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# How a Windfall of Special Education Funding Benefited Hasidic Schools

December 29, 2022 in News



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Less than a decade ago, New York City drastically changed the way it provided special education to thousands of children with disabilities.

State law requires cities to deliver those services to students in private schools, even if the government has to pay outside companies to do it. But for years, when parents asked, New York City officials resisted and called many of the requests unnecessary.

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In 2014, Mayor Bill de Blasio changed course. Responding to complaints, especially from Orthodox Jewish organizations, he ordered the city to start fast-tracking approvals.

The policy has made it easier for some children with disabilities to get specialized instruction, therapy and counseling. But in Orthodox Jewish religious schools, particularly in parts of the Hasidic community, the shift has also led to a windfall of government money for services that are sometimes not needed, or even provided, an examination by The New York Times has found.

Dozens of schools in the Orthodox community have pushed parents to get their children diagnosed with disabilities, records and interviews show. At least two schools have sent out mass emails urging families to apply for aid. A third school provided parents with a sample prescription to give their children's doctors, saying a diagnosis would bring more resources for the school.

Today, at Hasidic and Orthodox schools, which are called yeshivas, higher percentages of students are classified as needing special education than at other public and private schools in New York City, a Times analysis of government data found.

In the fervently religious Hasidic community, where Yiddish is the dominant language, schools focus on teaching Jewish law and prayer, while often [providing little secular education in English](#). The Times found that at 25 of the city's approximately 160 Hasidic yeshivas, more than half of the students are classified as needing special education. Records show the classifications are routinely justified by citing the students' struggles with English.

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Across all city schools, one in five students is classified as having a disability. There is little research into whether disabilities occur more frequently in the Hasidic community than in others.

With money more easily available, entrepreneurs with few qualifications have made millions providing services in yeshivas. More than two dozen different companies have opened in the past eight years, records show. Some of them now bill more than \$200 an hour per student — five times the government's standard rate — for what is essentially tutoring.

Some companies have been allowed to collect more than \$100,000 a year for providing part-time tutoring services to a single student with mild learning challenges, The Times found.

At least 17 companies have employed people with questionable credentials to provide services, often paying them a fraction of the hourly rate that the firms collect from the city. While some companies provide quality services, others rely on programs that quickly churn out graduates with master's degrees, some of whom are as young as 18.

"There are a lot of kids in the ultra-Orthodox community who have disabilities. The problem is that the community is not serving the students," said Elana Sigall, a former top city special education official, who now visits yeshivas as a consultant. "They're accessing tremendous amounts of city resources, but they're not actually providing special education."

One of the firms that opened soon after Mr. de Blasio changed the rules, Yes I Can Services, founded by a husband and wife who had scant education experience, now collects tens of millions of dollars a year.

By law, families who want the government to pay a private company to provide services must make their case against the city in a legal proceeding overseen by an impartial hearing officer. But as requests have increased, officials say they have stopped policing them. Families filed nearly 18,000 requests last year — with more than half coming from neighborhoods with large Hasidic and Orthodox populations — but officials waved through most of them.

In all, more than \$350 million a year now goes to private companies that provide services in Hasidic and Orthodox schools, The Times found.

Unlike Orthodox Jews, who are strictly observant but integrate their lives into modern society and provide their children with more secular instruction, Hasidic Jews generally live in insular enclaves and devote themselves to preserving the religious traditions of their ancestors. There are about 200,000 Hasidim in New York State.

Special education is supposed to support secular instruction. But in the Hasidic community, funding has been used to help students with religious studies, interviews and records show.

Some schools have benefited financially from relationships with companies, The Times found. More than two dozen Hasidic yeshivas have accepted donations from the community's largest special education provider, Yeled v'Yalda Early Childhood Center, whose business relies in part on student referrals from those same schools.

The flood of requests for services has strained the city schools budget and helped delay the delivery of aid to children with disabilities, including to Hasidic and Orthodox families. Parents have reported facing [a dizzying process](#) and monthslong waits.

"Cases involving nonpublic schools have ballooned so wildly that they have engulfed and hobbled the entire system," said John Farago, a longtime hearing officer who has overseen thousands of requests. "It's affected the access to justice of all, and swamped the cases of children who attend public schools."

