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- Overview of special education enrollment and spending in Massachusetts
- Special education eligibility
- **Maximum feasible benefit vs. FAPE**
- Managing large swings in local special education budgets

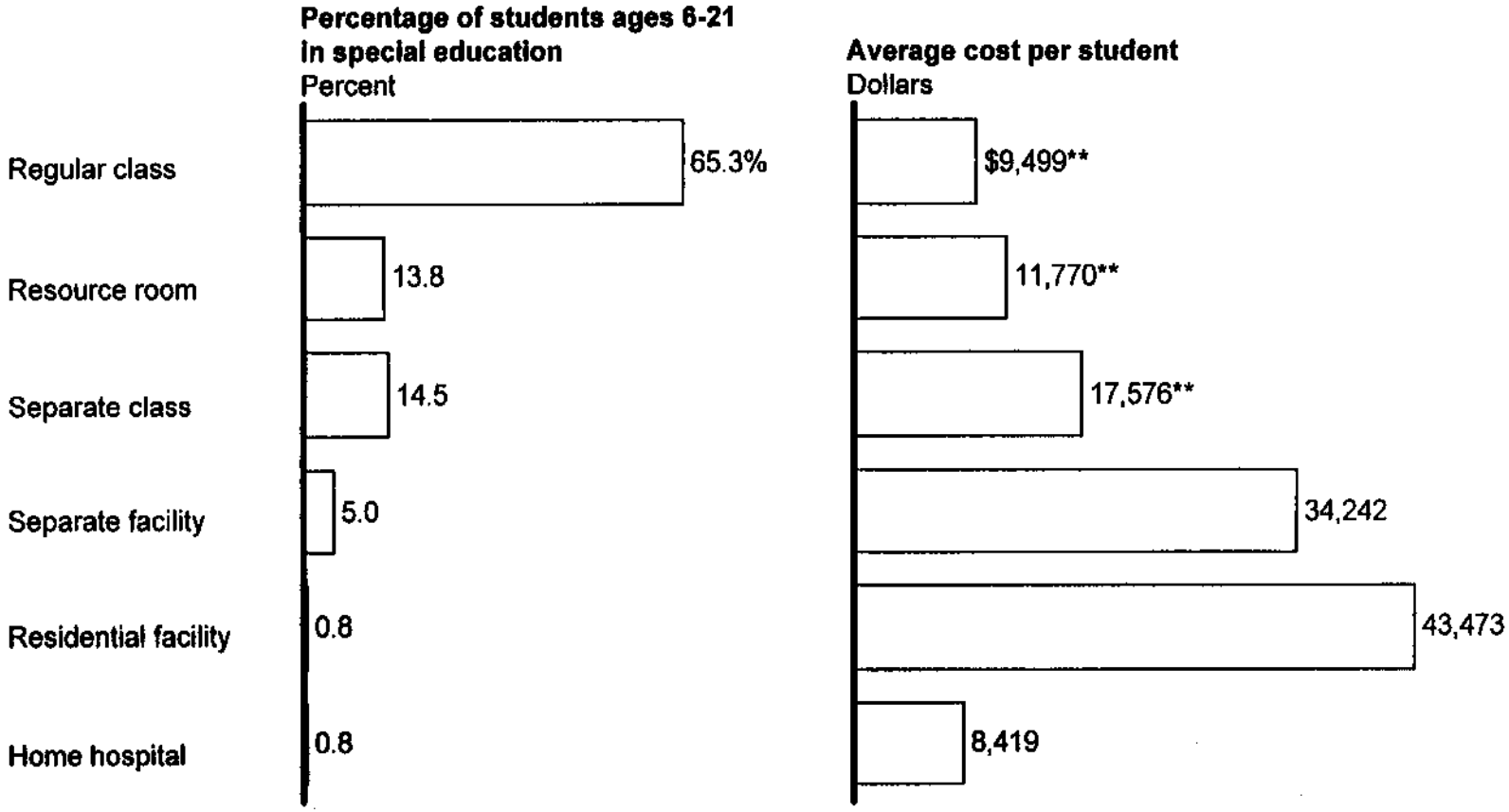
KEY FINDINGS ON ASSESSMENT OF FAPE IMPACT

According to an analysis of prototype data, moving the special education standard from MFB to FAPE could, at full implementation, shift between 2,200 and 35,000 students into different educational environments (prototypes) and could make between $36 million and $8 million of the special education budget available for reallocation. The specific results are dependent on the impact of FAPE on inclusion and whether eligibility changes are implemented. The range is provided because there is no definitive evidence about whether MFB plays a role in keeping children in the least restrictive environment.

