

M.O.R.E.

Special Education Select Working Group

MEETING MINUTES

Thursday, January 23, 2014

10:00 A.M. IN LOB ROOM 1D

The meeting was called to order by Representative Becker (Co-Chair) at 10:06 A.M.

The following select working group members were present: Rep. Michelle Cook (Working Group Co-Chair), Rep. Brian Becker (Working Group Co-Chair), Rep. Terrie Wood (Working Group Co-Chair), Shelley Davis, Deborah Wheeler, John Filchak, Betsy Gara, Patrice McCarthy, George Rafael, Mike Regan, Rep. Catherine Abercrombie, Rep. Jay Case, Rep. Michael D'Agostino, Rep. Jonathan Steinberg, Deborah Richards, Robert Namnoum, Howard Klebanoff

Rep. Becker (Co-Chair) welcomed everyone to the meeting and introduced Attorney Howard Klebanoff, an experienced special education attorney and parent of a special education child, as the newest member of the Select Working Group. He then asked if members had any corrections to the previous meeting's minutes and offered some corrections himself.

Ms. Wheeler also offered corrections.

Rep. Becker (Co-Chair) entertained a motion to approve the minutes made by Rep. Case and seconded by Rep. Abercrombie. He then introduced John Moran, Principal Analyst for the Office of Legislative Research (OLR) and Sarah Bourne, Principal Analyst for the Office of Fiscal Analysis (OFA) to present to the Working Group.

Presentation: An Overview of State and Federal Special Education Funding in CT by John Moran, Principal Analyst, Office of Legislative Research (OLR) and Sarah Bourne, Principal Analyst, Office of Fiscal Analysis (OFA).

NOTE: A copy of the presentation written materials, as well as video of the presentation, may be accessed on the MORE Commission website through the following link: <http://www.housedems.ct.gov/MORE/SPED/meetings.asp> .

Rep. Becker (Co-Chair) asked members if they had any questions.

Mr. Klebanoff asked if only payments to approved special education schools were included in ECS grants or if payments to non-approved schools were included as well.

Mr. Moran answered that he believes both types of school placements are included.

Mr. Klebanoff clarified his question by stating that Connecticut students are sometimes placed in private schools that are not approved by SDE, and he was asking if the excess cost grant (ECS) covered those students as well.

Ms. Bourne answered that she did not differentiate between approved and non-approved schools in the figures she presented concerning ECS grants.

Ms. Richards asked, given the latest reauthorization of IDEA, which allowed districts to use up to 15% of IDEA funds for non-identified students, if OLR or OFA had a sense of how many districts had taken advantage of that new initiative.

Ms. Bourne stated that she would defer to the IDEA specialist from SDE who was present to answer that question.

Brian Cunnane, a consultant for the SDE Bureau of Special Education specializing in IDEA funding, stated that some districts are required to set 15% of funds aside, whereas others may choose to do so on a voluntary basis. He said he did not have the requested information on the number of districts availing themselves of this initiative with him, but said he would provide it to the working group at a later date.

Ms. Gara asked if the figure referenced during the OFA/OLR presentation that towns are reimbursed 75 cents for each dollar spent on special education was an average.

Ms. Bourne answered that SDE determines what the total special education funding need is and then reduces the amount it reimburses towns by the same amount to meet funding restraints. Therefore, this term is not an average, each town has its reimbursement reduced by the same percentage.

Mr. Regan asked OLR and OFA to turn back to the tenth slide in their presentation. He then asked if 75% of the IDEA grant was distributed to districts as a base amount. He continued that, of the 25% remaining, if 85% of that is distributed according to district enrollment and 15% is based on poverty in the district, where does the money that the state retains for administrative costs come from?

Mr. Moran answered that the state takes a percentage off the top of the federal grant, and then the remaining amount is distributed as Mr. Regan described.

Mr. Regan asked how much money the state keeps from the grant.

Mr. Cunnane answered that he performed a 10 year analysis going back to 2005 and determined that the range of money from the grant passed through to local districts is anywhere from 86.9% to 90%. He continued that the current percentage is 87% and 80.7% for pre-school.

Mr. Regan called the group's attention to page 14, where the presenters referenced Medicaid. He stated that school districts spend significant time putting together the paperwork to obtain Medicaid reimbursement and asked how much of the reimbursement amount submitted is actually returned to districts.

