



# Secretary of State **Oregon Audits Division**



Oregon Department of Education

## **ODE Can Better Support Students Experiencing Disabilities Through Improved Coordination and Monitoring of Services**

June 2020  
**Report 2020-24**

Secretary of State **Bev Clarno**  
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# Executive Summary

Oregon Department of Education

## Why This Audit is Important

» For the 2018-19 school year, over 80,000 children in kindergarten through the 12<sup>th</sup> grade were identified by the Oregon Department of Education (ODE) as students experiencing disabilities.

» Children who receive appropriate services for their disabilities, such as individualized instruction, have better academic and life outcomes.

» ODE and school districts are subject to federal laws that prohibit discrimination on the basis of disability and protect the rights of students and their families.

» The federal Individuals with Disabilities Education Act (IDEA) requires that students experiencing disabilities receive a free, appropriate public education in the least restrictive environment.

» Disabilities covered under IDEA include developmental delays, hearing and visual impairments, emotional disturbance, orthopedic impairments, autism, traumatic brain injury, other health impairments, and specific learning disabilities.

## ODE Can Better Support Students Experiencing Disabilities Through Improved Coordination and Monitoring of Services

### What We Found

1. From 2018 to 2019, only 33.4% of Oregon children eligible for special education through Early Intervention/Early Childhood Special Education (EI/ECSE) programs received an adequate level of services, as defined by ODE. For children eligible for ECSE services, only 61.6% of children with low needs, 6.2% with medium, and 0.7% with high needs received an adequate level of services. ([pg. 8](#))
2. Oregon schools receive twice the standard per-student allocation of state funds for students experiencing disabilities, yet this only applies for up to 11% of a district's student population. The number of students experiencing disabilities frequently surpasses this 11% cap, meaning the need for services exceeds existing resources. ([pg. 7](#))
3. Local education agencies and ODE are anticipating increased resources with the enactment of the Student Success Act, although this will likely not be enough to fully fund special education in Oregon. ([pg. 11](#))
4. Rural districts compete with larger, urban school districts for special education teachers and educational aides. Rural districts also have limited access to specialists and more severe shortages of primary care and child care providers, who assist with the identification of children experiencing disabilities. ([pg. 10](#))
5. EI/ECSE programs benefit from the use of a statewide case management data system to coordinate services. No such data system exists for special education programs for school-age children in grades K-12. ([pg. 12](#))

### What We Recommend

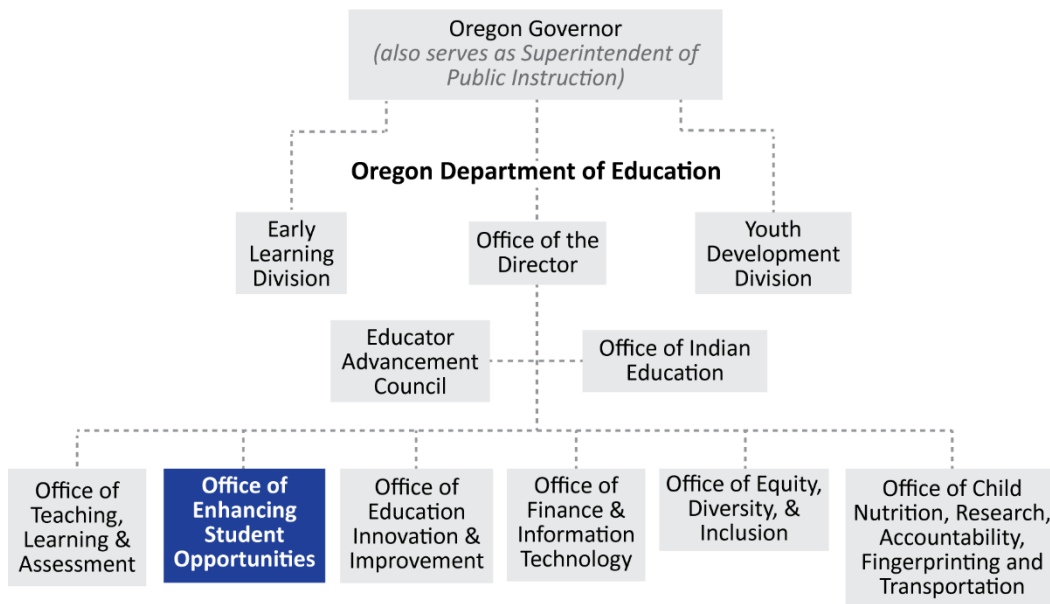
We made 13 recommendations to ODE about improving coordination and monitoring of services for students experiencing disabilities.

ODE agreed with six of our recommendations, partially agreed with three, and disagreed with four. Their response can be found at the end of the report.

## Introduction

The federal Individuals with Disabilities Education Act (IDEA) was established on the principle that disability is a natural part of the human experience and in no way diminishes the right of an individual to participate in or contribute to society. IDEA states that all students experiencing disabilities have the right to receive a free, appropriate public education in the least restrictive environment.<sup>1</sup> Similarly, the mission of the Oregon Department of Education (ODE) is to foster equity and excellence for every learner, including students experiencing disabilities. Research has shown that when these students receive appropriate interventions through special education programs, they can achieve improved academic and life outcomes.

The purpose of this audit was to determine whether ODE and its Office of Enhancing Student Opportunities, which oversees special education throughout the state, can better support students experiencing disabilities, particularly as they transition from early childhood to school-age programs.



## Federal, state, and local government all play an important role in Oregon's special education system

Improving special education requires coordinating among different layers of government and the numerous agencies responsible for different parts of the special education system. The federal government establishes national standards for special education and oversees state compliance with those standards. State educational agencies, such as ODE, set additional special education policies and oversee the contractors and local governments who provide services directly to students. In Oregon, these contractors and local government agencies include school districts, education service districts, grant-funded programs, and other regional and local special education service providers.

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<sup>1</sup> The term *free, appropriate education* refers to education provided at public expense that meets the standards of the state education agency and that is tailored to the individual needs of the student. The term *least restrictive environment* means that children with disabilities should spend as much time as possible with their peers who do not receive special education.

## ***The federal government sets special education standards and requirements for both state and local educational agencies***

The federal government plays a significant role in efforts to improve services for children experiencing disabilities through its anti-discrimination laws, large grants, and oversight of state education agencies. The **Office of Special Education Programs (OSEP)** within the U.S. Department of Education is the main body overseeing state special education programs.

IDEA, as amended in 2004, is the primary federal education law that regulates special education. The act is designed to improve the identification of children experiencing disabilities. This includes requiring states to monitor local school districts to prevent the overidentification or disproportionate representation by race and ethnicity of children as children with disabilities.

The act also seeks to improve the delivery of services by local education agencies and providers, and the collection, analysis, and accurate reporting of data. One section of IDEA addresses early childhood special education services for children ages three through five, as well as services for school-age children in grades K-12. Another part addresses early intervention services for children from birth through age two.

IDEA also specifically addresses the coordination of special education services. The law requires states to have interagency agreements in place, as well as policies and procedures, with local public educational agencies to guarantee services are coordinated. For example, local educational agencies must ensure the linkage of records pertaining to migrant children for the purpose of electronically exchanging, among states, health and educational information. Schools are also required to take reasonable steps to promptly obtain, and respond to, requests for a child's school records.

OSEP's **Monitoring and State Improvement Planning Division** is responsible for ensuring states' compliance with IDEA, which requires states to submit the annual State Performance Plan/Annual Performance Report. OSEP uses these reports to ensure that states and other public agencies are implementing programs designed to improve results for infants, toddlers, children, and youth with disabilities.

Other federal acts related to disabilities include the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs that receive federal financial assistance, and the Americans with Disabilities Act of 1990 (ADA), which prohibits discrimination on the basis of disability by all public programs.

## ***Oregon state government sets policies and oversees provision of special education services***

The Governor, state legislators, and the State Board of Education set policies and agendas for education in Oregon, including special education and other services for students experiencing disabilities. The **Governor** is Oregon's Superintendent of Public Instruction and appoints the Deputy Superintendent of Public Instruction to lead ODE. **State legislators** approve the state's education budget, among other fiscal duties related to education. Through the bills they pass and grants they approve, legislators also send important signals about what they expect from schools, districts, and state-level education officials regarding special education. **The State Board of Education** sets educational policies and standards for Oregon public schools. The board is made up of seven voting members appointed by the Governor and approved by the state Senate.

