

Nancy S. Grasmick
State Superintendent of Schools

200 West Baltimore Street • Baltimore, MD 21201 • 410-767-0100 • 410-333-6442 TTY/TDD

Memorandum

TO: Members of the Least Restrictive Environment Workgroup
FROM: Carol Ann Baglin, Ed.D.
Assistant State Superintendent
Division of Special Education/
Early Intervention Services
DATE: April 21, 2006
SUBJECT: A Report from the Least Restrictive Environment Workgroup

Thank you for your contribution to the Maryland State Department of Education, Division of Special Education/Early Intervention Services' Least Restrictive Environment (LRE) Workgroup. Your commitment to the efforts of the Work Group clearly demonstrated your dedication to the placement of students in the least restrictive environment in which their needs can be met and to the maintenance of a continuum of service delivery settings. The capacity of local school systems to address these issues plays a critical role in the quality of educational services that students receive. Continued improvement in these areas will make an important difference in the daily lives of students. We will continue to monitor and address the topic of LRE, as well as the recommendations of this workgroup through the State Performance Plan (SPP) and the SPP targets related to LRE.

Attached please find a copy of the final Work Group Report. While this report represents the work of a diverse group of individuals and views, please do not hesitate to contact me with any comments or questions you may have. Once again thank you for the dedication and commitment you brought to the efforts of the Work Group. Your participation and ongoing interest make a difference to the children and families of Maryland.

CAB: tm

Attachment

Report of the Least Restrictive Environment Workgroup

Maryland State Department of Education

Division of Special Education/Early Intervention Services



April 2006

LRE Workgroup Members

Selene Almazan	<i>Director of Advocacy Services Maryland Coalition for Inclusive Education</i>
Harry Fogle	<i>Assistant Superintendent of School Management Carroll County Public School System</i>
James Hargest	<i>Consultant Maryland State Department of Education Division of Special Education/Early Intervention Services</i>
Leslie Seid Margolis	<i>Managing Attorney Education Unit Maryland Disability Law Center</i>
Sandra Marx	<i>Monitoring/Program Improvement Specialist Maryland State Department of Education Division of Special Education/Early Intervention Services</i>
Tim McCormick	<i>Education Staff Specialist Maryland State Department of Education Division of Special Education/Early Intervention Services</i>
Jack Mead	<i>Consultant Maryland State Department of Education Division of Special Education/Early Intervention Services</i>
Carol Quirk	<i>Director of Professional Development Services Maryland Coalition for Inclusive Education</i>
Donna Riley	<i>Policy & Resource Specialist Maryland State Department of Education Division of Special Education/Early Intervention Services</i>
Bob Seipel	<i>Parent, Howard County</i>
Nancy Vorobey	<i>Section Chief Maryland State Department of Education Division of Special Education/Early Intervention Services</i>

Mark Waldman

*Executive Director
Hannah Moore School*

Edward Wulkan

*Branch Chief
Maryland State Department of Education
Division of Special Education/Early Intervention Services*

INTRODUCTION

In June of 2002, the Maryland Disability Law Center (MDLC) wrote to the Maryland State Department of Education (MSDE) to express concern about those students with disabilities in Maryland who are placed in separate schools and not educated in the least restrictive environment (LRE) in which their needs can be met (See Appendix A). MSDE proposed, with the agreement of MDLC, that a workgroup be formed to develop recommendations on how to address this issue (See Appendix B).

CHARGE

The charge of the workgroup was:

- A. The LRE/MDLC response workgroup will develop long-term strategies to address LRE issues in the following seven areas of concern:
 1. Parent and family perspectives regarding separate classrooms, separate facilities and least restrictive environments (LRE);
 2. Ongoing training of administrative hearing officers related to the interpretation of the LRE requirements;
 3. Follow-up to the Teacher Preparation Task Force, which highlights the need for preparation in general content areas and clarity of pre-service course work in preparing teachers to make modifications to curriculum;
 4. A process for intervention through the Individualized Education Program (IEP) process, which would have an impact on the environment chosen for implementation of the IEP. The intervention is to include the statewide IEP form and the IEP process;
 5. The accurate collection of current data and reporting of environments;
 6. Funding issues for nonpublic schools and;
 7. Local School System (LSS) Leadership.
- B. A draft report including long-term strategies and recommendations will be presented to Dr. Carol Ann Baglin, Assistant State Superintendent, Division of Special Education/Early Intervention Services for review and discussion.
- C. A revised report will be developed to include the feedback received from Dr. Baglin.
- D. A report including long term strategies and recommendations will be presented to the Maryland State Department of Education.

