Report to the Legislature:
Annual Report on Students with Disabilities
2010-2011

Chapter 159, Acts of 2000
April, 2012
This document was prepared by the Massachusetts Department of Elementary and Secondary Education
Mitchell D. Chester, Ed.D.
Commissioner

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April 2012

Dear Members of the General Court:

I am pleased to submit this Report to the Legislature: Annual Report on Students with Disabilities 2010-2011. This report has been provided to the Legislature on an annual basis since 2000 when the legislature amended the language of G.L. c. 71B to align Massachusetts special education terminology with the federal Individuals with Disabilities Education Act (IDEA). It should be noted that Massachusetts’ compliance with the IDEA is monitored by the federal Office of Special Education Programs (OSEP). As a result, the Department is required to submit an annual report on compliance and performance to OSEP each year on February 1. The federal report may be found on the Department’s website at http://www.doe.mass.edu/sped/spp/.

This annual state legislative report provides statewide longitudinal enrollment data on students with disabilities. The report also provides data on the percentage of students with disability by disability category, educational environment, and other special population status. This year, the report includes data on the enrollment and educational environment of students who have been diagnosed with Specific Learning Disability (SLD), as this disability category has the highest rate of identification and represents approximately one third of Massachusetts’ special education population. Also new to the report this year is a description of programs and improvement activities -- including the development of the Massachusetts Tiered System of Support (MTSS), the new bullying prevention and intervention law, and the Massachusetts FOCUS Academy – that have the potential to reduce the need for special education services. Finally, the report provides information on special education expenditures, claims filed for “circuit breaker” reimbursement, and Medicaid reimbursement for eligible services provided in the school environment.

If you have any questions, please feel free to contact me.

Sincerely,

Mitchell D. Chester, Ed.D.
Commissioner of Elementary and Secondary Education
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I. Introduction

The Department of Elementary and Secondary Education (Department) respectfully submits this Report to the Legislature pursuant to Chapter 159 of the Acts of 2000, Section 432, which reads in relevant part:

“Section 432: The Department of Education shall annually, . . . report to the General Court on the implementation of [special education law]. Such report shall include a description of the progress made by school districts in implementing the federal standard, cost increases or savings in cities or towns, . . . the extent of the development of educational collaboratives to provide necessary services, the increase or decrease of the number of children served, federal non-compliance issues and other such matters as said Department deems appropriate. Such report shall be filed with the clerks of the House of Representatives and the Senate who shall forward the same to the Joint Committee on Education, Arts and Humanities and the House and Senate Committees on Ways and Means...”

II. Enrollment Data

The Department reports statewide enrollment of students with disabilities based on data collected through its October 1st Student Information Management System (SIMS) collection.

A. Longitudinal Enrollment

Both Massachusetts’ total student enrollment and the number of students receiving special education services were down slightly from school year 2009-2010 (SY10). However, analysis of child count data over the 10 year period SY02 to SY11 shows that there has been a 9.8 percent increase in the number of students receiving special education services over that period, compared to a 1.4 percent decrease in the total enrollment of all students. There was no change in the proportion of students receiving special education services between SY10 and SY11 (see Figure A).

Figure A: Number and Percentage of Students with Disabilities, SY02–SY11

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Special Education Enrollment</th>
<th>Total Enrollment</th>
<th>Percentage of Students with Disabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>150,003</td>
<td>980,342</td>
<td>15.3%</td>
</tr>
<tr>
<td>2002-03</td>
<td>150,551</td>
<td>993,463</td>
<td>15.2%</td>
</tr>
<tr>
<td>2003-04</td>
<td>154,391</td>
<td>991,478</td>
<td>15.6%</td>
</tr>
<tr>
<td>2004-05</td>
<td>157,108</td>
<td>986,662</td>
<td>15.9%</td>
</tr>
<tr>
<td>2005-06</td>
<td>160,752</td>
<td>983,439</td>
<td>16.4%</td>
</tr>
<tr>
<td>2006-07</td>
<td>163,396</td>
<td>979,851</td>
<td>16.7%</td>
</tr>
<tr>
<td>2007-08</td>
<td>164,298</td>
<td>972,178</td>
<td>16.9%</td>
</tr>
<tr>
<td>2008-09</td>
<td>166,037</td>
<td>970,059</td>
<td>17.1%</td>
</tr>
<tr>
<td>2009-10</td>
<td>164,847</td>
<td>967,951</td>
<td>17.0%</td>
</tr>
<tr>
<td>2010-11</td>
<td>164,711</td>
<td>966,395</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

