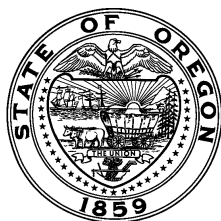


**Office of Student Learning & Partnerships
Early Intervention/Early Childhood Special Education**

**Proposed Funding Model
Early Intervention/Early Childhood Special Education Programs
August 2009**

Updated February 2011



**OREGON DEPARTMENT
OF EDUCATION**

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PROPOSED FUNDING MODEL FOR EARLY INTERVENTION/EARLY CHILDHOOD SPECIAL EDUCATION

PURPOSE

This document presents a proposed funding model for Oregon's Early Intervention/Early Childhood Special Education (EI/ECSE) program. We describe the problem which initiated the work and the process used to determine the model. Our goal was to define a model which is reasonable and which confers educational benefit to Oregon's youngest learners with disabilities and their families.

The funding model as proposed is intended to result in:

- positive child/family outcomes as defined by measures from the U.S. Office of Special Education Programs (OSEP),
- fiscally responsible and adequate educational options, and
- federal compliance with the federal Individual with Disabilities Education Act (IDEA).

DESCRIPTION OF PROGRAM

The EI/ECSE program serves children birth to school age (usually age 5) who are disabled and their families. It is a mandated program funded with approximately 20% federal and 80% state funds. There are no other resources, such as state school funds or special grants, for this program. Over time the program has continued to grow, including a large increase in children with autism, children with medical needs, and those with mental health needs.

The major goals of this program are to (1) assist families in understanding their children's disabilities and the impact those may have on learning, (2) intervene as early as possible to lessen the impact of the disability for future growth and development, and (3) determine what specialized services and support will be needed once the child enters formal schooling.

STATEMENT OF THE PROBLEM

Over the years the funding mechanism for this special education early childhood program has been such that each biennium the Legislature appropriated grant-in-aid funds to the program. It also set aside a special appropriation accessed through the Emergency Board if a specified percentage of growth was met or exceeded during the biennium. This approach to funding was reasonable at the time it was created. Since this was a new program, it was uncertain if the caseload would continue to grow and thus cautionary allocations were reasonable. However, over time this funding mechanism has caused some difficulty with the contractors (nine Education Service Districts) who provide the state's EI/ECSE services. They reported that the currently available resources were insufficient to meet the changing needs in the program. ESDs were using reserve funds for the program, and children were receiving fewer and fewer services. It became a losing battle. The contractors could not operate a full program without additional funds and thus children were not identified for service. Hence the

“mandated caseload growth” was not realized and the Emergency Board appropriation was not available. A reconsideration of the funding model was needed.

STEPS TO RESOLVE THE PROBLEM

The Department’s initial action was to review each of the ESD contract budgets to determine the actual funding issues. This was not a successful process as the contractors were not able to demonstrate the real or actual extraordinary costs and/or other unique budget drivers in the program.

Additionally, the Department moved ahead to verify the assertion that services were being reduced for children eligible for EI and ECSE. Individual reviews were completed on child files in the EI/ECSE program from years 2004 and 2007, comparing the amount or level of service documented in 2004 and again in 2007. The comparison of service levels were made separately for children receiving early intervention services (birth to age three) and early childhood special education services (age 3 to school age).

The findings were explicit. Clearly service levels were decreasing. EI/ECSE services are mandated by law and require a reasonable expectation that children benefit from the services. Decreasing service levels did not appear to be reasonable means for meeting this expectation. For example:

- Data from 2004 and 2007 showed overall decreases in the number of hours of service per month for children receiving either EI or ECSE services.
- Services planned for children birth to age 3 (EI) decreased by an average of 48% showing that a child eligible for EI services currently received 3.4 hours of service per month, or less than one hour per week. In 2004 the average was 6.6 hours a month or 1.7 hours per week.
- Services planned for children age 3 to school age (ECSE) decreased by an average of 21% showing that a child eligible for ECSE services currently received 19.1 hours of service per month or 4.8 hours a week. In 2004 the average was 24.1 hours a month or approximately 6 hours a week.
- The number of children receiving these services increased from 2004 to 2007 with 30% growth in the disability areas of Autism Spectrum Disorder and Deaf/Hard of Hearing.

A more detailed description of the process used to verify the reduced level of services and more detailed findings are located in Appendix A (Verification of Reduced Level of Services).

In January 2009, Representative Peter Buckley created a work group including legislative members, service providers, advocates, school administrators and Department staff. The work group agreed to a two-step process. First, the Department would present, within 30 days, a proposed funding model. Next, the Department would, while crafting the proposed funding model, maintain a list of long-term detailed information that would verify and confirm the assumptions upon which the model was based.

The Department retained a national expert (Dr. Tom Parrish, American Institutes of Research), knowledgeable about special education funding and familiar with Oregon funding mechanisms. Dr. Parrish provided a framework which guided the work of the Department in determining the data collection process, cost determinations and other key elements of a funding model. The Department also employed information from the Quality Education Commission's 2008 final report as another guide and utilized the expertise of program service providers. Additionally, national early childhood consultants were contacted to discern the critical elements for serving this population and other options for funding.

ISSUES DRIVING THE PROBLEM STATEMENT

While securing information to develop a proposed funding model that would be reasonable for Oregon and confer educational benefit to children with disabilities and their families, the Department faced several obstacles in framing a resolution. Among them:

- While there is a new set of measures for special education child placements and outcomes, there are no federal standards governing service delivery.
- Because nationally there are a variety of agencies who take the lead on these services to young children, there are no common national trends for service delivery models, thus making comparison of state models difficult at best.
- Service delivery models in Oregon are community dependent. More specifically, the relationships between the program and community agencies, including schools, align to the costs of placements and facilities. As a result, funding often drives the service delivery model rather than the needs of the child and family.
- There were several misunderstandings about program operations. For example, contractors were under the false impression that the Department required only certified teachers to serve children. Contractors were also under the false impression that the Department would not allow them to charge tuition for non-disabled children who participate in special education preschool classrooms. Fortunately through this study, such misunderstandings were clarified and practices rectified.

ASSUMPTIONS ABOUT THE PROGRAM AND SERVICES

Guiding principles or assumptions emerged during the process of determining appropriate levels of EI/ECSE services for children and their families:

- Assumptions for EI (infants and toddlers birth to age three)
 1. Any infant or toddler with a disability or a condition likely to result in a developmental delay requires at least one home visit a week by a professional (e.g., teacher, occupational therapist, physical therapist) who works with the child's family or child care provider (comparable with Healthy Start programs).
 2. Infants and toddlers eligible for EI receive services year round (federal requirement).