**ODE** administers and monitors contracts and grants, provides technical assistance to local education bodies, and plays an important statewide leadership role in education policy. The agency is also charged with ensuring that school districts comply with laws and rules, collecting and evaluating student performance information from districts and schools, and reporting

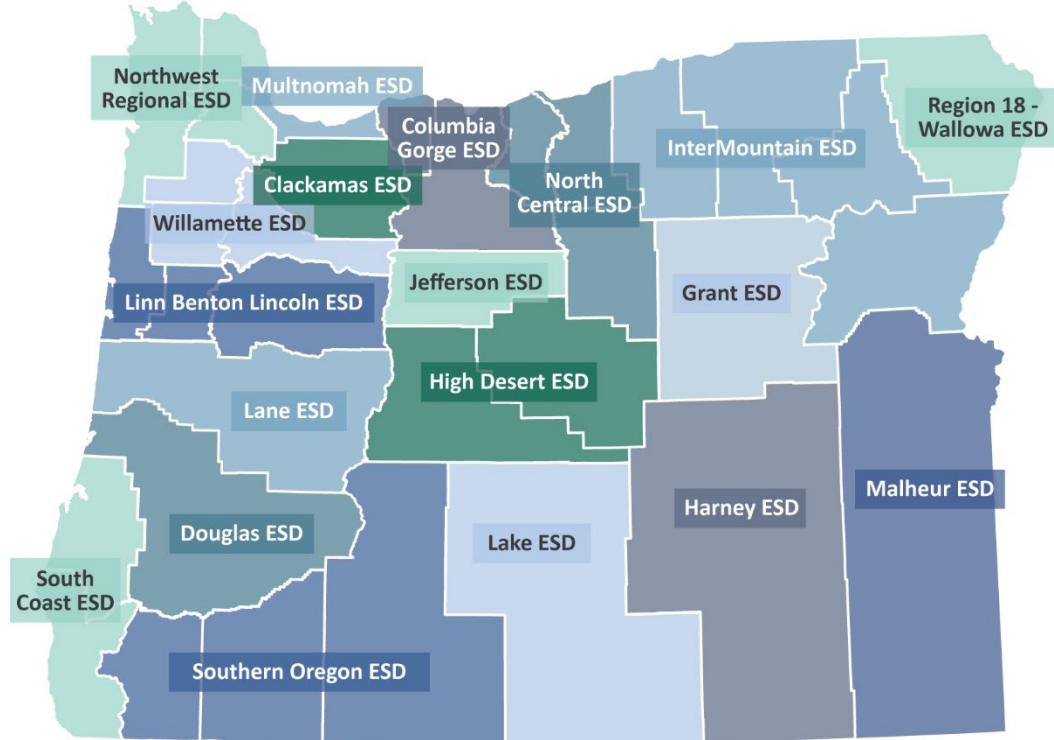
outcomes to the public and the federal government. The offices within ODE primarily responsible for these functions in the areas of special education are the Office of Enhancing Student Opportunities and the Early Learning Division.

- The **Office of Enhancing Student Opportunities** works to ensure that young children and students experiencing disabilities receive an appropriate education in the least restrictive environment. The primary liaisons between this office and the local education agencies that directly provide special education services are county contacts — ODE personnel who ensure compliance with laws, provide technical assistance, and fulfill other support roles for Oregon's districts.
- The **Early Learning Division** administers preschool and other learning programs, and oversees child care provider licensing, subsidies, and training throughout the state. Although administratively part of ODE, the Early Learning Division is governed by the **Early Learning Council**, which is charged with coordinating a unified and aligned system of early learning in Oregon for the purpose of ensuring that children, including those experiencing disabilities, enter school ready to learn. The council was created through Senate Bill 909 in 2011 and its nine members are appointed by the Governor.

***School districts, Education Service Districts, and other local subcontractors provide special education services***

Oregon's 197 **school districts** and their elected boards are responsible for governing their schools consistent with State Board of Education policies. Oregon's 19 **Education Service Districts (ESDs)** and their elected boards assist local school districts in their designated regions with various efforts, especially specialized professional and administrative services that local districts might not have the capacity to provide on their own.

**Figure 1: Every Oregon county is associated with one of 19 ESDs**



Source: The Oregon Association of Education Service Districts

School districts and ESDs provide local and regional special education services under ODE oversight. Districts and ESDs can subcontract with other service providers if they need additional special education staffing or expertise. Such subcontractors include community child care providers, teachers, and other professionals who specialize in providing interventions for specific disabilities, such as speech and language pathologists, audiologists, and psychologists.

## Special education services in Oregon are delivered through three main types of programs for young children and for students in grades K-12

**School-age programs** serve students experiencing disabilities from age five to 21 years. These services are primarily provided by local K-12 public schools and districts, which are overseen by ODE in accordance with federal and state standards, including IDEA. By law, an Individualized Education Program (IEP) must be developed by teachers, parents or other legal guardians, and other school personnel for every student identified as experiencing a disability in one or more of several disability categories. An IEP is a written statement that presents the educational goals for the student and the services that will be provided to meet those goals.

**Early Intervention (EI)** programs, as the name suggests, provide both individually designed services for children from birth to three years of age as well as support for their families. These programs are intended to enhance the child's physical, cognitive, communication, social, emotional, and adaptive development.

Much like the individual plan required for students in school-age programs, EI service providers are required to develop an Individualized Family Service Plan, which is a written statement that presents learning goals for a child and the services that child will receive to meet those goals. These services are overseen by ODE, provided by regional contractors or their subcontractors, and delivered in a variety of settings such as classrooms, community child care, preschools, and in-home visits.

**Early Childhood Special Education (ECSE)** is instruction for children experiencing disabilities ages three to the age of public school eligibility in the areas of communication development, social or emotional development, physical development, including vision and hearing, adaptive development, and cognitive development. ECSE instruction is provided in hospitals, institutions, special schools, classrooms, and community child care or preschool settings, as well as through home visits.

As with school-age services, students identified for ECSE services are required by IDEA to have an IEP. However, as part of a seamless system of free services for young children, Oregon uses a single Individualized Family Service Plan that combines required federal content for both EI and ECSE programs.

ECSE services are provided by regional agencies that contract with ODE. These agencies are overseen by teams within ODE's Office of Enhancing Student Opportunities. In Oregon, both EI and ECSE services within a region are provided by the same contracting agency. As of 2019, these agencies consisted of eight ESDs and one school district.<sup>2</sup>

Although they were not within the scope of this audit, several additional programs also serve Oregon's students experiencing disabilities. These include **Regional Programs**, which provide specialized services for children with low-incidence, high need disabilities, such as traumatic brain injury. These services include Braille and sign language instruction, assistive technology,

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<sup>2</sup> The nine EI/ECSE contractors in 2019 were NW Regional ESD, Clackamas ESD, Willamette ESD, Linn-Benton-Lincoln ESD, Lane ESD, David Douglas School District, InterMountain ESD, High Desert ESD, and Douglas ESD.

audiology, and physical therapy, all of which are generally not available through school districts or EI/ECSE programs.

Programs funded primarily by grants and legislatively mandated carve-outs from the State School Fund also play a role in the Oregon special education system. These include Early Head Start programs, Preschool Promise programs, and Oregon's 16 **Early Learning Hubs**, all of which are avenues through which children in need of special education services can be identified. Early Learning Hubs are monitored by ODE's Early Learning Division and serve primarily as coordinators of health care, social, education, and other regional public- and private-sector services. The hubs are tasked with producing better outcomes for children from birth to six years of age and increasing kindergarten readiness for at-risk children.

### ***Oregon has a significant number of children experiencing disabilities***

Statewide, over 78,000 children in kindergarten through the 12<sup>th</sup> grade, or 13.5% of all Oregon K-12 students, were identified by local service providers as students experiencing disabilities for the 2017-18 school year. In 2018-19, this number grew to over 80,000 (13.8%) of all K-12 students. Among school districts with more than 10 students, the rate of students identified as students experiencing disabilities ranged from zero to 25%.

As shown in Figure 4, learning disabilities and communication disorders are the most common types of disabilities, with over 55% of Oregon's K-12 students who receive special education services falling in these categories. In 2017-18, 12,402 children received EI/ECSE services. Over 51% of these youth experienced developmental delays, while 34% received services for communication disorders.

**Figure 4: A significant number of Oregon youth received K-12 special education and EI/ECSE services in the 2017-18 school year for different types of disabilities**

Category	Number enrolled	Percentage of total
<b>Total K-12 Special Education Students</b>	<b>78,220</b>	<b>13.5%</b>
Total K-12 Students	<b>578,079</b>	
Learning Disability	25,229	32.3%
Communication Disorder	18,250	23.3%
Other Health Impairment	13,940	17.8%
Autism Spectrum Disorder	9,687	12.4%
Emotional Disturbance	4,954	6.3%
Intellectual Disability	4,119	5.3%
Other Physical Impairment	2,041	2.6%
<b>Children Receiving EI/ECSE Services</b>	<b>12,402</b>	
Communication Disorder	4,257	34.3%
Developmental Delay, 0-2 Years	3,744	30.2%
Developmental Delay, 3-4 Years	2,643	21.3%
Autism Spectrum Disorder	789	6.4%
Other Impairment	382	3.1%
Hearing Impairment	356	2.9%
Orthopedic Impairment	231	1.9%

Source: ODE

Children experiencing disabilities in Oregon receive services in a variety of settings; see Figure 5. Consistent with the principle embedded in IDEA that education should be provided in the least restrictive environment, over 74% of Oregon's K-12 students experiencing disabilities received 80% or more of their instruction in regular, general education classrooms in 2017-18. Similarly,

43% of children receiving EI/ECSE services were placed in programs for typically developing children, and 37% received services at home from visiting specialists.

