A photograph of two young children, a boy and a girl, playing together. The boy, on the left, is wearing a yellow t-shirt with a graphic that says "THE SWIMMING CREW" and "CRASH!". He is holding two yellow cylindrical toys. The girl, on the right, has long dark hair with yellow flower-shaped hair ties and is wearing a floral-patterned sleeveless top. She is looking down at a blue mat with colorful beads. The background is blurred, suggesting an indoor play area.

# Early Childhood Special Education Funding Formula

June 12, 2024

# Using a Funding Formula

- One goal of a funding formula is to be responsive to the actual cost of providing services.
- Based on recommendations made by the Wyoming Early Childhood Special Education Funding Formula Work Group, the proposed funding formula was designed based on the actual expenses of administering early childhood special education in Wyoming.
- The existence of a formula does not necessarily mandate a particular level of spending; states often end up having to pro-rate formulas based on available resources.
- The work group hopes the Legislature will be supportive of its overall approach to funding early childhood special education.
  - If it supports the overall approach, it will then have to wrestle with the details of implementation. The work group is prepared to support the Legislature in that process.
  - The work group recognizes that there is no single *right* formula, so it offers these recommendations as representing its best thinking and hopes they provide a useful starting point for legislative discussion.

# What do services for ECSE entail?

## Part C- Infants and Toddlers

- Family of the child and program team develops an Individualized Family Service Plan (IFSP)
  - IFSP identifies the child's needs and specifies the services that will be provided, which will enhance the family's capacity to meet the special needs of their child
- Services provided in a natural or typical environment for an infant or toddler (homes, child care, libraries, parks, etc.)

## Part B, 619- Preschool

- Parents and professionals develop an Individualized Education Program (IEP)
  - IEP indicates goals for the child and the specialized instruction and related services that will be provided to the child
- Part B children are entitled to a free, appropriate public education that, to the extent possible, should be provided in the least restrictive environment

*Services are federally mandated under the Individuals with Disabilities Education Act (IDEA)*

## CDCs are responsible for:

- Developmental Assessments and Screenings
- Coordination of community services and supports
- Speech and Language Therapy
- Physical Therapy
- Occupational Therapy
- Interpretation
- Vision and hearing services
- Assistive technology
- Preschool (Part B)

# Why is Early Childhood Special Education Important

Early years are critical for children's learning and development.



Decreases the need for special education in K-12, which can be expensive.



Helps families navigate the system and support their child's learning and growth

# CDC Regions



## Region 1

Cody

## Region 2

Sheridan

## Region 3

New Castle

## Region 4

Jackson

## Region 5

Mountain View

## Region 6

Lander

## Region 7

Green River

## Region 8

Rawlins

## Region 9

Casper

## Region 10

Guernsey

## Region 11

Laramie

## Region 12

Cheyenne

## Region 13

Gillette

## Region 14

Ft. Washakie

Under the Preschool Development Grant, the Center for Early Learning Funding Equity (CELFE) was hired to develop a funding formula proposal.

CELFE is a national consulting group and research center at Northern Illinois University. It works with states and communities across the country to redesign funding systems for early childhood education and care to be simpler, fairer, and better for families and providers.





# Who has informed our process?

The Special Education Funding Formula work group was comprised primarily of CDC leaders and representatives from the executive branch of state government.



It was staffed by [Foresight Law + Policy](#) and the [Center for Early Learning Funding Equity](#).

Engagement, input, and feedback has defined the process throughout our work in Wyoming.

# Defining the Problem













**The Early Childhood Special Education Funding Formula Work Group has highlighted:**

- There is widespread dissatisfaction with the current approach to funding ECSE
- Part B (ages 3-5) presents the biggest funding challenge for CDCs
  - The 'educational/preschool' part of the day for children with an IEP is a significant cost driver and not funded through the formula
  - Scarcity of program 'slots' in any given community can sometimes make it hard to meet the educational needs of children with an IEP; some CDCs provide the slot themselves
- The Jackson area is a cost outlier
- Recruiting and retaining qualified staff is a major challenge due to historically low wages

**Wyoming's current approach to funding is not based on actual costs experienced by the Child Development Centers. As a result, state agencies, Child Development Centers, and—most importantly—families often do not have access to the programs and services that meet their individual child's need. Further, consistent under-funding creates ongoing challenges for the Wyoming legislature to allocate additional dollars; on a per-child basis CDCs receive 51 cents for every dollar spent on K-12 special education.**



