Senate

General Assembly

File No. 848

January Session, 2025

Substitute Senate Bill No. 1244

Senate, May 8, 2025

The Committee on Appropriations reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT MAKING INVESTMENTS IN IN-DISTRICT SPECIAL EDUCATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective July 1, 2025*) (a) Not later than July 1, 2026, the Department of Education shall develop a methodology for calculating the maximum rates of tuition and related fees that may be charged by a provider of special education services to a local or regional board of education. The department shall publish and make such methodology available on its Internet web site.

(b) Not later than July 1, 2027, and annually thereafter, the Department of Education shall establish, and annually update, a tuition rate and fee schedule that is based on the methodology for calculating the maximum rates of tuition and related fees that may be charged by a provider of special education services developed pursuant to subsection (a) of this section.

Sec. 2. Section 10-91j of the general statutes is repealed and the

following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) (1) Any agreement entered into or amended on or after July 1, 2018, but prior to June 30, 2019, or any contract entered into or amended on or after July 1, 2019, but prior to June 30, 2027, pursuant to section 10-76d, between a local or regional board of education and a private provider of special education services, as defined in section 10-91g, shall include an explanation of how the tuition or costs for services provided under the agreement or contract are to be calculated.

(2) Any contract entered into or amended on or after July 1, 2027, pursuant to section 10-76d, between a local or regional board of education and a private provider of special education services shall be in accordance with the tuition rate schedule established pursuant to subsection (b) of section 1 of this act.

(3) Any such agreement or contract may include the following provisions: **[**(1)**]** (A) A requirement that such private provider of special education services submit monthly or quarterly reports to such board regarding the specific services and frequency of such services being provided by such private provider of special education services to students under the agreement or contract, and **[**(2)**]** (B) authorization for such board to **[**(A)**]** (i) review and reconcile such reports to the contracted services described in the agreement or contract, or **[**(B)**]** (ii) conduct periodic site visits at the location where such private provider of special education services provides services.

(b) On and after July 1, 2019, a local or regional board of education shall not be eligible for reimbursement pursuant to subsection (b) of section 10-76g for any costs of special education paid by such board of education to a private provider of special education services unless such board of education has entered into a written contract with such private provider of special education services for the provision of such special education services. The individualized education program of a child shall not be considered a contract between a local or regional board of education and a private provider of special education services for purposes of this section. Nothing in this subsection shall be construed

to limit or interrupt the provision of special education and related services to a child by a local or regional board of education or private provider of special education services.

Sec. 3. (NEW) (*Effective July 1, 2025*) Not later than June 30, 2026, and every five years thereafter, each local and regional board of education shall conduct, in a manner and form prescribed by the Commissioner of Education and that is in compliance with the Family Educational Rights and Privacy Act of 1974, 20 USC 1232g, as amended from time to time, a comprehensive review of all spending by such board on the provision of special education and related services. Each such board shall submit a report of the results of such review to the commissioner and make such report available on the Internet web site of such board.

Sec. 4. (NEW) (*Effective July 1, 2025*) (a) For the fiscal year ending June 30, 2027, and each fiscal year thereafter, the Department of Education shall, within available appropriations, administer a competitive grant program for local and regional boards of education to support in-district or regionalized programming for students with disabilities. Grants awarded to local and regional boards of education under the program may be used to enhance and improve existing specialized programming in the school district or start-up costs related to the creation of in-district or regional programming for students who are enrolled in a program operated by a private provider of special education services.

(b) The Commissioner of Education shall develop the application to be used by local and regional boards of education in applying for a grant under this section. The application shall include, but need not be limited to, a description of (1) the program location, (2) the student population who will be served, (3) the staffing needs for the programming, (4) any assistive technology and materials necessary to implement the programming, (5) any capital improvement needs, (6) the budget allocation for the programming, and (7) any professional development necessary for implementation of the programming. A local or regional board of education shall submit such application in a form and manner prescribed by the Commissioner of Education.

(c) The commissioner shall develop criteria for reviewing and approving grant applications. Such criteria shall be based upon (1) increasing students' access to high-quality general education instruction, and (2) enhancing in-district or regional programming for students with intensive needs, including giving priority to those applications that demonstrate collaboration between multiple boards of education or between boards of education and regional education service centers.

(d) Not later than September 30, 2027, and annually thereafter, any local or regional board of education that has received a grant under the program in the prior fiscal year shall submit a report to the commissioner that assesses the impact of the grant on student outcomes and district expenditures. The report shall contain any information and data requested by the commissioner.

(e) Not later than December 31, 2027, and annually thereafter, the department shall submit a report on the progress of the program to the joint standing committee of the General Assembly having cognizance of matters relating to education, in accordance with the provisions of section 11-4a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2025*	New section
Sec. 2	*July 1, 2025*	10-91j
Sec. 3	*July 1, 2025*	New section
Sec. 4	*July 1, 2025*	New section

Statement of Legislative Commissioners:
In the last sentence of Section 4(a), "currently" was deleted and "private" was added before "provider", for clarity.

ED *Joint Favorable Subst. C/R* APP

APP *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 $	FY 27 $	FY 28 $
Education, Dept.	GF - Cost	None	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 26 $	FY 27 $	FY 28 $
Local and Regional Boards of Education	See Below	None	None	See Below
Various Local and Regional Boards of Education	Revenue Gain	None	See Below	See Below

Explanation

The bill, with fiscal impacts described by section below, requires the State Department of Education (SDE) to set tuition rates for special education private providers beginning in FY 28 and establishes a competitive special education grant starting in FY 27.

