

# **A Look at the Costs and Drivers of Special Education**

## **Report of the Special Education Financial Task Force**

Submitted to:

Acton Public School Committee  
Acton-Boxborough Regional School Committee  
Acton Finance Committee

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**October 2003**

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## **Acknowledgements**

The members of the Special Education Financial Task Force wish to thank the following individuals for their assistance with providing and collecting the information reviewed for this report:

Nancy Kolb, Director of Pupil Services, Acton Public and Acton-Boxborough Regional School District

Gerald Mazor, Director of Concord Area Special Education Collaborative (CASE), through June 2003

Monica Synnott, Director of Special Education Pricing, Operational Services Division of the Commonwealth of Massachusetts

Allen Bachrach, Child and Adolescent Supervisor for the Massachusetts Department of Mental Health

Robert F. O'Donnell, Office of School Finance, Massachusetts Dept of Education

Office of Senator Edward M. Kennedy

Sharon Summers, Finance Director, Acton/Acton-Boxborough Regional School District

John Murray, Assistant Town Manager, Town of Acton

Special Education Directors from the following school districts:

Pamela Travers - Dover

Michael Kistler - Masconomet

Kathy McArdle - Medfield

George Johnson – Needham

Nancy Verseckes - Scituate

Dr. Kevin Dwyer - Westford

Regis Miller - Weston

## **Preface**

This report was researched and written by individuals who are elected or appointed officials in the Town of Acton Massachusetts. The two School Committee and two Finance Committee members' life experiences include being business owners, educators, parents currently of children ranging from 19 to 3 years of age, consultants, and finance analysts. None of us is or purports to be an expert in the field of educational research, particularly in the complex realm of special education. We came to this endeavor as concerned citizens, and sought to analyze data, primarily financial, that we felt other interested citizens and taxpayers in the Town of Acton would like to review regarding the costs and drivers of special education. We will deem these past ten months of work successful if the School Committees and school administrators are able to glean from this report any insights, that they were heretofore unaware, that might improve the efficiency with which they operate the Acton Public and Acton-Boxborough Regional Schools, particularly regarding special education.

## **Executive Summary**

Information presented to the Acton Public and Acton-Boxborough Regional School Committees in the fall of 2002 regarding unexpected costs for special education services spurred members of the School Committees and the Acton Finance Committee into action. The Special Education Financial Task Force was formed in October 2002 to explore reasons for the dramatic rise in Acton's (APS) and Acton-Boxborough Regional School District's (A-B) SPED costs, particularly regarding out of district (OOD) placements. Two members of the local and regional school committees, and two members of the Acton Finance Committee began a ten-month long inquiry to acquire data comparing our school systems' expenditures and enrollment for special education with that of other towns in the Commonwealth, and also with state, regional and national data. Our goals were: a) to review financial information about the costs of special education for our districts, b) to understand better the factors that drive these costs and c) to uncover strategies used by other school districts, which APS and A-B might utilize to help mitigate short and long term expense increases. This report is the initial product of our inquiries.

In the first section of this report, we provide an overview of special education in Massachusetts, including a brief history of the laws that govern it. We also discuss eligibility and funding for special education services, as well as the various types of placements required. Subsequent sections of the report present an extensive review of data pertaining to student populations, costs, and staffing for special education services. Finally, we compare the results of qualitative data collection with selected Massachusetts school districts, and share some thoughts for future work and inquiry.

The findings of the SPED Financial Task Force include the following:

- 1) Both federal and state governments are not meeting their financial obligations as expressed originally when special education laws were enacted.
- 2) The plight of the APS and A-B school districts is not unlike that of many surrounding towns in terms of number of children serviced, types of disabilities and the costs associated with providing such services.
- 3) While the per pupil costs and SPED enrollment as a percentage of total enrollment for Acton and Acton-Boxborough are similar to those of many other towns (please see Figures 2, 5 and 21), our expenditures for special education, particularly for out-of-district placements, as a percent of our total budget are much higher. (Please see Figures 11, 13 and 14).
- 4) Other districts that spend a smaller percentage of their budgets on special education offer some valuable lessons for Acton and Acton-Boxborough, and reinforce some tactics that we currently employ, though with less emphasis than certain other districts.
- 5) Spending money on regular education supports in the early grades has been used successfully by some districts to reduce spending later on special education.

## Section I: Overview of Legal and Funding Challenges for Special Education

The increasing costs of Special Education (SPED) have been a source of concern for most school districts in Massachusetts and the nation throughout the last ten years. The Massachusetts Association for School Superintendents (MASS) has issued annual reports on these costs for its membership since 1999, and several of the authors of these MASS studies have published and testified extensively.<sup>1</sup> Following is information about our method of data collection and a brief overview of special education laws, eligibility and funding.

### Methods of Data Collection

To collect the data for this study, we reviewed a large number of materials collected via a literature search for which a bibliography is contained in Appendix D. Below we describe some of the significant findings from this literature review. Some of these studies include public policy literature related to special education, advocacy materials published by parent groups, as well as trade press and newspaper articles.

Studies and articles by Sheldon Berman et al.<sup>2</sup> were of particular interest wherein the authors found that SPED cost increases are driven largely by a rise in the number of children with significant special needs. Underlying this upturn in SPED enrollment are three primary factors:

1. Advances in medical technology, which has increased both the number of low birth weight babies surviving to school age, and the early diagnosis/intervention of special needs. This has also led to more effective treatment options for these children.
2. De-institutionalization of children with severe special needs.
3. Privatization of services.

In a related paper, two of the authors state, with respect to state funding of SPED in Massachusetts, "The special education component of school funding is built on the assumption that school districts did not effectively contain costs and identified more children than necessary as having special needs."<sup>3</sup> Additionally, they state that:

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<sup>1</sup>See for example *Special Education Issues and Recommendations*, a Report of the Massachusetts Association of School Superintendents, Special Education Task Force, January 2002; Sheldon Berman, Perry Davis, Ann Koufman-Frederick, and David Urion, "The Rising Costs of Special Education in Massachusetts: Causes and Effects," in *Rethinking Special Education for a New Century*, edited by Chester E. Finn, Jr., Andrew J. Rotherham, and Charles B. Hokanson, Jr. (Washington, DC: Thomas B. Fordham Foundation and the Progressive Policy Institute, May 2001); Sheldon H. Berman and David K. Urion, "The Misdiagnosis of Special Education Costs," *The School Administrator*, March 2003, pp. 6-10.

<sup>2</sup> See, for example, Sheldon Berman et al., "The Rising Costs of Special Education in Massachusetts," 2001.

<sup>3</sup> Sheldon H. Berman and David Urion, "Misdiagnosis of Special Education Costs," 2003, p. 7.

... allocations for special education are based on a preset percentage of children in special education, set at a lower point than the state average. In addition, *the cost allocations for providing services are set well below the actual costs. These disincentives are designed to cause districts to be more rigorous in their use of eligibility standards and to encourage more cost effective placement of students.* [emphasis added]<sup>4</sup>

In Massachusetts in FY90, special education represented 17.2 percent of education spending, but by FY01 it represented 20.2 percent.<sup>5</sup> In Acton, FY01 special education represented 21.2 percent of total education spending, while at Acton-Boxborough, FY01 spending for SPED represented 16.4 percent. For the majority of school districts in Massachusetts, SPED increases have absorbed most of the new funding directed to education, thus crowding out increases in regular education spending.<sup>6</sup>

We also interviewed knowledgeable individuals within and outside of our own school districts. Some of these people included: Nancy Kolb, Director of Pupil Services, Acton/Acton-Boxborough School Districts; Gerry Mazar, Director of the CASE Collaborative through June 2003; Monica Sinnott, Director of Special Education Pricing, Operational Services Division, Commonwealth of Massachusetts, Allen Bachrach, a Child and Adolescent Supervisor for the Massachusetts Department of Mental Health, as well as SPED Directors from Dover, Medfield, Masconomet Regional, Needham, Scituate, Westford and Weston.

To collect the data on student population, education spending, and staffing, we relied on financial information for Acton and Acton-Boxborough provided by Sharon Summers, Finance Director of the Acton Public and Acton-Boxborough Regional School Districts, and John Murray, Assistant Town Manager for the Town of Acton. Additionally, we collected data from the Massachusetts Department of Education, and relied on information available on the DOE website, as well as information provided by Robert F. O'Donnell, Office of School Finance at the DOE. For national data, we utilized data provided by the Office of Senator Ted Kennedy, Massachusetts, and data available from the U.S. Department of Education, Office of Special Education Programs at their web site ([www. ideadata.org](http://www.ideadata.org)) and from the National Center for Education Statistics ([www.nces.org](http://www.nces.org)).

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<sup>4</sup> Ibid. It is curious that the federal government forbids local districts from considering cost when determining eligibility for SPED or designing IEPs, given their history in under funding SPED.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid., p. 10.

## Brief History of the Laws of Special Education

The Commonwealth of Massachusetts enacted MGL Chapter 766 in 1973, which addressed issues that were arising out of de-institutionalization. In the late 1960s and early 1970s there were a number of federal court cases and consent decrees dealing with the right of all children to a “Free and Appropriate Public Education.” At the time, Massachusetts was ahead of the curve by proactively passing Ch. 766 (AKA 72B). This law provided for the Maximum Feasible Benefit to any child covered. This was modified to the lower federal standard in subsequent amendments to the law.

The heart of Ch. 766 provided direction to the Department of Education and the municipalities in MGL c.71B §2:

The department (of Education) shall promulgate, in cooperation with the departments of mental health, mental retardation, public health and social services, regulations regarding programs for children with special needs, including but not limited to a definition of special needs; provided, however, that such definition shall emphasize a thorough narrative description of each child's developmental potential so as to minimize the possibility of stigmatization and to assure the maximum possible development in the least restrictive environment of a child with special needs; and provided, further, that such definition shall be sufficiently flexible to include children with multiple special needs.

The U.S. Congress passed the Education for All Handicapped Children Act (EAHC) in 1975. This law was amended in the mid-1990s as the Individuals with Disabilities Education Act (IDEA), which is currently before the Congress for reauthorization. These laws set out the framework of public Special Education.

Special Education provides specially designed instruction to meet the unique needs of eligible students, and/or provide related services necessary to access and make progress in the general curriculum. Special Education is built around several important concepts that use some of the following acronyms:

- ? FAPE (Free and Appropriate Public Education). Each of these words is important to define the services that a student will receive under the law. Services provided must be Free; there is no cost to the parent. Services must be Appropriate; the services are sufficient to enable the student to appropriately progress in education and advance toward achieving the goals of his or her specific plan. The services provided are Public; the public school district provides or directs the services for the student. Finally, the services are related to Education; the services include preschool, elementary, and secondary education, including extra-curricular and non-academic school activities. Any child who qualifies for services under these laws is *entitled* to this. For the purposes of special education, a child (or qualifying adult) between the ages of three years and twenty-two years of age, or high school graduation, whichever

comes first, is entitled to services. These services include accommodating and funding medical needs that are related to a child's educational disability, except those provided by a physician.

- ? LRE (Least Restrictive Environment). Educational services are to be provided to a child in the "*least restrictive environment*." This means that, to the extent possible, a child entitled to services will receive them in a general education classroom. A child can be removed from a general education classroom only if the nature or severity of the disability is such that education in general education classes with the use of supplementary aids and services cannot be satisfactorily achieved. In fact, most SPED students spend a large part of their day in a regular education classroom.
  
- ? IEP (Individual Education Plan). Education to be supplied to any entitled child will be structured according to each child's *Individual Education Plan*. This plan is unique to each child entitled to receive services, and outlines clear and achievable goals for the child for a school year. A review of each student's IEP is conducted at least annually, and a complete evaluation is done at least every three years.

For the purpose of this study, a significant aspect of the law is that a child is "entitled"<sup>7</sup> to services and thus this obligation *must be funded*. A school district is *not allowed* to consider cost when determining eligibility for SPED services nor when designing an IEP. In an extreme circumstance, regular education services may be reduced or eliminated mid-year, or a supplemental appropriation may be sought, in order to fund a special education obligation. Most school district administrators would suggest that this is not an unusual occurrence during the last decade, and many have reduced spending in other discretionary categories (e.g. curriculum materials, professional development, support staff, supplies, etc.) in order to fund unexpected special education obligations. This obligation is what the law requires.

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<sup>7</sup> Entitle v 1. Give a right to. 2 Give a title to (a book a play etc) - *derivatives entitlement* adj. *Concise Oxford Dictionary*, Tenth Edition, Oxford University Press, Copyright 1999.

## Eligibility for Special Education Services

Any child age 3 through 21 is eligible for special education services if he or she meets three conditions:<sup>8</sup>

- ? The child has one or more of twelve identified disabilities.
- ? The child is not making effective progress in school because of the disability (ies).
- ? The child requires special education in order to make effective progress.

There are twelve types of disabilities that are defined by state and federal regulations:

- ? Autism
- ? Developmental delay
- ? Intellectual impairment
- ? Sensory impairment – hearing loss or deafness
- ? Sensory impairment – vision loss or blindness
- ? Sensory impairment – deaf and blindness
- ? Neurological impairment
- ? Emotional impairment
- ? Communication impairment
- ? Physical impairment
- ? Health impairment
- ? Specific learning disability

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<sup>8</sup> Information in this section is summarized from the Department of Education “Rights and Responsibilities in Special Education,” as presented in materials by Nancy Kolb, Director of Pupil Services, Acton and Acton-Boxborough, and Sandy Daigneault, Director of Special Education, Boxborough, January 14, 2003, which is excerpted in Appendix A.

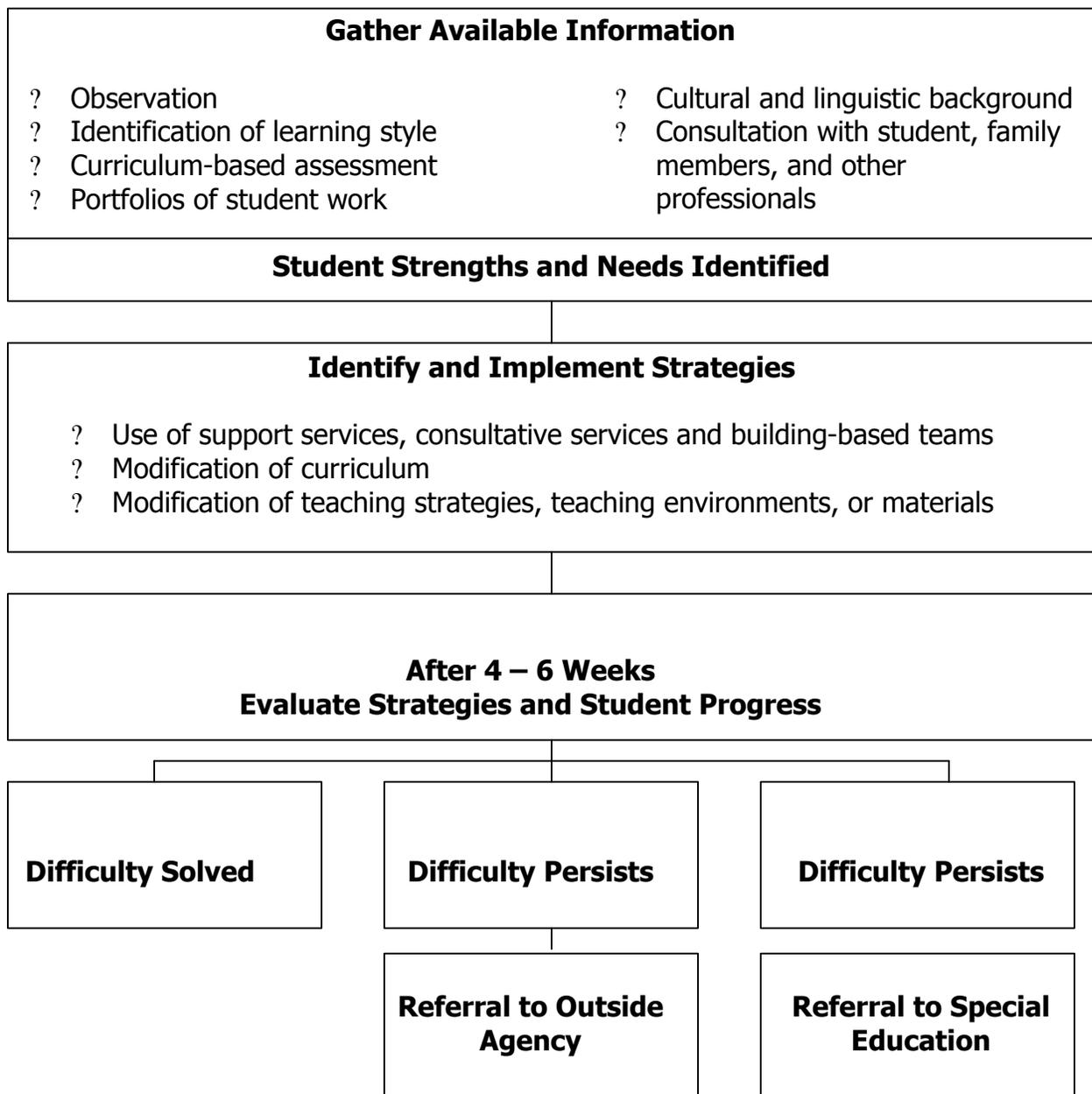
Appendix A provides more detail about the definition of each of these disabilities.

