

Special Education Cost Sharing for Salem and East Lyme: A Rationale for Change

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Salem and East Lyme have enjoyed a 13-year agreement that has served well the secondary students of both communities. In preparation for the upcoming renewal of the anticipated Salem-East Lyme High School Cooperative in 2017, a study committee has reviewed the manner in which costs are shared. The committee has determined that the Cooperative should consider a change in the manner of covering special education costs. This paper outlines the proposed change and the rationale for the recommendation.

Special Education Cost Sharing in the 1997 Cooperative Agreement:

The current Agreement calls for a separate tuition charge for students receiving special education services. This "Premium Tuition Rate" is a projection, subject to reconciliation, and is the sum of the per pupil special education expenses incurred in East Lyme and the per pupil tuition rate determined for each school year. The per pupil special education expense is determined by dividing the total expenses for all special education services at East Lyme High School by the total number of students enrolled in special education programs, both full and part-time.

Figure #1: Premium Tuition Rate= per pupil base tuition rate + [Total East Lyme Special Ed. Costs/Total # E.L. Special Ed. Students]

The Agreement also stipulates that the base tuition and premium tuition rate "may not include all extraordinary resources or services" and that "such unique expenses will be individually negotiated by East Lyme and Salem school administrators, and may result in a direct billing to Salem for such expenses related to Salem students." These direct bill costs occur in two ways:

1. If needed services for Salem students require the purchase of outside contracted services due to a lack of capacity in those same services already offered in East Lyme, then Salem shall pay a proportional share of purchased services required "based on the ratio of Salem students utilizing special education programs to the total number of students utilizing special education programs." Example: A Salem student requires speech and language services that necessitate purchasing additional speech services to supplement the ELHS Speech and Language staff capacity. If Salem special education students represent 20% of the total special education population in ELHS, Salem shall pay for 20% of the cost of required contracted speech services.

Figure #2: Salem's share of contracted service = Total cost of contracted services X [Salem students in special education programs/total ELHS students in special education programs]

2. If needed services for Salem students are not already offered in ELHS, then the full cost of that service shall be paid by Salem. Example: A Salem student requires a full-time teacher of the hearing impaired. Since East Lyme HS does not employ such a teacher, Salem shall be billed for

the total direct cost of that teacher's salary and benefits, plus any materials or supplies directly attributed to that required service.

Why Change the Allocation Formula?

At the time that the original agreement was developed, it was common for special education students to receive much, if not all, of their required services in a Resource Room or separate program. As a result, special education services accessed fewer of the resources that were available to students who did not require special education services. The notion of a "base tuition rate" for the majority of students and a separate "Premium Tuition Rate" of nearly twice the base rate was far more consistent with the philosophy behind the provision of specialized service for such students and the practice of "segregating" such students.

In addition to such separation of services, it was common for a student who was struggling in a general education class to be referred to specialized services, without much in the form of pre-referral interventions.

Fourteen years after the signing of the original Agreement, two significant changes in Connecticut education law and practice have occurred that suggest the need for a formula change to follow the changes in program:

1. ***The move toward greater inclusion has changed the way we serve students with special needs.*** Whereas in the past students were placed in self-contained programs that operated independently of the greater school community, the focus on including students in regular education classes has changed the instructional model of these classrooms. Each student is supported to participate in the Least Restrictive Environment (LRE). The continuum spans from regular education classes without any support (the least restrictive) to an alternate setting with only students with disabilities (the most restrictive). As a result of the PJ agreement, a class action lawsuit filed on behalf of students with intellectual disabilities, the State Department of Education established a goal that all schools need to ensure that "80% of students included in regular education classes 80% of the time they are in school." While this is a goal and East Lyme High School meets this goal, each PPT is compelled to consider the "least restrictive environment" in which to serve a student. Practically, this effort means that a student in the Therapeutic Classroom may spend two blocks of the eight in a two-day cycle in the more restrictive setting and six blocks in less restrictive regular education classes with support. When the agreement was conceived, the rate was directly linked to the one classroom where the student attended. The inclusive special education program is delivered by regular education teachers in consultation with special education teachers, instructional and teaching assistants and other support personnel. This program model makes less clear the distinct expenditures attributed to the special education program.

2. ***The use of SRBI (Scientifically Research-Based Interventions)***, required in CT schools since 2008, has compelled schools to address student needs in a systematic and focused manner before the referral for specialized services. As a result, students receive many well-documented interventions (attempts to remedy a need with well-researched strategies) long before entering the realm of special education. Whereas in the past, the move to special education services directly followed the assumption of need, the norm now is to refer a student to a Student Support Team or RTI (Response to Intervention) team to identify assistance, with much more systematic follow through; only after such regular education interventions does a school consider special education services. Again, many of the intervention services previously administered under the mantle of special education now occur in the regular classroom setting, thereby, making the determination of “special education expenses” less clear.

A New Formula for Consideration

In recognition of the changing special education and intervention landscape, the study committee recommends the following tuition rate methodology.

1. **Base Tuition Rate Calculation:** Establish a “base tuition rate” based on East Lyme’s submission to the State of Connecticut, on Form ED001 or equivalent, of expenses per student related to East Lyme High School, for the school year occurring two years prior, excluding transportation to/from East Lyme High School, debt service, land and building renovation costs, tuition costs for East Lyme students placed and served outside the District, and the costs of unique programs such as the Medically Fragile program, and including an inflation adjustment factor equal to inflation rates for the most recent two-year period (current two-year total equal to positive 5% and subject to adjustments with changes in the actual regional consumer price index.) As in the original Cooperative Agreement, the “base tuition rate will be calculated by East Lyme’s Superintendent, or designee, in December of each school year for the following school year, using a methodology equivalent to one which yields the numbers in the above example, which divides all regular education high school related expenses (except transportation to and from home) over all students enrolled in the school.”

This new allocation formula no longer excises special education expenses from the base tuition rate calculation, and no longer excises “full-time students in self-contained special education.” Therefore the new per pupil “base tuition rate” recognizes that interventions do not only occur in special education classrooms and that students receiving special education services are served in general education classroom settings.

2. **Exceptional Cost Calculation:** Separately account for unique costs and services related to special education that are required outside of the regular school day or year, or that are offered for part of the day outside of the school setting, or if they are for inclusion in a specialized program that Salem and East Lyme administrators identify as a separate and unique program

with costs in excess of the base tuition rate. Such "unique costs and services" include after-school or partial day programs at Lighthouse or similar settings; inclusion in the Medically Fragile program; and summer extended year programs (ESY). East Lyme will bill Salem for the full per pupil direct costs of these services for Salem students.

3. **Unique Situations:** The Superintendent of Schools for the East Lyme and Salem Districts shall negotiate in good faith the cost share of any expense for services or equipment that is not covered in this Agreement.
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