Ms. Bourne answered that she did not have that information but would obtain it.

Rep. Becker asked if the federal funds allotted were based on 1999 figures. He then asked if a minimum of 75 % of federal funds must flow through to the local districts under federal law. He also asked if 87.7% of the federal money under section 611 flowed through to local districts this year.

Mr. Cunnane answered affirmatively to each of these clarifying questions.

Rep. Becker asked if 75% of the 87.7% figure was a base portion (based on 1999 funding) and the remaining 25% of the 87.7% was determined based on enrollment and poverty.

Mr. Moran responded yes. He stated that, if federal special education funding were a pie, the state takes a slice, then makes a new pie out of what remains and distributes it according to this 75%-25% split.

Rep. Becker asked if it were possible that there were districts that had a decrease in the number of special education students they had in 1999 but still receive funding based mostly on their 1999 allotment.

Mr. Moran answered that there is a separate silo of special education funding that has been rolled into the state ECS grants and that compensates for this.

Mr. Klebanoff asked if it was true that, under Child Find, every special education student, whether attending a public or private school, must be identified, so federal money dedicated to this purpose must be apportioned to private schools as well (decreasing the amount available for public schools).

Mr. Cunnane answered that the federal funds cannot be used for Child Find. He continued that Connecticut is a proportionate state, so if a special education child

is attending private school, the local district must hold a consultation meeting in the spring to get a census of how many special education children are attending school (public or private) in their geographic region. The local district is then required to set aside a proportional share of their funds based on the formula of how many students are eligible from private schools versus the total numbers. He said that the local district may then use this pot of money for any private school student they like (could spend it all on one student), so private school students have no entitlement to public special education funds.

Mr. Klebanoff disagreed.

Mr. Cunnane responded that no federal funds are used for private school students.

Rep. Cook asked if there were any rulings on this issue.

Mr. Klebanoff answered yes, although there is a limited amount that is available. He stated that he would get information on this for the group.

Mr. Cunnane stated that the local district must use Child Find and identify students but is required to do nothing else.

Rep. Steinberg asked if there was any analysis of how the state spends the portion of federal money not distributed to districts.

Mr. Cunnane answered that it is mostly spent on administrative functions. He said that the largest amount, \$12 million, is spent contracting for Child Find and other services. The bureau chief usually does this, but there is no chief currently, so the COO oversees it.

Rep. Steinberg stated that it was interesting that these fixed costs fluctuate every year. He then stated that he heard that there was sometimes a lag period between when the state identifies what a district should be allocated and that district receiving the money. He asked if districts usually receive their allotment in one lump sum at a certain time of year.

Mr. Cunnane stated that Connecticut does not get final notification from Washington on what the federal funding amount will be until October 1<sup>st</sup>, so districts are given a preliminary figure on July 1<sup>st</sup>. If districts draw down too much from the allotted federal funds (significantly more than 1/12 of the annual funds in a given month), the State Department of Education will conduct an investigation.

Rep. D'Agostino asked an SDE representative to speak about the timing of the excess cost grant distribution.

Mr. Chambers answered that excess cost grant payments are set in statute: December 1<sup>st</sup> and March 1<sup>st</sup> are the 2 filing dates. He continued that SDE pays money out from the December filing in February and pays the rest out in May.

Rep. D'Agostino stated that districts might not know how much of what they request they will actually receive until right before they receive it.

Mr. Chambers answered that this is correct.

Rep. D'Agostino asked if this timing is a problem for districts.

Rep. Cook asked about students who transfer into a district late in the school year (after these two filing periods). She wanted to know if there was any compensation received by districts in this situation or if these districts were exempt from the filing deadlines.

Mr. Chambers answered that normally these students will not be eligible for an excess cost grant if they enter a district late in the year because it is for high cost students, but some exceptions are made for districts that do not receive the form from DCF stating that they are the nexus district until after the filing deadlines.

Rep. Cook asked where the money comes from to fund services for students traveling around the state through the DCF system.

Mr. Chambers answered that districts must file an adjustment, so the money comes from the prior district attended by the student.

Rep. Cook asked if DCF was required to send any money that follows special education students from district to district.

Mr. Chambers stated that he was not sure, but that he did not think that DCF was ever billed for these costs.

