

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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November 28, 1994

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF EDUCATION SPECIAL EDUCATION SERVICE AGENCY

November 28, 1994

Audit Control Number

05-1424-95

The audit reports on whether the Special Education Service Agency (SESA) should continue its existence. Currently, Alaska Statute 44.66.010(a)(14) has SESA scheduled for termination on June 30, 1995. SESA would be allowed one year in which to conclude its affairs. We recommend the legislature consider either extending the period between sunset reviews to ten years or removing SESA from the sunset process. We also recommend that SESA's existence be continued in its present form as a nonprofit corporation and that the legislature address the composition of the board of directors and the applicability of the Administrative Procedures Act to SESA.

The audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented are discussed in the Objectives, Scope, and Methodology section of this report. Audit results may be found in the Report Conclusion, Findings and Recommendations, and Analysis of Public Need sections of this report.

A handwritten signature in cursive script, reading "Randy S. Welker".

Randy S. Welker, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Special Education Service Agency (SESA) to determine if it should continue in existence.

Objectives

As required by legislative intent, this report shall be considered during the legislative oversight hearings in determining whether SESA should be reestablished. The law currently specifies that SESA will terminate on June 30, 1995, and will have one year from that date to conclude its affairs.

Scope and Methodology

The functions reviewed included board activity, administration, and program delivery. Those functions were examined for the period from July 1, 1991 through June 30, 1994. During the course of our examination, we reviewed and evaluated the following:

- applicable sections of state statutes;
- interviews with various state employees including staff within the Department of Education, Department of Health & Social Services, and Ombudsman's Office;
- correspondence from the Department of Education, Alaska Human Rights Commission, U.S. Equal Employment Opportunity Commission, and Governor's Council for Disabilities and Special Education;
- interviews with members of SESA's management, board, and staff;
- interviews with school district administrators and teachers;
- interviews with staff of the South East Regional Resource Center;
- SESA board minutes;
- audited financial statements for prior years;
- SESA's financial records;
- SESA's current year budget;

- records of SESA board's membership;
- SESA's annual report, including user surveys;
- SESA's referral information packet;
- current SESA bylaws;
- proposed changes to SESA bylaws;
- SESA newsletters to users;
- legislation proposed by SESA;
- compliance review report by U.S. Department of Education regarding special education programs funded through the Alaska Department of Education;
- compliance monitoring review report by Alaska Department of Education;
- compliance monitoring review report by Alaska Department of Health and Social Services;
- resolution passed by Alaska Association of Administrators of Special Education;
- resolution passed by Alaska Association of School Administrators;
- prior year audit workpapers and audit report; and
- other documents and interviews as deemed pertinent.

ORGANIZATION AND FUNCTION

The Special Education Service Agency (SESA) was created by Chapter 112, SLA 1986 and formed as a not-for-profit corporation in August 1986.

The purpose of SESA's creation was threefold: (1) to assist school districts and regional educational attendance areas to make more special education and related services available to exceptional children; (2) to encourage cooperation between districts and education agencies in making special educational programs available; and (3) to ensure that qualified specialists are available to assist districts in the provision of free appropriate public education services for those exceptional children that are difficult to serve, without regard to their location in the State.

Governance

Per AS 14.30.610 and AS 47.80.090(12), SESA is governed by the Governor's Council on Disabilities and Special Education. Six of the Council's members are members of SESA's board, establishing a voting majority. Among the included Governor's Council members are representatives from the Division of Vocational Rehabilitation and the Alaska Department of Education special education component. The executive director of the Governor's Council also sits on SESA's board, but as a nonvoting member.

SESA's board of directors also includes one member from each of the following professional organizations: Alaska Association of Administrators of Special Education, the National Education Association of Alaska, and the Alaska Association of School Administrators. Board composition is discussed in Recommendation No. 2.

SESA has an executive director who is directly responsible to SESA's board of directors. This executive director is assisted in the organization's management by two program administrators, several program supervi-

EXHIBIT 1

MEMBERS OF THE SESA BOARD OF DIRECTORS

- Keith Anderson, *Alaska DOE Division of Vocational Rehabilitation*
- Dorothy Arensman
- DiAnn Brown, *Alaska DOE Office of Special Services*
- Nancy Dodge
- Jane Johnson (SESA board treasurer)
- Kayleen Lowe
- Mari Jo Parks (SESA board secretary)
- Tom Ryan (SESA board president)
- Brenda Trumble (SESA board vice president)
- David Maltman (nonvoting member), *executive director of Governor's Council on Disabilities and Special Education*

sors/coordinators, an administrative assistant, a librarian, and a finance staff. SESA has a total of approximately 30 employees.

Duties of SESA

Alaska Statute 14.30.630(b)(1) states that the agency shall provide special education services including:

(A) itinerant outreach services to deaf, deaf-blind, mentally retarded, hearing impaired, blind and visually impaired, orthopedically handicapped, other health-impaired, severely emotionally disturbed, and multi-handicapped students;

(B) special education instructional support and training of local school district special education personnel; and

(C) other services appropriate to special education needs;

SESA's programs

SESA fulfills its responsibilities through the following programs:

Low Incidence Disability Outreach Services — SESA aids rural school districts in providing special education technical assistance through itinerant specialists. SESA's primary target group is students, ages three through twenty-one, with low incidence disabilities: mentally retarded, deaf/hard of hearing, visually impaired, blind, seriously emotionally disturbed, orthopedically impaired, autism, traumatic brain injured, preschool developmentally disabled, other health impaired, and multiple disabled. This program is funded through the Alaska Department of Education (DOE).

Alaska Services for Children and Youth with Dual Sensory Impairments — This program provides parents and professionals with consultation/training concerning persons who have both vision and hearing impairments. The program is funded with a grant from the U.S. Department of Education that is passed through DOE.

Visual Impairment Services for Infants and Toddlers (VISIT) — VISIT is a statewide, family-focused early intervention outreach program for children up to three years old who have visual impairments. Two pediatric vision specialists provide consultations to parents and regional Infant Learning Program teachers. This program is funded through the Alaska Department of Health & Social Services (DHSS).

Alaska Students with Deaf-Blindness Inclusion in Regular Classrooms (Project PALS) — Through a rural pilot site and an urban pilot site, this project facilitates the inclusion of students with dual sensory impairments in regular education classrooms. The program has

developed a distance-delivered university course which will train schools around the State on how to accomplish such inclusion. This program is funded mainly with a grant from the U.S. Department of Education that is passed through DOE.

Infant Learning Program - Statewide Evaluation Travel Team (SETT) — This program provides teams that assist rural Infant Learning Programs in their early intervention services to children up to three years of age. The SETT team includes a physical therapist, an occupational therapist, and a speech-language pathologist. The team provides local providers with evaluations and consultations. SESA contracts to have a pediatrician and a nurse practitioner join the team for certain evaluation clinics. This program is funded through DHSS.

Aleutian-Pribilof and Aleutians East Regional Infant Learning Program — This program provides early intervention support for families of children in the Aleutians and Pribilofs. It is funded through DHSS.

Assistive Technology Services — Assistive Technology (AT) consists of the full range of equipment that enhances the functioning of persons with disabilities. SESA provides AT consultations/training and short-term lending of assistive devices that enable users to make informed choices before purchase. This program is funded through several sources: a U.S. Department of Education grant passed through DOE, Mental Health Beneficiaries funds administered by DHSS, and funds from the Alaska Division of Vocational Rehabilitation.

Low Incidence Disability Library — The library which serves SESA's staff is also available to other service providers, parents, and university students. The library is financed as part of SESA's low incidence disability program.

Predecessor agencies

Although SESA has only been in existence since 1986, some of the programs described above were provided prior to that time. Provision of services began in 1971 when federal funding was received by the Easter Seal Society of Alaska for the Alaska State Deaf/Blind program. In 1972, that program helped develop classrooms for Alaska's deaf/blind and severely disabled students within the Anchorage School District and an outreach model for deaf/blind students in rural communities. The Anchorage School District has continued to provide classroom services as the Alaska State School for the Deaf. However, in 1978, the Anchorage School District discontinued deaf/hard of hearing outreach services for persons beyond its district.