3. Infants and toddlers eligible for EI receive services at home or in another setting where they are on a regular basis such as child care (federal requirement).
- Assumptions for ECSE (children age three to eligibility for kindergarten)
 1. Children with high needs require a specialized placement that in most cases will be provided by ECSE. (Costs for rent and facilities to house these classrooms are included in the “sub-total of costs not including direct personnel” section of the funding formula.)
 2. For children found eligible for services with “communication delay“:
 - a. 80% are children requiring speech services only and are considered “mild need”.
 - b. Those receiving only speech services (usually articulation errors) do not require a community preschool to meet their special education needs.
 - c. None are considered “high need.”
 3. No child with Autism Spectrum Disorder eligibility is considered “mild need.”
 4. No child with Social Emotional Disability is considered “mild or moderate need.”
 5. All children considered moderate or high need require a family component of their services. These services can be a class, home visit or consultation.
 6. Children considered moderate need require a community preschool or a specialized classroom.

DEVELOPMENT OF A FUNDING MODEL BASED ON REASONABLE LEVELS OF SERVICE

Gathering the information from the several sources noted earlier, the Department set forth to develop a proposed funding model. The considerations of the national expert, Dr. Parrish, were relied upon to initiate the plan for funding early childhood special education programs and for the design of the funding model. He recommended that the Department determine:

- 1) assumptions about the program and EI/ECSE services;
- 2) the percentages of children in the program with low, moderate and high needs;
- 3) the service levels and caseload standards required to provide benefit to children in the program;
- 4) personnel compensation standards;
- 5) multipliers, or costs incurred by every program related to rent, property services, etc.;
- 6) direct staff supervision costs; and
- 7) indirect costs.

The proposed funding model which included the various factors described in Appendix B (Determination of Elements for the Funding Model) culminated in a proposed funding model showing an average of \$6,515 per child receiving EI services and an average of \$10,719 per child receiving ECSE services. We believe these to be the best cost estimates that can be derived for the state with the information currently available.

Over time there has clearly been a decrease in the levels of early intervention (EI) and early childhood special education (ECSE) services provided in the state to young children with disabilities and their families. A funding model, based on service levels designed to provide educational benefit to children and their families, would cost an average of \$6,515 per child receiving EI services and an average of \$10,719 per child receiving ECSE services. To average across programs, the per child costs would be \$9,643 per child. In Oregon, as a reference point, this amount would reflect 1.4 ADM. (Please note this is not part of the state school fund formula but used just as a reference point.)

A detailed description of each determination element is located in Appendix B (Determination of Elements for the Funding Model).

STAKEHOLDER INPUT

The Department presented Representative Peter Buckley and Legislative Fiscal staff, Monica Brown, with the proposed funding model and the details for each element behind the proposal. We agreed that stakeholders needed to engage in a feedback process.

The proposed model was formally reviewed with major stakeholders. Each group was asked to provide feedback. This included service providers, superintendents who held the EI/ECSE contracts, the State Advisory Council for Special Education and the State Interagency Coordination Council. The feedback was generally positive. The only confusion was that the personnel ratios and service models used as the bases for determining this funding amount were not intended as state standards of how services must be provided at the local level.

Finally, the proposed model was shared with Dr. Parrish who provided the original framework from which this model was formulated. His comments were encouraging, as he indicated his pleasure with the outcome and saw what he would have hoped for in terms of the model and its elements. Many of his editorial suggestions have been included in this document and subsequent appendices.

THREE IMMEDIATE ACTIONS TO CONSIDER

While working on the proposed funding model, it became clear that the Department could invest energy in a few immediate changes or recommendations. Those included:

- Recommend that the funding from the legislature change from a base figure with biennial increases for inflation and caseload growth, to a data-driven formula based on child needs and caseload growth.
- Redesign the budget process so that contractors would be more specific in how funds were spent and what the budget issues might be geographically, demographically and/or philosophically based.
- Reconfigure the distribution of funds for contracts to more fairly reflect local programmatic needs more fairly.

NEXT STEPS

The Department understands that in the current economic climate this model will not move forward in its entirety. It is hoped, however, that legislators will view this model as a more detailed, data-driven approach to funding the program and will consider such funding provisions in the future. In the meantime, the Department intends to move forward with a different distribution model, including the use of the rolling average and holding back a small amount of funds for any unforeseen program circumstances. This information, along with the current proposed budget figures, will be shared with the ESD contractors so they can move forward in planning for the coming school year.

SUMMARY

The Department is confident that this proposed model meets the goals of the program and will be considered reasonable in terms of legislative support. While it is understood that mandated programs must be carried out to avoid legal and federal funding risks, the Department is committed to requesting funding that is reasonable and at a level that confers benefit to young children with disabilities.

For more information on the content of this funding model, you may contact the following people:

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Appendix A

Verification of Reduced Level of Services Early Intervention/Early Childhood Special Education Programs

(Comparison of Services 2004-2005 and 2007-2008)

COMPARISON OF SERVICE LEVELS FOR YOUNG CHILDREN WITH DISABILITIES AND THEIR FAMILIES 2004-2005 AND 2007-2008

Question

Has there been change over time in the amount of services young children with disabilities and their families receive in Oregon?

Service Level Analysis

To respond to this question, the Department conducted individual reviews on child files in the EI/ECSE program from years 2004 and 2007, comparing the amount, or level of service, documented in 2004 and again in 2007. These comparisons of service levels were made separately for children receiving early intervention services (birth to age 3) and early childhood special education services (3 years to school age).

Sampling Plan

File reviews were conducted on 2% of child files from years 2004 and 2007, which resulted in the review of 453 files. A stratified sample was used, from randomly selected files by seven disability types (Autism Spectrum Disorder, Hearing Impairment, Developmental Delay, Other Health Impairment, Orthopedic Impairment, Communication Disorder, and Visual Impairment). The smaller populations of Hearing Impairment, Other Health Impairment, Orthopedic Impairment and Vision Impairment were over-sampled to compensate for the small number of children with these disability types. These smaller populations comprise only 1% to 3% of the total EI/ECSE population. An additional one to four files were added to bring the total number of files reviewed up to at least five files for each disability category.

The sample reflects the population percentages per year of review based on the total special education population for EI/ECSE (7,773 in 2004 and 8,758 in 2007). Population percentages were deemed identical (per program) for the purpose of this review. The disability type of Communication Disorder is greater in ECSE than EI due to the nature of the eligibility criteria.

Calculation of Service Level

Service level data were summarized by:

1. calculating the total amount of service planned for each child per month;
2. adding the total amount of services planned per month for all children in the sample; and
3. dividing the total amount of services planned per month by the number of child service plans reviewed.

Service Level Summary: EI/ECSE Programs

	2004 - 2005	2007 - 2008	Difference (number and percent)
Number of children who received EI/ECSE	7,773	8,758	+985 (+13%)
Number of children with <i>Autism Spectrum Disorder</i>	517	672	+155 (+30%)
Number of children <i>deaf/hard of hearing</i>	162	225	+63 (+39%)
EI services planned per child, per month	Average: 6.6 Hours Range: 22 minutes to 49 hours per month Number of files reviewed: 113	Average: 3.4 Hours Range: 22 minutes to 20 hours per month Number of files reviewed: 97	- 3.2 hours (-48%)
ECSE services planned per child per month	Average: 24.1 Hours Range: 15 minutes to 74 hours per month Number of files reviewed: 112	Average: 19.1 Hours Range: 1 hour to 59 hours per month Number of files reviewed:131	- 5 hours (-21%)

Chart Notes:

1. The number of children who received EI/ECSE services was obtained from the Special Education Child Count which is collected annually on December 1st.
2. The number of children with Autism Spectrum Disorder, deaf/hard of hearing and developmental delay was obtained from the Special Education Child Count, which is collected annually on December 1.
3. EI and ECSE services planned per month: The average number of service hours planned per child per month.

