

House Education
4-11-18
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TACONIC & GREEN RSD
UNION DISTRICT #23
UNION DISTRICT #47
WINHALL

TO: House Education Committee

FROM: Jacquelyne Wilson, Superintendent, Randi Kulis, Asst. Superintendent, and Sue Wilborn, Business Manager

RE: Testimony Regarding Parity in Special Education Excess Costs

DATE: April 10, 2018

Overview:

We commend the original intent of H.897 and believe that it will result in a more effective means of delivering special education services while reducing costs. The BRSU participated in the District Management Group's study and the findings truly resonate with us. Although we have begun to diligently implement changes to our system, the attempt to add S.229 to H.8897 concerns us greatly. Our primary reservation in this regard revolves around the intent in S.229 to treat special education excess costs in independent schools differently from such expenditures in the public school system. In the current Senate draft of H.897 (Sen. Ed. Working Revision; draft 1.1), the reimbursement model for independent schools is maintained as-is, while the Local Education Agency (LEA) must adopt the new census model. We believe the use of these different approaches will result in inequities.

Concerns:

- The census model will serve to incentivize the public system to do business differently, more cost effectively. Minus any similar incentive for the independent schools, we anticipate that costs will remain the same.
- Given that the census model will be given to the Local Education Agency (LEA) based on Average Daily Membership (ADM), our public schools will be compelled to control costs, while our independent partners will feel no pressure to do the same.
- If there isn't parity, we will need to either short change programming in our K-8 schools or increase our tax rates to address the resulting inequities.
- There are currently 2100 K-12 students in the BRSU with 800 attending independent schools, so approximately $\frac{1}{3}$ of our students attend an independent school. If independent school special education costs do not decrease, it is conceivable and likely, that more than $\frac{1}{3}$ of the census model monies will be needed to support independent schools, leaving a significant gap for the public system to address. If average special education costs for the independent schools exceed the average costs for our public schools, the public system can only respond by raising taxes or cutting K-8 programming. We have good working relationships with our private partners, but a disparate funding system will most likely fracture those relationships, creating an unproductive rift.
- The language requiring the LEA to provide additional staff and resources to an independent school for up to nine academic months is extremely problematic (pg. 65 of the H.897 Sen. Ed. Working version; draft 1.1). We don't think it is feasible or reasonable for us to provide staff in a setting that we don't oversee.

- Requiring the Secretary of Education to set excess cost rates for the independent schools is burdensome and will be extremely hard to manage because student excess costs are based on the services actually provided per a student's Individualized Education Plan (IEP). Every student has different services. In the past, when the AOE set rates with the Independent Schools, and provided a "not to exceed" rate, the Independent Schools only billed the LEA for the maximum allowable within each rate structure.

Recommendations:

1. **Historical Academies:** The four Historical Academies in Vermont often serve as a public school in their communities. Given the large percentage of supervisory union students they serve and in order to ensure an equitable K-12 system, we make the following proposal. As put forth in the first section of H.897, there is incentive to bring spending levels to the state average by FY25, as the census block grant allocations will be based on this figure. Each supervisory union will have their own average per student costs. We propose that Historical Academies be allocated the same average cost per student that the Local Education Agency (LEA) has for the students attending their public schools. This ensures that students have equitable funding and, minus the recommendations made for public schools to improve efficiencies, the Historical Academies will also be in a position to explore their own practices and look for areas to increase efficiencies. This per student cost would include all costs related to educating students along a continuum of services. If the LEA provides staff for any services, the cost for these services would be deducted from the allocation. The average cost per pupil can be determined based on statistical reporting and used as the following year's charges, or an announced and allowable model could be used similar to how tuition is currently handled.
2. **Other Independent Schools:** The LEA will generate an hourly rate per IEP service based on average costs for the services it provides. These would be approved by the Vermont Agency of Education and this "rate sheet" would be shared with the independent schools and would reflect what they will be reimbursed for the services they provide to students from the supervisory union in support of the students IEP. Again, these rates can be set based on information provided in statistical reporting.
3. **Additional Information:** There will be costs incurred by the LEA that will not be counted in the per student costs, including school psychologist evaluations, and special education transportation (to and from school), and central office special education administration.
 - The special education administration cost that will be included in the SU average per student costs will be the FTE equivalent of one person's time that is allocated to students attending SU schools.
4. **Meeting Independent School Staffing Needs:** In the current model, there is incentive for both the LEA and the Independent School representatives to find a service provider as quickly as possible. The LEA needs to make sure the school is providing the service and the Independent School is responsible for the hiring of staff. There is collaboration and shared investment in the process. Removing the responsibility from the Independent Schools to be accountable for having staff in place for 9 months does not incentivize them to hire staff expeditiously. The shared ownership should remain as it currently is.