A blind/visually impaired program was established within the Southcentral Regional Resource Center (SCRRC) in 1977. The following year the Alaska State Deaf/Blind Program was transferred to SCRRC and its name changed to Alaska Resources for the Moderately/Severely Impaired (ARMSI). Services were expanded to include multiple disability students statewide. SCRRC closed in 1980 and ARMSI was transferred to the Employment and Training Center of Alaska. In 1982, ARMSI received a three-year grant

from DOE to operate an outreach program for all students with low incidence disabilities. This grant added students who were severely emotionally disturbed, orthopedically impaired, and other health impaired to those students previously served. ARMSI was discontinued and SESA was created in 1986.

REPORT CONCLUSIONS

Alaska Statute (AS) 44.66.010(a)(14) requires that the Special Education Service Agency (SESA) be terminated on June 30, 1995, with AS 44.66.010(b) providing for a one-year wrap up period. If no action is taken by the legislature, the agency will be dissolved as of June 30, 1996. We recommend the legislature consider either extending the period between SESA's sunset reviews to ten years or removing SESA from the sunset process. We also recommend that SESA be continued in its present form as a nonprofit corporation and that the legislature address the composition of the board of directors and the applicability of the Administrative Procedures Act to SESA.

In our opinion, SESA operates in an efficient and effective manner and provides essential services to school districts that would otherwise have great difficulty in assuring an appropriate program for all special education students.

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FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The legislature should continue to provide the Special Education Service Agency's (SESA's) statewide services through the existing structure of a single not-for-profit corporation.

The 1991 sunset report prepared by the Division of Legislative Finance recommended that SESA and Department of Education (DOE) review alternate possibilities for program delivery to the rural areas of the State, such as a regional basis for services. The Senate Finance Committee's letter of intent recommended the following:

The Department of Education and the Special Education Service Agency Board should continue to look at more efficient methods of providing related services to low-incidence handicapped students.

SESA responded that recommendations for alternative methods of delivery should be developed by DOE. No such DOE recommendations have been presented.

In the course of our audit, we interviewed education professionals at both the local and statewide levels. These interviews included discussions of Alaska's experiences with regional education resource centers. Based upon the information obtained, we recommend that SESA's statewide services continue to be delivered through the present structure of a single not-for-profit corporation.

a. Delivery of these services from regional hubs would not be feasible.

At first glance, service centers at regional hubs would appear to offer a cost savings. Professionals traveling to villages would be spared the expense of an initial flight from Anchorage to the regional hub. However, in the case of the specialist services offered by SESA, regional service centers are not feasible.

Most of Alaska's regions would not have sufficient children with a given low incidence disability to justify employment of a full-time specialist.¹ The specialists would need to allocate the remainder of their time to generalized special education services. Such generalization would detract from the specialists' ability to continually develop their expertise through experience with the range of low incidence disabilities that they see statewide.

Specialists for low incidence disabilities are in short supply throughout the United States. Alaska must compete with more cosmopolitan environments in the lower-48.

¹For instance, the SESA staff indicated that only 20 children in the State that have been identified as both deaf and blind.

A regional hub would presumably fare worse than an Anchorage-based facility in competing for scarce specialists.

The potential for regional hubs to reduce travel expenses is offset by other realities. Even if specialists could be successfully recruited for regional hubs, their compensation would no doubt reflect the traditional increase for "bush duty." Unless specialists deviate from the pattern of other rural teachers, a higher turnover would be expected than from Anchorage-based personnel.² The argument for travel expense reduction also overlooks the fact that much of SESA's consultation utilizes efficiencies such as combined trips, teleconferencing, fax, videos, and laptop computers. Regional hubs would duplicate administrative overhead for items such as SESA's centralized library and assistive technology equipment.

With one exception, Alaska's experience with regional education service centers has not been a successful one. In the late 1970's, regional resource centers served five areas of the State.³ The majority of these regional centers did not survive due to a lack of demand for their services. Only the SouthEast Regional Resource Center (SERRC) remains in existence.⁴ Common problems were inadequate student population and the high cost due to the duplication of administrative overhead for each region. School districts lost confidence in the ability of the failed centers to

²The high teacher turnover is noted in Judith S. Kleinfeld, G. Williamson McDiarmid, and David Hagstrom, *Alaska's Small Rural High Schools: Are They Working?* (Anchorage, Ak: University of Alaska Institute for Social and Economic Research, 1985), pp. 90-91.

³Alaska Statute 14.12.150(c) actually authorized centers for seven regions of the State. However, the Kodiak region and the interior region (Fairbanks) never formed centers because the districts involved did not consider it economically feasible.

It should be noted that none of the regional resource centers attempted to provide the same types of specialist services as are now provided by SESA.

⁴The western (Bethel), northwest (Nome), and Bristol Bay centers did not have sufficient business to survive and stopped operating shortly after the initial three-year DOE funding period. The southcentral center (Anchorage) ended in bankruptcy around 1981.

SERRC survives to this day due to some unique features of its region, including the cohesiveness of superintendents with districts in a comparatively small area and the need of the main DOE office in Juneau for SERRC's contractual services.

SERRC operates on a fee basis and currently offers an impressive spectrum of services to school districts and their students (e.g., psychologists, speech therapists, occupational therapists, physical therapists, accounting services, grant administration, small grants consortia, adult basic education, and vocational training). However, due to the high costs, SERRC does not attempt to provide specialists for low incidence disabilities. Rather, SERRC's professionals address more common special education needs, such as learning disabilities. In short, SESA and SERRC are not competitors.

provide savings in procuring common professional services.⁵ Regional delivery of SESA services would face the same obstacles as these resource centers.

b. Delivery of these services by DOE would not result in significant savings.

SESA currently functions as a not-for-profit corporation that is legally separate from DOE, but still subject to its regulation. There are potential negative effects of including the performance of SESA's functions as part of DOE's duties and responsibilities.

DOE would need to add special education specialists to its staff before assuming the functions of SESA. These specialists would need the same professional resources (e.g., library materials, assistive devices) as are now utilized by SESA specialists.

DOE would also need to establish procedures to assure its compliance with federal special education requirements in delivery of SESA services. DOE currently provides the federally-mandated compliance monitoring to ensure agencies implement applicable federal requirements. Self-monitoring would not likely satisfy this responsibility.

In most areas of comparison, we do not believe that either agency has an advantage. Thus, it does not appear there would be significant cost savings from incorporating the functions performed by SESA into DOE.

Recommendation No. 2

The legislature should address the composition of SESA's board of directors.

Alaska Statute (AS) 14.30.610 states that SESA "*shall be governed by the Governor's Council on Disabilities and Special Education.*" This is mirrored in the Council's enabling legislation; AS 47.80.090(12) states that the Governor's Council will "*govern the special education service agency and may hire personnel necessary to operate the agency.*" Who is to govern SESA is a policy question for the legislature. We offer the following comments to assist in the deliberations.

⁵A recent proposal to establish a Northern Regional Resource Center was abandoned as unfeasible; apparently the regional concept is a difficult one to implement.

- a. The Governor's Council may be perceived as having a conflict of interest with its duties to both manage SESA and act as a watchdog over it.

The Governor's Council monitors special education on behalf of the executive branch.⁶ It is one avenue for complaints from consumers. It also functions as an advisory board, i.e., in an advocacy role, for special education. This watchdog/advocacy function of the Governor's Council may be compromised by its controlling involvement in the management of SESA. A complaining consumer could lack confidence in a review process that involves the same board members at both levels.

- b. Board composition tied to the Governor's Council can result in a high turnover that reduces board effectiveness.

Composition of the Governor's Council has the potential to change with the election of each new administration, and even during any governor's term. Since change in the Governor's Council can automatically change the SESA board, SESA could face a high turnover in board members. Review of board member lists shows a two-thirds turnover occurring between FY 92 and FY 93.⁷ The effects of high board turnover are exacerbated by the economical SESA practice of having many board meetings on a teleconferencing, rather than face-to-face, basis. Frequent orientation of new board members and repeat presentations of highly-technical staff reports can seriously detract from a board's ability to move forward with new business.

