

# NYSED

## Recommendation

### 2015-16 SEIS Rates

Please note: the information contained in this presentation represents the NYSED recommendation only and is subject to change. Methodology and Rates are not final or official until certified and may not be used for billing or reimbursement purposes.

# NYSED Recommendation

NYSED three objectives for 2015-16 SEIS rates:

1. Account for a reasonable student absentee factor to be included in rates under a fee-for-service reimbursement methodology established in Chapter 56 of the Laws of 2014;
2. Make adjustments to reimbursable costs to better reflect appropriate costs of providing SEIS as referenced in the Department's methodology study; and
3. Begin the phase-in of regional rates over a four year period as directed in Chapter 56 of the Laws of 2015.

NYSED is mindful that these amendments dramatically impact the method of SEIS provider reimbursement and therefore it is our position that these initiatives should be implemented in a comprehensive manner rather than doing them piecemeal.

# Chapter 56 of the Laws of 2014 amended 4410 of the Education Law

- 2014-15 Executive Budget Briefing Book: “Executive Budget recommends limiting payment to program operators only for services that are actually provided, incentivizing delivery of these mandated services to children. State law currently allows providers to be paid, even if services are not provided.”
- Enacted Budget Language: **(B) Commencing with the two thousand fifteen--two thousand sixteen school year, such special education itinerant services shall be provided by approved programs, and such approved programs shall be reimbursed for such services based on the actual attendance of preschool children receiving such services.**

# NYSED Proposed Regulations

- In order to effectuate the statutory requirement that SEIS be reimbursed based on actual attendance, NYSED has proposed to amend section 200.9(f)(2)(ix)(d) of the Commissioner's Regulations to require SEIS rates be paid for each unit of service delivered, not to exceed the recommendations for such services in the student's IEP.

~~“Special education itinerant service rates shall be paid [on the basis of enrollment as defined in section 175.6(a)(1) and (2) of this Title for the period of enrollment as defined by the student's IEP]~~ **based on the number of half hour units delivered, provided that the total number of units delivered shall not exceed the recommendations for such services in the student's IEP.”**

- If adopted at the June meeting by the Board of Regents, the proposed amendment will take effect on July 1, 2015.

# NYSED Regulations – SEIS Rate

- §200.9(f)(2)(ix)(c) outlines the services included in the SEIS rate. The half hour rate includes:
  - Billable time – defined as the time spent providing direct and/or indirect special education itinerant services.
  - Other Required functions – which include but are not limited to coordination of service when both special education itinerant services and related services are provided to a student pursuant to section 4410(1)(j) of the Education Law; preparation for and attendance at committee on preschool special education meetings; conferencing with the student's parents; classroom observation; and/or travel for the express purposes of such functions as stated above.

# NYSED Proposed Regulations

- §200.9(f)(2)(ix)(c) currently requires that SEIS billable time may not be less than 66 percent or more than 72 percent of any special education itinerant teacher's total employment hours.
- The proposed regulations amend section 200.9(f)(2)(ix)(c) to provide that the approved tuition reimbursement methodology, developed by the Commissioner and approved by the Director of the Budget, may alter the billable time threshold.
  - Billable time shall not be less than 66 percent or more than 72 percent of any special education itinerant teacher's total employment hours; **provided that the approved reimbursement methodology, developed by the commissioner and approved by the Director of the Budget, may adjust this billable time threshold.**

# 2015-16 SEIS Reimbursement

based on the actual number of SEIS sessions delivered

- The duration (1/2 hour unit) and services (billable and other required functions) included in the SEIS rate remain the same.
- Counties will reimburse SEIS based on the actual number of SEIS half hour sessions delivered.
- STAC reimbursement approval requests for SEIS must reflect the number of half hour sessions authorized by each student's Individualized Education Program (IEP) for the service period.
- Counties will report the actual number of SEIS half hour sessions delivered when claiming reimbursement on the Automated Voucher Listing (AVL).

