



You are Spending How Much? Don't Leave Money on the Table



It's Public Money

- ▶ Taxpayers often ask to see the total cost
 - ▶ Understand what they are paying for
 - ▶ Know what their cost share is in terms of dollars and percentage
 - ▶ See financial accountability
- ▶ Transparency is essential
- ▶ Provides factual information and avoids misinterpretations
- ▶ Your budget document/narrative can help
 - ▶ People become familiar with programs, budget format, narrative & charts
 - ▶ Highlight changes

The Legal Standard

▶ Old standard: Maximum Feasible Benefit

- ▶ Was the standard in Massachusetts before January 1, 2002
- ▶ Was a higher standard than the federal standard at the time

▶ New Standard: Free & Appropriate Education (FAPE)

- ▶ Defined in state statute as being consistent with the federal standards and meeting state education standards
- ▶ Requires that students with disabilities receive special education services that are tailored to their unique needs
- ▶ Provided through an Individualized Education Program (IEP)
- ▶ Delivered in the Least Restrictive Environment (LRE)

▶ Compliance pays off

- ▶ Is legally appropriate and responsible as less time and energy are spent on lawsuits, hearings and mediations
- ▶ Bolsters cost avoidance as less money is spent on lawyers, settlements
- ▶ Builds better community/parental relationships and confidence

Special Education Is Costly

▶ Pay now or pay later: It's your choice

- ▶ Be Proactive: Decide how you want to spend the District's dollars
- ▶ Be Reactive: Let others decide how the district's money will be spent
- ▶ Be prepared for the unexpected and unpredicted

▶ Policies, procedures & planning matter & serve as guiding principles re District's strategic priorities

- ▶ Administrative structure and responsibilities
- ▶ Professional development (PD), programs expansion etc.
- ▶ Collective Bargaining Agreements(CBA) and staff issues: caseloads, workloads, responsibilities, assignments etc.
- ▶ Curriculum, inclusion

Agenda

How to....

- ▶ Manage risk
- ▶ Capture all available dollars
- ▶ Utilize funds efficiently
- ▶ Monitor, evaluate and respond to changing needs and situations
- ▶ Ensure communication is clear, concise and shared

My Goals today...

You each walk away with

- ▶ A better understanding of the big picture and how attention to the details really matters (who does what, why, when and the importance of information sharing/collaboration)
- ▶ A few big ideas: What you want to do and where you need to go/look
- ▶ Some low hanging fruit and/or steps that you can identify and implement changes immediately
- ▶ Ideas on where you might be leaving money the table and what to do about it

Managing Risk:

Addressing the runaway train to avoid a budget wreck/derailment

What is the state of things?

- ▶ Where are we? On what are we spending money?
- ▶ How much are we spending on lawyers/legal settlements?
 - ▶ Are we complying with timelines, process, procedure?
 - ▶ Are we losing on FAPE issues?
- ▶ Do we have the qualified staff to provide the requisite services (POST COVID staffing issues)
- ▶ Do we have the expertise?
- ▶ Are we keeping track of students?
 - ▶ Moving around, attendance issues, private school, moved away

Managing Risk: Information is Critical

- ▶ What do you know about your students?
- ▶ What are the existing, expected cohorts and are they increasing/decreasing?
- ▶ Verify and monitor populations and needs as they change over time.
- ▶ Look at the data and trends
 - ▶ This information may be instructive and may create more discussion/questions and is a good beginning point for examination and changes
- ▶ Make sure your staff and community are aware of changes

-Inventory what you have

-Is it working?

-How much does it cost?

-Is it cost effective?

-Is there a good Return on Investment (ROI)?

-How can we contain in-district & out-of-district (OOD) special education costs?



Out-of-District Programs: What Do We Know?

- ▶ What programs do we have students at and how many are at each program?
- ▶ Are these day/residential placements?
- ▶ Track data/trends: Where did they come from, where did they go and when?
- ▶ How much is transportation costing?
- ▶ What are the ancillary costs?
- ▶ Is there a cohort we can bring back in?

