

HB

198

<TARGET><BILL>HB 198</BILL><SUBJECT>HB
198</SUBJECT><COMM>HEDC27</COMM></TARGET>

ALASKA STATE LEGISLATURE
REPRESENTATIVE ALAN DICK

HOUSE DISTRICT 6

Alaska State Capitol
Juneau, Alaska 99801
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"STRONG VALUES IN UNCERTAIN TIMES"

SPONSOR STATEMENT

House Bill 198

Special Education Service Agency Funding/Sunset

Alatna
Allakaket
Alcan
Aniak
Anvik
Arctic Village
Beaver
Beluga
Bettles
Birch Creek
Boundary
Central
Chalkyitsik
Chandalar
Chandalar Lake
Chicken
Chistochina
Chitina
Chuathbaluk
Circle
Coldfoot Camp
Copper Center
Crooked Creek
Deltana
Dot Lake
Dry Creek
Eagle
Eagle Village
Evansville
Flat
Fort Greely
Fort Yukon
Fortuna Ledge
Gakona
Galena
Georgetown
Grayling
Gulkana
Healy Lake
Holy Cross
Hughes

Huslia
Kaltag
Kennicott
Kenny Lake
Koyukuk
Lake Minchumina
Lime Village
Livengood
Manley Hot Springs
Marshall
McCarthy
McGrath
Medfra
Mentasta Lake
Minto
Nabesna
Nenana
Nikolai
Northway
Nulato
Ophir
Rampart
Red Devil
Ruby
Russian Mission
Shageluk
Slana
Sleetmute
Stevens Village
Stony River
Takotna
Tanacross
Tanana
Tazlina
Telida
Tetlin
Tok
Tonsina
Tyonek
Venetie
Wiseman

House Bill 198 removes a sunset requirement and increases state funding to the Special Education Service Agency (SESA), a not-for-profit organization established in statute in 1986. SESA is governed by the Governor's Council on Disabilities and Special Education and its own independent board of directors.

The Special Education Service Agency assists local school districts to provide needed special education services. Sometimes districts cannot fully serve students that have low-incidence disabilities with their existing personnel and resources. SESA has a pool of educators trained to give support to teachers and administrators who work daily with students who are *deaf, deaf-blind, mentally retarded, hearing impaired, blind and visually impaired, orthopedically disabled, health-impaired in other ways, and severely emotionally disturbed* . . . (AS 14.30.630 (b)(1)).

The Special Education Service Agency receives state support based on a funding formula adopted in 1998. Each year the Department of Education and Early Development allocates to SESA not less than \$15.75 times the number of students statewide. Although local school districts have received an increase in state funding since 1998, SESA has not. Under HB 198, the multiplier increases as the base student allocation increases. Currently the computation (four-tenths of one percent of \$5,680) equals \$22.72 which approximates the impact of inflation from 1998 to 2011.

Sponsor Statement for House Bill 198
Special Education Service Agency Funding/Sunset

The Special Education Service Agency is set to expire on June 30, 2013. During previous performance audits, both the Department of Education and the Legislative Auditor recommended removing SESA from the sunset process. House Bill 198 repeals the sunset requirement and thus allows SESA to plan long-term.

Thank you for your support of this legislation.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version HB198
() Publish Date _____

Identifier (file name) HB198-EED-ESS-3-19-11 Dept. Affected EED
Title "An Act relating to the special education service agency." Appropriation K-12 Support
Allocation Special Schools
Sponsor House Education Committee
Requester House Education Committee OMB Component Number 2735

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants	901.5							
Miscellaneous								
TOTAL OPERATING	901.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES								
---------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	901.5							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
TOTAL	901.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version

Prepared by Elizabeth Nudelman, Director
Division School Finance
Approved by Mike Hanley, Commissioner

Phone 465-8679
Date/Time 3/19/11 1:37 PM
Date 3/19/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB198

Analysis

This bill would change the way the funding for the special education service agency would be calculated. The calculation would be four-tenths of one percent of the BSA multiplied by statewide average daily membership (ADM). This replaces the current formula of \$15.75 multiplied by the statewide ADM.

