

1 TO THE HONORABLE SENATE:

2 The Committee on Education to which was referred Senate Bill No. 229
3 entitled “An act relating to State Board of Education approval of independent
4 schools” respectfully reports that it has considered the same and recommends
5 that the bill be amended by striking out all after the enacting clause and
6 inserting in lieu thereof the following:

7 Sec. 1. FINDINGS AND GOALS

8 (a) The General Assembly created the Approved Independent Schools
9 Study Committee in 2017 Acts and Resolves No. 49 to consider and make
10 recommendations on the criteria to be used by the State Board of Education for
11 designation of an “approved” independent school. The Committee was
12 specifically charged to consider and make recommendations on:

13 (1) the school’s enrollment policy and any limitation on a student’s
14 ability to enroll;

15 (2) how the school should be required to deliver special education
16 services and which categories of these services; and

17 (3) the scope and nature of financial information and special education
18 information that should be required to be reported by the school to the State
19 Board or Agency of Education.

1 the approved independent school as an appropriate placement and least
2 restrictive environment for the student by the local education agency. Except
3 as provided in subdivision (6) of this subsection, the Board’s rules must at
4 minimum require that the school has the resources required to meet its stated
5 objectives, including financial capacity, faculty who are qualified by training
6 and experience in the areas in which they are assigned, and physical facilities
7 and special services that are in accordance with any State or federal law or
8 regulation. Approval may be granted without State Board evaluation in the
9 case of any school accredited by a private, State, or regional agency recognized
10 by the State Board for accrediting purposes, provided that the State Board shall
11 determine that the school complies with all student enrollment provisions
12 required by law.

13 * * *

14 (5) The State Board may revoke, ~~or suspend,~~ or impose conditions upon
15 the approval of an approved independent school, after opportunity for hearing,
16 for substantial failure to comply with the minimum course of study, for failure
17 to demonstrate that the school has the resources required to meet its stated
18 objectives, for failure to comply with the Board’s rules for approved
19 independent schools, or for failure to report under subdivision (4) of this
20 subsection (b). Upon revocation or suspension, students required to attend
21 school who are enrolled in that school shall become truant unless they enroll in

1 a public school, an approved or recognized independent school, or a home
2 study program.

3 * * *

4 (8)(A) If an approved independent school experiences any of the
5 following financial reporting events during the period of its approved status,
6 the school shall notify the Secretary of Education within five days of its
7 knowledge of the event unless the failure is de minimis, the school remedies
8 the event within this five day period, or the school is able to remedy the event
9 without consequence to its financial capacity to meet its stated objectives:

10 (i) the school’s failure to file its federal or State tax returns when
11 due (after taking into account permissible extension periods);

12 (ii) the school’s failure to meet its payroll obligations as they are
13 due or to pay federal or State payroll tax obligations as they are due;

14 (iii) the school’s failure to maintain required retirement
15 contributions;

16 (iv) the school’s use of designated funds for nondesignated
17 purposes;

18 (v) the school’s inability to fully comply with the financial terms
19 of its secured installment debt obligations over a period of two consecutive
20 months, including the school’s failure to make interest or principal payments
21 as they are due or to maintain any required financial ratios;

1 (vi) the withdrawal or conditioning of the school’s accreditation
2 on financial grounds by a private, State, or regional agency recognized by the
3 State Board for accrediting purposes; or

4 (vii) the school’s insolvency, as defined in 9 V.S.A. § 2286(a).

5 (B)(i) If the State Board reasonably believes that an approved
6 independent school lacks financial capacity to meet its stated objectives during
7 the period of its approved status, then the State Board shall notify the school in
8 writing of the reasons for this belief and permit the school a reasonable
9 opportunity to respond.

10 (ii) If the State Board, after having provided the school a
11 reasonable opportunity to respond, does not find that the school has
12 satisfactorily responded or demonstrated its financial capacity, the State Board
13 may establish a review team, that, with the consent of the school, includes a
14 member of the Council of Independent Schools, to:

15 (I) conduct a school visit to assess the school’s financial
16 capacity;

17 (II) obtain from the school such financial documentation as the
18 review team requires to perform its assessment; and

19 (III) submit a report of its findings and recommendations to the
20 State Board.

1 “special education services,” “LEA,” and “individualized education plan” or
2 “IEP” as used in this section shall have the same meanings as defined by State
3 Board rules.

4 (b)(1) The Secretary of Education shall establish minimum standards of
5 services for students receiving special education services in independent
6 schools in Vermont; ~~shall set, after consultation with independent schools in~~
7 ~~Vermont, the maximum rates to be paid by the Agency and school districts for~~
8 ~~tuition, room, and board based on the level of services;~~ and may advise
9 independent schools as to the need for certain special education services in
10 Vermont.

