



New Funding Methodology for Preschool Inclusion
Recommendations for Consideration

Pursuant to Chapter 59 of the laws of 2017

Preschool Special Education Programs in New York State

- Starting at age three, each local school district is required to provide a free appropriate public education (FAPE) in the least restrictive environment (LRE) for children identified as a preschool student with a disability (PSWD).
- NYS Education Law section 4410 outlines the program and fiscal responsibilities for preschool special education services in the State.
- School District's Committees on Preschool Special Education (CPSE) determine where and how preschool special education and related services are provided which may include:
 - Related Services Only (such as speech therapy, occupational therapy, physical therapy);
 - Special Education Itinerant Services;
 - Half-day and Full-day, 10 month and 12 month, Special Class programs including Special Class in an Integrated Setting
- Prior to recommending a setting which includes only preschool students with disabilities, the CPSE must first consider placement in a setting which includes typically-developing peers.
- Special Class Integrated Setting (SCIS) programs are approved by the Department to operate a class consisting of both preschool students with disabilities, who have been grouped together because of similar individual needs for specially-designed instruction, and preschool students without disabilities receiving an early childhood education program.

Preschool Special Education Funding in New York State

- Preschool Special Education is paid pursuant to section 4410 at a 59.5% State share and 40.5% county share of approved expenses.
- 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.”
- It is anticipated that SCIS 4410 funding will pay for the preschool students with disabilities and that the typically developing peers in the classroom would receive other separate funding (such as State Administered Pre-K grant, Head Start grant, Child Care subsidy, or parent-paid tuition).
- SED Rate Setting currently reduces the amount of 4410 funding that SCIS programs are eligible to receive with the expectation that the other revenue sources will make up the funding gap.

Current Status of SCIS in NYS

Separate Publicly Funded Early Childhood Programs for preschool children with and without disabilities

State Administered Pre-K,
Head Start, or Childcare



RS & SEIS dually-enrolled and funded

Receives RS



Receives SEIS



Receives SCIS



Approved
SCIS Program



SCIS Separately enrolled and funded

Students receiving Related Services (RS) and Special Education Itinerant Services (SEIS) are enrolled and funded by both the Early Childhood program and the 4410 program.

Students receiving Special Class Integrated Setting (SCIS) are not counted in the enrollment and are not funded by the early childhood program. PSWD are enrolled and funded through an approved 4410 SCIS program that operates or collaborates with a separate early childhood program.

Lack of Inclusion Opportunities for Children that Need a SCIS Program



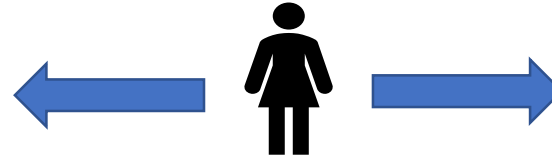
4,282 Child
Care Centers



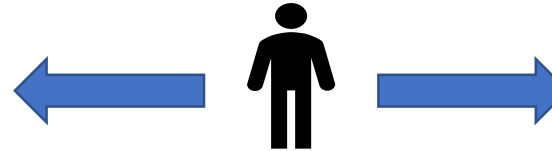
484 State
Administered Pre-K



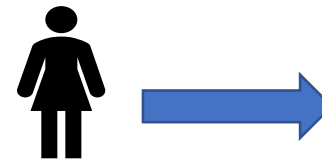
261 Head Start



Receives SEIS



Receives Related Services



Receives SCIS



Typically-developing Peer



175 Approved SCIS
21 School Districts
2 BOCES
152 Private Providers

SCIS Programs, Enrollment and Funding

Full-Day SCIS Programs 2013-14:

