



## **Early Intervention and Early Childhood Special Education (EI/ECSE) Funding Recommendations for 2025-27 Biennium.**

Currently the biennial general fund request from the Oregon Department of Education (ODE) to the Oregon State Legislature for EI/ECSE Programs is based on three major factors:

1. Caseload projections based on the current year's rolling average number of eligible children receiving services, with the addition of a percentage of growth which is typically based on "historical growth" of about 3 years. The average growth rate three years prior to Covid 19 was 4.3%. The growth rate for the two years after covid was significantly higher. When projecting this coming biennium's growth, 4.5% was used, which assumes some growth but not to the level experienced post Covid 19.
2. Service costs based on the four identified adequate service levels (ASL) and the current percentage of children served in each of the four categories: EI, ECSE low needs, ECSE moderate needs and ECSE high needs. Service costs are calculated using the state averages for current salaries and benefits and the other expenses (administration costs, materials, supplies, rents, etc.) are calculated by adding the actual expenses reported by all 9 regions divided by the total number of children in services.
3. The state allowed inflation rate calculation is added to the projected costs.

The funding model that is currently used was developed in 2009 and last updated in 2011 so all aspects of the model need to be studied and updated to reflect current practice and context. This paper is Phase 1 and identifies and makes recommendations for immediate changes in the calculations and projections of caseloads for the EI/ECSE programs and changes in how costs are calculated for the current adequate service level (ASL). Phase 2 will focus on an analysis of the current ASL and make recommendations for changes that reflect up-to-date research and best practices for services that better support adequate progress for eligible children.

State general funds provide over 80% of the EI/ECSE program's funding, while Federal IDEA funds provide about 19% of the funding and Medicaid fees for service provide under 1% of the funding. These percentages vary only slightly from year to year. The general funds for EI/ECSE programs are allocated as a line item in the Oregon Department of Education's Grant-in-Aid budget.

Currently caseload growth is based on a 12-month rolling average of eligible children served in EI/ECSE for the most current service year with an added percentage for year-to-year growth based on the historical average percentage of growth.

This methodology seems reasonable at first, but when the unique factors involved in all aspects of serving EI/ECSE children are considered and analyzed, other methods of calculating caseloads and growth more accurately reflect the resources required to identify and adequately serve EI/ECSE eligible children. This paper outlines a proposal for an alternative method which more accurately considers caseloads and staffing that are unique to EI/ECSE program realities.

Currently, the rolling averages of eligible children are calculated every year based on the monthly count of eligible children receiving services starting from May 1<sup>st</sup> and going through April 1<sup>st</sup>. The horizontal line in the graph below represents the rolling average over that period, while the bars represent each month's caseload numbers. The graph shows that consistently for 7-8 months the number of eligible children being served statewide are at or above the rolling average of eligible children and for only 4-5 months does the number fall below the average.

