

On June 2, 2025, the Connecticut General Assembly passed House Bill (H.B.) 5001, *An Act Concerning the Quality and Delivery of Special Education Services in Connecticut*, which became Public Act 25-67.¹ Public Act 25-67 contains provisions designed to enhance oversight and increase funding for special education services in Connecticut, with the goal of promoting greater consistency and quality in the provision of services to students with disabilities across Connecticut.

This analysis details the changes to special education funding and policies contained in Public Act 25-67, and the impact these changes may have on students, school districts, and the state.

For example, the most significant fiscal impact of Public Act 25-67 is the creation of the Special Education and Expansion Development (SEED) grant, which, if fully funded, would allocate over \$190 million for local school districts each year.² However, for fiscal years 2026 and 2027, the state budget appropriates approximately \$30 million annually for the grant, which results in grant allocations being proportionately reduced for every town.

Key Components of Public Act 25-67

- **Rate schedules will take effect by July 1, 2028 for special education services charged to sending districts by private providers, Regional Educational Service Centers (RESCs), interdistrict magnet school operators, charter school operators, and other districts.**
 - The aim of these rate schedules is to increase consistency of tuition charges and increase program oversight. All outplacement tuition charges to districts will be required to align with these approved rates.
- **Districts will receive annual Special Education and Expansion Development (SEED) grants starting in FY 2026.**
 - This new grant is calculated using the structure of the Education Cost Sharing (ECS) formula, with students with disabilities weighted at 50%. The amount appropriated for this grant is \$30 million in both FY 2026 and FY 2027.
- **Special education data collection and reporting requirements are expanded.**
 - Additional requirements are included for school districts, the Connecticut State Department of Education (CSDE), the Office of Dyslexia and Reading Disabilities, private providers of special education services, and other operators of outplacement programs for students receiving special

¹ Conn. Acts 25-67.

² Fiscal Note for Amendment LCO 9672. Office of Fiscal Analysis (Ct. 2025). <https://www.cga.ct.gov/2025/fna/pdf/2025HB-05001-R00LCO09672-FNA.PDF>

education services (including RESCs, interdistrict magnet schools, charter schools, and applicable local school districts).

- **The CSDE is granted greater authority to oversee special education outplacement programs.**
 - Monitoring activities will include reviewing records for staff qualifications, background checks, and instances of restraint and seclusion.
- **The existing Building Educational Responsibility with Greater Improvement Networks (BERGIN) Commission is expanded and tasked with studying special education issues.**
 - New focus areas include the level of, and demand for, special education providers in the state, as well as special education teacher workloads and the private special education provider approval process.
- **Student planning and placement processes are updated.**
 - Several changes are made to planning and placement team (PPT) requirements to help enhance transparency and oversight, including adding functional behavior assessments to the outplacement process.

Breakdown of Policy Changes in Public Act 25-67

This section provides a detailed view into how policy changes in Public Act 25-67 will impact stakeholders, systems, and processes. Our analysis of the legislation revealed seven key themes:

1. Revisions to outplacement requirements;
2. Creation of the new SEED grant;
3. Updates to data collection and reporting requirements;
4. Enhanced oversight responsibilities for the CSDE;
5. Expansion of the BERGIN Commission;
6. Procedural reforms to planning and placement processes; and
7. Continuation of a higher education program.

The tables beginning on the following page are organized according to these themes with subtopics listed in the left column and the relevant policy changes listed in the right column. The section numbers in Public Act 25-67 that contain the respective policy changes are included in parentheses at the end of each bullet point.