**Determining the Need for Special Education Services**

The following regular education activities (see Table 1 below) are recommended by the Department of Education when a student experiences difficulty in school.

**Table 1**  
**PREREFERRAL PROCESS**

**Student Experiences School Difficulties**



The process to determine a child's eligibility for special education services begins with a referral. A representative of the school district, such as a teacher or a counselor, or the child's parents or guardians may make a referral at any time during the school year. The district may *not* refuse a referral to try other support services. Once initiated, the school district sends the parents/guardians a proposed evaluation and a form that allows them to consent to the evaluation of their child. The school district has 45 school working days after receiving parental consent to: 1) evaluate the student; 2) meet to determine eligibility; and 3) if eligible, develop an Individualized Education Plan (IEP) and determine placement.

With the parents' approval, the Individual Education Plan (IEP), which provides a detailed road map of the services that the student requires, is implemented. Parents are entitled to accept or reject the IEP completely or any part thereof. The child's parents have the right to have an attorney, or any relevant specialist/advocate, fully participate in this process. It is incumbent on the school district to fully facilitate parental involvement.

### **Can This Process Involve Litigation?**

Yes. Parents may initiate an appeal of an IEP, or may appeal to change an IEP. Parents may contest the diagnosis of the disability, the type of services that the district proposes to provide, the type of placement that the district plans, the types of accommodations planned (ways to adapt the environment and learning to the needs of an individual student, and to work with the student's disability), and more. Because litigation is becoming more frequently a part of the interactions between parents and school districts, some law firms specialize in this area of the law. State statistics document that most of these cases are settled prior to a hearing.

### **Funding of Special Education Services**

Most communities have very little argument as to whether or not students should receive special education services, but rather focus on the fact that a disproportionate share of funding is directed to a small population of students, and that these students are "entitled" to these services, regardless of what the impact might be on the other students in the district, or on the integrity of regular education services. The problem is that while the initial laws envisioned a partnership of federal, state, and local dollars to provide for the students who are most in need of services, the reality has consistently fallen far short of the original promise. The laws enacted provide that special education would be funded in the following manner:

? Congress is authorized to fund 40 percent of the costs.<sup>9</sup>

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<sup>9</sup> It is important for the reader to know that the federal funding process has three steps: first, the spending must be *authorized* by Congress and secondly, it must be *appropriated* by Congress. Finally, the President must sign both the authorization and the appropriation.

- ? The Commonwealth is to fund 50 percent of the costs.
- ? The local school districts are to fund 10 percent of the costs.

**How are special education services actually funded?**

Congress has never met its commitment to fund 40 percent of the costs for any fiscal year since EAHC (and subsequently IDEA) was passed in 1975, and signed by President Ford. This is true regardless of which party controlled the House, the Senate, or the White House.<sup>10</sup> Currently our districts receive IDEA grants equal to approximately 6.68% of SPED spending for the years in this survey at APS and 7.48% at ABRSD, as shown below:

<b>Total SPED Spending for Acton/Acton-Boxborough for 1996-2001</b>			
	<b>SPED Spending</b>	<b>IDEA Revenue</b>	<b>IDEA as a % of SPED</b>
APS	\$15,475,728	\$1,033,246	6.68%
A-B	\$13,734,616	\$1,027,152	7.48%

Whereas Congress has not funded its portion of special education costs, the Massachusetts legislature has similarly not met its responsibility to provide 50 percent of the necessary funding from its appropriations. The legislature has funneled significant money into Chapter 70, which provides direct dollars from the Commonwealth to local governments to assist with the costs of education. While Chapter 70 monies are intended to provide for the financial needs of the entire school district (regular education as well as special education), the costs for special education have grown at such a rate that they have consumed most, or all, of these funds. Additionally, the Commonwealth committed to provide for 50 percent of the cost of approved residential schools, the most expensive type of placement with costs that range between 4 and 10 times (or more) of the average cost of educating a regular education pupil within a district. The funding for the 50-50 program for the current fiscal year (FY03) was in jeopardy by the end of the second quarter, and the program has been discontinued for FY04. A new plan (a.k.a. "Circuit Breaker Funds") by the legislature may provide relief for districts who pay more than four times the State average per pupil cost to educate a child with special needs. While the money has been appropriated for FY04, it is not yet clear how much relief this appropriation will provide for districts.

Because the federal and state governments have not lived up to their promises, the burden of paying for expensive special education services has fallen disproportionately on local property taxpayers, who are funding the lion's share of

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<sup>10</sup> In fairness to Congress, they have no direct Constitutional interest in public education, so it is not at the top of their radar screen.

special education costs. During the study period (FY '96 through FY '01), these costs were equal to approximately 15 percent of the property tax levy.

The costs for services to children ages three through Grade 6, who are entitled to such under these laws, are allocated within the budget of the Acton Public Schools. For students in Grades 7 through 12, or up to age 22, the costs for services are borne by the Acton-Boxborough Regional School District.

## **Categories of Placements**

There are three broad categories of placements for special education students.

### **In-District Programs**

These programs provide for the majority of our SPED students. The population served ranges from students with moderate needs (who may require SPED services 1 to 5 hours per week) to students with intensive needs (who may require services throughout the entire school day and/or beyond). These programs tend to be built using the regular education classroom as the framework, utilizing the concept of LRE.<sup>11</sup>

### **Collaborative Programs**

Sheldon Berman et al. identify the small size of most Massachusetts school districts as a factor in the costs of special education.<sup>12</sup> Because school districts are relatively small, their argument goes, it is difficult to provide the specialized programming that a small number of students may require. Placements for such “low incidence” students can be better provided within a collaborative setting, where a group of school districts join together to provide classrooms for groups of students. While each district may only have one or two such students, together there is a body of students to form a classroom and to provide a placement for these students that is cost-effective, close to home, and housed within a school building with other youngsters in that youngster’s own home town or a nearby town. Acton and Acton-Boxborough participates in the CASE (Concord Area Special Education) Collaborative, as one example of such a group. Appendix B provides additional information about CASE. Each participant school district houses CASE classrooms in their schools. Most of these students are transported by CASE transportation to the appropriate schools to receive services. CASE has several significant fiscal benefits, including:

1. Cost sharing.
2. Avoiding placements in high cost private schools, or the cost of developing stand-alone programs for a single high need individual.

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<sup>11</sup> Most SPED students are assigned to, and receive services in, a regular education classroom for part, if not most of their school day.

<sup>12</sup> See Berman et al., “Rising Costs of Special Education,” 2001, p. 187.

3. Better budget planning. CASE assessments are retroactive, so that the CASE assessment for FY '04 will be based on services provided in FY '02. Should we or other districts have an influx of CASE students in any one year, members can budget accurately for them. Additionally, the method for deriving the assessment takes into account both the services that a district provides, and the services that a district's students use.

### **Out of District Programs (OOD)**

Students with intensive needs who cannot be served by in-district programs are placed in other collaboratives or private schools that are the most expensive per pupil. The majority of these programs have their pricing regulated by the Massachusetts government. The Massachusetts Department of Education approves the programs and the Operational Services Division prices them. The costs run from approximately \$22,000 per year to over \$200,000 per year, depending on the services provided. We occasionally have a small number of students in out of state placements where the price is not regulated. In FY '04 ABRSD has budgeted to spend \$2,572,665 on tuition/contractual services.<sup>13</sup> Also in FY '04 ABRSD has budgeted to spend \$508,353 on SPED transportation.<sup>14</sup> Together these two items, for out-of-district tuition/contracted services alone, represent 11.35 percent of the total FY '04 Budget of \$27,136,955. (It is important to note that the \$27,136,955 figure includes debt service). Appendix C provides a list of most of the private schools and collaboratives that APS and A-B have used in the last five years.

### **Controlling the Costs of Out of District Placements**

If a child's Individual Education Plan calls for placement at an out of district program, then the school district is obliged to provide the funding. The school district may not consider the cost of these programs when making this determination or look to parental resources and assets to fund any part of it. Additionally, the federal law allows parents to reject the initial placement and to request an alternate placement if they do not believe that their child is making adequate progress by being placed in an in-district or collaborative placement. Parents may then seek a private placement rather than take the placement that the district is recommending, and this conflict can be resolved through an appeal process.

As mentioned above, in Massachusetts the state sets the tuitions for private placements, which is a two-step process for approved in-state programs. First, the Department of Education (DOE) sanctions the educational programs at schools that are approved to receive funding from the Commonwealth. These programs are designed and accepted in collaboration with the schools supplying the services. Costs are *not*

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<sup>13</sup> Object budget as of 2/5/03 ABRSD.

<sup>14</sup> ABRSD – 2/5/03 FY 04 Budget, which includes some in-district students for CASE transportation.

considered at this stage; rather the focus is purely on the educational needs of the students they serve.

Second, the approved program is sent to the Operational Services Division (OSD) for pricing. OSD *must* fully price all approved programs. These programs are priced with guidelines and allowances for all associated costs, including salaries. There are caps on salaries, but the institution may pay amounts above those caps, however not with public funds. All approved programs are also entitled to an annual inflation allowance, set by OSD. For this past year that allowance was 2.66 percent, and school districts were notified of these increases last December. For FY '04, the tuition has been frozen, except in special circumstances.

### **Other Costs Borne by School Districts**

Special education law, as crafted by federal and state legislators, has created numerous burdens for school districts. The additional costs of educating students with intensive needs usually comes to mind, but of significance, as well, are the “soft costs” of completing paperwork requirements, and the costs of evaluating and updating the Individual Education Plans for each child who requires special education services. We briefly describe some of these costs below and steps that have been taken to reduce these burdens on local school districts.

### **Special Education Evaluations**

Evaluations and re-evaluations, which include assessment, meeting, and production of the Individual Education Plan, are required for entry and exit to special education services. An evaluation must be completed at least every three years for special education students. Additionally, parents and staff may request that evaluations be completed more frequently. Each evaluation (or re-evaluation) requires between 42 and 59.5 (estimated) professional staff hours that costs to complete on average between \$1,600 and \$2,300.

A review, which includes a team meeting and production of the Individual Education Plan, must be completed annually for all special education students. Additionally, requests by parents and/or staff may necessitate multiple reviews for some students, in accordance with the regulations. For example, if parents submit an Independent Educational Evaluation, a review would need to be conducted. The completion of a typical review requires between 12 and 23 professional hours, and costs the districts an average of between \$450 and \$875 per review.

While the hours and dollars provided above for each evaluation and review are estimates, the actual expenditures for these items are provided in the Acton and Acton-Boxborough end of year reports to the State. In FY '02, Acton Public Schools spent \$659,815 on screening and team evaluation and the Acton-Boxborough Regional

School District spent \$378,533 for similar services which were 14% of total SPED spending for APS, and 7.23% for A-B.

### **Paperwork Requirements**

The federal law, as implemented and enforced by the Massachusetts Department of Education, requires careful and extensive adherence to a stringent set of requirements. Special education administrators have expressed concerns to the Massachusetts Department of Education, and to legislators, regarding the extensive burdens of the paperwork associated with special education. While this paperwork has been designed to provide procedural protection for the rights of students and their parents or guardians, special educators often feel that the onerous requirements consume more time than necessary; time that could be better directed toward educating and providing for the needs of the students. The DOE conducts detailed audits of procedures and paperwork every six years, and a mid-cycle review in the middle of that time period.

In Acton and Acton-Boxborough, special education administrators have worked to design training procedures and to use technology to expedite the processing of paperwork. For example, while classroom teachers are required by federal regulations to comment on 15 areas of a student's program as part of his/her IEP, the district has provided outlines, templates, and checklists on-line in order to expedite completion by teachers. In both districts, Individual Education Plans have been completed by staff using computers since the mid-1990s, and the districts are currently working with a second software vendor for this functionality. A web-based version of the software will be available in September 2003. Additionally, our district has worked in collaboration with other districts and met with officials from the Massachusetts Department of Education to streamline the flow of data. Also, a goal of the reauthorization of the federal IDEA is to reduce paperwork requirements, and it is expected that this will also result in reduced scrutiny by state auditors.

While the Task Force has been gathering data during the past ten months, several legislative developments in Massachusetts have offered encouragement to school districts such as ours which have struggled to adequately forecast, budget, and provide resources for increasing costs associated with special education, especially those related to students who require intensive services either in-district or out-of-district.

First, a provision enacted by the State legislature in spring 2002 went into effect during this last school year, requires that private schools must notify school districts regarding the tuition that they will charge for the *next* academic year by December 1. In December 1, 2002, our districts received notification from the private schools where our students are enrolled regarding the tuition that they expected to charge in the upcoming year, which improved our districts' ability to budget these expenses.

Second, the budget approved by the legislature then froze the tuitions for out-of-district placements at the prior year levels for FY04; exceptions are rare and granted on an individual basis.

Third, the Massachusetts legislature authorized \$133 million to fund the “circuit breaker,” which was enacted in July 2001 and was to have begun in July 2002. Legislators anticipate that the “circuit breaker” will provide reimbursement to school districts for each student who requires expenditures that exceed four times the average state costs for regular education students (so reimbursement would begin for expenditures in excess of approximately \$28,000).

Initial payments under the circuit breaker will begin in October 2003, but school districts are fearful that funding provided by the legislature will be insufficient to meet the total costs of these expenditures. Finally, the U.S. Congress, this past summer has begun the process of reauthorizing the Individuals with Disabilities in Education Act (IDEA). The reauthorization should be positive in that it will likely reduce some of the paperwork requirements of the previous version, but disappointing in that it may not provide sufficient resources to assist local school districts any further in paying for special education services.

## **Section II: Data Comparisons for Student Populations, Special Education Spending, Staffing Levels, and Transportation**

One of the primary drivers of this report on the financial factors related to special education services in Acton and Acton-Boxborough stemmed from concerns regarding the increasing costs for students who are in out-of-district (OOD) placements. In this Section, we compare data about the student population in Acton and Acton-Boxborough who receive special education services, with their peer groups in other communities within Massachusetts, in other New England states, and throughout the United States. We looked first at the types of disabilities that are represented within our population (please see Appendices A and E), and then at the types of placements that these disabilities require. (Please see Appendix F). Subsequent analyses compare total costs, staffing levels, and a preliminary look at transportation expenditures.

To develop a list of comparable communities in Massachusetts, we looked at information from the Massachusetts Department of Revenue<sup>1</sup> on 1999 Income per Capita, 2000 U.S. Census, 2000 Equalized Property Valuation per Capita, FY02 Operating Budget, and FY02 Foundation Enrollment. From the list of 351 municipalities in Massachusetts, we selected those that were most similar to Acton in terms of these factors. These communities include: Canton, Concord, Hingham, Marblehead, Middleborough, Sandwich, Sudbury, Wilmington, and Winchester.

