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TO: Marcia Mittnacht, Director of Special Education Planning & Policy Development  
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FROM: Therese Murphy-Miller, DOE/DMR Project Manager  
Department of Mental Retardation

DATE: September 23, 2008

RE: ESE/DMR Community/Residential Education Project  
FY08 End of Year Report

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As referenced in the Department of Elementary and secondary Education (ESE) and Department of Mental Retardation (DMR) Interagency Agreement, the following report provides a summary of the ESE/DMR Community/ Residential Education Project, including enrollment numbers, expenditures, savings generated by the Project and potential policy implications related to the FY08 data. Historical data information is also provided to allow for a broader review and analysis of the ESE/DMR Project activities since the formal operations of this Program starting in FY97.

The goal of the Community Residential/Education Project (the "Project") is to facilitate effective transitions from school life to more independent life within the community for students receiving publicly funded special education services who also meet the DMR eligibility criteria for services. This goal can be accomplished by supporting less restrictive, more cost effective residential options, special education services and community based supports.

#### **EXECUTIVE SUMMARY**

The ESE/DMR Project for FY08 proved to be both a successful and challenging year. The total number of participants who received Project supports totaled 342. Of that number, there were 11 new participants. There were 15 participants who left the project for a residential school placement. Thus the participant retention rate for the Project in FY08 is 96%.

The low number of new participants approved in FY08 was a result of limited Project funds available to support additional applicants. As a result, there was little movement of applicants moving off the pending list while at the same time new application requests were added to the pending applicant list, thus creating a challenge for the Project to be able to effectively respond to the needs of families within a reasonable time frame.

The average student cost (prevention) for Project participants in FY08 is \$23,313. For ESE, their average cost for a residential placement in FY08 is \$61,202. As a result the ESE/DMR cost to support children in their home and community is 61% less had they been placed in a residential school placement. This cost reduction results in approximate savings of \$11,101,477 for FY08. For students who have returned home from a residential school placement and received intensive home and community supports, the average cost is \$30,016. Given the ESE

residential cost in FY08 of \$61,202, this amounts to a 51% cost reduction resulting in savings of \$405,418. In total this amounts to an estimated savings to ESE of \$11,506,895 in FY08.

The satisfaction and positive comments from families speaks to the success of the Project and to the belief that families need to be integrally involved in choosing the services they need to support their child in all facets of their lives. The positive outcomes of this Project are often acknowledged by families that stress the improved lives of their child and family. “The ESE/DMR has allowed much needed integrated support for my son, Evan, to be more involved and more supported in his family and community...Without the supports of the Project, Even would not be where he is today as a student, positive family member and person living with significant disabilities in his own community.”

### **FY08 PROJECT DATA ACTIVITY**

In FY08 the total project allocation remained at \$8 million. Following, is the breakdown of the Project participant activity for FY08. Please note that each of these activity counts is independent of the other activities listed.

Number of new students prevented from an initial special education school placement	6
Number of new students who returned from a residential special education school placement	5
Number of students who turned 22 (aged out of Project)	22
Number of students who terminated from the Project to enter a residential school setting	15
Number of students who terminated from the Project for other reasons: 1-placed in DSS Custody, 2- no longer DMR eligible, 1- deceased, 1, voluntarily chose to withdraw from Project	4
Number of pending applicants who withdrew their application: 12- residential, 1- DSS custody, 2- left state, 1- decease	16
Number of applications submitted during FY08	68
Number of applications pending as of 6/30/07	256
Number of school districts supporting DOE/DMR participants	134

### **FY08 ESE/DMR TOTAL PARTICIPANT DATA SUMMARY**

During fiscal year 08 there have been a total of 342 students participating in the Project. Of that number 17 have returned home from residential education placements, the remaining 325 have utilized the Project to obtain a diverse array of supports as an alternative to an initial residential special education school placement.

The following tables represent the total summary of all Project participants in FY08. This data is inclusive of all participants in FY08.

#### **FY08 totals**

Number of students in the Project	342
Number of participants prevented from initial residential special education school placement	325
Number of participants who returned from a residential special education school placement	17

#### **Age ranges of FY08 participants**

Number of students under the age of 12	73
Number of participants between the ages of 12 and 16	100
Number of participants over the age of 16	169

#### **Average support cost (based on total FY08 participants with an annual allocation**

Average cost per student who received supports as an alternative to initial residential school placement (n= 293)	\$23,313
Average cost per student who returned home from a residential school placement based on actual support cost (n= 13)	\$30,016
Average ESE residential reimbursement cost per student (ESE fiscal unit)	\$61,202

