

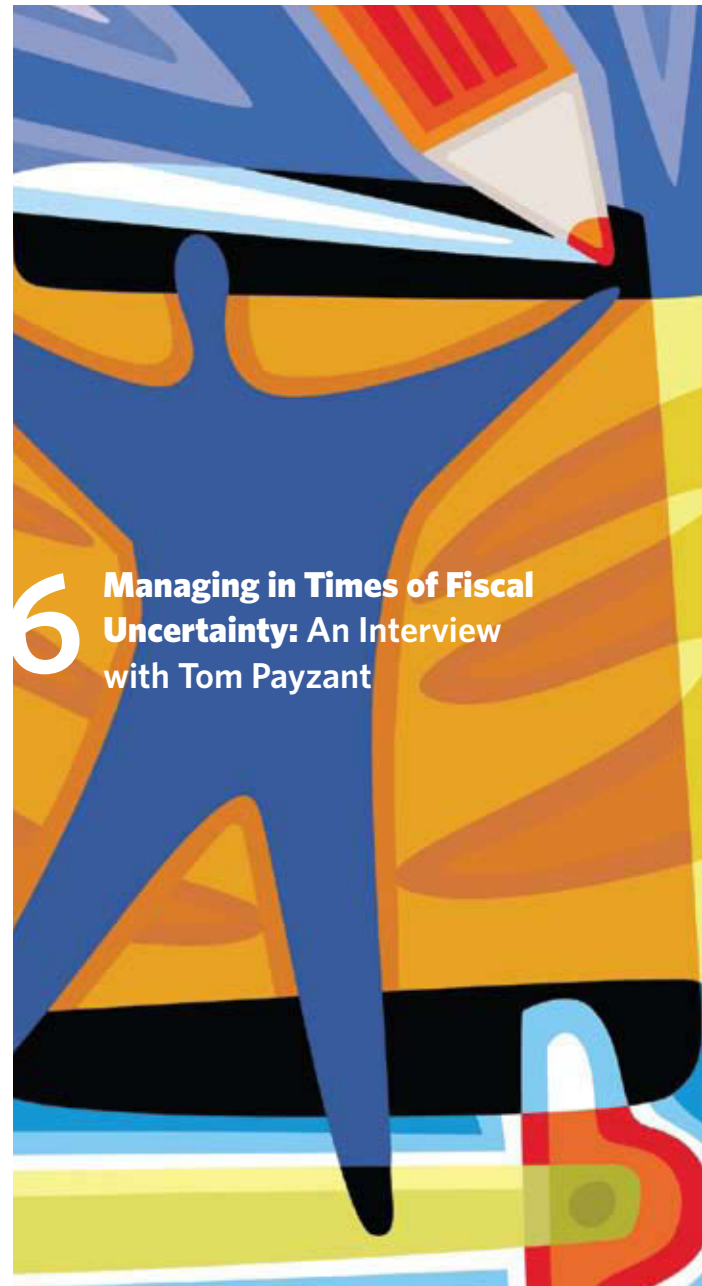


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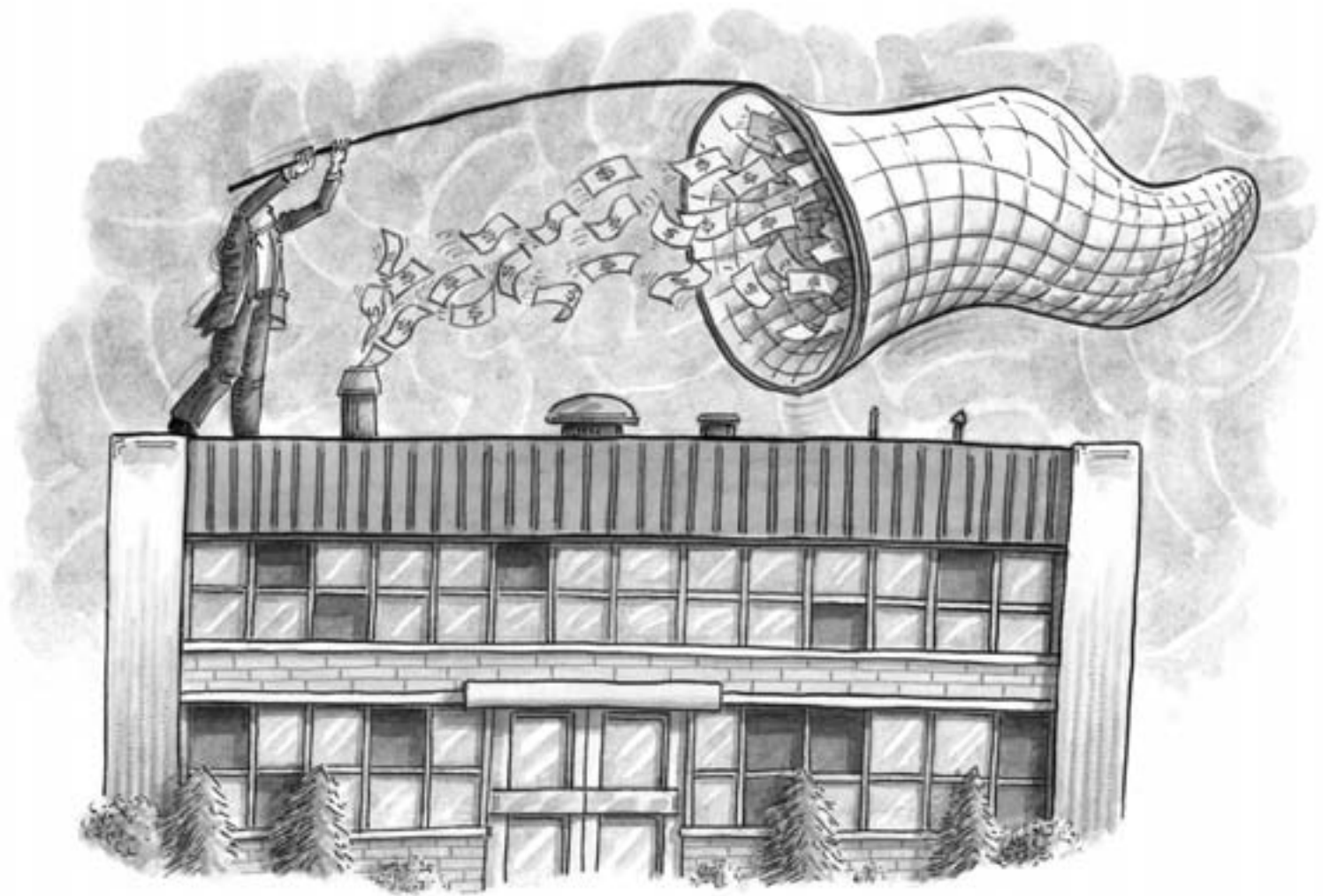
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A WIN-WIN APPROACH

to Reducing Special Education Costs

Tough times demand districts increase the cost effectiveness of special ed. *Here's how....*

| BY NATE LEVENSON

Special education costs are rising rapidly, and the number of students with severe special needs such as autism and emotional/behavioral issues is rising even faster. NCLB is demanding higher levels of student achievement, but school budgets are shrinking. School districts continue to lobby the state and federal government for more funds, but that won't happen given the current economic crisis. School districts are on our own to tackle the twin challenges of controlling special education costs and improving student achievement.

What's more, we have a moral (not to mention legal) imperative to not just cut services for these students; tough financial times don't change the reality that students with special needs are often learning at a less-than-satisfactory level. Our challenge is to do more and spend less.

Here's the good news: There is a 10-Step process with more than 75 specific strategies that will enable you to balance the budget and improve student outcomes.

When I became superintendent in Arlington, Massachusetts in 2005, special ed costs were climbing, service for students

with special needs was spotty, and results weren't what we wanted. To make matters worse, we were experiencing a ballooning population of autistic children; tuitions for out-of-district schools were skyrocketing; and transportation vendors were hiking prices by as much as 100%. Despite all this, we were able to reduce special ed spending in the district compared to the status quo, to raise student achievement, and—surprisingly—to increase parent satisfaction.