Section 1 requires the State Department of Education (SDE), to: (1) by July 1, 2026, to develop and publish a method to calculate the maximum tuition and fee rates a special education provider can charge to a local or regional board of education; and (2) by July 1, 2027, establish and then annually update a tuition and fee schedule for such providers. This has no impact to SDE as they have the expertise to establish a methodology and set a tuition rate and fee schedule.

Section 2 requires any contract entered into or amended by a board

of education and special education private provider, beginning in FY 28, to use the rate schedule established by SDE. Any impact to boards of education will depend on the extent to which the rate schedule prescribed by SDE differs from future rates in the absence of the schedule. If the SDE schedule contains lower rates than a board of education would have otherwise paid, then a savings to the board of education will result.

Section 3 does not have a fiscal impact. It requires boards of education to review and report all special education spending to SDE by June 30, 2026 and then every five years. It is anticipated that boards of education can complete this requirement with existing resources.

Section 4 requires SDE to establish a new competitive special education grant, starting in FY 27, for: (1) local and regional boards of education to improve or expand existing in-district special education programming; and (2) costs related to creating new in-district programming for students who are currently placed out-of-district. This results in a cost to SDE beginning in FY 27; the bill does not provide funding for the program. Any revenue gain to boards of education would depend on the funding and provisions of the grant program.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to updates to the rate schedule and funding for the new special education grant.

OLR Bill Analysis

sSB 1244

AN ACT MAKING INVESTMENTS IN IN-DISTRICT SPECIAL EDUCATION.

SUMMARY

This bill requires the State Department of Education (SDE), by July 1, 2026, to develop a method for calculating the maximum tuition rates and related fees that a special education provider can charge to a local or regional board of education (i.e. a school board). Starting July 1, 2027, (1) SDE must establish and annually update a tuition rate and fee schedule based on the method and (2) any contract entered into or amended on or after this date between a school board and a private provider of special education services must use the tuition rate schedule.

School boards typically send students out of district to private special education providers when the student's needs, as determined through the special education evaluation resulting in an individualized education plan, require a more specialized or intensive level of services than the school district can provide in-district.

Beginning with FY 27, the bill creates a new competitive grant that can be used (1) to enhance and improve existing in-district specialized programming for students with disabilities or (2) for start-up costs for creating in-district or regional programming for students who are currently placed outside the district for special education services.

Additionally, the bill requires each school board, by June 30, 2026, and every five years after that, to do a review of its special education and related services spending. Each board must submit the resulting report to the education commissioner and make it available on the board's website. The review must (1) be on a form the education

commissioner prescribes and (2) comply with the Family Educational Rights and Privacy Act (FERPA) of 1974 (20 U.S.C. § 1232g). (FERPA is the federal law that generally protects the privacy of students' educational records and generally allows them to be shared only after the student or parents or guardian give permission.)

EFFECTIVE DATE: July 1, 2025

§§ 1 & 2 — SPECIAL EDUCATION TUITION RATE AND FEES

Methodology and Rate and Fee Schedule

By July 1, 2026, the bill requires SDE to develop a method for calculating the maximum tuition rates and related fees that a special education provider can charge to a school board. SDE must publish and make the method available on its website. Starting by July 1, 2027, SDE must set and annually update a tuition rate and fee schedule based on the methodology for calculating the maximum tuition rates and related fees.

Private Provider Contracts

The bill requires any contract entered into or amended on or after July 1, 2027, between a school board and a private special education services provider to use the tuition rate schedule set under the bill. Under current law, these contracts or agreements must include an explanation of how the tuition or costs for services provided under the agreement or contract are calculated.

By law, a "private provider of special education services" is any private school or private agency or institution, including a group home, that receives any state or local funds for providing special education services to any student with an individualized education program (IEP) or for whom an individual services plan was written by the school board responsible for educating the student.

§ 4 — NEW COMPETITIVE GRANT TO SUPPORT IN-DISTRICT OR REGIONAL SPECIAL EDUCATION PROGRAMS

Purpose

The bill creates a new competitive grant beginning with FY 27 that

can be used (1) to enhance and improve existing in-district specialized programming for students with disabilities or (2) for start-up costs for the creation of in-district or regional programming for these students who are currently placed outside the district for special education services. SDE administers the grant, which must be within available appropriations.

Application

The bill requires the grant application to include a description of:

1. the program location,
2. the student population who will be served,
3. the program staffing needs,
4. any needed assistive technology and materials,
5. any needed capital improvement,
6. the program budget allocation, and
7. any professional development necessary to implement the program.

Under the bill, a school board can submit a grant application on a form and in a way the education commissioner prescribes.

Criteria

The commissioner develops the criteria for reviewing and approving grants. The criteria must be based on (1) increasing students' access to high-quality general education instruction and (2) enhancing in-district or regional programming for students with intensive needs, including prioritizing applications with collaboration between multiple boards of education or between boards of education and regional education service centers.

Reporting Requirements

Annually, beginning by September 30, 2027, the bill requires any school board that has received a grant in the previous fiscal year to submit a report to the commissioner that assesses the grant's impact on student outcomes and district expenditures. The report must also contain any information and data the commissioner requests.

Additionally, beginning December 31, 2027, SDE must annually submit a report on the program's progress to the Education Committee.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute Change of Reference - APP
Yea 32 Nay 11 (03/28/2025)

Appropriations Committee

Joint Favorable
Yea 45 Nay 9 (04/24/2025)