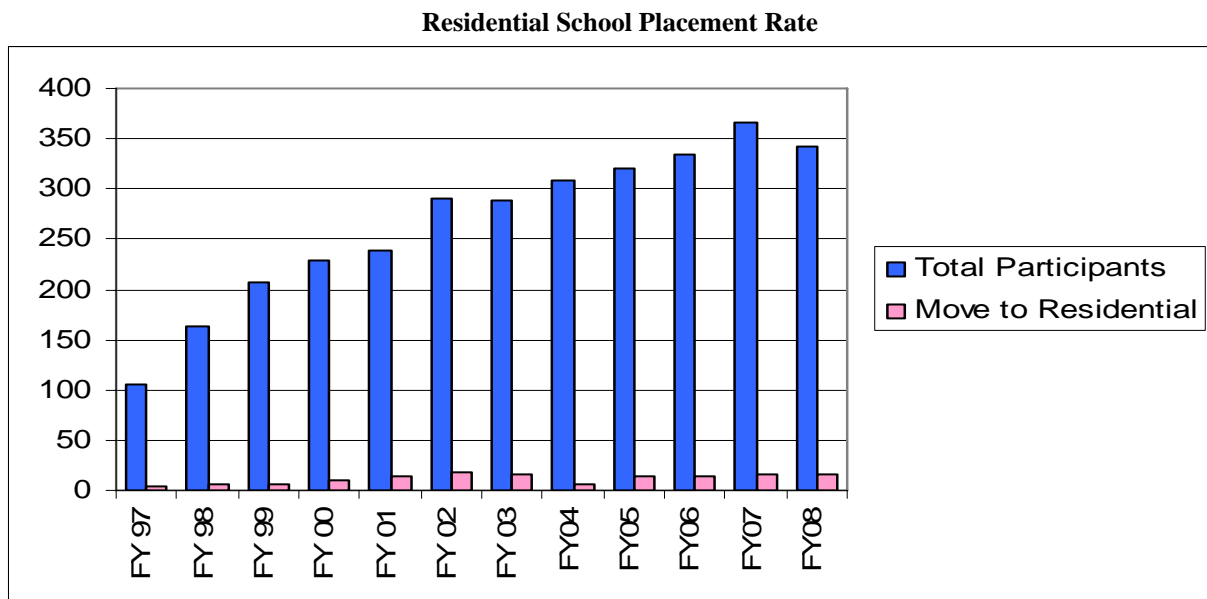
### **TYPES OF COMMUNITY BASED SUPPORTS UTILIZED**

As indicated in previous years, the support services purchased to maintain community-based alternatives to residential placements, meet a wide range of needs. The following represents a sampling of supports and services provided in FY08:

- ❖ Behavioral training and consultation
- ❖ Adaptive therapeutic equipment (recreational/sensory apparatus)
- ❖ Educational supplies (computer, teaching materials, consultation, etc)
- ❖ Emergency/crisis support
- ❖ Environmental modifications (home, vehicle)
- ❖ Paid support staff (case manager, respite, skills trainer, home aid)
- ❖ Recreational fees/membership
- ❖ Social Skills training
- ❖ ABA training
- ❖ Participation in inclusive recreational activities
- ❖ Specialized therapeutic activities (hippo therapy, hydrotherapy, music therapy, art therapy)
- ❖ Professional consultation (speech, communication, OT)
- ❖ Cash stipends for purchase of goods and services
- ❖ Parent training, capacity building

In FY08, the Project allocation along with the attrition of some Project participants, allowed 11 new participants to enter the Project. While the Project is able to successfully maintain the majority of the total student participants, 15 students who received Project supports withdrew from the Project to enter a residential educational school placement. Of these 15 individuals, the average age is 16 years and the average length of time receiving Project supports is 3.5 years. There continues to be Project participants who are identified as requiring an intensive level of supports across all settings of their home, school and community. The Project placement rate to residential schools is 4% of total FY08 participants.

The ensuing graph shows the yearly withdrawal rate of project participants who have withdrawn from the Project for a residential special education placement. As you will note, the residential school placement rate for the Project remains consistently low.



The yearly placement rate to a residential school ranges from 3% to 6% of the total participants in that fiscal year. To date this amounts to a total residential school placement rate of 4% for the Project. As previously noted, Project participants require an intensive level of supports across all settings. It is anticipated that for some children and their families, for differing reasons, a residential school placement becomes necessary.