For the current projected FY2012 BSA of \$5,680 multiplying by four-tenths of one percent results in a rate of \$22.72 per ADM for FY2012. The FY2012 ADM is projected at 129,334.

Sec. 2 of the bill repeals the expiration of the special education service agency.



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Benefit of Increased Funding:

- Enhanced direct service.
- Distance delivery and online courses.
- Increase staff, which would allow SESA to serve more individual students.
- Increased trainings:
 - For regular and special education teachers to help with the NCLB mandate of highly qualified teachers.
 - For paraprofessionals to help districts with the NCLB mandate regarding the qualifications for being certified.
 - Summer training opportunities for new special education teachers.
 - Trainings geared to the state's special education directors.



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Programs at Special Education Service Agency

FY11

Low Incidence Disabilities (LID)

Autism Impairment (AI)

Our primary purpose is to empower educational teams and provide information and training to professionals and families for development of programs for:

- Functional communication
- Positive behavior support
- Social skills
- Instructional strategies
- Meeting sensory needs
- Curriculum modification
- Accommodations.

We offer presentations and trainings to people who work with students, ages 3-21 years old, on a variety of topics including:

- Autism awareness
- Inclusion of special learners in general education settings
- Prompting strategies
- Positive behavior plans
- Functional behavior assessment

Emotional Disturbance (ED)

A student's emotional disturbance can affect areas beyond the emotional, and may also include the student's physical, social, or cognitive skills. ED program services include useful strategies for educators to provide emotional and behavioral support while also helping students with academics, social skills, self-control, and self-esteem. By encouraging positive behavioral support (PBS) in the school environment, problem behaviors are minimized, and positive, appropriate behaviors are fostered. This may include assistance with conducting a functional behavioral assessment (FBA) and the subsequent behavior intervention plan (BIP), which focuses on student strengths and interests. Families of students with ED often need help in understanding their child's disability and how to access mental health services. SESA's ED specialists help to coordinate services between home, school, and community.

Hearing Impairment (HI)

The HI program provides support to staff working with students with a moderate to profound hearing loss. Services include:

- Assistance with assessment of language, communication, literacy, and speech development
- Information on sign language, deaf culture, and professional development opportunities for interpreters

Providing consultation and training to support the unique educational needs of individuals and the Alaskan communities that serve them.

W W W . S E S A . O R G

Hearing Impairment (HI) Continued...

- Assistance with planning transition to school or post-secondary programs
- Troubleshooting assistive listening devices
- Working closely with parents, teachers, and paraprofessionals to design programs that meet the unique needs of children with hearing loss

Multiple Disabilities (MD)

School teams in rural and remote Alaska are eligible to receive services to help them educate students with significant cognitive impairments, physical disabilities, and multiple disabilities. Students with other health impairments, traumatic brain injury, and pre-school developmental delay are also often assigned to the multiple disabilities program. Education specialists from the multiple disabilities program work with school-based teams and other itinerant professionals to help design and support educational programs that are age appropriate and meaningful for the student. We help teachers provide access to the general education curriculum, while focusing on academic and other essential skill development through specialized materials and strategies.

Vision Impairment (AI)

The SESA vision impairment program provides supports in any of the following areas of need:

- Functional vision evaluation
- Development and implementation of IEP/instructional programs
- Sharing and modeling of intervention strategies
- Specialized teaching strategies and skills
- Assistance in procuring or adapting instructional materials or equipment
- Orientation and mobility training

SESA Tech and Library

Tech

SESA maintains a full website with information and links to a wide variety of information and knowledge about low incidence disabilities. It includes staff-written blogs, presentations, and educational modules. In addition, SESA uses two-way videoconferencing to provide consultation and support to rural districts with similar technologies. The agency has an extensive infrastructure of these and other distance and educational technologies to help rural and remote districts provide quality educational programs to their students with significant disabilities.

Library

SESA's extensive library is available to educators, families, university students, and other service providers throughout Alaska. The library was established to support SESA's staff and the school districts they serve, and many outside patrons also take advantage of this resource. Assistive technology devices may be borrowed to try or to use while the student's own device is being repaired.