# Formula Principles

Old Approach	Guiding Principle
	 Uses an accurate child count
	 Allows CDCs to predict how much they will receive on a per-child basis
	 Accommodates the complexities of the differing availability and usage of other funding streams (e.g., Head Start, TANF) for the preschool intervention (Part B)
	 Driven by the cost of providing services
	 Simple to update and consistent with other funding streams
	 Reflects the high-quality, inclusive early childhood experiences all children deserve and places families at the center of the work.

# Our Approach

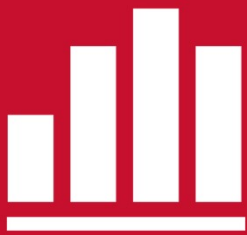
The work group used **cost modeling** to build a funding formula that is equitable and adequate for Part B and Part C services.

## **A cost model is:**

- A representation of a “typical” program with strong business practices
- Informed by extensive data collection and analysis of the state's ECEC data and publicly available data where little ECEC-specific data is available
- Is informed and validated by CDCs, state administrators, and other state-based experts

Cost modeling allows us to build an **adequate funding formula** by analyzing the cost of high-quality and inclusive services.

# Data Discovery



## Existing data and reports

Fiscal Profiles, Expenditure and Revenue Analysis, Personnel Survey, BHD Administrative data



## Qualitative data collection

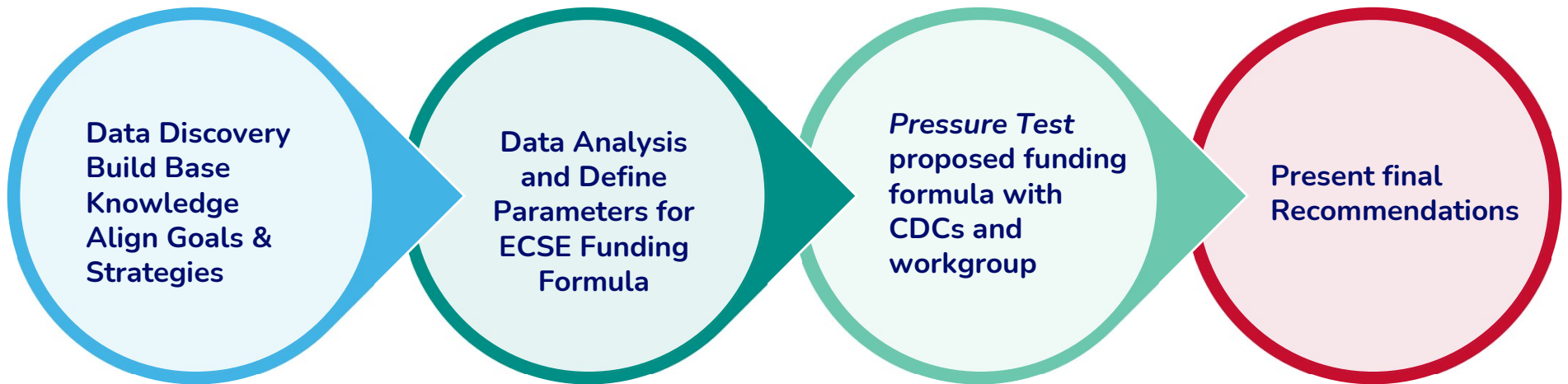
Individual interviews with WDE, BHD, CDCs, Head Start  
Listening Sessions with Therapists and Teachers



## Our own data collection

Questionnaire for all CDCs, BHD, and DOE

# Our Process



*ECSE financing workgroup engagement/input throughout*

Nov - Jan

Feb - Mar

Mar - May

June

# Child Count

The Work Group has previously identified the inadequacy of the current child count process, which counts children at a single point in time



Because children are born continuously throughout the year, the total population eligible to be served grows by 20% as additional children are born.

We recommend a **child count completed twice per year** (May 1 and Dec. 1) to better reflect how many children are served through IDEA Part B, C system in Wyoming throughout a 12-month period. We then recommend using a **three-year rolling average of annual counts**, to provide stability over time.