- c. Independence from the Governor's Council could enable SESA's board to reflect additional user constituencies.

A SESA board derived from the Governor's Council, or even one made up of the entire Council, does not ensure that the board will fully reflect some important SESA constituencies: (1) rural school districts, (2) district administrators and teachers, (3) Alaskan Native populations,⁸ and (4) parents and professionals familiar with the types of disabilities for which SESA provides consultation.

⁶The following are some of the numerous broad duties of the Governor's Council listed at AS 47.80.090: advocacy of the needs of those with disabilities before the executive and legislative branches (subsection 2); advising the executive and legislative branches on programs and policies (subsection 3); reporting to executive departments concerning the effects of programs (subsection 4); and monitoring/evaluating budgets, programs, and implementation plans to facilitate efficiency, coordination, and nonduplication (subsection 10).

⁷Two of the six new directors were the direct result of Governor's Council appointments by the new governor who took office in 1991.

⁸A SESA program administrator indicates that over half of the agency's low incidence caseload involves Alaskan Natives.

SESA has drafted a proposed set of bylaws for implementation in the event that the legislature eliminates oversight by the Governor's Council. Those proposed bylaws provide for a board with a broad range of representation, including rural consumers, a rural superintendent, two special education directors from districts that utilize SESA, a classroom teacher, a member at large, and two members of the Governor's Council. Additionally, the executive director of the Governor's Council and the DOE special education manager would be included as nonvoting members. SESA and DOE are presently drafting proposed legislation to implement the removal of Governor's Council responsibility for management.

- d. The current SESA board excludes most members of the Governor's Council and includes voting members who are not on the Council.

If the legislature elects not to establish an independent SESA board, then we recommend statutory clarification of current board membership. Alaska Statute 14.30.610 states that SESA "*shall be governed by the Governor's Council on Disabilities and Special Education.*" In contrast, SESA's statutes have apparently been interpreted to allow them to exclude Council members and to include others on the board, as long as Council members make up a majority. Given this apparent disparity, we believe the board membership issue warrants legislative clarification.

Recommendation No. 3

The legislature should consider either extending the period between sunset reviews to ten years or removing SESA from the sunset process.

- a. The need for SESA's assistance to school districts will remain consistent in the future.

This is SESA's fourth sunset audit. Since 1986, it has consistently served an important public interest. (See the Analysis of Public Need section of this report). Special education services are required by federal law. The need is not likely to decrease in the future, nor is there likely to be a reduction in the need for rural school districts to receive subsidized assistance for low incidence disabilities.⁹

- b. A statewide service agency will continue to be a feasible alternative for delivery of low incidence services to school districts.

As discussed in Recommendation No. 1, several factors make a statewide service agency a feasible system for providing low incidence assistance: level of demand for low incidence services at the district and regional levels, difficulty in recruiting specialists for regional hub positions, technology that facilitates consultation from a

⁹A SESA specialist noted that fetal alcohol exposure and children's injuries related to alcohol abuse are being reported in increasing numbers and are underlying causes of many disabilities for which SESA is consulted.

central office (i.e., fax, teleconferencing, videos, and laptop computers), and centralized library resources. The significance of these factors is not likely to change in the future.

- c. SESA will continue to be subject to extensive monitoring outside of the sunset process.

SESA is a heavily-monitored agency. An annual financial statement and compliance audit is performed by an independent CPA firm, which includes a management letter if necessary. SESA is monitored by the Governor's Council on Disabilities and Special Education. DOE performs periodic compliance reviews. The U.S. Department of Education includes SESA within the federal compliance review of the State's special education programs. The Statewide Evaluation Training Team Program and the Infant Learning Program are subject to Department of Health and Social Services reviews which both examine regulatory compliance and assess performance in terms of the programs' objectives.

School districts are a sophisticated user group. Their superintendents can be fully expected to provide necessary feedback to DOE. DOE has an adequate system for handling formal appeals and informal mediation if users have problems with SESA's services.

- d. Education professionals perceive the sunset process as an impediment to long-term educational planning by both SESA and the State's school districts.

With its record of service since 1986, SESA has become an integral part of the State's educational system for students with disabilities. Rural school districts rely upon the availability of SESA's services. However, in the perception of education professionals, the spectre of SESA's periodic sunset review injects caution into long-term planning of those districts and SESA itself.

In September 1994, the Alaska Association of Administrators of Special Education passed a resolution supporting SESA's removal from the sunset review process, with the following stated as part of its reasoning:

[T]he instability caused by the current three year sunset period impairs needed long-term planning, limits development of new services and more efficient and effective methods of delivery, and is adverse to external funding for additional support and services; . . .

Similarly, in October 1994, the Alaska Association of School Administrators passed a resolution supporting SESA's removal from the sunset review process, with that resolution noting in part:

Instability is created by the current requirement that this agency be reauthorized every three years. This impairs long-range planning, limits development of new services and interferes with external funding.

In summary, we believe that the need for SESA will continue and that this program will be adequately monitored without frequent sunset audits. Thus, we recommend the legislature either establish a ten-year sunset review cycle for SESA or delete the sunset requirements altogether. As specific issues arise, they can be addressed directly by the Division of Legislative Audit through special requests submitted to the Legislative Budget and Audit Committee.

Recommendation No. 4

The legislature should clarify the applicability of the Administrative Procedures Act to SESA's operations.

SESA's policies on service delivery, such as the service prioritization matrix at Appendix F, are currently drafted by the agency's management and subjected to approval only by the organization's board of directors.

SESA's enabling legislation is silent as to the applicability of the Administrative Procedures Act (APA) to SESA's policy pronouncements. Unless legislation provides to the contrary, state agencies are presumed to be subject to the APA in their issuance of any "regulation."

The APA defines "regulation" broadly at AS 44.62.640(a)(3):

. . . every rule, regulation, order, or standard of general application . . . adopted by a state agency to implement, interpret, or make specific the law enforced or administered by it, or to govern its procedure, except one that relates only to the internal management of a state agency; . . . "regulation" includes "manuals," "policies," "instructions," "guides to enforcement," "interpretative bulletins," "interpretations," and the like, that have the effect of rules, orders, regulations, or standards of general application, and this and similar phraseology may not be used to avoid or circumvent this chapter; whether a regulation, regardless of name, is covered by this chapter depends in part on whether it affects the public or is used by the agency in dealing with the public. [Emphasis added]

The bylaws of the SESA board may be considered "internal management" and thus may not be subject to APA adoption procedures. However, policies concerning service delivery choices (such as the service prioritization matrix) clearly affect the public and are "*used by the agency in dealing with the public.*" Nevertheless, the matrix was not subject to APA's hearing procedures. We also noted that SESA does not follow APA standards for public

notice of board meetings. As SESA has apparently interpreted the statutes to exclude them from APA, we believe the legislature should provide clarification.¹⁰

Recommendation No. 5

Any changes in special education funding regulations should be reconciled with SESA's statutory funding formula.

Alaska Statute 14.30.650 requires annual funding for SESA of

. . . not less than \$85 for each special education student in the state in average daily membership or the equivalent of two percent of the funds appropriated for special education for that fiscal year, whichever is greater.

A DOE task force has recommended a new model for funding the State's special education.¹¹ That proposal would fund school districts based upon average daily membership of all students rather than the number of special education students.¹² Although the proposal recognizes the general need to fund SESA, no details are provided as how the proposal is intended to relate to the mandate of AS 14.30.650.

If the DOE proposal is adopted as a regulation, its terms should explicitly acknowledge that SESA will continue to be funded using the formula at AS 14.30.650. As long as special education students are still counted for purposes of federal funding, the mechanics of applying that formula should not pose difficulties for DOE.

¹⁰We note that the legislature, at AS 14.30.620, explicitly cited a statute (State Personnel Act) when it did not want that act to be applicable to SESA; however, there was no APA exclusion.

¹¹Alaska Department of Education Special Education Regulatory Review Task Force, *Alaska Draft Proposal for Special Education Funding Reform* (September 1994).

¹²The proposal contains an exception for "intensive services;" districts can choose funding for those students who need intensive services based upon an "actual count."

