involved in approximately ten cases providing interventions, strategies, and/or procedures in order to prevent additional referrals for residential placements.

The following tasks are in process:

- Currently developing a specially designed classroom for the step down of a student in residential placement with the potential savings of \$228,350 with completion anticipated during the 2006-2007 school year.
- Negotiating a co-funding contract for an existing student for a potential savings of approximately \$210,574 per year. * This student was denied for co-funding at time of placement. Initiation anticipated prior to the beginning of the 2006-2007 school year.

URGENCY OF CORRECTIVE ACTION

IMPLEMENTATION SCHEDULE

- Critical**
- Important**
- Desirable**

- Immediately (Short Term)**
- By _____**
- Contingent upon funding**

APPENDIX – Management’s Response

MEMORANDUM

April 26, 2006

TO: Mr. Allen M. Vann, Chief Auditor, CPA
Office of Management and Compliance Audits

FROM: Antoinette Dunbar, Deputy Superintendent *ad*
Curriculum, Instruction, and School Improvement

SUBJECT: **RESPONSE TO THE EXCEPTIONAL STUDENT EDUCATION (ESE)
PROGRAM AUDIT**

In response to the Draft Internal Audit Report: Opportunities To Improve The Exceptional Student Education Program - May 2006 audit document, the following information is provided for your review and consideration as you finalize the audit report to be presented to the Audit Committee on May 2, 2006. The responses are aligned with the stated audit objectives to:

- assess the adequacy of the fiscal operations of the ESE Program.
- determine whether the District’s services to SWD and other stakeholders comport with applicable laws, rules, regulations, and best practices.

I respectfully responded to the audit recommendations, although continue to be concerned that these recommendations do not fully nor adequately consider our understanding and knowledge of the instructional and placement decisions that impact students with disabilities.

RECOMMENDATION

1.1 Work with Financial Operations and Business Operations Performance Improvement to consider developing and periodically reviewing/comparing fiscal and staffing indicators for the ESE Program.

RESPONSE

The Office of Special Education, Alternative Outreach, and Psychological Services staff currently works/meets regularly with personnel in Financial Operations, Accountability and Systemwide Performance, Office of Budget Management, Grants Administration, Procurement Management, Accounts Payable, Risk Management and School Facilities to:

- review Cliff Reports/FR-05-08s/FR-15s/ITS Expenditure Reports/Grant Expenditure/Percentage Reports/Local Budget/ESE Center, Alternative Outreach and Title 1 Reports, Medicaid Administrative Claiming/Fee-for-Service Reports, etc.
- monitor, transfer, and assign ESE personnel, e.g., teachers, related service providers, paraprofessionals, ESE clerical, ESE support personnel, etc.
- create RFPs/contracts/cooperative agreements.
- purchase and monitor expenditures in compliance with grant guidelines for materials, supplies, equipment, critical needs resources for individual

APPENDIX – Management’s Response

- students with disabilities (SWD), assistive technology, technology, software, protocols, etc.
- review needs and distribute/monitor IDEA/Medicaid funds to support SWD and personnel who serve SWD.
- distribute/monitor IDEA proportionate share funds to private school students.
- plan/purchase expenditures to build and maintain school/FDLRS-S facilities.
- develop grants targeting recruitment/retention of ESE critical shortage teachers, special projects, etc.

RECOMMENDATIONS

- 2.1 Work with ITS and the Assessment and Data Analysis group to refine the initial evaluation timeline report so that they are aligned with the current SBER 6A-6.0331(4)(b) and (c) requirement and the soon to be implemented reauthorized IDEA.**

RESPONSE

The evaluation timeline report has been completed in compliance with SBER 6A.6.0331(4)(b) and (c). Further directives from the Florida Department of Education in alignment with IDEA may warrant additional revisions. The report has been distributed to appropriate stakeholders and timelines are being monitored.

- 2.2 To comply with SBER 6A-6.0331(4)(b) and (c), develop procedures to document and communicate to parents the cause of delays in completing the student evaluation within the timeframe required. Consider incorporating this data into the various timeliness reports used to monitor compliance.**

RESPONSE

The parent notice letter was developed to be sent to parents/guardians when the 60-day timeline has been exceeded. The timeline report identifies those students and generates the letters that will be sent by the school administration to the parents/guardians.