Source: Massachusetts Student Information Management System
B. Percentage of Students with Disabilities Who Receive Services by Educational Environment

Students with disabilities placed in full inclusion environments, ages 6-21, represent more than half of all students with disabilities in SY10. The percentage of students in full inclusion environments is 58.0 percent, in partial inclusion is 20.1 percent, and in substantially separate is 15.1 percent. The percentage of students in all other placements (i.e., separate schools, residential facilities, homebound/hospital, and correctional facilities) is 6.8 percent. There have been no significant changes in the percentages of students in these four major placement categories over the past few years. (See Figure B below.)

The Department is currently working with researchers to analyze special education data to determine, among other things, whether educational environment has an effect on students’ performance outcomes. Early review of data shows that students in less restrictive (more inclusive) settings have better performance outcomes than students in more separate programs. The Department will release additional information in 2012.

Figure B: Special Education Students, Ages 6-21, by Educational Environment (SY08-SY11)

Note: This chart compares students, ages 6-21, in full inclusion, partial inclusion and substantially separate environments, as well as out-of-district placements for the past four years, as a percentage of all enrolled students ages 6-21 receiving special education services.

Source: Massachusetts Student Information Management System

Definitions:

- Full Inclusion – at least 80 percent of the time in general education classroom
- Partial Inclusion – 40 percent to 79 percent of the time in general education classroom
- Substantially Separate – less than 40 percent in general education classroom
- Other – separate schools, residential facilities, homebound/hospital and correctional facilities
C. Percentage of Students with Disabilities by Other Special Population Status

Over the past few years, there have been small increases in the percentages of special education students who are also in the categories of low income, limited English proficiency (LEP), and first language not English (FLNE). In SY11, percentages of students with disabilities who are also part of other special populations are:

- Low income (43.2 percent).
- LEP – limited English proficiency (6.2 percent).
- FLNE – first language not English (14.9 percent).

While 43.2 percent of students with disabilities come from low income families, the incident rate in general education population is only 32.2 percent. In SY11, the enrollment of students with disabilities from low income families is 34.5 percent higher than general education students from low income families. This means that low income students are more likely to be identified as eligible for special education. Additionally, while these special population status figures are not cumulative, each one adds another area of challenge for the eligible student in addition to the disability(ies) that has already been identified as interfering with the student’s ability to make effective educational progress.

D. Student Identification by Disability Category

The following table identifies numbers and percentages of students with disabilities by disability category. SY07 and SY11 data are used to demonstrate change over time within categories.

Figure C: Number and Percentage of Disability Categories Ages 3-21, SY07 and SY11

<table>
<thead>
<tr>
<th>Primary Disability</th>
<th>SY07 #</th>
<th>SY07 %</th>
<th>SY11 #</th>
<th>SY11 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autism</td>
<td>7,521</td>
<td>4.6%</td>
<td>12,058</td>
<td>7.3%</td>
</tr>
<tr>
<td>Communication</td>
<td>27,045</td>
<td>16.6%</td>
<td>29,173</td>
<td>17.7%</td>
</tr>
<tr>
<td>Developmental Delay</td>
<td>15,866</td>
<td>9.7%</td>
<td>17,635</td>
<td>10.7%</td>
</tr>
<tr>
<td>Emotional</td>
<td>13,864</td>
<td>8.5%</td>
<td>13,964</td>
<td>8.5%</td>
</tr>
<tr>
<td>Health</td>
<td>9,382</td>
<td>5.7%</td>
<td>13,966</td>
<td>8.5%</td>
</tr>
<tr>
<td>Intellectual</td>
<td>11,799</td>
<td>7.2%</td>
<td>10,374</td>
<td>6.3%</td>
</tr>
<tr>
<td>Multiple Disabilities</td>
<td>5,107</td>
<td>3.1%</td>
<td>4,726</td>
<td>2.9%</td>
</tr>
<tr>
<td>Neurological</td>
<td>5,577</td>
<td>3.4%</td>
<td>7,436</td>
<td>4.5%</td>
</tr>
<tr>
<td>Physical</td>
<td>1,470</td>
<td>0.9%</td>
<td>1,460</td>
<td>0.9%</td>
</tr>
<tr>
<td>Sensory/DeafBlind</td>
<td>237</td>
<td>0.1%</td>
<td>201</td>
<td>0.1%</td>
</tr>
<tr>
<td>Sensory/Hard of Hearing</td>
<td>1,234</td>
<td>0.8%</td>
<td>1,226</td>
<td>0.7%</td>
</tr>
<tr>
<td>Sensory/Vision Impairment</td>
<td>560</td>
<td>0.3%</td>
<td>592</td>
<td>0.4%</td>
</tr>
<tr>
<td>Specific Learning Disability</td>
<td>63,734</td>
<td>39.0%</td>
<td>51,900</td>
<td>31.5%</td>
</tr>
<tr>
<td>SPED Total</td>
<td>163,396</td>
<td>100.0%</td>
<td>164,711</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Massachusetts Student Information Management System

