

Testimony
Submitted to the Committee on Insurance and Real Estate
February 21, 2017

Proposed Bill No. 542: An Act Establishing the Connecticut Special Education Predictable Cost Cooperative

Good afternoon Senator Larson, Senator Kelly and Representative Scanlon, and esteemed members of the Insurance and Real Estate Committee. Thank you for the opportunity to present testimony today. My name is **Deborah Richards** and I am the **Director of Student Services for the Capitol Region Education Council (CREC)**. CREC currently serves the educational needs of CREC's 18 magnet schools and 9 Student Service programs – on a daily basis nearly 12,000 students. Last year we served approximately 5,000 students with disabilities in our schools and through supports to students attending their home school districts. **I am here to speak against Proposed Bill No. 542: An Act Establishing the Connecticut Special Education Predictable Cost Cooperative.**

Although we appreciate the fact that predictability of costs would be helpful to districts, that is not the primary issue that districts face. The primary issue is cost and the proposal does not address containing, reducing cost nor increasing insurance revenue for districts. We think implementation of the system is premature for the following reasons:

- There is no proposal for the cost of creating and managing the newly created system and this could be an additional and significant burden to districts;
- The identified sources of revenue for the system have been discussed in theoretical terms with no specifics. References have been made to current funds including IDEA grant funds, excess cost funds, and local dollars;
- IDEA funds have specific requirements that need to be met by districts via an application to the state. In addition, the state must submit an application to the federal government for plans for IDEA funds that needs to be approved;
- Costs for students with special needs go beyond direct services. Funds are used to cover professional development for staff, access to contracted consultants for students with unique needs, funds for mediated or due process ordered services or placements and legal fees to name just a few. It is unclear how the cooperative will cover all of these costs;
- There is no discussion of cost for students who qualify for services under Section 504 of the Rehabilitation Act;
- This is a difficult time in education to make an additional sweeping change to district's financing. Given the current discussion regarding ECS funding and the proposals to break out special education funding from the ECS formula, districts are unclear as to their funding base for next year;
- There has been no discussion of what happens if the costs at the district level exceed the funding base provided to the cooperative. The assumption is that the pool of funds state wide will be able to cover any individual district overage. There is no discussion of the impact on districts in year



CREC

Excellence
in Education

STUDENT SERVICES

Deborah Richards

Director

two when they exceed their contribution in year one other than adjustments will be made. Year two could be a very expensive disaster once the final figures are in for year one. The final figures for year one will be in well after districts have developed and adopted their budget for year two, not allowing for significant adjustments to be made at the local level for their future contribution; and

- There is no clarity as to whether participation is optional. The assumption is that this model works based on the entire amount of funding state wide be contributed to the pool, thus mandating participation.

In summary, we applaud the School Finance Project for exploring this important and difficult issue. The system needs much more study and definition, including specific cost models by district, to determine if it would be helpful and cost effective for the state and the districts.

Thank you for your time and consideration.