The State Auditor's Report on Special Education in Massachusetts

CHAPTER 766

of the Acts of 1972

March 1991

Office of the State Auditor
Division of Local Mandates
A. Joseph DeNucci, Auditor

The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

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March 27, 1991

His Excellency William F. Weld, Governor
The Honorable William M. Bulger, President of the Senate
The Honorable Charles F. Flaherty, Speaker of the House of Representatives
The Honorable Mark Roosevelt, Chairman of the Joint Committee on Education
The Honorable Thomas Birmingham, Chairman of the Joint Committee on Education
Honorable Members of the General Court

I am pleased to submit this review of Chapter 766 of the Acts of 1972, the Commonwealth's Special Education Law. This study was undertaken in accordance with Chapter 126 of the Acts of 1984, which permits the State Auditor's Division of Local Mandates to periodically review state laws or regulations that have a significant financial impact on cities and towns.

The importance of the Special Education Law in guaranteeing equal educational opportunity for special needs students is a major reason I chose Chapter 766 for this comprehensive review. Other reasons include the significant increase in program costs, especially over the last five years, and the growing tendency to place special needs children in settings outside the regular classroom, often in separate schools, contrary to the intent of state and federal mandates.

This report includes historical information about growth trends in enrollment and program costs. In addition, it addresses issues such as the Department of Education's role in monitoring special education, mainstreaming, out-of-district placements, rate setting, private school tuitions, and transportation. Finally, the report presents programmatic and financial recommendations for your consideration.

I want to thank the many state and local officials, educators, and advocates who participated in surveys and interviews, or in other ways contributed to this study. I hope the information in this report will be helpful to your efforts to improve the quality of education for all students, especially in this time of fiscal constraints.

If you have any questions or need any additional information regarding this report, please contact Attorney Emily Cousens, Project Supervisor, at 727-0980. I look forward to continuing to work with you on this and other issues affecting the quality of state government and the services that the Commonwealth provides to its citizens.

Sincerely,

A. JOSEPH DeNUCCI
Auditor of the Commonwealth

Executive Summary

One of the most important and far-reaching actions ever taken by the Massachusetts Legislature in the field of education was the enactment of Chapter 766 of the Acts of 1972, our special education law. Since its inception, Chapter 766 has been successful in providing greater educational opportunities for more than two million special needs children in Massachusetts.

In recent years, educators, legislators, municipal officials, parents, and other interested parties have become increasingly concerned about the growth and fiscal burden of special education programs in the public schools throughout the Commonwealth. Public education survived the 1980s and the restrictions of Proposition 2 1/2 primarily because of three major factors:

- significantly increased state funding of local services,
- strong economic development that enhanced the local tax base, and
- declining school enrollment.

Now, however, we are experiencing cutbacks in state and federal aid, an economic downturn, and a public school population that is projected to increase by nearly 7% over the next five years. These factors threaten to create a crisis in public education and necessitate a reassessment and modification of the system for the funding and delivery of educational services, including special education.

This study focuses on the historical progression of special education in Massachusetts, including growth trends in enrollment and program costs. It also offers recommendations, both programmatic and financial, for the consideration of legislative and educational leaders. Our report presumes the importance and necessity of special education services while also recognizing that changes and improvements can be made in the delivery of these services so that special education programs will be more effective and less open to charges that they contribute to our inability to adequately fund regular education programs.

Chapter 766 was enacted to provide all special needs children with an opportunity to receive a free and appropriate education in the least restrictive environment. It sought to maximize the individual development of each child identified as having special needs and to reduce the stigmatizing effects of labeling and isolating special needs pupils. Although special education has provided increased educational opportunities for many special needs children in Massachusetts since the inception of Chapter 766, the growth of special education in terms of increased enrollment and significantly escalating costs, coupled with the pattern of placing more children in programs outside the regular classroom, all signal that we should re-evaluate how these services are provided.

While statewide public school enrollment declined from 1,011,933 students in school year 1980 to 836,189 in 1989, a 17.4% decrease, special education enrollment has grown over the

same period from 135,739 to 143,373 students, an increase of 5.6%. As of October 1, 1990, special education enrollment (pupils ages 3-21) as compared to our total public school enrollment was 17.1%.

The cost of providing special education services has risen dramatically and far outpaced inflation. In school year 1979-1980, total spending was $266.9 million, compared with $739.5 million in 1988-89, a 177% increase over 10 years. More revealing is the 90% increase in program costs over just the last five years. Total spending almost doubled, from $389.2 million to $739.5 million, an increase of $350.3 million.

Of even more concern is the trend of placing more and more children in separate educational settings totally outside the regular classroom. This trend is extremely costly and, more importantly, contradicts Chapter 766 objectives by stigmatizing students through segregation from their peers and from regular school activities. During the last 10 years, there has been a 28% increase in the number of special education students placed in substantially or completely separate classrooms.

There are many reasons, some of which are positive, for the growth of special education in Massachusetts. Chapter 766 goes beyond federal law and federal standards by requiring that special education programs both meet the needs of, and maximize the capabilities of, the special needs child. We have also become better at more precisely identifying special needs. Furthermore, we have strong parental involvement and active advocacy groups that participate in the decision-making process, especially in matters relating to a child's individualized education plan (IEP).

Other, less desirable reasons for the growth of special education have been the inability of regular education programs to meet the needs of special education students because of a lack of necessary supportive services within increasingly larger classrooms; the dramatic cost increases caused by specialized, individualized service delivery; and the evolution of a separate, segregated educational system in which many students with emotional difficulties are being placed.

Recommendations

The most significant overall recommendation contained in this report calls for a major restructuring of how we deliver special education services. Steps must be taken to provide equal education to special needs children within the regular school setting to the maximum extent possible. To do so, regular education programs, which have suffered dramatic cutbacks over the last decade, must be revitalized. Major initiatives to accomplish this goal include modifications in teacher certification and training; restoration of regular classroom support services, including teachers' aides, remedial programs, and counseling services; incentives and rewards for excellence particularly in mainstreaming; increased

prereferral intervention; and strong leadership, support, and commitment from state officials.

Our recommendations should not be construed as providing the overall solution to the challenge of delivering the best, most effective education possible for students with special needs given current funding constraints. This challenge is more aptly left to legislators, administrators, teachers, and parents, all of whom, hopefully, will use this report to help formulate the needed changes to protect and to provide equal educational opportunities for our most vulnerable children.

What follows highlights our specific recommendations. Detailed analyses and discussions are included in the body of this report.

The Office of the State Auditor (OSA) recommends the following:

Mainstreaming

The OSA recommends that steps be taken to develop a plan to adequately integrate more special needs students into the regular classroom. At the same time, regular education programs and teachers must be supported to meet the needs of all students. Specifically,

1. In consultation with school administrators, teachers, and parents, the Department of Education (DOE) should develop a Statewide Mainstreaming Plan, setting specific integration goals and target dates for its achievement and establishing strategies to accomplish these goals.
2. To better prepare all teachers to work with more mainstreamed special needs students, DOE should consider combining teacher certification standards for regular classroom teachers with those for teachers of students with mild and moderate special needs. Such consideration should also include a review of certification standards for school administrators to determine whether specific requirements for knowledge in special education and in management of integrated personnel and classrooms would aid in achieving the Mainstreaming Plan goals.
3. The Legislature and the Governor should consider restoration of state funding for grants to conduct in-service teacher training and professional development activities for currently certified teachers, while DOE should develop specific goals and priorities in the dissemination of these funds to aid school districts. Grant awards should be prioritized for initiatives to promote educating special needs pupils in the regular classroom.
4. To improve the capacity of regular education programs to serve more mainstreamed students, local governing bodies should reinvest financial resources realized through the use of more integrated, less costly special education programming; resources should be re-allocated in a manner that fulfills specific local needs, e.g., hiring teach-

ers' aides, bolstering remedial programs, counseling.

5. DOE should amend regulations governing special education to emphasize the importance of prereferral intervention. Amendments should explicitly require school systems to inform parents of their right to, and the benefits of, prereferral programming in the regular classroom. In addition, amendments should clearly state the duty of the regular classroom teacher to seek assistance and approval from appropriate school administrators prior to making referrals.
6. The Legislature and the Governor should renew their commitment to funding key regular-education support and remedial programs.
7. DOE should collect additional data from school districts to more precisely identify the number of special education pupils served, types of programs locally available, and the number of pupils served in different types of settings, e.g., collaboratives. This and other data should be better used to learn more about the nature of our special education population for the purposes of planning teacher training programs and identifying new opportunities for school district collaboration. Also, DOE should use data to more aggressively monitor school district placement patterns and to identify districts needing technical assistance in mainstreaming program development.
8. DOE should set aside a portion of its discretionary funding under the federal Education of the Handicapped Act (EHA) for state-level program evaluation, development, and planning activities.
9. DOE should apply for available federal assistance through the State/Federal Evaluation Studies Program and conduct a study to identify opportunities and to develop strategies for assisting regular education programs to meet Mainstreaming Plan goals. Such a study should be action-oriented and geared toward achieving results. We recommend that the Legislature and Governor approve funding for the state's share of the costs to conduct this study.

Financial

The OSA recommends that third party insurance reimbursement opportunities be taken advantage of and that certain legislative changes in funding responsibility be made to help stabilize special education budgets in individual school districts. Specifically,

1. School districts, with leadership and support from the Department of Education (DOE), should more aggressively pursue third party reimbursement, including Medicaid, for related services provided as part of a child's special education program. A pilot program should be developed in several school districts to gain the experience necessary for statewide implementation. We estimate that this reimburse-

ment could be $40 to $50 million per year, system-wide, and we recommend that it be returned directly to school districts to support educational programs.

2. To help stabilize local special education budgets, Chapter 71B of the General Laws should be amended to require the original school district to pay the entire school year's financial obligation for a private day school placement when a child moves to a different school district during the school year. A similar measure for residential placements was enacted last year.
3. The state should increase its cost-sharing proportion of residential placements from 60% to 70%, which more accurately represents the non-educational cost of such placements. At the same time that the state assumes more fiscal responsibility, DOE should be more directly involved in these initial placement decisions and re-evaluations.

Educational Collaboratives

The growth of collaboratives in providing educational programs for special needs students dictates that more attention be focused on utilization and review of these programs. Specifically,

1. DOE should require each collaborative that it approves to submit a five-year program space plan and, thereafter, work with collaboratives to ensure that programs are located in age-appropriate, public school facilities.
2. DOE should conduct a comprehensive statewide analysis of the services that are being offered by collaboratives, focusing on the structure, personnel, and cost benefits of each program, and then both disseminate the information and provide technical assistance to cities and towns interested in collaborating on such services.

Private School Tuitions

The cost of private school placements has increased significantly over the past several years, representing 22% of total special education expenditures for 3.5% of all special needs pupils in 1989. Rate stability and reasonableness must be addressed. As the Commonwealth prepares to develop a new rate structure through the newly created Division of Purchased Services (DPS), several issues should be considered. Specifically,

1. Before fiscal year 1992, when DPS will be implementing a pilot program of component pricing on a limited basis, the fiscal effect of the system should be estimated. The results would provide a projection of the system's general fiscal effect and a means to measure the specific impact of each component.
2. DPS's Bureau of Data Base Management should construct and maintain a comprehensive, automated data base, including, but not limited to, all annual program prices, component prices, and program enrollment. The data base would

serve as a central depository for all annual rates and related data so that information for establishing annual rates and conducting studies, trend analyses, and reviews would be readily available.

3. Annual program-price forecasts should be projected for a minimum of a three-year period to facilitate budgetary and appropriation considerations, to identify variations in expected and actual price levels, and to provide a mechanism for evaluating the effects of anticipated changes in methodology.
4. School districts and state agencies should be notified of any excessive rate payments resulting from retroactive rate decreases. A uniform excess-revenue retrieval system should be developed and codified in the regulations for the state and local governments to collect excess revenue from providers.
5. DPS should develop a legal mechanism that would ensure that the Commonwealth and municipalities retain interest in all capital items purchased with public funds. This right should be stipulated in contracts or as a condition for program approval. DPS should maintain inventories of capital assets from the time of their acquisition to their disposal.

Many of the issues and concerns discussed in this report relative to both special education and public education in general are beyond the boundries of individual school districts and require that DOE play a leadership role.

It is clear that many of our recommendations require DOE to assume an aggressive, affirmative role in policy and planning initiatives as well as providing guidance, support, and technical assistance to local school districts. To successfully accomplish these tasks, DOE must be given the resources necessary to do so.

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Office of the State Auditor
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The State Auditor's Report on Special Education in Massachusetts

Introduction

The Office of the State Auditor's Division of Local Mandates (DLM) has conducted a study of the laws and regulations governing special education in Massachusetts. The Massachusetts Special Education Law was enacted in 1972. Since then, special education has grown significantly so that Massachusetts now has the highest percentage of public school students enrolled in special education programs of any state in the nation. During the first year of Chapter 766's implementation in 1974, nearly 79,500 students received special education services in Massachusetts, representing 6.7% of the entire public school enrollment. As of October 1, 1989, 143,373 students, ages 3-21, received special education services, representing 17.1% of the public school enrollment. By 1989 special education program spending amounted to $739 million, statewide.

While Massachusetts has come to the forefront and is recognized as a leader in the delivery of special education services, these statistics, along with local budgetary pressures, have raised significant concerns among parents, educators, government officials, and the general public. The likelihood that school budgets will not be increasing significantly during the next few years, coupled with projected increases in public school enrollment for the first time in over a decade, means there will be limited resources available to educate more students. For the benefit of special needs and regular program students alike, it is imperative that the way we deliver these services be reviewed.

Our study was conducted under Chapter 126 of the Acts of 1984, which authorizes and directs the State Auditor to review existing state laws and regulations having a significant financial impact on cities and towns.

Objectives, Scope, and Methodology

The overall goal of this study was to discover whether it is possible to control the cost of special education to local governments--without sacrificing the quality and scope of the school experience for pupils with special needs. To focus our work, we reviewed various reports on special education and conducted pre-study interviews with an array of individuals concerned with special education. This pre-study investigation identified particular aspects of special education that would most likely lead to opportunities for improvement. Accordingly, we targeted areas such as student placement patterns, cost trends and program growth, the role of educational collaboratives, private school tuitions, related-service cost reimbursement opportunities, and the responsibility of state agencies to ensure program success.

To meet these objectives, we

- Reviewed and analyzed program enrollment and cost data (provided by the Massachusetts Department of Education) on both special and regular education;

- Surveyed all 282 local school superintendents and all 36 educational collaborative directors to collect additional data on their specific programs and to obtain observations and recommendations concerning better utilization of resources (in many cases special education directors responded for school superintendents);
- Discussed factors that affect Chapter 766 service delivery and costs with school superintendents, collaborative directors, special education directors, advocacy groups, provider organization personnel, and state and local officials;
- Conducted limited reviews of the Department of Education and the Rate Setting Commission;
- Conducted on-site visits and limited reviews of 10 school districts, 12 educational collaboratives, and 3 private schools to collect additional data and gain a firsthand knowledge of program operations;
- Reviewed and compared federal and Massachusetts special education laws; and
- Reviewed certain data on special education programs in several other states.

Of the 282 surveys distributed to local school superintendents, 176 were completed and returned to us, for a response rate of 62.4%. We received 24 completed surveys of the 36 distributed to educational collaboratives, for a response rate of 66.6%.

Glossary of Terms

There is a specialized vocabulary used in our discussion of special education that is critical to understanding the information and analysis in this report:

Screening

This initial process is designed to see whether children need further tests that would determine if there is a likelihood of special needs.

Referral

The next step is to request a special education evaluation. Children ages 3-21 may be referred at any time during the school year for an evaluation. A request may be made by, among others, a teacher or parent.

Evaluation

This process may include an educational assessment and history, a psychological assessment, a description of classroom performance, a medical examination, and a family history.

Needs Assessment

After individual assessments are completed, an evaluation TEAM meets to discuss findings and to write an Individual Education Plan (IEP) for the child. This IEP includes a profile of the child's performance level, goals and specific objectives for the next year, suggested teaching approach, types and amount of services necessary, and how progress will be measured.

Reassessment

Students routinely receive an annual review with a reevaluation taking place every three years; at that time, services may be continued, changed, or deemed no longer necessary.

Programs and Prototypes

The amount of time a student spends in a special education program will vary depending on the type of program developed in a child's individualized education plan (IEP). Special needs programs are classified into eight "prototypes," defined by the amount of time a child spends outside the regular classroom, as follows:*

Prototype 502.1

A regular classroom program but slightly changed with the addition of special services. For example: changing the classroom seating so that it is easier for a child with a hearing loss to lipread or arranging for a specialist to provide support and training for the child's classroom teacher.

Prototype 502.2

A regular classroom program with up to 25% of the time in specialized services. For example: a child spends 2-3 hours per week with a speech therapist.

Prototype 502.3

A regular classroom program with up to 60% of the time spent in specialized services. For example: a child needing small group instruction that includes a great deal of individual attention.

Prototype 502.4

A special class inside a regular public school that is a small group composed of other young people with similar special needs.

Prototype 502.4I

A special class in a facility outside a regular public school that is a small group composed of other young people with similar special needs.

Prototype 502.5

A private day school program held in a building separate from the regular school. For example: a school that specializes in programs for children with severe emotional needs.

Prototype 502.6

A private residential program that requires the child to live at a separate school.

Prototype 502.7

A home or hospital program, if the child is at home or in the hospital for 14 days or more and if the child's doctor recommends it.

Prototype 502.8

A preschool program for 3- and 4-year-olds.

Related Services

Any number of special services are provided to special education students in addition to those obtained through classroom instruction. They include a wide array of related services, such as occupational therapy, physical therapy, speech/language pathology, psychological and psychiatric counseling,

* From *A Guide to Chapter 766 Special Education Services for Children and Youth*, published by the Massachusetts Department of Education.

social work, special transportation, guidance and counseling, school health, and vocational services.

Full-Time Equivalent (FTE)

Since most of the special education students spend only a portion of their time directly involved in special education, it is necessary for purposes of comparison to determine the number of Full-Time Equivalent (FTE) students in the population. FTE takes into account the number of hours a student spends in a program and the number of days during the week the student is in the program. For example, a student who is in special education for 25% of the school week and in regular classrooms 75% of the school week would be counted as a special education FTE of .25 and as a regular education FTE of .75.

Public Law 94-142

The federal special education law, now known as the Individuals with Disabilities Education Act (IDEA). It was formerly known as the Education for All Handicapped Children Act (EHA) of 1975. The law applies to all children between ages 3 and 21 with disabilities.

School district

A city, town, regional school district, or independent vocational school administered by an elected school committee or by district trustees appointed by school committees.

Educational collaborative

Chapter 40, Section 4E, of the Massachusetts General Laws provides that two or more school districts may form a collaborative to provide services that would be less economical to offer in one community alone. Neither state agencies nor municipal agencies, collaboratives are organizations formed primarily for cost-saving reasons. Seventy-five percent of the school districts in Massachusetts participate in collaborative programs/services.

IEP

An individualized education plan, developed for each child identified as needing special education or related services by the evaluation TEAM. It is a written statement of the student's annual goals and short-term instructional objectives based on present levels of performance, program services and resources needed to meet the goals and objectives, dates for beginning the program and duration of the services, and criteria for achievement levels and evaluation procedures.

TEAM

A multidisciplinary group of persons including a pupil's parent(s) and at least one teacher or other specialist with knowledge in the area of the suspected disability to evaluate children and develop IEPs.

CMR

Code of Massachusetts Regulations

Free appropriate public education

Special education and the related services are provided at public expense in the least restrictive environment under public supervision and direction. The services are without charge to parents,

except for the incidental fees that are normally charged to non-special needs students or their parents as part of the regular educational program, and must meet the standards of the state and include preschool, elementary, or secondary school education in conformity with an IEP.

Least restrictive environment (LRE)
An educational setting in which a special needs child, to the maximum extent appropriate, can be educated in an environment that is as much like the regular classroom as possible. Ideally, this setting should be near the child's home and with non-special needs students.

Mainstreaming
The process of bringing special needs children into daily contact with non-special needs children whenever possible in an educational setting, usually by placement in the regular education classroom.*

Learning disability (LD)
A developmental disorder covering a multitude of problems that manifests itself by a discrepancy between ability and academic achievement. Learning disabilities cannot be remediated through normal instructional methods and do not arise from mental retardation, emotional problems, or lack of opportunity to learn.*

Maximum feasible benefit
Language within Chapter 766 that affords children with special needs the right to an education that provides the maximum benefit possible.

SPED
Special education.

*From Educating Exceptional Children, Sixth Edition, by Samuel A. Kirk and James J. Gallagher, published by Houghton Mifflin Company, 1989.

An Overview of State and Federal Special Education Laws

This section of the report discusses the history of the Massachusetts Special Education Law; compares it with federal Public Law 94-142, the Individuals with Disabilities Education Act (IDEA), formerly known as the Education of the Handicapped Act (EHA); and provides an overview of the Department of Education's role in the implementation of special education programs.

Purpose of Chapter 766

Considered as one of the most significant legislative achievements in the history of Massachusetts education law, Chapter 766 of the Acts of 1972 established what is now known as the Special Education Law. This comprehensive law established procedures for recognizing and serving special needs students. It sought to abolish such prior practices as quarantining disabled children in remote institutions and established instead a clear preference for "mainstreaming," or integrating, such children into the regular school environment to the maximum extent appropriate.

In the nature of civil rights legislation, the preamble to Chapter 766 states that the law was adopted to remedy a situation in which the quality of and access to public education for disabled children varied greatly throughout the Commonwealth. The stated purposes of this act are:

- "to provide for a flexible and uniform system of special education program opportunities for all children requiring special education";
- "to provide a flexible and non-discriminatory system for identifying and evaluating the individual needs of children requiring special education";
- to require evaluation of the needs of the child and the child's program prior to special education placement and periodically thereafter; and
- "to prevent denials of equal educational opportunity on the basis of national origin, sex, economic status, race, religion, and physical or mental handicap in the provision of differential education services."

The bulk of Chapter 766 was codified as Chapter 71B of the Massachusetts General Laws. This chapter defines terms and directs the Department of Education "in cooperation with the Departments of Mental Health, Public Health and Welfare" to promulgate regulations regarding programs for children with special needs.

A special needs child is defined as *a school age child who, because of temporary or more permanent adjustment difficulties or attributes arising from intellectual, sensory, emotional, or physical factors, cerebral dysfunctions, perceptual factors, or other specific learning disabilities or any combination thereof, is unable to progress effectively in a regular school pro-*

gram and requires special classes, instruction periods, or other special education services in order to successfully develop his individual education potential.

The statute requires school committees to identify those children with disabilities residing within their district; to diagnose and evaluate the needs of such children; and to propose and provide, or arrange for provision of, special education programs to meet those needs. Children may be referred for evaluation by any of a number of specified individuals, including their parents or guardians, who are allowed to participate in the process and are informed of the diagnosis. A special needs evaluation may require an assessment of the child's educational status by a TEAM that includes teachers who have dealt with the child, a physician, a psychologist, a social worker or a guidance counselor familiar with the home situation, a representative of the local school department, and any other specialists needed.

After an assessment has been completed, the members of the evaluation TEAM, with the full participation of parents, meet to prepare the child's individual educational program (IEP). The program is tailored to the specific needs of the child and is designed to benefit the child to the "maximum extent feasible." If appropriate, an IEP should include recommendations for medical or psychological treatment, family guidance or counseling services, and social services for the parent or guardian if such services are related to the child's special needs. Private placement is authorized only when the appropriate special education program is not available within the public school system. Thus, "no child [should be] assigned to a special education class unless it is first determined by an evaluation of the child's needs and the particular special education program that the child is likely to benefit from the program."

At least once a year after placement, the child and the program are reevaluated. Should the reevaluation of the special education program indicate that the program did not "benefit the child to the maximum extent feasible," the child is to be reassigned. Regional and State Advisory Committees (RAC, SAC) were created to increase parental and lay involvement in overseeing, evaluating, and operating special education programs.

In addition, Chapter 766 amended Chapter 15 of the General Laws to strengthen and regionalize the Division of Special Education within the Department of Education (DOE). Given several new responsibilities, DOE was charged with taking all steps necessary to ensure that state and local expenditures for special education provide the "maximum feasible benefit" to every child receiving or requiring special education. Further, DOE was specifically directed to aid school districts in the development and implementation of special education programs.

Original Funding Intent

With the enactment of Chapter 766, the then-existing formula for distribution of state aid for special education programs was amended to encourage cities, towns, and regional school districts to develop adequate special education programs.

Chapter 766 provided that the "cost of instruction, training and support, including the cost of special education personnel, materials and equipment, tuition, transportation, rent and consultant services, of the children in special classes, instruction periods or other programs" was to be reimbursed by the Commonwealth out of the general fund. The reimbursement was designed to compensate, within certain limits, school districts for the costs incurred in teaching special needs pupils beyond those for teaching regular education students.

The reimbursement was to be in an amount equal to the difference between the average special education per-pupil expenditure and the average regular education per-pupil expenditure of the city, town, or school district for the education of children of comparable ages. The per-student amount of such reimbursement, however, was not to exceed 110% of the applicable state average excess cost. Cities and towns were also to be reimbursed for half the transportation costs of children who attended clinical nursery schools under certain conditions. Reimbursements were to be made directly to the school committee without further appropriation and were to be earmarked for special education purposes only.

Subsequent Amendments

Although its substantive portions, which define children with special needs and codify the concept that children are entitled to individualized educational programs designed to maximize their potential, have not been altered, the statute has been amended on numerous occasions.

- In 1975, Chapter 375 provided that reimbursements should be made to the city or town treasurer and not to the school committee.
- In 1977, Chapter 383 provided that the determination of the applicable state average expenditure for each pupil should be made based on the amount of time a student spends outside of his/her regular education classroom. The reasonableness of the expenditures and the fact that they were made were to be certified by the Department of Education.
- In 1978, Chapter 367 repealed the prior "excess cost" reimbursement formula and provided that special education costs were reimbursable under a revised M.G.L. Chapter 70 school aid formula that factored in the relative local taxing ability or ability to finance school programs. Also, Chapter 552 was enacted, which created a Department of Social Services and made technical con-

forming amendments to M.G.L. Chapter 71B.

- In 1981, Chapter 351 added Section 5A to M.G.L. Chapter 71B, which obligated the Commonwealth to pay up to 60% of the cost of a residential placement.
- In 1982, Chapter 314 provided that (under certain conditions) school committees may access a student's Medicaid or private insurance benefits to pay specific related services required by the student's IEP. Also enacted was Chapter 357. This amended Chapter 71B of the General Laws by adding Section 15, which provided that when a mentally disabled person receives special education in a public school, the school must notify the Department of Mental Health (one year prior to graduation or when the person attains the age of 22) of the expected completion of the person's special education program, to aid in planning a transition program.
- In 1983, Chapter 688 created a Bureau of Transitional Planning to review and approve transitional plans for disabled persons whose right to special education had been or was about to be terminated. Provisions dealing with the eligibility of individuals who had been receiving special education for rehabilitative services upon graduating high school or attaining the age of 22, whichever occurred first, also were enacted. Section 15 of Chapter 71B was repealed.
- In 1986, Chapter 599 reorganized the management of the Department of Mental Health. It established the Department of Mental Retardation and added conforming amendments to Chapter 71B. Transportation costs of a mentally disabled child or adult attending certain institutions or facilities were to be assumed by the Department of Mental Retardation.
- In 1989, Chapter 653 amended Chapter 71B by adding the words "least restrictive environment" to the requirement that regulations be promulgated defining special needs to ensure "the maximum possible development in the least restrictive environment of a child with special needs." The act also required that a special needs child be reassigned if an evaluation of his/her special education program determines that it does not benefit him/her to the "maximum extent feasible" in the "least restrictive environment."

Chapter 653 further amended Chapter 71B by providing that if a child with special needs has been placed in a residential program and the child's parent or guardian moves to a different district after September first, the school committee of the former community shall pay all approved costs for the balance of the fiscal year. The new community shall monitor, review, and reevaluate the student's progress and is responsible for any increased costs resulting therefrom.

Comparison of Chapter 766 and Federal Public Law 94-142

In 1975, PL 94-142, the federal Education of the Handicapped Act (EHA), now known as the Individuals with Disabilities Education Act (IDEA), was enacted. To qualify for federal financial assistance under IDEA, a state must demonstrate that it "has in effect a policy that assures all handicapped children the right to a free appropriate public education." States are required to file annual plans with the U.S. Department of Education describing how they intend to fulfill the requirements of the IDEA.

Chapter 766 and IDEA are similar in their approach to the education of disabled children or children in need of special education. Both require education by public schools without charge through an individualized educational program (IEP) that provides the necessary ancillary or related services. The IEP is to be periodically reviewed and, if appropriate, revised. Both statutes require mainstreaming when possible; allow parents or guardians to actively participate in the formulation of the IEP; and permit a challenge of the IEP, both procedurally and substantively, in due process hearings in the state and federal courts.

However, federal law states that "the term 'handicapped children' means mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired children, or children with specific learning disabilities, who by reason thereof require special education and related services." 1990 amendments added autism and traumatic brain injury to this definition. The enumerated impairments are specifically defined. The definition does not include children who are socially maladjusted, unless it is determined that they are seriously emotionally disturbed. Thus, IDEA relies on delineations of specific disabilities for its definition of handicapped children. In contrast, in Chapter 766 the definition of a "child in need of special education" is non-categorical and, consequently, broader.

The most significant distinction between Chapter 766 and IDEA is in the level of education that each law mandates. IDEA requires a free appropriate public education that consists of "educational instruction by such services as are necessary to permit the child to benefit from the instruction." It also requires that "such instruction and services be at public expense and under public supervision, meet the State's educational standards, approximate the grade levels used in the State's regular education and comport with the child's IEP." The test applied is whether a program is reasonably calculated to enable the child to receive educational benefits. The U.S. Supreme Court opined that the purpose of IDEA was to make public education available to disabled

children but not to "impose upon the states any greater substantive burden than is necessary to make public education meaningful .... The intent of the act was more to open the door to public education on appropriate terms than to guarantee any particular level of education once inside." See *Board of Education v. Rowley* 458 U.S. 176, 192, 102 S.CT. 3034,3043 (1982).

Chapter 766, on the other hand, requires that special education programs meet the needs and maximize the capabilities of a disabled child, and that the IEP be structured so as to provide the child with the "maximum feasible benefit" in the "least restrictive environment" consistent with that goal. See *David D. v. Dartmouth School Committee* 775 F2d 411, 413 (1985).

Parents are entitled to an independent evaluation at public expense under both federal and state law. A parent's request for a second evaluation, however, shall be at private expense under federal law if the public agency initiates a hearing and a determination is made that the public agency's evaluation is appropriate. The state's requirement for the IEP is somewhat more detailed than that required by federal law, and the multidisciplinary TEAM that writes, reviews, and revises the IEP (with parental input) has more members under state law than required by IDEA.

Additionally, state law requires that a child's progress be reviewed 10 months after initial placement, and at least annually thereafter, and that a new or amended IEP must be written by the review TEAM at that time. Federal law requires a review at least once a year, but a new IEP need be written only if appropriate.

There are other differences between the two statutes. The federal standards are the minimum. To the extent that state standards are consistent with, but more exacting than, those set by EHA, they are incorporated into the federal law and enforceable in the federal courts. Any state or local educational agency that receives federal funds must not only provide a free appropriate public education, but must also follow the federal act's procedural requirements.

The Department of Education

The Department of Education (DOE), in general, is responsible for monitoring compliance with both state and federal laws. It approves applications for and distributes federal funds to local and intermediate educational agencies. It has the power to withhold funds from noncomplying school districts. Also, DOE, through the promulgation of regulations in conjunction with other specified state agencies (the Departments of Mental Health, Mental Retardation, Public Health, and Social Services), is given considerable latitude in establishing the methods by which the legislative goals and objectives are to be realized. It establishes detailed criteria that effectively set policy for local educational agencies.

Among other things, these regulations cover the procedures to be followed in the identification, referral, and evaluation of children with special needs; the types and scope of special education programs and ancillary services; class sizes; appeal procedures; and details concerning transportation of children with special needs.

The Department is also responsible for adjudicating, in the first instance through the Bureau of Special Education Appeals, disputes between local educational agencies and a special education student or the student's parents. The interpretation given the statute and the decisions rendered by the Bureau establish guidelines that influence the policies and procedures adopted by local educational agencies.

The extensive influence that the Department exercises through its rulemaking powers and through the Bureau of Special Education Appeals can best be illustrated by the effect of changes made by DOE in both its regulations and hearing standards subsequent to the case of *David D. v. Dartmouth School Committee.*

In *David D.*, suit was brought under IDEA challenging the Town of Dartmouth's proposed individualized education program for David D., a special needs child. In ruling for the plaintiff, the court noted that the Massachusetts Supreme Judicial Court had interpreted M.G.L. Chapter 71B as requiring the Department of Education to administer special education programs so as to assure the "maximum possible development" of a child with special needs. As both PL 94-142 and Chapter 766 require that education be provided in the "least restrictive environment," the issue was "whether Dartmouth's IEP sufficiently addressed the plaintiff's special educational needs to assure his maximum possible development in the least restrictive environment consistent with that goal."

In response to *David D.*, the DOE in 1986 added to its regulations new language specifically requiring school committees to provide special education services that "assure the maximum possible development of children with special needs" and provided that such

children "to the maximum extent possible are [to be] educated with children without special needs."

Moreover, the standard by which the Bureau of Special Education Appeals determined matters brought to its attention changed. Prior to *David D.*, the Bureau inquired as to whether the challenged program provided the student with the "least restrictive" special education classes adequate and appropriate to meet his/her educational needs. After *David D.*, the Bureau inquired as to whether the challenged program provided the student with special education classes that ensured his/her "maximum possible development" in the "least restrictive environment."

Although *David D.* did no more than articulate existing Massachusetts law with respect to "maximum feasible benefit," the change in the regulations and hearing standards that it triggered had the practical effect of tightening special education standards and increasing the obligations of school committees.

Federal and State Funding for Special Education

This section provides an overview of the major sources of funding for special education programs in Massachusetts and discusses the implications of certain funding trends. In the early and mid-eighties, the state dramatically increased local aid to cities and towns to help them deal with budget constraints brought on by Proposition 2 1/2. However, during Massachusetts's "boom years," the income surtax was removed and a "tax cap" was placed on the state's revenue-raising power. Thus, when our economy stalled, it became increasingly difficult for the state to sufficiently support cities and towns, a problem that is likely to continue for some time.

Moreover, the 1980s saw little progress toward the federal government's original commitment to special education, a trend that shows no sign of abating. When Congress enacted the federal special education law, the proposed funding level called for a 40% commitment after 5 years; however, according to the U.S. Department of Education, this level of support is about 6% of local special education expenditures nationwide. According to the Massachusetts DOE, our 1989 grant exceeded just $43 million, 5.8% of our $739.5 million expenditures.

Three main sources of special education program funding are federal grants, state aid, and local budgets. Federal funds are received through special grants and entitlements, while state funding is provided through direct local aid (Cherry Sheet) and other grant and reimbursement programs.

Federal Funding

To assist states and local education agencies (LEAs), the federal government provides financial assistance through formula and discretionary grant programs that support the delivery of services to disabled children. The two major sources of federal financial assistance are Public Law (PL) 94-142, the Individuals with Disabilities Education Act (IDEA), and PL 89-313, Chapter 1 of the Education Consolidation and Implementation Act.

PL 94-142 funds are designated to supplement state and local special education expenditures and are distributed each year to all states according to the total number of disabled students reported by each state. States are required to distribute at least 75% of entitlements to school districts; however, the Massachusetts Department of Education distributes approximately 90% to school districts, based on special education headcount, and retains the remainder of grant funds for administration and support services to school districts.

PL 89-313 funds are provided to assist in educating children with disabilities in state-operated or -supported schools and to school districts serving disabled children who have transferred from state programs. Funds are distributed to each state according to a special education headcount and per-pupil expenditure. Individual school district entitlements are provided as an incentive to develop community-based programs and are based on the number

of children who were previously in state programs.

Table 2.1 provides a summary of PL 94-142 and PL 89-313 distributions for the last five available fiscal years.

State Funding

The Commonwealth provides the vast majority of its funding support for special education programs through the Chapter 70 local aid formula, reimbursement for a portion of transportation costs, and direct contributions to private residential schools for up to 60% of student tuition costs.

By far the largest state financial contribution to local education budgets is Chapter 70 funding, which is contained in the local aid formula and distributed via the Cherry Sheet. The basis for calculating Chapter 70 state assistance for special education has changed over the years: from a reimbursement formula driven by the difference between regular and special needs per-pupil expenditures to a formula that considered a community's economic condition as well as the number and types of students served. Each school district received four times as much for a Full-Time Equivalent (FTE) special needs student as for a regular day student.

In 1984 a needs-based formula was developed and has since been used to distribute direct local aid. This distribution formula is designed to assist communities whose ability to raise own-source revenues is low and whose uncontrollable costs are higher than the statewide average. Factors such as student population, poverty and employment levels, and other demographics along with local revenue-raising capacity contribute to the determination of new state aid levels.

Once a level of state aid is determined for each city and town, it is allocated between two municipal direct assistance accounts, Additional Assistance and Chapter 70, and is done so based on the relative impact of school and non-school expenditures on municipal budgets. Because local aid is not earmarked, this allocation is intended to differentiate between aid intended for school and non-school programs.

Table 2.1

Schedule of Funds Drawn under PL 94-142 and PL 89-313

Fiscal Years 1985 - 1989

	PL 94-142				PL 89-313
Fiscal Year	Distributed to Local Education Agencies	Direct and Support Services	Administration	Total	Total
1985*	94.9%	0	5.1%		
	$30,624,528		$1,645,843	$32,270,371	$9,597,602
1986	91.2%	3.7%	5.1%		
	$29,972,047	$1,202,606	$1,677,187	$32,851,840	$10,036,381
1987	91.0%	3.9%	5.1%		
	$32,171,720	$1,366,564	$1,804,892	$35,343,176	$9,384,104
1988	88.8%	6.2%	5.0%		
	$35,996,178	$2,495,155	$2,025,860	$40,517,193	$10,214,290
1989	88.6%	6.4%	5.0%		
	$38,149,163	$2,758,906	$2,153,614	$43,061,683	$10,846,771

* Funds distributed to Local Education Agencies and used for direct and support services were paid out of one account for 1985 and prior years, due to a requirement of the Comptroller's Office at that time. In 1985, approximately $1,000,000 was expended for direct and support services - the balance was distributed to Local Education Agencies.

Source: Massachusetts Department of Education

However, this newest funding formula and the allocation methodology used to generate a Chapter 70 local aid distribution make it extremely difficult to determine the state contribution to special education programs. Additionally, since local aid funds are not earmarked, and therefore lose their identity at the local level, it is the responsibility of the local appropriating authority to determine how much state and local funding is provided to support special education.

To show the level of state funding designated as Chapter 70 and distributed on the Cherry Sheet, we have included the following *Table 2.2*.

Table 2.2

Cherry Sheet Chapter 70 School Aid

1980-1989

Year	Chapter 70 School Aid In Millions	Estimated SPED Aid In Millions
1980	$716.1	$105.4
1981	712.7	106.9
1982	717.7	112.7
1983	718.5	125.8
1984	865.6	157.8
1985	980.9	183.9
1986	928.0	170.2
1987*	1,162.7	223.8
1988*	1,191.1	221.6
1989*	1,286.6	247.5

* Includes Equal Educational Opportunity Grant Funds.

We have also attempted to calculate the amount of the annual Chapter 70 distribution allocated on account of special needs pupils. To do this, we divided the number of weighted FTE pupils in special education by the total number of weighted FTE pupils in all programs. (For example, in 1989 this number is 19.23%.) This percentage is applied to the total Chapter 70 appropriation to determine aid for special education. It is important to underscore that this calculation is what some have called a "useful fiction." With the formula changes for distribution of local aid described above, it is not possible to determine actual state aid for special education with any certainty.

Despite the inability to identify total local aid funding directly allocated to special education, and to education in general, local aid funds have become an increasingly critical revenue source to support school budgets.

Our report, for the most part, limits financial data presentation to the 10-year period ending with fiscal year 1989; however, a brief discussion of the current status of local aid is warranted.

Although direct local aid, which is distributed via the Cherry Sheet, has more than doubled since FY 1981, the effects of the state's current fiscal crisis are now being felt by local governments. Usually relying on significant annual increases in state aid to fund local budgets, local officials are now faced with both fiscal uncertainty and actual reductions in direct local aid. *Table 2.3* shows total Cherry Sheet aid to local governments for the last five fiscal years, including fiscal year 1991, and illustrates the reductions that have been experienced in the last two years.

Because of the local revenue-raising limitations resulting from Proposition 2 1/2, less-than-moderate increases in

Table 2.3

Cherry Sheet Aid to Local Government

FY 1987 - FY 1991

Year	Total Aid in Millions
1987	$2,617.5
1988	2,829.0
1989	2,700.6
1990	2,947.4*
1991	2,606.7

* Includes $210 million in funds impounded by the Governor, ultimately distributed.

local aid are devastating to local governmental budgets, which have become overdependent on this major source of revenue. Public education is feeling these reductions, the effects of which will be discussed later in this section.

Additional state contributions to special education funding are provided through grant and reimbursement programs. Two of the most significant are transportation reimbursements and the 60% matching funds for residential school tuitions.

Special education transportation reimbursement is provided under Chapter 71B, Section 14, and requires, subject to appropriation, that the state pay essentially the full cost of transportation with a cap at 110% of the statewide average expenditures for all school districts. However, state funding has not been sufficient to meet the funding intent of the statute. The following *Table 2.4* illustrates the amount of funding intended and the actual distribution for special education transportation reimbursement for the last 5 years.

Table 2.4

State Reimbursements, Special Education Transportation

1985 - 1989

Year	Formula Entitlement	Actual Distribution	Proration Factor
1985	$25,677,751	$16,546,743	64.44%
1986	28,419,521	18,322,066	64.47%
1987	31,519,729	17,673,112	56.07%
1988	36,339,651	20,197,578	55.58%
1989	47,040,721	24,334,165	51.73%

The third most significant state contribution to special education costs is the so-called "60/40" residential school tuition payment, which was established in 1982. Chapter 71B, Section 5A provides that school districts will pay at least 40% of private residential tuition costs, and the state will pay up to 60% directly to the private school. *Table 2.5* shows these state expenditures from 1982 to 1989.

Table 2.5

State Support for Residential School Tuitions

1982 - 1989

1982	$ 6,404,251
1983	7,078,463
1984	6,119,691
1985	6,055,796
1986*	0
1987	10,801,482
1988	16,371,311
1989	23,473,907

* Prior to 1987, school districts paid the full tuition and received up to 60% reimbursement from the state. In 1987, the state began making direct payments to the private schools, to relieve districts of the need to make up-front appropriations for this purpose. Monies that would have reimbursed school districts for 1986 expenditures were allocated to FY 1987 direct payments.

