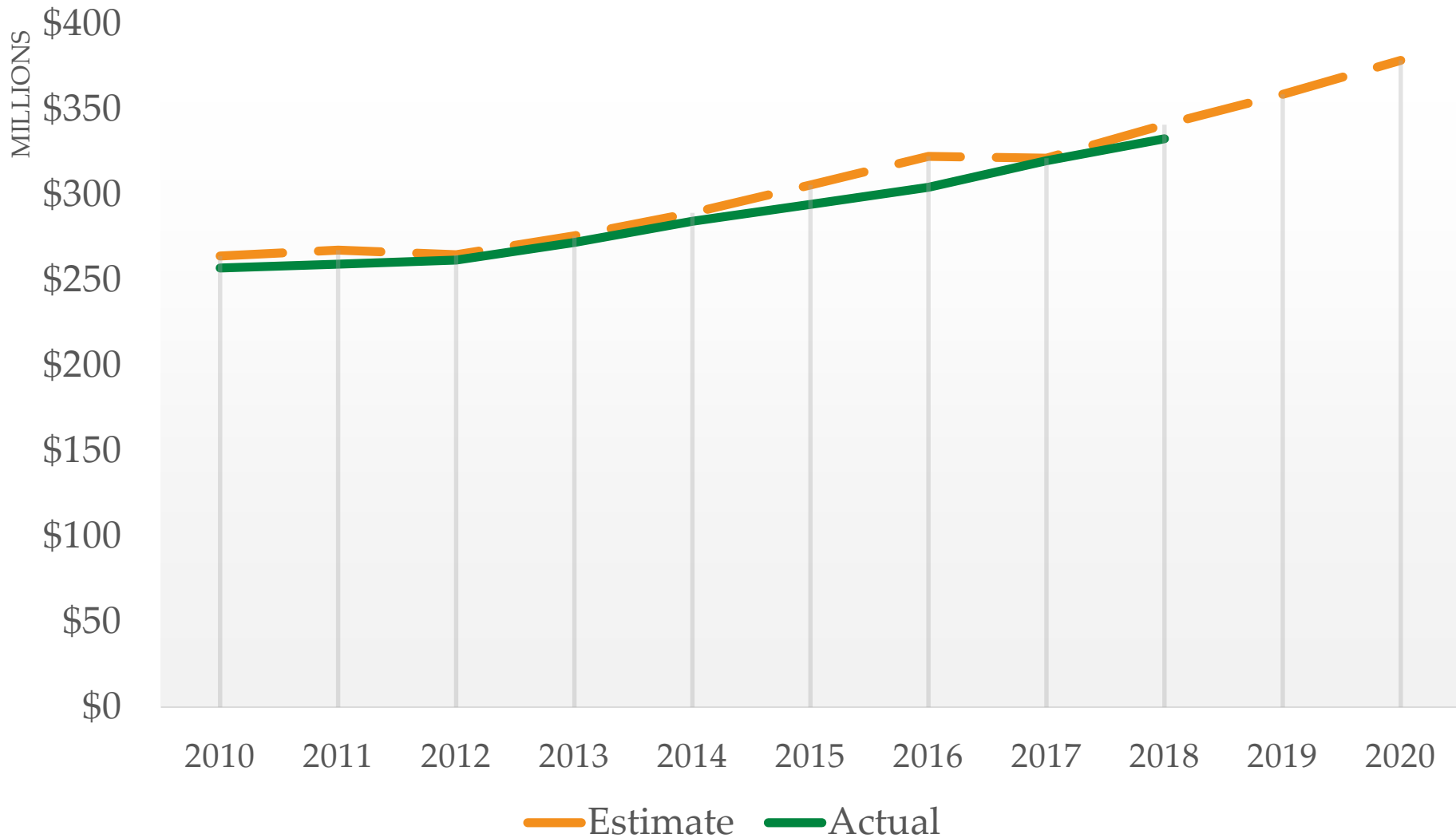


Proposed Technical Changes to Act 173 of 2018

Emily Byrne, Chief Financial Officer
Alena Berube, Special Education Finance
Manager

April 3, 2019

Special Education Spending Estimates vs. Actuals



Act 173

- Attempt to slow the growth in the State appropriation for special education by making it a census based block grant
- A fixed amount will be given to each school on a per ADM basis; the balance of special education costs will be picked up by local budgets.

