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Missouri State Auditor

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YELLOW SHEET

Improvements Needed In Management of Program to Improve Services

The Department of Elementary and Secondary Education (DESE) spent approximately $23 million on the First Steps program (program) during fiscal year 2006. The program's primary objective is to enhance the development of infants and toddlers up to 3 years old with developmental disabilities. We focused audit efforts on determining whether (1) DESE has limited children's access to the program; (2) improvements are needed in evaluating children's needs; (3) children have received needed services; (4) cases have been adequately serviced by coordinators; (5) DESE addressed intake delays, potential overbilling by independent service coordinators, and other oversight issues; (6) opportunities exist to reduce program costs; and (7) total costs of the program have been identified. DESE contracts the responsibility of program implementation out to 10 regional agencies called System Points of Entry (SPOE).

Eligibility criteria among the nation's most restrictive	Missouri is one of only three states which require a minimum of a 50 percent delay in one developmental area to be eligible for early intervention services. All other states have broader eligibility criteria, or have a reduced criteria for children with delays in multiple developmental areas. As a result, some children have not received needed services and utilization and costs of DESE's Early Childhood Special Education program may have increased. (See page 10)
Improvements could be made in evaluating children's needs	Improvements could be made in evaluations of developmentally delayed children through the use of a multidisciplinary team approach. This approach has not been fully implemented because of financial concerns of independent providers. Providers have been concerned about inadequate pay rates and a contract stipulation that providers performing a child's evaluation would not be allowed to perform ongoing services for that child. (See page 13)
Some children not receiving all needed services	Some eligible children did not receive all needed services, or received services at a reduced level, because of a shortage of providers. This situation has occurred because of inadequate provider pay rates, the lack of reimbursement for travel, and the SPOEs' inability to secure local funding to supplement provider pay. (See page 15)
Coordinators have difficulty servicing cases adequately	Coordinators at program offices reviewed could not devote adequate time to most clients and, as a result, service to clients suffered because of heavy caseloads. Coordinators have experienced heavy caseloads because (1) DESE underestimated coordinator workload in its request for proposal process, (2) the lack of providers created inefficiencies, and (3) data system issues have existed. (See page 19)
Delays, potential overbilling, and documentation issues addressed	With DESE's implementation of new SPOE contracts in February 2006 and resulting changes made in the delivery of services by intake and service coordinators, client intake delays have been reduced through redistribution of the intake workload. In addition, SPOEs have been required to employ service coordinators and are responsible for supervising them which has eliminated potential overbilling and resulted in improved documentation of cases. (See page 22)

Consultant contract not cost-effective	In 2004, DESE entered into a 3-year, $1.21 million contract for regional "consultant" positions, which provide guidance and technical assistance to the SPOEs. However, if DESE had employed the consultants, the services would have cost DESE approximately $860,000 over the same time period—a 3-year savings of $350,000. (See page 27)
Total funding not known	DESE spent $23 million on the program during fiscal year 2006. However, this amount did not include Department of Mental Health expenditures on the program. Mental Health personnel have not tracked program expenditures because they have not been required to do so. Mental Health officials estimated the department incurred approximately $1 million in expenditures for the program during fiscal year 2006. (See page 28)

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Contents

Abbreviations

CFR	Code of Federal Regulations
DESE	Department of Elementary and Secondary Education
IFSP	Individualized Family Service Plan
NPA	No Provider Available
RSMo	Missouri Revised Statutes
SPOE	System Point of Entry

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The Department of Elementary and Secondary Education (DESE) spent approximately $23 million during fiscal year 2006 on the First Steps program (program). The department oversees the program under the federal Individuals with Disabilities Education Act. The primary objective of the program is to enhance the delayed development of infants and toddlers up to 3 years old with developmental disabilities. Because of the importance of the program, we focused audit efforts on determining whether (1) DESE has limited children's access to the program; (2) improvements are needed in evaluating children's needs; (3) children have received needed services; (4) cases have been adequately serviced by coordinators; (5) DESE addressed intake delays, potential overbilling by independent service coordinators, and other oversight issues; (6) opportunities exist to reduce program costs; and (7) total costs of the program have been identified.

We found the department has limited children's access to the program by establishing eligibility criteria more restrictive than most states. To control program costs and serve children with more significant disabilities, DESE has required children to be developmentally delayed by 50 percent. As a result, some children under the age of 3 have not had access to the program which may cause increased usage and cost of special education programs for children 3 years and older. Improvements are also needed in assessing developmental needs of children because most program offices have not implemented a multidisciplinary team approach to evaluating developmentally delayed children because of financial concerns of providers. Using a multidisciplinary team approach would allow for the coordination of evaluations and the delivery of services to children. We also found some eligible children either had not received all needed services or had received reduced services because of shortages of providers brought about, in part, because of low pay rates, the lack of adequate mileage reimbursement, and the lack of local funding to supplement provider pay. Coordinators have had difficulty servicing cases adequately because DESE underestimated the service coordinator workload at program offices, providers have not always been available, and inadequacies associated with DESE's data system.

Program changes made by the department in 2004 and 2006 addressed several issues when it realigned program offices and issued new contracts. DESE addressed most workload issues related to delays in the intake process of children by redistributing that workload to all coordinators. DESE also addressed oversight issues related to independent service coordinators. We found from 2002 until early 2006, the potential existed for contracted service coordinators to bill for services not provided, and the lack of case documentation at some program office locations made it difficult to determine what, if anything, service coordinators had done for families. This situation occurred, in part, because service coordinators received little, if any, supervision by DESE. Program changes made by the department eliminated the potential for overbilling by making service coordinators employees of the program offices.

We also found opportunities exist to reduce program costs by employing "consultants" that advise regional program offices instead of contracting for their services. In addition, program costs have been under reported because expenditures of approximately $1 million a year incurred by the Department of Mental Health have not been reported by DESE.

We conducted our audit in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. This report was prepared under the direction of John Blattel and key contributors included Robert Spence, Bobby Showers, Amy Ames and Laura Lasher.

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Introduction

The First Steps program (program) is an interagency system of early intervention services for children under the age of three with developmental delays or that have a diagnosed condition known to contribute or to cause developmental disabilities. The purpose of the program is to build a family's capacity to manage its needs related to enhancing a child's development, as well as meeting the developmental needs of infants/toddlers with disabilities.

Program Requirements

The program is governed by Part C of the federal Individuals with Disabilities Education Act and receives federal and state funding to implement the program. With this federal funding comes federal regulations which the state system must operate under. Program eligibility criteria are left up to the individual states.

To be eligible for Missouri's First Steps program a child must be between the ages of birth and 36 months and be determined to have either:

- A diagnosed physical or mental condition associated with developmental disabilities or has a high probability of resulting in a developmental delay or disability. Some examples of such conditions listed in state regulations include, but are not limited to, very low birth weight, Down Syndrome, Spina Bifida, Cerebral Palsy and Autism.

