
OLR Bill Analysis

sSB 1 (File 637, as amended by Senate "A")*

AN ACT INCREASING RESOURCES FOR STUDENTS, SCHOOLS AND SPECIAL EDUCATION.

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SUMMARY

This bill makes numerous changes to the education statutes as described in the section-by-section analysis below.

EFFECTIVE DATE: July 1, 2025, unless stated otherwise below.

*Senate Amendment “A” strikes the underlying bill and replaces it with the provisions analyzed below.

§§ 1-14 & 43 — EARLY CHILDHOOD EDUCATION ENDOWMENT

Establishes the Early Childhood Education Endowment, funds it with transfers of unappropriated surplus, and requires the state treasurer to administer it; creates the Early Childhood Education Endowment Advisory Board to oversee the endowment’s

administration; specifies the amount that may be released from the endowment each fiscal year and how those funds may be spent

Starting on July 1, 2025, the bill establishes the Early Childhood Education Endowment, funds it with transfers of estimated unappropriated surplus, and requires the state treasurer to administer and invest the money in it. The bill also repeals the Early Childhood Care and Education Fund and the related advisory commission. Under current law, this fund must be used to support early childhood education and child care needs, but it was never funded.

It also creates the Childhood Education Endowment Advisory Board to oversee the endowment's administration, specifies how funds may be released from the endowment and how the Office of Early Childhood (OEC) may use them, and requires analyses of the endowment fund's impact.

EFFECTIVE DATE: Upon passage, except a conforming change (§ 14) is effective July 1, 2025.

Transfers to the Endowment (§ 2)

By June 30 each fiscal year, the bill requires the treasurer to transfer the estimated amount of current unappropriated surplus, determined by the Office of Policy and Management (OPM) between June 15 and June 30, from the General Fund to the Early Childhood Education Endowment as follows:

1. For FY 25, up to \$300 million and
2. For FY 26 and beyond, the entire amount, unless the OPM secretary estimates that the Budget Reserve Fund (BRF) is below its maximum threshold.

If the BRF is estimated to be below 18% of net General Fund appropriations for the upcoming fiscal year (i.e. below its maximum threshold), the transfer must be reduced by the lesser of (1) the amount necessary to increase the BRF to its maximum threshold or (2) the maximum amount of projected surplus. After the reduction, an equal amount must be transferred to the BRF. The bill does not specifically

require OPM to estimate the BRF for these purposes.

Under existing law, whenever the comptroller determines the amount of deficit for the immediately preceding fiscal year, funds credited to the BRF are deemed appropriated to fund the deficit. Under the bill, before this appropriation occurs, the bill requires the amount necessary to fund the deficit to be deducted from the amount transferred to the endowment in the preceding fiscal year and credited to the General Fund effective June 30 of the previous fiscal year. If the deficit exceeds the amount transferred in the preceding fiscal year, no additional funds from the body of the endowment may be used to fund the deficit.

The state constitution requires any unappropriated surplus to be used (1) to fund a budget reserve fund; (2) to reduce bonded indebtedness; or (3) for any other purpose authorized by at least three-fifths of the members of each chamber (Conn. Const., art. III, § 18 (c)).

Release of Endowment Funds and Permissible Uses (§§ 3 & 4)

The bill requires the treasurer, in consultation with the Early Childhood Education Endowment Advisory Board, to annually authorize release to OEC of up to (1) 12% of the endowment's total funds for FY 26 and FY 27 and (2) 10% of the total funds for FY 28 and each fiscal year after. The OEC commissioner must spend the released funds as the bill requires.

The bill specifies how the OEC commissioner may spend funds released from the endowment each fiscal year, splitting the funds between administrative costs, the health insurance subsidy for early care and education employees (see § 15), expansion costs, and programmatic costs (see table below). Endowment funds must supplement but not supplant any other local, state, or federal funds available for early childhood care and education.

Table: Permissible Use of Released Endowment Funds, by FY

<i>FY</i>	<i>Administrative Costs</i>	<i>Health Insurance Subsidy</i>	<i>Expansion and Programmatic Costs</i>
26	Up to 8% of released	\$300,000	Remaining balance

	amount		
27	Up to 12% of released amount	\$10 million	Remaining balance
28 and after	Up to 7% of release amount	Remaining balance	

The bill defines these costs as follows:

1. administrative costs include (a) personnel costs (such as salaries and fringe benefits for treasurer's office employees who administer the endowment and OEC and State Department of Education (SDE) employees who administer programs that use endowment funds); (b) stipends to parent and program provider members of the Early Childhood Education Endowment Advisory Board (see below); and (c) data and technology (such as payment or parent enrollment portals and memoranda of understanding between OEC and agencies that provide child care);
2. expansion costs include expenses to increase early care and education program provider payment rates, increase equitable access and affordability of high-quality early childhood education, extend hours of operation or days of operation, or sustain services previously funded by the endowment; and
3. programmatic costs include those for parent and early care and education program enrollment campaigns, local governance partners, needs assessment technical assistance, facilities program technical assistance, and workforce recruitment and educator scholarships in alignment with the early childhood priorities of the advisory board and OEC.

The bill specifies that released endowment funds (1) may not be commingled with state or federal funding received under the child care development block grant and (2) do not lapse if OEC does not spend them and instead revert to the endowment.