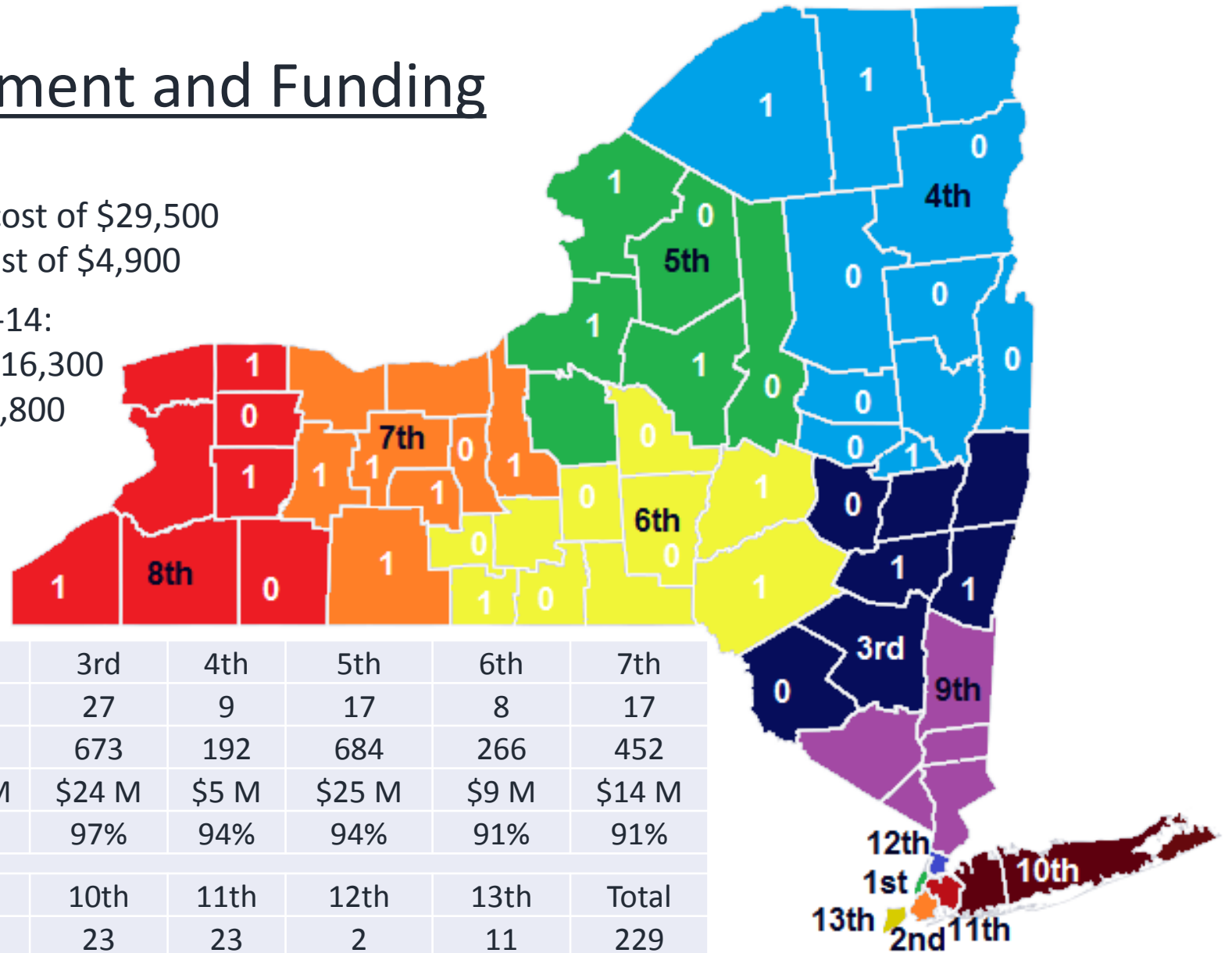
- 10 month: 6955 students at an average cost of \$29,500
- Summer: 4667 students at an average cost of \$4,900

Half-Day SCIS Programs in school year 2013-14:

- 10 month: 3384 students, average cost \$16,300
- Summer: 1905 students, average cost \$2,800

Many areas of NYS have one or no SCIS programs located within the County

*2013-14 cost report data assigning programs to the location of their administrative office



Judicial District	1st	2nd	3rd	4th	5th	6th	7th
Number of Programs	18	19	27	9	17	8	17
PSWD Enrollment (weighted FTE)	668	514	673	192	684	266	452
Final Reimbursable \$	\$23 M	\$16 M	\$24 M	\$5 M	\$25 M	\$9 M	\$14 M
Percent Reimbursed	87%	92%	97%	94%	94%	91%	91%
	8th	9th	10th	11th	12th	13th	Total
Number of Programs	19	36	23	23	2	11	229
PSWD Enrollment (weighted FTE)	489	511	823	857	81	108	6319
Final Reimbursable \$	\$16 M	\$18 M	\$34 M	\$26 M	\$2 M	\$3 M	\$215 M
Percent Reimbursed	89%	87%	93%	98%	97%	86%	92%

