

REPORT TO THE  
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**A Performance Audit  
of the  
Carson Smith Scholarship for  
Students with Special Needs**

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# Digest of A Performance Audit of the Carson Smith Scholarship for Students with Special Needs

## Chapter I: Introduction

The purpose of the Carson Smith Scholarship for Students with Special Needs is to provide limited financial assistance to families with special needs children in paying for the tuition at one of 39 eligible private schools that the family believes will best serve the needs of the child. Program eligibility is based on the child having a qualifying disability, which includes autism, mental retardation, learning, speech, visual, and other health impairments. Carson Smith Scholarships funds are nonlapsing. Only 14 percent of the pre-2007-2008 school year funds remain for future scholarship and program costs. About \$2.3 million of the spent funds were awarded as scholarships to students. The remaining \$166,000 was spent on administrative expenses.

Scholarship amounts are based on the state's weighted pupil unit funding mechanism. As a result, Carson Smith partial and full scholarship awards of \$3,771 and \$6,285 were issued for the 2007-2008 school year. The scholarship is not to exceed the amount of the private school's tuition. The partial scholarship is given to students who received—or would receive—less than 180 minutes per day of special education services in a public school, and the full scholarship is given to students receiving more than 180 minutes. The scope of our audit focused on program growth, resources required to run the program, and to determine if the program is fulfilling its goals.

## Chapter II: Continued Program Growth Will Require Resource Adjustments.

**Program Growth is Expected.** We believe the Carson Smith Scholarship program will continue to grow, but because of the newness of the program and limited data, our projections are speculative. Our analysis of the Carson Smith Scholarship program volume found that, statewide, the program's growth rate shows signs of slowing. In the initial year of the program, 108 students received the scholarship. In the program's second year, there were 361 recipients, or 234 percent growth. We project the current year's growth will be around 49 percent. Comparisons with Florida's special needs scholarship program, the most established program of this kind in the country, shows this additional growth can be expected. Growth from the public sector is somewhat measurable, but nonpublic sector growth can be presumed but not determined.

The Legislature must decide if the current size of the Carson Smith Scholarship is to be maintained, expanded, or decreased. Maintaining the current program level will require annual funding of at least \$2.5 million. If the program grows, additional funding will be required. However, if the program grows beyond a desired or expected level, *Utah Law* allows for a lottery to be created.

In addition to state funds, district resources are necessary to administer the program. On average, districts spend about \$485 and 13.9 hours per Carson Smith Scholarship applicant in conducting assessment tests, reviewing assessments, meeting with other assessment team parties, and performing other administrative tasks.

## Chapter II Recommendation

1. We recommend that the Legislature determine whether the Carson Smith Scholarship program should maintain current student levels, allow program levels to increase, or reduce the size of the program.

## Chapter III: Carson Smith Scholarship is Meeting its Program Goals.

**Parents Find the Program a Success.** Parents of students currently receiving, or who have received, the Carson Smith Scholarship are overwhelmingly in favor of the program and find it a success. The *Utah Code* states that, “parents are best equipped to make decisions for their children, including the educational setting that will serve the interests and educational needs of their children.” Therefore, the best indicator of the success of this program is parental response. The majority of the parents are satisfied with the program and understood the scholarship approval process. *Utah Administrative Rule* currently requires the USOE, districts, and private schools to maintain a list of all denied students. However, we found these lists not well maintained and not used. Therefore, we believe the State Board of Education should consider removing this requirement from the rule.

**IEPs and Standardized Testing Currently Used to Determine Special Needs.** All students were evaluated with individualized education plans (IEPs) and/or standardized tests, even though this is not a requirement of the assessments process. We also found that all 13 school districts with Carson Smith Scholarship eligible private schools interpret standardized test scores using the same method. In addition, all 13 districts are transitioning from only using the current method of interpreting the standardized test scores to including a Response-to-Intervention (RTI) method. Finally, there is a gap in the law that allows students who no longer have a disability to continue to receive assistance during the three year scholarship period. Closing that gap could reduce the number of recipients, although we believe it would be by a small number.

1. We recommend that the State Board of Education consider removing the requirement to track denied students.
2. We recommend the USOE continue to develop RTI methodology and communicate it to the districts upon completion.
3. We recommend the Legislature consider if the law establishing the Carson Smith Scholarship needs to be clarified as to what should happen when a child currently receiving the scholarship no longer qualifies based on a disability.

# Chapter I

## Introduction

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**The Carson Smith Scholarship provides assistance to families with special needs children to help pay private school tuition costs.**

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The Carson Smith Scholarship for Students with Special Needs was enacted in the 2005 General Legislative Session under *Utah Code* 53A-1a-701 through 710. The purpose of the scholarship is to provide limited financial assistance by paying for a portion of the tuition at a private school the assisted family believes will best serve the needs of their child. Currently, Utah has 39 private schools, both religious and secular, that are eligible to receive Carson Smith Scholarship funds. Those 39 schools are located in 13 different school districts, primarily along the Wasatch front. The special needs child is not required to live within one of those 13 districts to be considered for the scholarship.

*Utah Code* 53A-1a-704 sets forth the scholarship qualifications. To qualify, the student's parent/legal guardian must reside in Utah. Also, the student must have one or more of the following disabilities:

- Mental retardation
- A hearing impairment
- A speech or language impairment
- A visual impairment
- A serious emotional disturbance
- An orthopedic impairment
- Autism
- Traumatic brain injury
- Other health impairment (which includes ADHD)
- Specific learning disability
- A developmental delay, provided the student is at least five years old and is younger than eight years old

The student must also be at least five years old before September 2 of the school year that admission to a private school is sought and under 19 years old as of the last day of the school year as determined by the private school. *Utah Code* also allows a contingency if the student has not graduated from high school and is under 22 years of age on the last day of the school year as determined by the private school.

Students are required to have an individualized education plan (IEP), which is, according to *Utah Code 53A-1a-703*, “a written statement for a student with a disability that is developed, reviewed, and revised in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.” The student must also be accepted to an eligible private school. However, if the student does not have an IEP, which is obtained through a public school, and the student has received acceptance to an eligible private school, an assessment team must determine “with reasonable certainty” the student has a disability listed above and would qualify for special education services if enrolled in a public school.

## Program Appropriations And Expenditures

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**86 percent of appropriated funds were spent, carrying over 14 percent for future program costs.**

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Of the total amount of Carson Smith Scholarship funds appropriated, not including the most recent appropriation for the 2007-2008 school year, 86 percent of the funds were spent. The remaining 14 percent is non lapsing and will be allocated to future scholarships and program costs. About \$2.3 million of the spent funds were awarded as scholarships to students. The remainder went towards administrative expenses. The Utah State Office of Education (USOE) is charged with awarding the Carson Smith Scholarship to eligible students.

In the 2004 General Legislative Session, the USOE was appropriated \$1.5 million to provide scholarship monies and cover administrative costs associated with the program. House Bill 115, along with \$100,000 appropriated to administer the program, was later vetoed by Governor Olene Walker. The remaining \$1.4 million was retained by the USOE, although they were not allowed to spend the money without legislative approval. Just over \$1 million eventually lapsed, while approximately \$350,000 was budgeted and spent in the 2005-2006 school year for Carson Smith scholarships. Additional 2005-2006 Carson Smith Scholarship appropriated monies were also used that year.

