



# New Funding Methodology for Preschool Inclusion Recommendations for Consideration

This Presentation contains Draft/Potential Items for Consideration and Discussion  
and does not represent any Final Recommendations or Determinations

**Pursuant to Chapter 59 of the laws of 2017**

# SCIS Methodology – Seven Stakeholder Meetings

## Identify Existing Fiscal and Programmatic Challenges

September 13-14 2017

Summary of School District, BOCES and Provider survey responses

Panel and Group Discussion:

Defining quality education programming for the inclusion of preschool students with disabilities within State-Administered Pre-Kindergarten, Head Start, and Childcare

## Discuss Program Quality Standards for Better Inclusion Opportunities

October 26-27 2017

Overview of Data

Defining the costs that should be allocated as a preschool “Special Education Costs” within an inclusive State-Administered Pre-K, Head Start, and Childcare

Group Discussion:

Inclusion Staffing within State-Administered Pre-K, Head Start or Childcare programs

## Consider Inclusion Funding Models

November 28-29 2017

Group Discussion:

Inclusion Staffing within State-Administered Pre-K, Head Start or Childcare programs

Identify how funding models could best support desired inclusive early childhood program models

## Discuss Potential Recommendations

March 1 2018

Short Term Solutions:

Program Options and Staffing Standards  
Improvements to Separate Funding Structure  
Promoting Inclusion Principles in existing Early Childhood Programs

Long-Term Solution:

Single Funding Structure

# Existing Fiscal and Programmatic SCIS Challenges

In addition to the stakeholder meetings, SED issued a field survey to solicit feedback and input on the challenges associated with the current SCIS program and funding model. Responses included: 231 School Districts, 3 BOCES, 92 private providers, and 8 County Officials

## Lack of Inclusion Opportunities

- Not enough SCIS programs – increasing threat of closures
- Existing SCIS programs do not have sufficient enrollment of typically developing students
- Preschool students with disabilities enrolled in SCIS are not considered enrolled in the regular early childhood program component leading to inequities within classrooms

## Insufficient Funding

- Preschool special education funding (4410) and other early childhood funding is complicated, unpredictable, and does not reimburse actual total program expenses
- Differing views as to what expenses should be reimbursed with 4410 funding vs. other early childhood funding streams (UPK, Head Start, Childcare)

# Special Class Integrated Setting Methodology Objectives

1	<b>Expand and preserve opportunities for preschool students with disabilities to be enrolled in early childhood programs with their typically developing peers</b>
2	Promote early childhood program inclusion principles - bring the support services to the child rather than moving the child to the services
3	Enable programs to be fiscally viable with enrollment of preschool students with disabilities at between 1/3 to 1/2 of the total classroom student population
4	Maintain program quality standards among all providers
5	Provide transparency and predictability in funding at levels adequate to achieve the above objectives

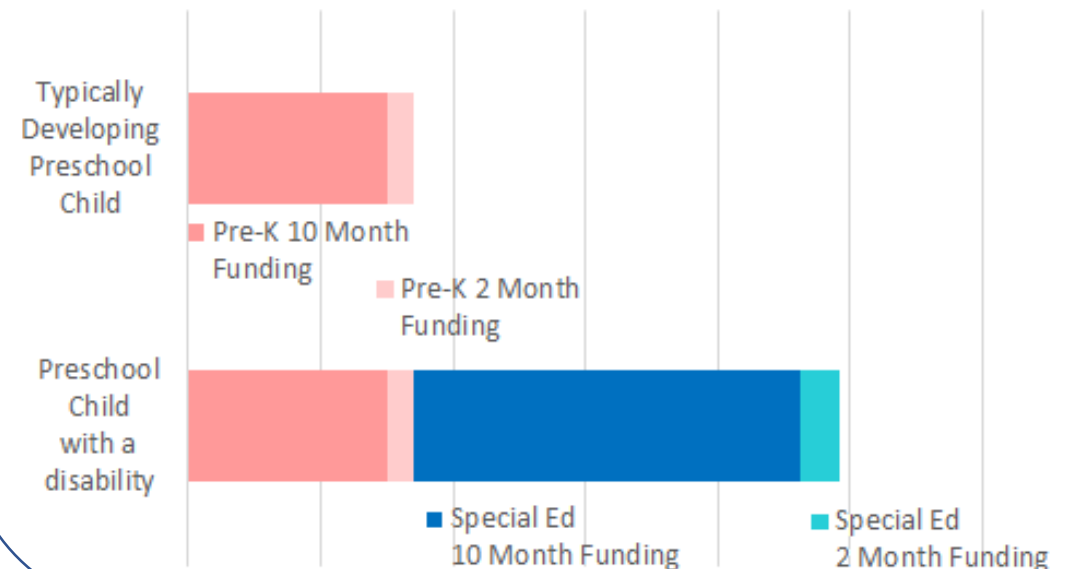
# SCIS Methodology Recommendations: Short-Term “Separate Program” & Long-Term “Whole Program”