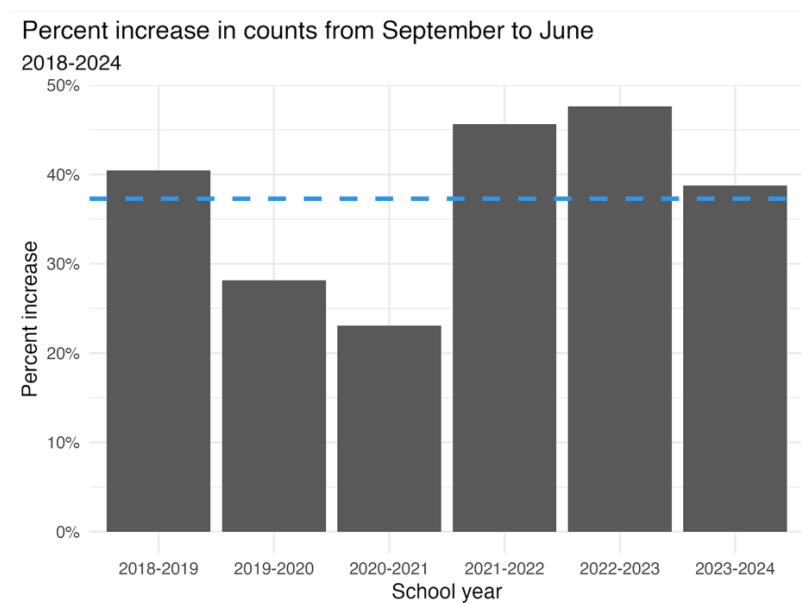


The ODE bases their funding request on the calculated average number of children being served. However, by funding at the average, we are ignoring the reality that a program needs to be staffed to provide adequate service levels at the *higher* caseload numbers ALL year. This is true in part because a program cannot hire staff as needed and then lay them off when caseload numbers are low. And as importantly, the higher staffing level is needed all year because there is a high volume of other work activities related to finding, enrolling and transitioning children in and out of programs throughout the year which are not reflected in the rolling average caseload numbers of eligible children being served. These activities and the consistently high

volume of other work activities are uniquely part of EI/ECSE programs due to legal requirements. And none of these other activities are paid for from additional funding sources with only one exception which are the eligibility evaluations. All of the other staff and material expenses must come out of EI/ECSE funding. These unique aspects of the EI/ECSE program are elaborated on below.

The first factor that is unique to EI/ECSE programs is that by law each program must transition all children who are 5 years old on or before September 1<sup>st</sup> of that year to kindergarten, which is about one third of all eligible children. EI/ECSE programs are also required by law to identify and serve all eligible children within a specific timeline throughout the entire year, regardless of the date or time of year they are referred. The result is that EI/ECSE programs’ caseloads increase by an average of 40% throughout the year. This huge growth “within” each service year is visually represented in the graph below.

The blue broken line represents the average percent growth of 40% from September to June each year. The 2019-2020 and 2020-2021 represent the years when Covid-19 shut down in-person work, which negatively impacted service provisions and child find efforts and are an anomaly from past, current, and future trends.

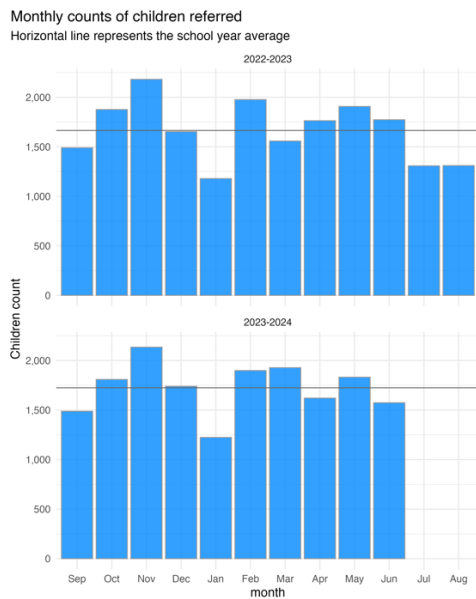


There is a tremendous amount of work and effort required for children to be reached, referred, screened, evaluated, receive an eligibility determination, and if found to be eligible, have a plan for services written (IFSP) and a placement made into services. The volume of these “other work activities” is unique to EI/ECSE programs and are identified and explained graphically below. The actual numbers of children are shown for each activity, and both the mean average for the year and the median number are calculated and reported. The median counts are included in addition to the mean average, because the median is representative of the middle of the

distribution when the distribution is skewed because there is considerable variance throughout the 12 month period of data points which is the case for some of the other activities. All of the identified “other activities” are routine and a required part of the work for each EI/ECSE Program. All activities except the evaluation are completed by EI/ECSE staff who are paid from the EI/ECSE Program Budget. These activities should therefore be reflected in the budget projections for EI/ECSE programs.