WORKGROUP

A steering committee of the workgroup was formed and met three times from early November 2002 through late January 2003. The steering committee structured the process of the workgroup and wrote a draft set of preliminary strategies.

The workgroup met for the first time in April 2003 (see page 2 and 3 of this report for a list of workgroup members). Dr. Douglas Fisher, a national expert from San Diego State University, addressed and facilitated the first meeting. The workgroup met again in July 2003. At that meeting, Dr. Robert Pasternack, Assistant Secretary for Special Education and Rehabilitative Services in the Office of Special Education and Rehabilitation Services at the United States Department of Education (USDE), shared with the workgroup the federal perspective on Least Restrictive Environment issues.

The next meeting of the workgroup was in October of 2003. Dr. Linda Bluth, Branch Chief of the Community and Interagency Services Branch in the Division of Special Education/Early Intervention Services (DSE/EIS) at MSDE and Ms. Dorie Flynn, Executive Director of the Maryland Association of Nonpublic Special Education Facilities (MANSEF), discussed the connection between nonpublic schools and least restrictive environment requirements. In December of 2003, the workgroup met to review draft recommendations proposed by group members and in the fall of 2004 the workgroup provided feedback on a draft report. The workgroup expressed concern about the related issue of the disproportionate impact of race, gender, achievement and disability type on the placement of students with disabilities (SWDs). Another draft report was circulated among the members of the workgroup during the spring of 2005. The workgroup provided further feedback at that time which was considered during the development of the final report.

IMPORTANT ISSUES

National Statistics

In their June 2002 letter, MDLC shared statistics produced by the USDE, Office of Special Education Programs (OSEP), Data Analysis System (DANS) from the December 1999 Child Count, which reports that Maryland has a higher rate than the national average in: placing 3-5 year old students with disabilities (SWDs) in separate schools; placing 6-21 year old SWDs in a public/private separate school facilities; placing 6-21 year old SWDs identified as mentally retarded in public/private separate school facilities; and placing 6-21 year old SWDs identified as emotionally disturbed in public/private separate school facilities.

While the data shows that these rates in Maryland are higher than the national average, the data also shows that there is a nearly three percent decrease in the number of students with disabilities served in public separate school settings between 1989 and 2002, (from 6% in the 1989-90 school year to close to 3% in the 2002-2003 school year). This decrease represents a downward trend in this data. More recently the use of separate schools in Maryland has increased in some categories and decreased in other categories. The chart below shows the trends for 1999 through 2004.

Chart 1: Maryland LRE Data, Separate Schools

	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Oct. 2003	Oct. 2004
Public¹ Separate Day School	3.30%	3.21%	3.16%	3.05%	3.43%	3.40%
Private² Separate Day School	2.87%	3.12%	3.28%	3.39%	3.76%	3.85%
Public³ Residential facility	0.57%	0.56%	0.50%	0.09%	0.11%	0.05%
Private⁴ Residential facility	0.43%	0.39%	0.35%	0.33%	0.34%	0.31%

Appendix C also includes definitions of types of separate schools

The December 1, 2001 child count indicates that 83% of the students with disabilities who are placed in public and nonpublic day schools are students from five of the largest school systems in Maryland. Those school systems are making changes to the configuration of services while simultaneously striving to maintain a high level of quality services. MSDE recognizes the need to continue these trends and is committed to supporting initiatives, effective practices, and professional development activities that encourage the placement of children with disabilities in the least restrictive environment in which their IEP can be implemented.