The analysis of the percentage changes over the 5 year period (SY07 to SY11) shows that the number of students identified under the categories of Intellectual, Sensory/Deafblind and Specific Learning
Disability decreased. Meanwhile, the categories of Autism, Health, and Neurological show an increase over the same period. Autism, Health, and Neurological showed the sharpest percentage change increases, 59.0 percent, 47.7 percent and 32.3 percent respectively, over the five year period. The categories of Specific Learning Disability, Developmental Delay and Communication represent two-thirds of all students receiving special education services in Massachusetts.

**III. Students with Specific Learning Disability**

Thirty-two percent of students receiving special education services in Massachusetts have been diagnosed with a Specific Learning Disability (SLD). As the category of SLD has the highest rate of identification and represents approximately one third of Massachusetts’ special education population, this year’s report will highlight student data specific to this disability category.

**A. Longitudinal Enrollment of Students with SLD**

The data show that both the number and percentage of students diagnosed with SLD have decreased each year since 2004, when the number of students with SLD was at an all time high (see Figure D).

**Figure D: Change in SLD enrollment, SY02-SY11**

<table>
<thead>
<tr>
<th>School Year</th>
<th>Total Special Education Enrollment</th>
<th>Total Number of Students with SLD</th>
<th>Percentage of Students with SLD</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>160,752</td>
<td>65,922</td>
<td>41.0%</td>
<td>---</td>
</tr>
<tr>
<td>2003-04</td>
<td>154,391</td>
<td>70,862</td>
<td>45.9%</td>
<td>11.9%</td>
</tr>
<tr>
<td>2004-05</td>
<td>157,108</td>
<td>67,672</td>
<td>43.1%</td>
<td>-6.2%</td>
</tr>
<tr>
<td>2005-06</td>
<td>160,752</td>
<td>65,922</td>
<td>41.0%</td>
<td>-4.8%</td>
</tr>
<tr>
<td>2006-07</td>
<td>163,396</td>
<td>63,734</td>
<td>39.0%</td>
<td>-4.9%</td>
</tr>
<tr>
<td>2007-08</td>
<td>164,298</td>
<td>61,697</td>
<td>37.6%</td>
<td>-3.7%</td>
</tr>
<tr>
<td>2008-09</td>
<td>166,037</td>
<td>59,454</td>
<td>35.8%</td>
<td>-4.6%</td>
</tr>
<tr>
<td>2009-10</td>
<td>164,847</td>
<td>55,263</td>
<td>33.5%</td>
<td>-6.4%</td>
</tr>
<tr>
<td>2010-11</td>
<td>164,711</td>
<td>51,900</td>
<td>31.5%</td>
<td>-6.0%</td>
</tr>
</tbody>
</table>

*Source: Massachusetts Student Information Management System*

A possible reason for the continued decrease in SLD diagnoses is the increased federal requirements for documentation associated with this disability. For details on the federal criteria for diagnosing SLD, see 34 CFR §300.307 of the Individuals with Disabilities Act (IDEA) at: [http://idea.ed.gov/explore/view/p/%2Croot%2Cregs%2C300%2CD%2C300%252E307%2C](http://idea.ed.gov/explore/view/p/%2Croot%2Cregs%2C300%2CD%2C300%252E307%2C)

**B. Percentage of Students with SLD Who Receive Services by Educational Environment**

Largely because of the nature of their disability, most students with SLD receive support services in either a full inclusion or partial inclusion setting. In SY11, almost 92 percent of students with SLD were in full or partial inclusion environments, more than any other disability category. 67 percent of students with SLD received their special education services in a full inclusion environment in SY11,
compared to the 58 percent of all students with disabilities who received services in a full inclusion environment. Furthermore, the percentage of students with SLD who receive services in a substantially separate placement, 6.7 percent in SY11, is significantly lower than the percentage of all students with disabilities in substantially separate placements, which was just over 15 percent in school year 11 (see Figure E).