Data Interpretation/Comparing 2004-2005 and 2007-2008:

- The data compared from 2004 and 2007 show overall decreases in the service hours per month for children receiving either EI or ECSE services.
- Services planned for children birth to age 3 (EI) decreased by an average of 48% showing that a child eligible for EI services currently receives 3.4 hours of service per month, or less than one hour per week. In 2004 the average was 6.6 hours a month or 1.7 hours per week.
- National data show that Oregon is below the expected number of children receiving EI services. Based on national data of states with similar eligibility criteria, we estimate that Oregon should have approximately 225 additional children in the program. It is likely that additional children will further decrease the number of hours of service these infants and toddlers receive.
- Services planned for children age 3 to school age (ECSE) decreased by an average of 21% showing that a child eligible for ECSE services currently receives 19.1 hours of service per month or 4.8 hours a week. In 2004 the average was 24.1 hours a month or approximately 6 hours a week.
- The number of children receiving these services increased from 2004 to 2007 with 30% growth in the disability areas of Autism Spectrum Disorder and Deaf/Hard of Hearing. Young children with either of these disabilities most often require intensive and frequent services, such as interpreters, specialized equipment, behavioral specialists, home support, etc.
- Even with the intent of service providers to provide more resources to children with autism, the number of hours per month decreased considerably from 2004 to 2007 (see the following table).

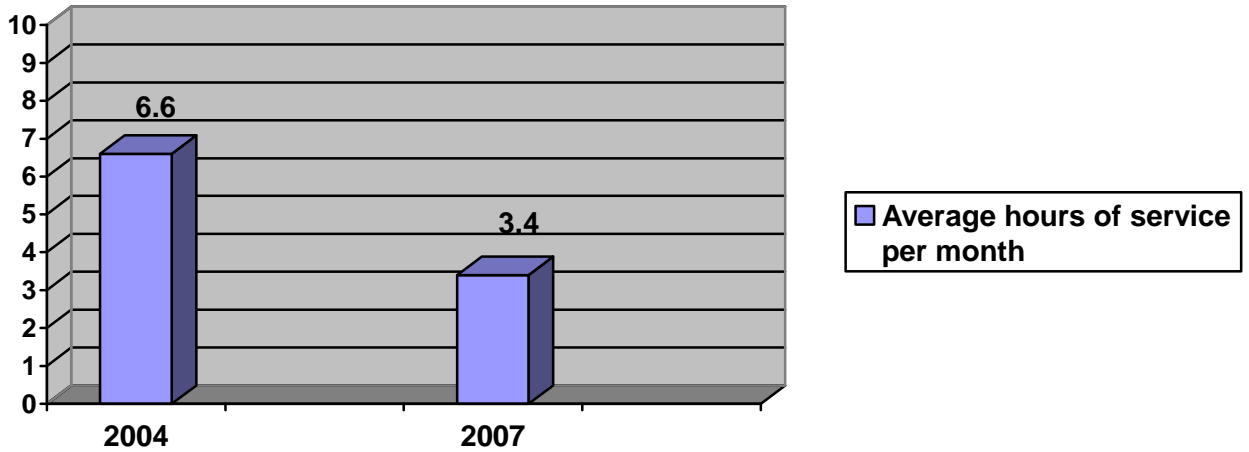
Children with Autism Spectrum Disorder	2004-2005	2007-2008	Difference (number and percent)
EI services planned per month	Average: 27.9 hours	Average: 10.5 hours	-17.4 (-62%)
ECSE service planned per month	Average: 54.8 hours	Average: 35.6 hours	-19.2 (-35%)

Summary

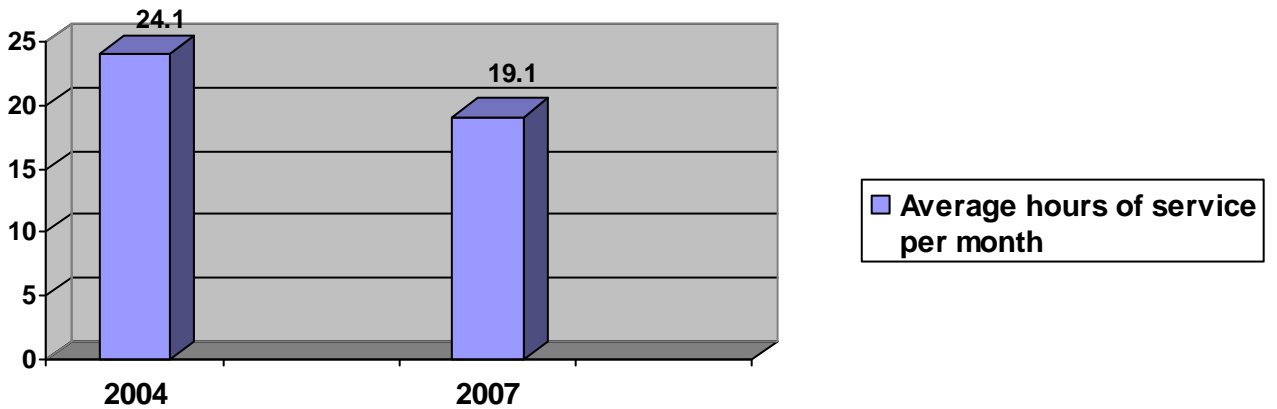
The chart on the following page presents a visual of service level comparisons. EI/ECSE services are mandated by state and federal law (EI by state law and ECSE by federal law) and require a reasonable expectation that children benefit from the services. Decreasing service levels does not appear to be the reasonable way to meet this expectation.

GRAPHIC COMPARISON OF SERVICE LEVELS

Early Intervention (EI) Service Level Comparison



Early Childhood Special Education (ECSE) Service Level Comparison



Appendix B

Critical Elements Used to Determine the Funding Model for Early Intervention/Early Childhood Special Education Programs

Determination of Elements for the Funding Model

1. Percentages of Children with Mild, Moderate and High Needs

One of Oregon's largest EI/ECSE programs worked with its staff to develop a point system for determining the percentage of mild, moderate and high need children in their program. Points were assigned for: 1) disability (e.g., children with developmental delay were assigned 1 point for every area of delay and children with autism were assigned 5 points); 2) related services (e.g., 1 point for physical therapy, 1 point for vision services, etc.); and 3) intensity of services for children with communication delay (e.g., 1 point for once a week, 2 points for twice a week). It was the staff's professional judgment that children with the highest points had the greatest need.

