



Internal Audit

Special Services Audit

Special Services Audit

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Date: February 15, 2023

To: Board of Trustees
Stephanie S. Elizalde, Ed.D., Superintendent

From: Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Subject: Special Services Audit

Executive Summary

The Dallas Independent School District (District) Office of Internal Audit (OIA) has completed the Special Services Audit.

The audit focused on the Special Services Department's (Special Services) processes and controls for fiscal year (FY) 2021-2022.

Overall, Special Services has processes and controls surrounding the admission, review, and dismissal (ARD) of special services students including providing support to effectively implement Individualized Education Programs (IEP) at campuses. Special Services has staff dedicated to providing students with the services needed to ensure their educational success. In addition, Special Services has well documented processes and procedures and offers informative trainings.

Opportunities for improvement were identified in the following areas:

1. Requests for evaluation should be properly supported prior to submission of a referral for special services.
2. Processes for documenting services provided should be further streamlined.
3. Documentation processes for progress monitoring should be conducted as required by state and federal guidelines.

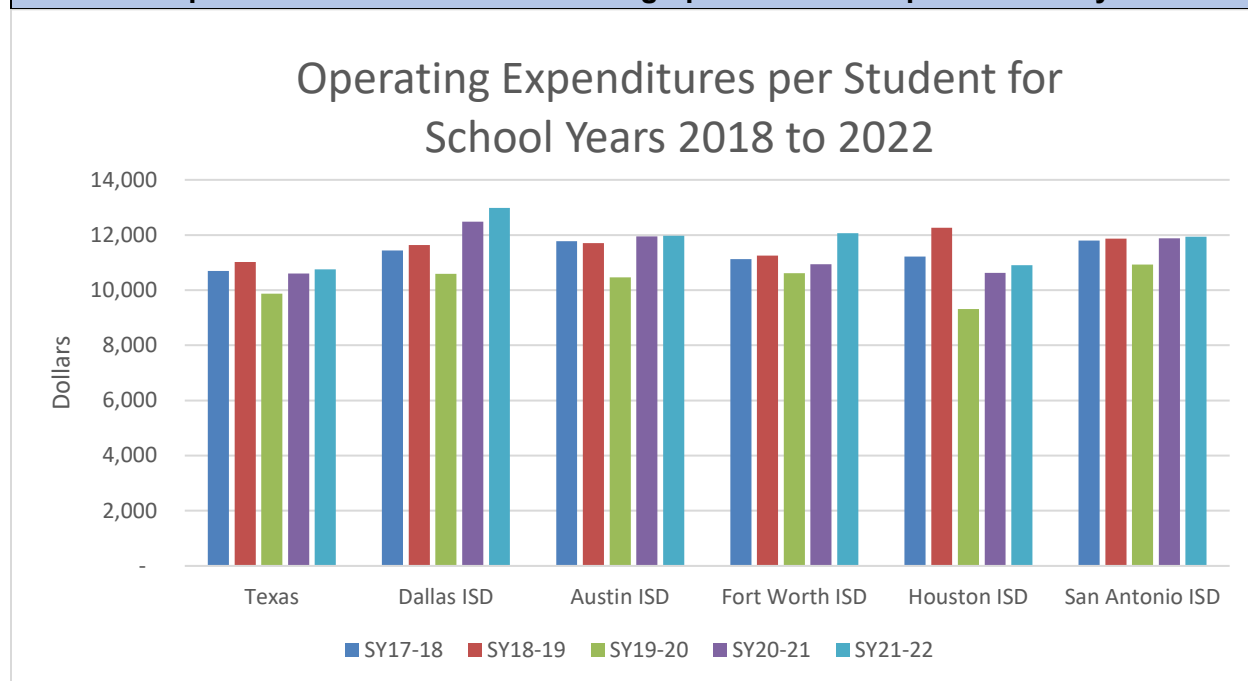
Implementation of the recommendations in this report could improve compliance with special services program requirements as well as enhance the effectiveness for managing the programs.

Background

The Individuals with Disabilities Education Act (IDEA) is a federal law ensuring children with disabilities have a free appropriate public education (FAPE) available to them. Special Services administers various programs that provide services to students with special needs to ensure they have access to FAPE. Based on Special Service's data, there were 16,489 students enrolled in Special Service's programs as of May 27, 2022, which were supported by an adopted budget of \$22,979,524, including 221 FTEs.