Figure E: Students with SLD by Educational Environment, SY11

Source: Massachusetts Student Information Management System

Students with SLD, like all students with disabilities, do not wear a sign saying “disabled” and, like the majority of students with disabilities, students with SLD are often indistinguishable from other students for most of their interactions. That is why we have found that the most effective methods for providing supports are not just the individualized program developed by the IEP Team, but also the character, atmosphere, and skills of the educators in our public schools. Massachusetts, along with other states, is investing as much as possible in systemic improvements to our school environments and our educators’ skills in teaching all children. The next three sections of this report highlight key activities in this broader focus.

IV. The Massachusetts Tiered System of Support (MTSS)

The Massachusetts Tiered System of Support (MTSS) is a blueprint for school improvement that focuses on system level change across the classroom, school, and district to meet the academic and non-academic needs of all students, including students with disabilities. Nationally, the term Response to Intervention (RTI) is more commonly used. However, MTSS updated and expanded many of the RTI concepts and chose the terminology “tiered system of support” to emphasize that the onus is on the school or district to provide services to the struggling learner, rather than on the student to respond to the intervention(s). MTSS was developed to help guide the establishment of a system that provides high-quality core educational experiences in a safe and supportive learning environment for all students, and targeted interventions/supports for students who experience academic and/or behavioral difficulties, as well as students who have already demonstrated mastery of the concepts and skills
being taught. Although MTSS is not aimed solely at students with disabilities, anecdotally, districts with robust tiered support systems show a decrease in the numbers of students identified as eligible for special education services. This decrease in special education referrals and diagnoses can be attributed to both the positive effects of intervening early when a student is having difficulties, and also the ability that schools with tiered systems of support have to offer struggling learners an alternative to special education services. MTSS is a model that does not “wait for students to fail,” but seeks to provide needed supports when initial data indicate a student is struggling; Massachusetts has identified this model as one of the key conditions for student success.

The Department’s MTSS website, which contains technical assistance for schools or districts wishing to implement a tiered system of support, as well as a self-assessment tool that can be used for developing an action plan, was launched in October 2011. To view the website and read more about the MTSS initiative, please visit: http://www.doe.mass.edu/mtss/.

The state also provides support for districts implementing MTSS by offering professional development courses in areas such as universal design for learning and differentiated instruction though the Massachusetts Focus Academy. Districts may choose to send teachers to courses that support the development of MTSS in their schools.

V. Massachusetts Focus Academy (MFA)

In 2007, the Massachusetts Department of Elementary and Secondary Education was awarded a five year federal grant to develop a cost free statewide professional development system for educators. This
An initiative, called Massachusetts FOCUS Academy (MFA), is designed to improve the outcomes for students with disabilities while increasing the retention of highly qualified personnel.

MFA courses are delivered through the Massachusetts Online Network for Education (MassONE). This forum contains several components, including a virtual hard drive, discussion boards, personal storage space, survey tools, and email communication. Course providers facilitate the online discussion board as well as provide feedback to individual participants on course projects. There were eleven MFA courses offered in the SY11 Fall Semester, including “Implementing Collaborative Teaching,” “Parent and Professional Partnerships: Transition Planning for Students with Disabilities in Middle and High School,” and MFA’s newest course, “Universal Design for Learners/Mathematics: Meeting the Needs of Diverse Learners.”

The data show that over the last three years, more and more districts are taking advantage of MFA courses to support school improvement activities, such as MTSS. Since SY08–SY09, participant enrollment in MFA courses has grown consistently, reaching an all time high of 540 participants in fall 2011 (see Figure F).

