



To: Vermont House and Senate Education Committees
From: Vermont Council of Special Education Administrators (VCSEA)
Date: February 27, 2025
RE: Special Education budget, Extraordinary Costs and Act 173

The Vermont Council of Special Education Administrators (VCSEA) has been active in educational leadership across Vermont for over 44 years. Our organization supports Special Education Administrators, and collaborates with state organizations and the VT Agency of Education. We stay abreast of legislative issues at both the state and federal levels. Our goal is to provide leadership, support, collegiality and mentoring to all those who teach and lead in education and special education in Vermont. We advocate for high-quality education and support for all children in Vermont.

The Special Education Budget:

Special education in Vermont schools is funded through state, local and federal funds. While the bulk of funding for education comes from state and local revenue, federal targeted investments ensure the educational needs of children with disabilities are addressed.

Free Appropriate Public Education and Least Restrictive Environment:

Students with disabilities have a right to a public education that is equal to the education provided to students without disabilities. This right, known as FAPE (Free Appropriate Public Education), is a fundamental principle of special education law in the United States.

- FAPE includes special education, related services, and accommodations.
- Students with disabilities who are between the ages of 3 and 21 are eligible for FAPE.

Least Restrictive Environment (LRE) mandates that students with disabilities be educated alongside their non-disabled peers to the greatest extent appropriate. This is a core component of the Individuals with Disabilities Education Act (IDEA). However, a general education setting may not be appropriate or the least restrictive environment for some students. If a student isn't succeeding in regular classes, their IEP team (the group that creates their Individualized Education Plan) **must** decide what's needed to provide a Free Appropriate Public Education (FAPE). The continuum of services considered may include placements outside of their regular school district.

IDEA-B Grant and IDEA-Preschool Grant:

In 1975 when the Education for All Handicapped Children Act – the predecessor law to the Individuals with Disabilities Education Act (IDEA) – was enacted, Congress authorized the federal government to provide up to 40 percent of the excess costs of educating children with disabilities—known as “full

funding.” The promised 40 percent funding level has not been met. In FY24, school districts received a federal contribution of only 11 percent. This shortfall leaves states and school districts responsible for the remaining costs, placing a greater financial strain on local taxpayers.

Extraordinary Costs:

To help school districts with the high costs of special education, Vermont previously reimbursed a percentage of costs exceeding \$50,000 per student. The first \$50,000 was reimbursed at 56%, and anything above that was reimbursed at 90%.

However, this changed with the implementation of Act 173 in 2020. Now, only costs exceeding \$67,446 (in FY 25) are reimbursed, and at a rate of 90%. The cost ceiling will be \$67,638 in FY26. This means fewer students qualify for extraordinary cost reimbursement.

Census-based funding (Act 173):

Act 173 shifted special education funding from reimbursing districts a percentage of costs to a census-based system. Now, districts receive block grants based on student census data, giving them more flexibility in how to allocate those funds for special education needs.

Maintenance of Effort (MOE):

Maintenance of Effort exists within the federal Individuals with Disabilities Education Act (IDEA) to ensure accountability for providing a Free Appropriate Public Education (FAPE) for students with disabilities. The MOE provision is designed to protect investments in special education and demonstrate that the level of local and state funding remains relatively constant from year to year. Vermont and local school districts **cannot** reduce investment in special education without returning money to the federal government.

Vermont’s Act 173:

The purpose of Vermont’s Act 173 is to improve the availability, effectiveness, and equity of services for students who need additional support. The act also supports the use of best practices in general education classrooms.

A Multi-Tiered Systems of Support (MTSS) aims to offer increasing levels of support for all students, including those with disabilities. Having an IEP does not exclude students with disabilities from participating in core instruction, supplemental supports, and individualized interventions at any tier. Furthermore, MTSS implementation should not interfere with the district’s Child Find responsibility to identify and evaluate students with potential disabilities under the federal Individuals with Disabilities Education Act (IDEA).

Act 173 emphasizes strong core instruction from the classroom teacher (Tier 1/Universal) for all students, including research-based teaching of reading, writing, and social-emotional skills. Previously, students

were too often referred for special education evaluations without first receiving good first instruction or research-based interventions in the general classroom.

Act 173 requires layers of intervention and support for students who continue to struggle academically and/or behaviorally following strong core instruction. Only *after* this targeted intervention, delivered individually or in small groups, will evaluation planning teams be able to determine eligibility for special education services. These decisions will be based on progress monitoring data, coupled with the disability criteria in the VT special education rules and regulations. This multi-tiered approach ensures special education is provided to students only after other interventions have proven insufficient, not as an immediate first step.

Current Challenges with Full Implementation of MTSS:

The reliance on provisional licenses for special educators, coupled with inadequate preparation for new teachers—both special and general educators—leads to significant gaps in expertise and quality of instruction for students with and without disabilities. In addition, provisional educators are often underprepared, which puts additional strain on veteran educators who must mentor and support them, further exacerbating an already overwhelming workload. Meanwhile, general educators frequently lack the necessary knowledge and skills to implement inclusive practices effectively for students with disabilities. **Lack of inclusive training for many general educators** has resulted in them not being adequately prepared to work with students with disabilities in an inclusive classroom, contributing to gaps in inclusion and support for students. Research affirms that “teacher efficacy” has the greatest impact on student achievement. Teacher efficacy, as defined by researcher John Hattie, is a teacher's confidence in their ability to help all students succeed. This confidence is key to ensuring equitable access to learning for all students.