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**The program was appropriated \$2,570,900 when it was signed into law in 2005.**

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In the 2005 General Legislative Session, the Carson Smith Scholarship program was passed into law under House Bill 249. This bill was signed into law by Governor Jon Huntsman, Jr. The bill carried a fiscal note of \$2,570,900, of which \$100,000 was to be spent on administrative costs of running the program. Finally, in the 2007 General Legislative Session,

the USOE was appropriated \$2.4 million to provide special needs scholarships.

## **Scholarship Amounts Are Based on the WPU**

*Utah Code* 53A-1a-706 sets forth the scholarship amounts based on the amount of the current year's weighted pupil unit (WPU), which is the funding a school district receives for each child. The Carson Smith Scholarship is awarded in partial and full scholarship amounts of \$3,771 and \$6,285, respectively, for the 2007-2008 school year. However, if the scholarship amounts exceed the private school tuition, the award amount is the lesser of the two. Scholarship checks or warrants are sent quarterly to the private school and made payable to the parent of the student. The parent is required to "restrictively endorse the warrant to the private school for deposit into the account of the private school."

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**Scholarships are awarded in amounts of \$3,771 or \$6,285 based on the child's disability level.**

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The amount of a scholarship is also based on the amount of special needs services a child is to receive each day. Students who received—or would receive—fewer than 180 minutes per day of special education services in a public school receive the partial scholarship, and students receiving 180 minutes or more receive the full scholarship. The partial scholarship is equal to 1.5 times the WPU, and the full scholarship is 2.5 times the WPU. In addition, if the scholarship recipient is in a half-day kindergarten program the WPU is multiplied by .55. For the 2007-2008 school year, the WPU equals \$2,514. Figure 1.1 shows the WPU amount and calculated scholarship amounts of the partial and full scholarships for the last four years.



**Figure 1.1 WPU and Scholarship Amounts Have Increased Each Year.**

Year	WPU	Change from Previous Year	Partial	Full
2004-2005	\$2,182		\$3,273	\$5,455
2005-2006	2,280	4.5%	3,420	5,700
2006-2007	2,417	6.0	3,626	6,043
2007-2008	2,514	4.0	3,771	6,285
4.8% average annual growth				

**Scholarship amounts will continue to increase as the WPU increases.**

As the WPU increases, the scholarship amount increases. The 2004-2005 school year is listed because some students qualified for the scholarship payment in that year retroactively.

### **Audit Scope and Objectives**

*Utah Code* 53A-1a-710 requires the Office of the Legislative Auditor General to conduct a review and issue a report on the Carson Smith Scholarship program after the conclusion of the 2006-2007 school year. Therefore, we included in our scope of the audit the following areas for review:

- The program growth from enactment to the current school year,
- Which resources have been used and are necessary to fulfill scholarship obligations, and
- If the program is meeting its goals as set forth in the *Utah Code*.

## **Chapter II**

# **Continued Program Growth Will Require Resource Adjustments**

Two of our audit objectives included an examination of program growth from enactment to the current school year and which resources are necessary to fulfill scholarship obligations. We found that program growth is expected but the amount is undeterminable. Also, the Legislature should determine program funding for desired program size. Finally, district resources are necessary to administer the program.

### **Program Growth Is Expected**

We believe the Carson Smith Scholarship program will continue to grow, but because of the newness of the program and limited data, our projections are speculative. Our analysis of the scholarship program volume found that, statewide, the program's growth rate shows signs of slowing. Growth from the public sector is somewhat measurable, but nonpublic sector growth can be presumed but not determined.

#### **Statewide Program Growth Rate Shows Signs of Slowing**

The number of additional students receiving the scholarship appears to be slowing down. The number of students in the program's second year, the 2006-2007 school year, showed a 234 percent increase over the previous year. However, the number of students in the program's third year (the current 2007-2008 school year), as of September, showed only a 34 percent increase from the previous year. Figure 2.1 shows the total number of students who received the scholarship each year and the percentage change from the previous year.

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**The number of scholarship recipients grew 234 percent in 2006-07 and 34 percent so far this year.**

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**Figure 2.1 The Number of Students Receiving Carson Smith Scholarships is Increasing But at a Decreasing Rate.**

	05-06 School Year	06-07 School Year	07-08 School Year*
<b>Number of Students</b>	108	361	482
	base year	234%	34%

\* As of the second scholarship quarter in the 2007-2008 school year.

In addition, based on our estimates of current year student growth, we believe the program growth may increase from its current 34 percent to 49 percent by the end of the school year. We discuss this further in the chapter. However, most of the program growth for this school year has been seen.

**Comparisons between Utah’s and Another State’s Program Is Useful But Does Have Limitations.** Comparing Utah’s program with other states’ programs is difficult since most states’ programs, including Utah’s, are so new and there are very few models nationally for comparison. Florida’s McKay Scholarship program is the oldest program of this kind in the country. Three other states: Georgia, Ohio, and Arizona, also have similar special needs scholarship programs, but they are also new programs and lack usable information.

Florida’s McKay program ran as a pilot program, with only two students, in the 1999-2000 school year. The following year the program was implemented and received 970 participants. Since the initial rapid growth period, growth has slowed (discussed in more detail later on in the chapter). Utah’s Carson Smith Scholarship program is similar to Florida’s McKay scholarship in that both had a large influx of students after the first year and less the next year. Both Utah’s and Florida’s programs are increasing at a decreasing rate. However, Florida’s program demonstrates significant differences when compared to Utah’s program that could account for a difference in participation.

Participation in the McKay Scholarship is limited to students who have an individualized education plan (IEP). In order for students to receive an IEP they must attend a public school; so, Florida students must have attended a public school to apply for the McKay Scholarship.

**Florida’s McKay Scholarship is also experiencing growth at a decreasing rate.**

**Florida’s program only allows students who attended a public school, while Utah allows students from the nonpublic sector.**

Conversely, in Utah, students that had already left the public sector or never attended a public school can apply for the Carson Smith Scholarship.

We examined five districts for the number of students that were not in public school at the time they applied for and received the Carson Smith Scholarship. These students account for 62 percent of students who received scholarships in those five districts. Therefore, if Florida's eligibility requirements were applied to Utah, the majority of Utah's participants would be ineligible.

In addition, Florida does not require a reassessment of students. Once a student is in the program, he or she only exits the program upon graduation, his or her 22<sup>nd</sup> birthday, or re-enrollment in a public school. If the student's disability is corrected, the scholarship continues until one of the above-mentioned events happens. We believe Utah's program retention rate will be lower than Florida's because of the reassessment required in Utah.