**Figure F: Growth in MFA Enrollment by Semester, SY08–SY11**

![Growth in MFA Enrollment by Semester, SY08–SY11](image)

*Note: No data available for Fall 2008 or 2009.*

Furthermore, the number of districts that sent at least one teacher to an MFA course was up 45 percent this fall from SY10 (see Figure G). This increased participation can be attributed in part to Massachusetts’ six regional District and School Assistance Centers (DSACs) recruiting participation from their districts as part of their targeted assistance.

**Figure G: Number of Participating Districts (of 393 total), SY08–SY11**

<table>
<thead>
<tr>
<th></th>
<th>Fall 2008</th>
<th>Fall 2009</th>
<th>Fall 2010</th>
<th>Fall 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Districts Participating</td>
<td>63</td>
<td>67</td>
<td>66</td>
<td>96</td>
</tr>
<tr>
<td>Percent of MA Districts Participating*</td>
<td>16%</td>
<td>17%</td>
<td>17%</td>
<td>24%</td>
</tr>
</tbody>
</table>

More information about the Massachusetts Focus Academy, including a full list of courses offered, is available at: [http://www.doe.mass.edu/sped/mfa/](http://www.doe.mass.edu/sped/mfa/).
VI. Bullying Prevention and Intervention

The new bullying prevention and intervention law, G.L. c. 71, § 37O (as added by Chapter 92 of the Acts of 2010), required that all Massachusetts districts and schools develop and adopt bullying prevention plans by December 31, 2010. In response to this new requirement, the Department created the Model Bullying Prevention and Intervention Plan, which schools and districts were encouraged to use as they developed their own plans.

In addition to requiring these plans, the law included special provisions focused on students with disabilities that the Individualized Education Program (IEP) Team determined were at risk for bullying on the basis of their disability. The Department provided best practice guidance to districts that highlighted the importance of the requirement to incorporate social and emotional learning as part of the general curriculum of every school, and the significant effect that these whole school initiatives have in creating positive school climates and giving all students, including students with disabilities, the skills and abilities to prevent and respond to bullying behaviors. Schools were required to have social and emotional learning curricula in place for the fall of SY11-SY12.

The Model Bullying Prevention and Intervention Plan and Guidelines for the Implementation of Social and Emotional Learning Curricula K-12, as well as other technical assistance documents, are available on the Department’s website at http://www.doe.mass.edu/bullying/.

VII. Assessment

A. Performance of Students with Disabilities

For the third test cycle in a row, students with disabilities in Massachusetts have ranked at or very close to the top on the National Assessment of Educational Progress (NAEP) when compared to their peers in other states. On the 2011 NAEP, Massachusetts’ students with disabilities ranked first in grade 8 mathematics and second in grade 8 reading, grade 4 reading, and grade 4 mathematics. However, while Massachusetts is justifiably proud of this performance, our goals for our students with disabilities are even higher and we hope to close the proficiency gap between students with disabilities and all other students in both mathematics and reading.

The 2011 Massachusetts Comprehensive Assessment System (MCAS) scores show that less than 25 percent of students with disabilities in Massachusetts scored Proficient or higher at grades 3 and 4 in English language arts (ELA); at grades 4, 6, 7, and 8 in Mathematics; and at grades 5 and 8 in Science and Technology Engineering (STE). The percentage of students with disabilities scoring Proficient or higher ranged from:

- 15 percent at grade 4 to 49 percent at grade 10 in ELA;
- 14 percent at grades 7 and 8 to 39 percent at grade 10 in Mathematics; and
- 12 percent at grade 8 to 30 percent at grade 10 in STE.

Students with disabilities made notable gains in achievement in ELA between 2010 and 2011 at grades 5 and 8 (four points) and grade 10 (11 points); in Mathematics at grade 5 (four points) and grade 10 (three points); and in STE at grade 10 (three points). The only drops in achievement were in ELA at grades 3 and 4 (one point) and in Mathematics at grade 7 (one point) (see Figure H).
### Figure H: Change in MCAS Performance for Students with Disabilities, SY10–SY11

