

**Virginia's Special Education Regional
Tuition Reimbursement Program (RTRP):
Follow Up to
December 8, 2015 Report**

Delivered to:
Commission on Youth

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Background

- As directed by the Commission on Youth, the VDOE has been engaged in a study of the services provided to students with disabilities through Special Education Regional Tuition Programs (RTRPs), to include a review of the model used to provide funds to participating school divisions for these services.
- In December, 2015 the VDOE provided a report on the initiation of this study to the Commission.
 - Several Finding and Issues were identified by VDOE in this report.
 - Today's presentation is an update of VDOE's progress on those Findings and Issues.

Purposes of VDOE RTRP Study

- Growth in number of students served in regional programs
 - 11% increase since 2005
- Growth in annual appropriation
 - \$16,355,694 increase since 2005
- Research on best practices in special education
- Growing philosophy of “inclusion”
- Shift in incidence of disability categories
 - 222% Increase in autism since 2005
- Movement away from services based on disability category in favor of specific need of the individual child
- Growth in number of students with expensive and/or intense support needs
- Growth in number of school divisions interested in participating in an RTRP
 - Requests received from 16 new school divisions

Review of Findings

The following Findings and Issues were presented to the Commission in the December 2015 presentation:

Findings

1. The number of students claimed and the overall cost for supporting Regional Tuition Reimbursement Programs has increased annually.
 - The number of students with autism is primarily driving this increase as well as the number of students who need more intensive special education and related services.
2. Submission of the current Tuition Reimbursement Rate Package has evolved so that the information submitted is inconsistent across the RTRPs.

Findings

3. Use of RTRP funds may have “drifted” from the original intent of supporting special education instructional costs for students with low incidence disabilities. Examples include:
 - LEAs have claimed capital expenditures that are not direct instructional costs.
 - Salaries of local administrators, other than regional program staff, are partially supported through RTRP funds.
 - Autism is no longer a low incidence disability

4. A large majority of students (75 percent) claimed for tuition reimbursements are served in regular schools and not in separate special education centers.
 - There are few true regional classroom settings in which students from multiple divisions attend a central location

Findings

5. LEAs that do not participate in RTRPs receive significantly less state financial support than those in RTRPs for serving the same disability groups.
 - More non-participating LEAs are viewing participation in a RTRP as increasing their capacity to provide intense support in the least restrictive environment.
 - Students served in regional programs generated an average per-pupil amount of **\$17,392**
 - Students not served in regional programs generated an average per-pupil amount of **\$3,014**
6. Placement options available through RTRPs are viewed as part of the continuum of services required by IDEA. Further, staff members in RTRPs reported that many of the students served in the regional programs would be candidates for private day placements without the option of the regional services.

Findings

7. Special Education administrators in LEAs not participating in RTRPs indicated that accessing regional funds would greatly enhance capacity to provide professional development and to “cost-share” difficult-to-staff positions such as Board Certified Behavior Analysts and mental health providers.
 - VDOE has received requests from 16 new divisions requesting to form multiple new regional programs

8. Some students with reimbursable disabilities appear to be claimed for reimbursement for the purpose of generating additional support (i.e., these students are served in their respective home schools with no evidence of additional regional services).
 - Evidence that some divisions are claiming almost all students under an allowable disability category instead of those with the most intense needs

Issues for Further Study from 2015

In addition to the Findings presented, the following Issues for Further Study were presented:

1. The VDOE should modify the current rate package requirements and submission process.

Issues for Further Study from 2015

2. The VDOE should examine the concept of replacing categorical disability groups (e.g., emotional disabilities) with “students with disabilities who have expensive and/or intense support needs” for future funding.

Issues for Further Study from 2015

3. The VDOE should examine ways to provide equitable financial support for all LEAs in serving students with disabilities who have expensive and/or intense support needs.
 - In any proposed new model, VDOE should do a thorough analysis of the potential impact to state and local budgets, staffing requirements, and federal and state special education regulations.

Issues for Further Study from 2015

4. The VDOE should explore with LEAs the development of a system to track and report the outcomes of students claimed for Regional Tuition Reimbursement Programs in order to ensure high quality service delivery.

Options for Reform

- **Option 1: Equity Model**

- Phase out and replace the current 11 RTRP models over 2-3 years.
- Allow all 132 school divisions to access the approved state funding.
- Develop an application process based on strict criteria that clearly identifies students with intense support needs and moves away from disability labels.
- Develop a per pupil funding rate depending on the number of applications within the existing appropriation.
- Remove any regional program requirements but allow localities to create regional options between themselves.
- Allow local flexibility on how and where to implement the special education services.
- Student outcomes and accountability reverts to the locality in which the student resides.
- Restore ADM funds for students enrolled in this model (approximately 4,600 students.)