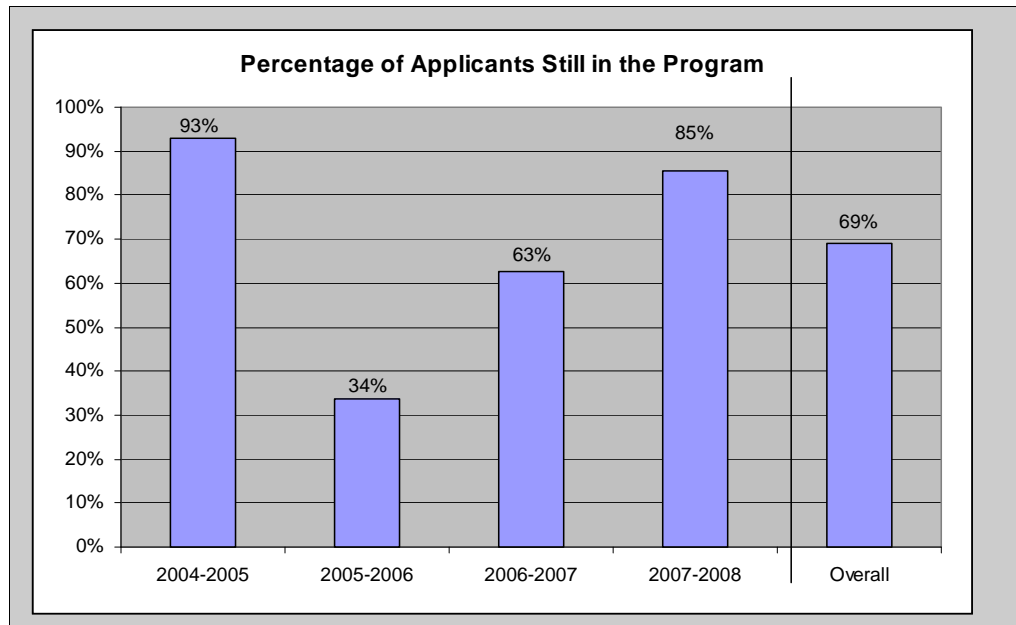
**Most Students Have Remained In The Program.** As of the time of this audit, 482 out of the 700 total scholarship recipients, since the start of the program, continue to receive the scholarship. We believe this reflects satisfaction with the program. Although we do not know the number of students that have remained in Florida's program, we would expect it to be higher than Utah's simply because Florida does not require a periodic reassessment. Since Utah's program requires a reassessment of the child's eligibility every three years, we believe more students would leave Utah's program compared to Florida's program. Figure 2.2 shows the percentage of applicants who are still in the program by the year the student started receiving the scholarship.

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**Utah is the only state to require a reassessment of students once they are in the program.**

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**Figure 2.2 The Program Retains Almost 70 Percent of Its Scholarship Recipients.** Out of the 700 students who have at one time received the Carson Smith Scholarship, 482 continue to be a recipient.



The graph shows that 93 percent, or 26 out of 28, of the students who were grandfathered in to the program from the 2004-2005 school year are currently receiving the scholarship. Likewise, the percentages above each column in the graph reflect the percentage of students who applied during that year that are currently, as of the second quarter of the scholarship period for the 2007-2008 school year, receiving the scholarship. In total, the program has had 700 recipients and 482 are currently receiving the scholarship.

**There are 39 private schools that are eligible to receive Carson Smith students.**

**Growth in the Number of Eligible Private Schools Is Decreasing.**

There are currently a total of 39 eligible Carson Smith private schools. Figure 2.3 breaks down the number of eligible private schools by year of initial eligibility.

**Figure 2.3 The Number of New Eligible Private Schools is Slowing in Growth.** The total number of private schools eligible to receive Carson Smith Scholarship students is growing. However, there was not as much growth this year as in the previous year.

	05-06 School Year	06-07 School Year	07-08 School Year
New Private Schools with Carson Smith Students	9	17	13
Cumulative Total of Schools	9	26	39
Percent Change in Number of New Schools from Previous Year	n/a	89%	(24)%

*Utah Code* 53A-1a-705 requires the USOE to “approve a private schools’ application to enroll scholarship students.” Eligibility requirements for private schools are set forth in that same code section. According to the USOE, a few private schools have been denied due to missed eligibility application deadlines or a lack of necessary paperwork on the part of the private school.

**Growth From Public Sector More Measurable Than Nonpublic Sector**

We believe students from the public school sector will continue to move to private schools with the use of the Carson Smith Scholarship. If Utah’s program grows like Florida’s program, someday there could be a few thousand additional scholarship recipients who were once in the public school sector. We can assume there will be growth from the nonpublic sector as well. However, due to a lack of data, we were unable to make a conclusion on the potential growth from the nonpublic sector.

Carson Smith Scholarship program participants come from both the public and the nonpublic sectors. Sixty-two percent of students in our sample who received scholarships were educated in the nonpublic sector (including private schools, home schools, and other types of nonpublic schools), the remaining 38 percent came from the public sector.

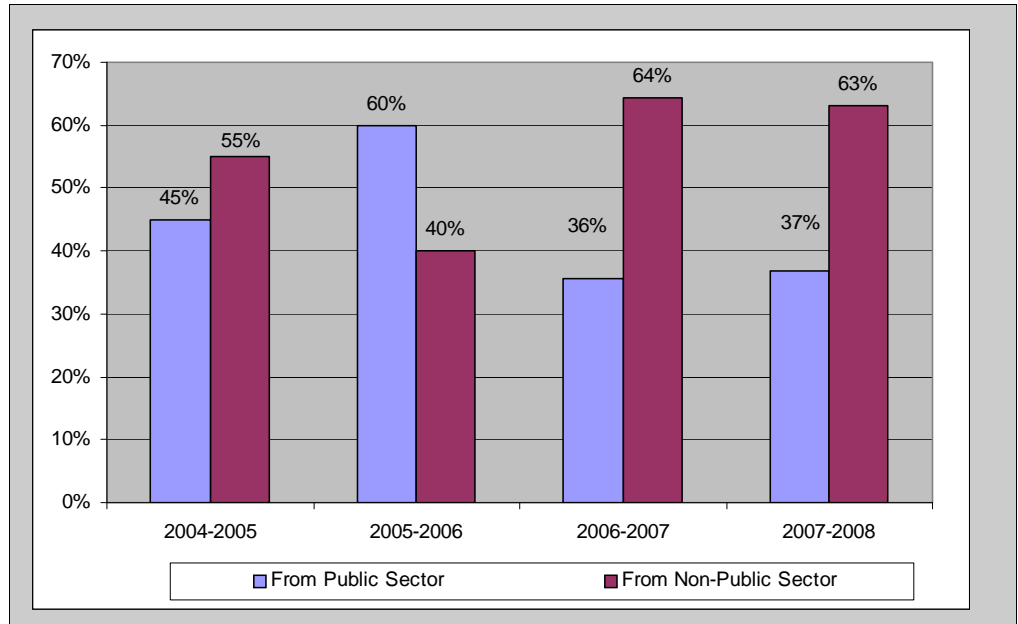
Although the scholarship has only been in effect since the 2005-2006 school year, several students were grandfathered in from the 2004-2005 school year. We examined the number of students from five districts for

**Continued program growth from public schools is likely.**

**Sixty-two percent of scholarship recipients were not in a public school when they applied for the scholarship.**

the four school years (2004-2005 through September 2007) to see where students “originated” at the time of scholarship receipt. Where program participants come from is shown graphically in Figure 2.4.

**Figure 2.4 Most Students Receiving the Scholarship Were Not in Public School at the Initial Time of Receipt.**



The bar on the right of each year reflects the percentage of students who were not in public school when they initially received the scholarship. The total number of students examined was 389, with 148 coming from the public sector and 241 from the nonpublic sector. As the scholarship has grown in use, more nonpublic sector students have participated. This is a limited analysis due to the newness of the program and the limited data. Also, the ratio of nonpublic to public school children receiving the scholarship could change as additional private schools become scholarship eligible.

