



TO: P-12 Education Committee

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SUBJECT: Funding for Preschool Special Class Integrated Setting Programs

DATE: March 1, 2018

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SUMMARY

Issue for Discussion

Update for the Board of Regents regarding the Department's efforts to develop recommendations for a more effective program model and methodology of reimbursement for educating preschool students with disabilities alongside their typically developing peers within early childhood programs in New York State (NYS).

Reason(s) for Consideration

NYS Statute, Chapter 59 of the Laws of 2017, requires that commencing with the 2018-19 school year, approved preschool integrated special class programs be reimbursed based on an alternative methodology for reimbursement, to be established by the Commissioner of Education and subject to the approval of the Division of the Budget (DOB). The law further directs that the recommendation be submitted to DOB no later than April 1, 2018 and that input from impacted stakeholders be sought during development.

Background Information

This item is a continuation of the discussion first brought to the Board of Regents P-12 Education Committee on September 11, 2017. In that discussion, an overview of

the Board of Regents least restrictive environment (LRE) implementation policy¹ was provided along with a description of the efforts Department staff would take to develop recommendations for an alternative reimbursement methodology for programs educating preschool students with disabilities alongside their typically developing peers.

Since the September 11, 2017 meeting of the Board of Regents, the Department's Office of Special Education, Office of Early Learning, Rate Setting Unit, and State Aid Office have worked collaboratively to develop recommendations for an alternative program model and reimbursement methodology for Special Class Integrated Setting (SCIS) programs. Staff created a survey that was distributed to both school districts and providers, which afforded them the opportunity to identify the issues and challenges facing SCIS programs. Results were analyzed and shared with stakeholders. In addition, seven meetings were conducted with stakeholders at which the issues and challenges facing SCIS programs were acknowledged but more importantly, input and recommendations for how program standards and funding methods could be better structured to promote inclusion opportunities for preschool students with disabilities was obtained. The feedback was integral to the task set forth by the statute. Materials from the stakeholder workgroup meetings have been published on the NYSED webpage:

[SCIS Information](http://www.oms.nysed.gov/rsu/Announcements/SCIS/SCISInformation.html)

(<http://www.oms.nysed.gov/rsu/Announcements/SCIS/SCISInformation.html>)

Challenges within the Existing SCIS Program Model and Reimbursement Structure

SCIS is considered a “special class” program for purposes of oversight and funding. Although the SCIS program must be in a setting with typically developing peers, program approval and funding are separate with isolated monitoring, data collection and reimbursement divided into the “special education” category or “regular early childhood” category, with little consideration for the other. This separate structure leads to inequitable access for preschool students with disabilities to other publicly funded early childhood programs such as Head Start, Child Care, and State-Administered Prekindergarten when programming and funding is not coordinated to meet the needs of all students in the classroom.

In some cases, continued separate investments in early childhood programs have the unintended consequence of decreasing opportunities for inclusion. For example, preschool students with disabilities receive the education and related services as prescribed by their School District's Committee on Preschool Special Education (CPSE) by an approved program or authorized provider pursuant to NYS Education Law, Section 4410. Under this framework, preschool students with disabilities receiving related services or special education itinerant services may also be enrolled and receive funding through a State-Administered Prekindergarten program; however preschool students with disabilities needing a SCIS program must be placed in an approved SCIS program and consequently they are no longer considered enrolled in nor do they receive funding as part of State-Administered Prekindergarten. This structure creates inconsistent early learning opportunities for preschool students with disabilities placed in SCIS classrooms

¹ “The LRE Implementation Policy of the Board of Regents established that all students with disabilities must have equal access to a high-quality program based on their individual needs and abilities and designed to enable them to achieve the desired learning results established for all students.”

depending on whether early childhood programs are willing to operate or collaborate with a separate approved SCIS program. For example, although 471 school districts receive State-Administered Prekindergarten funding, only 21 school districts are approved and receive funding for SCIS. Many school districts offering State-Administered Prekindergarten voluntarily collaborate with a private SCIS program but, due to separate oversight and funding, it is not guaranteed that all children in the classroom receive the same program benefits (such as length of school day). Furthermore, the existing SCIS funding relies solely on preschool students with disabilities tuition, without any committed funding for the typically developing peer population in the classroom. As such, many SCIS classrooms contain greater numbers of preschool students with disabilities and do not have a sufficient number of typically developing peers.

The current SCIS structure in terms of class size and student to teacher ratios is based on the compulsory school-age model. The compulsory school-age model may not adequately reflect early childhood best practices, or the variety of settings early childhood programs are offered. SCIS providers are reporting more fiscal viability concerns meeting existing expectations, and difficulty securing early childhood inclusion opportunities under the current infrastructure. It is therefore necessary to identify how best practices for early childhood inclusion, in a variety of settings, could be better reflected through more flexible SCIS program models that may then be aligned with existing resources and new investments.

The immediate challenges facing SCIS programs and services in NYS may be summarized as: (1) an insufficient number of SCIS programs with an increasing threat of SCIS program closures; (2) lack of typically developing peers in SCIS classrooms; (3) classroom inequities due to separate funding and oversight structures; (4) lack of predictable funding to reimburse actual total program expenses; and (5) differing views as to what funding stream should be used to pay program expenses (4410 funding, State-Administered Prekindergarten funding, Head Start grant, Child Care subsidy, parent pay).

