

# Act 173 Update

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# Topics

1. Act 173 Overview
2. Agency work to date
  - Positions
  - Technical Assistance and Professional Learning
  - Rule-making
  - Fiscal Tool
  - Other

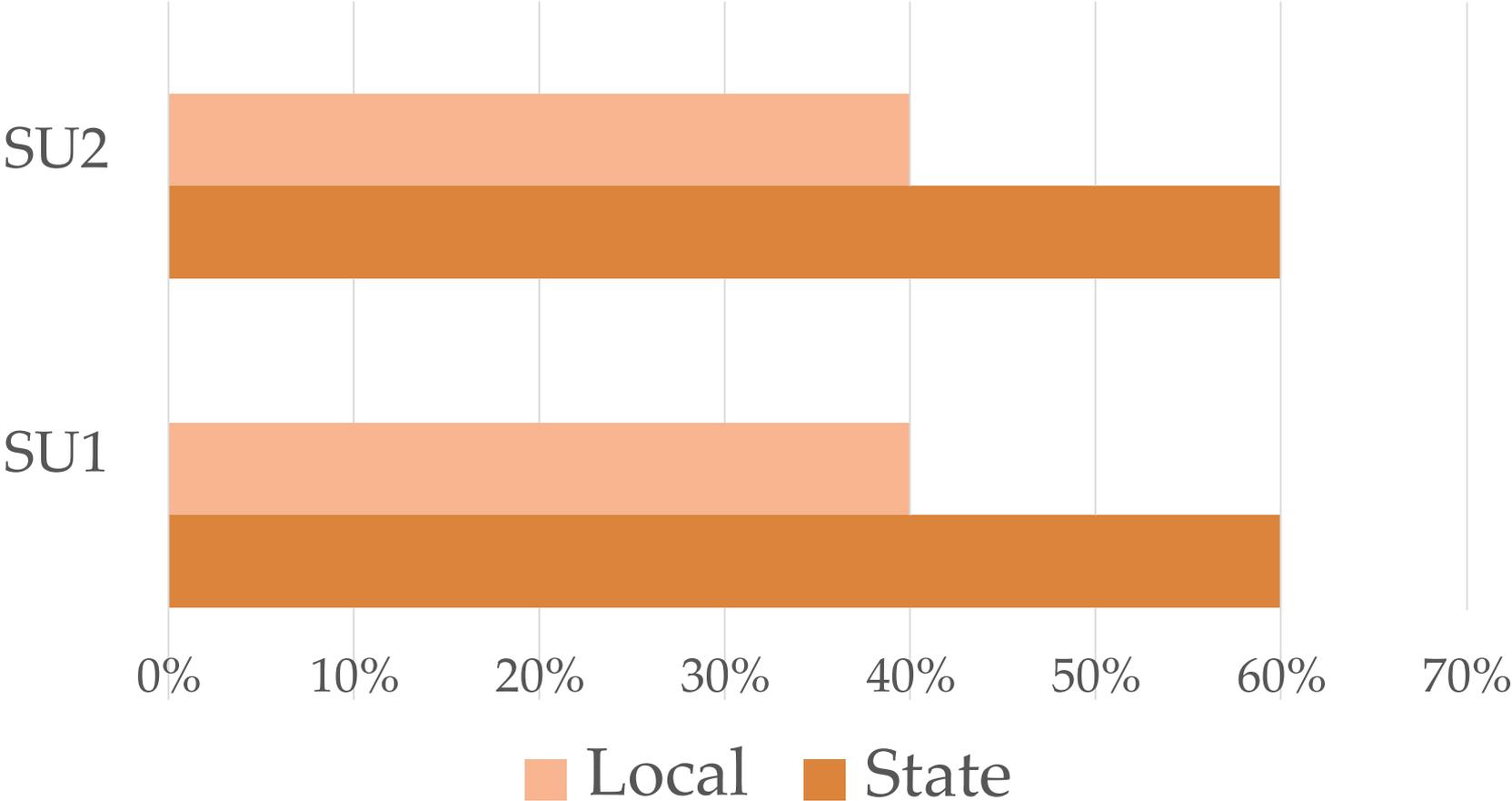
# Genesis of Act 173

- Informed by two studies issued by the General Assembly to review funding and practice in part due to increasing growth in state spending on special education
- Goals of Act 173:
  - Increase flexibility for SUs for spending for students who require additional supports
  - Reduce administrative burden
  - Bring predictability and transparency to the special education appropriation by shifting to a census based block grant