- A developmental delay, as measured by appropriate diagnostic measures and procedures, in which a child is determined to be functioning at 50 percent of the developmental level that would be expected for a child developing within normal limits and of equal age. The delay must be identified in one or more of the following areas:

  - cognitive development
  - communication development
  - adaptive development
  - physical development, including vision and hearing
  - social or emotional development

Children are referred to the program from a variety of sources. The majority of referrals come from parents that can be referred to the program by pediatricians. The Parents as Teachers program and hospital nurseries also refer a significant number of children. The number of children referred to the program and found eligible has decreased in recent years. Table 1.1

depicts referrals and the number of Individualized Family Service Plans (IFSP) for fiscal years 2004 through 2006.[1]

Table 1.1: Child Count Data - Fiscal Years 2004 through 2006

	2004	2005	2006
Referrals	6,065	5,310	5,152
IFSPs	3,004	2,837	2,563
Percent Eligible	49.5	53.4	49.8

Source: DESE child count data.

As shown above, approximately 50 percent of children referred to the program had IFSPs prepared.

DESE partners with Mental Health

The Department of Elementary and Secondary Education (DESE) has served as the lead agency since creation of the program in 1994. The Departments of Mental Health, Health and Senior Services, and Social Services had been involved with service coordination and program implementation until redesign of the program in 2000 and 2001. Since the redesign, Mental Health is the only other state department involved in the delivery of these services.

DESE has executed an annual inter-agency agreement with the Department of Mental Health. The departments have agreed to maximize resources, reduce duplication of services and to provide a statewide system of early intervention services that is coordinated, comprehensive and multidisciplinary in nature. Per the agreement, Mental Health is to maintain staff to perform ongoing service coordination of 40 percent of ongoing cases. Children who will likely require long-term Mental Health services, such as children with Down Syndrome or Autism, are transferred to Mental Health coordinators when possible.

Program implementation duties are contracted out

DESE contracts the responsibility of program implementation out to 10 regional agencies called System Points of Entry (SPOE). (See Appendix I for a map of the regions.) SPOEs contracts are competitively selected through the Office of Administration's Division of Purchasing and Materials Management. According to DESE's request for proposal document, SPOEs are responsible for facilitating the referral, eligibility, and service coordination for the child and family and ensuring that needed early intervention services are available and accessible throughout their defined region. In addition, the SPOE is required to maintain child records and enter

[1] Referral and IFSP data prior to fiscal year 2004 were not reliable for report purposes.

data into the child data system. The SPOE is required to employ a DESE-defined number of service coordinators to serve children and their families and ensure families receive appropriate levels of service.

Children are evaluated and, if eligible, receive ongoing services from independent service providers. The most common services include speech and language therapy, physical therapy, occupational therapy and special instruction. Service providers are not required to provide services to specific regions or populations, but must be enrolled with the program in order to bill for any services provided. They are paid on a per-service basis.

Program revenue and expenditures

Program expenditures increased from $19.2 million in fiscal year 2002 to $25.5 million in fiscal year 2005, a 33 percent increase. For fiscal year 2006 expenditures declined approximately $2.6 million, or 10 percent. The state's contribution to the program increased 42 percent from fiscal year 2002 to 2006. Table 1.2 depicts program revenues and expenditures for fiscal years 2002 through 2006. Unspent revenues are carried forward for use in future periods, with state funds being expended first and federal funds being carried forward. A detailed schedule of revenues and expenditures is included in Appendix II.

Table 1.2: Revenues and Expenditures - Fiscal Years 2002 through 2006

	2002	2003	2004	2005	2006
Revenues					
State	$ 9,807,481	8,468,992	15,576,538	15,455,632	13,909,096
Federal	9,760,407	12,253,391	9,957,967	11,391,718	10,805,807
Total Revenues	$ 19,567,888	20,722,383	25,534,505	26,847,350	24,714,903
Total Expenditures	$ 19,187,011	21,245,912	24,018,819	25,521,381	22,874,285
Cost Per Child[1]	$ 6,522	6,207	6,972	7,560	7,391

[1] Cost per eligible child calculated using the December 1 IFSP number reported to the federal Office of Special Education Programs.

Source: DESE financial records.

Table 1.2 also shows the cost per child increased $869 per child, or 13.3 percent from fiscal year 2002 to 2006.

Families of participating children now required to contribute to program

The passage of Senate Bill 500 in 2005 included a provision to require DESE to bill a portion of the program cost to the families of eligible children, using a sliding scale based on income. The family cost participation provisions of Senate Bill 500 also requires DESE to bill private insurance for participating children. The revenue generated from these provisions are placed in the First Steps Fund and may only be used for the program.

Scope and Methodology

We conducted work at DESE, Mental Health, and five SPOE offices and interviewed knowledgeable officials and personnel at those locations. We also reviewed relevant program data and documentation to accomplish review objectives.

To determine whether (1) SPOEs had complied with federal regulations requiring the intake process be completed within 45 days and required family meetings had been held, (2) eligibility had been determined appropriately, (3) the IFSP had been supported by proper evaluations and assessments, (4) service coordinators had proper qualifications, and (5) coordinators had adequately documented case files with case notes, evaluation documents, and other documentation, we reviewed a total of 101 cases at the 5 SPOEs reviewed. We randomly selected the cases from a listing of cases provided by DESE's contracted data service provider. Referrals to the program occurred between July 1, 2004 and May 30, 2006 for selected cases.

We selected five SPOE offices for review based on geographic location, performance data and other factors to obtain a varied sample of cases and program perspectives. We conducted site visits from June through August 2006. Table 1.3 depicts the five SPOE offices reviewed along with information on children served and cases reviewed.

Table 1.3: SPOE Locations Visited

SPOE	Location	Children Served[1]	Cases Reviewed
Greater St. Louis	St. Charles and St. Louis City	450	25
Northeast	Mexico	160	16
Central	Sedalia	190	15
Kansas City	Independence	442	25
South Central	Springfield	288	20
Total		1,530	101

[1] Represents the combined (intake and ongoing) caseload the SPOE had at the time of our visit.

Source: DESE.

SPOEs reviewed serviced approximately 51 percent of the children served by the program for the 12 months ended April 30, 2006, according to DESE data.

To determine the adequacy of program operations and controls, we also interviewed 39 service coordinators, 17 service providers, 6 SPOE directors, 5 additional SPOE administrators, and 4 Department of Mental Health supervisors.

To determine the accuracy of the electronic case file system, we verified selected data in cases to the information in the electronic case file system. While we found some errors, the errors did not render the data unreliable.

We requested comments on a draft of our report from the Commissioner, Department of Elementary and Secondary Education and have included them in this report. We conducted audit work between April 2006 and October 2006.