State Grants

Alaska Autism Resource Center (AARC)

AARC provides statewide information dissemination, presentations, and trainings. In collaboration with families, schools, and communities throughout the state, the AARC helps to increase the knowledge and resources of appropriate services for individuals of all ages with autism spectrum disorders.

Alaska Center for Accessible Media (AKCAM)

The Alaska Center for Accessible Media (AKCAM) was created with startup funding from the Alaska Department of Education and Early Development (DEED) to be a one-stop shop for school districts who need to provide accessible instructional materials (AIM) to students with print disabilities. AKCAM is a state Authorized user and Accessible Media Producer for the national system for AIM. In addition, AKCAM can help districts find electronic text across a variety of online and local providers, while being able to convert and produce electronic text materials in a variety of electronic formats, like Daisy-compliant talking books, accessible PDFs, Braille and refreshable Braille files, and audio files. Services are at cost for time and materials, and are available to school districts across the state of Alaska.

Bring the Kids Home Educational Transition Support Project (BTKH)

The BTKH Project was developed to establish a non-direct service program to support youth returning to Alaska schools from residential psychiatric treatment centers (RPTC). SESA will establish communications with the RPTCs and assist with advance notice of student return, transition of necessary paperwork, and follow up of recommended services.

Positive Behavior Intervention Supports Center of Alaska (PBIS Center)

The Positive Behavioral Interventions and Supports (PBIS) Center provides technical assistance and coaching to schools. It serves as a clearinghouse and depository for PBIS materials to meet the needs of all Alaskan schools and educators.

Federal Grants

Creating Innovative, Responsive, and Consistent Learning Environments (CIRCLE)

Project CIRCLE supports Head Start programs across Alaska to increase the use of program-wide positive behavior supports. We look at ways to teach correct behavior and arrange the learning and physical environments to prevent problem behavior and to help children who have difficulty managing their behavior.

Alaska Dual Sensory Impairment Services (DSI)

As the recipient of federal funds under The Individuals with Disabilities Education Act (IDEA), SESA provides technical assistance for children and youth, ages 0 through 21 years who have both vision and hearing impairments. Our purpose is to assist service providers and families in preparing learners with dual sensory impairments for quality lives in their homes, schools, and communities. We provide technical assistance to service providers and families through onsite consultation, in-service trainings, promotion of home-school partnerships, materials and resource dissemination, and access to an extensive lending library. Services are provided at no cost.

SESA Districts Served Last 12 Months

DISTRICT	Student Consultation-Infant Learning Program (ILP)	Student Consultation-Low Incidence Disabilities (LID)	Site Consultation	Training	Interagency Collaboration	Community Relations	AARC Family Support
(ROW)(2)-6		•					
Alutian Region		•					
Alutians East		•					
Anchorage	•	•		•	•	•	
Admiralty Island		•					
Bristol Bay		•					
BSSD		•	•	•	•		
Chatham		•		•			
Copper River	•	•					
Cordova		•			•	•	
Craig		•	•				
Delta/Grady		•				•	
Denali		•					
Dillingham		•	•	•	•		•
Fairbanks	•			•	•	•	•
Galena							
Haines		•					
Hoonah	•	•		•	•	•	
Hydaburg		•					
Iditarod							
Juneau	•			•	•		
Kake							
Kashanaminut		•					
Kenai	•	•	•	•		•	
Ketchikan		•		•		•	•
Klawock		•	•	•			
Kodiak	•	•				•	
Kuspuk		•					
Lake & Penn		•					
LKSD	•	•		•	•		
Lower Yukon	•	•		•		•	
Mat-Su	•	•	•	•	•		
Mr. Edgcomb							
Nenana	•						
Nope		•					
North Slope		•	•	•		•	
NWASD		•	•	•	•		
Pelican							
Petersburg		•					
Pribilof							
Sigka	•				•	•	
Skagway		•					
Southeast Island		•					
St. Mary's							
SW Region		•			•		
Tanana		•				•	
Unalaska		•					
Valdez		•					
Wrangell		•					•
Yakutat		•					
Yukon Flats		•					
Yukon/Koyukuk		•	•				
Yupik	•	•					

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.