Another program (the largest in the state) used a teacher self-reporting system with experienced teachers to determine the percentages of children in each group. The teachers used their best judgments to determine the number of children on their caseloads with mild, moderate and high needs. The two different processes resulted in remarkably similar percentages:

Percentage of children with mild, moderate and high needs

EI Cases	Program A	Program B	Average
Mild	21%	21%	21%
Moderate	41%	42%	42%
High	38%	37%	37%
ECSE Cases	ECSE Program A	ECSE Program B	
Mild	40%	40%	40%
Moderate	34%	36%	35%
High	26%	24%	25%

In addition, speech therapists calculated the number of children with a communication receiving ECSE services delay with mild, moderate and high needs. They estimated that 80% of children with speech delay have mild needs; this is 40% of the ECSE population.

2) Service Levels and Caseload Standards

Experienced EI and ECSE specialists (teachers, autism specialists, teachers of the hearing impaired, physical therapists, speech therapists, etc.) were assigned by disability according to their area of expertise. These work groups reviewed research on recommended levels of service for young children (age three to five) with disabilities in their assigned areas. Using the available research and their expertise, each work group formulated and reported to ODE recommendations for reasonable levels of service for children with mild, moderate and high needs. A separate group reported to ODE recommended levels of services for infants and toddlers with disabilities.

Recommendations were obtained for the following disability groups to ensure that cost factors specific to each disability were considered and that service level concerns of specialists from each disability group were addressed. Several disabilities were not

addressed (mental retardation, traumatic brain injury, severe learning disability and deaf-blindness) because there are so few children under age five identified with these disability types.

- Hearing Impairment
- Developmental Delay
- Autism Spectrum Disorder
- Orthopedic Impairment
- Communication Delay
- Vision Impairment
- Emotional Disturbance

ODE summarized recommendations from each of the work groups by identifying trends across disability groups in mild, moderate and high needs. For example, all of the disability work groups but one (autism) identified very similar service recommendations, including frequency of service and caseloads, for children with high needs. Even though the type of specialists (hearing specialist, vision specialist, physical therapist) varied, the amount of time recommended was very similar.

Using the summarized recommendations and assumptions about services, ODE developed service models (see Appendix B1) to figure out the costs of providing service to each group (mild, moderate and high need) of children. The service models were developed as a basis for estimating program costs and not to be used to connote service delivery requirements. While this was the intent of developing the service models, they also could be used as service guides to move toward more uniform standards of services. Service delivery models will vary by EI/ECSE program and are driven by the needs of children and families receiving services.

3) Personnel Compensation Standards

The Oregon Quality Education Model, an education finance model designed to help the Oregon State Legislature determine an adequate amount of funding for the state's schools, was used to obtain average costs (including benefits) for special education teachers, related service personnel (OT, PT, speech therapist, etc.) and teaching assistants. The compensation figures were used in the service models (above) to cost out service delivery. Compensation is based on averages from 2007-2008:

- Special Education Teacher: \$79,816
- Related Service Personnel: \$80,786
- Teaching Assistant: \$41,811

4) Program Multipliers

Multipliers are costs incurred by every program that do not include direct personnel. In this proposed funding model, ODE used the 2008-2009 budgets from five EI/ECSE programs to determine average costs (see Appendix B2) for:

- Rent: Rental or lease costs for the programs
- Property Services: Electricity, water, garbage, building maintenance and building repairs
- Travel: Mileage and motor pool costs

- Communication: Telecommunications, phone, cell phone, copying and advertising (personnel) costs
- Materials: Instructional supplies, office supplies, subscriptions, minor equipment, software
- Other: Translation of documents, interpreters for non-English speaking parents, nurses

5) Direct Staff Supervision

An average of 5% for staff supervision was obtained from the programs.

6) Support Staff

An average for support staff costs for clerical, receptionist, and data entry work (3.2% for EI and 4.0% for ECSE) was obtained from programs.

7) Indirect

An average of the negotiated indirect rates of the agencies contracting for EI/ECSE services was obtained (8.4%).

Summary

The cost per child is shown in Appendix B3. This spread sheet includes all of the cost elements from 1 through 7 for EI and ECSE.

Appendix B1

EI and ECSE Service Descriptions for Determining Costs For Early Intervention/Early Childhood Special Education Programs

Appendix B1: Early Childhood Special Education Service Descriptions

Mild Needs (40%)	Moderate Needs (35%)		High Needs (25%)
	Community Preschool	Structured Class	Structured Class - high ratio of adults to children
<p>2794 children</p> <p>Speech services in child's setting (child care, home, preschool, etc), 1 x week service</p> <p>2794/35 (caseload) = 80 therapists; 80 x \$80,786 = \$6,462,880</p> <p>Total = \$6,462,880</p>	<p>1223 children</p> <p>Community preschool with 1 x week consultation, teaching assistants to assist children in classroom</p> <p>Consulting special education teacher; 1223/24 (caseload) = 51 teachers; 51 x \$79,816 = \$4,070,616</p> <p>Community Preschool tuition (3 x week at 190); 190 x 9 mths = 1710 x 1223 children = \$2,091,330</p> <p>Teaching Assts; 1223/10 = 122 x \$41,811 = \$5,100,942</p> <p>Parent services or home visit; 1 x month (1223/4 weeks = 306; 306/20 (caseload) = 15 teachers; 15 x \$79,816 = \$1,197,240</p>	<p>1222 children</p> <p>Classroom with 1 teacher, 3 teaching assts, @ 12 hours a week, 12 children in a class.</p> <p>Special Education teacher; 1222/24 (caseload) = 51 teachers; 51 x \$79,816 = \$4,070,616</p> <p>Teaching Assts; 1222/8 children per teaching assistant = 153 TA; 153 x \$41,811 = \$6,397,083</p> <p>Related Service Personnel; 1 x every other week; 1222/50 (caseload based on every other week service) = 24 Related Service; 24 x \$80,786 = \$1,938,864</p> <p>Parent services or home visit; 1 x month (1222/4 weeks = 306; 306/20 (caseload) = 15 teachers; 15 x \$79,816 = \$1,197,240</p>	<p>1746 children</p> <p>Classroom with 1 teacher, 3 teaching assts, and related service personnel @ 15 hours per week, 10 children in a class</p> <p>Special Education teacher; 1746/20 = 87 teachers; 87 x \$79,816 = \$6,943,992</p> <p>Teaching Assts; 1746/6 children per teaching assistant = 291 TAs; 291 x \$41,811 = \$12,167,001</p> <p>Related Service Personnel; 60 minutes 1 x week; 1746/25 (caseload) = 70 Related Service; 70 x \$80,786 = \$5,655,020</p> <p>Parent services or home visit; 1 x month (1746/4 weeks = 437; 437/20 (caseload) = 22 teachers; 22 x \$79,816 = \$1,755,952</p>
Total: \$6,462,880	Total: \$12,460,128	Total: \$13,603,803	Total: \$26,521,965

Estimates and draft based on EI/ECSE Committee work

Note: The service descriptions were used only to provide a context for determining the costs of this program. EI/ECSE work groups recommended, to ODE, levels of service for children with different types of disabilities. Trends across recommendations were used to determine average levels of service across children with mild, moderate and high needs. Service delivery models will vary by program and are driven by the needs of the children and families receiving services.