**Figure 5: Oregon youth experiencing disabilities received K-12 special education and EI/ECSE services through different placements and instructional environments in the 2017-18 school year**

Category	Number enrolled	Percentage of total
<b>K-12 Special Education Students</b>	<b>78,220</b>	
Regular Classrooms 80%+	58,187	74.4%
Regular Classrooms 40%-79%	10,858	13.9%
Regular Classrooms <40%	7,772	9.9%
Other	1,403	1.8%
<b>Children Receiving EI/ECSE Services</b>	<b>12,402</b>	
Program for Typically Developing Children	5,431	43.8%
Home	4,600	37.1%
Program for Children with Delay or Disability	2,187	17.6%
Service Provider Location	167	1.3%
Other Educational Environments and Residential Facilities	17	0.1%

Source: ODE

***Robust stakeholder coordination is required to effectively identify children needing special education services and ensure the transition from early childhood to kindergarten***

Before a child receives EI/ECSE or school-age special education services, providers or other stakeholders must identify their need for those services. While service providers and other stakeholders often identify children in need, in Oregon, school districts are ultimately responsible for identifying both K-12 students and children below the age of compulsory school attendance who are not yet enrolled in public or private school programs.

Parents or guardians, relatives, and child care providers often initially recognize the need for special education services in young children and refer them for further evaluation. Preschool programs, such as Head Start and Preschool Promise, and primary care visits are also common avenues for referrals. Local referral and evaluation agencies are then responsible for determining whether the referred child is eligible for services. Once a child is found to be eligible for services, the providers and parents work together to develop an Individualized Family Service Plan to guide the services the child will receive.

The initial identification of children who are eligible to receive school-age special education services may occur in early childhood before they begin school, but it may also occur later, such as when the child begins kindergarten or at any time throughout their K-12 education. Once a child is identified, special education personnel, the child (as appropriate), and the child's parents or guardians, among others, develop an IEP to guide the services the child will receive. This plan is re-evaluated annually until the child no longer needs, or ages out of, school-age services.

Over time, a child may lose or gain eligibility for special education services. That is, a child's disability may resolve with interventions or their disability may manifest as they grow older and are introduced to new skills. Regardless of how they are originally identified, children who previously received services may, in some circumstances, need to be re-identified. This can occur, for example, if they move into a new school district and their previous Individualized Family Service Plan or IEP records were not available.

If a child who received EI/ECSE services needs to continue services once they enter kindergarten, state guidelines require the EI/ECSE contractor to work with the school district and personnel at the child's school to facilitate the transition to school-age services. This process consists of at least one meeting between EI/ECSE providers and district personnel, and may

begin over a year in advance of the child's entry into kindergarten. The school district may then provide services to the child directly, or the child may receive services from the ESD serving the region. In some cases, the ESD that served as the provider for the child's EI/ECSE services may not be the same that provides school-age services.

## **Special education funding is primarily provided through the State School Fund and is supplemented with state and federal grants**

In Oregon, general state support for school districts and ESDs comes from the State School Fund, which totaled \$8.2 billion for the 2017-19 biennium. That figure includes \$7.6 billion from the state's General Fund, which receives most of Oregon's income tax revenue. Money for schools also comes from local property taxes, totaling about \$3.84 billion in 2017-19, and from both federal and state grant funds. State grants were expected to total roughly \$450 million in the 2017-19 biennium, while federal grants passed through ODE were projected to top \$1.2 billion.

In addition to general school funding, special education services receive additional funds. For the 2017-19 school year, carve-outs from the State School Fund and state grants especially designated for special education services totaled more than \$650 million. Despite this additional funding, K-12 special education in Oregon is still substantially funded by State School Fund monies and local revenue. Both special and general education funds are distributed to districts and ESDs through a formula based on student enrollment, where children with disabilities are counted double for the purpose of allocating the available funds. That is, schools receive twice the per-student allocation of funds for enrolled special education students.

There is a limit, however. The school funding formula's double-weight can only be applied to up to 11% of a district's student population. Yet more than 80% of Oregon's school districts have identified more than 11% of their students as eligible to receive special education services in each school year since at least 2011-12. These districts can apply to ODE for additional funds to offset a portion of the extra costs to serve their students. ODE has worked to make this "cap waiver" process easier for districts than it has been in the past. Despite the cap waiver, districts can be left to cover at least part of the difference, and may need to use their general education budget to do so.

Many special education services are provided by contractors who enter into legal agreements with ODE. Before the funds for services are released and paid to the providers, these legal agreements must be renewed by ODE. In recent years, this contract and grant agreement renewal process has been subject to delays, with impacts at the state, regional, and local levels of Oregon's education funding system.

## **A federal class-action lawsuit affected the audit scope**

In January 2019, a federal class-action lawsuit naming ODE as a co-defendant was filed in Oregon U.S. District Court. The lawsuit was filed by Disability Rights Oregon, families, and other disability advocates, who alleged that ODE and its co-defendants violated federal laws by improperly limiting instruction time for children with disabilities.

Although issues of instruction time are tangentially related to our audit, we took care to limit our scope and did not focus our analysis or recommendations on this issue to avoid a conflict with the lawsuit.

***The COVID-19 pandemic will have significant short- and long-term effects on Oregon's education system and ODE's ability to address issues identified in this audit report***

Beginning in March 2020, the COVID-19 pandemic significantly impacted Oregon's education system at all levels. The Governor ordered the closure of all K-12 schools beginning March 16, consistent with mitigation strategies recommended by the Oregon Health Authority and the U.S. Centers for Disease Control and Prevention.

In addition to disruptions directly caused by school closures, other critical special and general education services for both school-age students and children birth through age five have been significantly impacted. These include child care services and the collection of education data.

The economic impacts of COVID-19 on the state and national economies are predicted to include significant reductions in the education budgets at the local, regional, and statewide levels in Oregon for the 2019-21 biennium and extending into the 2021-23 biennium.

The majority of our audit work was completed before school closures and other immediate impacts of COVID-19 began to take effect. However, the Audits Division recognizes the substantial challenges imposed by the pandemic on Oregon's education system and on ODE's ability to respond to this report's findings and recommendations. We also acknowledge the effects of the pandemic in Oregon continue to change rapidly and are not possible to predict with certainty at the time of this report. Although we did not take COVID-19 into consideration when performing our analysis and developing findings, we recognize that ODE's response to our recommendations will be influenced by the current circumstances.

## Audit Results

ODE is responsible for ensuring that Oregon children with disabilities get the supports they need to receive a full and equitable education. The agency works with local school districts, ESDs, and others on the front lines of the educational system to fulfill this responsibility. Yet children in some parts of the state are not receiving adequate services or experience gaps in services, in part, because ODE lacks a strategic plan to guide decision-making around the use of special education resources. This is particularly important because these resources are sparse across the state. Children with disabilities who do not receive adequate services may have difficulties realizing their educational and life potential.

### **Children experiencing disabilities are not consistently receiving the access to services and supports they are entitled to and need**

Increasing caseloads and staffing challenges have led to a situation in which special education providers in most Oregon counties can only provide limited early childhood services in a timely fashion; these services generally do not meet ODE's standards of adequacy to address children's needs. Specifically, children receive less than the recommended number of weekly or monthly visits from specialists. Additional factors hindering the adequate provision of services include the unequal distribution of teaching, health care, and child care resources between urban and rural areas of the state and limited flexibility in special education funding.

#### ***Children experiencing disabilities lack sufficient access to necessary supports due, in part, to rising caseloads and inadequate and unpredictable funding***

Many districts have difficulty meeting their special education needs because of high caseloads and limited funding. Administrators from six of the eight school districts we visited, which are served by different ESDs, said they are not able to provide adequate special education services with existing resources to all school-age children identified as eligible. Personnel from a seventh district said they could use more resources to provide adequate services.

EI/ECSE caseloads increased every year between September 2014 (approximately 9,000 children) and September 2018 (over 11,000 children). The EI/ECSE monthly counts for the 2017-18 school year ranged from over 10,000 in September to over 15,000 in August. Three of the nine ESD providers we spoke to described high or increasing caseloads as a barrier to providing adequate services, and two of these providers described this challenge specifically with regard to students experiencing high-cost, low-incidence disabilities. Four additional ESD providers described funding as a barrier.

For early childhood, ODE developed a model to determine what constitutes an adequate level of services according to whether a child has high, moderate, or low needs. From 2018-19, only 33.4% of children eligible for EI/ECSE services received the recommended specialized consultation services at least one time per week; 39.1% for EI and 31.2% for ECSE. We also found this percentage varied depending on the severity of the child's needs. For instance, for children eligible for ECSE services with low needs, 61.6% received what ODE defined as an adequate level of services. Yet as the need increases, this percentage decreases — only 6.2% and 0.7% of children with moderate and high needs, respectively, received an adequate level of services.

#### **Children do not receive adequate levels of service**

Only **6.2%** of children with moderate needs, and **0.7%** with high needs, received an adequate level of services in 2018-19.

**Figure 7: EI/ECSE adequate service levels vary by the severity of need**

Early Intervention	Adequate Service Level	Actual Service Level	% of children
Services for infants and toddlers (typically home-based)	Specialized consultation services with caregivers: Once per week	1,526 children received this level of service out of 3,899 eligible children	39.1%
Early Childhood Special Education: Level of Need	Adequate Service Level	Actual Service Level	% of children
Low Need: Delayed in 1-2 areas of development	Specialized ECSE services: Once per week	2,939 children received this level of service out of 4,768 eligible children	61.6%
Moderate Need: Delayed in 3-4 areas of development	Preschool: 12 hours per week Specialized consultation: Once per week Parent education: Once per month	205 children received this level of service out of 3,305 eligible children	6.2%
High need: Delayed in most or all areas of development	Preschool: 15 hours per week Specialized consultation: Once per week Parent education: Once per month	14 children received this level of service out of 2,047 eligible children	0.7%

Source: ODE, EI/ECSE Adequate Service Level Model update April 2019

ODE's adequate service model is framed largely around the amount of time that specialists spend with children and families. We found a lack of available education personnel adversely affects this necessary time.