# Preschool Special Education: 2014 Methodology Study

NYSED is recommending five adjustments as discussed in the methodology study:

1. Developing a reasonable student absentee factor to be included in rates under a fee-for-service reimbursement methodology established in Chapter 56 of the Laws of 2014.
2. Alter the Minimum Billable Units of Service Adjustment to reflect geographic sparsity in order to appropriately reimburse necessary travel time depending on the county where the provider is located.
3. Hold SEIS Teacher Compensation to a Regional Median in order to more closely align SEIS teacher compensation with Special Class/SCIS teacher compensation.
4. Classify SEIS Supervising Teachers as Program Administration Staff in order to appropriately reflect the supervisory duties of this title in the reimbursement methodology.
5. Reduce the SEIS Non-Direct Care Cost Parameter to better reflect appropriate administrative expense levels.

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# SEIS Regional Rates

## Chapter 56 of the Laws of 2015

- 2015-16 Executive Budget Briefing Book: “SEIT providers are currently reimbursed based on their individual historical costs and rates for these services vary significantly, even within the same region. Establishing regional rates will rationalize the current payment structure by ensuring that all providers within a region are paid the same amount for providing these services. Implementation of regional rates will be phased-in over no more than four years.”
- Subparagraph (i) of paragraph a of subdivision 10 of section 4410 of the education law is amended by adding a new clause (C) to read as follows:  
**Notwithstanding any other provision of law, rule or regulation to the contrary, on or before the two thousand sixteen--two thousand seventeen school year and thereafter, to be phased-in over no more than four years from such starting year, the commissioner, subject to the approval of the director of the budget, shall establish regional tuition rates for special education itinerant services based on average actual costs in accordance with a methodology established pursuant to subdivision four of section forty-four hundred five of this article.**

# SEIS Rate Calculation

SEIS rates = Reimbursable Expenditures/Units

Currently, special education itinerant service rates are calculated by dividing reimbursable expenditures by the billable units of service (½ hour units) on the basis of enrollment as mandated by students' IEPs.

In order to calculate SEIS reimbursable expenditures the following steps are taken:

1. Calculation of Total Adjusted Costs - reported expenditures are reduced by adjustments in conformance with the Reimbursable Cost Manual and Approved Methodology;
2. Application of the Non-Direct Care Cost Parameter - calculated by comparing the total adjusted/allowable non-direct care costs to the product of multiplying the total adjusted/allowable direct care costs by .4286, which is the ratio of 30/70 for non-direct care/direct care costs;
3. Subtraction of Applied Revenues; and
4. Application of the Total Cost Screen - calculated by comparing the adjusted/allowable gross costs on a per unit basis to the prior years per unit rate plus approved growth factor.

# 2015-16 SEIS Rate Calculation

## Step1: Combine Reimbursable Costs and Units

The 2011-12 reconciliation data provides the most complete representation of programs, reimbursement, and units.

Reconciliation Year	# of Programs	Reimbursable \$\$	Units	Average Rate
2011-12	206	\$251,513,947	5,828,361	\$43.15
2012-13	179	\$204,630,368	4,762,475	\$42.97
2013-14	31	\$54,972,985	1,315,577	\$41.79

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# 2015-16 SEIS Rate Calculation

