

**Testimony House Finance Committee Bill 6325 20 May 2025**

**Mr. Chairman and Committee Members, thank you for allowing me to testify today.** *I am here to support Bill 6325*

**1. My name is Gregory Huet. As the Chairman of the Middletown School Committee, I have experienced first-hand the devastating impact that Special Education expenses can have on a School District budget.**

**2. Unlike other line items in our budget, Special Education expenses are often unknown from year to year. These expenses are generated by student need, based on IEP team decisions. The number of enrolled students may remain relatively stable each year, but the actual number with Special Education needs may change dramatically. In Middletown, with many military families routinely executing Permanent Change of Station moves, even greater unpredictability of student need exists.**

**3. As a result, it becomes impossible to budget and plan appropriately. A student requiring significant Special Education needs may move into our School District at any time. How do you manage an unexpected expense of a half million dollars or more as the result of one Special needs**

**student moving into your School District? Don't say it can't happen, because it has.**

**4. The current system to address Special Education funding is based upon the complex Funding Formula. The Funding Formula is broken. The account to reimburse school districts for Special Education expenses is underfunded. Even if a school district receives reimbursement for their Special Education expenses, that reimbursement does not occur until the following fiscal year and it is based only on costs that exceed approximately \$70K per student per year.**

**So where does the money come from to pay that unexpected bill? By cutting programs in the current school year. The current funding system for Special Education isn't working.**

**5. Several months ago, I proposed a way to insert some certainty into the way School District's budget for Special Education expenses.**

**I will use a simple example to illustrate the concept: Assume the costs for Special Education across the entire State for all school district's is \$1,000 dollars per year and the entire enrolled student population in the State is 1,000 students. If every school district paid a per capita of \$1 dollar per enrolled student, the \$1,000 dollar expense for Special**

**Education would be covered. A predictable Special Education fixed cost rate would be created for every School District in the State.**

**6. In closing I would propose Sub “A” language be added to this Bill to address the following:**

- **Changes in Special Education funding will require every School District to participate to establish a reasonable per capita rate.**
- **A method to cover the initial year expenses must be determined because the per capita revenue for enrollment would not be available until the following fiscal year.**
- **The proposed legislation should consider basing the entry fee on a School District’s average Special Education expenses over the previous 10 years versus one year to provide a more realistic figure based upon historic expenses.**
- **The funding formula must be tweaked to address instances where a School District has in house Special Education capabilities and related expenses to providing those services.**
- **The funding formula must be tweaked to address instances where a School District receives revenue via**

**Medicaid/other sources for providing Special Education services in house and/or out-of-district placements.**

**Thank you for your time and consideration.**

**Gregory Huet**

**Additional info:**

**Reimbursement for special education cost is a complex system involving both federal and state funding. (RIDE) provides direct financial support to public schools and students with disabilities through various funding formulas and categorical funding.**

**Funding sources include the (RIDE) funding formula, state aid, federal funding reimbursement for specific disabilities, categorical funding, state special education funding (discretionary), and reimbursement for early intervention services.**