According to data obtained from the Texas Education Agency (TEA), for the last 5 years, the District has expended higher than the state average to provide superior quality special education services to its students. In addition, the data revealed the District had greater expenditures allocated to providing special services per student for the past two years compared with Austin ISD, Fort Worth ISD, Houston ISD, and San Antonio ISD (See Table 1).

Table 1 - Expenditures Allocated to Providing Special Services per Student by ISDs



Texas Education Agency Special Education Budgeted Financial Data by State and Districts.

Overview of Special Services Processes

Managing Special Services

Management of special services is referred to as case management. The goal of case management is to ensure that each student with a disability has a staff member, referred to as the case manager, who is knowledgeable about the student. Information regarding a student's special services is maintained in the student's case management notebook. These are physical notebooks that are sourced and maintained at the student's campus. In 2016, Special Services implemented a case management application system, EdPlan, to better manage, document, and track special services' activities. EdPlan is made up of different modules that are used by Special Services for managing functions of their operations. The District's version houses a student support team (SST) module; section 504 module; and an IEP or special education module, also known as EasyIEP.

Below are some of the primary processes related to providing special services to students.

Referrals

A referral is a request for an evaluation of a student's need for special services. Referrals may be made at any time by school personnel, the student's parents or legal guardian, or another person involved in the education or care of a student. Prior to a referral being submitted to the Special Services Department, it must first be reviewed by SST, which is managed by the Multi-Tiered Systems of Support Department (MTSS). This is a team of campus representatives appointed by

the principal that are responsible for making decisions to best support students with academic and/or behavioral interventions in the general education setting. When a student is identified as having trouble in a general education setting, SST must first conduct universal screenings, collect qualitative and quantitative data, and conduct a meeting to analyze the data to determine if the student is in need of special services. If determined eligible for special services, a referral request is then sent to the Special Services Department. All referral requests are input into EdPlan by the campus designee. In order to ensure student needs are addressed timely, the District must respond to a referral no later than 15 school days after receiving the request. From August 2021 thru July 2022, approximately 4,400 referral requests were submitted in EdPlan.

Initial Evaluations

Once a referral is received, parental consent must be obtained prior to the District conducting a full and individual initial evaluation (FIE). An FIE is conducted by specialists to determine if a student has a disability and what type of special education services should be provided. The District must complete an FIE no later than 45 school days following the date on which a written consent for the evaluation from the student's parent is received. Per Special Services, an average of approximately 3,500 evaluations per year were conducted over the last four fiscal years.

Evaluator Vacancies

Evaluators typically consist of licensed specialists in school psychology (LSSP), education diagnosticians, and speech pathologists. Per a 2021 article posted by the Texas Association of School Boards (TASB), the recommended case load for an educational diagnostician or LSSP is 80 to 85 students, and the recommended caseload for a speech pathologist is 45 to 50 students. An independent study completed by Stetson & Associates Inc. Educational Consulting Firm in 2021 indicated a need for additional staff in all evaluation areas. As of September 30, 2022, the District had 25 vacant evaluator positions out of 208 FTE positions. Additionally, the District currently has 116 contractor positions supporting evaluations for which some are also vacant due to critical shortages.

Admission, Review, and Dismissal (ARD) Committee Meetings

After the evaluation report is completed, an ARD committee is formed that reviews the evaluation results and determines whether the student is eligible for special education and related services. The ARD committee members typically include the parent, a regular teacher, a special education teacher, a representative of the school, and any specialized evaluator needed who is qualified to interpret the evaluation results. ARD meetings and decisions are documented in EasyIEP.

Individualized Education Program (IEP)

Each student that qualifies for special education or related services, will have an IEP developed by the ARD committee. The IEP will document the details of the types of services needed, when the services will begin, frequency and duration of services, etc.

Documenting Services and Monitoring Progress

Students enrolled in a special education setting are given a class schedule based on determinations in their IEP. For these students, services provided are documented from the class schedule, curriculum, attendance, and the Progress Monitoring Data Form. For students receiving special services within the general education mainstream, services provided are documented manually on the Inclusion Documentation and Progress Monitoring Log that is completed by the case manager and maintained within the student's case management notebook. This log will contain details of the services along with the dates and times the services were performed. This log is essential as it is the only documentation to support services provided.