- Massachusetts currently places a higher percentage of special education children in both the least and most restrictive educational environments relative to peer group states who have FAPE
- Data does not exist that would enable the comparison between Massachusetts and FAPE states for specific services and for special education costs
- Experts are in general agreement that the steady state standard of FAPE is close to that of MFB; however, there is broad disagreement about what would happen during a transition from MFB to FAPE
- If the standard is changed, steps would be needed to manage the transition (e.g., training, oversight)

Most children in special education in Massachusetts are educated primarily in the regular classroom, which is, on average, one of the least expensive educational environments.

MASSACHUSETTS DISTRIBUTION OF SPECIAL EDUCATION STUDENTS ACROSS EDUCATIONAL ENVIRONMENTS (PROTOTYPES) AND ASSOCIATED COSTS*



* Distribution across prototypes is based on 1996 data; costs are based on 1998 data

** Estimated costs based on 1998 costs for prototypes 502.1 - 502.4, broken out based on their relative weights in 1992

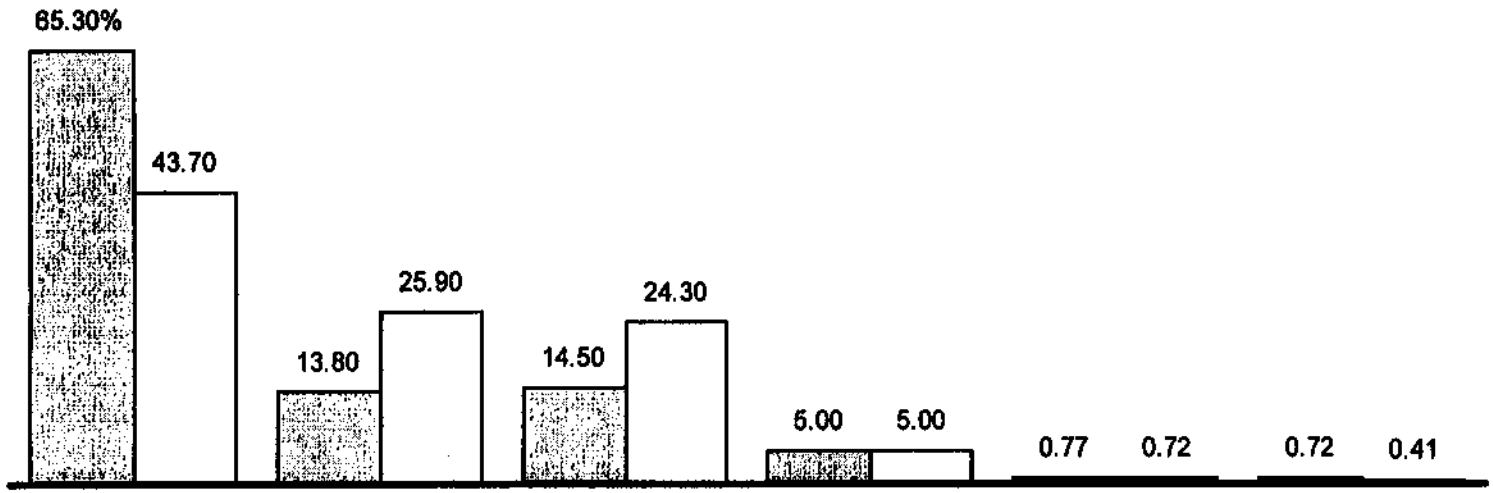
Source: Annual Report to Congress on the Implementation of IDEA; MA DOE; team analysis

Relative to other states, Massachusetts has more special education students in regular classrooms, residential facilities, and the home hospital environment.