Other Spending Conditions (§§ 5, 6 & 9)

The bill allows OEC to give released endowment funds to early care and education programs providing child care services or preschool programs operated by school boards that are (1) receiving financial assistance under the Early Start CT program, (2) participating in OEC's quality improvement system, and (3) participating in the federal Child and Adult Care Food Program (unless OEC has granted the program a waiver for participation) or providing free or reduced price lunch.

Beginning July 1, 2027, the bill requires that 35% of expanded spaces in early care and education programs funded by the endowment be infant and toddler spaces.

The bill also requires OEC, starting July 1, 2026, to submit recommendations to the Early Childhood Education Endowment Advisory Board on indicators for prioritization in a competitive procurement process when considering programs for expansion costs.

Family Contributions for Programs Receiving Funds (§ 7)

Under the bill, starting with FY 28, the bill limits the amount that families must pay for child care services from early care and education programs receiving endowment funds, as follows:

1. families with annual gross income under \$100,000 are not financially responsible for child care costs and
2. families with incomes above that amount are financially responsible for an amount up to 7% of their income.

Any family contribution an early care and education program collects must be reported as OEC prescribes, and the amount must be deducted from the overall rate OEC pays to the program and settles in reconciliation.

Early Childhood Education Endowment Advisory Board (§ 8)

The bill establishes the Early Childhood Education Endowment Advisory Board, places it within the treasurer's office for administrative purposes only, and makes it responsible for the following:

1. overseeing the endowment's administration;
2. ensuring endowment funds are spent according to the bill;
3. reviewing all reports and spending plans concerning the endowment submitted by the treasurer or OEC commissioner;
4. reviewing and assessing the outcomes from spending endowment funds; and
5. preparing and submitting reports and recommendations to the legislature about the endowment's administration and permitted expenditures, including any recommendations for expanding allowed expenditures.

The board consists of (1) the OEC commissioner, the treasurer, the education commissioner, and the OPM secretary, or their designees and (2) 12 appointed members meeting certain qualifications, as shown in the table below.

Table: Appointed Board Members

<i>Appointing Authority</i>	<i>Number</i>	<i>Qualification</i>
House Speaker	Two	<ul style="list-style-type: none"> • OEC parent cabinet member • House member
Senate President Pro Tempore	Two	<ul style="list-style-type: none"> • Family child care home licensee • Senate member
House Majority Leader	Two	<ul style="list-style-type: none"> • Early childhood educator • Parent or guardian of a child receiving birth to three services
Senate Majority Leader	Two	<ul style="list-style-type: none"> • Representative of a philanthropic organization engaged in early childhood or child care issues in the state • Special education teacher or administrator in a public preschool program providing services under the Individuals with Disabilities Education Act
House Minority Leader	One	Representative of a child care center
Senate Minority Leader	One	Preschool educator employed by a local or regional board of education

<i>Appointing Authority</i>	<i>Number</i>	<i>Qualification</i>
Governor	Two	<ul style="list-style-type: none"> • Representative of a corporation with a significant physical presence in the state whose employees may benefit from early childhood education and state child care initiatives • Representative from the Head Start program

Appointments and Meetings. The bill requires the various appointing authorities to make appointments to ensure representation for all geographic regions in the state, to the extent practicable, and to make initial appointments by September 1, 2025. Members serve at the pleasure of the appointing authority, but no longer than the appointing authority's term of office or until the member's successor is appointed and qualified, whichever is longer. Vacancies must be filled by the appointing authority, and any vacancy that occurs other than by a term expiring must be filled for the balance of the unexpired term. Members serve without compensation, but parent and program provider members may receive a stipend for serving.

Under the bill, the OEC commissioner, House member, and Senate member jointly serve as the board chairpersons and must schedule and hold the first meeting by October 1, 2025. The board must meet at least quarterly and host a public hearing before completing its annual report. At the first meeting, and semiannually after that, the treasurer (or his designee) must give the board an actuarial chart that includes a review of the total amount of funds in the endowment, the health of the endowment's investments, the endowment's anticipated growth, and any recommended models for the timing and rate of drawing down from the endowment.

Annual Report. Starting by January 1, 2026, the board must annually report to the Appropriations; Children; Education; and Finance, Revenue and Bonding committees on (1) the endowment's financial health and actuarial future based on information from the treasurer; (2) expenditures from the endowment; (3) status updates of early care and education programs, early childhood educators, families, and children served; and (4) and recommended legislation.

Impact Analysis (§§ 10 & 11)

Starting January 1, 2032, and every five years after that, OEC must prepare an impact analysis on the endowment's operations and the effects that spending from the endowment has had on early child care availability, affordability, and quality. It must include a report on the endowment's solvency prepared by the treasurer and an analysis of the effect of endowment spending on:

1. early care and education programs receiving assistance under Early Start CT,
2. early care and education programs not receiving state financial assistance,
3. families' access to early care and education programs receiving assistance under Early Start CT,
4. tuition and family contribution rates,
5. early childhood educator salaries and benefits, and
6. statewide child care demand.

By July 1, 2031, OEC must submit the impact analysis to the Early Childhood Education Endowment Advisory Board and the Appropriations; Children; Education; and Finance, Revenue and Bonding committees.

After receiving the impact analysis, and after consulting with the treasurer about the endowment's solvency, the advisory board must develop recommendations on expanding the permitted endowment expenditures. By January 1, 2032, the advisory board must submit the recommendations to the Appropriations; Children; Education; and Finance, Revenue and Bonding committees. The bill does not require submission or advisory board consideration of impact analyses after the first required analysis.