In addition, the student's progress towards their objectives and goals determined from the IEP must be documented and communicated to parents. Progress monitoring is entered into EasyIEP in order to generate a progress report that is used to communicate the student's progress as required. This documentation allows the District, as well as the student's parents, to know if the student is on track with their established program.

Re-evaluation

For students receiving special services, re-evaluations are conducted as needed, but at a minimum must be conducted every three years. Re-evaluations follow a similar process to the initial evaluation.

Scope

The audit period focused on the Special Services Department's processes and controls for the FY 2021-2022. Certain other matters, procedures, and transactions outside that period were reviewed to understand and verify information during the audit period.

Objective

The objective of the audit was to review the District's processes and controls surrounding the identification and delivery of special services to District students.

Methodology

OIA reviewed processes and controls surrounding the identification of students in need of special services, evaluation of those students, and delivery of services. Auditors interviewed key personnel, conducted walkthroughs, and performed the following:

1. Referrals – To determine if the District has effective processes in place to respond timely to referrals for special services, auditors obtained a listing of referrals received from August 2, 2021, through July 27, 2022. Of the 4,403 referrals received, auditors selected a statistical sample of 45 student referral requests using a 90% confidence level and 5% tolerable deviation rate and verified a written response to the request along with a Notice of Procedural Safeguards was provided no later than 15 school days after the referral was submitted. See Recommendation 1 in this report.
2. Initial Evaluations – To determine if the District is in compliance with special services eligibility, enrollment, and evaluation requirements, auditors used the students from the sample noted in procedure step one above and tested the following attributes:
 - Parental consent was obtained prior to conducting an initial evaluation.
 - FIE was completed no later than 45 school days after receiving parental consent.
 - ARD committee meetings were held to review evaluations and determine eligibility.No observations were noted.
3. IEP Services – Using a listing of 18,901 students who received special services with an FIE date ranging from October 17, 2000, through October 7, 2022, auditors selected a statistical sample using a 90% confidence level and 10% standard deviation rate resulting in 22 students across 20 campuses and tested for the following:

- a. To determine if an IEP was properly completed, auditors obtained and reviewed the selected student's IEP and verified the following components were documented:
 - Student's present levels of academic achievement and functional performance
 - Measurable annual goals, including academic and functional goals
 - A description of the special education, related services, and supplementary aids and services that will be provided
 - Time and frequency of services to be performed
 No observations were noted.
 - b. To determine if students received the services in accordance with their IEP, auditors reviewed if the following documentation was completed and properly aligned with the IEP:
 - Inclusion Documentation and Progress Monitoring Log
 - Class Schedule
 - Progress Monitoring Sheet
 See Recommendation 2 in this report.
4. Student Progress - To determine if student progress was documented and communicated, auditors used the sample in audit procedure three above along with an additional sample of two randomly selected students enrolled in the homebound program and reviewed for the following:
 - A progress report was completed and documented within EasyIEP
 - The progress report was printed to be distributed to the parents
 See Recommendation 3 in this report.
 5. Re-evaluation – To determine if the District was properly re-evaluating students enrolled in special services programs, auditors used the sample selection of students noted in audit procedure one above and verified a re-evaluation was conducted at least every three years. Of the 45 students, 39 students were eligible for re-evaluation audit testing. No observations were noted.

Primary criteria reviewed for this audit were:

- 1) Individuals with Disabilities Education Act (IDEA), Part 300 (Part B), Assistance to States for the Education of Children with Disabilities, as of this audit report date
- 2) EHBA (Legal), Special Programs, Special Education, Issued June 2021
- 3) EHBAA (Legal), Special Education, Identification, Evaluation, and Eligibility, Issued June 2022
- 4) EHBAE (Legal), Special Education, Procedural Requirements, Issued November 2019
- 5) EHBAB (Legal), Special Education, ARD Committee and Individualized Education Program, Issued June 2022
- 6) EIA (Legal), Academic Achievement, Grading/Progress Reports to Parents, Issued November 2015
- 7) TEA Technical Assistance: Child Find & Evaluation, November 2019
- 8) TEA Parent's Guide to the Admission, Review, and Dismissal Process, February 2021
- 9) TEA Students with Disabilities Planning Supports Guidebook 2020-2021, June 2020
- 10) Dallas ISD Case Management Student System, August 2022

Audit Observations and Recommendations

Observation 1 – Requests for evaluation should be properly supported prior to submission of a referral for special services.

