September 2, 2014

TO: Collaborative Executive Directors  
FROM: Christine M. Lynch  
SUBJECT: Collaborative FY14 Annual Report Guidance

Chapter 40, Section 4E of the Massachusetts General Laws requires that each education collaborative submit an Annual Report to the Commissioner of Elementary and Secondary Education (herein, “the Commissioner”), to each member school committee and to each member charter school board. The Annual Report must report on the previous fiscal year\(^1\) and be approved by the Collaborative Board of Directors and submitted on or before January 1.

Regulations on Educational Collaboratives further require that the format and content of the Annual Report shall be presented in accordance with guidelines established by the Department of Elementary and Secondary Education (herein, “the Department”). This Guidance is issued to provide direction on the format, content and submission of Annual Reports.

Although many collaboratives have routinely prepared and publicized an annual summary of their programs and services, collaboratives must now prepare and submit an Annual Report in accordance with the referenced law and regulation and this Guidance.

The Annual Report should be a comprehensive summary of the programs and services offered by the collaborative over the last fiscal year. The Annual Report will allow member school committees and charter school boards, the collaborative board of directors and the Department to review the collaborative’s progress toward meeting the objectives and purpose(s) set forth in the collaborative agreement. Finally, the Annual Report will provide all interested parties with information about the programs and services offered by the collaborative.

At a minimum, the Annual Report must contain the following information:

- Information on the programs and services provided by the collaborative;
- Discussion of the cost-effectiveness of such programs and services;
- Discussion of the progress made toward achieving the objectives and purpose(s) set forth in the collaborative agreement; and
- Audited financial statements and the independent auditor’s report.\(^2\)

\(^1\) For example, the report submitted on or before January 1, 2015 should describe the fiscal year beginning on July 1, 2013 and ending on June 30, 2014, and the academic year that falls within that same timeframe.

\(^2\) M.G.L. c. 40, § 4E and 603 CMR 50.08(2) require an educational collaborative to submit an annual independent audit report to the collaborative board of directors for discussion and approval. Upon approval by the collaborative board of directors and no later than January 1 of each year, the annual independent audit report for the preceding fiscal year must be submitted to the chair of each member district, the Commissioner of Elementary and Secondary Education and the State Auditor. In addition, the collaborative must make the audit report available on its website.
Additional information may be included to further articulate the purpose(s) and objectives of the collaborative.

This Guidance outlines the information needed to ensure that Annual Reports meet all requirements of law and regulation. Guidance is presented under the following seven categories. Please note that individual Annual Reports need not be formatted in this way, but must include all required information noted below.

☐ **Letter from Executive Director and/or the Chairperson of the Collaborative Board of Directors**

This letter should serve as an introduction to the key elements of the Annual Report and provide a brief overview of collaborative activities and significant changes from the previous year.

☐ **General Information**

The Annual Report must include the name of the collaborative, contact information, and the address of the collaborative’s principal office(s). The Annual Report must indicate the fiscal year that is addressed in the report and must include the link to the collaborative website.

The Annual Report may include the vision, mission and/or goals of the collaborative, a summary of successes and challenges, the departure or arrival of key staff, or change(s) in membership, services or programs. In addition, the Annual Report may contain information about the collaborative, such as: the number of years the collaborative has been in existence, revenue and expenditure information for the subject year, staffing information, or any other information relevant to collaborative operations during the subject year.

☐ **Governance and Leadership**

The Annual Report must indicate that the collaborative is governed by a Board of Directors and must list the member school committees and charter school boards and their appointed representatives.

The Annual Report may also include additional information relative to governance and leadership, such as: the collaborative's organizational chart, the function and composition of any advisory committees, a listing of the collaborative’s key management and program staff, or changes in membership or collaborative leadership since the last Annual Report.

☐ **Programs and Services Provided**

The Annual Report must list the programs and services that the collaborative is authorized to offer by its agreement.

- For each program offered by the collaborative, include a detailed description of the program, and the location of the program.

- For each service offered by the collaborative, list the type of service, such as professional development, contracted adult services, transportation, therapy, cooperative purchasing, Medicaid billing, etc., and include a detailed description of the service. Indicate the scope of services offered by noting, as appropriate depending on the service: the number of individuals served, the number of professional development sessions offered, or the entities benefiting from cooperative purchasing, joint transportation or Medicaid billing.
The Annual Report must include the total number of students served by the collaborative, must identify new programs or services that have been offered since the last report, and note significant changes in program offerings or locations in the subject year.

This section may also include other information on the collaborative’s programs and services, such as:

- a description of staff functions;
- student/teacher ratios in collaborative programs;
- performance data;
- arrangements with member districts to maximize integration opportunities for students or to coordinate services, including basic health care services;
- whether the collaborative owns or leases its program spaces or has agreements with member districts to operate within public school buildings; and
- the length of time the program has been in its current location.

Cost-Effectiveness of Programs and Services

The Annual Report must include a discussion of the cost-effectiveness of each of the collaborative’s programs and services. This discussion must include clear explanations of the methodologies used to assess cost-effectiveness, and, where applicable, appropriate citations to data against which programs and services are compared. Please ensure that the report addresses all collaborative programs and services, that reasonable methodologies are used to measure cost-effectiveness, and that methodologies are described sufficiently, so that readers understand how the collaborative measured cost-effectiveness.