Endowment Requirements (§§ 1 & 12-14)

Under the bill, the endowment is an instrumentality of the state

performing essential governmental functions. It receives and holds all deposits, contributions, gifts, bequests, endowments, government grants, and other sources of funds, and the earnings on those funds, until released as the bill requires.

The bill requires that deposits be made in cash and specifies that the endowment is not a state department, institution, or agency, and the state has no claim on funds in the endowment. The endowment must continue to exist as long as it has deposits or obligations and until terminated by law. Unclaimed assets return to the state upon the endowment's termination, and the bill exempts the endowment's property from the law for determining when property held by a fiduciary is considered abandoned.

Under the bill, any contract entered into by the endowment, or any obligation of the endowment, is not a state debt or obligation, and the state has no obligation on account of the endowment. Amounts to be paid from the endowment are limited to the amounts deposited in the endowment that are available for the payments. The endowment's deposits may be disbursed only in accordance with the bill.

Treasurer's Authority and Powers. Under the bill, the state treasurer must receive, maintain, administer, invest, and disburse the endowment's money. On behalf of the endowment and to carry out its purposes, he may:

1. receive and invest the endowment's money as described below;
2. enter into contractual agreements for services for the endowment (such as legal, actuarial, administrative, and consulting agreements) and pay for them with the endowment's assets;
3. get insurance in connection with the endowment's property, assets, activities, or deposits;
4. apply for, accept, and spend public or private gifts, grants, or donations;
5. adopt regulations;

6. sue and be sued;
7. establish funds within the endowment; and
8. take other necessary actions to carry out the bill's purposes and incidental to the treasurer's duties under the bill.

Memorandums of Understanding. The bill requires the treasurer, on the endowment's behalf and for its purposes, to enter into a memorandum of understanding (MOU) with the OEC commissioner to establish information sharing practices for the purpose of implementing the bill's provisions. This MOU must comply with all applicable state and federal laws.

Investment. The bill requires the state treasurer to (1) invest the endowment's funds in a reasonable way to achieve its objectives; (2) exercise a prudent person's care and discretion; and (3) consider things like rate of return, risk, maturity, portfolio diversification, liquidity, projected disbursements and expenditures, and expected payments, deposits, and other gifts.

Under the bill, these requirements apply regardless of existing state laws on the treasurer's investment authority, including the (1) requirement that the treasurer's trust fund investments be reviewed by the Investment Advisory Council and (2) statutory constraints that limit the percentage of state funds invested in common stock and investments in companies doing business in specified countries.

The treasurer need not require that the endowment invest in government bonds or other funds he administers. The bill requires that the endowment's assets be continuously invested and reinvested, consistent with the endowment's objectives, until they are disbursed for eligible expenditures or spent on the endowment's operational expenses.

It also explicitly subjects the treasurer's endowment investments to the same oversight and requirements that the law establishes for other treasurer-administered funds, such as the Teachers' Pension Fund, the

State Employees Retirement Fund, and the Connecticut Municipal Employees' Retirement Fund.

§ 15 — HEALTH INSURANCE SUBSIDY PROGRAM FOR EARLY CARE AND EDUCATION EMPLOYEES

Requires Access Health CT to study the need for, and then establish, a health insurance subsidy program for FY 27 for employees of early care and education programs; sets requirements for the program and a process for potential funding through the Early Childhood Education Endowment

The bill requires the Connecticut Health Insurance Exchange (i.e. Access Health CT) to study the need for, and then establish, a health insurance subsidy program for FY 27 for employees of early care and education programs. The bill establishes several steps to accomplish this. An early care and education program is an OEC-licensed child care services program.

Study

By January 1, 2026, Access Health CT must study the need for a health benefit plan for early care and education employees to model and estimate the cost of a health insurance subsidy program that would serve them. A health insurance subsidy is a portion of the remaining balance of a qualified health plan's cost after all available income tax credits, employer contributions, and other subsidies are applied.

The study must include, at a minimum, using OEC data and other resources to assess (1) the employee population size and demographics, (2) the number of employees without health benefit plan coverage, and (3) any other information required to effectively estimate the program cost.

Health Insurance Subsidy Program

For FY 27, Access Health CT and OEC must jointly establish a health insurance subsidy program for early care and education employees using the model required under the bill. The bill requires the program to allow employees to apply to Access Health CT for a health insurance subsidy that is applied to the cost of a qualified health plan purchased through Access Health CT, whether it is an individual health plan, an employer reimbursement arrangement authorized by federal law, or an

employer-provided group health plan. Access Health CT and OEC must jointly develop eligibility criteria for the subsidy that at a minimum includes the employee (1) being ineligible for Medicaid and (2) applying for and accepting all available income tax credits, employer contributions, and other applicable health plan subsidies.

The amount of the subsidy will be applied directly to the cost of a qualified benefit plan and cannot be distributed to a participant. A “qualified health plan” is a plan that meets the criteria of the federal Affordable Care Act.

Access Health CT must post the eligibility requirements and the application forms for the subsidy program in a conspicuous location on its website.

Cost and Funding Development

The bill requires, by May 1, 2026, Access Health CT to submit a recommendation to the Early Childhood Education Endowment Advisory Board (see § 8 above) for the FY 27 health insurance subsidy amount for participants. The recommendation must be based on the amount allocated for the subsidy in the Early Childhood Education Endowment (see § 1) and the estimated number of program participants for the fiscal year. The bill requires the Early Childhood Education Endowment Advisory Board to approve or modify the recommendation by June 30, 2026 (the last day of FY 26).