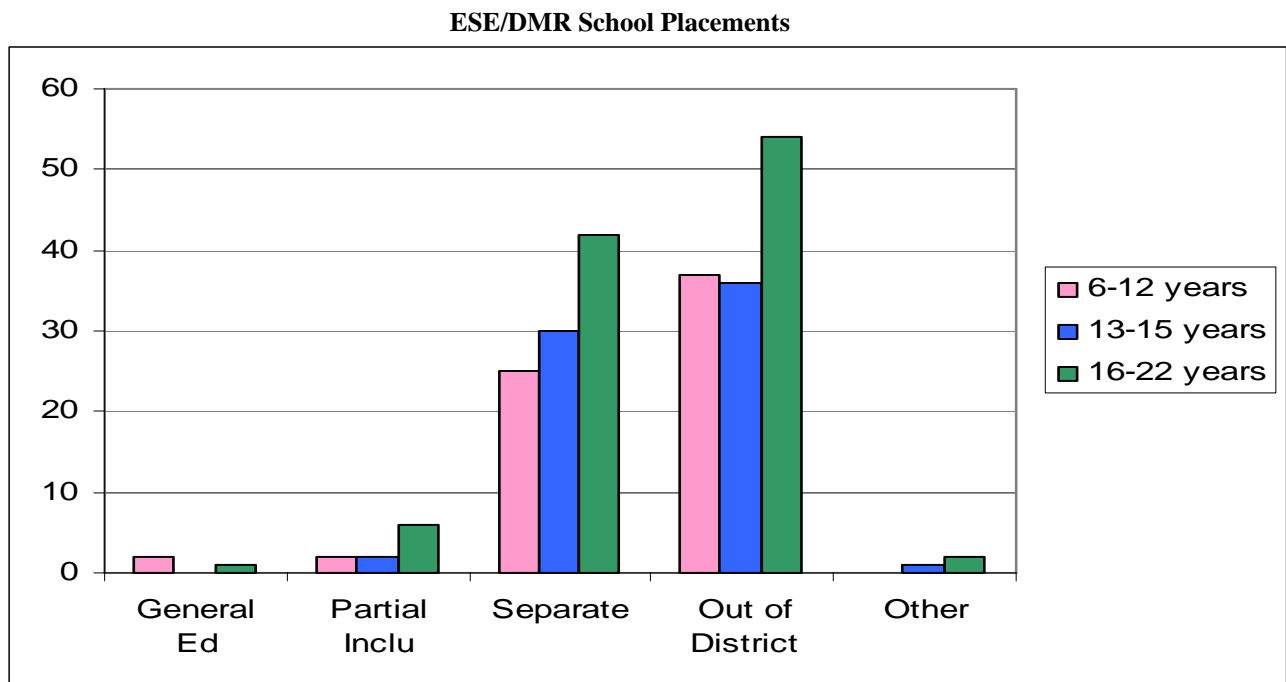
Following is a listing of reasons why families in fiscal year 08 chose to leave the Project for a residential school placement despite intensive in-home and community supports.

- ❖ Expulsion from day school placement due to escalating aggression towards peers and teachers
- ❖ Psychiatric hospitalization as a result of unsafe behaviors to self, peers and family
- ❖ Requiring 24/7 structure across all settings (home, school, community) due to increased aggression, unsafe behaviors and lack of educational progress
- ❖ Single parent unable to provide needed level of support to safely maintain child in the home.
- ❖ Increase frequency of unsafe and aggressive behaviors towards younger siblings in the home and lack of educational progress in their school program.
- ❖ Aging parent and poor health issues impact their ability to safely manage their child in the home

At the conclusion of FY08, 306 students remained successfully supported in their home and community or transitioned into adult support services. Based on the FY08 participant total of 342 students, the retention rate for the Project in FY08 is 96%.

### SCHOOL PLACEMENT TYPES

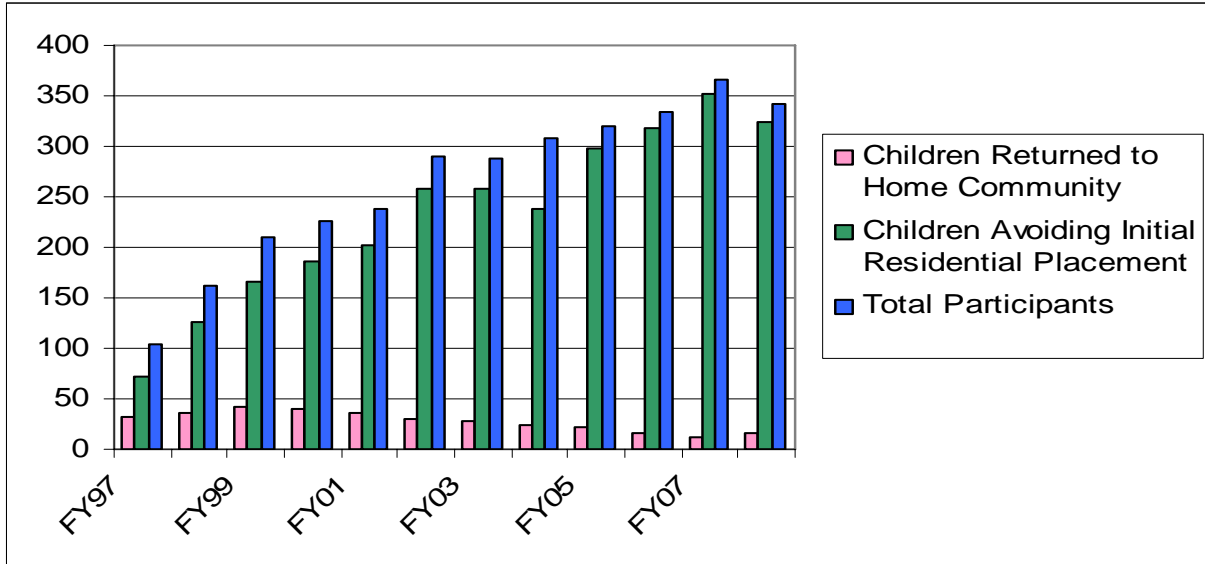
Based on their educational needs, participants in the Project receive their educational services in a variety of school settings. Given that these participants require an intensive level of support across all settings, it is reasonable to expect that the majority of the participants receive their education in school placements that provide a high intensive level of support. The following graph shows the distribution of Project participant's school placements for FY08.