- 2.3 Work with the School Board Attorney’s office to define substantial compliance with SBER 6A-6.0331(4)(b) and (c) and the reauthorized IDEA, and identify which phases of the initial evaluation process could be shortened or streamlined. Additionally, work with the Office of Budget Management to ensure adequate resources will be available to become substantially compliant with SBER 6A-6.0331.**

RESPONSE

Representatives from the Division of Special Education meet with staff from the School Board Attorney’s office at least weekly to review SWD cases and discuss compliance issues. Compliance with SBER 6A-6.0331(4)(b) and (c) are discussed. The initial evaluation timelines have been shortened. As a part of Zero-based budgeting, adequate resources will be requested from the Office of Budget Management in order to become substantially compliant.

RECOMMENDATIONS

- 3.1 Work with Information Technology Services (ITS) to develop and maintain an electronic data processing (EDP) system that captures all Medicaid-eligible services provided to ESE students.**

RESPONSE

A meeting was held with ITS to discuss the development of a “stand-alone” web application/electronic data processing system that details Medicaid-eligible therapy services (i.e., Occupational Therapy, Physical Therapy, Speech Therapy, Language Therapy, Nursing Services, Behavioral Services: IEP-related Counseling Services, and Specialized Transportation) provided to “special education” eligible students under IDEA, Part B, as delineated on the students’ Individual Educational Plans (IEPs).

The framework was compiled and agreed upon by the Medicaid Reimbursement Programs Unit in the Office of Special Education, Alternative Outreach, and Psychological Services, and ITS. A Service Request was submitted for the above-mentioned proposed application. This office anticipates completion of this application prior to the beginning of the 2006-2007 school year.

- 3.2 ESE’s Medicaid Reimbursement Unit should work in collaboration with Financial Operations to periodically reconcile Medicaid reimbursement claims to actual reimbursements received.**

RESPONSE

A meeting has been scheduled with the Budget Specialist from Financial Operations assigned to the Medicaid Reimbursement Programs Unit, Office of Special Education, Alternative Outreach, and Psychological Services, to develop a plan for periodic reconciliation of Medicaid reimbursement claims to actual reimbursements received.

Pursuant to the meeting, a cumulative year-to-date spreadsheet will be tailored to indicate the Medicaid reimbursement claim amounts submitted to the actual reimbursements received for both Medicaid Reimbursement Programs (Administrative Claiming, Program 6844, and Fee-For-Service, Program 6845). This office anticipates completion of this spreadsheet (to include FY 05-06 reimbursement information) prior to the beginning of the 2006-2007 school year.

- 3.3 Consult with other large districts that have transitioned from a third party claim administrator to performing ESE Medicaid reimbursement claims processes in-house and perform a cost-benefit analysis to determine the feasibility of performing this function within the ESE department, and act accordingly.**

RESPONSE

The Medicaid Reimbursement Programs Office within the Office of Special Education, Alternative Outreach, and Psychological Services will implement a plan

APPENDIX – Management’s Response

of action, to consult with large school districts (i.e., Chicago, Las Vegas, Los Angeles, New York, and Washington, D.C.) to determine which districts have transitioned from a third party claim administrator to performing ESE Medicaid reimbursement claims processes in-house. Contingent on the information obtained from these districts, the supervisor will perform a cost-benefit analysis to determine the feasibility of performing this function within the ESE department, and act accordingly.

This office anticipates completion of the above plan of action and the cost-benefit analysis by the end of the 2005-2006 school year. A report will follow.

RECOMMENDATIONS

- 4.1 Develop and implement procedures to have representation from the School Board Attorney’s office at all IEP meetings and other proceedings where the potential placement of student is discussed and the parent or guardian of the student is represented by legal counsel.**

RESPONSE

The Office of Special Education, Alternative Outreach, and Psychological Services has had a long-standing policy of collaboration with the School Board Attorney’s office on all school-based, regional and District level IEP meetings that have resulted in litigation (i.e. request for due process hearings/mediations, including proceedings in which there have been recommendations on residential placements. In such instances, a representative of the School Board Attorney’s office is either present during the proceedings and/or consulted on a case by case basis as needed.)

