June 8, 2026

Mr. Michael Smingler
Chief Budget Examiner
New York State Division of the Budget
State Capitol, Room 140
Albany, New York 12224

Dear Mr. Smingler:

On behalf of New York State Special Education advocates listed below, we urge you to support the State Education Department's (SED) proposed 2026-27 school year tuition rate setting methodology recommendations for preschool and school-age special education providers in their entirety.

New York State's 4410, 853, and Special Act schools serve students with the most complex disabilities—students whose needs cannot be met by their local school districts or BOCES. These programs are essential to ensuring New York State meets its federal obligation under the Individuals with Disabilities Education Act (IDEA) to provide a Free Appropriate Public Education (FAPE). Just as importantly, they are a cost-effective component of the State's education system: without them, school districts would face significantly higher costs to serve these students through more intensive or out-of-state placements.

We appreciate the Administration's ongoing commitment to affordability for New Yorkers. Ensuring the stability of special education providers is directly aligned with that goal. When programs are underfunded and unable to operate at full capacity, students go unserved, families face disruption, and school districts incur higher costs to secure alternative placements. These pressures ultimately drive-up costs for the State and taxpayers.

SED's 2026–27 recommendations represent modest, targeted adjustments that will stabilize the system, prevent cost escalation, and protect access to services for students and families.

We strongly urge you to support these proposals in full, particularly the following components:

2.7% Trend Factor
We support the recommendation for a 2.7% trend factor, which is based on the Consumer Price Index (CPI) as defined in section 3602 of Education Law. While 2.7% will allow our special education schools to keep up with last year's inflation, it will not allow us to provide significant salary increases that are needed to address the severe workforce crisis – for teachers, therapists, aides, etc. – or to begin to narrow the gap between the salaries and benefits for public school staff and our staff who provide FAPE for the most complex students. Therefore, a 2.7% trend is the minimum necessary and we would appreciate your support of SED's recommendation.

Enrollment Adjustment Factor (5%)
We support SED's recommendation for a 5% Enrollment Adjustment Factor and updating the three-year averaging period to reflect current, post-pandemic conditions. Enrollment fluctuations are largely driven by staffing shortages—not reduced need—and create financial instability for providers with fixed costs. Lowering the threshold from 7.5% to 5% ensures that more programs can remain viable during periods of volatility. This is a cost-containment strategy: maintaining existing programs is far more affordable than replacing lost capacity or funding higher-cost alternatives when programs close.

Multidisciplinary Evaluation (MDE) Rates (4% Increase)
Apart from two years ago, multidisciplinary evaluation (MDE) programs have not received a trend factor increase in more than a decade. We support SED's recommendation of a 4% MDE trend factor. Although we would argue that MDEs are 4410 programs, and not Early Intervention programs, and should be treated the same as all other 4410 programs, that has not been the case the case and DOB continues to view them as Early Intervention programs for rate setting. However, MDE's must minimally receive the same increases that Early Intervention in-person services receive. Therefore, since the Department of Health has applied a 4% rate increase for Early Intervention services in underserved and rural communities, effective 4/1/2025, we urge the support of a 4% increase for all MDEs. We wholeheartedly agree with SED that the 4% must be applied to all counties based on challenges with timely evaluations outlined in a New York State Comptroller report where school districts from all regions reported a provider shortage. This investment is critical to stem the loss of MDE providers, the decline in timely evaluation rates, and the increasing numbers of children waiting for a preschool evaluation. Strengthening evaluation capacity improves system efficiency, reduces backlogs, and ensures children receive services earlier—when interventions are most effective and least costly.

First- and Second-Year Rates for New SCIS Programs
We support basing first- and second-year rates for new SCIS programs on regional averages. This approach provides predictability, reduces administrative burden, and enables providers to establish programs efficiently and sustainably. The current methodology can result in chronic underfunding when startup costs are underestimated, leading to instability and, ultimately, higher costs if programs fail or require corrective funding. A regional-rate approach, combined with existing reconciliation mechanisms, ensures fiscal accountability while supporting long-term affordability through stable program development. Additionally, expanding access to SCIS programs supports preschool inclusion—an approach that is both educationally beneficial and cost-effective compared to more restrictive, higher-cost settings.

SED's recommendations are practical, affordability-driven measures that stabilize existing programs, prevent service disruptions, and avoid higher long-term costs. These targeted investments protect families, support school districts, and promote a more efficient and sustainable special education system.

On behalf of the New York State Special Education advocates, we urge you to support the State Education Department's (SED) proposed 2026-27 school year tuition rate setting methodology recommendations for preschool and school-age special education providers in their entirety.

Please let us know if you have any questions.

Thank you in advance for your consideration,

Advocates for Children of New York – *Maria Odom, Executive Director*
Agencies for Children's Therapy Services – *Dr. Michael L. Grossfeld, President*
Cerebral Palsy Associations of NYS (CP State) – *Mike Alvaro, President & CEO*
Inter Agency Council of Developmental Disabilities Agencies, Inc. – *Winifred Schiff, CEO*
NYS Alliance for Children with Special Needs – *Pamela Madeiros*
NYS Coalition in Support of Birth to Five Special Education – *Kelly Young, Chair*
NYS Coalition of 853 Schools – *Kathleen Brady-Stepien, President and CEO, COFCCA*
The Arc New York – *Erik Geizer, CEO*
The Children's Agenda – *Brigit Hurley, Chief Program Officer*

cc: Blake Washington
Elizabeth Bird
Christina Coughlin
Hon. Shelley Mayer
Hon. Michael Benedetto