In the eight schools participating in our changes over three years, the number of special ed students reaching proficiency increased by 26% in English and 22% in math. The high school was ranked in the top 2% by *U.S. News and World Report*, and the entire district was twice recognized by School Matters, a partnership of Standard & Poor's, the Gates Foundation and the Broad Foundation, for outperforming districts of similar social-economic status. In both cases, closing the achievement gap of our special ed students factored heavily into the award selections. How did we do it? We did it by implementing a 10-Step Process that can be used in all districts.

Step 1: Change the discussion

Teachers, administrators and parents are motivated by a love of children and a passion to help. They also have little love for cost-saving measures. The thinking goes something like this: "Special education is very expensive, that's just the way it is. Any attempt to cut spending is harmful to kids and detracts from their ability to learn."

Stop talking about cost-cutting. Talk instead about cost-effectiveness. It's a difference that cuts to the heart of the matter. Cost-cutting assumes that we are taking something away from children. No one wants to support it. Cost-effectiveness means getting the same or better results for less money. No one wants to not support that.

In the first year after the Arlington Public Schools started implementing the more than 75 cost-effective strategies in the 10-Step Process, an independent survey of special education parents found that 50% believed the department was more responsive to their children's needs than in previous years. The following year, the special education parents' group reported 66% was more satisfied with the special education department. Formal parent complaints to the Department of Ed dropped from 25 to zero.

Most parents viewed the changes as improvements, not cost-savings. They were both.

Step 2: Ensure sufficient financial and logistic expertise.

How many special educators do you know who have a passion for numbers, scheduling, financial analysis, forecasting and purchasing? Yet it is these very skills that a district needs in order to make special education cost-effective. Knowledge of the law, pedagogy, and change management are critical, but they are not enough.

If your district is anything like mine was, special education was an island unto itself. The chief financial officer (CFO) for the district, for instance, was never involved in managing the finances of special ed. I made the decision to put her on the team. The person who schedules transportation for the general education population was a transportation expert, but the person who scheduled transportation for special ed had a clerical position. I brought the expert to the team.

We had a trained behavioral specialist in the system who happened to be excellent in scheduling. For a small stipend, she was happy to take on the scheduling of counselors and other therapists. Other expertise on the team included me, a superintendent with a Harvard MBA, and a part-time purchasing assistant from elsewhere in the district who had private sector experience. Working together with special education administrators and teachers, this team reduced costs and improved outcomes because they brought outside-the-(special ed)-box ideas and expertise to the table.

“Most parents viewed the changes as improvements, not cost-savings. They were both.”

Step 3: Conduct an Opportunities Audit

Since each district is different, an Audit of Opportunities is necessary. This tool assesses 6 broad areas and 75 specific strategies. The audit involves gathering data, surveying and interviewing staff, observing classrooms, and crunching numbers. This information is then used to identify and analyze trends, compare findings to local and national benchmarks, and assess the 75 strategies to determine which hold the most promise for your district. ▷

Step 4: Keep students in district

Although students with severe needs constitute a small portion of special education students, they account for about half of all special ed spending. Before we began our 10-Step Process, Arlington had many substantially separate programs to serve this population and it still wasn't enough. Our audit indicated that for certain disabilities, we didn't provide a complete K-12 path. When some students reached a given grade, we had to send them out of district. For other disabilities we lacked appropriate programs completely. At a cost of about \$60,000 per student, including the cost of transportation, we could breakeven starting a program for just 2 students!

We learned that a district can run a quality program for 50% less than a comparable out-of-district program or collaborative. How is this possible without sacrificing quality or services? We created five new programs in Arlington in one year, and more the following year. Our programs were similar to the out-of-district programs in terms of class size, student-teacher ratios, and support services such as autism specialists, certified Wilson reading teachers, ABA behaviorists, social workers, and drug and alcohol counselors. By simply putting the money from out-of-district placements and transportation into in-house programs, we saved \$1.6 million and expect to save more each year.

“We were able to reduce special ed spending in the district compared to the status quo, to raise student achievement and—surprisingly—to increase parent satisfaction.”

If the savings are big, and parents and students both benefit, why aren't all districts moving in this direction? A growing number are, but many struggle to get started. Which programs to add? Who writes the curriculum? Which disabilities to target? In Arlington, we invested in one extra person to build our new programs. We recouped 20 times the savings a year later.

