

TO: Task Force on Implementation of the Pupil Weighting Factors Report

FROM: Meagan Roy, Ed.D. (VCSEA Designee)

TOPIC: VCSEA Input

DATE: August 12, 2021



VCSEA is appreciative of the opportunity to provide input to the Task Force regarding the implementation of the recommendations in the Pupil Weighting Factors Report. Our organization acknowledges the faults in the current pupil weighting formulas and concurs with the study's acknowledgement that "[n]either the factors considered by the [current] formula nor the value of the weights reflect contemporary educational circumstances and costs." The focus on equity that the study seeks to address is in line with VCSEA's own mission.

However, as the Task Force turns its attention to the implementation of these changes, it is critical that they are aware of the intersection and collective impact of three issues: Pupil weighting, the shift to a census-based funding model for special education (Act 173) and the subsequent need to address the Federal construct of Maintenance of Effort within special education funding. These three policy constructs need to be formally addressed together to fully understand their collective impact. Below, VCSEA seeks to reiterate the three fiscal issues that the Task Force needs to address.

Policy Constructs

The Weighting Study

VCSEA supports and understands the need to review the process of weighting students in the current funding formula. The current inequities in the funding system in Vermont do not achieve the financial parity sought by the Brigham case. The concepts underlying the weighting study are fully aligned with VCSEA's focus on equity.

Census-Based Funding for Special Education (Act 173)

During the debate and discussion related to Act 173, there was an intentional conversation about the need to reduce special education spending. While it is true that the shift to a census model was intended to reduce unnecessary paperwork and increase flexibility of spending, the legislature also sought to decrease special education spending. As such the census grant was developed to decrease the state contribution to local districts in special education funds. This is a bimodal change that 1). moves the special education funding process from a reimbursement on dollars spent to a census grant model; and 2). for many districts, decreases the state contribution for special education over time once the uniform base amount is in place. Knowing that the Act will lower state special education support over time, it is critical that the Task Force understand the impact of the census grant alongside changes to education funding prompted by the weighting study.

It's also important to note that the approved changes to special education rules governing eligibility could further impact districts. These changes may result in an increase in identification rates. Districts may have more students eligible for entitlement services, but are no longer reimbursed for those costs.

Maintenance of Effort

It is critical that the general assembly understand Federal Maintenance of Effort (MOE) rules and the impact of a reduction in state special education funding as a result of 173 could have on a district's ability to meet MOE. School districts are required to spend at least as much as they did the year before in state and local funds collectively in special education. If a school district spends less than it did the year before, they risk losing

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considerable Federal grant funds. While there are some federal exemptions, efficiency generally is not one of them. Therefore, a district has two potential outcomes once the state contributions for special education costs decrease: 1) the district can increase the local contribution to special education (spending additional “general education” dollars; or 2) the district can decrease special education spending, not meet the federal maintenance of effort requirements and be required to send federal dollars back equal to the underspent amount.

It is critical that the Task Force be aware of MOE implications as they analyze the impact of the weighting changes and change to a census grant. Any modeling or financial forecasting for LEAs of changes to pupil weights should also include a parallel analysis of how that LEA is also impacted by the change to a census grant.

Obligation to provide FAPE is unchanged

Perhaps the most critical understanding as it relates to special education for the Task Force to understand is that an LEA’s obligation to provide a Free Appropriate Public Education (FAPE) for students with disabilities is unchanged despite adjustments to our education funding formula. For districts receiving less state special education funding who may also be impacted by a change in pupil weights, the costs associated with special education do not go away - they are simply transferred to the general education budget. This dual impact may be significant for some districts. At minimum, the Task Force should model the combined funding changes to identify LEA’s who are most impacted.