Appendix B1: Early Intervention Service Descriptions

Mild Needs (21%)	Moderate Needs (42%)	High Needs (37%)
<p>504 infants and toddlers</p> <p>1x week home visit (or where child is on a regular basis)</p> <p>Lead interventionist will be child's service coordinator.</p> <p>504/16 (caseload) = 31 lead interventionists; 31 x \$79,816 = \$2,474,296</p>	<p>1009 infants and toddlers</p> <p>1x week home visit (or where child is on a regular basis)</p> <p>Lead interventionist will be child's service coordinator. Other specialists available to consult with the lead interventionist as needed.</p> <p>1009/16 (caseload) = 63 lead interventionists; 63 x \$79,816 = \$5,028,408</p>	<p>889 infants and toddlers</p> <p>1x week home visit (or where child is on a regular basis)</p> <p>Lead interventionist will be child's service coordinator. Other specialists available to consult with the lead interventionist as needed.</p> <p>889/16 (caseload) = 56 lead interventionists; 56 x \$79,816 = \$4,469,696</p>
Total = \$2,474,296	Total = \$5,028,408	Total = \$4,469,696

Estimates and draft based on EI/ECSE Committee work

Appendix B2

Costs of Programs Not Including Direct Personnel
(Program Multipliers)
For
Early Intervention/Early Childhood Special Education

Appendix B2: EI Sub-Total of Costs Not Including Direct Personnel

Contractor	Costs						Total Cost	Number of Children as of March 2008
	Rental	Facilities	Travel	Communication	Materials	Other (nursing services, translators, etc.)		
Clackamas ESD	34,638	23,464	26,105	4,819	8,640	51,654	149,320	272
NW Regional	118,296	35,731	15,063	3,588	42,636	61,144	276,458	366
Willamette ESD	38,645	3,952	29,960	17,480	17,290	35,264	142,591	288
Umatilla Morrow	20,400	4,075	21,427	10,279	6,741	2,584	65,506	87
Lane	18,029	10,680	25,515	10,260	30,682	9,258	104,424	283
Total	\$ 230,008	\$ 77,902	\$ 118,070	\$ 46,426	\$ 105,989	\$ 159,904	\$ 738,299	1,296
Per Child Cost	\$ 177	\$ 60	\$ 91	\$ 36	\$ 82	\$ 123	\$ 570	

Appendix B2: ECSE Sub-Total of Costs Not Including Direct Personnel

Contractor	Costs						Total Cost	Number of Children as of March 2008
	Rental	Facilities	Travel	Communication	Materials	Other (nursing services, translators, etc.)		
Clackamas ESD	105,513	206,100	79,520	14,681	26,317	157,346	589,477	681
NW Regional	263,304	79,530	33,527	7,987	94,900	136,095	615,343	1089
Willamette ESD	164,748	16,848	127,725	74,520	73,710	150,338	607,889	821
Umatilla Morrow ESD	64,600	12,902	49,133	32,552	21,349	4,455	184,991	341
Lane	67,822	40,173	95,985	38,593	115,420	34,826	392,819	936
Total	\$ 665,987	\$ 355,553	\$ 385,890	\$ 168,333	\$ 331,696	\$ 483,060	\$ 2,390,519	3,868
Per Child Cost	\$ 172	\$ 92	\$ 100	\$ 44	\$ 86	\$ 125	\$ 618	

Appendix B3

Cost Per Child For Early Intervention/Early Childhood Special Education

Appendix B3: 1. Cost Per Child - Early Childhood Special Education

	Mild	Community Pre-School Moderate	Structured Class Moderate	High	Totals
Personnel Costs					
Number of Children	2794	1223	1222	1746	6985
Teachers		66	66	109	
Avg Teacher Salary = \$79,816		\$ 5,267,856	\$ 5,267,856	\$ 8,699,944	\$ 19,235,656
Therapists	80		24	70	
Avg Therapist Salary = \$80,786	\$ 6,462,880		\$ 1,938,864	\$ 5,655,020	\$ 14,056,764
Teaching Assistants		122	153	291	
Average TA Salary = \$41,811 (See appendix B1 for numbers of staff needed per service delivery model)		\$ 5,100,942	\$ 6,397,083	\$12,167,001	\$ 23,665,026
Tuition		\$ 2,091,330			\$ 2,091,330
Non Personnel Cost per Child = \$618 (See appendix B2)					\$ 4,316,730
Subtotal Costs					\$ 63,365,506
*Administrative Personnel Cost @ 9% (See appendix B)					\$ 5,702,896
Subtotal Costs					\$ 69,068,402
Indirect = 8.4% (See appendix B)					\$ 5,801,746
Total Cost					\$ 74,870,147
Total Cost per Child per year					10,719

*Administrative personnel costs include 5% Direct Supervision and 4% Support Staff

Note: Estimates and draft based on committee work, and averages from five EI/ECSE programs.

Appendix B3: 2. Cost Per Child - Early Intervention

	Mild	Moderate	High	Totals
Personnel Costs				
Number of Children	504	1009	889	2402
Teachers	31	63	56	
Avg Teacher Salary = \$79,816 (See appendix B1)	\$ 2,474,296	\$ 5,028,408	\$ 4,469,696	\$ 11,972,400
Non Personnel Cost per Child = \$570 (See appendix B2)				\$ 1,369,140
Subtotal Costs				\$ 13,341,540
*Administrative Personnel Cost @ 8.2% (See appendix B)				\$ 1,094,006
Subtotal Costs				\$ 14,435,546
Indirect = 8.4% (See appendix B)				\$ 1,212,586
Total Cost				\$ 15,648,132
Total Cost per Child per year				6,515

*Administrative personnel costs include 5% Direct Supervision and 3.2% Support Staff

3. Summary: Average Cost per Child EI and ECSE

	Total Cost	Total # of Children	Average Cost per child
EI	\$ 15,648,132	2402	
ECSE	\$ 74,870,147	6985	
Total per year	\$ 90,518,279	9387	9,643

*Note: This is a point-in-time analysis to determine actual costs of the program, given reasonable services to confer benefit to children and families. The average cost per child can be used to determine an appropriate method to fund this program.

Appendix C1

Funding Distribution For Early Intervention/Early Childhood Special Education Programs

EI/ECSE Funding Distribution

In summer 2008, the Legislative Fiscal Office suggested the Department consider a different method of distributing funds to EI/ECSE programs. After reviewing several possible options, the Department decided to use a rolling average of the number of children served over 12 months, allocating the funds based on the percentage of children served in each area of the state and growth increases in each area in the second year of the biennium.