The USOE reports there were about 57,000 special needs students statewide in both public and charter schools during the 2006-2007 school year that were between the ages of 5 and 21. In that same school year, there were about 526,000 total public school students. Therefore, Utah’s public school system is comprised of about 11 percent special needs students. The Carson Smith Scholarship program had 361 total recipients in the 2006-2007 school year; about 137 students (38 percent) of those

**11% of public school students are classified as special needs.**

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**If Utah's program growth mirrors Florida's, we may see 3,000 more recipients from the public sector.**

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**There are about 16,000 private school students in Utah, but it is unknown how many are special needs.**

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students came from the public sector, a nominal percentage compared to the potential pool of 57,000. In comparison, the Florida Department of Education reports that about five percent of the special needs children from their public schools now attend private schools with the use of Florida's McKay Scholarship. If Utah's program grows to mirror Florida's program, we would have around 3,000 children in our program from the public school pool alone.

According to the USOE, in the 2006-2007 school year, there were about 16,000 students in Utah private schools. Unfortunately, we were unable to determine the number of special needs students in those private schools as that data is not tracked. However, we assume the private school population has a higher percentage of special needs children because several of the private schools are geared toward special needs children. Also complicating our analysis is that recipients of the Carson Smith Scholarship may not only come from private schools but may also be home schooled. The universe of potential Carson Smith Scholarship applicants is undeterminable, but if private school percentages are similar to those in the public sector we could have around 1,800 special needs students from the nonpublic sector.

## **Legislature Should Determine Program Funding**

The Legislature must decide if the current size of the Carson Smith Scholarship is to be maintained, expanded, or decreased. Currently, the program level requires annual funding of at least \$2.5 million. If the program grows, additional funding will be required. However, if the program grows beyond a desired or expected level, *Utah Law* allows for the creation of a selection lottery.

The USOE was originally appropriated about \$2.9 million to pay for scholarships and the costs of administering the program. Eighty-six percent of the total monies were allocated for student scholarships and administrative costs and 14 percent remained unspent at the end of the last school year. Figure 2.5 shows the breakdown of how the money was allocated.



**Figure 2.5 Carson Smith Scholarship Funds Have Been Spent as Intended.** Fourteen percent of the funds, or \$419,277, remained unspent as of the end of the 2006-2007 school year and were carried over to the current year's program.

Student Scholarships	\$2,336,163	80%
Administrative Costs	166,024	6
Carryforward after 2006-2007	<u>419,277</u>	14
<b>Total Allocation</b>	<b><u>\$2,921,464</u></b>	<b>100%</b>

Currently, the program spends about \$2.5 million per year. We believe that maintaining the program's current volume will require annual funding. *Utah Code* 53A-1a-706 requires that, "The Legislature shall annually appropriate money to the [USOE] from the General Fund to make scholarship payments." Because the USOE was given nonlapsing authority over the funds, and the 2005-2006 appropriation was large enough to cover both the 2005-2006 the 2006-2007 school years, this requirement has been fulfilled. However, to fund next year's program, additional funds are needed.

**Current Program Level Requires Annual Funding of At Least \$2.5 Million**

In order for the Carson Smith Scholarship program to maintain its current level of students, the program will need about \$2.5 million per year to continue its operations. This amount is not adjusted for the annual increase in the WPU which averages about 5 percent, as shown in figure 1.1. After the 2007-2008 school year, the USOE will have about \$322,000 left over in Carson Smith Scholarship funds as carryforward for the next school year; this is not sufficient funding to maintain next year's scholarship recipients.

To estimate funding needs for the remainder of the 2007-2008 school year, we averaged the growth in scholarships paid between the second, third, and fourth quarters of the 2005-2006 and 2006-2007 school years, respectively, to estimate how quarters two, three, and four of the 2007-2008 school year program may progress. Then we multiplied the average growth between quarters by the previous quarter in the current school year. Figure 2.6 adds the actual scholarships paid for the first

**An additional appropriation will be needed to fund the program after the 2007-2008 school year.**

quarter of the 2007-2008 school year with the estimate of the other three quarters to project 2007-2008 needs.

**Figure 2.6 If the Remainder of the 2007-2008 School Year Follows the Same Trend as the First Two Years, We Expect the Amount of Scholarships to be Paid Out to Continue to Grow.**

<b>Estimated Amount of Scholarship Funds Needed Per Quarter*</b>	
<b>Quarter</b>	<b>2007-2008</b>
First	\$483,000
Second	598,000
Third	604,000
Fourth	<u>671,000</u>
<b>Total for 2007-2008</b>	<b><u>\$2,356,000</u></b>

*\* The first quarter of the 2007-2008 school year is the actual amount, and not expected amount, of scholarships paid for the quarter.*

**We estimate the USOE will pay out \$2,356,000 in scholarships this year.**

Based on our estimates, we believe the USOE will use about \$2,356,000 for scholarship payments by the end of the current school year.

In the 2007 General Legislative Session, the Legislature appropriated an additional \$2.4 million to the Carson Smith Scholarship program. Therefore, the cumulative effect of the program having carryforward funds at the end of the 2006-2007 school year of \$419,277, plus the new appropriation is that, at the beginning of the 2007-2008 school year, the program had \$2,819,278. Figure 2.7 explains our analysis of how we believe the funding will be used.

**Figure 2.7 If Scholarship Funds Are Used Consistently with Past Years' Use, There Should Be \$322,000 of Carryforward.**

2007-2008 Scholarships	\$2,356,000
Administrative Costs*	141,360
<b>Total Estimated Spending</b>	<u>2,497,360</u>
Total Funds Available	2,819,278
<b>Estimated 2007-2008 Carryforward</b>	<b><u>\$ 321,918</u></b>

*\* Historically the USOE has spent 6% of the Carson Smith Scholarship funds on the administrative costs of running the program.*

**Including administrative costs, the program will cost about \$2.5 million this year.**

The carryforward amount of \$322,000 is not enough to maintain the current program volume for the 2008-2009 school year since we expect it will cost about \$2.5 million to fund all outstanding scholarships.

We believe at the end of the current school year, the program will have grown by about 49 percent. At the time of this audit the program had already grown by 34 percent from the previous year (as shown in figure 2.1). Last year, during the same period of time that this audit was conducted this year, the program had seen 80 percent of its growth. Therefore, for this year, we believe that 20 percent of the growth will occur in the third and fourth quarters, resulting in about 537 total recipients by the end of the current school year. If the program is appropriated with enough funds to maintain its current level, as of the end of this school year, it will need an annual review to ensure its appropriations are sufficient.

**Program Growth Will Require Additional Funding**

If the number of scholarship recipients continues to grow, increased funding is required. We examined two models for possible growth. Both models project that the program could have over 800 scholarship recipients within the next few years. The first model is mirrored after the Florida program's past growth. The second model is based on examining Utah's increase in the number of new recipients from the 2005-2006 school year through the 2007-2008 year (as projected earlier) and assumes the growth rate remains constant. Our attempt to project possible growth is to help the Legislature with funding options if growth of the program

**Florida's McKay Scholarship grew only 16 percent the year after it grew 50 percent.**

is desired. We caution the reader that these projections are not actuarially sound and serve only as potential growth models.

**Florida's Program Shows Growth.** We have no reason to believe that Utah's program growth will not continue. In reviewing Florida's growth in students, we see the program continues to grow but at a decreasing rate. The year after Florida experienced a 50 percent growth increase, which was a reduction from 82 percent the previous year, Florida's program only had a 16 percent growth increase. If this pattern is any indication, we may see a significant decrease in Utah's rate of growth next year. Due to the extremely limited data on Utah's program, we compare Utah's program with Florida's program very cautiously. Florida's program growth should only be used as a possible indicator. Figure 2.8 below projects the possible growth in Utah's program, using the growth rates of Florida's program.