The bill requires OEC to contract with community organizations to coordinate outreach activities for eligible employees to help them with getting health benefit plan coverage, whether through Medicaid or the health insurance subsidy program.

§ 16 — PRIVATE SPECIAL EDUCATION PROVIDER CONTRACT REQUIREMENTS

Adds new requirements to contracts with private special education providers and conditions on expenditures to be eligible for reimbursement; authorizes placements in nonapproved facilities under certain conditions and specifies when they are eligible for state reimbursement

Current law allows a school board, to meet its obligations to provide special education, to enter into (1) an agreement with another school

board to provide special education services or (2) a contract with a private special education provider. But it requires the contract with the private provider to have certain provisions so the board will be eligible for state reimbursement for certain contract costs. The bill adds new requirements for these agreements and contracts.

By law, a private special education provider is a 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 plan (IEP) or for whom an individual services plan was written by the local school board responsible for the student.

Private Provider Contract Language

Under current law, to be reimbursement eligible, the private provider contract must, among other things, explain how the tuition or costs for services provided under the agreement or contract are calculated. The bill requires the explanation to be about tuition, rates, and fees, rather than tuition and costs, and requires their calculation to follow the rate schedule developed under HB 5001, § 3, as amended by House “A.”

Conditions for Grant Reimbursements

Under current law, a special education reimbursement under the excess cost grant must include all expenditures a school board incurs under the private provider contract. The bill additionally requires the expenditures to comply with the rate schedule from HB 5001, as amended by House “A.” It also applies this expenditure requirement to the new special education and expansion development grant HB 5001, § 7, as amended by House “A,” creates.

Nonapproved Facilities

Current law allows for a child to remain at a nonapproved facility if the planning and placement team (PPT) or a hearing officer determines that it is appropriate. The bill requires the determination to be based on whether (1) the placement provides an appropriate public education and (2) there is no other charging entity (i.e. provider) able to offer the child a placement that provides this education. It also allows a court to

make this determination.

Under the bill, expenses a school board incurs for a placement by a PPT in a nonapproved facility will not be reimbursed under the state's excess cost grant or the new special education and expansion development grant. But placement by a hearing officer or court order can receive funding under those two grants.

§ 17 — NEW SPECIAL EDUCATION GRANT FUNDS EXEMPTED FROM SCHOOL DISTRICT MINIMUM BUDGET REQUIREMENT

Exempts in-district or regional special education programming grants from a school district's MBR calculation

By law, when a town or school district receives additional state funding for education over what it received in the previous year, it must be added to the town's minimum budget requirement (MBR) for education. Generally, a town is prohibited from decreasing its MBR for education from one year to the next and an increase in state grant funds cannot be used to decrease the town's financial support for education (there are certain statutory exceptions and flexibilities to this).

Beginning with FY 26, the bill exempts a school district from including the amount it receives for the in-district or regional special education programming grant (see § 19) in its MBR calculation for the following fiscal year. Therefore, this grant will not increase a town's MBR.

§ 18 — TRANSPORTATION ROUTE MAPPING

Requires SDE to conduct an RFI for contractors to create and annually update bus routes for special education students traveling to and from outplacements in the state

The bill requires SDE to conduct a request for information (RFI) from contractors with certain expertise in transportation route mapping. Specifically, the contractors must have the ability to either (1) create and annually update recommended coordinated bus routes for all special education students traveling to and from special education outplacements in the state or (2) provide access to software or a digital program that allows a state agency to do this.

The bus routes must (1) maximize efficiency and reduce the cost of

providing special education and related services and (2) comply with state and federal law.

SDE must report, by July 1, 2027, on the results of the RFI to the Education and Transportation committees.

EFFECTIVE DATE: July 1, 2025

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

Starting in FY 27, creates a new competitive grant program to support in-district and regional special education programs and services; allows school boards to use funds to, among other things, improve existing in-district programs or create new in-district or regional programs for students currently enrolled with private special education providers

Purpose

Starting with FY 27, the bill creates a new competitive grant program, which SDE must administer within available appropriations, to support in-district and regional special education programs and services for students with disabilities. School boards may use grant funds to:

1. enhance and improve existing in-district special education programs and services,
2. cover start-up costs for creating in-district or regional programs and services for students enrolled with a private provider of special education services, and
3. fund planning and operational expenses related to in-district or regional special education programs and services.

The bill explicitly prohibits spending grant funds on special education programs or services provided through a contract with a third party or a private provider of special education services.

Application

Under the bill, a school board seeking a grant must apply as SDE prescribes. SDE must develop an application form that must include descriptions of (1) the program's location, (2) the student population who will be served, (3) the program's or service's staffing and

professional development needs, (4) any needed assistive technology and materials or capital improvements, and (5) the program or service budget allocation.

Criteria

SDE must develop the criteria for reviewing and approving grants. It must be based on (1) increasing students' access to high-quality general education instruction and (2) enhancing in-district or regional programming (e.g., through unified classes and increased time with nondisabled peers) for students with intensive needs, including prioritizing applications from school boards for a town designated as an alliance district.

Reporting Requirements

Annually, beginning by September 30, 2027, the bill requires any school board that received a grant in the previous fiscal year to submit to SDE a report assessing the grant's impact on student outcomes (including the increased time with nondisabled peers across the district and the number of outplaced students) and district expenditures, and including any other information SDE requests.