ESD and school district administrators report difficulties in hiring and retaining special education personnel. Seven of the eight school districts we spoke with said they were not able to provide adequate services because they lack staff. Some ESD and school district administrators reported that the challenges they face when children transition from EI/ECSE services to elementary school often result from a lack of staff time to help facilitate the transition.

**Turnover is higher among special education teachers**

In 2019-19, the statewide turnover rate for all teachers was **13.7%**. For special education teachers, the rate was **20.4%**.

Statewide, in 2018-19, the turnover rate for all teachers not returning, for any reason, to the district in which they taught the prior year was 13.7%. For special education teachers, this rate was 20.4%. In response to these challenges, school districts take extra steps to support or recruit special education teachers, including starting the recruitment process early and assisting general education teachers to switch to special education.

The lack of special education teachers, and whether they are sufficiently trained, also likely affects the efficient use of special education resources. IDEA requires states to monitor the disproportionate representation, by race and ethnicity, of children as children with disabilities. Administrators from four school districts with significant minority populations told us that it can be challenging to separate a child's need for special education services from other challenges, such as limited English proficiency or trauma. Special education personnel also told us of the limited time or support for professional training.

The federal government postponed compliance with the disproportionate representation regulation until July 2020, at which time ODE will begin monitoring 3- to 5-year-olds and will then add kindergarteners. Providing teachers with enough time for professional development on

topics such as culturally-competent means of pre-referral identification would not only help reduce disproportionate representation, but would also aid in positively redirecting school districts' limited resources.

Rural areas of the state encounter additional challenges in providing required services to children experiencing disabilities. Rural districts face substantial challenges concerning the availability of special education teachers and other professionals, which is limited even in urban areas of the state. Rural districts must compete with larger urban areas that can sometimes offer higher salaries, better benefits, and lower caseloads. Two administrators also told us about how young graduates do not want to stay in rural areas.

Not only is it challenging for children experiencing disabilities in rural areas to obtain services, districts in rural areas struggle with a shortage of professionals who can help them identify children in need of services. EI/ECSE contractors rely on community partners who work with young children to identify who might be eligible for services and refer them for evaluation. These partners include primary care providers and child care providers. Yet many rural parts of the state do not have enough primary care providers and child care providers to meet the demand for their services, resulting in potentially missed opportunities for some children to be evaluated and referred early for services.

#### **Powers School District: Rural isolation**



Powers School District has a total enrollment of 123 students and is geographically isolated within Coos County. The district does not have transportation for its special education students and must refer them to cities on the coast for services. Coos Bay is an hour's drive away. Sometimes, families move to other school districts rather than travel regularly to the nearest service providers.

#### **Reynolds School District: Staff turnover**



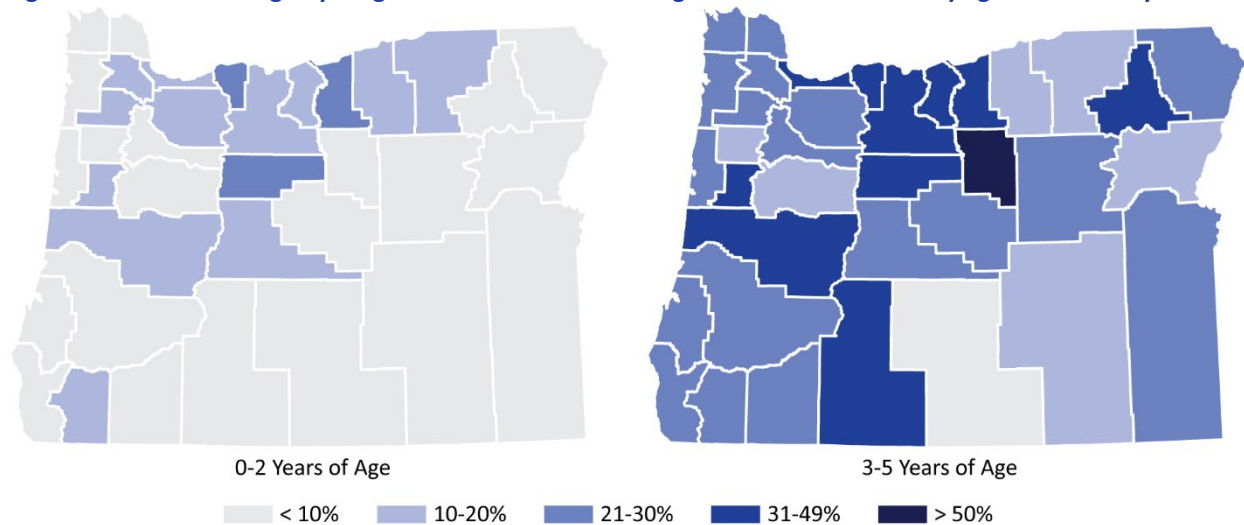
Reynolds School District is a minority-majority urban district that, as of October 2019, had experienced a 22% turnover in special education staff from the 2018-19 school year. One of its elementary schools has had five special education teachers in seven years. This turnover leaves them without enough time or people to train new hires, attend transition meetings or develop professionally, and their students are not able to form the kinds of relationships with staff that can support success.

Furthermore, many parts of the state are considered “child care deserts,” which are communities with more than three children for every regulated child care slot. Just 21% of children age five and under have access to a regulated child care slot, including 12% of infants and toddlers and 29% of preschool-age children. The percentage of all children age five and under with access to a regulated child care slot is slightly higher in metropolitan than nonmetropolitan counties — 21% compared to 18%.

In parts of the state that experience both a lack of primary care physicians and available child care openings, more of the responsibility to identify children falls on EI/ECSE contractors.

ODE is aware of the child care and health care issues, but the agency monitors IDEA compliance and procedural safeguards, not specific challenges related to these issues faced by contractors providing EI/ECSE and school-age services. Doing so would show the agency where contractors need additional support. This information could then be used to develop a plan of action to address the challenges.

**Figure 8: Percent of Oregon young children with access to regulated child care slots by age as of January 2018**



Source: Pratt, Sektnan, Weber. January 2019. Oregon's Child Care Deserts, Oregon State University, College of Public Health and Human Sciences.

While school districts receive additional state funding for students experiencing disabilities, these monies do not fully mitigate the funding challenges. Federal funding for special education has been less than half of the federal share defined in 1981. This translated into a \$267 million funding gap for Oregon for the 2019-20 school year. In addition, we found the number of students experiencing disabilities exceeds the state's funding formula cap of 11% for special education services. While ODE provides extra funds beyond this double-weight through a cap waiver for districts that exceed the 11% cap, for the 2017-18 school year, the state was only able to provide about a third of the total dollars needed to fully fund the cap waivers.

Funding has never been sufficient to meet the level of adequacy called for in ODE's EI/ECSE service model since the time it was first developed. Seven of the nine EI/ECSE providers told us that a lack of funding was a barrier to providing adequate services. Districts sometimes use funds from their general education budgets to cover the remaining costs. ODE staff, and many of the ESD administrators we spoke to, expect the Early Learning Account of the Student Success Act to provide enough funding to get close to, if not reach, current adequate service levels for children receiving EI/ECSE services although growing caseloads may result in a continued gap.<sup>3</sup>

Staffing challenges are exacerbated by the sometimes unpredictable release of education funds. Many ESD administrators told us of problems related to not receiving their contracts from ODE in a timely fashion. This has created uncertainty about how many personnel ESDs would be able

<sup>3</sup> The Student Success Act (HB 3427) was signed into law on May 20, 2019. When passed, the act was expected to infuse \$2 billion into Oregon's educational system every two years. A portion of the funds will go into the State School Fund, while the remaining will fund three additional accounts: the Early Learning Account, the Student Investment Account, and the Statewide Education Initiatives Account. The Early Learning Account and the Student Investment Account will receive at least 20% and 50%, respectively, of the remaining funds with up to 30% going to the Statewide Education Initiatives Account.

to hire to provide EI/ECSE services for the coming year. Also, some ESDs were concerned they might need to lay off staff after the 2019-20 school year, with the hope of re-hiring them in 2020-21, because funds from the Student Success Act were not going to be available until the second year after the act's initiation. However, ODE made additional General Fund resources available for the 2019-20 school year to mitigate some of the impact of this delay.

***While early childhood service providers benefit from a statewide case management system, the state lacks such a system for school-age service providers***

The structures that exist to serve children experiencing disabilities work better if children stay in one school district for their entire educational experience. They break down, however, as children move from one school district to another, whether that new district is adjacent to the previous one or across the state. This risk is less pronounced in early childhood than for school-age children because of the work ODE has done to streamline early childhood special education services.

Oregon uses a single program to support children in both EI and ECSE services. As a result, the Individualized Family Services Plan case information is now maintained in a single, statewide data system called ecWeb. In this system, each child is assigned to a contractor. Authorized users, such as a specialist working with the child, can access the system from anywhere in the state to update the child's record. The system is housed at the University of Oregon and funds for EI/ECSE support the system. Because of this single, statewide data system, providers who serve a child who moves from one part of the state to another will be able to easily access a record of that child's needs and supports.