**Figure 2.8 Basing Growth on Florida's Program Provides A Utah Growth Projection For Years Four Through Seven.**

Program Year	Florida		Utah	
	Recipients	Growth	Growth	Recipients
1	970			108
2	5,013	417%	234%	361
3	9,130	82	49	537*
4	13,739	50	29	693
5	15,910	16	9	755
6	17,300	9	5	793
7	18,273	6	3	817

*Note: Florida's program commenced in the 2000-2001 school year, whereas Utah's program began in the 2005-2006 school year.*

\* Projected

Figure 2.8 projects the possible growth in Utah's program if it follows the Florida program's historical growth. This projection is based on taking the ratio of Utah's annual growth compared to Florida's annual growth. Utah did not realize the rapid growth seen in Florida and, for

the programs' first two years, only averaged increases of about 58 percent of those seen in Florida. Continuing this trend shows a similar but lower growth curve for Utah. Therefore, our projection shows that if Utah's program follows Florida's program growth for the 2008-2009 school year, which will be the fourth year of Utah's program, there could be 693 scholarship recipients. The projections conclude with the seventh year of Utah's program, or the 2011-2012 school year, at 817 possible recipients.

Our second growth model is based on the growth of new Carson Smith Scholarship recipients for the last two years and projects a decreasing growth rate. This model assumes there will be 30 percent less growth in new recipients each year. This model provides a conservative look at potential program size for the coming years that reflects a continued but declining interest in the program. As discussed previously, there could also be more than 3,000 recipients if the percent of special needs students receiving the scholarship in Utah reflects Florida's special needs scholarship recipients. If the Legislature funds the program using one of these two models, and growth is actually greater, a lottery would have to be used to control program size. The lottery is discussed in the next section. Figure 2.9 shows the results of the second model.

**Figure 2.9 Another Projection Holds the Growth in the Percent of New Recipients Constant.**

Year	Recipients	Increase in New Recipients	% Change in New recipients
2005-2006	108		
2006-2007	361	253	-30%
2007-2008	537*	176	-30
2008-2009	660	123	-30
2009-2010	746	86	-30
2010-2011	806	60	-30
2011-2012	848	42	-30

\* Projected

This figure explains that the increase in the number of new scholarship recipients from the 2006-2007 to the 2007-2008 school year (program

year 3) is expected to be 30 percent less than the new recipient growth from 2005-2006 to 2006-2007. Carrying that methodology through four more years projects that in the 7<sup>th</sup> year of the program (the 2011-2012 school year) there could be around 850 recipients. Both models are loose projections designed to give the Legislature a possible basis for funding options.

### **Lottery Can Be Created if Program Reduction is Desired or Demand Exceeds Funding**

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**Utah Rule allows a lottery to be created if demand exceeds funding.**

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If the Legislature chooses not to appropriate enough money to maintain current program levels, or the number of scholarship recipients increases beyond expectations or desires, a lottery may be created. Utah law gives the USOE the ability to create a method for allocating scholarship payments if monies are insufficient to cover all new and continuing scholarships. Under *Administrative Rule 277-602-5*, the USOE is charged with establishing a lottery for determining scholarship recipients. The rule states the following:

If an annual legislative appropriation is inadequate to cover all scholarship applicants and documented levels of service, the [USOE] shall establish by rule a lottery system for determining the scholarship recipients, with preference provided for under 53A-1a-706(1)(c)(i).

According to *Utah Code* 53A-1a-706,

If monies are not available to pay for all scholarships requested, the scholarships shall be allocated on a random basis except that preference shall be given to students who received scholarships in the previous school year.

If monies are insufficient in a school year to pay for all the continuing scholarships, new scholarships may not be awarded during that school year and the monies available for the scholarships shall be prorated among the eligible students who receive scholarships in the previous year.

Therefore, the Legislature should decide if the program funding is to continue to be at maintained current levels, increase, or decrease.

## District Resources Are Necessary To Administer the Program

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District personnel are required to administer the program.

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The Carson Smith Scholarship program requires district involvement and resources for its administration. These resources have been utilized mainly in satisfying *Utah Code* 53A-1a-704, which requires district involvement in an assessment team with the private school and the student's parent. The team's goal is to "readily determine with reasonable certainty: . . . that the student has a disability . . . and would qualify for special education services if enrolled in a public school."

Districts also spend time processing applications and performing other administrative duties. Under *Administrative Rule* R277-602-4 districts are required to "provide personnel to participate on an assessment team to determine: . . . if a student . . . would qualify for special education services if enrolled in a public school." Although districts do provide some services and assessments to private school students currently, according to the USOE, the deadlines imposed for Carson Smith Scholarships left districts unprepared to handle the volume of assessments within such a strict timeline. Some districts had to hire additional staff to meet the deadlines.

**On Average, Carson Smith Scholarship Applicants Cost Districts about \$485 per Recipient.** We asked five districts the amount of time and resources they have spent administering Carson Smith Scholarship applications. None of the districts kept formal program records, so we used the estimates they provided along with our values of the total number of students that received the scholarship. Information from two of the districts was flawed or could not be normalized to match with the other districts, and could not be used for this study. However, we found three districts that, most likely, more accurately represent time spent and resources used. Figure 2.10 shows those estimates.

**Figure 2.10 On Average, It Costs About \$485 and 13.9 hours Administering to Each Scholarship Recipient.**

District	Dollars Spent	Hours Spent	Number Of Students
A	\$ 32,830	1,098	72
B	6,969	153	17
C	15,133	380	28
Total	\$ 54,932	1,631	117
<b>Average per Child</b>		<b>13.9</b>	<b>\$469</b>
<b>Cost Adjusted for 2007-2008</b>			<b>\$485</b>

The number of different district personnel necessary to process the applications varies by district. These personnel include the district special education director, secretaries, consultants, speech-language pathologists, psychologists, teachers, and more. In all of the districts we reviewed, district personnel time was spent conducting assessment tests, reviewing those assessments, meeting with other assessment team parties, and performing other administrative tasks necessary to process the application.

**Districts Have Seen Growth in Scholarship Recipients.** Over the last three years of the program, most districts have seen an increase of several scholarship recipients each year. Figure 2.11 shows the total number of scholarship recipients in private schools within those districts' boundaries.



As the number of recipients increases, districts must also allocate more administrative time.

**Figure 2.11 Districts Have Experienced Increasing Numbers of New Carson Smith Scholarship Recipients Each Year.**

District	Scholarship Recipients by District		
	2005-2006	2006-2007	2007-2008*
Alpine	0	0	17
Box Elder	0	0	9
Davis	0	15	22
Granite	2	30	48
Jordan	41	113	130
Logan	3	12	14
Murray	22	42	39
Nebo	3	9	4
Ogden	0	6	15
Park City	0	2	1
Provo	4	9	9
Salt Lake	33	123	173
Weber	0	0	1
<b>Total Students</b>	<b>108</b>	<b>361</b>	<b>482</b>

\* As of the time of this audit, during the scholarship's second quarter

Figure 2.11 does not reflect the actual number of assessments each district had to perform. This figure only shows the number of students who actually received the scholarship, not those who were evaluated but did not receive the scholarship. We identified an additional 37 students who were denied scholarships but districts still had incurred costs for those students as well.

Districts are still working through how they are to perform these administrative requirements within their current staffing and budget levels. When a district has significant growth in one year, a greater burden is placed on them to conduct assessments and meet the necessary deadlines. For example, in the first year of the program, the Jordan School District had to provide reviews and assessments for at least 41 students. Additional students, who did not receive the scholarship, may

have also had to have been evaluated. This administrative burden amounts to approximately 13.9 hours of district work per applicant. The districts say they did not expect the administrative impact that they faced when this program began.

