Big Changes:
Students with Disabilities, Open Enrollment, and Vouchers

JENNIFER DANFIELD & DANIEL BUSH
DEPARTMENT OF PUBLIC INSTRUCTION

FEDERAL FUNDING CONFERENCE
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Agenda

- Open Enrollment
  - Program Changes
  - Fiscal Impacts
  - Important Considerations

- Special Needs Scholarships
  - Program Overview
  - Fiscal Impacts

Wisconsin Department of Public Instruction
Important Caveat

- The Legislature is in session this week
- Legislation affecting Open Enrollment and Special Needs Scholarships is under discussion
- Information in this presentation is accurate as of today
HOW IS OPEN ENROLLMENT CHANGING FOR STUDENTS WITH DISABILITIES?
Summary of Open Enrollment Changes

- Fixed transfer amount for students with disabilities
- No more cost estimates
- No denials for undue financial burden
- Financial responsibility for special education services transfers fully to nonresident districts
- Nonresident districts receive state & federal special education aids for OE students
Open Enrollment Payments

Old law:
- Payments were for base transfer amount (Fund 10) plus actual, additional special education costs (Fund 27)
- Nonresident districts billed resident districts directly

New law:
- Fixed, higher transfer amount (Fund 10) for students with disabilities
  - $12,000 in 2016-17
- Aid transfers handled by DPI in year-end reconciliation

Not changing:
- Resident district records the transfer as an expenditure, nonresident district records as revenue
Open Enrollment Process

• Old law:
  o Nonresident district provided cost estimate based upon IEP
  o Resident district could deny for undue financial burden

• New law:
  o No exchange of cost estimate
  o No denial for undue financial burden

• Not changing:
  o Nonresident district may deny for lack of space/program
District Responsibilities

- **Old law:**
  - Responsibilities split between resident & nonresident districts
    - Resident districts had financial responsibility
    - Nonresident districts had service/program responsibility

- **New law:**
  - Nonresident districts assume **all** responsibilities
    - No costs billed back to resident district
    - Must provide transportation if IEP requires it

- **Not changing:**
  - Resident district has representative(s) on IEP team
  - Nonresident district has referral/evaluation (Child Find) responsibility for its OE students
HOW WILL THIS AFFECT MY DISTRICT’S FINANCES?
Myth

State Support for Open Enrolled Student with a Disability

Open Enrolled Student’s Special Education Costs

- General Aid Transfer
- Costs

Wisconsin Department of Public Instruction
State Support for Open Enrolled Student with a Disability

- **High Cost Spec Ed Aid**
- **Spec Ed Categorical Aid**
- **General Aid Transfer**
- **Costs**

98-99% of SwDs

1-2% of SwDs
Net District Impact of Open Enrolled SwD Costs

Open Enrolled Student's Special Education Costs

- Net Cost ($)
- Share of Costs (%)

Wisconsin Department of Public Instruction
Funding Under New OE Law

- $12,000 transfer of general school aids
  - Processed by DPI in year-end reconciliation
  - Recorded in Fund 10 (10R 345/10E 382 435000)
  - May not use IDEA funds for transfers out
  - Other state aids withheld if general aids are insufficient

- Resident district counts student for general aids & revenue limit membership
  - No change—the resident district continues to pay for OE

- No revenue limit exemption for Transfer of Service
State & Federal Special Education Aids

- **Old law:**
  - Nonresident districts received state special education aids and transited them to resident districts
  - Resident districts could use their IDEA funds and had OE students in their child count for MOE

- **New law:**
  - Nonresident districts receive and retain state aids
  - Nonresident districts may use their IDEA funds for OE students, included in their MOE child count
If an Open Enrollment student is evaluated and identified with a disability (Child Find) after the school year begins:

- Resident district charged a prorated amount based on the number of days they received special education services:
  - Days before charged at the basic transfer rate
  - Days after charged at the higher rate for students with disabilities

- OPAL will be updated to allow for this type of proration
Optimizing Resources

Claim High Cost Special Education Aid
- State put more money into this program in large part due to Open Enrollment changes
- Track costs specific to high-need students
- Especially worth considering if transportation is required by the IEP

Use IDEA funds
- If submitting a High Cost Special Education Aid claim, use IDEA for the first $20,000 to 30,000
- Good way to draw down carryover—students are in your MOE count
WHAT DO I NEED TO BE THINKING ABOUT WITH THE NEW LAW IN PLACE?
School boards required to designate regular and special education spaces available for next year and in January

Boards must specify criteria

- Criteria must be applied consistently so decisions on space are not arbitrary or unreasonable
- Not following criteria is the most common reason DPI overturns OE denials for space
Transportation

- State law not changed on requirement to provide transportation specified by IEP
- Transportation is not part of space/program
- Nonresident districts may not deny Open Enrollment based on transportation needs or costs
Tuition Waivers

- No change to current year tuition waivers
- Additional year tuition waivers will have all the same changes as Open Enrollment:
  - $12,000 general aid transfer
  - No cost estimates
  - No denials for undue financial burden
  - No billing back resident districts
Open Enrollment & Tuition