<table>
<thead>
<tr>
<th>Grade</th>
<th>ELA SY10</th>
<th>ELA SY11</th>
<th>Change</th>
<th>Math SY10</th>
<th>Math SY11</th>
<th>Change</th>
<th>Science SY10</th>
<th>Science SY11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>25</td>
<td>24</td>
<td>-1</td>
<td>30</td>
<td>31</td>
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<tr>
<td>4</td>
<td>16</td>
<td>15</td>
<td>-1</td>
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<td>5</td>
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<td>28</td>
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<td>19</td>
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<td>0</td>
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</tr>
<tr>
<td>7</td>
<td>30</td>
<td>31</td>
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<td>15</td>
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<td>12</td>
<td>+2</td>
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<td>36</td>
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<td>+5</td>
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<td>+3</td>
<td>27</td>
<td>30</td>
<td>+3</td>
</tr>
</tbody>
</table>

Source: Summary of 2011 MCAS State Results

### B. Proficiency Gap

The proficiency gap in the percentage of students scoring Proficient or higher for students with disabilities and all students narrowed or remained the same in all subjects and grades. The proficiency gap in ELA narrowed by one point at grades 3 and 6, four points at grade 8, and five points at grade 10. In Mathematics, the proficiency gap narrowed by one point at grades 4, 6, 7, and 10. In STE, the gap narrowed by three points at grade 5 and 8 and by one point at grade 10.


### VIII. Finances

#### A. Financial Summary

Special education expenditures are reported by public school districts at the end of the year to the Department. As shown in Figure I below, both total school operating budgets and combined special education expenditures have increased over the past seven years. Overall, direct special education expenditures as a percentage of the total school-operating budget increased 1.4 percentage points between FY04 and FY10. The data in Figure I do not include any general education expenditures for students with disabilities, only those excess costs attributable solely to providing special education services.

**Definitions:**

- "Direct" special education expenditures include only those that can be related specifically to special education pupils.
- "Other instructional" includes supervisory, textbooks and instructional equipment, guidance, and psychological services.
- "MA Public Schools and Collaboratives" includes collaboratives, and charter schools.
- Spending from state "circuit breaker" funds is included. Otherwise, spending from grants, revolving funds, or other non-appropriated revenue sources (totaling less than 4 percent of total special education spending statewide) is excluded.
Figure I: Direct Special Education Expenditures, FY04–FY10

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Teaching</th>
<th>Other Instructional</th>
<th>MA Public Schools and Collaboratives</th>
<th>MA Private and Out-of-State Schools</th>
<th>Combined Special Ed Expenditures (A+B+C+D)</th>
<th>Total School Operating Budget</th>
<th>Special Education % of Budget (E as % of F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>877</td>
<td>165</td>
<td>182</td>
<td>325</td>
<td>1,549</td>
<td>8,330</td>
<td>18.6%</td>
</tr>
<tr>
<td>2005</td>
<td>925</td>
<td>180</td>
<td>184</td>
<td>369</td>
<td>1,657</td>
<td>8,770</td>
<td>18.9%</td>
</tr>
<tr>
<td>2006</td>
<td>989</td>
<td>188</td>
<td>194</td>
<td>390</td>
<td>1,762</td>
<td>9,206</td>
<td>19.1%</td>
</tr>
<tr>
<td>2007</td>
<td>1,042</td>
<td>195</td>
<td>204</td>
<td>420</td>
<td>1,862</td>
<td>9,614</td>
<td>19.4%</td>
</tr>
<tr>
<td>2008</td>
<td>1,092</td>
<td>196</td>
<td>212</td>
<td>437</td>
<td>1,936</td>
<td>9,863</td>
<td>19.6%</td>
</tr>
<tr>
<td>2009</td>
<td>1,200</td>
<td>214</td>
<td>224</td>
<td>417</td>
<td>2,056</td>
<td>10,246</td>
<td>20.1%</td>
</tr>
<tr>
<td>2010</td>
<td>1,224</td>
<td>219</td>
<td>228</td>
<td>422</td>
<td>2,093</td>
<td>10,530</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

Note: Values rounded to nearest million.
Source: End of Year Pupil and Financial Report, Schedule 4 – Special Education Expenditures by Prototype

B. Circuit Breaker

The state “Circuit Breaker” program – a special education reimbursement program enacted by the Legislature [St. 2000 c. 159, § 171] – was first implemented in fiscal year 2004. The program’s goal is to provide additional state financial assistance to school districts that have incurred exceptionally high costs in educating individual students with disabilities. The law supports shared costs between the state and the school district when costs rise above a certain level. Massachusetts state funds are available to reimburse a school district for students with disabilities whose special education costs exceed four times the state average foundation budget per pupil. FY09 was the first year in four years that the state did not meet the 75 percent statutory maximum (72 percent reimbursement). In FY10 and FY11, reimbursement rates fell below the statutory maximum, at 42 percent and 43.66 percent, respectively. However, over those same two years districts received additional revenues for special education as a result of the federal American Recovery and Reinvestment Act (ARRA). Federal special education funds through ARRA totaling over $280,000,000 offset the impact of the cuts to the “Circuit Breaker” state line item, and were available for spending in school districts during FY10 and FY11.

