

Testimony of Special Education Equity for Kids in Connecticut (SEEK)
To Committee on Appropriations
February 20, 2025

Senator Osten, Chairwoman Walker, Senator Somers, and Representative Nuccio,

We are pleased to be able to present testimony to you today. This document is our comprehensive statement, which would take far longer than the allotted three minutes to read. Rather, each of the four members of the SEEK Legislative Committee – Andrew Feinstein, John Flanders, Naomi Nova, and Stacey Tie – will focus on an area of special interest. We look forward to working with the Committee to develop legislative proposals that will protect and enhance the rights and the quality of education for students with disabilities in Connecticut.

SEEK is a statewide organization of parents, providers, advocates, and attorneys focused on protecting and expanding the rights of and the quality of education for students with disabilities in Connecticut. We advocate before the Legislature and the Executive Branch, we produce webinars, we hold a large annual conference, and we provide a clearinghouse for parents.

Special education in Connecticut is in crisis today simply because of inadequate funding. However you list the issues -- excess cost reimbursement, cost of out-of-district placements, teacher shortage, paraeducator shortage, inequity, transportation, growing achievement gap, inadequate literacy instruction – the bottom line is special education is starved for resources. Fully fund excess cost reimbursements, add a special education weight to the ECS formula, provide pay incentives for shortage occupations, create a grant program for the development of in-district programs – all are ways to get critically needed resources to a desperate system. For year, you have told us to get the federal government to pay the 40% of special education costs promised in 1975. What we see now is a move in the opposite direction. Connecticut cannot cut back on its commitment to special education in the hopes that salvation will come from Washington. Indeed, with the loss of ARP ESSER funds and with the reality of inflation, last year's disastrous budget for special education becomes catastrophic next year.

At the listening hearings held by the Select Committee on Special Education, parents and staff shared that depending on their location, students may lack access to specialized professionals, and school personnel are often not adequately trained to meet student needs. Moreover, families who cannot afford costly private services or legal advocacy are frequently left without the support their children require. Instead of fostering collaboration between districts and parents, the current system pits them against one another in a struggle for limited resources.

We recognize that the overall funds available will be determined in another setting, probably in May. We have confidence in President Looney, Speaker Ritter, Senator Harding, Representative Candelora and Governor Lamont to emerge with a substantial sum to ameliorate the funding crisis in special education. When that occurs, we have a number of proposals for how that money should be spent.

ECS Weight -- While we seek funds for special education, a targeted appropriation could distort municipal decision making and actually hurt funding for students with disabilities. For that

reason, we would like a 50% weight for the number of special education students in the district added to the ECS formula. This would add \$170 million to the budgets of cities and towns in Connecticut. We think municipal officials would be in the best position to allocate these funds.

Excess Cost Full Funding -- We want money spent to enhance in-district programming for students with disabilities. Over 90% of excess cost reimbursements go to out-of-district placements. School boards and municipalities have created budgets based on the state fulfilling its commitment to fully fund excess cost reimbursements. So, notwithstanding our preference for funding in-district programs, we believe the legislature needs to fully fund excess cost reimbursements.

Use Excess Cost for In-District Programs -- SEEK endorses improving the Excess Cost Reimbursement Grant by incentivizing districts to develop in-district programs through increased reimbursement—3 times the average per-pupil expenditure for in-district students and 4.5 times for out-of-district placements. Further, we propose additional incentives for districts that collaborate on program development and transportation, reducing costly out-of-district placements and ensuring students remain in their home communities whenever possible.

Cost of Out-Of-District Programs -- The cost of out-of-district placements – both by APSEPs and RESCs – has risen sharply. The reason is plain. The staff shortage has meant that private providers need to pay more to hire and retain staff. School districts have to enroll students even if they lack the staff to meet the child’s needs. An APSEP or a RESC must provide the services under the contract. There may be cases of gouging, but we have not seen any. What we need is better CSDE and school district oversight of private providers.

Rate Setting for APSEPs and RESCs -- Having the state set tuition rates for APSEPs or RESCs is, in our view, a huge mistake. Doing so requires a mini-Public Utilities Commission, staffed with auditors and accountants. Massachusetts, which does so, appears to have higher rates for similar schools than Connecticut. Other states which have set rates too low have forced private providers either out of business or to host unilateral placements by parents who end up suing the district, costing more in the long run.