Revisions to Outplacement Requirements

Subtopic	Policy Change(s)
Private Providers	<ul style="list-style-type: none"> Starting July 1, 2025, private providers cannot increase costs charged to districts within a school year unless a student's individualized education program (IEP) is modified or there is a substantial rise in service delivery costs, in which case approval by the CSDE is required. (Sec. 2) Contracts between school districts and private providers entered after July 1, 2026, must follow the established rate schedule. (Sec. 24)
Rate Schedules	<ul style="list-style-type: none"> By January 1, 2028, the CSDE and the Office of Policy and Management (OPM) must establish a rate schedule for all special education and related service costs (excluding transportation) charged to districts by private and public providers (including RESCs, interdistrict magnet schools, charter schools, and other districts). (Sec. 3) Rate schedules must be accompanied by billing standards detailing how operational expenses should be attributed to individual students. (Sec. 3) The CSDE must submit rate schedules to the General Assembly's Education and Appropriations Committees annually and must review them biennially. (Sec. 3) The CSDE must publish individual service rates by December 31, 2027, with rates effective July 1, 2028. All charges must align with these rates going forward. For the 2026-27 and 2027-28 school years, any rates posted by January 1st of the prior year must be followed. (Sec. 3) Amounts exceeding set rates will not qualify for Excess Cost grant reimbursement nor will they be considered as an expenditure that constitutes a special education purpose under the new SEED grant. (Sec. 3) The commissioner of the CSDE must submit any proposed rates by January 1st to the General Assembly, which has until March 15th to act, or rates are automatically approved. Approved rates become effective the following July 1st. (Sec. 3) By January 1, 2027, and annually thereafter, the CSDE must develop billing standards for costs charged to districts for transportation to and from special education outplacements. (Sec. 4) Beginning July 1, 2027, all costs charged for special education transportation services to and from outplacements must align to the set billing standards. (Sec. 4) After July 1, 2026, "reasonable costs" mean the rates allowed under the rate schedule, not the actual cost of service delivery. (Sec. 5)

Creation of New Special Education and Expansion Development (SEED) Grant

Subtopic	Policy Change(s)
Calculation	<ul style="list-style-type: none"> Beginning in FY 2026, each local and regional school district will receive an annual SEED grant. (Sec. 7) For each school district, the grant will be calculated by taking the product of its town's Base Aid Ratio, the ECS formula's foundation amount, and 50% of its town's resident special education student count. (Sec. 7) Grant amounts will be reduced proportionately according to available appropriations. (Sec. 7)
Implementation	<ul style="list-style-type: none"> SEED grant funds must be used solely for special education purposes (excluding administrative, operating, or third-party contractor costs) and cannot supplant existing special education funding. Noncompliance will result in forfeiture of twice the misused amount, unless waived with a corrective plan approved by the Connecticut State Board of Education. (Sec. 7)
Reporting	<ul style="list-style-type: none"> Districts that receive grants over \$10,000 must submit detailed annual expenditure reports to the CSDE. (Sec. 7) Beginning in FY 2026, districts that received a SEED grant in the prior year do not need to include that grant amount in their education budget appropriation for the following fiscal year. (Sec. 6)

Updates to Data Collection and Reporting Requirements

Subtopic	Policy Change(s)
Required of the CSDE	<ul style="list-style-type: none"> By January 1, 2026, the commissioner of the CSDE must submit a report on the functions and utility of the state's special education data system (CT-SEDS) to the BERGIN Commission and the General Assembly's Education Committee. (Sec. 17) By February 28, 2026, and annually thereafter, the commissioner of the CSDE must make data related to the SEED grant, as well as districts' December 1st filing described in 10-76g (a), available on the CSDE's website. (Sec. 22) Beginning in 2026, the commissioner of the CSDE must annually submit, on January 30 and March 30, information concerning annual projections for Excess Cost grants to the Education and Appropriations Committees as well as the General Assembly's Office of Fiscal Analysis (OFA). Sec. 22)

Subtopic	Policy Change(s)
	<ul style="list-style-type: none"> Beginning February 1, 2026, the CSDE must annually submit the enrollment and waitlist data reported by private providers to the OPM, the OFA, and the General Assembly's Government Oversight, Education, and Appropriations Committees. (Sec. 26)
Required of Districts	<ul style="list-style-type: none"> Starting June 30, 2026, each district must annually report all special education outplacements to the CSDE via CT-SEDS, including placement details, costs, services, and any agreements with nondisclosures or IDEA waivers. (Sec. 12)
Required of Private Providers	<ul style="list-style-type: none"> Beginning January 1, 2026, private providers must annually submit a report with enrollment and waitlist data to the CSDE. (Sec. 26)
Required of State Government Offices and Committees	<ul style="list-style-type: none"> By January 1, 2027, the Transforming Children's Behavioral Health Policy and Planning Committee must submit a report to the General Assembly's Education and Children Committees on behavioral health issues impacting students with disabilities, including behavioral intervention methods, best practices, and enforcement. (Sec. 14) By February 1, 2026, the Office of Dyslexia and Reading Disabilities must develop a report on recent developments and best practices regarding dyslexia and student outcomes, including the capacity of higher education institutions to prepare aspiring teachers with structured literacy teaching skills. (Sec. 23)