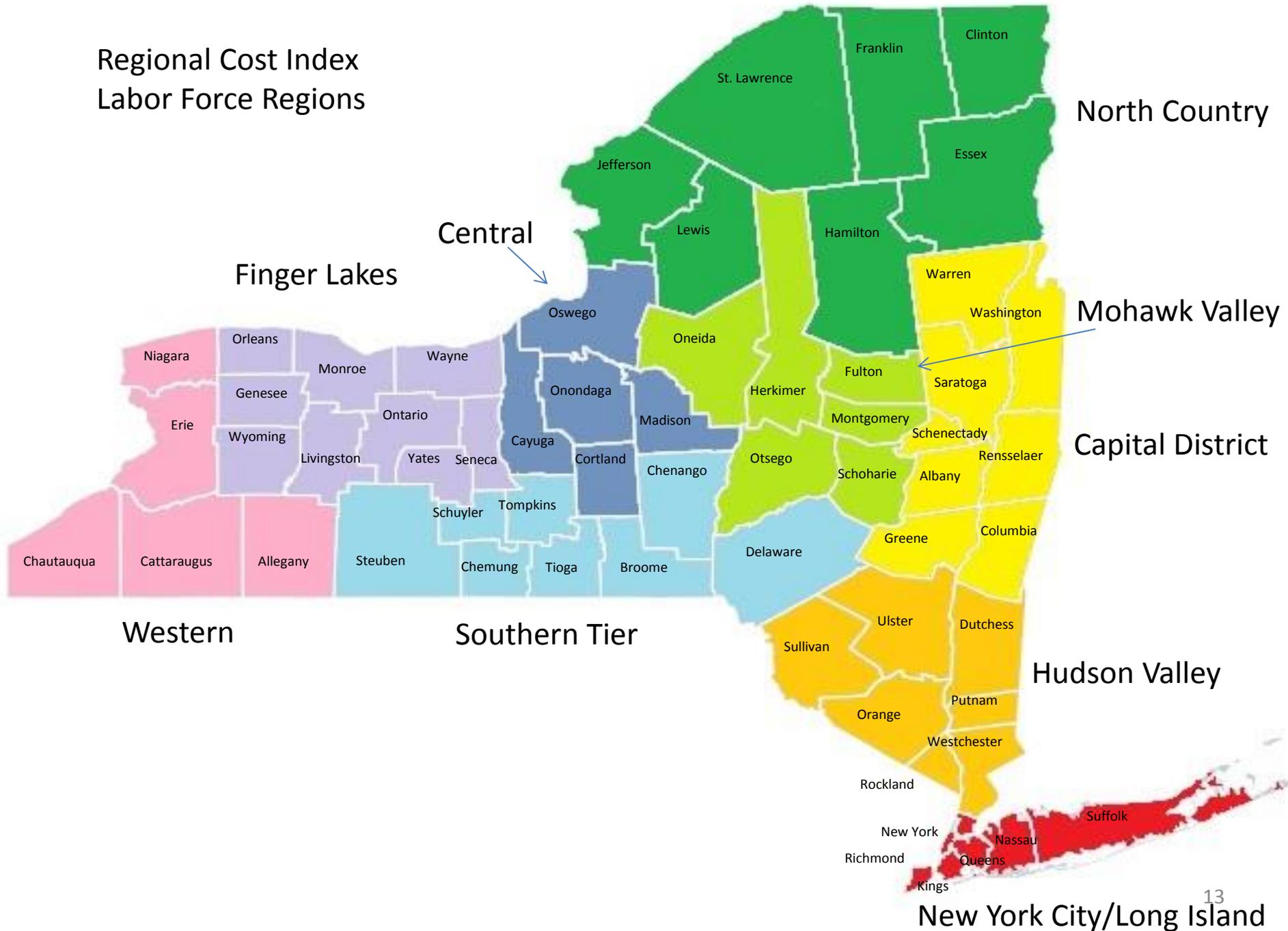
## Step1: Combine Reimbursable Costs and Units

NYSED recommends that SEIS costs and units be combined into the NYS Labor Force Regions used for state education funding for the purposes of establishing regional rates.

- **Regional Cost Index (RCI)** – The regional cost index reflects an analysis of labor market costs based on median salaries in professional occupations that require similar credentials to those of positions in the education field, but not including those occupations in the education field.
- The regional cost indices for the nine labor force regions are as follows:

<b>Labor Force Region</b>	<b>Index</b>
Capital District	1.124
Southern Tier	1.045
Western New York	1.091
Hudson Valley	1.314
Long Island/NYC	1.425
Finger Lakes	1.141
Central New York	1.103
Mohawk Valley	1.000
North Country	1.000