### CUMMULATIVE DATA INFORMATION

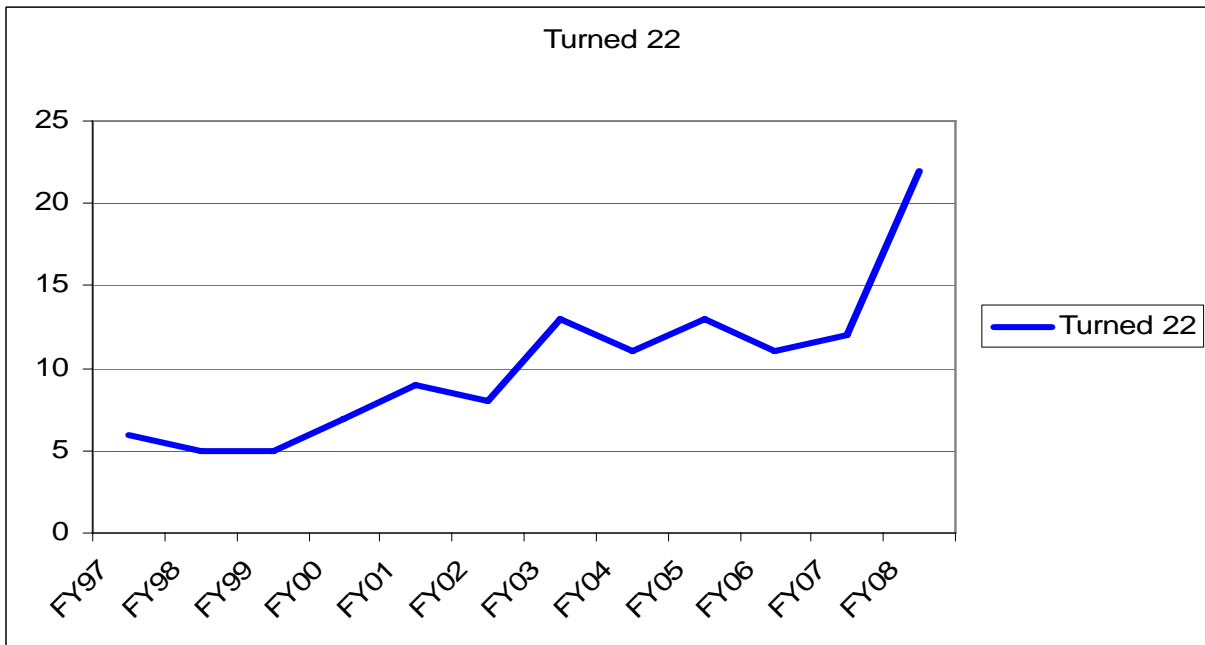
The Project data tracks a variety of information regarding fiscal year activities and outcomes such as participant totals, Turning 22, demographics and fiscal application rates. This array of data information is helpful in showing the broader picture of the Project's continued success.

### ESE/DMR Participant Totals



As the above graph shows, the request for prevention of a residential school placement is much higher than for those students who return home from a residential school placement. In each fiscal year, there are a few new participants who return home from a residential school placement and receive Project supports. However the participant rate for this group continues to remain low. It should also be noted that many of the earlier residential return participants have since turned 22 and aged out of the Project. In FY08 there were five new residential return students. This graph also illustrates that the high demand for preventative supports is indicative of families desire to support their child in their home and community by accessing an individualized plan of supports and resources rather than seek a residential educational school placement for their child.

The Turning 22 rate for Project participants is illustrated to show the yearly number of participants who Turn 22 and have moved into the adult support system.