Other Federal and State Programs

In addition to the direct aid provided by the state via the programs above and by the federal government through PL 94-142 and PL 89-313, cities and towns also benefited from many supplementary programs and services that have since been significantly reduced or even eliminated during the 1980s.

For example, the Chapter 1 remedial programs are important examples of areas where the federal government has dramatically reduced its support of public education. Furthermore, Head Start, the long-standing preschool program that provides early intervention services for low-income children and families, served 450,000 three- to five-year-olds, less than 20% of the 2.5 million eligible nationwide. In addition, Chapter 1 programs, which provide funding for remedial services to low-income children, served about 5.3 million children in 1990, a 65% drop from the number served in 1980-81.

On the state level, similar programs geared to keeping children served in the regular classroom have suffered dramatic cuts. In 1985, the Legislature enacted Chapter 188, An Act Improving the Public Schools of the Commonwealth, a comprehensive reform measure that established grant programs designed to promote educational equity and excellence. These programs included funding to encourage increased per-pupil expenditures in less-affluent communities; the implementation of early childhood, drop-out prevention, and remediation programs for at-risk students; more competitive salaries for beginning teachers; and incentives and training for experienced school personnel. Then, in 1987, Chapter 727, An Act Enhancing the Teaching Profession and Recognizing Educational Achievement, was enacted, providing additional incentives for the development of long-range individual school plans in communities where high numbers of students lack competency in basic skills.

Since 1988, however, at best these programs have been level-funded, and the majority have been dramatically cut. The Essential Skills Program, which provides grants for basic skills development and drop-out prevention, was reduced 60% between FY 1989 and FY 1990 and went from $10.5 million in 1987 down to $3.6 million in 1990. The Early Childhood Program, which awards grants for the development and expansion of early childhood programs, received $7.5 million in 1990, compared with over $10 million in 1988, resulting in over 500 fewer children being served and the termination of several programs. Equal Educational Opportunity Grants have been essentially level-funded for the last 3 years; and funding for teacher salaries, professional development, and innovations has gone from $43 million in 1987 to $1 million in 1990.

These state and federal funding reductions have had a significant impact on local school systems. Although

exact numbers were not available, it is widely accepted that class sizes have increased due to a reduction in the number of teachers and despite declining student enrollment in the early 1980s. In addition, school systems have been forced to dramatically cut teacher aides, specialists, and administrators, and to eliminate time teachers used for class preparation.

In 1989, DOE published the results of its survey of school superintendents on the impact of state budget reductions. On average, respondents reported a loss of 3.9% of their professional staffs and 18.6% of their instructional aides. Widespread reductions were reported in support programs and services, including counseling, social work, nursing, health, substance abuse, drop-out prevention, and guidance. In some cases, remedial reading and math programs were eliminated completely. At the same time, academic programs were curtailed, even in the traditional math, science, social studies, and reading subjects. (See *Public Education in Massachusetts: A Broken Promise*, December 1989, published by the Massachusetts Association of School Committees, Massachusetts Association of School Superintendents, and DOE.)

It becomes clear from this scenario that, during the 1980s, regular education teachers were asked to do more with less; as a result, the needs of both regular program and special needs students increasingly went unmet. With larger classes and less support staff, it became more difficult to make modifications for, and devote special attention to, disabled students.

This is not to say that regular education teachers should shoulder the blame for the increased number of students now served in special education settings. The early childhood programs, such as Head Start, and remedial programs, such as Chapter 1 are no longer sufficient to support students who require these services in order to remain in the regular classroom full-time. The combination of increasing class size and declining support services, while not the only reason, has clearly contributed to the growth in special education enrollments.

In summary, when looking at the increased special education population, one must look at where these students were served in the past and what support services they received. To ignore the realities of the reductions in funding is to ignore one of the key reasons that we now serve over 17% of our students in special education and spend 177% more on special education than we did ten years ago. In the discussion that follows, about changes in regular education that will be necessary to re-integrate special needs students (changes in areas such as teacher certification, inservice training, and prereferral strategies), we also strongly recommend that the Commonwealth and the federal government renew their commitment to the preventive programs discussed above.

Enrollment and Cost Data

This section of the report presents data on the number of students who received special education services through October 1, 1989, and the cost of the program for the 10-year period ending with the 1988-89 school year.

Enrollment and spending analysis is based on data supplied by the Department of Education (DOE). We primarily utilized the End-of-Year Pupil and Financial Report, which is completed annually by all cities, towns, and regional school districts to show total and per-pupil spending. Because accurate end-of-year enrollment data was not maintained, we utilized DOE placement statistics from the October 1 enrollment census.

Enrollment Data and Trends

Based on October 1, 1989 census data, 143,373 children from ages 3 through 21 with disabilities were served under Chapter 766 by Massachusetts public schools. This represents approximately 17.1% of the public school enrollment by headcount.

Table 3.1 presents both the number of children served in special education and the public school enrollment during the past 10 school years. The number of children served in 1989-90 represents an increase of 7,634, or 5.6% over the figure for 1980-81, while over the same time period the total public school enrollment has decreased by 175,744, or 17.4%. The percentage of children served through special education as compared with the total public school enrollment has increased from 13.4% to 17.1% over the same period, an increase of 3.7%.

Bar Graph 3.2 shows the total number of children enrolled in Chapter 766 programs on October 1 of school years 1980-81 to 1989-90. The

Table 3.1

Special Education Compared to Public School Enrollment by Headcount

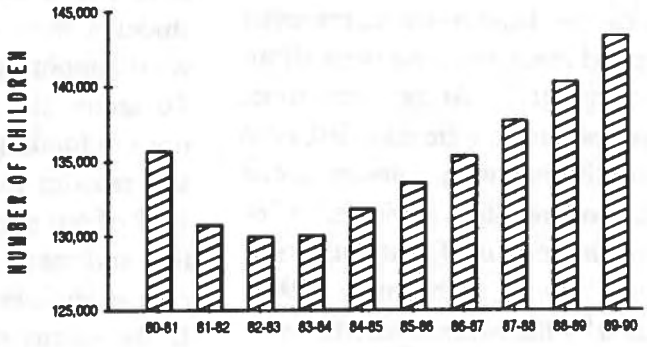
1980 - 1989 (October 1)

School Year	Special Education Enrollment	Public School Enrollment	Special Education Percentage
1980-81	135,739	1,011,933	13.4%
1981-82	130,787	958,915	13.6%
1982-83	130,028	920,821	14.1%
1983-84	130,115	890,050	14.6%
1984-85	131,864	870,442	15.1%
1985-86	133,611	854,603	15.6%
1986-87	135,411	844,300	16.0%
1987-88	137,760	836,263	16.5%
1988-89	140,326	833,970	16.8%
1989-90	143,373	836,189	17.1%

Bar Graph 3.2

Number of Children Served under Chapter 766 by Headcount

School Years 1980-81 to 1989-90 (October 1)



number of program participants declined initially, leveled off for three years, and then increased steadily and rather consistently over the remaining period. School superintendents report that, for the most part, the overall increase in the number of special education students can be attributed to

- increased preschool program participation,
- enhanced parental awareness of students' rights,
- strong advocacy groups, and
- cutbacks in regular education programs.

Bar Graph 3.3 shows that the increase in Chapter 766 enrollment numbers has resulted in continuing increases in the percentage of children served under the law beginning in school year 1984-85. For a detailed analysis of enrollments by individual prototypes and annual fluctuations for each year over the last 10 years, refer to Appendixes I and II.

Of as much concern as the steady increase in the number of Chapter 766 students, despite declining public school enrollments, is the pattern of increases in the number of these students being placed in substantially separate educational settings (prototypes 502.4 and 502.5).

An examination of the 10-year changes in the number of students and the distribution among prototypes is shown in *Table 3.4*. In addition, *Pie Chart 3.5* isolates the three prototypes: 502.4, 502.5, and 502.6, which are

Bar Graph 3.3

Percentage of Public School Enrollment Served under Chapter 766 by Headcount

School Years 1980-81 to 1989-90 (October 1)

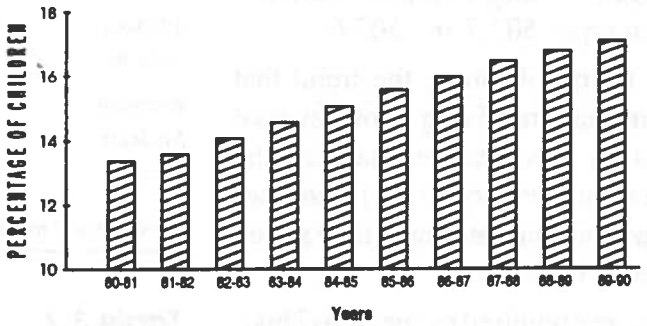


Table 3.4

Changes in Prototype Enrollments by Headcount

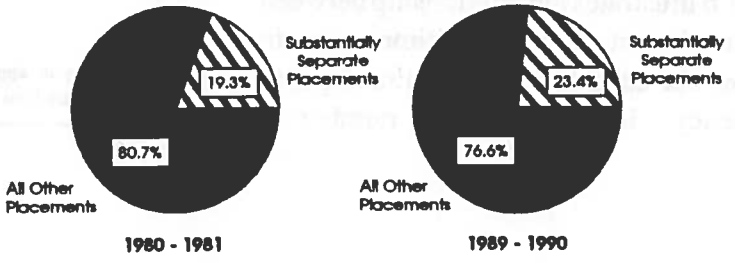
1980-81 to 1989-1990

	1980-81 School Year	1989-90 School Year	Increase/(Decrease) Pupils	Percent of Change
502.1	10,435	13,462	3,027	29.0%
502.2	79,707	68,516	(11,191)	(14.0%)
502.3	16,019	21,287	5,268	32.9%
502.4	19,746	28,432	8,686	44.0%
502.5	4,711	4,286	(425)	(9.0%)
502.6	1,702	870	(832)	(48.9%)
502.7	1,119	789	(330)	(29.5%)
502.8	2,300	5,731	3,431	149.2%
	135,739	143,373	7,634	5.6%

Pie Chart 3.5

Change in Substantially Separate Placements Compared to All Other Placements

1980-81 and 1989-90 – 502.4s, 502.5s, 502.6s



considered to be separate from the regular classroom, and shows the 4.1% increase over the last 10 years in the population in these more restricted classroom settings, despite decreases in prototypes 502.5 and 502.6.

To further illustrate the trend that students are receiving more special education services, we analyzed the 10-year increase across all prototypes by headcount and percent of time served in special education.

Services required by the Individualized Educational Plan (IEP) for each pupil vary from only a short period per day to a full-time special education program. For example, in the more restrictive environment--private school--(prototypes 502.5 and 502.6), pupils generally receive full-time special education services and are considered FTE students. However, during school year 1988-89, in the least restrictive prototype (502.1), the services provided to approximately ten 502.1 placements equal one FTE student.

In 1980 there were 35,680 special education FTE students. Between 1980 and 1989, this figure rose by 18,796 to 54,476 FTE students (53%). Headcount enrollment over the same period rose only 5.6% by 7,451 students. *Table 3.6* illustrates the relationship between headcount enrollment, time spent in special education, and full-time equivalency. It shows that the number of

Table 3.6

Enrollment Numbers and Time Spent in SPED

School Year	Headcount Enrollment	X	Average % Time Served in SPED	=	Full Time* Equivalent
1979-80	132,875		26.9%		35,680
1988-89	140,326		38.8%		54,476
Increase:					
Students	7,451		--		18,796
Percent	5.6%		45%		53%

* Formula may not compute exactly due to rounding of percentages.

Table 3.7

Increases in Average Per Pupil Time Spent in Special Education by Prototype

Based on a Twenty-five Hour School Week

Prototypes	Year	% Time	# Hours/Week
ALL	1980	26.9%	6.7
	1989	38.8%	9.7
502.1	1980	8.3%	2.1
	1989	9.7%	2.4
502.2	1980	10.5%	2.6
	1989	12.2%	3.0
502.3	1980	39.8%	10.0
	1989	44.2%	11.0
502.4	1980	75.5%	18.9
	1989	90.3%	22.6
502.5	1980	*	25.0
	1989	*	25.0
502.6	1980	*	N/A
	1989	*	N/A
502.7	1980	48.7%	12.2
	1989	79.9%	20.0
502.8	1980	63.3%	15.8
	1989	76.7%	19.2

* These numbers are approximate. DOE data on private placements does not lend itself to this type of analysis

FTE pupils increased faster than headcount enrollments because pupils are spending a larger share of time away from the regular education environment. In 1980, one FTE represented the services provided to 3.7 special education students. In 1989, 2.6 students constitute one FTE.

A more detailed analysis of the numbers, as in *Table 3.7,* which compares student placements by prototype in 1980 and 1989. It shows the percentage of time and the number of hours per week, on average, represented by each prototype placement

Within each prototype the typical special education student spends more time away from regular education in 1989 than in 1980. This pattern is consistent in all prototypes. Prototype 502.4 alone showed an increase of 3.5 hours per week, which, when coupled with the 10,757 (63%) increase in headcount enrollment over the same period, accounts for a large share of program growth, including all prototypes. In 1980, students spent on average 6.7 hours per week in special education. In 1989, 9.7 hours was average.

Further analysis of these enrollment trends will continue after a discussion of program costs.

Cost Data and Trends

There are different ways to determine the amount of special education spending. The differences in methods depend upon inclusion or exclusion of various components of special education expenditures. The Department of Education provides special education expenditure data broken into seven components. In the simplest terms these are defined as follows:

1. **instructional component**

   spending related to classroom personnel and supplies

2. **transportation component**

   spending for pupils with special transportation needs stated in their IEPs

3. **pupil services component**

   an allocation of spending to special education for principals, health services, attendance, food services, and student activities

4. **indirect expenditures component**

   an allocation of spending to special education for fringe benefits, administration, and property maintenance

5. **tuition component**

   spending for pupils served at collaboratives, private day, and residential schools

6. **regular day component**

   regular education spending for special needs pupils who spend part of their school time in regular education settings

7. **screening and evaluation**

   spending for detecting and evaluating the needs of pupils, some of whom will receive special education services

If all seven components are included in a program spending analysis, the cost is referred to as "total" or "all-cost" spending; if the regular day component and screening and evaluation are excluded, spending is referred to as "pure" cost.

Special Education Expenditures

All Cost Components

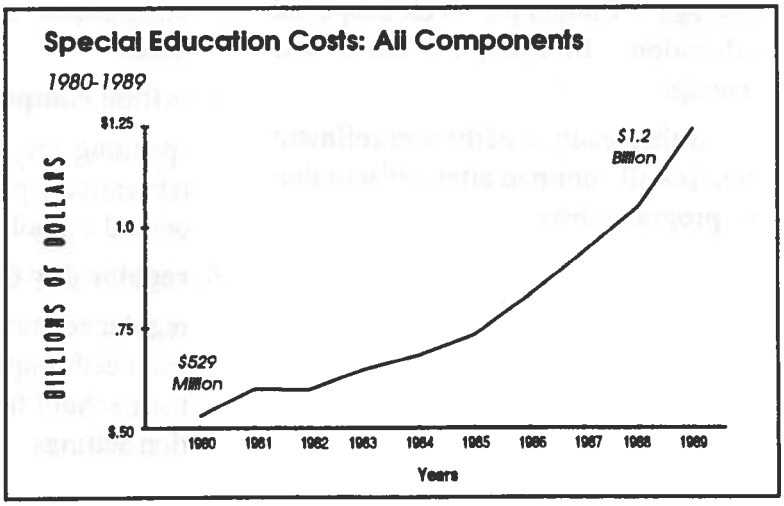
Including all seven DOE cost components is the broadest method of determining total dollars annually expended on students for Chapter 766 services. In 1980, all special education spending totaled $529 million. By 1989 this figure grew by 127% to over $1.2 billion. (See *Line Graph 3.8*)

Over the 10-year period, aggregate spending approached $8 billion. From 1980 through 1985, the annual change in total spending (all components) is characterized by relatively steady growth--with the exception of 1982, the first full year affected by Proposition 2 1/2. The year 1986 marked the beginning of a trend of significant annual increases, culminating in an 18.5% increase from 1988 to 1989.

The reasons for marked increases in spending beginning in 1986 are difficult to pinpoint. Increasing special education enrollments and shifts to more costly placement patterns clearly play a role. However, certain components of total spending, such as transportation and restrictive placements, have grown at a faster pace than others. In-depth analysis of the impact of these factors, as well as inflation, is provided later in this report. Beyond these empirical causes, less quantifiable factors may also have played a role.

Among these factors was the *David D.* case, which was decided in 1985, emphasizing the "maximum feasible benefit" standard for the education of special needs pupils. In addition, the School Improvement Act, Chapter 188 of 1985, paved the way for millions of dollars of additional state aid and grant programs for school districts. Then in 1987 the Rate Setting Commission used a new approach to regulating tuition charges for private residential

Line Graph 3.8



schools. This change in rate setting procedure also included a plan to allow rate increases to alleviate what was viewed as a near-crisis in private Chapter 766 schools--the level of compensation to direct-care workers.

Special Education Service Delivery Spending

In addition to the "all cost" components approach to determining special education expenditures, it is important to isolate the "special" cost of special education. To see special education costs from this viewpoint, we excluded the regular education and evaluation components of spending. This "pure costs" approach provides a better understanding of the isolated cost of providing day-to-day special education services and *will be used throughout the remainder of this report.* Including only the instructional, transportation, pupil services, and indirect and tuition spending components, "pure" expenditures are roughly 63% of the full cost/all components calculation.

Special education spending over the last 10 years is summarized in *Bar Graph 3.9 and Table 3.10.* In 1980, pure cost special education spending was $266.9 million. By 1989, spending increased by $472,584,600 or 177.1% to over $739.5 million. The greatest increases occurred over the last 4 years, with an extraordinary increase of 23% during the final year. During the same period, inflation in the northeast region was 56%, according to the U.S. Bureau of Statistics.

Bar Graph 3.9

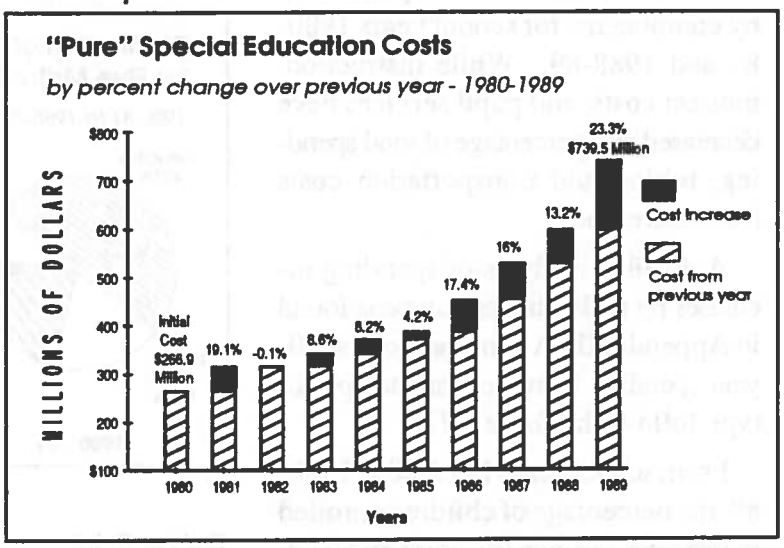


Table 3.10

"Pure" Special Education Costs

1980 - 1989

Year	Total "Pure" Expenditures	Increase/ (Decrease)	Percent Change from Prior Year
1980	$266,948,113	---	---
1981	317,990,524	$ 51,042,411	19.1%
1982	317,712,040	(278,484)	(0.1%)
1983	345,169,830	27,457,790	8.6%
1984	373,485,037	28,315,207	8.2%
1985	389,154,774	15,669,737	4.2%
1986	456,912,396	67,757,622	17.4%
1987	529,884,023	72,971,627	16.0%
1988	599,606,454	69,722,431	13.2%
1989	$739,532,713	$139,926,259	23.3%

Pie Chart 3.11 shows expenditures by components for school years 1980-81 and 1988-89. While instruction, indirect costs, and pupil services have decreased as a percentage of total spending, tuition and transportation costs have increased.

A detailed analysis of spending increases by individual prototype is found in Appendix II. A summary of the 10-year spending increases for each prototype follows in *Table 3.12*.

From school years 1979-80 to 1988-89, the percentage of children enrolled in separate settings (prototypes 502.4, 502.5, and 502.6) has increased from 18% to 23% of total special education enrollment. *Table 3.12* demonstrates the significant cost impact these placements have had over the last 10 years on overall special education spending. Program expenditures in these prototypes represent 59% of all special education spending in school year 1988-1989 and account for 65% of the increase in total spending over the 10 year period.

As previously noted, there are several factors that account for these significant increases in costs. One factor results from additional children being placed in the more costly prototypes.

In prototype 502.4, substantially separate classrooms either in public schools or collaboratives, there was a 92% increase (in FTE enrollments) at an average cost per FTE of $10,908, up from $6,225 per FTE in 1980. In prototype 502.5, private day schools, enrollment by FTE also increased, by 18.7% at an average cost per FTE of $19,851, up from $7,883 per FTE in 1980. Most striking is the 502.6 prototype. Although the number of FTE students decreased from 1,295 to 996, the average FTE cost increased from $11,256 in 1980 to $64,137 in 1989, up 469%.

Pie Chart 3.11

Distribution of "Pure" Special Education Expenditures by Five Major Components

1980-81 to 1988-89

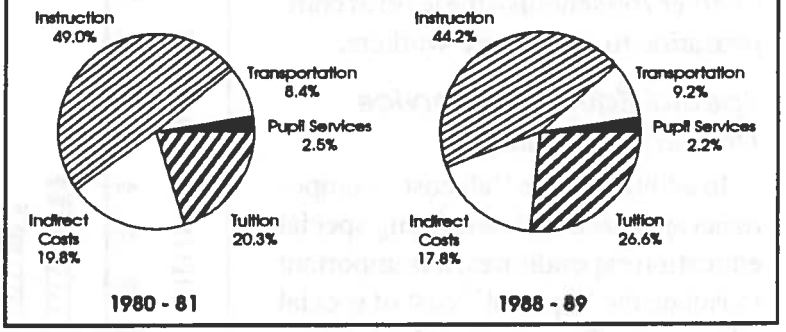


Table 3.12

"Pure" Special Education Expenditures by Prototypes*

1979-80 and 1988-89

Prototype	Expenditures 1979 - 1980	Expenditures 1988 - 1989	Increase Dollars	Increase Percent
502.1	$ 7,660,165	$ 21,496,034	$ 13,835,869	180.6%
502.2	76,901,918	137,003,916	60,101,998	78.2%
502.3	42,489,804	96,933,027	54,443,223	128.1%
502.4	81,436,423	274,060,148	192,623,725	236.5%
502.5	33,130,641	99,011,174	65,880,533	198.9%
502.6	14,577,030	63,899,576	49,322,546	338.4%
502.7	3,233,421	8,294,936	5,061,515	156.5%
502.8	7,518,711	38,833,902	31,315,191	416.5%
TOTALS	$266,948,113	$739,532,713	$472,584,600	177.0%

**See Appendix II for Annual Expenditures per Prototype*

Table 3.13 isolates both the student and expenditure growth in FTE prototypes 502.4, 502.5, and 502.6. Because of cost implications and the significant cost escalation in these three prototypes, we reviewed the history and operation of educational collaboratives and private day and residential school tuition costs. Sections 7 and 8 are devoted to these two subjects.

Transportation Costs and Trends

One major cost component of separate programs, many of which are outside the school district, is transportation. In 1986, Decision Resources Corporation reported, after a representative survey of 60 school districts around the country (including Massachusetts), that the national average for spending on the transportation component of special education represented 4% of special education expenditures. In the same year, Massachusetts's special education transportation spending was 8.4%. By 1989, the transportation component was 9.2% of our total special education expenditures.

In the 1988-1989 school year, 78.5% of all special education transportation costs, or $53,499,660, were dedicated to prototypes 502.4, 502.5, and 502.6. Over the last five years, as the entire special education enrollment increased by 6.4%, or 8,462 students, and by 16.0%, or 4,524 students in these three prototypes, total transportation costs rose an alarming 103%. *Table 3.14* shows special education transportation costs over the last five years.

Responses to our school district survey disclosed that approximately 80% of school districts contract for transportation services and that most districts competitively procure these services. The underlying reasons for the

Table 3.13

Program Expenditures and FTE Pupils by Prototypes

1989 and 1980 (502.4, 502.5, and 502.6)

Prototype	1980 Expenditures	1989 Expenditures	10 Year Change Dollars	10 Year Change Percentage
502.4	$ 81,436,423	$274,060,148	$192,623,725	236.5%
502.5	33,130,641	99,011,174	65,880,533	198.9%
502.6	14,577,030	63,899,576	49,322,546	338.4%
	$129,144,094	$436,970,898	$307,826,804	238.4%

Prototype	1980 FTE Pupils	1989 FTE Pupils	10 Year Change Pupils	10 Year Change Percentage
502.4	13,083	25,126	12,043	92.0%
502.5	4,203	4,988	785	18.7%
502.6	1,295	996	(299)	(23.1%)
	18,581	31,110	$12,529	67.4%

Table 3.14

Special Education Transportation Costs

1985 - 1989

Year	Total Cost	Increase Percentage	Increase Dollar Value
1985	$33,586,216	- - -	- - -
1986	38,310,535	14.1%	$ 4,724,319
1987	47,363,910	23.6%	9,053,375
1988	59,043,245	24.7%	11,679,335
1989	$68,151,257	15.4%	9,108,012
Five Year Increase		102.9%	$34,565,041

significant transportation cost escalation are that

- these services are increasingly mandated by IEPs;
- they are expensive because in many instances the mode of transportation is individualized and specialized;
- demand outweighs supply, limiting bid options; and
- placements in collaboratives and private schools out-of-district have increased significantly.

Realistically, unless steps are taken to reduce the necessity for students to be served in these educational settings, and to find alternative, less costly travel arrangements, the current trend of abnormally high transportation cost increases will most likely continue and negatively affect future education budgets.

DOE, in addition to reducing the need for increasing numbers of students served in out-of-district settings, should encourage, and perhaps coordinate, multi-district travel collaborations as a means of controlling transportation expenditures. Experiments in the western part of the state, for example, have shown promising results with route sharing. Also, our survey of the educational collaboratives has elicited a range of initiatives, such as leasing vehicles and hiring staff instead of relying on vendors, to diminish costs.

An additional factor causing high transportation costs may be that special education transportation is not subject to Chapter 30B, the state's competitive procurement law. Although our survey of Massachusetts school districts indicates that many districts put special education transportation out to bid, DOE should assess the possibility that increased competition could reduce the cost of transportation, without hurting service delivery.

Variations in Enrollment and Expenditures

We found numerous variations in the distribution and delivery of special education services among school districts. There are many reasons for these differences, including the number of special education students served, the type and severity of individual disabilities, the extent of services purchased or provided directly by school districts, and the local cost factors, including teacher salary levels.

What is noteworthy is that 53% of all special education expenditures are incurred by 10% of the 387 school districts throughout the state. Based on the October 1, 1988 enrollment census, these 38 communities also serve 43% of the state's special education population. *Table 3.15* provides a listing of these school districts, their special education expenditures, enrollments, and other variables.

The statewide average enrollment of special education students relative to total school enrollment on October 1, 1988 was 16.8%. However, there is a significant percentage variation on a school-district-by-school-district basis statewide. The number and percent of school districts that serve varying proportions of their total school popula-

Table 3.15

1989 Special Education Expenditures and Enrollment

38 Communities (End-of-Year Pupil and Financial Report)

District	Total SPED Expenditure	# FTE SPED Pupils	Expenditure Per FTE	#SPED Pupils (Headcount)*	Expenditure Per Pupil
Amherst	$ 1,888,373	79.2	$23,843	273	$6,917
Arlington	3,598,242	368.5	9,765	975	3,691
Beverly	3,621,424	220.0	16,461	883	4,101
Billerica	4,912,491	420.8	11,674	1,129	4,351
Boston	112,403,804	6,455.9	17,411	16,721	6,722
Braintree	3,507,751	213.2	16,453	997	3,518
Brockton	8,138,672	812.3	10,019	2,958	2,751
Brookline	5,960,667	291.1	20,476	892	6,682
Cambridge	11,477,116	702.2	16,345	2,385	4,812
Chicopee	6,203,934	473.0	13,116	1,487	4,172
Everett	4,035,844	296.7	13,602	827	4,480
Fall River	10,168,441	938.8	10,831	2,354	4,320
Fitchburg	4,379,321	504.9	8,674	870	5,034
Framingham	6,043,313	398.9	15,150	1,361	4,440
Haverhill	4,671,009	355.5	13,139	1,401	3,334
Holyoke	8,314,027	570.1	14,583	1,803	4,611
Lawrence	8,177,819	977.4	8,367	2,147	3,809
Lowell	11,882,950	869.6	13,665	2,113	5,624
Lynn	11,011,236	714.6	15,409	1,886	5,838
Malden	7,248,278	410.1	17,674	1,178	6,153
Medford	7,522,409	511.8	14,698	1,236	6,086
Methuen	4,272,155	220.0	19,419	780	5,477
New Bedford	15,997,302	1,252.4	12,773	3,256	4,913
Newton	10,035,594	486.4	20,632	1,679	5,977
Peabody	3,992,938	312.0	12,798	1,403	2,846
Pittsfield	4,677,698	490.4	9,539	1,312	3,565
Plymouth	4,885,163	454.0	10,760	937	5,214
Quincy	7,506,757	512.4	14,650	1,644	4,566
Revere	3,332,989	312.0	10,683	726	4,591
Salem	4,448,788	339.0	13,123	971	4,582
Somerville	8,255,882	547.3	15,085	1,347	6,129
Springfield	23,579,686	1,974.6	11,942	3,497	6,743
Taunton	7,011,143	670.5	10,457	1,645	4,262
Waltham	6,611,766	439.9	15,030	1,206	5,482
Westfield	3,745,756	372.6	10,053	1,264	2,963
Weymouth	4,989,800	362.7	13,757	1,595	3,128
Woburn	4,240,312	265.2	15,989	893	4,748
Worcester	25,992,197	2,039.4	12,745	4,949	5,252
Total of 38 Communities	$388,743,047	27,635.4	$14,067	74,980	$5,185
Statewide	$739,532,713	54,476.2	$13,575	171,540	$4,311

* Headcount data from end-of-year report differs from October 1 enrollment census headcounts.

tion in special education programs are shown in *Table 3.16*. Appendix III provides the percentage of pupils in special education programs for each school district during the1988-89 school year.

Per pupil FTE special education expenditures vary sharply among different school districts statewide. The statewide average expenditure per FTE in 1989 was $13,575. *Table 3.17* shows six ranges of special education FTE expenditures by percent for all school districts. A district-by-district ranking for the school year 1988-89 is provided in Appendix III for average FTE expenditures.

To determine service-delivery distribution, we examined placement patterns in prototypes 502.4, 502.5, and 502.6 because they represent the largest share of growth in special education expenditures and, show an increase of students to these more restrictive placements. As *Table 3.18* indicates , on a district-by-district basis, there is a wide range in the percentage of special education students enrolled in these placements. The statewide average is 23.4% of the total school population.

As stated previously, there can be many reasons for variations from school-district to school-district in per pupil expenditures, enrollment, and student placement patterns in special education programs. These illustrations and the detailed information included in Appendix III are presented to show the variations statewide in enrollment, cost, and placement data.

Table 3.16

Range of District Enrollments in SPED

1988-89

Percent of Pupils in SPED	Number of School Districts	Percent of School Districts
30% and over	13	3.6%
25% - 29%	18	5.0%
20% - 24%	57	15.7%
15% - 19%	185	51.0%
10% - 14%	80	22.0%
Less than 10%	10	2.7%
TOTAL	363	100.0%

Statewide Average: 16.8%

Table 3.17

Range of SPED FTE District Expenditures

1988-89

Average FTE Cost Per Pupil	Number of School Districts	Percent of School Districts
Less than $5,000	8	2.2%
$5,000 - 9,999	59	16.1%
$10,000 - 14,999	156	42.3%
$15,000 - 19,999	92	25.1%
$20,000 - 24,999	34	9.4%
$25,000 and over	18	4.9%
TOTAL	367	100.0%

Statewide Average: $13,575

Table 3.18

Range of SPED Population in Selected Prototypes

1988-89 (502.4, 502.5, 502.6)

Percentage of SPED in Prototypes	Number of School Districts	Percentage of School Districts
Less than 10%	96	26.4%
10% - 19%	142	39.1%
20% - 29%	94	25.9%
30% - 39%	24	6.6%
40% - 49%	5	1.4%
50% and over	2	0.6%
TOTAL	363	100.0%

Statewide Average: 23.4%

National Comparison

The most valid statistic available on national comparisons between Massachusetts and other states in terms of special education enrollments is contained in the *11th Annual Report to Congress on the Implementation of the Education of the Handicapped Act*, published by the U.S. Department of Education in 1989. This report shows the number of students age 3-21 placed in special education, divided by the entire state age 3-21 population.

The Massachusetts special education rate was 9.6% in 1987-88, compared with the national average of 6.6%. In addition, the Massachusetts rate was the highest in the nation.

Future Enrollment and Cost Projections

Using special education historical enrollment and expenditure trends for the last ten years, we have projected the next five years' growth in special education enrollment and spending. If the current trends in special education of

- increasing enrollments;
- increasing, more costly separate placements; and
- significant annual increases in total spending resulting from inflation, improved and expanded service delivery, and more time per student spent in special education classrooms

continue and are combined with:

- increasing public school enrollments for the first time in 10 years (projected at 7% over the next five years), and
- limited increases in state and local funds available for school budgets,

the results will be not only less than adequate funding available to support public education in general, but a special education system that requires an increasing proportion of available education resources.

Table 3.19 projects special education enrollment through 1994, based on the historical growth trend of the last ten years and public school enrollment projections through 1994 as published by DOE. These trends project that special education enrollments will increase by 30,857 students and will represent 19.1% of the entire public school population.

Table 3.19

Projected SPED Enrollments

Through 1994

Year	Special Education Enrollment (Headcount)	Public School Enrollment (Headcount)	SPED Percentage of Total Enrollment
1989*	140,326	833,970	16.8%
1990*	143,373	836,189	17.1%
1991	152,019	844,551	18.0%
1992	157,644	861,442	18.3%
1993	164,311	878,671	18.7%
1994	171,183	896,244	19.1%
% Change 1989-94	21.99%	7.47%	

*Actual Enrollments, October 1 census

Table 3.20 projects both special education and all other education spending through 1994 using a 2% increase per year in total education funding. This assumption appears to be realistic, and may be overly optimistic, considering the current fiscal and economic climate. These projections also factor in DOE's enrollment growth projections and consider the historical increases in special education FTE enrollment and expenditure growth over the last six years.

These projections show a five-year increase of only $157 available to spend per pupil system-wide as funds become more scarce and enrollment climbs. When one considers the increased share of total available spending that special education is projected to command, serious problems will result. Special education spending represents 18.9% of total school spending in 1989. By 1994, special education will approximate 23.9% of total school spending.

More revealing is that in five years there will be $111 *less* per pupil available to spend on all other public school students, which results when special education enrollments and costs continue to climb, overall enrollments increase, and public education funding is limited.

These projections are not unrealistic and again are based on historical growth trends, known future increases in public school enrollments and limited funding increases for public education. With these limited resources and increasing demands, public education leaders must take steps for a

Table 3.20

Projected Education Cost and Enrollment Trends

All Public School and Special Education - 1989-1994

	Total Education			Special Education			All Other Education		
Year	FTE Enrollment(1)	Total Expenditures(2)	Per FTE Expenditures	FTE Enrollment(3)	Total Expenditures(3)	Per FTE Expenditures	FTE Enrollment	Total Expenditures	Per FTE Expenditures
1989*	826,445	$3,910,934,842	$4,732	54,476	$739,532,713	$13,575	771,969	$3,171,402,129	$4,108
1990	823,966	3,989,153,539	4,841	55,500	752,358,000	13,556	768,466	3,236,795,539	4,212
1991	832,205	4,068,936,610	4,889	56,783	818,583,728	14,416	775,422	3,250,352,882	4,192
1992	848,849	4,150,315,342	4,889	58,067	887,031,492	15,276	790,782	3,263,283,850	4,127
1993	865,826	4,233,321,649	4,889	59,350	957,671,600	16,136	806,476	3,275,650,049	4,062
1994	883,143	4,317,988,082	4,889	60,633	1,030,518,468	16.996	822,510	3,287,469,614	3,997
% Change 1989-94	6.86%	10.41%	3.32%	11.30%	39.35%	25.20%	6.55%	3.66%	(2.71%)
Value Change 1989-94	56,698	$407,053,240	$157	6,157	$290,985,755	$3,421	50,541	$116,067,485	($111)

* Base Year

(1) DOE enrollment projections. (2) Assumed 2% annual funding increase. (3) Projected increases based on last 6 years growth.

major restructuring of how we deliver special education services and revitalize regular education programs.

Section 5 of this report discusses programmatic recommendations and initiatives to help achieve the intended goals of Chapter 766 and relieve some of the financial pressure it exerts on the system. One of the main thrusts of these recommendations is to integrate more special education students into the regular classroom; however, the regular classroom must be equipped to do so. This will take careful planning and allocation of extremely limited resources. To not take positive action is a prescription for a very real crisis in the funding of public education.

Survey Results

As part of our study, we surveyed all districts to determine the nature and diversity of special education services offered by individual cities and towns and regional school districts throughout the Commonwealth. Of the 282 local and regional school superintendents who were mailed surveys, 176, approximately 62%, returned them. In looking at the various types of school districts that responded to the survey, we note that the respondent group is generally reflective of the statewide population breakdown. However, the respondent group contained a slightly higher proportion of urbanized and developed suburban communities than the statewide proportion. As a result, the proportion of smaller rural and resort communities was slightly lower than the true statewide proportions.

We also analyzed the respondent group's student population and expenditures to determine the percentage of special education students attending and the expenditures by the respondent group. This analysis revealed that the respondent group, although consisting of 40% of the Commonwealth's cities and towns, provided services to over 58% of the state's special education students. In addition, the respondent group expended $424 million, 57% of the $739 million spent in 1989 for special education.

In our statewide survey, school superintendents or their designees were asked to respond to questions in six general categories: placement patterns, professional services, educational collaboratives, private schools, transportation, and an additional questions section. Superintendent designees were most often directors of special education. The following provides a summary of the statistical information generated. For the sake of brevity, this summary does not present every survey question and response. The items most relevant to providing new information about special education are highlighted here and, where appropriate, in later sections of this report.

Placement Patterns

This section requested information from school systems regarding the placement and movement patterns of their special education students, as well as the factors believed to be responsible for these patterns. In addition, the section asked questions regarding adaptations to regular education programs, in-house services, regular education services to special needs students, primary special needs, and who should receive special education services.

Student Progress Toward Least Restrictive Environment

Information collected regarding students' movement patterns within the prototype hierarchy over the past five years reveals several clear findings. When asked to quantify student movement by prototype to less restrictive environments, respondents indicated that the more restrictive prototypes (502.4, 502.4i, 502.5, and 502.6) were essentially inactive, showing little movement to more mainstreamed or integrated settings. Specifically, in the

502.6 (private residential) category, 91% of the respondents characterized these students as "never," "seldom," or only "occasionally" moving to less restrictive settings, with 71% of the 91% falling into the "never" and "seldom" categories.

Movement from the other restrictive settings was also slight. Respondents indicated that pupils "never," "seldom," or "occasionally" move to more integrated settings as follows:

- 92% for 502.5 pupils;
- 89% for 502.4i collaborative pupils;
- 78% for 502.4i non-collaborative pupils; and
- 75% for 502.4 pupils.

Indications of movement in the less restrictive settings (502.3, 502.2, and 502.1) were much greater; 90% of the respondents characterized students as "always," "often," or "occasionally" moving to more integrated settings, although "occasionally" characterized about 30% of the responses.

In giving their reasons why the movement of students to less restrictive settings is often minimal, school officials overwhelmingly gave as the most frequent reason "parental objections," which appeared first over 42% of the time and appeared as one of the top three reasons 91% of the time. The two other most frequent reasons listed were the inadequate preparation of regular education teachers (top reason 16% of the time) and the expense of creating a program for a small number of students (top reason 15% of the time).

Difficulties with Mainstreaming/ Needed Support Services

Officials were also asked several questions related to serving special education students in regular academic classes. When asked the major difficulties prohibiting full mainstreaming, officials cited as the top three reasons: (1) inability of students to handle subject matter, (2) improperly prepared teachers, and (3) disproportional amount of teacher time required by special needs pupils. However, when asked how many special needs students could be served in less restrictive prototypes or regular education if the appropriate support services were available, respondents estimated that significant numbers could be served in less restrictive prototypes or regular education. (See *Table 4.1.*) The support services that officials most frequently listed as necessary for this mainstreaming were, in order: tutoring, psychological services, resource room services, and early intervention or pre-school services.

Table 4.1

Estimated Percentages of Special Needs Pupils Who Could Be Served

In Regular Programs If Proper Support Services Were Available

Prototype Number	Percentage
502.1	77.5%
502.2	41.5%
502.3	28.0%
502.4	20.5%
502.4i (non-collaborative)	23.5%
502.4i (collaborative)	24.0%
502.5	25.5%
502.6	20.5%

Professional Services

This section attempted to draw a profile of the professional staff employed by public schools, both for regular education and special education. Specifically, the questions dealt with the numbers of types of staff employed, academic credentials of teachers and administrators, in-service training opportunities, and teacher certification.

Types of School Employees

In order to obtain a picture of the composition of public school professional staff, the OSA asked for the number of FTE school district employees during 1989 in the various professional positions. The results showed that approximately 57% are regular education teachers, and 12.5% are special education teachers. In addition, 7% of the staff are regular education teacher aides, and 8% serve in this same capacity in special education. School principals and vice-principals made up roughly 3%, and directors of special education and their assistants, another 1.5%. After guidance counselors, who made up 3% of the staff, the remaining 8% consisted of support staff such as psychologists, therapists, social workers, nurses, and doctors.

It is significant to note both the high percentage of teacher aides being utilized in special education classrooms and the fact that special education teachers, aides, and administrators make up roughly 22% of school professional staff. When therapists, psychologists, and other support staff used primarily by special needs students are factored in, the percentage is considerably more. Students in special education programs throughout the state make up approximately 17% of the student population, the majority of whom spend only a portion of their time using special education services.