State Statistics

Maryland has trend data for the time periods of 1997 to 2003, 2000 to 2003, 2001 to 2003, and 2003 to 2004. Each of the data sets indicates that Maryland has made incremental progress over the years. The proportion of students ages 6-21 in separate classes has decreased from 1997 (24.32%) to 2003 (18.23%). The proportion of students ages 6-21 in the more restrictive environment of LRE C (see footnotes and appendix C for definitions of types of LRE) has decreased from 2000 (21.17%) to 2003 (18.23%). The proportion of students ages 3-5 in the more restrictive environment of LRE N (see footnotes and appendix C for definitions of types of LRE) has decreased from 2000 (29.73%) to 2003 (25.69%). Maryland understands the

¹ 6-21 year old who receives special education and related services for greater than 50% of the school day in a public separate day facility that does not house programs for students without disabilities.

² 6-21 year old who receives special education and related services for greater than 50% of the school day in a private separate day facility that does not house programs for students without disabilities.

³ 6-21 year old who receives special education and related services greater than 50% of the school day in a public residential facility.

⁴ 6-21 year old who receives special education and related services greater than 50% of the school day in a private residential facility.

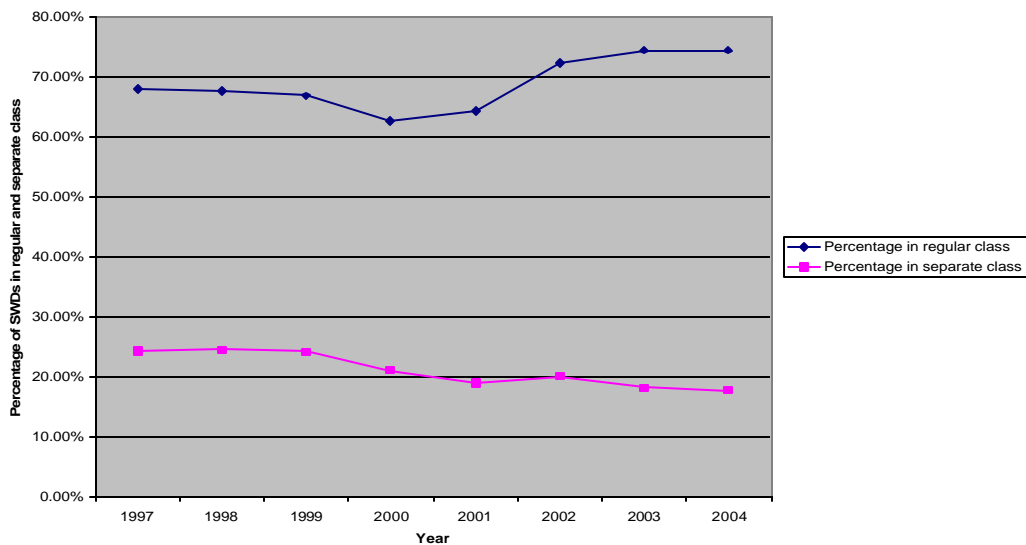
importance of and is dedicated to activities and initiatives that will support the continuation of this trend.

Chart 2: Maryland LRE Data for Children Ages 6-21

	Dec.1, 1997	Dec. 1, 1998	Dec. 1, 1999	Dec. 1, 2000	Dec. 1, 2001	Dec. 1, 2002	Oct 31, 2003	Oct 29, 2004
Regular Class**⁵	67.90%	67.64%	66.85%	62.62%	64.26%	72.24%	74.37%	74.36%
Separate Class**⁶	24.32%	24.50%	24.14%	21.03%	18.94%	20.09%	18.23%	17.71%

Appendix C also includes definitions of types of class

LRE Data for Children Ages 6-21 1997 to 2004



⁵ Regular Class: Combined regular and resource room. (Out < 21% + 21%-60%)

6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for less than 21% of the school day Plus

6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for at least 21%, but no more than 60% of the school day

⁶ Separate Class: (Out > 60%)

6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for at least 21%, but no more than 60% of the school day

Chart 3
Maryland LRE by Percent for Ages 6-21

	2000	2001	2002	2003	2004
LRE A ⁷	42.39	48.57	51.68	55.38	57.26
LRE B ⁸	20.56	20.49	20.92	18.99	17.10
LRE A + B	62.95	69.06	72.6	74.37	74.36
LRE C ⁹	21.17	19.08	20.22	18.23	17.71

