



The University of Vermont

COLLEGE OF EDUCATION AND SOCIAL SERVICES

Special Education Funding in Northeastern States

Legislative Testimony

January 25, 2018

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Responding to Questions

- What approaches do Maine, Massachusetts & New Hampshire use to provide supplemental funding to local school districts for special education?
- How do outcomes for Vermont's special education students compare to those of students in Maine, Massachusetts & New Hampshire?

Approaches to Funding Special Education

- **General typology:**
 - Embedded
 - Flat grants
 - Census block grants
 - Weighted
 - Reimbursement
 - Catastrophic, extraordinary, or excess-cost funding for high-need students
 - Combination approaches
- (For more information: See Study of Vermont State Spending for Special Education report, pages 7-12)

Comparing Funding Approaches

- Each approach has strengths and weaknesses with respect to:
 - Identifying students for special education
 - Incentivizing best practices for special education
 - Alignment with policy priorities for early intervention
 - Simplicity and transparency
 - Predictability
 - Cost containment

Maine

- **Weighted formula based on number of students with disabilities in a school district**
 - Applies different weights based on % of students with disabilities
 - 1.277 up to 15% of all eligible students with disabilities
 - .38 for >15% of eligible students with disabilities
 - Districts with fewer than 20 students receive an adjustment to reflect lower student-staff ratios
- **Two tiered extraordinary cost mechanism**
 - Within district placement: 3x statewide special education rate
 - Out-of-district placement: 4x the statewide special education rate
- Simulation Example 8 models its application to the Vermont context (See Report, pp. 62)

Massachusetts

- **Embedded model**

- Special education is one element of the overall determination of a “foundation funding level” for each district
 - Based on the assumption that a FTE of 4.5% of the student census needs additional services for special education
 - Equivalent to 14% of the full student census receiving special education services in-district for $\frac{1}{4}$ of the school day ($14 \times .25 = 3.5\%$)
 - 1% FTE out of district placements
 - In FY2015:
 - \$23,332 for each assumed, in-district, special-needs student (FTE)
 - \$26,461 for each assumed, out-of-district, special-needs student, calculated at the full-time equivalent, rather than the individual, student level.

- **“Circuit breaker” Program**

- State reimburses districts for individual student costs above 4x foundation, as much as 75% (subject to appropriation)