# Regional Cost Index Labor Force Regions





# Step 2: New Adjustments to Reported Costs

## Sparsity Adjustment

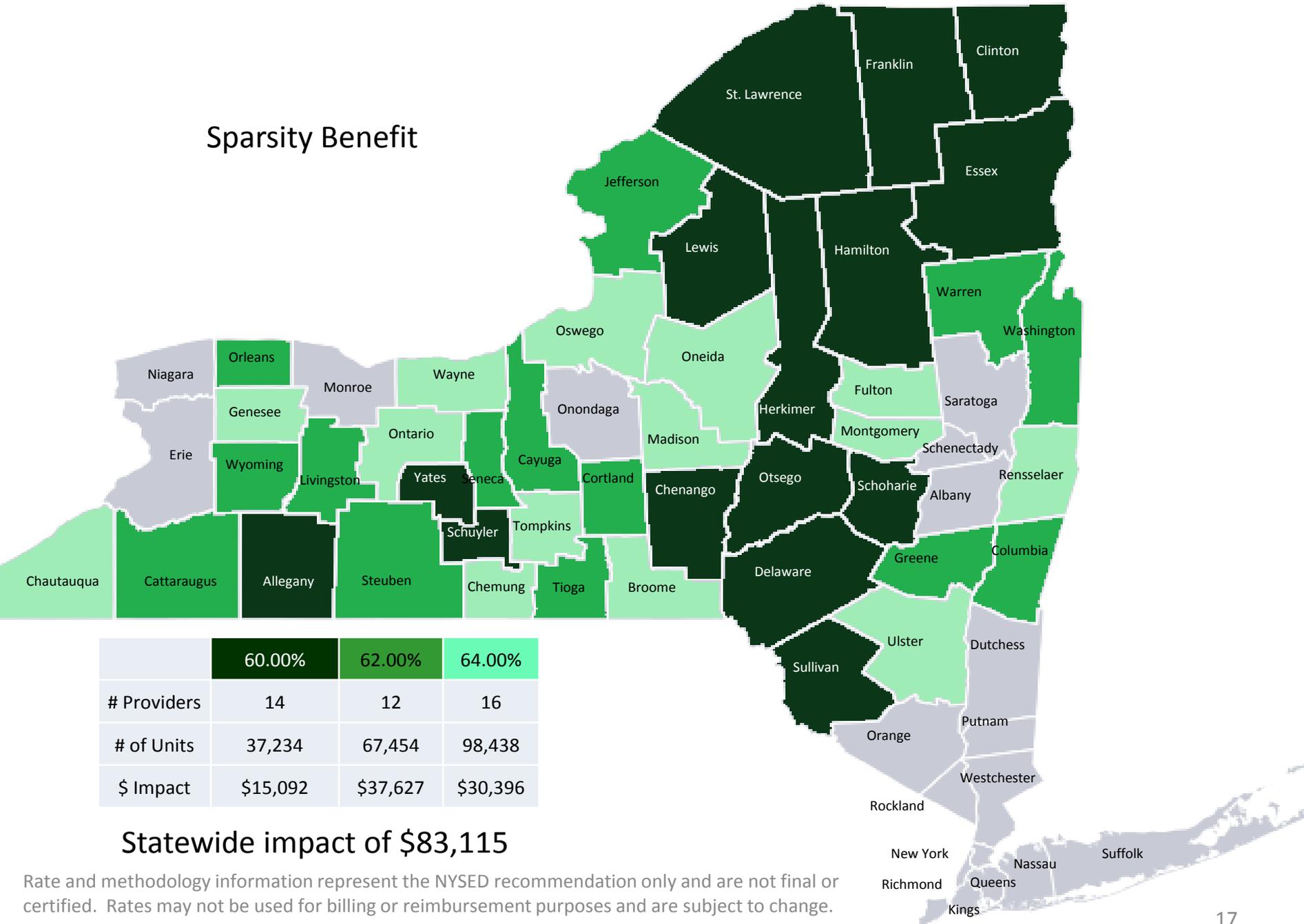
- Proposed regulations would allow the approved tuition methodology to alter the 66% threshold.
- NYSED recommends lowering this threshold to 60%, 62%, or 64% depending on geographic sparsity of the county in which the provider is located.
- Using a factor of New York State Transportation Aid funding, NYSED used public school student enrollment data to determine the enrollment per square mile within each county.
- The counties may be broken into four quartiles in order to apply the 60%, 62%, 64%, or 66% adjustment depending on geographic sparsity.

