



# Defining Preschool Special Education Costs

# Preschool Special Education Funding Limits

- ▶ §4410 of the Education Law limits special education funding to “special services or programs.”
- ▶ “Special Services or Programs” include special classes, transitional support services, resource rooms, direct and indirect consultant teacher services, transition services, assistive technology devices, travel, training, home instruction, special education itinerant teachers and related services.
- ▶ 4410 funding is prohibited from being used to purchase regular preschool educational services, day care or other child care services, or to purchase any instructional service other than special services or programs.

# Current Methodology – 4410 Funding Limits

- ▶ SCIS Single Entity: A SCIS program that operates both the preschool special education and the early childhood program, such as a private day-care, Head Start program, or State Administered Pre-k program, is directed to report all cost and enrollment data for all students (both preschool students with disabilities and preschool students without disabilities) under a single program code and a revenue offset is taken pursuant to 8 NYCRR §200.9 (f)(2)(x)(b).
- ▶ SCIS Collaboration Agreement: For a SCIS program that collaborates with a separate Head Start, separate day care agency or separate State Administered Pre-k report, each program reports costs separately and the collaborative agreement outlines the program and fiscal responsibilities of each entity

# 8 NYCRR §200.9 (f)(2)(x)(b)

## SCIS Single Entity Revenue Offset

- ▶ 8 NYCRR §200.9 (f)(2)(x)(b) states: “[a]fter application of the non-direct care cost parameter, reported expenditures shall be reduced by the greater of actual revenues received for students without disabilities or an amount calculated by multiplying the reported FTE enrollment of students without disabilities times the regional day care rate or a proration of the regional day care rate for children aged 3 to 5, as published in 18 NYCRR 415.9, applicable to the time period for which the program operated.”
- ▶ Of the SCIS Provider survey responses: 66 providers operate both special education and general education program components; 17 collaborate; 13 providers operate *and* collaborate.
  - ▶ 66 of the 79 providers who operate both the special education and general education program components of SCIS responded that they did not feel that the current revenue offset is an accurate or fair method of determining the share of expenses associated with the program component for the typically developing children.
  - ▶ 60 of these providers responded that their agency does not collect enough revenue from other sources to cover the expenses for their typically developing student/child population



# Provider Survey Responses

## Single Entity Revenue Offset

- ▶ SCIS Provider Survey Question: What types of expenses, or shared expenses, should be identified as an expense incurred for your typically developing student population?
  - ▶ No costs should be attributed to the typically development students. In order to have integrated opportunities, all costs of the program need to be included in the overall rate.
  - ▶ Only a small participation fee should be charged to the typical student population. Reimburse all program costs with an offset of a small "stipend" to attract typical students.
  - ▶ Only the incremental cost of having the typically developing children in the room: for example, the salary and fringe benefits associated with extra "early childhood staff," food, trips, etc. All other costs would be incurred in a self-contained classroom and should be reimbursed as part of the SCIS rate.
  - ▶ The cost of the early childhood staff, plus a share of the property cost, agency administration, equipment, food, and supplies.
  - ▶ All costs that can be attributed to the classroom as a whole should be included as being incurred for typical children as well as tuition-based children equally. Special education costs should only be those attributed to fulfilling IEP services.

# Collaboration Agreement Requirements

- ▶ New SCIS programs, and existing SCIS programs seeking *expansion or a change of collaborative partners* must provide a programmatic and fiscal collaborative agreement to NYSED as part of the application, which includes components such as:
  - ▶ Description of the shared mission, goals and outcomes,
  - ▶ Definition of the programmatic and financial responsibilities of the collaborative partners,
  - ▶ Delineation of leadership roles and responsibilities by title and/or position,
  - ▶ Description of services to be provided by each collaborative partner,
  - ▶ Plan for communication, including schedule for meetings,
  - ▶ Procedures for conflict resolution,
  - ▶ Financial plan which clearly allocates costs based on the funding agency for each partner,
  - ▶ Description of how confidentiality of personally identifiable data, information and records pertaining to the students with disabilities will be ensured,
  - ▶ Specified time period of the agreement and the conditions for renewal.

# Collaboration Agreement Requirements

## - continued

- ▶ Pursuant to the RCM, collaborative agreements must be in writing, signed, and dated. They must provide specificity with respect to the benefit derived under the agreement (e.g. facility space, utilities, shared staff, supplies, administrative support, etc.) and the amount of consideration paid by the SCIS program for these benefits.
- ▶ Collaborative agreement fees are reimbursable to the extent that they are paying for specific items which would otherwise be allowable pursuant to the RCM: expenses must be "reasonable, necessary and directly related to the education program" and "have adequate substantiating documentation."
- ▶ Currently no uniform explicit standard exists governing which expenses should be deemed Special Education vs. General Education expenses or what the relative share of these expenses should be.

# Provider Survey Responses

## Collaborative Agreement Challenges

- ▶ SCIS Provider Survey Question: What challenges exist, if any, in developing your collaborative agreement?
  - ▶ Difficulty in getting our collaborator to see the partnership as a benefit and not simply a way to make money
  - ▶ Collaborative fee increases without commensurate tuition rate increases
  - ▶ Enrollment challenges: if all SCIS seats are not full prior to the start of the school year, collaborator will take back the slots. Or collaborators have difficulty turning down “paying slot” opportunities which limit SCIS seats
  - ▶ Inconsistency: collaborator rebids Pre-K contract every year so there is no guarantee that we will continue agreement from one year to the next
  - ▶ Challenges with different school calendars (session days and length of day)
  - ▶ The line between “our” kids and “their” kids can be hard to overcome when trying to allocate shared resources
  - ▶ There are a lack of early childhood providers willing to collaborative



# Provider Survey Responses

## Collaborative Agreement Fees

SCIS Provider Survey Question: How was the fee determined and/or what methodology did your agency and your collaborating partner use to determine the amount of the fee?

- ▶ Fee covers prorated expenses of the collaborative partner's actual per child cost
- ▶ Fee was negotiated based on budgeted classroom costs reviewed for reasonableness of expenses
- ▶ Fee covers only facility costs which are allocated either by square footage cost or fair market rent
- ▶ Collaborative partner determines the fee and the SCIS provider must accept without negotiation
- ▶ Unless the collaborative provider receives other funding for the child (i.e. Head Start) the collaboration fee must cover the loss of revenue the early childhood provider would otherwise receive
- ▶ No fee, agencies determine an "in-kind" contribution

# Group Discussion Questions

1. Should the methodology used to allocate costs between general education services vs. special education services differ among SCIS early childhood settings or stay the same?
2. How should special education costs be identified in the following early childhood settings:
  1. State Administered Pre-K
  2. Head Start
  3. Day Care
3. What standards or requirements are needed to ensure that SCIS programs operating under a collaborative agreement are funded for an appropriate share of special education services vs general education services costs?