2017-18 Enacted State Budget

Chapter 59 of the laws of 2017

Directs the Department to develop an “alternative methodology for reimbursement” for SCIS programs for the 2018-19 school year

Requires stakeholder input during the methodology development

The alternative methodology is subject to the Division of the Budget approval, and must be submitted no later than April 1st 2018

Stakeholder Engagement

- 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.
- SED conducted seven stakeholder meetings on SCIS methodology. Participants were invited to attend in-person and the meeting was also webcast for all interested parties.

Invited Participants included:			
15 School Districts (including 3 of the big 5)	25 SCIS Private Providers	BOCES	Council on Children and Families
Early Childhood Direction Centers	NYS ARC NYC AHRC	CP of NYS	The Alliance for Children with Special Needs
Interagency Council of Developmental Disabilities Agencies	New York Early Childhood Professional Development Institute	ACTS Agencies for Children's Therapy Services	853/COFCCA Coalition
Conference of Big 5 School Districts	Advocates for Children	NYS Association of Counties	NYS Coalition for Children's Mental Health Services
School Administrators Association of NY	Superintendents Association	New York State School Boards Association	New York State Association of School Business Officials

SCIS Methodology – 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

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)

Three Priority Areas for Preschool Inclusion based on Stakeholder Input

01

Promote Inclusion Principles in Existing Early Childhood Programs

02

Create Preschool Inclusion Program Models and Staffing Standards

03

Improve the Existing Separate Funding Structure to Better Reflect Inclusion Objectives

#1 Promote 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.

#2 Preschool Inclusion Program Models and Staffing Standards

- The needs of preschool students with disabilities require additional programming that is not currently contemplated in all Early Childhood settings:
 - Smaller class size
 - Enrollment entry periods throughout the school year
 - Staff certified and licensed to provide special education and related services
 - IEP oversight and implementation
 - 10 month and 2 month (summer) programming
- New program models are being created to better reflect inclusion principles that may be implemented in variety of Early Childhood settings to meet the IEP needs of preschool students with disabilities and benefit all students in the classroom.
- In addition, Department staff are developing staffing standards for consideration. These standards are benchmarks and formulas to identify and quantify the number of Early Childhood and Special Education staff required to operate inclusion programs.
- The staffing standards must be responsive to varying program models and student needs and may be used to justify program reimbursement levels.

#3 Improve the Existing Separate Funding Structure

- To provide short-term fiscal relief and avoid program closures, the following recommendations are for consideration:
 - Provide tuition growth for existing programs
 - Allow flexibility in how maximum funding levels are determined year to year
 - Remove the expectation that SCIS programs generate other funding and instead reimburse allowable expenses not already covered by other funding streams
- To align funding with the new program models and staffing standards:
 - Develop a new budget-based tuition methodology to better reflect necessary program expenses

Special Class Integrated Setting Methodology Objectives

1	Expand and preserve opportunities for preschool students with disabilities to be enrolled in early childhood programs with their typically developing peers
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

Regents Early Childhood Workgroup's Blue Ribbon Committee Recommendation

- Develop a single reimbursement structure for preschool inclusion.
- \$6 million for pilot programs would target funding to half-day and full-day 10-month and summer inclusion prekindergarten programs for three and four-year-old children.
- The inclusion program would be treated as one program where all students are enrolled and funded under a single reimbursement methodology.
- Funds would be blended and layered with existing prekindergarten and preschool special education 4410 funding to support classrooms comprised of both preschool students with and without disabilities.
- This proposal is the most direct recommendation for achieving all five SCIS reimbursement methodology objectives.

Next Steps for SCIS Methodology Recommendations

- Review and incorporate stakeholder and Board of Regents feedback.
- Submit SCIS methodology recommendations to the Division of the Budget (DOB) by April 1, 2018. The submission to DOB will contain program and funding recommendations.
- Continue to pursue preschool inclusion recommendations through:
 - Rate Setting Methodology approved by DOB
 - Guidance
 - Changes to Regulation
 - Regents Priority Legislation
 - Regents Budget Request