In-District Programs: What Do We Know?

Does It Make Sense To Build, Maintain & Sustain?

- ▶ What programs do we have?
- ▶ How many students are at each program?
- ▶ Are these services partial or full inclusion?
- ▶ What staffing is associated with these programs and how much does it cost?
- ▶ What other ancillary costs do we have? Space needs, equipment, etc.
- ▶ Look at the data and trends
- ▶ Is there a cohort that is so small that we should consider
 - ▶ Tuitioning in students from other districts
 - ▶ Sending OOD - Collaborative or OSD approved OOD

This information may be instructive, create more discussion/questions and is a good beginning point for examination/changes.

How Much Does/Will It Cost?

- ▶ What are we spending on OOD programs/placements?
 - ▶ By placement, or disability type
 - ▶ What are the full costs, tuition and services
 - ▶ What are my revenue offsets: Grants, Circuit Breaker (CB) etc.?

- ▶ What spending on in-house programs/placements?
 - ▶ By placement, or disability type
 - ▶ What are the full costs, salaries, expenses and benefits
 - ▶ What are my revenue offsets: Grants, Circuit Breaker (CB) etc.?

What is and isn't working?

- ▶ What programs are/are not working well and will be expanded to/eliminated from/the next grade levels?
- ▶ Can we bring OOD populations back to a new/existing in-house program and save money?
 - ▶ Takes 3-5 years
 - ▶ Send no new students out
 - ▶ Proof of concept
 - ▶ Parental and community trust
 - ▶ Bring some students back
- ▶ Do we really need more/fewer staff and in what role/capacity?

Utilizing Funds Efficiently & Effectively ?

The devil is in the details:

- ▶ Effective means different things to different people
- ▶ Parent vs teachers vs administration
 - ▶ Cost containment
 - ▶ High quality education
 - ▶ Keep students at local school
 - ▶ Send students out

Is There A Good Return on Investment (ROI)?

Will an in-house program stem the tide of OOD placements and/or decrease need for IEPs/Services?

- ▶ Carroll and Landmark: Develop capacity in reading instruction by offering intensive, in depth professional development (Wilson, Orton Gillingham, Lindamood Bell)
- ▶ Schools for Children and Collaboratives: Develop capacity/skill set of in-house emotional/behaviors programs and hiring dedicated SW for each program
- ▶ If reading is the most common special education service, examine why and determine what is needed to reduce this. Professional Development? Strengthen Response to intervention (RTI)
- ▶ Physical Education teachers are doing Adaptive Physical Education. Is that effective? Should Physical Therapists or someone else provide this service?

Determine Effectiveness: Do a Deep Dive

Things that impact the budget:

- ▶ Staffing needs and levels
- ▶ Program needs
- ▶ Terms/constraints of your CBAs
- ▶ Space needs/constraints
- ▶ Schedule
- ▶ Out-of-District tuitions
- ▶ Transportation
- ▶ Move-ins
- ▶ Grants
- ▶ School Choice
- ▶ Medicaid
- ▶ Circuit Breaker



Deep Dive: Caseloads vs Workloads

- ▶ Service grid in the IEPs (the contract between the Parent's and the District) drive staffing levels, commit time and money
- ▶ Caseloads & workloads drive staffing levels, but they are different:
 - ▶ Caseload: the number of students vs Workload: how many hours spent working with the student(s)
 - ▶ Not all students are equal:
 - ▶ Some require few services, while others require intensive direct services
 - ▶ Group size varies - 1:1, Small group (2-4), Large group (5+)
 - ▶ Different providers SLP, OT, PT, TVI, THI, O & M, BCBA, Behavior/ABA Tech, SPED/Resource/Reading teacher, APE, IA/PARA

Workload Considerations

- ▶ Workload is NOT direct service. It is often a hidden expense.

