

## EXECUTIVE DIGEST

# OFFICE OF SPECIAL EDUCATION AND EARLY INTERVENTION SERVICES

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### INTRODUCTION

This report, issued in November 2001, contains the results of our performance audit\* of the Office of Special Education and Early Intervention Services (OSE-EIS), Department of Education.

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### AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness\* and efficiency\*.

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### BACKGROUND

Article VIII, Section 3 of the State Constitution vests in the State Board of Education the leadership and general supervision over all public education.

The primary objective\* of OSE-EIS is to administer and fund Michigan's special education and early intervention programs, which includes the identification of eligible young children and students with disabilities and the provision of appropriate intervention and educational services. OSE-EIS coordinates with school districts\* to ensure that a free and appropriate public education is provided to eligible children and youth from birth through

age 25 in accordance with federal and State requirements. OSE-EIS also coordinates early intervention services for infants and toddlers (birth through age 2) with disabilities and their families according to federal regulations and State standards.

OSE-EIS consists of three sections. Finance and Program Management is responsible for the average annual allocation of approximately \$749 million in State funds and \$147 million in federal funds to approximately 700 school districts or State agencies. Policy, Planning, and Compliance is responsible for helping to ensure compliance with all State and federal requirements for the administration and delivery of special education and early intervention services in the State. Quality Assurance is responsible for the collection of student and personnel data and the coordination of various improvement activities.

Intermediate school districts (ISDs) develop a written delivery plan for the provision of services to young children and students with disabilities within their boundaries. School districts and State agencies provide direct special education and early intervention services to young children and students with disabilities.

As of January 31, 2000, OSE-EIS had 45.1 full-time equated employees to administer its programs.

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**AUDIT OBJECTIVES,  
CONCLUSIONS, AND  
NOTEWORTHY  
ACCOMPLISHMENTS**

**Audit Objective:** To assess OSE-EIS's efforts to evaluate the effectiveness of its programs and services to young children and students with disabilities.

**Conclusion:** We concluded that OSE-EIS could improve its efforts to evaluate the effectiveness of its programs and services to young children and students with disabilities. Our assessment disclosed two

reportable conditions\* regarding individualized education programs and progress evaluation and a continuous quality improvement\* process (Findings 1 and 2).

**Audit Objective:** To assess the effectiveness of OSE-EIS's monitoring and fiscal-related reviews of school district special education programs.

**Conclusion: We concluded that OSE-EIS's monitoring and fiscal-related reviews of school district special education programs were generally effective.** However, our assessment disclosed reportable conditions regarding monitoring, the December 1 count process, and on-site program fiscal review of State-funded program costs (Findings 3 through 5).

**Noteworthy Accomplishments:** During our audit period, the OSE-EIS monitoring process implemented a parent input survey, completed in person or via telephone, to help evaluate the special education programs and services provided.

**Audit Objective:** To assess the effectiveness of OSE-EIS's oversight and investigation of complaints.

**Conclusion: We concluded that OSE-EIS's oversight and investigation of complaints were generally effective.** However, our assessment disclosed a reportable condition regarding the timeliness of complaint investigations (Finding 6).

**Audit Objective:** To assess the propriety of OSE-EIS's allocation of State and federal funds to school districts.

**Conclusion:** We concluded that OSE-EIS properly allocated State and federal funds to school districts. However, our assessment disclosed a reportable condition regarding the oversight of "Early On" grant allocations (Finding 7).

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AUDIT SCOPE AND  
METHODOLOGY

Our audit scope was to examine the program and other records of the Office of Special Education and Early Intervention Services and to examine special education student files and other records of three intermediate school districts. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit procedures included an examination of records and activities primarily for the 1997-98 through 1999-2000 school years.

To accomplish our objectives, we reviewed applicable federal regulations, State statutes and administrative rules, and Department policies and procedures. Also, we interviewed OSE-EIS and ISD staff and documented various special education and early intervention program processes.

To accomplish our first objective, we evaluated OSE-EIS's efforts to establish measurable and quantifiable program goals\* and objectives. Also, we reviewed the Department's process for evaluating the effectiveness of special education and early intervention programs. Further, we visited three ISDs to review the school districts'

preparation of individualized education programs and evaluation of student progress.

To accomplish our second objective, we examined selected, on-site monitoring reviews to determine compliance with established policies and procedures and we examined other monitoring issues. Also, we reviewed OSE-EIS's on-site program fiscal reviews of federally funded expenditures for selected ISDs to determine the level of reporting and frequency of follow-up for identified deficiencies. In addition, we reviewed desk audits of State expenditure reports to determine the appropriateness of reported expenditures and the propriety of expenditures disallowed. Further, we reviewed OSE-EIS's on-site audit process for verifying the accuracy of special education December 1 counts.

To accomplish our third objective, we determined the responsibilities of the school districts and OSE-EIS regarding complaints. We reviewed the complaint investigation process for randomly selected complaints, including adherence to established time requirements and appropriate resolution. We also reviewed selected complaint investigations to determine whether the ISDs had informed OSE-EIS of complaints received by the ISDs and to verify that appropriate complaint resolutions occurred.

To accomplish our fourth objective, we verified the accuracy of State-funded and federally funded program allocations for randomly selected school districts.

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**AGENCY RESPONSES**

Our audit report includes 7 findings and 8 corresponding recommendations. The Department's preliminary response indicated that it agreed with our findings and recommendations.