

**Outline of  
Act 117 - An Act To Strengthen The Capacity Of Vermont's Education System  
To Meet The Educational Needs Of All Vermont Students**

View the complete text of [H.629/Act 117](#).

**Goals of the law:**

1. Contain special education costs while continuing to meet the needs of all Vermont students.
2. Increase the capacity of general education, especially the Educational Support System (ESS), to meet the needs of more students outside special education.
3. Ensure the special education programs use cost-effective practices.
4. Ensure special education programs are being operated consistently across the state.

**Sec. 1 - Findings and Purpose**

**Sec. 2 - Assign responsibility for ESS in statute to Superintendents and Principals**

**Sec. 3 - Superintendents annually report on status of ESS, including description and justification of use of Medicaid funds and funds attributed to increase in student count due to poverty ratio**

**Sec. 4 - Include in statute a limit on special education services to those required by federal law.**

**Sec. 5 - Consideration of the cost of special education services when appropriate and when IEP has been developed according to federal law, placement has been determined as appropriate and all options under consideration fulfill the requirements of the law.**

**Sec. 6 - Commissioner to report annually on:**

1. special education expenditures by school district
2. the rate of growth or decrease in special education costs
3. outcomes for special education students
4. the availability of special education staff
5. the consistency of special education program implementation

**Sec. 7 - Plan To Contain Special Education Costs While Continuing To Meet The Needs Of All Vermont Students**

(a) Develop and implement plan to accomplish goals

(b) Partnership with higher education to increase the capacity of general education to meet the needs of more students outside of special education by:

(b)(1) Increased training opportunities for school staff to better meet the needs of all students and

(b)(2) Improve teacher preparation

(c) Increase the capacity of Education Support System to meet the needs of more students outside of special education by focusing department resources on strengthening the ESS: early literacy K-4, emotional behavioral difficulties, prevention and intervention

(d) Provide support for special education teachers and administrators and help using cost-effective practices by:

(d)(1) Forming partnership with higher education to addressing Sp.Ed. staffing shortage, recruitment and retention and increase training opportunities

(d)(2) Provide legal support and training

(d)(3) Sp.Ed. technical assistance

(d)(4) Guidance on reducing sped cost increases

(d)(5) IEP decision making model and training

(e) Ensure special education programs are being operated consistently and in a cost-effective manner across the state by:

(e)(1) IEP Study to collect data on types and ranges of services provided across the state in most common disability areas

(e)(2) Audit and monitor all Supervisory Unions by 12/31/02

(e)(3) Sp.Ed. leader training on cost-effective practices and consistent implementation of special education

(e)(4) Clarify eligibility rules and provide guidelines and training

(f) Commissioner, State Board, Ed. Coalition, etc to:

(f)(1) Sp. Ed. Funding Formula Recommendations (Jan. 04)

(f)(2) Recommendations on residential review process, third party billing and regional programs

**Sec. 8 - Commissioner of Education Reports**

(a)(1) Jan. 15, 2001 – Update on plan, changes in core staff, recommendations on achieving sustainable growth in sped

(a)(2) 2002, Final report on plan – recommendations: on strengthening and funding of ESS, increase consistent implementation of sped and containing costs of sped

(b) Annual report on external factors affecting sped costs

**Sec. 9 - Assistance to School Districts with Unusual Special Education Costs**

(a) For FY02-04 Commissioner may use up to 2% of sped funds to assist schools with unusual sped costs.

(b) School district is eligible if it has Medicaid participation rate of 85% for two of last four quarters. Commissioner decision final.

(c) State Board to adopt rules.

(d) Annual report on use of funds.

**Sec. 10 - Targets for Increases in Statewide Total Special Education Expenditures**

(a) Establishes targets for limiting increases in sped expenditures.

(1) FY02 target: average change in Vermont State Domestic Product (VSDP) for past 5 years plus 4%.

(2) FY03 average change over 5 years in VSDP plus 3%.

(3) FY04 average change over 5 years in VSDP plus 2%

(b) FY02-04 appropriation increase for sped limited to target amounts.

(c) If sped increase is less than target, state share at targeted amount to go to education fund to support sped

**Sec. 11 – Repeal - Caps in current law repealed in order to implement costs containment plan.**

**Sec. 12 – Committee on Interagency Coordination and Funding for Provision of Special Education**

Secretary of Administration and Joint Fiscal Office with DOE, AHS, and DET to study how each agency should provide for and share in paying for special education for eligible persons under 22 years of age, in school or out-of-school;

1. Assess the extent to which school districts have absorbed service costs for special needs children that were historically paid by other service providers including the extent to which:
  - (A) children formerly admitted to institutional care are now being provided services through special education;

(B) costs now found in school budgets historically were part of the budgets of non-school agencies and

(C) costs now found in school budgets would be attributable to nonschool agencies

2. Examine upper age limit for special education
3. Examine interagency agreement regarding coordination of special education to determine if services are currently paid for in the most appropriate and cost-effective way
4. Report to general assembly January 15,2001

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