Condition

OIA selected a statistical sample of 45 referral requests. Upon testing, auditors noted one of the sample selections was not eligible for testing, leaving a remaining 44 referral requests for testing. Of the 44 requests tested, 10 (23%) were not given responses within 15 school days from the date the request was received. Auditors noted late responses were given between 23 and 217 school days after the date the school received the request for referral.

Criteria

EHBAA (Legal), Special Education, Identification, Evaluation, and Eligibility, Issued June 2022

Students experiencing difficulty in the general classroom should be considered for all support services available to all students, such as tutorial; remedial; compensatory; response to evidence-based intervention; and other academic or behavior support services. A student is not required to be provided with interventions for any specific length of time prior to a referral being made or a full individual and initial evaluation being conducted. If the student continues to experience difficulty in the general classroom with the provision of interventions, district personnel must refer the student for a full individual and initial evaluation. A referral for a full individual and initial evaluation may be initiated at any time by school personnel, the student's parents or legal guardian, or another person involved in the education or care of the student. 19 TAC 89.1011(a)

TEA Parent's Guide to the Admission, Review, and Dismissal Process, February 2021

If a parent makes a written request to the district's director of special education services or a district administrative employee for an initial evaluation for special education eligibility, the school is required to provide the parent a written response for the evaluation no later than 15 days after the date the school receives the request.

Cause

Due to the impacts of Covid-19, there have been an increase in referrals. Additionally, it appears referrals are being submitted prior to proper review and intervention by the campus SSTs. If SSTs do not collect and analyze the necessary data to determine the root cause of issues identified prior to submitting a referral for special services, evaluators are not able to provide an informed, timely response to the parent.

In addition, it appears turnover of SST members, shortages of evaluators, and lack of monitoring and oversight at the campus level has allowed for referrals to be submitted directly to Special Services without the initial review and intervention process taking place.

Effect

Providing response times after the 15 school day requirement puts the District in non-compliance with state guidelines. In addition, delayed response times may result in students not receiving the services they need in a timely manner and, in turn, not providing them with the support needed for their educational success.

Recommendation 1

- Special Services in collaboration with MTSS should consider determining the proper criteria (i.e., documentation, interventions, SST plans, etc.) to be met for the different types of requests for evaluations prior to submitting a referral for special services. Additionally, Special Services should consider implementing controls to ensure the criteria is met and SST collects and analyzes necessary data to make an informed referral prior to submitting a request for evaluation for special services. Below are a few options that may provide potential solutions:
 - Special Services could utilize system controls within EdPlan to require necessary documentation to be uploaded or quality control questionnaires to be answered prior to submitting a referral in EdPlan.
 - Special Services could implement an approval process for evaluators to review and approve documentation to support a referral prior to SST submitting in EdPlan.
- In addition, Special Services should implement a process to include evaluators in the SST meetings in order to provide knowledge and guidance to SST to ensure referrals for special services are appropriate.

Risk Level for Observation 1: Medium¹

Observation 2 – Processes for documenting services provided should be further streamlined.

Condition

To determine if students received the services in accordance with their IEP, auditors selected 22 students to verify services provided were documented on the Inclusion Documentation and Progress Monitoring Log and/or the Progress Monitoring Sheet. Of the 22 sampled selections, four students were transferred out of the program leaving a remaining 18 students eligible for testing. Auditors noted 11 out of 18 (61%) students selected did not have any logs maintained or logs were incomplete and, therefore, auditors were unable to verify if all services were provided.

Criteria

TEA Students with Disabilities Planning Support Guidebook 2020-2021, June 2020

If a student's IEP requires the provision of related services, the LEA is responsible for providing these services. Related service providers should carefully document if services are not able to be provided.

¹ See Attachment 1 for Definition of Risk Level.

IDEA, Part 300 (Part B), Assistance to States for the Education of Children with Disabilities, as of this audit report date - Section 300.320 Definition of Individualized education program (a)(7), paragraph (a)(4)

The projected date for the beginning of the services and modifications is described as a statement of the special education and related services and supplementary aids and services, the anticipated frequency, location, and duration of those services and modifications.

Cause

Manual and time-consuming processes are required to document services provided. Case managers must physically log student progress on paper forms for every time and date services are rendered. Logs typically include several line items that are time consuming to complete. Case managers have a multitude of competing responsibilities, further complicating the already labor-intensive process.