No such unified system exists for the school-age system. Instead, limited IEP information for school-age children is stored in separate record-keeping systems maintained by six information system contractors for all of Oregon's school districts.

Because there is no statewide data system that contains and transfers information about eligibility and services provided to school-age children, districts are responsible for creating and maintaining their own data on these children and transferring that information, as necessary, when children enter or leave their district, which can result in delays. If a new school district is not made aware of an incoming child's support needs, they may need to re-identify a child for eligibility after the teachers have had an opportunity to work with them, creating unnecessary gaps in the supports the child receives.

The process to transition a child from ECSE services into kindergarten is regionally focused and lacks a data system. The EI/ECSE contractor sends lists to the school districts in their area letting them know about children who are expected to enter their districts the following school year and are in need of special education services. If a child moves to a school district outside of the contractor's area of support, however, the new district may not receive the child's information, particularly if, for example, the contractor was not aware of the family's intent to move.

In the year prior to kindergarten, contractors invite staff from the school districts to attend meetings so the district staff can meet the families and become familiar with the needs of the children they will be serving. However, school districts that are not able to send staff, because they do not have the capacity to make the staff time available, are unable to take advantage of these meetings.

## ODE should take additional strategic action to better ensure the needs of students experiencing disabilities are met to the greatest extent possible

Like other states, Oregon is required by the federal government to ensure that students experiencing disabilities have access to a free, appropriate public education. With an expected infusion of funding from the passage of the Student Success Act, and with decisions being made at the local level about how to direct these funds, ODE can do more, strategically, to ensure that competing needs across the state are met.

### ***Broader strategic action could help address statewide challenges in delivering special education services***

ODE is already familiar with the concept and benefits offered by strategic plans. ODE currently has an agencywide strategic plan, as well as one for the Early Learning Division. Oregon's State Systemic Improvement Plans (SSIP) for IDEA Part B and Part C serve as ODE's strategic plans for special education; these are included in the State Performance Plan/Annual Performance Report submitted each year to OSEP.

Each SSIP has a specific focus. The one for Part B is about implementing a multi-tiered system of support<sup>4</sup> in elementary schools to improve reading levels among third grade students experiencing disabilities. The SSIP for Part C is about social-emotional learning skills for young children. Each plan talks about technical assistance, financial support, stakeholder involvement, and professional development for its specific topic.

The plans' strategies, however, do not address broader service deficiencies across the special education landscape. Deficiencies identified by this audit are:

- The limited pool of special education educators and service providers from which to recruit;
- Pay and caseload imbalances across the state that impede the retention of educators and service providers, particularly in rural areas;
- The specific challenges facing early childhood and school-age contractors that result from the unequal distribution of resources across the state, such as primary health care and child care;
- Restricted time for professional development, especially on the topic of culturally competent means of pre-referral identification and evaluation of students in need of special education services;
- Uncertain deadlines around the release of special education funds, which hinder contractors' ability to plan for upcoming school years;
- The lack of a statewide data system for the school-age special education program; and
- Limited planning around targeting Student Success Act funds to address known shortfalls in current special education service levels throughout the state.

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<sup>4</sup> A Multi-Tiered System of Support (MTSS) is a data-driven, problem-solving framework to improve education outcomes for all students. Schools apply this model as a way to align academic, behavioral, social, and emotional supports. Schools provide Tier 1 (Universal Prevention) supports to all students. Tier 2 (Targeted Prevention) supports are directed at students with similar needs. Tier 3 (Intensive, Individual Prevention) support typically relies on formal assessments to determine a student's needs and to develop an individualized support plan.

***ODE should look to other states like Texas and Delaware as models and link its special education strategic plans to other ODE plans and efforts***

Like Oregon, Texas and Delaware also submit the required State Performance Plan/Annual Performance Reports to OSEP. These states, however, have strategic plans that address service deficiencies more broadly.



The Texas Education Agency developed a strategic plan to address the underperformance of its special education students in reading and math, as well as corrections required by the U.S. Department of Education. The plan sought to balance compliance with federal regulations with a results-driven focus on student outcomes. Primary areas of focus for the Texas plan include monitoring, identification and evaluation, and training and development. The Texas plan contains minimal additional requirements for local school systems outside of what is already expected of them by IDEA and state statute and the state's progress in completing the plan's activities is made public on the agency's special education website.<sup>5</sup>



In 2015, the Delaware General Assembly authorized its Department of Education to perform a comprehensive, annual review of the delivery of special education services within the public school system. A full-time position was established to coordinate this review and the creation of a special education services strategic plan. Delaware's goal for the initiative was to address the delivery of special education within the state through a review of existing evidence. The state identified seven areas of need for the plan: students, staff/partners, delivery structures, parents/families, resources, policy/regulations, and community. Goals, strategies, and metrics were developed for each of these areas.

ODE should tie strategies within its special education strategic plans to those in other ODE plans, as appropriate, to better coordinate resources and efforts across divisions and programs. For example, the following strategies in the Early Learning Division's 2019-23 Early Learning System Plan already touch upon issues we identified in this audit.

- Strategy 2.2: Expand access to, and build the supply of, high-quality (culturally responsive, inclusive, developmentally appropriate) affordable preschool that meets the needs of families;
- Strategy 4.4: Strengthen the coordination among early care and education, health, and housing to promote health and safety for young children; and
- Strategy 5.1: Ensure adequate funding of and access to a range of regional and community-based services, including Early Intervention/Early Childhood Special Education services.

ODE could also leverage its EI/ECSE model of adequate services for children aged birth through public school eligibility when developing strategies and goals for school-age children. ODE has done substantial work on this model, which is based on the high, medium, or low needs of eligible children. While the state has not yet reached the level of adequacy described in the model, the model identifies gaps in services. ODE could use this model to highlight those parts of the state that are more successful at delivering EI/ECSE services adequately and then direct resources to support less successful parts of the state with technical assistance, best practices, and strategic guidance.

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<sup>5</sup> <https://tea.texas.gov/academics/special-student-populations/special-education>

The development of a similar model for school-age special education services would allow ODE to quantify how different parts of the state are affected by challenges providing services to the school-age population. ODE could, again, then help to allocate resources accordingly.

Lastly, ODE should look to federal law for standards that need to be incorporated into a special education strategic plan. For example, the Head Start Act states that not less than 10% of the total number of children enrolled in Head Start programs will be children with disabilities. This act also requires reviews to ensure that this enrollment requirement is met. IDEA encourages states to train personnel to work in rural areas and to support families of children experiencing disabilities who may have limited access to services due to economic, cultural, or language barriers.

## **Children and schools have poorer outcomes when the needs of children experiencing disabilities are not addressed**

Children who receive services to support their disabilities, particularly in early grades, will benefit from that support throughout their academic careers. Access to services is necessary if the state intends for all students, including students experiencing disabilities, to meet academic proficiency and high school graduation goals. Services also support the social and psychological well-being of students experiencing disabilities.

### ***Students are not able to take full advantage of educational opportunities if they cannot access the supports for which they are eligible***

In its K-12 literacy framework, adopted in 2009, the State Board of Education describes the importance of a child's ability to read by third grade. The board notes that students who are not successful readers in third grade will have more difficulty directing their academic attention on developing reading comprehension strategies or on using their reading skills to develop subject-area knowledge. After third grade, the odds are against these students becoming grade-level readers without intense intervention. What actions schools take to teach children to read in the early years of their education greatly matters.

Oregon's plan to meet federal education standards describes a goal that at least 80% of students, including those experiencing disabilities, score proficient on both the English language arts and mathematics portions of the statewide summative exam by the 2024-25 school year.

However, of the students in grades three through eight and 11, only 22% of those experiencing disabilities scored proficient in reading/language arts in the 2015-16 school year, compared with 54% of all students. In mathematics, 18% of students experiencing disabilities met proficiency compared to 43% of all students. In order to meet the goal of 80% proficiency, students experiencing disabilities will need to make more progress than their non-disabled peers; to do that, they will need supports for their disabilities.

Oregon's goal for graduation rates follows a similar story. In the 2015-16 school year, the four-year graduation rate was 74% for all students and 53% for students experiencing disabilities. The 2024-25 goal is a 90% graduation rate, for students experiencing disabilities as well as for students overall.

Special education services help children access the education they are entitled to receive by enlarging the capacity of the system to serve the educational needs of all children. Services can

#### **Students with disabilities fall behind in proficiency goals**

In the 2015-16 school year, 54% of all students scored proficient in reading/language arts, but **only 22% of students experiencing disabilities were proficient**. In math, 43% of all students were proficient, while **only 18% of students experiencing disabilities were**.

support the needs of children experiencing disabilities directly by providing academic instruction tailored to accommodate the child's specific academic needs, and indirectly, by supporting all children's socio-emotional learning needs, reducing classroom isolation, promoting successes that reduce frustration and anxiety, and keeping children engaged with school as a result.