## 4 Part Formula

Based on our cost analysis, we identified a four-part formula.

**Based on current CDC practices:**



### Child Find

Cost and responsibilities for child find



### Free and Appropriate Education

Cost of the education component for Part B children

**Based on best-practice for a high-quality program:**



### Administration

Cost of non-therapeutic and teaching staff  
Costs for building, supplies, etc.



### Therapeutic and “Push In” Services

Cost of special ed teachers  
Cost of SLPs, OTs, PTs, etc.





## Child Find

The work group recommended the cost for administering Child Find be included in formula.



The average cost is estimated at \$82.50 per child for Child Find screening.

$$\begin{array}{ccccc} \text{Cost of} & & \text{Children} & & \\ \text{Screening Per} & \times & \text{Screened} & = & \text{Cost of Child} \\ \text{Child} & & \text{Directly by} & & \text{Find} \\ & & \text{CDC} & & \end{array}$$

Using screening data from BHD, we estimate that about 18% of each region's under-5 population is screened annually (directly by the CDC).

Other children in the state may be screened by pediatricians, school districts, etc. Those screenings would not be included in the formula.

**These recommendations are based on actual Child Find cost and screening data.**



# Free and Appropriate Education

Under IDEA Part B, 3—and 4-year-olds are entitled to a **free and appropriate public education**, typically provided through a classroom-based preschool program.

In many states, children with IEPs would typically be enrolled in the state pre-kindergarten program. Because there is no public pre-k in Wyoming, CDCs are responsible to ensure children receive the required educational component by:



Operating Classrooms OR



Purchasing a Slot in a Community-Based Program OR



Partnering with Other Publicly Funded Preschool and Head Start Programs



# Free and Appropriate Education

During our cost analysis, we found the payment rates and already existing stipend offered by the **Wyoming Child Care Subsidy program** adequately cover the cost of an inclusive preschool classroom.

Half Day, School Year  
Inclusive Preschool Program = Current Part-Day Subsidy Rate + \$250 Monthly Special Needs Stipend

Full Day, Full Year  
Inclusive Preschool Program = Current Part-Day Subsidy Rate \* 2 + \$250 Monthly Special Needs Stipend

## ***Our Recommendation:***

FAPE is funded as a per-child amount using the above formula *only for children whom the CDC either provides or purchases a slot.*

CDCs receive a \$250 per month special needs per-child stipend *regardless* of the environment FAPE is provided in.

**These recommendations are aligned with the current cost of preschool AND the current child care funding system.**



# Administration

Like school districts, CDCs have administrative costs. The proposed formula echoes the School Funding Model's approach to administrative costs.

	CDCs	Districts
<b>Staffing</b>	<p>CDCs need key administrative staff responsible for:</p> <ul style="list-style-type: none"><li>• Ensuring Compliance with IDEA Part B and C</li><li>• Record Keeping</li><li>• Fiscal Controls</li><li>• Administrative Leadership</li></ul>	<p>For districts with less than 500 children, the School Funding Model allocates funding to support the following:</p> <ul style="list-style-type: none"><li>• Superintendent</li><li>• Assistant Superintendent</li><li>• Business Manager</li><li>• 3 Administrative Staff</li></ul>
<b>Non-personnel</b>	<p>There are also costs related to buildings, transportation, supplies, etc.</p>	<p>Districts receive \$451 per child funding for non-personnel administrative costs.</p>



## Administration (Staffing)

### *Our Recommendation:*

A funding formula that includes an administrative staffing structure like small school districts in the current school funding formula and the same per-child funding for non-personnel administrative costs.

### Recommendations

Small CDC  
(Under 200 children)

Director (asst. superintendent salary equivalent)  
Business Manager  
2 Administrative Staff  
Per-child administrative cost (currently \$451)

Large CDC  
(Over 200 children)

Director (superintendent salary equivalent)  
Business Manager  
3 Administrative Staff  
Per-child administrative cost (currently \$451)

**These recommendations align with and draw on the funding formula for school districts.**



# Therapeutic Services

CELFE used the BHD Personnel Survey, data on Part B services, and our therapist and teacher listening sessions to understand cost drivers and inform our recommendation:

**We calculated an average cost per child for each type of therapy based on:**



Prevalence of Services



Competitive market-driven  
Therapist Salaries



Desired Caseloads



Best practices for children

**These recommendations are based on ideal caseloads and median salaries of therapists in all industries in Wyoming.**



# Elements of the Formula are Tied to Existing Wyoming Systems/Data

Formula Element	Source
Administrator Salaries	<a href="#">Wyoming Education Resource Block Grant Funding Model</a>
Special Education Teacher	<a href="#">2023 LSO report: Monitoring the Cost-Basis of the K-12 Wyoming Funding Model</a>
Therapist and Preschool Teacher Salaries	<a href="#">Bureau of Labor Statistics</a> , Statewide Occupation Medians
Staff Benefits (Excluding health insurance)	<a href="#">Wyoming Education Resource Block Grant Funding Model</a>
Health Insurance	Estimate based on actual expenses
Child Find Screening Cost	BHD data
Therapist Caseload	2023 BHD Personnel Survey
Prevalence of Services	BHD Part B Services data
FAPE Cost	<a href="#">Wyoming Child Care Subsidy Program Part-Day Cost and Special Needs Stipend</a>

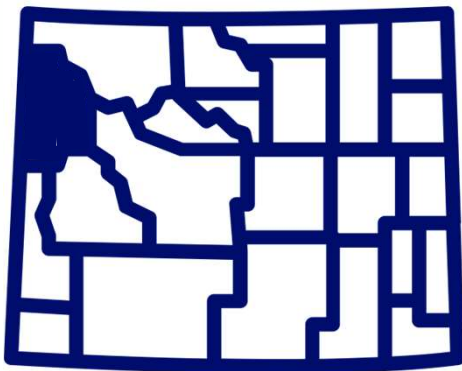
# Regional Cost Adjustment

During our stakeholder engagement, we learned that Region 4 faces significant challenges due to the high cost of living in the area, which significantly drives the cost of labor.

Wyoming's K-12 funding formula uses a regional cost adjustment to increase funding for higher cost-of-living areas.

## *Our formula*

Includes a regional cost adjustment based on the school funding formula. The formula allows users to toggle the regional cost adjustment on and off.



**Most regions:**

0-6% increase

**Region 4 (Teton):**

43% increase

## 4 Part Formula

---

The formula is driven by the cost of:

1. Where we are
2. Where we need to be for a sustainable system

Reflected as actual CDC data in the formula:



### Child Find

Cost and responsibilities for child find



### Free and Appropriate Education

Cost of the education component for Part B children

Reflected as best practice in the formula:



### Administration

Cost of non-therapeutic and teaching staff  
Costs for building, supplies, etc.



### Therapeutic and “Push In” Services

Cost of special ed teachers  
Cost of SLPs, OTs, PTs, etc.

# Proration of the formula

The **therapeutic services** and **administration** costs in the formula:



Reflect the wages CDCs need to pay based on competitive market wages to recruit and retain employees



Supports CDCs to provide high-quality, inclusive early childhood experiences through caseloads that are similar to special education in elementary grades

The resulting cost is substantially higher than the current contracts with CDCs.

Therefore, we developed a proration function in the formula for the state to make adjustments in alignment with available resources.

## ***Our Recommendation:***

The funding formula include a proration variable—applied only to the administrative and therapeutic services components of the formula—to allow for incremental increases towards fully funding a high-quality system.

# Medicaid Billing Considerations

Some -- but not all -- CDCs bill Medicaid for therapeutic services such as speech therapy.



## *Our recommendation*

If the formula is prorated, CDCs should be allowed to continue to bill Medicaid for therapeutic services.

However, once the formula is fully funded, the amount of billing for Medicaid services should be factored into CDCs annual allocation.

# The final result is a dynamic tool

The Work Group hopes the Legislature will be supportive of its overall approach to funding early childhood special education.

If it supports the overall approach, it will then have to wrestle with the details of implementation.

The Work Group is prepared to support the Legislature in that process.

The Work Group recognizes that there is no single magical *right* formula, so it offers these recommendations as representing its best thinking and hopes that this will provide a useful starting point for legislative discussion.