Restricting Access to First Steps Program May Increase Demand on Other Programs

Not all children needing First Steps services have had access to the program. This situation has occurred because DESE has been more restrictive than most states in establishing eligibility criteria for the First Steps program in an attempt to limit the costs of the program and to target the more disabled children. As a result, some children have not received needed services and utilization of DESE's Early Childhood Special Education (special education) program may have increased.

Eligibility Criteria Among the Nation's Most Restrictive

Missouri is one of only three states which require a minimum of a 50 percent delay in one developmental area to be eligible for early intervention services. All other states have lower eligibility criteria, or have a reduced criteria for children with delays in multiple developmental areas.[2] For example, in Kansas a child would be eligible for early intervention services with a 25 percent or more delay in one developmental area, or a 20 percent or more delay in two developmental areas. Missouri ranks 45th nationally in the percentage of children served to age three, at 1.53 percent, according to federal special education data. This compares to the national average of 2.51 percent of children served.

Missouri's eligibility criteria are not statutorily defined and are within DESE's control to establish. However, according to department officials, the eligibility criteria has remained restrictive for budgetary reasons. In discussing a draft of this report on December 5, 2006, DESE officials also stated the department has chosen to serve more severely disabled children and not those at lesser risk of developmental delay. In addition, the officials stated Missouri's strong Parents as Teachers program has also been available to serve children from birth to three years old.

Restrictive criteria may contribute to special education usage and funding increases

DESE's special education program provides services to children 3 to 5 years old. Once children reach age 3, they must go through an eligibility process to determine eligibility for the special education program. Special education expenditures for fiscal year 2006 totaled $115 million, and have increased 54 percent, or an average of 9.2 percent per year, since fiscal year 2001. Of the $115 million total, $96 million is General Revenue funding. The number of children served, approximately 10,900, has also increased a total of 21 percent, an average of 4 percent per year, since 2001.

First Steps' eligibility criteria is more restrictive than special education's broader eligibility criteria, which is a contributing factor to special education enrollment increases, according to a National Early Childhood

[2] Twenty states have reduced eligibility criteria for children with delays in multiple developmental areas.

Technical Assistance Center[3] official. For example, as December 1, 2005, the First Steps program served 3,400 children compared to DESE's special education program, which served approximately 11,000 children, according to DESE data. While it is impossible to quantify the potential impact of serving more children under First Steps, research has associated positive cost-benefit returns with quality early intervention programs, according to National Early Childhood Technical Assistance Center officials.

Broader eligibility criteria could result in fewer children being eligible for special education programs

According to a National Early Childhood Technical Assistance Center official, restrictive eligibility criteria results in children with known delays waiting until delays become significant before they can receive services, or waiting until age 3 to become eligible for special education services.

Our analysis of fiscal year 2005 national special education data showed states which have broad early intervention program eligibility criteria have fewer of the children they serve transition into special education programs. States with broad eligibility averaged 38 percent of the children completing early intervention programs determined to be eligible for special education programs, according to the federal Office of Special Education Programs. However, those states with narrow eligibility averaged 50 percent of the children completing early intervention programs being determined eligible for special education programs. Missouri averaged 56 percent during this period.

Eligibility criteria not consistent with federal program goals

DESE has been allowed to establish program eligibility criteria under federal regulations. However, DESE's restrictiveness has not been consistent with Section 631(a)(2) of the federal Individuals with Disabilities Education Act, which states one of the purposes of Part C funding is "to reduce the educational costs to our society, including our Nation's schools, by minimizing the need for special education and related services after infants and toddlers with disabilities reach school age."

Impact of early childhood education programs not known

DESE officials stated they did not believe broadening eligibility criteria would result in reducing the number of children served in the special education program or result in cost savings. However, until fiscal year 2006, DESE did not have the means to evaluate program results or potential changes to the program. During 2006, DESE initiated a student identification program which will allow it to collect data and measure the effectiveness of the First Steps program and the special education programs.

[3] The National Early Childhood Technical Assistance Center is contracted by the federal Office of Special Education Programs to provide technical assistance and support to state early intervention programs.

Conclusions

DESE's decision to limit access to the program may increase participation and program costs in its Early Childhood Special Education program. Early childhood research has shown the sooner early intervention services are provided, the greater the potential benefits. Broader eligibility criteria would allow the program to provide more services to children with known developmental delays at an early age before delays possibly become more severe. By serving more children sooner, DESE may be able to reduce the number of children requiring services in its special education program. DESE could potentially use surplus funds, carried over from prior periods, to support this effort. DESE's initiation of a child identification system should allow it to measure the effectiveness of early childhood education programs. This data should be used in performing a cost-benefit analysis which would allow DESE to determine the feasibility of broadening eligibility criteria for the program and possibly reduce usage and costs of the Early Childhood Special Education program.

Recommendation

We recommend the Commissioner, Department of Elementary and Secondary Education:

2.1 Collect and analyze child identification data and use it as input in conducting an analysis to determine both the social and financial impact of broadening eligibility criteria for the program.

Agency Comments

2.1 The Department concurs with this recommendation and will conduct a cost and social benefit analysis in the next fiscal year to determine the impact of broadening eligibility criteria for the program.

Improvements Needed In Management of Program to Improve Services

Improvements are needed in the management of the program. Improvements could be made in evaluations of developmentally delayed children through the use of a multidisciplinary team approach. This approach has not been fully implemented because of financial concerns of providers. Also, some children eligible for the program did not receive all needed services or received reduced services. This situation occurred because of a shortage of providers in the state brought about, in part, because of low pay rates, lack of mileage reimbursement, and a lack of local funding to supplement provider pay. Coordinators also had difficulty in adequately servicing cases because DESE underestimated coordinator workload, providers have not always been available, and problems existed with DESE's data system.

DESE addressed several issues when it realigned the SPOEs and issued new contracts. DESE addressed most workload issues related to delays in the intake process of children by redistributing that workload to all coordinators. DESE also addressed oversight issues related to independent service coordinators. From 2002 until early 2006, the potential existed for independent service coordinators to bill for services not provided. This situation occurred, in part, because service coordinators received little, if any, supervision. DESE addressed this problem by requiring SPOEs to employ service coordinators.

Improvements Could Be Made In Evaluating Children's Needs

DESE has directed SPOEs designate certain providers as evaluation and assessment team members. However, most SPOEs have been unable to implement the team approach because of financial concerns of providers. Providers have been concerned about inadequate pay rates and DESE's stipulation that providers performing a child's evaluation would not be allowed to perform ongoing services for that child, according to providers, SPOE personnel and DESE officials.

Evaluations have been performed by independent providers of various disciplines, however, not using a team approach in evaluating children and collaborating in the formation of service plans conflicts with recommendations by experts in the field of early intervention and federal regulations which require states to ensure a "timely, comprehensive, multidisciplinary evaluation of the functioning of each infant or toddler with a disability in the State."

Current process not always coordinated

Evaluation and assessment services are provided by a network of independent service providers, some of which work for provider agencies, that are compensated by DESE on a per-service basis. The existing system has allowed providers from various disciplines to perform evaluations, however, due to providers being independent of one another, a true

multidisciplinary approach has not been implemented, according to a SPOE administrator.

