

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

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**FEDERAL FUNDING CONFERENCE
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Agenda

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

- **Special Needs Scholarships**
 - Program Overview
 - Fiscal Impacts

Important Caveat

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- 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

Open Enrollment: Program Changes

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**HOW IS OPEN ENROLLMENT
CHANGING FOR STUDENTS WITH
DISABILITIES?**

Summary of Open Enrollment Changes

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- 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

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- 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

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- Old law:
 - Nonresident district provided cost estimate based upon IEP
 - Resident district could deny for undue financial burden
- New law:
 - No exchange of cost estimate
 - No denial for undue financial burden
- Not changing:
 - Nonresident district may deny for lack of space/program

District Responsibilities

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- 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

Open Enrollment: Fiscal Impact

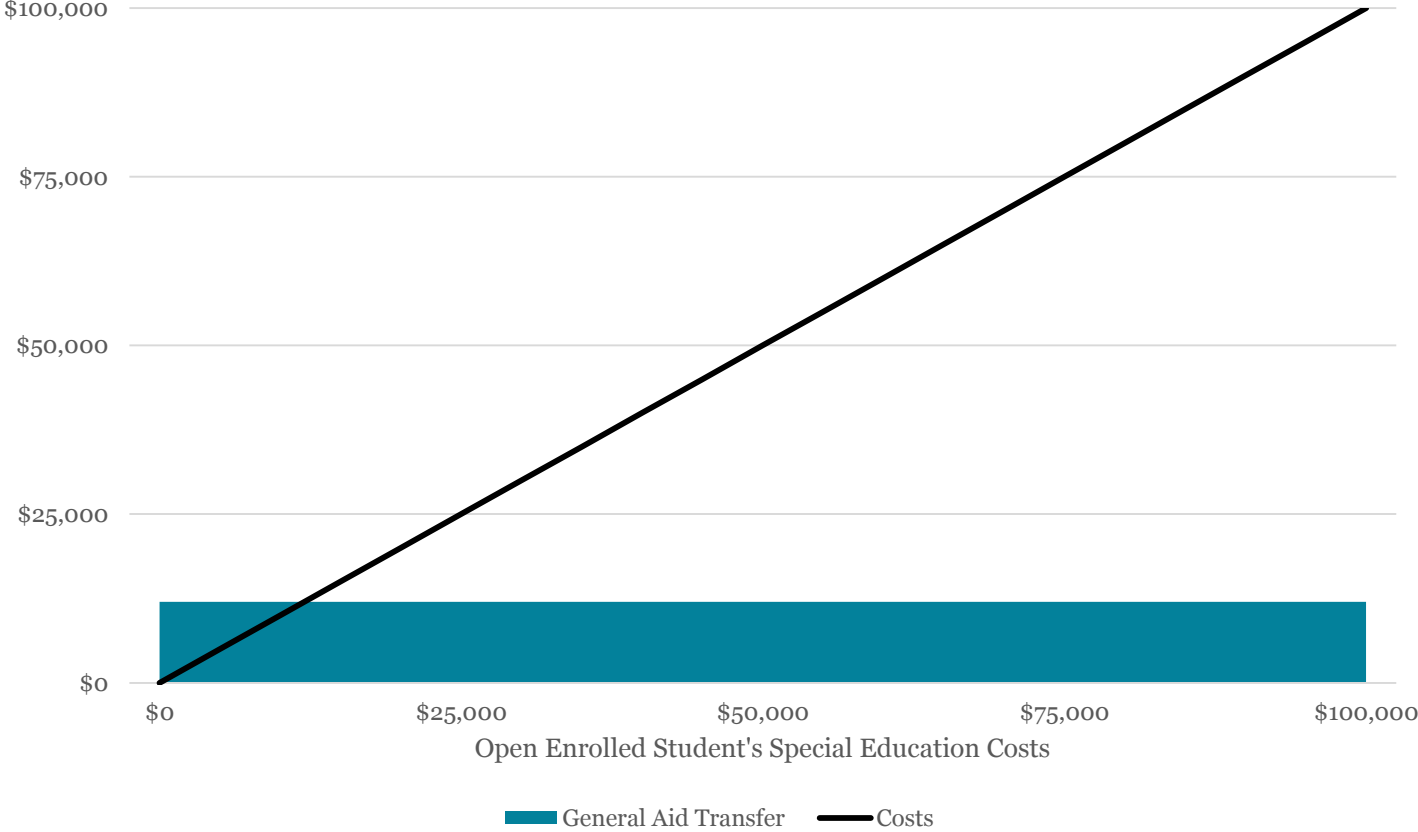
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**HOW WILL THIS AFFECT MY
DISTRICT'S FINANCES?**