Additionally, beginning February 1, 2028, SDE must annually submit to the Education Committee a report assessing the grant's impact on student outcomes, including increased time with nondisabled peers and the number of outplaced students.

§ 20 — CREATION OF SPECIAL EDUCATION PROGRAMS LIST

Requires OPM to create, and annually update, a list of certain special education programs throughout the state, to be posted on SDE's public database.

The bill requires SDE, in consultation with OCA, to develop a list of certain special education programs in the state by December 1, 2026, and then update it at least annually. The list must include all programs that are offered by a (1) regional educational services center (RESC), (2) SDE-approved special education private provider, or (3) local or regional board of education that accepts out-of-district placements.

The list must describe each program's physical location, the services provided, ages served, and approved classroom size.

Under the bill, beginning by January 15, 2027, SDE must (1) post the current list to its online public database and (2) send it to each local and regional board of education (BOE).

§ 21 — CRIMINAL BACKGROUND CHECKS FOR PRIVATE PROVIDER EMPLOYEES

Requires private special education providers to do employee and prospective employee criminal background checks and take related steps

The bill adds private special education providers to the list of “nongovernmental school operators” that must require their employees and prospective employees to (1) undergo a check of the Department of Children and Families’s (DCF) child abuse and neglect registry and (2) submit to state and national criminal history records checks. The criminal history records checks must be done following state law and the federal National Child Protection Act of 1993 and the federal Volunteers for Children Act of 1998. Among other things, the law allows a nongovernmental school operator to dismiss or terminate an employee if the background check reveals a conviction that the employee had not disclosed.

By law, nongovernmental school operators already include magnet school operators that are not school boards, charter schools, endowed academies that act as public schools, and special education facilities approved by the education commissioner. Approved special education facilities include many private providers, but some private providers are not approved.

§ 22 — STAFFING CHANGES NOTIFICATIONS

Requires RESCs and private special education providers to notify parents or legal guardians, school boards, and SDE about certain special education staffing changes

The bill requires RESCs and private special education providers to notify (1) an affected student’s parent or legal guardian; (2) the school board that placed a student with the RESC or private provider; and (3) SDE about any staffing changes, including vacancies, long-term (i.e. more than 10 consecutive school days) absences, and assignment of long-term substitutes, that impact how they provide special education services. This notification must be made in writing within five business days after the staffing change occurs and include information on (1)

changes in services provided by specialists, (2) any change to student-to-teacher ratios, and (3) a plan to mitigate the staffing change's impact on students.

§ 23 — MODEL TRANSPORTATION CONTRACT FOR SPECIAL EDUCATION OUTPLACEMENTS

Requires SDE to establish a special education transportation service model contract

The bill requires SDE to establish a model contract that boards of education can use to contract with special education transportation service providers for transportation services to and from special education outplacements. SDE must make the model contract available to local and regional boards of education by July 1, 2026.

§ 24 — SPECIAL EDUCATION FAMILY GUIDE

Requires SDE, in consultation with the Connecticut Parent Advocacy Center, to develop a guide to help families understand special education laws and processes

The bill requires SDE, by July 1, 2026, and in consultation with the Connecticut Parent Advocacy Center, to develop, annually update, and post on its website a special education family guide to help parents and guardians understand special education laws and process. The guide must explain the following:

1. the allowable number of days to diagnose a student as requiring special education or related services and hold an initial PPT meeting,
2. the consequences if a school district fails to (a) meet deadlines for diagnosing a student and holding a PPT meeting or (b) include appropriate administrators in the PPT process, and
3. recourses available for parents and guardians if an in-home tutor does not attend tutoring sessions.

§ 25 — SPECIAL EDUCATION TRAINING, EDUCATION, AND TESTING GRANT PROGRAM

Establishes, and requires SDE to annually administer, the special education training, education, and testing competitive grant program to give grants to educators and paraeducators who commit to working in an alliance district school for three years

Beginning in FY 27, the bill requires SDE to administer a competitive

grant program to help educators and paraeducators cover the costs associated with professional training, education, and testing requirements related to providing special education and related services.

In administering the program, SDE must develop:

1. criteria for awarding grants that consider the applicant's financial need, prioritizing those with the greatest need, and
2. repayment criteria for grantees who do not work for three years at an alliance district school (see *Grant Coverage and Criteria*). Under the bill, all repaid amounts must be deposited in the General Fund.

Applicant Eligibility

Under the bill, educators and paraeducators, including those enrolled in a teacher preparation program, educator professional certification candidates, teachers and paraeducators employed by a local or regional BOE, and prospective paraeducators are eligible for a grant. And to be eligible for a grant, the recipient must commit to three years of providing special education and related services in a school in an alliance district.

Grant Coverage and Criteria

Under the bill, a grant may be used toward covering the following:

1. tuition or other fees associated with enrolling in a teacher preparation program offered at the Connecticut State Colleges and Universities,
2. getting or renewing professional certification with an endorsement in special education,
3. paraeducator testing,
4. continuing education credits, and
5. any other education or testing requirements relating to providing

special education and related services.