### **Recommendation**

1. We recommend that the Legislature determine whether the Carson Smith Scholarship program should maintain current student levels, allow program levels to increase, or reduce the size of the program.

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## Chapter III

# Carson Smith Scholarship Is Meeting Its Program Goals

Parents involved in the Carson Smith Scholarship program believe the program is a success. In addition, we found that individualized education plans (IEPs) and standardized testing are currently used to determine special needs.

### Parents Find the Program a Success

Parents of students currently receiving, or who have received, the Carson Smith Scholarship are overwhelmingly in favor of the program and find it a success. We spoke to the parents of 53 students who are either currently receiving the Carson Smith Scholarship (are active in the program) or who have received the scholarship at some point, but are not currently enrolled (these students are withdrawn from the program).

The 2005 Utah Legislature, under *Utah Code* 53A-1a-702, set forth in their creation of the Carson Smith Scholarship for Students with Special Needs that, “Students with disabilities have special needs that merit educational alternatives which will allow students to learn in an appropriate setting and manner.” The *Utah Code* goes on further to state that, “Parents are best equipped to make decisions for their children, including the educational setting that will serve the interests and educational needs of their children.” This educational setting “may include teachers trained in special teaching methods, small class sizes, and special materials, equipment, and classroom environments.”

As previously mentioned, a student receiving the scholarship is to be reassessed every three years to redetermine eligibility. However, the law does not require any measure of academic achievement. Therefore, the best indicator of the success of this program is parental response. *Utah Code* states that, “Children, parents, and families are the primary beneficiaries of the scholarship program.” The program is intended to provide limited assistance for “the valid secular purpose of tailoring a student’s education to that student’s specific needs.” The scholarship may be used at both “religious and secular schools solely as a result of [Utah

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**Utah law sets forth that parents of special needs students are best equipped to make decisions for their child’s educational setting.**

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citizens’] genuine and independent private choices; . . . [in] the best interests of the taxpayers and citizens of the state to encourage educational opportunities.”

**Overall, Responses Are in Favor of the Program**

Overall response to the program was positive. Response to the program was measured by seven statements we asked all of the parents. Figure 3.1 shows those seven questions and the combined response from the parents.

**Figure 3.1 The Majority of Parents We Spoke to are Satisfied with the Carson Smith Scholarship Program.**

Surveyed parents were overwhelmingly in favor of the program.

Question	Percent Agree	Percent Disagree
1. My child’s private school provides(ed) services for my child’s disability.	91%	9%
2. The private school’s teachers seem qualified.*	98	2
3. The private school’s teachers seem qualified to address my child’s special needs.	94	6
4. My child’s needs were/are met at the private school.	91	9
5. My child’s academic performance increased while at the private school.**	89	11
6. I am/was satisfied with my child’s private school.	89	11
7. The Carson Smith Scholarship should continue to exist for eligible students.	100%	

\* These results were based on responses from 52 parents. One parent gave a response that we could not evaluate for this question.

\*\* These results were based on responses from 44 parents. Nine parents said the question did not apply to them for reasons including their child’s private school did not use a grading system or the student has always gone to private school.

In addition to the above seven statements, we also read five statements for parents to rank concerning their public school experience and the process of becoming eligible for the Carson Smith Scholarship. The statements and results are shown in Figure 3.2.

**Figure 3.2 Most Parents Understood the Carson Smith Scholarship Program Approval Process. The majority of parents also felt their public school did not provide services for their child and they were not satisfied with public school.**

Question	Percent Agree	Percent Disagree
A. My child's public school provided services for my child's disability.*	21%	79%
B. I was satisfied with my child's public school.*	9	91
C. The assessment/IEP used to determine my child's eligibility for Carson Smith was fair and appropriate.**	88	12
D. I understood my child's assessment/IEP.	96	4
E. I was very involved in the assessment team meetings.**	88	12

\* These results were based on responses from 43 parents. To both of these statements (A & B), 10 parents said the question did not apply to them for reasons including their child has always gone to private school.

\*\* These results were based on responses from 52 parents. One parent gave a response that we could not evaluate for this question.

We understand that these responses are opinion based. However, this program is based on parents' ability to determine if their child's special needs are best addressed by a private or a public school. In fact, Carson Smith Scholarship eligible private schools are not required to offer specific special needs classes or curricula. *Utah Code* 53A-1a-705 states that private schools shall "disclose to the parent of each prospective student . . . the special education services that will be provided to the student." As previously stated, special needs services may include specialized teacher training, small class sizes, etc.

Finally, we presented one more statement, which was: "In general, private schools provide a better education than public schools." Sixty-eight percent of the parents agreed with the statement while thirty-two percent disagreed. Three parents' responses were not included because they chose not to respond to the question.

**Financial Assistance and a Child's Learning Disability Led Most Parents to the Carson Smith Scholarship.** In addition to the

**Most parents we surveyed were dissatisfied with their child's public school.**

**68 percent of parents surveyed felt that private schools provide a better education than public schools. Most surveyed parents applied for the scholarship because of financial reasons.**

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**The most common disabilities of surveyed students in the program are learning disabilities and autism.**

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statements listed above, we asked the parents a few questions about their involvement in the program. We asked why the parent applied for the scholarship. Thirty-two of the 53 parents, or 60 percent, responded it was for financial reasons, although financial need is not a requirement to receive the Carson Smith Scholarship.

We also asked parents to indicate their child's qualifying disability. Of the 53 responses, 14 children, or 26 percent of the total, have a specific learning disability. Autism was a very close second at 13 children, or 25 percent. Other disabilities include, but are not limited to, other health impairment (including ADHD), emotional disturbance, and developmental delay.

**Parents of Active and Withdrawn Students Differ on Responses but Overall They Agree.** The weight with which the parents of active students, individually, and parents of withdrawn students agreed or disagreed with the statements we asked varied but overall they were similar. However, there are a few notable differences. Regarding statement 5 in Figure 3.1, whether the child's academic performance increased while at the private school, 100 percent of the active parents agreed while only 68 percent of parents of withdrawn students agreed. All parents of active students agreed with Statement 6 in Figure 3.1, that they are satisfied with their child's private school. Only 73 percent of the parents of withdrawn students agreed.

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**Special needs services that are received in Carson Smith schools include smaller class sizes and one-on-one attention.**

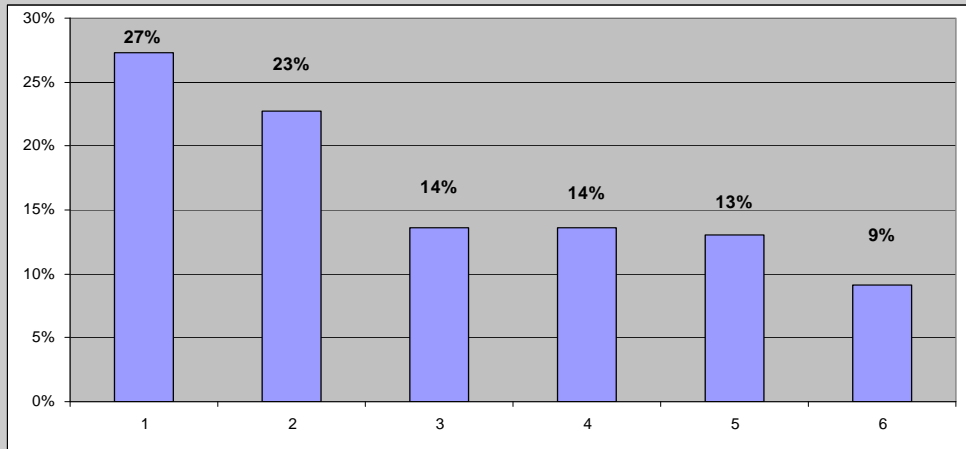
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We also asked both sets of parents what types of special needs services they felt the private school offered to their child. Responses included smaller class sizes and one-on-one attention, the fact that the school was geared toward their child's particular disability, a teacher's ability to teach to a particular child's disability, school curricula flexibility, and emotional and counseling assistance.

