



Together We Achieve...

Regional Level IV Program Proposal

Draft Revised on March 17, 2017

Brief Rationale: Level IV

Lakes Country Service Cooperative (LCSC) serves 34 member school districts across nine counties. Throughout the years of serving member school districts, LCSC has responded to the needs of members in order to provide high quality and needed programs to schools. As a result of listening to members, it has become apparent that school districts, both large and small, are requesting that LCSC provide special education services to students in programs that are designed to serve the most complex, low incidence students in the region. The regional special education directors have been meeting since May of 2016 to discuss the logistics of programming that would serve complex learners with high quality programming. Based on limited need by each individual district, state funding restrictions to districts, favorable cost recovery rules for service cooperatives, and ability to hire qualified staff, special education directors determined that LCSC was the best option to pool their financial resources to provide Level IV programming in the most efficient way possible.

Why Level IV

As we know, all children are entitled to an education that enables them to make progress. For some students with disabilities, their needs are challenging and complex, requiring programs that need to be highly individualized. Yet, even in the largest schools, the number of students who need the most highly individualized programs is very low. Thus, regional programs offered by LCSC would offer specialized and shared programming in locations that would enable different local schools to access the type of programming that would meet these challenging needs. Not only would student needs be met in this type of specialized program, but LCSC would be able to provide cost-effective and specialized services to member districts. Instead of a member district providing a program for one student, LCSC would be able to provide the specialized program for a collective group of students from member districts, with members sharing that cost. LCSC would be able to collectively support students' needs rather than a district trying to create services and supports in isolation.

Student Need

The programs will serve students with low incidence disabilities who need individualized environments, academic and/or functional skill development, and behavioral support. Students in these programs will need a very high staff to student ratio because of significant behavioral needs or because of the intensity of the interventions required for the student to make progress. Within the region served by LCSC, 5,890 students are identified as being eligible for special education. Of these students, 564 are identified as Autism Spectrum Disorder (9.6%), 66 are identified as Severe-Profound Developmental Cognitive Disabilities (1.12%), 53 are identified as Severely Multiply Impaired (0.9%), 25 are identified as Traumatic Brain Injury (.42%), and 571 are identified as Emotional Behavior Disorder (14.02%). Across the region, most of these students' (1,279 students) needs are being met in their respective schools. However, at various times, there are a small number of students in a district requiring a highly specialized and intensive program that can best be met in a collective, collaborative program shared across districts in order to share resources. Based on estimates from regional special education directors, there would be approximately 84 students (0.8% of the total number of students with disabilities) for whom this programming is needed. However, initially, three proposed classrooms would serve up to 24 students, with projections to add classrooms based on director and superintendent review of data and recommendations.

Programs

Initially, discussion amongst the special education directors was centered on establishing one regional classroom and gradually adding programs. However, given the distance between schools, one classroom would mean that some students would be transported more than an hour twice a day. In addition, from estimates of need, it was identified that the region would be able to support three programs immediately -- one in the northern region, one in the southern region, and one in the central region. The students in these special education programs will have been diagnosed with a variety of neurobiological disabilities or severe emotional or behavioral disabilities that require a highly customized environment as well as a low student/staff ratio. Each of the programs will focus on developing pro-social behaviors, problem solving skills and independent academic/social skills. Initially, the programs will be focused on elementary and middle school age students.

Benefit to Members

Every school district has a commitment to their students, wanting them to make progress and develop the skills needed to transition to adult life. The intent of this proposed LCSC program is to provide customized special education services so that the most challenging students will have appropriate programming in an environment tailored to their unique needs. Currently, each district is doing this on their own and programming for the very few students needing such a high level of intensive programming. The cost to provide this level of service to one or two students is extremely high and can cost anywhere between \$65,000 to \$100,000 per year if doing these services by a single district. In addition, even though students may be getting this highly individualized set of services in their school, the students often have little opportunity to interact with peers due to the safety concerns for the student or others. There are multiple benefits of doing regional programming through LCSC for the specialized programs needed for approximately 0.8% of students with disabilities in the region. First, students get the opportunity to participate with peers. Second, students get programming in an environment tailored for their neurobiological needs or emotional social needs. Third, by working together across member schools, costs are shared and more cost-effective. Fourth, the state special education funding structure and formula now will enable cooperative programs to be reimbursed at a rate that will benefit member schools, whereas local schools will not be able to recoup the costs of new programs started after 2016. The needs for highly intensive programs for students with low incidence disabilities is growing, along with costs. The need for cost-sharing and regional programs is beneficial for member districts and students.

