

Recommendation to respond to the General Assembly's charge to identify "statutory changes necessary to align special education funding for approved independent schools with the census grant funding model for public schools as envisioned in the amendments to 16 V.S.A. chapter 101 in Sec. 5 of this act."

**Background:**

Act 173 and the census block grant are designed to incentivize the public system to serve students differently and more cost-effectively. Without any similar incentive for independent schools who serve substantial numbers of publicly-tuitioned students, we anticipate that costs for the provision of special education services will remain the same.

Given that the census model will be given to the LEA based on ADM, our public schools will be compelled to control costs, while independent schools will feel no pressure to do the same. If there is not parity between the public and independent system, public schools will be at a fiscal disadvantage because they would need to either cut programs in their schools or fund public school special education by increasing taxes. Such a scenario would not only treat public schools differently than private schools that receive public funds, but it would treat towns differently based upon whether some or none of the towns in an SU have non-operating school districts.

**Recommendation:**

Some independent schools serve as the public school for their community and surrounding communities. Data provided by Vermont Independent Schools Association (VISA) in 2017 indicate that the range of publicly tuitioned students served by the (so-called) Town and Comprehensive Academies varies from 65% to 96%. In addition, two of the more prominent "general education" independent schools have significant percentages of publicly tuitioned students.

They are:

- Long Trail School - 66% publicly tuitioned
- The Sharon Academy - 87% publicly tuitioned

Because these institutions serve such large numbers of publicly-funded students, we recommend they be held to the same standard as public schools.

**Proposal A:**

Independent schools with 65% publicly-funded students would be allocated the same average cost per student that the LEA has for the students attending their public schools. This ensures that students have equitable funding, and also puts these institutions under similar pressure as public schools to explore their own practices and look for areas to increase efficiencies. This per student cost would include all costs related to educating students along a continuum of services, excluding extraordinary costs. The cost per student will also include the FTE equivalent of one person's time that is allocated to students attending schools operated by the

LEA. If the LEA provides staff for any services, the cost for these services would be deducted from the allocation. The average cost per pupil can be determined based on statistical reporting and used as the following year's charges, or an announced and allowable model could be used similar to how tuition is currently handled.

**Proposal B:**

For general education independent schools with less than 65% publicly-funded students, the LEA would generate an hourly rate per IEP service based on average costs for the services it provides. These would be approved by the AOE and this "rate sheet" would be shared with independent schools. It would reflect what they would be reimbursed for the services they provide to students from the LEA in support of a student's IEP. Again, these rates can be set based on information provided in statistical reporting.