Not everyone loved this plan: parents whose children had to experience yet another transition were initially upset. But, most parents were very grateful to have their children stay in-district. One mother who had two special needs children go through Arlington schools told me, “I can't tell you how much I wish these programs had been available for my first child. It would have changed his life.”

Step 5: Rethink the role and schedule of paraprofessionals

The use of paraprofessionals for inclusion remains very popular with teachers, parents and principals, and it's a big budget item. Research, however, tells us to be wary.¹

An aide hovering beside a student creates a social barrier, stifling peer interaction and defeating one of the primary benefits of inclusion. What's more, a 1:1 aide can decrease the instruction a student gets from the classroom teacher who thinks a student with an aide already has 100% of an adult's time, unlike classmates without aides. So the students with the greatest needs get the least attention from the teacher certified in the subject matter. In the worst case, the aide actually does the work for the student under the guise of helping. Yes, some students absolutely need aides for health and safety reasons, but aides are not a panacea.

Here's how to move beyond the no-win debates of “are aides good or bad,” or “should we have more or fewer aides?”

1. **Make sure aides aren't being assigned for the wrong reasons, such as parental pressure or symbolic fixes that mask the root cause of a problem.**

In Arlington, a review team of educators with a wide range of expertise developed a structured, objective way to assess the need for aides. In one case, a teacher advocated strongly for a 1:1 aide for a student prone to outbursts in class. The review revealed that the outbursts were infrequent. A behaviorist observed the student and identified the triggering factors. She created a behavior plan for student and teacher, codified the warning signs, and coached the teacher. Within a few weeks, an aide was no longer needed.

In a second case, a parent wanted an aide for a student who was failing many subjects. A review revealed that most of the assignments were turned in late, if at all, and that the student was struggling to comprehend his textbooks. A program of study skills, homework check-ins, and reading support addressed the student's needs—at one-tenth the cost of an aide. What's more, assigning an aide would have covered up the problems and created a very dependent child.

2. **Be very specific about what a student needs.**

Is math a struggle? Provide an aide during math, but not for art, music and language arts. Is transitioning from home to school the problem? Provide the aide for two hours in the morning, and then let the aide help in another room.

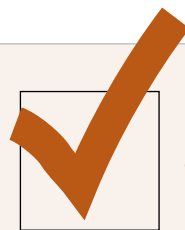
3. **Schedule aides on a building-wide basis, not student-by-student.**

The decision to add an aide to a student's IEP is typically made independently of what other supports exist in the classroom or building. Some classes have two or even three aides because IEPs don't consider whether an aide is already in that classroom; three classes side-by-side might each have an aide because class assignments don't take into consideration where aides already are in place. Also, highly trained student teachers don't count as support because the IEP doesn't consider their presence. With just slight changes in the wording of some IEPs, schools can assign aides to classes rather than to individual students, use student teachers when available, and avoid redundancy.

In Arlington, as the district increased its commitment to include students with moderate disabilities in the general ed classroom, the cost of paraprofessionals ballooned, jumping 48% in just two years. Formal requests were submitted for another 15% increase the next year. By implementing the three steps described above, our costs actually decreased by 6% over the next two years. These changes didn't create much pushback either: more students got the support of a second adult in the classroom for some part of the day; the aides knew exactly why they were there; and children had greater opportunity to interact with peers. Parents and principals alike appreciated the more structured criteria which eliminated the sense that "getting an aide" was arbitrary, having more to do with who screamed the loudest or who was on the good side of the special ed director.

Step 6: Create a team to manage special ed transportation

Although the ways in which children get to out-of-district placements may vary from district to district, with varying combinations of district drivers and vehicles and private vendors, most districts have one thing in common: a poor flow of information and a lack of business savvy about the routing process. ▷



CHECK LIST
10 Steps to Reduce Special Education Costs

- Step 1:**
Change the discussion
- Step 2:**
Ensure sufficient financial and logistic expertise
- Step 3:**
Conduct an Opportunities Audit
- Step 4:**
Keep students in district
- Step 5:**
Rethink the role and schedule of paraprofessionals
- Step 6:**
Create a team to manage special ed transportation
- Step 7:**
Benchmark staffing levels and service levels
- Step 8:**
Reduce new referrals by shifting some remediation to general educators
- Step 9:**
Teach all students to read in the early grades
- Step 10:**
Get other people to pay



Frustration and failure, not insight, taught me some important lessons. After the start of the school year, we learned that a student with emotional issues needed transportation

with special safety equipment to take him to a program 30 minutes away. We put the request out to bid, but our usual vendors were booked. The parents were rightfully angry that transportation was slow to start, so we pressured our vendors. They sensed our desperation and quoted an outrageous cost of \$280/day—\$50,400 for the year! We had no choice. We had to accept this fee even though it wasn't in the budget.