## Proposed Sparsity Adjustment Enrollment/Square Mile - Quartiles of the State

60%	62%	64%	66%
Hamilton	Wyoming	Montgomery	Saratoga
Essex	Cattaraugus	Madison	Dutchess
Lewis	Greene	Fulton	Niagara
Franklin	Warren	Genesee	Putnam
Delaware	Steuben	Chautauqua	Orange
Herkimer	Washington	Oswego	Onondaga
St. Lawrence	Seneca	Tompkins	Albany
Schoharie	Tioga	Ontario	Schenectady
Allegany	Columbia	Wayne	Erie
Otsego	Cortland	Oneida	Monroe
Yates	Livingston	Ulster	Rockland
Schuyler	Jefferson	Rensselaer	Suffolk
Chenango	Orleans	Broome	Westchester
Sullivan	Cayuga	Chemung	Nassau
Clinton			New York City

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# Sparsity Benefit



## Statewide impact of \$83,115

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# Step 2: New Adjustments to Reported Costs

## Adjustment to Teacher Session Hours

- In order to limit reimbursement so that SEIS billable time is not less than 66, 64, 62, or 60 percent of any special education itinerant teacher's total employment hours, an adjustment is applied to teacher hours that are greater than the amount needed to deliver the mandated sessions and perform other required functions.
- Statewide impact of approximately \$920,000.

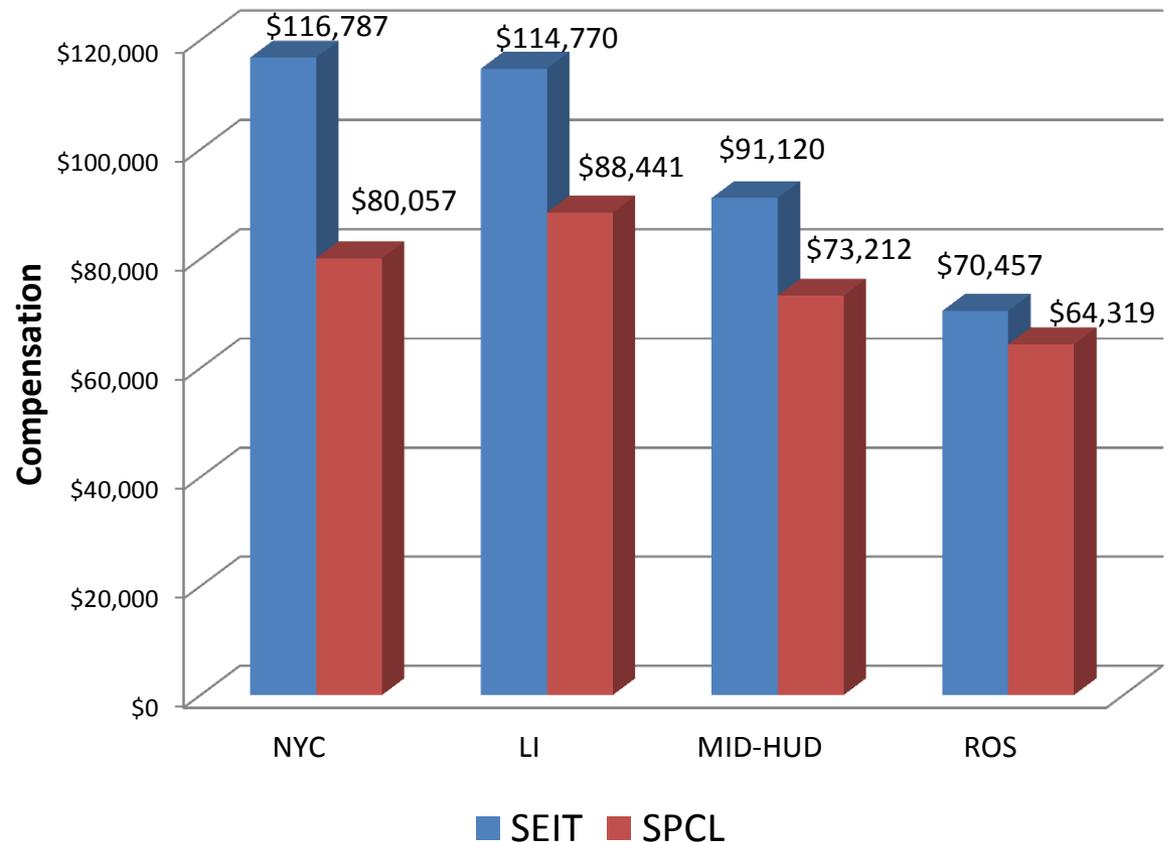
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# Step 2: New Adjustments to Reported Costs

