EXECUTIVE SUMMARY

DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION PROGRAMS

We found that the department’s monitoring procedures are adequate to ensure special education programs and services throughout the state are in compliance with existing laws. In making this determination, we noted certain weaknesses in the documentation of related services and monitoring of private schools for students with disabilities that merit management’s attention. We also found that the majority of districts are not maximizing revenues from the Special Education Medicaid Initiative program as required by the administrative code.

AUDIT HIGHLIGHTS

- The state and the districts could collect over $10 million annually in additional revenue if all districts were to maximize participation in the Special Education Medicaid Initiative (SEMI) program. The administrative code states that all districts shall strive to achieve maximum participation in the SEMI program.

- Districts are not adequately documenting related services provided to students who participate in the Special Education Medicaid Initiative (SEMI) program. Failure to document these related services could result in services not being reimbursed. In addition, it impedes the ability of those in charge of monitoring student progress from being assured that reported student performance outcomes are achieved and the student is progressing towards clinical goals.

- The department is not performing the number of on-site reviews required by the administrative code. These reviews help determine whether the private schools for students with disabilities (PSSD) are in compliance with fiscal requirements, as well as determine whether all required PSSD employees are certified and if new hires have received a criminal history background check. Failure to perform the on-site reviews could result in tuition rates being calculated with disallowable costs, and allow PSSDs to employ staff without proper certification or background checks.

- We observed private schools for students with disabilities’ costs could be controlled with changes to the administrative code regarding nepotism and related-party transactions.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click here.