The California State Auditor released the following report today:

**Student Mental Health Services**

*Some Students' Services Were Affected by a New State Law, and the State Needs to Analyze Student Outcomes and Track Service Costs*

**BACKGROUND**

To ensure students with disabilities have access to a free and appropriate public education, the federal government provides grant funding to states. The State Board of Education, through the California Department of Education (Education) oversees the special education program—which includes providing mental health services—and ensures that local educational agencies (LEAs) develop an individualized education program (IEP) for eligible students. Education distributes federal and state funds to special education local plan areas (SELPAs), which are made up of LEAs or consortia of LEAs that provide such services. In 2011 a new law (AB 114) transferred the responsibility for providing mental health services included in student IEPs from county mental health departments to LEAs.

**KEY FINDINGS**

Our audit of the State’s use of mental health funds and provision of mental health services to students revealed the following:

- Although the most common types of mental health services offered and the service providers generally did not change, LEAs removed mental health services from student IEPs in the two years after AB 114 took effect.
  - Although most service reductions were not related to AB 114, such as those prompted by a student graduating, IEP teams did not always record in the IEP document their rationale of why a service was removed.
  - For 40 percent of the students who had a change to their mental health services or their educational placement within two years of AB 114’s implementation, the IEP teams did not document the rationale for the changes.
  - For 13 of the 44 students we reviewed who had a mental health service removed from their IEPs, either the LEAs could not satisfactorily explain why the services were removed or the removal was related to AB 114. In three cases, the LEA had no assurance that removing services would not adversely affect access to education.
- Neither Education nor the four LEAs we reviewed track educational outcomes for students who receive mental health services and thus, do not know whether student outcomes have been affected by AB 114 and whether it has benefited students’ educational progress.
- None of the four LEAs we reviewed track the total cost of providing mental health services through IEPs and thus, it is unknown whether it costs more or less to provide services since AB 114 took effect.
- Two of the four LEAs we reviewed have not spent all of the funding they received that is dedicated to providing mental health services and Education has not formalized procedures for monitoring these funds.
- LEAs and counties could benefit financially and improve student access to mental health services by collaborating to provide services to Medi-Cal eligible students.
- Although the LEA mental health staff we reviewed were qualified under state requirements, some LEAs could improve their hiring practices by establishing minimum qualifications or formalizing their processes.

**KEY RECOMMENDATIONS**

We made many recommendations including the following:

- The Legislature should require Education to report annually on the outcomes for students receiving mental health services and require counties to enter into agreements with SELPAs to allow them and their LEAs to access federal funding.
- SELPAs should develop a process to ensure IEP teams properly document the reasons for changes to student services or placements.
- Education should direct LEAs to specify on the IEP document reasons for placing a student in residential treatment or when any changes to student placement or services are made in IEPs, and should also develop a mechanism for tracking and reporting expenditures related to mental health services.
- LEAs should annually use a selection of Education’s performance indicators to examine the effectiveness of their mental health services.