The multidisciplinary approach would require a team of providers, representing different expertise, to jointly evaluate a child. This approach would allow a coordinated approach to evaluating the child and deciding the extent of services to be provided. Under the current approach, one or more providers may separately evaluate a child and recommend treatment without the benefit of other provider input, according to providers interviewed.

Providers have lacked financial incentives

It has not been financially feasible for providers to become part of an evaluation and assessment team because the amount reimbursed for performing an evaluation has not been adequate, according to providers. Providers are currently reimbursed for evaluation time spent in the home up to a maximum of two and a half hours. According to a provider agency official, her agency typically bills 2 hours for each evaluation, and receives a $100 reimbursement. However, this official estimated this reimbursement only covered approximately half of the actual time it takes to complete the evaluation. The time required to set up appointments, travel to and from clients, and prepare evaluation reports, can not be billed to DESE, according to the provider agency official. Providers also stated it would not be financially feasible for providers to forgo providing ongoing services to children because of the loss of income.

DESE contracted with a consultant firm as part of its redesign efforts in 2000 and 2001, and those efforts included a review of the First Steps pay structure. The consultant recommended DESE increase the reimbursement to $230 per evaluation, which represented an 84 percent increase over the maximum allowable evaluation reimbursement. However, a rate increase has not been possible due to budgetary concerns, according to a DESE official.

Springfield SPOE has benefited using evaluation team approach

Review efforts at five SPOEs disclosed the South Central SPOE in Springfield has successfully implemented the multidisciplinary team approach for evaluations and assessments. The SPOE has contracted with an area provider agency to perform program evaluation duties on a part-time basis. According to a SPOE official, the establishment of the evaluation and assessment team has enabled the SPOE to process referrals and intake cases more efficiently. This approach has allowed service coordinators to spend less time searching for providers to conduct evaluations and more time serving ongoing caseloads. In addition, the team approach has allowed for increased service delivery efficiency and increased continuity and quality of care, according to an official of the provider agency.

The arrangement in Springfield is unique and is made possible by the SPOE's use of local Senate Bill 40 funds[4] to subsidize the contract with the provider agency. The per-service reimbursement the agency receives from DESE for the evaluation services is not sufficient to cover the cost of employing the half-time providers needed to perform the services, according to provider agency officials. Without the SPOE subsidizing the agency with local funds, the provider agency could not perform the service. The officials stated even with the SPOE subsidy, they are losing money by providing First Steps evaluation services.

DESE recognized benefits and has eased stipulation

DESE established a stipulation that providers performing a child's evaluation would not be allowed to perform ongoing services for that child. DESE wanted to avoid conflicts of interest that could have occurred when evaluating providers recommended ongoing services for a child and provided those services on a fee-per-service basis, according to DESE officials. However, DESE officials have recognized the benefits of the implementation of the Springfield evaluation and assessment team and have eased the stipulation that evaluators cannot provide ongoing services. As of August 2006, DESE allows this practice when no other provider is available to provide the ongoing services.

Other states have implemented the team model

State officials with the Texas and Kansas early intervention programs told us they have implemented team models which require contractors to employ or contract for services. The Texas official stated the majority of contractors directly employ a core group of providers, including a physical therapist, occupational therapist, speech and language pathologist, and a position similar to a special instructor to take part in the evaluation process. This team approach helps ensure consistency and efficiency in the evaluation process, according to the official.

Some Children Not Receiving All Needed Services

Program data, case reviews, and discussions with providers and SPOE personnel disclosed some eligible children did not receive all needed services, or received services at a reduced level, because of a shortage of providers. While the lack of providers has been more significant in rural areas of the state, metropolitan areas such as Columbia and Springfield reported shortages in various types of services. This situation has occurred because of inadequate provider pay rates, the lack of reimbursement for travel, and a lack of local funding to supplement provider pay.

[4] Senate Bill 40 funds represent local funds generated through property taxes and governed by a local board of directors. Funds are to be used for the care and employment of developmentally delayed persons.

As required by state law,[5] SPOE contracts contain a clause making it the responsibility of the SPOE to ensure services are available to all eligible children in the SPOE's region. Federal program guidance[6] also requires states receiving program funds have a plan which "ensures that appropriate early intervention services are available to all infants and toddlers with disabilities and their families."

Some children go without needed services or receive reduced services

According to service authorization data, DESE recorded 676 no provider available (NPA) authorizations for the program during fiscal year 2006. This number represents 676 services which had been authorized by a child's IFSP team that had not been immediately provided because no providers had been available to provide the service.[7] See Table 3.1 for SPOE region breakdown of NPA authorizations.

Table 3.1: SPOE Breakdown of NPA Authorizations

SPOE Region	NPA Authorizations	Total Authorizations	NPAs as a Percentage of Total
Greater St. Louis	6	4,418	0.1
St. Louis County	2	5,697	0.0
Northeast	69	1,556	4.4
Northwest	42	2,033	2.1
Kansas City	93	5,003	1.9
Central	76	2,721	2.8
Southwest	107	2,240	4.8
South Central	113	5,518	2.0
East Central	99	4,248	2.3
Southeast	69	1,649	4.2
Total	676	35,083	1.9

Source: DESE authorization data for fiscal year 2006.

Discussions with service coordinators disclosed there have been other instances where, due to the lack of provider availability, a child is receiving services at a lower frequency than agreed on by an IFSP team. In addition, other children have been required to forgo receiving some services in their natural environment, i.e., at home, as suggested in federal regulations, and travel to provider offices to receive services because of the non-availability of providers, according to the service coordinators.

[5] Section 160.915, RSMo.

[6] Section 635(a)(2), of the Individuals With Disabilities Education Act, Part C.

[7] Services may have been obtained at a later date.

Low provider pay, inadequate travel reimbursement, and lack of local funding has contributed to provider shortage

Discussions with service providers disclosed a shortage of providers has existed, in part, because of inadequate provider pay rates. For example, one physical therapist provider told us after considering time spent driving, assisting the child, writing progress notes and billing for the service, the estimated compensation came to $17 per hour, less gas expense. In comparison, the same physical therapist stated she had reduced her First Steps caseload in order to work for a school district special education program at a rate of $55 per hour.

The First Steps provider pay rate is linked to the Medicaid service rate, which pays most service providers a base rate of $10 per 15-minute unit for most services, plus a $2.50 per 15-minute unit for providing the service in the child's natural environment. Billable hours include time spent with the child, but has not included time spent writing progress notes or traveling to and from the child's home. According to DESE officials, the rate has not increased since the inception of the program in 1994, and decreased by $.50 per unit when the state decreased its Medicaid rate in 2003.