ANALYSIS OF PUBLIC NEED

Limited Analysis

The following analyses of agency activities relate to the public need factors defined in the "sunset" law, Alaska Statute (AS) 44.66.050. These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

The extent to which the board, commission, or program has operated in the public interest.

The Special Education Services Agency's (SESA) strong, consistent record of operation in the public interest is demonstrated by its level of services, user surveys, and regulatory reviews.

Core program services are widely distributed

SESA's core program involves services for low incidence disabilities. During FY 94, SESA provided low incidence services to 293 students located within 47 of Alaska's school districts (Appendix A). Staff trips and sites visited were distributed among the low incidence disabilities as shown in Exhibit 3.

Users are satisfied with SESA

SESA's low incidence program sent surveys to all teachers and administrators who had utilized the program's services during FY 94 (Appendix B). About 80% (185) of the surveys were returned. Overall satisfaction was indicated by 96% of respondents. On each of the seven more specific questions regarding SESA services, at least 85% provided a positive response.

SESA's Vision Impairment Services for Infants and Toddlers (VISIT) program sent surveys to parents, Infant Learning Program (ILP) teachers, and private agencies/service providers regarding the program's FY 94 services (Appendix C). The vast majority of responses indicated a positive assessment of SESA's services.

EXHIBIT 3

DISTRIBUTION OF LOW INCIDENCE STAFF TRIPS AND SITES VISITED

	<i>Trips</i>	<i>Sites</i>
Multiple disabilities	69	106
Seriously emotionally disturbed	56	66
Visual impairment	37	49
Deaf/hard of hearing	15	17

Source: SESA Annual Report FY 94, p. 47.

Regulatory reviews indicate favorable performance by SESA

The Department of Education (DOE) conducted a compliance monitoring review of SESA during FY 92. The review's recommendations concerned technical matters, mainly recordkeeping procedures, which did not reflect negatively on SESA's performance in the public interest.

An independent certified public accounting (CPA) firm issued an opinion and compliance reports as part of its annual audits of SESA's financial statements for FY 92, FY 93, and FY 94. That CPA firm issued unqualified opinions and noted no material instances of noncompliance in its reports for those three years. The auditor issued no management letter for FY 93 while its suggestions in the FY 92 and FY 94 management letters concerned technical accounting matters that did not reflect negatively on SESA's performance in the public interest.

EXHIBIT 4

SESA STATEWIDE EVALUATION TRAVEL TEAM PROGRAM STRENGTHS LISTED IN DHSS REVIEW

- *"Highly qualified competent professionals who are expert in providing services to ILP programs and families."*
- *"Professionals are committed in providing cohesive team services."*
- *"Strong agency and executive director support."*
- *"SETT maintains flexibility and is always evaluating services for the purpose of improving."*
- *"Infant Learning Providers report that services from SETT are benefiting children and families."*
- *"SETT therapists are strong on follow-up and provide these services in a variety of ways."*
- *"SETT therapists are recognized as expert and participate in a number of professional activities."*
- *"Parents report a high degree of satisfaction with SETT services."*
- *"The basic SETT team provides expanded health/medical evaluation services."*
- *"Services have been expanded to include such services as video assessment, adaptive equipment and library resource materials for loan."*
- *"Excellent forms and other materials are used as model materials by ILP programs."*

Source: DHSS report on compliance review of SESA SETT program (March 22, 1993), p. 9.

In the Department of Health and Social Services' (DHSS) FY 93 review of SESA's Statewide Evaluation Travel Team program (SETT), DHSS found that the program is *"offering quality services and [SESA] can be proud of the many strengths listed."* That

DHSS listing is shown verbatim in Exhibit 4. DHSS also noted two areas needing improvement: (1) controls to assure that initial screening is conducted by local Infant Learning Programs rather than a SETT team and (2) contingency planning for instances in which particular types of specialists are unexpectedly absent from the team (such as illness). SESA promptly responded to those concerns with corrective action.

In January 1994, the U.S. Department of Education issued its compliance review report concerning special education programs funded through the Alaska Department of Education. That report noted SESA as one of the programs for which the federal reviewing agency would “*like to commend [DOE]*” because it demonstrates “*[DOE’s] leadership to ensure quality programs and successful outcomes for students with disabilities.*” The commendation stated:

Given the unique geographic challenges facing Alaska, with great distances between local school districts and, in some cases, between schools within a single district, the creation of SESA offered an innovative approach to providing individualized assistance to LEAs [local educational agencies].

The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Our audit included interviews with fifteen of SESA’s board members and employees, including all program administrators, project coordinators, and project supervisors. We noted an exemplary, well-articulated identification with SESA’s mission by all interviewed, whether managerial, specialist, or support function.

Also impressive was the SESA staff’s continual concern with the needs of the agency as a whole, rather than merely focusing upon a particular specialist’s “territory.” Though SESA employees appreciate such working conditions as flexible work schedules, leaves of absence, and a supportive environment, the predominant focus of each interviewed employee was effective service for SESA’s clientele.

SESA serves persons with the most difficult disabilities, disabilities that present challenges for educators and families that many parents would find incomprehensible. The services for these difficult disabilities are performed through travel to some of the most remote areas of the State.

In short, SESA has developed a very effective structure for delivery of its specialists’ services around the State.

Relations with professional organizations have been generally favorable

SESA's board of directors includes representatives from the Alaska Association of Administrators of Special Education (AAASE), the National Education Association (NEA) of Alaska, and the Alaska Association of School Administrators (AASA).

In the fall of 1994, both AAASE and AASA passed resolutions in support of SESA's continuation.

An interview with the SESA board representative from NEA Alaska indicated that SESA's services are regarded highly around the State. However, that representative notes with regret that proposed new bylaws for SESA would eliminate the NEA Alaska position from SESA's board. Board composition should be carefully considered by all concerned; SESA's prestige around the State is due to an all too rare successful working coalition between regulators, management, labor, and consumers.

As described in Recommendation No. 1, SouthEast Regional Resource Center (SERRC) provides a wide variety of contractual services to school districts, including special education professionals for disabilities other than those that are low incidence. When an SESA student can benefit from the more generalized services available from SERRC (such as a psychologist), the two organizations coordinate their specialists' visits and advice to avoid conflicting approaches. This cooperation, as reported in interviews of SERRC's own management, reflects well on the staff of both entities.

SESA has effective procedures for service delivery prioritization

Interviews of ten selected school district personnel showed, with one exception, a very favorable perception of SESA's work in rural school districts, from the single-site Kashinuit School District to the Northwest Arctic Borough School District, with its numerous sites spread over an area the size of the state of Indiana. One remote rural district that seldom has low incidence students complained of a long administrative processing delay before consultation began for a deaf student.

Isolated criticism of SESA was noted in interviews of personnel at an urban district; they complained of the relative unavailability of SESA services to a large-population district. However, AS 14.30.640 mandates SESA services for children "*who cannot be easily served by local school district personnel because of the low number of students in the district in need of the particular service.*" This provision implicitly recognizes a higher priority for sparsely-populated areas than for the few urban areas found in the State.

No problems regarding the availability of SESA services were mentioned in the compliance report issued in 1992 by DOE or in compliance reports issued by SESA's independent CPA. Nor was any such problem mentioned when the U.S. Department of Education issued its 1994 compliance review report concerning special education programs funded through Alaska

DOE. In the course of this latter review, the U.S. Department of Education visited five Alaskan school districts, including the urban one noted in the preceding paragraph.