- ▶ Team meetings
- ▶ Progress reports
- ▶ Evaluations
- ▶ Consult time
- ▶ Planning time
- ▶ Other duties



- ▶ Is coverage needed if staff doesn't have enough time to do workload and caseload?

- ▶ Who provides coverage?

- ▶ Substitutes, paraprofessionals, consultants, floaters?
- ▶ Is this effective and/or best for students?
- ▶ Is there a more effective/efficient way?

Deep Dive: Staffing & Services Delivery Model

- ▶ Who determines the service delivery model is really important
- ▶ Who gives input?
- ▶ What factors should be considered?
- ▶ Do class size/grade span constraints exist?
- ▶ Who makes the final decision and how is it made?

Deep Dive: Staffing & Services Delivery Model

- ▶ What is the right mix of teachers and paraprofessionals?
- ▶ Who decides if a student receives 1:1, small or large group instruction?
- ▶ School master schedule impacts:
 - ▶ Are some blocks off limits?
 - ▶ Are special education students scheduled first rather than last?
 - ▶ It matters how well scheduling is done and in what order.
 - ▶ If the above items change, what would impact be?

DENVER PUBLIC SCHOOLS
Richard T. Castro Elementary
Master Schedule

Grade	9:00 - 9:40	9:45 - 10:25	10:30 - 11:10	11:15 - 12:00	12:15 - 12:55	1:00 - 1:40	1:45 - 2:25	2:30 - 3:10	3:15 - 3:45
Kindergarten	Reader's Workshop	Reader's Workshop	Writer's Workshop	Math 11:00-11:40	Math	40 min Intervention Block	Specials	Science/Social Studies/ELD	Centers
1st	Reader's Workshop	Reader's Workshop	Writer's Workshop	Math 11:15-12:00	Math	40 min Intervention Block	Specials	Science/Social Studies/ELD	
2nd	Reader's Workshop	Reader's Workshop	Writer's Workshop	Math 11:30-12:15	Math	Specials	Math	40 min Intervention Block	Science/Social Studies/ELD
3rd	Specials	40 min Intervention Block	Writer's Workshop	Math 12:05-12:30	Reader's Workshop	Reader's Workshop	Math	Math	Science/Social Studies/ELD
4th	40 min Intervention Block	Math	Specials	Math	Specials 12:30-12:45	Reader's Workshop	Reader's Workshop	Writer's Workshop	Science/Social Studies/ELD
5th	Math	Specials	Math	40 min Intervention Block	Math 12:15-1:00	Reader's Workshop	Reader's Workshop	Writer's Workshop	Science/Social Studies/ELD
Intervention Teachers/Special Ed.	4th Intervention	3rd Intervention	Kindergarten Intervention	5th Intervention	Math 12:25-1:00	Kindergarten Intervention	3rd Intervention	2nd Intervention	Plan
Specials	3rd Specials	5th Specials	4th Specials	1st/2nd Specials	1st/2nd Specials	2nd Specials	Kindergarten Specials	1st Specials	Plan

