



# THE 4201 SCHOOLS ASSOCIATION

## TESTIMONY

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Presented to

Fiscal Committees of the New York State Legislature

Hearing On  
The FY 2012-2013 Executive Budget

Monday, January 23, 2012

Albany, New York

*New York's "4201 Schools" • <http://4201schoolsassociation.wordpress.com/>*

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Cleary School for the Deaf  
(Nesconset)

Henry Viscardi School  
(Albertson)

Lavelle School for the Blind  
(Bronx)

Lexington School for the Deaf  
(Queens)

Mill Neck Manor School for the  
Deaf  
(Mill Neck)

New York Institute for Special  
Education (Bronx)

New York School for the Deaf  
(White Plains)

Rochester School for the Deaf  
(Rochester)

St. Francis de Sales School for  
the Deaf  
(Brooklyn)

St. Joseph's School for the Deaf  
(Bronx)

St. Mary's School for the Deaf  
(Buffalo)

Chairman Farrell, Chairman DeFrancisco, Senator Flanagan, Assemblymember Nolan and distinguished members of the Legislature, I am Timothy Kelly, Chair of the *4201 Schools Association* and Superintendent at *St. Mary's School for the Deaf* in Buffalo. The "4201" schools are committed to meeting the needs of some of New York's most vulnerable children.

There are 11 privately operated and publicly supported schools, serving approximately 1500 blind, deaf, and severely disabled children. The schools are located in Erie, Monroe, Nassau, Suffolk and Westchester counties; and the City of New York. I appreciate the opportunity to speak with you regarding the challenges facing the 4201 schools as we transition from a direct appropriation to the "per pupil charge" (PPC) system enacted last year, and the impact of the 2012-2013 Executive budget proposal.

To begin, I would first like to thank the Senate and the Assembly for your remarkable support of our schools during last year's budget discussions. With you by our side we reinforced the message that for children with low-incidence disabilities (deafness, blindness or severe physical disability) -- special education services, and their core communications components are a fundamental educational right -- not an indulgence. The schools for the deaf, blind and severely disabled have been partners with the State for almost 200 years. This partnership is stronger than ever because of the support you showed our students. Thank you!

I would also like to express my appreciation of the New York State Education Department, especially Commissioner John B. King, Jr., Chief Operating Officer Valerie Grey and their staff. Our transition to an entirely new funding has brought new challenges of which I will speak about shortly, but without the assistance of NYSED our challenges would be much more difficult to overcome. We are grateful for the renewed partnership with NYSED.

As I have stated, implementation of a new funding system is not without challenges. The largest of which is the need for all stakeholders to be fully educated on the changes and new responsibilities affecting our schools.

**District of Residence** - Upon implementation we discovered that the statute states that the "district of residence at the time of admission" is responsible for the expense of the student attending a 4201 school. Yet, the district at the time of admission may not be the current district of residence, as many families move throughout a child's enrollment.

I will give an example of the impact this has on districts. We have a young man who was admitted to St. Mary's from the Newfane school district at the age of 7. He is

now fifteen years old and is doing well in our high school program. However, in 2007, he and his family moved out of the Newfane school district to the Royalton-Hartland school district. The Royalton-Hartland school district is now responsible for fulfilling all the educational requirements for this student; Newfane is no longer involved. However, when the new funding system was implemented, I had to bill Newfane, not Royalton-Hartland, because Newfane was the district of residence at the time this boy was first admitted to St. Mary's. As you can imagine, the Newfane school district was a little surprised to see a bill for this young man, a student whose family hasn't been a resident in several years. We have a similar example in the Lockport school district, which we now bill for 7 students (totaling \$575,000), 3 of whom no longer actually live in Lockport.

The confusion caused a delay in payment and started a cash-flow problem to that continues for our schools. We propose that the statute be amended to require the child's current district of residence be the responsible for the expense of a student attending a 4201 school.

**Timeliness of Payments** - As with everything, some school districts have understood their responsibility and have been timely and accurate in making payment. Other districts have not been as compliant or efficient. My school is in Buffalo; we submit invoices to over 40 different school districts. Cash-flow becomes a challenge when districts delay payments or simply don't pay. Ms. Grey, of the State Education Department, has been both responsive and action-oriented - sending several communications to the State's public school superintendents regarding their obligations. We hope that these communications will assist and expedite these payments.

**Cash Flow** - In the meantime, many of the 4201 schools are approaching the cap on their various independently secured lines of credit - and are incurring interest expense that we have never experienced. We are making difficult decisions each day. For example, the 4201 schools have annually paid our Employee Retirement Systems (ERS) bills in December to take advantage of the early payment incentive. With the current payment challenge, most of our schools have not collected enough to make that payment. Subsequently, we will have to pay the higher amount in February. This unanticipated expense exacerbates our cash-flow problem and in some cases erases gains we have made through efforts to be part of the state's fiscal solution by reducing costs through strategic purchasing initiatives or other costs cutting strategies.