## Recommendations

The audit team collected and analyzed data and documentation, conducted interviews, and visited schools and school districts before and during fall 2019. This report was going through final revisions when the state of Oregon and ODE were first impacted by concerns about COVID-19. Due to this timing, our recommendations were developed largely without consideration for the public health and economic impacts of the pandemic, and we anticipate that ODE will respond to them knowing that there may be other, more pressing concerns that they consider a higher priority.

In order to improve special education services statewide, ODE should:

1. Develop and document a strategic plan for special education services statewide that sets specific expectations for coordination and delivery of EI/ECSE and school-age special education services, and informs decisions about where to direct additional supports or resources.

In order to improve identification and delivery of services for children from birth to age five who are eligible for EI/ECSE services, ODE should:

2. Provide additional technical assistance to EI/ECSE contractors so that they can expand identification efforts in areas with child care and primary care shortages.
3. Document efforts to increase the number of children receiving ECSE services in high-quality, inclusive early childhood placements in areas identified as child care deserts for children age three through five.
4. Determine whether funds from all sources are sufficient to meet targets in the adequate service model and report to the Legislature on any remaining gaps in funding to reach that goal.

In order to determine whether children from historically underserved races or ethnicities are under- or over-identified for EI services, ODE should:

5. Define a reference population to identify which regions are experiencing disproportionality by race and ethnicity in both identification and delivery of EI/ECSE services.
6. Identify data sets necessary to determine whether any EI/ECSE contractors are over- or under-identifying children from historically underserved races or ethnicities.

In order to improve special education services delivered to school-age children experiencing disabilities, ODE should:

7. Require EI/ECSE contractors to report to ODE on subcontractors' coordination of the transition of children receiving ECSE services into school-age programs, including information about how many pre-kindergarten transition meetings are attended by special education personnel who provide services to school-age children.

8. Work with EI/ECSE contractors to monitor and improve subcontractors' processes for facilitating coordination of the transition of children receiving ECSE services into school age programs.
9. Present the recommendations of this audit to the System of Care Advisory Council.<sup>6</sup>
10. Offer training or professional development on culturally competent pre-referral identification techniques at times and locations that are accessible to school district personnel throughout the state.

In order to support increased availability and retention of special education staff and specialists providing services to school-age children, ODE should:

11. Determine which ESDs and school districts have the most difficulties hiring and retaining special education staff and specialists.
12. Develop a plan to provide data, guidance, and resources to ESDs and school districts based on the specific needs of their regions to improve retention of special education staff and specialists (e.g., additional support for home-grown training programs and additional financial incentives for harder-to-staff regions of the state).

In order to improve data sharing for the K-12 special education system, ODE should:

13. Begin the process to develop and implement a centralized statewide system for IEP information, modeled after the existing Individualized Family Service Plan system (ecWeb) by:
  - a. Reviewing the IEP systems already in use in the state.
  - b. Identifying the needs of the personnel who administer existing systems and the needs of the districts who will use the new system.
  - c. Identifying the stakeholders who will participate in the initial rollout of a centralized IEP system.

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<sup>6</sup> The System of Care Advisory Council was formed by Senate Bill 1 in 2019. The purpose of this council is to improve the effectiveness and efficacy of state and local systems of care that provide services to youth by providing a centralized and impartial forum for statewide policy development and planning.

# Objective, Scope, and Methodology

## Objective

The objective of this audit was to determine how ODE can better support children experiencing disabilities from early childhood education through early school-age programs.

## Scope

The audit focused on the transition in special education services from early childhood to kindergarten enrollment because of the importance of a child's ability to read by the third grade. We concluded that the following were not necessary to achieve the objectives of the audit and we excluded from the scope: children in grades four and above; the use of seclusion and restraint techniques; placement decisions regarding inclusive or specialized classrooms; reduction in student instructional hours due to behavioral issues; adequacy of services at the student level; and special education services in private schools and correctional facilities. To avoid conflicts with the lawsuit brought against ODE and co-defendants, we also excluded issues of instruction time and instruction environments.

## Methodology

To address our objective, we used a methodology that included, but was not limited to: conducting interviews, visiting schools, analyzing educational data, and reviewing documentation.

Within ODE, we met with the Chief of Staff, assistant superintendents, the Director of the Office of Student Services, the Government and Legal Affairs Manager, education program specialists, EI/ECSE education specialists, operations and policy analysts, and the internal auditor. We also conducted interviews with state legislators and an analyst from the Legislative Fiscal Office.

To learn about the views, opinions, and perspectives of stakeholders, we interviewed directors, superintendents, principals, teachers, early childhood specialists, a special education administrator, and a preschool transition coordinator who work in eight school districts and nine education service districts from around the state. We also spoke with representatives from Disability Rights Oregon, the Oregon School Boards Association, the Oregon Education Association, the Oregon Association of Education Service Districts, and the University of Oregon's Early Childhood Cares program.

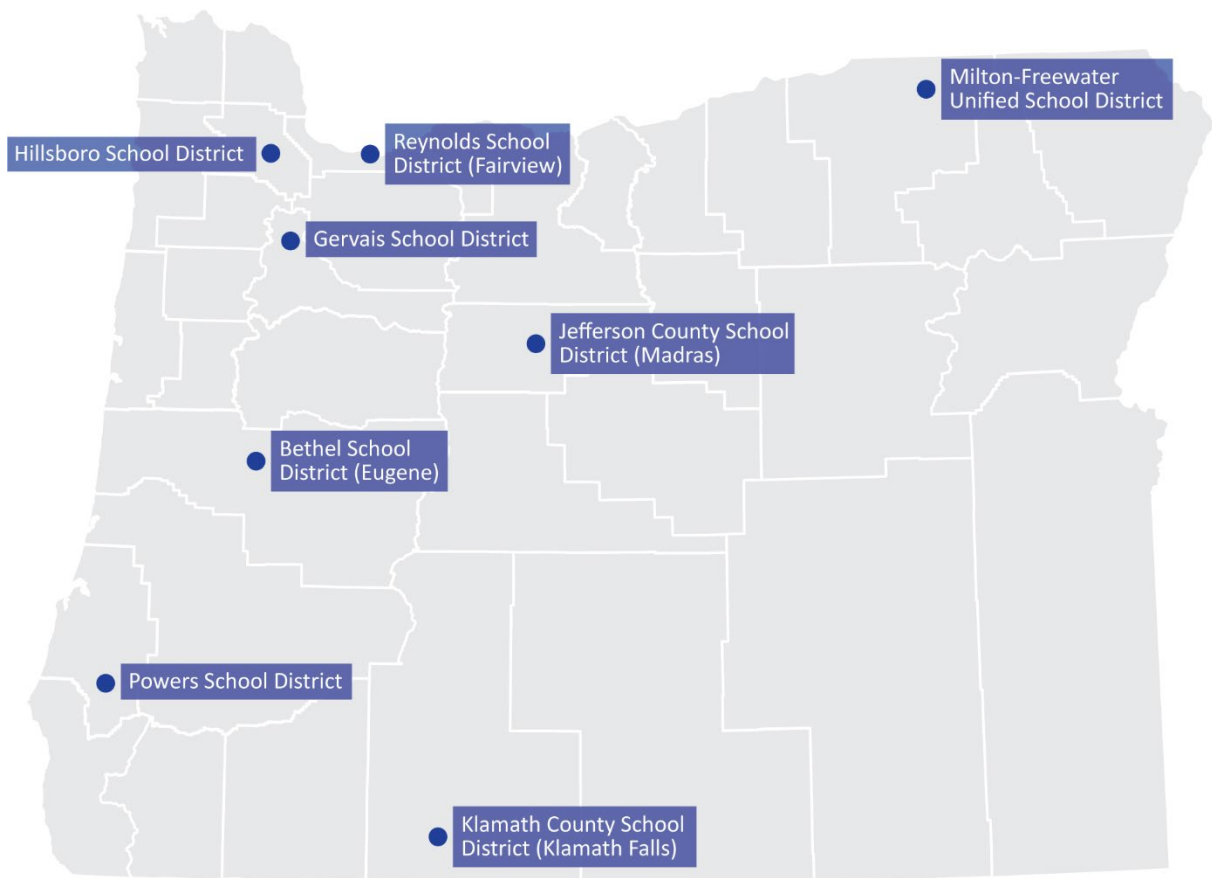
We reviewed federal laws, Oregon state laws, administrative rules, and previous audit reports related to disability rights and special education. We also requested and analyzed education data from ODE and conducted a reliability assessment on these data.

We did not examine national trends or data about special education from other states. While this information can provide important contextual information, differences in eligibility criteria and methods used to identify students for special education services made such comparisons difficult to interpret and to translate into meaningful, practical recommendations that can be acted upon by decision-makers in the Legislature and at ODE. Similarly, it was difficult to identify "peer states" that outperform Oregon in educational outcomes yet possess similar resources, demographics, and legislative environments. For these reasons, we determined that insights gleaned from comparisons of Oregon to other states were likely to be of limited value.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We sincerely appreciate the courtesies and cooperation extended by officials and employees of ODE, education service districts, school districts, and other stakeholders during the course of this audit.