The Acton and Acton-Boxborough Regional School Districts participate in two significant education collaboratives, each comprised of a group of neighboring and/or similar communities. The Educational Collaborative (EDCO) is a group of suburban communities that provides: a) services for students, b) professional development for educators, and c) public policy advocacy. Groups of “job-alike” professionals (e.g., superintendents, pupil services directors, curriculum directors, etc.) meet on a regular basis to develop solutions to common problems. The EDCO school districts are: Acton, Acton-Boxborough, Arlington, Bedford, Belmont, Boxborough, Brookline, Carlisle, Concord, Concord-Carlisle, Lexington, Lincoln, Lincoln-Sudbury, Newton, Sudbury, Waltham, Watertown, Weston, and Winchester. In order to make comparisons simpler, one composite number, an average, was computed for all of the EDCO districts. Similarly, the Concord-Area Special Education (CASE) Collaborative, described in Section I and more extensively in Appendix B, is a group of neighboring suburban towns that provide collectively special education services within regular education settings to students with low-incidence, high-intensity needs. A similar composite number for CASE communities was computed, using its member school districts of: Acton, Acton-Boxborough, Bedford, Boxborough, Carlisle, Concord, Concord-Carlisle, Harvard, Lincoln, Lincoln-Sudbury, Littleton, Maynard, Nashoba Regional School District (Bolton, Lancaster, and Stow), and Sudbury.

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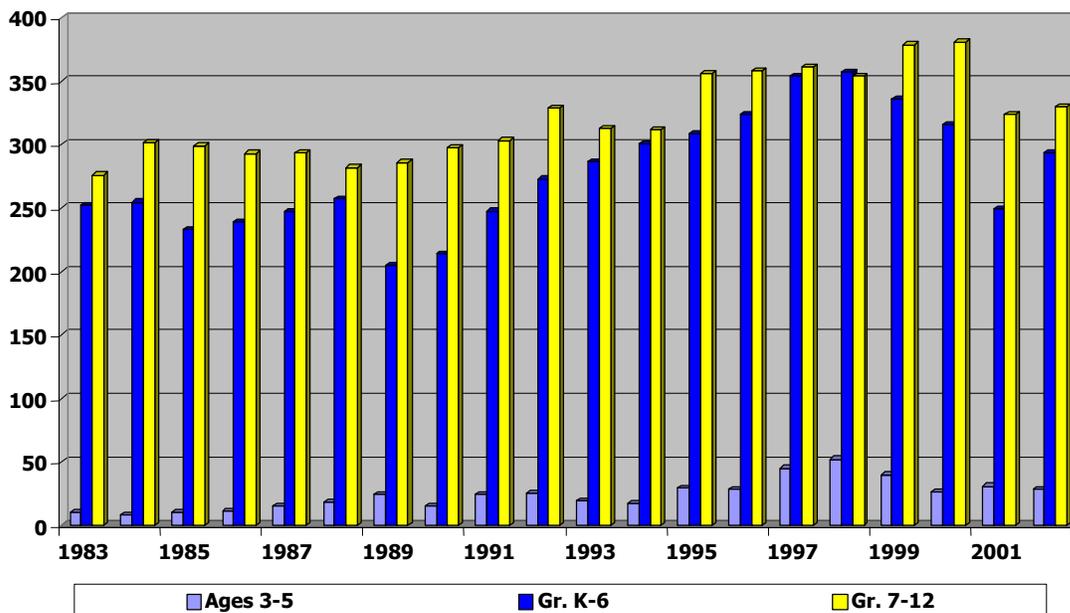
<sup>1</sup> All of these data are part of the Municipal Data Bank and are available at the Massachusetts Department of Revenue web site: [www.dls.state.ma.us/mdm.htm](http://www.dls.state.ma.us/mdm.htm)

When drawing comparisons with national data, we used: i) Massachusetts and ii) a combined number for the six New England States (i.e., Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, and Vermont), plus New York. We also used a single number computed for all 50 states, the District of Columbia, and Puerto Rico in Figure 5, shown as Total US.

## Student Population

As of December 1, 2002<sup>2</sup>, students with special needs represented approximately 11.4 percent of the Acton Public Schools (pre-k through grade 6) enrollment, and approximately 15.7 percent of the Acton-Boxborough Regional Schools (grades 7 through 12). These numbers have remained in this range for several years (please see Figure 1), but two factors have caused concern. First, as overall enrollment has increased, the number of students with special needs has also grown. Second, the types of disabilities that these students are diagnosed with have become more serious; the nature of these disabilities has meant, in some cases, that it is more likely that these students have needs that are more costly and less able to be served within our district, or within our collaborative agencies.

**Figure 1  
Acton and AB SPED Enrollment Count  
October 1, 1983-2002**



Nationally, there has been considerable growth in the numbers of students enrolled in special education; overall the number of students enrolled in special education increased 31.2 percent between the 1991-1992 school year and the 2000-2001 school year. However, if we examine the enrollment by age groupings, we find

<sup>2</sup> Throughout the report, special education enrollment and placement numbers are based upon December 1 enrollment of special education students as published by the Massachusetts Department of Education, except where otherwise noted.

the most significant growth in the pre-school (ages 3-5) and middle school/high school enrollments (ages 12-17). Table 2 details the national growth in special education enrollment. Acton's growth in the preschool population in this same period is 8.33 percent (compared with national growth of 55.66 percent<sup>3</sup>) and growth in the 12-17 year old population is 25.74 percent (as compared with national growth of 41 percent).

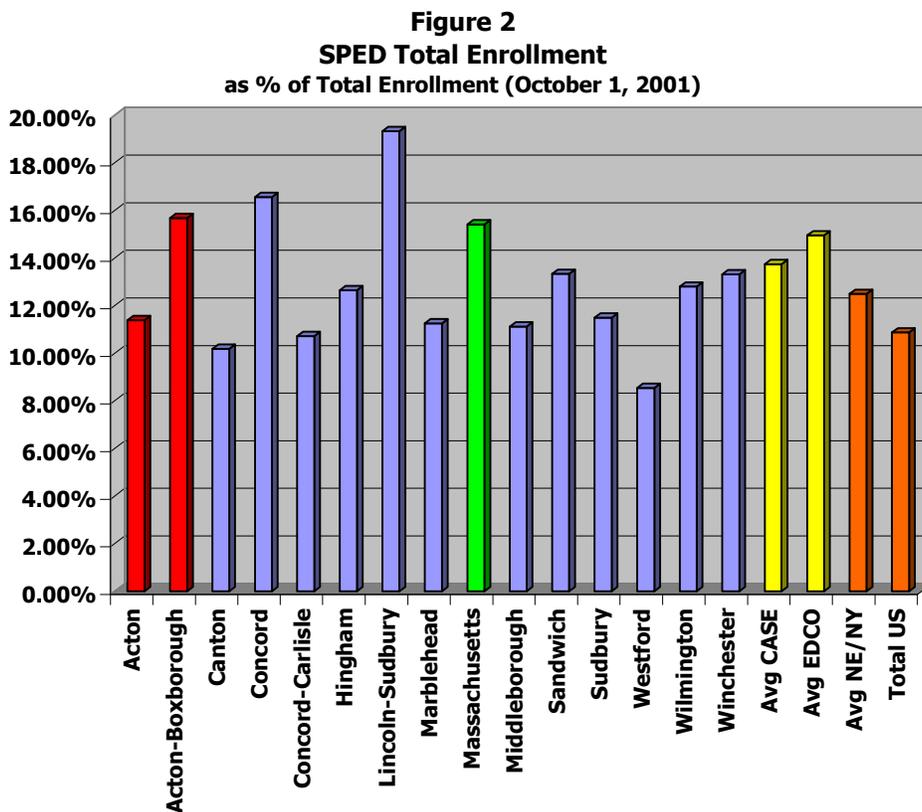
**Table 2**  
**Special Education Enrollment,**  
**Total U.S., 1991 through 2001**

	<b>Total % Increase 1991-2001</b>
Age Group 3-5	55.66%
Age Group 6-11	19.99%
Age Group 12-17	41.34%
Age Group 18-21	22.05%
Totals (average)	31.22%

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<sup>3</sup> During this time period, Massachusetts used different criteria for providing services to pre-schoolers, which required that services be provided to more pre-schoolers than the criteria used by the rest of the nation. Massachusetts has now adopted the national criteria, and the pre-school population identified for special needs has decreased, as more students can now be served with speech and language services that do not require an IEP process.

Figure 2 shows special education enrollment as a percent of total student population. Appendix E contains additional charts and tables that provide information on student disabilities for the sample peer group.



## Student Placements

As discussed in Section I above, special education law requires that students must be placed in the “least restrictive environment,” which means that teams must first consider placing a student in a regular education classroom with adaptations and accommodations to meet his/her needs. Then, only if team members believe that sufficient progress is not or will not be made, the decision can be made to place these students in more restrictive (and usually, more expensive) placements.

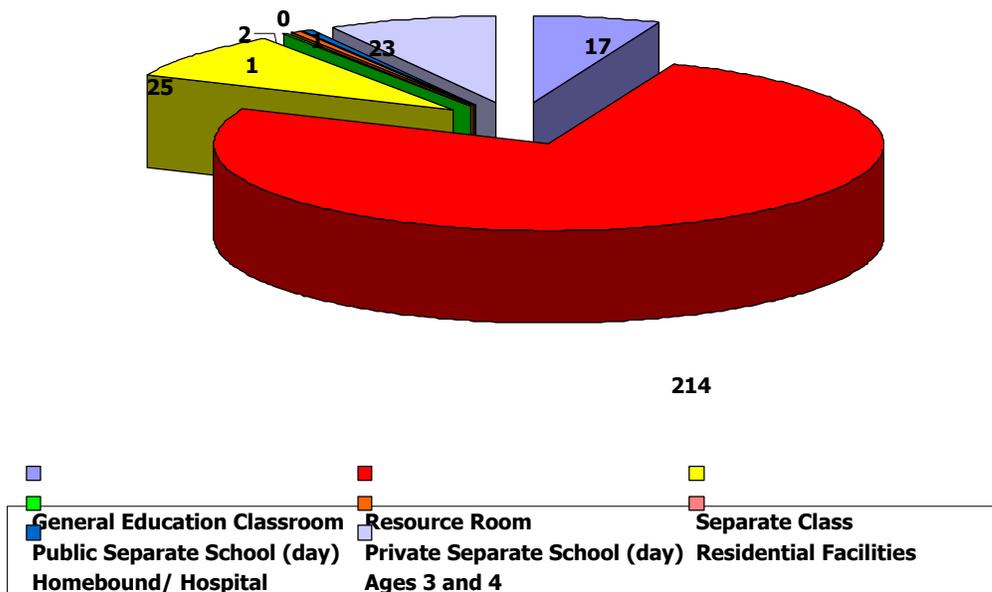
Students can be placed in a variety of settings. Even if a student is placed in a regular education classroom, they can be educated within that classroom some of the time, most of the time, or all of the time. Students can be placed in a resource room, which is housed within the regular school building and its program (services range from one hour per week to full day), where most of the core subjects are taught by a special education teacher who focuses on small groups and tailored curriculum, while the other subjects and activities of the day are with the rest of the student population (e.g., art, music, physical education, recess, lunch, etc.). Students can also be housed in a

separate special education classroom. Students categorized in any of these first three placement categories (regular education, resource room and separate special education room) are considered as “in-district” or collaborative placements.

Students who are serviced by out-of-district placements can be: 1) sent to a separate day school, either public or private, 2) educated in a home or hospital setting, or 3) placed in a residential facility, if their needs are so intensive that they require around the clock programming to make effective progress.

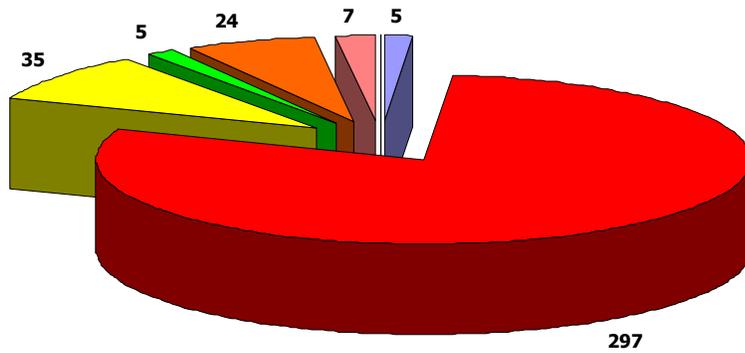
Figure 3 and Figure 4 show the number of special education students placed in various settings as of December 1, 2001<sup>4</sup> for APS and A-B respectively. As you can see, the vast majority of SPED students are being educated in-district.

**Figure 3  
Acton - SPED Student Placements**



<sup>4</sup> These graphs reference the terminology used by the Massachusetts Department of Education in their annual December 1 reports on SPED enrollment (by disability and by placement). Federal guidelines (employed in the creation of the Individual Education Plan) use different terminology, where students are categorized as spending more than 80 percent of their time in the classroom (Full Inclusion, or here General Education Classroom); spending 21-60 percent of their time outside the classroom (Partial Inclusion, or Resource Room); spending more than 60 percent of their time outside the classroom (Substantially Separate Classroom); attending a separate day school, public or private (Day School); attending a school that provides a 24-hour education program (Residential); receiving home-based or hospital services. For Acton and Acton-Boxborough, students classified in the first three groups might either attend in-district programs or collaborative programs.

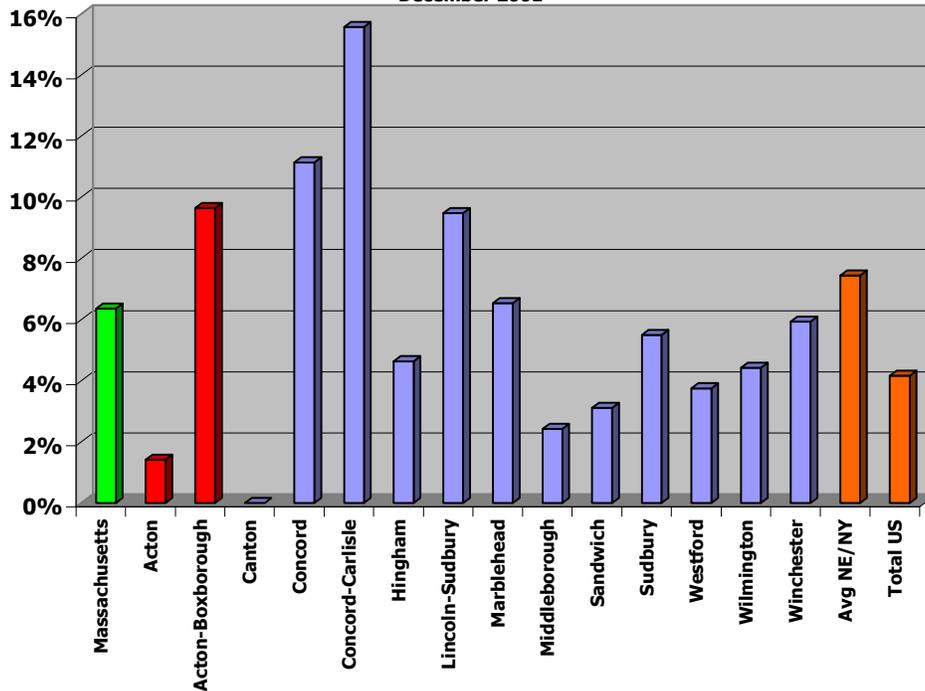
**Figure 4**  
**Acton-Boxborough - SPED Student Placements**



General Education Classroom	Resource Room	Separate Class
Public Separate School (day)	Private Separate School (day)	Residential Facilities

Figure 5 compares out-of-district placements as a percent of total SPED enrollment between Acton and Acton-Boxborough and its peer communities, as well as state and national data.

**Figure 5**  
**Out-of-District Placements (% of Total SPED Enrollment)**  
 December 2001



"Out of District" Placements do not include students placed in collaboratives.

Table 3 and Figure 6 use national data to examine the number of students who are placed in private or public separate facilities, or private and public residential facilities,<sup>5</sup> and how these numbers have changed over the time period 1991 through 2001. While some age groups have had decreases in the numbers of students placed in these more restrictive, more expensive placements, nationally the group that has exhibited the largest increase is the 12-17 year old population, whose total numbers have increased 41 percent in the ten-year period, and whose out-of-district numbers have increased nearly 10 percent.

<sup>5</sup> These numbers do not include students educated in collaboratives.