In addition, use of paper records and lack of a centralized tracking system has resulted in documentation of provided services not properly being retained. Auditors noted via discussions with campuses that several documents were not able to be located due to the case manager no longer working at the campus for which their case notebooks could not be found.

Effect

Without proper documentation of services received, there is no evidence to support required services were provided causing potential non-compliance with IDEA. In addition, not having proper documentation of services provided may increase legal and reputational risks if the District cannot support that a FAPE was provided.

Recommendation 2

- To further streamline processes and reduce risk of improper retention of records, Special Services should consider implementing electronic processes for documenting case management notebooks, including details of services provided and received. Below are some examples of electronic processes that may provide solutions:
 - Utilize a digital platform to directly input services received. Consideration of further functionality from an existing platform, such as EasyIEP, could offer a potential solution.
 - Utilize QR codes and Google docs to document services as they are provided. Google docs could then potentially be imported into a digital platform.
 - Provide iPads for teachers to document services in real-time as they are provided.
- With implementation of an electronic documentation process, Special Services should consider implementing electronic monitoring processes via use of reports, dashboards, alerts, etc. to ensure services received are being documented.

Risk Level for Observation 2: High²

² See Attachment 1 for Definition of Risk Level.

Observation 3 – Documentation processes for progress monitoring should be conducted as required by state and federal guidelines.

Condition

To determine student progress was documented and communicated, auditors selected 24 students to verify a progress report was completed in EasyIEP and printed for communication to the parents. Of the 24 sampled selections, four students were transferred out of the program leaving a remaining 20 students eligible for testing. Auditors noted eight of the 20 tested (40%) did not have progress reports completed in EasyIEP; and, therefore, progress was also not communicated to the parents as required.

Criteria

TEA Parent's Guide to the Admission, Review, and Dismissal Process, February 2021

The IEP must describe how your child's progress toward the annual goals will be measured as well as when the progress reports will be provided to you [the parent].

IDEA, Part 300 (Part B), Assistance to States for the Education of Children with Disabilities, as of this audit report date - Section 300.320 Definition of Individualized education program (a)(7), paragraph (a)(4)

The projected date for the beginning of the services and modifications is described as a statement of the special education and related services and supplementary aids and services, the anticipated frequency, location, and duration of those services and modifications.

Dallas ISD Case Management Student System, August 2022

IEP Progress Reports in EdPlan –The special education teacher/case manager is expected to document student progress as indicated by program standards.

Provide Report to the guardian

- By the 4th week of the grading period, and
- By the end of a grading period with the report card

Cause

Although electronic processes have been implemented to document progress reports, manual processes in other areas take needed time and resources. High turnover and staff shortages have resulted in further delays of documentation processes.

In addition, it is ultimately the responsibility of the principal to enforce record keeping requirements. There appears to be lack of proper oversight by campus administration to ensure progress reports are entered and issued.

Effect

Lack of proper documentation to support progress monitoring of the student's goals and objectives may result in non-compliance with IDEA. Not maintaining proper documentation of progress monitoring may increase legal and reputational risks if the District cannot support that a FAPE was provided.

In addition, lack of progress monitoring documentation may result in difficulty in determining whether the services provided to the students were effective or adjustments to special services instruction needs to be modified.

Recommendation 3

- To further streamline the progress monitoring and reporting functions, Special Services should consider implementing system tools such as automated alerts/reminders and automated generation and communication of the progress summary report.
- Special Services in collaboration with School Leadership should implement processes to ensure progress summary reports are completed and communicated as required. Below are examples that may provide potential solutions:
 - Require principals, special education teachers/case managers, etc. to attend required training sessions to further understand the importance of IEP implementation and progress monitoring.
 - Require principals at campuses who have a high rate of non-compliance with progress monitoring to submit reports to management that provide status updates on progress monitoring efforts.

Risk Level for Observation 3: High³

³ See Attachment 1 for Definition of Risk Level.

Conclusion

Overall, the District has established processes to manage Special Service's programs. The Special Services Department has made tremendous progress in processing referrals timely and providing services to students. Opportunities for further improvement were identified in areas surrounding documentation of these services including the following: 1) referral request process, 2) documentation of services provided to students, and 3) submission of progress summary reports to parents.

Implementation of the recommendations in this report could improve compliance with special services program requirements as well as enhance the effectiveness for managing the programs.

We would like to thank Special Services and School Leadership for their cooperation and assistance with this audit.

