

OFFICE OF FISCAL ANALYSIS

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sSB-1244

AN ACT MAKING INVESTMENTS IN IN-DISTRICT SPECIAL
EDUCATION.

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.

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Reviewer: JS

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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.