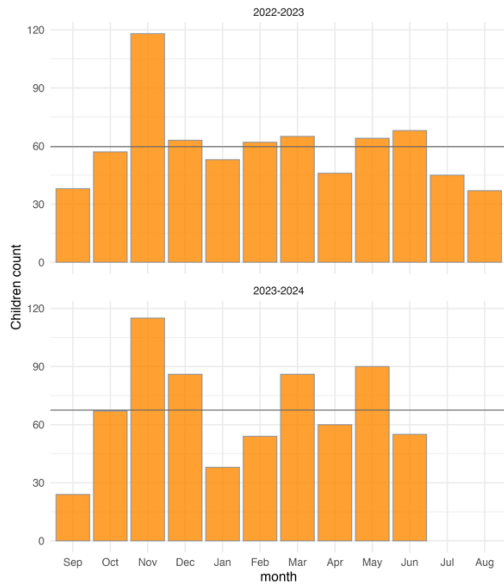
The following graphs show the number of children involved in each activity each month. These children are not reflected in the number of eligible children being served so they are not accounted for in the rolling average calculations and therefore not considered in EI/ECSE funding projections and requests.

The first graph below shows the number of Referrals made to EI/ECSE Programs each month. The averages for 2022-23 and 2023-24 were 1,664 and 1,725, respectively, while the medians were 1,708 and 1,775, respectively.



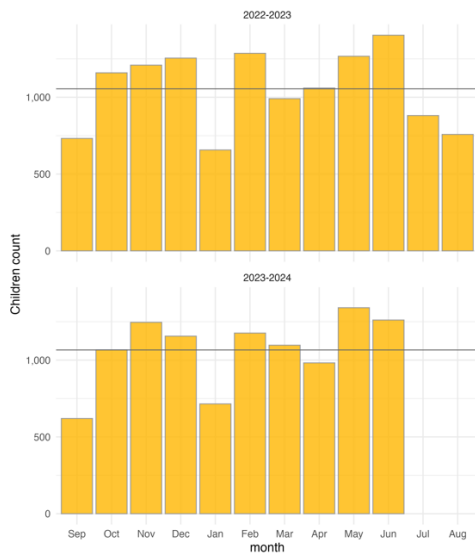
The graph below shows the number of children who were screened and did not move on to an evaluation each month. On average, approximately 60 children were screened out per month in 2022-23 (median = 60), while 68 were screened out in 2023-24 (median = 64).

Monthly counts of children screened out  
Horizontal line represents the school year average



The graph below shows the number of children evaluated each month and had an eligibility determination, which finds the child either eligible or not eligible. EI/ECSE staff are responsible for the eligibility determination. Approximately 1,055 children were evaluated each month in 2022-23 (median = 1110), while 1,066 children were evaluated in 2023-24 (median = 1,127).

Monthly counts of children evaluated  
Horizontal line represents the school year average



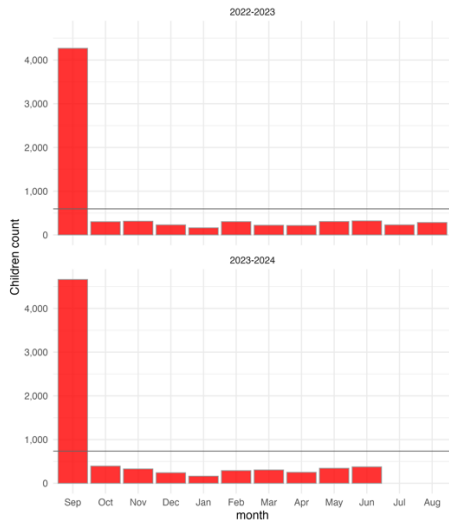
The graph below shows the number of children who were evaluated and qualified and therefore required an IFSP be written and placement determined. On average, this included approximately 848 children per month in 2022-23 (median = 912) and 843 children 2023-24 (median = 907). (Note that the median is more representative of the typical workload in this case given the outlier month of January.)

Monthly counts of children evaluated who qualify  
Horizontal line represents the school year average



Finally, the graph below shows the number of children who exited services each month. September is an “outlier” all of the ECSE children who are age eligible for kindergarten exit services that month. This is typically about a third of the population in ECSE. The median count of students exited was 292 children per month in 2022-23 and 317 children per month in 2023-24. (Note that the median is more representative of the typical workload in this case given the outlier month of September.)

