

**H. 897 - An act relating to enhancing
the effectiveness, availability, and
equity of services provided to students
who require additional support**

AOE Presentation to Senate Education

3/15/2018

Overview

- Individuals with Disabilities Act (IDEA)
 - Maintenance of Fiscal Support
 - Maintenance of Effort
- The UVM and District Management Group Reports
- Census Block Grant Recommendation and Formula

Not discussed – extraordinary reimbursement;
other sections of the bill

Individuals with Disabilities Act (IDEA)

- Federal law governing the provision of Special Education Services to students with Individual Education Programs (IEPs)
- Requires that public schools provide a Free and Appropriate Public Education (FAPE) for all students
- State Education Agency (SEA) responsible for ensuring compliance with IDEA

Individuals with Disabilities Act (IDEA)

- VT AOE is responsible for monitoring SUs for compliance
 - Enforcement
 - Corrective Action Plans
 - Withhold funds
- Regardless of how an Local Education Agency (LEA) receives funds, they are held to the requirements of the Federal Law

Individuals with Disabilities Act (IDEA) Compliance

- Annual child find
- Referrals
- Outside evaluations
- Administrative compliance
- Mediation
- Due process
- Notice
- Consent
- Participation
- Maintenance of Fiscal Support
- Maintenance of Effort
- Fiscal Monitoring

Maintenance of Fiscal Support (MFS)

- State Level Requirement
- An SEA is required to make available the same amount of state financial support from one year to the next for the education of children with disabilities.
 - Required to ensure that sufficient funds are set aside to allow predictability for LEAs to plan their special education programs.
- If not met, the IDEA grant can be lowered by the amount by which the state failed to meet the requirement.

Maintenance of Effort (MOE)

- LEA Maintenance of Effort (MOE) – spending at least a certain level of non-federal funds for Special Education
 - LEAs must budget and spend at least the same amount of local – or state and local – funds for the education of children with disabilities
 - LEAs can justify reductions due to:
 - a) voluntary or for-cause departure of special education staff,
 - b) decrease in enrollment of IDEA eligible children,
 - c) termination of an exceptionally costly program for a particular child, under certain circumstances,
 - d) termination of costly expenditures for long-term purchases, and e) assumption of cost by its SEA's high-cost fund