Myth

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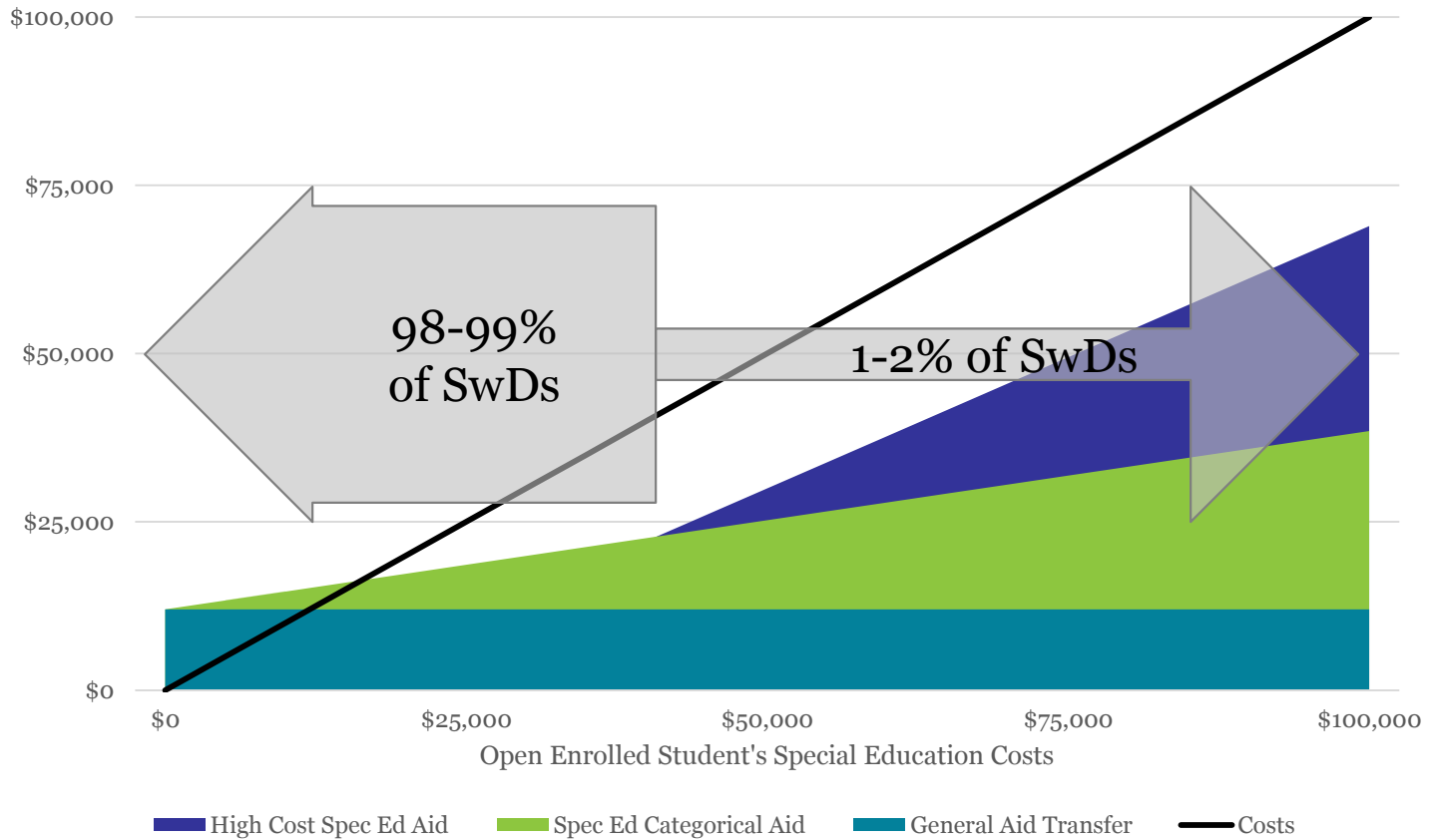
State Support for Open Enrolled Student with a Disability