Direct and Contracted Support

In comparing schools that directly employed professional support staff as opposed to contracting out for these services, the OSA determined that the large majority of schools using psychologists, speech therapists, and social workers employed them on staff. By contrast, the large majority of schools utilizing physical and occupational therapists and doctors contracted out for these services.

Training

Answers regarding in-service training for regular education staff revealed that 96% of the school districts do provide in-service training in special education. However, 25% of the schools "seldom" or "never" required teachers to attend these sessions, and only 12% stated that they always required teachers' attendance; the remaining 63% stated that they "often" or "occasionally" required teachers to attend. About 57% of the schools stated that they provided in-service training to their principals and vice-principals. School officials estimated that over the past five years, approximately two-thirds of their regular education teachers attended these training sessions. Fi-

nally, when asked to what extent DOE sponsored or assisted in this training, 42% of the officials answered "to little or no extent" and respondents answered "to some extent" 38% of the time; only 14% of the respondents stated they received assistance to a "moderate or great extent."

Certification Waivers

The last two questions under Professional Services dealt with the number of teachers currently teaching under a certification waiver from DOE. Officials in 24% of responding school districts had regular education teachers (from 1-6 teachers) teaching under a waiver. Thirty percent of the respondents reported that they had special education teachers (range: 1 to 30) teaching under waivers.

Special Education Collaboratives

This section sought to determine the extent to which school districts utilize collaboratives, the reasons for using them, and the degree of satisfaction with collaborative programs.

Of the reporting schools, 83% stated that they utilized one or more collaboratives (63% as a member and on a tuition basis), and nearly 92% stated they were "satisfied" or "very satisfied" with the progress of their special needs students at collaboratives. School districts that voiced dissatisfaction with collaboratives listed: expense, degree of control or participation, and burdensome travel as problems they had encountered.

As to the main reasons for utilizing collaborative programs, officials ranked "small number of disabled students in district" as the number-one reason, followed by "collaboratives' specialization in certain disabilities" and "cost savings."

In response to questions regarding the district's involvement with students placed at collaboratives, the overwhelming majority (93%) stated that they did participate as a TEAM member in subsequent IEP review and development. Officials also stated that they monitored their students' collaborative progress through classroom observation, meetings with parents and collaborative teachers, and the receipt of written reports.

Private Schools

School officials were asked several questions related to their utilization of and relationship with private day and residential schools.

Over 85% of the responding schools stated that they utilized one or more private schools over the past five years; moreover, enrollment in private schools from the responding districts has increased steadily over the past five years. Also showing a steady increase over the past five years were private school placements of students at schools outside of Massachusetts.

When asked whether they were generally satisfied with their private school placements, 16% of the reporting schools indicated they were "very satisfied," 64% were "satisfied," and

16% were "somewhat dissatisfied" or "dissatisfied." Despite this generally favorable rating, 51% of the schools stated they "did not feel all of their private school placements were necessary to properly serve the students' needs." Furthermore, of the placements that officials felt were unnecessary, nearly half (46%) were reportedly decided by the Bureau of Special Education Appeals.

Officials also stated that the monitoring of private school students generally occurred through monthly telephone calls, quarterly written reports, annual site visits, and IEP TEAM participation.

Transportation

Schools were asked to respond to a number of questions regarding how they provide transportation for their special needs and regular education students. Schools reported that their regular education students were largely transported via a contracted private vendor (about 80%), with about 16% transported with vehicles owned and operated by the districts. As for special education students, about 70% were transported under a private vendor contract, and 25% with vehicles owned and operated by the district. One interesting aspect of the special education transportation is that about one-third of the schools provide transportation "through an educational collaborative"; the collaborative conducts the transportation contract bidding, coordinates special education transportation for the district, or provides the service themselves.

Ninety-two percent of the respondents reported that they were satisfied with their current regular-education transportation services and 95% were satisfied with their special-education transportation services.

Information provided by officials shows that, over the past five years, school systems have incurred deficits in their transportation budgets, ranging from $511,319 in 1984-85 to a high of $3,518,457 in 1987-88. These deficits were funded largely by transferring monies from other accounts. Only 10% of the responding schools indicated that they had ever been contacted by DOE regarding inter-community collaboration in providing special needs transportation.

Additional Questions

This final category asked a variety of questions dealing with new students arriving during the school year, third-party benefits/insurance coverage, and recommendations to improve the quality of special education service delivery and to reduce overall program costs.

Trends that were disclosed regarding students transferring during the school year included steady increases in students arriving in need of collaborative, private day, and residential settings. The numbers increased from a collective total of 225 students in 1984-85 to 535 students in 1988-89. Along these same lines, over the past

three years there has been a steady increase in the transfer group of out-of-state students, making up 12.9% of the transfers in 1987 and 15.3% in 1989. Schools also reported a smaller but steady increase in the number of students receiving collaborative or private services who left their school districts during the year.

Officials were also asked questions regarding the utilization of third-party benefits or parents' insurance coverage to pay for students' medically related evaluations or services. While officials seek parental permission to access third-party or insurance coverage 92% of the time, parental permission varies greatly. Asked whether parents generally permit access, schools answered: "always" (5%), "often" (47%), "occasionally" (37%), and "seldom" (10%).

The final two questions sought recommendations from school officials for improving service delivery and reducing overall costs. Officials chose to make general recommendations on these two interrelated topics.

The two most popular recommendations dealt with the definition of special needs and the standards by which students are selected to receive services under the state's special education program. Seventy respondents felt the "maximum feasible benefit" standard by which students are placed in appropriate services should be changed to reflect the federal standard, i.e., "free and appropriate." Similarly, officials felt that regulations must set uniform, quantifiable entry and exit criteria for special education programs. Officials also felt strongly that regulations must distinguish between educational and medical services.

The next most frequent recommendation made dealt with teacher certification, preparation, and inservice training, calling for changes in certification to better prepare teachers, as well as increased in-service training for current teachers, especially in such areas as prereferral strategies.

Fiscal recommendations called for increased state funding, other state agencies assuming more financial responsibility, full-year funding obligation by the initial community when a special needs student relocates during the school year, financial incentives to improve mainstreaming, and state funding of foster care pupils.

Programmatic Initiatives: Statewide Mainstreaming Plan

Mainstreaming Plan Goals

Special education programs have become, and will continue to be, an integral and critical element in our overall educational system. Enrollment most likely will continue to increase, to a great extent because of more precision in identifying special needs, because school systems are confronted with a continually increasing number of children with social-psychological problems and, finally, because current regular education programs cannot provide adequately for these students' special needs.

The combination of a growing special education student population and significant increases in the cost of service delivery dictates that major programmatic initiatives, accompanied by reallocations of fiscal resources, be undertaken. An increasingly separate educational system has been evolving since the inception of Chapter 766, a system that "pulls out" from the regular classroom environment students with disabilities and deprives many of these students of the opportunity to participate in regular school programs and extracurricular activities. This separate system is costly and, more importantly, it directly contravenes the intent of Chapter 766.

Special education cost increases experienced over the last several years cannot be sustained. A serious attempt must be made statewide to redirect public education funds in an attempt to regenerate and improve regular education programs so that they may provide the necessary supportive resources to more adequately meet the needs of a more diverse portion of the entire school population. This structural change would make it possible to meet the needs of more disabled students in more integrated settings--to the mutual benefit of all pupils.

Clearly, since their inception, state and federal laws have emphasized this integration of special needs pupils into the least restrictive, appropriate setting. This principle is also found throughout Department of Education (DOE) regulations and its Annual State Plan submitted to the federal government. At the local level, DOE requires school districts to write their own Annual Program Plans in which they must report "The specific manner in which [they] plan to address the gaps in available services and facilities which do not allow for a less restrictive prototype..."(603 CMR 28.501.12).

Moreover, state and federal laws require that prior to referring a pupil for a special needs evaluation, every effort must be made to adapt regular education programs to the needs of such a pupil. This policy is reflected in the DOE regulation requiring that such efforts and their results be documented, 603 CMR 28.314.

DOE currently reports to the U.S. Department of Education numerous efforts to meet the general goals of reducing special education referrals and segregated placements. However,

from the documented increases in more restrictive placements and their costs, it is clear that operating under generalized goals has not worked.

We recommend that DOE set more specific mainstreaming goals and devise plans to attain goals within targeted time periods. This recommendation will be referred to as the "Statewide Mainstreaming Plan." As we envision the Mainstreaming Plan, it will incorporate the system-wide reforms in certification, training, prereferral programming, data collection and funding presented in the following discussion.

The aim of a "Statewide Mainstreaming Plan" would be to definitively focus state and local administrative planning on the goals of improving the regular education setting to accommodate more special needs students in an integrated environment equipped to serve their needs. We recognize that the best-mainstreamed setting, or "least restrictive environment," for one pupil may be a private residential school. For another, it may be a self-contained classroom in a regular public school building.

However "least restrictive environment" might apply to an individual student, there are still system-wide indications that the more restrictive prototypes of substantially separate classes (502.4's) and private day schools (502.5's) are being over-utilized. Given also the lack of specific entrance/exit criteria for each prototype, it is feasible to speculate about the percentage of students whose needs might be, with adequate support services, served in less restrictive placements and even in regular programs.

Superintendents and special education administrators responding to our survey clearly expressed themselves on these matters. Our survey asked them to estimate the percentage of their special needs pupils who could be served in regular education or in a less restrictive environment if additional support services were available. The average of the responses indicates that the needs of about 77.5% of 502.1 pupils, about 41.5% of 502.2 students, and 28% of 502.3 pupils could be appropriately served in regular education. Respondents also suggested that about 30% of pupils in the 502.4, 502.5, and 502.6 placement categories could be served in less restrictive placements, closer to the mainstreamed environment.

Accordingly, the Statewide Mainstreaming Plan would

- Set specific goals and target dates for achieving greater integration, reducing costly placements and reducing the proportion of pupils in special education;
- Be developed in consultation with school district administrators, teachers, and the State Advisory Commission for Special Education;
- Identify financial and programmatic opportunities for improving the regular education setting to better accommodate all pupils;
- Devise strategies to maximize these integration opportunities; and

- Specify an action-oriented monitoring role for DOE to identify districts in need of technical assistance to achieve these goals and to identify increased opportunities for interdistrict collaboration, and thus contain costs.

Additionally, each school district would be required to develop its own integration goals for the Mainstream Plan, to be stated in its Annual Program Plan currently submitted to DOE. Educational collaboratives would also develop goals and plans to enable their special education pupils to return to more mainstreamed settings and develop programs to adequately serve pupils currently in private schools.

Before specifically developing this initiative, it is important to first explain what a Mainstreaming Plan would NOT do. The plan

- Would NOT limit the number of pupils identified as needing educational assistance, but would strive to first utilize more mainstreamed interventions and settings as required by Chapter 766 itself;
- Would NOT prohibit or restrict new or continued placement of disabled pupils in any of the types of programs; and
- Would NOT penalize school districts that may not attain their integration goals; rather, the Plan would offer technical assistance.

Moreover, as important as any specific integration initiatives is the necessity to directly involve school administrators and teachers, who will be responsible for implementation, and parents, whose support for the changes must be earned. Any attempts at meaningful reforms without teacher and parental involvement will not be successful.

The following discussion suggests three potential re-allocation scenarios, and their projected impact on education spending. These scenarios are offered simply to illustrate that adequately serving more special education pupils in regular education could have a direct and significant effect on the level of spending identified as "special education expenditures." Re-allocation of a portion of this money to improve services in regular classrooms would benefit *all* pupils. More importantly, it would take us closer to fully meeting the requirements of both federal and state laws that disabled students be educated with their peers to the maximum extent appropriate.

Scenario 1

Reduce Necessity of Students Being Referred to Special Education

With respect to the increase in special education enrollment as a percentage of the total student body, the first and most modest goal would be to lessen the necessity for such increases. In 1989 there were 2,566 (about 2%) more pupils in special education than in 1988, while over the same time period the total public school population decreased by 2,105, or less than 1%. This was the largest increase in the 10-year period of data we reviewed.

At an average expenditure of $4,311 per pupil (not including any "regular" component of special education spending), over $11.1 million was spent for pupils newly served in special education programs.

A potential goal would be to reduce the necessity for students to be referred for special education evaluations and services by strengthening prereferral interventions. A concurrent aim would be to enable pupils already designated as special needs to also return to regular education. These actions, at a minimum, would help stabilize special education enrollment.

Scenario 2

Reduce Necessity for Utilizing More Restrictive Settings

It would be impossible to definitively state that a set percentage of existing special needs students could be educated appropriately in less costly, less restrictive placements. However, with enhanced regular education programs, increased support services, and improved collaboration among school districts, it should follow that more students could then be served in less restrictive programs.

The following *Table 5.1*, while not intended to set any specific standard to be achieved, projects potential dollars to be realized and re-allocated to regular education programs and other support services should shifts to the next less costly placement occur. It illustrates what effect a 10%, 20%, or 30% population movement in each prototype (502.1 through 502.6 inclusive) to the next least restrictive placement would have on program expenditures, using actual costs for the most recent school year available.

Table 5.1

Simulated Reductions in Special Education Spending

Simulated percentage shifts in enrollment	10%	20%	30%
Shift in pupils served in SPED	13,435	26,869	40,303
Current SPED cost	$94,390,493	$188,780,986	$283,171,479
Cost to provide next less restrictive programs	$72,242,886	$144,485,772	$216,728,658
Net reduction in SPED spending	$ 22,147,607	$ 44,295,214	$ 66,442,820

Scenario 3

Strive to Achieve Integration Levels Estimated as Possible by Survey Respondents

Observations of surveyed superintendents and special education directors might be incorporated to devise more specific goals. As reported earlier, respondents were of the opinion that if better support services were available, a significant proportion of pupils served in 502.1, 502.2, and 502.3 settings could be served in regular education. Similarly, respondents estimated that about 30% of pupils in 502.4 and private school programs could be served in less restrictive placements, closer to the regular classroom.

The following discussion outlines the hypothetical impact of adopting these estimates as Statewide Mainstreaming Plan goals. Using DOE's

1989 End of Year data, we simulated the cost impact of serving reported estimates of 502.1, 502.2, and 502.3 pupils in regular education programs. For the more restrictive placements (502.4, 502.5, and 502.6), we simulated the results of 30% of each category moving to the next less restrictive prototype. For example, results were calculated on the basis of 30% of private day placements (502.5) being served alternatively in 502.4 (substantially separate) settings, and so on. *Table 5.2A* uses simple calculations to project the difference in net cost by serving a given number of students in regular programs instead of in various special education programs.

Again in terms of 1989 data, this simulation indicates that if additional support services were available, 43,875 pupils currently in special education might be served in regular education programs. Such an achievement would reduce the proportion of special education pupils to total enrollment from 17.1% to 11.6%.

Survey respondents most often mentioned psychological services, tutoring services, and team teaching as those additional supports needed to achieve greater levels of integration. This response points to a clear need to re-allocate current resources. Within this scenario, there could be up to $60 million freed to make these resources available.

The shifts shown in *Table 5.2B* would realign programs for 9,867 pupils and allow re-allocation of about $49 million toward providing resources necessary to accomplish greater integration of special needs students. The calculations show the net cost difference between providing the more restrictive educational programs and their next less restrictive options. Again, psychological and tutoring services were most frequently noted as the type of supports needed. Additionally, team teaching and alternative high schools were identified as strategies useful to reduce placements in certain more restrictive prototypes.

Table 5.2A

Serving More Pupils in Regular Programs

Serving 77.5% of 502.1 placements (9,909 pupils) in regular programs would result in a net cost re-allocation of	$9.7 million
Serving 41.5% of 502.2 placements (28,095 pupils) in regular programs would result in a net cost re-allocation of	$36.4 million
Serving 28% of 502.3 placements (5,871 pupils) in regular programs would result in a net cost re-allocation of	$14.2 million
TOTAL RE-ALLOCATION	$60.3 million

Table 5.2B

Serving More Pupils in Less Restrictive Prototypes

Serving 30% (254) of 502.6 (residential) pupils in 502.5 (private day school) settings would result in a net cost re-allocation of	$11.3 million
Since the state pays, on average, 60% of these tuition rates, this reduction would be realized at approximately $6.8 million at the state level and at about $4.5 million locally.	
Serving 30% (1,267) of 502.5 (private day) pupils in 502.4 settings would result in a net cost re-allocation of	$13.4 million
Serving 30% (8,346) of 502.4 (substantially separate class) pupils in 502.3 settings would result in a net cost re-allocation of	$24.6 million
TOTAL RE-ALLOCATION	$49.3 million

Target Dates/Steps Toward Achieving Greater Integration Goals

Achievement of any of these potential integration goals would require major changes in administrative focus at both the state and local levels. Moreover, major changes in classroom management would have to occur--and such changes will not happen overnight. It is important that strategies be carefully planned and studied to find more effective ways to appropriately integrate special education students into regular education classrooms. We recommend that DOE structure the Mainstreaming Plan incrementally, so that progress toward integration goals would be measurable.

The means toward accomplishing any goals would vary by school district and by individual pupil. However, information obtained through survey results and interviews with numerous education professionals suggests particular areas where system-wide reforms are likely to contribute to these desired goals. The following text describes these areas:

- Certification of School Personnel
- Inservice Training
- Classroom Support Services
- Prereferral Programming
- Data Collection and Management
- Federal Funding for Program Evaluation

Certification of School Personnel

Potentially, among the most effective ways to advance the goal of integrating special education students into the regular classroom would be to change teacher training. As one school superintendent stated, "We cannot expect to integrate special needs pupils when we have, so to speak, a segregated teaching force." The segregated teaching force results from there being two kinds of teachers: the regular classroom teacher and the special education teacher. With over 17% of public school pupils in the state now enrolled in special education, this observation seems to point to a core problem in public school organization. We are striving to serve and integrate a diverse pupil population using teaching personnel who, for the most part, do not work in regular classrooms, have no training or experience in working with special needs children, or do not have the necessary supports to enable them to do so.

We remove a pupil from regular education (for all or part of the day) and provide separate programs with specialized personnel--hoping that we can modify the pupil to fit back into an unmodified regular education setting. From a school-management and pupil-integration viewpoint, would it not make more sense to bring the specialized personnel into the regular classroom? Exploring this idea, we examined the differences in training and certification standards between regular classroom teachers and special education teachers. Our research questioned whether

it is necessary to have two types of specialized teachers, at least with respect to serving regular pupils and students with mild and moderate special needs.

Our observations and findings culminate in a recommendation for the Department of Education, in consultation with the Board of Regents of Higher Education (BOR), to study the merits and feasibility of awarding a universal teaching certificate by changing regulations to require that all future candidates for certification have a strong foundation in special education as well as in regular education.

We realize this recommendation follows the recent major restructuring of teacher certification regulations (adopted in January 1990, effective October 1994). Evidence obtained from interviews, school district surveys, and current education journals, however, indicates that the recent changes may not go far enough to equip the regular classroom teacher for the challenges of mainstreaming goals.

Initially, it is important to emphasize that this focus on new training standards for future teachers is not intended to disparage the thousands of dedicated professionals who were trained under existing or prior principles. Many teachers are successfully integrating special needs pupils; many others are "professionally handicapped" by the dual system created by separate certificates and separate labels. One interviewee at DOE explained, "Often regular educators do not feel qualified to provide for the needs of even mildly handicapped pupils." These professionals feel their special education colleagues have training and experience that make them eminently more qualified teachers for students with special needs. If they were not, why would there be distinct certification labels for special educators?

Superintendents and special education administrators survey respondents reported their views on the importance of this problem. When they were asked to identify difficulties encountered with the non-movement of special needs pupils into regular academic settings, the most common difficulty cited was inadequate training of regular education teachers. Nearly 75% of the respondents identified regular teacher preparedness as a difficulty. When asked to state the most important recommendation they could make to improve the quality of special education, their overwhelming response was improved training or certification standards for regular teachers.

Furthermore, the concept that regular classroom teachers need definitive training in special education runs as a consistent theme throughout journals and periodicals on education. Most notably, Patton and Braithwaite published the results of their October 1987 survey of state directors of teacher certification on this topic in the Spring 1990 edition of the *Journal of Special Education*. Although Massachusetts was listed among the 71% of states requiring special education coursework for regular teacher certification, the authors reported that Massachusetts had

a "competency requirement only." The report went on to say that no specific special education coursework requirement was found, nor was there a finding that this coursework must be "embedded" or integrated into regular coursework.

Although the Commonwealth's recent revisions to teacher certification regulations begin to address these concerns, they do not clearly require specific skills or distinguish the degree of competency that classroom teachers need to meet the demands of a diverse, mainstreamed class. For example, the common standards required of all classroom teachers provide that a candidate for provisional certification "should be familiar" with "strategies for integration of special education students ... and development and implementation of Individual Education Plans." Candidates for full certification "should demonstrate" that they modify classwork to meet student needs. Also, they "should demonstrate" that they know and can "effectively implement theories for integrating students with special needs into the regular classrooms."

Except for early childhood teachers (nursery school through grade three), there is no explicit requirement that a candidate's pre-certification teaching experience include a classroom setting integrated with special needs pupils. Language used throughout the regulations suggests that regular educators "should" have a certain basic understanding of integration strategies. This suggestive language contrasts with other regulatory language that makes clear requirements on what competencies educators must demonstrate.

This language also contrasts with certification requirements for teachers of students with mild and moderate special needs. These candidates must complete a portion of their pre-certification practice teaching in a regular education classroom.

The major additional standards for special education certification compared with regular education certification are that special education teachers are required to have knowledge of

- state and federal SPED laws;
- typical and atypical human development;
- curriculum development and instructional strategies facilitating integration;
- preparing and implementing individualized education plans; and
- principles of behavior management.

Other than these competencies, as one special education administrator stated, "There is nothing 'special' about special education. We are just applying good educational practices in light of current learning theory."

Certification Recommendations

We suggest that these "good educational practices in light of current learning theory" be brought into the regular classroom on a formalized basis. We recommend that DOE seriously study the merits and feasibility of combining certification standards for regular teachers and teachers of students with mild and moderate special needs.

Moreover, this study should encompass new certification standards for school principals and other administrative officials. These school positions are not among those included in the January 1990 revisions to certification regulations. Beyond any knowledge of special education required to obtain certification as a teacher, regulations for certification of school principals do not even mention the words "special needs" or "special education."

Special education has grown to a level of such importance in the operation of public schools that it is essential that management as well as instructional staff have definitive knowledge, expectations, and skills in administering special education programs under state and federal law.

Obviously, the impact of any new certification standards will be slow and gradual. By a conservative estimate, DOE and the Board of Regents should be able to revise certification standards within a two-year period. This revision would ensure that candidates seeking new certification in 1997 onward could meet the types of standards discussed in this report. The Massachusetts Teacher Retirement Board data indicate that in 1987 nearly 25% of teachers in Massachusetts were age 50 and over. This agency also reports that the typical experience is that teachers opt for retirement between ages 55 and 65. Should this pattern continue, nearly 25% of the current school teachers would have retired by 1997, and new teachers will need to be hired.

Inservice Training

Although a universal teaching certificate combining regular and special education requirements would help prepare upcoming teachers for more integrated classrooms, DOE should more actively encourage complementary, interdisciplinary training for the nearly 70,000 current school professionals. One such mechanism would be for DOE to develop more specific goals, priorities, and accounting procedures regarding funds available for distribution to school districts for inservice training and related grant activities. There is also a distinct role for the Board of Regents in this training effort, through the state college network and its education departments. Finally, there is an important role for the Legislature and Governor in sustaining and, in some cases, replenishing the level of state support for teacher and administrator training and professional development initiatives.

Four major grant programs administered by DOE to aid school districts with inservice training and promotion of professional development are particularly relevant:

1. The *Commonwealth Inservice Institute* (CII) provides grants for teacher-initiated programs designed to heighten classroom teaching skills and professional development. Most grants range from $1,000 to $3,000 to pay for consultants and materials.
2. The *Lucretia Crocker* dissemination program provides fellowships for teachers to share successful educa-

tional programs and practices with other school districts. Grants cover salaries, benefits, travel, and materials for teachers on sabbatical leave.

3. The *Horace Mann* grant program provides bonuses, not to exceed $2,500, as financial incentives, rewards, and recognition for teachers who take on expanded duties in areas such as curriculum development, inservice training, and support programs for pupils. Specific award levels and procedures are subject to collective bargaining.
4. The *Commonwealth Leadership Academy* funds programs to enhance professional development of principals, superintendents, and other school managers.

While CII has operated since 1978, the other three programs were established by Chapter 188 of the Acts of 1985, the Public School Improvement Act. *Table 5.3* shows state support for these items is dwindling.

State support for these programs decreased by over 83% during this three-year period. According to DOE, CII is the only one of these four programs supplemented by federal money. This federal funding has remained relatively constant, with gradual increases over the period: 1989 federal funding was $361,762; in 1990, $452,240; and in 1991, $545,000. Combined state and federal funding for CII has exceeded $1 million each of the last three years.

Inservice Training Recommendations

The importance of school administrators and regular classroom teachers in achieving mainstreaming objectives has been underscored previously. School management must shift its emphasis to bringing services to, and building confidence in, the regular classroom--reversing the trend of "pulling out" special needs pupils for specialized services. A major factor in making this shift lies in the area of inservice training for current teachers. DOE staff report that inservice training is primarily a local responsibility. While this may be accurate in a strict legal sense, sustained legislative support and active DOE administrative leadership in providing inservice training are necessary to achieve this objective of mainstreaming.

We strongly recommend that the Legislature reconsider the funding cuts in these accounts. If reducing special education enrollments and costs is a priority, then funding for inservice training is essential. Moreover, regardless of any specific level of funding, DOE could administer these grant programs with greater precision. For example, we attempted to learn how much, if any, of available inservice training/ professional development funds was

Table 5.3

State Funding: Selected Professional Development Grants
1989 - 1991

	1989	1990	1991*
CII	$ 855,000	$ 744,450	$ 517,064
Crocker Grants	504,000	504,000	473,840
Mann Bonuses	7,409,146	877,024	480,000
Leadership Academy	225,000	111,125	0
TOTAL:	$8,993,146	$2,236,599	$1,470,904

*Funds available in 1991 are subject to change.

awarded for proposals to enhance the ability of regular educators to teach integrated classes. With the exception of federal funding for CII grants, DOE did not know how state money was spent relative to any particular type of inservice training. Local grant applications indicate how funds would be spent, but DOE did not monitor or tally state grants awarded by category of training.

In a time of limited resources, it is essential to carefully monitor expenditures and to prioritize grant awards toward the most pressing needs. Therefore, we recommend that DOE establish a specific accounting procedure for each of the grant programs for inservice training and professional development. The more specific procedure would track grant allocations for different types of training. This way, DOE could identify the amount of state funds awarded for training in mainstreaming strategies or other categories. With proper accounting and clear priorities for the grant programs, perhaps the Legislature would have more confidence that sustaining and increasing appropriations for these grant programs would be money well spent.

Where there is the legal flexibility, it is further recommended that DOE prioritize grant awards for training geared toward achievement of Mainstreaming Plan goals. However, this flexibility does not exist within the current law providing Horace Mann bonuses. Accordingly, we recommend that the law be amended to allow DOE to prioritize bonuses for teachers who show greater success in integrating children with special needs into the regular classroom.

Also, we recommend that DOE should more actively involve BOR, with its oversight of the state higher education system, in designing and implementing inservice training programs for elementary and secondary school teachers and administrators. Because BOR acts as an important partner with DOE in developing certification standards for new teachers, we recommend that this partnership be expanded to include developing inservice training.

The Legislature recognized the potential value of such a role for BOR in the fiscal year 1990 state budget. A total of $90,000 was appropriated for grants to foster collaborative efforts between public higher education institutions and elementary and secondary schools for staff development. This funding was discontinued in fiscal year 1991. We recommend that the Legislature reconsider this appropriation for staff development between public higher education and local school districts.

In the absence of new state funding, funds available through the Commonwealth Inservice Institute could be targeted for this effort. CII grant programs commonly involve hiring consultants to conduct training activities. We therefore recommend that a priority be set for consultants hired with CII monies to be professors from public and private institutions of higher education who are knowledgeable in mainstreaming strategies.

Classroom Support Services

As discussed earlier in the report, the past decade saw severe reductions in the programs and personnel that have traditionally strengthened the regular classroom and supported the regular classroom teacher. We believe it is imperative that, for a Statewide Mainstreaming Plan to work, a significiant portion of the money "freed-up" by reducing more expensive educational placements be spent in the areas of early intervention, remedial programs, and classroom support services. We fully recognize that our recommendations in the areas of teacher certification and inservice training are dependent on providing and strengthening support to regular education programs.

Early intervention programs, such as Head Start and the Early Childhood Program established under Chapter 188, are designed to prepare children from low-income families for public school. By providing an extensive, preparatory program to these developmentally disadvantaged youth, fewer of these students will require remedial or special educational services upon entering elementary school.

As detailed earlier, these two programs have not been able to keep up with the need for service, thereby weakening our educational system's preparatory program for "readying" students whose development has been inhibited by social conditions. We strongly recommend that a portion of the money that is "freed up" be reinvested in the area of early intervention. It is clear from our research that a disproportionate percentage of students from low-income families receive special education services. This is borne out in the Medicaid discussion in Section 6. Data reveals that approximately 30% of the special education student population is Medicaid eligible, i.e., from low-income families. Re-allocating funding to improve early intervention services is a long-run in the long run, will generate cost savings and reduce that number of students requiring special education services.

Remedial programs such as the Federal Chapter 1 programs of the 1970's and early 1980's traditionally provided remedial support services to regular education students from low-income families who were functioning below grade-level in a particular subject. These programs provided remediation in a specific subject area apart from the 766 program but allowed students to otherwise remain in the regular classroom.

Federal support for these programs dramatically declined in the 1980's and, unlike the early intervention programs, the Commonwealth was not able to maintain these remedial services. As a result, students in need of these services began to receive them in the only available setting, the special education resource room.

We recommend that local governing bodies reinvest a portion of the special education funding to bolster

these remedial programs. These students would thereby remain in the regular classroom system, and the special education system would be better able to focus efforts on the more disabled students.

The third area that will require attention and increased funding is the area of support services/personnel for the regular education student, teacher, and classroom. This support takes two forms: teacher aides who assist teachers in the classroom, and indirect support services such as counseling, social work, dropout prevention, and guidance. The restraints of Proposition 2 1/2 have had a serious effect on both types of support services. At the same time, due to similar reductions in the number of classroom teachers, class size increased and teacher preparation time decreased. The end result is that classroom teachers have more students, less time, and more non-academic responsibilities with an increasingly difficult student population.

It must be recognized that these support services are critical to a successful mainstreaming plan; in addition to training initiatives, regular classroom teachers need a manageable class size with instructional assistance. Support services such as counseling, dropout prevention, drug education and guidance alsomust be available for all students so that classroom time is devoted to academic instruction.

Prereferral Programming

Another essential management tool for achieving Mainstreaming Plan goals is prereferral programming. When it first becomes apparent that a student has a learning problem, existing intervention and remedial strategies should be attempted before referring the child for a special needs evaluation. Prereferral strategies are aimed at avoiding unnecessary placements and at complying with the least restrictive environment preference of federal and state law. Superintendents and special education directors who responded to our survey identified prereferral programming as a major means of improving special education service delivery. Following this lead, we reviewed data, state regulations, recent DOE activities, and the practices of several other states in the area of prereferral intervention.

DOE data indicates that from 1986 to 1989, there were 164,853 Massachusetts public school students referred for special needs evaluations. Nearly 85% of referrals resulted in special education placements. The following *Table 5.4* details these numbers on an annual basis.

Table 5.4

Referrals and Placements

Year	Student Referrals	Student Placements in SPED	% of Students Placed
1989	39,037	31,980	82
1988	42,940	35,536	83
1987	44,062	36,895	84
1986	38,814	34,752	90

We also asked survey respondents to identify the parties who most frequently initiate special education referrals. A total of 151 (86%) of 176 respondents identified classroom teachers as the most frequent initiators. Only 17 identified parents as the most frequent initiators, though parents were identified by 60% of respondents as the second most frequent initiators. Clearly, there are a great number of referrals annually, referrals for the most part result in placements, and teachers initiate more referrals than parents. We question whether state regulations provide clear guidance for local administrators in the area of prereferral intervention.

In our opinion, state regulations do not sufficiently distinguish required prereferral services from services possibly provided in the least restrictive prototype placement, 502.1. The prereferral requirements are found in 603 CMR 28.314, as follows:

> *Prior to referral of a child for an evaluation, all efforts shall be made to meet such child's needs within the context of the services which are part of the regular education program. In addition, all efforts shall be made to modify the regular education program to meet such needs. Such efforts and their results shall be documented and placed in the child's record. Nothing contained in this paragraph shall be construed to limit or condition the right to refer a child for an evaluation.*

Reading the text of the regulation describing 502.1 placements--"regular education programs with modifications"--it is difficult to see how these placements include any services that could not be incorporated into the aforementioned prereferral modifications to the regular program.* 603 CMR 28.502.1 provides the pertinent requirements, in part, as follows:

"Programs within this prototype shall have the following characteristics:

502.1 (a)

The child shall be assigned to a regular education program. Except to the extent both permitted and required by the provisions of 502.1(b), the child shall be treated no differently than the other children in such program.

502.1 (b)

The special education component of the child's program shall consist of one or more of the following:

502.1 (b)(i)

Modification of the child's regular education program as specified by the TEAM. Such modification shall be made by the regular classroom teacher who normally conducts the child's regular education program. Personnel specified by the Administrator of Special Education shall provide support services, or training where the Administrator of Special Education upon consultation with the regular class[room] teacher has recommended such training in place of such support services, to assist the regular education program teacher in making the specified modifications and in carrying out the requirements of the child's IEP.

*This discussion of prereferral and 502.1 regulations reflects concerns for procedures followed prior to special education placement. We are not suggesting the repeal of the 502.1 option for two reasons:

1. There are pupils for whom prereferral programming would not be sufficient.
2. For pupils achieving their goals in the more restrictive prototypes, several special education directors described the 502.1 setting as a useful transition placement prior to a full return to a regular education program.

502.1 (b)(ii)

Any of the services listed in 503.1 that are specified by the TEAM to be provided directly to the child. Such services shall be provided within the classroom in which the child's regular education program is being conducted."

The basic differences in prereferral requirements and those for 502.1 placements are

1. the 502.1 pupil has an IEP and
2. the 502.1 teacher has an explicit regulatory promise for support services and training. Still, the prereferral text states that "all efforts shall be made to modify the regular education program to meet [the pupil's] needs."

We suggest the regular teacher making prerefferral modifications be given the same regulatory support and training. Either way, adaptations are made in the regular program. To achieve integration goals, would it not be more effective to make these same accommodations in the regular education program?

Prereferral intervention has been among the study initiatives recently undertaken by DOE. The Associate Commissioner for Special Education convened an action group "to concentrate on strategies for strengthening prereferral activities." The group produced a paper explaining the value of teacher support teams, i.e., teams to advise and aid regular educators in making necessary accommodations. This paper was mailed to school superintendents, special education administrators, and others.

While these DOE efforts are laudable, they are suggestions, not clear and specific requirements. Leaving prereferral programming to one paragraph out of nearly 100 pages of regulations does not sufficiently emphasize the importance of first modifying regular programs and providing necessary regular teacher support. When asked to state the most important change to improve programs and reduce costs, one superintendent aptly expressed the opinion of many others: "Insist that in-class support be available outside of special education and push to have more special education services delivered within the classroom."

Kansas is a state that undertook a comprehensive study of its school district prereferral practices. The authors found that districts with effective procedures had referral rates that were 50% lower than other school districts. As a result, the state amended its special education regulations to require specific preassessment procedures.

Not only do such clear requirements reduce unnecessary special education referrals--and ultimately placements--North Carolina found that in school districts with formal prereferral procedures, students and teachers received necessary support services sooner than the evaluation and IEP process allowed (i.e., because the time required to develop and provide proper intervention at the prereferral stage was much less than the time required for formal evaluation and IEP development).

Prereferral Recommendations

We recommend that DOE amend special education regulations to emphasize the importance of prereferral strategies. While clearly maintaining the rights of parents to refer their children, amendments should also require that parents be equally informed of their right to, and the benefits of, prereferral intervention in the regular classroom. Amendments should also clearly state the duty of the regular classroom teacher to seek assistance and approval from appropriate administrators prior to making referrals.

Clearly, prereferral intervention will not be the answer for every pupil having difficulty in the regular program setting. Earlier we noted that survey respondents saw the potential to serve a much greater proportion of pupils in regular education--if proper support services were available. When questioned more specifically, respondents most often identified children who are slow to learn as pupils who should not be served in special education. Students with substance abuse or absenteeism problems were also frequently identified as pupils whose needs could be more properly met with regular program modifications and support services. Moreover, respondents cited cutbacks to remedial programming in regular education as a major factor contributing to such a great number of referrals.

Remedial programming is a major prereferral intervention strategy. Our earlier discussion showed the need for and results of re-allocating a portion of funds spent in special education to regular education support services. However, it is again imperative that the Legislature and Governor sustain and, in some cases, replenish state support for key remedial programs. *Table 5.5* illustrates the level of state expenditures for key accounts to aid school districts in this area.

Although state support for basic skills remediation/drop-out prevention has declined by $8 million over the period, and early childhood by $3 million, the Legislature has managed to maintain relatively steady support of Equal Educational Opportunity Grants. Again, we urge the Legislature and Governor to make every effort to avoid any future reductions in these accounts.

Table 5.5

State Expenditures: Selected Regular Education Support Programs

1988 - 1991

	1988	1989	1990	1991*
Basic Skills/ Drop-out Prevention	$ 10,319,657	$ 9,000,000	$ 3,625,000	$ 2,215,987
Early Childhood Education	10,025,943	9,961,496	7,495,345	6,921,267
Equal Educational Opportunity Grants	80,661,515	109,637,944	109,727,911	105,522,604
TOTAL	$101,007,115	$128,599,440	$120,848,256	$114,659,858

* 1991 amounts are appropriated monies; actual expenditures will not be known until the end of the fiscal year.

Data Collection and Management

Also important to achieving Mainstreaming Plan goals are improved data collection and management. There are questions regarding the utility and validity of some data collected and reported by DOE. We also found a clear need for additional types of information in data collection about special education service needs. In the area of data management, we are concerned with what DOE does with the data it collects.

Methodologies for Counting Special Needs Pupils

As suggested at the beginning of *Section 3: Enrollment and Cost Data*, there are a number of DOE data-collection efforts of limited value. Other such efforts yield questionable results.

Pupils Served: Headcount Basis

DOE explains, and we agree, that data collected from school system End-of-Year Pupil and Financial Reports on the number of pupils (on a headcount basis) served statewide in special education is inaccurate. The numbers appear to be inflated primarily due to double-counting of individual pupils by multiple school districts. This occurs, for example, when a student moves from one school system to another during the course of a school year. This individual may be reported as one special needs pupil in school district A, then again as one special needs pupil in school system B, where the individual established new residence. When this occurs, the sum of school system reports would improperly double count a student who moves. To our knowledge, data does not exist to measure the impact of this flaw in the end-of-year special education pupil counts.

DOE states, and we agree, that the present best available measure of student participation in special education in any given year is data received from the October 1 headcount pupil census taken by school systems each year. This "snapshot" approach would not contain the double-counting problem of the end-of-year summary data. From the October 1 census, data indicates that *on that date*, there were X number of pupils attending public schools in Massachusetts, and X number of these pupils had individualized education plans under Chapter 766. This is the primary measure of pupil participation in special education used throughout this report--despite further reservations we hold regarding the accuracy of this accounting.

The reservations arise from our concern that following October 1st of any school year, there is some number of pupils newly referred for special education evaluations who are evaluated and then placed in special education programs. At the least, it is predictable that such referrals would occur after mid-year student progress reports (report cards), and again after the third quarter report. This is because DOE regulations require school principals to advise parents of their right to refer their children for special

needs evaluations when students fail two or more subjects, or when students are at risk of not being promoted to the next grade level. Moreover, following October 1st of any school year, some pupils leave special education, by turning age 22, by dropping out from school, or by other means. For these reasons, we are not confident that the October 1 headcount census is useful for providing the special education participation rate over the course of a full school year.

Pupils Served: Full Time Equivalent (FTE) Basis

There are further validity problems with the methodology used for counting special needs pupils on a full time equivalency (FTE) basis. A FTE pupil count accounts for the fact that most special needs pupils spend only a portion of their school time directly involved in special education. For example, a pupil who is in special education for 25% of the school week and in regular programming 75% of the week would be counted as a special education FTE of .25 and as a regular education FTE of .75. Conversely, programming for some pupils in residential programs extends beyond the customary school week or year. The FTE count for a residential pupil could be as high as 1.2. FTE data is also collected through school system End-of-Year Pupil and Financial Reports. But FTE data should not have the double-counting problem inherent in end-of-year headcount data discussed above. For, in addition to adjustments made for the amount of time a pupil spends in regular education, theoretically a FTE count also adjusts for the portion of a school year a pupil is served by a particular school district, in the case of a student who changes residence.

The validity problem with FTE counts is most apparent with counting pupils in residential programs (502.6). DOE points to the following example: Since DOE makes direct payments to private residential schools for the state's 60% share of these tuitions, DOE knows how many 502.6 pupils require direct payments. According to DOE, in June 1990 it made such payments for 811 pupils. Yet the end-of-year pupil FTE count for that school year was 1,057--a number greater than could reasonably result from proper FTE accounting.

Although it is acceptable that end-of-year FTE counts be used for the other special education prototypes, DOE recommended that we use instead their October 1 census headcount numbers for residential pupils. However, it is not proper accounting procedure to so commingle variables from different source documents in the course of a single data presentation. Showing 502.6 placements by headcount in the course of a FTE data presentation would artificially minimize true 502.6 FTE counts. Therefore we present the FTE headcount figures for residential placements--as well as other prototypes--on FTE calculations made available to use by DOE. Where we refer to pupils on a headcount basis, the reader may observe the lower figure for residential placements.

Recommendations

This discussion clearly leads to a recommendation that DOE review its data-collection procedures concerning pupil counts. It is useful to view special education enrollments both in terms of actual number of pupils served and in terms of FTE. Therefore, we recommend that DOE review and revise both methodologies in a way that DOE and the public may be confident of the validity of this data. DOE must continue to conduct its October 1 headcount census for federal reporting purposes. Therefore, we recommend that DOE devise an additional headcount methodology to accurately depict the total special education participation over the course of a school year. This methodology may involve an additional headcount toward the end of the school year. Alternately, it may involve a more precise method of accounting for pupils both newly served and those leaving special education after October 1st of a given school year.

