

**FY 2018 Special Education Medicaid – How it works**

Medicaid Reimbursement Special Fund (16 VSA § 2959a(b))

- Special Education spending at the Vermont school district level is \$315 million.
- 40% of special expenses are included in local education spending, and the state special education grant from the education fund covers approximately 60%.
- Of the expenditure, \$48.5 million (15%) is on services that are Medicaid eligible.

As a result of the federal match in the Medicaid program additional funds can be earned. Schools file claims through the state with EDS for eligible expenses and that are within the Global Commitment capacity. The 54.3% federal match is drawn into the Global Commitment Fund and then paid into the Special Ed Medicaid Fund. In FY18, \$27.3 million is the estimated total of this reimbursement. The state determines how this reimbursement is used as follows:

1 - By statute 50% of reimbursement is sent to school district based on claims (adjusted for state placed students.)  
In FY 2018 the estimated total is \$13.4 million to go to schools for other non-reimbursable activities.

2 - Statute allows up to 30% (FY18 30% X \$27.3 = \$8.19) go to state wide programs and administration:

- DOE programs \$2.6M (9.5%)
- AHS/DCF programs \$1.7M (6.2%)

Senate

- New FY18 Children's Integrated Services \$3M (11%)
- Total FY18 = 26.7%

3 -The remainder is deposited in the Education Fund. In FY 2014 the transfer was \$6.4 million  
FY 2015 the transfer was \$7.6 million  
FY 2016 is estimated at \$9.6 million  
FY 2017 is estimated at \$9.6 million  
FY 2018 would be estimated at \$6.6 million (24.2%)  
The levels of monies that flow into the Education fund do impact tax rates with roughly \$10 million the amount that would change the rate by one penny