Enhanced Oversight Responsibilities for the CSDE

Subtopic	Policy Change(s)
Oversight of Private Providers and RESCs	<ul style="list-style-type: none"> Beginning July 1, 2027, the CSDE will annually conduct audits and annual unannounced on-site visits of randomly selected RESCs and private providers of special education. The CSDE will notify the provider of their findings and recommendations within 10 days following the site visit. (Sec. 9) If corrective actions are required, the provider shall submit to the CSDE written proof of compliance within 30 days. Failure to meet this deadline will result in fines up to \$100 per day of noncompliance. Districts cannot place additional students in non-compliant providers. (Sec. 9) Approved private providers of special education are added to the list of programs that must be approved and supervised by the commissioner of the CSDE in accordance with State Board of Education regulations. (Sec. 20)
Standardization	<ul style="list-style-type: none"> The CSDE must develop licensure standards for private providers and submit them to the Education Committee, along with

Subtopic	Policy Change(s)
	<p>recommendations, by January 1, 2026. (Sec. 8)</p> <ul style="list-style-type: none"> The CSDE will establish model contracts for special education outplacement agreements between districts and private providers or RESCs, and make them available for use by July 1, 2026. (Sec. 11)

Expansion of the BERGIN Commission

Subtopic	Policy Change(s)
Expanded Duties	<ul style="list-style-type: none"> New responsibilities are added to the BERGIN Commission, including: conducting a needs-based study to determine program capacity, developing a new private provider approval methodology for use by the CSDE and OPM, exploring an interdistrict peer review process for special education programs, and recommending standards. (Sec. 15) By July 1, 2026, the CSDE, in consultation with the BERGIN Commission, must develop a proposed statewide special education workload analysis model, with the goal of establishing standards to limit the workload of special education teachers and service providers by September 1, 2026. (Sec. 16)
Structure and Reporting	<ul style="list-style-type: none"> Allows the Commission to form subcommittees and requires all reports to be completed by December 1, 2026. (Sec. 15) Adds members to the existing Commission, who must be appointed within 30 days of the legislation's adoption. The Commission will terminate when the last report is submitted or July 1, 2030, whichever is later. (Sec. 15)

Procedural Reforms to Planning and Placement Processes

Subtopic	Policy Change(s)
Eligibility	<ul style="list-style-type: none"> Expands eligibility, up to age eight, for children to receive certain special education services. (Sec. 1)
Outplacement	<ul style="list-style-type: none"> No school district, magnet school, charter school, or private provider of special education that receives an outplaced student may transfer the student unless requested by the sending district, parent/guardian, or PPT, and only if the PPT determines the transfer better meets the student's needs. (Sec. 10)

Subtopic	Policy Change(s)
	<ul style="list-style-type: none"> Beginning September 1, 2025, school districts must conduct a functional behavior assessment of a student and develop a behavioral intervention plan before outplacing the student. This does not apply if the process poses a risk to student safety. (Sec. 13)
Hearings	<ul style="list-style-type: none"> Parties must disclose all claims they will raise prior to a special education hearing at the prehearing conference. (Sec. 18) The amount of time for offering testimony or arguments is limited to four days. (Sec. 18) Written decisions of special education hearings must include specific findings, including whether the district made reasonable efforts to accommodate the student and include the child in programs with nondisabled students to the maximum extent possible. (Sec. 19)
IEP Revisions	<ul style="list-style-type: none"> By January 1, 2026, the commissioner of the CSDE must remove the list of individuals who will be implementing the IEP from the IEP form. (Sec. 21)

Continuation of a Higher Education Program

Subtopic	Policy Change(s)
College Readiness Programs	<ul style="list-style-type: none"> The Board of Regents for Higher Education must continue to offer the transitional college readiness and remedial support programs, which were offered at public higher education institutions in the Fall 2024 and Spring 2025 semesters, in each semester for beginning with the Fall 2025 semester. (Sec. 25)

Appendix

Special Education and Expansion Development (SEED) Grant: Estimated Fiscal Impacts for FY 2026

Tables 1 and 2 below provide estimated state and town grant amounts, respectively, under the new SEED grant program. Estimates are provided for both fully funded grant amounts as well as prorated grant amounts based on the \$30 million allocation for the SEED grant for FY 2026. Costs and impacts are estimates based on publicly available data and the most recent ECS shell provided by the OFA. Changes in calculation methods or student need data may result in different grant amounts from the estimates provided.