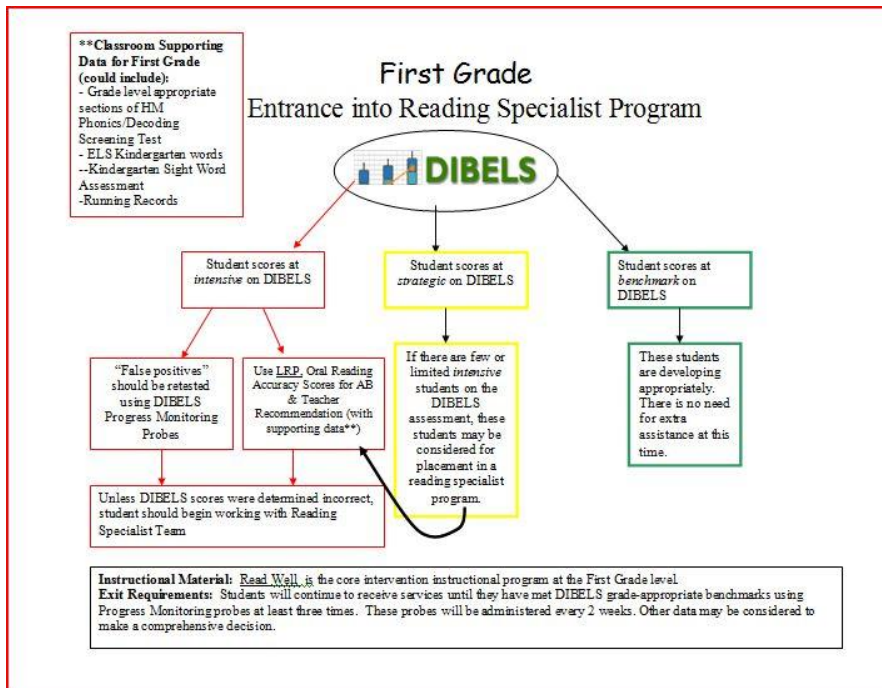
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Deep Dive: Referral & Evaluation Rates

- ▶ Who is making referrals?
- ▶ Who is doing evaluations?
- ▶ How many?
- ▶ Do specific school staff and/or a specific population have high rates of referral, evaluations, and/or (in)eligibility?
- ▶ Are options and alternatives being identified? ²¹

Deep Dive: Eligibility, Entrance & Exit Criteria

- ▶ Do you have them? Good in principle and... proceed with caution.
- ▶ Is there consistency from school to school or between staff in one school?
- ▶ Is one school/teacher having high/low success rate?
- ▶ Why? What is their secret recipe for success?



Necessary Information

(Budget Management & Planning)

- ▶ Need way to obtain/track caseloads & workload
- ▶ Is caseload growing, shrinking, or staying the same?
- ▶ Is workload growing, shrinking, or staying the same?
- ▶ Caseload (# of students) may remain constant but Workload (hours/staff) needed may change.
- ▶ Extended School Year

Necessary Information

(Budget Management & Planning)

- ▶ Don't Make assumptions
- ▶ Analyze each staff schedule block by block
 - ▶ All 1:1
 - ▶ Caseload of 3
 - ▶ Too many free blocks: Reduced FTE/move elsewhere?
 - ▶ Exposes inequities: staffing, caseloads, workloads?
 - ▶ Cost avoidance vs savings
 - ▶ Full cost benefit analysis **MUST** include possible gain/loss of circuit breaker funds

Planning Ahead

- ▶ Staffing including related services (in-house vs contractors)
- ▶ Physical space needs and capacities - Do you have the right space?
- ▶ Supplies, materials, equipment (Physical Therapy swings, Augmentative & Alternative Communication devices/software)
- ▶ Slow the outflow of students with new programs so students do not go out in first place (cost savings)
- ▶ Allow time for proof of concept re new program in order to bring student back into district (cost avoidance) room to expand
- ▶ Allow 3-5 years

Planning Ahead

- ▶ Programs at all schools? One school? Several schools?
- ▶ Professional Development = Build Capacity
- ▶ Itinerant staff: consider efficiencies
 - ▶ Parking
 - ▶ Travel time/mileage reimbursement
 - ▶ Working with different schedules: 5 and 6 day
- ▶ Pay attention to transition years (Elem to MS, MS to HS)
- ▶ Cost related to students attending their non geocoded schools
 - ▶ Transportation costs
 - ▶ After school activities - access issues
 - ▶ Traffic (extra vehicles)
 - ▶ Field trips/overnights - extra coverage

Capturing All Available Dollars

- ▶ Capture all available Dollars
 - ▶ Chapter 70
 - ▶ LEA Assignments/Cost shares
 - ▶ Medicaid
 - ▶ Grant
 - ▶ Early Childhood Tuitions
 - ▶ School Choice
 - ▶ Tuitioning in special education students
 - ▶ Circuit Breaker