Appendix C also includes definitions of LRE

Chart 4
Maryland LRE by Percent for Ages 3-5

	2001	2002	2003	2004
LRE M ¹⁰	30.89	28.20	26.30	19.56
LRE O ¹¹	10.56	11.88	10.31	20.03
LRE M + O	41.45	40.08	36.61	39.59
LRE N ¹²	29.73	27.44	25.69	23.51

Appendix C also includes definitions of LRE

⁷ LRE A = out >21%

6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for less than 21% of the school day

⁸ LRE B = out 21-60%

6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for at least 21%, but no more than 60% of the school day

⁹ LRE C = out > 60%

6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for more than 60% of the school day

¹⁰ LRE M = Early childhood

3-5 year old who receives all of their special education and related services in educational programs designed primarily for children without disabilities

¹¹ LRE O = Part time early childhood- early childhood special education

3-5 year old who receives services in multiple settings

¹² LRE N = Early childhood special education

3-5 year old who receives all of their special education and related services in educational programs designed primarily for children with disabilities housed in regular school buildings or other community based settings

Areas of Need

After reviewing these statistics, MSDE and MDLC agreed that seven areas should be addressed to facilitate improvement of this data. Those seven areas are:

1. Knowledge base of parents and families concerning LRE issues;
2. Training of Administrative Law Judges concerning LRE issues;
3. Follow-up to the Teacher Preparation Task Force for Special Education;
4. Process used to chose the environment in which a student's IEP is implemented;
5. Accuracy of the data collected and reported concerning the environment in which a student with a disability is educated;
6. Manner in which nonpublic schools are funded; and
7. Leadership on these topics offered at the local school system level.

RECOMMENDATIONS

Area 1: Parent and family perspectives regarding separate classrooms, separate facilities, and LRE.

Parents and families do not always have access to accurate information about LRE issues. This lack of access impacts on parents' ability to make informed decisions about their children with disabilities. The workgroup recommends that parents and families be provided with materials and information concerning LRE (i.e. Technical Assistance Bulletins) so that families are more knowledgeable about LRE issues.

A. Types of Materials

The types and variety of materials provided to families should include those developed in Maryland as well as other states. The format should be "user friendly" and offer easily understood explanations of key information in culturally respectful and sensitive terms. Possible delivery methods would include:

- Meetings and lectures by recognized "best practice" experts;
- Documents and brochures published at the MSDE and LSS levels; and
- Robust, interconnected websites at both the MSDE and LSS levels.

B. Characteristics of materials for parents and families

Resources identified and developed for families of children with disabilities need to emphasize the following:

- Parents are truly equal participants in the education of their children;

- The determination of the setting(s) in which the child's/student's IEP will be implemented is part of a dynamic decision-making process guided by IEP Team members, including parents;
- Consistent with the language and intent of the Individuals with Disability Education Act (IDEA), Maryland has a commitment to ensuring that a continuum of service delivery settings is available and maintained to meet the individual needs of students with disabilities;
- Placement decisions are made by the IEP Team and based on the individual needs of the student and the setting in which the IEP can be implemented; and
- The continuum of service delivery settings is dynamic and responsive to the needs of students rather than a function of administrative convenience.

C. Opportunities for Dissemination

The dissemination of information to families about LRE and the decision making process needs to be ongoing and provide a variety of opportunities and resources for delivery. This should include local school systems (LSSs), local Infants and Toddlers Programs (LITPs), local Family Support Networks (FSNs), local Partners for Success Centers (PFSs), the Maryland Coalition for Inclusive Education (MCIE), Parents Place, the Maryland State

Department of Education (MSDE), nonpublic schools, MANSEF, SESAC, SECACs, and others as appropriate. Specific opportunities should include community sponsored conferences and forums, programs conducted by the LSSs, and MSDE sponsored conferences and workshops.

Area 2: Ongoing training of administrative hearing officers related to the interpretation of the LRE requirements.

In a due process hearing, the Administrative Law Judge (ALJ) has a critical impact on the determination of the type of environment and the placement in which a student with a disability receives his/her educational services. As a result, high quality training and professional development for ALJs on special education law and educational practices related to LRE are important to ensure the best possible decisions through due process hearings. MSDE has been actively involved in training and professional development for ALJs and needs to continue to provide this type of ongoing training. The access to quality legal services plays a similarly important role in assisting parents in their efforts to obtain appropriate educational services for their children. Accordingly, we recommend increased activities and initiatives to assist parents in accessing legal services.