## Appendix A: Sites selected for school district visits





# Oregon

Kate Brown, Governor



OREGON  
DEPARTMENT OF  
EDUCATION

*Oregon achieves . . . together!*

**Colt Gill**

Director of the Oregon Department of Education

June 15, 2020

Kip Memmott, Director  
Secretary of State, Audits Division  
255 Capitol St. NE, Suite 500  
Salem, OR 97310

Dear Mr. Memmott,

This letter provides a written response to the Audits Division's final draft audit report titled **ODE Can Better Support Students Experiencing Disabilities Through Improved Coordination and Monitoring of Services**. Overall ODE agrees with many of the recommendations of this audit and will use the recommendations to address issues raised by the auditors. Although ODE also disagrees with or only partially agrees with some of the recommendations largely due to the impact on public education and the state's budget by the COVID-19 pandemic.

Over the last eight weeks our families and educators have faced extraordinary challenges to build on the strengths and meet the needs of our state's children during a global pandemic. Oregon's education professionals (including bus drivers, nutrition service staff, school office staff, translators, teachers, school nurses, counselors, principals, district administrators, and so many more) have pulled off heroic efforts to provide care, connection, and continuity of learning for our students. We responded in a crisis, we have kept Oregon's health care system from being overwhelmed, and we have saved lives through slowing the spread of COVID-19. It has been stressful, challenging, and rewarding.

Additionally, COVID-19 has impacted Oregon's economy in unprecedented ways. Based on the latest Economic and Revenue Forecast dated June 2020, it is anticipated that the economic impacts of COVID-19 will exist for 4-5 years. We also anticipate significant reductions in both state and school district budgets brought on by revenue shortfalls in income tax revenues, lottery revenues and the corporate activity tax.

Now we look forward to the coming school year. Governor Brown has begun the process of reopening and building a safe and strong Oregon. This fall Oregon will begin a process to provide in-person instruction in our schools again. However, we will still be living under the virus. Community-wide immunity is many months off.

Accordingly, some of our responses to the auditors' recommendations will be contextualized within the current economic downturn. In addition, economic forecasting will force shifting priorities as ODE continues to support schools and districts to deliver educational services to Oregon students during pandemic lockdowns amidst economic losses.

On a final note, it is clear that ODE and Audits Division staff both value equitable delivery of educational services for the population of students experiencing disabilities. In a few recommendations below, we describe how federal mandates and local control policies in Oregon may alter how we achieve that goal for our students. Below is our detailed response to each recommendation in the audit.

<b>RECOMMENDATION 1</b>		
Develop and document a strategic plan for special education services statewide that sets specific expectations for coordination and delivery of EI/ECSE and school-age special education services, and informs decisions about where to direct additional supports or resources.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
Disagree	N/A	N/A

#### **Narrative for Recommendation 1**

Generally, the Department agrees with the need for strategic planning to guide all Departmental efforts. In fact, the Department has recently completed a strategic planning initiative that resulted in an equity strategic plan to move its work forward. However, the Department disagrees with any recommendation that promotes separate educational experiences for students who experience disability, including the current recommendation.

Students who experience a disability that makes them eligible for special education and related services benefit first from the same core educational experiences available to all students. Special education should supplement the general education experience by “adapting, as appropriate to the needs of an eligible child . . . the content, methodology, or delivery of instruction—(i) To address the unique needs of the child that result from the child’s disability; and (ii) To ensure access of the child to the general curriculum, so that the child can meet the educational standards within the jurisdiction of the public agency that apply to all children” (Special Education, 2017).

#### **Oregon Department of Education**

255 Capitol St NE, Salem, OR 97310 | Voice: 503-947-5600 | Fax: 503-378-5156 | [www.oregon.gov/ode](http://www.oregon.gov/ode)

Further, “the preponderance of research supports inclusive education” (SWIFT Education Center, 2017). Improving results for students who experience disability – the very purpose of the Individuals with Disabilities Education Act – is best done through intensifying the general education experience, not through strategically planning a separate system. Eradicating the segregation of students experiencing disability is a core value held by the Oregon Department of Education. Students who experience disability leave the educational system to the same world as their peers without disabilities; they are asked to apply the skills they learned in school alongside all others who have completed their educational experience. The more students who experience disability are provided separate instruction, the more they are pulled out to special education exclusive services, even if done in alignment with a well-intended strategic plan, the less context they will have for transferring those skills to the world beyond school.

Strategic plans for educational services therefore must be comprehensively planned for all students, including those who experience disability. Coherence between strategic initiatives for general and special education is essential. Developing a strategic plan specific to special education services statewide, in isolation from the Department’s overall strategic plan, would move Department efforts away from rather than towards this needed coherence.

The Department agrees that improving outcomes for students who experience disability should be strategically planned—which is done through the Federally required State Systemic Improvement Plan (SSIP)—and believes in the value of having a strategic plan to guide all educational efforts, including special education, but fundamentally disagrees with the idea of a separate special education strategic plan to guide the delivery of special education services statewide.

#### References

Special Education, 34 C.F.R. § 300.39(b)(3) (2017).

SWIFT Education Center. (2017). *Equity as a Basis for Inclusive Educational Systems Change, Research to Practice Brief*. Lawrence, KS: Author.

<b>RECOMMENDATION 2</b>		
Provide additional technical assistance to EI/ECSE contractors so that they can expand identification efforts in areas with child care and primary care shortages.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	June 1, 2022	Kara Williams

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### **Narrative for Recommendation 2**

Identification efforts for EI/ECSE have been impacted by COVID-19 as infants, toddlers, and children are not regularly attending their healthcare providers, childcare centers and preschools that would typically be providing referrals for EI/ECSE. We anticipate that this will continue to be a concern as districts and programs are making plans for the 2020-21 school year that may include the adoption of distance learning or hybrid models where children are not regularly observed. Additionally, the childcare landscape will also be impacted as many childcare businesses have been closed due to financial challenges. We anticipate that we will see many more childcare deserts in Oregon now than there were pre-COVID.

Planned actions for this recommendation include:

- The Department will review the Early Learning Division's data on county-level childcare availability.
- The Department will facilitate communications with EI/ECSE contractors focusing on information from their service area plans, specifically their plans for identification and evaluation of children in areas with identified childcare and primary care shortages.
- The Department will design and deliver individualized technical assistance based on the needs identified through the data and conversations.

<b>RECOMMENDATION 3</b>		
Document efforts to increase the number of children receiving ECSE services in high-quality, inclusive early childhood placements in areas identified as child care deserts for children age three through five.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	June 1, 2022	Kara Williams

### **Narrative for Recommendation 3**

This recommendation will be directly impacted by the anticipated state budget shortfalls experienced by both the Early Learning Division and EI/ECSE due to COVID. The Early Learning Division funds early learning programs such as Head Start and Preschool Promise, as well as providing subsidies for childcare providers. These programs make up the majority of inclusive placements for children who experience disabilities. Budget shortfalls will mean a reduction in the availability of inclusive placements. At the

time of this response, it is unknown how deep budget reductions based on both expected General Fund and Student Success Act fund shortfalls will be and therefore it is difficult to determine a baseline for the coming school year from which to measure success in implementing this recommendation.

Planned actions for this recommendation include:

- The Department will continue to lead the High Quality Inclusion Technical Assistance Initiative and will continue to assemble the Statewide Leadership Team and Community Teams to guide and implement this work.
- The Department will review the Service Area Plan, submitted by EI/ECSE contractors annually, for opportunities to document program efforts towards securing inclusive placements in childcare deserts.

<b>RECOMMENDATION 4</b>		
Determine whether funds from all sources are sufficient to meet targets in the adequate service model and report to the Legislature on any remaining gaps in funding to reach that goal.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	May 1, 2021	Kara Williams

#### **Narrative for Recommendation 4**

The Department reports on the number of infants, toddlers, and children that are provided adequate service levels in EI/ECSE. The Department then uses these figures, along with calculations using the funding model, to identify the anticipated shortage in funding to provide adequate services for all children. This information is included in the State Interagency Coordinating Council's Governor's Report which is made public and presented to legislators annually. This information is also included in the agency's biennial presentation to Ways and Means on its budget.

<b>RECOMMENDATION 5</b>
Define a reference population to identify which regions are experiencing disproportionality by race and ethnicity in both identification and delivery of EI/ECSE services.

<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
PARTIALLY Agree (measure ECSE population ages 3-5)	July 1, 2020	Kara Williams

#### **Narrative for Recommendation 5**

IDEA section 618(d)(1) (20 U.S.C. 1418(d)(1)) requires States to provide for the collection and examination of data to determine if significant disproportionality based on race and ethnicity is occurring in the State and LEAs of the State. Under 34 C.F.R. § 300.647(b)(3)(i)-(ii), States are now required to examine populations age 3 through 21 for significant disproportionality in identification of children as children with disabilities and as children with specific impairments. Adding ages 3-5 is a new requirement, there is no requirement to measure this for Early Intervention (ages birth-3). Adding another population beyond this new requirement would require additional resources during an anticipated budget reduction time period.

Planned actions for this recommendation include:

- As per guidance from the U.S. Department of Education's Office of Special Education Programs, ODE will use the File Specification (FS)089 — Children with Disabilities Individuals with Disabilities Education Act (IDEA) Early Childhood and (FS)002 - Children with Disabilities (IDEA) School Age files for the risk numerator.