Audit Report December 18, 2003

STATE OF ALASKA

Department of Education & Early Development

Office of the Commissioner

FRANK H. MURKOWSKI, GOVERNOR

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February 5, 2004

Pat Davidson
Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, Alaska 99811-3300

RECEIVED

FEB 03 2004

LEGISLATIVE AL

RE: Confidential Preliminary Audit Report
Department of Education and Early Development, Special Education Service Agency
(SESA). Sunset Review, December 18, 2003.

Dear Ms. Davidson:

The department has reviewed the December 18, 2003 preliminary audit report of the Special Education Service Agency (SESA), dated December 18, 2003. This correspondence provides the departments response as requested.

Report Conclusion:

Recommend the Legislature extend the termination date to June 30, 2008.

The preliminary audit conclusion would extend the agency's sunset status for an additional four-year period. The department suggests that SESA be removed from the "sunset" provision.

Over SESA's 17-year lifespan the agency has delivered a sufficient quantity and quality of service to justify the agency's continuation in the public interest. The department believes that the intent and mission of SESA to provide special education services to children in eligible districts is an ongoing element of Alaska's Public Schools and as such SESA should be removed from the "sunset" provision. The department believes that in providing services as prescribed in law at AS14.30.600 - 14.30.660 SESA will remain accountable to the public interest through interaction with Alaska's 53 public school districts, through SESA's annual submittal of operational plan and budget to DEED, through annual legislative appropriation, and by business practices such as SESA's annual independent audit.

Recommendation No. 1

SESA should transition to videoconferencing as the norm for delivery of its service.

The department believes that continued and increased videoconferencing can enhance SESA's service delivery. However, the department is unable to conclude that videoconferencing could become the norm at this time.

SESA has confirmed that the agency believes videoconferencing should be maximized and considers this recommendation to be a useful and desirable vision. The department encourages

Provided by Rep. Dick's Office

SESA to investigate strategies that may increase the use of video conferencing while providing effective services to districts.

Recommendation No. 2

SESA's management should spearhead a state special education training consortium to formally advance the capabilities of school district personnel.

The department supports efforts by SESA to spearhead a state special education training consortium. The department encourages SESA to investigate the possibility of a statewide special education consortium or other related proposal fulfilling this intent. However, the department recognizes current statewide resources may limit SESA's ability to fully implement the recommendation.

Recommendation No. 3

SESA should apply for a federal subsidy of up to 90 percent of its telecommunications expense.

The department concurs with Recommendation No. 3. The department supports efforts that would enable SESA to potentially secure "e-rate" subsidy.

Recommendation No. 4

SESA's management should aggressively pursue opportunities for more diversified funding.

The department concurs with Recommendation No. 4.

Recommendation No. 5

SESA should continue to enhance the availability of its specialized library to the general public.

The department concurs with Recommendation No. 5. The department supports SESA's efforts to advance public awareness of its very valuable resource collection of books and materials. SESA's collection could be linked to the EED special education webpage.

Recommendation No. 6

DEED and the Governor's Council should appoint representatives who will attend SESA board meetings.

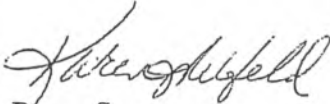
The department concurs with Recommendation No. 6. The department has assigned the Special Education Director or their designee to work directly with the SESA Board to attend SESA Board Meetings. The department recommends SESA communicate with the Special Education Advisory Panel of the Governor's Council on Disability and Special Education regarding the GCDSE appointment of a representative to attend SESA board meetings.

Recommendation No. 7

As a statutorily-created entity of state government, SESA should investigate the necessity of filing tax returns and paying excise taxes.

The department concurs with Recommendation No. 7. However, the department recognizes that legal entity status, internal revenue service tax-exempt status and operating in a “dual legal status as a government agency and a not-for-profit organization”¹ are complicated issues and the outcome may or may not produce a cost savings.

Sincerely,



Roger Sampson
Commissioner

cc: Karen J. Rehfeld, Deputy Commissioner

Barbara Thompson, Director
Division of Teaching and Learning Support

¹ See Confidential Preliminary Audit Report. Department of Education and Early Development Special Service Agency. Sunset Review, December 18, 2003 page 3 and page 12 note 23.