A. MSDE will:

Develop and implement high quality training and professional development for ALJs on special education law and educational practices related to LRE; and

Include attorneys from local school systems in trainings and professional development opportunities that involve information on special education law and educational practices related to LRE.

B. The educational, advocacy and legal communities will:

Work to increase parent access to free, low cost legal services from professionals/practitioners trained to respect and consider parental recommendations regarding the services and setting required to meet their child's needs.

Area 3: Follow-up to the Teacher Preparation Task Force Report, which highlights the need for preparation in general content areas, clarity of pre-service course work and in-service training in preparing teachers to make modifications to curriculum.

One of the barriers to effective participation of students with disabilities in the general education curriculum and, by extension, in general education classes, has been a lack of preparation of many teachers to facilitate that participation. Many special education teachers lack knowledge of instructional content areas such as math and language arts. Many general education teachers lack knowledge of how to differentiate curriculum instruction, adapt or modify curriculum to accommodate students with disabilities, or appropriately utilize supplementary aids and services. Both general educators and special educators lack knowledge and experience in collaborative planning and co-teaching. This lack of knowledge may be a function of teacher preparation programs, teacher certification requirements, in-service training and professional development.

A. The Maryland State Department of Education, Division of Special Education/Early Intervention Service should develop and disseminate resources to:

- Assist **general education** teacher preparation programs in training teachers to differentiate instruction and adapt and/or modify curriculum to accommodate students with disabilities. Assist **special education** teacher preparation programs in providing special educators with the subject-matter knowledge required by No Child Left Behind (NCLB). Information about existing quality teacher education programs should be shared through technical assistance documents, the Maryland State Improvement Grant (MSIG) and other professional development and technical assistance activities.
- Provide a list of suggested “Look Fors” to school administrators who observe and evaluate general and special educators as they provide instruction to students with disabilities.

B. The MSDE should develop incentives to ensure that all special educators are “highly qualified.”

MSDE must ensure that special educators have the subject-matter knowledge and teaching skills necessary to help all students achieve the high academic standards required by NCLB. These programs could include, but not be limited to, dual certification teacher education programs, alternative certification programs, and PRAXIS preparation programs. Information about exemplary successful teacher preparation programs should be shared and replicated.

C. The K-16 partnership agreed to establish a workgroup to address issues of certification:

- for general and special education teachers including issues raised by the Teacher Preparation Task Force and the Quality Teacher Workgroup.
- The workgroup will consider and make recommendations regarding teacher preparation and certification.

D. MSDE will:

- Develop resources for professional development and in-service training that address LRE legal requirements (including educating student in the school the student would attend if not disabled and ensuring a continuum of placements is available) and LRE strategies (including resource books, videos, training models);
- Create working models, strategies, and resources that support local school systems in Maryland in moving the State LRE initiative forward;
- Provide ongoing professional development at the system and school level on what is LRE, why it is the right thing to do, why it is in the best interest of children and strategies that have proven to be effective;
- Train school leaders involved at the student planning level on the McGill Action Planning System (MAPS), a system that emphasizes the strengths, hopes, and aspirations of the student and the family as opposed to focusing on deficits; and
- Update/revise/redistribute the LRE videos developed with MCIE.

Area 4: Utilize the IEP process and the Statewide IEP form to support decision-making that considers the least restrictive environment in which the IEP can be successfully implemented.

The environment in which a student will receive his/her educational services is determined in the IEP meeting. As a result, it is critical that this decision-making process be handled in an appropriate manner. A statewide IEP form is currently being developed and should assist IEP teams in developing a consistent process for decision making.

A. MSDE should pilot a multi-tiered decision-making process that:

- focuses on implementing the IEP in the least restrictive environment;
- describes the types of assistance that can be provided to maintain a child in general education; and
- meets the requirements of COMAR that public agencies “ensure that ... unless the IEP of a student requires some other arrangement, the student is educated in the school that the student would attend if not disabled” COMAR Section 13A.05.01.10C (1) (b).

B. MSDE should provide support for the elements needed for implementation of the IEP decision-making process including:

- Professional development opportunities;
- Materials;
- On-line resources on IEP/LRE decision-making process;
- Components of quality indicators for IEP annual goals;
- Technical Assistance; and
- Resources, including funding and staffing.