The Department does not advocate or promote any particular means of measuring cost-effectiveness. That determination is to be made by the individual collaborative. However, there are a number of different ways collaboratives in Massachusetts and educational service agencies in other states have measured cost-effectiveness, some of which are listed below. These examples are not all-inclusive and are not intended to require any particular means of measurement. Measuring cost-effectiveness may include cost comparisons, qualitative comparisons or comparisons based on other factors, as well.

- **Cost comparisons**: The cost of programs and services offered through a collaborative effort compared to the cost of providing the same programs and services in individual districts or through private placements or contracts. Documentation (evidence) may include:
  - Reductions in combined administration and coordination costs for staffing and administration of programs and services versus costs at the individual district level;
  - Collaborative tuitions compared to costs of program creation (or maintenance) at the individual district level;
  - Costs incurred by individual districts’ placement of students at collaborative programs compared to those at comparable private schools that offer substantially similar programs;
  - Fees-for-services for related services as compared to the costs individual districts would pay full-time employees, private vendors and/or hospitals;
Transportation savings due to joint bidding and/or shared routes;
Collaborative transportation costs as compared to those districts would pay or have paid in the past;
Savings realized from Medicaid billing;
Professional development (PD) costs compared to those an individual teacher or district would have to pay private (or public) colleges and other PD providers;
Savings in travel costs and staff time for staff to attend professional development sessions at locations closer to their local districts; and
Savings realized from increased bargaining power associated with pooled purchases of, for example, school and professional development materials, cafeteria food, utilities, health insurance and transportation vehicles.

• **Qualitative or other comparisons:** In some cases, the cost-effectiveness determination may not be based on financial analysis, but instead may be based on qualitative factors or other tangible benefits. Examples include:
  - Ability to offer higher quality services (e.g., a more costly and more experienced professional development provider) due to pooling resources;
  - Increased opportunity through shared resources, e.g., teachers from smaller districts or districts with a lower budget can avail themselves of the same professional development as teachers from larger or more affluent districts;
  - Standardization of content and ability for follow-up (fewer presenters can ensure consistency of message, and local presenters/PD providers can monitor delivery of content more readily); and
  - Likelihood that service would not have been provided at all if an individual district had to plan and fund the service alone.

☐ **Progress Made toward Achieving the Purpose(s) and Objectives Set Forth in the Collaborative Agreement**

The Annual Report must describe the progress made toward achieving the purpose(s) and objectives set forth in the collaborative agreement. The Annual Report must indicate the measures that the collaborative uses to determine progress toward achieving the purpose(s) and objectives.

Report directly on the progress made toward achieving the purpose(s) and objectives listed in the collaborative agreement and include information about how the collaborative “strengthens and complements” member district programs.

- Re-state the purpose(s) and objectives.
- Report on whether the collaborative is achieving its purpose(s) or making progress toward achieving its purpose(s).
- Report on whether the collaborative is achieving its objectives or making progress toward achieving its objectives.
- Describe the tools for measuring progress toward meeting both the purpose(s) and objectives of the collaborative.

In describing progress, the Annual Report may reference, for example, new programs and/or professional development opportunities offered in response to district needs, or the results of
satisfaction surveys sent to students and parents and the ways in which the collaborative responded to those results.

☐ Required Approval

The Annual Report must be approved by the collaborative board and submitted with documentation of approval. (e.g., board meeting minutes or signed certification by the board chair)

SUBMISSION AND DEADLINE: The Annual Report, approved by the collaborative board, must be submitted to the Commissioner and to each member school committee and member charter school board by January 1 for the previous fiscal year. Collaboratives must submit copies of their Annual Reports via the security portal on the Department’s website; instructions are on page 6 of this Guidance. Collaboratives must also publish Annual Reports in an accessible format on their websites and provide hard copies to members of the public upon request.

Since January 1 is a statutory deadline, the Department may not waive this deadline. Please note that in this, the third year of annual report submissions, annual reports that do not address all required components will be considered incomplete and will not be accepted by the Department.

☐ Instructions for Annual Report Security Portal Submission

The Annual Report and evidence of approval by the collaborative board must be received by the Department through its security portal on or before January 1. Collaboratives are not required to submit hard copies of the Annual Report and evidence of approval. Electronic copies are sufficient, and may be submitted as either Word or PDF documents.

• Navigate to the Massachusetts Department of Elementary and Secondary Education homepage: www.doe.mass.edu;
• Navigate to the Select Program drop down menu on the top right of the screen and select Security Portal;
• Enter your user name and password;
• Click on Drop Box Central under Drop Box;
• Under Drop Box Central on the next page, select Regional Governance, then click on Next below;
• Click on Browse and select your Annual Report on your own computer; and
• Click the Upload File Button.

If you have problems accessing any of these fields you may not have adequate security clearance and may need to contact your collaborative’s directory administrator.

☐ Contact Information

If you have questions about the submission or content of Annual Reports, please contact the Office of Regional Governance at 781-338-6520.
References