Hasidic and Orthodox parents are far from alone in aggressively seeking special education for their children, and providers across the city have been accused of misusing government money. But families in those communities file far more requests than other families in New York, and hearing officers say the companies that provide services in yeshivas stand out for the rates they charge and the amount of money they receive.

In statements, representatives of the schools and the companies denied any wrongdoing and said the government oversees the special education process, ensuring that children do not receive services unless an unbiased evaluator determines they are needed.

School officials said they never pressure any parent to get a child diagnosed with a condition and that they do not benefit financially when providers work with their students.

Company representatives said that all their employees have the appropriate qualifications and that most parents are happy with the work they do. They defended how much they charge, noting that the government's standard rate had not increased in more than 20 years and that all rates must be approved by a hearing officer.

They said that it was common practice across the industry not to pay employees the full amount billed per hour, and that the firms used the difference to cover the overhead costs of providing "a wide range of highly qualified services," said J. Erik Connolly, a Chicago lawyer who represents some schools and companies.

"Implying that the portion not paid to the providers is used only to fatten pocketbooks is unfair, misleading and defamatory," Mr. Connolly said. "These rates are offered to and utilized by students of all nationalities, religious affiliations and ethnic backgrounds."

Nathaniel Styer, a spokesman for the city Education Department, declined to answer specific questions and issued only a short statement noting that the city was legally required to fund special education for private school students.

"The dramatic increase in case filings over the last several years has put a strain on the due process system," he said, adding that the Education Department "is working on a multipronged strategy to ensure all children receive what they are entitled to under law."

In an interview, Mr. de Blasio said he stood by the 2014 changes, but he acknowledged that they might have led to unforeseen consequences.

"It had to be reformed," he said. "If any of those reforms have opened the door for some individuals to take advantage of the system, that's unfortunate, and we have to tighten up the rules."

**'We got everything we wanted'**

In New York, thanks to an unusually generous state law, private school students in need of special education can receive services at a public school or from a government contractor. But if a parent of a child in any school — public or private — is not satisfied, they can find their own provider and go through a hearing process to ask the government to foot the bill.

Some parents request money for tuition to send their children to specialized private schools. Others ask officials for funding for services such as occupational, physical or speech therapy or counseling.

To receive funding, families must convince the hearing officer that the government has failed to provide adequate services and that they have found an outside provider who can.

In his 2014 changes, Mr. de Blasio ordered officials to stop fighting most requests and try to settle cases within 15 days.

Agudath Israel of America, a large Orthodox advocacy group that had complained for years that the process was too cumbersome and pushed for the changes, claimed credit. “We got everything we wanted and more,” a leader said [at the time](#).

Requests soared to about 17,900 annually last year, from about 4,700 in 2014.

The city does not regularly examine who files requests, what services they seek or how much each request costs. The Times pieced together that information by analyzing state data, scrutinizing thousands of records from hearings and interviewing 11 hearing officers, as well as dozens of parents, teachers and regulators.

The review found that more than half of requests last year came from districts that include the Brooklyn neighborhoods of Williamsburg, Borough Park and Crown Heights — all heavily populated by Hasidic Jews — and Flatbush and Midwood, which are home to many Orthodox Jews.

While Mr. de Blasio’s policy changes were initially intended to ease the path of parents seeking tuition funding, The Times found that the most common request now by far is for an ill-defined assistance that is offered only in New York City: “special education teacher support services,” which providers liken to tutoring.

In the past, the city would pay for only an hour a day of that service, in part because of concerns that some providers might use it to overbill the system. But in 2014, [the city raised the limit](#) to three hours.

About 80 percent of requests for special education teacher support services last year came from the predominantly Hasidic and Orthodox districts, records show. While the city’s standard rate for that type of service is \$42 an hour, many requests sought a so-called enhanced rate because they said they needed a Yiddish-speaking provider.

The requests for services are supposed to come directly from families. But in Hasidic areas, more than a dozen parents told The Times that religious schools were driving the surge, including by paying for the lawyers who represent parents at hearings. Some yeshivas have filed requests in parents’ names without their knowledge. Most parents spoke on condition of anonymity because openly criticizing Hasidic leaders can lead to being shunned by family and friends.