Additional Data and Data Analysis

This report consistently calls for a more strategic oversight and technical assistance role for DOE. An expanded data collection effort would enhance this role. Additional data regarding the types of special education services public schools are called upon to provide on a geographic basis would enable DOE to identify opportunities for additional school district collaboration. The prototype reporting format tells state and local planners nothing about the nature of services provided under Chapter 766. It indicates only how much time and in what setting pupils receive specialized services. This limited information hinders efforts to assess the scope of service needs and plan for efficient service delivery.

Many school systems have established informal networks to learn of their common service needs. These networks often result in more efficient sharing of resources. We recommend that where data is not currently available, DOE collect from school districts information profiling types of services provided, types of services needed, and the numbers of students requiring these services. This information should be examined on a regional basis to ensure that every opportunity for appropriate collaboration be developed. In particular, a review of the types of services provided by private day schools and the residence of pupils attending these private programs could identify opportunities to establish less expensive collaborative programs closer to home.

We repeat here the recommendations made in Section 7 regarding the collection of data on the number of pupils in the various prototypes. School systems should report pupils educated in collaborative programs separately from those educated in other 502.4 and 502.4i settings, which would more accurately depict both in-house and off-site district and collaborative placements.

Even with data currently available, DOE could identify districts with pupil placement patterns that vary greatly from the norm. Our review of placement data found that a number of school systems serve 80% or more of their

special needs pupils in substantially or completely separate settings. While some anomalies may be justifiable, depending on local demographics, such a statistic should serve as a red flag pointing out the need for investigation and, where necessary, technical assistance in mainstreaming program development. This type of action-oriented monitoring of special education through data analysis is essential to the achievement of Mainstreaming Plan goals.

Federal Funding for Program Evaluation

During one noteworthy interview, a DOE administrator was critical of our office, stating that we should not recommend additional responsibilities for DOE without recommending commensurate resources. We understand that establishing and implementing a Mainstreaming Plan will require a considerable re-allocation of current DOE resources, as well as additional resources.

Along these lines, we first repeat a recommendation made by the Interagency Working Group on Special Education in its October 1988 report. DOE should retain a greater portion of federal discretionary funds received under PL 94-142 for state-level program development and planning activities.

Secondly, we recommend that DOE apply for federal assistance through the State/Federal Evaluation Studies Program. This program was established as part of the federal special education law to enable the U.S. Department of Education to aid states in evaluating the effectiveness of special education programs and practices. Through this program, staff of the federal Department of Education actively work with state education officials to design and carry out studies to identify problems and promising pratices in the delivery of special education services. The federal government pays 60% of project costs, while states provide the remaining 40%.

The U.S. Department of Education is expecting that about $565,000 will be available to fund new studies over the next year. With this money, it hopes to fund five projects, which would begin about October 1, 1991. Moreover, it hopes to fund five feasibility studies to help states identify problems and create study design frameworks. About $250,000 is expected for this purpose. Project award levels average about $100,000 for federal funding of State/Federal Evaluation Studies, and about $60,000 for federal funding of feasibility studies. Projects are funded on a competitive basis, but U.S. Department of Education staff expressed their opinion that Massachusetts is quite capable of writing a competitive proposal.

Therefore, we recommend that DOE write a proposal in a manner suggesting that study results will be used to actively further Mainstreaming Plan goals. In addition, we urge the Legislature to appropriate funds for the state share of what could be a valuable action-oriented project to further identify means of improving the regular classroom setting toward integration goals.

Summary of Section 5 Recommendations

1. In consultation with school district administrators, teachers, and the State Advisory Commission on Special Education, DOE should develop a Statewide Mainstreaming Plan, setting specific integration goals, target dates for achievement, and strategies to accomplish the goals (page 41).
2. The Board of Education, in consultation with the Board of Regents of Higher Education, should conduct a study of the feasibility and merits of combining certification standards for regular classroom teachers and teachers of students with mild and moderate special needs. Such a study should include a review of certification standards for school administrators to determine whether specific requirements for knowledge in special education and managing integrated personnel and classrooms would aid in progress toward Mainstreaming Plan goals (page 45).
3. DOE should develop specific goals, priorities, and accounting procedures for funds available to aid school districts with inservice training and related professional development activities. Grant awards should be prioritized for initiatives to promote serving special needs pupils in regular classrooms (page 48).
4. The Legislature and Governor should make every effort to restore state funding for grants to conduct inservice training and professional development activities (page 48).
5. Chapter 15, Section 1G, of the General Laws should be amended to allow DOE to prioritize Horace Mann bonuses for teachers who show greater success in adapting regular classrooms to the needs of special education pupils (page 48).
6. The Legislature and the Governor should make every effort to restore funding for collaborative efforts between public institutions of higher education and local school districts for staff development (page 48).
7. DOE should establish a priority that preferred consultants hired for Commonwealth Inservice Institute programs to be professors from public and private institutions of higher education who are knowledgeable in mainstreaming strategies (page 48).
8. To improve the capacity of regular education programs to better serve more students, local governing bodies should reinvest financial resources realized through the use of more integrated, less costly special education programming; resources should be reallocated in a manner which fulfills specific local needs, e.g. hiring teacher aides, bolstering remedial programs, counseling, etc. (page 51).

9. DOE should amend regulations governing special education to emphasize the importance of prereferral intervention. Amendments should explicitly require school systems to inform parents of their right to, and the benefits of, prereferral programming in the regular classroom. Further, amendments should clearly state the duty of the regular classroom teachers to seek assistance and approval from appropriate building administrators prior to making referrals (page 52).
10. The Legislature and the Governor should maintain and, in some cases, renew their commitment to funding key regular education support and remedial programs (page 52).
11. DOE should review and revise its methods of counting numbers of pupils annually served in special education programs (page 56).
12. DOE should collect from school districts data on the types of special education services provided, types of services needed, and numbers of students requiring these services (page 56).
13. DOE should collect more specific data on pupils served in 502.4 and 502.4i prototypes to distinguish between the number of pupils served in collaborative programs and the number of pupils served in non-school settings (page 56).
14. DOE should analyze data to learn more about the nature of special education service delivery for the purposes of planning teacher training programs, identifying new opportunities for school district collaboration (page 56).
15. DOE should use data to more aggressively monitor school district placement patterns and to identify districts needing technical assistance in mainstreaming program development (page 56).
16. DOE should set aside a portion of its discretionary federal funding for state-level program development and planning activities (page 59).
17. DOE should apply for federal assistance through the State/Federal Evaluation Studies Program to identify opportunities and strategies for improving regular education programs to meet Mainstreaming Plan goals. Such a study should be action-oriented, geared toward achieving results (page 59).
18. Of all appropriation recommendations contained in this section, the one we most strongly recommend is that the Legislature and Governor approve funding for the required state share to conduct the above study (page 59).

Fiscal Recommendations

The most significant opportunity for cost savings is discussed in the preceding section of this report and relates to mainstreaming. However, there are other recommendations that should be considered to help ease school districts' fiscal responsibility for special education program costs.

We recommend that

1. School districts, with support from the Department of Education (DOE), should more aggressively pursue third-party reimbursement, including Medicaid, for related services provided as part of a child's special education program. We estimate that this reimbursement could be $40 to $50 million per year, systemwide.
2. To help stabilize local special education budgets, Chapter 71B should be amended to require a school district to pay the entire school year's financial obligation for a private day-school placement when a child moves to a different school district during the school year.
3. The state increase its cost-sharing proportion of residential placements from 60% to 70%, a percentage that represents more accurately the noneducational cost of such placements. At the same time that the state assumes more fiscal responsibility, DOE should be more directly involved in these placement decisions.

Third-Party Reimbursements

School districts in Massachusetts spend approximately $100 to $125 million per year, collectively, on special-education-related services. These assessments, support, and medical services, referred to as related services in this report, include occupational, physical, and speech therapy; assessment; counseling; and audiological and vision services. We estimate that $40 to $50 million in increased revenue through third-party insurance reimbursement is annually available to support education budgets.

In particular, there is an increased opportunity for school districts to receive federal funds in the form of Medicaid reimbursements for related special education services currently provided and/or paid for by school districts. This opportunity has come about because of recent clarifications and changes in federal law. These changes allow states to receive Medicaid reimbursements for school-based and contracted services associated with a child's individualized education plan (IEP).

From our review and the experience of other states, we estimate that Massachusetts cities and towns can recover approximately $10 to $15 million per year from the federal government in reimbursable costs for related special education services that are provided directly by school districts to

Medicaid-eligible children. In addition, there is the potential for cost savings in the form of Medicaid reimbursement for contracted services.

There also appears to be significant potential for increased third-party private insurance reimbursement that local school districts are not taking advantage of. A projection of potential reimbursement is difficult because of varying coverage and policy restrictions employed by private insurance carriers. However, reimbursement could be $30 to $35 million per year.

Our review focused on the legislation that provides the framework of third-party payments for related services and on the efforts and progress that other states have made in Medicaid reimbursement for these services. Further, we contacted federal, state, and local agencies, as well as school departments, to develop a picture of related services, including the range of services, the types of providers, and the costs to school districts.

Medicaid Program

Medicaid is a government-financed insurance program developed to provide health care services to low-income individuals and families. The program is financed through the states' budgets, with matching federal reimbursement based on the states' per capita income. Massachusetts currently receives 50% in matching funds for services included in the states' Medicaid plan, which is approved by the federal Health Care Financing Administration (HCFA). While the federal government requires certain services to be provided, each state has discretion over the nature, type, and extent of additional services it may want to permit.

Federal Legislation

A recent significant change in federal law provides an excellent opportunity for Massachusetts to increase revenue through Medicaid reimbursement. On July 10, 1988, Congress passed Public Law 100-360, the Medicaid Catastrophic Coverage Act, which included an amendment to the Social Security Act stating that Medicaid reimbursement is available for services covered in a state's Medicaid plan even if the services are included in a child's IEP.

The following legislative history provides a guideline for coverage for related services. It is from this guideline that Massachusetts must work to create its own plan to help finance these services.

Public Law 94-142, the Individuals with Disabilities Education Act (IDEA), mandates a "free appropriate education" for all children. However, the original language in the law (regarding IEPs and related services to be offered by local school districts) failed to clarify whether all fiscal responsibility belongs to school districts.

The effect of Public Law 94-14, and in Massachusetts Chapter 76, was that school districts became responsible for

costly medical services that previously had been paid for by the health care industry. School districts across the country found it increasingly difficult, if not impossible, to maintain these services. School districts argued that some services they were paying for--such as physical and occupational therapy, speech and language therapy, and eye exams--were medical, not educational, services. Therefore, pressure was placed on Congress to clarify the original intent of this law. The chairman of the House Subcommittee on Select Education asked the General Accounting Office (GAO) to review the related-services issue in June 1985.

The GAO report included four recommendations, which

1. Clarified that education is not solely responsible for related services;
2. Encouraged the development of interagency agreements to clarify fiscal responsibility;
3. Encouraged amendments to the states' plans to require such interagency agreements; and
4. Recommended amendments to the federal Medicaid program to permit Medicaid funds to be spent on related services.

In 1986, Public Law 99-457 amended IDEA to clarify language on interagency agreements and gave a clear directive to states to use all possible funding sources for these programs before utilizing federal dollars. These sources may include private insurance, as well as other state health agencies.

A provision included in the Medicare Catastrophic Coverage Act, Public Law 100-360, allows Medicaid funds to be spent on related services. The relevant text provides that

> (c) Nothing in this title shall be construed as prohibiting or restricting, or authorizing the Secretary to prohibit or restrict payment under subsection (a) for medical assistance for covered services furnished to a handicapped child because such services are included in the child's individualized education program established pursuant to Part B of the Education of the Handicapped Act or furnished to a handicapped infant or toddler because such services are included in the child's individualized family service plan adopted pursuant to Part H of such Act.

Massachusetts Legislation

Chapter 314 of the Acts of 1982, which amended Chapter 71B, Section 5, of the General Laws, was passed by the Massachusetts General Court with the intent of providing a broader revenue base for services associated with the provision of special education. The aim was to relieve some of the financial burden of schools by requiring third-party insurers to pay for certain medically necessary services for students under the state special education law, as long as the following conditions were met:

- A student must be a covered beneficiary under a health insurance policy or Medicaid.

- The service that is provided is one that is normally covered under the insurance policy.
- The service is "medically necessary treatment for disease, illness, injury or bodily dysfunction" as determined by the third-party payor under its standard program of utilization review.
- The service provider does not have a direct or indirect financial relationship to the school committee.

Chapter 314 does not automatically ensure access to a child's insurance. Although Chapter 314 requires health insurers to pay for medically necessary services, billing can occur only if parents allow access to that insurance.

Chapter 314 has not been successfully implemented in that school districts are not widely utilizing third-party billing. We found that lack of third-party billing is due to districts not seeking access, parents denying access to the districts, or districts viewing third-party billing of private insurance as an administrative burden that is extremely difficult to perform.

Another major impediment to school district reimbursement for related services is the provision in Chapter 314 that specifies that third-party insurers, including Medicaid, *will not pay* for services from a provider who has a direct or indirect financial relationship with the school committee. This provision has been interpreted to mean that public schools may not bill or seek reimbursement from third-party insurers. This provision has, in light of Public Law 100-360, prohibited school districts from directly billing Medicaid for federal reimbursement. Chapter 314 should be amended to allow the Commonwealth to take advantage of this reimbursement opportunity.

Medicaid is currently paying for some of these related special education services through private Medicaid providers. This reimbursement can be the result of a school district contracting with vendors who are Medicaid providers, or a parent sending a child to a Medicaid provider for these related services. Again, in both situations, access to a child's insurance is possible only with parental permission.

For those schools that have a high Medicaid population and have parents who allow access, it is in the best financial interest of the district to use private Medicaid providers who will access the child's Medicaid benefits, thus reducing the cost to the school district. One low-income school district, which has a high Medicaid-eligible special education population (75%), paid only $49,571 out of the $821,756 total spent in the 1986-87 school year for certain special education services because it accessed Medicaid and private insurance.

All districts reviewed had costs that are currently reimbursable, but not all districts were accessing Medicaid for the reimbursements. We found that a large percentage of services are performed by school personnel. Therefore, reimbursement was not possible because of Chapter 314 restrictions.

Of the schools examined, most asked parents' permission to access a child's insurance for part or all the related services included in the child's IEP. For some districts that sought access, allowance was high; for others, it was practically nonexistent.

Some possible explanation for the extreme variation in access allowance may be found in the communication process with parents. The language of the access permission forms from some districts was either unclear or overwhelming. Forms may have made it difficult for parents to understand that their permission was needed for access and that by allowing access, the parents would not be responsible for any additional financial burden. Other possible explanations include lack of follow-up by school districts and language barriers.

We attempted to determine the size of the Medicaid-eligible population in each district surveyed. Some districts recorded these figures; in others, the eligibility was projected by assuming that if a child were eligible for the free or reduced lunch program, that child would most likely be eligible for Medicaid. From our review, we estimate that the Medicaid-eligible population statewide is approximately 30%.

Medicaid Efforts in Other States

We are aware of 10 states that currently have begun to collect reimbursements, or are in the process of setting up mechanisms to do so. In these states, Medicaid is billed for related services that are normally covered in the state's plan.

Besides billing Medicaid through private vendors that supply services, school districts in other states have become Medicaid providers themselves. To become providers themselves, they must be approved and assigned a Billing Provider Number, as does "an institution, agency, organization, or individual practitioner providing health or medical services." To be issued a provider number, a school district can apply under existing Medicaid program areas or work with its state Medicaid agency to create a new provider category and reimbursement schedule.

After five years of optional participation, Connecticut began a pilot reimbursement project in six school districts. During the first year of the pilot program, the state received over $500,000 in Medicaid reimbursements; the average reimbursement was $270 per child. Encouraged by this success, Connecticut passed a law mandating that all school districts become Medicaid providers and seek reimbursements for related services. Beginning with the 1989-90 school year, this legislation

- required schools to identify all Medicaid-eligible pupils;
- required schools to seek parental access and pursue reimbursement; and
- provided that all Medicaid reimbursements be paid directly to school districts.

Many states have created a third-party billing mechanism to assist school districts in the reimbursement process. Pennsylvania has set up billing units to assist school districts in the reimbursement process. Because the state pays municipalities' total special education costs beyond those of the regular education classes, reimbursement monies are sent to the state. The state, in turn, makes these monies available to those schools that submit proposals for children's programs that have been approved by the state. Without these billing units, it would be nearly impossible for school districts to assist the state in the reimbursement process. Initial estimates for reimbursements are $3 million in 1991, $8 million in 1992, and $15-$20 million in 1993.

Most recent estimates from Indiana, which is in the process of developing a pilot program, are that billing Medicaid and private insurers is gaining schools new monies of $352 per child.

Related Services in Massachusetts

We surveyed 10 school districts in Massachusetts to develop a picture of what related services are offered, who is providing them, how much they cost, and how much third-party reimbursement--focusing on Medicaid--is taking place. This review did not include services and expenses of private day, residential, or collaborative placements.

The related services offered, and the degree to which they were available, varied from district to district. The selection of services associated with a child's assessment process varied the most, while such services as occupational, physical and speech therapy, and counseling were consistent. Often audiological, vision screening, and mental health/counseling services were provided to special education pupils as part of a school-wide or community-wide service.

Each school district has its own sources for providing related services. Most districts use a combination of private vendors and school personnel to provide services. Some use private vendors that are Medicaid providers and will access Medicaid to reduce the cost to the district. Other vendors are not Medicaid providers, and reimbursement is not possible. School personnel provide approximately 56% of the related services to special education students. Some personnel are hired specifically for special education services, such as speech, occupational, and physical therapy. Other personnel, such as counselors and nurses, divide their time between regular and special education students.

In the 10 school districts surveyed, we found a total of $5.7 million in reimbursable dollars for related services during the 1989-90 school year. Of this total, $3.2 million represents services provided by school personnel, and the remaining $2.5 million represents contracted services.

Medicaid Reimbursable Related Services

In Massachusetts, certain services associated with the evaluation of children with special needs are reimbursable under the state's existing federally approved Medicaid plan. These services fall under the categories of psychological assessments, home assessments, and medical assessments. In addition to these assessments, Medicaid covers other services that may be included in a child's IEP, such as physical, occupational, and speech/language therapy; certain audiological and optical services; and counseling services.

Third-Party Reimbursement Recommendations

There is a significant opportunity for increased revenue to support school programs through Medicaid and private insurance reimbursement. While actual reimbursement is difficult to project, the size of our special education program, future funding concerns, and the success other states are experiencing in this area, all make it imperative that Massachusetts take advantage of this opportunity.

The state should take the initiative in leading school districts to recoup all possible monies from Medicaid and third-party payers. The districts must be supplied with the guidance and support necessary to successfully maximize the reimbursement monies.

We recommend that the following be done:

1. *The Department of Education (DOE) should be responsible for the planning and implementation of a related-services reimbursement program.*

   DOE should develop a system, in conjunction with both the Department of Public Welfare and local school districts, to implement a reimbursement process. Consideration should be given to activities in other states that have begun the process. A pilot program in several districts should be developed to gain the experience necessary for statewide implementation. As shown in Table 3.15 in Section 3 of this report, 50% of the cost of special education is spent by 38 municipalities that are generally characterized as being urban, with a high Medicaid population. Efforts should be concentrated in these municipalities.

2. *School districts should be required to seek access to a child's insurance.*

   School districts should be required to seek access to Medicaid and private insurance for every child in special education. Parents should continue to be the determining factor in permitting that access; however, when feasible, they should be encouraged to allow their children's insurance to be used. Efforts to access insurance should be aggressive, yet sensitive to individual situations. Many private insurance carriers have varying coverage and

policy restrictions that must be considered so that deductible requirements and policy limitations do not penalize parents for allowing access by school districts.

3. *Chapter 71B, Section 5, of the General Laws should be amended to allow school districts to bill for third-party reimbursement for services provided by school personnel.*

   The provision that exempts third-party insurers from paying for medically necessary treatment services because the service provider has a direct or indirect financial relationship with the school committee should be amended. This amendment would allow school districts to become vendors and bill both Medicaid and other third-party insurers for services that are currently being provided by school personnel. Some of these services include occupational, physical, and speech therapy; assessment services; counseling; and audiological and vision services.

4. *The Massachusetts Medicaid plan should be reviewed.*

   DOE should work with the Department of Public Welfare to determine whether the current Massachusetts Medicaid plan is sufficient to cover all related services eligible for district reimbursement. If it is decided that the plan is not sufficient, it should be revised to include a reimbursement schedule and submitted to Health Care Financing Administration (HCFA) for approval. Also, a new provider category should be established for local school districts.

5. *A billing mechanism for Medicaid and private insurance should be developed by the Department of Education, in conjunction with the Department of Public Welfare, to assist school districts with the reimbursement process.*

   Because of the complexity involved in health insurance billing, a mechanism should be set up to assist school districts with the reimbursement process. It is unrealistic to expect a successful reimbursement program if the administrative burden is placed on school districts alone. Serious consideration should be given to contracting with third-party billing agents to support school districts with the reimbursement process, as other states have done. Educational collaboratives might readily serve in this capacity.

6. *Reimbursement monies should be returned directly to school districts.*

   For a reimbursement program to be successful, the school districts must have an incentive. All funds obtained through third-party reimbursement should be directed to the school department. This recommendation would require an amendment to Chapter 44, Section 53, of the General Laws.

7. *Each school district should review its related services.*

   Districts should review the nature and extent of related services offered and determine whether they are providing them in a way that ensures maximum reimbursement without compromising the quality of the services. Districts, depending on the extent of their Medicaid population, may want to contract with providers who are Medicaid-approved. In some cases, it may be more fiscally sound for districts to provide the services with school personnel and seek Medicaid reimbursement.

Responsibility for Private Day Placement Costs

One of the most common concerns expressed by school district officials is the budgetary impact and uncertainty connected with a new costly special education placement that occurs when a child moves into a school district during the year.

To help address this concern, the Legislature, in Section 52 of Chapter 653 of the Acts of 1989, adopted a provision that makes the school district where a child begins the school year responsible for the entire year's cost of residential placement (prototype 502.6) when a child moves to a different school district. This action helps stabilize special education spending by eliminating the need for school districts to deal with these significant unanticipated cost increases after the budget process.

We recommend that Chapter 71B be further amended to include private day placements (prototype 502.5), adopting this same principle. These placements have almost as much financial impact on budgets as residential placements. A residential placement costs a school district an average of $25,654 per pupil, representing 40% of the total costs, while a private day placement costs a school district an average of $19,851 per pupil.

There were 4,223 private day placements statewide in school year 1988-89, compared with 845 residential placements. These figures show that there is a greater likelihood of movement, thus disruption of budgets, to occur with day placements.

Our school district survey indicated that individual school districts have accommodated approximately 300 mid-year private day placements in each of the last three years. Information was not available to distinguish new, out-of-state students from transfers within districts. However, the greatest percentage of these students are most likely to be transfers within districts.

Considering that the volume of student movement would not be overly disruptive and that the cost of a new private day placement has a significant budgetary impact, we believe that our recommended legislative change would provide additional stability to special education budgets.

Residential Placement Cost Sharing

In 1981 the Legislature enacted Section 5A of Chapter 71B, which provided for the Commonwealth to pay up to 60% of the tuition costs for residential placements (prototype 502.6). Originally paid to cities and towns on a reimbursement basis, the Commonwealth's share of these tuition costs is now paid directly to residential schools. The intent of this state funding commitment was to partially relieve cities and towns from the financial burden for these costly placements, averaging $64,137 per pupil for the 845 residential placements statewide in school year 1988-89.

The 60% state financial participation was intended to represent the non-educational share of the total cost of these placements. We examined this cost-sharing ratio in our overall review of residential cost rates and determined that the non-educational costs now represent 70% of the total. As a result, we recommend that the Commonwealth continue its commitment to assume the total non-educational costs (70% vs. 60%) of residential placements. This new formula would increase the Commonwealth's financial obligation by approximately $5 to $6 million.

This increased funding commitment should be accompanied by increased DOE involvement in the initial decision to place students in residential settings. Currently, DOE approval is required for all such placements. However, from our interviews with DOE officials, such approvals are merely a formality. Accordingly, there are concerned individuals who fear that increased state funding would create a financial incentive for residential placements that may not be appropriate. In recognition of these concerns, we recommend that DOE become directly involved in the IEP and placement determination process once it appears that residential placement may be necessary. More specifically, we recommend that

1. When it becomes apparent that a residential placement may be necessary, the director of special education should notify DOE and forward a copy of the proposed IEP.
2. DOE should review the IEP and certify whether the proposed residential program is or is not reasonable in the particular case and make alternative recommendations, if applicable. This review should be done within a certain time to avoid placement delays.
3. The TEAM should review and consider DOE comments but would not be bound by them.

Educational Collaboratives

A significant effort was devoted to a comprehensive analysis of educational collaboratives. This review included a 15-page survey completed by 24 (66%) of the state's 36 collaboratives; site visits by Division of Local Mandates (DLM) field representatives to one-third of the collaboratives; and meetings with collaborative directors, and officials from the Department of Education (DOE), and the Massachusetts Organization of Educational Collaboratives (MOEC).

Two of the main factors in the Office of the State Auditor's decision to make collaboratives a major focus of this study were DOE's historical lack of oversight of collaboratives and the growing reliance on collaboratives by cities and towns. A 1987 OSA report noted that DOE had failed to monitor the state's collaboratives and to conduct any audits of these entities. At the same time, collaboratives' student population reached 4,100 in 1989 and continues to grow and evolve.

Historical Overview

The legal formation of educational collaboratives is governed by Section 4E of Chapter 40 of the Massachusetts General Laws. Two or more school committees of cities, towns, and regional school districts may enter into a written agreement to conduct educational programs and services that complement and strengthen the existing school programs of member school committees and increase educational opportunities for children. Collaboratives are managed by a board of directors comprised of one person appointed by each member school committee, a school committee member (or designee), and the superintendent of schools (or designee). In addition, a non-voting representative from the Department of Education is appointed to serve in an advisory capacity to the collaborative board.

In the years following the passage of Chapter 766, educational collaboratives began to emerge as alternative placements to private day and residential settings. Promoted as a means of pooling communities' programmatic resources, collaboratives offered smaller cities and towns the opportunity to send low-incidence groups of students with similar disabilities to a local public school setting rather than having to provide an in-house program for a small group of children or having to place them in expensive, private placements. Faced with declining school enrollments and increasing educational mandates and costs, school districts began to expand their use of collaboratives to meet a variety of educational and auxiliary needs.

Between 1974 and 1976, 39 collaboratives were formed to provide such special education services and, to a lesser extent, vocational education, gifted and talented programs, transportation, and cooperative purchasing services. Currently, there are 36 educational collaboratives serving over 242 of the Commonwealth's school districts. Almost 70% of the school

districts formally belong to at least one collaborative. Another 12% purchase educational services from nearby collaboratives on a tuition basis. Geographically, while collaborative regions extend across the state, the overwhelming majority (33) are located in eastern and central Massachusetts, with only 3 collaboratives in western Massachusetts, where regional school districts predominate.

The resilience and steady evolution of collaboratives over the past 15-20 years suggest that they have become permanent, viable resources for cities and towns statewide. Of the 36 collaboratives currently operating, 30 (83%) have been in existence for 13-15 years. Since 1969, only 8 (22%) have dissolved.

Under Chapter 766 regulations, students who are placed in educational collaboratives are defined as being in 502.4 or 502.4i prototype settings. Prototype settings are predicated upon the amount of time during the school day that a student receives special education services. To appreciate the nature of a collaborative student's placement, one should look at the setting in the context of the more and less restrictive settings at both ends of the spectrum. Student who are placed in a 502.4 prototype setting, also known as the "substantially separate classroom" setting, spend 60-100% of their school day receiving special education services in a public school regular education facility, according to DOE regulations.

In contrast to this less restrictive setting is the 502.5 private day school setting, the next more restrictive placement in the prototype hierarchy. DOE has chosen to characterize these collaborative placements as in-house public school settings; however, collaborative placements, especially the 502.4i settings, possess many of the same characteristics as private day schools. This issue will be discussed in more detail later in this section.

The collaborative entity is a unique one, enjoying some of the features associated with an independent public school system while, at the same time, functioning as a dependent extension of the member schools. Similar to a school system, collaboratives may not own real property and are subject to both the open meeting law and the jurisdiction of the Department of Education. Conversely, and most important, the collaborative is dependent upon its member school systems for its existence--namely funding and students for its programs.

As a result of their unique nature, educational collaboratives have existed with little or no state oversight. In 1985, the School Improvement Act mandated that DOE begin to gather sufficient information from educational collaboratives in order to assess collaborative schools and programs. DOE in 1987 published an *Overview of Programs and Services Offered by Educational Collaboratives* based on information gathered from a reporting instrument to which 32 of the state's

36 collaboratives responded. This data provided basic information on the size, scope, and variety of programs and services offered by educational collaboratives. It should be noted that we relied upon information from this DOE survey as the basis for many of our general statements regarding collaboratives. The DOE report also served as a starting point for the OSA study of collaboratives in Massachusetts.

Summary of Survey Data

The OSA survey was divided into four major areas: (1) composition of collaboratives, including collaborative boards and facilities; (2) personnel and students; (3) programs and services; and (4) general questions relative to current collaborative issues and concerns. The following information is based on data from the 24 (out of a possible 36) collaborative surveys that were returned. (In some areas of the survey, questions were left blank or did not apply to all collaboratives. In these cases, the report indicates the number of collaboratives that responded to the particular question[s].) For the sake of brevity, this summary does not present every survey question and response. The items most relevant to providing new information about collaboratives and about opportunities for improvement are highlighted here and, where appropriate, in later portions of this section.

Survey Section I

Collaborative Membership, Boards, and Facilities

The first section collected information about city and town membership, collaborative boards, and facilities.

Membership

The survey revealed that original members have overwhelmingly remained within their initial collaboratives. In addition, collaboratives have expanded to include new members and nonmembers that use the educational services on a tuition basis. On the other hand, the size of collaboratives varied greatly, with regard both to the number of member districts and the number of nonmember districts using the collaboratives' services, as shown in *Table 7.1* below. The several nonmember cities and towns used collaboratives for such services as transportation, cooperative purchasing, and staff training through payment of tuition or a fee, but rarely had voting powers or board representation. They generally used an educational program when they had a small number of students and no appropriate program for them.

Composition of Collaborative Boards

As *Table 7.1* demonstrates, the composition of collaborative boards varied greatly, as determined by the collaborative's organizational charter.

The role and degree of participation by the DOE representative was also among the topics surveyed. On the negative end of responses to the question, "How actively does your DOE

representative participate?'' we received the following answers: ''does not attend,'' ''rarely attends,'' ''occasionally attends,'' ''rarely attends--no proactive participation,'' and ''does not actively participate in discussions at all.'' On the other hand, several collaborative directors expressed strong praise for their DOE representatives, stating that they ''attend regularly,'' ''are very active,'' and are viewed as a ''valuable asset and resource on DOE issues.''

As to the frequency of collaborative board meetings, the OSA found that of the 23 reporting collaboratives, 10 met six times a year or less, while the remaining 13 met on a monthly basis, though often not during the summer months.

Table 7.1

Collaboratives

Starting Dates, Memberships, and Board Appointees

Collaborative	Starting Date	# of Member Towns	# of NonMember Towns*	Superintendents	School Committee	SPED Director	Pupil Personnel Director	Other
ACCEPT	1974	10	5	10				
Assabet Valley	1976	15	11	10		11		
BICO	1977	15	25	15				
Cape Ann	1975	5	3	5				
Cape Cod	1975	18	0		18			
C.A.S.E.	1974	14	21	12	1			
CHARMSS	1975	7	14	7				
EdCo**	1968	22	14	13	8			
FLLAC	1978	8	15	4	3	1		
Greater Lawrence	1974	9	32	15				
Hampshire	1974	17	40		17			
North River	1976	8	12		17		1	
North Shore	1974	7	50	5		1		Bus. Manag.
Pilgrim Area	1976	10	6		7	2	1	
Project SPOKE	1971	4	17	4				
Regional Development Center	1974	9	4		9	4		
SEEM	1974	7	9	20				
SHORE	1975	7	7		7			
So. Berkshire	1976	4	27		4			
Southeastern MA	1975	6	7		6			
So. Worcester Ct.	1975	12	7	6		1		
South Shore	1976	8	21	13		4	13	3 Asst. Supt. Bus.
SMARTS	1985	9	0	9				
TEC	1974	12	46	0	12			

* The majority of nonmembers utilize the collaboratives' educational services; however, about one-third utilize just auxiliary services such as cooperative purchasing or staff development.

** EdCo became a collaborative under Chapter 40 in 1988.

Collaborative Facilities

The survey requested extensive information on the educational facilities that collaboratives utilized, i.e., the number of facilities, the number of years the buildings have been used, the types of facilities, and the ownership of and compensation arrangement for use of the buildings. This section was viewed as critical to our study because it helped to shed light on a number of collaborative issues and OSA concerns, including mainstreaming, availability and appropriateness of space, long-term stability of space, and cost of space.

The 23 collaborative respondents occupied wholly or a part of 170 facilities, with one collaborative utilizing only 2 buildings and, at the other extreme, two collaboratives using 19 and 20 buildings, respectively. A rough estimate indicated that a collaborative remains at the same facility an average length of four years. However, a closer look revealed that although some collaboratives enjoy continuity, others experience severe problems maintaining use of the same facilities from year to year.

The type of facility housing collaborative programs was also examined. Collaboratives were asked whether each program was housed in an operating school building, a former school building, commercial space, private non-profit space, or some other type of facility. This issue was examined because of concerns that large numbers of students were being educated in non-public-school settings. Our analysis found that of the 22 collaboratives reporting, the majority of the educational placements were housed in operating public schools. However, we also determined that approximately 27% of the 170 facilities were non-operating public school sites. This 27% included 24 former public school settings, 8 buildings deemed commercial space, 12 private non-profit facilities, and space in 3 state buildings and 1 hospital. The 12 private, non-profit facilities included several churches, a YMCA facility, 2 college facilities, a Boys/Girls Club, and a Masonic Building. It should also be noted that these non-public-school settings may, in fact, have housed more than one-quarter of the collaborative students.

The final information gathered about collaborative facilities concerned ownership of and cost arrangements for use of the buildings. Collaboratives were asked whether the use of the buildings was a rental/lease arrangement, was donated at little or no cost, was exchanged for services, or was under some other arrangement. Approximately 100 of these facilities were utilized through a rental/lease arrangement, with prices ranging from a low of $1,500 to a high of $72,000. The majority of these facilities were public-school or former school space and generally cost $10,000 or less in the public schools and between $10,000-$20,000 at the former schools. Of the remaining 70 facilities, about half were used in exchange for collaborative

services, and several collaboratives have reduced tuitions in exchange for the use of facilities. By far the most expensive space utilized was the space rented from a private, non-profit, or commercial owner, although several of the non-profit spaces (churches, YMCA, Boys/Girls Club) were comparable in price to the public schools and former public schools.

Survey Section II

Collaborative Personnel and Student Population

This section of the survey dealt with collaborative personnel and students and included questions about collaborative staff, teacher profiles, and the number of students served.

Collaborative Staff

Our survey disclosed that there were 393 special education teachers at the reporting collaboratives, or an average of 16-17 teachers per collaborative. In addition, there was an average of approximately 5 administrative staff and an average of approximately 20 aides per collaborative. It is interesting to note that over half of the collaboratives had on staff more aides than special education teachers. While collaboratives also used a variety of clinical staff (psychological, occupational, physical, etc.), it was difficult to assess their total use of clinical staff because some collaboratives employed the clinicians full- or part-time while other collaboratives contracted out for these services. Profiles of the collaborative teachers show that the majority were special education certified as defined by the DOE. However, collaboratives did report that, collectively, nearly 17% of their instructors were teaching under certification waivers granted by the Department of Education. Generally, a teacher remains with a collaborative for just over five years; he/she remains in the same collaborative program for just over four years.

The average salary of collaborative teachers was approximately $25,500. Our statistics revealed that only 12% of collaborative teachers (3 collaboratives) enjoyed tenure privileges. This condition could be a potential disincentive (although difficult to substantiate) to attracting quality teachers to collaboratives. In addition, only 16% of the teachers (4 collaboratives) were members of a union. This statistic indicates that collaborative teachers are not on a par with public school teachers, who do enjoy tenure and union protection. A few collaboratives did indicate that their teachers were paid on the same salary schedule as teachers in the member cities and towns.

Collaborative Students

The information gathered in this section dealt with the number of students served by collaboratives from 1987 to 1989, what prototypes new collaborative students were previously in, and where students who left the collaborative were then being served. The survey revealed that, for the 21 collaboratives responding to this question, the collaborative population has

remained stable, increasing slightly from 1987 to 1989. (See *Table 7.2.*) Thirteen of the reporting collaboratives showed slight increases, while the remaining eight showed slight to moderate decreases in enrollment. However, these numbers do not necessarily reflect the changes in the type or age of students served by the collaboratives.

Table 7.2

Collaborative Pupil Population

Fiscal Year:	1987	1988	1989
Number of Pupils:	3,940	3,996	4,165

Movement of Collaborative Students

The survey attempted to tackle the difficult task of determining where a collaborative student was previously served and where the student would be served upon leaving. Because of the large number of students served and the transitory nature of some special education populations, this task was extremely time-consuming for collaboratives. Therefore, we asked collaboratives to estimate, by percentage, what educational settings their students came from or went to upon leaving.

Data on incoming students showed that nearly all of the collaboratives received students from 502.4 and 502.4i settings. It is estimated that collectively, these less or equally restrictive settings supplied 40-45% of the new collaborative students, with a smaller percentage arriving from the 502.3 setting. Collaboratives also received about 20-25% of their collective enrollment from the 0-3 age group and the 502.8 settings, which serve 3- to 4-year-old special needs students. By contrast, only half of the collaboratives reported receiving *any* new students from the more restrictive 502.5 and 502.6 private school settings; and in the collaboratives reporting new students from these settings, these students made up only about 10-15% of the total of new students. It is essential to point out that this influx of students from less restrictive settings and the low percentage of students received from more restrictive settings are not symptomatic of a problem with collaborative management. The decision to offer any given program is dictated by member communities that determine where special needs pupils will attend school.

The survey also attempted to determine what educational settings students who left collaboratives ended up in (exclusive of students who graduated, transferred, or withdrew). Data on students who left revealed that the majority went on to less restrictive settings, largely 502.4s; to a lesser degree, students went to 502.3s and 502.2s. According to other data collected in the survey, as well as comments from collaborative officials, part of this movement can be attributed to an effort on the part of local school districts to serve these students in-house by adapting existing programs or developing new programs to meet

the students' needs. This movement is a positive sign that must be commended and encouraged further.

Collaboratives also reported a lesser, but still substantial, percentage of students that left the collaboratives for the more restrictive 502.5 or 502.6 private school settings.

Survey Section III

Collaborative Programs and Services

The third section of this survey dealt with collaborative programs and services so that we could gain a clear understanding of the types of programs that collaboratives offered and thereby obtain information about the types of students attending collaboratives. In addition, the survey sought extensive information on the supplementary services that collaboratives provided to their members and nonmembers.

Grade Levels of Students

The survey also collected data on the grade levels of students who were being served by the 23 collaboratives responding to this question. This information showed that 36% of the students receiving collaborative services were of high-school age. Students of elementary-school age comprised 28%, junior-high-age students, 15%, and pre-school-age students, 21%.

Types of Special Needs Served

To more fully understand the collaborative population, the age of the student must be looked at in conjunction with the types of disabilities being served. It must be remembered that each collaborative determines what programs it is going to offer based on the needs of its member communities. Therefore, it is entirely possible that one collaborative could specialize in serving students with learning disabilities, while another may deal exclusively with speech and language disorders. Furthermore, a collaborative may deal with only early childhood students or only high school students.

Without regard to age, the survey indicated that the top two categories of disability were mentally retarded students (29%) and emotionally disturbed students (27%), followed by multi-handicapped (19%), learning disabled (12%), hearing disabled (4%), and speech and language disabled (3.5%) students. These percentages reflect the student population at the 23 collaboratives responding to this question.

In examining the survey data, we also looked at the nature of the student population being served in a non-public-school setting. This inquiry revealed that nearly 60% of the students being served off-site were of high-school age, another 20% of the students were of junior-high age, and the remaining 20% were split between elementary-school and early-childhood age. As to the disabilities of the students being served off-site, approximately 50% were diagnosed as emotionally disturbed. The remaining 50% consisted of mentally retarded (22%), multi-handicapped (13%), and learning disabled (10%) students.

Changes in Services Provided

The survey also dealt with the matter of collaborative programs that have been initiated or discontinued in the past two school years. Aimed at determining what new services collaboratives were being asked to provide, the questions also asked what programs have been discontinued and the reasons for any changes. One pattern that emerged was that collaboratives continued to evolve to meet the changing needs of their member municipalities.

Within the 23 collaboratives responding to these questions, at least 36 new educational programs or classes have been established during the past two years. Nearly half of these new services were established to serve pre-school- and primary-age students, strong evidence of increased efforts to provide early intervention services. It should also be pointed out that several collaboratives reported that they had a decrease in pre-school students because member cities and towns were creating in-house programs at this level. It is widely recognized that early intervention services, whether in-house or at a collaborative, have a significant positive effect on overall efforts to mainstream special education students.

The effect of the new in-house programs on the collaboratives was pointed out by several collaborative directors in their comments. With member districts increasing their in-house services for pre-school students and students with general learning disabilities, collaboratives were increasingly serving a severely disabled student population. Moreover, members also were bringing a limited number of students back from the private schools and calling on collaboratives to serve these students. This movement is changing the student profile of many collaboratives.

Survey Section IV

Directors' Comments and Concerns

The fourth section of the collaborative survey asked for comments and concerns of collaborative directors regarding program space and their most critical programmatic and service needs, and questioned how the State Auditor's Office can best serve collaboratives and special education in general through this report.

Program Space

The issue of program space may be the single most important issue facing collaboratives today. Of the 21 collaboratives (71%) responding to the question regarding space problems, 15 stated that they have had difficulty from year to year finding and keeping appropriate classroom space. As a result, collaboratives have been forced to use 502.4i off-site settings or age-inappropriate settings and have been hindered from initiating new programs or expanding existing programs.

Program Needs

Collaborative directors also highlighted other critical programmatic/service needs. Directors listed the lack of qualified therapists and teachers, the need for full recognition as educa-

tional entities by members and DOE, an increasing overlap between educational and medical services, better communication with member SPED directors and regular classroom teachers, funding for new programs, and paperwork as major needs and problems affecting their operations. These concerns are not necessarily addressed separately in the upcoming sections; rather, they are addressed as contributing factors to a larger problem or are addressed as part of ensuing recommendations.

As to the question of how the State Auditor's Office might best assist in improving special education, directors overwhelmingly felt that the value of collaboratives as cost-effective and flexible alternatives to private school placements must be articulated. Furthermore, they believed that the Commonwealth must be encouraged to promote collaboration of resources at the local level, for non-educational services as well as educational services, through financial incentives and seed money.