**Table 3**  
**Number of Children Served in Separate and Residential Facilities, 1991-2001**

	AGE GROUP 3-5			AGE GROUP 6-11			AGE GROUP 12-17			AGE GROUP 18-21		
	Private and Public Separate Facility	Private and Public Residential Facility	Total	Private and Public Separate Facility	Private and Public Residential Facility	Total	Private and Public Separate Facility	Private and Public Residential Facility	Total	Private and Public Separate Facility	Private and Public Residential Facility	Total
1991-92	44,235	1,181	373,117	64,485	7,970	2,342,353	84,159	24,103	1,906,097	26,516	7,687	229,996
1992-93	35,421	1,854	462,728	63,275	9,428	2,339,565	80,167	22,834	2,017,192	25,901	6,350	241,564
1993-94	42,982	1,538	486,298	47,568	6,711	2,455,472	76,692	21,693	2,063,196	24,541	6,816	238,313
1994-95	26,609	878	479,844	46,959	6,218	2,510,532	78,877	22,468	2,145,749	22,858	6,464	236,439
1995-96	30,184	928	522,166	49,952	6,434	2,588,063	83,643	21,906	2,214,424	25,110	5,769	239,812
1996-97	29,111	873	516,412	48,673	6,080	2,650,413	85,647	22,846	2,311,573	25,001	5,668	251,305
1997-98	27,752	1,166	527,070	46,518	6,672	2,709,339	84,732	25,196	2,401,454	24,128	5,625	262,223
1998-99			517,243	48,834	6,312	2,765,956	87,743	25,336	2,498,822	24,765	5,804	276,547
1999-00			530,782	50,237	7,041	2,797,554	89,304	25,872	2,589,186	24,724	6,372	278,555
2000-01			580,799	56,187	6,436	2,810,587	92,286	26,775	2,694,036	25,351	6,573	280,701
% Increase*	-37.26%	-1.27%	41.26%	-12.87%	-19.25%	19.99%	9.66%	11.09%	41.34%	-4.39%	-14.49%	22.05%

\*For 3-5 year olds, period is 1991-1998; for other age groups period is 1991 through 2001

Source: IDEA Table AB7, www.ideadata.org.

**Figure 6**  
**Total U.S. Count of Out-of-District Students**

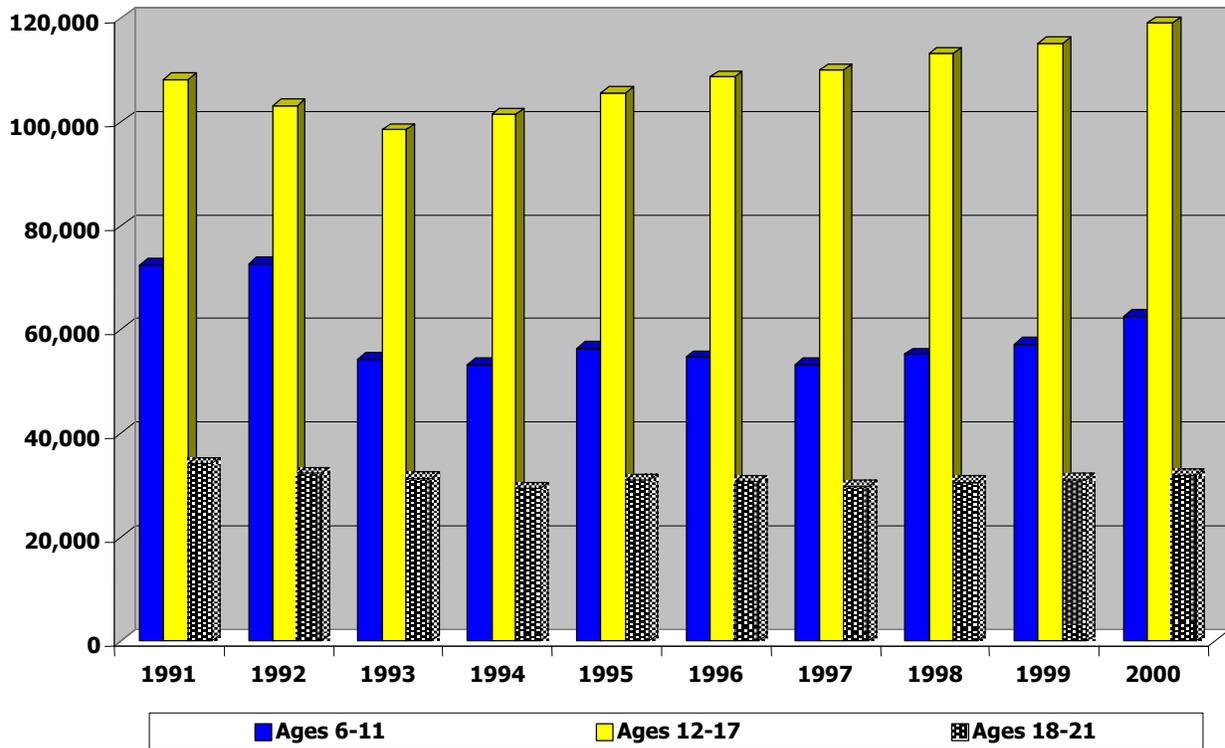
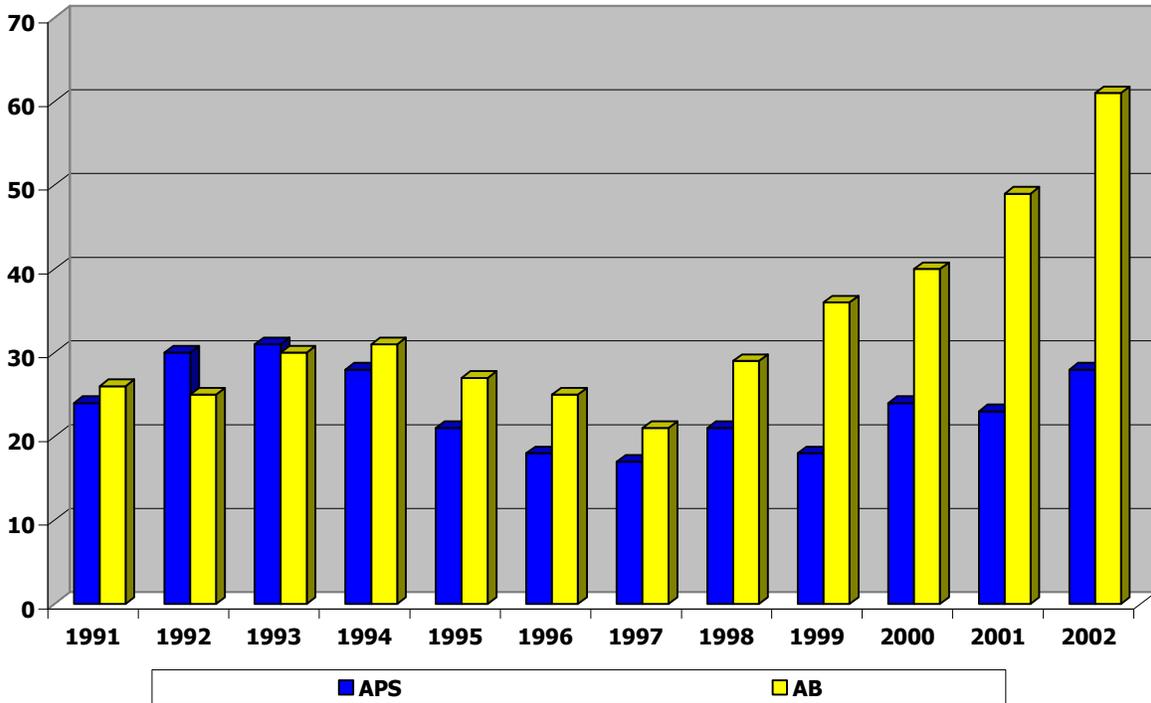


Figure 7 shows the change in the out-of-district population for Acton and Acton-Boxborough between the 1991-1992 and the 2001-2002 school years. Acton has shown virtually no growth, while Acton-Boxborough (approximate ages 12-21) has experienced an increase of nearly 140 percent.

**Figure 7**  
**October 1 Count of Out-of-District Students (including CASE Students)**  
**Acton Public Schools and Acton-Boxborough Regional Schools**

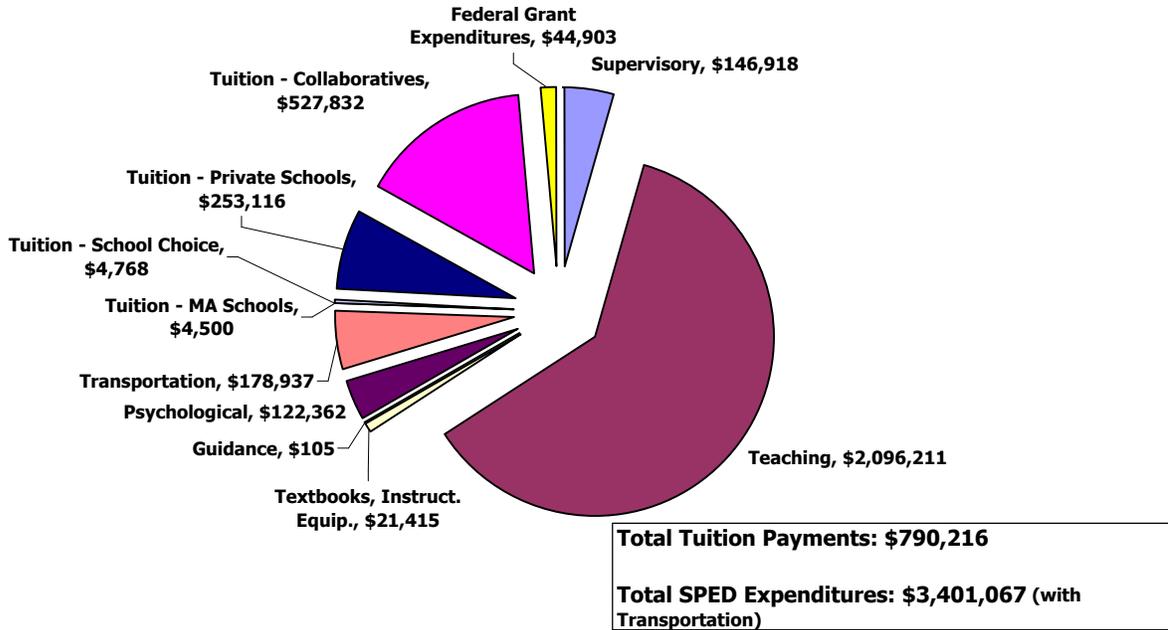


Appendix F contains more detailed charts regarding comparisons of student placements.

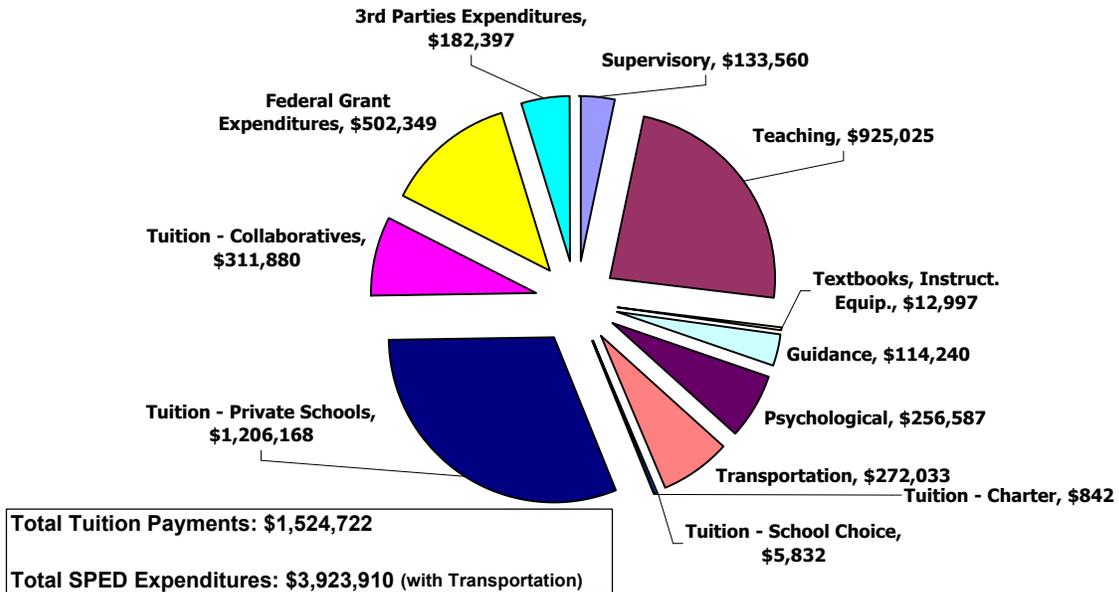
### **Costs of Special Education**

Next, we provide comparisons of the costs of special education for Acton and Acton-Boxborough with our peer communities, with Massachusetts as a whole, with other nearby states, and with all 50 states. Figure 8 provides a breakout of the various components of the special education budget for Acton Public Schools for FY2001, and Figure 9 provides the same breakout for the Acton-Boxborough Regional School District.

**Figure 8**  
**SPED Expenditures by Category, Acton Public Schools FY01**



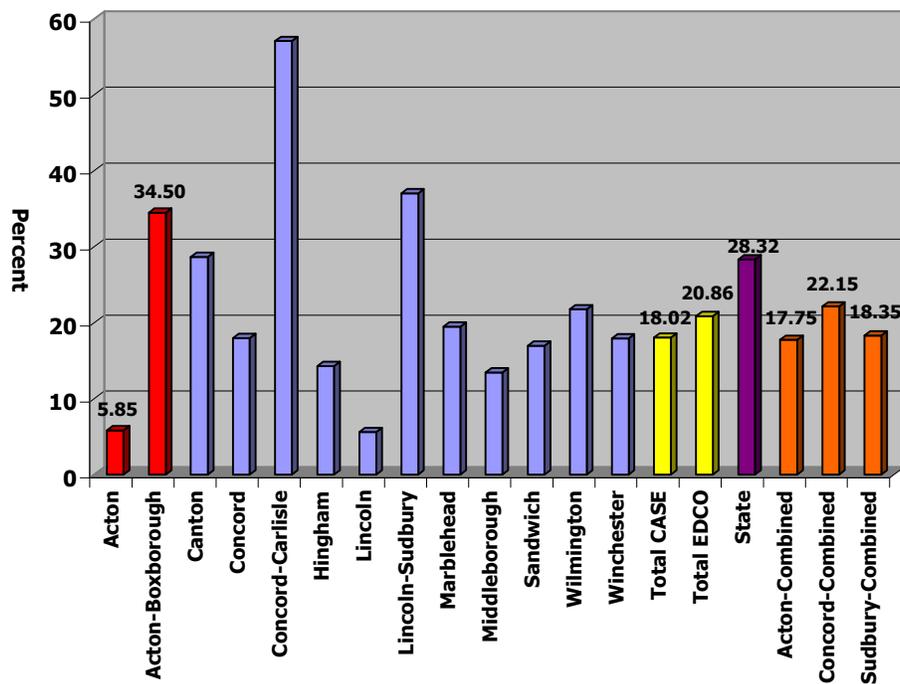
**Figure 9**  
**SPED Expenditures by Category, Acton-Boxborough Region FY01**



## Average OOD Expenditure as a Percent of Total SPED, 1996-2001

It is clear that out-of-district (OOD) costs are a major portion of the SPED budget. OOD costs are particularly a concern at the Acton-Boxborough Regional School District, where, on average over the six-year period analyzed, these expenditures represented 34.5 percent of the SPED budget. As is shown in Figure 10, this is significantly higher than either the State average (28 percent) or the average for the CASE (18 percent) and EDCO (21 percent) communities. It is interesting to note that this phenomenon is not unique to Acton. In both Concord-Carlisle and Lincoln-Sudbury, the only other two school districts in this peer group that are grades 9-12, the OOD expenditures during the same period are averaging 22 percent and 18 percent respectively. This seems to point to a growing problem of OOD placements in this particular age group. (See information above related to national data on out-of-district placements in this age group.)

**Figure 10**  
**Average OOD Expenditure as a % of Total SPED 1996-2001**  
 (Does not Include Expenditures for Collaboratives)



If one treats Acton, Concord, and Sudbury as K-12 districts (Acton-Combined, Concord-Combined and Sudbury-Combined) the numbers for the three regional districts decrease significantly, but Acton's OOD expenditures are still 10 percent higher than the State average. They are, however, aligned with CASE community expenditures on OOD placements.