DISTRIBUTION OF MASSACHUSETTS SPECIAL EDUCATION STUDENTS ACROSS PROTOTYPES RELATIVE TO PEER GROUP – 1996

Massachusetts
Peer-group average

Percentage of special education students



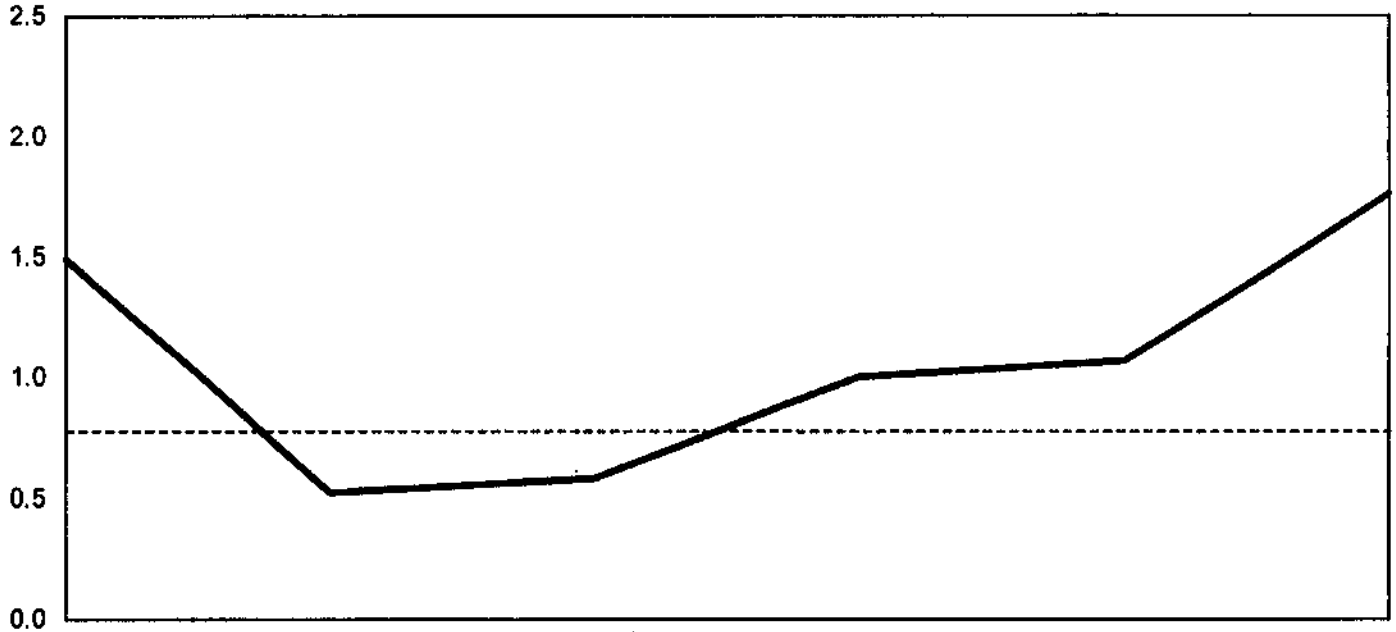
	Regular class		Resource room		Separate class		Separate facility		Residential facility		Home hospital	
Percentage of total students ages 6-21	7.51%	3.83	1.65	2.33	1.77	2.17	0.62	0.48	0.09	0.07	0.08	0.05

Source: Annual Report to Congress on the Implementation of IDEA (1998)

Comparing the relative enrollment in Massachusetts prototypes to other states emphasizes the larger share of Massachusetts special education students in both the least and most restrictive environments.

RATIO OF MASSACHUSETTS SPECIAL EDUCATION ENROLLMENT TO PEER GROUP RATE FOR DIFFERENT EDUCATIONAL ENVIRONMENTS*

Ratio of percentage of total special education children in a prototype in Massachusetts vs. the peer group**



	Regular class	Resource room	Separate class	Separate facility	Residential facility	Home hospital
Total MA headcount	105,600	23,200	25,000	8,600	1,300	1,100

* Distribution of students is for 1996 and total headcount is for 1998

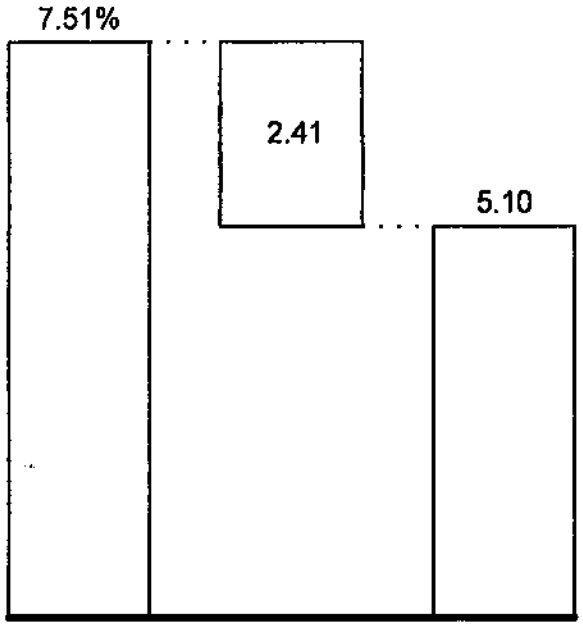
** For example, Massachusetts has roughly 1.5 times more of its special education students in the regular classroom than the peer group

