

## FAQS ABOUT THE SPECIAL EDUCATION PREDICTABLE COST COOPERATIVE

**Q: Why does Connecticut need to change how it funds special education students?**

**A:** Connecticut is one of only four states with no system for funding all of its more than 79,000 special education students.<sup>1,2</sup> As a result, special education costs for Connecticut's local school districts have become unpredictable—school districts don't know what their special education costs will be in advance, making it difficult for them to plan a budget that meets the needs of all the students they serve. This unpredictability is why Connecticut must improve how we fund special education, and implement a system that benefits all students and ensures adequate funding for students with disabilities—no matter what their needs are.

**Q: What is your solution to Connecticut's special education funding challenges?**

**A:** Our solution to Connecticut's special education funding challenges is the development and implementation of a Special Education Predictable Cost Cooperative. The Co-op is a special education finance system that allows the state and local governments to share in special education costs. Using a cooperative-type model, the Co-op makes special education costs predictable for districts and towns, allowing for better budget planning.

**Q: How will the Special Education Predictable Cost Cooperative benefit students?**

**A:** By creating predictability in special education costs, the Co-op benefits all students, whether they need special education services or not. All students benefit from the Co-op because it stabilizes general education funding and helps ensure districts don't have to resort to dipping into their general education funding to pay for necessary special education services. Additionally, the predictability and stability created by the Co-op protects students with disabilities by ensuring adequate funding for special education services—even during financially uncertain times—and keeping decisions and delivery of those services local.

**Q: How will the Special Education Predictable Cost Cooperative make special education costs predictable for school districts?**

**A:** While Connecticut's school districts have experienced wide changes in special education spending over the past five years, at a statewide level, special education spending has been predictable.<sup>3</sup> The Co-op aggregates special education costs together at the state level to leverage the fact that, on a statewide basis, special education costs are predictable, even though they are frequently volatile at the district level.

**Q: Will the Special Education Predictable Cost Cooperative impact identification of students with disabilities or affect the delivery of special education services?**

**A:** No, the Co-op will not impact how services are determined or delivered. The Co-op has no role in the identification of special education students nor will it have a role in service delivery or hinder the quality of special education services. The Co-op will help ensure all students with disabilities, no matter how severe, have the resources they need for the education they deserve. Additionally, although not the purpose of the system, the Co-op could potentially improve special education programs by providing districts with more predictability in their special education funding.

**Q: How will the Special Education Predictable Cost Cooperative be funded?**

**A:** Local governments and the State of Connecticut will both make contributions to fund the Co-op. The State's contribution will come from reallocating the Excess Cost grant and special education portion of the Education Cost Sharing (ECS) grant to the Co-op. The Co-op will not raise the total cost of special education statewide nor will it reduce state aid for special education. Local governments will make a Community Contribution to the Co-op for each special education student who lives in their town. Under the Co-op, school districts will be reimbursed for 100 percent of their actual special education costs, and every district will receive some state aid for special education and benefit from more predictability in their special education spending.

**Q: Will the Special Education Predictable Cost Cooperative cost my district more money?**

**A:** The federal Individuals with Disabilities Education Act requires all local education agencies (LEAs) to provide students with disabilities the resources necessary for those students to receive a "free appropriate education."<sup>4</sup> As such, the Co-op does not impact the delivery of special education services. Its purpose is not to either raise or lower a LEA's special education costs. Rather, the purpose of the Co-op is to make a LEA's special education costs more predictable. The Co-op allows LEAs to know exactly what their special education costs will be during the previous school year when they are planning their budgets, and it reimburses LEAs for their actual special education costs in the current year. Additionally, if a LEA's per-pupil special education costs decrease, the LEA's Community Contribution will decrease.

**Q: How will what each community pays be determined?**

**A:** What a city or town pays is called its Community Contribution. A Community Contribution will be calculated for each school district and is based on:

- The number of special education students enrolled in the school district;
- The school district's past special education costs; and
- An equity adjustment made based on the municipality's ability to pay.

Community Contributions are calculated on a per-pupil basis to normalize district enrollment and spending. To ensure fairness, Community Contributions will reflect each LEA's actual special education costs. It's also important to note that:

- All communities will receive some state support for special education services.
- All communities' contributions will be lower than their actual per-pupil special education costs.

**Q: What if my district is already controlling costs and this isn't a problem? How would the Special Education Predictable Cost Cooperative benefit my district?**

**A:** Even if a district is doing a good job of controlling costs, predictability is still a problem for all districts. Under the current system, districts do not know how much their total special education expenditures will be until the end of the current year, making budgeting a challenge. This is a structural problem with the way Connecticut funds special education, and as a result, fixing this structural issue will benefit all districts.

**Q: What if districts across the state experience a vast increase in special education spending from year to year? How will the Special Education Predictable Cost Cooperative ensure there are enough funds?**

**A:** To ensure appropriate funds are available in years where actual special education costs exceed projected special education costs, the Co-op will feature a reserve system. Funds will be added to the reserve at the beginning of each year. The reserve system will be capped at a certain dollar amount, and funds that exceed this cap will be added to the contribution refunds to districts.

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**Sources**

<sup>1</sup> Connecticut School Finance Project. (2016). *Improving How Connecticut Funds Special Education*. Available from <http://ctschoolfinance.org/reports/improving-sped>.

<sup>2</sup> Connecticut State Department of Education. (2018). *Public School Enrollment, 2017-18*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

<sup>3</sup> Connecticut State Department of Education. (2016). *LEA Special Education Expenditures*. Available from <http://ctschoolfinance.org/data/lea-special-education-expenditures>.

<sup>4</sup> Individuals with Disabilities Education Improvement Act of 2004, 20 U.S.C. § 1400 (2004).