<b>RECOMMENDATION 6</b>		
Identify data sets necessary to determine whether any EI/ECSE contractors are over- or under-identifying children from historically underserved races or ethnicities.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
PARTIALLY Agree (measure ECSE population, ages 3-5)	July 1, 2020	Kara Williams

#### **Narrative for Recommendation 6**

IDEA section 618(d)(1) (20 U.S.C. 1418(d)(1)) requires States to provide for the collection and examination of data to determine if significant disproportionality based on race and ethnicity is

occurring in the State and LEAs of the State. Under 34 C.F.R. § 300.647(b)(3)(i)-(ii), States are now required to examine populations age 3 through 21 for significant disproportionality in identification of children as children with disabilities and as children with specific impairments. Adding ages 3-5 is a new requirement, there is no requirement to measure this for Early Intervention (ages birth-3). Adding another population beyond this new requirement would require additional resources during an anticipated budget reduction time period.

Planned actions for this recommendation include:

- As per newly released guidance from the U.S. Department of Education's Office of Special Education Programs (June 2,2020), ODE will use the File Specification (FS)089 — Children with Disabilities Individuals with Disabilities Education Act (IDEA) Early Childhood and (FS)002 - Children with Disabilities (IDEA) School Age files for the risk numerator and File Specification (FS)052 — Membership for the risk denominator, in examining populations 3-21 for the purposes of calculating significant disproportionality.

<b>RECOMMENDATION 7</b>		
Require EI/ECSE contractors to report to ODE on subcontractors' coordination of the transition of children receiving ECSE services into school-age programs, including information about how many pre-kindergarten transition meetings are attended by special education personnel who provide services to school-age children.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	June 30, 2021	Kara Williams

#### **Narrative for Recommendation 7**

School age personnel are not required to attend kindergarten transition meetings. However, EI/ECSE is responsible to assure that an invitation is extended. The Department does not currently collect data on school age special education personnel attendance at pre-kindergarten meetings. Annually, a select number of files are reviewed as part of the Procedural Compliance Review. Of the selected files, a percentage are children transitioning to kindergarten and there is a question regarding whether school age personnel were invited to the transition meeting.

Planned actions for this recommendation include:

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- The Department will review data gathered from the PCR reviews as a snapshot of school-age personnel invitations statewide.
- The Department will consult with EI/ECSE contractors to ascertain the best way to collect information regarding school-age personnel invitations and attendance at transition meetings.
- The first round of data collection will occur by June 30, 2021.

#### **RECOMMENDATION 8**

Work with EI/ECSE contractors to monitor and improve subcontractors' processes for facilitating coordination of the transition of children receiving ECSE services into school age programs.

<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	June 30, 2022	Kara Williams

#### **Narrative for Recommendation 8**

This recommendation will follow recommendation number 7 which will establish a data collection of school-age personnel invitations and attendance at transition meetings.

Planned actions for this recommendation include:

- The Department will identify and share resources and promising practices with Contractors and Subcontractors regarding transition coordination.
- The Department will host a review of the data set during the EI/ECSE Contractor's meetings in 2021-22. During these meetings, contractors will be asked to share their challenges and promising practices to increase school-age personnel participation in transition meetings.
- The Department will add a question to the Service Area Plan regarding practices established to coordinate the transition of children receiving ECSE services into school age programs. Contractors have the primary obligation to review and approve subcontractor SAPs.

#### **RECOMMENDATION 9**

Present the recommendations of this audit to the System of Care Advisory Council

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Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	October 1, 2021	Candace Pelt

#### **Narrative for Recommendation 9**

The Department agrees with the recommendation to present the recommendations of this audit to the System of Care Advisory Council.

Planned actions for this recommendation include:

- The Department will share the desire to present recommendations to the System of Care Advisory Council at an upcoming council meeting.
- The Department will seek time on a council meeting agenda to share recommendations.
- The Department will share recommendations no later than October 1, 2021.

<b>RECOMMENDATION 10</b>		
Offer training or professional development on culturally-competent pre-referral identification techniques at times and locations that are accessible to school district personnel throughout the state.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
PARTIALLY Agree	Provided by auditee	Eric Wells

#### **Narrative for Recommendation 10**

The Department partially agrees with the recommendation to “offer training or professional development on culturally-competent pre-referral identification techniques at times and locations that are accessible to school district personnel throughout the state.” Specifically, while the Department recognizes the need for ongoing professional learning related to culturally competent pre-referral processes, and is committed to providing the support that districts and schools need in order to appropriately identify children who experience disabilities, the impact of the COVID-19 pandemic precludes a commitment to providing learning opportunities “at times and locations that are accessible to school district personnel throughout the state.” In the midst of the deepest recession Oregon has faced since data started being kept (Department of Administrative Services, 2020, p. 4), and with

significant uncertainty surrounding the state’s revenue forecast, the Department cannot commit to travelling to provide professional development.

Rather, the Department can commit to the following planned actions towards this recommendation:

- Develop an online module that interested parties can access related to culturally competent pre-referral processes.
- Make the module accessible on demand to interested school staff throughout Oregon.
- Publicize the module through relationships with specialists and interested groups (e.g., Curriculum and Instruction Leaders, Special Education Directors, ESDs, SACSE, SICC).

#### Reference

Department of Administrative Services. (2020). *Oregon Economic and Revenue Forecast. June 2020*. Retrieved from: <https://www.oregon.gov/das/OEA/Documents/forecast0620.pdf>

<b>RECOMMENDATION 11</b>		
Determine which ESDs and school districts have the most difficulties hiring and retaining special education staff and specialists.		
<b>Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
Disagree	N/A	N/A

#### Narrative for Recommendation 11

Oregon’s educational system places hiring and retention of staff firmly within local authority and control. ESDs and school districts are responsible for hiring and retention of staff consistent with TSPC requirements. The Department lacks statutory authority to make or support hiring and retention decisions. However, the Department is happy to partner with ESDs and school districts at their request to provide needed support in this area.

The Department also finds it problematic to characterize “the most difficulties” as requested in this recommendation. Even assuming appropriate statutory authority existed, ranking the relative challenges faced by districts and ESDs in navigating their local hiring context is ill advised. All districts and ESDs need to address the challenge(s) regardless of how minor or severe.

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Additionally, in the midst of the current severe recession, the Department anticipates that human resource needs will fundamentally shift throughout the state. While there will still be a need for special education staff and specialists, the nature of this need is likely to change as the state works to respond to the current recession brought about by COVID-19. The current deviation from predictable economic patterns brought about by COVID-19 makes it likely that, even if such data could be effectively gathered, it would be of limited utility in planning specific data, guidance, and resources for ESDs and school districts that addressed hiring and retention concerns in a sustainable, long-term manner.

<b>RECOMMENDATION 12</b>		
Develop a plan to provide data, guidance, and resources to ESDs and school districts based on the specific needs of their regions to improve retention of special education staff and specialists (e.g., additional support for home-grown training programs and additional financial incentives for harder-to-staff regions of the state).		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities</b>	<b>Name and phone number of specific point of contact for implementation</b>
Disagree	N/A	N/A

#### **Narrative for Recommendation 12**

The Department notes that the legislature has clearly conveyed a desire for state level support in matters related to hiring and retention. Senate Bill 182 (2017) spoke to the desire for this state level action through the establishment of the Educator Advancement Council (EAC). Among other priority areas, the EAC focuses on “researching and addressing issues related to educator workforce supply and demand” (EAC, n.d.). With the EAC’s establishment, implementation of this recommendation clearly rests outside the statutory scope of the Department. The Department is willing to engage with EAC on an ongoing basis as needed to support their efforts related to staff retention.

Districts and ESDs have significant local authority and control over hiring and retention of staff as it makes sense for their immediate context. Therefore, the Department is also willing to support districts and ESDs as they request in this regard, but will do so in coordination and collaboration with the EAC and their Regional Education Networks as the statutorily authorized and appropriate bodies to lead this work.

#### Reference

Educator Advancement Council. (n.d.). *Educator Advancement Council*. Retrieved from: <https://www.oregon.gov/eac/Pages/default.aspx>.

**RECOMMENDATION 13**

Begin the process to develop and implement a centralized statewide system for IEP information, modeled after the existing Individualized Family Service Plan system (ecWeb) by:

- a. Reviewing the IEP systems already in use in the state.
- b. Identifying the needs of the personnel who administer existing systems and the needs of the districts who will use the new system.
- c. Identifying the stakeholders who will participate in the initial rollout of a centralized IEP system.

Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Disagree	N/A	N/A

**Narrative for Recommendation 13**

The Department agrees that a centralized statewide system for IEP information would be beneficial over the long-term. However, given the current state context, development and implementation of this system is not a current priority. Given the impact of COVID-19 on the state's economy, and the significant budget shortfalls that state government, districts, and schools will be operating under for the next several years, the timing is not right for implementing such a system. Beyond the cost of the system itself, it would require training for staff across the state who are already being asked to make up for budget shortfalls through furlough days and additional responsibilities. Introducing new IEP system requirements in the current strained system would be ill advised and is a path the Department cannot currently support. It is the Department's hope to revisit this possibility as additional information about future budget forecasts becomes available.

Please contact Terri Ward at [503-931-0259] with any questions.

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Sincerely,

A handwritten signature in blue ink, appearing to read "Colt Gill", with a stylized flourish at the end.

Colt Gill  
Director  
Oregon Department of Education

cc: Lindsey Capps  
Alyssa Chatterjee  
Cindy Hunt  
Candace Pelt  
Terri Ward



## **Audit Team**

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