The Acton-Boxborough Regional School District is slightly different than other districts in the peer group, as it is comprised of grades 7 through 12, while most other comparable regional districts (in particular Concord-Carlisle and Lincoln-Sudbury) are grades 9 through 12. The three districts, however, are similar in that one member of each district (Acton, Concord, Sudbury) is significantly larger than the other (Boxborough, Carlisle, Lincoln). In an attempt to measure these three districts in an equitable fashion, we computed a new figure that expressed what each town's budget would look like if it were a single K-12 district. The formulas used for this comparison were:

Acton = Acton Public Schools + 0.8\*Acton-Boxborough

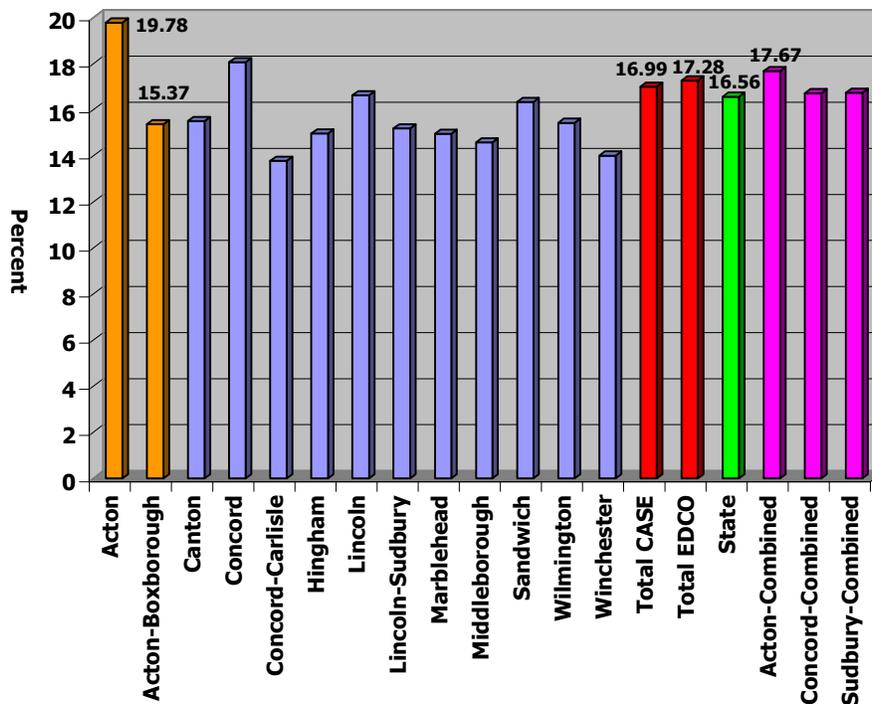
Concord = Concord Public Schools + 0.7\*Concord-Carlisle

Sudbury = Sudbury Public Schools + 0.85\*Lincoln-Sudbury

## Combined SPED as Percent of Budget – Average FY96-FY01

Figure 11 shows the annual cost of SPED as a percentage of the total school budget averaged over the six-year period. This chart indicates that as a percentage of the overall education budget, the Acton Public Schools are spending almost 20 percent on SPED costs. This is 20 percent higher than the State average and 15 percent higher than the CASE communities. Acton-Boxborough Region is spending on average 15 percent of its budget on SPED. If one were to look at Acton as a K-12 district the numbers decrease, so that we are within one percent of the State and CASE averages.

**Figure 11**  
**Combined SPED as % of Budget -- Average FY96-FY01**

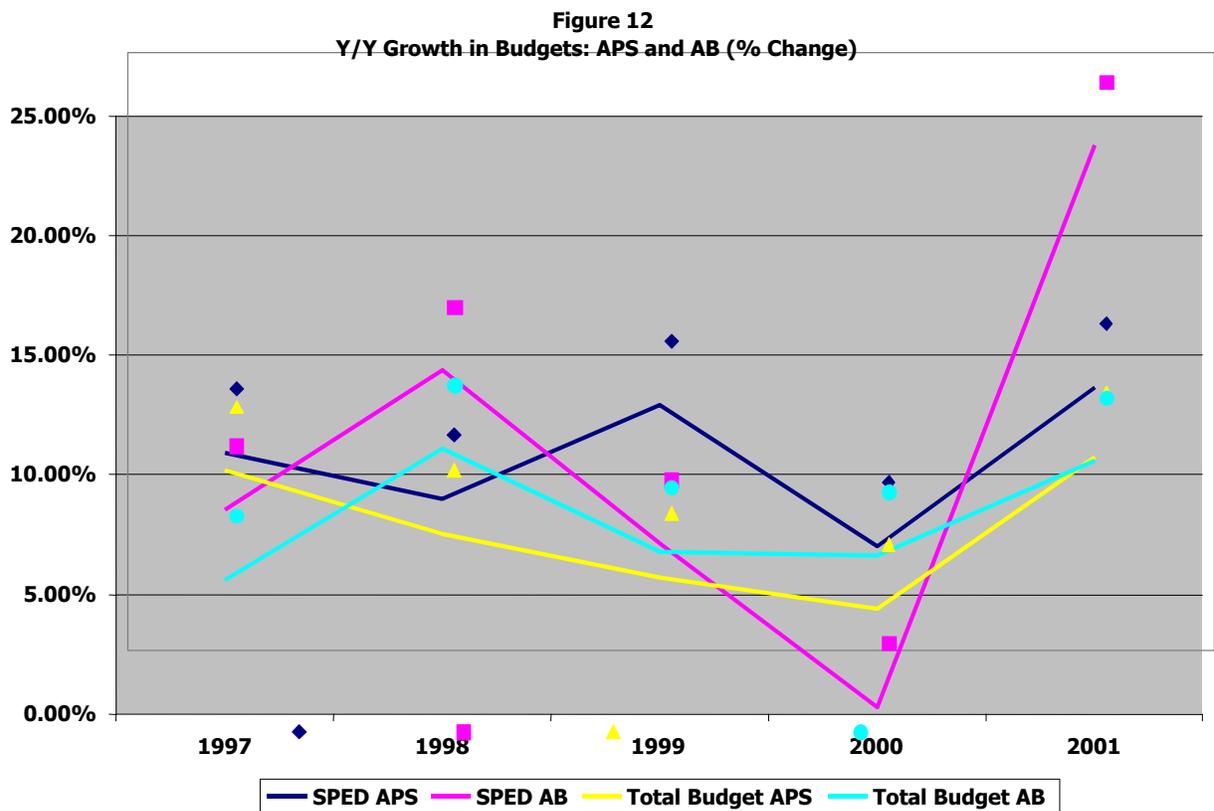


## Year to Year Growth in Budgets for APS and A-B

Figure 12 presents information about the year-to-year growth in budgets for Acton-Boxborough and Acton Public Schools. With the exception of FY00, when the SPED budget for AB remained virtually the same as in FY99, the year-to-year increase in SPED expenditures has outpaced the year-to-year increase in the total education budget. There is also a noticeable increase in regional SPED expenditures from FY00 to FY01. This is further reinforcement to the previous chart averaging the combined SPED expenditures as a percent of the budget over the same period.

Throughout the 1990s, Acton and Acton-Boxborough student enrollment climbed and SPED enrollment as a percentage of total enrollments stayed relatively constant. SPED expenditures also stayed relatively constant as a percentage of budgets due to:  
 a) the creation of a number of programs to keep students in-district during this time and  
 b) efforts to bring students back who had been enrolled in collaborative or private placements (e.g., integrated pre-school, developmental disability and language learning programs at R. J. Grey).

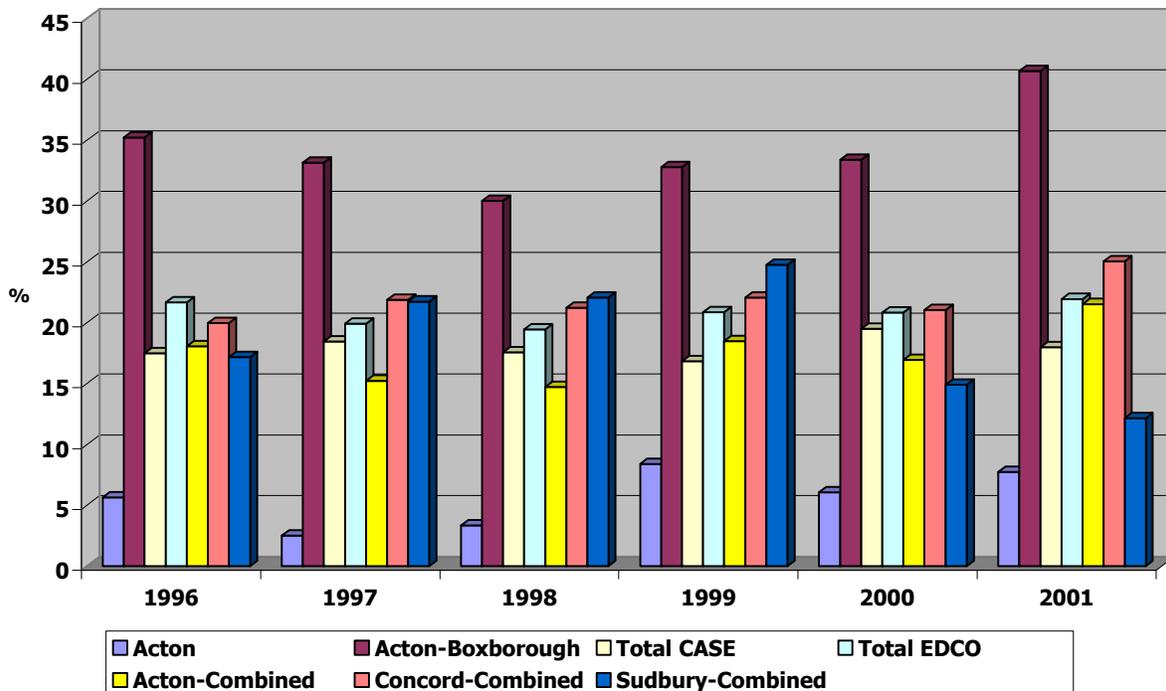
When Task Force members met with Nancy Kolb, Director of Pupil Services for APS and A-B, she provided the following explanation. “By 1999, the districts had “hit the wall” in terms of the types of programs that could be created in-house, and the students who remained in out-of-district placements were primarily those whose needs were so intense that they could not be brought back in-district. The sharp increase shown on this chart (Figure 13) for FY99 through FY01, demonstrates the combined double-impact of both steadily increasing enrollment, and finally needing to increase the number of students being sent out-of-district.”



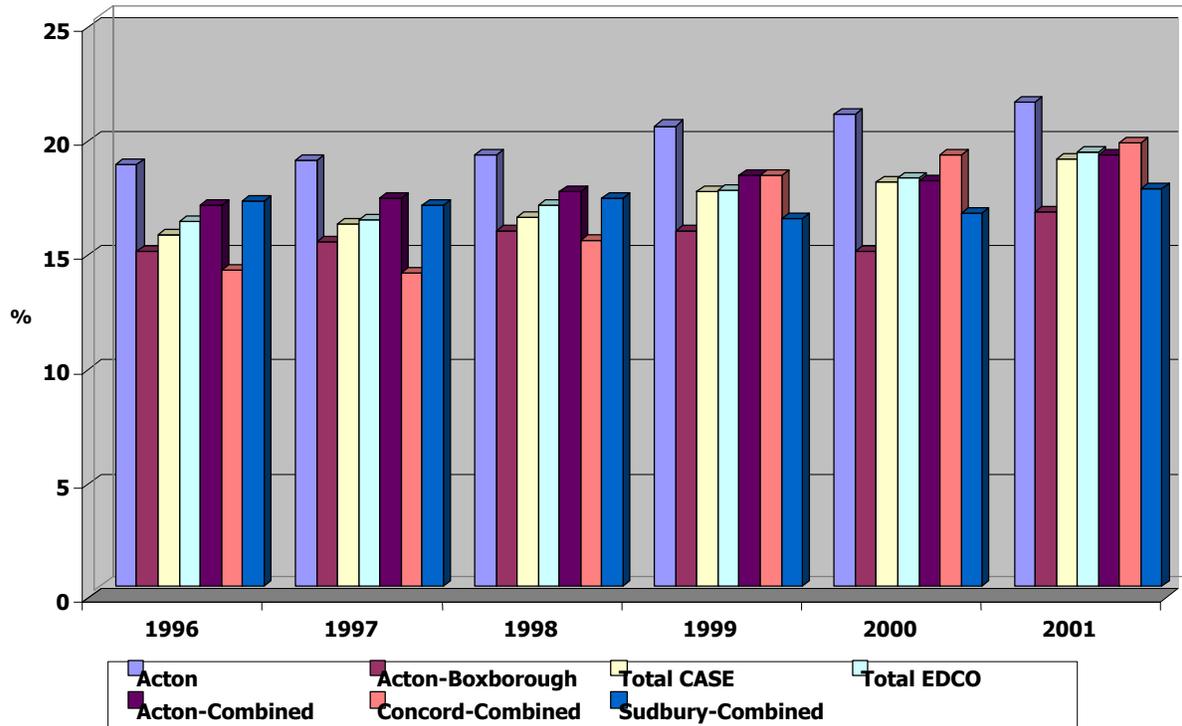
## Out-of-district Expenditures as a Percent of Total SPED for Select Districts, and Combined SPED Expenditures as a Percent of School Budget for Select Districts, 1996-2001

Figure 13 and Figure 14 reinforce the above theory that there was some policy change or regulation change that caused many more students to be placed out-of-district. The change seems to have happened in FY '99 or maybe a year earlier and started manifesting itself in FY '00 and FY '01 expenditures. All districts with the exception of Sudbury-Combined show a steady increase in OOD expenditures as a percent of SPED expenditures. Most troubling are A-B's numbers for FY '01 (51 percent of SPED costs are OOD, for a student count of 40 on October 1). The charts also show a steady rise in the overall SPED expenditures for APS throughout this period. When reviewing Figure 14 below, it is worth noting that Concord-Carlisle and Lincoln-Sudbury each have a much higher per-pupil budget for regular education, so whereas costs for special education are driven largely by the costs of out-of-district placements (which are set outside the local community's control), special education is then a larger portion of the smaller (APS and A-B) per-pupil budget.

**Figure 13**  
**Out of District Expenditures as a % of Total SPED**  
 (Does not Include Expenditures for Collaborative Placements)



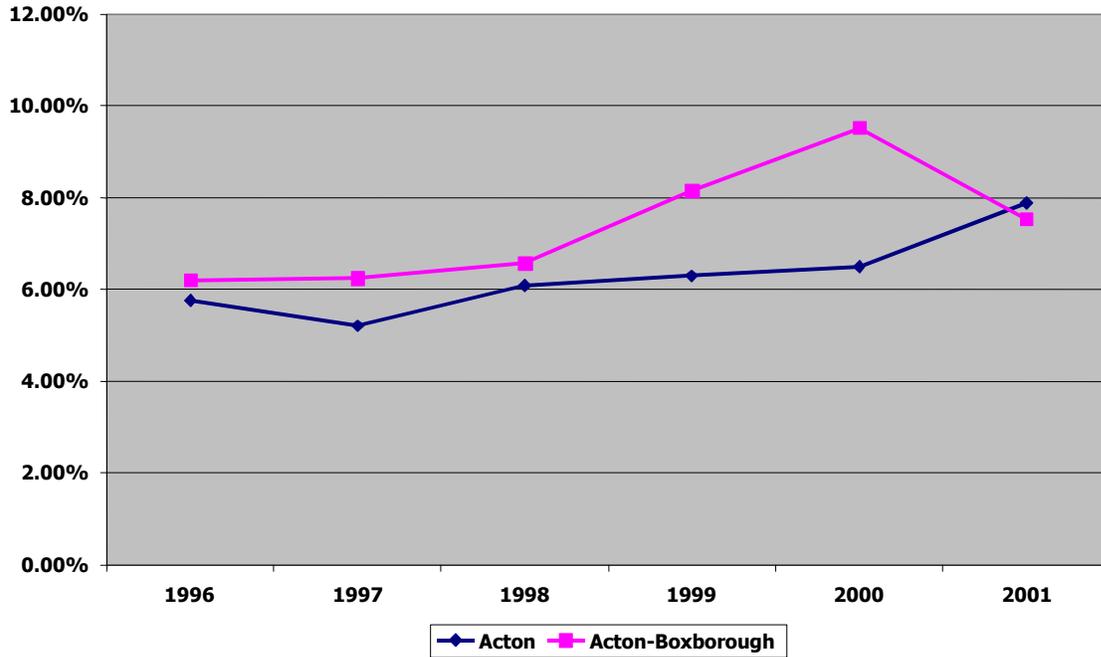
**Figure 14**  
**Combined SPED Expenditures as a % of School Budget**



**IDEA Funding as a Percent of SPED Expenditures 1996-2001**

Federal funding provided by the Individuals with Disabilities in Education Act (IDEA) comes to school districts through entitlement grants, which each district must apply for and provide detailed paperwork. For Acton Public Schools, IDEA funding provides approximately 6 percent of the SPED expenses, on average. In FY01 IDEA funding jumped to 8 percent due to a change in how IDEA funding was being distributed, so that rather than awarding IDEA funding on the basis of SPED enrollment (which might have provided an incentive to increase numbers of identified SPED students), grants were awarded on the basis of total student population, with some consideration for more financially challenged districts. IDEA funding for the region climbed from 6.2 percent of SPED expenditures in FY '96 to 9.5 percent in FY '00, then dropped to 7.5 percent in FY '01.