State Negotiation of Tuitions Rates -- School districts out-place students in only the most extreme cases. Still, there is a need for such placements. Now, a local special education director needs to pay whatever the provider demands. We should look at whether having the state negotiate (not set) tuition rates can serve to dampen cost increases.

Oppose CSDE Proposal on Setting Rates Early -- SEEK opposes Section 16 of S.B. No. 1288, which requires private providers to set their prices by December 31 of the year prior to service delivery. While this provision aims to provide budgetary predictability, it could lead to inflated costs as providers seek to hedge against risk. Additionally, the definition of “private provider” in this context is overly broad, encompassing contract professionals such as therapists and evaluators, whose services are often procured well after the deadline. Moreover, this regulation excludes Regional Education Service Centers (RESCs), which are major service providers but continue to increase their rates mid-year. If rate-setting is to be implemented, it must apply consistently to all providers, including RESCs.

Higher Pay for Shortage Occupations -- Where there are staff shortages in an occupational category, we need a system of differential pay. The market is telling us that we are not paying enough to hire and retain the staff we need. We know there are critical shortages in special education teachers, school psychologists, speech and language pathologists and paraeducators. We need to pay what the market requires.

Inequitable Funding -- Education funding is highly inequitable in Connecticut. The per pupil cost in 2022-23 varied from \$16,700 in Naugatuck, Meriden and Danbury to over \$35,000 in the Northwest corner towns of Sharon, Norfolk and Canaan. This is because we are far too reliant on local property taxes. In the 2020-2021 academic year, only 35.5% of total K-12 spending in Connecticut came from the state, significantly lower than the national average of 45.8%. Increasing ECS funding will reduce this inequity. Connecticut's reliance on local property taxes for education funding disproportionately impacts lower-wealth districts, which serve higher percentages of students of color, multilingual learners, and students from low-income families. This inequity exacerbates the opportunity gap and restricts access to essential educational resources for students with the greatest needs.

Grants for Developing In-District Programs -- Both the Special Education Services and Funding Task Force and the Governor have recommended funding of a grant program to develop in-district programs. SEEK is all for this but notes that more needs to be done to eliminate disincentives. One year use-it-or-lose-it funding makes it challenging to stand up a new program. Both space and staff limitations pose serious obstacles. And we need to find new ways for districts to work collaboratively.

Transportation -- The of transportation to out-of-district placements is very high. CSDE should be tasked with creating a digital clearinghouse to permit districts to share rides and their transportation costs. Further, CSDE should be required to study the basis for the high cost of transportation and explore whether having the state assume liability costs would substantially reduce costs.

Automatic Independent Evaluations -- The special education system is based on evaluations. A parent can only challenge the appropriateness of a school program through an evaluation. The regulations allow for an Independent Education Evaluation (IEE) at public expense, but districts fight against providing them. We propose that IEEs be automatically available to students on free or reduced lunch. To avoid imposing a financial burden on the poorest district, the cost of these evaluations should be covered by the state.

Medicaid Reimbursement -- School districts can bill Husky (Medicaid) for certain related special education services, with parental consent. Connecticut has some of the lowest utilization of Medicaid reimbursement for special education services in the country. Under current law, districts get 25 cents on the dollar for what they bill and the cost of doing the billing is high. We propose raising the reimbursement proportion to districts by reducing the 25% that goes to the Department of Social Services.

School-Based Health Centers -- School-based health centers provide medical and psychological services at some 300 schools across the state, often reducing the need for special education services. Those that are operating need financial support from the state. Funds also need to be provided to open more and to assist existing centers in covering costs.

Universal Preschool -- SEEK supports the Governor's proposal in H.B. No. 6867 to create a Universal Preschool Endowment. Research consistently demonstrates that early intervention is far more effective than later remediation. Universal preschool would provide essential early support for students with disabilities in an integrated setting, reducing the need for specialized instruction as they progress through the education system. However, while the bill establishes the endowment, it does not provide a timeline or implementation plan for universal preschool, which must be addressed.

SEEK remains committed to collaborating with this Committee in a bipartisan effort to enhance special education funding and policy. The overwhelming consensus among stakeholders—parents, educators, superintendents, and providers—is that Connecticut's special education system is severely underfunded. The Governor's proposal to increase excess cost funding by \$40 million in the second year of the biennial budget is inadequate to address the immediate crisis. We urge this Committee to advocate for a substantial increase in state funding to ensure that every child in Connecticut, regardless of their needs, receives the high-quality education they deserve.

Thank you for your time and consideration.