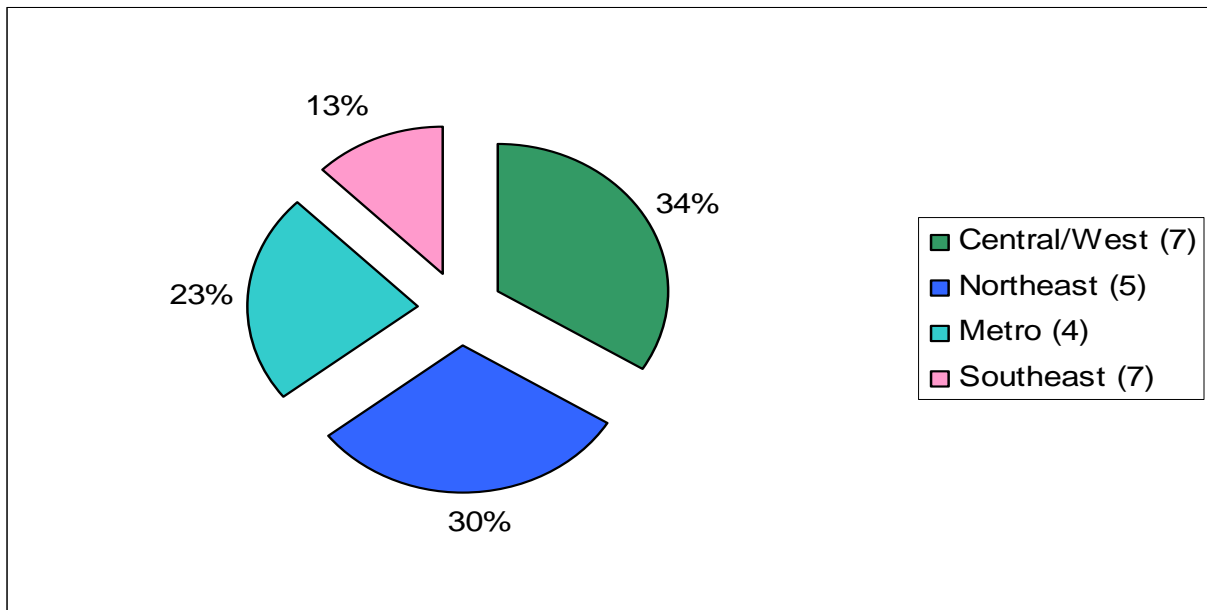


Given the age span for ESE/DMR participants (6-22), it is expected that the number of participants who turn 22 and age out of the Project will vary from fiscal year to fiscal year.

The Project is a statewide program, therefore, the distribution of participant's spans across all areas of the State. This chart shows, of the 4 DMR regions across the state, the distribution of Project participants. It should be noted

that the Central/West Region is the merging of two regions, thus the higher number of participants. Statewide there are 23 DMR area offices. The number of area offices within each region is noted in parentheses next to the regional name. Each Area Office has at least one if not several participants.

**Regional Participant Distribution**



**FISCAL OUTCOMES**

The FY 08 educational services foundation cost is \$35,408. The ESE/DMR reimbursement rate to school districts is 72% of the student’s special education services beyond the foundation cost (\$35,408). Per ESE, the average residential cost in FY08 for students in residential placement is \$120,411 (n=1393). Given this reimbursement formula of \$35,408 the average ESE reimbursement cost to the school district amounts to \$61,202. The average school district cost beyond their \$35,408 foundation cost in FY08 is \$59,209. As a result, the ESE reimbursement rate amounts to a 51%- 49% cost share for ESE and the school district.

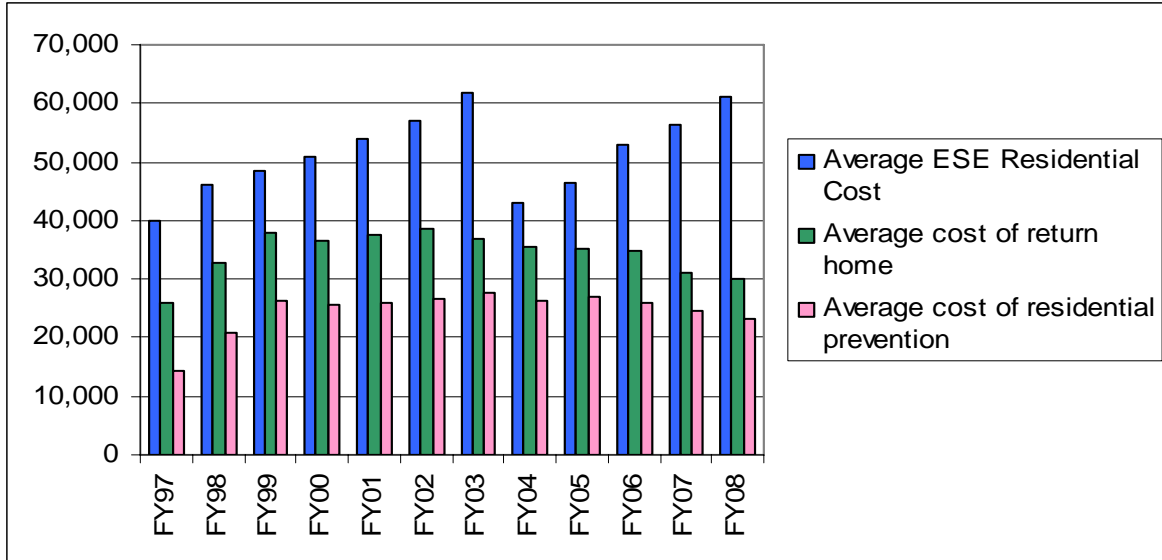
Of the ESE/DMR students seeking flexible supports as an alternative to initial residential school placement, the average per participant cost for these supports is \$23,313 (based on annual allocation n= 293). The median reimbursement cost that ESE paid for a residential school placement in FY07 is \$61,202.