Aid Projection

16 V.S.A. § 2967 - Aid Projection

- The state will no longer be collecting services plans and will not be able to publish costs.
- The state will be able to publish the calculation by SU of the census grants and other state special education appropriations under current law.
- An amendment needed to update what the AOE will publish to align accordingly.

(a) On or before December 15, the Secretary shall publish an estimate, by each supervisory union of its anticipated state special education funding ~~special education expenditures~~ under this chapter for the ensuing school year.

(b) As used in this section, state special education funding ~~special education expenditures~~ shall include:

(1) funds ~~costs~~ eligible for grants and reimbursements under sections 2961 and 2962 of this title;

(2) funds ~~costs~~ for services for persons who are visually impaired;

(3) funds ~~costs~~ for persons who are deaf or hard of hearing;

(4) funds ~~costs~~ for the interdisciplinary team program;

(5) funds expended for training and programs to meet the needs of students with emotional or behavioral challenges under subsection 2969(c) of this title; and

(6) funds expended for training under subsection 2969(d) of this title.

Unusual/Unexpected Costs Appropriation

Unusual/Unexpected Special Education Costs

- This amendment provides a calculation and an appropriation to make funds available for unusual special education costs annually.

Current Law – Current Funding Formula

Up to two percent of funds appropriated for special education expenditures can be used for this purpose – up to \$4.3M

FY 2020 Budget (\$ Millions)	
Mainstream Block Grant	32.6
Sped Reimbursement	155.9
Extraordinary	20.7
Grants	3.8
Total	213

Current Law – New Funding Formula

Up to two Percent of funds appropriated for special education expenditures can be used for this purpose.

FY 2020 Budget (\$ Millions)	
Census block	188.5
Extraordinary	20.7
Grants	3.8
Total	213
Unusual (2% total)	4.3
Updated Appropriation	217.3

Proposal– New Funding Formula

Appropriate 2% of the census grant for this purpose

FY 2020 Budget (\$ Millions)	
Census block	188.5
Extraordinary	20.7
Unusual/Unexpected	3.7
Grants	3.8
Total	216.7

Unusual/Unexpected Special Education Costs

The Secretary may use funds for allowable special education expenditures, as defined in State Board of Education rules, to directly assist supervisory unions with special education expenditures of an unusual or unexpected nature. These funds shall be appropriated in the amount of two percent times the Census Grant as defined in § 2961 ~~up to two percent of the funds appropriated for allowable special education expenditures, as that term is defined in subsection 2967(b) of this title and State Board of Education rules, to directly assist supervisory unions with special education expenditures of an unusual or unexpected nature.~~ The Secretary's decision regarding a supervisory union's eligibility for an amount of assistance shall be final.

Transition

Transition Language

To comply with IDEA, the State is required to collect information from SUs. These data were historically collected via the service plan, which is repealed by this section.

This language codifies the requirement that AOE will be collecting the required information for IDEA reporting purposes.

Sec. 17 TRANSITION

(a) Notwithstanding the requirement under 16 V.S.A. § 2964 for a supervisory union to submit a service plan to the Secretary of Education, a supervisory union shall not be required to submit a service plan for fiscal year 2021.