During this past year, the School Board Attorney’s office formalized the process of providing consultation on cases that are escalating towards or in the process of litigation by conducting a weekly review of cases. At these meetings, the School Board Attorney’s office and the special education administrative staff meet jointly to discuss cases, coordinate activities, and plan the action needed. This process ensures that cases involving possible residential placement, or a student’s discharge from a residential facility are discussed.

Please note, there is no existing language in IDEA, State Board Rules, or Miami-Dade County Public Schools (M-DCPS) School Board Rules that require an attorney to be present when a decision is made about residential placements for SWD.

- 4.2 Develop, in collaboration with the Office of the School Board Attorney, detailed written procedures and a checklist for staff to formally use to document the processes of selecting a residential placement facility, determining and negotiating the cost, and all cost sharing efforts pursued.**

RESPONSE

Staff from the Office of Special Education, Alternative Outreach, and Psychological Services is in the process of revising their current request for District Review of Placement Form including additional evidence supporting educational need of residential placement. In addition, this office has begun to develop a draft checklist and web based log for implementation ensuring proper documentation of the selection process of a residential facility, determining and negotiating costs, and exploring cost sharing efforts with other agencies. These procedures will be shared and discussed with the School board Attorney’s office prior to implementation. Implementation is targeted for the 2006-2007 school year. Evidence of documentation will follow.

- 4.3 Aggressively pursue cost sharing opportunities with other agencies, as well as working with parents/guardians prior to placing students residentially. Also, regularly and systematically revisit those cases where cost sharing is not in effect and pursue cost sharing.**

RESPONSE

Staff from the Office of Special Education, Alternative Outreach, and Psychological Services is in the process of scheduling meetings in collaboration with the School Board Attorney’s office with the District II Director for the Agency for Persons with Disabilities and Department of Children and Families (DCF) Utilization Management Residential Placement in order to discuss current referral procedures. In addition, a data collection system will be established to review and monitor cases of M-DCPS students in which the placement was initiated and funded by the Agency for Persons with Disabilities or through DCF Utilization Management Residential Placement. This office is in the process of negotiating a cost sharing placement with Agency for Persons with Disabilities for a student currently in residential placement being funded solely by M-DCPS. This office anticipates completion of the above plan of action by the beginning of the 2006-2007 school year. A report will follow.

- 4.4 Insofar as costs of residential placements of ESE students are substantial, the administration should consider reviewing its residential placement to determine whether we can reduce residential placements through enhancements to our in-house educational resources.**

RESPONSE

The Office of Special Education, Alternative Outreach, and Psychological Services has been proactive in systematically reviewing the residential placement of students in order to reduce residential placements through program development and the provision of resources and services as needed. Special consideration is given to address the unique needs of SWD with educationally challenging conditions and provide them a Free and Appropriate Public Education (FAPE) in accordance with the Individuals with Disabilities Education Act (IDEA). Some of the tasks already

APPENDIX – Management’s Response

completed are summarized below.

- Staff negotiated a Day Treatment Program with Ft. Lauderdale Hospital that has a potential to save the District approximately \$125,950 per student which will be made effective in May of 2006 with one student currently served in residential.
- At the beginning of the school year this office reconfigured and expanded the Ruth Owens Kruse and Robert Renick Educational Center schools to serve severely emotionally disturbed or dually-diagnosed mild/moderate cognitively impaired students and students with autism spectrum disorders in grades 9-12.
- A significantly involved student was stepped down to one of the aforementioned special education centers into a new specially designed classroom from a residential placement for a savings of \$187,150.
- Another student whose parents were actively seeking a residential placement was also placed at one of the specialized educational centers.
- District staffing specialists are currently working in collaboration with regional and District supervisors to monitor students’ progress and coordinate additional services and programs in order to decrease the current number of students in residential placements.
- Year to date, the District staffing specialist has been personally involved in approximately ten cases providing interventions, strategies, and/or procedures in order to prevent additional referrals for residential placements.