Therefore the ESE/DMR expenditures indicate an approximate 62% reduction in supporting these students in their home community versus the average cost if these individuals had chosen residential educational care options. For ESE this cost reduction results in approximate savings of \$11,101,477 for FY08.

For those students in FY08 requiring intensive support services when they return home from a residential school placement and receive cost effective flexible family supports in their home communities, the average cost is \$30,016 (based on annual allocation n= 13). Had these students remained in their residential school placement, ESE would have paid an average of \$61,202 per student in FY08. This is a 51% reduction in cost resulting in average savings to ESE of \$405,418.

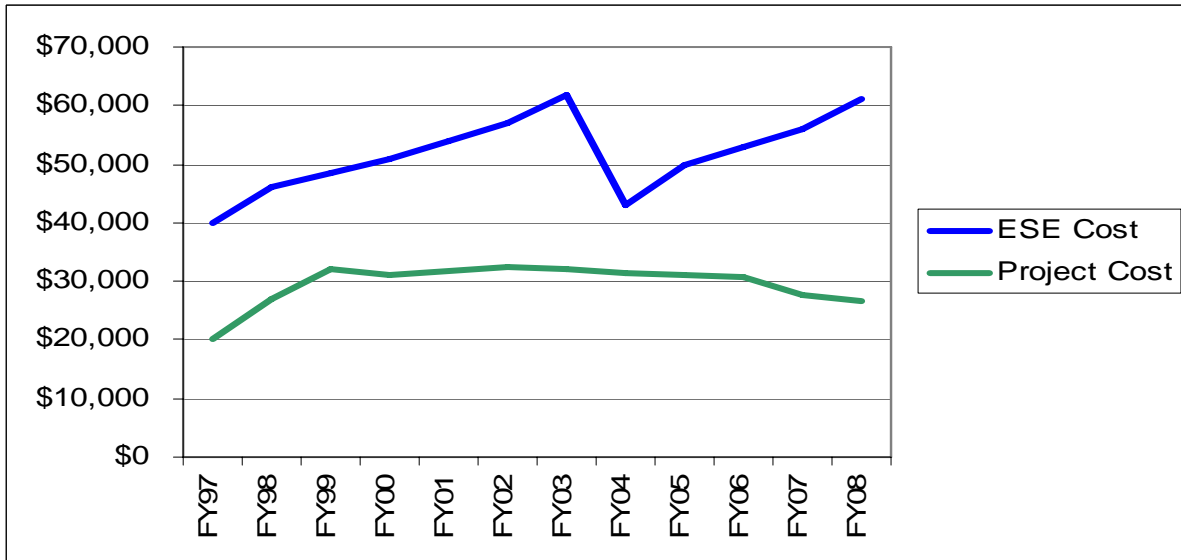
The ensuing charts show the fiscal outcomes of the DOE/DMR Project. These successive charts clearly show the Project’s cost effectiveness, ability to moderate yearly participant costs, as well as provide savings to the state.

### Residential Cost Differential



\*As of FY04 and forward, the DOE residential costs are reflective of the new reimbursement structure as opposed to the previous fiscal years that showed the 50%-50% cost share with school districts.