Rolling Average Defined

A rolling average, or a simple moving average, is a set of numbers, each of which is the average of the corresponding subset of a larger set of data points. The rolling average is most commonly used with time series data to smooth out short-term fluctuations. A rolling average is an un-weighted mean of the previous data points. For example, in a data set with 12 data points (i.e., 12 months), the first value of the rolling average is the mean of the data points of July through June. The next value is the average of August through July and so forth.

The Department decided to use a rolling average because it:

- includes an entire year of data which mitigates any program having growth spurts or declines at different times of the year.
- uses the most current data which is always preferable when making such calculations. (Maintaining of 12 months data by adding the most recent month and dropping the oldest month of data.)
- smoothes out fluctuations in the data over time; and
- is more equitable as it accounts for changes during the year.

Federal Grant Funds and General Fund

1. The Department will use a 12-month rolling average of children in the program to calculate distribution to programs. The rolling average will be used to calculate a percentage of children served by each area. That percentage will be used to compute the percentage of funding allocated to each service area.
2. The rolling average will be updated with the June 2009 count.
3. The total amount of the Federal Funds (Part C, Part B 619 and Part B 611) and General Fund is distributed using the rolling average for all but 2% of the second year estimated allocations, which will serve as a reserve fund for growth. Fund distribution will be recalculated in year 2 based on:
 - a) The most current rolling average percentages, and
 - b) The 3% reserved by the Department for growth. If growth is steady across programs from year 1 to year 2, the reserved amount will be allocated in the same manner as the rest of the funds.

Appendix C2

Rolling Average of Child Count in Early Intervention/Early Childhood Special Education

Rolling Average Child Count for August 2007 to June 2009

Averaged Period	08/07-07/08	09/07-08/08	10/07-09/08	11/07-10/08	12/07-11/08	01/08-12/08	02/08-01/09	03/08-02/09	04/08-03/09	05/08-04/09	06/08-05/09	07/08-06/09
Total Children Per Month	10158	7324	7529	7885	8750	8863	9055	9387	9741	9980	10214	10456
	7324	7529	7885	8750	8863	9055	9387	9741	9980	10214	10456	10622
	7529	7885	8750	8863	9055	9387	9741	9980	10214	10456	10622	7402
	7885	8750	8863	9055	9387	9741	9980	10214	10456	10622	7402	7747
	8750	8863	9055	9387	9741	9980	10214	10456	10622	7402	7747	8170
	8863	9055	9387	9741	9980	10214	10456	10622	7402	7747	8170	9153
	9055	9387	9741	9980	10214	10456	10622	7402	7747	8170	9153	9215
	9387	9741	9980	10214	10456	10622	7402	7747	8170	9153	9215	9493
	9741	9980	10214	10456	10622	7402	7747	8170	9153	9215	9493	9861
	9980	10214	10456	10622	7402	7747	8170	9153	9215	9493	9861	10114
	10214	10456	10622	7402	7747	8170	9153	9215	9493	9861	10114	10455
	10456	10622	7402	7747	8170	9153	9215	9493	9861	10114	10455	10726
	109,342	109,806	109,884	110,102	110,387	110,790	111,142	111,580	112,054	112,427	112,902	113,414
Total Average	9,112	9,151	9,157	9,175	9,199	9,233	9,262	9,298	9,338	9,369	9,409	9,451

Month	07-08	08-09
July	10092	10456
August	10158	10622
September	7324	7402
October	7529	7747
November	7885	8170
December	8750	9153
January	8863	9215
February	9055	9493
March	9387	9861
April	9741	10114
May	9980	10455
June	10214	10726

Appendix D

2011-2013 Update

Verification of Reduced Level of Services Early Intervention/Early
Childhood Special Education Programs

(Comparison of services 2004, 2007 and 2010)

COMPARISON OF SERVICE LEVELS FOR YOUNG CHILDREN WITH DISABILITIES AND THEIR FAMILIES: 2004; 2007; and 2010

Service Level Analysis

The purpose of this paper is to update the comparisons of service levels for young children with disabilities and their families conducted in 2004 and 2007. In fall 2010, Oregon Department of Education staff once again conducted individual file reviews on levels of service planned for children in the early intervention/early childhood special education program (EI/ECSE). The individual files were selected from children with service plans written **after a reduction of state general funds in June 2010**. Levels of service from 2010 were analyzed and compared with data collected from 2004 and 2007. The comparison of service levels were made separately for children receiving early intervention services (birth to age 3) and those receiving early childhood special education services (3 years to school age).

Sampling Plan

File reviews for 2010 were conducted on 2% of child files as they were for 2004 and 2007 which resulted in the review of 661 files. A stratified sample was used, selecting files by seven disability types (Autism Spectrum Disorder, Hearing Impairment, Developmental Delay, Other Health Impairment, Orthopedic Impairment, Communication Disorder, and Visual Impairment). The smaller populations of Hearing Impairment, Other Health Impairment, Orthopedic Impairment and Vision Impairment were over-sampled to compensate for the small number of children with these disability types. These smaller populations comprise only 1% to 3% of the total EI/ECSE population. An additional one to four files were added to bring the total number of files reviewed each year up to at least two files for each disability category.

The sample reflects the population percentages per year of review based on the total special education population for EI/ECSE (7,773 in 2004, 8,758 in 2007 and 9,604 estimated for 2010) on the special education child count. Population percentages were deemed identical for the purpose of this review. The disability type of Communication Disorder is greater in ECSE than EI due to the nature of the eligibility criteria.

Calculation of Service Level

Service level data were summarized by:

4. Calculating the total amount of services planned for each child per month;
5. Adding the total amount of services planned per month for all children; and
6. Dividing the total amount of services planned per month by the number of child service plans reviewed.

Service Level Summary: EI/ECSE Programs

	2004	2007	2010	Difference from 2004 to 2010
Number of children who received EI/ECSE ¹	7,773	8,758	9,869	+2,096 (+27.0%)
Number of children with <i>autism spectrum disorder</i> ²	517	672	673	+156 (+30.2%)
Number of children <i>deaf/hard of hearing</i> ³	162	225	278	+116 (+71.6%)
EI services planned per child per month	Average: 6.6 hours Number of files reviewed: 113	Average: 3.4 hours Number of files reviewed: 97	Average: 2.8 hours Number of files reviewed: 66	-3.8 hours (-57.6%)
ECSE services planned per child per month	Average: 24.1 Hours Number of files reviewed: 112	Average: 19.1 Hours Number of files reviewed: 131	Average: 16.0 Hours Number of files reviewed: 142	-8.1 hours (-33.6%)

Chart Notes:

4. The number of children who received EI/ECSE services was obtained from the Special Education Child Count which is collected annually on December 1st.
5. The number of children with autism spectrum disorder and deaf/hard of hearing was obtained from the Special Education Child Count which is collected annually on December 1st.
6. EI and ECSE services planned per month: The average number of service hours planned per child per month on service plans.