Five hearing officers told The Times that in proceedings involving Hasidic children, some parents have not seemed to know what they were requesting, or why. In one case, a mother could not explain her son’s disability, records show.

The Chabad Girls Academy, a Hasidic yeshiva in Crown Heights, sent an email to one mother in 2020 that said her daughter would qualify for autism treatment and provided her with a sample prescription for the child’s doctor, according to a copy of the message obtained by The

Times. “Please can you have her medical doctor write a prescription stating diagnosis of F84.0,” the email said. “This is what we need.”

The mother told The Times her child does not have autism.

A lawyer for the school, Jules Halpern, said the school never pressed to get any child diagnosed with autistic disorders. “Email exchanges with this parent or any other would clearly demonstrate a dedicated educator working diligently and completely in the interest of the student,” he said.

Tomchei Tmimim of Ocean Parkway, a Hasidic yeshiva, told a woman that her son could not attend unless she persuaded the city to pay for an aide to watch him at all times. The mother told The Times she did not believe her son needed intense supervision. In a statement, a school spokesman said all determinations about children’s needs are made by independent professionals and approved by government officials.

Luria Academy, which serves some Orthodox Jews, emailed parents of students with disabilities this year saying its special education division had a budget gap. The school said it wanted the parents to hire the school’s own staff members as private providers and ask the city to pay them enhanced rates. It would pay to help arrange the requests. “The cost is a small percentage of the total income expected,” it said in the email.

The school’s leader, Amanda Pogany, said Luria ultimately did not go through with the plan. “There are lots of schools who do this, who sue, so we were exploring that as an option, and then we decided that was not what we were going to do,” Ms. Pogany said. “It didn’t feel 100 percent like the right thing to do.”

Etty Singer, who helped lead a Hasidic preschool program for nine years and worked closely with 10 schools, said she saw many of them aggressively refer children to be evaluated for special education.

“They just wrote down, ‘needs services,’ ‘needs services,’ ‘needs services,’” she said. “They said that everybody needed services.”

Ms. Singer said when her own son attended a Hasidic school in Borough Park, Yeshiva Beth Hillel of Krasna, it arranged for services without telling her. “We found out after,” she said. Ms. Singer said her son did have a minor disability, but the school’s services did not meet his needs. She has since left the community and [lost custody of her son](#).

When Mr. de Blasio made his policy changes, about 12 percent of students at Yeshiva Beth Hillel of Krasna were classified as needing special education. Since then, city records show, the rate has climbed to 59 percent. Both a spokesman and Mr. Connolly, the lawyer, who also represents the school, disputed that figure. Mr. Connolly also said no student at the school was classified as having a disability without a parent’s knowledge.

## **\$200 an hour**

Before Mr. de Blasio announced his changes, about a dozen organizations provided special education in yeshivas. Since then, at least 25 new companies have opened.

Some founders, like Simcha Feller, had no formal credentials in special education. Mr. Feller was 21 when he opened Yes I Can Services from his Brooklyn home in 2014, two months after the mayor’s announcement.

Run by Mr. Feller and his wife, Ita Feller, who was 19 and had a provisional special education license, the company asked only for enhanced rates, hearing records show.

The start-up collected about \$22,000 in its first year, city records show. But by 2019, it was making \$10 million a year. It has received more than \$38 million so far this year.



The Fellers appear to have prospered. Since 2021, records show, the couple and companies linked to them have spent more than \$15 million to buy 13 properties, including several for-profit [respite homes for](#) families in Arizona.

Mr. Connolly, the lawyer, who represents Yes I Can, said that the firm's opening had nothing to do with Mr. de Blasio's announcement, and that, from the beginning, the company has served schools other than yeshivas. He noted that Ms. Feller now has a full teaching certificate.

Virtually all the new companies, including Yes I Can, bill the city at extraordinarily high rates but pay the employees who provide the services much less, according to interviews and records from hundreds of hearings over the past four years. Firms regularly charge at least \$200 an hour for teacher support services but pay their employees between \$75 and \$100 an hour, the records show.

Mr. Connolly said Yes I Can "is an award-winning special educational agency that provides services to thousands of children in the tristate area and beyond," adding that it "disputes that it has engaged in any improper, fraudulent or illegal conduct whatsoever."