The basic mandate for SESA's service delivery is found in AS 14.30.640:

***Eligibility for service.** The services of the agency shall be available to school districts that serve children whose special education needs occur infrequently, who require specialized services not normally available in the school district, and who cannot be easily served by local school district personnel because of the low number of students in the district in need of the particular service. The agency may provide services to exceptional children, as that term is defined in AS 14.30.350. [Emphasis added]*

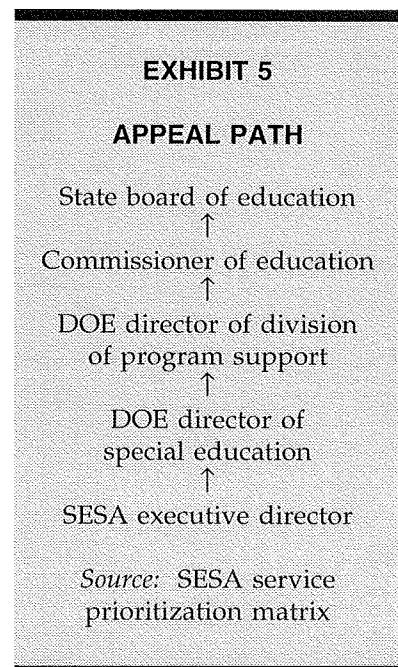
Alaska Statute 14.30.640 thus provides SESA with both mandatory and discretionary service levels to the State's school districts. SESA has the discretion to provide services to "exceptional children" (as defined at AS 14.30.350) in any district. However, SESA's services must be available to districts where the demand for low incidence disability services is outweighed by the burden that the districts would face in obtaining their own specialists. This is, of course, a difficult judgment call in balancing the allocation of resources for which the legislature sought scrutiny after the last sunset review. In the Senate Finance Committee's *Letter of Intent to SB 331 [SLA 1992, Chapter 40]*, the committee directed SESA to report upon its progress in implementing the following:

1) The Department of Education and the Special Education Service Agency should work together to develop formal procedures to identify when a school district is no longer eligible to receive Special Education Service Agency services and to provide a proper transition for its students; . . .

Both this letter of intent and the terms of AS 14.30.640 clearly contemplate that there will be some school districts for which SESA is not required to provide particular services. However, in the letter of intent, the legislature no doubt wanted to ensure that the general statutory guidance on eligibility was applied by SESA through some consistent, articulated set of criteria.

SESA responded with a prioritization matrix (Appendix F) which it applies to school districts' requests for service. The matrix evaluates three factors: the level of assistance needed by the student, the district's capacity to provide a program for the disability, and the district's past response to SESA recommendations.

The SESA matrix satisfies the need for an articulated reasoning process for judgment calls on service priorities.



The matrix instructions specify a four-tier appeal (Exhibit 5 on previous page) process for any district dissatisfied with SESA's response to a service request.

Recommendation No. 2 notes that according to AS 14.30.610 SESA is to be governed by the Governor's Council on Disabilities and Special Education. In contrast, SESA's statutes have apparently been interpreted to allow them to exclude Council members and to include others on the board, as long as Council members make up a majority. This recommendation also outlines some of the potential concerns of governance by this Council such as a possible perception of a conflict of interest with its duties to both manage SESA and act to as a watchdog over it, the potential for high board composition turnover, and representation by fewer user constituencies. We believe the legislature should address the composition of SESA's board.

Recommendation No. 3 discusses the diminished need for SESA's continued review under the statutory sunset process. The need for the service is unlikely to change in the future. The statewide format will remain feasible for service delivery. SESA will continue to be subject to extensive monitoring from a variety of reviewers. We recommend the legislature either establish a ten-year sunset review cycle for SESA or delete the sunset requirements altogether. As specific issues arise, they can be addressed directly by the Division of Legislative Audit through special requests submitted to the Legislative Budget and Audit Committee.

The extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

Both SESA and the Governor's Council on Disabilities and Special Education have actively sought removal of the Council's responsibilities for SESA's governance. SESA would then be governed, like other not-for-profit corporations, by its own independent board of directors. As discussed above at Recommendation No. 2, such a statutory change may be in the public interest.

Alaska Statute 47.80.090 enumerates the responsibilities of the Governor's Council on Disabilities and Special Education. Alaska Statute 47.80.090 (12) states that the Council will "govern the special education service agency and may hire personnel necessary to operate the agency." Similarly, the corresponding provision in SESA's enabling legislation states at AS 14.30.610 that SESA "shall be governed by the Governor's Council on Disabilities and Special Education." SESA and the Governor's Council attempted to implement their recommendation in the last legislative session through House Bill No. 429. That bill would have simply repealed AS 47.80.090(12) and AS 14.30.610.

The extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

SESA has surveyed its users

As discussed above, both SESA's low incident program and VISIT program conducted user surveys regarding FY 94 services. The low incidence program sent 230 surveys to teachers and administrators, with about 80% responding. The VISIT program sent surveys to parents, Infant Learning Program teachers, and private agencies/service providers. Those surveys are included as Appendices B and C.

SESA provides for public input

SESA's board of directors includes six members from the Governor's Council on Disabilities and Special Education. Among those members are representatives from the Division of Vocational Rehabilitation and the DOE special education component. Also included on SESA's board are representatives from the following professional organizations: Alaska Association of Administrators of Special Education, the National Education Association of Alaska, and the Alaska Association of School Administrators. The executive director of the Governor's Council serves as a nonvoting member of the board. See Recommendation No. 2 concerning board composition.

SESA has been actively involved in developing an 11-member Assistive Technology Statewide Council, which will provide input on which AT services should be offered by SESA and how those services should be allocated among the State's school districts. SESA sent 175 letters to professionals around the State in an effort to recruit members.

The Dual Sensory Impaired program has its own advisory board with a broad spectrum of representation among its dozen members.

SESA publishes a newsletter

SESA publishes a well-written, twice-a-year user newsletter (circulation 1,500), which features articles about the disabilities served by SESA, special education resources, and the SESA staff. The newsletter clearly reflects an organization composed of a cohesive team dedicated to responding to the needs of its clientele.

SESA managers have contact with users

Managers for each SESA program (below the executive director level) spend time in direct contact with parents, children, and other users. This personal contact enables continual feedback between users and management regarding a program's effectiveness.

SESA does not comply with the Administrative Procedures Act

Even though SESA does not appear to have been specifically exempted from the Administrative Procedures Act (APA) outlined at AS 44.62, SESA's service prioritization matrix was not issued as a regulation. Further, SESA does not provide notice of board meetings in accordance with APA. Recommendation No. 4 suggests that the legislature clarify APA's applicability to SESA.

The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

As a nonprofit corporation, SESA does not have the authority to issue adjudicative decisions.

As we note in Recommendation No. 4, the legislature should clarify the applicability of the Administrative Procedures Act to the meetings of SESA's board of directors and to the issuance of policies that the agency uses in dealing with the public, e.g., service delivery priorities.

SESA's board of directors adopts policies concerning the agency's operations. As previously noted, that board includes members of several pertinent professional associations: the Alaska Association of Administrators of Special Education, the National Education Association of Alaska, and the Alaska Association of School Administrators.

The efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the Office of the Ombudsman have been processed and resolved.

No public complaints have been filed against SESA with any of the following during the period under review for this sunset audit: Alaska Human Rights Commission, U.S. Equal Employment Opportunity Commission, state ombudsman, state commissioner of the Department of Health and Social Services, or the executive director of the Governor's Council on Disabilities and Special Education.

During the period under review, DOE handled a complaint from a large-population school district regarding the availability of SESA's services for students with visual impairments. However, DOE has informed the Division of Legislative Audit that "SESA staff have [sic]

since resolved the complaint.” According to DOE, SESA responded with additional staffing and adjusted its priorities in assigning visual impairment resources.

The extent to which the board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

SESA is a service organization that provides specialist consultations in the education field. SESA has no licensing, regulatory, or enforcement responsibilities.

The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

Alaska Statute 14.30.620 states that “employees of the agency [SESA] are not in the state service and are not subject to the State Personnel Act (AS 39.25).”

No complaints have been filed against SESA with either the Alaska Human Rights Commission or the U.S. Equal Employment Opportunity Commission during the period under review for this sunset audit.

The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

See Recommendation Nos. 2, 3, 4, and 5.