Data Interpretation/comparing 2004, 2007 and 2010:

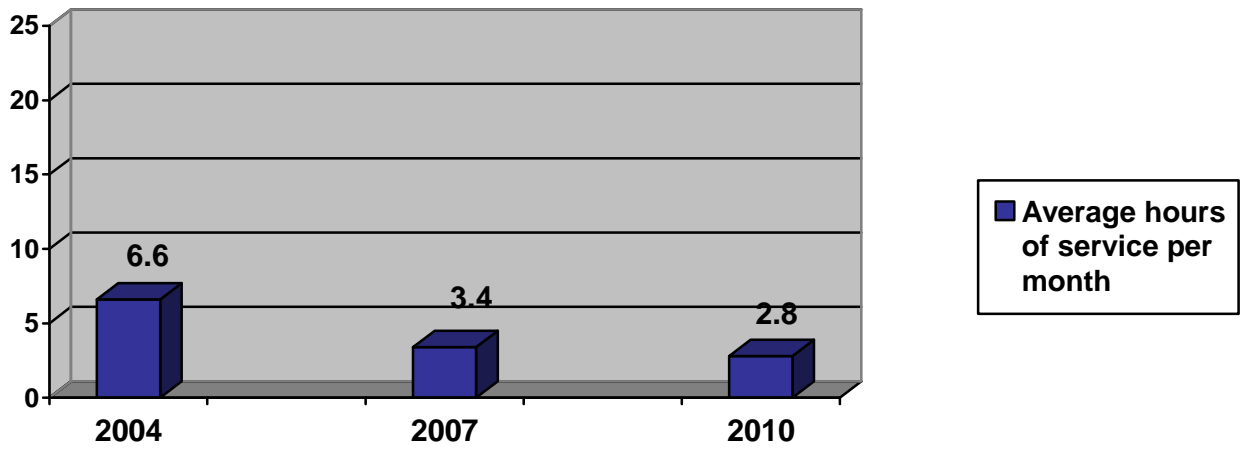
- The data compared from 2004, 2007 and 2010 show overall decreases in the number of hours of service per month for children receiving either EI or ECSE services.
- Services planned for children birth to age 3 (EI) decreased by an average of 57.6% from 2004 to 2010 showing that a child eligible for EI services currently receives 2.8 hours of service per month, or less than one hour per week. In 2004 the average was 6.6 hours a month, or 1.7 hours per week.
- National data show that Oregon is below the expected number of children receiving EI services. Based on national data Oregon should have approximately an additional 1,088 children in the program. It is likely that without adequate funding additional children will receive fewer hours of service.
- Services planned for children age 3 to school age (ECSE) decreased by an average of 33.6% from 2004 to 2010 showing that a child eligible for ECSE services currently receives 16 hours of service per month, or 4 hours a week. In 2004 the average was 24.1 hours a month, or approximately 6 hours a week.
- Even with the intent of service providers to provide more resources to children with autism, the number of hours per month decreased considerably from 2004 to 2010 (see the following table).

Children with Autism Spectrum Disorder	2004	2007	2010	Difference from 2004 to 2010
EI services planned per month	Average: 27.9 hours	Average: 10.5 hours	Average: 9.3 hours	-18.6 hours (-66.7%)
ECSE service planned per month	Average: 54.8 hours	Average: 35.6 hours	Average: 31.0 hours	-23.8 hours (-43.4%)

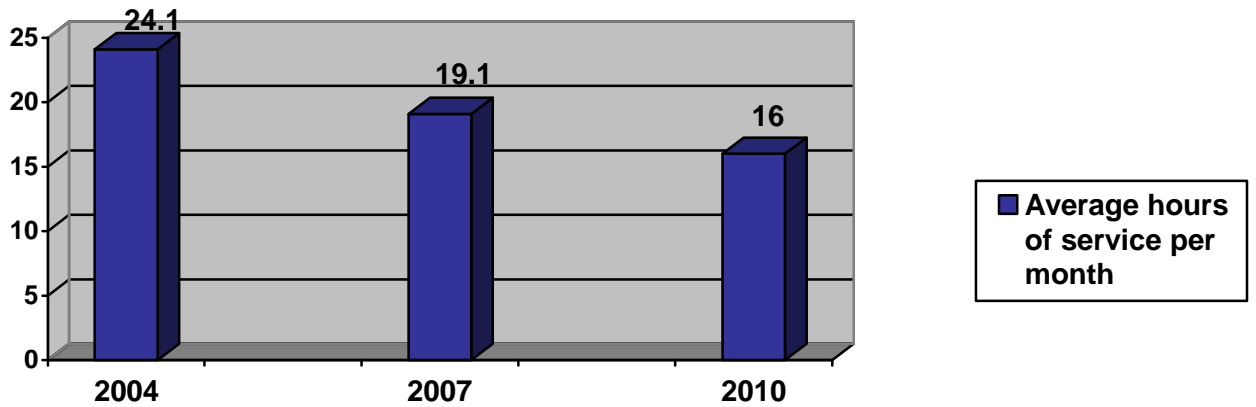
Summary

EI/ECSE services are mandated by state and federal law (EI by state law and ECSE by federal law) and require a reasonable expectation that children benefit from the services. Decreasing service levels does not appear to be the reasonable way to meet this expectation.

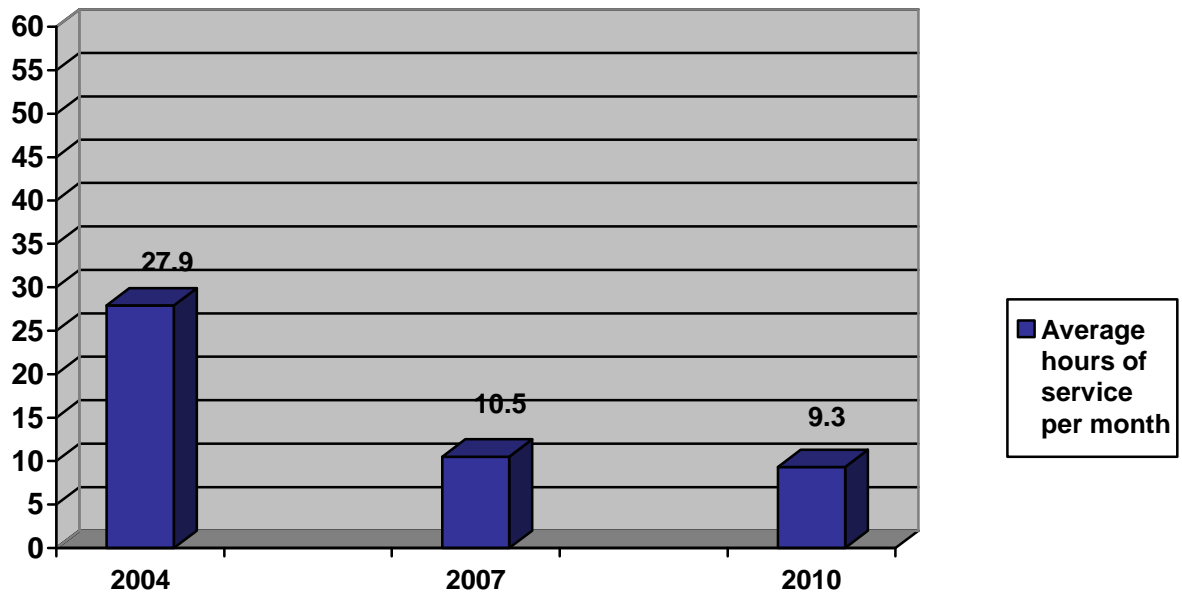
Early Intervention (EI) Service Level Comparison