Outside the Orthodox community, providers typically charge less and pay employees a greater share of the earnings, hearing officers said.

When asked in hearings to justify their rates, executives have said they have to pay interest on loans they take out because of delays in getting payments, a common problem citywide. One said his firm had borrowed from one of its own board members, which the hearing officer deemed a potential conflict of interest.

At least six companies have attempted to charge the city for services they never provided, interviews and records show. In one instance, a firm called AIM Education Support tried to collect \$185 an hour for tutoring at a yeshiva, including on Friday afternoons, but the hearing officer found the school was not open at that time. In another case, a company called Special Edge was seeking \$150 an hour for tutoring it said it had provided. But under questioning, a company leader could not say when specifically it had provided the services, prompting a hearing officer to conclude there was "no evidence at all that the student received what the agency was seeking payment for."

Representatives for both companies disputed the hearing officers' findings and added that they use flexible scheduling and bill only for services provided.

Over the past decade, state auditors have discovered misallocation of funds by scores of New York preschool special education providers, including seven companies that serve yeshivas. Among them was Yeled v'Yalda, which was told to repay \$2.9 million after being [accused of misallocation](#) in 2015. Some funding was used to run a community gym, the auditors found.

A decades-old nonprofit, Yeled v'Yalda has donated more than \$2.5 million to 27 yeshivas since 2014, tax filings show. At least some of those schools have pressured families to request services from the firm, parents and teachers told The Times.

Mr. Connolly, who also represents Yeled v'Yalda, said the organization "has served thousands of disabled students and their families for over 40 years with great success."

He disputed parts of the 2015 audit and added that the company charges the standard government rate for the vast majority of services. He said any school referring students to Yeled v'Yalda did so because of its reputation, not the money it donated. The organization, he said, "does not engage in disreputable or quid pro quo donations."

It was not clear whether other companies have donated to yeshivas — most of the firms are for-profits whose tax filings are not publicly available.

Although it is not unusual for private schools in New York to refer families to just one or two providers, a dozen people who worked for special education companies said Hasidic yeshivas regularly cut deals with firms. In return for referrals, some companies station employees at the schools with orders to help out when asked, including with religious instruction.

At Oholei Torah, which is among the schools that has accepted donations from Yeled v'Yalda, nearly half the about 1,500 enrolled students are classified as children with disabilities, records show. But the yeshiva does not teach any secular subjects; parents and a former aide at the school said it sends special education providers to participate in religious instruction.

Mr. Connolly, who also represents Oholei Torah, said the school works diligently to accommodate students with special needs. "These accommodations are actually a cost center — not benefit," he said.

Michael Fox, a child psychologist with 50 years of experience, works with yeshivas to evaluate whether students qualify for services. He said he strongly supports the Hasidic community. But, like several other people, he said he has seen its schools using special education providers for religious instruction.

"It's getting difficult for me to write down that a child needs services, because what happens next?" he said. "I don't know."

## **'Smoke and mirrors'**

Many parents who believed their children needed extra help praised the services provided in Hasidic yeshivas. But others described encountering underqualified instructors and inadequate services.

In New York, providers of most types of special education must be certified, or hold a provisional license. In the Orthodox community, though, certification programs can make those credentials easy to obtain.

Although a 20-year-old tutor said in a 2019 hearing she had a master's degree in special education, the officer determined she did not understand the meaning of the term "bachelor's degree," records show. The tutor also said she earned \$21 an hour while her firm wanted \$150 an hour. In a separate hearing, another tutor said she could not remember where she got her bachelor's degree.

Records show those tutors both became certified through Testing and Training International, an online firm created to [help Orthodox Jews who find it difficult to attend secular colleges](#) because of language barriers or religious customs.

By transferring credits from yeshivas and administering tests in religious subjects, the program helps students obtain bachelor's degrees in as little as three months, according to a handbook. Some master's programs do not recognize the degrees conferred through Testing and Training International. But since 2003, it has worked with Daemen University, an upstate college, to provide special education certifications. Students take weekly online classes and can obtain a provisional license in a few months, records show. At other schools, students must attend several classes a week to earn a license in that amount of time.