§ 26 — BEHAVIORAL HEALTH SUPPORT SERVICES GRANT PROGRAM

Requires SDE to establish a grant program to help school boards provide support services for special education students that have experienced trauma or have behavioral health needs

The bill requires SDE, beginning with FY 26, to establish a grant program to help school boards provide support services for special education students who have experienced trauma or have behavioral health needs. The grant must be available to each school board that partners with a community services provider, including a family service center, to give special education students and their families support services such as trauma-informed care coordination and family outreach. Under the bill, the SDE commissioner must determine the grants' amounts.

By September 1, 2025, SDE must post on its website (1) a description of the grant program and funding available for each grant made under it and (2) the grant program's application form.

§ 27 — OFFICE OF THE EDUCATIONAL OMBUDSPERSON

Establishes the Office of the Educational Ombudsperson to serve students and families from early childhood to adult education; places the office under the direction of a commissioner-appointed ombudsperson and requires it, among other duties, to receive, review, and attempt to resolve any complaints from students and their families

The bill establishes an Office of the Educational Ombudsperson, within the Office of Governmental Accountability for administrative purposes only, under the direction of an educational ombudsperson who the governor appoints. The ombudsperson must have expertise and experience in educational advocacy, special education, and educational law.

The new office must serve students and their families in the pursuit of preschool, elementary and secondary education, special education, vocational education, and adult education.

The bill details the office's specific duties including:

1. receiving, reviewing, and attempting to resolve (including through collaboration with schools and educators) any complaints from students and families;
2. compiling and analyzing data on students and young people, through available data systems, including the Connecticut Preschool through Twenty and Workforce Information Network;
3. assisting school boards' employees involved in PPT meetings;
4. giving information to the public, agencies, legislators, and others on the students' issues and concerns and making recommendations to resolve them;
5. analyzing and monitoring the development and implementation of federal, state, and local laws, regulations, and policies relating to students and recommending any changes the ombudsperson deems necessary;
6. distributing information on the office's availability to assist students and their families, as well as school boards with educational resource concerns;
7. beginning July 1, 2027, prioritizing the office's efforts on the school districts identified in the study (see § 30) as disproportionately or over-identifying minority students for special education; and
8. taking any other actions needed to fulfill the duties of the office and the ombudsperson as described in the bill.

Starting by January 1, 2026, the ombudsperson must annually submit a report to the Office of Governmental Accountability and the Children and Education committees. The report must address (1) the implementation of the office's creation, (2) the ombudsperson position's overall effectiveness, and (3) additional steps that need to be taken for the ombudsperson to be more effective.

§§ 28 & 29 — INSTRUCTIONAL SUPPORT PARTNERS

Requires school boards to hire or designate an instructional support partner in every school or school building beginning in the 2026-27 school year; gives instructional support partners various responsibilities to support teaching staff and students with disabilities and requires them to spend at least 50% of their time performing this position's duties; requires SDE to host quarterly instructional support partner trainings

Beginning with the 2026-27 school year, the bill requires school boards to hire or designate a current employee to serve as an instructional support partner in each school or school building under the school board's jurisdiction. Under the bill, an instructional support partner's responsibilities include:

1. reducing teachers' administrative burden, including related to the IEP process, scheduling and taking minutes during planning and placement team meetings, being a designated staff member for specialized responsibilities, and attending (a) professional development trainings, (b) trainings for students' individualized interventions, and (c) testing;
2. helping school-based personnel improve the delivery and administration of the IEP process;
3. collaborating with parents and school-based personnel on instructional decision-making for students with disabilities;
4. finding and attending, as a representative of the school or school building, trainings and professional development on student interventions and planning and delivering professional learning activities to increase students with disabilities' achievement based on these trainings to staff, parents, and others; and
5. consulting with school-based instructional staff on IEP development and writing, extended school year, behavioral interventions, and transition plans for students with disabilities.

The bill requires anyone hired or designated as a school or school building's instructional support partner to spend at least 50% of their time performing the position's duties.

The bill also requires SDE to host at least quarterly trainings for

instructional support partners. The training must address (1) effective literacy and math instruction, (2) personalized learning and individualized instruction for students with disabilities, (3) improving classroom management, (4) effective instructional methods and behavioral supports, and (5) transition plans for students with disabilities.

§ 30 — STUDY ON OVER-IDENTIFICATION OF MINORITY STUDENTS FOR SPECIAL EDUCATION SERVICES

Requires SDE to conduct a study on the disproportionate or over-identification of minority students for special education services

The bill requires SDE to conduct a study on the disproportionate or over-identification of minority students for special education and related services. The study must examine how often students are identified as requiring special education and related services, disaggregated by race and gender for each school district.

By January 1, 2027, SDE must submit the report on its findings and recommendations to the Office of the Educational Ombudsperson (see § 27) and the Education Committee.

EFFECTIVE DATE: Upon passage

§ 31 — PRESENTATION OF STATE FIVE-YEAR PLAN UPDATES

Requires the education commissioner to make an annual presentation on the progress of SBE's five-year plan, SBE to use these presentations to inform the plan's implementation, and these progress reports to be published online

By law, the State Board of Education (SBE) must prepare a five-year plan (every five years) with long-term goals and short-term objectives related to elementary, secondary, vocational, career, and adult education and specific steps to achieve them. Additionally, SBE must annually report the progress made implementing the plan to the governor and Education Committee.

The bill requires the education commissioner to make an annual presentation at regularly scheduled SBE meetings to give updates on the priorities, actions, and outcomes outlined in the five-year plan. Additionally, under the bill, SBE must use the information in the presentations to inform the plan's implementation and its annual

progress report and make these progress reports available on SDE's website.