Source: Annual Report to Congress on the Implementation of IDEA (1998)

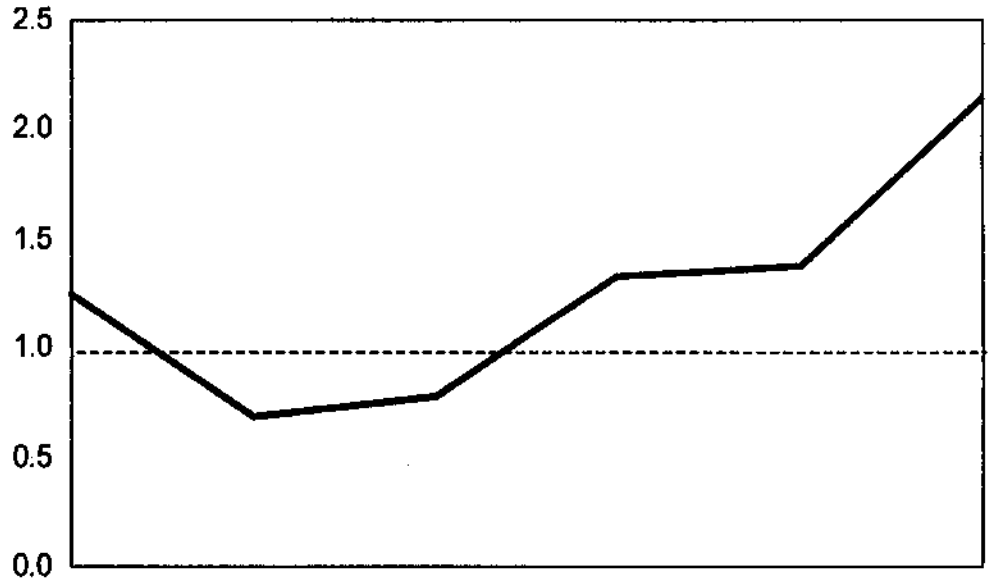
If Massachusetts were to move to the peer group average for eligibility (assuming the impact is only on specific learning disabilities), the mix of more restrictive environments would shift even higher.

ENROLLMENT BY PROTOTYPE AFTER NORMALIZING FOR ELIGIBILITY DIFFERENCES – 1996

Normalized SLD enrollment
Percent



Adjusted enrollment by prototype
Ratio of MA to peer group



	Regular class	Resource room	Separate class	Separate facility	Residential facility	Home hospital
Total MA headcount	62,800	20,300	21,800	7,600	1,100	1,000

Source: Annual Report to Congress on the Implementation of IDEA (1998); team analysis

We faced several data limitations in assessing the impact of FAPE on services.

DATA LIMITATIONS IN ASSESSING IMPACT OF FAPE

Qualifying the impact of FAPE

- The ideal way to estimate the impact of FAPE would be to analyze data across states on the services provided to children by disability and spending per disability
- However, most states do not collect data on services provided and costs per disability, and the limited data available are not comparable across states
- Consequently, the team used data based on the educational environments in which students receive services (prototypes), by disability, as a proxy for the intensity of special education services students receive
- Even these data have limitations. While the overall prototype data are up to date and accurate, Massachusetts has not updated the distribution by disability data since 1992, though data for most other states are more current

Data limitations do not allow analysis of

- The intensity of services provided to children with disabilities under MFB and FAPE
- The frequency of services provided to children with disabilities under MFB and FAPE
- The cost of these services
- Specific changes for individual children

Massachusetts should improve its special education data collection, especially around services provided to children and cost per service

Although most people interviewed agree that FAPE is a relatively high standard and not significantly different from MFB, much of the debate around the impact of moving from MFB to FAPE focuses on what will happen during the transition period. What happens during the transition will depend on how the process is managed.