Reality

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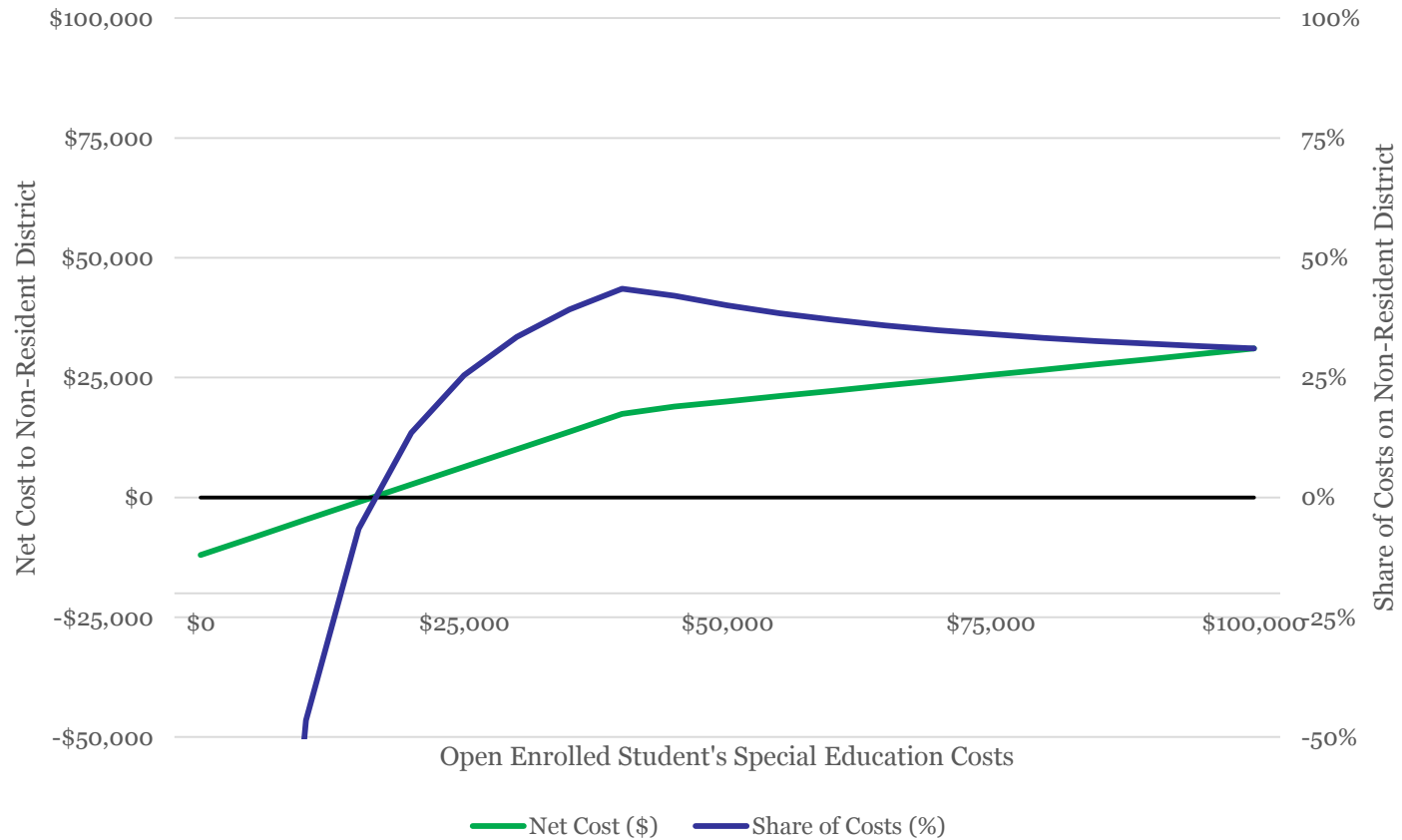
State Support for Open Enrolled Student with a Disability



Reality

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Net District Impact of Open Enrolled SwD Costs



Funding Under New OE Law

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- \$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

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- 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

Identification After School Begins

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- 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

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- **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

Open Enrollment: Important Considerations

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**WHAT DO I NEED TO BE THINKING
ABOUT WITH THE NEW LAW IN PLACE?**

Space Determination

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- 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

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- 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

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- 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

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- 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

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Tuition Agreements

- For students
- Authority: s. 121.78
- Resident district pays another district for instruction/placement
- Resident district remains FAPE agency in either case
- Districts may not cast tuition agreements as “66.0301” to avoid space determination/Open Enrollment issues

Cooperative Agreements

- For programs
- Authority: s. 66.0301
- Multiple LEAs share costs of a program
- One LEA is fiscal agent

Special Needs Scholarships: Program Overview

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**HOW ARE THESE “VOUCHERS”
GOING TO WORK?**

Special Needs Scholarships Basics

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- 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

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- 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

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- 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

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**HOW WILL THIS AFFECT MY
DISTRICT'S FINANCES?**

Special Needs Scholarship Payments

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- 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

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- 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

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- 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

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- 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
 - 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**
 - USDOE OCR/OSEP Letter to Bowen, March 30, 2001

Resources

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**WHERE CAN I GET MORE
INFORMATION?**

Open Enrollment Resources

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- Q&A on Changes for Students with Disabilities
 - <http://dpi.wi.gov/open-enrollment/resources> or <http://dpi.wi.gov/open-enrollment/special-education>
- 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

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- General Information
 - <http://dpi.wi.gov/sms/special-needs-scholarship>
- DPI Contact
 - Colleen Uhlenkamp
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colleen.uhlenkamp@dpi.wi.gov
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Our Contacts

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Question Time

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**WHAT ELSE DO YOU
NEED TO KNOW?**