Options for Reform

- Option 2: Reform Current Model

- Phase in new application process. The application process would be based on strict criteria that clearly identifies students with intense support needs and moves away from disability labels.
- Phase out the rate package and develop a budget to be approved by VDOE.
 - Phase out all expenditures allowed except for instructional costs.
- Allow for the immediate applications of new regional programs.
- Prorate current regional programs to account for new programs to stay within current state appropriation.
- Develop a robust set of accountability measures for public reporting on the performance of student outcomes enrolled in regional programs.
- Investigate the feasibility requiring a individualized student transition plans to explore whether a student could transition back to their home school

Note: U.S. Department of Justice initiated a lawsuit against the Georgia Department of Education for operating similar regional programs for students with disabilities.

Options for Reform

- **Option 3: Continue Current Model**
 - Continue to operate the regional programs under the existing rules.
 - Allow for new divisions who are interested in developing a regional program to create a new program and receive regional tuition reimbursements.
 - Keep rate packages in place.
 - Prorate existing regional program funding when new programs are created.

Note: U.S. Department of Justice initiated a lawsuit against the Georgia Department of Education for operating similar regional programs for students with disabilities.

Status – Update of Findings

1. The number of students claimed and the overall cost for supporting Regional Tuition Reimbursement Programs has increased annually.

Status:

- VDOE expects to collect and reimburse tuition claims under the existing system for the 2016-2017 school year.
- As a transition is made to a new funding model, the shift to a more equitable distribution of the existing appropriation will make this issue a moot point.
- 106 new students were claimed for RTRP in 2015
 - 101 of those were students with autism

Status – Update of Findings

2. Submission of the current Tuition Reimbursement Rate Package has evolved so that the information submitted is inconsistent across the RTRPs.

Status:

- VDOE has revised the Rate Package and proposes to replace it with an Application/Budget for Funds for Services for Students with Intensive Support Needs.
- This Application will be used by LEAs currently claiming Regional Tuition Reimbursement and will also be used by any “new” LEAs claiming funds under a proposed funding model.
- The Application will provide for a consistent process the VDOE can use in distributing funds and will include specific direction on what information must be submitted by LEAs and on how the funds must be used.
- VDOE has partnered with researchers at VCU to develop an eligibility checklist to determine which students with disabilities have intensive support needs.

Status – Update of Findings

3. Use of RTRP funds may have “drifted” from the original intent of supporting special education instructional costs for students with low incidence disabilities. Examples include:
 - LEAs have claimed capital expenditures that are not direct instructional costs.
 - Salaries of local administrators, other than regional program staff, are partially supported through RTRP funds.

Status:

- The new Application/Budget will include specific direction as to how funds may be used. Use of funds would be limited to instructional costs.
- The examples specified would not be included in allowable use of funds under the new reforms.
- Very specific criteria will be developed to ensure appropriate student participation.

Status – Update of Findings

4. A large majority of students (75 percent) claimed for tuition reimbursements are served in regular schools and not in separate special education centers.

Status:

- As previously addressed, this is a prime example of the shift away from the original intent of providing funds for “regional programs”.
- Very few students in Virginia are served in separate special education centers and funds provided to serve students with intensive support needs under a new funding model would be distributed across all school divisions, regardless of where the services are provided.
- Data suggests that school divisions who have access to RTRP funding have decreased CSA expenditures and therefore have less segregated placements on the Least Restrictive Environment
 - Proposed new model would potentially decrease CSA placements statewide

Status – Update of Findings

5. LEAs that do not participate in RTRPs receive significantly less state financial support than those in RTRPs for serving the same disability groups.
 - More non-participating LEAs are viewing participation in a RTRP as increasing their capacity to provide intense support in the least restrictive environment.

Status:

- VDOE has approved one new participant for an existing RTRP and is reviewing requests now from other non-participating LEAs.
- VDOE will be “phasing in” new LEAs and providing funds under the proposed funding model, while participating LEAs will start using the new Application/Budget for the 2017-2018 school year.

Status – Update of Findings

6. Placement options available through RTRPs are viewed as part of the continuum of services required by IDEA. Further, staff members in RTRPs reported that many of the students served in the regional programs would be candidates for private day placements without the option of the regional services.

Status:

- Best practice and guidance strongly recommends serving students in inclusive communities as close to their home school as possible.
- Current state funding incentivizes segregated options.
- It will still be required that all divisions serve students in the most appropriate, least restrictive environment, regardless of funding.
- It is not expected that private placements would necessarily increase with a new funding model.
- Proposed new model would potentially decrease CSA placements statewide.

Status – Update of Findings

7. Special Education administrators in LEAs not participating in RTRPs indicated that accessing regional funds would greatly enhance capacity to provide professional development and to “cost-share” difficult-to-staff positions such as Board Certified Behavior Analysts and mental health providers.