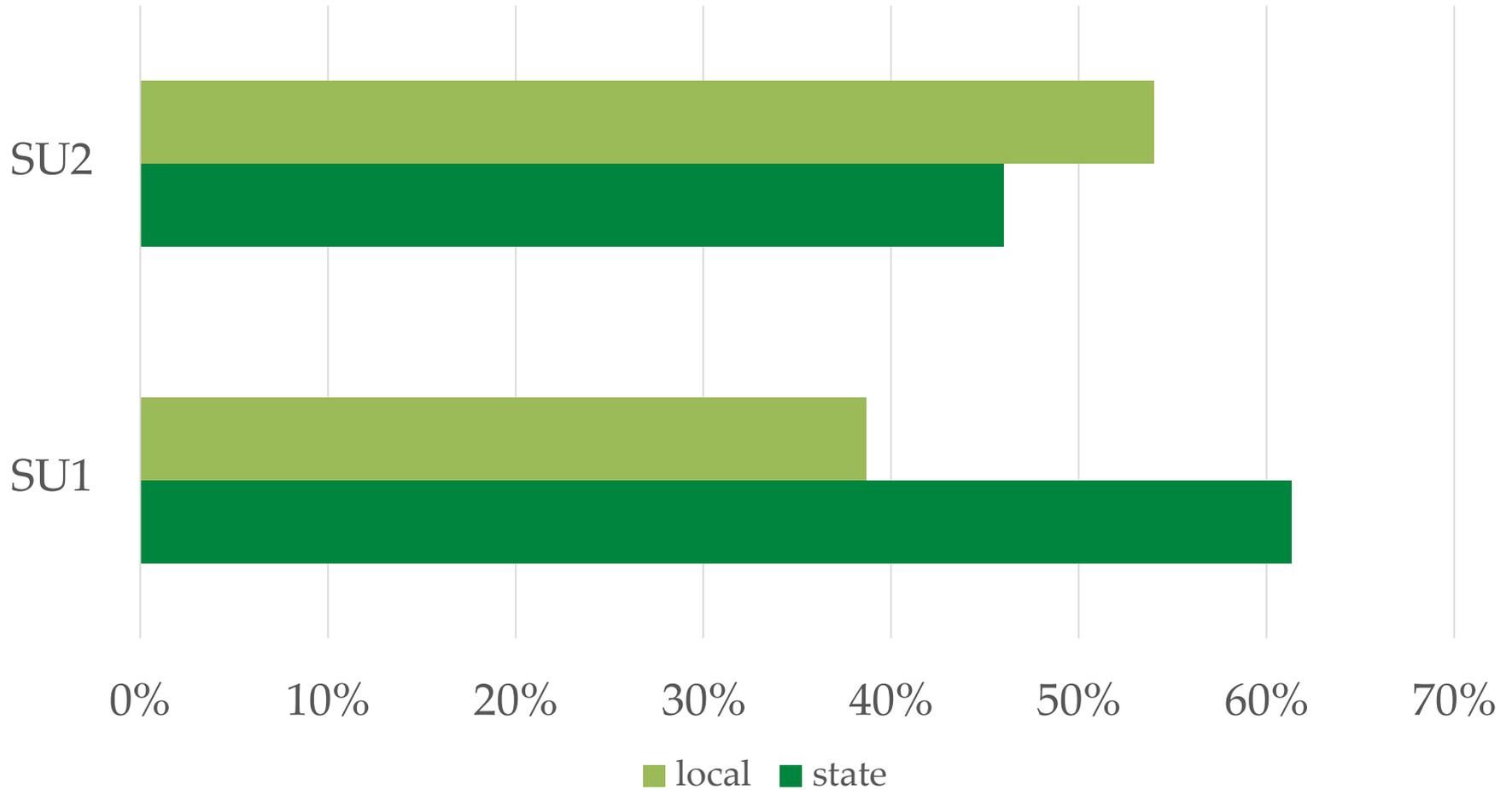
# Act 173 Funding Model

- A fixed amount will be given to each SU on a per ADM basis, the balance of special education costs will be picked up by local budgets (replacing the current 40% local share)