### DOE Residential Cost and DOE/DMR Home Community Cost

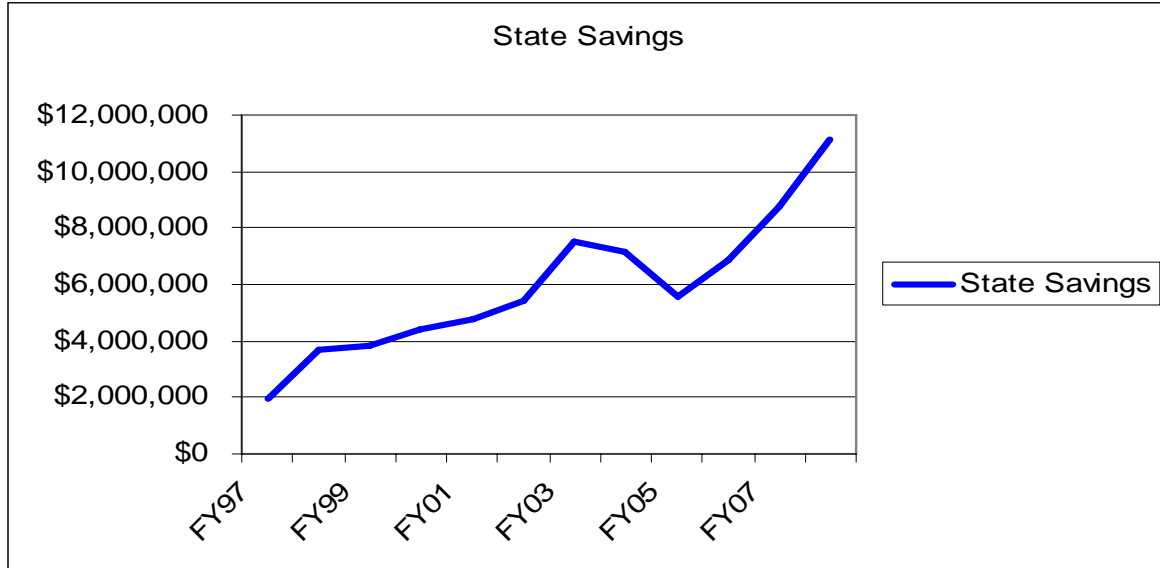


\*Project costs are the combined average cost of both residential return participants and residential prevention participants (\$27,787). The 04 ESE cost is an estimated reimbursement cost.

Based on the average ESE student cost and the lower, more effective home and community support cost for Project participants, the yearly savings to the state is reflected in the following table.

### Total State Savings

\*The 04 savings cost was based on the ESE estimated reimbursement cost and therefore it is not an accurate reflection in comparison to other fiscal years. The combined savings of residential return home and residential prevention participants in FY08 totaled \$11,101,477. This amounts to a \$2,357,664 increase from FY07 (\$8,743,813).

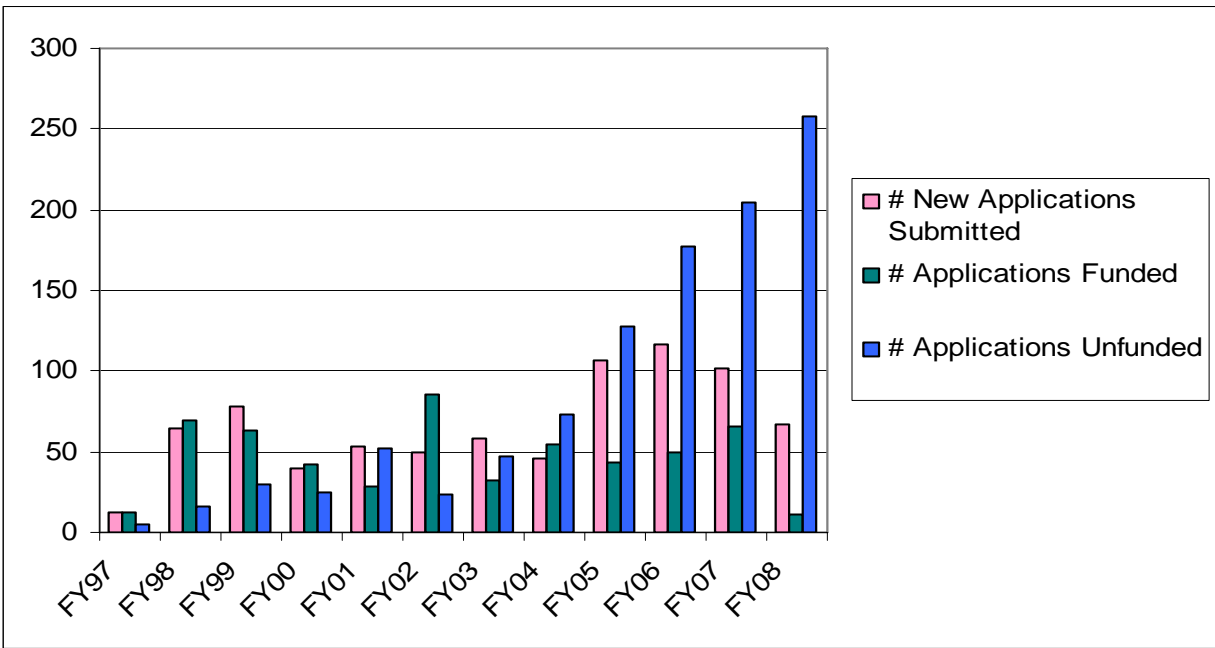


### PROJECT CAPACITY

The number of applications submitted for Project participation continues to exceed the amount of available funding. In FY08, 11 new students were added to the Project. The success of the Project and the high demand for participation is a clear indicator that students and their families benefit and want the opportunity to be meaningfully included in their home, community and schools. As of June 30, there are 256 preventive applications waiting for funding availability. In FY08, the average wait time for funding a preventive application was 3.5 years. This is a 1.5 year increase from FY07. Without sufficient funding to fully support the application demands, the alternative for families is to pursue an out of home placement. During the course of FY08, 6% of the pending applicants, withdrew their application and moved to a residential school placement. The longer an applicant waits for Project supports, the more likely the Project will continue to see a rise in applicants moving to a more restrictive and costlier residential school placement.

