

TESTIMONY PROVIDED TO: Senate Education Committee
FROM: Meagan Roy, Ed.D. (Chair, Census-Based Funding Advisory Group)
TOPIC: Report of the Census-Based Funding Advisory Group
DATE: February 5, 2019

The first full report of the Census-Based Funding Advisory Group was submitted to the House and Senate Education Committees on January 15, 2019. The following is an Executive Summary of that report, offered to the House Education Committee to inform a discussion about the work of the Group to date.

Introduction & Approach of the Group

The Advisory Group recognizes Act 173 as landmark legislation designed to improve the systems of support (and therefore outcomes) of struggling students in Vermont. The Group recognizes that the stakeholders represented are here as partners in serving the needs of Vermont children. The Group is committed to implementation of the Act in a way that provides excellent educational opportunities for students. Although the Group seeks to reach consensus, it also recognizes that consensus cannot be found on every issue, and on those issues where consensus is not reached seeks to inform the legislature on areas of agreement and disagreement

Act 173 of 2018: An act relating to enhancing the effectiveness, availability, and equity of services provided to students who require additional support.

The legislation addresses two essential components: high quality systems of support for struggling learners, and a funding structure for special education that allows flexibility to implement the former. The Act changes the funding model for special education from a reimbursement model to a census-based model. This new model allows more flexibility in how funds can be used, simplifies administration of funds at both state and local levels, and aligns with policy priorities, including the opportunities identified in the District Management Group (DMG) report.

Summary of Report

Act 173 requires that the Advisory Group report to the legislature on the following

Advise the State Board of Education on Proposed Rules:

The Group supports the Agency of Education's proposed approach to the rule making process, which recommends:

1. Limiting the scope of revision for Part B Rules (the main portion of the rules that address IDEA), as they are already in alignment with current Federal statute.
2. Pulling out the Special Education Funding chapter out completely revising this section to align with the Act.
3. Within the Funding chapter, develop specific rules about funding special education for publicly funded students in independent schools. The advisory group addresses its recommendation for this portion of the rules later in this report.

The Group recognized that there was dissenting opinion about an approach that does not fully reopen the bulk of the Part B Rules. Group members with this perspective felt there are additional issues in the current special education Rules that need to be addressed.

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Advise the Agency and Supervisory Unions on Implementation:

Magnitude of Change

The advisory group would like to reiterate to the General Assembly that implementation of Act 173 represents programming and funding changes that will be significant for schools. Implementation will include systems and structural changes, significant professional development, and a shift in budgeting and funding that will impact practice.

Professional Learning

In response to the Agency's recommendations for professional learning to support schools in implementing the Act, the Group recommends the following:

- The group supports the idea of targeting professional learning resources to the districts most in need of support based on identified metrics, rather than providing resources on a first-come-first-served basis. The AOE identified a number of possible ways to identify schools for support, including those eligible for comprehensive support under federal ESSA legislation. Additionally, schools that are identified as having an equity gap in accountability metrics will be offered access to Networked Improvement Communities (NIC). NICs provide an important peer-to-peer professional learning opportunity for LEA staff and administrators.
- The group would like to have additional discussions with the Agency about what the support would look like to those identified schools, and the extent to which the support is coordinated, well designed and consistent. Discussions regarding professional learning are ongoing at this time, and the Group expects to have further input for the Agency
- The Act required that the Agency set aside funds for FY19, 20, 21. The Advisory Group recommends extending that timeline to be FY20, FY21, FY22, recognizing that professional development will be ineffective if it begins midyear (which would be the case if the Agency was required to expend funds by the end of FY19).

Provide Recommendations to the General Assembly for Necessary Statutory Changes:

Timing of Rulemaking

The timeline of rules is ambitious, and while the Agency is proceeding with the timeline as outlined, the Group may recommend adjustments to the timeline. For the census-based funding rules to effectuate flexibility without imposing additional administrative burdens on supervisory unions, it will be necessary to streamline some of these existing Agency processes.

Independent School Funding

There is a recognition on the part of the Advisory Group that the current construct for funding special education students in independent schools requires adjustment in the new funding structure. Act 173 and the census block grant are designed to incentivize the public system to serve students differently and more cost-effectively; this incentive must also apply to independent schools accepting publicly funded students. If there is not parity between the public and independent system, public schools will be at a fiscal disadvantage because they would need to either cut programs in their schools or fund public school special education by increasing taxes.

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The Group discussed a conceptual framework that would draw a distinction between large and small independent schools and how they are funded. The group will continue to investigate the intricacies of the funding model and may adjust its recommendation based on those findings. The group recommends that large schools (defined as schools with a total enrollment above 100 and more than 65% of its student body publicly-funded) would be funded similarly to public schools under the new law, and small schools (defined as schools with fewer than 100 students enrolled and less than 65% publicly funded) would be funded in a reimbursement construct.

There was significant discussion about the definition of small and large independent schools. Although the vote of the Group was a clear majority to accept this proposal (11-2-1 abstention), the dissenting opinion was that the definition of large school should be limited to a school with more than 50 students on IEPs.

The Group was unanimous in its recognition that therapeutic independent schools function wholly differently from general education independent schools, and any rulemaking must ensure the continued viability of those schools.

Census Grant Calculation

The Group may return to the General Assembly with recommendations about how the uniform base grant is calculated, based on the following:

- Statute is currently unclear as to whether the CPI adjustment applied in 2025 will continue to be applied as a cost of living adjustment or whether the intent is to hold the grant stable over time.
- The Weighting Study convened by the Act will yield important information that may impact the viability of the calculation.
- Although the Act created the grant calculation based on modeling included in the UVM Funding Study, none of those models was applied as outlined in the final version of the Act. Thus, the calculation has not been tested to determine its impact on local districts. The Agency will be releasing a tool for districts to use to estimate their grant; this information may prompt the Group to recommend adjustments based on modeling that did not occur prior to the writing of the Act.