Financial Information

Program Cost Recovery:

Paul Ferrin is the Special Education Funding and Data Supervisor at the Minnesota Department of Education. He has attended meetings at LCSC to help directors and superintendents better understand the funding mechanisms around special education. Since meeting with Mr. Ferrin, we have had additional conversations with him to better understand the reasons for Level IV programming to be at the cooperative. In our last correspondence, he offered this explanation. *“Setting up a co-op has several benefits. First, the problem with districts running a program is that when other districts get their students to open enroll into a district currently running a level III or IV program, they only get to Tuition Bill 90% of their unreimbursed cost (there has been talk in the legislature the last couple of years to decrease this to 80% or even 70%). This means the district running the program is having to cover a larger amount of the program. It also can be difficult for districts to replace staff in some of these programs due to location. Lastly, most districts are subject to the growth limit and will be for the next 3 to 5 years, so they have to be very careful about adding additional program costs or staffing needs. So if a district has a level IV program that is expanding due to more students enrolling from other districts, and they are forced to add staff, they might not get any additional funding if they are already over the growth limit. A co-op, on the other hand, will always get their current year costs covered.”*

Space Cost Recovery:

LCSC does not currently have space to house a Level IV program, which means we would have to lease space. Space lease does not fall under a “Program Cost”, which means it is not reimbursable by state or federal special education dollars. After consulting with a number of other cooperative entities that offer similar programming, we found that all of them assess participating districts a lease fee that can be covered through a local lease levy if the district so chooses. A small advisory committee of superintendents was assembled to advise LCSC on a lease charge model that is reasonable and fair to all districts, both big and small. To recover approximately \$179,000 in projected lease costs, the committee settled on a 50/50 (50% annual lease assessed and 50% on usage) tiered fee structure that; 1) proportionately assesses fees annually to schools based on size, and 2) combines an annual lease fee with an additional lease fee based on usage. The following cost breakdown was calculated with the assumption that 26 of 34 districts will participate. It also assumes the initial sites will be running at full capacity of 24 students for the entire year.

<u>Cost Breakdown if 26 of 34 School Districts Participate</u>				
	50% Annual Levy Fee	50% Added Levy Per Student		Totals
4 Largest Schools	\$4,394		4 districts @ \$4,394	\$17,576
Next 11 Biggest Schools	\$3,644		11 districts @ \$3,644	\$40,084
11 Smallest Districts	\$2,894		11 districts @ \$2,894	\$31,834
		\$3,730 per student	24 students @ \$3,730	\$89,520
			Total Lease Amount	\$179,014