In addition to the above statements and questions, we also asked the parents of withdrawn students why they withdrew their child from the program. Students withdrew from the program for a number of reasons, as shown in Figure 3.3.

**Figure 3.3 Students Withdrew from the Carson Smith Scholarship for a Variety of Reasons.** Twenty-seven percent withdrew because they graduated or aged out, while 23 percent withdrew because the parents felt the child's needs were not being met at the private school.

Most surveyed withdrawn students either graduated or aged out of the program.



**Reason for Withdrawal**

1. The student graduated or aged out of the program.
2. The student's needs were not met at the private school.
3. The commute to the private school was too far.
4. The student was no longer allowed in the private school.
5. The student withdrew for other reasons: including the parent could not justify accepting the scholarship because the family does not have a financial need,\* the parents did not complete the paperwork to renew, and the district retested the child and he no longer qualified.
6. The student was able to return to the public school.

\* Again, financial need is not a requirement to receive the Carson Smith Scholarship.

23 percent of the withdrawn students' parents surveyed withdrew because they believe their child's needs were not met at the private school.

All 22 parents of withdrawn students responded to our question as to why they withdrew their child from the program. Reasons two and three represent 37 percent of withdrawals. These responses indicate a dissatisfaction with the program, either because of the school or because of the lack of schools near the parents. In addition, we found it interesting that even though the program does offer a scholarship, parents were willing to turn down the assistance in 23 percent of the cases we examined because they were not pleased with the private school. Two



parents commented that they were not pleased with the private school and if there was another Carson Smith Scholarship approved private school near their home they would have enrolled their children. Another parent commented that he placed his son in another private school.

### **The State Board of Education Should Consider Removing the Requirement to Track Denied Students**

Since lists of denied students are not well maintained and are not used, we believe the State Board of Education should consider removing this requirement from *Administrative Rule*. According to *Administrative Rule* 277-602-6, the private schools, public schools, and USOE are required to maintain information on denied scholarships, however this is not always done by these parties and the lists are not being used by either party. There are also discrepancies between the three sets of denied lists that further reduce the usefulness of keeping track of denied students.

From USOE records, we determined that at least 37 students have been denied the scholarship from the 2006 school year through September 2007. We were unable to determine the number of students denied from the 2005-2006 year because USOE records were inadequate.

We collected lists of denied students from the USOE, the five districts we examined, and the private schools located within those districts to see if they matched. As expected, the USOE's numbers exceed those of the five districts and private schools within those districts because the USOE numbers reflect all districts and private schools that are Carson Smith Scholarship eligible. However, even in those districts and private schools we examined, there were still some records that were not on the USOE's list.

**Many Situations Have Contributed to the Difference in Numbers.** We believe there is some discrepancy between the sources for many reasons. For example, one source may consider a student denied at a different point than another source. Also, because of the number of assessments districts have to do, there can be a window of several months between the application and the assessment. As a result, a private school may list a student as denied before all the testing is done.

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**Lists of denied students are not maintained and have never been used.**

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**USOE, private schools, and districts all differ on the number of denied students.**

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There was also some confusion with the assessment process. Early in the program, private schools and school districts were not always sure of the approval process for students without IEP's, even though we found this process stated clearly in the law. For example, one student was considered denied by a private school even though the district had not yet assessed the student and did not consider him denied. Another district's employee thought students were being denied when she indicated on their application that they did not have an IEP, although other members of the district were performing assessments and making their determination from them; there was just a lack of communication. Other students may have been tested outside of the district, so the final determination may or may not have been made by the USOE and may have been unknown at the district level. In addition, some students may not have officially applied, so the USOE does not have any record of the student; therefore, the student has not officially been denied. However, the private school and/or district may have listed the child as denied.

We attempted to contact 30 parents of students on either the USOE's, private school's, or district's denied list and were able to speak with 12. Most of those students were denied the scholarship because they did not test as having a sufficient disability to qualify for special needs services. Two students were having difficulty with the application process which included an application getting lost and eventually being denied. One student was denied the scholarship because the school to be attended was not Carson Smith Scholarship eligible. Two students were actually approved. Some of the 12 parents we spoke to gave us additional comments. Ten out of 11 parents in this group believe that private schools provide a better education than public schools. Five out of nine parents did not believe their child's assessment was fair and appropriate; and, seven out of nine understood the evaluation.

## **IEPs and Standardized Testing Currently Used to Determine Special Needs**

*Utah Code* does not require specific testing for Carson Smith Scholarship eligibility. However, all student assessments we reviewed showed the students were evaluated with standard methods. All students were evaluated with IEPs and/or standardized tests. This standard approach gave us a sense of confidence the child does in fact have a disability. We also found that all 13 school districts with Carson Smith

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**Most denied students are denied because they do not test as being sufficiently disabled to qualify for assistance.**

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**Standardized testing appears to provide an accepted method for identifying a disability.**

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Scholarship eligible private schools located in the district interpret standardized test scores using the same method. By using standardized testing and IEP's throughout the state, we feel confident that districts can accurately identify special needs students through accepted methods.

### **All Students Were Evaluated with IEPs and/or Standardized Testing**

We reviewed the assessment records for 38 students and found that either an IEP or standardized testing was used in all cases to determine if a child had a special need. One of the eligibility requirements for the Carson Smith Scholarship is that the student have a current IEP, which is generated by the public school to assess a child with a disability. If the student does not have an IEP (if he or she was not a public school student previously or has never been assessed for a disability), *Utah Code* 53A-1a-704 and *Administrative Rule* 277-602-1 state that the assessment team must be able to determine “with reasonable certainty” that the student has a disability qualifying the student for special education services if enrolled in a public school. This is in contrast to Florida, Georgia, and Arizona’s programs which require the student to have an IEP before applying for their states’ special needs scholarships.

When a student is assessed for the scholarship, we found standardized testing to be used in all but one case, which used an IEP to determine eligibility. Therefore, although under the Carson Smith Scholarship standardized testing is not required, districts are using it to help them “determine with reasonable certainty” the child has a disability to determine scholarship eligibility.

When the scholarship has expired, during reassessment, as discussed earlier, the Carson Smith Scholarship does not require an evaluation of academic achievement. By measuring standardized test scores, the districts determine if a child continues to be at risk for having a disability as measured by the test results.

During our review of the 38 assessments, we observed many of the same tests applied to the students. Included in these tests are measures of intelligence (IQ), cognitive abilities, reading fluency, mathematical assessment, and behavioral assessment. Three of the 38 students’ files were those of denied students. These students were also assessed using standardized tests.

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**Standardized testing, though not required for scholarship eligibility, was used in most cases to determine a child’s disability.**

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## Districts Interpret Test Scores Using a Standard Method

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All 13 districts with Carson Smith eligible private schools use the same program to interpret test scores.