Current Major Issues and Developments

From a combination of statistical analysis, site visits, and interviews, we identified what appear to be the current major issues and developments relative to collaboratives and the collaboratives' role in local public education. The issues and developments that are discussed below are by no means the only ones relevant to an examination of collaboratives; however, they are the ones that we felt most warranted consideration.

Lack of Adequate, Appropriate Classroom Space

In order to highlight the severity of the space problem and the individual ramifications on a student, we have provided in *Table 7.3* below a real-life scenario of one collaborative student's itinerary over a 10-year period.

Table 7.3

One Collaborative Student's Experience Over 10 Years

Student's Age	School Year	School/Location
4	79-80	X - School, Town B
5	80-81	Y - School, Town L
6	81-82	M-T School, Town A
7	82-83	M-T School, Town A
8	83-84	H - School, Town L
9	84-85	H - School, Town L
10	85-86	H - School, Town L
11	86-87	H - School, Town L
12	87-88	C - School, Town S
13	88-89	J - School, Town B

As one can see, this particular student was moved from one town to another six times in the past 10 years. While this situation is not experienced by all collaborative students, it is experienced by an increasing number of them and is indicative of alarming evidence of the breadth of the problem that exists. The dilemma that the collaboratives face is described by one collaborative director in the following manner:

- The dilemma that the collaborative faces is that the problem of classroom space never goes away. As long as one district within a collaborative is having a space problem and also houses a collaborative class, then the collaborative continues to have a space problem.
- A common mind-set is that a collaborative class can move to another district with little or no difficulty. If several districts arrive at this conclusion in the same year, obvious difficulties arise.
- When the issue of classroom space emerges in a town, the entire community becomes aroused. People express concerns about moving the fifth graders to the Middle School, about having a building with all kindergarten students and/or about having a neighborhood school.
- However, there are so few students in a collaborative classroom, most of whom probably don't even come from the district that houses the class, that their voice is often times never heard. If a school committee suggested a solution of moving twenty fourth graders to an extra classroom in a neighboring community, you can be sure you would hear an outcry. In the case of a collaborative, the children, parents and other advocates for the children rarely have an opportunity to participate fully in the decision-making process.

Impact of of Non-operating Public School Sites

Approximately 1,100 students received their educational services at non-operating public school sites. To state the problem in its simplest terms, 23 collaboratives had 1,100 students for whom they could not provide a desk in an operating public school building.

The problem of not being able to house its programs in appropriate school buildings undermines the goals of each educational collaborative and Chapter 766's goal of educating students in the least restrictive environment. A major benefit attributed to collaborative placements is that they allow students to be educated in placements less restrictive than private day schools. However, if the lack of adequate space results in a scenario similar to that described in the previous table, then it becomes very difficult for a collaborative to show that it is a less restrictive, stable environment.

In the collaborative where the student described earlier attends school, there have been 14 class moves across town lines in the past 13 years. While our statistics showed that the average collaborative stays at a particular site for an average of four years, 16 (75%) of the 21 survey respondents indicated that adequate classroom space was a serious problem at their collaboratives. Furthermore, the fact that a collaborative may have utilized a site for four

years or longer does not necessarily mean that a particular classroom or program was not forced to move from that location (i.e., while other collaborative classes or programs remained).

Reasons for Space Problems

The chief reason why collaboratives have these space problems appears to be their lack of association with any one city or town. While an official (superintendent, school committee member, special education administrator) of each member city or town serves on the collaborative board, this representation only ensures that the concerns of each member city or town are addressed by the collaborative. There is no incentive, financial or otherwise, for a board member to seek out the needed classroom space for the collaborative in *his/her* hometown. Because no single member has more of a responsibility to the collaborative than any other, the tendency is to "let the other guy find the solution." Ultimately, it is the responsibility of the collaborative to find sufficient, appropriate classroom space, whether from member districts or private sources. In essence, each member school committee abrogates its responsibility for the delivery of educational services through a collaborative. To carry this chain of responsibility one step further, it is the ultimate statutory responsibility of the Department of Education to ensure that local school committees are carrying out their mandate to integrate special needs pupils within the confines of state and federal laws and regulations.

In its 1988 *Policy Statement on Educational Collaboratives*, the Board of Education directed DOE to assist school systems in allocating classroom space for collaborative programs in public school buildings by

- encouraging local school districts to develop long range facility plans that provide for the continuity and stability of collaborative classes and programs;
- supporting legislation to provide incentive funds to school districts that house collaborative programs in operating school buildings; and
- requiring school committees to address in their application for construction grant funds the classroom needs of students who are served by collaborative programs in their district.

Statistics over the past three years reveal that despite this directive, the space issue not only has remained a serious collaborative problem but has even increased slightly. In DOE's 1987 *Overview of Collaborative Programs and Services*, it was reported that nearly 75% of 207 classrooms used by educational collaboratives were located in operating school buildings. As stated earlier, the OSA 1989-1990 survey revealed that approximately 27% of the 170 facilities reporting were non-operating public school sites. With student enrollment increasing statewide, inattention to this situation will undoubtedly lead to further space problems for collaborative programs.

Recommendations for Correcting Space Problems

The OSA believes that there are immediate steps that can and must be taken by the Department of Education to improve the system by which collaboratives receive space and, thereby, to improve upon the current space problems facing collaboratives. These steps are as follows:

1. The Department of Education should require each collaborative it approves to submit, by July 1, 1991, a five-year program space plan, detailing each building that will house a collaborative program and whether the building is an operating public school and has sufficient, age-appropriate space. The department should generate from this information a list of collaboratives that are utilizing program space in other than an age-appropriate, operating public school settings. From this list, DOE should work with the collaboratives and their member towns during July and August to secure the needed program space, giving priority attention to member cities or towns that do not presently provide program space. In the event that these efforts are unsuccessful, DOE should grant one-year waivers to these collaboratives, with the agreement that sufficient space will be located for the following year, and then work with the collaboratives to help secure the space. These duties should be performed by the DOE representative who, by statute, is a member of the collaborative board.

   It should be noted that the OSA recognizes the need and educational value of utilizing off-site 502.4i settings in unique circumstances; however, we urge DOE, in reporting and in characterizing the nature of these settings, to distinguish them from the public school 502.4 classroom.

2. The special education administrator of each member city or town should serve in an advisory capacity, either on collaborative's full board of directors or on a sub-committee focusing on program issues or long-range planning. This is not to preclude a school committee person or superintendent from also representing the town or city on the board; that person can provide valuable budgetary information and other expertise. What is essential is the active participation of each member's special education administrator in all major programmatic and policy decisions affecting the collaborative. These administrators work closely with the special education teachers in their own district and are best able to foresee what the needs of the district will be from year to year. This arrangement would allow the collaborative to prospectively map out its future program and space plans prior to a problem arising. As discussed previously, collaboratives' boards meet an average of only six to eight times a year, so this membership requirement should not be an undue burden on member cities and towns and their special education administrators.

Mainstreaming of Collaborative Students

Closely related to the issue of program space for collaboratives is the issue of mainstream placement and mainstream placement opportunities available to collaborative students. Simply stated, the principal goal of mainstreaming is to bring special needs children into daily contact with nonspecial needs children in an educational setting. This goal, which is to be applied to special education students from mildly to severely disabled, is based on the long-standing belief that significant social and personal benefits are derived from interaction between special needs and nonspecial needs students.

Among the characteristics unique to collaborative students are that they often attend a program that is housed in a school district outside the district in which they reside and to which they must be transported daily. In addition, over 1,100 collaborative students attended programs in settings other than operating public schools, whether in their home district or a neighboring city or town. OSA survey data also revealed that a substantial number of collaborative students were served in age-inappropriate settings because of space problems.

Out-of-District Program Placement

The OSA did not collect specific information on the number of students who attended collaborative programs outside their home district. However, it is clear from data collected on facility locations that because many collaborative members do not house any programs in their district, and certain programs are set in only one location, collaborative students from those districts must travel to another district. In addition, the 23 reporting collaboratives had a collective total of 261 nonmember districts, the majority of whom sent students to their neighboring programs on a tuition basis. At a minimum, it is safe to say that hundreds of collaborative students are attending school in another district. The situation is compounded by the fact that because of the space problems, programs (and therefore students) are often forced to change buildings or even districts from year to year.

The OSA fully recognizes that because of the inherent nature of collaboratives' joint programs, students from member cities and towns attend programs in neighboring districts. It is further recognized that, in many cases, the collaborative placement allows the student to remain "in-district" rather than being placed in a more distant, more expensive private day school. However, the OSA also believes that students who must attend a collaborative program in another district are unable to avail themselves of the mainstreaming opportunities available to students attending school in their home district. While each collaborative situation is different, the OSA believes that these students miss out on important social and extracurricular opportunities. Specifically, these students

are attending school in a town where they do not live and therefore are not, at least initially, familiar with the other students. They are also unable to start and strengthen friendships with children from their hometown. Because of transportation and logistical problems, it is also difficult to develop the before, during, and afterschool friendships that more easily occur at a local school. Participation in extracurricular activities also may be impossible because of scheduling or transportation conflicts. Students may miss out on recreational and other programs offered in their hometown for the same reasons. Therefore, in addressing the problem of classroom space, ways to improve this situation must be part of the solution.

The problem above closely relates to and compounds the larger issue of collaborative programs located in private, off-site settings. Students who attend programs at off-site settings have virtually no opportunity for educational or social mainstreaming with regular education peers--before, during, or after school. While each collaborative situation may differ, these students are generally segregated from their peers for the entire school day by virtue of their setting, including transportation to and from school. In addition to this severely restricted setting, these off-site programs are likely to have fewer students than in a public school setting, and from several different school districts.

Off-Site Settings by Design

These mainstreaming problems are, in many cases, the result of the lack of adequate, appropriate space. However, discussions with collaborative directors strongly suggest that in other instances a non-public-school setting has been chosen by design to house certain programs because of the nature of the student population to be served there. Approximately 50% of the students served off-site have been diagnosed as emotionally disturbed. In addition, nearly 60% of these off-site students were of high-school age; another 20% were of junior-high-school age. This information reveals a very clear pattern by cities and towns to send their older, emotionally disturbed students to the collaboratives and, further, to serve these students in off-site settings. At best, this latter decision is a joint one between the member cities and towns and the collaboratives, based on the belief that students who "act out" are best served apart from their peers in an off-site setting. In reality, however, this decision is made by each member city and town, which decide not only the types of programs offered and students served by collaboratives but also what sites are available for collaborative programs.

Age-Appropriateness of Setting

In addition to the mainstreaming problems created by out-of-district settings and off-site settings, a third related problem is the issue of the age-appropriateness of the setting. The

purpose of mainstreaming is to integrate special needs students to the maximum extent appropriate with regular education students "of the same age group." Just as important, if special education students are in a setting with their peers, there are additional educational opportunities for integrating students through tutoring, participation in regular classes, and inclusion in activities such as art, music, physical education, field trips, clubs, and recess.

By contrast, high school special needs students whose program is set in an elementary school--or, conversely, elementary students in a junior or senior high school--are unable to benefit from the educational mainstreaming opportunities listed above. On the contrary, the setting has serious adverse social effects on the special needs students. Several collaboratives indicated that, because of space problems, they were forced to place programs in age-inappropriate settings.

As discussed in Section 1 of this report, DOE is charged with overseeing and enforcing the intent of Chapter 766, that is, to mainstream special education students to the maximum extent appropriate. It is apparent that DOE has been neglectful in its enforcement of the law's mainstreaming intent. The number of students served off-site by collaboratives has remained constant over the past three years, and, further, a clear pattern of segregating certain types of students has developed through the use of collaboratives.

Moreover, DOE has also failed to properly characterize these students in its reporting instruments. DOE, in reports on special education students served throughout the Commonwealth, does not differentiate between 502.4 students, who are served in public school classrooms, and 502.4i students, who are served in non-public-school settings. DOE has chosen to characterize these off-site, or 502.4i, settings as public school placements even though these placements clearly are not public school settings. The effects of this misrepresentation are to minimize the number of students who are served in non-public-school settings and to minimize the extent of the mainstreaming problem.*

The OSA fully recognizes that collaboratives provide a valuable service to their members: quality education at a more affordable price than their private counterparts. However, it is our contention that students served in off-site (502.4i) settings should not be characterized as attending school in a public school setting. Programs offered in these settings are indistinguishable in most respects from private school placements and should be characterized as such. While the students may be served closer to home, possibly in their hometown, from a mainstreaming standpoint these settings are equally restrictive.

Recommendations to Improve Mainstreaming in Collaboratives

In order to improve upon the problems cited above and thereby increase

** It should be pointed out that 502.4i settings are not unique to collaboratives; cities and towns may operate special education programs in off-site settings, such as closed former schools. For example, 77 of the 176 school districts (on the school district survey) reported that they offered an alternative middle or high school program as part of their special education curriculum. These students are also characterized by DOE as being served in a public school setting.*

mainstreaming opportunities for collaborative students, the OSA recommends that the following steps be taken:

1. Collaboratives, in assigning students and programs to various settings, should be required to give maximum effort to keeping students in their hometown whenever possible. This information should be collected by DOE in its next reporting instrument to learn the percentage of students served in and out of their hometown. DOE should set target goals and, thereafter, through its regional representatives serving on collaborative boards, annually monitor this procedure and work with collaboratives to continually improve the percentage of students served in their home district.
2. DOE should gather specific information on the exact number of students served in off-site settings (this information was gathered in 1987 for one year) along with the ages and disabilities of the population served off-site. It is hoped that, with the adoption of a mandatory space plan as described previously, off-site collaborative settings will become an obsolete issue. However, mainstreaming cannot be addressed in a vacuum: to ultimately improve collaborative mainstreaming, the entire special education system--private, residential, and day schools; collaboratives; other 502.4i settings; and public school programs--must be addressed in any comprehensive mainstreaming plan. This idea is presented in *Section 5: Programmatic Initiatives: Mainstreaming Plan.*
3. As part of its information gathering, DOE should gather data on the percentage of collaborative programs and students currently being served in age-inappropriate settings. Thereafter, age-appropriateness, along with hometown public-school settings, should be a main focus of the five-year master plan that collaboratives will be required to file. In the master plan, collaboratives should certify the ages of the students attending the school and the corresponding ages of the students in the collaborative program that will be located there. DOE should then generate a list of programs located in age-inappropriate settings and, through its regional representatives, work with these collaboratives to locate age-appropriate settings. Meanwhile, DOE should work with the collaboratives to mitigate any effects of these inappropriate settings.

Collaboratives: Services and Resources

The OSA survey of educational collaboratives requested a description of all the ancillary services offered in addition to classroom programs. This inquiry was separated into four categories, as displayed in *Table 7.4.*

As the chart demonstrates, the largest number of collaboratives (75%)

provided administrative services such as transportation, cooperative purchasing, and clinical services. Professional training for staff, teachers, and administrators--offered by 63% of the collaboratives--was the service next most often provided. These two service categories were followed by provision of student extracurricular/recreational programs, including intramural sports, clubs, and enrichment courses (58%) and parental educational and support services (29%).

The following discussion provides additional information on the four most common administrative services provided by collaboratives.

Transportation

Eleven (or 46%) of the 24 responding collaboratives provided inter- and/or out-of-district transportation services for their member districts, making this service the largest administrative program offered by the collaboratives.

Ten collaboratives coordinated these services through subcontractors who own, operate, and staff the vehicles; however, *one* collaborative developed a comprehensive special education transportation network that actually leased the vehicles and hired about 35 of its own drivers, a manager, dispatcher, and secretary to transport over 250 students to 80 different locations daily. The 10 coordinating collaboratives provided, in different degrees, such services as developing bid specifications; advertising for bidders; making vendor recommendations to the collaborative boards; inspecting vehicles; and monitoring daily operations, including parental communications, usually through a full-time coordinator hired by the collaborative.

As for funding, the member school districts paid by either the number of students per day (e.g., $.93) or per mile (e.g., $1.08). Total transportation budgets ran from $30,990 in one collaborative to $700,000 in another that coordinated transportation to 60 different programs for almost 300 students from 14 member school districts. In 1988-89, this particular col-

Table 7.4

Analysis of Individual Collaborative Services*

	No. of 24 responding collaboratives offering each service	% of 24 responding collaboratives offering each service
I. Administrative Programs	**18**	**75%**
Transportation	11	46%
Clinical services	10	42%
Student/tuition exchange	8	33%
Cooperative purchasing	7	29%
Miscellaneous	5	21%
II. Staff Training	**15**	**63%**
III. Extracurricular Educational/ Recreational Programs	**14**	**58%**
Enrichment	7	29%
Sports/recreation	6	25%
Summer programs	5	21%
Career training/ Job placement	4	16%
IV. Parental Support Groups	**7**	**29%**

* The total of percentages may exceed or may not equal 100% since a collaborative may have offered several types of services within each category, or none at all.

laborative reported that "coordinating transportation and sharing routes with other districts meant each town/city paid considerably less (25-30%) than what it would have paid on its own."

Clinical Services

An analysis and comparison of evaluation and diagnostic-assessment services and of itinerant contractual therapy services provided by collaboratives is complicated by many variables:

- the types of services offered, whether diagnostic evaluations, consultations, or actual therapy;
- the types of students served, whether an in-house 502.4 collaborative student, an off-site 502.4i student, or non-special-education student;
- the district served, whether nonmember or member;
- the provision of services, whether provided directly by local education agency (LEA) staff, by collaborative staff, or by vendors under contract to either;
- the inclusion of therapy fees within tuitions, or if separate, their calculation by either hourly or unit costs; and
- the administration of funding mechanisms involving tuitions, user fees, and third-party payments.

Of the 24 responding collaboratives, 10 (42%) offered administrative services, from consultations to diagnostic evaluations to direct therapeutic services for all types of disabilities. Examples of consultative services provided by these 10 collaboratives include free periodic consultations from collaborative staff about education of students in LEAs; communication to ensure therapeutic consistency within programs as part of the tuition; speech consultations at $50/hour; and behavioral consultations for three cities at a cost of $7820. The diagnostic evaluations ranged from general assessments on requests from a specialized mental health resource team to a large (550 student), collaborative-run, primarily medical diagnostic clinic associated with Lakeville Hospital.

The types of therapy the 10 collaboratives offered are as follows:

Occupational therapy (at 5 collaboratives, fees per hour ranged from $16 - $40);

Physical therapy (at 5 collaboratives, fees per hour ranged from $20 - $50);

Speech/language therapy (at 4 collaboratives, fees per hour ranged from $28 - $50);

Vision therapy (at 3 collaboratives, fees per hour ranged from $35 - $50);

Clinical psychology and adaptive physical education (at 1 collaborative each, fees per hour were $35 and $55).

The majority of collaboratives offering itinerant therapy did so by contracting with vendors. On the other hand, one collaborative "employ[ed] an Itinerant Coordinator who is responsible for assigning therapists,

educational evaluations, social workers, and psychologists to individual member districts as they request an evaluation or direct service."

Student/Tuition Exchange Programs

The third largest administrative program offered by the collaboratives was student/tuition exchanges, in which 8 collaboratives participated. Through these programs, public-school special education classrooms for certain types of disabilities in each member district are open to students from other members and, in some instances, to nonmember districts on a space-available basis.

Besides setting tuition rates and maintaining financial records for accounts, collaboratives may also establish a central information system that lists available special education programs within each member district and work with their respective special education directors in assigning students to appropriate programs and in establishing new programs as required. The benefits of such a student/tuition exchange that provides the opportunity for a member system lacking a specific program to place its students in another system's program are many:

- It greatly increases the pool of available special education placements (e.g., one collaborative listed 55 such programs among five of its members).
- It eliminates the need for extensive paperwork and time required to process out-of-district placements.
- It provides a more mainstreamed setting for the special needs student than would be possible in a private day school placement--at significantly less cost.
- It allows a school district (that sends students to other LEAs' programs) to offset its tuition costs by reciprocally accepting students into its programs from other LEAs .
- It realizes transportation savings compared with a private placement, especially if the collaborative already has its own inter-collaborative transportation system in place.

As one collaborative stated, "The cost savings plus the maintenance of students closer to the mainstream of public education make exchange programs one of the most valuable activities of the collaborative."

Cooperative Purchasing

The fourth major administrative service provided by collaboratives to their members was cooperative purchasing, with 7 collaboratives involved in bulk purchasing of supplies for their members.

The mechanism involved in cooperative purchasing is the member districts' joint bidding--through the collaborative--on a wide range of supplies and commodities. The items usually purchased cooperatively are school supplies such as art and general supplies, computer and typewriter hardware and maintenance, food products and services, detergent and cleaning products, paper and plastics, and

asbestos management plans. As for the range of bidding involved, one collaborative bid cooperatively in 1988-89 for $1.1 million in supplies, and another stated that it bid on "approximately 500 items in 15 categories totalling approximately $6 million." Finally, a third collaborative cited a district-wide savings of $60,000 on computer/typewriter maintenance alone.

In conclusion, not only does joint bidding enable districts to meet their legal obligations to competitively bid, but such "large scale purchasing frequently results in lowering the cost as well as reducing office work," according to one such collaborative.

Recommendations to Improve Collaborative Services

DOE should conduct a comprehensive analysis of the services that are being offered at collaboratives statewide, focusing on the structure, personnel, and cost benefits of each program. Once this information is compiled, DOE should set out on an aggressive program of disseminating this information. Thereafter, DOE should provide technical assistance to cities and towns that are interested in collaborating on services such as counseling, therapy, transportation, and bulk purchasing, either informally or by legally establishing an educational collaborative.

DOE should also set aside a portion of its discretionary funding to further this recommendation and provide seed money to interested cities and towns.

Program Costs: Educational Collaboratives Compared with Private Schools

In order to substantiate or repudiate claims that collaboratives are a more cost-effective placement than private day schools, the OSA attempted to make a direct financial comparison between comparable collaborative and private day school programs.

The first step was to identify programs that served students with a specific type of disability (e.g., emotionally disturbed, learning disabled, deaf and hearing impaired, autistic, and multi-handicapped). Secondly, we identified programs of similar length (180 to 210 days) that included the costs of therapy in their tuition rates. It must be noted, however, that in a few cases, it is unclear from the OSA survey whether a collaborative's tuition included therapy costs or whether they were billed to the local system separately on a cost-per-hour basis.

The comparisons that are provided in the five tables that follow are only estimates and are intended only to provide a basis for showing the cost differences between these programs. Because of the difficulty in acquiring information on private schools, we were unable to include the quality and quantity of staffing at each setting as a factor in the comparison, nor was there available a quantifiable method of comparing the quality of the educational programs, the students' ages, or the severity of the students' disabilities and needs.

Table 7.5

Schools Serving Emotionally/Behaviorally Disabled Students

Collaborative	Base Tuition Rate 88-89	Base Tuition Rate 89-90	Private Day School	Base Tuition Rate 88-89	Base Tuition Rate 89-90
Cape Ann	$10,368	$12,163	Faye's Country Day School	$14,863	$16,002
South Shore	12,430	17,850	Compass, Inc.	24,785	26,684
Cape Cod	10,600	12,000	Brandon Center	18,923	20,439
Pilgrim Area	14,540	17,569	N.E. Home for Little Wanderers	26,500	29,790
S.M.E.C.	10,465	11,512	New Perspectives	12,872	14,063
S.M.E.C.	8,532	9,385	Comm. Therapeutic Day School	20,293	25,734
SEEM	12,384	13,996	Youth Opportunities	18,031	19,412
Average Tuition	$11,331	$13,496		$19,467	$21,732
Percentage Increase 88-89 to 89-90		19%			12%
Cost Differential: Collaborative vs. Private	$(8,136)	$(8,236)			

Table 7.6

Schools Serving Multi-Handicapped Students

Collaborative	Base Tuition Rate 88-89	Base Tuition Rate 89-90	Private Day School	Base Tuition Rate 88-89	Base Tuition Rate 89-90
CAPS (Gardner)	not included	$12,045	St. Colletta	$16,600	$17,872
Gr. Lawrence	$10,500	11,700	Fitchburg Ctr. for Brain Injured	26,156	28,160
South Shore	18,909	19,909	Douglas Thom Clinic	15,184	16,347
North River	10,240	10,925	Professional Center for Handicapped	13,401	14,428
Pilgrim Area	11,974	16,599	N.E. Pediatric	10,307	13,897
Average Tuition	$12,906	$14,236		$16,330	$18,141
Percentage Increase 88-89 to 89-90		10%			11%
Cost Differential: Collaborative vs. Private	$(3,424)	$(3,905)			

Table 7.7

Schools Serving Learning/Developmentally Disabled Students

Collaborative	Base Tuition Rate 88-89	Base Tuition Rate 89-90	Private Day School	Base Tuition Rate 88-89	Base Tuition Rate 89-90
C.A.S.E	$11,725	$13,584	Clearway School	$19,283	$20,760
S.M.E.C.	6,750	7,425	Willow Hill School	17,885	19,255
SEEM	12,384	13,996	Carroll School	13,343	14,414
ACCEPT	13,000	14,300	Landmark School	15,900	17,708
Average Tuition	$10,965	$12,326		$16,603	$18,034
Percentage Increase 88-89 to 89-90		12%			9%
Cost Differential: Collaborative vs. Private	$(5,638)	$(5,708)			

Table 7.8

Schools Serving Deaf/Hearing Impaired Students

Collaborative	Base Tuition Rate 88-89	Base Tuition Rate 89-90	Private Day School	Base Tuition Rate 88-89	Base Tuition Rate 89-90
South Shore	$12,785	$14,900	Boston School for the Deaf	$14,463	$15,571
EdCo	15,500	17,050	Willie Ross School for the Deaf	12,756	13,733
Cape Cod	10,600	12,000	Beverly School for the Deaf	12,840	13,824
Average Tuition	$12,962	$14,650		$13,353	$14,376
Percentage Increase 88-89 to 89-90		13%			8%
Cost Differential: Collaborative vs. Private	$(391)	$274			

Table 7.9

Schools Serving Autistic Students

Collaborative	Base Tuition Rate 88-89	Base Tuition Rate 89-90	Private Day School	Base Tuition Rate 88-89	Base Tuition Rate 89-90
South Shore	$16,764	$16,750	Boston Higashi School	$23,757	$25,577
Pilgrim Area	16,397	20,000	Language and Cognitive Development	24,632	26,519
S.M.E.C.	15,416	16,650	N.E. Center for Autism	27,384	29,482
Average Tuition	$16,192	$17,800		$25,258	$27,193
Percentage Increase 88-89 to 89-90		10%			8%
Cost Differential: Collaborative vs. Private	$(9,066)	$(9,393)			

Each table provides the tuition rates for the 1988-89 and 1989-90 school years as provided to us by the respective collaboratives and, for the private schools, by the Rate Setting Commission. In addition, we also included a comparison of the average tuition rates for collaborative and private programs within a specific disability, the percentage change of this average from 1988-89 to 1989-90, and the percentage difference in cost between the collaboratives' average and the private schools' average.

As these tables show, collaboratives have proven to be less expensive placements than the private day schools. *Without regard to disability, the average tuition rates at collaboratives were 28 and 25% lower in 1988-1989 and 1989-1990, respectively.* Only in the schools serving deaf/hearing impaired students were the tuitions comparable; collaboratives serving autistic, emotionally disabled, and learning disabled students had tuitions 32-42% lower than the private day schools.

It should also be pointed out, however, that collaboratives' tuition costs have risen steadily, even slightly higher, than their private school counterparts during the reporting period. From 1988-89 to 1989-90, collaborative tuitions in the charts above rose collectively 14%, while the private day schools featured above saw their tuitions rise 10%.

Recommendations to Reduce Program Costs

1. DOE should seek to build into its Chapter 70 aid formula to public schools incentives that encourage cities and towns to collaborate on programs and services, either formally through an educational collaborative or informally. Areas in which financial incentives could be offered include student exchange programs, regional screening and testing services, and transportation. Incentives could also be offered to cities and towns that provide collaborative space in addition to classroom programs, workshops, etc.

   Money is already allocated to cities and towns that operate regional school systems; this allowance should be extended to further collaborative initiatives.

2. DOE should collect data, on a regional basis, regarding the numbers and types of special needs students served at private day schools. This information should be used to identify opportunities whereby public school districts could establish new collaborative programs to lessen the need to place pupils in private schools. DOE should actively work to assist in the realization of the opportunities identified.

Private School Tuitions

Although special needs pupils attending private day and residential schools represent 3.5% of all special needs pupils, they account for 22% of special education expenditures. Therefore, the growing cost of these tuition payments is of major concern for both local and state budget makers. During our pre-study interviews with local officials, legislators, and agency staff, these individuals strongly suggested that of all special education expenses, private school tuition payments were of the most concern. Retroactive rate increases were common, and it was not unusual to pay in excess of $80,000 for a single pupil. With this information, we decided to look closely at why tuition rates have increased so dramatically and whether there were ways to control this growth. This section focuses on the Massachusetts Rate Setting Commission and its policies and procedures with the intent of providing guidance to its successor agency, the Division of Purchased Services, which will shortly assume this rate setting function.

Rate Setting Commission: History and Purpose

The Massachusetts Rate Setting Commission (RSC) has been the state agency responsible for establishing rates charged by private educational and social service providers for programs needed by state and local agencies. It is headed by three full-time commissioners responsible for approving all rates. The commissioners appoint an executive secretary to direct the overall administration and activities of the commission and its five bureaus. Our review focused on the Bureau of Educational, Social, and Mental Health Services (BESMHS), which, until fiscal year 1991, set tuition rates for Chapter 766 service providers.

The Rate Setting Commission was originally established in 1968 within the Executive Office for Administration and Finance (EOAF). In 1974, it was reorganized and assigned to the Executive Office of Human Services and its duties were expanded to include the administration of tuition rates for special education services provided by private schools. In fiscal year 1991, these duties were reassigned to EOAF with the creation of a new office, the Division of Purchased Services. (See St. 1990, c. 150, s.42.)

Overview of Rate Setting Methodology in the 1980s

Rate setting methodologies and procedures have shown little continuity over time. Prior to fiscal year (FY) 1982, rates were allowed to increase by inflation factors only. This methodology was found to be inadequate in addressing the variable and changing needs of special education students attending private schools. Accordingly, a negotiation procedure was begun in 1982 so that tuition levels could be adjusted to allow private schools to modify and expand the types of services provided.

With this negotiation procedure, private schools would request Department of Education (DOE) approval of proposed program changes (e.g., new or improved facilities, equipment, or services). If approved, RSC would increase the school's tuition rate to support the cost of the program modification. Since pre-FY 1982 rate increases were allowed for inflation only, the large volume of program improvement requests between fiscal years 1982 and 1984 tended to overwhelm the rate setting system. The process proved to be unwieldy for both DOE and RSC, resulting in delayed and retroactive rates.

Therefore, during fiscal years 1985 and 1986 a moratorium was imposed on the negotiating process, and once again rates were adjusted for inflation only. During this period, DOE and RSC developed a new rate setting methodology known as the X-Y-Z process. This policy lasted until FY 1988 when the Legislature, by Chapter 164, Section 49, of the Acts of 1988, imposed another moratorium on most rate changes for FY 1990. In addition, Chapter 653 of the Acts of 1989 directed EOAF to establish a comprehensive "Purchase of Service Administration" and to submit enabling legislation in the FY 1991 budget.* This laid the groundwork for a new component pricing approach to rate setting that will be pilot tested in FY 1992. This new approach is discussed in detail on page 112. First, however, it is important to examine the X-Y-Z procedure, as it is this rate setting methodology that substantially brought tuitions to where they are today.

The X-Y-Z Method

The X-Y-Z private school tuition rate methodology was embodied in 114.4 CMR 9.00 *et seq.* and first used in FY 1986. Tuition rates were designed to capture the full cost of providing services. A base tuition rate was established, according to program content, for each private school program approved by DOE. The base rate was essentially the approved cost of running the program divided by the enrollment estimate for the coming year. An "individual rate" could be added to the base rate when a student required services in addition to those offered within established programs. In addition, a "sole source rate" could be developed for students having unique needs met only by certain in-state or out-of-state schools. Sole source and individual rates, although usually costly, were used only for a very small portion of the population.

The X-Y-Z method established a three-year cycle for setting rates. The procedure expected that one-third of the schools would receive a comprehensive rate review each year. The successive year's rates would reflect the modifications and upgrades resulting from the "on-cycle" review. The number of private school programs were divided into thirds, and each third was assigned a cycle designation of "X," "Y," or "Z." During the first year

* From 1985 through 1989, the Legislature showed a great deal of concern with tuition rate setting procedures. Over these five years, one budget line-item and 17 sections of 6 different acts affected the rate setting process. Appendix IV of this report provides citations and summaries of these actions.

(FY 1986), all "X" cycle schools were considered "on-cycle" and received a comprehensive rate review; the remaining "Y" and "Z" cycle programs were considered "off-cycle" and, in theory, were allowed inflationary increases only for FY 1987. In FY 1987, "Y" cycle schools became "on-cycle." "Z" schools received "on-cycle" review in FY 1988. See *Table 8.1*.

Table 8.1

X-Y-Z Program Cycle Schedule

Year	On-Cycle Rate Review	On-Cycle Rate Increase Effective
1986	X Cycle Programs	
1987	Y Cycle Programs	X Cycle Programs
1988	Z Cycle Programs	Y Cycle Programs
1989	On-Cycle Moratorium	Z Cycle Programs
1990		On-Cycle Moratorium

According to the system, programs in an on-cycle year underwent both a program audit and a fiscal audit conducted by DOE and RSC respectively. An on-cycle school could ask DOE to approve discretionary program changes to be implemented the following year. If approved by DOE, RSC adjusted the program tuition rate base to reflect the cost of modifications. In addition, the rates were further adjusted by an administrative allowance (AA) calculated by a formula to support increases in school adminstration costs. Other cost elements based on a program's historical costs were also factored into each year's rate for both on-cycle and off-cycle programs. These elements included:

- a Cost Increment Factor (CIF), calculated as a percent of the previous fiscal year's tuition rate, was to provide for the effects of inflation;
- a Compensation Package Factor (CPF), calculated as a percent of the previous fiscal year's tuition rate, was to provide salary increases for direct care staff;
- an annualization of certain costs; and
- a depreciation of capital assets.

Programs in off-cycle years did not undergo fiscal or program audits, and schools could not request discretionary program changes. However, off-cycle rates were adjusted for inflation using the components described above. (See page 107.) Also, the X-Y-Z method allowed off-cycle rates to be further modified with proper justification. Rate increases could be granted by RSC for "extraordinary relief" should additional program expenditures result from unanticipated or mandated costs, or significant changes in enrollment. The Rate Setting Commission could also reduce rates by adjustments resulting from an administrative review if a program's established rate proved to be excessive.

The Department of Education and the X-Y-Z Method

Program audits were coordinated by DOE regional centers. Audit teams included a DOE private school specialist; a private school representative; a public school representative; a parent of a special needs child or a Regional Advisory Board member; and, when appropriate, an EOHS agency representative and other consultants.

Private school approval applications and related documentation were reviewed and site visits were conducted to examine the physical plant, staff qualifications and certifications, classroom size and condition, curriculum, adherence to IEPs, etc. Also, discretionary program change requests were considered.

The average audit case load for each DOE regional center was 25 schools. Approximately 10 staff members allocated various percentages of their work time to program audits. Private schools were to be monitored the year following a program audit to ensure the implementation of approved discretionary program changes and to certify that noncompliance findings had been corrected.

Pursuant to 603 CMR 18.00 *et seq.*, DOE could apply the following sanctions should a private school implement a non-approved program change, not implement an approved program change, or not comply with DOE rules and regulations:

- grant school provisional approval (school has 6-12 months to rectify the problem);
- grant school probationary approval (school must rectify the problem within 2 weeks);
- notify RSC of noncompliance (RSC adjusts rate and/or conducts administrative review);
- close student intake; and
- issue immediate disapproval (revocation of approval to operate).

Purpose of the X-Y-Z Method

The aims of the X-Y-Z method of setting private school tuition rates were to provide schools with sufficient revenue to conduct programs in compliance with state regulations and, in some cases, to enhance the quality and scope of services offered. Moreover, by conducting specific rate reviews for only one-third of the schools annually, it was hoped that greater stability and predictability could be injected into the process. In this way, there would be no need to establish late and retroactive tuition rates. Retroactive rates create financial problems for both municipalities and providers. Municipalities must seek and appropriate funds in excess of budgeted amounts, and providers must raise working capital and incur loan costs to provide required services. The following presentation of data on the effects and actual experience with the X-Y-Z method, however, reveals that many of these objectives were not realized.

Presentation of Data

In an attempt to present the complex information in the simplest manner, we will begin by showing the trends in the growth of base tuition rates and in the amount of revenue all rates have generated for private schools. For simplicity, we will not discuss rate trends for private school summer programs. Information on summer rate trends is on file in our office. To examine the impact of the X-Y-Z method, tuition rates are also compared by each

of the three cycles. We will then discuss the problems with the rate setting methodology that we feel have unnecessarily inflated the cost of purchasing these services.

This data presentation is limited to fiscal years 1986-1990. Prior to FY 1986, RSC had little capacity for data automation. The following data is derived from computer files prepared by RSC at our request. The period examined includes one year of pre-X-Y-Z rate data (1986), a complete three-year cycle (1987-1989), and one moratorium year (1990).

Private School Programs and Enrollment

During 1990, there were approximately 123 approved private schools in Massachusetts. These schools provide 202 distinct programs for children with special needs. In theory, each of these programs provides a service need that cannot be fulfilled by public school systems. The total number of private programs has increased by 21% since 1986, with the greatest increase occurring in 1987, the first year of the X-Y-Z cycle rates.* *Table 8.2* shows the annual increase in the number of private day and residential school programs, excluding summer programs.

The increase in the number of programs has made it possible to accommodate approximately 600 more pupils in FY 1990 than in FY 1986, without a significant change in the average class size. Both day and residential programs serve an average of 27 pupils. Enrollment at day programs during this period rose 10% whereas residential program enrollment increased at more than twice that rate, 25%, as seen in *Line Graph 8.3*.

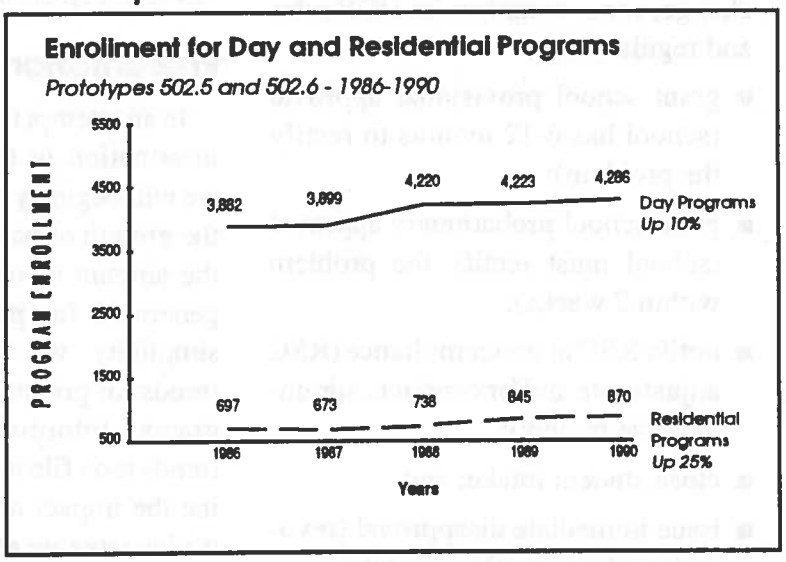
* RSC defines an established program as "a program for which the Commission has established an approved rate." See 144.4 CMR 9.02.

Table 8.2

Number of Private School Programs: 1986 - 1990

Fiscal Year	Number of Day Programs	Percent Change	Number of Residential Programs	Percent Change
1986	87		69	
1987	96	10.34%	73	5.80%
1988	102	6.25%	77	5.48%
1989	103	.98%	79	2.60%
1990	103	.00%	79	0.00%

Line Graph 8.3



Base Tuition Rates

Average "base tuition rates" for both day and residential programs have increased 72% since FY 1986. We refer to "base tuition rates" because there were additional charges for some students. Base tuition rates for day programs ranged from $6,993 to $39,484 in 1990; in 1986 they ranged from $2,862 to $24,640. Residential base rates in 1990 ranged from $20,608 to $138,017; in 1986 they ranged only from $14,010 to $87,211. *Line Graph 8.4* depicts the annual changes in average base tuition rates from 1986 to 1990.

Tuition Rates By Cycle

To see the effect of the X-Y-Z rate setting method, it is important to examine base tuition rates by cycle assignment. Recall that with this method, one-third of the programs were given full rate reviews during the first year of a three-year cycle, with review adjustments incorporated in the following year's rate. Theoretically, during the second and third years, the programs fully reviewed during the first year would receive only inflationary increases. The X-Y-Z method was used to establish fiscal years 1987, 1988, and 1989 rates. *Table 8.5* shows average base tuition rates for day programs assigned to X, Y, and Z-cycle years.

This table shows that although average day program base tuition rates increased annually since 1986, there were different rates of increase depending upon cycle assignment. X-cycle program rates increased by 82% since 1986, whereas Y-cycle programs increased by 63%. The average cost of Z-cycle programs increased by 72%. The greatest annual tuition increase for each category occurred immediately after the full rate review year: X programs increased by 40% in 1987, Y programs increased by 18% in 1988, and Z programs increased by 20% in 1989.

Line Graph 8.4

Average Base Tuition Rates for Day and Residential Programs

Prototypes 502.5 and 502.6 - 1986-1990

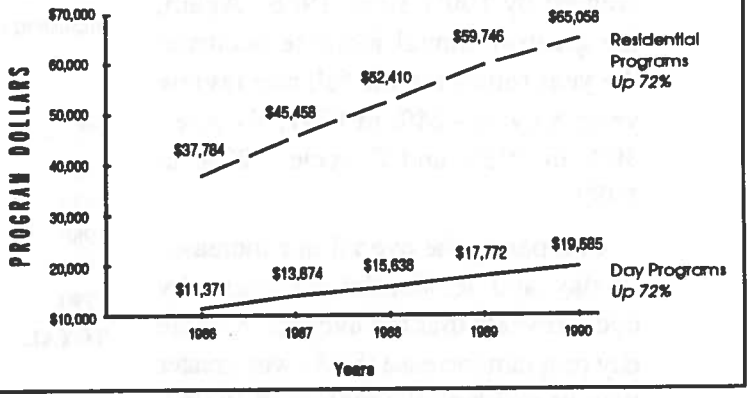


Table 8.5

Day Program Rates for X-Y-Z Cycle Years

1986 - 1990

	X-Cycle *Full Rate Review in 1986*		Y-Cycle *Full Rate Review in 1987*		Z-Cycle *Full Rate Review in 1988*	
Year	Average Rate	% Change	Average Rate	% Change	Average Rate	% Change
1986	$11,317		$10,837		$12,251	
1987	15,812	40%	11,992	11%	13,869	13%
1988	17,518	11%	14,126	18%	15,411	11%
1989	19,026	9%	16,211	15%	18,497	20%
1990	20,651	9%	17,702	9%	21,078	14%
Increase Since 1986		82%		63%		72%

Like day programs, each private residential program was designated as either an X, Y, or Z program for base tuition rate setting purposes. The following *Table 8.6* shows average base tuition rates for residential schools by cycle assignment.

