

Education Committee JOINT FAVORABLE REPORT

Bill No.: SB-364

Title: AN ACT CONCERNING SPECIAL EDUCATION FUNDING.

Vote Date: 3/23/2018

Vote Action: Joint Favorable Substitute

PH Date: 3/8/2018

File No.:

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SPONSORS OF BILL:

Education Committee

REASONS FOR BILL:

The purpose of this bill is to lower the excess cost threshold from four and one-half times to two times the average per pupil educational costs of a board of education thereby reducing the burden on local districts.

SUBSTITUTE LANGUAGE:

The substitute language strikes the original bill entirely and replaces it with the substitute language that requires districts to report on their special education spending. This original bill lowered the spending threshold for the excess cost grant from 4.5 times a school districts per student spending to 2 times a district's per student spending.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Dianna R. Wentzell, Commissioner, State Department of Education:](#)

Commissioner Wentzell testified on behalf of the State Department of Education stating opposition for SB 364 because reducing the funding to the districts that are educating the highest need special education students (often costing over \$200,000 per pupil) will cause excessive demands on their education budget. Predicting special education costs is challenging because students move in and out of districts. This proposal discontinues the relief the grant was created to address.

NATURE AND SOURCES OF SUPPORT:

Representative Carol Hall, District 59 (Enfield, East Windsor):

Rep. Hall submitted testimony in support of SB 364 stating that increasing the state obligation relating to special education funding would make it easier for boards of education to provide services to both their special education students as well as the student body as a whole.

Representative Tim Ackert, District 8 (Columbia, Coventry, Tolland, Vernon):

Rep. Ackert submitted testimony in support of SB 364 stating that this bill would help lower costs to Boards of Education and potentially help offset hold backs and reductions in ECS funds. If passed, Rep. Ackert would like to know how the state's share of additional costs would be funded. Rep. Ackert stated that he and the Town of Columbia recently met with SDE to discuss issues he has with the Minimum Budget Requirement (MBR). Currently, when a special education student enters a district, the additional expenses to meet the needs of that student can dramatically impact the education budget. If that student moves out of the district, the district is still required to fund the costs in future years. Rep. Ackert would like the MBR to be "tied to fixed and contracted costs to a local school district."

Fran Rabinowitz, Executive Director, Connecticut Association of Public School Superintendents (CAPSS):

Ms. Rabinowitz testified on behalf of CAPSS in support of SB 364. While Ms. Rabinowitz was Superintendent in Bridgeport, the special education costs for 3,000 students (out of 22,000) accounted for 25% of the district budget. Because of this expense, the district was unable to provide sufficient academic and behavioral interventions which might have reduced the number of students later identified for special education. Ms. Rabinowitz stated that students are coming to school with more complex needs and supporting them costs money; money which the districts do not have.

Ms. Rabinowitz also stated that Connecticut school districts rarely engage in costly lawsuits to try to prove they can provide a quality educational program for a special needs child because the cost of legal fees can easily be higher than an outplacement cost for one year. Connecticut is one of only six states in the country "where the burden of proof for the education of special education students rests with the school district and not with the person(s) bringing forward a lawsuit." This has resulted in many extremely expensive placements for special education students. SB 364 will help address the burden of these special education costs.

Mike Criss, First Selectman, Harwinton:

Mr. Criss submitted testimony on behalf of his community and Connecticut Conference of Municipalities (CCM) stating support for SB 364 but highlighted that unless the State fully funds the Excess Cost Grant (ECG) it would not provide meaningful relief to municipalities. Currently the ECG is underfunded which means that funds are "distributed on a prorated basis and reimbursement is dependent on what other school districts spend."

Mr. Criss submitted the following suggestions to address the impact of special education costs in districts' MBR: eliminate MBR for non-Alliance District towns, remove special education costs from the MBR calculation or at the very least, when a special education student moves out of a school district, the associated cost with that student should be removed from the MBR calculation.

Betsy Gara, Executive Director, Connecticut Council of Small Towns (COST):

Ms. Gara submitted testimony on behalf of COST in support of SB 364. To demonstrate the impact of special education costs to towns, Ms. Gara included the following:

Currently, based on the existing reimbursement rate and funding caps, municipalities shoulder more than 65% of special education costs, which are increasing by an estimated 5 – 6% each year. In 2015, the local share of special education exceeded \$1.8 billion, accounting for roughly 22% of all education spending in Connecticut.

Due to these high costs, COST supports SB 364 which will ensure that towns receive appropriate levels of funding for special education.

ConnCase Region III Members:

ConnCase submitted testimony in support of SB 364. The current budget challenges faced by districts, which are stated below severely impact the service and responsiveness to students:

- reduction in some district's Educational Cost Share (ECS) funds
- agencies such as DDS and DCF no longer supporting previous services and programming
- specialized transportation
- independent educational evaluation costs
- unpredictability of student need
- steep cost of outplacements

These types of costs make up a disproportionate percentage of the district's education budget in relation to the number of students who are served by these services even with supplemental excess cost and IDEA grant funding factored in. SB 364 will lessen the financial burden of special education costs on districts while funding services for those students.

Ray Rossomando, Director of Policy, Research and Government Relations, Connecticut Education Association (CEA):

Ray Rossomando testified on behalf of CEA in support of SB 364. He stated that unlike local governments, the state has the resources to meet the fiscal demands of the unfunded federal mandate that ensures that all students, regardless of needs, have access to a high quality education. Reducing the threshold will make the balance between state and local special education expenditures more equitable.

Mr. Rossomando shared CEA's concern over SB 199 which seeks to reallocate special education funds away from the towns that need it the most without the state increasing its funding commitment. If such a "scheme" reaches the Education Committee, CEA urges the committee to reject it.

Connecticut Association of Boards of Education, Inc.

CABE submitted testimony in support of SB 364 stating that special education expenses make up 20 – 30% of districts' budgets while 13.4% of CT students are identified as needing special education support. CABE noted that the highest priority would be removing the cap from the grant so schools can count on reimbursements.

Lol Fearon, Superintendent, Columbia School System:

Mr. Fearon submitted testimony on behalf of the Town of Columbia in support of SB 364. He stated that in the past three years, the education budget for Columbia was greatly impacted

by four high school placements with existing IEPs who transferred into town immediately prior to the start of the school year. The Board of Education had to request a supplemental appropriation from the town to meet its budgetary obligations.

Mr. Fearon also suggested that the MBR be reconsidered since short term special education expenses can lead to long term budgetary costs. In the past two years, Columbia had to take on the cost of two existing residential placements due to student transfers into their district for a combined cost of \$380,000 increasing their education budget by 3%. These students have now aged out of the system but the cost of their placements remains a part of the budget. Mr. Fearon stated that he understands the need for and supports the MBR but would like to see common sense solutions to situations like the one described here.

[Mark. B. Walter, Town Administrator, Columbia](#)

Mr. Walter submitted testimony in support of SB 364 which echoes the testimony of Mr. Fearon summarized above.

ADDITIONAL SOURCES OF SUPPORT

The following individuals and organizations supported the legislation because SB 364 helps districts with special education costs which can be unpredictable as students can move into a district at any time. The lowering of the threshold for the Special Education Excess Cost grant will help mitigate the budgetary impact and allow districts to meet the needs to all their students:

[David Scata, Executive Director, ConnCASE](#)

[Carl Gross, President, ConnCASE](#)

[Leo Paul, First Selectman, Litchfield](#)

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Tamara Morris

Date: April 2, 2018