



To: Senate Education Committee
Senate Finance Committee

From: Vermont Council of Special Education Administrators (VCSEA)
Vermont Superintendents Association (VSA)

Date: May 1, 2025

RE: Special Education Finance Recommendations

As Vermont's Governor, Senate, and House of Representatives undertake crucial reforms to public education funding, a critical component demands immediate attention: special education finance. Ensuring that Vermont's most vulnerable students receive the free, high-quality public education to which they are entitled must be a central tenet of any reform effort, not a peripheral consideration. The intricate landscape of special education funding, shaped by both state and federal mandates, is not merely a budgetary concern but a fundamental matter of upholding the civil rights of students with disabilities.

We do not support a model that links disabilities to weights and dollar amounts. This type of model risks ableist language, unfair assumptions, and the potential problematic use of labels for financial gain as we associate a particular disability with a dollar value. This goes against Vermont values.

Vermont School Districts must receive full funding to meet federal IEP requirements for two main reasons:

1. Funding Beyond the Foundation Formula:

Vermont's current funding system blends general and special education dollars, with a block grant structure and high-cost carve-outs. If the state shifts to a foundation model, special education must be funded separately based on district needs, which are determined by Individual Education Plans (IEPs). Services within the IEP are determined by the student's IEP team. These services are determined by what is **necessary** for a student to make meaningful progress on the identified goals and objectives. Without the necessary funds to support these services, funds intended to guarantee a basic educational opportunity (the Education Opportunity Payments) would be diluted by the legal obligation to provide special education and the associated costs.

2. Maintenance of Effort (MOE):

Under the Individuals with Disabilities Education Act (IDEA), school districts must maintain consistent spending levels year over year or risk losing federal funding. This means a district must spend as much as they did in local and state funds as the year before with a few exceptions that are found in statute. Reducing state special education

funds would jeopardize districts' ability to meet MOE, forcing them to return federal dollars for violation of these requirements.

The following are options for 100 percent of special education costs above the foundation formula and to ensure MOE:

- A. 100% Reimbursement for all special education costs.** The state would cover all special education costs incurred by districts, protecting foundation formula grants. This would require upfront allocations and year-end adjustments based on actual expenditures. To ensure efficiency, the VT Agency of Education must develop an accountability system, such as a guide outlining allowable costs, for use by Districts.
- B. Maintain Act 173 Block Grant with 100% reimbursement based on costs beyond the block grant.** Maintain the existing block grant but fully reimburse districts for special education costs beyond the block grant, based on expenditure reports and a guide for allowable costs. This would maintain the objective of flexible funding held by Act 173, with the capacity to report expenditures beyond the base.
- C. Reinstitute the Service Plan to establish funding with an adjustment feature based on a special education expenditure report.** Districts would submit projected special education costs, receive initial funding, and reconcile based on actual expenditures at the end of the year. Establishing checks and balances within the VT Agency of Education Special Education Finance Department is necessary, and would enhance accountability and oversight.

Maintaining best practices and curbing costs in a 100 percent reimbursement system necessitates:

- A. Setting Para Standards:** Set clear guidelines for paraeducator support, in alignment with the findings from Act 173, and require general educators to create accessible curricula for all students. The VT Agency of Education, with input from educators, will develop best practice recommendations for paraeducator support based on student needs.
- B. Weighted Case Design** - Special education FTE should align with IEP-articulated caseload needs. Shared service models (such as BOCES) should be developed for schools needing less than full-time providers. The VT Agency of Education, with input from educators, will develop best practice recommendations for appropriate case loads.
- C. Define appropriate service levels based on **student needs** rather than disability categories.**

While weighting students by disability categories may work to estimate costs for large populations of students eligible for special education across the country, this will not work on Vermont's scale. Associating specific costs with disability categories is highly problematic, and **we recommend a formula associated with level of service, not disability category.** Disability-related costs vary greatly among students and cannot be predicted by their disability label.