§ 32 — SUPERINTENDENTS' ANNUAL REPORT TO BOARD OF EDUCATION

Requires all superintendents to submit information on the district's contracts, students, staff, and savings annually to the BOE

Annually, between June 1 and September 29, the bill requires each school district's superintendent to provide the following information at a regularly scheduled BOE meeting:

1. the number and names of all community-based organizations in which the district is in a formal MOU, memorandum of agreement, or contract that pertains to providing student support services (by school and type of support service);
2. workforce development programs offered by the BOE to the students where the board has partnered with an outside entity, including cooperatives, internships, in-school job training programs provided by businesses, and in-school workforce board presentations; and
3. certified and noncertified staff turnover, other than same-district transfers (by school and subject).

§ 33 — POSTING DISCONNECTED YOUTH REPORT ONLINE

Requires any state agency that contributes data to the disconnected youth report to post the report on its website

The bill requires any state agency that contributes data for the Connecticut Preschool through Twenty and Workforce Information Network's (P20 WIN) disconnected youth report to post the report on its website.

EFFECTIVE DATE: Upon passage

Background — Disconnected Youth Report

By law, the P20 WIN executive board must annually report on disconnected youth using the data model established through the data-sharing agreement 0043 regarding Research on Disengaged and

Disconnected Youth in Connecticut (i.e. a 2023 agreement between various state agencies (including SDE, DCF, the Department of Labor, and Department of Mental Health and Addiction Services), a nonprofit, and a private consulting firm to share certain data from P20 WIN).

A “disconnected youth” is an individual age 14-26 who is (1) an at-risk student (in danger of not graduating due to certain factors) or (2) not enrolled in high school and (a) does not have a high school diploma or its equivalent; (b) has a diploma or equivalent but is unemployed and not enrolled in an adult education program, higher education institution, or a workforce training or certification program, including an apprenticeship program, or otherwise pursuing postsecondary education; or (c) is incarcerated.

§ 34 — UPDATES TO SDE’S CHRONIC ABSENTEEISM PREVENTION AND INTERVENTION PLAN

Expands on SDE’s chronic absenteeism prevention and intervention plan by incorporating additional required and permissible components and requiring SDE to review the plan biannually

The law required SDE to develop, in consultation with the Interagency Council for Ending the Achievement Gap, a chronic absenteeism prevention and intervention plan to be used by BOEs.

The bill requires SDE to review, and revise as needed, the plan biannually. When making revisions, SDE must incorporate the findings from the disconnected youth report (see above, *Background – Disconnected Youth Report*). The bill also specifically requires the plan to include the truancy policies and procedures that school boards must adopt by law (e.g., requiring a meeting with parents or guardians after a student’s fourth unexcused absence in a month or 10th in a school year).

In existing law, the plan must include, among other things, a way to collect and analyze data on chronic absenteeism that allows for the data to be separated into various subgroups, including race, gender, free or reduced lunch eligibility, disability status, and primary language other than English. The bill adds housing status as an additional category. Additionally, it requires that the plan include using an early indication

tool to identify students who are at risk for becoming chronically absent or disconnected from school, such as students who may not be able to graduate, have a history of behavioral or disciplinary issues, or are homeless. This tool can be provided by SDE or a third party.

By law, SDE may include a research-based and data-driven mentorship model to address chronic absenteeism in their plan. These mentors can be students, teachers, administrators, athletic coaches, school resource officers, and community partners. The bill allows for SDE to also use a home visiting model. Under the bill, both home visiting and mentorship models are subject to the same list of mentors, and the bill adds family navigators and student success coaches to this list.

§§ 35-37 — UNSPENT FUND ACCOUNT AND EDUCATIONAL EXPENDITURES RESERVE FUND UPDATES

Requires local BOEs to create a report on nonlapsing, unspent funds and include similar information in an existing report; similarly updates requirements related to regional BOE educational expenditures reserve funds

The bill requires local BOEs to provide information on nonlapsing, unspent funds and similar information, as described below.

Addition to an Existing Cost Report

By law, local BOEs may deposit unspent education funds into a nonlapsing account. The deposit may be up to 2% of the previous fiscal year's budgeted appropriation for education, and account expenditures must be only for educational purposes.

Under existing law, each BOE must publish an annual report with a summary showing the (1) total cost of maintaining the schools, (2) amount received from the state and other sources for this purpose, and (3) net cost to the municipality of the school budget. The bill adds that the report must also include the balance of any nonlapsing, unspent funds account.

New Report on Nonlapsing, Unspent Funds

Beginning for FY 26, the bill requires each local BOE to create an annual report on their nonlapsing, unspent fund account. This report

must include (1) the total balance of the account, (2) the amount deposited into the account in a fiscal year, and (3) an accounting of the expenditures made from the account.

The report must be submitted to SDE and the exclusive bargaining representative for certified employees.

Updating Exclusive Bargaining Representatives on Nonlapsing, Unspent Funds

Under the bill, starting for FY 26, each local BOE must annually notify the exclusive bargaining representative for certified employees about the (1) establishment of a nonlapsing, unspent funds account or (2) board's intended uses for any funds in the account during the next fiscal year. This notification must be made within 30 days after the adoption of the board's budget.

Requirements Regarding Educational Expenditures Reserve Fund

By law, a regional BOE, by a majority vote of its members, can create an educational expenditures reserve fund (limited to 2% of the district's budget, to be used for educational purposes). These boards must annually report to member towns on the condition of the fund.

