



TO: P-12 Education Committee

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SUBJECT: Funding for Preschool Special Class Integrated Setting Programs

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SUMMARY

Issue for Discussion

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

Reason(s) for Consideration

New York State Statute, Chapter 59 of the laws of 2017 requires that commencing with the 2018-2019 school year, approved preschool integrated special class programs be reimbursed based on an alternative methodology for reimbursement, to be established by the Commissioner 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

The Board of Regents has directed and reviewed Department efforts to promote placements of students in the least restrictive environment (LRE)¹ with an implementation

¹ Least restrictive environment means the placement of students with disabilities in special classes, separate schools or other removal from the regular educational environment occurs only when the nature or severity of the disability is such that even with the use of supplementary aids and services, education

policy 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.² These efforts are in accordance with federal law, regulations, and policies which provide a strong preference for educating preschool students in regular classes alongside their typically developing peers and require states to make the full continuum of placement options available to all preschool students. Improving LRE results throughout the State remains a priority, particularly in areas where a considerable number of preschool students with disabilities are being placed in self-contained classes, separate schools or residential schools.

Existing preschool integrated service and/or program options include the provision of related services and/or special education itinerant services to students enrolled in an early childhood education program or placement in an approved special class in an integrated setting (SCIS) program. 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. Operators and stakeholders of the SCIS program have reported significant challenges with meeting regulatory requirements and remaining fiscally viable. The 2017-18 State enacted budget directed that these programs be funded in an alternative manner.

There are 175 approved SCIS providers in New York State that operate both half-day and full-day programs. Of this, 21 public school districts are approved to operate SCIS programs, two are Board of Cooperative Educational Services (BOCES) operated, and the remainder are operated by private entities (both not-for-profit and for-profit). For the 2013-14 school year, approximately \$247 million in reimbursement was claimed for all SCIS programs serving 13,761 preschool students with disabilities. SCIS programs are funded through a tuition rate established by the Department and approved by the Division of the Budget. The tuition rate is intended to reimburse the expenses associated with the special education and related services provided to preschool students with disabilities, with an expectation that general education expenses are paid to the provider by a separate funding source (such as private pay Day Care revenue, State Administered Prekindergarten, or Head Start).

cannot be satisfactorily achieved. The placement of an individual student with a disability in the least restrictive environment shall (1) provide the special education needed by the student; (2) provide for education of the student to the maximum extent appropriate to the needs of the student with other students who do not have disabilities; and (3) be as close as possible to the student's home [8 NYCRR section 200.1)(cc)].

² Special Education Field Advisory, School Districts' Responsibilities to Provide Students with Disabilities with Specially-Designed Instruction and Related Services in the Least Restrictive Environment <http://www.p12.nysed.gov/specialed/publications/2015-memos/least-restrictive-environment-district-responsibilities.html>

To develop its recommendation for an alternative model and reimbursement methodology, the Department's Office of Special Education, Office of Early Learning, Rate Setting Unit, and State Aid Office are working collaboratively to conduct a comprehensive review of the SCIS program's regulatory requirements and existing funding methodology. Integrated options within the State Administered Prekindergarten programs (defined as any program that receives federal or State funding for prekindergarten education) are one area of discussion.

The issues and topics for discussion pertaining to the SCIS model and funding are relevant and included in the work of the Board of Regents Early Childhood Blue Ribbon Committee. Priorities of the Early Childhood Blue Ribbon Committee such as creating comprehensive early childhood policies, coordinated support services, and sustained and coordinated funding structures directly align with the objectives for developing a recommendation for an alternative SCIS model; and all discussions on highly effective educators, age-appropriate standards, and family and community engagement are applicable to SCIS programs.

In addition to the work of the Early Childhood Blue Ribbon Committee, the Department has created a SCIS methodology stakeholder workgroup to help develop its recommendation specific to an alternative model and reimbursement methodology for the SCIS program. Early childhood stakeholders, school district representatives, and providers of approved SCIS programs have been invited to join a series of six meetings (September-November 2017) to discuss potential program and staffing models, classroom configuration and student ratios, quality standards, and funding methodologies for State Administered preschool programs and approved SCIS programs (meetings will also be webcast for the public and those unable to participate in person). Two surveys were conducted in August 2017, one intended for school district, BOCES, and committee on preschool special education (CPSE) chairpersons and/or committee members and the second intended for approved SCIS providers. Comments were solicited regarding how changes can be implemented to better support quality programs that would allow increased opportunities for preschool students with disabilities to be educated in the LRE. A designated email SCISmethodology18@nysed.gov has been created as a point of contact within the Department for stakeholders to make inquiries regarding this initiative and submit comments and feedback.

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/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>

- June 7, 2017, “State Performance Plan/Annual Performance Report”
http://www.regents.nysed.gov/common/regents/files/P-12%20State%20Performance%20Plan-Annual%20Performance%20Report%20Federal%20Fiscal%20Year%202015_0.pdf

Timetable for Implementation

The Department will conduct the stakeholder meetings in September, October and November and report back to the Board of Regents in November 2017.