



CCM 2015 Testimony

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EDUCATION COMMITTEE

March 11, 2015

Good morning, my name is Gayle Weinstein, First Selectman of the town of Weston. Thank you for the opportunity to testify before you today on behalf of the Connecticut Conference of Municipalities (CCM).

CCM is Connecticut’s statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent 156 towns and cities and over 95% of Connecticut’s population.

SB 1056, “AN ACT CONCERNING THE EXCESS COST THRESHOLD AND THE COLLECTION OF DATA RELATING TO PER PUPIL COSTS FOR SPECIAL EDUCATION”

SB 1056 would, among other things, phase in changes to the excess cost threshold for special education, currently at 4.5 times the average per pupil educational, to eventually set the threshold at 2 times the average per “number of resident students” by June 30, 2021.

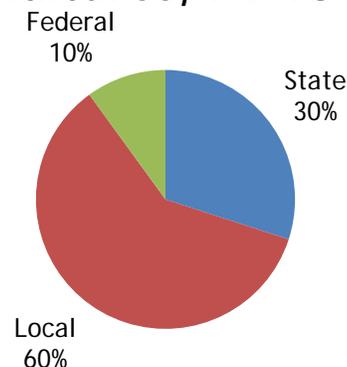
CCM **supports SB 1056** a positive step toward local officials’ long-advocated pleas for meaningful relief in the delivery of local special education.

Background

The cost of special-education services in Connecticut is nearing the \$1.8 billion mark.¹ This spending accounts for 22 percent of total current expenditures for education in Connecticut. Complicating matters, unforeseen demands for the most expensive special-education services too often result in local mid-year budget shuffling, supplementary appropriations, and other extraordinary measures. This is particularly true in smaller towns where the arrival of a single new high-cost special education student during the school year can create a budget crisis.

Source: SDE; CCM Calculations

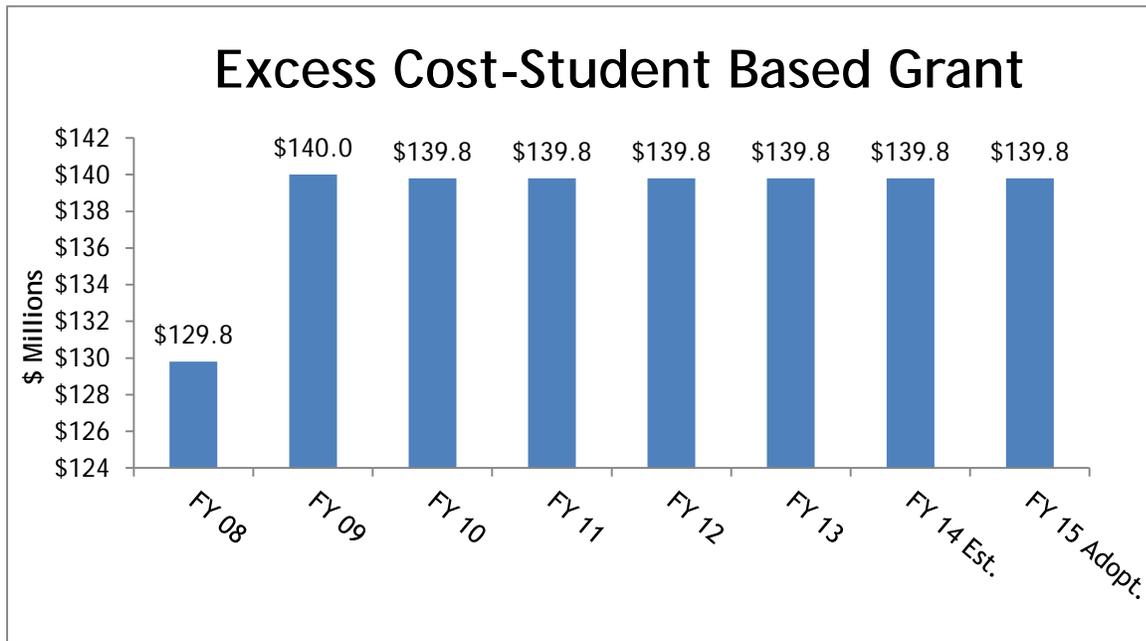
Special Education Expenditures, FY 13



¹ SDE, 2013 Data

Debate still continues over the decision, 15 years ago, to fold most state special education funding into the ECS grant. However, this debate only partially outlines the problem. There are three ways in which the local overburden for the cost of special education can be alleviated within the present construct of state and federal aid.