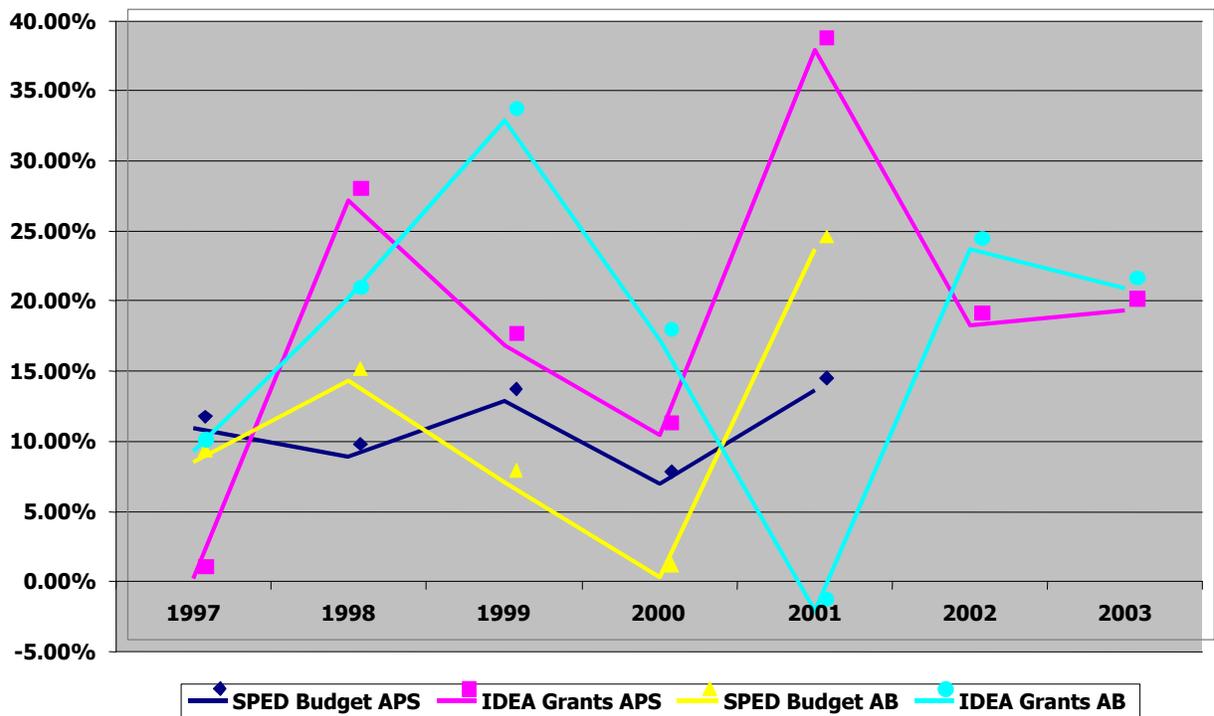
**Figure 15**  
**IDEA Funding as a % of SPED Expenditures**



### **Percent Growth in SPED Budget versus IDEA Grants – APS and AB**

Figure 16 demonstrates the growth in budgets for special education for Acton Public Schools and Acton-Boxborough Regional School District, and shows how the funding from IDEA grants has not kept pace with the increased growth.

**Figure 16**  
**% Growth: SPED Budget vs. IDEA Grants -- APS and AB**



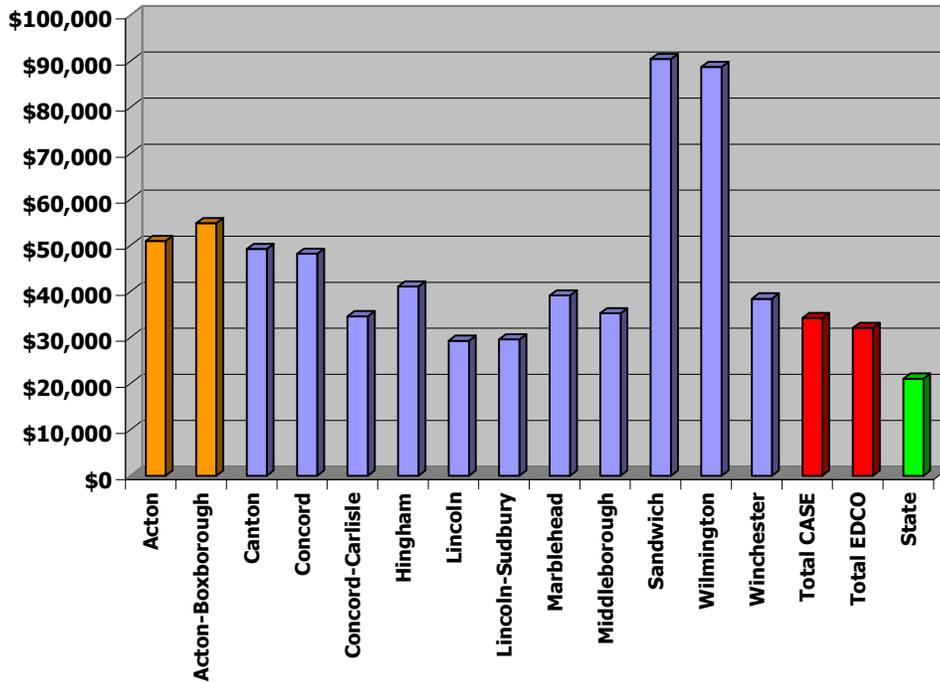
## Per Pupil Expenditures

Figures 17 through 20 provide information about the costs associated with special education on a per pupil basis. Group I refers to the group of towns identified earlier for comparison purposes, while Group II (described in greater detail in Section III) refers to some towns who spend less of their budgets on special education costs than the State average, and less than Acton and Acton-Boxborough.

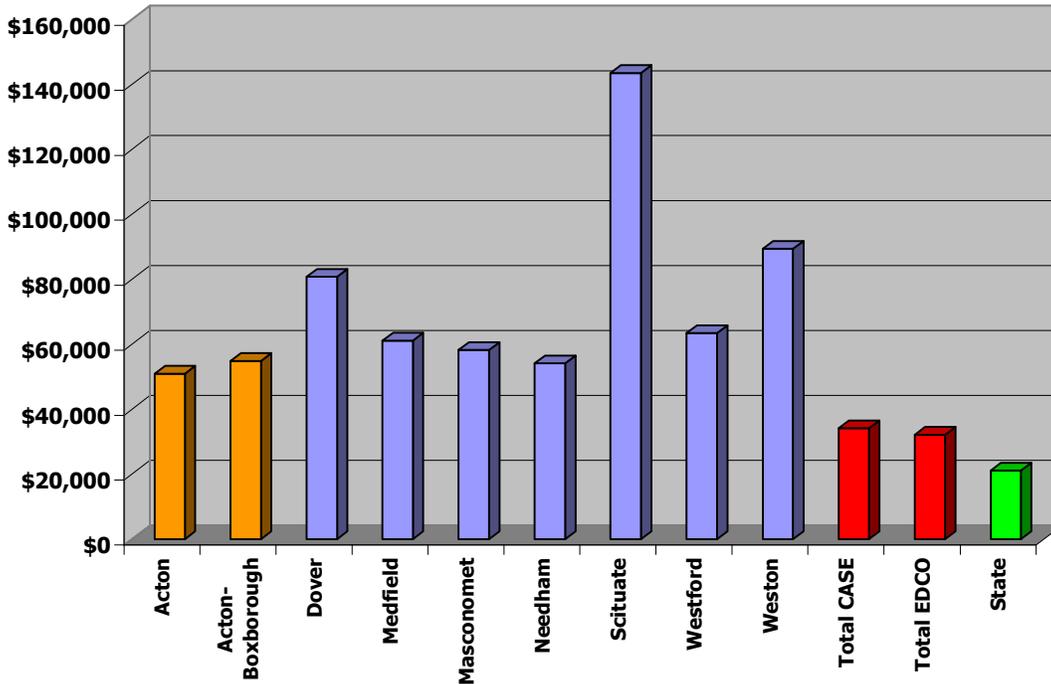
Figures 17 and 18 highlight the issues related to per pupil private and residential costs at the upper grade levels. Figure 17 shows that for FY '01 the costs for A-B are dramatically higher (54+%) than comparable costs for CASE districts, and show even greater disparities relative to EDCO districts, as well as the State average (which is less than 40% of that for A-B).

Figures 19 and 20 display comparisons of FY '01 costs per SPED student for Groups I and II, respectively, wherein APS, though slightly below average for CASE districts, is considerably higher than EDCO and State averages. This data analysis includes collaborative expenditures as part of Out-of-district expenses.

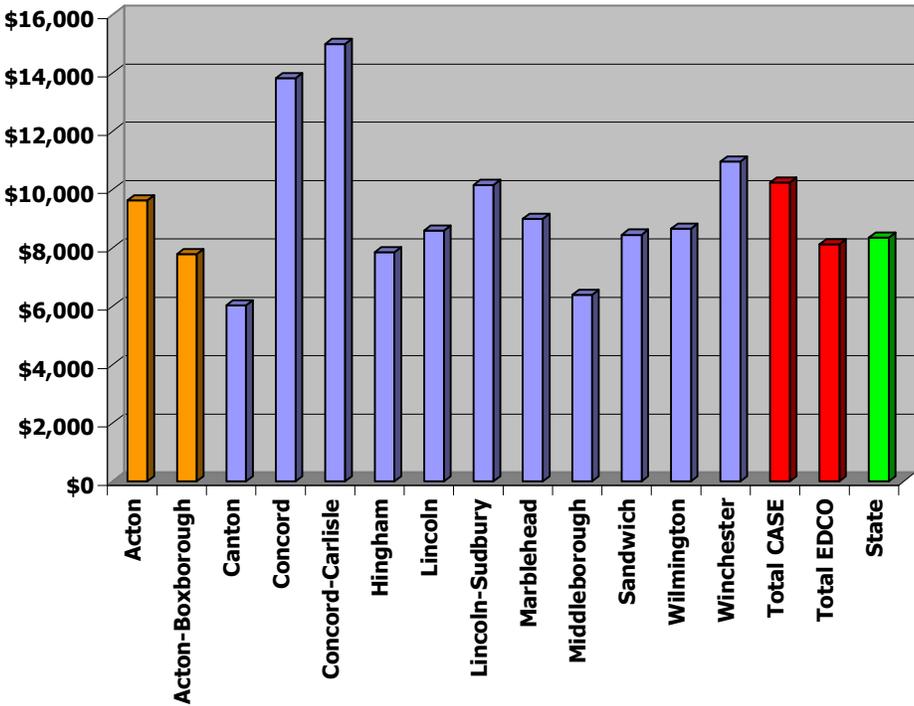
**Figure 17**  
**Group I: FY01 Average Cost per Private/Residential Student**  
 (Does not Include Expenditures on Collaborative Placements)



**Figure 18**  
**Group II: FY01 Average Cost per Private/Residential Student**  
 (Does not Include Expenditures on Collaborative Placements)



**Figure 19**  
**Group I: FY01 Cost per SPED Student**



**Figure 20**  
**Group II: FY01 Cost per SPED Student**

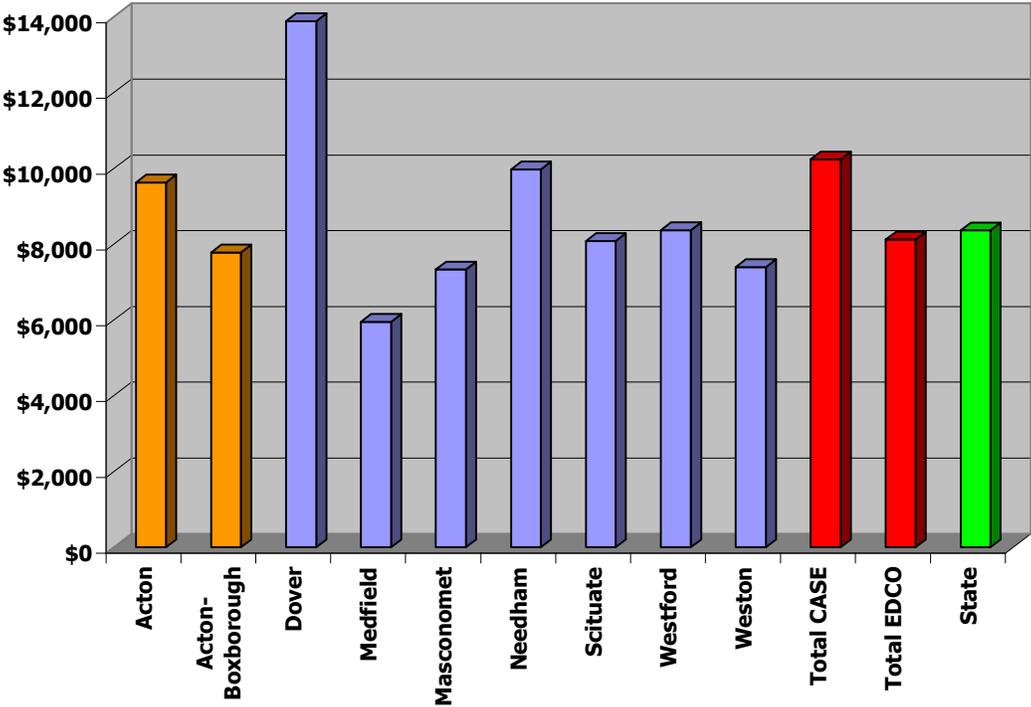
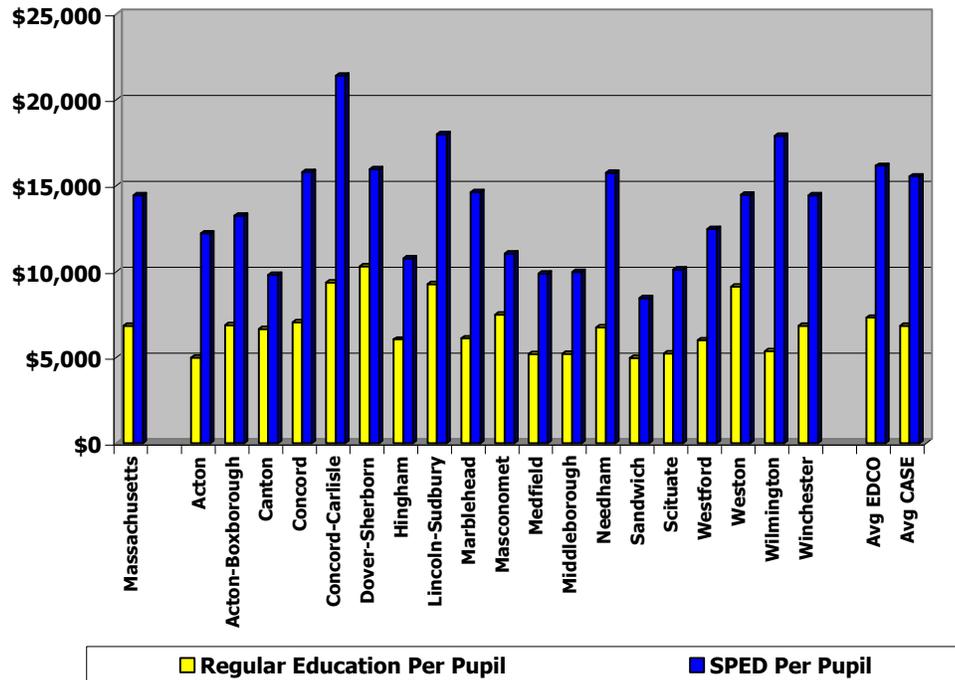