(b) On or before November 1, 2019, a supervisory union shall submit to the Secretary such information as required;

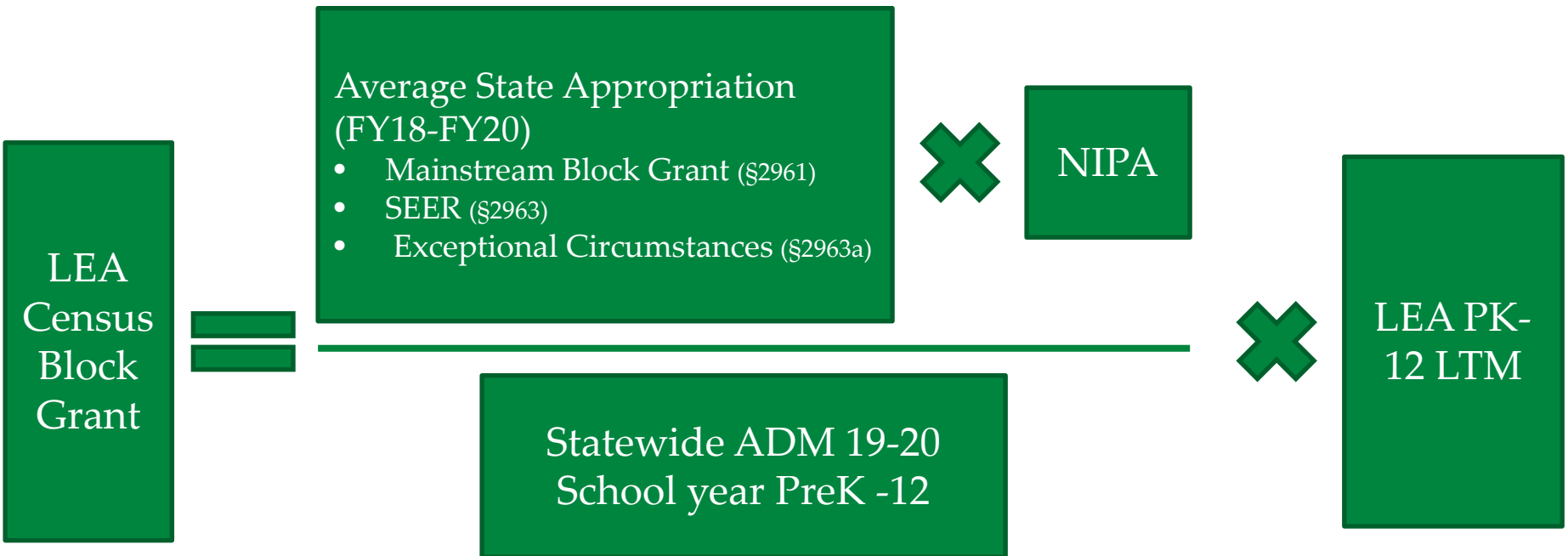
(i) by the Secretary to estimate the supervisory union's projected fiscal year 2021 extraordinary special education reimbursement under Sec. 5 of this act; and

(ii) for IDEA reporting in a format specified by the Secretary.

(c) The Agency of Education shall assist supervisory unions as they transition to the census-based funding model in satisfying their maintenance of effort requirements under federal law.

Grant Calculation

Current Law - Census Block Grant Calculation: FY 2025+



Long Term Membership Calculation

Sec. 5 16 V.S.A. §2961 (Standard Mainstream Block Grant)

- Update to the definition of long term membership to clarify which years the AOE should use in the calculation.
- Update to align the calculation of the uniform base amount with the years that the funding was originally designated for.

Sec. 5 16 V.S.A. §2961 (Standard Mainstream Block Grant)

* * *

(A)(3) “ Long-term membership” of a supervisory union in any school year means the average of the supervisory union’s average daily membership over the most recent three school years for which data is available.

(A)(4) “Uniform base amount” means an amount determined by:

(A) dividing an amount:

(i) equal to the average State appropriation for fiscal years 2018, 2019, and 2020 for special education under 16 V.S.A. §§ 2961 (standard mainstream block grants), 2963 (special education expenditures reimbursement), and 2963a (exceptional circumstances); and

(ii) increased by the annual change in the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis; by

(B) the statewide long-term membership ~~average daily membership for prekindergarten through grade 12 for the 2019-2020 school year.~~

* * *

Census Block Grant Calculation FY 2025+

