MEMORANDUM

TO: Members of the Senate Education Committee

FROM: Rebecca Holcombe, Secretary of Education

SUBJECT: April 21, 2016

DATE: Brief comment on JFO report on special education funding

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1. Poor health outcomes are a symptom of poverty, just as increased likelihood of need for special education is a symptom of poverty. Vermont needs to treat the underlying and growing problem of poverty in order to effectively treat both health and special education challenges. If we don't treat the cause (growing poverty), we will pay more to treat the symptoms.

2. In this analysis, spending more dollars does not necessarily mean buying more services. Chittenden county teachers are on much higher contract scales, and this alone could explain a substantial portion of the differential observed in the study.

3. It is hard to know what to make of the extraordinary cost data, since these costs are allocated across a small N (small number of students in the denominator) and the study can only estimate in an imprecise way the allocation of SU costs across counties. Some SUs are served by up to three AHS regions. Note that this creates not just challenges of analysis, but challenges of service delivery.

4. The increase of education costs could possibly reflect deterioration or loss of services in other arenas being backfilled by special education.

5. Our internal analysis of data at the SU level suggests that a strong driver of differences in costs may actually be differences in local practices and circumstances. Some districts are more likely than others to rely on outside placements. Some districts are more likely to have their more costly students end up in state placements, for which the costs are born by the state. Some districts use services like those provided by SLPs in ways that are more costly and not supported by research on best practices. The kinds of consulting services addressed in the current proposed special education language could address some of these underlying cost drivers.