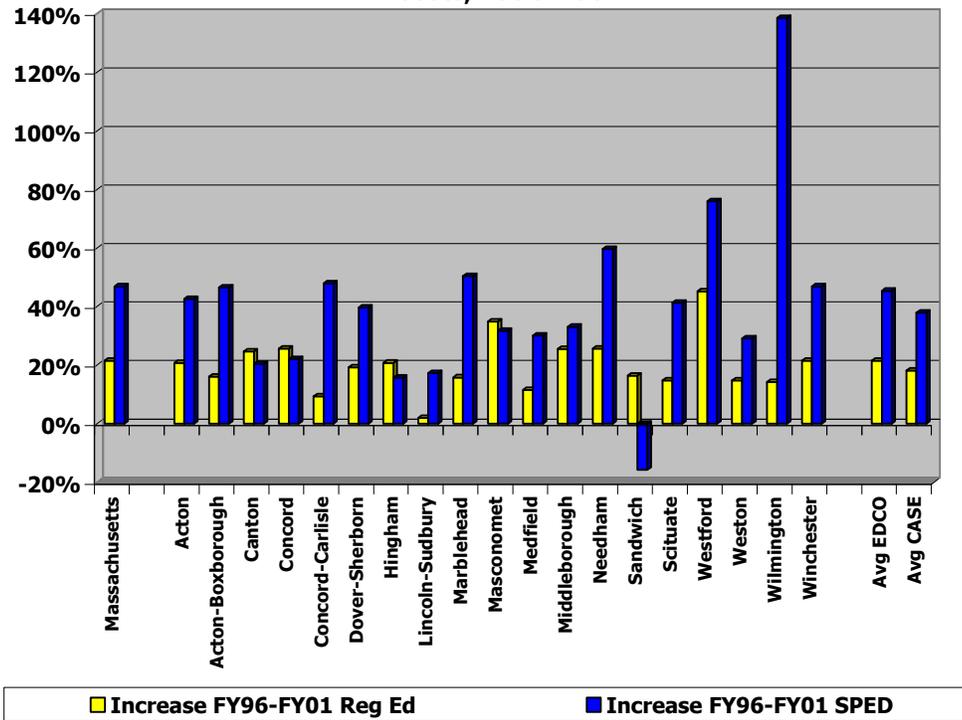
Figure 21 compares per pupil costs for regular education and special education for the fiscal year ending June 30, 2001, while Figure 22 compares the percentage growth in regular education with growth in special education per pupil costs over the time period 1996 through 2001.

The results displayed in both Figures was computed based on data obtained from the Massachusetts DOE related to both budget expenses, as well as SPED enrollment data from December 1, 2000. We would have liked to examine the average costs for a SPED student across multiple years, however while the Task Force did have access to this data for Acton and Acton-Boxborough, comparable data for the districts in our peer group was not available from the DOE.

**Figure 21**  
**Comparison of FY01 Regular Education Costs vs. Special Education Costs**



**Figure 22**  
**Comparison of Increase in Regular Education versus Special Education**  
**Costs, 1996-2001**

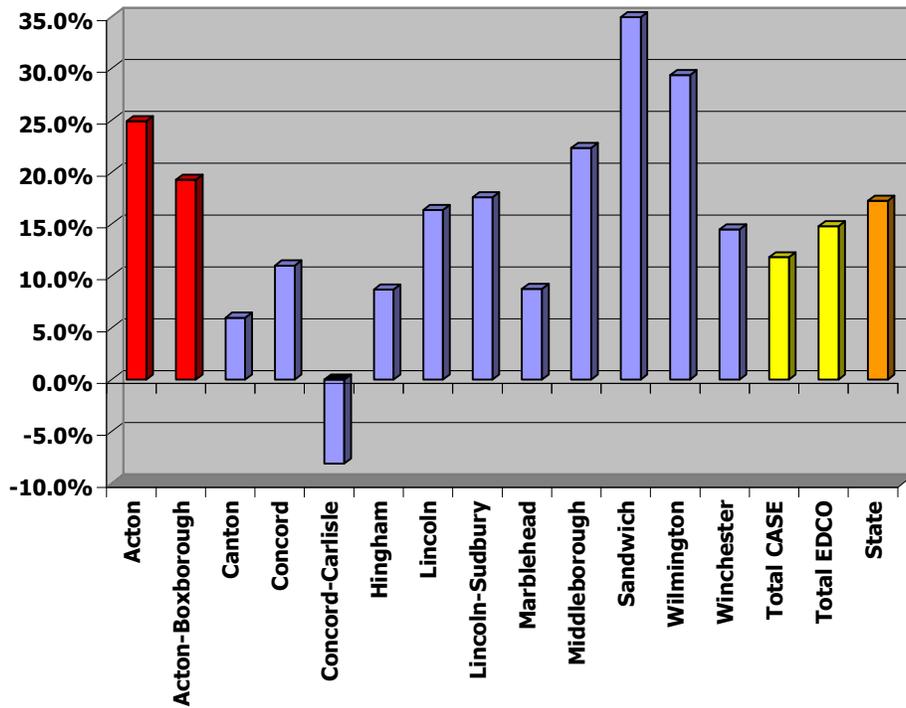


## Staffing for Special Education

### Total FTE Increase from 1996 to 2000 for Peer Group

Here, too, both APS and A-B are well above the State and CASE/EDCO peer groups. APS' FTEs increased close to 25 percent from FY96 to FY00, while the State average was at 17 percent, and the CASE peer group at 12 percent. It is hard to assess the cause for this without comparing this with the student population numbers. It is important to note that SPED programs for younger children typically require a lower ratio of FTEs to students than programs for older kids. It is also interesting to note that while A-B and L-S showed similar FTE increases, Concord-Carlisle actually showed a decrease in FTEs during this five-year period.

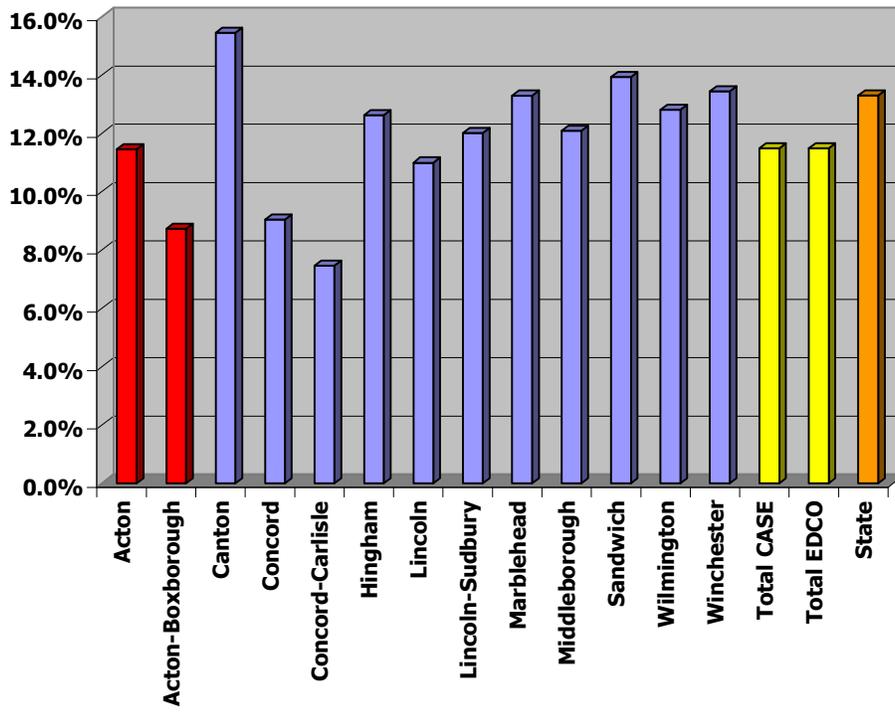
**Figure 23**  
**Total FTE Increase from 1996 to 2000**



**Average SPED FTEs as Percent of Instruction FTEs (1996-2000)**

Figure 24 demonstrates an interesting fact. It appears that both APS and A-B provide SPED instructional services with as many or fewer than the number of FTEs in comparable communities. A-B is strikingly lower than the peer group, which begs the question as to whether or not A-B should increase SPED staff in-district in order to lower OOD costs.

**Figure 24**  
**Average SPED FTEs as % of Instruction FTEs (1996-2000)**



## Transportation Costs for SPED Students

The Task Force also gathered data comparing SPED transportation costs among Group I towns, as identified above. The table below analyzes comparative statistical data, followed by a brief interpretation of our findings.

	Transportation as % of total Sped		Transportation as a % of SPED spending, sample group			Transportation as % of total Education spending sample		
	% of total Sped	% of total Spending	Median of Sample	Average of Sample	Standard Deviation	Median of Sample	Average of Sample	Standard Deviation
<b>002 ACTON</b>								
1996	8.094%	1.628%	8.094%	8.709%	3.935%	1.414%	1.442%	0.685%
1997	7.509%	1.511%	8.423%	8.444%	3.540%	1.470%	1.467%	0.703%
1998	8.600%	1.775%	7.621%	7.859%	3.310%	1.339%	1.381%	0.635%
1999	5.863%	1.255%	7.181%	7.704%	3.319%	1.412%	1.408%	0.679%
2000	6.358%	1.402%	7.421%	7.444%	2.831%	1.402%	1.373%	0.581%
2001	5.155%	1.152%	7.334%	7.292%	3.036%	1.420%	1.435%	0.641%
Six year average	6.930%	1.454%	7.679%	7.909%	3.329%	1.410%	1.418%	0.654%
<b>600 ACTON BOXBOROUGH</b>								
1996	14.962%	2.583%	8.094%	8.709%	3.935%	1.414%	1.442%	0.685%
1997	12.474%	2.150%	8.423%	8.444%	3.540%	1.470%	1.467%	0.703%
1998	11.735%	2.064%	7.621%	7.859%	3.310%	1.339%	1.381%	0.635%
1999	8.060%	1.365%	7.181%	7.704%	3.319%	1.412%	1.408%	0.679%
2000	9.515%	1.541%	7.421%	7.444%	2.831%	1.402%	1.373%	0.581%
2001	8.398%	1.504%	7.334%	7.292%	3.036%	1.420%	1.435%	0.641%
Six year average	10.857%	1.868%	7.679%	7.909%	3.329%	1.410%	1.418%	0.654%

As discussed earlier, transportation services are provided if the IEP indicates that they are needed. There are many factors that influence SPED transportation spending and it is a subject worth deeper investigation. These include but are not limited to:

- ? The number of students transported for a given program in a give fiscal year
- ? The number of miles driven in a given year
- ? The offset in the CASE accounting formula for transportation
- ? Assets used for transportation – i.e., if there is cost or asset sharing with regular education transportation.

We did not analyze the data for all school districts in the Commonwealth, rather we limited our study to so-called Group I districts. The same comparative districts were used for both APS and A-B that provided us the largest relative grouping. A complete list of districts and their relative spending is included as Appendix G.

We chose to look at statistical norms as a percentage of both total SPED spending, including transportation and total reported education spending. This enabled us to determine broadly if our comparative costs are within the norm, given the above limitations. Because we did not collect the number of total students transported for each comparative system, we cannot make a per pupil study. It is our belief, that a detailed comparative transportation study should be conducted, either by staff or this Task Force. Given the data above, it is particularly salient for A-B.

We compared our transportation costs both as a percentage of special education costs and as a percentage of total education cost. Within the peer group, transportation spending at APS appeared to be in line.

However, at A-B the costs are far higher than that of our peer group. As you can see, A-B is spending statistically far more than our peer group as a percentage of SPED spending, and as a percentage of total education spending. Also, A-B spending is well outside of the norm.

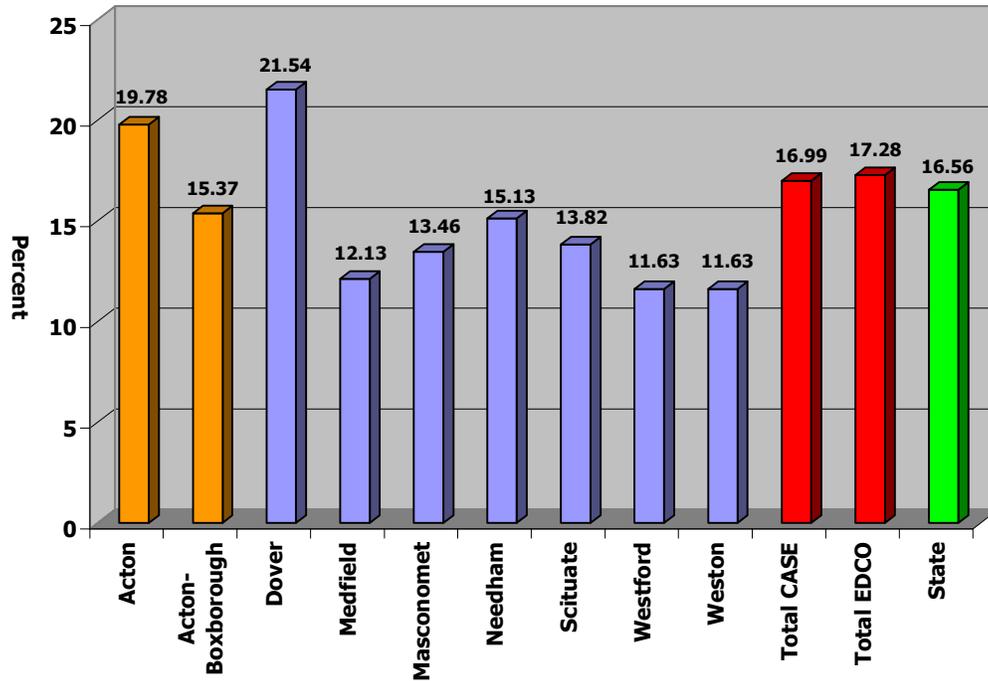
If you consider the six year average (which should smooth out any annual fluctuations), A-B spent 10.9% of its total SPED budget for transportation. When we look at the peer group, we find that they spent a median (the mid point of the data set) of 7.7% of their SPED budget on transportation, and an average of 7.9%. The sample had a standard deviation of 3.329%. The standard deviation should set the limit where 90% of the data points should fall either side of the median. A-B is at the high end of the range.

## **Section III: Common Practices Which Reduce Spending For Special Education**

Faced with the financial challenges of special education that have been described in the previous two sections, school districts have chosen a variety of ways to control costs (especially to lower out-of-district costs) and to curb enrollment. Our Task Force decided conducted interviews with a number of other districts whose SPED budget consumed a smaller percentage of the total school budget than in our districts, and to look at ways in which Acton and Acton-Boxborough have controlled costs over the last ten years. Special education directors interviewed attributed their cost efficiencies to a number of strategies, which are outlined below. While some of the strategies are employed to one degree or another within our districts, the emphasis placed on these strategies in the other districts seems somewhat unique. Task Force members hope that these findings may be instrumental in guiding further efforts by APS and A-B to curb costs.

We interviewed special education directors (by telephone and e-mail) between May and August 2003 from the following districts: Needham, Weston, Medfield, Dover, Scituate, Westford and Masconomet Regional. Most of these school systems had average SPED expenditures from 1996-2001 that ranged from 23 to 41% less than those of APS, and from 4% higher to 24% lower than A-B's, as illustrated in Figure 25. In addition, we spent time reviewing these topics with Nancy Kolb, Director of Pupil Services for Acton and Acton-Boxborough, and asked her to comment on whether these practices were implemented within our districts.