Travel time and expense are not adequately reimbursed

DESE's current travel reimbursement policy is to provide a $45 travel allowance in the event a provider travels a minimum of 60 miles one-way. However, based on DESE's August 2006 travel survey of providers, 8 percent of providers have been eligible to claim this reimbursement. The travel survey also showed 51 percent of providers travel more than 400 miles per month, with 16 percent traveling more than 1,000 miles per month. The August 2006 survey also showed the following:

- 43 percent of respondents live in a mid-sized city or town, a small town, or rural area.
- 77 percent believed reimbursement for mileage and time spent would be a fair travel reimbursement policy.
- 93 percent would prefer to be reimbursed on a per mile basis.
- Approximately 90 percent indicated the lack of mileage reimbursement to be a deterrent in expanding the area they served.

DESE summarized some of the comments made by respondents. For example, DESE cited the following as a typical comment made. "This should not be the only travel reimbursement. We should be reimbursed for our mileage regardless of how far we are driving. Other program/companies do not expect their employees to drive well over 100 miles each day with their personal vehicle without some sort of reimbursement. I have seriously considered quitting my job recently. Gas/other car repair are costing me about a large chunk of my monthly income."

DESE contracted with a consultant firm as part of its redesign efforts in 2000 and 2001, and included a review of the First Steps pay rate structure. The consultant recommended DESE increase the ongoing service reimbursement from the current $12.50 per unit rate ($50 per hour) to $21.27 per unit ($85.08 per hour). The increase in the per unit reimbursement rate was meant to recognize and include travel time and costs.

According to a DESE official, the provider pay rate has not been increased due to budgetary concerns. However, the official stated DESE began considering changes to the travel reimbursement policy as of October 31, 2006.

DESE anticipated local funding would supplement provider pay

According to DESE officials, DESE anticipated SPOEs would obtain local funding to supplement any funding shortfalls if SPOES needed to employ or contract for provider services. However, DESE did not include local funding as a requirement in its request for proposals for SPOE contracts. As discussed on page 15, the Springfield SPOE has used local funding to contract for provider evaluation services. However, discussions with other SPOE officials disclosed those SPOEs have not had success obtaining local funding.

Employing providers could ensure the availability of services

Because of the independent service provider model in place, the only way SPOEs could ensure the availability of services would be to employ or contract with providers, according to SPOE administrators. However, while SPOE contracts allow SPOEs to employ service providers, DESE has limited the reimbursement SPOEs can receive to the per-service rate paid to independent providers.

According to SPOE administrators, it is not financially in the best interest of SPOEs to employ providers because the per-service rate SPOEs are paid for providers would not be sufficient to cover the salaries needed to attract such providers. In addition, one SPOE administrator stated in the event SPOEs employed providers and received a per-service fee for providers, it would constitute a significant conflict of interest because the SPOEs would then be motivated to provide as many services as possible and not what services were necessary. A DESE official recognized that a potential conflict would exist in this situation, but did not consider the potential significant.

Other states have ensured coverage and solved conflict of interest problem

State officials with the Oklahoma and Texas early intervention programs told us they have implemented a provider model which ensures coverage of all eligible children in the state. For example, according to an Oklahoma official, 90 percent of the providers are state employed which allows them to ensure coverage to all eligible children. Texas set up its early intervention

program similar to Missouri's and contracts with outside entities on a regional basis to administer the program. However, Texas requires the contract holders also employ or contract with service providers to ensure full coverage of regions and pays providers a fixed rate for services provided. The fixed rate is beneficial because it does away with any conflict of interest issues associated with a per-service structure and it results in more consistent costs, according to a Texas official.

Coordinators Have Difficulty Servicing Cases Adequately

Discussions with service coordinators during our review of five SPOE regions disclosed coordinators had difficulty in adequately servicing cases. This situation occurred because (1) DESE underestimated coordinator workload, (2) the lack of providers created inefficiencies, and (3) the existence of data system issues.

DESE underestimated workload

Service coordinators told us they could not devote adequate time to most clients and service to clients suffered because of heavy caseloads. According to coordinators, because of the time needed to accomplish case intake work, and because of the requirement to complete intake work within the 45-day timeline, ongoing cases did not always receive their full attention.

According to National Early Childhood Technical Assistance Center guidance, states using a dedicated service coordination model, (like Missouri), have average caseloads of 33 to 37 to one. The study also recommends caseloads be low enough to allow a service coordinator to build a relationship with families in order to understand their concerns and priorities.

High caseloads resulted from underestimating workload

Our analysis of caseloads[8] at the five SPOEs reviewed disclosed coordinators had a combined (intake and ongoing) caseload of 42 to 1, slightly higher than DESE's target caseload of 40 to 1 in its request for proposals. However, after consideration of the time necessary to process intake cases, we found the SPOES had an average ongoing caseload of 58 to 1, with 3 SPOEs having ongoing caseload ratios over 60 to 1 at the time of our visit.[9] At this caseload level, service coordinators at four of the five SPOEs reported having to work over 50 hours per week on caseloads.

Our review of DESE's request for proposals disclosed the department underestimated service coordinator workloads because DESE did not take

[8] Our caseload analysis assumed SPOEs were fully staffed as specified in SPOE contracts.

[9] We conducted site visits from June through August 2006.

into consideration additional time needed to accomplish intake duties and differences in regional service coordination needs. Instead, DESE applied a 40 to 1 caseload ratio to all SPOE regions when calculating the necessary number of service coordinators. In discussing this issue on December 5, 2006, a DESE official stated DESE based the 40 to 1 ratio on information obtained from the National Early Childhood Technical Assistance Center.

Workloads at the SPOEs visited also disclosed SPOE regions that are mainly rural require additional travel time to service the children in those regions. For example, coordinators in the Northeast region, which covers 22 counties, reported spending from 10 to 20 hours per week traveling to and from children's homes. However, coordinators in the Greater St. Louis SPOE did not report any significant concerns regarding travel time. In addition, while our caseload analysis showed the Northeast region averaged a lower overall caseload than the Greater St. Louis SPOE, Northeast service coordinators reported working longer hours than the Greater St. Louis coordinators.

DESE's request for proposals also did not provide SPOEs additional funding to hire additional service coordinators until SPOEs observed an overall caseload of 60 to 1. SPOE directors stated the 60 to 1 ratio was too high and additional staff would be necessary well before the overall ratio reached that point.

Turnover exacerbates workload issues

According to SPOE directors and service coordinators, workload issues and low pay have lead to turnover at SPOEs. For example, the Kansas City SPOE has a total of 12 service coordinator positions and has had 6 coordinators leave since the new SPOE contract became effective in February 2006, with workload related issues cited as the primary cause. High turnover has resulted in understaffing of SPOEs until positions can be filled, and exacerbated existing workload issues, according to SPOE administrators. According to one SPOE administrator, service coordinator turnover has significantly impacted productivity because of the high learning curve associated with the position.