Chapter 70: Student Headcount

Count ALL Students... It matters

- ▶ **Undercounting your October 1st SIF total enrollment means you ARE leaving money on the table**
- ▶ Foundation Enrollment drives Foundation Budget and can impacts grant funding
- ▶ The [Student Opportunity Act](#) made significant changes to the Chapter 70 formula, based, in part, on the Foundation Budget Review Commission's report and recommendations.
- ▶ In FY24 in-district special education enrollment assumed 4.9% for vocational students and 3.9% for non-vocational students. (via phase in this will respectively reach 5% and 4%)
- ▶ Out-of-District special education enrollment **assumes** 1% of foundation enrollment
- ▶ **Your District's actual % of students in special education categories does not matter. YOUR TOTAL HEAD COUNT MATTERS.**

Ch. 70: What students count?

Count Students that:

- ▶ Attend your school(s)
- ▶ For whom you pay any part of tuition to/for
 - ▶ OSD approved OOD
 - ▶ Other Public Schools for which you are paying
 - ▶ Private school via settlement (approved or unapproved by OSD)
 - ▶ Services only, including home school/equitable services (may not get money for but...)
 - ▶ School choice and charter schools
 - ▶ **If charging tuition for PreK/K students AND student is free or gets financial aid what % is your district is paying for and claim that FTE**

Ch. 70: Who is Responsible for the Headcount?

- ▶ Who in your District is doing this?
- ▶ Do they understand the ramifications of inaccurate reporting?
- ▶ Are they checking to ensure all students have been counted?

Local Education Agency (LEA) Assignments & Cost Shares

- ▶ Move-In Law: M.G.L. Ch. 71B §5
- ▶ LEA Assignment and School District Responsibility: 603 CMR 28.10
 - ▶ Lisa Hanafin, DESE LEA Assignment Officer,
Lisa.Hanafin@mass.gov
- ▶ Are people sharing necessary information:
i.e. settlement agreements/cost shares?
 - ▶ Other districts, state agencies (DCF, DMH, DDS) Parents
 - ▶ Districts should alternate reporting by year when shared
fiscal responsibility



LEA Assignments & Cost Shares

- ▶ **Save**/**Cost** the District money by shifting costs:
 - ▶ from your district to another District
 - ▶ from another district to your District
- ▶ Who in your district is keeping track?
- ▶ Informs current and future budgets
- ▶ Impact: Eliminate and/or minimize the “you should have known” budget buster/windfall

Medicaid



- ▶ An entire workshop unto itself
- ▶ Different viewpoints
 - ▶ Abandoned, partial claim, full claim - possibility can't afford to lose \$.
 - ▶ What are you doing and why? Your reimbursement will vary.

Some municipalities **share**, **some don't**:
Negotiate cost/revenue sharing
agreement with City/Town.

Medicaid

Administrative Reimbursement:

- ▶ Timely completion of Random Moment Time Study (RMTS)
- ▶ Make sure list all appropriate staff on roster, including contracted service providers
- ▶ Include “Medicaid Qualified Staff” language in outside contracts

Direct Cost Reimbursement:

- ▶ New medical model which now includes ABA
- ▶ Do you know what documentation needed and do you have it?
- ▶ Impacts money
- ▶ Need one time consent
- ▶ Federal Audits

Medicaid Errors that leave Medicaid \$ on the table

- ▶ Does the person who is doing Medicaid know about and have all the necessary documentation?
- ▶ Is the list of eligible students complete?
- ▶ Who is responsible for sending out/tracking down consent forms?
- ▶ Are all the staff members updated and listed each quarter?