Predictably, each average residential program rate also increased annually. However, the growth rate over the five-year period for each of the 3 cycle designations is somewhat less variable than for day programs. Program rates for X and Z cycles increased by 63% and 64%, respectively, whereas Y cycle program rates increased by 100% since 1986. Again, the greatest annual increase occurred the year following the full rate review year: X cycle - 24% in 1987, Y cycle - 30% in 1988, and Z cycle - 22% in 1989.

Comparing the overall rate increases of day and residential programs by cycle reveals that the average X cycle day program increase (82%) was greater than its residential counterpart (63%). The average Y cycle day program increase (63%) was less than its residential counterpart (100%). The average Z cycle day program increase (72%) was greater than its residential counterpart (64%). Overall rate increases, including day and residential programs over the period, were as follows: X cycle - 73%, Y cycle - 81%, and Z cycle - 68%. This trend analysis indicates rate instability and inconsistency within the X-Y-Z system.

Table 8.6

Residential Program Rates for X-Y-Z Cycle Years

1986 - 1990

Year	X-Cycle *Full Rate Review in 1986* Average Rate	% Change	Y-Cycle *Full Rate Review in 1987* Average Rate	% Change	Z-Cycle *Full Rate Review in 1988* Average Rate	% Change
1986	$39,591		$31,814		$41,307	
1987	49,124	24%	39,459	24%	45,722	11%
1988	55,091	12%	51,132	30%	49,521	8%
1989	60,135	9%	58,467	14%	60,557	22%
1990	64,523	7%	63,488	9%	67,570	12%
Increase Since 1986		63%		100%		64%

Table 8.7

Private School Tuition Revenue Growth

Including Summer Programs

Year	Revenue	Annual Growth	% Change
	Day		
1986	$40,929,489		
1987	51,819,419	$10,889,930	26.6
1988	60,933,041	9,113,622	17.6
1989	67,868,264	6,935,223	11.4
1990	74,559,810	6,691,546	9.9
TOTAL	$296,110,023	$33,630,321	82.2
	Residential		
1986	$79,590,378		
1987	103,503,982	$23,913,604	30.1
1988	126,644,075	23,140,093	22.4
1989	155,508,305	28,864,230	22.8
1990	169,472,722	13,964,417	9.0
TOTAL	$634,719,462	$89,882,344	112.9
	Total Growth		
1986	$120,519,867		
1987	155,323,401	$34,803,534	28.9
1988	187,577,116	32,253,715	20.8
1989	223,376,569	35,799,453	19.1
1990	244,032,532	20,655,963	9.3
TOTAL	$930,829,485	$123,512,665	102.5

It was expected that the cycle system, by limiting full rate review to one-third of the programs annually, would alleviate the delays that led to retroactive rates.

However, according to RSC, 95% of on-cycle program rates were set retroactively during the first complete cycle (fiscal years 1987, 1988, and 1989). Retroactivity resulted from delays caused by discussions and negotiations among providers, DOE, and RSC concerning approval and costs of on-cycle program changes. The Legislature addressed this problem by enacting Chapter 164, Section 49, of the Acts of 1988, which prohibits retroactive rates and instructs RSC to develop tuition rates annually by the first Wednesday in February, commencing in 1989 for FY 1990 rates. To allow RSC to deal with the accelerated date (February instead of July, the new fiscal year), a moratorium was placed on all FY 1990 on-cycle adjustments.

Private School Tuition Revenues

This section of our presentation examines revenues generated for private schools through base tuition rates.* The easiest way to understand the reasons for increasing tuition costs is to examine annual revenues and factors contributing to revenue growth. Note that RSC used total program enrollment to develop annual base rates. Total enrollment figures include students whose tuition is paid by DOE and EOHS agencies, by other payors (usually private), and by municipalities. Over the period, municipal placements accounted for approximately 78% of total private school enrollment.# Municipalities are financially responsible for most Chapter 766 private day program placements. Conversely, municipalities bear approximately one-third of the financial responsibility for residential program placements, the remaining two-thirds is borne by EOHS, DOE, and other payors.

Total Annual Revenues

Collectively, during the five-year period from 1986 to 1990, Chapter 766 private school programs received an estimated $930,829,485 from base tuition rate revenues. Day programs accounted for approximately 32% ($296,110,023) of these revenues, whereas residential programs accounted for about 68% ($634,719,462). As seen in *Table 8.7*, annual tuition revenue for all private school programs increased approximately 103% over the five-year period. Day and residential program revenues increased by 82% and 113%, respectively, over the same period. Three primary factors account for these increases:

1. annual RSC incremental rate increases,
2. additional pupils, and
3. new programs.

Of these three growth factors, RSC incremental rate increases accounted for over 50% of annual revenue growth. The percent of the cumulative impact of each growth factor over the period reviewed, 1986-1990, is depicted in

* Revenues from day and residential summer programs are included in the analysis.

Derived from RSC estimated total enrollment and DOE End of Year Report enrollment data.

Pie Chart 8.8. Bar Graph 8.9 compares the factors that accounted for the revenue growth between 1986 and 1990.

Since annual tuition rate increases provided the bulk of the growth in private school revenues, the next area of our discussion will focus on the components RSC used to establish base rates. Examining the specific components and how they were applied reveals some opportunities for controlling future growth in private school tuition charges.

Reasons for Growth In Private School Revenues/Components of the X-Y-Z Method

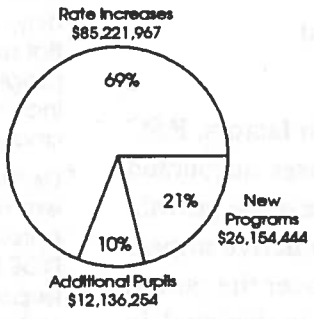
Private school programs were categorized as either X, Y, or Z cycle programs. An on-cycle program would receive a full rate review. As the result of full rate review, the prior year's tuition rate could be adjusted to accommodate discretionary program changes, non-programmatic changes, noncompliance problems, and administrative allowances. These components were known as "on-cycle adjustments." The prior year's rate was also increased by a Cost Increment Factor (CIF) and by a Compensation Package Factor (CPF). Theoretically, off-cycle programs would receive tuition rate increases only through CIF and CPF adjustments. We denote the exception to this general rule as "off-cycle relief" (i.e., rate increases to provide for extraordinary relief, enrollment fluctuations, and annualization of costs).

The following discussion examines the specific impact of CIF and CPF, on-cycle adjustments, and off-cycle relief. This discussion will also demonstrate that, in some cases, the way these components of tuition rates were applied and monitored led to unnecessary rate increases.

Pie Chart 8.8

Aggregate Private School Tuition Revenue Increase Allocated by Growth Factors

1986-1990

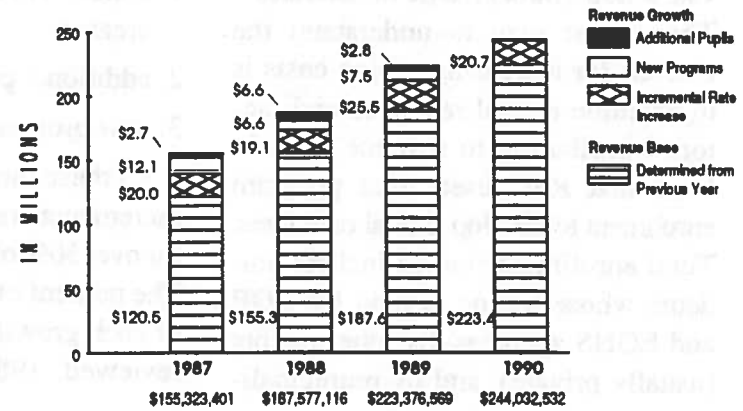


$123,512,665

Bar Graph 8.9

Private School Tuition Revenue: Revenue Base and Year-to-Year Growth Factors

School Years 1987-1990



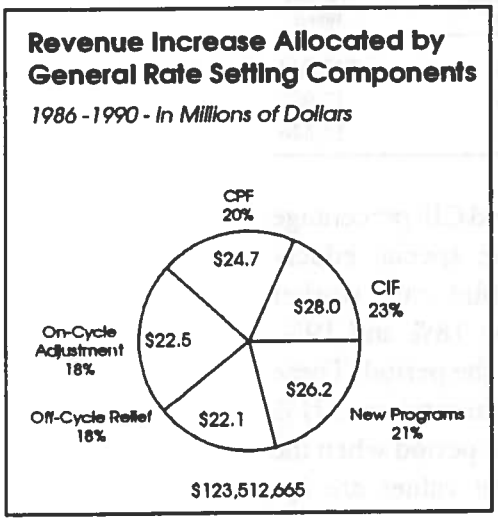
CIF/CPF and Their Impact

The Cost Increment Factor (CIF) and the Compensation Package Factor (CPF) are components of the RSC formula for establishing private school tuition rates. The purpose of CIF was to offset the general effects of inflation. The CPF, which was developed by the Rate Setting Commission as a result of industry and DOE public testimony citing the high rate of turnover among direct care staff workers, was designed to provide private school administrators with additional resources to augment low levels of compensation for direct care staff. RSC regulations specifically stated that increases allowed by CPF must be spent only for direct care staff (e.g., child care workers, teachers, nurses, day care workers, social workers, counselors) compensation. First used in setting FY 1986 rates, this policy was intended to be a temporary rate setting measure to boost compensation for direct care workers. However, RSC continued to inflate rates for this purpose through FY 1990.

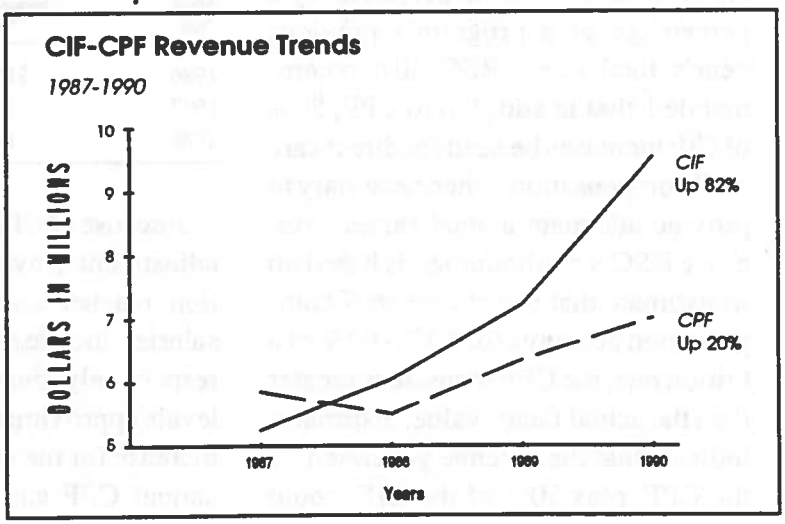
Both CIF and CPF components were annually promulgated separately for day and residential programs. Also, different CIF values were used for on-cycle and off-cycle programs. Each factor was expressed as a percentage and applied to the previous year's final private school tuition rate. Together, these two inflationary factors account for 43% ($52,738,753) of the total annual revenue increases between fiscal years 1986 and 1990.

CIF adjustments generated a large portion of the tuition revenues between fiscal years 1987 and 1990, accounting for approximately $28,038,066 (23%) of total revenue increases with a growth rate of 82% over the period. See *Pie Chart 8.10* and *Line Graph 8.11*. On-cycle rates were developed using a formula designed by RSC that provided that CIF

Pie Chart 8.10



Line Graph 8.11



would not be applied to those costs not subject to inflation (defined as reimbursable operating costs remaining constant throughout the rate cycle - 114.4 CMR 9.02). These costs may include depreciation of certain fixed assets, interest rates, and mortgage or fixed-lease payments. Off-cycle rates, however, were set by first adjusting the prior year's rates and then applying the current year's CIF and CPF. The RSC regulation provided that permissible rate adjustments were:

1. the removal of rate limitation imposed by the provider or purchaser;
2. annualization of certain costs; and
3. the exclusion of one-time costs.

Unlike the on-cycle formula, the off-cycle rate regulations did not provide for the exclusion of costs not subject to inflation from the application of the CIF. Therefore, these costs could have been inflated by as much as 13% between 1987 and 1990, thereby artificially escalating rates.

The CPF increased rates for both on-cycle and off-cycle programs by a percentage of a program's previous year's total rate. RSC also recommended that in addition to CPF, 50% of CIF increases be used for direct care staff compensation, when necessary to provide adequate annual raises. Because RSC's methodology is based on its estimate that direct care staff compensation accounts for 50% - 60% of a tuition rate, the CPF increase is greater than the actual factor value. Estimates indicate that the revenue generated by the CPF, plus 50% of the CIF, could have increased direct care staff compensation by as much as 45% to 55% from fiscal years 1986 to 1990.

Nonetheless, DOE and private school officials have indicated that direct care salaries, especially teacher and child care salaries, are still well below the prevailing wage for these positions. Direct care staff turnover has been reported to be as high as 66.7% annually, with many long-term vacancies. As a result, the childrens' education is disrupted and a stable environment for learning is compromised.

We conducted an analysis of private school salaries for special education teachers and child care workers using FTE and salary information from RSC 1100 Cost Reports from approximately 100 schools for the period fiscal years 1986 - 1988. Average salaries are presented in the following *Table 8.12*.

Table 8.12

Private School Salaries for Special Education Workers

Fiscal Year	Special Education Teacher	Child Care Worker
1986	$16,341	$12,844
1987	18,083	12,986
1988	19,358	15,340

Because of CPF and CIF percentage adjustments, average special education teacher and child care worker salaries increased by 18% and 19%, respectively, during the period. These levels approximate our estimated 21% increase for the same period when the annual CPF and CIF values are ap-

plied. If this trend continues, average salaries for FY 1990 private school special education teachers and child care workers should approximate from $23,625 to $25,337 and from $18,569 to $19,915 respectively. Since annual average direct care staff salary information was not available from either RSC or DOE, year after year RSC developed and approved a CPF percentage based solely on the testimony of private school representatives and other education advocates.

Because programmatic problems associated with low direct care compensation provided the rationale for developing CPF as part of the rate setting methodology, direct care staff salaries should have been systematically monitored by RSC to ensure that funds were being used to increase compensation and to determine CPF's effectiveness in alleviating the staff retention and recruitment problems. Had RSC created a direct care personnel salary data base when the X-Y-Z system was developed and had it maintained this data base with annual salary data already available from RSC 1100 Cost Reports, it could have established the means for a reasonable and manageable monitoring system. Furthermore, analysis of this data would have facilitated compliance monitoring, quantified salary increases, measured effectiveness in reducing staffing problems, illuminated salary inequities, and offered RSC a basis for evaluating CPF policy. Although $25 million (20%) in rate revenue increases was allocated to CPF (direct care compensation) between fiscal years 1987 and 1990, no monitoring or analysis of direct care worker salaries was conducted by RSC during this time. (See *Pie Chart 8.10.*)

In the future, the Division of Purchased Services (DPS) intends to set direct care worker salary rates that are fair and competitive with other sectors of the child care business. However, prior to its approving the new salary levels for each school in FY 1992, DPS should review the history of these workers' salaries to determine if CPF funding from fiscal years 1986 to 1990 was actually directed to increasing direct care staff compensation. The OSA's Division of Vendor Audits could assist with this review.

On-Cycle Adjustments and Off-Cycle Relief

Over the four-year period, we estimate on-cycle adjustments amounted to $22,544,089 and off-cycle relief totaled $22,075,379. Additional enrollments accounted for an estimated $7,843,925, or 35%, of on-cycle adjustments and $4,292,329, or 19%, of off-cycle relief. Combined, these increases equal $44,619,468, or 36%, of the total revenue increases.

The X-Y-Z system was designed to allow programmatic enhancements in on-cycle years and provide cost stability in off-cycle years. However, our analysis indicates that its performance was inconsistent with the intent of the system. We found, for instance, that off-cycle adjustments

approximated on-cycle adjustments over the period. Both adjustments were 18% of the private school tuition revenue increase over the period. (See *Pie Chart 8.10.*) In addition, we found that off-cycle relief increased dramatically in fiscal years 1987 - 1989, surpassing the on-cycle increases for FY 1989, as shown in the *Line Graph 8.13* below. (There were no on-cycle adjustments in FY 1990, the X-Y-Z system moratorium year.)

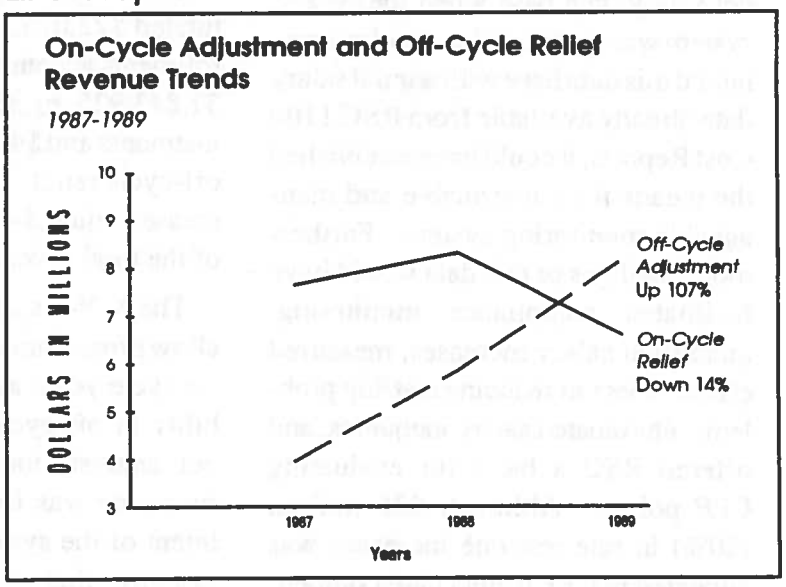
The system was designed to increase off-cycle rates only for nominal and generally predictable inflation and salary upgrades, enrollment changes, and occasionally an extraordinary relief factor. Nonetheless, our analysis of off-cycle relief adjustments indicates that substantial revenue increases in excess of allowable CIF, CPF, and additional enrollment factors occurred during this period. (See *Pie Chart 8.10.*) Extraordinary relief was intended to provide rate increases *only* to support unanticipated costs such as items beyond the provider's control (usually associated with federal, state, and municipal statutory, regulatory, and licensing requirements) or emergencies affecting client health and safety. By definition, therefore, extraordinary relief adjustments should have been rare, producing only minimal supplemental revenues.

Discretionary Program Changes

We expected to find that on-cycle tuition increases would be substantial, as providers began to implement their initiated, DOE-approved, discretionary program changes. There were significant increases. However, the term "discretionary" should be broadly interpreted in this context. We discovered that 75% to 80% of all on-cycle program changes resulted not from discretionary changes but from DOE noncompliance findings. If serious noncompliance issues were discovered during a program audit, DOE should have applied the appropriate sanctions, and no additional revenue increases should have been granted. In the event that DOE modified program requirements or mandated additional services, revenue increases should have been addressed in accordance with extraordinary relief provisions.

For informational purposes only, RSC published a general outline of DOE, RSC, and provider responsibilities entitled a "Discretionary Program

Line Graph 8.13



Change Package Primer." In this publication, RSC directs providers to notify all purchasers of any program changes and of their estimated costs and to either submit evidence of notification to RSC or forfeit RSC acceptance of the proposed changes. (See 114.4 CMR 9.04 [2].) However, we found that throughout the X-Y-Z three-year cycle DOE failed to maintain uniform procedures for discretionary program-change requests and established no criteria for proposed change approval or denial.

In FY 1989, DOE implemented a discretionary program-change and noncompliance reporting and approval system to improve accountability for DOE and private school on-cycle adjustments. DOE also issued guidelines for assessing discretionary program changes to all regional centers in an attempt to ensure program change approval or denial consistency. The guidelines addressed staffing, facilities, program expansions, educational supplies, materials, equipment, furniture, vehicles, in-service training, curriculum, and recreation. In the guidelines, DOE "urges" providers to inform purchasers of proposed program changes. All on-cycle programs were to submit three documents, called "PS forms," to DOE at prescribed periods during the on-cycle audit process as follows:

- **PS-I**, submitted prior to on-cycle site visits, provided a general description of proposed discretionary changes.
- **PS-II**, also submitted prior to on-cycle site visits, provided an itemization of each proposed change, including the estimated rate impact.
- **PS-III**, submitted after the on-cycle site visit, provided an itemization of both the compliance issues discovered during the audit and the proposed discretionary program changes, and included cost estimates for correcting each compliance issue and implementing each discretionary program change. In addition, the PS-III indicated DOE approval or disapproval for every compliance issue and discretionary change.

Please note that a moratorium was placed on all on-cycle discretionary program change requests for FY 1989, so therefore FY 1990 rates would reflect off-cycle increases only. However, extraordinary relief was allowed for additional expenses resulting from DOE noncompliance findings.

After examining a number of special education programmatic changes, we found various instances where a lack of communication between DOE and RSC occurred, where there was a need for uniformity of process, and where there was inadequate documentation of the programmatic changes allowed.

Communication problems between regional offices of DOE also delayed receipt of the PS-III documents we requested for review. The PS-III document records a special education program's request for compliance items

and discretionary program changes, and is signed by an audit team chairman and two regional directors, signifying that a programmatic change has either been allowed or disallowed by DOE.

After reviewing the 44 PS-III documents for fiscal years 1989 - 1990 program audits, we found that:

- 21 PS-III documents did not identify total approved compliance items or indicate action taken;
- 4 were unsigned;
- 1 of the unsigned documents was received by RSC without indication of review or action by DOE; and
- For schools having multiple programs, the filing did not specify which compliance items and discretionary changes were for which program.

Measures should be taken by DOE to correct the inadequacies and inconsistencies in the administration of program change and noncompliance action documentation.

Special Rates: Sole Source and Individual

In General

This section briefly discusses special tuition rates. These charges differ from base tuition rates in that they are set for individual pupils and are exempt from the provisions of the X-Y-Z system. There are two types that may be set for day or residential programs:

Individual rates are set for pupils whose special needs require services above and beyond those covered by base tuition rates. Theoretically, the pupil receives more or different services than the typical student enrolled in the program. Individual rates may be set for pupils attending in-state or out-of-state schools. The individual rate includes a charge for the individual services in addition to the base tuition rate. We have limited our review of individual rates to the marginal costs in excess of base tuition rates in order to measure the impact of additional services.

Sole source rates, on the other hand, are set for pupils attending non-approved private schools, either in-state or out-of-state. Theoretically, pupils attend non-approved schools only when there is no appropriate approved program to serve their special needs. A sole source rate is the entire charge for the program.

When a local school system finds that a sole source or individual rate placement is necessary, it requests approval from DOE. DOE processes the request and forwards it to RSC for pricing. (Note that the new Division of Purchased Services has promulgated new regulations, 808 CMR 6.00, *et seq.*, governing special rates.)

Although the number of special rates set in a given year is minor, it has steadily increased over time. (Data in this section is limited to fiscal years 1985 - 1988, as this was all RSC could provide at the time our study was conducted.) There were 406 special rates set between fiscal years 1985 and 1988. The number of special rates

increased steadily over the period by 161% with the addition of 92 pupils. Of this number, 52 were individual rate and 40 were sole source rate placements. However, the growth rate of students requiring sole source rates (211%) outpaced that of students requiring individual rates (137%). This steady growth is shown in *Table 8.14*.

As seen in *Table 8.15*, for fiscal years 1985 through 1988, over $6.4 million was spent for students in programs requiring special rates. This was an increase of 204%, or over $1.8 million. The increased number of pupils placed in special rate situations is the primary reason for the growth in expenditures. Sole source rate expenditures more than tripled during this time.

Individual rates ranged from $213 to $53,600 in FY 1985 and from $180 to $45,864 in FY 1988. However, on a per-pupil basis, the average individual rate actually decreased since 1985. The average per pupil sole source rate, meanwhile, grew by a relatively moderate 27%. They ranged from $1,636 to $65,608 in FY 1985 and from $4,054 to $172,408 in FY 1988. (*Table 8.16* shows the average annual charge per pupil.)

Additional Discussion of Individual Rates

Generally, individual rates are needed just as often for day programs as for residential programs. During fiscal years 1985 - 1988, there were no individual rates set for out-of-state day programs. On average, there were only seven individual rates set for out-of-state residential programs over the period. Although the number of pupils requiring the individual rate surcharge steadily increased over the period, these charges were geared to very specific individualized services. It is difficult to observe any state procedural prob-

Table 8.14

Number of Special Rates by Type

Fiscal Years 1985 - 1988

Fiscal Year	Number of Individual Rates	Number of Sole Source Rates	Total
1985	38	19	57
1986	50	30	80
1987	82	38	120
1988	90	59	149
	260	146	406

Table 8.15

Special Rate Annual Expenditures by Type

Fiscal Years 1985 - 1988

Fiscal Year	Individual Rate	Sole Source Rate	Total
1985	$ 405,195	$ 498,246	$ 903,441
1986	253,867	749,113	1,002,980
1987	684,692	1,108,860	1,793,552
1988	781,827	1,961,048	2,742,875
	$2,125,581	$4,317,267	$6,442,848

Table 8.16

Average per Pupil Rates

Fiscal Years 1985 - 1988

Fiscal Year	Average Individual Rate	Average Sole Source Rate
1985	$10,663	$26,223
1986	5,077	24,970
1987	8,350	29,180
1988	8,687	33,238

lems within this area of tuition setting. There will likely always be students whose needs will not be appropriately met, even at the private school level, without this special service and special cost.

Additional Discussion of Sole Source Rates

There is more room for concern with the number of sole source rates set annually, because these rates are for non-approved private programs. "Non-approved" does not necessarily mean that a program is of lesser quality. However, it does mean that there is less state oversight through the regulatory process and less accountability.

The majority of sole source rates is for out-of-state residential programs. Despite reported efforts by DOE to lessen the necessity for these placements by allowing for program enhancements at approved schools, significant progress has not been made. Again, it is likely that there will always be students whose needs cannot be served, even at approved private schools.

Nonetheless, we recommend that DOE continue its efforts to minimize the number of pupils attending non-approved schools. This effort could be enhanced by collecting data on characteristics and needs of students in sole source placements, and the specific service benefits provided by non-approved schools. This information should be used to identify opportunities for additional services at approved private schools and, perhaps, at educational collaboratives.

The Division of Purchased Services

As stated earlier, legislative concern with rate setting procedures culminated in the establishment of a new office to perform rate setting duties. Through Chapter 150 of the Acts of 1990, the Legislature created a permanent Division of Purchased Services (DPS) within the Department of Procurement and General Services in the Executive Office for Administration and Finance. DPS is responsible for implementing, coordinating, and maintaining a comprehensive system for the purchase of social services for the Commonwealth. The division sets rates for social service purchases, including Chapter 766 services, by state agencies and municipalities.

DPS is administered by an assistant commissioner and is currently composed of three bureaus, each having its own director.

- The Bureau of Program Pricing is responsible for determining social service payment methods, estimating annual inflation rates to be applied to prices, and ensuring that prices are annually established by the first Wednesday in February. The bureau also has a special education program pricing unit responsible for developing Chapter 766 private school tuition rates.
- The Audit Bureau is responsible for conducting provider financial and compliance audits and for developing a uniform accounting, alloca-

tion, reporting, and auditing system that conforms to generally accepted government auditing standards. The bureau may recover public funds and perform quality assurance reviews of independent audits.

- The Bureau of Data Base Management is responsible for developing and maintaining a uniform provider financial and statistical data base in order to support policy development, pricing methodologies, and budget analysis.

DPS also examines the Commonwealth's social service licensing, quality assurance, and accreditation policies with the goal of establishing a single set of health and safety standards. In addition, the Legislature has instructed DPS to develop a component pricing method model project to be tested in FY 1992. The model will be applied to a representative sample of all social service programs, including special education. A component pricing method for establishing service rates assumes that any program has a given set of elements (components) necessary to properly deliver services. For instance, components of Chapter 766 private school programs would include program directors, teachers, teacher's aides, instructional materials, appropriate educational and residential facilities, meals, physicians, psychologists, nurses, social workers, and others.

Simply stated, the component pricing system assigns a fair market value range to each program component. The quantity of each component and the credentials of the staff determine the total cost of the program.

This system differs significantly from the multi-computational historical cost method previously used by RSC for establishing program rates and simplifies the process significantly. Past rate setting practices have been analyzed and assessed by the OSA and, recently, by the former EOAF Office of Purchased Services. (See *Purchase of Service Reform: Final Report,* January 31, 1990.) Both EOAF's report and this report identify and discuss shortcomings in the RSC rate setting process.

Component pricing redirects the rate setting process so that prospective rates are based on school programs and their composition rather than on their previous expenditures. The price for each program component is based on the current market value and is the same for all schools. At the end of an initial adjustment period, when the system is fully tested and implemented, annual rates are expected to stabilize and fluctuate with inflation and other economic pressures, but this will not be known until after several years of experience. In addition, the component pricing system could inject an additional measure of provider accountability. By establishing rates based on the content of a program's components, the services purchased may be identified, measured, and compared to actual services performed.

However, for the reasons outlined below, component pricing may inevitably lead to the Commonwealth paying higher prices for social services. This of course would mean that the Commonwealth will end up purchasing fewer services with the same dollars.

- The component prices are based on "current market values" of the resources to be used, because the providers are expected to purchase these resources in the "real world." Therefore, in those instances where philanthropic, nonprofit providers are paying less for these resources than "current market values," they will apparently still be paid the higher current market value for these resources. This will increase the cost of contracting for social services.
- The salary standards have been set at a level high enough to reduce staff turnover, in the belief that low salaries for direct care personnel are directly related to staff turnover and vacancy levels. To the extent that these standards increase the salaries presently being paid by providers, there will be a corresponding increase in the cost of contracting for social services. It only stands to reason that once these salary levels are known to the providers, they will increase their salaries to these levels. This logic would apply to other resources, as well (e.g., rent, transportation).
- Providers are to be allowed a 5% markup on the agreed-upon program price. This profit is intended to enable the providers to finance the delay in collecting funds from the Commonwealth, meet unforseen costs, and improve fiscal stability and capital structure. Assuming that no profit is presently being paid, this will increase the dollar volume of contracting by 5% and with no additional services being received.
- Although component pricing is expected to achieve efficiencies by paying providers the "current market value" of resources rather than historical costs, it remains to be seen whether the cost savings realized by these efficiencies will be passed on to the Commonwealth or instead be taken as additional profit by the providers. For example, the component price per square foot for office space in Brighton is $15.02.

Table 8.17

Component Pricing Effects on Direct Care Salaries

Direct Care Position	FY 1989 Salary at the School	Component Pricing Midpoint Salary		Percent Increase
SPED Teacher	$20,296	$27,079	Masters	33%
		25,168	Bachelors	24%
Social Worker	18,100	32,550	LICSW*	80%
		28,037	LCSW*	55%
		25,244	LSW*	39%
Psychologist	23,038	55,765	Doctorate	142%
		42,584	Masters	85%

* LICSW Licensed Independent Certified Social Worker
LCSW Licensed Certified Social Worker
LSW Licensed Social Worker

If a provider in Brighton obtains a lower cost per square foot after the program price is established with the Commonwealth, who will benefit from the savings?

To illustrate the cost increases resulting from component pricing, we applied the "fair market" values in the DPS *Component Pricing Catalogue* to three FY 1989 direct care staff salaries at one of the schools. The midpoint of each salary price range, according to professional credentials, is used to provide a fair and reasonable comparison. *Table 8.17* depicts the effects of component pricing on these salaries.

In all instances, component pricing would have increased the amount allowed for SPED teachers, social workers, and psychologists, ranging from 24% to 142%, depending on their professional credentials.

Due to the potentially significant financial impact of component pricing and to its effect on municipal and state budgets, we recommend that DPS review and revise the *Component Pricing Catalogue* "fair market" values based on current market conditions before implementation. This should be done slowly and cautiously so as not to artificially drive up the cost of service to the Commonwealth.

DPS has established new policies, procedures, and contracts for the purchase of social services by the Commonwealth. The new contracts contain capital budget provisions that the Commonwealth retain title to capital assets purchased by providers with public funds. However, the new contracts do not apply to Chapter 766 services purchased by municipalities. Therefore, DPS should apply its new capital budget provision to Chapter 766 private schools, thereby ensuring that private assets are not accumulated for private gain at public expense.

Recommendations

As the newly created DPS assumes the task of establishing private school tuition rates, we offer the following recommendations:

1. Before FY 1992, when DPS will implement, on a limited basis, a pilot program of component pricing, the fiscal effect of the system should be estimated. Utilizing a sample of programs with rates ranging from high to low and data obtained from RSC 1100 Cost Reports, DPS can estimate the rate changes that would be implemented by the component pricing method. The results would provide an estimate of the system's general fiscal effect and would measure the specific impact of each component.
2. DPS's Bureau of Data Base Management should construct and maintain a comprehensive data base, including, but not limited to, all annual program prices, component prices, and program enrollment. Automated data analysis and statistical procedures, such as trend analysis and descriptive statistics, should be employed annually. The data

base would serve as a central depository for all annual rates and related data. Information for establishing annual rates, conducting studies, making analyses, and performing reviews would be readily available.

3. Annual program price forecasts should be projected for at least a three-year period. Estimating prospective prices facilitates budgetary and appropriation considerations, identifies variations in expected and actual price levels, and provides a mechanism for evaluating the effects of anticipated changes in methodology.
4. Program prices and components should be monitored, and should be carefully examined to determine if the desired results have been realized. In addition, it is expected that DPS will provide annual rate increases to offset the effects of inflation. Care must be taken to establish accurate and fair inflators and to apply them only to those costs affected by annual inflation.
5. A procedure for notifying purchasers of any proposed program or non-program changes, and of their financial effects, should be established in regulation. The notification should include a description of the proposed changes, their rationale, and their initiator. Such notification will provide purchasers with sufficient information to consider, assess, and comment on any proposed changes and to plan for any budgetary modifications associated with the changes.
6. School districts and state agencies should be notified of any excessive rate payments resulting from retroactive rate decreases. A uniform excess revenue retrieval system should be developed and codified in a regulation so that state and local governments can collect excess revenue from providers.
7. DPS should develop procedures whereby the Commonwealth and its municipalities may retain interest in all capital items purchased with public funds. This interest may be stipulated in contracts or as a condition for program approval. DPS should maintain inventories of capital from acquisition to disposal. Such monitored inventories of these assets will help ensure that items are used for intended public purposes and not accumulated for private gain.
8. DOE should create private school program profiles based on needs served, itemizing and describing the core components characteristic of each program. Notwithstanding the fact that individual education plans require a variety of services among a range of disciplines, a general presentation of each program's structure would provide a detailed overview of the variety of services offered. It would also establish a basic informational program planning instrument that could serve as a common description of program components for the analysis and assessment of changes, additions, or modifications to existing programs.

9. DOE should continue all efforts to seek alternatives to private school placements to reduce the necessity for paying special rates, especially for non-approved and out-of-state special education programs.
10. All prices adjusted for unanticipated costs to providers should be clearly documented, distinguished, itemized, quantified, and monitored. Variable price fluctuations, especially for such items as fuel, supplies, and food, should be monitored for downward as well as upward trends.
11. DPS should be allowed to review and comment on any substantial program changes, whether necessitated by noncompliance issues or not, prior to their final approval by DOE. Copies of all documents and/or reports arising from DOE program audits, monitoring site visits, or other such evaluations should be forwarded to DPS. In addition, DOE must provide clear, complete, and uniform program change and approval documentation.
12. DPS should periodically conduct cost allocation studies based on component classification (e.g., direct care, occupancy, administration) to identify and measure overall spending patterns and resource distribution, ensuring that funds charged are used for intended purposes.

Statewide Special Education Program Cost and Enrollment Summary

By Year, 1980 - 1989

1979 - 1980 School Year

Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 7,660,165	10,724	888.3	$ 8,623
502.2	76,901,918	80,423	8,467.4	9,082
502.3	42,489,804	15,165	6,035.9	7,040
502.4	81,436,423	17,332	13,083.0	6,225
502.5	33,130,641	4,468	4,202.9	7,883
502.6	14,577,030	1,835	1,295.1	11,256
502.7	3,233,421	1,005	489.7	6,603
502.8	7,518,711	1,923	1,217.8	6,174
TOTAL	$266,948,113	132,875	35,680.1	$ 7,482

1980 - 1981 School Year

Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 8,896,648	10,435	1,001.1	$ 8,887
502.2	82,662,219	79,707	8,963.7	9,222
502.3	46,547,671	16,019	7,039.4	6,612
502.4	105,208,903	19,746	17,242.0	6,102
502.5	40,845,797	4,711	4,755.0	8,590
502.6	16,741,248	1,702	1,083.8	15,447
502.7	4,397,386	1,119	598.4	7,349
502.8	12,690,652	2,300	2,424.9	5,233
TOTAL	$317,990,524	135,739	43,108.3	$ 7,377

1981 - 1982 School Year

Pupils Served Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 8,885,665	10,680	911.2	$ 9,752
502.2	75,562,376	74,591	8,018.9	9,423
502.3	46,227,818	16,549	7,234.0	6,390
502.4	113,434,249	20,110	18,248.0	6,216
502.5	40,326,053	4,005	4,106.5	9,820
502.6	16,491,231	1,340	940.8	17,529
502.7	4,082,495	827	611.2	6,679
502.8	12,702,153	2,685	2,433.7	5,219
TOTAL	$317,712,040	130,787	42,504.3	$ 7,475

1982 - 1983 School Year

Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 9,559,558	10,469	1,110.6	$ 8,608
502.2	84,261,522	71,906	8,608.4	9,788
502.3	51,434,029	17,283	8,345.8	6,163
502.4	120,713,163	21,961	19,201.3	6,287
502.5	46,735,065	3,720	4,027.8	11,603
502.6	14,058,450	1,028	767.6	18,315
502.7	4,469,595	841	608.9	7,340
502.8	13,938,448	2,820	2,569.5	5,425
TOTAL	$345,169,830	130,028	45,239.9	$ 7,630

1983 - 1984 School Year

Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 9,509,048	10,663	937.6	$10,142
502.2	86,486,741	70,295	8,522.8	10,148
502.3	57,604,579	18,213	8,476.7	6,796
502.4	132,788,832	22,519	20,894.9	6,355
502.5	51,284,279	3,761	4,019.1	12,760
502.6	15,050,819	840	795.3	18,925
502.7	5,381,750	877	725.3	7,420
502.8	15,378,989	2,947	2,610.8	5,891
TOTAL	$373,485,037	130,115	46,982.5	$ 7,949

1984 - 1985 School Year

Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 10,518,716	10,969	1,064.8	$ 9,879
502.2	88,673,333	69,763	7,968.6	11,128
502.3	54,697,818	18,610	8,206.9	6,665
502.4	142,090,647	23,898	22,226.0	6,393
502.5	52,059,579	3,729	3,972.5	13,105
502.6	17,308,560	736	687.5	25,176
502.7	6,510,228	941	837.1	7,777
502.8	17,295,893	3,218	2,566.7	6,739
TOTAL	$389,154,774	131,864	47,530.1	$ 8,188

* October 1 enrollment census.

Statewide Special Education Program Cost and Enrollment Summary

By Year, 1980 - 1989

1985 - 1986 School Year

Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 13,088,802	11,100	1,011.2	$12,944
502.2	101,602,564	69,396	7,871.8	12,907
502.3	65,869,084	19,010	8,414.2	7,828
502.4	172,364,055	25,118	23,082.3	7,467
502.5	59,480,439	3,882	4,192.5	14,187
502.6	17,957,212	697	751.6	23,892
502.7	6,111,818	908	724.2	8,439
502.8	20,438,422	3,500	2,860.7	7,145
TOTAL	$456,912,396	133,611	48,908.5	$ 9,342

1986 - 1987 School Year

Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 15,178,663	11,776	1,178.7	$12,877
502.2	108,490,261	68,142	7,856.8	13,808
502.3	73,779,294	19,408	8,677.6	8,502
502.4	199,821,441	26,262	24,180.6	8,264
502.5	66,187,388	3,899	4,622.0	14,320
502.6	31,415,836	673	799.9	39,275
502.7	8,738,553	1,090	696.9	12,539
502.8	26,272,587	4,161	3,169.9	8,288
TOTAL	$529,884,023	135,411	51,182.4	$10,353

1987 - 1988 School Year

Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 16,665,821	12,081	1,199.3	$13,896
502.2	118,743,163	67,704	8,326.4	14,261
502.3	75,626,514	19,978	8,926.3	8,472
502.4	217,575,872	27,327	24,806.3	8,771
502.5	90,034,292	4,220	4,800.6	18,755
502.6	42,609,860	738	900.3	47,329
502.7	7,403,159	1,058	674.1	10,982
502.8	30,947,773	4,654	3,498.2	8,847
TOTAL	$599,606,454	137,760	53,131.5	$11,285

1988 - 1989 School Year

Prototype	Total Expenditures	Pupils Served* (Headcount)	Pupils Served (Fulltime Equivalent)	Expenditures per FTE
502.1	$ 21,496,034	12,786	1,243.2	$17,291
502.2	137,003,916	67,699	8,247.3	16,612
502.3	96,933,027	20,968	9,261.1	10,467
502.4	274,060,148	27,819	25,125.8	10,908
502.5	99,011,174	4,223	4,987.6	19,851
502.6	63,899,576	845	996.3	64,137
502.7	8,294,936	763	610.0	13,598
502.8	38,833,902	5,223	4,004.9	9,697
TOTAL	$739,532,713	140,326	54,476.2	$13,575

* October 1 enrollment census.