First, the ECS grant is supposed to cover the basic education costs for all students - regular and special education alike - up to the foundation level now (\$11,525). Funding ECS fully and providing for foundation growth over time would increase the state share of base level costs for all students including those receiving special programs. At the



time special education and ECS funding were merged, special education was about 19 percent of the combined grant, and that figure has generally been used to estimate the current portion of ECS that is for special education (about \$390 million in FY 15).² Source: Adopted State Budgets

Second, the state Excess Cost-Student Based grant provides a circuit breaker once the expenditures for a student exceed a certain level, currently 4.5 times the per pupil spending average of the district. The threshold varies from town to town because of spending differences, and for most towns, falls somewhere between \$40,000 and \$70,000.³ So, for example, if a municipality spends an average of \$10,000 per pupil, it must spend at least \$45,000 for a special-education student before being eligible for any state reimbursement. The state grant is supposed to pay for all costs in excess of that figure. Unfortunately, the state appropriation has been capped, even as costs and the incidence of students requiring services have both risen.

Reducing the threshold factor from 4.5 to a lower level, as proposed in SB 1056, would allow the state grant to pick up more of these high costs, relieving some of the local burden. Also the reliance on individual town per pupil spending to set the thresholds results in a wide disparity in the amount of out-of-pocket costs for towns. Higher spending towns end up with the highest contribution rates before state aid is triggered. A single threshold-per-pupil dollar amount, perhaps equivalent to the foundation level for all towns set at the low end of the range, would address this and increase the state share of these costs.

There is also a growing belief that the State should reimburse every town for 100 percent of special-education costs (less federal reimbursement). Under this scenario, the State would also monitor - or contract out - identification of special-education students and related administrative costs. Such a step would (a) ensure access to necessary resources for all special-needs students, regardless of community wealth and without draining off

² CCM Estimate

³ Based on estimates from CCM members.

vital resources from regular-education budgets, and (b) provide significant property tax relief. In addition, services for severe-needs students could be provided regionally, for more efficiency and effectiveness.

Third, and often overlooked, is the failure of the federal government to fund its fair share of special-education costs. Despite some increases in federal special education funding around the beginning of the decade, and some recent stimulus funding, the federal share in Connecticut has lingered at about nine to 10 percent. This falls far short of 40-percent commitment that came with the federal mandate to provide such services some decades ago.

It is important to point out that Connecticut's special-education mandates exceed those of federal Individuals with Disabilities Education Act (IDEA) and it is time to reevaluate whether all those additional costly mandates are necessary and affordable.

In addition to direct funding issues, municipalities are also looking for relief from the burden of proof for special-education services. A parent may request a due process hearing if he or she disagrees with the child's evaluation, placement, or program. School districts may also request hearings when a parent refuses to agree to a child's placement or program. State Board of Education regulations place the burden of proof on the school district regardless of who initiates the hearing request, resulting in a costly mandate on municipalities. Connecticut policy is contrary to most other states' policies.

The burden of proof in these hearings should be placed on the initiator of the request. This change would provide needed fiscal relief to municipalities since most requests come from parents.

The State must take primary responsibility for students with special needs. Such students are the collective responsibility of all who live and work in Connecticut, not just their town of residence. Because the costs of special education programs are so high and growing, the State cannot expect individual communities to fund them without significant assistance. When both the state and federal governments underfund mandated programs, regular education programs, other local services and property taxpayers suffer.

CCM urges the committee to **favorably report SB 1056**.



If you have any questions, please contact Bob Labanara, State Relations Manager, CCM at rlabanara@ccm-ct.org or (203) 710-0491.