- Districts may not:
  - Deny Open Enrollment for one student due to lack of space, while accepting another for same grade & program with a district or parent-paid tuition agreement
  - Reserve space for OE & tuition separately
  - Direct parents into/out of OE based on tuition costs

- Appeals of OE denial will be overturned when denying districts accept students under tuition agreements
  - If you have space for tuition, you have space for OE
### Tuition vs. Cooperative Agreements

<table>
<thead>
<tr>
<th>Tuition Agreements</th>
<th>Cooperative Agreements</th>
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</thead>
<tbody>
<tr>
<td>• For students</td>
<td>• For programs</td>
</tr>
<tr>
<td>• Authority: s. 121.78</td>
<td>• Authority: s. 66.0301</td>
</tr>
<tr>
<td>• Resident district pays another district for</td>
<td>• Multiple LEAs share costs of a program</td>
</tr>
<tr>
<td>instruction/placement</td>
<td>• One LEA is fiscal agent</td>
</tr>
<tr>
<td>• Resident district remains FAPE agency in either case</td>
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<tr>
<td>• Districts may not cast tuition agreements as “66.0301”</td>
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<tr>
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<td>to avoid space determination/Open Enrollment issues</td>
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Special Needs Scholarships: Program Overview

HOW ARE THESE “VOUCHERS” GOING TO WORK?
Special Needs Scholarships Basics

- Starts in 2016-17 (this fall)
- Students with IEPs can receive scholarships to participating private schools—if they’ve been denied for Open Enrollment
- Resident districts retain certain responsibilities
- Funded via general aid deductions
Eligibility

A student with a disability may receive a scholarship for the coming school year if they:

- Reside in Wisconsin
- Are denied for Open Enrollment in the coming year
  - If appealed to DPI, denial must have been upheld
  - For 2016-17 only, were denied Open Enrollment for any school year from 2011-12 through 2015-16
- Have a current IEP or services plan
- Attend a Wisconsin public school all this school year
  - For 2016-17 only, may have attended a Wisconsin public school for part but not all of 2015-16
- Are accepted by a participating school for the coming year
Resident District Responsibilities

- Notify parents of students with disabilities of the Special Needs Scholarship Program
- Provide an IEP to a private school within 3 days of being requested to do by DPI
- Administer state assessments to participating students
- Ensure the IEP team re-evaluates each participating student
Special Needs Scholarships: Fiscal Impact

HOW WILL THIS AFFECT MY DISTRICT’S FINANCES?
Special Needs Scholarship Payments

- Private schools receive $12,000 from DPI
  - No payments from resident districts to private schools

- If an IEP team re-evaluates a student and determines they no longer have a disability, they are a “partial scholarship” student in the following school year:
  - Student may continue in the private school
  - Private school receives a partial scholarship equal to the Parental Choice Program payment for that grade

  - 2016-17 amounts:
    - Grades PK-8: $7,323
    - Grades 9-12: $7,969
Special Needs Scholarship Funding

- Program payments withheld from general school aids
  - Processed by DPI in year-end reconciliation
  - Recorded in Fund 10 (10E 387 438000)
  - May not use IDEA funds for transfers out
  - Other state aids withheld if general aids are insufficient
    - Open Enrollment transfers have priority over scholarships

- Aid transfers feed into the state’s pot for scholarship payments
  - Aids withheld and scholarship payments not directly linked
  - Low-aided districts not responsible if aid withholding doesn’t fund all their students’ scholarships
Special Needs Scholarship Funding

- Resident district counts student for general aid & revenue limit membership
  
  - Different revenue limit impact from Wisconsin/Racine Parental Choice Program
    - Special Needs Scholarship students go into the 3-year rolling average
    - Expanded Wisconsin/Racine Parental Choice students counted for a non-recurring revenue limit exemption
SNS and Equitable Services

• Equitable Services: Required IDEA set-aside for students in private schools located in your district
• Special Needs Scholarship students are included in your Equitable Services count
  o Based on who attends schools in your district, whether or not they’re your residents
• District determines which students receive what services
• Bottom line: SNS students increase what you need to spend, but impose no additional requirement on how you spend it
  o USDOE OCR/OSEP Letter to Bowen, March 30, 2001
WHERE CAN I GET MORE INFORMATION?
Open Enrollment Resources

- Q&A on Changes for Students with Disabilities

- Training Modules
  - http://dpi.wi.gov/open-enrollment/resources/training

- Bulletins
  - http://dpi.wi.gov/open-enrollment/resources/bulletins

- DPI Contact
  - openenrollment@dpi.wi.gov
  - 888-245-2732
Special Needs Scholarship Resources

- General Information
  - [http://dpi.wi.gov/sms/special-needs-scholarship](http://dpi.wi.gov/sms/special-needs-scholarship)

- DPI Contact
  - Colleen Uhlenkamp
    School Management Services
    colleen.uhlenkamp@dpi.wi.gov
    608-264-9544
Our Contacts

Jen Danfield
School Management Services
jennifer.danfield@dpi.wi.gov
608-264-6707

Daniel Bush
School Financial Services
daniel.bush@dpi.wi.gov
608-267-9212
WHAT ELSE DO YOU NEED TO KNOW?