New Hampshire

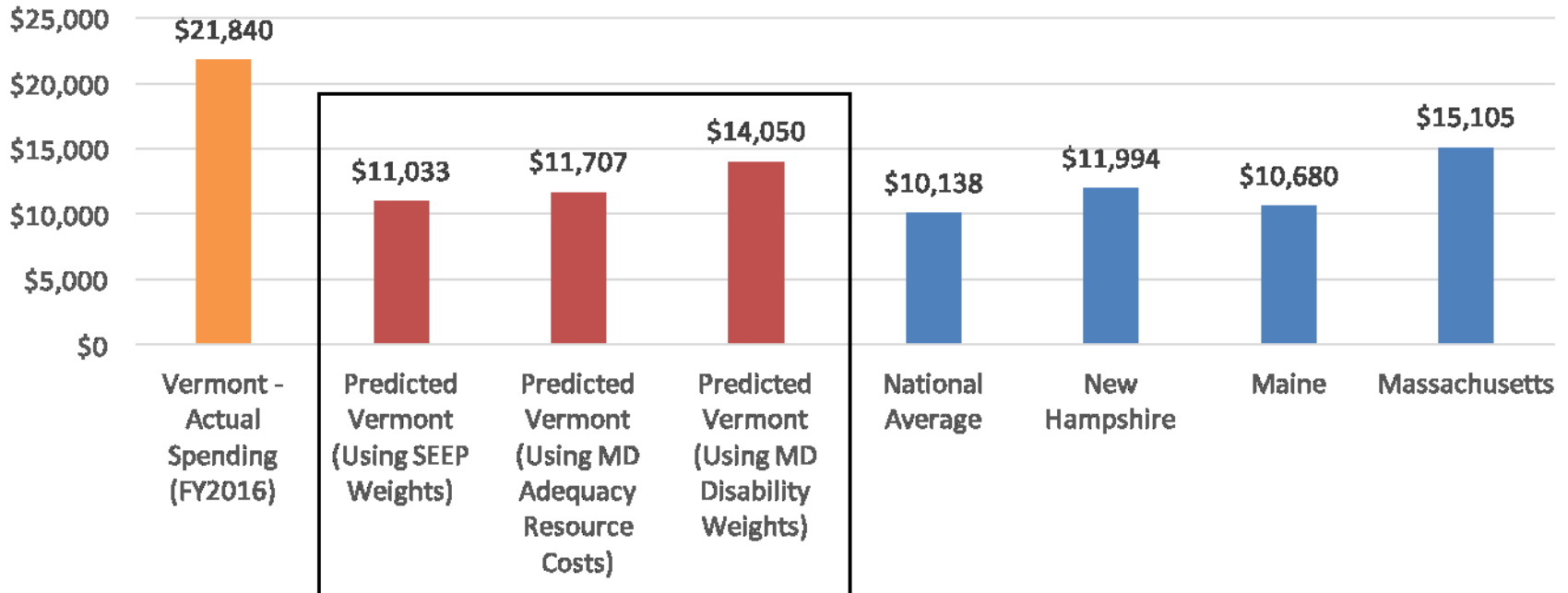
- Flat grant

- Provides an additional fixed grant amount per special education student, over-and-above base per pupil allocation (approximately \$3,500/student)
- Special education add-on:
 - **\$1,881.98 per student with an IEP**
- Districts also receive add-on grants for:
 - FRPL
 - ELL
 - Each 3rd grade pupil who has not tested at provision or above in the reading component of the state assessment **and** who is ineligible for special education

- No extraordinary cost reimbursement

Spending Comparison

Excess Cost per IEP (Adjusted for Vermont \$'s)



- For FY2016, Vermont's actual average spending per IEP was about *two time greater* than what is predicted using national estimates for special education costs (Table 13, p. 53)
- Vermont's average spending per IEP *exceeded* the national average and other peer states

Comparing SPED Student Outcomes: National Assessment of Educational Progress (NAEP)

	Fourth Grade				Eighth Grade			
	Math		Reading		Math		Reading	
	2013	2015	2013	2015	2013	2015	2013	2015
Nation	218	218	184	187	249	247	232	230
Vermont	217	216	181	188	253	245	233	238
New Hampshire	228	223	195	194	261	257	240	241
Maine	220	220	188	190	253	245	236	236
Massachusetts	229	230	197	206	265	260	242	243

Comparing SPED Student Outcomes: Exiting Special Education

Graduation SY 2014-15

Exiting Special Education and School, Age 14 Through 21

	Graduated with a Regular High School Diploma	Received Certificate (%)	Dropped Out (%)	Reached Maximum Age (%)
Nation	66.1	13.5	18.5	1.5
Vermont	72.6	0.5	23.4	2.5
Maine	82.8	-	16.2	0.9
Massachusetts	72	6.2	17	4.5
New Hampshire	81.4	6.9	9.9	1.6

Comparing SPED Student Outcomes: Percent of Time in Regular Classroom

Percent of Time Spent Inside the Regular Classroom (SY 2014-15)

	≥80% of Day	40% to 79% of Day	<40% of Day	Separate School or Residential Facility
Nation	62.7	18.7	13.4	3.2
Vermont	74.4	12.6	6.1	6.2
Maine	56.7	29.3	10.8	3
Massachusetts	60.6	16.9	14.4	7.1
New Hampshire	72.5	15.4	8.5	2.9

Summary

- **Funding Formula**

- Neighboring states use **distinctly different approaches** to funding special education
- Vermont's **spending** per student with IEP is about **two times greater of neighboring states**

- **Student Outcomes**

- On average, **academic outcomes** for Vermont's special education students are **at or below national averages** and are **lower than those for neighboring states**
- Vermont students with disabilities, on average, **spend a greater share of their school day in regular classrooms**

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