

B. 502 - Special Education Formula

The Special Education Formula provides funding for Vermont school districts for their K-12 special education eligible costs not covered by federal funds or other State funds such as State placed student funding. The grant categories 4-9 provide funding for specialized services and training.

| | FY 2017 Actuals | FY2018 Budget | FY2019 Gov Rec | 18-19 Change |
|----------------------------------|-----------------------|--------------------|--------------------|------------------|
| EDUCATION FUND | | | | |
| GRANTS | | | | |
| 1 Mainstream Block Grant | 31,416,399 | 33,079,717 | 31,848,426 | (1,231,291) |
| 2 Special Ed. Reimbursement | 129,358,306 | 124,692,791 | 134,489,947 | 9,797,156 |
| 3 Extraordinary Reimbursement | 13,842,313 | 19,218,454 | 19,218,454 | - |
| 4 I-Team & Regional Specialist | 1,068,464 | 1,070,024 | 1,099,878 | 29,854 |
| 5 Hearing Impaired | 940,193 | 940,193 | 966,424 | 26,231 |
| 6 Visually Impaired | 572,366 | 572,366 | 588,335 | 15,969 |
| 7 BEST | 572,249 | 566,098 | 581,892 | 15,794 |
| 8 Act 230 Training | 317,812 | 417,348 | 428,992 | 11,644 |
| 9 Higher Education Participation | - | 192,805 | - | (192,805) |
| TOTAL EDUCATION FUND | 178,088,103.25 | 180,749,796 | 189,222,348 | 8,472,552 |

Budgetary Changes: The Special Education Appropriation has several changes:

1. Mainstream block grant – the reduction in the mainstream block grant is a factor of the formula that is used to calculate the appropriation. The formula, is based on special educator salary per ADM in a supervisory union. As ADM decreases, the block grant is impacted.
2. Special education reimbursement – the funding for special education reimbursement is a factor of the service plans. This number may be updated when final budgets are submitted to the Agency to finalize the appropriation.
3. I-Team & Regional Specialists, Hearing Impaired, Visually Impaired, BEST, Act 230 Training – these grant amount are increased by the NEEP index.
4. Higher Education Participation – this grant has not been used since 2015, yet the appropriation has continued. The grant is not statutorily required, and it not a cut. It is simply a technical realignment of the appropriation.

Summary of Special Education Grants

1. Mainstream Block Grant – 16 V.S.A. §2961
These funds provide a block grant for each supervisory union/district based on 60 percent of the statewide average salary for: (1) 9.75 special education teaching positions per 1,000 Average Daily Membership (ADM), and (2) up to two special education administrators per supervisory union/district based on ADM.
2. Special Education Expenditures Reimbursement - 16 V.S.A. §2963; 16 V.S.A. §2967
This funding reimburses a portion of eligible special education costs not covered by another part of the formula or by federal or other state funds.
3. Extraordinary Reimbursement – 16 V.S.A. §2962
Funds provide 90 percent reimbursement for high-cost students for costs in excess of \$50,000 for individualized education programs (IEPs).