Concerned over this expense, I called a meeting that included the typical players—the special ed director and the out-of-district coordinator—but also people who were not usually involved, namely our general ed transportation manager, our CFO, a purchasing specialist, and someone who knew the student well.

With the newly configured team, it took less than 30 minutes to come up with a plan to cut the cost by \$32,400. A different safety solution was available if the IEP could be slightly modified. (The parent agreed.) A district-owned vehicle could be used if we hired another driver. No one in the first process had the authority to hire a driver not already in the budget, and no one had a way of knowing about the availability of a school owned vehicle from another department.

What was the lesson learned? I learned how costly it can be when each player has a bit of the story, but no one knows the whole story. I also learned that everyone did their best, but often we asked people to do what they aren't skilled at. Everyone in the original process was a clerk or an educator with no background in purchasing, logistics, or transportation routing. As in many districts, each player made a decision and passed it on to the next person who accepted the prior decision as set in stone. The primary contact with the vendors was a hard working, thoughtful secretary, not a businessperson, despite the large dollars involved. I also realized that no one knew where to look for new vendors, or how to negotiate without sounding desperate, especially when we were.

As a result of this experience, important changes were made:

1. One person with excellent logistic skills became coordinator of all aspects of special ed transportation, despite having no experience or training in special education.
2. A very detailed information form was developed so that all the key players could add what they knew, providing as much latitude as possible. Instead of simply stating a start time, it asked for the earliest and latest possible start time. This 15-to 20-minute range often meant the difference between sharing a ride and saving \$15,000—or not.
3. A short weekly information-sharing meeting guaranteed dialogue.
4. Purchasing and the CFO got involved in finding new vendors by looking near the destination rather than only near Arlington. Purchasing and the CFO also got involved in negotiations. We learned that one town had better rates from the same vendor, and this gave us some leverage in price negotiations. The CFO also worked with nearby towns to schedule students going to the same out-of-district school.
5. We bought mapping software. By plotting all the out-of-district schools and their start times, opportunities for saving money jumped off the map. Our logistics star reviewed which runs we handled in-house vs. those we sub-contracted. It seemed that we had unconsciously kept the short, easy runs, and farmed out the complicated trips, which is the most expensive strategy.
6. The next year, we saved even more by reimbursing parents 30% of the savings if they transported their own child.

In the first few months, spending just \$20,000/ year on stipends and part-time expertise resulted in savings of \$112,000 (21% of budget). The following year, new savings increased by another 18% of budget. The process actually improved parent satisfaction because we set up new routes quicker and solved problems faster.

Step 7: Benchmark staffing levels and service levels

Every Superintendent and Sped Director has had the uncomfortable conversation that starts off, “We need another OT;” “Counseling is understaffed;” “The testers are overwhelmed;” “The resource room is overbooked.” Requests for more staff are difficult to assess. You know

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your staff works hard and you know failure to provide services on an IEP is illegal. Conversely, general ed never gets to demand more staff; rather it's reduced in each budget downturn, unlike special ed which is protected. Most frustrating of all, you wonder, "Is more staff really needed? Is there a better alternative?"

It's hard to know.

Benchmarking—the process of comparing how others do the same things you do—is one of the most powerful tools available to you because it tells you what is possible. When you learn that folks two towns over have solved the same problem you have by doing XY & Z, your staff will start to think differently about a problem. Sure, sometimes I would hear that someone had left our meeting and called a friend in the other district and asked, "Is this true?", but this only increased the buy-in.

In Arlington, the results were surprising. It turned out that despite desperate pleas for more therapists and testers, we exceeded the like-community benchmarks by 25% and 15% respectively. Staff was working long days, but we had more staff than most.