## SEIS Teacher Compensation Median

As noted in the preschool special education tuition methodology study, SEIS teachers' compensation exceeds teachers employed by a special class program.

2011-12 PRESCHOOL SPECIAL EDUCATION TEACHER  
AVERAGE COMPENSATION



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# SEIS Teacher Compensation Median

- Salary median derived using Basic Educational Data Systems (BEDS) 2011-12 reported data for full-time Special Education Teachers by County & NYC (Salary Percentiles for Full-Time Professional Personnel by Professional Field)
  - <http://www.p12.nysed.gov/irs/pmf/2011-12/2012-Stat-04.pdf>
  - All reported salaries were annualized to 12 months.
- The 2011-12 Statewide Public Fringe Benefit Rate of 47.91% was added to the salary data in order to calculate the compensation median.
- Statewide impact of approximately \$5 million.

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## Step 2: New Adjustments to Reported Costs Non-Direct Care & Supervising Teacher

- NYSED recommends that all Supervising Teacher expenditures be reclassified as non-direct care.
  - 25 programs impacted statewide.
- NYSED recommends that the Non-Direct Care Cost Parameter be reduced from 30% to 25% and applied to reimbursable SEIS costs after adjustments.
- Statewide impact of \$4.5 million.

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# Step 2: New Adjustments to Reported Costs

## Total Cost Screen

- The remaining total cost screen from 2011-12 was not applied to provider's costs up to the regional weighted average rate for 2011-12.
- The entire total cost screen was removed for providers located in counties that qualified for a sparsity adjustment and for the following regions of the state: North County, Finger Lakes, Western, and the combined region of Mohawk Valley, Central, and Southern Tier.
- Statewide impact of approximately \$3.2 million.

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# Step 3: Absentee Factor

Rationale for applying a reasonable student absentee factor to SEIS 2015-16 rates:

- In 2015-16 using existing rates, as counties begin to reimburse based on services delivered in 2015-16 pursuant to Chapter 56 of the Laws of 2014, SEIS total reimbursement will decrease unless 100 percent of mandated units are delivered.
- As described in the preschool special education tuition methodology study, the 2011-12 reimbursement to SEIS providers statewide would have been approximately \$22.40 (million) less under the new reimbursement rules where payment is based on the delivery of service rather than enrollment.
- Missed sessions, as a result of student absences, may be made up to a certain extent, as appropriate; however there may be instances where circumstances prevent all mandated sessions from being delivered.

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# Step 3: Absentee Factor

- In order to account for a reasonable student absentee factor, NYSED recommends that SEIS rates be calculated using 90 percent of the mandated units.