Elizabeth Heilman, who was chairwoman of the education department at Daemen in 2019, said she discovered the program awarded master's degrees to students who were not qualified to be special education teachers.

"There is a school. There are assignments. But I would say it's similar to an 18-year-old becoming a teacher's aide," said Ms. Heilman, who resigned as chairwoman after four months and was fired from Daemen in what she described as retaliation for raising concerns. She filed a whistle-blower case but abandoned it after the federal government declined to join.

“The program is smoke and mirrors,” she said.

A lawyer for Testing and Training International, Jacob Laufer, said Ms. Heilman’s claims were “factually incorrect and misleading,” and said the program “offers a broad spectrum of support services to students within their community.”

A Daemen University spokesman said in a statement that students who took exams scored as well or better than the state average. “The implication that Daemen does not produce qualified students as special education providers is patently and provably false,” he said.

Recently, records and interviews show, at least 17 special education companies have turned to Testing and Training International and another accelerated certification program, the Sara Schenirer Institute.

Mr. Connolly, who represents Sara Schenirer, said it does not cut corners in special education certification and has no relationship to Testing and Training International or Daemen.

The Times reviewed online résumés posted by more than 100 people who have worked at special education companies in the Orthodox community and found that two-thirds of them had obtained a degree through Daemen or Sara Schenirer.

## Overwhelmed

The city is supposed to monitor special education funding to ensure it is helping children. But amid the onslaught of requests, more than a dozen current and former city workers said, officials have abandoned oversight.

After Mr. de Blasio’s announcement, workers said they thought they could continue to scrutinize requests for services, especially ones that they thought were abuses of the system. But City Hall declined to provide the necessary resources, they said.

When the city did fight requests, it routinely sent school psychologists to argue at hearings, instead of the lawyers used by Mr. de Blasio’s predecessor, Michael R. Bloomberg. The psychologists sometimes raced between 25 hearings a day, some employees said. Then officials turned to contractors based in other states to appear at hearings by video conference, staffing records show. They faced lawyers who charged thousands of dollars per case, fees the city had to pay when it lost, as often occurred.

Today, the city rarely succeeds in blocking a request for special education in private schools, records show.

Officials also have increasingly failed to oversee the services being provided. Now, once a request is approved, companies can continue charging for services for years without the annual reviews that families had long complained were onerous but are required by law.

“We kind of just trust them,” said Nick Chavarria, who worked for the city Education Department from 2007 to 2018.

The Independent Budget Office, a nonpartisan agency that monitors city spending, has issued [repeated warnings](#) about the growth in spending on private special education, which has neared \$1 billion annually, counting payments for tuition at specialized schools. The reports have not singled out yeshivas.

The state comptroller, Thomas DiNapoli, has also [pointed out gaps in oversight](#) of overall funding for special education.

Over the summer, the New York City schools chancellor, David C. Banks, acknowledged problems in special education funding. “Folks have figured out how to game this system,” he



said. But after criticism, [he walked back](#) those comments. Mayor Eric Adams, who has the power to rein in spending, has taken no action.

As officials have stood by, requests have kept coming.

At a training for hearing officers in October, state officials displayed charts showing a spike in special education requests in New York City in recent years, dwelling for a moment on the fact that they had climbed last year to nearly 18,000.

Then they shared a startling piece of information: Based on data for the beginning of this academic year, they were projecting the rates would rise again.

This school year, they said, they are expecting 28,000 cases.

The post [How a Windfall of Special Education Funding Benefited Hasidic Schools](#) appeared first on [New York Times](#).

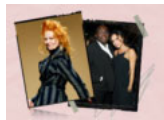
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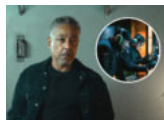
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Six years after Donald Trump should have disclosed his tax returns to the public, they [have finally been released](#). This took [advocacy](#), congressional action, and litigation that went to the Supreme Court—all to obtain basic financial transparency from a president.

But the House Ways and Means Committee's [report](#) on its investigation, released last week in conjunction with the committee's vote to disclose Trump's tax returns, revealed new information that may be as astonishing as anything in the returns themselves: The IRS did not even begin auditing Trump's taxes until 2019, on the same day the committee began asking the agency about them. This is outrageous, and it must be investigated.

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