What was wrong?

We weren't good at scheduling. One therapist scheduled 25% of her time to escort students to and from class, while others had the students come to them. They also lacked the authority to ask classroom teachers to accommodate more efficient schedules. We also learned that staff was assigned by building, not by student caseload. If school A really needed 1.25 people, and school B needed 0.75 people, each got 1.0. Obviously, the therapist in school A felt overloaded and asked for more staffing.

We moved scheduling to the central office, under the responsibility of an administrator who was great at scheduling. Because

she was a peer of the principal, she could say, "We need Mary and John at the same time. Let's find a way to work this out." The scheduler could also balance caseloads more fairly and increased effective capacity by 25%. When we added new in-house programs, we didn't have to hire more staff.

It is easy to calculate how many therapists or testers a district needs to meet the caseload, but hard to determine if services are being over-prescribed on IEPs, unnecessarily driving up caseloads. Benchmarking can help here as well. In Arlington, the benchmarking revealed we had far more students than typical who were receiving some services at the elementary level, and we were below-average at the middle school level. In counseling, we exceeded the norm by 300%. Teams of therapists created more objective criteria to determine who got services and how often, which further reduced the caseload.

These guidelines were not hard and fast rules, but they helped us gauge appropriate levels of staffing and services provided. Perhaps not surprisingly, these changes were welcomed by the school committee and others worried about budgets, but not by staff. They wanted more people; they wanted to stay in one building; they wanted the freedom to set their own schedule; and they felt the process was too mathematical and cold. It took time to change minds. Parents, meanwhile, worried about staff morale and feared that the guidelines would reduce services, but they appreciated that services were provided more consistently. >



Step 8: Reduce new referrals by shifting some remediation to general educators.

In a typical week, I would spend about three hours visiting classes. One day, in a special ed resource room in a secondary school, I watched a bright, caring, passionate veteran teacher stand at the board and try to explain the day's math to one student, Earth Science to another, Biology to a third, and U.S. History to a fourth.

“School districts are on our own to tackle the twin challenges of controlling special ed costs and improving student achievement... Our challenge is to do more and spend less.”

Several thoughts hit me at once: (1) we would never allow that teacher to teach any of those subjects to general ed students; she was not certified in any of those fields; (2) every student sitting in front of her had already been taught that day by a certified teacher in that subject and still struggled; (3) after not learning it from an expert in the field, we were sending them to a generalist; and (4) not a single general ed math or science or social studies teacher would agree to teach outside their field, yet we expected special ed teachers to teach all subjects. This didn't make sense to me.

The best way to reduce special ed costs and raise academic achievement is to have fewer students needing services because they are learning in the regular classroom. NCLB has shined a spotlight on the low achievement of students with disabilities. Some districts respond by referring even more students to special ed, but others choose to improve general ed instruction. An IEP is the most expensive form of remediation with all its testing, meetings, paperwork, and lawyers. In many districts, however, it is the easiest route to needed remedial services.

In most districts, children can't get intensive reading support or limited speech or counseling without an IEP.

At the secondary level, math and English remediation is often reserved for special ed students. This encourages staff and parents to push all struggling students into expensive IEPs that typically last until graduation. Often a student struggling in reading is referred to special ed, gets tested, and gets an IEP which includes many services beyond reading. His or her reading instruction comes from a special ed teacher and is often disconnected from the instruction in the classroom. Often the reading help comes during math time, creating a new area of weakness.

We built an extensive RTI (Response To Intervention) reading program in Arlington that was open to all students—with or without an IEP—and taught by general ed reading teachers as well as special ed teachers. The support was tightly connected to the everyday classroom instruction; they all used the same program and pacing. Short-term counseling was provided without an IEP as well as some speech and language support. Math and English remediation was open to all students, and taught by teachers with expertise in the content. These programs were cost neutral in the short-run because they shifted resources from special ed to general ed without adding more staff. In the long run, they will decrease costs by reducing the need for services.

