

# Appropriations Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-1219  
AN ACT CONCERNING FULLY FUNDING EXCESS COSTS FOR SPECIAL  
**Title:** EDUCATION.  
**Vote Date:** 4/20/2023  
**Vote Action:** Joint Favorable  
**PH Date:** 3/28/2023  
**File No.:**

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## **SPONSORS OF BILL:**

Appropriations Committee

## **REASONS FOR BILL:**

This bill requires the State Department of Education study of the funding needed to fully cover the cost of excess costs for special education. The Excess Cost Grant supports school districts in paying for special education students who have very expensive needs and students with no identifiable home district. Local school districts have reported that the state is not providing sufficient funding to cover the costs of educating students with disabilities.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

### [Charlene Russell Tucker, Commissioner, Connecticut State Department of Education:](#)

Commissioner Russell-Tucker expressed concerns about the bill. She stated that her agency cannot determine what the threshold would be for determining which costs are excess costs. She explained that pursuant to section 264 of Public Act 22-118, the CSDE is currently collecting special education student and expenditure data for the following thresholds: 2.5 – 3 times the Net Current Expenditures Per Pupil (NCEP) 3 – 3.5 times the NCEP 3.5 – 4.5 times the NCEP. She added that this data is due to the General Assembly by July 1, 2023. Commissioner Russell-Tucker noted that to pay the current Excess Cost grant the CSDE already collects data above the 4.5 times NCEP. She recommended allowing the completion of the current mandated analysis as she believes it will provide the General Assembly with important information about the additional costs related to serving students with special needs and inform next steps with regards to funding the Excess Cost grant.

## **NATURE AND SOURCES OF SUPPORT:**

[Connecticut Voices for Children](#): CT Voices for Children submitted testimony outlining the challenges facing school districts to address excess costs. CT Voices reports that over the last fifteen years, the Excess Cost Grant has covered a reduced share of district claims and that this aid is distributed inequitably. The state's wealthiest districts receive many times more Excess Cost Grant funding than those with the lowest community wealth. CT Voices has previously researched and written about these challenges in a published report as well as in testimony last year. The organization reported that since 2010, Connecticut's enrollment of children and youth with special education needs has grown by 32.1 percent, the second-largest percent growth in the country. The state's Excess Cost Grant cap has not adjusted accordingly. State contributions to the Excess Cost Grant have decreased slightly since 2008 when they were more than \$150 million. CT Voices reported that the difference between what districts request in Excess Cost Grant funding and what they receive in Excess Cost Grant funding continues to widen, resulting in a drop in the reimbursement rate from 100 percent in 2008 to 68 percent in 2022. Further, an analysis of Excess Cost Grant reimbursements between 2014 and 2016 based on District Reference Groups (DRGs) revealed significant disparities in the allocation of these dollars. The testimony cited the following example: "over the three years, DRG A, a grouping of the wealthiest districts, received an average of eight times more per pupil Excess Cost Grant funding than districts from DRG I, a grouping of the most under-resourced districts. DRG I has 66 percent students of color compared to only 12 percent in DRG A. Residents in DRG A have an average household income four times greater than residents in DRG I. Therefore, the Excess Cost Grant funding disparity disproportionately impacts Connecticut's students of color and students living in poverty."

[Betsy Gara, Executive Director, CT Council of Small Towns \(COST\)](#): COST submitted testimony in support of the bill, citing that special education costs continue to escalate, placing a difficult cost burden on towns and taxpayers. Based on 2018 data from the state Department of Education, on average, Connecticut's municipalities pick up 65%, or \$1.3 billion, of the state's total special education expenses. The testimony spoke of the burden on municipalities and property taxpayers and the difficulty municipalities face in meeting the needs of special education students. COST supports efforts to fully fund the Special Education Excess Cost grant and removing the cap on special education funding.

[Fran Rabinowitz, Executive Director, Connecticut Association of Public School Superintendents](#): Ms. Rabinowitz's testimony spoke of the CAPSS's updated Public Policy Agenda & Blueprint Update 2023, which endorsed fully funding the Excess Costs Special Education Grant. The grant has been historically capped at levels millions of dollars below the amount needed to make the grant whole. Ms. Rabinowitz offered that fully funding the grant would have cost \$180 million to \$212 million. The percentage that the Excess Cost grant paid towards full funding has ranged from 67% to 87%. CAPSS data shows that full funding estimates do not consistently increase, as might be assumed. CAPSS believes it would be helpful for the State Department of Education to explain why this is occurring when the agency offers estimates of full funding needs.

[Meg Scata, Member, Portland Board of Education](#): Ms. Scata offered testimony on behalf of the CT Association of Boards of Education in her capacity as Vice President for Government Relations. She shared that education costs consume up to 25% of local school board

budgets. Full funding of the Excess Cost Grant helps districts to help fund all students at local school districts.

[Kevin Walston, Superintendent of Schools, Danbury Board of Education](#): Mr. Walston submitted testimony in support of SB 1219. In his testimony, he shared that Danbury spends \$45 Million for special education out of the \$144 Million educational budget. The significant amount spent on special education inhibits funding for standard learning programs and school activities. Danbury per pupil funding ranks last in the state. He encouraged the committee to cover the Excess Cost Grant as the funding would assist Danbury in providing better services to all students, including special education students.

[Andrew Feinstein, Legislative Chair, Special Education Equity for Kids \(SEEK\)](#): Mr. Feinstein testified that the only direct appropriation in the state budget for special education is the excess cost grant. He stated that the excess cost grant does nothing to address the crisis in special education. The \$156 million appropriated for the current year does not go to the neediest districts, notwithstanding the tiered reimbursement formula adopted in last year's budget implementer legislation. He spoke to the need of a direct appropriation to support special education, with the guarantee that the new money is used to augment previous spending levels, not to free up funds previously devoted to special education for other priorities. In addition, Mr. Feinstein spoke of SB 1200, which calls for the creation of a task force to study special education services and funding. He expressed the hope that the task force will submit serious recommendations on direct funding of special education.

#### **NATURE AND SOURCES OF OPPOSITION:**

[Joslyn DeLancey, Vice-President, Connecticut Education Association](#): Ms. DeLancey testified in opposition to the bill, stating that CEA does not believe it is time to study fully funding the Special Education Excess Cost grant, rather It is time to fully fund special education costs. She shared that there is already a Special Education Task Force designed to study special education costs that has never met.

**Reported by: James Angelopoulos**

**Date: 4/26/2023**