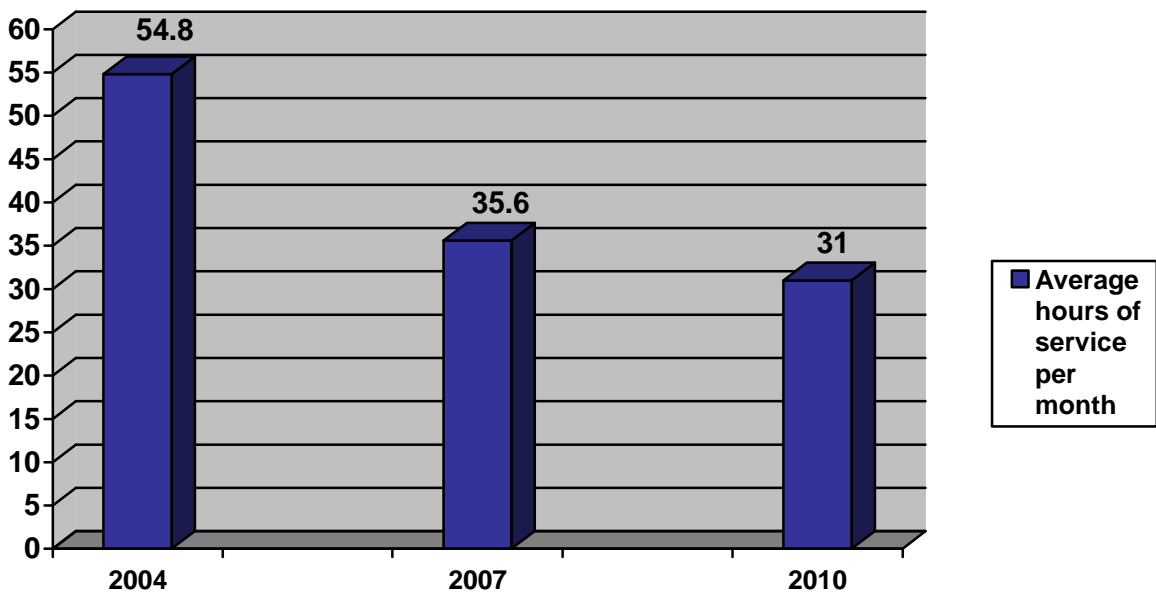
Early Childhood Special Education (ECSE) Service Level Comparison



Autism Spectrum Disorder Early Intervention (EI) Service Level Comparison



Autism Spectrum Disorder Early Childhood Special Education (ECSE) Service Level Comparison



Appendix E

2011-2013 Update

Cost Per Child¹

For Early Intervention/Early Childhood Special Education

¹ The funding model was updated in winter 2011 to include updated forecasted salaries (using the Quality Education Model) and caseload growth.

Test for two yrs

1. Cost Per Child – Early Childhood Special Education

Personnel Costs		Mild (40%)	Community Pre-School Moderate (17.5%)	Structured Class Moderate (17.5%)	High (25%)	Totals
Number of Children		6034	2640	2640	3771	15,085
Teachers			110	110	189	
Avg Teacher Salary =	\$ 94,636		\$10,409,960	\$10,409,960	\$17,886,204	\$ 38,706,124
Therapists		172		53	151	
Avg Therapist Salary =	\$101,056	\$17,381,632		\$ 5,355,968	\$15,259,456	\$ 37,997,056
Teaching Assistants			264	330	628	
Average TA Salary =	\$ 53,091		\$14,016,024	\$17,520,030	\$33,341,148	\$ 64,877,202
Tuition			\$ 4,633,200			\$ 4,633,200
Non Personnel Cost per Child =	633					\$ 9,548,805
Subtotal Costs						\$155,762,387
*Administrative Personnel Cost	9%					\$ 14,018,615
Subtotal Costs						\$169,781,002
Indirect = 8.4%						\$ 14,261,604
Total Costs						\$184,042,606
Total Cost per Child per year						12,200

*Administrative personnel costs include 5% Direct Supervision and 4% Support Staff

Note: Estimates and draft based on committee work, and averages from five EI/ECSE programs

2. Cost Per Child – Early Intervention

Personal Costs	Mild 21%	Moderate 42%	High 37%	Totals
Number of Children	1232	2464	2170	5866
Teachers	77	154	136	
Avg Teacher Salary = \$79,816 \$94,636	\$7,286,972	\$14,573,944	\$12,870,496	\$34,731,412
Non Personnel Cost per Child = \$584				\$ 3,425,744
Subtotal Costs				\$38,157,156
*Administrative Personnel Cost 8.2%				\$ 3,128,887
Subtotal Costs				\$41,286,043
Indirect = 8.4%				\$ 3,468,028
Total Cost				\$44,754,070
Total Cost per Child per year				7,629

*Administrative personnel costs include 5% Direct Supervision and 3.2% Support Staff

3. Summary: Average Cost per Child – EI and ECSE

	Total Cost	Total # of Children	Average Cost per Child
EI	\$ 44,754,070	5807	
ECSE	\$184,042,606	16,496	
Total per year	\$228,796,676	22,203	10,259

*Note: This is a point-in-time analysis to determine actual costs of the program, given reasonable services to confer benefit to children and families. The average cost per child can be used to determine an appropriate method to fund this program.

Instructions for Updating the Model 1/31/11

- (1) Percent for Mild, Moderate and Severe based on % of Population indicated in header
- (2) Caseloads based on Average Caseload worksheet
- (3) Compensation updated periodically, see most recent on Average Caseload worksheet
- (4) Tuition is calculated at 3 days per week @ \$195, then \$195 X 9 months. This amount X the number of children

Work compiled by Nancy JD, Judy Newman, and some by Nancy A.

EI-ECSE Personnel		Average Caseload				
		Low Need		Moderate Need		High Need
Early Interventions	(Birth to 3)	16		16		16
ECSE Teacher		0		24		20
ECSE Consultant		30		24		0
Speech Therapist		35		30		25
OT		35		30		25
PT		35		30		25
ASD consultant		0		30		24
Vision		35		30		24
Hearing		35		30		24
Audiologist		47		47		47
Behavior Specialist		0		30		24
Teaching Assistant		15		10*		6

*10 for Comm Preschool
8 for Structural Class

Used 25 per caseload, 50 because every other week service
Used 25 per caseload

Compensation (from Quality Education Model-data in emails from Brian Reeder)

Special Education Teacher:	\$	94,636
Speech Therapist, OT, PT	\$	101,056
Teaching Assistant	\$	53,091

All include salary & benefits