**Figure 25**  
**Group II: SPED Expenditures as % of Total Budget**  
**Average FY96-FY01**



Following are five common practices to which these districts ascribe their relative successes:

- 1) Unwavering, top-down commitment to educate all of their respective kids locally.
- 2) Intensive regular education services are provided at an early age, including tutoring.
- 3) Lean central special education administration lowers direct costs and improves communication with parents.
- 4) Respectful and cooperative working relationship with and between special education and regular education teachers.
- 5) Collaborative, non-adversarial relationship with parents.

## **1) Unwavering, top-down commitment to educate all of their kids locally**

Many of the communities surveyed expressed the strong belief that “The kids are part of this community, they belong here and their best education is here.” These districts operate on the philosophy that “They’re our kids and we should educate them.” They will “try everything humanly possible” to keep kids from being placed out of district.

Some school districts, such as Westford, made up their minds long ago, to distinguish between children who are handicapped and those who are curriculum failures. The commonly held prognosis that if a child is struggling, there must be something wrong with the child is not assumed here. If learning issues are detected early on, intensive support services are provided first, and then if the problem still exists, consideration is made concerning processing issues.

If regular education and internal services are insufficient to meet the child’s needs, then they are placed in OOD, most often with a known, local/regional collaborative where the explicit plan is to have them return to their local school system. Some private schools are more inclined to return children to their local communities than others.

Other systems, such as Tewksbury, are hiring teachers certified in intensive special needs, both physical and emotional, so that children previously placed out of district are able to return to their local schools, saving the system considerable dollars for both tuition and transportation costs.

Some systems, such as Dover-Sherborn, employ an out of district coordinator whose responsibilities include monitoring private schools and collaboratives, to assure they are being responsive and accountable. This person acts as a “bird dog,” and reviews transportation invoices to verify the number of trips the system is billed are accurate. This person also will sometimes question the number of days billed as, for example, an IEP may call for services 365 days per year, yet in reality, the family may not be accessing all those days of service, due to holidays and family vacations.

In general, systems such as these believe firmly that: “The kids belong here. They can get better programs locally than if we contract outside.”

Nancy Kolb commented, “This is similar to what Acton and Acton-Boxborough practice as well. This philosophy is not only fiscally sound but is what is best for kids. Students receive the most comprehensive education when they are in their home schools. This is the first slide in all training that I do with our staff, parents, Town Boards, community and state agencies. I sent to you detail of all the new programs we have started in order to keep kids in district.”

## **2) Intensive regular education services are provided at an early age, including tutoring.**

School systems such as Weston, Needham and Medfield spend substantial resources to keep their kids inside their systems. Some districts hire certified and SPED certified tutors to work one on one with children with special needs, as well as interns and college students to provide such services. If children meet with success given these solutions, parents are satisfied, less confrontational and therefore less likely to pursue an outside placement.

Intensive, direct services at an early age, including programs such as Reading Recovery and employing math tutors, reading facilitators and classroom assistants, is a tactic some of these systems use in an effort to detect and resolve learning disabilities prior to special education intervention. As noted in *The Boston Globe*<sup>1</sup>,

Some of the most compelling research links investments in early education with direct decreases in expenses associated with remedial and special education. The Chicago Child-Parent Centers Program has demonstrated that children required special education 41 percent less often than those who did not participate. A cost-benefit analysis of the Chicago program revealed that the school system saved nearly \$5,000 per child through reduced educational services (special education and grade retention).

Nancy Kolb stated, "At present APS has excellent pre-school special education interventions that enable some pre-schoolers to return to regular education or to require a significantly reduced need for SPED services in the elementary grades. Some students who would have been identified in Kindergarten are now identified at Early Intervention and/or by APS at age 3 or 4. Our special educator, Carol Huebner, who is the Early Childhood Coordinator, works with area preschools to improve their practices and services to preschool children in Acton. Carol has managed many pre-school grants and is a regular member of the Acton/Boxborough Early Childhood Council."

Nancy went on to say that "regular education intervention varies somewhat from school to school. All districts have regular education reading services; some have math support. Regular education assistants provide services to young students. In addition Acton recruits student teachers not only for regular education but also for special education, (speech/language, counseling, special educators).

If Acton's budgets allowed for this, there would be clear support for more regular education initiatives and services for young children. It is Acton's position

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<sup>1</sup> Mara Aspinall and Kathleen Kelley, "A Sound Investment in Early Education," *The Boston Globe*, January 15, 2003, p. A19.

that there is no question that investment in early educational intervention decreases special education costs down the road.”

### **3) Lean central special education administration lowers direct costs and improves communication with parents.**

In Medfield, a system approximately 60% the size of Acton and Acton-Boxborough Regional, central office staffing for special education consists of one SPED Director, plus a full-time secretary and one 20 hour per week person who writes all the IEPs handle the needs of the system. Being lean administratively streamlines decision-making, in that they “know every child.” The administration of SPED in Medfield is school-based, so there are no chairpersons. Principals chair team meetings, and a half time person at each school is an inclusion coordinator who handles the most challenging kids (those who typically would be placed out of district) and works closely with parents who are the most demanding.

At Masconomet, one SPED Director and one full-time person who oversee the middle school programs, service 2,000 students. Every SPED teacher (fifteen) has a caseload, chairs meetings and supervises one or two of the 25-30 tutors the system employs. Additionally, one person handles all testing and three secretaries handle **all** paperwork, so that teachers and tutors work with kids, almost exclusively, so that many good people are attracted there, knowing they won’t be burdened with unappealing, non-teaching chores. Teachers fill out a series of templates specifying the contents of IEPs, which are then e-mailed to secretaries who finalize state and federally mandated reports.

Data collected from Nancy Kolb shows the following central office staff for our districts:

APS:

Early Childhood Coordinator (0.2 FTE)

*This position is mostly a special educator position*

Special Education Coordinator (1.0 FTE)

*This includes non-SPED supervision of ESL staff and programs*

AB:

Special Education Coordinator (1.0 FTE)

*This includes non-SPED supervision of Academic Support Centers, Reading, ESL staff and programs*

System-wide (both districts):

Director of Pupil Services (0.7 FTE)

*Average of 0.7 FTE per week is spent on special education*

Nancy further noted, “In our districts, the central administration staff insures that we are adhering to regulatory requirements, which are increasingly complex, and ever changing. The population of Acton and Boxborough is very

well educated in terms of special education regulations and would not tolerate a school system that was lax in this regard.”

In addition, Nancy Kolb explained that Acton’s administrative structure of a K-6 and 7-12 Special Education Coordinator allows for a system-wide perspective (as opposed to building-based) on developing programs and unusual accommodations and alternative program formats for difficult students. “There are times when a building (individual school or program) has expended its patience and knowledge, and a system-wide perspective allows us to continue to serve the student. In addition a central administrator may advocate starting a program when a building may not identify the need or wish to house the program.”

In Acton, Nancy further explained that this model provides direct support to both special education and regular education teachers who work with challenging students and their parents. Staff continually voices the benefits of having supervisors who can step into the trenches and provide strategies and support. This includes dealing effectively with parents who may be angry, afraid, frustrated and worried about their son/daughter’s disabilities. A national study has targeted the increase in litigation and accompanying worries for special education staff. This is one of our districts highest priorities, for staff to feel safe and supported.

Nancy also commented on other concerns that our staff experience. She says: “Another concern for special education staff is required paperwork. Acton trains all staff on how to write IEPs that are legally correct with understandable terms and language. We provide templates and sample IEPs in order to assist staff. All new staff are closely monitored and supported with paperwork requirements. IEPs are now web-based, allowing staff to draft them at home and/or at school. Special Education secretaries finalize all IEPs and send them to parents with required federal and state paperwork, which reduces the load on specialists and building staff.

In Acton, Special Education administration is part of the Pupil Services department. Pupil Services also includes regular education services, ESL, Reading, Academic Support, Nursing, and Counseling. The strong central support and resulting communication across the disciplines and among districts and age levels provide the most efficient and effective way to support students, offer professional development and share resources. For example, when special education students were identified with deficiencies in phonemic awareness the Coordinator of Special Education arranged for professional development for Kindergarten teachers in this area. She also revised the Kindergarten Screening instrument to target this skill and had speech and language specialists follow up with students identified at risk on screening by providing services in the Kindergartens and modeling teaching for classroom teachers. Other examples are the “Good Grief” training for all A-B and APS Pupil Services staff that was

offered through an APS grant. Training on diverse learning styles geared for helping all teachers increase their strategies for reaching all students will be offered for all staff funded by an AB grant. “

#### **4) Respectful and cooperative working relationship with regular education teachers**

The modus operandi in many of these systems is not “us versus them,” but instead, how do we together provide the best services for the child? In Dover, the challenge is, “How do we become a welcoming community for kids with educational diversity?” There they seek to improve their social skills curriculum and help staff become comfortable dealing with severely handicapped children. Diversity training so regular education teachers can understand better how to teach and deal with kids who have special circumstances. System-wide professional development diversity training is geared towards helping all teachers understand how to teach and deal with diverse learners.

At Masconomet Regional, another key to keeping costs down is exhibiting flexibility and creativity to create and adapt programs internally to suit the needs of an ever-changing student population. This requires both special education and regular education teachers who are willing to take on challenges in the mainstream. This resulted in having no new students placed out of district the past two years, and this year, bringing seven students who were OOD back into local schools, resulting in savings of approximately \$250,000.

In Medfield, the SPED Department is respected and embraced in classrooms at the high school. SPED is “highly-valued and lives the philosophy of inclusion” and they work closely with regular education staff.

Nancy Kolb commented, “Acton’s philosophy is that regular education is the scaffolding upon which special education hangs. This is reinforced in every presentation that the department delivers. In recent years many students with intense special needs have been educated in-district. This has been a tremendous challenge for regular education teachers. It is a compliment to our regular educators that they have been willing to learn how to teach and support students with intense special needs. Regular education teachers participate in numerous conferences, trainings, and consultations throughout the school year at all levels. Regular education teachers value special education staffs’ expertise and visa versa. The list of innovative programs in our districts is extensive. These programs are a testament to the collaboration and expertise of our regular and special education staff.”

## 5) Collaborative, non-adversarial relationship with parents

If parents are confident that the school system is making best efforts to educate their children who have special needs, they are less likely to seek their own out of district solutions. Michael Kistler, SPED Director at Masconomet Regional, states:

“The key [to keeping out of district costs down] is to have a strong, working relationship with parents. You must have parental support and a collaborative relationship, based on trust, where credibility within the community is built over time. Parents are more likely to support in-district services if you explain what you’re doing and show results.”

In Medfield, they pride themselves on having great communication with staff and parents, relying heavily on constant e-mails. Principals chair team meetings so everyone is knowledgeable and involved. They utilize a school-based approach, so there are no chairpersons; each school has a one-half time person who is an inclusion coordinator for the most challenging kids who typically would be placed OOD. Inclusion coordinators work with parents who are most demanding. Additionally, they employ one full-time secretary, and one 20-hour per week person who processes all IEPs for the system. Teachers write their own goals and submit reports.

In Weston, as the SPED director expressed, “part of the problem of being in a small district is we can’t run some programs in-district,” however they devote substantial resources to keeping kids in-district. They hire (90%) certified regular ed and certified SPED teachers to tutor and work with kids one on one, paying a 5-step scale ranging from \$16.80 to \$20.75 per hour, plus health insurance and 5 sick days. If kids meet with success in this type of arrangement, parents generally are satisfied and go along with the SPED Department’s recommendations. They provide one on one tutoring for kids with PDD and autism, as well, and also use college students as interns, in some situations.

Nancy Kolb explained that the Pupil Services staff in Acton, in particular, the chairpersons and coordinators, is highly skilled at building collaborative relationships with parents, students and staff. Just recently, she asked all staff to read an article published by MaryAnn Byrnes in the March 2003 issue of *School Administrator*. In her article, the author states

*“Expect to hear some parents are unhappy about decisions made by your special education administrator...sometimes parents of children with disabilities are not happy with the services offered. They may be angry their child has a disability and want someone to fix that problem now, no matter what the cost....your special education administrator can keep most parents happy most of the time by managing a system that is predictable, consistent and in adherence with the law. This may mean saying “no” sometimes.”*

Nancy reiterated that Acton continues to provide yearly trainings (Good Grief, Dealing with Difficult People) to enhance these skills. In addition, when sensitive situations arise the chairs/coordinators step in to chair meetings and manage the case. Parent Questionnaires are included with every re-evaluation and evaluation meeting. Overwhelmingly, parents report to us that they feel included in the process and understand the reports. They comment on how professional, knowledgeable and caring our staff is.

## **What Types of Strategies Do Acton and Acton-Boxborough Implement?**

Acton Public School and Acton-Boxborough Regional School District have addressed increasing costs for special education by creating programs in-district to help slow the cost increases associated with SPED. For example, in FY '03, APS implemented a PDD/Autistic Program for pre-schoolers which saved the system approximately \$140,000 in that year alone. The Integrated Pre-school accommodates annually an average of 20-25 children who might otherwise require OOD placements. At A-B, innovative programs such as the Supported Career Education program, Merriam Alternative Program, School to Work Program and Language Learning Program provide services locally for over 25 students who would otherwise likely be placed OOD. The long-running Occupational Development Program, begun in the late 1970s supports local students, plus generates some \$120,000 in revenue annually by accepting children from other towns, which helps defray staff salaries.

Acton and Acton-Boxborough have not invested as much as other districts in strengthening regular education supports. For example, reading specialists were eliminated from the school district in 1994 and were not reinstated until 1999, since when they have been strongly supported. However, classroom assistants and other regular education supports have been backed in varying degrees. The special education department has made it a priority for the last several years to improve the relationship between the special educators and the regular education teachers, and has offered professional development opportunities to work with classroom teachers on strengthening the curriculum templates and supporting the work in the classroom. Special educators value the role of parents in deciding the placement of their children. Much work in recent years has focused on improving communication with parents about the IEP process through a series of annual workshops and on transitions between programs (e.g., preschool to elementary school, elementary school to the junior high, junior high to high school, high school to beyond). A Special Education Parent Advisory Council (SPED-PAC) meets regularly with special education administrators to plan programs and address areas for improvement.

## Section IV: Closing Thoughts and Continuing Efforts

It is clear that Acton and Acton-Boxborough, like many of our neighboring communities, has struggled to contain sharply rising costs for special education services. Nancy Kolb, in concluding her remarks during our interview, pointed to the laudatory comments given to the districts during the 1999 Coordinated Program Review by the Massachusetts Department of Education team. The review commended the districts for the way in which all staff collaborated to meet the needs of our special education students (“Students are viewed as not ‘mine’ or ‘yours,’ but ‘ours.’”), and complimented the districts on their ability to “proactively” and “creatively” develop programs.

The members of the Task Force hope that the information provided in this report will serve as a series of questions for the administration in continuing to provide for these students in the most cost-effective way possible.

Members of the Task Force were particularly struck by a recent article from *The New York Times*,<sup>2</sup> which described the efforts of many other communities to contain special education costs:

*As the number of students and the cost of their educations increase, school districts in the state (NJ) - many of which had their requests for budget increases voted down last spring - are finding that they can no longer pay for special education despite the 1975 federal law, the Individuals With Disabilities Education Act, that guarantees a "free and appropriate public education" for all disabled students.*

*As a result, school boards and administrators - along with parents whose children are not classified - are increasingly raising a once-taboo subject: saving money in special education by saying no to parents who demand a private placement and offering them special in-house programs like classrooms for students with autism and emotional disabilities. In some cases, administrators are even asking parents to bring their children back from private placements to save districts hundreds of thousands of dollars in tuition and transportation costs.*

What the Task Force does next is up to the Acton Public and the Acton-Boxborough Regional School Committees. If the School Committees choose to continue the work of the SPED Financial Task Force, we may be able to: 1) collect further comparative analysis of SPED transportation data, 2) conduct additional interviews with other school districts in the Commonwealth as well as in different parts of the nation in order to identify other exemplary practices, and 3) pursue other topics

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<sup>2</sup> See Debra Nussbaum, “Reining in Special Education,” *The New York Times*, August 31, 2003.

which the School Committees find relevant in their attempts to control expenses related to special education.