11 (2)(A) The Secretary of Education shall set, after consultation with
12 independent schools in Vermont, the maximum rates to be paid by the Agency
13 and supervisory unions for tuition, room, and board for residential placement
14 of students requiring special education services based on the level of special
15 education services provided by the schools. The amount charged by an
16 independent school for tuition shall reflect the school’s actual or anticipated
17 costs of providing special education services to the student and shall not
18 exceed the maximum rates set by the Secretary, provided that the Secretary
19 may permit charges in excess of these maximum rates where the Secretary
20 deems warranted.

1 (B) An approved independent school that enrolls a student placed by
2 a LEA under subsection (a) of this section on a non-residential basis may bill
3 the responsible LEA for excess special education costs incurred by the
4 independent school in providing special education services beyond those
5 covered by general tuition. Reimbursement of these excess special education
6 costs shall be based on the direct costs rates approved by the Secretary for
7 services actually provided to the student consistent with the Agency of
8 Education Technical Manual for special education cost accounting and
9 approved by the Agency of Education. The Agency of Education shall publish
10 specific elements that must be included as part of an independent school's
11 invoice for excess special education costs, and these elements shall be included
12 in the written agreement required under subdivision (c)(2) of this section.

13 (C) In establishing the tuition rates and cost rates for reimbursement
14 under this subsection, the Secretary shall apply the principle of treating an
15 approved independent school and a public school with parity in terms of the
16 total amount of State and local contribution to cover the costs of providing
17 special education services.

18 (3) An approved independent school shall provide such reports to the
19 Secretary as the Secretary deems necessary in order to ensure that amounts
20 payable under this subsection to the school are reasonable in relation to the
21 special education services provided by the school. The Secretary may

1 withhold, or direct an LEA to withhold, payment under this subsection pending
2 the Secretary's receipt of a required report under this subsection, or an amount
3 determined by the Secretary as not reasonable in relation to the special
4 education services provided by the school.

5 (c)(1) In order to be approved as an independent school eligible to receive
6 State funding under subsection (b) of this section, the school shall demonstrate
7 the ability to serve students with disabilities by:

8 (A) demonstrating an understanding of special education
9 requirements, including the:

10 (i) provision of a free and appropriate public education in
11 accordance with federal and State law;

12 (ii) provision of education in the least restrictive environment in
13 accordance with federal and State law;

14 (iii) characteristics and educational needs associated with any of
15 the disability or suspected disability categories under federal and State
16 law; and

17 (iv) procedural safeguards and parental rights, including discipline
18 procedures, specified in federal and State law;

19 (B) committing to implementing the IEP of a student with special
20 education needs, providing the required services, and appropriately
21 documenting the services and the student's progress;

1 (C) subject to subsection (d) of this section, having staff with the
2 required licensure to provide and manage special education services;

3 (D) agreeing to communicate with the responsible LEA concerning:

4 (i) the development of, and any changes to, the IEP;

5 (ii) services provided under the IEP and recommendations for a
6 change in the services provided;

7 (iii) the student's progress;

8 (iv) the maintenance of the student's enrollment in the
9 independent school; and

10 (v) the identification of students with suspected disabilities; and

11 (E) committing to participate in dispute resolution as provided under
12 federal and State law.

13 (2) An approved independent school that enrolls a student requiring
14 special education services who is placed by a LEA under subsection (a) of this
15 section:

16 (A) shall enter into a written agreement with the LEA committing to
17 the requirements under subdivision (1) of this subsection (c);

18 (B) shall ensure that qualified school personnel attend evaluation and
19 planning meetings and IEP meetings for the student; and

1 (C) is not required to demonstrate that it has the resources to serve
2 every category of special education in order to be approved or retain its
3 approval to receive tuition under subsection (b) of this section.

4 (d) If an approved independent school enrolls a student under subsection
5 (a) of this section but does not have the staff or State Board approval to
6 provide special education services in the specific disability category required
7 by the student, then:

8 (1) the LEA, in consultation with the approved independent school and
9 the Agency of Education, shall determine what special education services and
10 supports the school is able to provide to the student; and

11 (2) the LEA shall, on an interim basis, provide such additional staff and
12 other resources to the approved independent school as are necessary to support
13 the student until such time as the approved independent school is able to
14 directly provide these services and has the appropriate State Board approval,
15 provided that the school shall have all required staff and resources and the
16 appropriate State Board approval within the school year of the student's
17 enrollment.

18 ~~(b)~~(e) Neither school districts nor any State agency shall pay rates for
19 tuition, room, and board, for students receiving special education in
20 independent schools outside Vermont that are in excess of allowable costs
21 approved by the authorized body in the state in which the independent school

1 is located, except in exceptional circumstances or for a child who needs
2 exceptional services, as approved by the Secretary.

3 ~~(e)~~(f) The State Board is authorized to enter into interstate compacts with
4 other states to regulate rates for tuition, room, and board for students receiving
5 special education in independent schools.

6 Sec. 4. EFFECTIVE DATE

7 This act shall take effect on passage.

8

9 (Committee vote: _____)

10

11

Senator _____

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FOR THE COMMITTEE