PERSPECTIVES ON FAPE IMPACT

"Six years from now, there will be no change. But the transition will be chaos."
– *Advocate*

"We're not saying kids in other states don't get expensive services. What we're worried about is the *perception* in Massachusetts schools that FAPE is a much lower standard, which will lead to cuts in services."
– *Advocate*

"I am most concerned about short-term confusion."
– *Parent*

"Some of the more strapped schools will immediately cut their sped budgets as soon as they hear of a change to FAPE. Children won't receive the services they need, and many parents aren't educated enough about their rights to fight for what they deserve."
– *Advocate*

"The team doesn't use maximum feasible benefit when making decisions about a child's education program – they just do what is best for the child. They'll do the same under FAPE."
– *School administrator*

"In the short term, there will be no change in the level of services provided to kids in special education."
– *Special education expert*

"After the change to FAPE, there will not be an influx of litigation because we have 25 years of case law on what FAPE means."
– *School attorney*

"There are 49 states that have set a precedent out there on what FAPE means. Any confusion in the schools and courts will be very short-lived."
– *School administrator*

"The Department of Education needs to be very clear about what it expects from schools under FAPE and will have to oversee this transition."
– *Member of General Court*

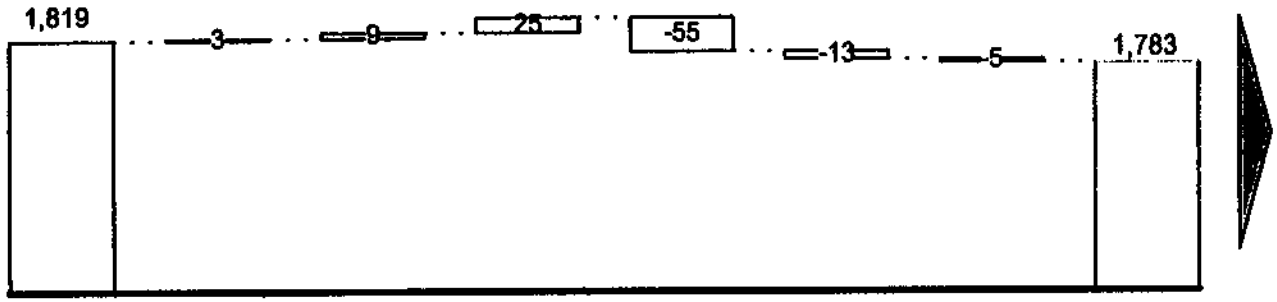
Source: Interviews

If we assume no change to eligibility but change the distribution across educational environments to that seen in peer-group states, we estimate that 2,500 to 35,000 students could change educational environments and between $36 million and $8 million in the special education budget could be available for reallocation. The top chart assumes no impact of MFB on inclusion of students in the regular class, but otherwise matches the peer group distribution across prototypes. The bottom chart assumes Massachusetts' success with inclusion is driven by MFB, matching the peer group distribution for all prototypes. The model is run this way because it is unclear whether MFB directly impacts inclusion.

POTENTIAL COST OF EDUCATING SPECIAL EDUCATION CHILDREN UNDER FAPE –1998

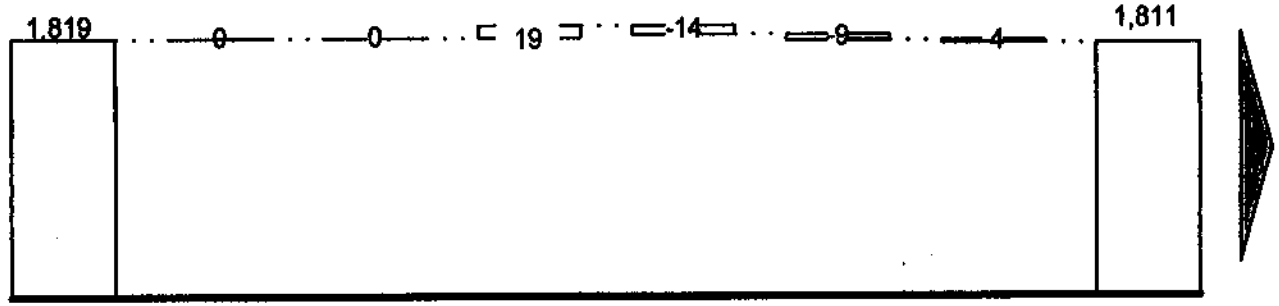
$ Millions

No movement of students from regular class (otherwise matches peer group distribution)



- If students do not move out of the regular classroom
  - Roughly 2,500 students could change educational environments
  - ~$36 million in special education expenses could be reallocated

Movement of students from regular class allowed (matches peer group distribution)



- If students do move out of the regular classroom
  - Roughly 35,000 students could change educational environments
  - ~$8 million in special education expenses could be reallocated