Under the bill, beginning FY 26, each board must annually:

1. make available and annually update information about the fund, including its total balance, the amount deposited into it in a fiscal year, and an accounting of the expenditures made from it; and
2. notify the exclusive bargaining representative for certified employees about the educational expenditure reserve's establishment or the board's intended uses for the funds during the next fiscal year (this notification must be made within 30 days after the adoption of the board's budget).

§§ 38 & 39 — CONTACTING LOCAL HOMELESS EDUCATION LIAISONS BEFORE EXPULSION AND SUSPENSION HEARINGS

Requires districts to contact their local homeless education liaisons prior to an expulsion or suspension hearing to determine if the student is homeless

Under the bill, before a school expulsion or suspension hearing, a

school administrator, counselor, or social worker must contact the local homeless education liaison designated by the local or regional BOE to determine if the student is homeless (see *Background*). If so, the entity conducting the hearing (the BOE or the impartial hearing board) must consider the impact of homelessness on the student's behavior.

Under the bill, a student cannot be expelled without a plan to alleviate this impact, and the BOE must provide a meeting with the local homeless education liaison for any child who is determined to be homeless and is expelled two times.

Background — School Expulsion and Suspension Hearings

By law, a school board must hold a formal hearing before expelling, or an informal hearing before suspending a student, except in an emergency (i.e. the student's continued presence would be so disruptive or dangerous as to allow the student's removal before the hearing). In the latter instance, the hearing must take place as soon as possible after the student's expulsion or suspension.

Background — Homeless Youth and Homeless Education Liaisons

Federal law defines "homeless children and youths" as individuals who lack a fixed, regular, and adequate nighttime residence, and includes those sharing the housing of others due to loss of housing, economic hardship, or a similar reason (42 U.S.C. § 11434a).

The federal McKinney-Vento Homeless Assistance Act requires every school district in the country to designate a homeless liaison, who is a local educational agency staff person. This liaison is responsible for identifying and supporting homeless students across the district (42 U.S.C. § 11431 et seq.).

§ 40 — EARLY CHILDHOOD CABINET MEMBERSHIP

Adds a library consortium member to the Early Childhood Cabinet

The bill increases the Early Childhood Cabinet's membership, from 31 to 32, by adding the executive director of the Connecticut Library Consortium or a cooperating library service unit, or his or her designee.

The bill does not indicate how it will be decided whether the new board member is the director of the library consortium or of a library service unit.

By law, the Early Childhood Cabinet (1) advises OEC, (2) develops an annual action plan that assigns state agencies certain tasks specified in the federal Head Start Act, and (3) submits an annual statewide strategic report that addresses agencies' progress in meeting the action plan's requirements.

§§ 41 & 42 — PHASE-OUT OF COMMISSIONER'S NETWORK OF SCHOOLS

Sunsets the education commissioner's network of schools program by prohibiting the commissioner from adding any more schools to the program after July 1, 2025; permits schools already participating to finish their three-year terms without any extensions

The bill sunsets the education commissioner's network of schools program by prohibiting the commissioner from (1) adding any more schools to the program after July 1, 2025, or (2) extending the time that already participating schools can stay in the program. Under the program, the commissioner can select up to 25 low-achieving schools to participate and receive intensified SBE supervision and direction.

The bill permits schools already in the program to finish their three-year terms, but does not allow, beginning July 1, 2025, any participating districts to continue with a previously granted added year or two.

Currently, the program sets steps the commissioner, school district turnaround committees, and local and regional boards of education must take to improve academic achievement. Each school's turnaround committee must create and implement a turnaround plan, based on a turnaround model it chooses. Current law requires the commissioner to give participating schools funding and technical and operational support.

Beginning July 1, 2025, the bill requires the commissioner to conduct an evaluation of a school's participation in the program before the end of its third year of participation. Under current law, the commissioner must conduct this evaluation to determine whether the school is

prepared to exit the program.

The bill requires the board for the participating school to develop, in consultation with the commissioner and subject to SBE approval, a plan to transition the school back to full control by the local or regional board of education. Currently, the board develops this plan if the commissioner determines the school will exit the network.

BACKGROUND

Related Bills

HB 5003 (File 198), favorably reported by the Committee on Children, makes changes to the Early Childhood Care and Education Fund that this bill repeals and uses unappropriated surplus funds for early childhood education.

HB 6867 (File 858), favorably reported by the Appropriations and Education committees, creates an early childhood endowment and uses unappropriated surplus funds.

SB 1458 (File 701), §§ 1 & 2, favorably reported by the Education Committee, contains identical provisions on the commissioner's network of schools.

SB 1244 (File 848), favorably reported by the Education Committee, contains a similar grant to encourage in-districts special education programs.

HB 7277 (File 920), favorably reported by the Appropriations and Special Education committees, contains similar provisions including creating an in-district or regional special education grant (§ 12), adding requirements to private special education provider contracts (§ 5), creating the trauma or behavioral health support grant (§ 51), and creating the Office of Educational Ombudsperson (§ 48).

COMMITTEE ACTION

Education Committee

Joint Favorable

Yea 30 Nay 15 (03/24/2025)

Judiciary Committee

Joint Favorable

Yea 28 Nay 11 (05/06/2025)

Appropriations Committee

Joint Favorable

Yea 37 Nay 11 (05/12/2025)