In FY11, a total of 288 districts filed 20,852 claims through the “Circuit Breaker” program, 1,466 less claims than were filed in FY10. The number of students involved in these claims was 11,852 and the total amount claimed was just under $730 million, a decrease of more than $27 million from the previous fiscal year. The total amount reimbursed to school districts was approximately $127 million, which was slightly less than in FY09.

Claims submitted by districts through the “Circuit Breaker” reimbursement form indicate a shift in student placements based on the dollars spent, as shown in Figure J below. Students in private residential placements claimed $211 million, a decrease of $17 million from the previous year. In-district placement claims were $154 million, which was an increase of $12 million. Placements in educational collaborative programs claimed $123 million, which was a decrease of $20 million, and private day placements claimed $242 million, an increase of $2 million.
C. School-based Medicaid

Massachusetts participates in the School-based Medicaid program as a means of maximizing federal reimbursement. School districts submit claims for students who are Medicaid eligible and who receive special education services. Federal revenues are returned directly to the municipality which, in turn, can choose to share such revenue with the school districts, in whole or in part.

In July 2009, the Municipal Medicaid program underwent significant procedural changes. Massachusetts was required to change its claiming procedures to a “fee for service” model. This new model, called School-Based Medicaid, requires further documentation of services provided and provides reimbursement only for qualified providers. There was concern that this new model would lead to a considerable decrease in the Medicaid reimbursement available to the state.

In fiscal year 2010, there was in fact a dramatic reduction in claims filed. Three hundred five public Massachusetts school districts and 39 charter schools filed claims totaling approximately $65.1 million, a $49.3 million decrease from the claims filed in fiscal year 2009.

Although this sharp decrease could be attributed in part to the need for districts to learn the new methodology, the number of claims dropped again in fiscal year 2011 by approximately $1 million, suggesting that the new, more-demanding School-based Medicaid requirements are discouraging districts from making claims (see Figure K).

Figure K: Total Municipal Medicaid Claims, FY07-FY11

Note: Values rounded to nearest tenth of a million.
The data also show a decrease of 8.7 percent in participating districts from fiscal year 2009 and a
decrease of 2.4 percent decrease in districts receiving at least some revenue (see Figure L). The
Department and the Office of Medicaid will be meeting to discuss strategies to increase participation
and claiming in the years to come.

**Figure L: Municipal Medicaid Funding Breakdown, FY10**

![Figure L: Municipal Medicaid Funding Breakdown, FY10]

It is important to note that the data shown in Figure L can be somewhat misleading, as the revenue that
districts receive in any given fiscal year is often generated by claims from earlier fiscal years. For
instance, Figure L shows that the number of districts that received 100 percent of their claim increased
by 19.4 percent from FY09 to FY10, but this is likely due to the fact that the claims made by districts
have decreased significantly since 2008-2009 and revenues are still flowing into districts from earlier
years with higher claims. We expect to see the total revenue received by districts to continue to
decrease because of the decrease in the number of claims filed under the new School-based Medicaid
methodology.

**IX. Educational Collaboratives**

Educational collaboratives play an important role in delivering special education services to students
throughout the Commonwealth, especially in the smallest districts where their capacity to provide
extensive services may be limited. During fiscal year 2011, approximately 6,000 students, with a full
range of disabilities, received direct services through education collaboratives. Additionally, over
3,500 general education students received aspects of their education in collaborative-sponsored
programs, particularly through alternative school programs. Collaboratives collectively served 304
member districts, had budgets that amounted to over $300 million, and employed nearly 4,000 staff.