This strategy was controversial. Some special ed teachers felt devalued as their numbers were decreased. Some general ed teachers were unhappy to be “burdened” with special ed students. In one school, both general ed and special ed staff was so fierce in its rejection that the changes weren't implemented. The results speak for themselves. In the eight schools that did make these changes, academic achievement by students in special education rose by 26 and 22% in English and math, respectively. At the school that rejected change, achievement dropped in English and was flat in math. Without question, this was the most difficult change to implement. It was also one of the most effective.

Step 9: Teach all students to read in the early grades

If Step 8 was the most controversial, Step 9 was the most popular. People regularly stopped me on the street to thank me for implementing an intensive reading program.

In many districts, about half of the referrals to special ed are, at their root cause, for reading difficulties. Referral rates jump in third through 6th grades when reading problems make it also difficult to learn math, science, and social

studies. It seems straight forward, but if you provide intensive intervention in reading in the early grades, and comprehension instruction in the later grades so kids read well, you can eliminate eight years of future special ed needs. The problem is that truly effective reading intervention must combine general ed and special ed efforts, and general ed should take the lead. Teaching kids to read is the single best thing you can do for them. It also the best thing you can do to control long term costs.

After providing intensive reading support in Arlington, more than 50% of our struggling readers reached grade-level proficiency within a year and no longer needed the extra support. Under the old system, we estimated only 5-10% of struggling students reached proficiency each year.

Launching this large-scale program required almost no new funding. Resources were shifted from Title 1 and other grants, from existing professional development budgets, and from existing programs that weren't as successful. In fact, I felt it was so important for this program to succeed that I made cuts in my administrative staff to increase the reading staff.

“Teaching kids to read is the single best thing you can do for them. It is also the best thing you can do to control long-term costs.”

Step 10: Get other people to pay

Over the last two decades, schools have been asked to address an ever-increasing number of social problems. Many of them have ended up as special ed services, including drug and alcohol counseling, adaptive technology, and treatment for rage, depression, or school phobia. Fortunately, many social service agencies, the federal government, and private health insurance can help pay for these services.

Arlington has partnered with a local not-for-profit counseling agency that provided and supervised 14 FTE graduate student counselors for the cost of 2 ½ district counselors. It also provided an expert in anger and stress

management at no cost. Another not-for-profit provided a full-time licensed social worker paid almost entirely by reimbursements from students' health insurance. Those without insurance were treated at no cost, and students and families had no paperwork or copayments. A similar insurance-paid program was established with a well-respected drug and alcohol counseling nonprofit. All services were provided at school during the regular day.

The federal government through Medicaid also will reimburse certain special ed costs. A more focused effort to improve reporting can increase revenue.

By marketing in-house programs to nearby towns and group homes, a district can attract students to attend and pay tuition. In Arlington, one program for emotionally fragile students had tuition students covering the entire salary cost of the program, and another program developed in partnership with a local residential treatment center had 10 students sent to our in-house program, which generated \$250,000 in revenue.

Because we must

At some point in the future, the state or federal government must change the funding mechanism for special education. In the meantime, school districts are left to struggle on our own. In Arlington, the 10-Step Process made bad budgets better and helped many students stay in the community, learn to read, and make other academic gains. At the same time, we showed taxpayers that we were doing everything possible to meet the needs of all children and live within our means. It can do the same in your district. □



NATE LEVENSON SERVED AS THE SUPERINTENDENT OF THE ARLINGTON, MA PUBLIC SCHOOLS FROM 2005-08. PRIOR TO THAT, HE SERVED AS ASSISTANT SUPERINTENDENT OF HARVARD, MA PUBLIC SCHOOLS WITH A FOCUS ON CURRICULUM AND PROFESSIONAL DEVELOPMENT, AND ALSO SERVED 6 YEARS AS A MEMBER OF THE BOXFORD, MA SCHOOL BOARD. MR. LEVENSON SPENT NEARLY 20 YEARS IN THE PRIVATE SECTOR AS THE OWNER OF A MANUFACTURING AND ENGINEERING FIRM, AND AS A MANAGEMENT CONSULTANT. HE IS A GRADUATE OF DARTMOUTH COLLEGE AND HARVARD BUSINESS SCHOOL.

¹. Guidelines for selecting alternatives to over reliance on paraprofessionals by Giangreco and Broer, US Office of Special Education, March 2003.