Audit Report - October 9, 2007

AUDITOR COMMENTS

The formula for funding the Special Education Service Agency's (SESA) low-incidence disability outreach programs that supplement the school districts' special education services has not been increased since 1998. The legislature may want to consider a review of the funding formula concurrent with the revision of the State's public school funding formula.

The Joint Legislative Education Funding Task Force (Task Force) was established for the purpose of examining school district cost differentials and the existing formula for distribution of state aid for education. The Task Force issued a report dated September 1, 2007 to the legislature and the governor with findings and proposed recommendations. The findings and recommendations of this report are to be considered during the legislative session beginning in January 2008.

In 1998, legislation was enacted that revised the public school funding statutes and the statutory funding formula for SESA. The revised formula for SESA provides not less than \$15.75 for each student in the State's average daily membership (ADM) from the preceding fiscal year.²⁹

Inflation between 1998 and 2006 was approximately 21 percent.³⁰ Although, SESA may not experience the full effects of this inflation factor, the agency has experienced increased operating costs, i.e., travel, supplies, and educational materials.

In addition to the effects of inflation, SESA's costs for employee retirement benefits have significantly increased. SESA employees participate in either the Public Employees' Retirement System (PERS) or the Teachers' Retirement System (TRS). The required employer contributions to these two retirement systems by SESA increased by about \$152,000 or 93 percent from FY 99 through FY 07. Like the school districts and other employers, SESA did receive some relief for the FY 08 PERS and TRS employer contribution rates. However, whether such assistance will be available in future years is not yet known.

Due to position vacancies and cost-cutting measures, SESA was able to build a fund balance for its low-incidence disability (LID) outreach programs between the fiscal years 2003 and 2006. The fund balance as of June 30, 2006 for these programs was \$661,919. During FY 07, there was a decrease in the fund balance of \$107,208.

²⁹ ADM is determined by the student counting procedures used for the public school foundation formula.

³⁰ The basis for this calculation was the changes in the consumer price index for the Municipality of Anchorage found on the Alaska State Department of Labor's website.

Provided by Rep Dick's Office

Audit Report - October 9, 2007

STATE OF ALASKA

Department of Education & Early Development

Office of the Commissioner

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November 19, 2007

Pat Davidson
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RECEIVED
NOV 21 2007
LEGISLATIVE AUDIT

RE: Confidential Preliminary Audit Report
Department of Education and Early Development, Special Education Service Agency,
October 9, 2007

Dear Ms. Davidson:

The department has reviewed the preliminary audit report of the Special Education Service Agency (SESA), dated October 9, 2007. This correspondence provides the department's response as requested.

Prior Audit Recommendation No. 1

SESA should transition to videoconferencing as the norm for delivery of its service.

The department concurs with Prior Audit Recommendation No. 1. SESA should continue to use videoconferencing along side other current technologies to enhance the services provided.

Prior Audit Recommendation No. 2

SESA's management should spearhead a state special education training consortium to formally advance the capabilities of school district personnel.

The department concurs with Prior Audit Recommendation No. 2. The department continues to support the steps SESA has taken through partnering with other organizations to provide special education training across Alaska.

Prior Audit Recommendation No. 3

SESA should apply for a federal subsidy of up to 90 percent of its telecommunications expense.

The department concurs that Prior Audit Recommendation No. 3 has been implemented.

Letter, Pat Davidson
November 19, 2007
Page 2 of 2

Prior Audit Recommendation No. 4

SESA's management should aggressively pursue opportunities for more diversified funding.

The department concurs with Prior Audit Recommendation No. 4. The department supports SESA's continued efforts to obtain additional sources of funding to enhance the services provided.

Prior Audit Recommendation No. 5

SESA should continue to enhance the availability of its specialized library to the general public.

The department concurs that Prior Audit Recommendation No. 5 has been implemented.

Prior Audit Recommendation No. 6

DEED and the Governor's Council should appoint representatives who will attend SESA board meetings.

The department concurs with Prior Audit Recommendation No. 6. Although there are representatives from the Governor's Council present at all SESA board meetings, more consistent attendance by the executive director would be beneficial to all board members.

Prior Audit Recommendation No. 7

As a statutorily-created entity of state government, SESA should investigate the necessity of filing tax returns and pay excise taxes.