The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Those standards require OIA to plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. OIA believes the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Respectfully submitted,

Robert Rubel

Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Cc: Pamela Lear, Ed.D., Deputy Superintendent, Chief of Staff and Racial Equity
Dwayne Thompson, Deputy Superintendent, Business Services, Financial Services
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Definition of Risk Level

Risk Level	Definition
High	High probability of occurrence that would significantly impact District operations and have a significant financial or compliance risk. These observations are defined as an observation by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of the District
Medium	Risks are considered to be substantially undesirable and pose a moderate level of risk exposure to District operations. Without appropriate controls, the risk will happen on a consistent basis.
Low	The risks are considered to be undesirable and could moderately expose the District. Without appropriate controls, the risk will occur some of the time.

Management Response

Observation 1 - Requests for evaluation should be properly supported prior to submission of a referral for special services.

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management's Response:

- a. The Special Services Department has streamlined processes and procedures to ensure the timely processing of referrals for special education evaluation. During the 2021-2022 school year, Special Services processed over 4,400 referrals in addition to clearing a four year old backlog of referrals. In order to prevent another backlog from occurring, the Special Services Department will continue to implement a timeline monitoring system with weekly data analysis to inform next steps. With our new timeline monitoring system and frequent data analysis, we are better able to process referrals for evaluation in a timely manner.
- b. In order to keep pace with the rising number of referrals and students qualifying for special education services, there is a need for additional evaluation staff to meet this demand. Although there are national critical shortages of school psychologists and speech and language pathologists, the Special Services Department will continue to focus efforts on filling and retaining high-quality evaluation staff. Currently, shortages have been filled with contract staff, and we are continuing to partner with Human Capital Management (HCM), area and regional universities, and national and state associations to recruit candidates.
- c. The Special Services Department will continue to work collaboratively with the Multi-tiered Systems of Supports (MTSS) Department to provide professional development and support to strengthen the connection between campus Student Support Teams (SST), referral processes, and special education evaluation teams.
- d. The Special Services Department is in the process of refining the referral process with an emphasis on building the capacity of evaluators to support campus SSTs. This will facilitate collection of data needed for evaluations and data-based decision making to further streamline referrals.

Estimated Implementation Date: February 28, 2024

Individuals responsible for implementation:

Anabel Meyer, Special Services Executive Director of Evaluation & Behavioral Health
Michelle Brown, Special Services Executive Director of Curriculum & Instruction, Dyslexia, & Section 504

Observation 2 - Processes for documenting services provided should be further streamlined.

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management's Response:

- a. The Special Services Department is currently investigating how to move from paper documentation to a digital system. This includes:
 - i. Conducting teacher focus groups to solicit feedback
 - ii. Reviewing the current IEP management system (Easy IEP) to determine feasibility for digital documentation of service delivery
 - iii. Researching what other school districts are doing
 - iv. The Special Services team will leverage Easy IEP and other technology platforms while providing coaching and training to teachers and administrators on the importance of documenting service delivery.

Estimated Implementation Date: February 28, 2024

Individuals responsible for implementation:

Anabel Meyer, Special Services Executive Director of Evaluation & Behavioral Health
Michelle Brown, Special Services Executive Director of Curriculum & Instruction, Dyslexia, & Section 504

Observation 3 - Documentation processes for progress monitoring should be conducted as required by state and federal guidelines.

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management's Response:

- a. In order to streamline the process for progress monitoring, Special Services moved from Review 360 to Easy Track which is a part of the Easy IEP system. This new system facilitates the transferring of data more efficiently and enables special education case managers to monitor and document progress on students' IEP goals and objectives.
- b. A professional development plan has been developed to address:
 - i. how to effectively utilize the progress monitoring system
 - ii. how teachers can use progress monitoring data to inform instructional decisions
 - iii. how to align goals and objectives with appropriate progress monitoring

- c. A Progress Report Focus Group was created to develop a districtwide monitoring plan. This plan includes a multi-tiered approach for auditing and supporting campuses to ensure appropriate documentation of student progress on goals and objectives.
- d. The Special Services Department will collaborate with School Leadership to train administrators how to monitor implementation of progress monitoring on their campus.

Estimated Implementation Date: February 28, 2024

Individuals responsible for implementation:

Anabel Meyer, Special Services Executive Director of Evaluation & Behavioral Health
Michelle Brown, Special Services Executive Director of Curriculum & Instruction, Dyslexia, & Section 504