Salary Inputs		Ideal						
	Salary	Benefits	Caseload	Children That Need Service	FTE Per Child	Cost Per Child	Actual Cost Per Child	
Special Ed Teachers	60149	\$19,066	15	100%	0.067	\$5,281	\$5,281	
Family Engagement Coordinator	60149	\$19,066	15	100%	0.067	\$5,281	\$5,281	
Speech Therapists	80920	\$21,851	40	71%	0.025	\$2,569	\$1,624	
Speech Therapists Assistants	58940	\$18,904	50	71%	0.020	\$1,557	\$1,105	
Ots	83740	\$22,230	30	21%	0.033	\$3,532	\$742	
OT Assistants	54790	\$18,347	50	21%	0.020	\$1,463	\$307	
PTs	88290	\$22,840	25	6%	0.040	\$4,445	\$267	
PT Assistants	58940	\$18,904	50	6%	0.020	\$1,557	\$93	
Counselors	63490	\$19,514	25	2%	0.040	\$3,320	\$66	
Intepreter	54210	\$18,270	0	0%	0.000	\$0	\$0	
Per Child Funding								
Part B	\$9,686							
Part C	\$9,686							







FAPE Funding			
	Child Care Subsidy	Payment Days	
3 Year Old Half Day Rate	\$20.51	175	
ESY Full Day Rate	\$41.02	220	
Monthly Amount		Months	
Regular Special Needs Stipend	\$250	10	
ESY Special Needs Stipend	\$250	12	

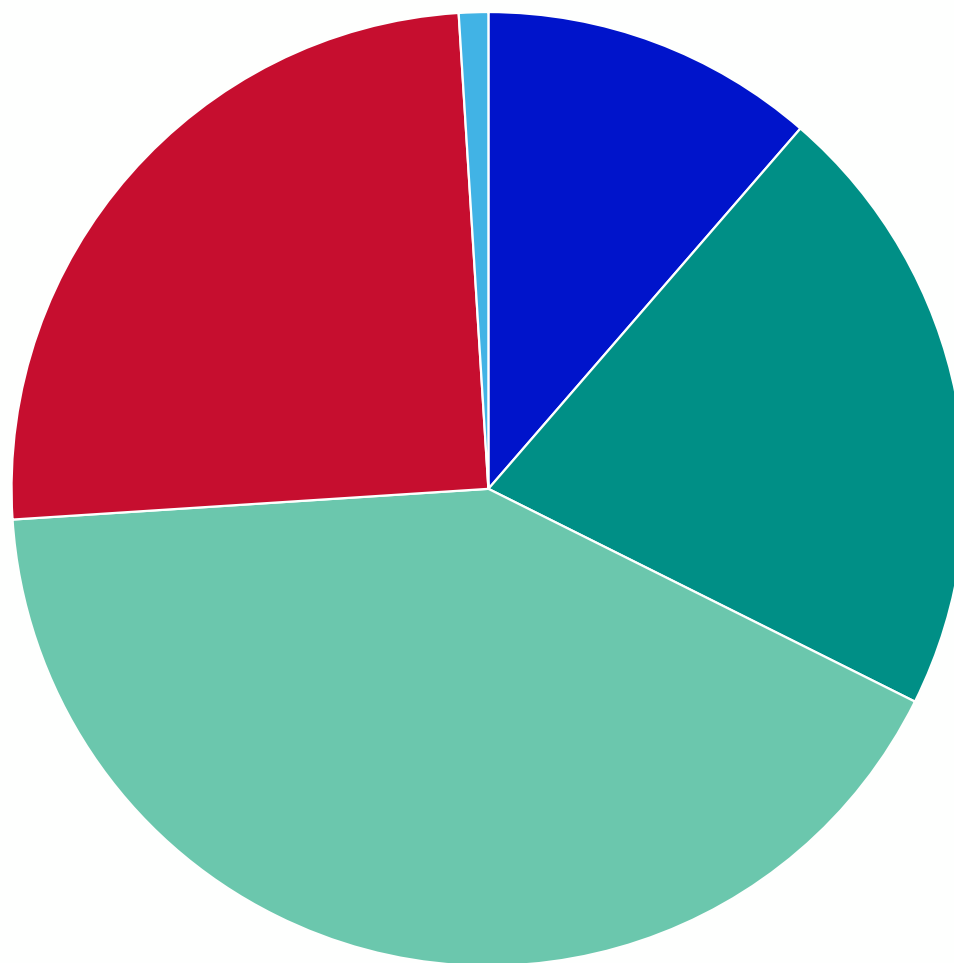
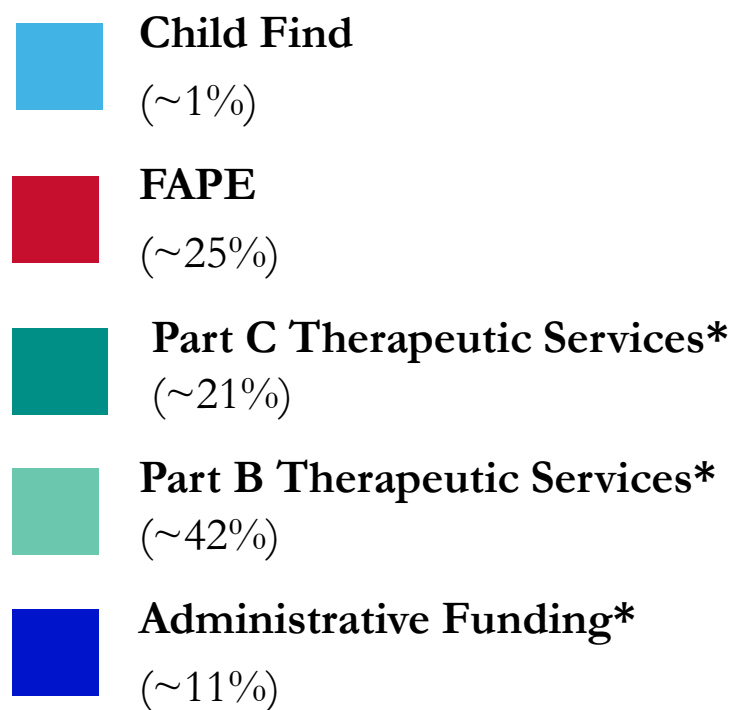
Admin Inputs				
	Small CDC		Large CDC	
Director	1	\$81,093	1	\$101,365
Business Manager	1	\$64,557	1	\$64,557
Clerical Staff	2	\$33,456	3	\$33,456
Total Staff				
Amount				
Social Security	6.20%			
Medicare	1.45%			
Worker's Compensation	0.70%			
Unemployment Insurance	0.06%			
Retirement (Employer Share)	5.00%			
Health Premiums	\$11,000			
Non-Personnel Funding	\$452	per child		