GRANTS

- ▶ Federal, State, Local, Private
- ▶ Entitlement, Competitive
- ▶ **Consider using non-MTRS eligible positions:
avoid paying extra 9% MTRS**
- ▶ Use funds to build capacity/effective PD/ROI:
the gift that keeps giving!
 - ▶ Cost of professional development escalates at
slower rate than salaries (steps/lanes) and is not
necessary every single year for all staff

Early Childhood Revenue, Expenses and Offsets

- ▶ What is your capacity?
- ▶ How much to charge for tuition?
Evaluate fees/tuition?
- ▶ Does it cover the costs of the program, excluding special education and free/financial assistance students?
- ▶ Are location(s) cost effective?



Revenue/Expense offsets

- ▶ School Choice
- ▶ Tuition-in (SPED programs only)
- ▶ Cost shares
- ▶ Special Education Stabilization Fund
- ▶ Circuit Breaker Maximization

Special Education Stabilization Fund

Section 24 of Chapter 218 of the Acts of 2016

- ▶ **Use for unanticipated/unbudgeted costs of special education, out of district tuition, transportation and recovery high school tuition**
- ▶ To establish requires a majority vote by both the School Committee and local legislative body
- ▶ Once established, SC may include a separate line item in their annual budget request to appropriate monies into the stabilization fund
- ▶ Appropriated amount for regionals is included in each member municipality's assessment with caveat that balance cannot exceed 2% of the annual NSS of the school district.
- ▶ Funds can only be expended/transferred out via majority vote of both the SC and Selectboard/City Council or in the case of regional school districts, a majority vote of the boards of selectboards or city councils of a majority of the member communities of the district.

Circuit Breaker

[\(Chapter 71B section 5A and 603 CMR 10.07\)](#)

- ▶ Annual offset/reimbursement to public school districts for special education students with high cost services
- ▶ All Circuit Breaker (CB) funds are deposited into the Circuit Breaker Revolving Account
- ▶ No further appropriation is required
- ▶ CB funds must be spent by the following June 30th

Circuit Breaker

District is eligible for reimbursement

- ▶ Up to 75% of tuition/instructional expense
- ▶ Up to 75% of OOD transportation
- ▶ Tuition gets reimbursed BEFORE transportation
- ▶ Special cases: 100% reimbursement rate
 - ▶ Homeless students
 - ▶ State wards
 - ▶ "Abandoned" students

▶ Reimbursement may include

- ▶ Special education tuition (OOD)
- ▶ Instructional expenses per students' IEP (in-district & potentially OOD if beyond tuition)
- ▶ OOD Transportation expenses - van, nurse, monitor etc. (excludes admin charges, overhead, & service coordination)

Circuit Breaker: Simple

Student OOD **tuition** expense: \$152,419

- ▶ FY25 Tuition Threshold is **\$52,419**
- ▶ Tuition amount eligible for reimbursement is \$100,000
- ▶ DESE CB reimbursement is 75% of remaining tuition(\$75,000)
- ▶ District responsible for 25% of tuition (\$25,000)

District pays \$52,419 + \$25,000

OOD **Transportation** expense: \$10,000

- ▶ District responsible for 25% of Transportation costs (\$2,500)
- ▶ DESE responsible for 75% of Transportation costs (\$7,500)

Circuit Breaker: Complex

- ▶ Student OOD Tuition \$45,000
(less than FY25 Threshold of \$52,419)
- ▶ Student Transportation \$25,000
- ▶ Total expense is for \$70,000
greater than FY25 Threshold of \$52,419
- ▶ **Student is eligible for SOME reimbursement****

Circuit Breaker

- ▶ Annual CB claim in due July each year
- ▶ Extraordinary relief CB claims, if qualify
 - ▶ [DESE Extraordinary Relief website](#)
 - ▶ **Will also get reimbursed in regular CB reimbursement for same students - a legal double dip!**

Circuit Breaker

- ▶ 85% of CB claims are for OOD tuition
- ▶ Next most common: OOD transportation
- ▶ Least common: In-district students

