

HOUSE No. 2869

The Commonwealth of Massachusetts

PRESENTED BY:

Alice Hanlon Peisch

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to special education finance.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

Alice Hanlon Peisch

14th Norfolk

Rady Mom

18th Middlesex

HOUSE No. 2869

By Ms. Peisch of Wellesley, a petition (accompanied by bill, House, No. 2869) of Alice Hanlon Peisch and Rady Mom relative to special education finance. Education.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to special education finance.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 22N of chapter 7 of the General Laws, as appearing in the 2014
2 Official Edition, is hereby amended in the sixth paragraph by inserting after the first sentence the
3 following 3 sentences:-

4 The division shall establish a subsequent year price for a contractor for goods or services
5 related to special education as defined in section 1 of chapter 71B located within the
6 commonwealth by adding a per student annual adjustment amount to the current authorized
7 price, so called. The per student annual adjustment amount will be determined by multiplying the
8 current authorized price, so called, by a percentage factor, as determined on an annual basis by
9 the operational services division. The annual adjustment amount percentage for each cost
10 component shall correspond to the actual cost component structure of these programs.

11 SECTION 2: Section 1B of Chapter 69 of the General Laws, as appearing in the 2014
12 Official Edition, is hereby amended by inserting after the seventh paragraph the following
13 paragraph:-

14 The board shall annually publish a supplemental report containing student achievement
15 data for each approved private special education school or program, provided that such data shall
16 include student performance on the statewide assessment system approved by the board under
17 section 1I.

18 SECTION 3. Section 8 of chapter 70B of the General Laws, as so appearing, is hereby
19 amended by striking out, in line 24, the word “and”.

20 SECTION 4. Said section 8 of said chapter 70B, as so appearing, is hereby further
21 amended by striking out paragraph (8) and inserting in place thereof the following:-

22 (8) priority shall be given to projects needed in the judgment of said authority to
23 transition from court-ordered and authority approved racial balance school districts to walk-to,
24 so-called, or other school districts; and

25 (9) priority shall be given to projects needed in the judgment of said authority to create
26 space for in-district special education programs and services.

27 SECTION 5. Subclause (C) of subsection (a) of section 10 of said chapter 70B, as so
28 appearing, is hereby amended by adding the following sentence:- “The authority shall award
29 incentive points for projects that include spaces for in-district special education programs and
30 services, including special education programs and services provided by education collaboratives
31 pursuant to section 4E of chapter 40 for public school districts within public school buildings.”

32 SECTION 6. Chapter 71B of the General Laws is hereby amended by adding after
33 section 10 thereof the following new section:-

34 Section 10A. Each approved private special education school or program authorized
35 under this chapter to provide special education services to children, and that enrolls students
36 funded by the commonwealth or its political subdivisions, shall file annual reports with the
37 department of elementary and secondary education. Each approved private special education
38 school or program shall annually prepare, financial statements, including: (1) a statement of net
39 assets; (2) a statement of revenues, expenditures and changes in net assets; and (3) such
40 supplemental statements and schedules that may be required by the department. Each school
41 shall annually cause an independent audit to be made of its financial statements consistent with
42 the generally accepted governmental auditing standards. Each school shall file the audit report
43 and any related management letters annually on or before January 1, for the previous fiscal year
44 with the department and the state auditor, and shall submit a copy of the audit report and any
45 related management letters to each school committee that had students attending said approved
46 private special education school during the period covered by the audit report.

47 The audited financial statements, accompanying notes and schedules shall disclose, but
48 not be limited to: (1) transactions between the approved private special education school and any
49 related for profit or non-profit organization; (2) transactions or contracts related to the purchase,
50 sale or lease of real property; (3) the names, duties and total compensation of the 5 most highly
51 compensated employees; (4) the amounts expended on administration and overhead; (5)
52 information on programs and services provided by the school, including the cost effectiveness of
53 such programs and services; (6) whether the school has achieved the goals set forth in its
54 students' IEPs; and (7) any other items that may be required by regulation.

55 SECTION 7. Notwithstanding any general or special law to the contrary, the division of
56 purchased services of the department of procurement shall promulgate rules and regulations
57 relative to the pricing of programs approved under chapter 71B of the General Laws for the
58 purpose of promoting recruitment and retention of all direct care staff and improving
59 instructional resources. Said rules and regulations shall include the following provisions:-

60 (a) the division shall establish a pricing mechanism, including eligibility and procedural
61 requirements, that allows approved programs to apply for salary and benefit increases for all
62 direct care staff including, but not limited to, teachers, related service staff, health care staff and
63 clinical staff to increase the rate of licensure and certification, as may be required by state or
64 federal law, and to decrease the rate of staff attrition and to ensure that benefits and salaries are
65 comparable to the benefits and salaries of similar employees in public schools or relevant
66 agencies of the commonwealth. Said salaries and benefits shall be prorated for the length of said
67 programs. The pricing mechanism shall also address department of elementary and secondary
68 education approved instructional resource upgrades;

69 (b) the department of elementary and secondary education shall, at the next evaluation of
70 an approved private special education program as required in section 3 of chapter 71B, review
71 the facilities, textbooks, equipment, technology, materials and supplies of the program necessary
72 to instruct students in the Massachusetts curriculum frameworks and recommend to the division
73 pricing adjustments to address needed instructional resource upgrades as determined by the
74 department; and

75 (c) the division's pricing mechanisms shall not be based upon non-commonwealth or
76 prior year's revenues. No mechanism established by the division shall delay a program price

77 adjustment for more than 90 days. Private special education programs must provide purchasers,
78 the department of elementary and secondary education and the operational services division with
79 a notice of intent to apply for salary and benefit upgrades by October 1 for the following fiscal
80 year.