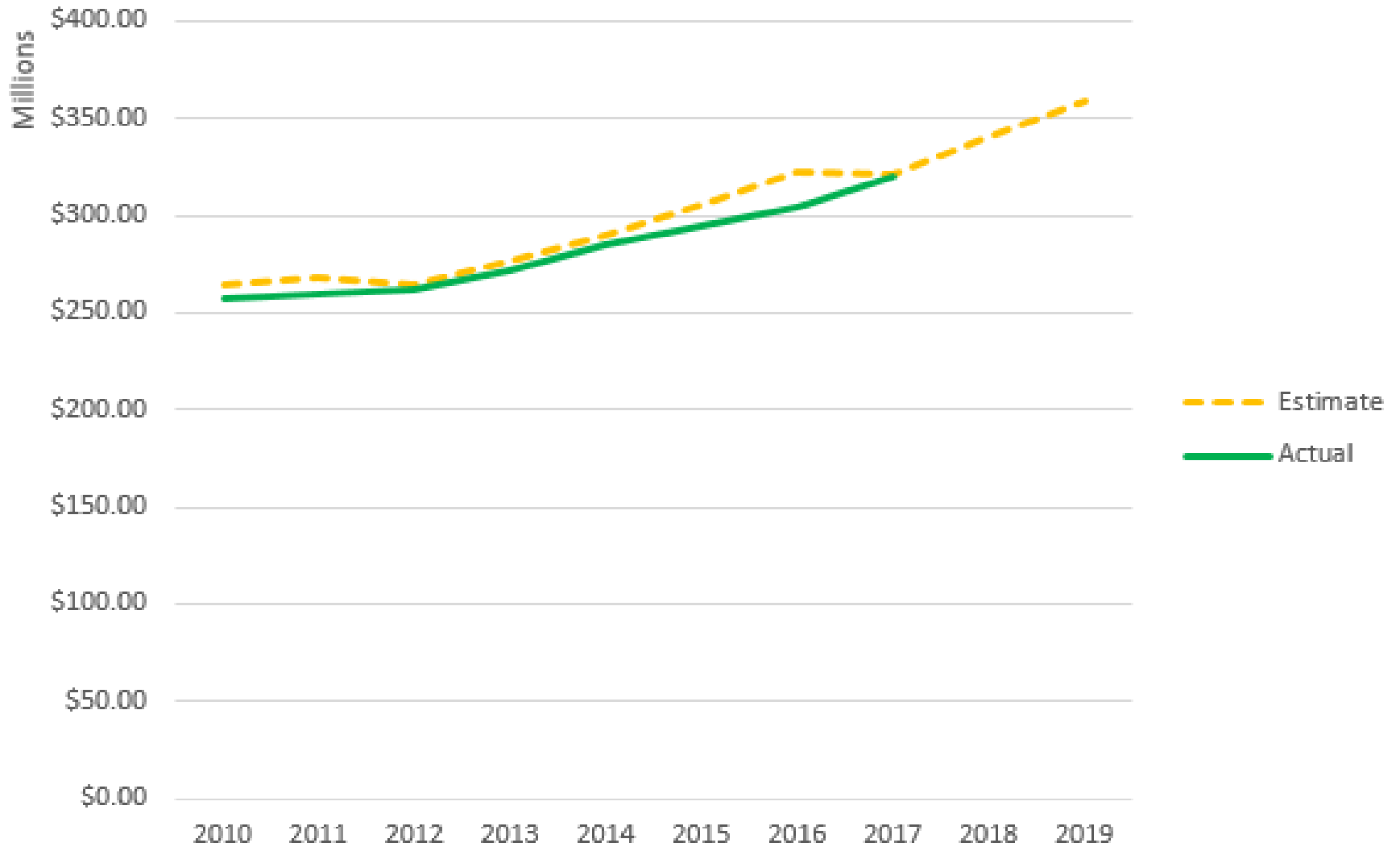
Maintenance of Effort

- If Maintenance of Effort is not met, the State must repay the Federal Government
 - Either the amount of the federal grant or
 - The different between what was spent and the amount of MOE
 - Which ever is less
- CIFR Quick Guide; <https://cifr.wested.org/wp-content/uploads/2015/07/CIFR-MFS-QRG-final.pdf>

Reports

- The Legislature commissioned two reports based on the assertion that Vermont spends too much on Special Education
 - District Management Group wrote a report on the delivery services for all struggling learners
 - UVM wrote a report on implementing a census based models for funding special education

Special Education Spending Estimates vs. Actuals



Reports

- DMG Report
 - Need to adopt best practices
 - Need to invest in LEAs to start
 - Could take 1-3 years to implement
 - Best practices could be less costly than the current model

[Nathan Levenson: Expanding and Strengthening Best Practice Supports for Students Who Struggle in Vermont](#)

Reports

- UVM Report
 - State Spending on special education has increased 14% since FY 2013
 - Vermont's Spending per IEP exceeds the national average and as compared to other peer states. Spending per IEP is two times greater than predicted spending
 - Our outcomes are not better than other states

[Tammy Kolbe: Study of Vermont State Funding for Special Education - Executive Summary and Full Report](#)

Reports

- UVM Report – Cost Drivers
 - Administratively burdensome
 - Complexity of needs is changing
 - Weak funding for early support services
 - Incentives to identify more students to get more funds from the state

Current System

- Reimburse for 60% of actual costs
 - Administratively burdensome
 - Only reimburse for services provided per an IEP
 - Can prohibit flexible use of staff expertise
 - Does not provide the flexibility to spend funds on MTSS and other preventative services
 - Unpredictable and not transparent

Census based model

- Provides a per ADM grant to SUs to reflect the additional costs of special education
 - SUs use funds to meet the services outlined in IEPs (providing the services as required by federal law)
 - Provides flexibility in how funding can be used
 - Predictable funding level

Current Bill Draft

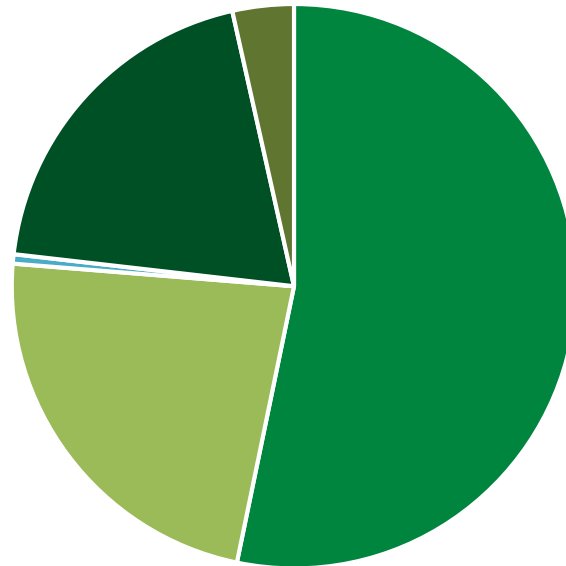
- Timing is critical
 - The change in the funding formula has to happen in concert with a change in practice
 - Change in practice doesn't require legislation, however, LEAs need support to implement the practice changes
 - Current bill includes 3 staff at AOE and funding for contractual support to build the capacity for technical assistance and central resources to support SUs in the process change

Current Bill Draft

- Timing is critical
 - The funding level at SUs can change year over year
 - Shifting to a new funding model too soon will “shock” the LEAs
 - The current bill provides a slope to transition districts to the new funding model

Overview of Spending By Category

FY 2017 Actual Special Education Spending By Expenditure Category



- Salaries and Benefits
- Support services
- Purchased services
- Transportation
- Supplies

Current Bill Draft

- Funding Formula
 - Attempts to account for SUs need to modify local programs
 - Provides a slope into the new funding model rather than an immediate transition
 - Needs to comply with Federal Maintenance of Fiscal Support requirement at the State Level
 - Needs to comply with Federal Maintenance of Effort requirement at the Local Level

Current Bill Draft

- Funding Formula
 - No change until FY 2021
 - The AOE recommends a uniform grant amount to go into effect in FY 2025 (with input from advisory group)
 - Need to account for Maintenance of Fiscal Support and Maintenance of Effort Requirements

Current Bill Draft

- Funding Formula
 - In 2021 level fund the special education appropriation
 - Calculate a grant on an SU by SU basis based on actual spending in 2017, 2018, and 2019 to provide a starting place and predictability for SUs
 - Step SUs to block grant for 3 years