C. MSDE will provide technical assistance to LSSs to assist in exploring ways to:

Expand and increase the utilization of supplementary services and aids as well as programmatic supports, services and modifications needed to support implementation of IEPs in the LRE. This is of specific concern for 3 and 4 year old students where services in community based environments and students whose placement in their zoned schools are dependent upon this particular set of services and their placement in the LRE may be denied when these services are not made available.

Area 5: The accurate collection of data and reporting environments.

The use of data to focus on improvement of outcomes for students with disabilities has taken on unprecedented importance. Both the local school systems and MSDE have responsibility for the data and must ensure a dynamic and effective system of data collection and reporting that results in improvement and accountability.

Historically, public agencies have reported special education census data to the MSDE on a specific date. This data was transmitted to the federal Office of Special Education Programs, according to a specific schedule, and compiled into a report to Congress. No further action was needed or taken by the state until the next reporting period. The reauthorization of IDEA '97 placed a greater emphasis on data and its use to demonstrate improved student outcomes and has created a heightened sense of urgency to accurately collect and report data.

For the last few years, Maryland has met with data managers twice per year. Those meetings have emphasized the significance of the data to students, parents, LSSs, MSDE, and OSEP. There is an expectation that directors of special education will have systems in place to ensure the accuracy of the data and MSDE will have the responsibility to verify its accuracy.

The disproportionate impact of race, gender, achievement and disability type on the environment in which students with disabilities receive services is one area in which data needs to be generated and used to inform decision making and educational programming. This issue is addressed in the recommendations in section B of area 5.

A. Recommendations for Local School Systems, State Operated Programs & Nonpublic Schools

A variety of technical assistance, support and effective practices may be implemented by local school systems, state operated programs and nonpublic schools to assist with accurate collection and reporting of data including:

- Utilize technical assistance from the MSDE to address coding issues;
- Utilization of the Electronic Learning Community (ELC) and/or an electronic list serve as a source of information, resources, and discussion;
- Setting expectations for accurate data collection and reporting;
- Designating specific personnel as responsible for special education data; both at the central office and school level;
- Ensuring proper training for school system personnel responsible for data entry and submission;
- Developing internal data verification systems to check for reporting accuracy; and
- Conducting school audits on reported data.

Public agencies including local school systems and state operated programs as well as nonpublic schools must assume responsibility to report to MSDE data that is accurate and complete. This may involve seeking clarification regarding proper coding of services and programs, especially those codes related to LRE and the long-standing problems with the

correct application of these codes. In addition, each public agency must assume responsibility for ensuring that their staff understands the data, its importance, and its use in improvement efforts. This includes developing a system of checks and an internal audit to verify the data before it is transmitted to MSDE.

B. Recommendations for MSDE

MSDE will:

- Provide ongoing support and training for data managers;
- Develop a data manager group on the Electronic Learning Community (ELC) and/or an electronic list serve for data managers;
- Develop and apply a data verification system;
- Conduct public agency audits on a random basis or when changes in data warrant an audit;
- Provide web-based processes and formats for public agency use in interpreting data;
- Link LRE data to student performance, gender, race, disability and other variables;
- Explore restructuring the manner in which directed discretionary funds are disbursed to address desired outcomes associated with disproportionate representation of minority students in special education in Maryland; and
- Publicly report data in a variety of formats.

The MSDE is responsible for reporting accurate data to the federal Office of Special Education Programs. As questions arise, MSDE will seek clarification regarding proper coding of services and programs, especially the preschool and school age LRE codes that have been part of the long-standing national problems with the use of these codes. Annually, the MSDE will update the data manual and ensure that data managers understand and can apply the changes when reporting data. In addition, MSDE will provide training for public agency staff in the use of data, its importance, and its use in improvement. This includes the continuation and ongoing improvement of MSDE's system of checks and internal mechanisms to verify the accuracy of data before it is transmitted to the federal Office of Special Education Programs.

