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**TESTIMONY TO**  
**JOINT LEGISLATIVE BUDGET HEARING**  
**ELEMENTARY & SECONDARY EDUCATION**  
**JANUARY 28, 2014**

Submitted by: Steven Sanders, Executive Director  
ACTS (Agencies for Children's Therapy Services)

Chairman DeFrancisco , Chairman Farrell, Chairman Flanagan, Chairwoman Nolan and Members of this Joint Budget Committee:

I thank you for this opportunity to testify today. My name is Steven Sanders. I am the Executive Director of ACTS...Agencies for Children's Therapy Services. ACTS is an association of providers of pre-school special education and Early Intervention agencies from around this State.

Education is back in the forefront of the Governor's budget proposals, as it should be. Ultimately we can all agree that there is no concern more important to our State's future and economy than the education of ALL the children of this State.

The Governor highlighted early childhood education issues. Today I want to discuss one aspect: insuring an efficient and adequate delivery system of services to preschoolers in need of special education programs in their home. It is commonly referred to as SEIT, special education itinerant teachers.

ACTS agrees that a payment methodology which replaces the cumbersome tuition based methodology predicated on a provider by provider cost determination is something that the State should consider. Establishing a regional rate for similar services of all providers in a region is a sensible concept, but must be done with great care and a thorough cost analysis.

Regional comparative costs of compensation, completion of session notes and other mandated paper work, travel time, coordination of related services, supervision of professional staff, billing and collection, cost reporting preparation and other associated educational cost factors need to be assessed so that providers receive a sustainable rate to deliver a quality educational product for youngsters whose needs require in home instruction and help.

And while this may not be rocket science, neither is it such an easy and simple matter to arrive at the proper rate for each region of the state.

If all a regional rate is intended to do is to just drive down expenses to the state without regard to what the real costs may be, then the children who need these services will suffer. A cost study for each region must be scrupulously examined before regional rates can be established. This study should be done by the State Education Department and submitted to the Legislature for its review. It is foolish to think that such a comprehensive study can be properly accomplished and implemented in just a few months.

Moreover there will be inevitable adjustments that agencies will need to account for and incorporate in their finances and business models which will also take some time. This is especially true if the regional rate varies considerably from their current tuition rate. Indeed if such new rates are in substantial variance with existing rates, they may need to be phased in over several years. Once a regional rate is established and embedded it must be THE rate. It would then be the responsibility of providers to deliver the educational services at or below that cost line, with no "claw-backs" by SED.

In addition, any established rate will need to be indexed and adjusted for inflation as is the case under current methodology for current CPSE and CSE programs. Otherwise, providers' ability to continue to deliver needed services will be put into jeopardy over time.

So I strongly recommend that no transition to regional rates be planned prior to the 2015-16 School Year. It is essential that SEIT programs know what rate they can expect long before they must begin to deliver services based on this new methodology and payment expectations.

The Governor also recommends that payment be based on actual services, similar to the Early Intervention Program. The idea is that payments will be available once the service is performed and then billed. This sequence works only if there is prompt remittance. With that caveat ACTS would support that proposal.

ACTS disagrees strenuously that the New York City School District be given special authority to award SEIT contracts based on an RFP process or competitive bid. That idea flies in the face of the regional rate concept. The regional rate idea works because it eliminates a lot of unnecessary bureaucracy both for providers and government and it treats SEIT providers in the same region equally and fairly.

To place New York City SEIT providers in a position where they must compete against one and other for approval, and inevitably try to low ball bids in order to receive contracts will surely compromise services for the children who need them the most. Education programs are not like construction contracts where the cost of material and labor can be negotiated. We should not want SEIT providers or any providers, to cut corners when they are delivering special education services. If NYC rates are substantially below rates in neighboring counties, teachers will accept work in counties outside of NYC resulting in fewer children receiving services in NYC. All providers should receive a fair rate, set by the State and then provide excellent services to our most vulnerable students.

ACTS is dedicated to the proposition that pre-school special education, and SEIT in particular, should be provided always with great dedication and professional skill. Significant changes as those that the Governor proposes, if adopted, must be developed thoughtfully and not rushed creating the utter havoc we saw this past year with the billing changes to the Early Intervention Program. We should be planning for a rational transition and not try to force big changes in just a matter of months in order to meet some arbitrary date or self-imposed political deadline. That is why I stress that such changes must not occur before the 2015-16 School Year.

ACTS is prepared to work with the Legislature and the State Education Department to assist in the planning. As always, we appreciate the opportunity afforded to us to present this testimony.