

HOUSE No. 331

The Commonwealth of Massachusetts

PRESENTED BY:

Chris Walsh

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 greater transparency and accountability for out of district placement costs.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Chris Walsh</i>	<i>6th Middlesex</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>

HOUSE No. 331

By Mr. Walsh of Framingham, a petition (accompanied by bill, House, No. 331) of Chris Walsh, Jonathan Hecht and James J. O'Day relative to greater transparency and accountability for out-of-district placement costs. Education.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 508 OF 2015-2016.]

The Commonwealth of Massachusetts

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

An Act relative to greater transparency and accountability for out of district placement costs.

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. Chapter 71B of the General Laws is hereby amended by adding after section
2 10 thereof the following new section 10A:-

3 Section 10A. Each approved private special education school that has received approval
4 from the department of elementary and secondary education (department) to provide special
5 education services to children in need of such services shall file annual reports with the
6 department. Each board of directors, by whatever title it may be known, of an approved private
7 special education school that serves students funded by the commonwealth or its political
8 subdivisions shall annually prepare, financial statements, including: (1) a statement of net assets;
9 (2) a statement of revenues, expenditures and changes in net assets; and (3) such supplemental
10 statements and schedules that may be required by the department. Each aforementioned board

11 shall annually cause an independent audit to be made of its financial statements consistent with
12 the generally accepted governmental auditing standards. Each such board shall file the audit
13 report and any related management letters annually on or before January 1, for the previous fiscal
14 year with the department and the state auditor, and shall submit a copy of the audit report and
15 any related management letters to each school committee that had students attending said
16 approved private special education school during the period covered by the audit report.

17 The audited financial statements, accompanying notes and schedules shall disclose: (1)
18 transactions between the approved private special education school and any related for profit or
19 non-profit organization; (2) transactions or contracts related to the purchase, sale or lease of real
20 property; (3) the names, duties and total compensation of the 5 most highly compensated
21 employees; (4) the amounts expended on administration and overhead; (5) any other items that
22 may be required by regulation. Each approved private special education school that enrolls
23 students funded by the commonwealth or its political subdivisions shall submit an annual report,
24 on or before January 1 for the previous fiscal year to the commissioner. The annual report shall
25 include, but not be limited to: (1) information on programs and services provided by said school,
26 including the cost effectiveness of such programs and services and whether the school has
27 achieved the goals as set forth in the IEP: and (2)financial statements and the independent
28 auditor's report.