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APPENDICES

APPENDIX A

Special Education Service Agency Low Incidence Disabilities Outreach Program Students Served by School District - FY 94

<i>School District</i>	<i>Total</i>
Adak Region	0
Alaska Gateway	6
Aleutian Region	0
Aleutians East	2
Anchorage	0
Annette Island	4
Bering Strait	25
Bristol Bay	6
Chatham	4
Chugach	0
Copper River	5
Cordova	3
Craig	3
Delta/Greely	9
Denali Borough	2
Dillingham	12
Fairbanks North Star	8
Galena	1
Haines	9
Hoonah	6
Hydaburg	2
Iditarod	7
Juneau	0
Kake	1
Kashunimuit	4
Kenai Peninsula	6
Ketchikan Gateway	12

<i>School District</i>	<i>Total</i>
Klawock	4
Kodiak Island	10
Kuspuk	4
Lake & Peninsula	7
Lower Kuskokwim	10
Lower Yukon	13
Matanuska-Susitna	5
Nenana	1
Nome	2
North Slope	20
Northwest Arctic	9
Pelican	0
Petersburg	5
Pribilof	1
Sitka	11
Skagway	3
Southeast Island	3
Southwest Region	7
St. Mary's	2
Tanana	2
Unalaska	0
Valdez	11
Wrangell	10
Yakutat	4
Yukon Flats	3
Yukon/Koyukuk	5
Yupitit	4

Total students served = 293

Source: SESA Annual Report FY 94, pp. 49-50.

APPENDIX B

Special Education Service Agency Low Incidence Disabilities Outreach Program Consumer Satisfaction Survey - FY 94

<i>Survey Question</i>	<i>Yes (%)</i>	<i>No (%)</i>	<i>Did not respond (%)</i>
Contact helpful in setting objectives	92.3	2.4	5.3
Assistance helpful in establishing goal and objectives for IEP ²	85.9	7.0	7.0
Assistance helpful in meeting needs of student	95.1	3.8	1.1
Service reports:			
Clear	91.6	1.2	7.2
Timely	86.1	6.6	7.2
Helpful	85.3	2.9	11.8
Follow-up timely	90.8	1.1	8.1
Specialist was:			
Sensitive to student needs	98.4	1.6	0.0
Sensitive to district needs	94.6	2.2	3.2
Overall satisfaction	95.7	3.8	0.5

Source: SESA Annual Report FY 94, pp. 63-64.

Note 1: Consumer satisfaction surveys were sent by SESA to 230 teachers and administrators with whom the SESA low incidence staff worked during FY 94. The rate of response was about 80% (185 returns).

Note 2: IEP = Individualized Educational Program

APPENDIX C

Special Education Service Agency Vision Impairment Services for Infants and Toddlers (VISIT) Surveys of User Groups - FY 94

PART I - EVALUATION BY LOCAL INFANT LEARNING TEACHERS:

<i>Survey Question</i>	<i>Yes</i>	<i>I think so</i>	<i>I don't know</i>	<i>I don't think so</i>	<i>No</i>
Did you understand the services that could be provided by the teacher for the visually impaired?	31	2			
Did you receive a timely response to referrals made to our program?	28	2	1		
When the VISIT teacher visited you to deliver direct services:					
a. Did you receive advance notice of the visit and what the VISIT teacher planned to do?	29	1			
b. Was it organized so that it met your needs?	27	3			
The child's needs?	27	2	1		
The parent's needs?	25	3	3		
c. Did the program recommendations aid in facilitating the child's development?	26	2	1		
Did you have a better understanding of:					
a. The child's visual impairment?	28	2	1		
b. Its possible effects on the child's development?	29	2	1		
c. Program strategies to work with the child?	26	3	1	2	
In reporting back after home visits and/or on-site work, we prepared home visit summaries, lesson plan notes, or memorandum of assessments.					
a. Did you receive a copy of:					
Home visit or lesson plan notes?	27	1	1	1	2
Memorandum of assessments?	25	2	1	1	
b. Were they received on a timely basis?	23	2	2	2	1
c. Was their content helpful to you?	25	3	3		
d. Were written suggestions for child's IFSP ¹ solicited and received?	21	4	1	1	2
e. Did these help you in ongoing program implementation?	23	2	1	1	1
f. Would you prefer another method of getting information back to you?	6	1	2	2	17
Were you loaned any professional books from the program?					
a. Was this a helpful service to you?	8		2		15

APPENDIX C
(Continued)

Special Education Service Agency
Vision Impairment Services for Infants and Toddlers (VISIT)
Surveys of User Groups - FY 94

<i>Survey Question</i>	<i>Yes</i>	<i>I think so</i>	<i>I don't know</i>	<i>I don't think so</i>	<i>No</i>
b. Would you like this service continued?	16	1	1		
<i>Survey Question</i>	<i>Very helpful</i>	<i>Some-where in the middle</i>	<i>Not helpful</i>		
Please comment on our involvement with your program in the following areas:					
a. Information on identification of the infant who is blind/visually impaired	24	6			
b. Information on how to complete a visual screening	22	7			
c. Information on services available for people with visual impairment in Alaska	22	7	1		
d. Follow-up to referrals	30				
e. Help in obtaining and interpreting eye reports	23	6			
f. Assessment of child's functional vision and other developmental skills	30				
g. Information on effects of blindness/visual impairment on development	26	5			
h. Team participation	26	5			
i. Ongoing assistance in implementation of the child's programs	23	4	1		
j. Direct work with infant/toddler	24	5			
k. Parent interaction	29	2			
i. Resource for professional books and special toys and materials	26	3			

APPENDIX C
(Continued)

Special Education Service Agency
Vision Impairment Services for Infants and Toddlers (VISIT)
Surveys of User Groups - FY 94

PART II - EVALUATION BY PRIVATE AGENCIES/SERVICE PROVIDERS:

<i>Survey Question</i>	<i>Yes</i>	<i>I think so</i>	<i>I don't know</i>	<i>I don't think so</i>	<i>No</i>
Did you understand the services that could be provided by the teacher for the visually impaired?	8		1		
Did you receive a timely response to referrals made to our program?	5				
When the VISIT teacher visited you to deliver direct services:					
a. Did you receive advance notice of the visit and what the VISIT teacher planned to do?	4	1			
b. Was it organized so that it met your needs?	4	1			
The child's needs?	3	1			
The parent's needs?	3				
c. Did the program recommendations aid in facilitating the child's development?	3	1			
Did you have a better understanding of:					
a. The child's visual impairment?	7			1	
b. Its possible effects on the child's development?	5		1	1	
c. Program strategies to work with the child?	7				
In reporting back after home visits and/or on-site work, we prepared recommendations, lesson plan notes, or memorandum of assessments.					
a. Did you receive a copy of:					
Recommendations or lesson plan notes?	5	1			1
Memorandum of assessments?	5				
b. Were they received on a timely basis?	6				
c. Was their content helpful to you?	3	1			
d. Would you prefer another method of getting information back to you?	2				6
Were you loaned any professional books from the program?					
a. Was this a helpful service to you?	1			1	4
b. Would you like this service continued?					

APPENDIX C
(Continued)

Special Education Service Agency
Vision Impairment Services for Infants and Toddlers (VISIT)
Surveys of User Groups - FY 94

<i>Survey Question</i>	<i>Very helpful</i>	<i>Some-where in the middle</i>	<i>Not helpful</i>		
Please comment on our involvement with your program in the following areas:					
a. Information on identification of the infant who is blind/visually impaired	6	1			
b. Information on how to complete a visual screening	3	1			
c. Information on services available for people with visual impairment in Alaska	5				
d. Follow-up to referrals	4				
e. Help in obtaining and interpreting eye reports	3				
f. Assessment of child's functional vision and other developmental skills	5	2			
g. Information on effects of blindness/visual impairment on development	5				
h. Team participation	6				
i. Ongoing assistance in implementation of the child's programs	6	1			
j. Direct work with infant/toddler	4				
k. Parent interaction	5				
i. Resource for professional books and special toys and materials	3	1			

APPENDIX C
(Continued)

Special Education Service Agency
Vision Impairment Services for Infants and Toddlers (VISIT)
Surveys of User Groups - FY 94

PART III - EVALUATION BY PARENTS:

<i>Survey Question</i>	<i>Yes</i>	<i>I think so</i>	<i>I don't know</i>	<i>I don't think so</i>	<i>No</i>
INTRODUCTION TO VISIT:					
Did the VISIT-EIC ² fully explain the services of the program?	19	5	1		
OBTAINING MEDICAL INFORMATION:					
If a VISIT-EIC accompanied you and your child to an eye doctor appointment, was it helpful?	10	1			2
Did the VISIT-EIC prepare you for the eye examination (e.g., explaining the examination procedure, helping you to formulate questions for the doctor)?	10	2		1	3
Was the VISIT-EIC helpful in interpreting the medical information?	10	2	1		1
ASSESSMENT PROCEDURE:					
Did you have an opportunity to participate in the assessment of your child (e.g., providing information about your child's vision, helping with necessary positioning and/or activities)?	24		1		
Did the assessment help provide you with information specific to your concerns about your child's vision?	22	1	1		
HOME PROGRAMMING INVOLVEMENT:					
Did the VISIT-EIC work with the local teacher/therapist(s) in providing an appropriate program for your child?	20	3			
Did you feel that you were an important participant on the planning of your child's program?	22	3			
Have the recommendations or lesson plans provided you with useful and practical information and suggestions?	20	5			
IDENTIFICATION OF RESOURCES:					
Were you provided reading material (e.g., handouts; brochures; books) on the topic of your child's visual impairment?	19	1	2	2	2
Was the option of networking with other parents of visually impaired children made available?	11	4			9

APPENDIX C
(Continued)

Special Education Service Agency
Vision Impairment Services for Infants and Toddlers (VISIT)
Surveys of User Groups - FY 94

<i>Survey Question</i>	<i>Yes</i>	<i>I think so</i>	<i>I don't know</i>	<i>I don't think so</i>	<i>No</i>
Were you provided with information about local, state, and national organizations or agencies that were appropriate for you and your child?	13	1	2	1	4

Source: SESA Annual Report FY 94, pp. 127-144.

Note 1: IFSP = Individualized Family Service Plan

Note 2: VISIT-EIC = Vision Impairment Services for Infants and Toddlers - Early Intervention Consultant

Note 3: The above summary of survey results does not include questions which sought comments rather than quantitative responses.

APPENDIX D

Special Education Service Agency
Schedule of Revenues and Expenditures
FY 91 through FY 94
(Unaudited)

	FY 91	FY 92	FY 93	FY 94
Federal sources	\$ 20,628	\$ -0-	\$ -0-	\$ -0-
Federal sources through the State of Alaska	164,895	169,911	368,513	410,126
State of Alaska	1,898,946	1,824,698	2,309,166	2,401,642
Other sources	<u>28,187</u>	<u>11,144</u>	<u>4,453</u>	<u>25,939</u>
Total revenues	2,112,656	2,005,753	2,682,132	2,837,707
Total expenditures ¹	<u>2,112,724</u>	<u>2,002,282</u>	<u>2,683,781</u>	<u>2,606,253</u>
Excess of revenues over expenditures	<u>\$ (68)</u>	<u>\$ 3,471</u>	<u>\$ (1,649)</u>	<u>\$ 231,454</u>

Source: SESA financial statements.

Note 1: Expenditures do not include encumbrances.

Note 2: FY 94 excess of revenues over expenditures is primarily due to several unfilled specialist vacancies in SESA's low incidence disabilities outreach program.

Note 3: Starting in FY 94, DOE permits SESA to carryover any unused funding into the subsequent fiscal year.

APPENDIX E

Special Education Service Agency
Schedule of Estimated Revenues - FY 95
(Unaudited)

Low incidence disability - current year funding	\$1,943,400
Low incidence disability - FY 94 funding carryover	177,307
Dual sensory impaired	162,619
PALS	114,417
Assistive technology	122,686
SETT	278,377
VISIT	198,907
Capital grants	167,357
Total estimated revenue for FY 95	<u>\$3,165,070</u>

Source: SESA Annual Report FY 94, p. 33.

APPENDIX F

Special Education Service Agency Low Incidence Disability Outreach Program Procedure for Determining Type and Level of Service Service Prioritization Matrix

<i>Level</i>	<i>Degree of Individual Student Need</i>	<i>District Capacity</i>	<i>District Effort</i>
1	<p>Student has severe or multiple needs. Is one of a kind no matter how many other students are present in district. Requires instructional or materials adaptation to functional curriculum. E.g.:</p> <ul style="list-style-type: none"> • Behavior management • Communication/social • Assistive technology • Medical considerations • Other related services • Inclusion/integration <p>Student age resulting in special needs is considered. E.g.:</p> <ul style="list-style-type: none"> • Preschool • Transition phase 	<ul style="list-style-type: none"> • Site/building has only one student with needs at a particular level. • New referral and/or local staff has no knowledge base for student. • Needs SESA support to implement best practice and to use appropriate instructional strategies over time. 	<ul style="list-style-type: none"> • Teacher willing to work with SESA. • District routinely expects teachers to use SESA training and recommendations. • District provides built-in supports to educational best practices, SESA services • District actively recruits to fulfill staffing needs. • District has a history of cooperative development and use of technical assistance agreements and SESA recommendations.
2	<p>Student has moderate/severe needs. Can be met by functional curriculum with standard best practice. Needs SESA support to implement best practice and to use appropriate instructional strategies.</p>	<ul style="list-style-type: none"> • Site has several students with highly similar program needs given some individual adaptation. • Needs SESA support to implement best practice and to use appropriate instructional strategies over time. • Teachers have had some experience with this or similar child. • Teacher has foundation or knowledge base upon which to build. (Teacher should be able to generalize across students with support from SESA.) • District attitude/action supports movement toward best practice strategies. 	<ul style="list-style-type: none"> • Teacher willing to learn and work at recommendations. • Teachers not routinely sent for SESA training. • Teachers/districts cooperative with specialist. • Teacher/district attempts to follow through with SESA recommendations. • District provides support for intra-district networking between skilled teachers.

APPENDIX F
(Continued)

Special Education Service Agency
Low Incidence Disability Outreach Program
Procedure for Determining Type and Level of Service
Service Prioritization Matrix

<i>Level</i>	<i>Degree of Individual Student Need</i>	<i>District Capacity</i>	<i>District Effort</i>
3	Student with orthopedic/other health impairment with specific educational program needs.	<ul style="list-style-type: none"> Teachers have demonstrated ability to use and generalize SESA recommendations and training. Teachers seek library support, library materials, etc. District has built-in supports for use of functional curriculum, best practice strategies across age levels. District employs teachers with endorsement in specific disability area. 	<ul style="list-style-type: none"> Teacher/district philosophy is in opposition to SESA best practices recommendations. SESA recommendations or training practices are not implemented in the classroom. Release time is not provided for staff meetings with SESA. SESA is not provided access to pertinent information, materials, parents, etc. Teachers are not available to attend trainings. Thorough attempts are not being made to fill district/site staffing needs.

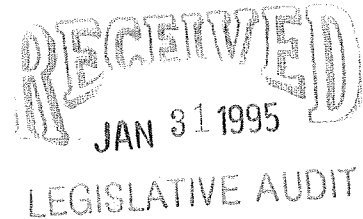
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January 24, 1995

Mr. Randy S. Welker
Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, Alaska 99811-3300



Dear Mr. Welker:

The Board of Directors of the Special Education Service Agency has received the preliminary audit report of the agency, dated November 28, 1994. This letter provides our written response to that report.

The Board first wishes to compliment your staff who conducted the audit and drafted the report. The report shows insight into the nature and quality of this unique organization, while attending to the issues of public interest which propel this review.

Before responding to the five recommendations presented in the report, the Board would like to offer brief points of clarification on selected details from the report.

Page 3, Par. 5:

A reader could incorrectly conclude there are several full-time managerial positions on the SESA staff. We wish to note there are 1.3 FTEs of managerial personnel in the agency in addition to the executive director. These are one full-time Low Incidence Outreach Program administrator and one part-time (.30 FTE) program administrator for the Deaf-Blind and PALS projects and the Infant Learning Programs. The four program specialists who are titled coordinators or supervisors for their individual projects serve these functions occasionally, as part of their full-time roles as service providers. There are currently thirty-four persons working in SESA, with an additional two vacant specialist positions.

Page 5, Par. 2:

Effective fiscal 1995, the Aleutian-Pribilof and Aleutians East Regional Infant Learning Programs were transferred to an Unalaska non-profit agency. SESA's operation of these programs during FY 1993 and FY 1994 was interim pending the identification of a provider in that region.