MSDE is required to establish measurable and rigorous targets to analyze the performance of Local Infants and Toddler Program (LITPs) and public agencies in implementing IDEA Part C or IDEA Part B [20 U.S.C.§1416(b)(2)(A) and (C)]. Beginning in February 2007, MSDE will publicly report on the performance of each LITP and public agency on these targets of the State Performance Plan. This report will be placed on the MSDE website, and distributed to the media, public agencies, and LITPs.

Area 6: Funding issues for nonpublic schools.

The IEP teams in each local school system determine a student's placement based on a student's needs and the most effective environment in which the student's IEP can be implemented. Each local school system is to "ensure that a continuum of alternative placements is available to meet the needs of children with disabilities for special education and related services" 34 CFR Section 300.551(a). Nonpublic schools are a part of the required continuum. There is some concern, however, that the current funding formula disproportionately impacts the number of students with disabilities who are placed in separate nonpublic schools.

In the discussion of the funding formula basic costs means the average amount of money that the LSS spends from county, state, and federal sources of funding for the public education of a non-disabled student. The funding formula through fiscal year 2004 for payment of the cost of a nonpublic school is as follows:

- The local school system (LSS) pays the local share of the basic cost.
- The LSS also pays a sum of money equal to 200% of their total basic cost.
- Once the LSS pays the local share and 200% of their basic cost, the state pays 80% of the remaining costs of the nonpublic school and the LSS pays 20% of the remaining costs of the nonpublic school.
- Source of information on costs: Maryland Annotated Code Education Article Section 8-415.

An example of how the formula is applied for a nonpublic school placement is as follows:

- If the total basic cost of an LSS is \$8,350, \$4,500 is attributed to local funding and 200% of the basic costs is \$16,700 then the LSS' basic cost would be \$21,200.
- If the cost for education at a nonpublic school is \$42,000, after the LSS paid their local share and 200% of their basic cost (\$42,000-\$21,200) there would be \$20,800 in remaining costs.
- The state would pay 80% of the remaining costs which would equal \$16,640. The LSS would pay 20% of the remaining costs which would equal \$4,160.
- Overall the LSS share of the \$42,000 cost of the nonpublic school would be \$25,360. The state share would be \$16,640.

An example of how the formula is applied for a nonpublic residential school is as follows:

- If the basic cost of an LSS is \$8,350, \$4,500 is attributed to local funding, and 200% of the basic cost is \$16,700 then the LSS' basic cost would be \$21,200.
- If the cost for placement at residential nonpublic school is \$75,000, after the LSS pays their local share and 200% of their basic cost (\$75,000-\$21,200) there would be \$53,800 in remaining costs.
- The state would pay 80% of the remaining costs which would equal \$43,040. The LSS would pay 20% of the remaining costs which would equal \$10,760.
- Overall the LSS share of the \$75,000 cost would be \$31,960. The state share would be \$43,040.

In the second example, the state pays more than the LSS for the cost of placing the student in a residential nonpublic school. This second example leads to the question of whether the funding formula acts as an incentive to place students in nonpublic placements. In other words, if the LSS had to pay \$60,000 of the \$75,000 cost instead of \$32,000 of the cost for the residential nonpublic would the LSS find more cost effective ways to meet the needs of the students? Would the LSS work with nonpublic schools to create programs in zoned schools that are similar to the programs offered in the nonpublic schools if there was a financial incentive to do so? There is no expectation that the IEP team would find that the needs of the student would change, but if the IEP team had more programs available to it at zoned/neighborhood schools, fewer students would need to be sent to separate placements.

The United States Department of Education (USDE), Office of Special Education Early Intervention Services (OSEP), visited Maryland in 1999. In their report concerning this visit, OSEP described feedback from local school system personnel who indicated that the state funding formula negatively impacts their willingness to create programs in their schools and school systems for students with highly intensive special needs, programs that might allow students to remain in their zoned schools and/or public school system.

Therefore, as part of a financial review of the nonpublic formula it is recommended that the State take steps to evaluate the following issues:

- The impact of the current funding formula on the number of students local school systems place in nonpublic schools; and
- Whether the current funding formula is an incentive for some local school systems to place students in nonpublic schools.

For fiscal year 2005 and 2006, the state legislature modified the funding formula increasing the amount that LSSs had to pay for a nonpublic school placement. Specifically, the state will only pay 75%, rather than 80%, of the remaining costs and the LSS pays 25%, rather than 20%, of the remaining costs. Legislation was not introduced to make a similar modification to the funding formula for fiscal year 2007.