2011-12 Reimb \$\$	2011-12 Mandated Units	2011-12 ½ Hour Rate		90% of Mandated Units	½ Hour Rate with 10% absentee factor
\$1,000,000	25,000	\$40		22,500	\$44

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# NYSED SEIS Regional Rate Recommendation

		2011-12	2011-12	2011-12	2011-12	NYSED
			WEIGHTED	ADJUSTED	TOTAL COST	2015-16
	# OF	REIMB	AVERAGE	REIMB	SCREEN	REGIONAL RATE
REGION	PROGS	\$\$	RATE	\$\$	REMOVAL	RECOMMENDATION
					\$\$	RATE
Long Island/ New York City	101	\$227,783,610	\$44.56	\$219,693,410	\$2,121,403	\$48
Hudson Valley	27	\$9,622,172	\$36.56	\$9,568,555	\$237,379	\$42
Capital District	19	\$2,784,414	\$34.68	\$2,509,198	\$22,727	\$37
North Country	11	\$1,596,969	\$29.28	\$1,544,363	\$70,566	\$34
Mohawk Valley/ Central/ Southern Tier	4 8 3	\$216,691 \$1,852,114 \$449,980	\$28.90 \$29.62 \$26.18	\$2,396,061	\$401,092	\$37
Finger Lakes	16	\$3,694,225	\$32.75	\$3,448,060	\$94,672	\$36
Western	17	\$3,513,772	\$29.55	\$3,409,885	\$279,697	\$35
TOTAL	206	\$251,513,947		\$242,569,532	\$3,227,536	

Regional Rates are calculated by dividing the total reimbursable costs within a region by 90% of the mandated units in a region.

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# Phase-In to Regional Rates

- The Department recommends regional rates using the following phase-in schedule:
  - Phase-In Year 1 – 15%
  - Phase-In Year 2 – 25%
  - Phase-In Year 3 – 30%
  - Phase-In Year 4 – 30%
- The Department would compare each providers' most recent authorized tuition rate, as of the date the 2015-16 rates are recommended to be certified, against the proposed 2015-16 regional average rates:
  - If a provider's most recent authorized tuition rate is greater than the 2011-12 Average Rate by Region after the application of a 10% absentee factor, then the phase-in would compare the most recent authorized tuition rate to the 2015-16 Regional Rate.
  - For providers with most recent authorized tuition rates below the 2011-12 Average Rate by Region after the application of a 10% absentee factor, an absentee factor is applied to the most recent authorized tuition rate of that provider and then the resulting rate is compared to the 2015-16 Regional Rate.
- The difference between the Regional Rate and a provider's most recent authorized tuition rate, with or without a 10% absentee factor, is added to or subtracted from the most recent authorized tuition rate to determine the provider's rate for each of the four phase-in years.
- All providers within a region will have the same Regional Rate starting with 2018-19.

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# Phase-In to Regional Rates Example

Rate Year	2015-16	2016-17	2017-18	2018-19
Most Recent Authorized Rate	\$45.00	\$45.00	\$45.00	\$45.00
2011-12 Average Rate by Region	\$44.56	\$44.56	\$44.56	\$44.56
2011-12 Average Rate by Region w/ Absentee Factor	\$49.51	\$49.51	\$49.51	\$49.51
Most Recent Authorized Rate w/ Absentee Factor	\$50.00	\$50.00	\$50.00	\$50.00
Regional Rate	\$48.26	\$48.26	\$48.26	\$48.26
Difference	\$1.74	\$1.74	\$1.74	\$1.74
Phase-In Year Factor	15%	25%	30%	30%
Prorated Difference	\$.26	\$.44	\$.52	\$.52
Phase-In Rate	\$49.74	\$49.30	\$48.78	\$48.26

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# Group SEIS Rates

- NYSED recently presented to the Board of Regents that most preschool students receive SEIS on an individual basis, even when there are multiple students recommended for SEIS attending the same regular early childhood program, and grouping for instruction could be appropriate.
- NYSED recommends SEIS rates which would provide an add-on adjustment corresponding to the number of students served in the group.
- Group SEIS rates would be issued for each region based on the size of the group and would be prorated to each student receiving services as required by §200.9(f)(2)(ix)(d).

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Questions and Comments Email:  
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