Table 1: Estimated SEED Grant State Impact

Estimated Fully Funded Grant	Estimated Prorated Grant (FYs 2026 and 2027)
\$190,655,258	\$30,000,000

Table 2: Estimated SEED Grants by Town, FY 2026

Town	Estimated Resident SWDs ³	SWD Need Students	Final Base Aid Ratio	Estimated Fully Funded Grant	Estimated Prorated Grant
Andover	60	30	31.0%	\$107,136	\$16,858
Ansonia	464	232	61.1%	\$1,636,316	\$257,482
Ashford	93	46	42.1%	\$225,621	\$35,502
Avon	353	176	1.0%	\$20,319	\$3,197
Barkhamsted	105	52	21.9%	\$132,108	\$20,789
Beacon Falls	136	68	34.4%	\$268,586	\$42,262
Berlin	397	198	22.2%	\$508,178	\$79,963
Bethany	144	72	9.4%	\$78,515	\$12,354
Bethel	554	277	24.4%	\$777,239	\$122,302
Bethlehem	80	40	13.3%	\$61,462	\$9,671
Bloomfield	496	248	25.2%	\$721,101	\$113,468
Bolton	67	33	28.5%	\$109,781	\$17,277
Bozrah	47	23	23.1%	\$62,303	\$9,806
Branford	387	193	8.5%	\$189,026	\$29,744
Bridgeport	4317	2159	67.6%	\$16,822,404	\$2,647,023
Bridgewater	19	10	1.0%	\$1,095	\$172
Bristol	1749	874	51.1%	\$5,144,062	\$809,425
Brookfield	376	188	4.3%	\$92,511	\$14,557

³ SWD = students with disabilities

Town	Estimated Resident SWDs ³	SWD Need Students	Final Base Aid Ratio	Estimated Fully Funded Grant	Estimated Prorated Grant
Brooklyn	237	119	44.0%	\$600,987	\$94,566
Burlington	229	115	16.0%	\$211,004	\$33,203
Canaan	14	7	1.0%	\$795	\$125
Canterbury	83	42	38.2%	\$182,537	\$28,722
Canton	246	123	22.3%	\$315,528	\$49,651
Chaplin	49	25	36.2%	\$102,119	\$16,069
Cheshire	625	312	14.8%	\$533,111	\$83,886
Chester	65	33	18.3%	\$68,514	\$10,781
Clinton	264	132	13.5%	\$205,262	\$32,299
Colchester	401	201	32.8%	\$759,082	\$119,442
Colebrook	32	16	4.3%	\$7,892	\$1,242
Columbia	86	43	24.4%	\$121,678	\$19,146
Cornwall	16	8	1.0%	\$936	\$147
Coventry	254	127	34.2%	\$499,270	\$78,561
Cromwell	261	131	26.1%	\$392,382	\$61,742
Danbury	1703	851	36.1%	\$3,541,540	\$557,269
Darien	964	482	1.0%	\$55,570	\$8,744
Deep River	97	48	24.6%	\$137,082	\$21,570
Derby	345	172	56.9%	\$1,129,090	\$177,664
Durham	172	86	18.6%	\$184,702	\$29,065
Eastford	36	18	27.8%	\$57,782	\$9,092
East Granby	121	60	19.1%	\$132,778	\$20,894
East Haddam	134	67	25.7%	\$199,036	\$31,318
East Hampton	332	166	29.8%	\$571,079	\$89,860
East Hartford	1761	881	62.4%	\$6,338,612	\$997,394
East Haven	606	303	45.1%	\$1,573,920	\$247,658
East Lyme	514	257	13.6%	\$402,284	\$63,300
Easton	211	106	1.0%	\$12,159	\$1,913
East Windsor	194	97	34.2%	\$382,854	\$60,243
Ellington	393	197	30.6%	\$693,826	\$109,177
Enfield	1002	501	43.5%	\$2,514,968	\$395,737
Essex	113	57	1.0%	\$6,520	\$1,026
Fairfield	1765	882	1.0%	\$101,686	\$16,000
Farmington	530	265	7.3%	\$222,035	\$34,938
Franklin	28	14	16.4%	\$26,385	\$4,152
Glastonbury	771	386	9.7%	\$433,021	\$68,136
Goshen	60	30	1.0%	\$3,458	\$544
Granby	272	136	27.5%	\$430,580	\$67,755
Greenwich	1355	678	1.0%	\$78,097	\$12,289