Short-term recommendations would be those that reflect the SCIS methodology objectives to promote inclusion and seek to improve the existing structure where SCIS is funded as a separate “Special Class” program in an integrated setting.

- The short-term recommendations for consideration include:
  - Changes to rate setting calculations under the existing individual cost-based methodology;
  - Development of new inclusion program models and staffing standards;
  - Development of a budget-based rate methodology using inclusion program models and staffing standards;
  - Creating policies and guidance to promote inclusion principles in existing early childhood programs (State Administered Prekindergarten Head Start, and Child Care programs).

A long-term recommendation would be to develop an reimbursement methodology to fund inclusion as part of the Early Childhood “whole program” - all children would receive the same base funding amount for shared expenses and the special education associated expenses would be an add-on to the base funding.

Whole Program Funding Concept



# Improvements to the Existing Separate Funding Structure

## Short Term Solutions – Potential Recommendations for Consideration to Improve the Existing Separate Funding Structure:

- Tuition Growth for Existing Providers to provide fiscal relief and avoid program closures.
  - The 2017-18 Request was 4.85%
- “Higher-Of” Rate Reform to provide flexibility in how maximum funding levels are determined year to year.
  - Using the “higher-of” two rate years for purposes of calculating the total cost screen. For example, school-age 2017-18 rates will be reconciled based on the higher of:
    - The 2016-17 reconciliation per diem rate plus a growth percent; or
    - The 2017-18 prospective per diem rate.
- Tuition “Revenue Offset” to Accurately Reflect SCIS Program Operations and Separate Funding Structure.

## 4410 Funding Reduction/Offset for SCIS Programs

- By statute, 4410 funds cannot be 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 expectation is that SCIS will share expenses with another Early Childhood revenue source, but that revenue source is not always available.
- It is preferable for existing Early Childhood program resources to share expenses in SCIS classrooms, or that a “whole program” funding methodology be developed to assign expenses to be shared equitably among funding stream (4410 and other Early Childhood funding).
- Until alternative options are available, SCIS programs must satisfy program requirements reliant on 4410 funding without another dedicated or predictable funding source.
- SCIS is currently funded like a Special Class and any reduction in reimbursement should not be artificially-based but instead reflect actual program operations.

# Improvements to the Existing Separate Funding Structure

## Short Term Solutions – Potential Recommendations for Consideration:

### Separate Funding Structure: Tuition “Revenue Offset”

- Single Entity Operated SCIS programs would continue to report all program expenses in their fiscal cost reports
- Collaborating Entities would be required to identify and report shared expenses in more detail (breakout the collaboration fee amount into categories: Personal Services, Fringe Benefits, OTPS, Equipment, Property, and Administration)
- Potential Revenue Offset: applicable to all SCIS, Actual Revenue Received
- Potential Revenue Offset: applicable to all SCIS, Shared Instructional Staff Expense “Pro Rata” reduction based on staffing standards or approved ratios
- Potential Revenue Offset: applicable to all SCIS, Shared Instructional Staff Expense “Standard” reduction based on staffing standards or approved ratios



# Potential Inclusion Program Options

- The Department is considering new inclusion program options to expand the continuum of currently available programs for preschool students with disabilities to be educated in a setting with their typically developing peers.
- The inclusion program options are intended to better align SCIS with Early Childhood program models and best practices for early learning for all students.
- The inclusion program models would possibly include:
  - **Whole class Inclusion Supports:** provided on a regular weekly/monthly basis, up to 4 hours per month for each of these areas:
    - communication and language,
    - fine motor and sensory integration,
    - classroom behavior management
  - **Related Services:** The Committee on Preschool Special Education (CPSE) would continue to recommend any services including the frequency, duration and location of services to remediate specific skill deficits. Services may be provided individually or in small groups as per the individualized education program (IEP).
  - **Variations:** using current variance procedures: up to two preschool students with a disability may be added to the class