With regard to the 2012-2013 Executive Budget, we are grateful that the Governor has maintained the commitment to reimburse school districts for the costs associated with sending a student to one of our schools. Every sector of education is facing

challenges. We know that the new funding system has caused strain on school districts as they were faced with a new expense. Yet school districts have continued their commitment to students who are deaf, blind and severely disabled. They have maintained their investment in these students' education by partnering with our schools to provide high quality educational opportunity in a language rich environment.

**Deaf Infant Programs** -We are grateful that the Executive budget also continues its commitment to our deaf infant programs and our residential facilities. The deaf infant programs are essential to ensuring that families have access to services early in a child's development. Several of our schools can begin to serve children at birth or as soon as a hearing loss has been diagnosed – and are available until these children are ready to transition to preschool. Staff members are certified or licensed in their specific area of expertise, and have unique qualifications to serve children with hearing loss. These programs' ultimate goal is to have each child reach his or her full potential and to give parents the tools and information they need to create an optimal learning environment, make informed choices and be a strong advocate for their child.

**Residential Programs** - Our 5-day residential programs at Rochester School for the Deaf, Lexington School for the Deaf, the New York Institute for Special Education and my own school, St. Mary's School for the Deaf, offer an opportunity to those students who do not have a placement option close to them to participate in our programs during the week and return home to their families on the weekend.

Students can come from all over the State, and residential programs have a strong focus on improving each individual student's academic performance and overall development. Likewise, the physical well-being and safety needs of our students are always of first priority. Our schools provide nursing staff 24-hours a day, in secure environments where staff and students create a homelike atmosphere.

**State Actions to Limit Administrative Costs and Executive Compensation** -

We'd also like to add our voice to the concerns many have expressed on the Governor's proposals regarding spending for administrative costs and executive compensation at state-funded service providers. Please know that the 4201 Schools are committed to (and are required to) protect the public investments in our schools. Our costs – and our work every day -- are governed by a "reimbursable cost manual" that directly affects the compensation of every staff member, as well as assuring the appropriate split between direct and indirect costs. We ask policymakers' attention to the processes that already exist to manage our costs and spending, and to avoid simplistic mandates on what are very complicated processes.

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In closing, we remain grateful to the Legislature and to the Governor for your ongoing support and interest in our schools and the children we serve. We invite you all to visit our schools and to learn more about our efforts to enable children with low-incidence disabilities to be successful students and citizens.

Respectfully submitted,

Timothy M. Kelly  
Chair, 4201 Schools Association  
Superintendent, St. Mary's School for the Deaf

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### Background Information

For more than 190 years, the people of New York have relied on the expertise of the 4201 Schools to provide educational services to children who are deaf, blind and physically disabled. There are eleven "4201" schools located throughout the state, both upstate and downstate.

Each school is governed by its own Board of Directors, receives financial support for operating expenses from the State, and depends on private donations for program enhancements and innovations. The 4201 Schools have established a long tradition of excellence in education and in providing innovative educational services to our students and their families. The 4201 Schools and their locations are as follows:

- Cleary School for the Deaf - Nesconset
- Henry Viscardi School- Albertson
- Lavelle School for the Blind - Bronx
- Lexington School for the Deaf - Queens
- Mill Neck Manor School for the Deaf - Mill Neck
- New York Institute for Special Education – Bronx
- New York School for the Deaf - White Plains
- Rochester School for the Deaf - Rochester
- St. Francis de Sales School for the Deaf - Brooklyn
- St. Joseph's School for the Deaf - Bronx
- St. Mary's School for the Deaf - Buffalo

Under Section 4201 of the Education Law, the State has designated and authorized certain private schools to serve the special education needs of deaf or blind or physically disabled students. Students come to 4201 Schools upon application by their parents or school districts, and with the approval of the State Education Commissioner. The State funds the 4201 Schools through an annual appropriation in the State budget; there is a deduction of state aid from each student's home school district in an amount equal to the districts "basic contribution" to the student's education. Several 4201 Schools maintain residential programs, which are also funded through lump sum budget appropriations.

Only students who are profoundly deaf, legally blind, severely physically disabled, or severely emotionally disabled are referred to the 4201 Schools by local school districts, parents, physicians, clinics and other interested parties. An intake evaluation by the 4201 School is completed, and placement is made upon the recommendation of and approval by the student's home school district and the Commissioner of Education.

Approval is based on the availability of an appropriate education program. There are no charges or fees to parents for educational costs, transportation, room or board.

Our students benefit from the academic programs, vocational programs, life skills programs and other specially designed programs at the 4201 Schools. They also take part in the interscholastic sports and other extra-curricular and co-curricular activities at their school. Those students requiring a 24-hour structured environment as noted in their Individualized Education Plan (IEP) or whose homes are too far to commute back and forth to school each day, live on campus for five days a week at some of the 4201 Schools. There are comprehensive learning and recreational programs for students residing in school dormitories.