Rep. Cook stated that this situation can be a problem for DCF students and districts that educate them.

Mr. Chambers stated that districts are usually aware of higher cost students in time to submit excess cost grant filings through the regular process.

Mr. Filchak asked why page 3 of the presentation showed a \$600 million increase in funding while the chart on page 5 showed a constant number of students. He wanted to know what was driving the cost increase.

Mr. Moran stated that he had posed this question to SDE, but he was not sure if they have yet answered it. He said he will provide this information to the group when he receives it.

Mr. Regan asked about the \$21 million funding shortfall in 2012 referenced on page 17 of the presentation, wanting to know what the shortfall was in 2013, given the cap on the excess cost grant.

Mr. Chambers answered that the state is contributing a flat amount. Local districts are doing a better job of controlling costs by educating students within their district, but money spent on students going out of district for services has risen beyond the state target.

Mr. Rafael asked if the supplemental part of the excess cost grant was incorporated into the 2013-2014 excess cost grant calculation.

Mr. Chambers answered that, beginning in the current fiscal year, the supplemental part has been rolled into the calculation and districts will not be receiving a supplemental payment in May.

Rep. Wood asked why page 5 of the presentation showed a drop-off in the number of special education students from fiscal year 2006 to fiscal year 2007.

Ms. Bourne answered that 2007 was the first year SDE was able to use multiple databases to get more a more accurate special education student population figure.

Rep. Wood asked why SDE stated in the last meeting that 75% of federal special education dollars flowed through to districts, but the working group is hearing that over 80% flows through to districts today. She requested to see a break-out of these figures so she could get an accurate number.

Mr. Moran answered that last meeting's presenters were not specific with their comments.

Ms. Bourne answered that that she would respond to the working group with a break-out.

Rep. Becker asked if anyone from SDE was present who could speak to what the percentage of federal funding withheld by the department was spent on (what types of administrative costs)?

Mr. Cunnane stated that there are two accounts for this money, one being "administration" (\$2.9 million- pays all salaries in the state Bureau of Special Education with exception of Bureau Chief and possibly a consultant for "PJ v. State of CT") and the other being "other state related activities" (\$12.5 million- \$1 million is a contract to Department of Developmental Services to fund Child Find, a portion funds the State Education Resource Center (possibly \$7-8 million), and

the remaining money is spent on technical assistance and professional development for school districts).

Rep. Becker asked for a detailed, itemized list of these expenditures.

Mr. Cunnane said that he would provide such a list.

Ms. Richards stated that it is important to know that most positions in State Bureau of Special Education, including the personnel who process grants, are funded by the federal government, rather than by the state.

Rep. Becker thanked the presenters. He then stated that answers to outstanding questions by members from today's meeting should be sent to the working group electronically for distribution. He then said that the next few meetings would likely be dedicated to answering questions raised in the previous meeting with SDE officials. He stated that there were three major topics that required follow-up: private special education providers, transition services, and teacher training. He then asked members if they had any ideas for presenters on these topics.

- Private Special Education Providers:

Mr. Klebanoff suggested the CT Association of Private Special Education Facilities.

Rep. Wood suggested the Windward School in New York, a language-based school that Connecticut students attend.

Ms. Richards suggested that the RESCs present on public out-of-district programs they administer.

Ms. McCarthy asked that the working group make sure that the State Department of Education is able to address the differences between approved and non-approved private special education schools.

- Teacher Training:

Ms. Wheeler stated that Southern Connecticut and Central Connecticut Universities have great programs and suggested that the chairs of those departments address the working group.

Rep. Wood suggested Dr. Sally Reis from the UConn Neag School.

Rep. Abercrombie suggested Dr. Ruth Erin from Southern CT State University.

- Transition Services:

Ms. Wheeler stated that there are two primary state agencies involved in this process: the State Department of Developmental Services and the Bureau of Rehabilitation Services. She recommended that both be invited.

Rep. Abercrombie stated that the EOP program (administered by the Bureau of Rehabilitation Services) would be good for the working group to receive information about.

Ms. Wheeler stated that a copy of the AASA Due process Report had been emailed to members (at the request of Rep. D'Agostino) and asked members to review it.

The meeting was adjourned by Rep. Becker at 11:13 AM.

Submitted: Dave Desjardins