# State vs Local Spending Reimbursement Model



# State vs Local Spending Census Model



# Census Grant Variables

- The share of total spending on special education spending provided by the state will vary for each SU
  - Impacted by
    - ADM
    - Total Spending locally
- Once the state census grant has been exhausted additional spending to ensure FAPE must be provided by SUs

# Act 173: Special Education Funding Unchanging

- Portion of Special Education expenditures previously covered by the State at 60%
  - Grants to non-state entities for services
  - Grants to school for professional development
- Other special education funding mechanisms
  - State-placed students: state reimburses special education expenditures at 100%
  - Residential placement: state pays 100% of special
  - education costs
    - PreK Special Education Block Grant (EEE)

# AOE Positions

- Three positions created in Act 173
  - Two positions to support the programmatic shifts in SU/SDs
    - One for Special Education
    - One for MTSS
  - One Special Education attorney

# Technical Assistance and Professional Learning

- What TA/PL will be offered?
- Who will receive it?
- When will we be offering it, and how will schools access it?
- How will we know that it has been effective?

# Who will receive TA/PL?

- Everyone will have access to all supports
- Differentiation
  - Currently examining a needs assessment
- Different levels of AOE involvement
  - Comprehensive Schools v Everyone else
- Integrated, not parallel

# Act 173 Rulemaking Update

- AOE is working on Drafting Rules for the State Board to consider
- Seeking input from various stakeholders in the field as part of the process
- Working with the Advisory Group on recommendations for Board related to rule making and for General Assembly related to statute
- Plan to start formal rulemaking in the spring

# Proposed Rulemaking Milestones

March 1, 2019: AOE presents the first draft of its rules to the Advisory Committee

**March 20, 2019: AOE presents draft rules to SBE**

April, 2019: AOE files proposed rules with ICAR after SBE approval

May, 2019: AOE files proposed rules with the Secretary of State after ICAR approval

**May-August, 2019: Public Comment on proposed rules**

August, 2019: Present final proposed rules to the SBE

September, 2019: AOE files proposed rules w LCAR and Secretary of State

October 15, 2019: AOE files adopted rules with Secretary of State

# Overall Structure

- Special Education Rules
- Census-Based Funding Rules
- Independent School Rules

# Special Education Rules

- Part B entitlement rules will remain unchanged, but will be reviewed again after the new funding rules have been developed to determine if there are any inconsistencies.
- Existing funding rules (Rule 2366) will be separated from the body of Special Education rules. New census-based funding rules and revisions to existing rules within Rule 2366 will be promulgated as a separate body of rules.

# Census-Based Funding Rules

- Maintaining funding rules independent of programmatic rules will allow easier future revision to either body.
- Clear and concise rules in conjunction with well-developed policies and procedures will enhance the flexibility of funding and spending as envisioned by the Act.

# Independent School Rules

- The Advisory Group will recommend to the General Assembly amend this part of Act 173
- Under the Advisory Group's draft proposal:
  - Special Education at large independent schools would be funded similarly to public schools under the new law (block grant)
  - Small independent schools would be funded through a reimbursement construct (current model).

# Fiscal Projection Tool

- AOE released a tool to Business Managers to help estimate the level of the census grant and extraordinary cost funding that will be provided by the state in FY 2021 through FY 2025
- Funding will be connected to:
  - Local Historical Spending
  - State Level Appropriations
  - ADM

# Fiscal Projection Tool

- **IMPORTANT** – the Census grant will only replace the State portion of reimbursement and the mainstream block grant (roughly 60% of costs)
- Local Districts will be responsible for the balance (the remaining 40%)
- The state's assistance to an SU for special education will no longer be related to the amount spent.

# Other

- Development of Process and Procedures to ensure compliance with IDEA
  - Allowable costs
- Survey
- Round Table meetings
- Website
- Possible Technical Changes to 173