Statewide Special Education Program Cost and Enrollment Summary

By Prototype, 1980 - 1989

502.1 Placements (Regular Education Program with Modifications)

Year	Total Expenditures	FTE	Expenditures per FTE	CHANGE FROM PRIOR YEAR					
				Total Expenditures		FTE		Expenditures per FTE	
				Dollars	Percent	Number	Percent	Dollars	Percent
1980	$ 7,660,165	888.3	$ 8,623						
1981	8,896,648	1,001.1	8,887	$1,236,483	16.1%	112.8	12.7%	$ 263	3.1%
1982	8,885,665	911.2	9,752	(10,983)	-0.1%	-89.9	-9.0%	865	9.7%
1983	9,559,558	1,110.6	8,608	673,893	7.6%	199.4	21.9%	(1,144)	-11.7%
1984	9,509,048	937.6	10,142	(50,510)	-0.5%	-173.0	-15.6%	1,534	17.8%
1985	10,518,716	1,064.8	9,879	1,009,668	10.6%	127.2	13.6%	(263)	-2.6%
1986	13,088,802	1,011.2	12,944	2,570,086	24.4%	-53.6	-5.0%	3,065	31.0%
1987	15,178,663	1,178.7	12,877	2,089,861	16.0%	167.5	16.6%	(66)	-0.5%
1988	16,665,821	1,199.3	13,896	1,487,158	9.8%	20.6	1.7%	1,019	7.9%
1989	21,496,034	1,243.2	17,291	4,830,213	29.0%	43.9	3.7%	3,395	24.4%

502.2 Placements (Regular Education Program with No More than 25% Time Out)

Year	Total Expenditures	FTE	Expenditures per FTE	CHANGE FROM PRIOR YEAR					
				Total Expenditures		FTE		Expenditures per FTE	
				Dollars	Percent	Number	Percent	Dollars	Percent
1980	$ 76,901,918	8,467.4	$ 9,082						
1981	82,662,219	8,963.7	9,222	$ 5,760,301	7.5%	496.3	5.9%	$ 140	1.5%
1982	75,562,376	8,018.9	9,423	(7,099,843)	-8.6%	-944.8	-10.5%	201	2.2%
1983	84,261,522	8,608.4	9,788	8,699,146	11.5%	589.5	7.4%	365	3.9%
1984	86,486,741	8,522.8	10,148	2,225,219	2.6%	-85.6	-1.0%	359	3.7%
1985	88,673,333	7,968.6	11,128	2,186,592	2.5%	-554.2	-6.5%	980	9.7%
1986	101,602,564	7,871.8	12,907	12,929,231	14.6%	-96.8	-1.2%	1,779	16.0%
1987	108,490,261	7,856.8	13,808	6,887,697	6.8%	-15.0	-0.2%	901	7.0%
1988	118,743,163	8,326.4	14,261	10,252,902	9.5%	469.6	6.0%	453	3.3%
1989	137,003,916	8,247.3	16,612	18,260,753	15.4%	-79.1	-0.9%	2,351	16.5%

502.3 Placements (Regular Education Program with No More Than 60% Time Out)

Year	Total Expenditures	FTE	Expenditures per FTE	CHANGE FROM PRIOR YEAR					
				Total Expenditures		FTE		Expenditures per FTE	
				Dollars	Percent	Number	Percent	Dollars	Percent
1980	$42,489,804	6,035.9	$ 7,040						
1981	46,547,671	7,039.4	6,612	$ 4,057,867	9.6%	1,003.5	16.6%	$ (427)	-6.1%
1982	46,227,818	7,234.0	6,390	(319,853)	-0.7%	194.6	2.8%	(222)	-3.4%
1983	51,434,029	8,345.8	6,163	5,206,211	11.3%	1,111.8	15.4%	(227)	-3.6%
1984	57,604,579	8,476.7	6,796	6,170,550	12.0%	130.9	1.6%	633	10.3%
1985	54,697,818	8,206.9	6,665	(2,906,761)	-5.0%	(269.8)	-3.2%	(131)	-1.9%
1986	65,869,084	8,414.2	7,828	11,171,266	20.4%	207.3	2.5%	1,163	17.5%
1987	73,779,294	8,677.6	8,502	7,910,210	12.0%	263.4	3.1%	674	8.6%
1988	75,626,514	8,926.3	8,472	1,847,220	2.5%	248.7	2.9%	(30)	-0.4%
1989	96,933,027	9,261.1	10,467	21,306,513	28.2%	334.8	3.8%	1,994	23.5%

502.4 Placements (Substantially Separate Programs)

Year	Total Expenditures	FTE	Expenditures per FTE	CHANGE FROM PRIOR YEAR					
				Total Expenditures		FTE		Expenditures per FTE	
				Dollars	Percent	Number	Percent	Dollars	Percent
1980	$ 81,436,423	13,083.0	$ 6,225						
1981	105,208,903	17,242.0	6,102	$23,772,480	29.2%	4,159.0	31.8%	$ (123)	-2.0%
1982	113,434,249	18,248.0	6,216	8,225,346	7.8%	1,006.0	5.8%	114	1.9%
1983	120,713,163	19,201.3	6,287	7,278,914	6.4%	953.3	5.2%	70	1.1%
1984	132,788,832	20,894.9	6,355	12,075,669	10.0%	1,693.6	8.8%	68	1.1%
1985	142,090,647	22,226.0	6,393	9,301,815	7.0%	1,331.1	6.4%	38	0.6%
1986	172,364,055	23,082.3	7,467	30,273,408	21.3%	856.3	3.9%	1,074	16.8%
1987	199,821,441	24,180.6	8,264	27,457,386	15.9%	1,098.3	4.8%	796	10.7%
1988	217,575,872	24,806.3	8,771	17,754,431	8.9%	625.7	2.6%	507	6.1%
1989	274,060,148	25,125.8	10,908	56,484,276	26.0%	319.5	1.3%	2,137	24.4%

502.5 Placements (Private School Day Programs)

Year	Total Expenditures	FTE	Expenditures per FTE	CHANGE FROM PRIOR YEAR					
				Total Expenditures		FTE		Expenditures per FTE	
				Dollars	Percent	Number	Percent	Dollars	Percent
1980	$33,130,641	4,202.9	$ 7,883						
1981	40,845,797	4,755.0	8,590	$ 7,715,156	23.3%	552.1	13.1%	$ 707	9.0%
1982	40,326,053	4,106.5	9,820	(519,744)	-1.3%	-648.5	-13.6%	1,230	14.3%
1983	46,735,065	4,027.8	11,603	6,409,012	15.9%	-78.7	-1.9%	1,783	18.2%
1984	51,284,279	4,019.1	12,760	4,549,214	9.7%	-8.7	-0.2%	1,157	10.0%
1985	52,059,579	3,972.5	13,105	775,300	1.5%	-46.6	-1.2%	345	2.7%
1986	59,480,439	4,192.5	14,187	7,420,860	14.3%	220.0	5.5%	1,082	8.3%
1987	66,187,388	4,622.0	14,320	6,706,949	11.3%	429.5	10.2%	133	0.9%
1988	90,034,292	4,800.6	18,755	23,846,904	36.0%	178.6	3.9%	4,435	31.0%
1989	99,011,174	4,987.6	19,851	8,976,882	10.0%	187.0	3.9%	1,097	5.8%

502.6 Placements (Private School Residential Programs)

Year	Total Expenditures	FTE	Expenditures per FTE	CHANGE FROM PRIOR YEAR					
				Total Expenditures		FTE		Expenditures per FTE	
				Dollars	Percent	Number	Percent	Dollars	Percent
1980	$14,577,030	1,295.1	$11,256						
1981	16,741,248	1,083.8	15,447	$ 2,164,218	14.8%	-211.3	-16.3%	$ 4,191	37.2%
1982	16,491,231	940.8	17,529	(250,017)	-1.5%	-143.0	-13.2%	2,082	13.5%
1983	14,058,450	767.6	18,315	(2,432,781)	-14.8%	-173.2	-18.4%	786	4.5%
1984	15,050,819	795.3	18,925	992,369	7.1%	27.7	3.6%	610	3.3%
1985	17,308,560	687.5	25,176	2,257,741	15.0%	-107.8	-13.6%	6,251	33.0%
1986	17,957,212	751.6	23,892	648,652	3.7%	64.1	9.3%	(1,284)	-5.1%
1987	31,415,836	799.9	39,275	13,458,624	74.9%	48.3	6.4%	15,383	64.4%
1988	42,609,860	900.3	47,329	11,194,024	35.6%	100.4	12.6%	8,054	20.5%
1989	63,899,576	996.3	64,137	21,289,716	50.0%	96.0	10.7%	16,808	35.5%

Statewide Special Education Program Cost and Enrollment Summary

By Prototype, 1980 - 1989

502.7 Placements (Home or Hospital Programs)

Year	Total Expenditures	FTE	Expenditures per FTE	CHANGE FROM PRIOR YEAR					
				Total Expenditures		FTE		Expenditures per FTE	
				Dollars	Percent	Number	Percent	Dollars	Percent
1980	$3,233,421	489.7	$ 6,603						
1981	4,397,386	598.4	7,349	$ 1,163,965	36.0%	108.7	22.2%	$ 746	11.3%
1982	4,082,495	611.2	6,679	(314,891)	-7.2%	12.8	2.1%	(669)	-9.1%
1983	4,469,595	608.9	7,340	387,100	9.5%	-2.3	-0.4%	661	9.9%
1984	5,381,750	725.3	7,420	912,155	20.4%	116.4	19.1%	80	1.1%
1985	6,510,228	837.1	7,777	1,128,478	21.0%	111.8	15.4%	357	4.8%
1986	6,111,818	724.2	8,439	(398,410)	-6.1%	-112.9	-13.5%	662	8.5%
1987	8,738,553	696.9	12,539	2,626,735	43.0%	-27.3	-3.8%	4,100	48.6%
1988	7,403,159	674.1	10,982	(1,335,394)	-15.3%	-22.8	-3.3%	(1,557)	-12.4%
1989	8,294,936	610.0	13,598	891,777	12.0%	-64.1	-9.5%	2,616	23.8%

502.8 Placements (Programs for Children Ages Three and Four)

Year	Total Expenditures	FTE	Expenditures per FTE	CHANGE FROM PRIOR YEAR					
				Total Expenditures		FTE		Expenditures per FTE	
				Dollars	Percent	Number	Percent	Dollars	Percent
1980	$ 7,518,711	1,217.8	$6,174						
1981	12,690,652	2,424.9	5,233	$5,171,941	68.8%	1,207.1	99.1%	$ (941)	-15.2%
1982	12,702,153	2,433.7	5,219	11,501	0.1%	8.8	0.4%	(14)	-0.3%
1983	13,938,448	2,569.5	5,425	1,236,295	9.7%	135.8	5.6%	205	3.9%
1984	15,378,989	2,610.8	5,891	1,440,541	10.3%	41.3	1.6%	466	8.6%
1985	17,295,893	2,566.7	6,739	1,916,904	12.5%	-44.1	-1.7%	848	14.4%
1986	20,438,422	2,860.7	7,145	3,142,529	18.2%	294.0	11.5%	406	6.0%
1987	26,272,587	3,169.9	8,288	5,834,165	28.5%	309.2	10.8%	1,144	16.0%
1988	30,947,773	3,498.2	8,847	4,675,186	17.8%	328.3	10.4%	559	6.7%
1989	38,833,902	4,004.9	9,697	7,886,129	25.5%	506.7	14.5%	850	9.6%

Special Education Cost Data by School District

School Year 1988-1989

School District	Total Expenditures	SPED Expenditures Per FTE Pupil		SPED Expenditures Per Pupil (Headcount)	
		Amount	Rank*	Amount	Rank*
ABINGTON	$ 1,475,900	$11,941	238	$ 3,147	250
ACTON	1,364,060	18,187	78	4,036	144
ACTON/BOXBOROUGH	1,262,174	16,965	101	3,944	157
ACUSHNET	744,516	11,162	264	4,512	98
ADAMS/CHESHIRE	811,678	8,125	332	2,697	286
AGAWAM	2,933,893	11,596	252	3,587	191
AMESBURY	1,305,533	11,372	259	2,436	310
AMHERST	1,888,373	23,843	26	6,917	14
AMHERST/PELHAM	1,531,528	19,635	57	6,251	22
ANDOVER	3,391,115	18,340	76	4,703	82
ARLINGTON	3,598,242	9,765	304	3,691	179
ASHBURNHAM/WESTMINSTER	1,354,591	12,707	212	2,605	294
ASHFIELD/PLAINFIELD	88,540	11,650	248	2,393	314
ASHLAND	1,419,138	12,739	211	5,142	62
ASSABET VALLEY	711,256	8,880	322	2,092	328
ATHOL/ROYALSTON	784,120	6,513	348	1,658	348
ATTLEBORO	3,996,211	10,445	284	3,463	206
AUBURN	968,974	12,265	224	2,422	312
AVON	562,476	16,592	106	4,429	105
AYER	1,829,801	10,745	279	3,901	158
BARNSTABLE	3,230,143	13,083	201	2,685	287
BEDFORD	1,965,729	24,541	23	4,939	70
BELCHERTOWN	893,835	11,808	243	3,323	227
BELLINGHAM	2,078,094	7,953	337	2,960	267
BELMONT	2,601,626	20,262	50	4,517	97
BERKLEY	507,928	7,503	341	2,791	278
BERKSHIRE HILLS	1,307,880	18,525	75	4,205	123
BERLIN	185,820	14,985	145	3,260	235
BERLIN/BOYLSTON	234,462	18,608	72	3,722	175
BERNARDSTON	200,041	19,052	66	4,168	126
BEVERLY	3,621,424	16,461	107	4,101	135
BILLERICA	4,912,491	11,674	247	4,351	110
BLACKSTONE/MILLVILLE	1,105,506	11,552	253	3,722	173
BLACKSTONE VALLEY	437,331	8,799	324	2,326	321
BLUE HILLS	474,009	9,349	315	1,687	346
BOLTON	277,387	14,225	162	5,234	54
BOSTON	112,403,804	17,411	84	6,722	17
BOURNE	1,367,517	11,629	250	2,676	290
BOXBOROUGH	314,607	11,358	260	4,916	72
BOXFORD	487,441	24,997	19	4,028	145
BOYLSTON	176,812	11,051	265	3,400	215
BRAINTREE	3,507,751	16,453	108	3,518	199

School Year 1988-1989

School District	Total Expenditures	SPED Expenditures Per FTE Pupil		SPED Expenditures Per Pupil (Headcount)	
		Amount	Rank*	Amount	Rank*
BREWSTER	$ 341,563	$11,738	244	$ 3,558	194
BRIDGEWATER	1,364,212	10,827	274	3,385	218
BRIDGEWATER/RAYNHAM	757,901	19,187	64	5,492	40
BRIMFIELD	297,347	12,546	218	3,540	198
BRISTOL COUNTY	111,422	0	0	0	0
BRISTOL/PLYMOUTH	340,996	6,315	351	2,214	324
BROCKTON	8,138,672	10,019	299	2,751	281
BROOKFIELD	228,691	7,968	336	1,989	331
BROOKLINE	5,960,667	20,476	46	6,682	18
BUCKLAND/SHELBURNE	394,330	20,432	49	3,033	260
BURLINGTON	2,194,237	14,464	157	3,545	196
CAMBRIDGE	11,477,116	16,345	111	4,812	79
CANTON	2,511,408	16,308	112	4,694	83
CAPE COD	519,814	9,503	314	2,679	288
CARLISLE	526,961	31,181	9	6,127	25
CARVER	1,390,307	17,059	99	4,400	106
CENTRAL BERKSHIRE	1,276,622	17,228	94	3,658	182
CHATHAM	689,003	21,398	36	3,250	237
CHELMSFORD	3,317,296	12,485	220	3,610	189
CHELSEA	5,149,061	9,702	307	5,254	52
CHESTERFIELD	62,856	7,225	343	2,095	327
CHICOPEE	6,203,934	13,116	198	4,172	125
CHILMARK	65,421	81,776	2	5,032	66
CLARKSBURG	100,191	11,516	254	2,386	316
CLINTON	837,338	10,064	297	2,215	323
COHASSET	852,257	14,694	150	3,722	174
CONCORD	1,536,275	18,532	74	4,572	92
CONCORD/CARLISLE	1,179,167	24,163	24	7,061	11
CONWAY	104,071	13,174	194	3,252	236
DANVERS	2,652,861	21,411	35	5,232	55
DARTMOUTH	2,571,329	16,101	115	4,101	136
DEDHAM	2,107,835	13,858	170	3,832	165
DEERFIELD	364,715	11,257	262	4,098	138
DENNIS/YARMOUTH	2,360,324	15,287	136	3,974	155
DIGHTON/REHOBOTH	1,888,665	12,107	229	3,091	254
DOUGLAS	470,135	7,995	334	3,155	247
DOVER	529,531	33,304	8	7,355	8
DOVER/SHERBORN	334,655	35,602	4	380	219
DRACUT	1,703,640	9,028	320	1,947	333
DUDLEY/CHARLTON	1,526,610	9,656	309	3,228	239
DUXBURY	1,628,628	15,080	142	3,079	256
EAST BRIDGEWATER	1,557,312	14,030	165	3,647	184

** Variables are ranked from highest to lowest, with rank #1 being the highest.*

Special Education Cost Data by School District

School Year 1988-1989

School District	Total Expenditures	SPED Expenditures Per FTE Pupil		SPED Expenditures Per Pupil (Headcount)	
		Amount	Rank*	Amount	Rank*
EAST LONGMEADOW	$ 1,601,416	$ 9,332	316	$ 1,293	355
EASTHAM	213,383	15,351	133	5,204	59
EASTHAMPTON	1,468,265	10,686	280	3,447	211
EASTON	2,193,531	15,201	139	3,693	178
EDGARTOWN	158,808	24,062	25	2,603	296
ERVING	307,081	15,911	121	5,687	35
ESSEX	218,873	20,455	48	3,474	204
ESSEX COUNTY	124,926	3,085	362	1,201	358
EVERETT	4,035,844	13,602	181	4,880	75
FAIRHAVEN	1,677,758	12,739	210	4,547	95
FALL RIVER	10,168,441	10,831	273	4,320	113
FALMOUTH	2,104,559	6,341	350	2,378	318
FITCHBURG	4,379,321	8,674	326	5,034	65
FLORIDA	67,181	12,441	221	2,399	313
FOXBOROUGH	1,702,312	11,011	267	2,364	319
FRAMINGHAM	6,043,313	15,150	140	4,440	104
FRANKLIN	1,752,277	10,200	293	2,863	269
FRANKLIN COUNTY	387,139	8,859	323	1,613	350
FREETOWN	629,195	27,718	15	6,991	12
FREETOWN/LAKEVILLE	860,120	10,191	295	2,450	307
FRONTIER	427,341	19,250	63	6,574	19
GARDNER	1,944,820	11,983	234	4,027	146
GATEWAY	1,157,039	12,577	215	4,223	122
GAY HEAD	846	4,230	360	846	360
GEORGETOWN	836,955	13,834	171	4,982	69
GILL/MONTAGUE	896,430	10,945	270	2,028	330
GLOUCESTER	2,596,482	11,643	249	3,495	202
GOSHEN	30,705	9,305	318	1,919	335
GOSNOLD	6	30	364	6	364
GRAFTON	1,045,264	13,165	195	3,340	224
GRANBY	553,458	13,666	179	3,617	187
GRANVILLE	382,589	34,467	6	10,340	3
GREATER FALL RIVER	196,463	5,339	357	1,091	359
GREATER LAWRENCE	489,215	3,467	361	3,177	243
GREATER LOWELL	770,471	8,276	331	1,456	352
GREATER NEW BEDFORD	283,685	7,057	345	1,485	351
GREENFIELD	2,059,744	16,399	110	5,659	36
GROTON/DUNSTABLE	1,107,882	14,167	163	3,621	186
GROVELAND	260,476	10,378	286	2,605	295
HADLEY	378,068	17,343	87	3,781	170
HALIFAX	591,060	13,556	182	4,021	147
HAMILTON/WENHAM	1,226,228	18,166	79	4,475	100

School Year 1988-1989

School District	Total Expenditures	SPED Expenditures Per FTE Pupil		SPED Expenditures Per Pupil (Headcount)	
		Amount	Rank*	Amount	Rank*
HAMPDEN	$ 504,211	$13,339	190	$ 3,274	233
HAMPDEN/WILBRAHAM	963,382	21,035	37	7,298	9
HAMPSHIRE	411,155	18,604	73	5,632	37
HANCOCK	32,062	7,820	338	1,781	340
HANOVER	1,699,845	10,800	277	3,483	203
HANSON	1,143,173	17,268	91	4,083	140
HARVARD	718,022	19,096	65	5,440	44
HARWICH	699,161	18,303	77	3,394	217
HATFIELD	268,258	17,307	89	4,004	149
HAVERHILL	4,671,009	13,139	196	3,334	225
HAWLEMONT	151,577	13,906	168	3,295	230
HEATH	20,507	17,089	97	6,836	15
HINGHAM	2,253,688	17,035	100	3,271	234
HOLBROOK	1,411,249	6,152	352	5,386	47
HOLDEN	883,635	15,475	129	2,662	291
HOLLAND	180,718	9,511	312	2,347	320
HOLLISTON	2,114,687	13,867	169	4,263	117
HOLYOKE	8,314,027	14,583	154	4,611	87
HOPEDALE	514,045	12,948	203	3,894	159
HOPKINTON	981,982	13,111	199	3,398	216
HUDSON	1,858,268	13,785	174	2,854	271
HULL	1,280,010	10,884	271	3,657	183
IPSWICH	1,125,685	13,029	202	3,162	245
KING PHILIP	1,475,854	19,292	62	5,999	29
KINGSTON	438,125	10,872	272	3,810	167
LAKEVILLE	664,942	26,492	16	5,195	60
LANCASTER	387,475	12,071	231	3,027	261
LANESBOROUGH	65,899	4,252	359	2,865	268
LAWRENCE	8,177,819	8,367	329	3,809	168
LEE	708,952	13,555	183	3,874	161
LEICESTER	989,768	13,110	200	3,152	248
LENOX	727,845	14,945	146	4,232	120
LEOMINSTER	3,173,977	10,960	269	2,697	285
LEVERETT	126,406	17,082	98	3,612	188
LEXINGTON	4,592,750	19,968	53	5,461	43
LEYDEN	40,058	10,826	275	2,861	270
LINCOLN	655,467	33,787	7	11,301	2
LINCOLN/SUDBURY	1,696,893	19,617	58	5,933	31
LITTLETON	926,791	16,432	109	4,477	99
LONGMEADOW	2,358,096	19,651	56	3,514	200
LOWELL	11,882,950	13,665	180	5,624	38
LUDLOW	2,342,878	12,027	232	3,661	181

** Variables are ranked from highest to lowest, with rank #1 being the highest.*

Special Education Cost Data by School District

School Year 1988-1989

School District	Total Expenditures	SPED Expenditures Per FTE Pupil		SPED Expenditures Per Pupil (Headcount)	
		Amount	Rank*	Amount	Rank*
LUNENBURG	$ 1,122,303	$12,199	226	$ 3,370	222
LYNN	11,011,236	15,409	131	5,838	32
LYNNFIELD	1,320,634	20,255	51	3,541	197
MALDEN	7,248,278	17,674	81	6,153	23
MANCHESTER	543,093	25,143	18	5,717	34
MANSFIELD	1,685,624	10,272	289	2,539	303
MARBLEHEAD	2,252,604	17,640	82	5,776	33
MARION	346,167	18,712	70	5,017	67
MARLBOROUGH	3,082,308	9,804	301	3,987	152
MARSHFIELD	1,943,499	11,701	246	3,328	226
MARTHAS VINEYARD	709,213	28,597	13	9,332	5
MASCONOMET	968,463	16,087	116	3,696	177
MASHPEE	726,141	16,136	114	4,348	111
MATTAPOISETT	355,307	15,652	126	3,450	210
MAYNARD	1,346,438	13,824	173	4,809	80
MEDFIELD	799,281	19,932	54	2,719	282
MEDFORD	7,522,409	14,698	149	6,086	26
MEDWAY	845,335	9,661	308	3,464	205
MELROSE	3,429,201	14,354	159	3,008	263
MENDON/UPTON	1,093,556	30,546	11	4,142	129
MERRIMAC	350,889	11,895	241	2,580	301
METHUEN	4,272,155	19,419	60	5,477	42
MIDDLEBOROUGH	2,049,626	9,308	317	2,997	264
MIDDLETON	450,041	20,644	43	3,600	190
MILFORD	2,787,228	11,967	235	4,099	137
MILLBURY	934,531	10,969	268	2,823	274
MILLIS	698,929	15,361	132	2,796	277
MILTON	2,746,561	17,528	83	5,012	68
MINUTEMAN	844,307	9,217	319	2,069	329
MOHAWK TRAIL	355,270	18,698	71	3,416	213
MONROE	569	5,690	354	569	363
MONSON	675,340	8,040	333	2,618	293
MONTACHUSETT	452,531	7,995	335	1,741	343
MOUNT GREYLOCK	538,239	24,918	20	7,274	10
NAHANT	272,960	23,132	30	4,333	112
NANTUCKET	999,858	142,837	1	7,751	6
NARRAGANSETT	665,083	10,441	285	1,812	338
NASHOBA	765,620	23,342	28	6,544	20
NASHOBA VALLEY	298,411	9,784	302	1,658	347
NATICK	3,738,294	11,963	236	4,445	103
NAUSET	971,630	13,551	185	4,583	89
NEEDHAM	3,014,514	21,007	39	6,017	27

School Year 1988-1989

School District	Total Expenditures	SPED Expenditures Per FTE Pupil		SPED Expenditures Per Pupil (Headcount)	
		Amount	Rank*	Amount	Rank*
NEW BEDFORD	$15,997,302	$12,773	207	$ 4,913	73
NEW SALEM/WENDELL	144,970	35,359	5	4,142	130
NEWBURY	229,046	6,028	353	2,437	309
NEWBURYPORT	1,749,214	15,317	134	3,698	176
NEWTON	10,035,594	20,632	44	5,977	30
NORFOLK	349,359	12,797	206	1,941	334
NORFOLK COUNTY	279,462	28,517	14	4,818	78
NORTH ADAMS	1,704,991	10,240	292	3,451	209
NORTH ANDOVER	2,558,276	13,338	191	3,757	172
NORTH ATTLEBOROUGH	2,253,059	13,747	176	3,456	208
NORTH BROOKFIELD	278,342	8,781	325	2,379	317
NORTH MIDDLESEX	2,362,977	13,434	188	3,018	262
NORTH READING	1,289,546	16,079	117	4,903	74
NORTH SHORE	304,626	10,326	288	2,115	326
NORTHAMPTON	3,176,783	16,069	118	5,191	61
NORTHAMPTON/SMITH	256,203	19,409	61	2,308	322
NORTHBORO/SOUTHBORO	408,980	9,646	310	2,622	292
NORTHBOROUGH	865,511	18,939	67	2,424	311
NORTHBRIDGE	1,272,249	8,493	327	2,480	306
NORTHEAST METROPOLITAN	616,973	10,369	287	1,709	344
NORTHERN BERKSHIRE	58,070	5,530	355	1,262	356
NORTHFIELD	153,470	16,865	103	3,069	257
NORTON	2,079,092	11,399	258	3,991	151
NORWELL	837,660	17,236	93	2,531	304
NORWOOD	3,314,505	20,210	52	3,974	154
OAK BLUFFS	190,124	17,128	96	3,278	232
OLD COLONY	388,708	11,466	255	2,776	280
OLD ROCHESTER	420,260	20,908	40	2,802	276
ORANGE	497,769	9,703	306	1,983	332
ORLEANS	196,210	17,364	86	3,847	162
OTIS	124,072	21,029	38	3,545	195
OXFORD	1,521,195	13,829	172	4,261	119
PALMER	1,078,077	12,507	219	4,923	71
PATHFINDER	817,624	14,574	155	4,619	86
PAXTON	242,816	13,718	178	3,281	231
PEABODY	3,992,938	12,798	205	2,846	272
PELHAM	89,525	19,894	55	4,069	142
PEMBROKE	1,077,302	11,436	256	4,112	132
PENTUCKET	572,519	10,097	296	2,567	302
PETERSHAM	45,354	21,597	34	1,814	337
PIONEER	136,689	16,875	102	2,790	279
PITTSFIELD	4,677,698	9,539	311	3,565	193

** Variables are ranked from highest to lowest, with rank #1 being the highest.*

Special Education Cost Data by School District

School Year 1988-1989

School District	Total Expenditures	SPED Expenditures Per FTE Pupil		SPED Expenditures Per Pupil (Headcount)	
		Amount	Rank*	Amount	Rank*
PLAINVILLE	$ 411,161	$14,897	147	$ 3,163	244
PLYMOUTH	4,885,163	10,760	278	5,214	58
PLYMOUTH/CARVER	1,853,457	9,890	300	3,304	228
PLYMPTON	143,241	11,019	266	3,183	242
PRINCETON	200,592	14,536	156	3,134	251
PROVINCETOWN	287,616	21,955	32	4,230	121
QUABBIN	1,578,650	15,599	127	4,671	85
QUABOAG	973,671	11,619	251	2,822	275
QUINCY	7,506,757	14,650	151	4,566	93
RALPH C. MAHAR	571,856	12,652	214	4,575	91
RANDOLPH	4,328,399	15,855	122	5,507	39
RAYNHAM	604,885	16,710	104	2,449	308
READING	2,341,846	11,727	245	3,341	223
REVERE	3,332,989	10,683	281	4,591	88
RICHMOND	95,497	10,268	290	3,183	241
ROCHESTER	418,016	20,797	41	3,835	164
ROCKLAND	1,866,734	17,285	90	4,679	84
ROCKPORT	774,350	21,936	33	5,232	56
ROWE	68,293	19,512	59	2,969	265
ROWLEY	207,072	7,067	344	1,618	349
RUTLAND	307,562	13,490	186	2,480	305
SALEM	4,448,788	13,123	197	4,582	90
SALISBURY	407,783	7,510	339	2,719	283
SANDISFIELD	216,177	17,157	95	8,647	7
SANDWICH	1,554,355	5,181	358	4,842	77
SAUGUS	2,573,440	10,192	294	4,369	109
SAVOY	32,291	7,510	340	1,899	336
SCITUATE	1,650,376	12,833	204	3,150	249
SEEKONK	1,744,498	11,424	257	4,194	124
SHARON	2,199,080	20,785	42	4,452	101
SHAWSHEEN VALLEY	675,596	15,047	143	1,769	341
SHERBORN	381,204	30,742	10	6,931	13
SHIRLEY	226,066	6,768	347	1,256	357
SHREWSBURY	2,290,111	13,215	192	3,842	163
SHUTESBURY	106,372	25,944	17	5,319	49
SILVER LAKE	566,570	7,406	342	1,349	354
SOMERSET	1,362,136	14,308	161	3,380	220
SOMERVILLE	8,255,882	15,085	141	6,129	24
SOUTH HADLEY	1,771,604	12,745	208	4,017	148
SOUTH MIDDLESEX	1,059,302	12,566	217	3,579	192
SOUTH SHORE	260,458	8,950	321	1,702	345
SOUTHAMPTON	259,973	12,682	213	3,662	180

School Year 1988-1989

School District	Total Expenditures	SPED Expenditures Per FTE Pupil		SPED Expenditures Per Pupil (Headcount)	
		Amount	Rank*	Amount	Rank*
SOUTHBOROUGH	$ 807,905	$24,859	21	$ 5,113	63
SOUTHBRIDGE	2,093,529	9,507	313	3,241	238
SOUTHEASTERN	218,321	5,391	356	818	361
SOUTHERN BERKSHIRE	609,856	14,625	152	3,884	160
SOUTHERN WORCESTER	392,370	6,788	346	1,367	353
SOUTHWICK/TOLLAND	1,260,338	14,161	164	5,318	50
SPENCER/EAST BROOKFIELD	2,188,503	12,005	233	3,806	169
SPRINGFIELD	23,579,686	11,942	237	6,743	16
STERLING	535,140	17,263	92	4,116	131
STONEHAM	1,909,487	14,314	160	3,510	201
STOUGHTON	2,477,097	12,239	225	4,156	127
STOW	576,755	18,910	68	6,008	28
STURBRIDGE	705,910	15,480	128	5,078	64
SUDBURY	1,543,906	23,147	29	5,398	45
SUNDERLAND	297,225	11,889	242	5,214	57
SUTTON	828,234	15,806	124	4,080	141
SWAMPSCOTT	1,102,428	13,937	167	3,088	255
SWANSEA	1,705,156	11,248	263	3,045	258
TANTASQUA	414,065	10,644	282	2,588	299
TAUNTON	7,011,143	10,457	283	4,262	118
TEWKSBURY	2,848,386	11,335	261	4,296	115
TISBURY	237,309	20,458	47	5,393	46
TOPSFIELD	278,393	24,637	22	2,703	284
TRI COUNTY	661,210	12,267	223	2,387	315
TRITON	896,630	12,182	228	4,374	107
TRURO	147,965	56,910	3	5,284	51
TYNGSBOROUGH	1,043,402	12,392	222	4,108	133
TYRINGHAM	40,661	13,554	184	13,554	1
UPPER CAPE COD	291,466	6,378	349	1,788	339
UXBRIDGE	878,689	10,808	276	2,679	289
WACHUSETT	1,952,697	22,266	31	9,963	4
WAKEFIELD	2,958,805	15,443	130	4,150	128
WALES	171,522	9,746	305	3,119	253
WALPOLE	1,735,040	14,855	148	3,822	166
WALTHAM	6,611,766	15,030	144	5,482	41
WARE	1,123,119	14,381	158	3,955	156
WAREHAM	2,010,925	12,187	227	3,766	171
WARWICK	35,025	14,010	166	1,751	342
WATERTOWN	3,463,591	15,231	137	4,373	108
WAYLAND	1,823,707	30,497	12	4,053	143
WEBSTER	1,297,442	8,296	330	2,833	273
WELLESLEY	3,043,398	23,611	27	4,536	96

** Variables are ranked from highest to lowest, with rank #1 being the highest.*

Special Education Cost Data by School District

School Year 1988-1989

School District	Total Expenditures	SPED Expenditures Per FTE Pupil		SPED Expenditures Per Pupil (Headcount)	
		Amount	Rank*	Amount	Rank*
WELLFLEET	$ 145,704	$15,667	125	$ 4,857	76
WENDELL	2,534	0	0	0	0
WEST BOYLSTON	520,070	14,609	153	3,377	221
WEST BRIDGEWATER	932,108	20,622	45	4,000	150
WEST NEWBURY	275,445	12,081	230	2,599	297
WEST SPRINGFIELD	603,349	2,358	363	799	362
WEST TISBURY	167,542	16,266	113	3,161	246
WESTBOROUGH	1,026,992	10,260	291	3,189	240
WESTFIELD	3,745,756	10,053	298	2,963	266
WESTFORD	1,631,855	15,828	123	3,045	259
WESTHAMPTON	59,683	15,303	135	2,132	325
WESTON	900,135	15,205	138	3,462	207
WESTPORT	1,737,349	9,771	303	4,560	94
WESTWOOD	1,308,038	17,943	80	3,976	153
WEYMOUTH	4,989,800	13,757	175	3,128	252
WHATELY	133,386	13,473	187	4,303	114
WHITMAN	1,384,070	16,655	105	4,107	134
WHITMAN/HANSON	1,352,136	18,885	69	6,318	21
WHITTIER	1,329,957	16,043	119	4,448	102
WILBRAHAM	687,700	12,572	216	2,595	298
WILLIAMSBURG	188,129	11,907	240	4,090	139
WILLIAMSTOWN	241,422	13,192	193	3,400	214
WILMINGTON	2,110,731	13,733	177	3,633	185
WINCHENDON	1,693,482	11,934	239	4,276	116
WINCHESTER	2,305,247	13,372	189	3,441	212
WINTHROP	1,975,997	17,318	88	5,370	48
WOBURN	4,240,312	15,989	120	4,748	81
WORCESTER	25,992,197	12,745	209	5,252	53
WORCESTER TRADE	666,780	17,364	85	2,584	300
WRENTHAM	534,900	8,490	328	3,302	229

** Variables are ranked from highest to lowest, with rank #1 being the highest.*

Special Education Enrollment Data by School District

October 1, 1988

School District	Total Enrollment (Headcount)	SPED Enrollment (Headcount)	SPED as % Total Enrollment %	Rank*
ABINGTON	1,997	403	20.18%	66
ACTON	1,668	275	16.49%	181
ACTON/BOXBOROUGH	1,805	282	15.62%	209
ACUSHNET	951	135	14.20%	265
ADAMS/CHESHIRE	1,910	227	11.88%	330
AGAWAM	4,053	691	17.05%	160
AMESBURY	2,288	398	17.40%	153
AMHERST	1,487	211	14.19%	266
AMHERST/PELHAM	1,570	207	13.18%	293
ANDOVER	4,661	673	14.44%	255
ARLINGTON	4,069	923	22.68%	40
ASHBURNHAM/WESTMIN.	2,195	407	18.54%	107
ASHFIELD/PLAINFIELD	214	30	14.02%	273
ASHLAND	1,441	209	14.50%	253
ASSABET VALLEY	1,018	250	24.56%	28
ATHOL/ROYALSTON	2,162	365	16.88%	167
ATTLEBORO	5,506	853	15.49%	215
AUBURN	2,074	322	15.53%	212
AVON	567	110	19.40%	81
AYER	2,437	313	12.84%	302
BARNSTABLE	5,496	866	15.76%	206
BEDFORD	1,787	278	15.56%	210
BELCHERTOWN	1,630	190	11.66%	335
BELLINGHAM	2,316	497	21.46%	46
BELMONT	2,856	509	17.82%	132
BERKLEY	555	148	26.67%	17
BERKSHIRE HILLS	1,619	310	19.15%	86
BERLIN	172	44	25.58%	20
BERLIN/BOYLSTON	308	58	18.83%	95
BERNARDSTON	228	41	17.98%	127
BEVERLY	4,383	772	17.61%	143
BILLERICA	6,084	988	16.24%	192
BLACKSTONE/MILLVILLE	1,774	226	12.74%	308
BLACKSTONE VALLEY	810	182	22.47%	42
BLUE HILLS	818	252	30.81%	11
BOLTON	364	45	12.36%	315
BOSTON	60,788	12,888	21.20%	51
BOURNE	2,451	404	16.48%	182
BOXBOROUGH	260	47	18.08%	122
BOXFORD	624	109	17.47%	149
BOYLSTON	234	43	18.38%	113
BRAINTREE	4,444	834	18.77%	97
BREWSTER	522	71	13.60%	281
BRIDGEWATER	2,228	310	13.91%	276
BRIDGEWTR/RAYNHAM	1,320	100	7.58%	361
BRIMFIELD	326	57	17.48%	148
BRISTOL COUNTY	261	32	12.26%	319
BRISTOL/PLYMOUTH	779	154	19.77%	69
BROCKTON	14,982	1,795	11.98%	324
BROOKFIELD	300	75	25.00%	24
BROOKLINE	5,479	846	15.44%	217
BUCKLAND/SHELBURNE	592	94	15.88%	202
BURLINGTON	3,442	570	16.56%	179
CAMBRIDGE	7,656	1,928	25.18%	22
CANTON	2,515	472	18.77%	96
CAPE COD	559	167	29.87%	13
CARLISLE	526	69	13.12%	297
CARVER	1,282	275	21.45%	47
CENTRAL BERKSHIRE	2,174	276	12.70%	309
CHATHAM	596	152	25.50%	21
CHELMSFORD	5,235	776	14.82%	240
CHELSEA	3,574	751	21.01%	55
CHESTERFIELD	114	28	24.56%	27
CHICOPEE	6,626	1,116	16.84%	170
CHILMARK	41	11	26.83%	16
CLARKSBURG	253	36	14.23%	262
CLINTON	1,708	325	19.03%	88
COHASSET	1,150	207	18.00%	125
CONCORD	1,539	301	19.56%	74
CONCORD/CARLISLE	961	146	15.19%	226
CONWAY	124	24	19.35%	82
DANVERS	3,001	422	14.06%	271
DARTMOUTH	4,094	523	12.77%	305
DEDHAM	2,718	422	15.53%	211
DEERFIELD	427	72	16.86%	169
DENNIS/YARMOUTH	4,065	470	11.56%	338
DIGHTON/REHOBOTH	2,663	518	19.45%	80
DOUGLAS	858	140	16.32%	189
DOVER	369	53	14.36%	256
DOVER/SHERBORN	615	91	14.80%	243
DRACUT	3,544	710	20.03%	67
DUDLEY/CHARLTON	3,077	380	12.35%	316
DUXBURY	2,837	455	16.04%	198
EASTHAM	266	34	12.78%	304
EASTHAMPTON	1,947	346	17.77%	133
EASTON	3,271	534	16.33%	188
EAST BRIDGEWATER	2,083	335	16.08%	196
EAST LONGMEADOW	2,165	367	16.95%	162
EDGARTOWN	317	58	18.30%	116
ERVING	174	45	25.86%	19
ESSEX	287	56	19.51%	78
ESSEX COUNTY	795	104	13.08%	299

