

**100% State Funding Proposal for a transition of the FAPE RESPONSIBILITY for children with disabilities  
ages 3-5 from CDS to SAUs – Revision (3/21/22)**

**Key Considerations (many of the following costs are pre-existing and ongoing costs with no predicted increase, some costs are pre-existing/ongoing costs that will increase as we begin to increase the numbers of students served, and some costs will be new costs. Some of the costs will be one-time expenses necessitated by the transition).**

- 1) Cost of Pre-K General Education Program**
- 2) Cost of Special Education, Related Services, and Transportation**
- 3) Cost of compensatory services for students who are underserved within the current model  
(For 3 FYs 2024-2026)**
- 4) Cost of grants for School Administrative Unit (SAU) planning, infrastructure, and other transitional expenses**
- 5) Costs for services, opportunities, and supports for Part B staff transitions**
- 6) Retiring costs for Part B administrative, staffing, and overhead to offset new costs after transition**

**1) Cost of Pre-K Education:**

In order to provide (and fund) a free, appropriate public education (FAPE), for children ages 3-under age six with Individual Education Plans (IEPs), both the pre-K general education program and the specially designed instruction and related services must be considered.

An estimated 3,600 children ages 3-5 will qualify for and receive FAPE and an IEP in the 2023-2024 school year (this estimate is derived from numbers served in recent years with an estimated increase in identification and service provision once FAPE responsibility transfers from the quasi-governmental independent education unit to SAUs). In order to receive FAPE, the baseline service is an education program (Pre-K). While other funding mechanisms have been explored, the Department recommends a two-pronged approach to fund the cost of Pre-K children with disabilities ages three and four:

**Pre-K costs for 4- and 5-year-old students qualifying for FAPE and IEPs:** Because many SAUs are currently serving these students through PreK programs, the mechanism for subsidizing education services would be the same for those 4- and 5-year-old PreK students with IEPs. The SAUs would receive the Pre-K subsidy through the EPS formula in GPA for each four/five-year old with an IEP using the same calculations and mechanisms as all Pre-K students. (Funding is provided in actual time under our incentivized plan to increase Pre-K access for all Maine children). The SAU may use the subsidy to pay for private Pre-K programs, public-private partnerships, or to cover costs for SAU-provided public Pre-K programs.

**Pre-K costs for three-year-old students qualifying for FAPE and IEP:**

Of the 3,600 projected PreK students with IEPs in 2023-24, approximately 900 will be three-year olds, with an estimated \$6,433,816 cost for general education pre-K. This funding will be provided to SAUs through the DOE Special Services program as a per pupil allocation based on Oct. 1 counts (outside of GPE and the EPS funding formula).

**Are these new costs?** While there will be an increase in the number of 4–5-year old students subsidized through the EPS formula in GPA, resulting in a higher General Fund appropriation to GPA, these costs

reflect our state's preexisting commitment to providing universal access to high quality Pre-K. The estimated additional cost for subsidy for is \$9,829,442 excluding adjustments for weighted allocations and targeted funds allocations. The increases in student counts would impact the total cost of education and, therefore, increase the mill expectation. Funding for 3-year olds will continue to be funded at 100%, directly through DOE Special Education program funds, however the funds will be provided to SAUs instead of CDS, beginning in the 23-24 school year.

## **2) Costs for Special Education and Related Services:**

100% of special education and related services to Maine's youngest learners with disabilities has always been funded by the state; these monies are currently directed to CDS and then used to provide direct services or to pay community providers for services. These same funds would now be directed to SAUs to be used in the same way, contracting with existing programs and private providers or to cover costs related to direct services through SAU-run programs.

**Are these new costs?** While these costs are not new, we anticipate that the number of students identified as requiring IEPs. We do expect that additional children would be identified and served, given SAUs' experience and expertise with Federal IDEA and Maine Special Education laws and given the value-added infrastructure, protocols, and policies that already exist within the public school system. Budgeted funds are expected to cover these costs after the 3-year transition. There would be an increase in the number of 3- and 4-year-old students served if SAUs assume FAPE responsibility in place of the Independent Education Unit. The increased number of students would not necessarily cause an overall increase in the cost of Special Education and Related Services. The annual budget for CDS Part B is \$38.5 million, inclusive of staffing and overhead, and private Pre-K tuition. The specially designed instruction, related services, and transportation currently totals \$21.1 million. CDS operational costs and Pre-K tuition (accounted for above) comprise the remainder of the current costs. During the 3 transitional years, the budgeted funds would continue to support CDS Part B infrastructure, staffing, and overhead as well as services provided or procured by SAUs.

After this three-year transition, an overall General Fund increase is not predicted, as the present funding level will be comparable costs associated with expanding to meet the needs of all eligible children.

## **3) Costs for compensatory services:**

100% of costs for compensatory services for 3–5-year-old children with IEPs who have been underserved through the Independent Education Unit model will be provided by the State for fiscal years 2024-2026. The fiscal estimate for 1-time funding to cover the cost of these services is approximately \$4.5 million.

**Are these new costs?** Yes, but these costs are irrespective of the proposed transition. These are services already owed to students who continue to be underserved in the present model. We are including a 1-time appropriation in the fiscal estimate that will be provided to OPLA.

## **4) Cost of grants for planning, infrastructure, startup operations, other transitional expenses:**

In the past four years (2018-19, 2019-20, 2020-21, and 2021-22), 16 new public pre-K programs started up and 15 were expanded. Funding for these programs came primarily through state and local funding allocations, and in some cases, through braiding of funding from Head Start partnerships.

In preparation for the 2022-23 school year, Maine DOE has awarded competitive grants to 12 SAUs to cover costs associated with planning, startup, and expansion of Pre-K programs (ARP funding through MJRP). The MJRP funds will be combined with state/local allocations through the EPS formula to support start-up and expansion efforts. Additionally, some SAUs have developed projects utilizing ESSER funds to support the start and/or expansion of public pre-k and a few are relying on state and/or local allocations to start or expand programs. In these examples, state and federal funds will be leveraged to pay for facilities, modifications, renovations, equipment, supplies, staffing, and other needed supports. MJRP-funded Pre-K programs are required to include a representative percentage of the special education population in their planning and all SAUs are strongly encouraged to select their pre-k population to mirror their K-12 demographics. MJRP-funded Pre-K Expansion Grants included priority points for SAU applicants who proposed partnerships with Head Starts or other community providers (e.g. child cares, YMCAs, etc.) to provide critically needed public pre-k opportunities. In addition, the Department will create a special State Revolving Renovation fund to support the start-up and expansion costs of Pre-K.

**Are these new costs?** We have state and federal funds already designated to support these Pre-K startup and expansion grants described above. The [Maine Jobs and Recovery Plan](#) will provide another round of competitive grant funding for start-up and expansion. To reach universal pre-k capacity in Maine, more funding will be needed to support start-up costs as well as public-private partnerships and infrastructure development.

#### **5) Costs for services, opportunities, and supports for Part B staff transitions**

Part B staff members would be offered a variety of services and opportunities during the 3-year phase-out of CDS. These staff members would be provided with the training needed should they want to transition to Part C. Other Part B staff members may opt into a designated K-8 Certification program by 2024, covered in part by a \$1.5 million federal grant.

As part of the transition process, current CDS staff have accrued leave time and the cost to pay out that paid leave time is approximately \$1.6 million.

#### **6) Retiring costs for Part B administrative, staffing, and overhead**

Part B administrative, staff, and overhead costs consist of approximately \$14.7 million per year. As the costs of overhead are reduced, these funds will be reallocated to the DOE Special Education budget to support SAUs.