Area 7: Local School System Leadership.

Local school system leadership is crucial to implementing any kind of system-wide change. If the leadership in a school system does not make a particular change their priority, it is unlikely that change will take place. In the area of LRE, system-wide change involves building the capacity of local school systems to provide special education services in the LRE. One way to assist leaders in this process is to make available resources that demonstrate the value of a particular change as the right thing to do for the benefit of students, families and schools as well as resources that provide data, including achievement data, which indicate the change has been successful in other places.

We recommend that the following key materials and resources be developed and shared with local school system leadership to assist and encourage those leaders to make LRE initiatives a priority:

- A. Materials for the statewide on-line IEP discussed in area 4 of this document, including the potential for a decision-making matrix.
- B. Information about “What is Really Working in Maryland” (strategies that have proven to be effective):
 - Informational materials for use with stakeholders in planning LRE initiatives at the system, school, and classroom level. Stakeholders include school system central administration, school system boards, school principals, general educators, special educators, pupil services personnel, parents, advocacy organization representatives from the full continuum, and others as indicated by local circumstances.
 - Obtain meaningful support from local Superintendents of Schools and the local Boards of Education. Encourage positive, upbeat, articulate presentations by parents advocating for LRE and sharing the advantages and successes their children have achieved.
 - Develop plans to positively engage general education students in the process, particularly at the middle and high school levels. Develop plans which will appropriately orient/train "peer helpers", "peer buddies", or "peer partners" who assist included students in a variety of ways and create a higher level of understanding of what it really means to be a student with a disability.
 - Place on the MSDE website information about schools that successfully provide special education services in the LRE and are making AYP. Include a video on the website that gives parents an opportunity to describe what they want for their child.

C. Technical assistance in analyzing data.

Provide support and training in identifying appropriate data, analyzing data for root causes, and developing strategies for continuous improvement.

SUMMARY

Maryland has demonstrated incremental progress in decreasing the proportion of students with disabilities in the more restrictive LRE C environment and increasing the proportion of students receiving services in the less restrictive LRE A environment. Maryland should continue to implement initiatives, activities, practices, and funding decisions that will support this progress and decrease the proportion of students placed in separate schools, LRE F and G. It is the belief of the workgroup that the recommendations in this report will assist Maryland's effort to move the trend in the direction of the placement of a greater proportion of students in the general education setting as well as a lesser proportion of students in separate schools. These recommendations will also support the provision of the highest quality educational programs and services to all Maryland children, including those with disabilities.

Appendix A

Appendix B

Appendix C

Definitions for Chart 1

- **Public Separate Day School**
6-21 year old who receives special education and related services for greater than 50% of the school day in a public separate day facility that does not house programs for students without disabilities.
- **Private Separate Day School**
6-21 year old who receives special education and related services for greater than 50% of the school day in a private separate day facility that does not house programs for students without disabilities.
- **Public Residential facility**
6-21 year old who receives special education and related services greater than 50% of the school day in a public residential facility.
- **Private Residential facility**
6-21 year old who receives special education and related services greater than 50% of the school day in a private residential facility.

Definitions for Chart 2

- **Regular Class: Combined regular and resource room. (Out < 21% + 21%-60%)**
6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for less than 21% of the school day
Plus
6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for at least 21%, but no more than 60% of the school day
- **Separate Class: (Out > 60%)**
6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for at least 21%, but no more than 60% of the school day

Definitions for Chart 3

- **LRE A = out >21%**
6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for less than 21% of the school day
- **LRE B = out 21-60%**
6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for at least 21%, but no more than 60% of the school day

- LRE C = out > 60%
6-21 year old enrolled in a comprehensive school who receives special education and related services outside the general education setting for more than 60% of the school day

Definitions for Chart 4

- LRE M = Early childhood
3-5 year old who receives all of their special education and related services in educational programs designed primarily for children without disabilities
- LRE O = Part time early childhood- early childhood special education
3-5 year old who receives services in multiple settings
- LRE N = Early childhood special education
3-5 year old who receives all of their special education and related services in educational programs designed primarily for children with disabilities housed in regular school buildings or other community based settings