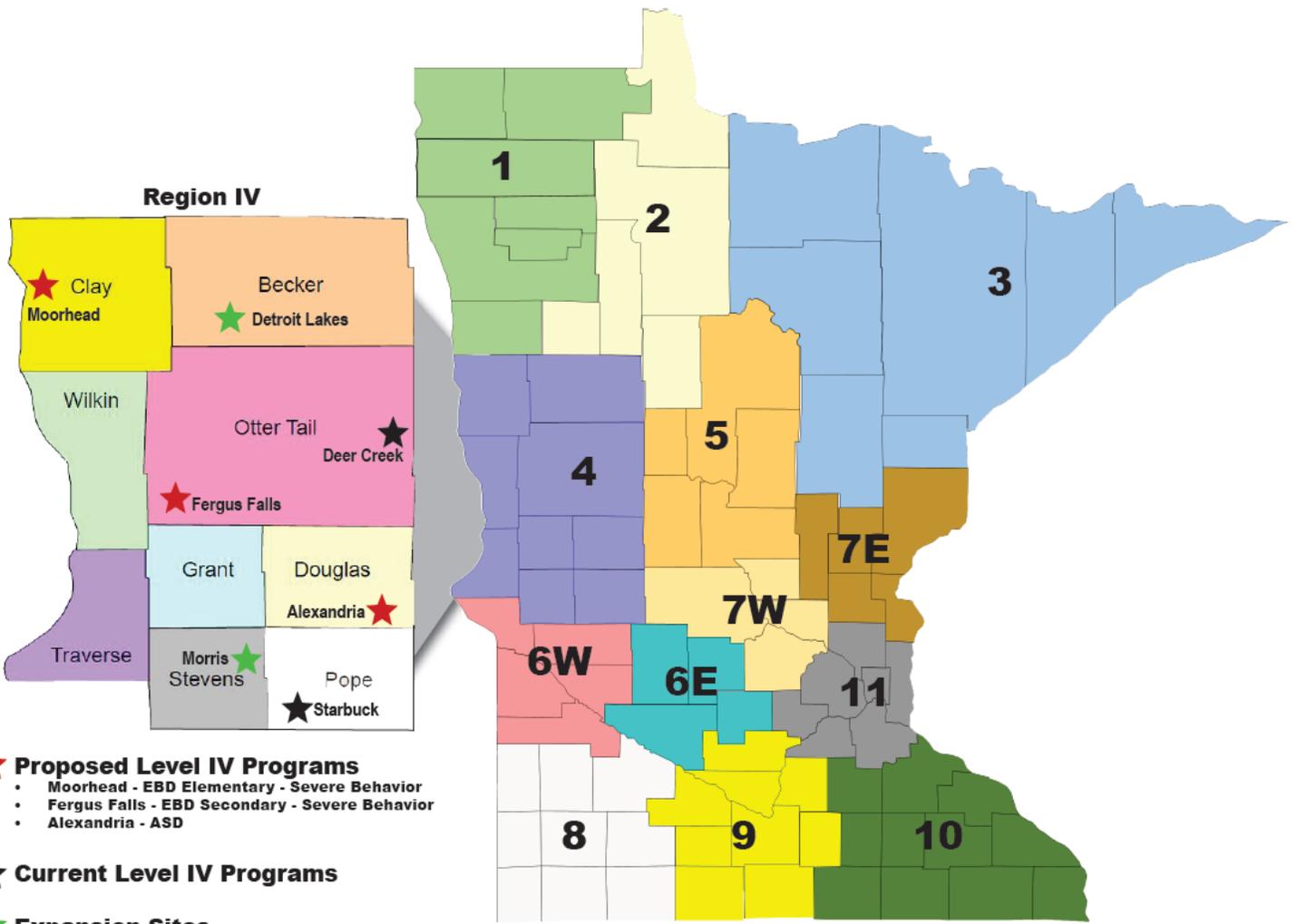
Student Data

The special education directors helped us identify need based on data. In November of 2016, they identified students that would qualify for Level IV services, which informed our vision to initiate programming in Moorhead, Fergus Falls and Alexandria with the potential to expand to Detroit Lakes and Morris in the near future. As a side note, we also determined initial locations and expansion sites by considering the increased likelihood of hiring hard-to-find licensed staff in a high demand program along with the efficiency of sharing staff on the I94 corridor. The following chart indicates the number of students that currently fit the profile of a student that may benefit from Level IV programming. Please remember that these numbers constantly change, which means this data may look very different six months from now. In addition, the chart does not mean that students represented by these numbers would automatically be referred to a regional Level IV program since they are currently being served in a variety of different types of programs (such as, tuitioned to another district, homebound, modified/intensive Level III, reduced/modified school day). The numbers only represent a picture of students within the region at the point of time. Also, please note that the first column represents all districts in the region. The data is organized by the special education entities (single districts, such as Moorhead, DGF or co-ops, such as Lake Agassiz, Fergus Falls).

	Low Cognitive / severe behaviors -- Elem	Low Cognitive / severe behaviors -- Sec	ASD / Severe Behaviors -- Elem	ASD / Severe Behaviors -- Sec	EBD / Severe Behaviors -- Elem	EBD / Severe Behaviors -- Sec	
Moorhead	4	3	4	2	8	4	
DGF					1	1	
LA				1		5	
DL		2		2	2	4	
Frazee					2	2	
FF		1				3	
MW	2		2	5	3	3	
Alex			4		5	7	
RAED			1				
TOTALS	6	6	11	11	21	29	84
classrooms			2	2	3	4	
			Alex		MHD	FF	

Initial Proposed Sites and Expansion Sites

The following map on the following page indicates where current Level IV programs already exist in our region (black stars), where we propose to initiate three sites (red stars) and potential expansion sites in the future (green stars). The two current sites are operating at capacity nearly all the time, resulting in referrals often being put on a waiting list for consideration. In addition, Deer Creek in the eastern part of Region IV is a Freshwater program, serving primarily Freshwater special education members.



- ★ **Proposed Level IV Programs**
- Moorhead - EBD Elementary - Severe Behavior
 - Fergus Falls - EBD Secondary - Severe Behavior
 - Alexandria - ASD

★ **Current Level IV Programs**

- ★ **Expansion Sites**
- Detroit Lakes
 - Morris