# Potential Inclusion Program Options

## When should this level of service be considered?

### Secondary Inclusion Program

Students who:

- need daily periodic or intermittent services and supports to meet IEP goals
- have fewer management needs
- may include minimal or no related services

### Intermediate Inclusion Program

Students who:

- need moderate level of services and supports to meet IEP goals
- have moderate levels of management needs
- students who need support of a special education teacher during the entire time of the class

### Primary Inclusion Program

Students who:

- need extensive level of services and supports to meet IEP goals
- students with multiple areas of need (behavioral, sensory, and/or physical)
- have a high level of behavioral, sensory, and/or management supports that can be provided in an inclusive setting of a smaller group size and/or intensified staffing

# Potential Inclusion Program Options

## Who Provides the services?

### Secondary Inclusion Program

- 18:1.5:2
  - 1 Certified Teacher in Early Childhood
  - .25-.5 Certified Teacher in Special Education
  - 1 Certified Teacher Assistant
  - 1 Teacher Aide

### Intermediate Inclusion Program

- 16:1:2
  - 1 Certified Teacher in Special Education
  - 1 Certified Teacher Assistant
  - 1 Teacher Aide
- 16:2:1
  - 1 Certified Teacher in Special Education
  - 1 Certified Teacher in Early Childhood
  - 1 Certified Teacher Assistant

### Primary Inclusion Program

- 14:1:2
    - 1 Certified Teacher in Special Education
    - 1 Certified Teacher Assistant
    - 1 Teacher Aide
- Enhanced ratio could be considered based on students' needs

# Potential Inclusion Program Options

## Where are the services provided?

### Secondary Inclusion Program

In an early childhood setting that includes **50-70%** age-appropriate peers without disabilities.

**Maximum size: 18**  
**Number of Preschool students with disabilities 6-9 (based on maximum size)**

### Intermediate Inclusion Program

In an early childhood setting that includes **50-70%** age-appropriate peers without disabilities.

**Maximum size: 16**  
**Number of Preschool students with disabilities 5-8 (based on maximum size)**

### Primary Inclusion Program

In an early childhood setting that includes **60-70%** age-appropriate peers without disabilities.

**Maximum size: 14**  
**Number of Preschool students with disabilities 6-7 (based on maximum size)**

# Potential Inclusion Program Options

## How are the services provided?

### Secondary Inclusion Program

Daily services but not the entire time the child attends the early childhood setting.

Frequency is **daily**; duration will vary depending on early childhood class being half-day or full-day.

Duration:

Half-day class (< 3 hours):

.25 teacher = 37.5 minutes

.5 teacher = 75 minutes

Full-day class (≥3 hours)

.25 teacher = 45 minutes to 75 minutes  
.5 teacher = 90 minutes to 2.5 hours

### Intermediate Inclusion Program

Daily services for the entire time of the special education program.

Duration:

Half-day (<3 hours)

or Full-day classes (≥3 hours)

### Primary Inclusion Program

Daily services for the entire time of the special education program.

Duration:

**Full-day only** (≥3 hours)

# “Pro Rata” Funding Reduction based on Staffing Standards

Secondary Inclusion Program	Intermediate Inclusion Program	Primary Inclusion Program
<ul style="list-style-type: none"><li>• 18:1.5:2<ul style="list-style-type: none"><li>• 1 Certified Teacher in Early Childhood</li><li>• .25-.5 Certified Teacher in Special Education</li><li>• 1 Certified Teacher Assistant</li><li>• 1 Teacher Aide</li></ul></li></ul>	<ul style="list-style-type: none"><li>• 16:1:2<ul style="list-style-type: none"><li>• 1 Certified Teacher in Special Education</li><li>• 1 Certified Teacher Assistant</li><li>• 1 Teacher Aide</li></ul></li><li>• 16:2:1<ul style="list-style-type: none"><li>• 1 Certified Teacher in Special Education</li><li>• 1 Certified Teacher in Early Childhood</li><li>• 1 Certified Teacher Assistant</li></ul></li></ul>	<ul style="list-style-type: none"><li>• 14:1:2<ul style="list-style-type: none"><li>• 1 Certified Teacher in Special Education</li><li>• 1 Certified Teacher Assistant</li><li>• 1 Teacher Aide</li></ul></li></ul> <p>Enhanced ratio could be considered based on students' needs</p>