SPOEs expressed concerns over lack of staff

A group of SPOE officials discussed the possibility of increasing SPOE staffing at a meeting with DESE officials on June 30, 2006. Several SPOE officials highlighted topics of that meeting in a July 7, 2006 follow-up letter to DESE describing, among other things, how SPOE officials believed the SPOE contract did not provide for sufficient staffing. At the June meeting, SPOE officials suggested a caseload of 12 children represented a full caseload for each intake coordinator, and did not include children requiring ongoing services. They concluded the current staffing, allowed in DESE's last request for proposals provided to contractors, did not allow service

coordinators enough time to adequately complete the work of intake and ongoing services under the terms of the current contract. The June meeting also included a discussion of additional job duties involving the time intensive work of the WebSPOE (see page 22 for discussion on WebSPOE) and family cost participation requirements.

In response to the June meeting, a DESE official told the SPOE officials the time taken to accomplish the intake process would be investigated and that service coordinators would be "shadowed" to determine some of the time challenges of the work. As of mid-September 2006, a DESE official had shadowed SPOE personnel at four SPOEs. The official told us the four locations had been visited to talk with service coordinators, gain information on time taken to enter information in the WebSPOE, go over day-to-day schedules of service coordinator, discuss provider shortages, and WebSPOE challenges faced by coordinators. As of October 31, 2006, no action had been taken to address workload issues.

Lack of providers caused inefficiencies in service coordination

As part of the intake coordination process, an intake service coordinator must locate service providers to serve the children coming into the program. A service coordinator must first locate a provider to conduct a developmental evaluation and often must locate multiple types of providers for the same child. Once it is determined a child requires ongoing services, the service coordinator must locate a provider able to see the child on an ongoing basis. Service coordinators told us this process becomes much more time intensive when a lack of providers exists. The additional time spent finding providers added to service coordinator workload issues and intake delays.

One SPOE benefits from increased efficiency

Discussions with Springfield SPOE personnel disclosed access to an evaluation and assessment team significantly improved management of caseloads. (See page 14 for additional comments.) Service coordinators in Springfield stated the time saved in having to search for providers to perform evaluations could be applied to other areas, including ongoing caseloads. Based on service coordinator interviews, the Springfield SPOE had the only coordinators working a 40-hour week. This is significant considering the Springfield SPOE had the highest overall (intake and ongoing) caseload (48 to 1) of the 5 SPOEs visited. As previously stated, coordinators at the other 4 SPOEs visited worked 50 hours or more per week. According to the Springfield SPOE director, no turnover has occurred since the new SPOE contract took effect in place in February 2006.

In discussing a draft of this report on December 5, 2006, a DESE official recognized the benefits of SPOEs having access to evaluation and assessment teams, stating that evaluation and assessment teams are critical to increasing SPOE efficiency. The official also stated SPOEs not having

access to evaluation and assessment teams have had workload and turnover issues.

Data system problems impact workload

Discussions with service coordinators at all SPOEs visited disclosed the data system in place, WebSPOE, has added to workload issues facing service coordinators. Coordinators stated the system is too rigid, and does not allow them to correct known mistakes such as misspellings, service authorization corrections and incorrect dates. Duplicate records must be created in order to correct these mistakes. According to service coordinators, they may spend up to 5 to 6 hours per week dealing with data system issues. In addition, coordinators stated the WebSPOE, which is a web-based system, has no off-line function, so all data entry must be done when connected to the internet. According to coordinators interviewed, this is inefficient and leads to additional duplication of data entry. SPOE personnel stated these issues have been communicated to DESE.

DESE officials said these data system issues have been noted and are in the process of being addressed and some minor corrections have been implemented. However, other data system issues associated with the implementation of the family cost participation have taken priority over other major system issues.

Delays, Potential Overbilling, and Documentation Issues Addressed

With DESE's implementation of new SPOE contracts and resulting changes made in the delivery of services by intake and service coordinators, client intake delays have been reduced through redistribution of the intake workload. In addition, SPOEs have been required to employ service coordinators and are responsible for supervising them which has eliminated potential overbilling and resulted in improved documentation of cases.

Federal regulations,[10] require each child to receive an evaluation and, if determined eligible, an IFSP meeting within 45 days of referral. Federal regulations[11] also require each child be assigned a service coordinator to serve as the single point of contact in helping parents to obtain the services and assistance they need.

Client intake delays have been reduced

Since DESE implemented the final seven new SPOE contracts in February 2006, SPOEs have processed 96 percent of cases going to IFSP within the 45-day window required by federal regulations. In fiscal year 2005, prior to the new contracts being in place, an average of 85 percent of cases going to IFSP met the 45-day timeline. However, some SPOEs experienced

[10] 34 CFR Section 303.321(e)(2).
[11] 34 CFR Section 303.23(a)(2).

additional delays in meeting the 45-day requirement and therefore, families experienced delays in having children evaluated for services, receiving an IFSP, and obtaining initial services. For example, for cases referred from July 2005 through January 2006, the Kansas City and Springfield SPOEs met the 45-day timeline only 68 percent and 76 percent of the time, respectively.

Discussions with SPOE personnel and review of 101 case files at 5 SPOEs disclosed the delays occurred because DESE did not ensure SPOEs had been adequately staffed with intake coordinators and administrative staff prior to DESE's realignment and issuance of new contracts in February 2006. Service coordinators told us they considered an intake caseload of 20 children to be a full-time workload. However, intake coordinators in the Kansas City SPOE reported intake caseloads of 40 to 50 children prior to the February 2006 changes. Service coordinators reported similar conditions at the Springfield SPOE.

DESE provided additional help with intake duties

With the realignment of SPOE regions and the issuance of new SPOE contracts, DESE made changes in the handling of intake cases. For example, having the SPOEs employ the independent service coordinators to perform intake duties has allowed the SPOEs to spread the intake caseload among all coordinators and has reduced intake delays.

Potential overbilling and documentation issues addressed

Changes made by DESE required SPOEs to employ service coordinators, and therefore, assume supervisory oversight of coordinators. As employees of the SPOE, service coordinators can no longer bill DESE for services. Review efforts at five SPOEs disclosed DESE had not adequately supervised independent service coordinators or reviewed case files, exposing the program to potential overbilling by service coordinators.

DESE assumed services provided

Prior to February 2006, service coordinators acted as non-salaried independent contractors and DESE paid them $66 per case on a monthly basis. DESE based its compensation on the assumption that some services had been provided to the child on a monthly basis. However, DESE limited its supervision of independent service coordinators to monitoring a sample of case files for selected coordinators periodically. In addition, DESE did not adequately monitor the number of cases managed by service coordinators. DESE's approach to compensating service coordinators resulted in more compensation for service coordinators with higher caseloads. For example, one independent service coordinator in the Kansas City region averaged an ongoing caseload of 94 children and billed DESE for almost $94,000 in calendar year 2005. An ongoing caseload of 40 children is considered a full-time caseload, according to discussions with the Kansas City SPOE director.