The following chart shows the number of applications submitted and funded for ESE/DMR Project Participation.





The continued success of this Project and the increasing demand for participation continues to exceed the Project resources. At the end of FY08 there were 256 pending applications waiting for funding approval. The extensive submission of application requests and limited Project resources has resulted in an approximate 3.5 year wait. Of the total number of pending applicants in FY08, 6% withdrew their application for a more restrictive and costlier residential school placement.

At the start of FY08 there were 4 pending applications that rolled over from FY05, 87 from FY06, and 98 from FY07. During FY08, there were 12 waiting applicants that withdrew their application for a residential school placement and the Project received an additional 67 new applications. At the end of FY08, there are 94 unfunded applications remaining from FY06, 99 from FY07 and 67 applications for 08. In total, there are 256 applications pending for the start of FY09.

During the course of the fiscal year 08, unplanned savings that occurred from participant allocations for varying reasons such as: cost changes, change in support needs, services or resource gaps, etc. were returned to the Project to fund additional pending applications and to support current participants in need of additional funds.

#### **ADDITIONAL COMMENTS RELATED TO THE PROJECT AND POLICY CONSIDERATIONS**

1. The consumer satisfaction and positive comments from families attest to a highly successful Project and to the philosophy that forms the basis of these services in that families need to be integrally involved in choosing the services they need to successfully support their child in his or her school, home and community. Families know best their strengths, competencies, capacities, and needs of their child. They are in the best position to know what will help them support the needs of their child. The positive outcomes that this project has had on families have been acknowledged in routine and non-routine fashion. Some examples of family comments are:

“I could not have made it through without the help and support of this Project. It is because of these supports that we are no longer socially isolated. I can’t find the words to express my deep appreciation for all the supports my daughter and I have received. I feel much more able to handle things on my own than I ever used to. I am so proud of my daughter”

“I can hardly convey how much we have benefited from participating in the Project. Having a family twice struck with autism, along with a third child who is typical, it would be impossible for our son to remain at home without the intensive supports we receive. Everyday that Dean remains at home is a

gift. Without the Project, Dean would most likely be in a residential school. Having Dean remain at home is the right thing for our family to do.”

“The Project has given our family indescribable support for family stability, promoted the inclusion of our daughter in education, recreation, and all other aspects of community life. She has developed relationships where she feels comfortable enough to be able to express more of her feelings that have led to her ability to pursue her personal desires.”

“My husband and I are grateful for the ESE/DMR. Billy’s year was very challenging at home. His regression caught us off guard and caused lots of anxiety and grief.... Thanks to all the supports of the Project we were able to pull ourselves back up, become strong once again and face AUTISM and fight back with all we have. We cannot even imagine the quality of Billy’s life without these supports.”

“We started the ESE/DMR when my daughter was 8 years old....We knew that she could learn if taught properly but it was too much to do by ourselves. Thanks to the Project she has been able to learn so much and still be at home with us. Toilet training took 14 years but it will serve her well in her adult years. She is comfortable in the community and participates in a sports club, church and numerous other activities. She communicates well through pictures. Our family which includes her older brother has been able to raise her and enjoy her while meeting our other family needs with the help of the school and home teams. ...Thank you for this wonderful life giving program.”

2. Given the continued success of the Project and the intensive support that it offers families as well as improved collaboration with local school districts, the demand for participation continues to increase beyond the available funding resources of the Project. The Project supports are most effective when they are provided in a timely manner. The longer an applicant waits for available funding; the Project’s ability to effectively support the individual in his or her home and community is minimized. In FY08 there were 13 pending applicants who withdrew for a residential educational placement. At this time, the anticipated wait time before funding is available to support a pending applicant is 3.5 years. Based on the criteria for Project participation, Project applicants require an intensive level of supports across all settings. As one can appreciate, the stress level for these families is enormous. In order to avoid a more costly and restrictive out of home residential school placement, it is important that there be sufficient resources readily available in order to effectively support Project applications within a reasonable time frame.
3. The high rate of autism is also evident by the number of Project participants who are identified as having Autism Spectrum Disorder (ASD). Children with ASD require a high level of intensive and coordinated supports across all spectrums of special education, home and community. To insure consistency and understanding of the appropriate support needs for these children across the spectrum of home, school and community, it is suggested there be a coordinated discussion with regards to the appropriate service models that can best meet the extensive needs of children with ASD and their families.
4. In order to assist the DMR area coordinator to determine when a potential applicant is an appropriate candidate for the Project and that all other support services have been accessed, A Pre-Application Screening tool has been developed.