Page 24, Par. 2:

A reader might incorrectly conclude SESA does not meet open meetings requirements. As a public organization, SESA does comply with open meetings requirements, including public notice of board meetings. Because SESA is not a state agency, however, notices are made in public newspapers rather than the Alaska Administrative Journal, as required of state agencies by the Administrative Procedures Act. See our response to Recommendation 4, below.

Our board's responses to the five recommendations contained in the report follow.

Recommendation No. 1

The legislature should continue to provide the Special Education Service Agency's (SESA's) statewide services through the existing structure of a single not-for-profit corporation.

The SESA Board of Directors concurs with this recommendation. The board is seeking sponsorship for legislation to continue the agency as currently organized, but with changes in governance and removal from sunset status, as addressed in the responses below. Our intent would be to obtain this legislative action in the current session.

Recommendation No. 2

The legislature should address the composition of SESA's board of directors.

The SESA board agrees there are difficulties and questions posed by the agency's current governance design. The board believes the legislature should remove the agency from the Governor's Council on Disabilities and Special Education (GCDSE) and prescribe an independent board more representative of stakeholders. However, whether the GCDSE or an independent board governs SESA, we believe statutory language pertaining to the board should be general, such as describing its responsibilities and powers. We feel details such as the board's composition, selection, etc., are better addressed in regulation or in the organization's bylaws.

Recommendation No. 3

The legislature should consider either extending the period between sunset reviews to ten years or removing SESA from the sunset process.

The SESA board believes the legislature should remove the agency from sunset status. SESA is a fundamental and essential component of our state's educational system. The stability and efficacy of the agency are established. Three year sunset reviews wastefully require legislative audit staff, SESA staff and the legislature to spend unnecessary time and resources on redundant and self-evident reauthorizations. We believe this report fully supports legislation removing the agency from sunset.

Recommendation No. 4

The legislature should clarify the applicability of the Administrative Procedures Act to SESA's operations.

This board does not see need for clarification. The Administrative Procedures Act affects state agencies. SESA is a not for profit public corporation rather than a state agency. Therefore the APA is not applicable and no legislative action is needed. Ambiguities in this regard would further be clarified by removing the agency from the Governor's Council on Disabilities and Special Education, as stated above.

Recommendation No. 5

Any changes in special education funding regulations should be reconciled with SESA's statutory funding formula.

The SESA board concurs with this recommendation. SESA will work with the Department of Education in this regard, should the special education funding formula be revised. At this writing, no proposal for revision appears imminent.

Implementation of recommendations 1 through 4 will require legislative action. The SESA board, with the support of the Governor's Council on Disabilities and Special Education and the professional associations for Alaskan school boards, superintendents and special education directors will pursue this objective through legislation this session.

Thank you for the opportunity to respond to this preliminary report. I may be contacted as below, should you require additional information.

Sincerely,


Tom Ryan
President, Board of Directors

Tom Ryan
Superintendent
Aleutians East Borough School District
P.O. Box 429
Sand Point, Alaska 99661-0429

(907) 383-5222
(907) 383-3496 (FAX)

CLR:jar

cc: Dane Larsen
Anchorage Audit Manager
Division of Legislative Audit

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STATE OF ALASKA

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

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RECEIVED
FEB 09 1995

February 6, 1995

LEGISLATIVE AUDIT

Randy S. Welker
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Mr. Welker:

This letter is in response to the recommendations contained in the preliminary audit report regarding the Special Education Service Agency (SESA), dated November 28, 1994. Before responding to the five recommendations, I would like to provide one point of clarification.

On page 5, paragraph 3, the report lists several funding sources for assistive technology services. There is no federal grant for assistive technology passed through DOE. However, it should be noted that the Division of Vocational Rehabilitation is part of the Department of Education. In order to address federal regulations published in 1992 requiring provision of assistive technology devices and assistive technology services, the Alaska Department of Education provided Title VI-B federal discretionary monies to SESA in the form of a grant.

Recommendation No. 1

The legislature should continue to provide the Special Education Service Agency's (SESA's) statewide services through the existing structure of a single not-for-profit corporation.

The Department of Education concurs with this recommendation. Services provided by SESA are an essential component in assuring that Alaskan students who experience low incidence disabilities receive a free appropriate public education, as required by both state and federal regulations. SESA provides quality services that would not be efficiently or effectively delivered through regional hubs or this department.

Plan for implementation: The department will support legislation that assures services for low incidence disabilities through the continuation of a single not-for-profit corporation.

Letter, Randy Welker
February 6, 1995
Page 2 of 3

Recommendation No. 2

The legislature should address the composition of SESA's board of directors.

The Department of Education concurs with this recommendation. The points raised in the report regarding: a) a perceived conflict of interest with the Governor's Council on Disabilities and Special Education having management and oversight duties assigned by statute; b) a turnover rate that may reduce board effectiveness; and c) the need for the board to be reflective of SESA's constituencies, are concerns of this office as well. During the last legislative session, the department supported House Bill No. 429 that would have repealed the statutory requirement for oversight of the agency by the Governor's Council and allowed for an independent board of directors.

Plan for implementation: The department will support legislation that allows for an independent board of directors and the repeal of AS 47.80.090(12) and AS 14.30.610.

Recommendation No. 3

The legislature should consider either extending the period between sunset review to ten years or removing SESA from the sunset process.

The Department of Education concurs with this recommendation. SESA has proven to be an effective and efficient means of assuring services to students with low incidence disabilities. There is no reason to believe that the need for such services will diminish in the future nor that rural districts will be able to provide services of this type and quality without assistance. The stability and efficacy of the agency have been documented in sunset reviews since 1986. Continued sunset reviews impede the ability to engage in long-term planning. Time and resources may be saved at both the state and agency level by removing the requirement for periodic reauthorization.

Plan for implementation: The department will support legislation that removes SESA from sunset status.

Letter, Randy Welker
February 6, 1995
Page 3 of 3

Recommendation No. 4

The legislature should clarify the applicability of the Administrative Procedures Act to SESA's operations.

The Department of Education does not concur with this recommendation. The Administrative Procedures Act (APA) affects state agencies. SESA is a not-for-profit corporation, therefore the APA is not applicable and no legislative action is needed.

Recommendation No. 5

Any changes in special education funding regulations should be reconciled with SESA's statutory funding formula.

The Department of Education concurs with this recommendation.

Plan for implementation: Should the special education funding formula be revised through revised regulations, the Department will assure that the level of funding for the agency meets the statutory requirement.

Sincerely,



Jerry Covey
Commissioner

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ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P. O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
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February 27, 1995

Members of the Legislative Budget
and Audit Committee:

We have reviewed the responses to the preliminary report from the Special Education Service Agency (SESA) and the Department of Education. We disagree with their responses to Recommendation No. 4 that states there is no need for clarification of the applicability of the Administrative Procedures Act (APA) to SESA. They assert that SESA is not a state agency and thus is not subject to APA.

However, the Administrative Procedures Act, at AS 44.62.640(a)(4), defines the term "state agency" as follows:

*a department, office, agency, or other organizational unit of the executive branch, **except one expressly excluded by law**, but does not include an agency in the judicial or legislative branches of the state government. [emphasis added]*

Thus, unless legislation provides otherwise, entities are presumed to be subject to APA's procedures for issuing policies affecting the public.

SESA's enabling legislation (AS 14.30.600 - .660) contains no exclusion from APA. Further, at AS 14.30.620, the legislature explicitly cited a statute (State Personnel Act) from which it wanted an exclusion for SESA. Under such circumstances, an argument that the lack of APA exclusion was a mere legislative oversight is strained. Finally, AS 14.30.600 - .610 establishes SESA as a "public organization" to be governed by the Governor's Council on Disabilities and Special Education. We believe that an entity defined as a "public organization" and controlled by a board appointed by the governor, qualifies under AS 44.62.640(a)(4) as an "other organizational unit of the executive branch."

The question is not whether SESA is subject to APA, as the statutes indicate that it is applicable. The question to the legislature is whether or not it wishes to continue this requirement.

Sincerely,

A handwritten signature in cursive script, appearing to read "Randy S. Welker".

Randy S. Welker, CPA
Legislative Auditor