Potential overbilling eliminated and documentation improved

DESE's decision to require SPOEs to directly employ service coordinators at a fixed salary, eliminating the fee-per-case setup, eliminated the potential for overbilling by service coordinators. According to SPOE directors contacted, employing service coordinators has increased the level of support for the coordinators and has increased their accountability. Our review of 101 cases at 5 SPOEs disclosed case file documentation and the consistency of services has improved since service coordinators have become SPOE employees.

We also found service coordinators had not always adequately documented all case activity and therefore, we could not always determine what, if anything, independent service coordinators had done for their clients. While monthly contact with families had not been specifically required by DESE, independent service coordinators had been directed to document all phone calls, including messages received and left, as well as any information regarding service providers, according to service coordination training documents. We found documentation of case activity improved after service coordinators became employees of the SPOE.

Conclusions

Improvements are needed in the management of the program. DESE could improve the intake evaluation process by providing incentives to providers encouraging them to participate in the multidisciplinary team approach to evaluations. The benefits of the multidisciplinary evaluation team approach include increased efficiency in service coordination, service delivery and evaluations, as well as increased continuity and quality of care. The independent provider model and the use of a pay-per-service pay structure restricts the SPOEs' ability to implement such a team approach. Direct employment or fixed-rate contracting of providers, as other states have done, would eliminate the existing conflict of interest concerns, encourage the implementation of a team approach and, therefore, lead to more efficient, effective and consistent services and costs. It would also allow SPOEs to ensure coverage to all eligible children in their region.

The program also suffers from a lack of providers and, as a result, some children have not received all services or have received reduced services. In the existing pay-per-service structure, the reimbursement for evaluation and ongoing services has not been consistent with the time and cost necessary to provide these services. These issues could be addressed by either increasing pay rates and establishing mileage reimbursement, or determining the feasibility of employing service providers as evaluators and/or providers, or a combination of both options. DESE had anticipated SPOEs would utilize local funding if SPOEs needed to contract with or employ service providers. However, DESE did not include this as a requirement in its request for

proposals for SPOE contracts. As a result, local funds have not been obtained to secure those services.

Servicing of cases has been adversely impacted by workloads caused by high caseloads, the lack of providers, and data system problems. DESE underestimated the workload some SPOEs would have and did not provide adequate flexibility to adjust staffing needs. As a result, some SPOEs have not had an adequate number of coordinators to manage cases. Analyzing workload and staffing issues of all SPOEs on a regional basis, and tailoring requests for proposals to regions could potentially correct this problem. Coordinators have also had problems acquiring the services of providers, which has contributed to inefficiency and increased workload issues. This issue could be addressed, as discussed above. DESE's data system has caused coordinators extra work because it has not had an edit feature to allow corrections to case data. As a result, coordinators have had to duplicate case information when they re-entered corrected case data. DESE should implement planned system changes which would address system edits and other issues identified by coordinators. The Springfield SPOE reduced some workload issues when it eliminated inefficiencies by contracting for providers to perform evaluation functions. The effect of the inefficiencies discussed above should be considered when evaluating the need for additional service coordinators.

DESE resolved part of SPOE workload issues when it realigned the SPOEs and issued new contracts. By distributing the intake workload among all coordinators at the SPOEs, DESE has improved the timeliness of the intake process. DESE also addressed the issue of service coordinators potentially overbilling for services by making the service coordinators employees of the SPOEs. Service coordinators are now supervised by SPOE personnel, which has also improved documentation of actions taken by coordinators.

Recommendations

We recommend the Commissioner, Department of Elementary and Secondary Education:

3.1 Ensure the successful implementation of the team approach to the intake process, and the availability of providers, by increasing pay rates and establishing mileage reimbursement, and/or determining the feasibility of employing service providers as evaluators and/or providers.

3.2 Improve the servicing of cases by:

- Taking action to reduce service coordinator workload by ensuring evaluation and assessment teams are in place to increase efficiency of service coordination and analyzing workload and the staffing

levels necessary to achieve desired service coordinator workloads. This analysis should ensure differences in rural and non-rural SPOEs are recognized and considered. Findings should be reflected in future SPOE contracts.

- Taking action to assist SPOEs in obtaining local funding and requiring SPOEs to secure local funding as part of the next request for proposals for SPOE contracts.

- Implementing planned changes to the data system to address system edits and other issues that would assist in reducing coordinator workloads.

Agency Comments

3.1 The Department concurs with this recommendation and is currently in discussions concerning the issues raised in the audit regarding provider rates, travel reimbursement and recruitment.

3.2 The Department will include consideration of the issues presented in this recommendation during the current discussions related to regional operations.

Opportunities Exist to Reduce Program Cost and Improve Financial Reporting

DESE may be incurring unnecessary program costs because it has contracted for oversight and technical assistance services instead of employing personnel to provide these services. DESE also has not reported all costs associated with the First Steps program. This situation has occurred because DESE has not known what costs the Department of Mental Health has incurred related to the program.

Consultant Contract Not Cost-Effective

DESE contracts out for its four regional "consultant" positions, which provide guidance and technical assistance to the SPOEs. In 2004, DESE entered into a 3-year, $1.21 million contract for these services. Based on our analysis of contract costs, if the consultants had been employed by DESE, instead of contracted out to a third party, these services would have cost DESE approximately $860,000 over the same time period—a 3-year savings of $350,000.[12]

Consultant duties include:

- Providing technical assistance to SPOE staff.
- Developing and providing training to SPOE staff, as necessary.
- Providing guidance to SPOEs related to business practices and general operations.
- Developing written technical assistance documents.
- Helping DESE's compliance staff during monitoring visits.
- Working with the SPOEs to implement the statewide child find plan.
- Conducting an ongoing assessment of the provider recruitment needs and initiating activities necessary to assist in the enrollment of providers.

Working as a DESE employee could be beneficial

Being employed by a contractor has not helped with job duties, according to a consultant. However, being employed by DESE would be beneficial because it would provide the consultants with more authority to provide guidance to the SPOEs and allow consultants to answer directly to DESE officials, according to the consultants.

A DESE official recognized the benefit of having the consultants answer directly to the agency, but stated the department contracted out the positions because officials had been advised by DESE administration to reduce personnel positions and DESE did not have enough personnel positions in the budget to employ the consultants directly.

[12] Assumes all travel and other operational costs of the contract would be incurred by DESE and assumes the consultant's current salary at the state fringe benefit rate.

Total Funding Not Known

Our review of expenditures for the program showed DESE spent $23 million on the program for fiscal year 2006. However, this amount does not include what the Department of Mental Health spent on the program.

According to Mental Health personnel, they have not tracked program expenditures because it is not required by the current memorandum of understanding with DESE. Upon our request Mental Health officials analyzed First Steps costs and estimated expenditures of approximately $1 million during fiscal year 2006 on the program.