October 1, 1988

School District	Total Enrollment (Headcount)	SPED Enrollment (Headcount)	SPED as % Total Enrollment %	Rank*
EVERETT	4,013	706	17.59%	144
FAIRHAVEN	2,240	267	11.92%	328
FALL RIVER	12,209	2,249	18.42%	111
FALMOUTH	4,373	671	15.34%	221
FITCHBURG	5,017	809	16.13%	194
FLORIDA	96	22	22.92%	37
FOXBOROUGH	2,437	462	18.96%	89
FRAMINGHAM	7,620	1,166	15.30%	223
FRANKLIN	3,249	495	15.24%	225
FRANKLIN COUNTY	531	206	38.79%	4
FREETOWN	649	86	13.25%	291
FREETOWN/LAKEVILLE	1,802	273	15.15%	228
FRONTIER	538	54	10.04%	353
GARDNER	2,494	386	15.48%	216
GATEWAY	1,593	266	16.70%	174
GEORGETOWN	1,037	204	19.67%	72
GILL/MONTAGUE	1,601	236	14.74%	246
GLOUCESTER	3,601	710	19.72%	70
GOSHEN	77	14	18.18%	119
GOSNOLD	1	1	100.00%	1
GRAFTON	1,902	234	12.30%	318
GRANBY	902	143	15.85%	204
GRANVILLE	204	32	15.69%	208
GREATER FALL RIVER	1,172	180	15.36%	220
GREATER LAWRENCE	1,418	140	9.87%	355
GREATER LOWELL	2,325	515	22.15%	44
GREATER NEW BEDFORD	1,779	184	10.34%	351
GREENFIELD	2,496	338	13.54%	283
GROTON/DUNSTABLE	1,443	251	17.39%	154
GROVELAND	504	71	14.09%	269
HADLEY	574	85	14.81%	241
HALIFAX	614	135	21.99%	45
HAMILTON/WENHAM	1,720	198	11.51%	339
HAMPDEN	537	123	22.91%	38
HAMPDEN/WILBRAHAM	943	124	13.15%	294
HAMPSHIRE	678	70	10.32%	352
HANCOCK	43	18	41.86%	2
HANOVER	2,214	390	17.62%	142
HANSON	1,178	231	19.61%	73
HARVARD	845	111	13.14%	296
HARWICH	1,271	151	11.88%	331
HATFIELD	502	60	11.95%	327
HAVERHILL	6,624	1,168	17.63%	140
HAWLEMONT	202	41	20.30%	63
HINGHAM	3,150	559	17.75%	135
HOLBROOK	1,428	279	19.54%	76
HOLDEN	1,677	249	14.85%	239
HOLLAND	241	58	24.07%	31
HOLLISTON	2,527	389	15.39%	218
HOLYOKE	7,300	1,318	18.05%	124
HOPEDALE	904	103	11.39%	342
HOPKINTON	1,427	241	16.89%	166
HUDSON	2,397	486	20.28%	64
HULL	1,574	322	20.46%	61
IPSWICH	1,539	281	18.26%	118
KINGSTON	825	102	12.36%	314
KING PHILIP	1,509	211	13.98%	274
LAKEVILLE	566	81	14.31%	257
LANCASTER	548	108	19.71%	71
LANESBOROUGH	300	49	16.33%	186
LAWRENCE	10,522	1,479	14.06%	272
LEE	949	142	14.96%	236
LEICESTER	1,652	234	14.16%	267
LENOX	664	152	22.89%	39
LEOMINSTER	4,693	913	19.45%	79
LEVERETT	172	25	14.53%	251
LEXINGTON	4,393	716	16.30%	190
LEYDEN	82	12	14.63%	249
LINCOLN	1,143	135	11.81%	332
LINCOLN/SUDBURY	1,154	179	15.51%	213
LITTLETON	1,007	187	18.57%	105
LONGMEADOW	2,782	471	16.93%	163
LOWELL	13,649	1,561	11.44%	341
LUDLOW	2,580	547	21.20%	52
LUNENBURG	1,616	299	18.50%	109
LYNN	11,543	1,690	14.64%	248
LYNNFIELD	1,752	313	17.87%	131
MALDEN	5,514	943	17.10%	159
MANCHESTER	672	77	11.46%	340
MANSFIELD	2,541	541	21.29%	49
MARBLEHEAD	2,371	359	15.14%	229
MARION	363	59	16.25%	191
MARLBOROUGH	3,730	634	17.00%	161
MARSHFIELD	4,084	438	10.72%	349
MARTHAS VINEYARD	458	81	17.69%	138
MASCONOMET	1,238	219	17.69%	137
MASHPEE	839	128	15.26%	224
MATTAPOISETT	539	77	14.29%	258
MAYNARD	1,249	236	18.90%	93
MEDFIELD	1,729	229	13.24%	292

** Variables are ranked from highest to lowest, with rank #1 being the highest.*

Special Education Enrollment Data by School District

October 1, 1988

School District	Total Enrollment (Headcount)	SPED Enrollment (Headcount)	SPED as % Total Enrollment %	Rank*
MEDFORD	5,089	1,043	20.50%	60
MEDWAY	1,789	213	11.91%	329
MELROSE	3,857	944	24.47%	29
MENDON/UPTON	1,225	232	18.94%	90
MERRIMAC	490	88	17.96%	128
METHUEN	5,169	638	12.34%	317
MIDDLEBOROUGH	3,402	473	13.90%	278
MIDDLETON	373	84	22.52%	41
MILFORD	3,888	542	13.94%	275
MILLBURY	1,554	259	16.67%	175
MILLIS	1,114	207	18.58%	104
MILTON	2,923	430	14.71%	247
MINUTEMAN	826	302	36.56%	6
MOHAWK TRAIL	727	90	12.38%	313
MONROE	7	0	0.00%	362
MONSON	1,259	221	17.55%	145
MONTACHUSETT	1,050	243	23.14%	35
MOUNT GREYLOCK	728	60	8.24%	360
NAHANT	255	54	21.18%	53
NANTUCKET	801	101	12.61%	310
NARRAGANSETT	1,415	270	19.08%	87
NASHOBA	695	93	13.38%	288
NASHOBA VALLEY	526	165	31.37%	10
NATICK	3,783	628	16.60%	178
NAUSET	1,516	176	11.61%	337
NEEDHAM	3,714	444	11.95%	326
NEWBURY	548	87	15.88%	203
NEWBURYPORT	2,290	428	18.69%	100
NEWTON	9,229	1,430	15.49%	214
NEW BEDFORD	14,607	3,098	21.21%	50
NEW SALEM/WENDELL	201	30	14.93%	238
NORFOLK	822	133	16.18%	193
NORFOLK COUNTY	273	50	18.32%	115
NORTHAMPTON	3,248	488	15.02%	234
NORTHAMPTON/SMITH	560	106	18.93%	91
NORTHBOROUGH	1,453	274	18.86%	94
NORTHBORO/SOUTHBORO	917	120	13.09%	298
NORTHBRIDGE	2,052	371	18.08%	121
NORTHEAST METRO	1,289	346	26.84%	15
NORTHERN BERKSHIRE	464	46	9.91%	354
NORTHFIELD	240	42	17.50%	147
NORTH ADAMS	2,483	407	16.39%	185
NORTH ANDOVER	3,395	368	10.84%	348
NORTH ATTLEBORO	3,526	527	14.95%	237
NORTH BROOKFIELD	753	106	14.08%	270
NORTH MIDDLESEX	4,306	599	13.91%	277
NORTH READING	1,907	217	11.38%	343
NORTH SHORE	366	144	39.34%	3
NORTON	2,310	445	19.26%	83
NORWELL	1,702	302	17.74%	136
NORWOOD	3,512	632	18.00%	126
OAK BLUFFS	257	48	18.68%	101
OLD COLONY	538	135	25.09%	23
OLD ROCHESTER	924	113	12.23%	320
ORANGE	805	185	22.98%	36
ORLEANS	277	46	16.61%	177
OTIS	100	25	25.00%	25
OXFORD	2,101	349	16.61%	176
PALMER	1,745	209	11.98%	325
PATHFINDER	540	190	35.19%	8
PAXTON	371	46	12.40%	312
PEABODY	5,756	1,494	25.96%	18
PELHAM	107	13	12.15%	322
PEMBROKE	1,514	199	13.14%	295
PENTUCKET	945	158	16.72%	173
PETERSHAM	93	19	20.43%	62
PIONEER	352	43	12.22%	321
PITTSFIELD	7,073	1,028	14.53%	252
PLAINVILLE	577	108	18.72%	99
PLYMOUTH	3,792	810	21.36%	48
PLYMOUTH/CARVER	4,389	565	12.87%	300
PLYMPTON	266	36	13.53%	284
PRINCETON	380	42	11.05%	344
PROVINCETOWN	432	69	15.97%	199
QUABBIN	2,121	287	13.53%	285
QUABOAG	1,305	240	18.39%	112
QUINCY	7,996	1,312	16.41%	184
RALPH C. MAHAR	785	98	12.48%	311
RANDOLPH	3,801	637	16.76%	171
RAYNHAM	1,322	188	14.22%	263
READING	3,625	543	14.98%	235
REVERE	4,503	575	12.77%	306
RICHMOND	192	33	17.19%	157
ROCHESTER	457	85	18.60%	103
ROCKLAND	2,655	356	13.41%	287
ROCKPORT	842	141	16.75%	172
ROWE	125	24	19.20%	85
ROWLEY	573	97	16.93%	164
RUTLAND	616	74	12.01%	323
SALEM	4,012	736	18.34%	114
SALISBURY	604	112	18.54%	106
SANDISFIELD	51	12	23.53%	33

October 1, 1988

School District	Total Enrollment (Headcount)	SPED Enrollment (Headcount)	SPED as % Total Enrollment %	Rank*
SANDWICH	2,626	305	11.61%	336
SAUGUS	3,325	492	14.80%	242
SAVOY	57	12	21.05%	54
SCITUATE	2,660	402	15.11%	230
SEEKONK	2,210	356	16.11%	195
SHARON	2,683	381	14.20%	264
SHAWSHEEN VALLEY	1,259	382	30.34%	12
SHERBORN	376	48	12.77%	307
SHIRLEY	507	118	23.27%	34
SHREWSBURY	3,197	522	16.33%	187
SHUTESBURY	179	15	8.38%	359
SILVER LAKE	2,589	345	13.33%	289
SOMERSET	2,834	279	9.84%	357
SOMERVILLE	6,529	1,210	18.53%	108
SOUTHAMPTON	406	52	12.81%	303
SOUTHBOROUGH	719	149	20.72%	56
SOUTHBRIDGE	2,666	521	19.54%	75
SOUTHEASTERN	1,385	246	17.76%	134
SOUTHERN BERKSHIRE	1,048	145	13.84%	279
SOUTHERN WORCESTER	913	221	24.21%	30
SOUTHWICK/TOLLAND	1,593	231	14.50%	254
SOUTH HADLEY	1,929	336	17.42%	152
SOUTH MIDDLESEX	813	312	38.38%	5
SOUTH SHORE	501	140	27.94%	14
SPENCER/E. BROOKFIELD	2,412	425	17.62%	141
SPRINGFIELD	23,550	3,125	13.27%	290
STERLING	820	90	10.98%	346
STONEHAM	2,711	445	16.41%	183
STOUGHTON	4,066	579	14.24%	261
STOW	613	72	11.75%	333
STURBRIDGE	782	81	10.36%	350
SUDBURY	1,752	275	15.70%	207
SUNDERLAND	207	46	22.22%	43
SUTTON	1,108	187	16.88%	168
SWAMPSCOTT	1,975	313	15.85%	205
SWANSEA	2,525	471	18.65%	102
TANTASQUA	1,350	148	10.96%	347
TAUNTON	6,457	1,285	19.90%	68
TEWKSBURY	3,716	530	14.26%	260
TISBURY	319	41	12.85%	301
TOPSFIELD	492	79	16.06%	197
TRITON	1,141	172	15.07%	232
TRI COUNTY	709	252	35.54%	7
TRURO	111	19	17.12%	158
TYNGSBOROUGH	1,313	194	14.78%	245
UPPER CAPE COD	456	146	32.02%	9
UXBRIDGE	1,431	268	18.73%	98
WACHUSETT	1,629	140	8.59%	358
WAKEFIELD	3,379	625	18.50%	110
WALES	227	32	14.10%	268
WALPOLE	2,802	380	13.56%	282
WALTHAM	5,452	1,031	18.91%	92
WARE	1,293	198	15.31%	222
WAREHAM	2,888	388	13.43%	286
WARWICK	85	15	17.65%	139
WATERTOWN	2,571	637	24.78%	26
WAYLAND	2,105	405	19.24%	84
WEBSTER	1,909	387	20.27%	65
WELLESLEY	2,986	613	20.53%	59
WELLFLEET	164	30	18.29%	117
WESTBOROUGH	2,066	242	11.71%	334
WESTFIELD	5,875	1,026	17.46%	150
WESTFORD	2,849	430	15.09%	231
WESTHAMPTON	121	21	17.36%	156
WESTON	1,539	211	13.71%	280
WESTPORT	1,826	302	16.54%	180
WESTWOOD	1,738	312	17.95%	129
WEST BOYLSTON	791	138	17.45%	151
WEST BRIDGEWATER	1,023	183	17.89%	130
WEST NEWBURY	399	82	20.55%	58
WEST SPRINGFIELD	3,492	555	15.89%	201
WEST TISBURY	273	42	15.38%	219
WEYMOUTH	6,959	1,262	18.13%	120
WHATELY	128	25	19.53%	77
WHITMAN	1,793	256	14.28%	259
WHITMAN/HANSON	1,151	173	15.03%	233
WHITTIER	1,171	277	23.65%	32
WILBRAHAM	1,444	210	14.54%	250
WILLIAMSBURG	237	36	15.19%	227
WILLIAMSTOWN	507	56	11.05%	345
WILMINGTON	2,786	443	15.90%	200
WINCHENDON	1,455	301	20.69%	57
WINCHESTER	2,862	497	17.37%	155
WINTHROP	1,964	332	16.90%	165
WOBURN	4,428	800	18.07%	123
WORCESTER	21,199	3,715	17.52%	146
WORCESTER TRADE	1,540	152	9.87%	356
WRENTHAM	846	125	14.78%	244

** Variables are ranked from highest to lowest, with rank #1 being the highest.*

Chronology of Legislative Actions

Related to Rate Setting Procedures for Private Schools - 1985 - 1989

- *St. 1985, c. 761, s.1* (the so-called Philanthropic Giving Act) - prohibits the Rate Setting Commission (RSC) from using certain donated income to offset a program's allowable operating expenses.
- *St. 1986, c. 206, s.36* (FY 1987 budget) - established an Office of Purchased Services (OPS) within the Executive Office for Administration and Finance (A & F); directed OPS to implement new standards, develop new systems, monitor activities, and research and evaluate possible improvements in the purchase of service system, including special education services.
- *St. 1987, c. 199, s.50* (FY 1988 budget) - substantially the same as St. 1986, c. 206, s.36 (preceding item) with modified calendar.
- *St. 1988, c. 164, s.37* (FY 1989 budget) - substantially the same as St. 1987, c. 199, s.50 (preceding item) with modified calendar.
- *St. 1988, c. 164, s.48* - directed the RSC to establish rates for special education services according to OPS developed or approved policies and procedures.
- *St. 1988, c. 164, s.49* - directed the RSC to set private school tuition rates by first Wednesday in February 1989; prohibited retroactive rates and allowed extraordinary relief.
- *St. 1988, c. 164, s.50* - directed the RSC to develop a handbook describing and detailing each of its bureau's activities, duties, and responsibilities.
- *St. 1988, c. 164, s.52* - directed the RSC to estimate rate changes or the fiscal impact of regulatory changes for every provider under its authority for the balance of FY 1989.
- *St. 1988, c. 164, line item 7061-0012 (60/40)* - required DOE to receive the fiscal impact of its residential school program audits from the RSC, prior to completion of the audit reports.
- *St. 1989, c. 240, s.32 (FY 1990 budget)* - substantially the same as above with additional directives and a modified calendar.
- *St. 1989, c. 240, s.47* - directed the Executive Office of Human Services Purchase of Service Division to establish and implement guidelines and standards, applicable to the RSC, consistent with those of A & F's OPS.
- *St. 1989, c. 240, s.50* - directed the RSC Bureau of Educational, Social and Mental Health Services (BESMHS) to follow pricing procedures developed by OPS; directed RSC not to require FY 89 RSC 1100 cost reports from contracted human service providers; required BESMHS to issue FY 1991 social and mental health service prices after OPS approval.
- *St. 1989, c. 240, s.52* - substantially the same as above, with modified calendar.
- *St. 1989, c. 240, s.98* - directed DOE to review the RSC 's prepared cost estimates of special education discretionary program changes prior to approval; directed RSC to develop annual rates by first Wednesday in February. Thereafter, rates may be adjusted for unusual changes in pupil capacity, or changes beyond the control of the provider. Required all rate adjustments to be prospective except when a result of an RSC administrative review; directed a provider

to apply to an Independent Review Board (IRB) for extraordinary changes. Directed the IRB to be comprised of a member from DOE, RSC, Massachusetts Municipal Association (MMA), a special education administrator, and a Chapter 766 approved private school. IRB may approve, reject, or amend requests based on cost models developed jointly by DOE and RSC. New program rates, individual, and sole source rates are exempt from first Wednesday in February deadline.

- *St. 1989, c. 653, s.5 (FY 1990 supplemental budget)* - amended RSC mission statement (G.L. c. 6A, s.32) by striking "fair, reasonable and adequate" from rate language and inserting language addressing efficiency and economy, compliance with state and federal law, regulations, and safety standards, and the Commonwealth's financial capacity.
- *St. 1989, c. 653 s.137* - amended St. 1989, c. 240 by striking section 98 and provided that rates to be set annually by February deadline may be increased only to account for inflation, cost of living, and costs for retaining required licenses and certificates. Required that current rates remain in effect for the next fiscal year if not set by February deadline; stated extraordinary or unanticipated cost adjustments, and modified the IRB to include members of Massachusetts Association of School Committees (MASC) and Massachusetts Association of School Superintendents (MASS).
- *St. 1989, c. 653, s. 184* - authorized and directed the Secretary of A & F to establish a comprehensive Purchase of Service Administration and to submit appropriate enabling legislation in the FY 1991 budget.
- *St. 1989, c. 653, s.209* - instructed the RSC to control rate increases using efficient and cost effective methods and standards.

Chapter 766 Private School Day and Summer Program Base Tuition Rates

1990-1986 - Alphabetically by X-Y-Z Cycle

Agency	Cyc	Prog	Program Name	Needs Served*	1990 Rate	1989 Rate	1988 Rate	1987 Rate	1986 Rate	% Change 86-90 Rate
Boston Children's Services Association	X	Day	Baird Day Schl		$12,315	$11,439	$10,641	$9,915		24%
Boston School for the Deaf	X	Day	Secondary	D	15,403	14,307	12,771	11,871	$11,148	38%
Boston School for the Deaf	X	Day	Elementary	D	15,571	14,463	12,905	12,618	10,214	52%
Braintree St. Coletta Day School Inc	X	Day	Summer	MHC	2,018	1,874	1,357	1,262	1,031	96%
Braintree St. Coletta Day School Inc	X	Day		MHC	17,872	16,600	14,742	11,066	9,963	79%
Cardinal Cushing School & Training Ctr	X	Day		MR/ED/BD/MHC	24,010	22,302	20,747	19,285	11,985	100%
Childrens Language Institute Inc	X	Day		LI/ED/LD	12,074	11,215	10,433	10,750	9,264	30%
Clearway School Inc	X	Day		LD	20,760	19,283	17,937	16,627	10,905	90%
Community Center School Inc	X	Day		LD/ED/BD	21,569	20,034	18,636	17,261	8,941	141%
Cotting School Inc	X	Day	Krebbs Hall	PHY HC/LD	14,500	12,800	12,545	12,073	10,960	32%
Cotting School Inc	X	Day	Summer	PHY HC/LD	1,159	850	850	850	805	44%
Cotting School Inc	X	Day		PHY HC/LD	19,160	12,800	8,200	7,100	5,900	225%
Edna Stein Academy Inc	X	Day		ED/LD	22,182	20,604	19,167	17,611	9,609	131%
Fitchburg Ctr for Brain Injured Childr	X	Day		MHC	28,160	26,156	24,826	19,526	14,159	99%
Gifford School Inc	X	Day		ED/BD/LD	22,870	21,243	19,761	18,371	14,837	54%
Judge Baker Guidance Center Inc	X	Day		ED/LD	29,854	27,730	25,796	23,454	18,608	60%
Judge Baker Guidance Center Inc	X	Day	Summer	ED/LD	1,653	1,535	1,623	1,509	865	91%
Kennedy Donovan Center Inc	X	Day		MHC/MR	17,869	16,598	15,440	13,392	10,864	64%
Life Experience School Inc	X	Day		MHR/MR	17,490	16,246	15,113	13,872	13,000	35%
Little Peoples School Inc	X	Day		LI/HI/LD	11,423	10,610	9,870	9,174	7,567	51%
Massasoit School Inc	X	Day	Day Ed	ED/LD/BD/AUT/JO	31,132	28,917	26,900	23,619	18,553	68%
Massasoit School Inc	X	Day	Vocational	ED/LD/BD/AUT/JO	23,769	22,078	20,538	18,081		31%
May Institute Inc	X	Day	Burlington	BD/AUT	25,286	23,487	21,758	16,343		55%
May Institute Inc	X	Day	Braintree Voc	AUT/ED/BD/MR	37,762	35,075	32,628	32,513		16%
MCP Merrimack Valley Inc	X	Day	Summer	MHC	622	578	538	500		24%
MCP Merrimack Valley Inc	X	Day		MHC	10,451	9,707	9,030	8,324	6,934	51%
Miss Faye's Country Day School	X	Day		ED/BD	16,002	14,863	13,072	12,417	13,488	19%
N E Adolescent Research Institute Inc	X	Day		BD/ED/LD/JO	35,041	32,548	30,277	28,144		25%
New England Center for Autism Inc	X	Day		ED/AUT/MR	29,482	27,384	25,474	24,483		20%
New England Human Services Inc	X	Day	Summer		3,007	2,793	2,598	2,156		39%
New England Human Services Inc	X	Day			17,621	16,367	15,225	14,229	9,723	81%
Schools For Children Inc	X	Day	CH DE		20,018	18,594	17,297	15,600	10,986	82%
Schools For Children Inc	X	Day	Summer		2,678	2,487				8%
Schools For Children Inc	X	Day	Pre-Voc.		24,300	22,571	20,996	18,756	10,537	131%
Springfield Home for Friendless Women	X	Day	Adol Day		13,009	12,083	11,240	8,521	7,701	69%
Springfield Home for Friendless Women	X	Day	Latency-Summer		2,625	2,438	2,268	2,109		24%
Springfield Home for Friendless Women	X	Day	Latency-Day		11,548	10,726	9,978	9,005	5,898	96%
Springfield Home for Friendless Women	X	Day	Summer		3,771	3,503	3,258	3,029	3,005	26%
Tri-County Youth Programs Inc	X	Day	Summer	BD/ED/LD/JO	6,940	6,446	5,996			16%
Tri-County Youth Programs Inc	X	Day	TCHS	BD/ED/LD/JO	25,725	23,895	22,228	20,426		26%
Walker Home for Children Inc	X	Day		ED/LD	31,325	29,141	25,818	23,755	21,850	43%
Willie Ross School f/t Deaf Inc	X	Day	Secondary	D	15,814	14,689	13,664	12,515	11,689	35%
Willie Ross School f/t Deaf Inc	X	Day		D	13,733	12,756	11,866	10,054	9,693	42%
Willie Ross School f/t Deaf Inc	X	Day	Therapeutic	D/MHC	18,471	17,157	15,960	14,343	13,231	40%
Wreath School Inc	X	Day		ED/BD/LD	19,870	18,456	17,164	14,153	9,986	99%

* ***Legend***

AUT = Autistic
B = Blind
BD = Behaviorally Disordered
D = Deaf
ED = Emotionally Disturbed
HI = Hearing Impaired
JO = Juvenile Offender
LD = Learning Disabled
LI = Language Impaired
MHC = Multiply Handicapped
MR = Mentally Retarded
PHY HC = Physically Handicapped

1990-1986 - Alphabetically by X-Y-Z Cycle

Agency	Cyc	Prog	Program Name	Needs Served*	1990 Rate	1989 Rate	1988 Rate	1987 Rate	1986 Rate	% Change 86-90 Rate
Beverly School f/t Deaf Inc	Y	Day	Preschool	D	$15,816	$9,500	$9,000	$8,500	$7,481	111%
Beverly School f/t Deaf Inc	Y	Day		D	13,824	12,840	11,812	9,070	8,180	69%
Beverly School f/t Deaf Inc	Y	Day	Adapt	D	15,469	14,368	13,247	14,311	12,664	22%
Boston Higashi School Inc	Y	Day		AUT	25,577	23,757	22,999			11%
Brandon Residential Treatment Ctrs Inc	Y	Day		ED/BD	20,439	18,923	20,301	18,870	14,792	38%
Brockton Area Multi-Services	Y	Day	Lovering	ED/LD	16,413	15,245	11,933	11,092	10,272	60%
Brockton Area Multi-Services	Y	Day	Mathoms I	ED/BD/LD/JO	15,339	14,139	10,808	10,046	9,387	63%
Brockton Area Multi-Services	Y	Day	Mathoms II	ED/BD/LD/JO	14,550	13,515	12,572	11,092		31%
Camp Paul Inc	Y	Day	Summer	MHC	1,473	1,368	1,273	831	765	93%
Catholic Charities Diocese of Worcester	Y	Day	School		8,991	8,351	5,609	5,214	4,995	80%
Catholic Charities Diocese of Worcester	Y	Day	Preschool		8,793	8,167	3,184	2,959	2,862	207%
Childrens Extended Care Ctr Inc	Y	Day	Clin Nursery		10,893	10,118	6,294	7,259	6,543	66%
Community Treatment Complex Inc	Y	Day		ED/BD/LD	21,495	19,966	16,786	15,603	13,649	57%
COMPASS Inc	Y	Day		ED/BD	26,684	24,785	22,583	14,622	13,454	98%
CPC of Greater New Bedford Inc	Y	Day	Schwartz Ctr		14,435	13,408	8,764			65%
Douglas A Thom Clinic Inc	Y	Day	E Mtn Sev Sum		2,452	2,278	2,119	1,970		24%
Douglas A Thom Clinic Inc	Y	Day	Sullivan PS		8,567	7,957	7,162	6,358	5,657	51%
Douglas A Thom Clinic Inc	Y	Day	East Mtn FR	MHC	16,347	15,184	13,552			21%
Douglas A Thom Clinic Inc	Y	Day	E Mtn Sev		17,397	16,159	14,741	10,542	9,469	84%
Douglas A Thom Clinic Inc	Y	Day	Sullivan T K		8,746	8,124	7,557	8,614	7,473	17%
Douglas A Thom Clinic Inc	Y	Day	E Mtn Summer		1,828	1,698	1,580	1,469		24%
Douglas A Thom Clinic Inc	Y	Day	E Mtn PS		8,411	7,813	7,029	6,599	6,015	40%
Enable Inc	Y	Day	E B C		16,917	15,713	14,500	9,155	8,244	105%
Enable Inc	Y	Day	Baylies		15,183	14,103	13,407	7,206	6,839	122%
Harbor Schools Inc	Y	Day	Secure Ed	ED/BD	13,848	12,863	12,021	12,670		9%
Holden School Inc	Y	Day		LD/ED/BD	16,684	12,539	11,203	10,414	11,279	48%
Kennedy Memorial Hospital	Y	Day		PHY HC/LD	30,134	27,990	22,554	20,965	20,037	50%
Language & Cognitive Development Inc	Y	Day		AUT/ED/LD	26,519	24,632	23,220	21,584	19,852	34%
Learning Ctr for Deaf Children Inc	Y	Day	Level 2	LI/LD	24,062	22,350	19,886	13,190	12,102	99%
Learning Ctr for Deaf Children Inc	Y	Day	Level 3	LI/LD	33,130	30,773	24,869	20,044	18,944	75%
Learning Ctr for Deaf Children Inc	Y	Day	Level 1	LI/LD	18,448	17,135	15,425	13,590	12,334	50%
Lighthouse School Inc	Y	Day		LD/ED/MHC	19,708	18,306	16,991	11,682	10,600	86%
Mayflower House Inc	Y	Day			6,993	6,495	6,093	7,539	6,879	2%
Northampton Nursing Home Inc	Y	Day			11,020	10,236	8,243	6,920	6,314	75%
N.E. Home for Little Wanderers	Y	Day		ED/BD	29,790	26,500	25,000	19,250	14,895	100%
Open Harbor Inc	Y	Day			19,130	17,769	15,168	13,042	12,275	56%
Our Lady of Providence Child Ctr	Y	Day		LD/BD	17,612	16,359	14,051	16,517	14,989	18%
Professional Ctr for Handicapped Childr	Y	Day		MHC	14,428	13,401	12,301	9,951	9,239	56%
Residential Educational Sevices Inc	Y	Day	Solstice		21,889	20,332	18,913			16%
School Inc	Y	Day			7,974	7,407	6,898	5,250	4,266	87%
South Shore Ctr for Brain Injured Child	Y	Day		MR	21,417	19,893	16,589	14,640	12,181	76%
University Hospital Inc	Y	Day	Project EISEC		34,056	31,633	24,222	22,516	20,545	66%
Willow Hill School Inc	Y	Day		LD	19,255	17,885	16,520	14,017	12,771	51%
Youth Opportunities Unlimited Inc	Y	Day	Adolesc	ED/BD	19,412	18,031	15,153	12,809	11,830	64%
Bay Cove High School Inc	Z	Day	High School	ED	37,096	33,600	30,453	28,307	24,640	51%
Bay Cove High School Inc	Z	Day	Elementary	ED/BD/LD	39,484	36,675	31,233			26%
Boston College Campus School	Z	Day	Campus School	MR/MHC/ED/AUT	27,060	25,089	14,509	12,641	10,566	156%
Boston Public Schools	Z	Day	H. Mann Unit	HI/D	14,405	13,380	12,446	11,569	10,557	36%
Carroll School Inc	Z	Day		LD	14,414	13,343	11,748	11,140	9,232	56%
Center for Human Development Inc	Z	Day	Pace School		18,214	16,975	18,440	17,141	15,695	16%
Cerebral Palsy of So Shore Area	Z	Day	Preschool		28,615	15,569	14,484	13,464	8,857	223%

Chapter 766 Private School Day and Summer Program Base Tuition Rates

1990-1986 - Alphabetically by X-Y-Z Cycle

Agency	Cyc	Prog	Program Name	Needs Served*	1990 Rate	1989 Rate	1988 Rate	1987 Rate	1986 Rate	% Change 86-90 Rate
Clarke School for the Deaf	Z	Day	Preschool	D	$15,056	$13,968	$ 7,638	$ 7,099	$ 5,820	159%
Clarke School for the Deaf	Z	Day		D	14,234	13,194	12,669	11,777	9,420	51%
Community Therapeutic Day School Inc	Z	Day		SEV ED/BD	25,734	20,293	14,991	13,935	12,878	100%
Community Therapeutic Day School Inc	Z	Day	Summer	SEV ED/BD	2,209	1,652	1,188	1,104	1,067	107%
Elliot Community MHC	Z	Day	TPP-SUMMER		1,241	1,146	955	888		40%
Elliot Community MHC	Z	Day	TPP-WINTER		10,201	9,443	7,708	7,165	6,393	60%
Experiment with Travel Inc	Z	Day		ED/BD/LD/JO	27,854	25,720	22,327	20,754	16,151	72%
Farr Academy Inc	Z	Day		LD/BD/ED	32,082	29,435	22,918	21,303	19,343	66%
Justice Resource Institute Inc	Z	Day	Swansea Woods		24,131	22,414	11,014			119%
Landmark School Inc	Z	Day		LD	17,708	15,900	12,982	12,067	10,899	62%
League School of Boston Inc	Z	Day	Day Ed		30,584	27,637	25,020	23,257	20,407	50%
McLean Hospital Inc	Z	Day	ADS I-Academic		14,140	13,134	11,681	11,234	12,338	15%
McLean Hospital Inc	Z	Day	ADS II-Summer		2,809	2,609				8%
McLean Hospital Inc	Z	Day	Arlington-Summer		7,708	7,160	4,795	5,036	4,432	74%
McLean Hospital Inc	Z	Day	Arlington-Acad		19,410	18,029	15,047	14,372	14,350	35%
McLean Hospital Inc	Z	Day	ADS II-Academic		7,824	7,267				8%
McLean Hospital Inc	Z	Day	ADS I-Summer		5,013	4,656	4,014	4,212	3,843	30%
New England Pediatric Care	Z	Day	Pediatric	MHC	13,897	10,307	11,297	10,501	9,582	45%
New Perspectives Inc	Z	Day		ED/BD	14,063	12,872	9,354	8,695	7,943	77%
Northampton Ctr for Child. & Families	Z	Day	Day School		32,569	22,649	16,474	15,313	13,547	140%
Saint Ann's Home Inc	Z	Day		ED/BD	19,494	18,070	14,723	13,686	12,461	56%
UCP No Shore Inc	Z	Day	Winter Preschl		15,038	13,966	11,433	10,626	9,713	55%
UCP No Shore Inc	Z	Day	Summer Preschl		2,329	2,175	944	878	801	191%
Vinfen Corp	Z	Day	Therapeutic		22,164	20,362	15,454	14,365	13,115	69%
Warren Center Inc	Z	Day	Summer	ED/BD	1,233	1,015	965	897	724	70%
Youth Opportunities Upheld Inc	Z	Day	WORK TECH	ED/BD/JO	12,548	11,636	9,237	8,586	7,866	60%
COUNT	122				122	122	119	112	97	
MINIMUM RATE					$ 622	$ 578	$ 538	$ 500	$ 724	
MAXIMUM RATE					39,484	36,675	32,628	32,513	24,640	
AVERAGE RATE					16,967	15,400	13,709	12,149	10,377	

* **Legend**

AUT = Autistic
B = Blind
BD = Behaviorally Disordered
D = Deaf
ED = Emotionally Disturbed
HI = Hearing Impaired
JO = Juvenile Offender
LD = Learning Disabled
LI = Language Impaired
MHC = Multiply Handicapped
MR = Mentally Retarded
PHY HC = Physically Handicapped

Chapter 766 Private Residential School Program Base Tuition Rates

1990-1986 - Alphabetically by X-Y-Z Cycle

Agency	Cyc	Prog	Program Name	Needs Served*	1990 Rate	1989 Rate	1988 Rate	1987 Rate	1986 Rate	% Change 86-90 Rate
Archway Inc	X	Res		AUT	$ 78,587	$ 73,240	$ 68,130	$ 63,709	$ 33,220	137%
Behavior Research Institute Inc	X	Res		AUT/BD	129,912	121,074	113,153	97,000	87,211	49%
Boston Children's Services Association	X	Res	Baird Learn Ctr		56,874	53,005	49,537	45,456	27,639	106%
Boston School for the Deaf	X	Res	Secondary	D/HI/LI/LD	25,932	24,168	22,588	22,068	17,418	49%
Boston School for the Deaf	X	Res	Elementary	D	20,608	19,206	17,950	16,785	15,724	31%
Camp Sunshine Day Inc	X	Res			43,149	40,213	37,582	34,369	30,783	40%
Cardinal Cushing School & Training Ctr	X	Res		MR/ED/BD/MHC	40,714	37,944	32,750	30,624	24,325	67%
Castle School Inc	X	Res		ED/BD/LD	61,984	57,767	53,987	48,386	36,039	72%
Concord Assabet School Inc	X	Res		ED/BD/LD	62,931	58,650	52,879	49,590	40,023	57%
Devereux Foundation of Mass Inc	X	Res	Autistic	ED/MR/AUT	89,549	83,457	77,997	70,013	62,122	44%
Devereux Foundation of Mass Inc	X	Res		ED/MR	72,550	67,614	63,191	57,461	50,129	45%
Dr Franklin Perkins School Inc	X	Res	Intensive	ED/MR	62,906	58,626	54,791	48,069	38,891	62%
F L Chamberlain School Inc	X	Res		LD/ED	27,575	25,699	24,017	20,457	17,329	59%
Institute Developmental Disabilities Inc	X	Res	Main		80,053	74,607	66,499	45,950	37,282	115%
Institute Developmental Disabilities Inc	X	Res	BDU		93,426	87,070	75,937	55,042	44,814	108%
Institute for Family & Life Learning Inc	X	Res		ED/BD	50,119	46,709	43,653	39,384	28,985	73%
Kolburne School Inc	X	Res	Intensive	ED/BD/LD/JO	84,898	79,122	73,946	60,148		41%
Kolburne School Inc	X	Res	EM	ED/LD/BD/LI	55,452	51,679	48,298	44,009	42,582	30%
Maple Valley School Inc	X	Res			62,200	57,968	54,175	46,662	36,136	72%
May Institute Inc	X	Res	Group Home	AUT/ED/BD/MR	66,015	61,524	52,597	48,647	40,871	62%
May Institute Inc	X	Res		AUT/ED/BD/MR	78,747	73,390	64,439	58,361	49,778	58%
Miss Faye's Country Day School	X	Res	Lakeside	ED/BD	52,268	48,712	37,142	34,274	30,674	70%
Morgan Memorial Goodwill Industries	X	Res	HIP		94,506	88,076	82,280	73,143	73,764	28%
Morgan Memorial Goodwill Industries	X	Res	HAP		76,790	71,566	66,884	60,554	44,405	73%
New England Center for Autism Inc	X	Res		ED/AUT/MR	102,576	95,597	89,343	82,607		24%
Residential Rehabilitation Centers	X	Res	Latham		50,066	46,660	43,608	40,458	32,514	54%
Residential Rehabilitation Centers	X	Res	Gilbough	ED/BD/MR	61,039	56,886	53,165	49,614	41,942	46%
Spaulding Youth Center Inc	X	Res	Autistic	AUT/BD/LI	74,568	69,495	64,949	60,443	51,032	46%
Spaulding Youth Center Inc	X	Res	Adolescent	ED/BD/LD/LI	62,494	58,242	54,432	50,793	51,010	23%
Spaulding Youth Center Inc	X	Res	Res	ED/BD/LD	62,675	58,411	49,727	48,249	42,568	47%
Springfield Home for Friendless Women	X	Res	Latency-Res		48,626	45,318	42,354	39,151	27,537	77%
St Vincent's Home Inc	X	Res		ED/BD/LD	47,030	43,830	40,962	37,652	32,975	43%
Walker Home for Children, Inc	X	Res		ED/LD	52,457	48,914	45,058	41,978	37,593	40%
Wediko Children's Services Inc	X	Res		ED/BD	4,572	4,261	3,983	3,575	2,971	54%
Berkshire Learning Center Inc	Y	Res		ED/LD	57,418	53,512	38,639	36,131	33,058	74%
Beverly School f/t Deaf Inc	Y	Res	Adapt	MR	22,950	21,389	19,914	19,293	14,010	64%
Boston Higashi School Inc	Y	Res		AUT	53,032	49,424	48,376			10%
Brandon Residential Treatment Ctrs Inc	Y	Res		ED/BD	65,923	58,070	44,237	41,366	36,322	81%
Eagleton School Inc	Y	Res		ED/MR	31,930	29,758	26,351	24,641	22,700	41%
Evergreen Center Inc	Y	Res	Multi H	MHC/BD	96,986	87,359	50,931	47,626	44,305	119%
Evergreen Center Inc	Y	Res	BDU	BD	110,448	102,934	96,199			15%
Germaine Lawrence School Inc	Y	Res		ED/BD/LD	60,556	56,436	49,863	43,134	35,555	70%

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1990-1986 - Alphabetically by X-Y-Z Cycle

Agency	Cyc	Prog	Program Name	*Needs Served	1990 Rate	1989 Rate	1988 Rate	1987 Rate	1986 Rate	% Change 86-90 Rate
Green Meadows School Inc	Y	Res		AUT/MOD MR	$ 41,807	$ 38,963	$ 33,760	$ 31,569	$ 27,916	50%
Harbor Schools Inc	Y	Res		ED/BD	52,577	49,000	42,468	38,228	35,028	50%
Italian Home for Children Inc	Y	Res		ED/BD	49,148	45,804	38,189	34,677	27,711	77%
Learning Ctr for Deaf Children Inc	Y	Res			31,396	29,260	26,049	23,583	20,941	50%
Learning Ctr for Deaf Children Inc	Y	Res	BEDDS	ED/D	138,017	128,627	128,627			7%
Mass Assoc f/t Blind Inc	Y	Res		D/B/MHC	64,722	60,319	50,433	47,160	40,639	59%
McAuley Nazareth Home for Boys Inc	Y	Res		ED/BD	36,660	34,166	31,271	29,242	22,185	65%
N.E. Home for Little Wanderers	Y	Res		ED/BD	67,897	59,000	54,000	41,000	28,809	136%
Our Lady of Providence Child Ctr	Y	Res	Latency	LD/BD	57,962	54,019	48,991	38,542	35,153	65%
Our Lady of Providence Child Ctr	Y	Res	Adolescent	LD/BD	55,282	51,521	48,067	41,715	37,737	46%
Protestant Guild for the Blind Inc	Y	Res		MHC/MR/D/B	78,206	72,237	64,274	52,401	48,170	62%
Stetson School Inc	Y	Res		ED/BD/LD	70,583	65,781	52,377	40,985	30,989	128%
Stevens Children's Home	Y	Res		ED/LD	68,001	63,375	56,968	44,878	33,548	103%
Wayside Community Programs Inc	Y	Res	Pearl St. House		62,106	52,560	49,087	40,877	35,937	73%
Whitney Academy Inc	Y	Res		MR/ED/LD	98,292	91,402	83,323	76,376		29%
Youth Resources Inc	Y	Res			51,818	48,293	44,769	35,205	25,575	103%
Amego, Inc.	Z	Res	Autistic	AUT	135,874	118,941	97,618	91,131	83,306	63%
Boston Ctr Blind Children Inc	Z	Res			101,826	94,036	51,716	48,360	40,931	149%
Clarke School for the Deaf	Z	Res		D	24,003	22,263	26,030	24,341	16,250	48%
Crotched Mountain Rehabilitation Ctr	Z	Res	Group Home	SEV MHC	69,657	64,895				7%
Crotched Mountain Rehabilitation Ctr	Z	Res	Skld Nursing	SEV MHC	102,626	95,610				7%
Fall River Deaconess Inc	Z	Res			53,411	47,925	35,885	33,556	29,557	81%
Hillcrest Education Centers Inc	Z	Res	Hillcrest	LD/AUT/MR/ED/B	100,992	83,662	75,665	70,755	63,817	58%
Hillcrest Education Centers Inc	Z	Res	High Point	ED/MHC/AUT/MR	77,801	62,505	43,436	40,617	36,837	111%
Hillcrest Education Centers Inc	Z	Res	Springside	MR/MHC/ED	90,479	84,447	93,010	86,974	78,939	15%
Hillcrest Education Centers Inc	Z	Res	Brookside	MOD MR/MHC/ED	89,775	77,457	76,522	71,556	65,162	38%
Justice Resource Institute Inc	Z	Res	BCC Int		73,573	68,568	63,945	42,673	39,413	87%
Justice Resource Institute Inc	Z	Res	BCC Group		60,759	56,625	52,780	40,834	37,659	61%
Kennedy Action Corps, R.F. Inc	Z	Res			59,830	54,284	43,633	39,617	29,724	101%
Landmark School Inc	Z	Res		LD	28,140	25,798	19,037	17,801	16,257	73%
League School of Boston Inc	Z	Res	Fine House	AUT/LI	83,412	77,481	72,475	67,771	59,810	39%
Life Resources Inc	Z	Res	Alpha		43,012	38,908	32,550			32%
Life Resources Inc	Z	Res	Bishop Ruocco		50,419	41,363	30,410	28,436	26,176	93%
Mass Protestant Soc Services Inc	Z	Res	PYC		45,834	43,089	37,095	34,688	31,472	46%
Penikese Island School	Z	Res		ED	41,617	38,786	35,222	32,936		26%
Saint Ann's Home Inc	Z	Res		ED/BD	47,448	44,178	35,683	33,367	30,329	56%
Saint Ann's Home Inc	Z	Res		ED/BD	55,988	52,115	43,568	40,741	37,073	51%
Valleyhead Inc	Z	Res		ED/LD/MR/BD	50,072	39,319	24,132	22,566	20,813	141%
COUNT	80				80	80	78	74	70	
MINIMUM RATE					$ 4,572	$ 4,261	$ 3,983	$ 3,575	$ 2,971	
MAXIMUM RATE					138,017	128,627	128,627	97,000	87,211	
AVERAGE RATE					64,301	59,052	51,789	44,892	37,287	