Status:

- VDOE has developed a draft option for a more equitable distribution of these funds.
- This is a good example of information a division would provide in the revised Application/Budget specific to the use of funds for students with Intensive Support Needs.

Status – Update of Findings

8. Some students with reimbursable disabilities appear to be claimed for reimbursement for the purpose of generating additional support (i.e., these students are served in their respective home schools with no evidence of additional regional services).

Status:

- The revised Application/Budget will allow VDOE to more closely monitor the use of funds provided as a transition to a new funding model is made.
- The “phase out/phase in” transition will also allow VDOE to monitor the shift to a more equitable distribution of funds.

The following slides contain information that was previously provided to the Commission On Youth in the Department of Education's December 2015 presentation

Background

- Virginia's Special Education Regional Reimbursement Programs
 - Authorized by Virginia's General Assembly in 1977
 - P.L. 94-142 (Federal Special Education Law)
 - Cruse V. Campbell
 - full tuition for private placements must be at public expense when determined by IEP Team as appropriate placement
- **Purpose:** to provide a mechanism for school divisions to cooperate and share resources to serve children with low incidence disabilities.

Requirements

- LEAs were authorized to form regional programs by meeting the requirements for operating a joint program consistent with:
 - *Board of Education Regulations Governing Jointly Owned and Operated Schools and Jointly Operated Programs* and related *Code of Virginia* provisions.
 - Required that each program be governed by a joint board constituted of a school board member from each participating LEA.
 - Further, one LEA was to serve as the fiscal agent for the program.

Requirements

- The funding for each RTRP was established based on an annual application to the Virginia Department of Education (VDOE) termed a rate package.
 - Rate package established fees for special education and related services.
 - Each rate package was to include:
 - A proposed budget based on projected revenues and expenses, and a description of the program(s) being offered including the disabilities served.
 - The rate packages were reviewed by an independent financial management/consulting firm to determine appropriateness of rates submitted.

Requirements

- Authorized disability categories under RTRP:
 - Emotional Disabilities
 - Autism
 - Multiple Disabilities
 - Hearing Impaired
 - Deaf/Blindness
 - Traumatic Brain Injury

Demographics of Students Served

Disability Category	Served in How Many RTRPs	# Served in RTRPs	Statewide Total per Child Count	% of Statewide Child Count Served in RTRPs
Autism	11	2,461	17,030	14.5%
Multiple Disability	10	634	3,356	20%
Emotional Disability	8	951	9,209	10.4%
Hearing Impaired	5	168	1,475	13%
Traumatic Brain Injury	3	<11	392	4%
Deaf-Blind	1	<11	32	2.8%