Conclusions

DESE has incurred unnecessary costs by contracting with a third party for oversight and technical assistance services. By employing personnel to carry out consultant duties, DESE could reduce costs of the program and potentially increase the effectiveness of the consultant position. Performing a cost-benefit analysis would allow DESE to define the financial benefits to bringing these services in-house at DESE.

DESE's portion of program revenues and expenditures are adequately tracked and reported, however, without an accurate picture of Mental Health expenditures made for the purposes of the program, DESE and legislators have no way of knowing the total cost of the program. This information is critical to policymakers in evaluating the value of the program.

Recommendations

We recommend the Commissioner, Department of Elementary and Secondary Education:

4.1 Perform a cost-benefit analysis to determine the feasibility of employing personnel to provide oversight and technical assistance services to regional SPOEs.

4.2 Coordinate with the Department of Mental Health to make necessary revisions to the current memorandum of understanding to require the reporting of First Steps expenditures to DESE.

Agency Comments

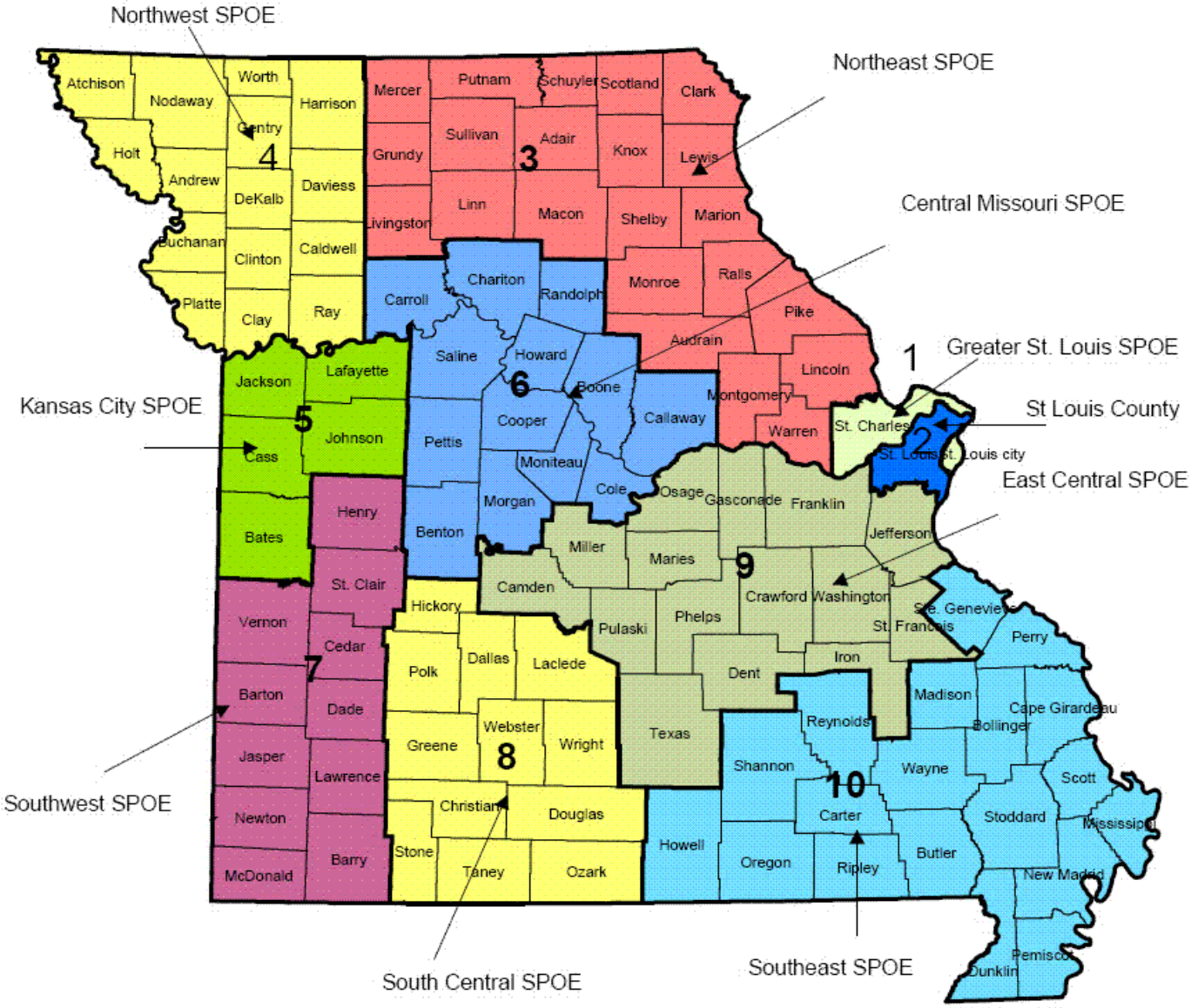
4.1 The Department will take this analysis under advisement.

4.2 The Department concurs with this recommendation and will implement a financial tracking system with the Department of Mental Health within the current fiscal year.

SPOE Regional Map

Figure I.1 shows the boundaries and location of each SPOE region. Region 1 services both St. Charles County as well as the City of St. Louis, while Region 2 services St. Louis County.

Figure I.1: SPOE Regional Map



Source: DESE

Program Revenue and Expenditures

Table II.1 outlines the detailed program revenue sources and expenditures for fiscal years 2002 through 2006.

Table II.1: Revenues and Expenditures - Fiscal Years 2002 through 2006

	2002	2003	2004	2005	2006
Revenues					
Federal					
Part C[1]	$ 7,060,407	7,753,391	8,239,101	7,931,596	8,296,053
Medicaid	2,700,000	4,500,000	1,718,866	3,460,122	2,509,754
Total Federal	$ 9,760,407	12,253,391	9,957,967	11,391,718	10,805,807
State					
General Revenue Fund	$ 9,807,481	8,468,992	10,290,496	10,169,590	12,659,182
Early Childhood Fund[2]	0	0	5,286,042	5,286,042	578,644
First Steps Fund	0	0	0	0	671,270
Total State	$ 9,807,481	8,468,992	15,576,538	15,455,632	13,909,096
Total Revenues	$ 19,567,888	20,722,383	25,534,505	26,847,350	24,714,903
Expenditures					
Direct Services	$ 17,062,873	18,217,387	20,448,758	20,333,894	16,953,558
Administration[3]	2,124,138	3,028,525	3,570,061	5,187,487	5,920,728
Total Expenditures	$ 19,187,011	21,245,912	24,018,819	25,521,381	22,874,285

[1] Part C of the Individuals with Disabilities Education Act.

[2] Early Childhood Development Education and Care Fund. These funds represent gaming funds that are required to be used for early childhood education purposes. A reduced level of funding was available to DESE in this fund in fiscal year 2006.

[3] The costs of SPOEs directly employing service coordinators have resulted in the increase of Administration expenditures. The cost of independent service coordinators is included in Direct Services in 2002 through 2004 and partially in 2005.

Source: DESE financial records.