

TESTIMONY PROVIDED TO: Senate Education Committee
FROM: Vermont Council of Special Education Administrators (VCSEA) -
Traci Sawyers and Dylan McNamara
TOPIC: Funding of Services for Students Who Require Additional Support
DATE: March 20, 2018

Introduction:

VCSEA applauds the legislature's convening of the District Management Group report (*Expanding and Strengthening Best Practice Supports for Students who Struggle*) and UVM Special Education Funding study. The release of these reports is timely and important given the ongoing policy landscape regarding education quality and cost containment conversations ongoing in Vermont.

VCSEA Positions:

- A shift in current practice focused on high quality first instruction for all children can improve outcomes for struggling students: VCSEA supports the District Management Group's report recommendations and believes they provide significant opportunities to improve Vermont's educational system and reduce costs. However, as both reports highlight, this will only come with a shift in culture and practice in the way we serve all children. Providing students with disabilities more instruction by highly qualified staff and ensuring increased access to core first instruction within the general education environment will be a substantial undertaking for schools. The implications of the DMG study go well beyond special education. This is a full-system overhaul in the way we teach all students and we believe it will improve instruction and learning for *all* students. Conversely, reductions to special education supports (through funding decreases) without an emphasis on practice will result in student receiving even fewer services and supports and more unmet need.
- Changes to the existing special education funding system are needed: VCSEA supports the UVM study recommendation to redesign the Vermont special education funding model. The Study identified several key factors contributing to the need for change and VCSEA concurs with the following criticisms of the current funding model:
 - Administrative costs related to the current model are significant and represent resources that are not being spent on technical assistance and educational support to districts
 - The current model incentivizes the identification of students as being eligible for special education as the only method to access necessary supports. This represents a reactive model of service provision rather than a proactive approach to addressing student needs
 - The current model precludes school districts from ensuring that specialized instruction is provided by the person most qualified to do so (e.g., the use of a Reading Specialist to provide targeted reading instruction is disallowed under our current structure, even if the IEP team determines this support is most appropriate)
- Funding mechanisms that maximize flexibility are essential: VCSEA believes that a census-based funding mechanism shows promise toward providing schools with the flexibility

necessary to implement evidence-based practices and improve outcomes for children with disabilities. Under the current model, schools are limited in their ability to provide early intervention and prevention services to struggling learners who are not identified for special education. VCSEA agrees with the study's assertion that a census-based funding mechanism allows flexibility and does not incentivize the unnecessary identification of students as eligible for special education. VCSEA continues to believe that a non-categorical funding mechanism is essential to maximize flexibility for schools.

- Changes to the funding model should not be used as a cost containment measure: While VCSEA supports the concept of a census based funding model to support flexibility in spending in order to move toward more efficient service delivery models, it is critical that we do not consider the census model as a driver of cost savings. Only practice changes as represented in the DMG report can exert true efficiencies in the service delivery system. Additionally:
 - **Special education services are entitlement services, mandated by Federal and State laws.** Simply reducing the amount of state funding districts receive in support of special education will not by itself decrease costs; LEAs are still responsible for providing the services required by IEPs. Instead, costs will simply be shifted back to local budgets and service quality will decline. VCSEA strongly agrees with the UVM study's assertion that "*simply reducing spending would likely result in children going unserved and localities not meeting their obligations under federal and state law*" (p 75).
- The current legislation does not adequately address the issue of federal Maintenance of Effort (MOE) requirements. Significant reductions in funding could prompt cost-cutting that would cause schools to fail their Maintenance of Effort (MOE) requirements, placing federal dollars at risk. The funding study did not adequately address the implications of the reductions on federal MOE requirements. Individual LEAs would be required to pay back federal funds on an annual basis when they do not spend as much on special education as they have the previous year. VCSEA believes it is inappropriate to believe that overall cost reductions would "balance out" this potential loss of funds. Below, VCSEA offers a recommendation that may address the issue of MOE as we move to a more flexible funding model.
- Any adjustment to the funding model will necessitate an opening of special education rules. The current rules are specifically written to involve a reimbursement model. Any change in funding structure that moves substantially away from a reimbursement model will require that the Rules be opened. This change is unavoidable.
- Extraordinary cost reimbursement is necessary to minimize impact of high-cost students and increase predictability of special education costs: School districts of all sizes, but particularly small districts, can see dramatic cost swings for individual students with significant and costly disabilities; an extraordinary cost reimbursement model is necessary to prevent these swings and ensure predictability. It is essential that the committee understand that a decrease in

extraordinary cost reimbursement will result in a shift in these cost to the general education budget. In many cases, systems change may not result in a commensurate decrease in the costs of educating high cost students.

- VCSEA continues to support the creation of an Early Implementation model for schools who have exhibited readiness. The kind of systems change required for improved quality and efficiency in service delivery will only come with specific support provided to schools in the area of systems change. Currently, the AOE has no offerings to support the specific systems change called for to implement DMG recommendations.
- Limited availability of community-based mental health services continues to stretch the capacity of schools to provide access to education and results in significant cost increases for special education: Funding model adjustments alone are insufficient to address special education cost containment desires, given the significant cost shift of mental health services that has occurred over time. VCSEA concurs with the study's conclusion that "increased demand and limited capacity for community-based mental health and social services has shifted responsibility for providing these services to schools" (p 4). The Report on Act 68 of 2013 made clear that the costs to schools of providing mental health services *due to a lack of availability of those supports within the community* is significant. Without addressing those community based issues, the responsibility for funding the supports will continue to fall disproportionately towards schools, and the special education budget.

VCSEA Recommendations:

- Address MOE by: Level funded block grants, combined with an opportunity to address the systems changes proposed in DMG, may allow districts to satisfy MOE requirements and create systems that are both more effective and more efficient. In this scenario, the block grant amount would stay the same for the next five years. LEAs would calculate MOE exemptions on an annual basis and then adjust the block grant based on those calculations.
- Go slowly and thoughtfully with decision making about implementation of the study recommendations: VCSEA strongly believes that a thoughtful, deliberate and well-informed process is essential prior to the legislature taking steps to implement shifts in the funding structure. Both the UVM and DMG reports provides a large body of information that requires further examination to understand which models and simulations are best for Vermont and the implications of such a shift. This will be hard, take time, and again represents a major culture and practice shift.
 - *Phase-in period:* VCSEA agrees with a prolonged and supported "phase-in" period. Our belief is that any recommendations for an implementation timeline would need to include time to invest in the training and system development necessary for implementation of the sweeping changes.

- *Implementation committee/work group*: We believe the state will benefit from the convening of an implementation committee with broad representation from educational stakeholders and VSBA, VSA, VPA and VCSEA provided joint testimony about the inclusion of the workgroup in the House version of the bill. This potential move represents major change and key stakeholders must be engaged and help guide its implementation.
- Continue to support the implementation of other policy recommendations related to education quality: Vermont schools are engaged in significant systems change related to becoming more effective and more cost efficient. Implementation of the District Management Report recommendations, Vermont's ongoing efforts to shift service delivery models that prioritize licensed educators, proficiency-based learning and personalization, MTSS and a number of other policy initiatives will all have significant impact on the quality and efficiency of our educational systems. VCSEA recommends that the legislature continue to support those initiatives and recognize that increased quality and cost containment can only be achieved through systems-level work, **not** solely through a shift in funding structures.