Variability by Region

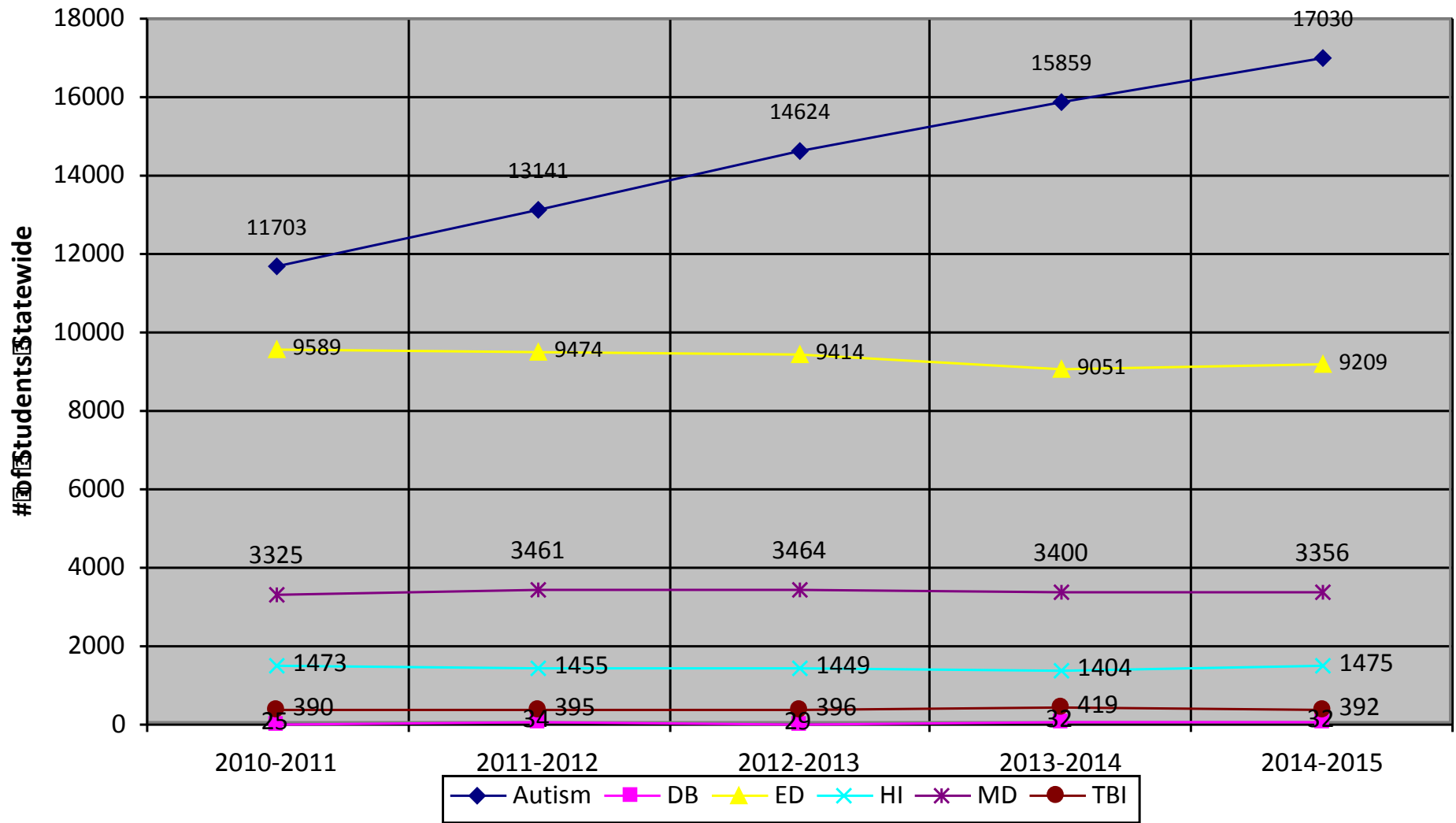
Disability Category Served in RTRP	Disability Category Claimed by Participating LEAs in the Regional Program from Low to High Percentage	
	High	Low
Autism	8 percent CCES	62 percent Northern Virginia
Multiple Disability	29 percent SECEP	78 percent Henry
Emotional Disability	8 percent Roanoke Valley	58 percent Northern Virginia
Hearing Impaired	22 percent PREP	87 percent Shenandoah Valley

Students Served


- In the participating divisions of the 11 RTRPs:
 - 31 percent of the students with a reimbursable disability are served in RTRPs
 - 69 percent of students with corresponding disability categories are served but not claimed for tuition reimbursement
- Within the 57 LEAs that participate in an RTRP:
 - 25 percent of students with autism are claimed
 - 46 percent of students with multiple disabilities are claimed
 - 24 percent of students with emotional disabilities are claimed
 - 44 percent of students with hearing impairments are claimed

*These percentages are representative of proportionate population data and will not equal 100 percent

Statewide Trend of Specific Disability Categories Eligible to be Served in Regional Programs



Least Restrictive Environment (LRE) Continuum of Options:

Level	Setting
<p style="text-align: center;">Least Restrictive</p> <div style="text-align: center;">  </div> <p style="text-align: center;">Most Restrictive</p>	<ul style="list-style-type: none"> Regular school building: regular classroom with accommodations and/or support services
	<ul style="list-style-type: none"> Regular school building: regular classroom with itinerant services or resource room services (pull-out)
	<ul style="list-style-type: none"> Regular school building: full-time self-contained special education class
	<ul style="list-style-type: none"> Full-time self-contained class in a separate public facility
	<ul style="list-style-type: none"> Private day school
	<ul style="list-style-type: none"> Home based
	<ul style="list-style-type: none"> Public or private residential program

Setting: Placement in LRE

Within the 11 RTRPS

- 75 percent of the students claimed for tuition reimbursement are served in a regular building
- 25 percent of the students claimed for tuition reimbursement are served in a separate building
- Statewide average over time is consistent

Financial Analysis

- From all funding sources (local, state, federal):
 - Students served in regional programs generated an average per-pupil amount of **\$29,097**
 - Students not served in regional programs generated an average per-pupil amount of **\$13,497**
- From state-only funds:
 - Students served in regional programs generated an average per-pupil amount of **\$17,392**
 - Students not served in regional programs generated an average per-pupil amount of **\$3,014**

Financial Analysis

Year	Amount	Amount of Increase
2010-2011	\$64,436,343	
2011-2012	\$70,208,260	\$5,771,917
2012-2013	\$74,168,478	\$3,960,218
2013-2014	\$77,040,276	\$2,871,798
2014-2015	\$80,792,037	\$3,751,761
		Total: \$16,355,694

Average growth of \$4.1 million per year for the five-year period