		MA today	Change in regular class	Change in resource room	Change in separate class	Change in separate facility	Change in residential facility	Change in home hospital	MA at Peer Group "FAPE" distribution
Change in number of children	*No movement*		300	+800	+1,400	-1,600	-300	-600	
	Movement		-34,000	20,300	14,800	-400	-200	-500	

* Changes were modeled using the 1998 costs per special education student, the total number of students, and the 1996 distribution of students across educational environment

** Assumes children moving from regular classroom to resource room and separate class receiving the same level of services as before with a zero net effect on cash for that group

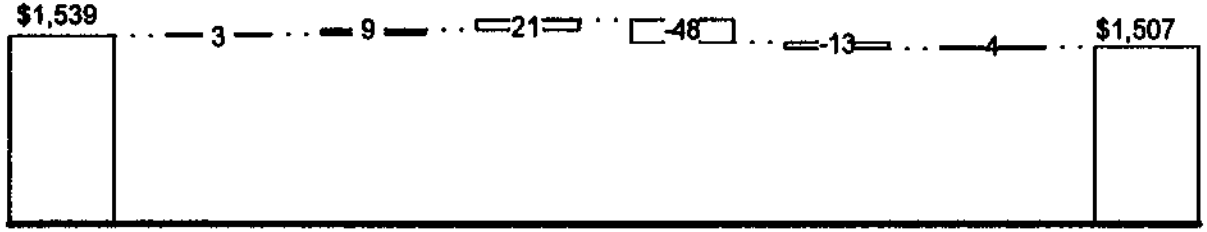
Source: Annual Report to Congress on Implementation of IDEA; team analysis

The charts on this page combine the impact of changing to peer group eligibility* with moving to the peer group prototype distribution. The charts show that prototype changes under FAPE could make between $32 million to $16 million of the special education budget available for reallocation (depending on assumptions about inclusion) and could result in a change in educational environments for 2,200 and 17,400 students. Additionally, an additional $125 million in the special education budget could be available for reallocation due to changes in eligibility.

POTENTIAL COST OF EDUCATING SPECIAL EDUCATION CHILDREN AFTER CHANGE TO ELIGIBILITY AND FAPE –1998**

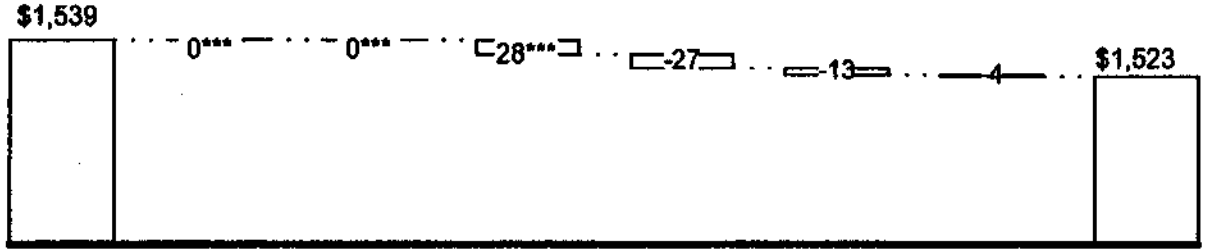
$ Millions

No movement of students from regular classroom (otherwise matches peer group distribution)



- If students do not move out of the regular classroom
  - Roughly 2,200 students could change educational environments
  - ~$32 million in special education expenses could be reallocated

Movement of students from regular classroom allowed (matches peer group distribution)



- If students do move out of the regular classroom
  - Roughly 17,000 students could change learning environments
  - ~$16 million in special education expenses could be reallocated

		Cost of educating special education children with eligibility changes	Change in regular classroom costs	Change in resource room costs	Change in separate class costs	Change in separate facility costs	Change in residential facility costs	Change in home/ hospital costs	MA at Peer Group "FAPE" distribution and eligibility
Change in number of children	*No movement*		300	700	1,200	-1,400	-300	-500	
	Movement		-15,800	9,200	8,200	-800	-300	-500	

* MA eligibility was modeled on peer-group eligibility only for specific learning disabled children in the regular classroom

** Changes were modeled using 1996 costs per special education student and total number of students and 1996 distributions across education environments

*** Assumes children moving from regular classroom move to resource room and separate class and receive the same level of services as before with a zero net effect on costs for that group

Source: Annual Report to Congress on Implementation of IDEA (1996); team analysis