# Formula Principles

Old Approach	New Approach	Guiding Principle
✗	✓	 Uses an accurate child count
✗	✓	 Allows CDCs to predict how much they will receive from the formula
✗	✓	 Accommodates the complexities of the differing availability and usage of other funding streams (e.g., Head Start, TANF) for the preschool intervention (Part B)
✗	✓	 Driven by the cost of providing services
✗	✓	 Simple to update and consistent with other funding streams
✗	✓	 Equitable and reflects the high-quality, inclusive early childhood experiences all children deserve and places families at the center of the work.

## Additional cost is largely driven by therapeutic services and FAPE.



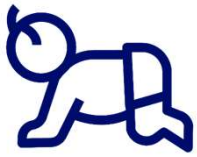
**\*\*Proration recommended**

# Total Cost

*The average per-child spending in Wyoming school districts is \$18,542.*

## Current Approach

Approx. \$41 million



\$11,297

per Part C child



\$12,152

per Part B child

## New Formula

Approx. \$53 million



\$11,500

per Part C child



\$17,300

per Part B child

*A proration of 70% would bring the total system closer to current spending of \$41 million.*

## New Child Count Approach

Approx. 77  
Additional children

Approx. \$1.5 mil  
Additional funding

# Implementation Considerations



## System Design

How can shared services increase efficiency in spending?



## Child Find

Child Find Money currently flows to school districts when CDCs are also tasked with Child Find



## Cost of Quality

Deeper cost model to understand the true cost of preschool and child care with adequate wages and ratios



# Thank you!

---

Elliot Regenstein, [elliott.regenstein@flpadvisors.com](mailto:elliott.regenstein@flpadvisors.com)

Theresa Hawley, [thawley@niu.edu](mailto:thawley@niu.edu)

Sessy Nyman, [nnyman@niu.edu](mailto:nnyman@niu.edu)

[celfe.org](http://celfe.org)