The following tasks are in process:

- Currently developing a specially designed classroom for the step down of a student in residential placement with the potential savings of \$228,350 with completion anticipated during the 2006-2007 school year.
- Negotiating a co-funding contract for an existing student for a potential savings of approximately \$210,574 per year. * This student was denied for co-funding at time of placement. Initiation anticipated prior to the beginning of the 2006-2007 school year.

The following information is submitted as an addendum to the findings referenced in the report:

- Eleven of the 30 students referenced in July 2005 as residential placements are students who are FTE-funded only (Babyhouse /Sunrise Residential). The students served at these facilities should not be considered residential placements for the purpose of this report.
- Five of the 30 students referenced were placed by DCF and then M-DCPS initiated residential placements.
- Three of the 30 students referenced have Department of Juvenile Justice involvement and have been deemed incompetent or did not have sufficient charges to be court appointed to a residential facility.

APPENDIX – Management’s Response

- One student had been denied co-funding for placement by agencies for persons with disabilities, and we are continuing the process of renegotiation on this matter.

Comparative Data Submitted as an Addendum to Table on page 12 – Number and Contracted Costs of Residentially Placed Students for Fiscal Year 2005-2006

- When compared to other size-alike Urban School District percentage of SWD served in residential facilities, Miami-Dade County Public Schools appears to serve students in these settings at rates below the average.

DISTRICT	TOTAL MEMBERSHIP	ESE POPULATION	RESIDENTIAL ENROLLMENT	PERCENTAGE RESIDENTIAL
BUFFALO	38,495	9,289	367	3.95%
CHICAGO	482,020	51,860	101	0.19%
FAIRFAX	164,095	21,894	102	0.47%
LONG BEACH	95,302	6,813	115	1.69%
LOS ANGELES	741,201	77,478	170	0.22%
NEW YORK	1,086,886	144,772	600	0.41%
PHILADELPHIA	217,405	26,797	38	0.14%
SAN DIEGO	136,347	15,140	35	0.23%

*** M-DCPS - 0.05% RESIDENTIAL OF TOTAL ESE POPULATION (62,000)**

- The average national K-12 percentage for residential placement is .66%, while Florida’s average is .25%. The M-DCPS percentage of ESE students in residential placements is below national and state averages.

Should you have questions regarding the additional information provided, please contact Ms. Brucie Ball, Assistant Superintendent, Office of Special Education, Alternative Outreach, and Psychological Services, at 305-995-1721.

M612
Attachments

cc: Dr. Rudolph F. Crew
Ms. Carolyn Spaht
Dr. Lourdes C. Rovira

Ms. Brucie Ball
Ms. JulieAnn Rico Allison
Ms. Laura Pincus

The School Board of Miami-Dade County, Florida, adheres to a policy of nondiscrimination in employment and educational programs/activities and programs/activities receiving Federal financial assistance from the Department of Education, and strives affirmatively to provide equal opportunity for all as required by:

Title VI of the Civil Rights Act of 1964 - prohibits discrimination on the basis of race, color, religion, or national origin.

Title VII of the Civil Rights Act of 1964, as amended - prohibits discrimination in employment on the basis of race, color, religion, gender, or national origin.

Title IX of the Education Amendments of 1972 - prohibits discrimination on the basis of gender.

Age Discrimination in Employment Act of 1967 (ADEA), as amended - prohibits discrimination on the basis of age with respect to individuals who are at least 40.

The Equal Pay Act of 1963, as amended - prohibits sex discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

Section 504 of the Rehabilitation Act of 1973 - prohibits discrimination against the disabled.

Americans with Disabilities Act of 1990 (ADA) - prohibits discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications.

The Family and Medical Leave Act of 1993 (FMLA) - requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons.

The Pregnancy Discrimination Act of 1978 - prohibits discrimination in employment on the basis of pregnancy, childbirth, or related medical conditions.

Florida Educational Equity Act (FEEA) - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

Florida Civil Rights Act of 1992 - secures for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status.

School Board Rules 6Gx13- 4A-1.01, 6Gx13- 4A-1.32, and 6Gx13- 5D-1.10 - prohibit harassment and/or discrimination against a student or employee on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, pregnancy, or disability.

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 295.07 (Florida Statutes), which stipulate categorical preferences for employment.



Miami-Dade County Public Schools
giving our students the world