



# SFY 2024 Budget Priorities

STATE EDUCATION DEPARTMENT

Children with disabilities have a right to FAPE – not possible without equitable funding

**PROVIDE A 10% TUITION INCREASE FOR 4410 & 853 SCHOOLS, EQUAL TO THE OVERALL INCREASE FOR PUBLIC EDUCATION**

**LACK OF FUNDING, LEADING TO INADEQUATE SALARIES, HAS RESULTED IN HIGH VACANCY AND TURNOVER RATES THAT ROB CHILDREN WITH DISABILITIES OF THE EDUCATION THEY DESERVE**



4410 and 853 schools educate children with disabilities who have no other option to obtain a free and appropriate public education (FAPE) because school districts are unable to educate them. Last year these schools received the first meaningful increase in years, but due to soaring teaching staff vacancies, combined with the current rate methodology, many were not able to spend all of the increased funding. Increasing salaries helped to retain teachers, but there was still insufficient funding to raise salaries enough to help attract new candidates to fill vacancies.

**Closed classrooms due to teacher vacancies mean children are being denied services.**

**Due to the current, broken, rate methodology, and to ensure that our schools can get and keep any increase, to continue to provide these vital educational services to their children,**

### THE FOLLOWING CHANGES ARE NEEDED NOW

- ✓ “Interim plus” rates so all schools can receive the increase (see reverse for an explanation)
- ✓ Cost screen modification from 70/30 to 65/35, beginning with the 22/23 school year, till the implementation of a new rate methodology
- ✓ SED only, tuition waiver approval for staffing intensification or health and safety requirements- (currently DOB approval is required for all waivers)

**We support the Governor’s inclusion of \$2.5 million to design a new tuition rate methodology but we can’t wait, and need the changes above, now. Further, the Governor’s inclusion of the requirement that the new methodology be “cost neutral to the state, school districts and counties” must be eliminated as it restricts the development of a fair and adequate solution from being developed.**

**PROVIDE A 10% TUITION RATE INCREASE FOR THE 23/24 SCHOOL YEAR AND ELIMINATE THE COST NEUTRALITY REQUIREMENT FOR THE NEW RATE METHODOLOGY WHICH WILL RESTRICT ITS EFFECTIVENESS**

## Additional Points:

Recent survey data indicates:

- **Closed classrooms (actual #s are much higher since this data reflects IAC members only):**
  - 88 approved 4410 classrooms
  - 46 approved 853 classrooms
- **Certified special education teacher vacancy rates**
  - 4410 Teachers
    - All IAC providers - **30%** (33%)
    - New York City IAC providers providers– **36%**
  - 853 Teachers
    - All IAC providers - **25%** (29%)
    - New York City IAC providers – **31%**
- **Certified special education teacher turnover rates**
  - 4410 Teachers
    - All IAC providers - **22%** (25%) – (A total of 168 certified special education teachers left IAC 4410 Preschool Programs in one year.)
    - New York City IAC providers - **22%**
  - 853 Teachers
    - All IAC providers - **22%** (33%) – (A total of 90 certified special education teachers left IAC 853 Schools in one year.)
    - New York City IAC providers – **24%**

44 schools of 60 reporting, with a similar experience across schools, statewide. All percentages are averages with some regions/schools reporting much higher numbers

- Estimated # of children waiting for 4410 preschool seats in NYC: range is 814-1740
- No public information on 853 school-age programs but our schools have long lists of referrals that indicate that hundreds of children are waiting for an appropriate placement

### Explanation of methodology changes needed now, while a new methodology is developed and implemented:

- **Interim plus rates:** If a school has a pending waiver due to increased expenses, not only will they not receive any increase, they still must spend that money for it to be included in future tuition rates. Interim plus rates would allow any increase to be added to the current certified prospective or reconciled rate as of July 1<sup>st</sup>. The increase would still be subject to rate reconciliation and recoupment.
- **Cost screen modification:** Current expenditures need to fit in to the required cost screens so that 70% must be on direct costs, like teacher and TA salaries and no more than 30% can be spent on fixed indirect costs like rent and utilities. If the cost screen is violated, money for the resulting disallowed expense is recouped and removed from future tuition rates. If a school can't spend 70% of their tuition funding on teacher salaries due to high vacancy rates, they will be underspent in the direct cost category and be subject to this recoupment and reduction for the future.
  - In a simplified example considering only teacher salaries and rent, for every \$100 in tuition, at least \$70 must be spent on teacher salaries and no more than \$30 on rent.
  - If teachers earn \$10 each and the school employs 7 teachers, and if the rent costs \$30, all is good.
  - If the school has 3 teacher vacancies, the school can only spend \$40 on salaries and the rent still costs \$30. Teacher salaries now constitute \$40 which is a 43% decrease in direct care spending.
  - The funding for indirect costs will also be reduced by 43% leaving only \$17.10 to pay rent.
  - **The tuition for next year would be reduced from \$100 to \$57.00. This school will never have enough for rent and will be unable to fill those teacher vacancies since they will only have \$40 to pay teachers after reconciliation.**
- **Expedited tuition waiver process:** When a school requests a waiver due to expenses as the result of IEP mandates, that exceed tuition payments, the approval process is delayed by the requirement that DOB approve the increase. When the request is due to IEP mandated services including health and safety capital expenses or the clinical or educational needs of the children, these waivers should require expedited SED approval, only.