In FY11, following troubling reports from the State Auditor’s Office regarding some of the
collaboratives’ financial practices, educational collaboratives have risen to the top of the agenda for the
Board of Elementary and Secondary Education (BESE). In September 2011, Commissioner Chester
updated the BESE on the state of Massachusetts’ educational collaboratives and made two sets of
recommendations for the future of collaboratives in the Commonwealth. These recommendations
address both the need for improved oversight and the potential for collaboratives to play a key role in
Massachusetts’ education reform efforts.

The first set of recommendations relate to accountability and oversight, and include granting the BESE
the authority to issue regulations dealing with collaborative governance and operations; requiring all
collaboratives to obtain annual independent audits of their finances; and annually reporting on the MCAS performance of students served by collaboratives. The Department has already begun work to include collaboratives in the Department’s Program Quality Assurance (PQA) six-year cycle of coordinated program reviews; these new reviews were piloted in SY11.

The Commissioner’s second set of recommendations outline how, once current issues have been resolved by increased accountability and oversight, the role and responsibilities of collaboratives can be expanded. Under his plan, collaboratives would serve as regional education service agencies, supporting districts with technical assistance and support in areas such as professional development, formative assessments, and technology training. The Commonwealth already has a successful model for this approach in the Special Education Transportation Pilot Program, which has realized more than $7 million dollars in savings for participating districts to date. A copy of the Special Education Transportation Task Force Report is available on the Massachusetts Organization for Educational Collaboratives (MOEC) website: www.moecnet.org.

The increased accountability and oversight that the Commissioner has called for will likely require resources that are currently dedicated to other activities to be redirected. Furthermore, the use of collaboratives as regional education service agencies would require some redistricting and newly configured funding streams, which the Commissioner intends to have a plan for by December 21, 2012. The Board of Elementary and Secondary endorsed both sets of the Commissioner’s recommendations at its September 27, 2011 meeting.

X. The Massachusetts State Performance Plan (MA SPP)

The MA State Performance Plan (SPP) responds directly to 20 performance and compliance indicators identified by the U.S. Department of Education’s Office of Special Education Programs (OSEP). Progress on these performance and compliance indicators are reported annually, on February 1 through an Annual Performance Report (APR) to OSEP. The MA SPP and APRs for FFY 2005-2012 are available at http://www.doe.mass.edu/sped/spp/. Information for individual districts in these indicator areas is reported at: http://profiles.doe.mass.edu/state_report/special_ed.aspx.

<table>
<thead>
<tr>
<th>Indicator 1: Graduation Rate</th>
<th>Indicator 12: Early Childhood Transition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 2: Dropout Rate</td>
<td>Indicator 13: Secondary Transition</td>
</tr>
<tr>
<td>Indicator 3: Assessment</td>
<td>Indicator 14: Post-School Outcomes</td>
</tr>
<tr>
<td>Indicator 4: Suspension/Expulsion</td>
<td>Indicator 15: ID and Correction of Noncompliance</td>
</tr>
<tr>
<td>Indicators 5 &amp; 6: Least Restrictive Environment (LRE)</td>
<td>Indicator 16: Complaint Resolution within Timelines</td>
</tr>
<tr>
<td>Indicator 7: Preschool Outcomes</td>
<td>Indicator 17: Due Process within Timelines</td>
</tr>
<tr>
<td>Indicator 8: Parent Involvement</td>
<td>Indicator 18: Use of Resolution Sessions</td>
</tr>
<tr>
<td>Indicators 9 &amp; 10: Disproportionality</td>
<td>Indicator 19: Mediation Agreements</td>
</tr>
<tr>
<td>Indicator 11: Initial Evaluation within Timelines</td>
<td>Indicator 20: Timely State Reported Data</td>
</tr>
</tbody>
</table>
Special Education Appeals
Information about special education appeals, including rejected IEPs, and the number of mediations and hearings held, and other BSEA statistics for FY11 is available in the MA SPP for Indicators 17, 18, and 19 and at: http://www.doe.mass.edu/bsea/forms/11stats.html.

Contact Information
The data for this report are a compilation of information from several units within the Department of Elementary and Secondary Education as well as input from the Massachusetts Organization of Education Collaboratives and the state Office of Medicaid. If you have any questions, please contact the Office of Special Education Planning and Policy at the Department of Elementary and Secondary Education, Marcia Mittnacht, Director, by email at mmmittnacht@doe.mass.edu or by phone at 781-338-3375.