2018-19 Executive Budget Proposal

The proposed 2018-19 Executive Budget provided \$15 million in additional half-day and full day prekindergarten grants for 3 and 4-year-old students. The proposed language directs that preference be given to high-need school districts without State funded prekindergarten and awards are to be based on factors including the school district's proposal to include students of all learning and physical abilities in integrated settings. The Executive Budget language is encouraging as it draws attention to a responsibility that should be acknowledged by all school districts receiving State-Administered Prekindergarten funding, and that is to promote preschool inclusion.

Promoting Inclusion within Existing State-Administered Prekindergarten Programs

As part of the SCIS methodology recommendation, Department staff will identify how new and existing State-Administered Prekindergarten funding should be directed to programs operated or contracted by the school district to serve both students with and without disabilities. This effort will include updated guidance on school districts' responsibilities relating to placements of students in the least restrictive environment

(LRE), specifically as it pertains to providing preschool students with disabilities with the same opportunities afforded to other resident preschool students. Department staff will also explore options for how SCIS students could be “dually enrolled” and “dually funded” through the State-Administered Prekindergarten program and 4410.

Long-Term Solution for Preschool Inclusion

Building separate program and funding infrastructure in NYS has led to challenges for inclusion opportunities for preschool students with disabilities. Early Childhood programs must be equipped with the resources and supports to serve both preschool students with disabilities and their typically developing peers in the same classroom. To that effort, the Board of Regents Early Childhood Blue Ribbon Committee recommended \$6 million to pilot prekindergarten inclusion programs to expand opportunities for preschool students with disabilities. The additional dollars would enable the Department to model a State-Administered Prekindergarten inclusion program to serve both students with and without disabilities. The model would operate under a single approval, oversight, and funding structure.

As part of the SCIS methodology recommendation, Department staff will identify how new resources could be combined with existing funding, both preschool special education dollars (aka NYS Education Law, section 4410 funding) and early childhood education resources (such as existing prekindergarten funding) under a new reimbursement structure. The new structure would better reflect the different costs and requirements of inclusion programs. For example, SCIS classrooms have: lower class sizes; serve both three and four-year old children; may include added supports to benefit at-risk preschool students who might otherwise be referred for an initial special education evaluation; may not be fully enrolled at the start of the school year to ensure that children identified later as preschool students with disabilities have inclusion opportunities; may include summer programming; and are needed in all areas of NYS. As these components are not currently factored into existing State-Administered Prekindergarten funding, a new method of reimbursement would be developed to reflect the costs of the whole program (both general and special education), using multiple sources for blending and layering funding.

The Board of Regents request of \$6 million would enable the Department to pilot an inclusion initiative, which would serve as the basis for a reimbursement structure that could be expanded to better support desired inclusion program objectives and increase opportunities for all preschool students. This is a large structural shift from the current separate program and funding silos but ultimately is the most direct and targeted approach toward achieving the inclusion principles of: (1) expanding opportunities for preschool students with disabilities to be enrolled in early childhood programs with their typically developing peers; (2) bringing the support services to the child rather than moving the child to the services; and (3) reducing fiscal reliance on enrollment of preschool students with disabilities to ensure the inclusion of children with disabilities is better aligned with the proportion of their presence in the general population.

Short-Term Solution for Preschool Inclusion

To preserve and expand existing opportunities for preschool students to attend SCIS programs, the Department will develop recommendations to improve SCIS reimbursement under the current funding structure where the special education program component and regular education program component are funded separately. The items for consideration include: (1) providing tuition growth for existing providers; (2) applying only actual early childhood program revenue received or, alternatively, an amount associated with certain early childhood staff expenses when calculating an offset against SCIS tuition rates; and (3) developing budget-based tuition rates based on Department Approved SCIS Staffing Standards.

The above flexibility, combined with leveraging existing early childhood resources toward SCIS classrooms should alleviate many of the challenges facing SCIS programs, while long-term funding and solutions are considered.

Related Regent's Items

- November 9, 2015, "[Policy relating to the Placement of Students with Disabilities in the Least Restrictive Environment](http://www.regents.nysed.gov/common/regents/files/1115p12d2.pdf)"
(<http://www.regents.nysed.gov/common/regents/files/1115p12d2.pdf>)
[PowerPoint](#)
(<http://www.regents.nysed.gov/common/regents/files/P12-Inclusion%20.pdf>)
- February 16, 2016, "[Update on Next Steps: Policy relating to the Placement of Students with Disabilities in the Least Restrictive Environment](http://www.regents.nysed.gov/common/regents/files/216p12d2.pdf)"
(<http://www.regents.nysed.gov/common/regents/files/216p12d2.pdf>)
- June 7, 2017, "State Performance Plan/Annual Performance Report"
[State Performance Plan/Annual Performance Report](http://www.regents.nysed.gov/common/regents/files/P12%20State%20Performance%20PlanAnnual%20Performance%20Report%20Federal%20Fiscal%20Year%202015_0.pdf)
(http://www.regents.nysed.gov/common/regents/files/P12%20State%20Performance%20PlanAnnual%20Performance%20Report%20Federal%20Fiscal%20Year%202015_0.pdf)
- September 11, 2017, "[Funding for Preschool Special Class Integrated Setting programs](http://www.regents.nysed.gov/common/regents/files/917p12d1.pdf)"
(<http://www.regents.nysed.gov/common/regents/files/917p12d1.pdf>)

Timetable for Implementation

The Department will review stakeholder feedback obtained during a March 1st, 2018 public meeting, develop options and materials for consideration, and submit its recommendations for alternative methods of reimbursement for preschool inclusion programs to the DOB on April 1, 2018.