Monthly counts of children exited  
Horizontal line represents the school year average



Below are recommendations based on the Phase 1 data presented and analyzed as well as the findings and recommendations from Governor Kotek's K-12 Funding Group that are also applicable to EI/ECSE programs as they are operated through ESDs or local school districts.

In addition to the Phase 1 recommendations which are based on an analysis of caseloads and growth and the other required activities, there is a pressing issue related to the current adequate service levels that needs to be addressed in the funding calculations for this biennium and is included in Recommendation #5 below.

Over the past several years best practice for high quality preschools has been for them to have children for 30 hours a week (6 hours a day, 5 days a week). In Oregon, this is true for Preschool Promise classrooms, most Head Start classrooms and the majority of private community preschools. The adequate service levels for low, moderate and high models for children receiving ECSE services include preschool time at the minimum of 12-15 hours a week. The large discrepancy in hours has created barriers to successfully including children with a disability and/or delays with typical peers in these classrooms and more children excluded from these settings because EI/ECSE programs are unable to adequately support many eligible children in preschool settings for the standard hours of operation.

**Recommendation #1:**

Use the June, July or August number of eligible children rather than the rolling average.

A program cannot lay off educators in the fall when caseloads are lowest and then hire more staff as needed throughout the year. It would be impossible to maintain a workforce and especially a qualified one. By using the rolling average for caseload projections, it is assumed a program could do this and always have the right size workforce to serve the number of eligible children that month. In addition, the current rolling caseload averages only reflect eligible children in services and do not reflect the constant volume of required "other work activities" unique to EI/ECSE programs and which need qualified staff to complete.

**Recommendation #2:**

EI/ECSE program caseload numbers increase by 40% from September through June each year and the necessary workforce to perform the required activities within the mandated federal and state timelines are not reflected in the caseload numbers, but they are paid for out of the EI/ECSE program budgets. We therefore recommend adding the median number of children receiving these activities be added to the caseload projections.

The other required activities include: child find/referral; initial screening, eligibility determination, IFSP development, and placement determination. Evaluations are not included in this discussion of the other activities paid for with EI/ECSE funding because they are the responsibility of local school districts so they either completed by the school district or the district pays the EI/ECSE program to complete them.

**Recommendation #3:**

Implement the relevant recommendations from the Governor’s K-12 funding group because they apply to EI/ECSE programs that are run through ESDs or school districts, including but not limited to:

- Governor’s Office agrees that CSL should be structured in 49/51 split. This should also apply to EI/ECSE programs.
- Governor’s Office agrees that compensation costs should more accurately reflect the forecasting error rate into the model. Direction to ODE and CFO to update the model to reflect this error rate for the first time in SSF history.
- The state should use the Standard School Rate for all districts in the CSL calculations – currently 27.87% for general service and 25.03% for OPSRP.
- PERS rates have increased considerably which also applies to EI/ECSE programs and adjustments to the funding model the same as to the K-12 funding should be made to mitigate this.

**Recommendation #4:**

Ask the legislature to direct ODE to update the EI/ECSE funding formula and the adequate service levels that consider:

- The latest research on the most effective type and level of services for children with various disabilities and delays.
- The developmentally appropriate practices and dosages currently being applied in early learning settings.
- Adequate staffing levels for true caseload levels and for performing the other activities related to the unique features of an EI/ECSE program.
- Other considerations determined by ODE in consultation with families, providers and advocates related to service levels and settings and supports.

**Recommendation #5:**

- Increase the preschool time in the Adequate Service Level (ASL) calculation for ECSE moderate and ECSE severe categories to align with the current best practice of 30 hours a week for a portion of eligible children.

**Recommendation #6:**

Recommend a methodology to more accurately project caseloads and growth for the next two years of the upcoming biennium.

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***This paper was commissioned by The Alliance for Early Intervention (AEI) and prepared by Judy Newman with data analysis by Daniel Anderson PhD., Children’s Institute Consultants. Completed January, 2025***