The department concurs that Prior Audit Recommendation No. 7 is no longer a significant audit issue.

Response to Auditor's Comments

The department concurs that the statutory funding formula for SESA's low-incidence disability outreach programs should be reviewed. An increase in the statutory funding formula is necessary for SESA to continue to meet all operating expense obligations as well as to provide continued and improved special education services to school districts within Alaska.

Response to Analysis of Public Need

The department concurs that SESA meets a valid public need through the services they offer and that there is no duplication of services.

Sincerely,



Barbara Thompson
Interim Commissioner

Special Education Service Agency
Recommendations for Statutory Change

WHAT:

- The Special Education Service Agency (SESA) was established under State Statute (AS 14.30.600) in 1986 and formed as a not-for-profit corporation
 - ✓ The Governor's Council on Disabilities and Special Education serves as SESA's governing board (AS 14.30.610)
 - ✓ SESA operates under a sunset provision
- AS14.30.630(b) (l) requires SESA to provide the following services
 - ✓ Itinerant outreach services to students who are deaf, deaf-blind, cognitively disabled, hearing impaired, blind and visually impaired, orthopedically disabled, health-impaired in other ways and severely emotional disturbed and to students with multiple disabilities or autism. **Note:** these students are considered to have low incidence disabilities
 - ✓ Special education instruction support and training of local school district special education personnel
 - ✓ Other services appropriate to special education needs
- AS14.30.650 requires SESA to be funded as follows
 - ✓ Each fiscal year the Department of Education & Early Development shall allocate not less than \$15.75 times the number of students in the average daily membership in the preceding fiscal year
- SESA does not provide low incidence disability services to the big five school districts (Anchorage, Fairbanks, Juneau, Kenai-Soldotna and Mat-SU) because they have adequate, qualified staff to meet the needs of students with low incidence disabilities

RECOMMENDED CHANGES:

- Remove the sunset provision from SESA's authorizing statute
- Change the funding formula for SESA to 0.40% of Current Year Base Student Allocation (BSA) X Total State Average Daily Membership (ADM) from previous year

WHY:

- SESA's last audit found that SESA performs a valuable, effective and efficient service to school districts that they are unable to provide themselves because of the nature of low incidence disabilities (infrequent and severe)

Special Education Service Agency
Recommendations for Statutory Change

- The availability of SESA services means that students are able to be served in their local communities, which benefits not only the student and his or her family but also the big five school districts
- The auditors recommended that SESA's sunset be removed
- The auditors also found that SESA does not duplicate services provided by the Department of Education & Early Development or local school districts
- The next audit is scheduled to start in January 2012 and completed by January 2013; as a result, SESA will find it increasingly difficult to recruit and retain qualified staff and negotiate a long-term facility lease
- The funding formula for SESA is based on a fixed per student allocation of \$15.75; in 2011, SESA received \$2,021,600, which is \$52,620 less than it received 10 years ago – despite the rising costs of wages and benefits, travel and other operating expenses
- While school districts BSA has increased over the years, SESA's has remained flat; if SESA had received an increase equivalent to the BSA increase, its rate would be \$22.71 and its 2011 allocation would be just short of \$2.8 million
- In response to the last audit, SESA successfully secured grants and contracts that fit with its mission; however, these grants and contracts are “soft” money and dedicated for specific purposes
- Grants and contracts currently comprise 45% of SESA's total budget and contribute \$236,000 in overhead costs, which means SESA is able to fund 3 full-time positions for the low incidence disability program and provide statutorily mandated services requested by school districts
- SESA is already having difficulty meeting its statutorily mandated duties; if there is a reduction in grants or contract, this situation will get even worse and will negatively impact students and school districts
 - ✓ Loss of child-specific evidence-based educational intervention strategies modeled on-site to teachers
 - ✓ Fewer on-site visits to provide targeted interventions, observe classrooms and enhance programs
 - ✓ Shorter visits to maximize travel dollars to include more sites
 - ✓ Loss of guidance to new special education teachers and to classroom teachers working with students who have unique, low incidence disabilities
 - ✓ Less student-teacher interactions based on evidence-based practices