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The Estimator program measures the discrepancy between IQ and performance to determine if a learning disability exists.

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Districts are moving toward a Response-to-Intervention method to help identify students with learning disabilities.

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Once the districts have the standardized test scores, they use a commonly used program called the Estimator to determine if there is a discrepancy between a student’s aptitude and actual achievement, indicating there is a learning disability. According to the Estimator’s manual, its use “generates the percent confidence one can have that a student exhibits a severe discrepancy. . . . [using] a 93 percent cutoff.” We found that all 13 school districts in Utah that currently have at least one of the 39 Carson Smith Scholarship eligible private schools located within that district use the Estimator program.

According to the USOE, the Estimator is provided to all districts. The program was designed by a private company and is affiliated with Utah State University. According to the Estimator’s manual, the USOE adopted a formula from the United States Department of Education “for evaluating the discrepancy between a student’s expected and obtained educational achievement.” The manual states that the formula is “somewhat lengthy” and the Estimator “was developed to make using this discrepancy formula easy.” However, in evaluating a child for a learning disability, the Estimator manual also states,

“Estimator deals only with discrepancy calculation, one element in the [learning disability] qualification process. Additional information such as observational data, criterion referenced test data, intervention history and social history must be considered before a student is classified as [learning disabled].”

The program is used such that students are given a variety of standardized tests. The user must select the type of aptitude test that was administered. The Estimator has the capacity to evaluate and compare the results for dozens of different tests. The results from student’s tests are input in the program. The program then calculates the percent likelihood that the child has a learning disability, with 93 percent being the cutoff for determining a learning disability. From our observation, districts rely on the Estimator program to determine a learning disability.

In addition to using the Estimator program, all of the 13 districts either incorporate, or are moving toward incorporating, a more contemporary method for determining a learning disability. This new

method is called Response to Intervention (RTI). The USOE acknowledges this new method, which, according to the National Center for Learning Disabilities, is the current focus in helping struggling students. We found that all 13 of these districts are transitioning from only the Estimator program to either RTI or a combination of both RTI and the Estimator.

**The State Is Moving Toward Incorporating a Response to Intervention Model.** According to the National Center for Learning Disabilities, “The RTI process is a multi-step approach to providing services and interventions to students who struggle with learning at increasing levels of intensity.” Data from the RTI model of instruction may be used for determining if a student is eligible for special education services under the classification of Specific Learning Disabilities (SLD). The USOE reports that the districts have been given the option of using either the Estimator program or an RTI method for determining SLD eligibility. Guidelines for the RTI method for determining SLD eligibility are being developed by the USOE. The USOE projects the guidelines to be completed before June of this year.

The RTI method of eligibility determination still incorporates testing for a disability, but there are additional data that are considered during the assessment process. According to *A Parent’s Guide to Response-to-Intervention*, published by the National Center for Learning Disabilities, the basis behind RTI is to evaluate how students who have been tested as being “at-risk” respond to supplemental instruction or interventions. The student’s progress is monitored, and interventions are either continued or discontinued, based on the student’s progress in meeting benchmarks. As the intervention continues, if the student shows too little progress, the student is considered for even more intervention. This, the final stage of intervention, includes individualized and intense interventions.

Implementing the RTI method for SLD eligibility determination can be difficult. Two districts we talked with stated that they are having difficulty implementing the RTI process because it lacks development. More direct instructions from the USOE should provide them with more guidance on how to create a more defined way of implementing the RTI method. We recommend the USOE continue to develop the RTI methodology and communicate it to districts upon completion.

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**Districts report needing more guidance in using the Response-to-Intervention method.**

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## Law Does Not Close Gap for Students Who No Longer Have a Disability

As discussed in the previous chapter, the scholarship is good for three years, after which a student must again have an assessment team determine if they continue to be eligible for the scholarship as a special needs student. During the course of the audit, we found two situations where the students originally qualified for the Carson Smith Scholarship and received the scholarship, yet during the scholarship period the disability that qualified them ceased to exist. The scholarship is applicable for three years. Since there is no qualifying assessment within that three years, if at any time during those three years the child's disability ceases to exist, there is no mechanism in place to cancel the scholarship. We were also told of two additional students who also meet this same description.

*Utah Law* 53A-1a-704 states, "A scholarship shall remain in force for three years." The scholarship may also be extended to another three years if an additional assessment, at the end of the initial three years, determines the child still has a qualifying disability. In order to receive a scholarship, the child must have a qualifying disability, as set forth in 53A-1a-704, which includes autism, a hearing impairment, a speech or language impairment, etc.

**Other States May Also Be Allowing Students Whose Disabilities No Longer Exist to Receive the Scholarship.** We looked into other states' programs and found that both Florida's and Georgia's laws have the potential of allowing a student to continue to receive the scholarship, even if the qualifying disability no longer exists. However, Utah's program appears more conservative than those other states in that Utah's law requires reassessment every three years. In both Florida and Georgia, no reassessment is required. Therefore, in Florida and Georgia, once a child has been approved to receive the scholarship through a qualifying disability, the scholarship remains in effect as long as that child stays in private school, graduates, or ages out of the program.

Inherently, it does not seem prudent that a child who would not qualify for the scholarship if he or she were tested now should receive the funds. However, retesting children within the three-year scholarship period could become cumbersome for districts to administer, especially since we believe the number of students in this situation is probably small. There are some qualifying disabilities that may be remedied, while others

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**Within the three year scholarship period, students can continue to receive scholarship funds after their disability has been corrected.**

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**Additional reassessments may not be cost effective.**

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may not. The Legislature may either continue to allow the program to remain as it is, or, if this situation is not desired, require clarification in the law as to what should happen when a child no longer qualifies for the scholarship within the three-year period.

### **Recommendation**

1. We recommend that the State Board of Education consider removing the requirement to track denied students.
2. We recommend the USOE continue to develop RTI methodology and communicate it to the districts upon completion.
3. We recommend the Legislature consider if the law establishing the Carson Smith Scholarship needs to be clarified as to what should happen when a child currently receiving the scholarship no longer qualifies based on a disability.

**Agency Response**



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# UTAH STATE OFFICE OF EDUCATION

Leadership...Service...Accountability

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January 4, 2007

John M. Schaff  
Auditor General  
Office of Legislative Auditor General  
W315 Utah State Capitol Complex  
PO 145315  
Salt Lake City, UT 84114-5315

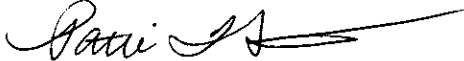
Dear General Schaff,

Thank you for allowing the Utah State Office of Education (USOE) to review *A Performance Audit of the Carson Smith Scholarship for Students with Special Needs*. We appreciate the courtesy and professionalism of the auditing staff.

The USOE concurs with the recommendations of the audit and will stand ready to assist the Utah Legislature in their decisions regarding the future of the program.

The Special Education section of the USOE is working steadily on providing professional development to districts and charter schools on the Response to Intervention Model (RTI). An RTI Model of Instruction is not limited to special education; it is a system for providing quality instruction and interventions to all students. It is one option to utilize the data gathered from an RTI Model of Instruction in determining eligibility for special education under the category of specific learning disabilities (SLD). The USOE Special Education Rules allow a discrepancy model, an RTI model, or a combination of both for determining SLD eligibility. The USOE will be pleased to present the RTI model to the Utah Legislature upon request.

Sincerely,



Dr. Patti Harrington