

**Proposed Substitute  
Bill No. 5447**

LCO No. 3048

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE  
AUDITORS OF PUBLIC ACCOUNTS CONCERNING PRIVATE  
PROVIDERS OF SPECIAL EDUCATION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-91j of the 2018 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2018*):

4 (a) Any agreement entered into or amended on or after July 1, [2017]  
5 2018, but prior to June 30, 2019, or any contract entered into or  
6 amended on or after July 1, 2019, pursuant to section 10-76d, between a  
7 local or regional board of education and a private provider of special  
8 education services, as defined in section 10-91g, as amended by this  
9 act, may include the following provisions: (1) A requirement that such  
10 private provider of special education services submit monthly or  
11 quarterly reports to such board regarding the specific services and  
12 frequency of such services being provided by such private provider of  
13 special education services to students under the agreement or contract,  
14 and (2) authorization for such board to (A) review and reconcile such  
15 reports to the contracted services described in the agreement or  
16 contract, or (B) conduct periodic site visits at the location where such  
17 private provider of special education services provides services.

18 (b) On and after July 1, 2019, a local or regional board of education  
19 shall not be eligible for reimbursement pursuant to section 10-76g for

20 any costs of special education paid by such board of education to a  
21 private provider of special education services unless such board of  
22 education has entered into a written contract with such private  
23 provider of special education services for the provision of such special  
24 education services. The individualized education program of a child  
25 shall not be considered a contract between a local or regional board of  
26 education and a private provider of special education services for  
27 purposes of this section. Nothing in this subsection shall be construed  
28 to limit or interrupt the provision of special education and related  
29 services to a child by a local or regional board of education or private  
30 provider of special education services.

31 Sec. 2. Subsection (b) of section 10-91h of the 2018 supplement to the  
32 general statutes is repealed and the following is substituted in lieu  
33 thereof (*Effective July 1, 2018*):

34 (b) Each local and regional board of education that has entered into  
35 an agreement or contract pursuant to section 10-76d or 10-91j, as  
36 amended by this act, with a private provider of special education  
37 services, shall submit to an audit conducted by the Auditors of Public  
38 Accounts for the purposes of examining such board's monitoring of  
39 student attendance at such private provider of special education  
40 services to ensure that proper services are being provided and costs  
41 are being controlled. Such board shall provide access to all records and  
42 accounts necessary to said auditors for purposes of conducting such  
43 audit.

44 Sec. 3. Section 10-91g of the 2018 supplement to the general statutes  
45 is repealed and the following is substituted in lieu thereof (*Effective July*  
46 *1, 2018*):

47 (a) As used in this section and sections 10-91h and 10-91i, as  
48 amended by this act, "private provider of special education services"  
49 means any private school or private agency or institution, including a  
50 group home, that receives any state or local funds as a result of  
51 providing special education services to any student with an

52 individualized education program or for whom an individual services  
53 plan has been written by the local or regional board of education  
54 responsible for educating such student.

55 (b) In accomplishing their duties as set forth in section 7-396a and in  
56 accordance with the authority granted under chapter 111, the Auditors  
57 of Public Accounts shall act as an agent of a local or regional board of  
58 education for the purposes of conducting an audit to examine the  
59 records and accounts of any private provider of special education  
60 services that (1) has entered into an agreement or contract with a local  
61 or regional board of education, pursuant to section 10-76d or 10-91j, as  
62 amended by this act, or (2) receives any state or local funds to provide  
63 special education and related services, in connection with any grant  
64 made by any state agency pursuant to any section of the general  
65 statutes or any public or special act. Such examination shall include a  
66 compliance audit of whether such state or local funds to provide  
67 special education and related services have been expended for  
68 allowable costs, in accordance with state and federal law and the  
69 individualized education program or individual services plan for each  
70 child receiving special education and related services from such  
71 private provider of special education services.

72 (c) The Auditors of Public Accounts shall conduct the audit  
73 described in subsection (b) of this section as follows: (1) The Auditors  
74 of Public Accounts, using a risk-based approach, shall audit private  
75 providers of special education services at a frequency that they deem  
76 necessary, except that no private provider of special education services  
77 shall have its records and accounts so examined more than once  
78 during such five-year period, unless the auditors have found a  
79 problem with the records and accounts of such private provider of  
80 special education services during such five-year period; (2) audits shall  
81 be of private providers of special education services approved by the  
82 Department of Education and of private providers of special education  
83 services not approved by the Department of Education; and (3) priority  
84 of conducting such audits, as practical, shall be given to those private

85 providers of special education services (A) that receive the greatest  
86 total amount of state or local funds for the provision of special  
87 education services to students, (B) that provide special education  
88 services to the highest number of students for whom an individual  
89 services plan has been written by a local or regional board of  
90 education, and (C) that have a highest proportion of state and local  
91 funds for the provision of special education services in relation to their  
92 total operational expenses.

93 (d) The Auditors of Public Accounts may (1) consult the Department  
94 of Education during the course of an audit described in subsection (b)  
95 of this section for the purposes of conducting such audit, and (2) share  
96 any preliminary audit findings with the department.

97 (e) The Auditors of Public Accounts shall report their findings to (1)  
98 the local or regional board of education that has entered into an  
99 agreement or contract with the private provider of special education  
100 services, pursuant to section 10-76d or 10-91j, as amended by this act,  
101 or that has completed an individualized education program or  
102 individual services plan for a student receiving special education and  
103 related services from a private provider of special education services,  
104 (2) the Commissioner of Education, and (3) the joint standing  
105 committee of the General Assembly having cognizance of matters  
106 relating to education, in accordance with the provisions of section 11-  
107 4a.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2018</i>	10-91j
Sec. 2	<i>July 1, 2018</i>	10-91h(b)
Sec. 3	<i>July 1, 2018</i>	10-91g