Circuit Breaker: IEP Drafting REALLY Matters

- ▶ Different staff are reimbursed at different rates (FY24 rates)

- ▶ OT, PT, SLP \$ 81.16
- ▶ SPED Teacher \$ 71.10
- ▶ BCBA, APE \$ 86.43
- ▶ IA/Para \$ 25.66

- ▶ Group size matters: DESE definitions:

- ▶ 1:1 SLP Rate = \$81.16
- ▶ DESE: “Sm Group” (2-4 students) SLP Rate = \$20.40
- ▶ DESE “Lg group” 5+ students SLP Rate = \$10.15

- ▶ Symbols matter:

- ▶ The “+” means “and”
- ▶ The “/” means “or”

Circuit Breaker: IEP Drafting REALLY Matters

- ▶ OT + PT + SPED: three people's time is reimbursed
- ▶ OT/PT/SPED: one person's time is reimbursed
- ▶ Symbols can be used in combination:
SPED + OT/SLP/PT + IA
- ▶ Do not use "SPED Team, or SPED STAFF": DESE only allows one person's time to be reimbursed

Circuit Breaker: Example

(Assumes one hour of service in each grid in a 5 day cycle, FY24 rates)

Improper drafting-assumed 1:1

- ▶ GRID A: Consult (1 hr)
 - ▶ SPED TEAM (BCBA \$86.43)
- ▶ GRID B: inclusion (2 hrs)
 - ▶ SPED STAFF (OT \$81.16)
- ▶ GRID C: Subseparate (30 hrs)
 - ▶ SPED/IA (IA \$25.66 1:1)

5 day cycle/180 days = claim of **\$33, 748**

no one meets threshold = \$0

Proper drafting-assumed 1:1

- ▶ GRID A (1 hr)
 - ▶ SPED+Gen+OT+PT+SLP +BCBA
- ▶ GRID B (2 hrs)
 - ▶ SPED+OT/PT+SLP/THI
- ▶ GRID C (30 hrs)
 - ▶ SPED (sg)+IA (1:1)

5 day cycle/180 days = claim of **\$72,309**

Reimbursement calculation

$\$72,309 - \$52,419 = \$19,890$

$\$19,890 \times 75\% \text{ reimbursement rate} = \$14,917.50$

$25 \text{ students} \times \$14,917.50 = \mathbf{\$372,937.50}$

Circuit Breaker: Errors That Leave \$ on the Table

Failure to claim:

- Services beyond basic tuition expenses and/or do necessary DESE/OSD paperwork associated
- Apply for authorization:
 - Individual Price Authorization (IPA) requests for services over \$20 per hour
 - Individual Price Authorization (IPA) form for services under \$20 per hour
- ▶ Equipment/supplies documented in IEP and used by one student (i.e. eye gaze)
- ▶ Legal settlements (tuitions and/or services) at (un)approved schools including those that are retroactive
- ▶ All expenses associated with OOD transportation (nurses monitors, extra runs)
- ▶ Unapproved/sole source schools/programs including approved school with unapproved ESY programs (i.e. Learning Prep, Riverview). This may be due to failure to submit requisite OSD paperwork.
 - ▶ Notification of intent to seek approval for Individual Student Program (ISP) and request for pricing authorization

Communicating is KEY

- ▶ Ensure communication is clear, concise and shared across all District Team members
- ▶ Does the person who needs the information have what they need or know where/from whom to get it?
- ▶ Does the person who has the information know who they need to share it with?
- ▶ Make sure all parties understand the “why?”
- ▶ Is information sharing happening?
- ▶ Breakdowns cause problems and literally cost your District money

Think About....

How will it effect the quality?

What is the risk/reward? In Special Education you always pay now or pay later.

How does the risk/reward affect the bottom line?

Have we told the story well?

Will taxpayers support this?

Plan for the unexpected

It's a Balancing Act:

It takes time, a team effort, good communication and dedication to manage special education well and NOT leave money on the table



Questions Comments

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