SCIS “pro rata” expense reduction would equal the expenses for staff identified by the program as “shared Early Childhood staff” (with minimum expectations) pro rata to capacity of all students in the classroom

# “Standard” Funding Reduction based on Staffing Standards

Secondary Inclusion Program	Intermediate Inclusion Program	Primary Inclusion Program
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SCIS “standard” expense reduction would equal expenses associated with the highlighted positions above

# Potential Inclusion Staffing Standards

- The potential “inclusion staffing standards” would be used to identify direct care staff needed to support the “inclusion program models.”
- Programs would obtain SED approval to operate one or more inclusion program models. Then, the inclusion staffing standards, aligned with the approved inclusion program model(s), would be used to develop a budget-based tuition rate for approved programs.
- The staffing standards may also potentially be used to justify tuition rate appeals pursuant to the existing rate methodology framework.
- The inclusion staffing standards would also be used as the basis for a whole program funding methodology pilot to determine the direct care staffing needs of the inclusion program.
- The staffing standards were derived from stakeholder feedback and with consideration for other Early Childhood program models.



# Staffing Standards Discussion

# Budget-Based Rates based on Staffing Standards

- Difference between budget-based rates and existing cost-based methodology
- What assumptions must be made to develop budget-based rates:
  - Maximum Class Size
  - Ratios of Students with and without disabilities
  - Enrollment changes throughout the school year
  - IEP Mandates
- Do budget-based rates have to be reconciled if different from budget assumptions?
  - Changes in student IEP needs from budget to actual
  - Enrollment Increase or Decrease from budget
  - Surplus tuition revenue
- What cycle may be utilized for budget-based rate making and rebases?
- What additional information/data must be captured on the CFR or fiscal reports to support this methodology?
- What information should be used to determine salary/fringe data?

## Promoting Inclusion Principles in Existing Early Childhood Programs

Securing opportunities and funding for preschool inclusion must be a combined and coordinated effort shared among all early learning stakeholders. Toward that effort, the following potential items are for consideration:

- SED would develop updated guidance on school district's responsibilities relating to placements of students in the least restrictive environment (LRE) and preschool;
- Early Childhood Programs would adopt inclusion principles so that SCIS students have equal access to all classroom benefits;
- SCIS students would be served in State Administered Prekindergarten programs directly or through collaborations as “dually enrolled” (counting as enrolled in both programs) and “dually funded” (receiving funding under both programs) to offer same opportunities afforded to other resident students;
- School Districts would serve SCIS students in district-operated State Administered Prekindergarten programs without separate SED approval.

# Develop a Single Funding Structure for Preschool Inclusion

- Long-Term Solutions: Potential Recommendations to Develop Single Funding Structure for Inclusion:
- Regent's Early Childhood Workgroup Blue Ribbon Committee Recommendation to provide \$6M for pilot programs which will target funding to half-day and full-day 10-month and summer inclusion prekindergarten programs for three and four-year-old children. Funds would be blended and layered with existing prekindergarten and preschool special education funding to support classrooms comprised of both preschool students with and without disabilities.
- The additional funding would enable the Department to develop a "whole program" funding methodology to fund the entire inclusion program as one program, with blended and layered funding, under a single reimbursement methodology, to serve all students (both students with and without disabilities).

## Timeline for SCIS Methodology Recommendation

- Department staff will continue to work on developing a recommendation for how to fund SCIS programs through a “whole program” blended and layered funding methodology under a pilot program and recommendations for improving the existing separate program funding reimbursement structure for internal consideration.
- Discussion with the Board of Regents - March 12, 2018
- Pursuant to Chapter 59 of the laws of 2017, the Department’s recommendations for SCIS methodology is due to the Division of the Budget on April 1, 2018.

# Closing Questions & Remarks

Thank you for your participation!

Please continue to send questions and comments to:  
[SCISmethodology18@nysed.gov](mailto:SCISmethodology18@nysed.gov)