



Date Due: December 15, 2023

Source of Report: LD 258 – Public Law Chapter 412; Part YYY, Sec. YYY-3 (p. 354)

Topic: Funding formula for daily tuition rates for special purpose private preschool, including recommendations and suggested legislation.

Context

The Department of Education (DOE) is tasked with reporting progress on the development of the funding formula for daily tuition rates for Child Development Services (CDS) with special purpose private pre-K (SPPPK) providers. These schools serve many children with disabilities who have not yet attained 6 years of age and provide educational and medically necessary behavioral health services for CDS, including specially designed instruction. Sec. YYY-1. MRS, Title 20-A §7302, sub §2 states that CDS must collaborate with the special purpose private preschools to establish a funding formula that sets appropriate daily tuition rates for the education of this group of students.

This funding formula for a daily tuition rate must include the costs of supporting each preschool’s site director and teachers, and allocations for agency support staff, supplies, equipment, curricula, staff development, technology, and noninstructional expenses such as heating, insurance, maintenance, occupancy costs, office supplies, phones and utilities. This report will share the progress made towards establishing this funding formula, as well as outline recommendations for completion of this process prior to July 1, 2024.

The determination of a daily tuition rate is nuanced. Special purpose private pre-K partners are essential to the delivery of services within the CDS system. Special purpose private pre-Ks are not defined in statute or rule, therefore the DOE first had to determine which programs and schools were intended to be included in the language of Sec. YYY-1. MRS, Title 20-A §7302, sub §2. The DOE has worked to identify eligible programs and determine a daily tuition rate within the parameters of this section, which mirror the K-12 special purpose private school daily rate calculation. The K-12 daily rate assumes a fully self-contained program.

Calculations such as this are complex and take time to operationalize in order to accurately reflect the differences between K-12 and pre-K special purpose programs. An important element of this process is to ensure that CDS does not disincentivize children to be placed or to remain in the least restrictive environment, i.e.: an educational environment that is not fully self-contained. Pre-K students need to be in programs with their same age peers and it is important that the new daily rate supports placement in the least restrictive environment for all children with individualized education plans (IEPs).

Actions

The DOE met on 9/28/2023 for an initial meeting with SPPPK partners to determine the parameters for a rate study necessary to ultimately establish a daily tuition rate. Providers have been working to complete the Cares Package document, which is used by providers to detail their expenses and revenues. The DOE's Office of Special Services and Inclusive Education (OSSIE) has supported these efforts through individual calls and office hours.

The Department has received a representative sample of useable Cares Packages from partners to conduct the rate study. The information in these reports is being used to model how rates could be set given the variety of factors present in each Cares Package report. The rate study will yield a procedure that will be used with all SPPPKs to set the daily rate. This rate study will be completed by February 9, 2024. Once the rate study is complete, the Department will collaborate with SPPPK partners in February to review models and to finalize the rate setting procedure. The new rates will be determined by May 1 for each SPPPK in time for the 2024-2025 school year. It is important to note that the daily tuition rate procedure will not result in a single rate applied to all SPPPKs. Rather, the procedure will result in individual rates for each entity based on their unique characteristics and needs.

Recommendations

The DOE is confident that, with collaboration from our SPPPK partners, the daily tuition rates for the 2024-2025 school year will be successfully determined. In support of this goal, the DOE offers the following recommendations:

1. **The DOE will work with SPPPK partners in February and March 2024 to finalize the rate setting procedure.** Due to the complexities of special purpose private pre-K programs we intend to share the procedure that was produced in the course of the rate study with the providers.
2. **Provide individual meetings during rate setting.** To ensure accuracy, these individual meetings will occur prior to the start of the 2024-2025 school year on July 1, 2024.

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The work related to, and preparation of, this report utilized approximately 170 staff hours, and involved the following participants:

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- Director, Office of Special Services and Inclusive Education
- Federal and State Legislative Specialist, Policy and Government Affairs
- Legislative and Constituent Services Specialist, Policy and Government Affairs
- Director, Policy and Government Affairs
- Associate Commissioner of Public Education
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