

HOUSE No. 4432

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, February 20, 2020.

The committee on Education, to whom was referred the petition (accompanied by bill, House, No. 554) of Alice Hanlon Peisch and others relative to special education, reports recommending that the accompanying bill (House, No. 4432) ought to pass.

For the committee,

ALICE HANLON PEISCH.

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**In the One Hundred and Ninety-First General Court
(2019-2020)**

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 1B of Chapter 69 of the General Laws, as appearing in the 2018
2 Official Edition, is hereby amended by inserting after the seventh paragraph the following
3 paragraph:-

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

8 SECTION 2. Section 8 of chapter 70B of the General Laws, as so appearing, is hereby
9 amended by striking out, in line 24, the word “and”.

10 SECTION 3. Said section 8 of said chapter 70B, as so appearing, is hereby further
11 amended by inserting in line 28, after the word “districts” the following:-

12 “; and (9) priority shall be given to projects needed in the judgment of said authority to
13 create space for in-district special education programs and services”

14 SECTION 4. Section 10 of said chapter 70B, as so appearing, is hereby amended by
15 inserting, in line 44, after the sentence ending in the word “construction”, the following new
16 sentence:-

17 “The authority shall award incentive points for projects that include spaces for in-district
18 special education programs and services, including special education programs and services
19 provided by education collaboratives pursuant to section 4E of chapter 40 for public school
20 districts within public school buildings.”

21 SECTION 5. Chapter 71B of the General Laws is hereby amended by inserting after
22 section 10 the following new section:-

23 Section 10A. Each approved private special education school or program authorized
24 under this chapter to provide special education services to children, and that enrolls students
25 funded by the commonwealth or its political subdivisions, shall file annual reports with the
26 department of elementary and secondary education. Each approved private special education
27 school or program shall annually prepare, financial statements, including: (1) a statement of net
28 assets; (2) a statement of revenues, expenditures and changes in net assets; and (3) such
29 supplemental statements and schedules that may be required by the department. Each school
30 shall annually cause an independent audit to be made of its financial statements consistent with
31 the generally accepted governmental auditing standards. Each school shall file the audit report
32 and any related management letters annually on or before January 1, for the previous fiscal year
33 with the department and the state auditor, and shall submit a copy of the audit report and any

34 related management letters to each school committee that had students attending said approved
35 private special education school during the period covered by the audit report.

36 The audited financial statements, accompanying notes and schedules shall disclose, but
37 not be limited to: (1) transactions between the approved private special education school and any
38 related for profit or non-profit organization; (2) transactions or contracts related to the purchase,
39 sale or lease of real property; (3) the names, duties and total compensation of the 5 most highly
40 compensated employees; (4) the amounts expended on administration and overhead; (5)
41 information on programs and services provided by the school, including the cost effectiveness of
42 such programs and services; and (6) any other items that may be required by regulation.

43 SECTION 6. The department of early education and care and the department of
44 elementary and secondary education may share data only for residential programs approved by
45 both departments.

46 SECTION 7. Notwithstanding any general or special law to the contrary, the secretary of
47 education shall, in consultation with the department of elementary and secondary education, the
48 department of early education and care, and the operational services division, study and make
49 recommendations regarding the oversight of Approved Massachusetts Day and Residential
50 Private Special Education Programs.

51 The recommendations shall provide information on topics including, but not limited to:
52 (1) best practices of licensing, monitoring and providing oversight of Approved Massachusetts
53 Day and Residential Private Special Education Programs (Chapter 766 schools); (2) the
54 collection of data related to providing appropriate educational programming; (3) the collection of
55 data related to providing the most appropriate services to students in chapter 766 schools; (4)

56 consideration of the relevant aspects of the statute governing education collaboratives, as defined
57 in section 4E of Chapter 40, and their potential application to chapter 766 schools; and (5) the
58 collection of data relevant to the structure for congregate care for the students and review of the
59 appropriate agency placement policies.

60 In developing recommendations, the secretary of education, the department of elementary
61 and secondary education, the department of early education and care, and the operational
62 services division shall consult with and solicit input from various persons and groups, including
63 but not limited to, the department of developmental services; the division of local services, the
64 executive directors of chapter 766 schools of varying size and scope throughout the
65 commonwealth; organizations representing individuals with developmental disabilities; district
66 directors of special education throughout the commonwealth; organizations representing
67 children with disabilities and their parents; and associations representing special education
68 administrators and other educational administrators, school officials, and municipal officials.

69 The secretary of education shall file findings containing recommendations, including
70 legislation and regulations necessary to carry out the recommendations, with the clerks of the
71 house of representatives and senate not later than 12 months following the passage of this act.