

MAINE STATE LEGISLATURE

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Date 6/20/23

L D 1309
(Filing No H-613)

EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to HP 834, L D. 1309, "An Act to Clarify Requirements for Payment of Tuition for Children with Disabilities by the Department of Education's Child Development Services System"

Amend the bill in the 2nd paragraph after the title in the 2nd line (page 1, line 4 in L D) by inserting after the following "education" the following ', including special education preschool programming,'

Amend the bill by striking out all of the 5th paragraph after the title and inserting the following

'Whereas, a shortage of high-quality, affordable early childhood education and care overall is a crisis for affected families and for organizations that support them; and'

Amend the bill by striking out all of the 8th and 9th paragraphs after the title and inserting the following

'Whereas, the creation of a funding formula for special purpose preschool tuition payments for educational services and medically necessary behavioral health services for children with disabilities who have not attained 6 years of age will improve the economic viability of schools and agencies and foster their ability to continue to provide these important services, and'

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting the following:

'Sec. 1. 20-A MRSA §7302, sub-§2, ¶G is enacted to read

G A special purpose private preschool that provides both educational and medically necessary behavioral health services to children with disabilities who have not attained 6 years of age is entitled to receive payment for the educational services the preschool provides for the Child Development Services System Before the beginning of the 2024-2025 school year, the Child Development Services System shall collaborate with special purpose private preschools to establish a funding formula that provides appropriate daily tuition rates for the educational services provided by each special

COMMITTEE AMENDMENT

1 purpose private preschool. The funding formula for the daily tuition rates must include,
 2 but is not limited to, the costs of supporting each preschool's site director and teachers
 3 and allocations for agency support staff, supplies, equipment, curricula, staff
 4 development, technology and noninstructional expenses such as heating, insurance,
 5 maintenance, occupancy costs, office supplies, phones and utilities Following the
 6 establishment of a daily rate, and no later than the start of the 2024-2025 school year,
 7 the Child Development Services System shall make daily tuition rate payments
 8 required by this paragraph to special purpose private preschools for the educational
 9 services they provide.

10 **Sec. 2. Intermediate payments.** No later than the start of the 2023-2024 school
 11 year and prior to the provision of the daily tuition rate in accordance with the Maine
 12 Revised Statutes, Title 20-A, section 7302, subsection 2, paragraph G, the Department of
 13 Education and the Child Development Services System shall assist in maintaining
 14 education programming at special purpose private preschools by paying each special
 15 purpose private preschool for every hour of approved specially designed instruction in a
 16 child's individualized education program. Payments must be made using the current
 17 quarter-hour rate provided for in the 2023 Child Development Services System contract
 18 RIDER D

19 **Sec. 3. Report.** No later than December 15, 2023, the Department of Education shall
 20 submit a report to the Joint Standing Committee on Education and Cultural Affairs on the
 21 development of the funding formula for daily tuition rates under the Maine Revised
 22 Statutes, Title 20-A, section 7302, subsection 2, paragraph G, including recommendations
 23 and suggested legislation. The Joint Standing Committee on Education and Cultural Affairs
 24 may report out a bill related to the report to the Second Regular Session of the 131st
 25 Legislature.

26 **Sec. 4. Appropriations and allocations.** The following appropriations and
 27 allocations are made

28 **EDUCATION, DEPARTMENT OF**

29 **Child Development Services 0449**

30 Initiative Provides ongoing funds for payments to special purpose private schools for the
 31 educational component of the services provided to children with disabilities who have not
 32 attained 6 years of age

33 GENERAL FUND	2023-24	2024-25
34 All Other	\$12,181,440	\$9,928,960
35		
36 GENERAL FUND TOTAL	<u>\$12,181,440</u>	<u>\$9,928,960</u>

37
 38 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
 39 number to read consecutively

40 **SUMMARY**

41 This amendment provides that, before the beginning of the 2024-2025 school year, the
 42 Child Development Services System is required to collaborate with special purpose private

1 preschools to establish appropriate daily tuition rates for the educational services provided
2 by each special purpose private preschool through a funding formula. Following the
3 establishment of a daily rate, and no later than the start of the 2024-2025 school year, the
4 Child Development Services System is required to make daily tuition rate payments to
5 special purpose private preschools for the educational services they provide.

6 This amendment also requires that, no later than the start of the 2023-2024 school year
7 and prior to the provision of the daily tuition rate in the Maine Revised Statutes, Title 20-A,
8 section 7302, subsection 2, paragraph G, the Department of Education and the Child
9 Development Services System are required to make intermediate payments to assist in
10 maintaining education programming at special purpose private preschools by paying each
11 special purpose private preschool for every hour of approved specially designed instruction
12 in a child's individualized education program.

13 The amendment also directs the Department of Education to report to the Joint Standing
14 Committee on Education and Cultural Affairs, no later than December 15, 2023, on the
15 development of the funding formula for the daily tuition rates.

16 **FISCAL NOTE REQUIRED**

17 (See attached)



131st MAINE LEGISLATURE

LD 1309

LR 1003(02)

An Act to Clarify Requirements for Payment of Tuition for Children with Disabilities by the Department of Education's Child Development Services System

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

A (11-612)

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$12,181,440	\$9,928,960	\$9,928,960	\$9,928,960
Appropriations/Allocations				
General Fund	\$12,181,440	\$9,928,960	\$9,928,960	\$9,928,960

Fiscal Detail and Notes

This bill requires funding be provided to special purpose private schools for the educational component of the services provided to children with disabilities who have not attained 6 years of age. The Department of Education estimates the total cost of this provision to be \$21,000,000 in fiscal year 2023-24 and \$28,000,000 in fiscal year 2024-25. This estimate assumes that 600 children in fiscal year 2023-24 and 800 children in fiscal year 2024-25 will receive 3 hours of specifically designed instruction per day at a rate of \$175 for 5 days a week and 40 weeks per year.

According to the Department of Education, approximately 40% of the students receiving services at these schools are MaineCare eligible. Based on a MaineCare reimbursement rate of \$183.72 in fiscal year 2023-24 and \$282.36 in fiscal year 2024-25, it is estimated that MaineCare will reimburse \$8,818,560 and \$18,071,040 in fiscal years 2023-24 and 2024-25, respectively, thus reducing the total cost to the State to fund these services. This bill includes ongoing General Fund appropriations of \$12,181,440 in fiscal year 2023-24 and \$9,928,960 in fiscal year 2024-25 to the Child Development Services (CDS) program within the Department of Education for payments to special purpose private schools for the cost of the services that are not reimbursable by MaineCare.

This bill requires that, prior to the 2024-2025 school year, CDS must work with the special purpose private schools to establish a funding formula that provides appropriate daily tuition rates for the educational services provided and that payments to the schools based on the newly established tuition rates must begin in the 2024-2025 school year. The fiscal year 2024-25 General Fund appropriation included in this bill may need to be adjusted based on the new daily tuition rates.