Town	Estimated Resident SWDs ³	SWD Need Students	Final Base Aid Ratio	Estimated Fully Funded Grant	Estimated Prorated Grant
Griswold	307	154	49.3%	\$871,470	\$137,127
Groton	861	431	29.3%	\$1,455,771	\$229,067
Guilford	495	248	1.0%	\$28,542	\$4,491
Haddam	171	85	21.2%	\$208,899	\$32,870
Hamden	1265	633	50.6%	\$3,687,417	\$580,224
Hampton	35	18	27.9%	\$56,179	\$8,840
Hartford	4824	2412	78.2%	\$21,730,531	\$3,419,327
Hartland	38	19	21.6%	\$46,880	\$7,378
Harwinton	148	74	22.8%	\$195,023	\$30,689
Hebron	186	93	26.0%	\$278,709	\$43,858
Kent	42	21	1.0%	\$2,432	\$383
Killingly	463	232	36.7%	\$979,114	\$154,065
Killingworth	141	71	15.1%	\$122,849	\$19,330
Lebanon	154	77	24.8%	\$219,686	\$34,568
Ledyard	467	233	41.3%	\$1,111,253	\$174,861
Lisbon	100	50	32.7%	\$188,305	\$29,630
Litchfield	159	80	5.7%	\$52,504	\$8,262
Lyme	28	14	1.0%	\$1,615	\$254
Madison	414	207	1.0%	\$23,832	\$3,750
Manchester	1424	712	50.0%	\$4,102,689	\$645,568
Mansfield	229	114	67.2%	\$884,716	\$139,217
Marlborough	115	57	23.2%	\$153,449	\$24,147
Meriden	1893	947	62.2%	\$6,791,867	\$1,068,715
Middlebury	207	104	8.4%	\$100,201	\$15,767
Middlefield	104	52	25.9%	\$155,654	\$24,495
Middletown	841	420	46.3%	\$2,244,535	\$353,180
Milford	1038	519	13.6%	\$812,848	\$127,904
Monroe	598	299	7.6%	\$261,186	\$41,099
Montville	452	226	43.6%	\$1,133,932	\$178,429
Morris	43	22	1.0%	\$2,478	\$390
Naugatuck	858	429	54.0%	\$2,669,168	\$420,002
New Britain	2610	1305	73.9%	\$11,119,798	\$1,749,721
New Canaan	550	275	1.0%	\$31,676	\$4,984
New Fairfield	391	196	1.0%	\$22,557	\$3,549
New Hartford	199	100	27.2%	\$312,689	\$49,202
New Haven	3118	1559	66.1%	\$11,870,769	\$1,867,881
Newington	609	304	33.6%	\$1,177,011	\$185,204
New London	701	351	60.8%	\$2,457,818	\$386,741
New Milford	639	319	25.6%	\$942,583	\$148,319

Town	Estimated Resident SWDs ³	SWD Need Students	Final Base Aid Ratio	Estimated Fully Funded Grant	Estimated Prorated Grant
Newtown	621	310	6.9%	\$246,647	\$38,811
Norfolk	36	18	1.0%	\$2,052	\$323
North Branford	230	115	28.6%	\$379,075	\$59,650
North Canaan	50	25	38.4%	\$110,199	\$17,340
North Haven	474	237	9.9%	\$269,064	\$42,338
North Stonington	97	49	23.2%	\$129,766	\$20,419
Norwalk	2130	1065	10.0%	\$1,227,528	\$193,153
Norwich	1018	509	65.5%	\$3,844,829	\$604,989
Old Lyme	166	83	1.0%	\$9,591	\$1,509
Old Saybrook	166	83	1.0%	\$9,566	\$1,505
Orange	260	130	1.0%	\$15,000	\$2,360
Oxford	297	149	10.6%	\$181,210	\$28,513
Plainfield	359	180	48.2%	\$996,929	\$156,868
Plainville	326	163	43.4%	\$815,194	\$128,276
Plymouth	334	167	49.9%	\$960,236	\$151,099
Pomfret	78	39	31.8%	\$143,229	\$22,537
Portland	254	127	31.9%	\$466,870	\$73,465
Preston	95	48	29.2%	\$160,233	\$25,213
Prospect	190	95	26.3%	\$288,080	\$45,330
Putnam	226	113	43.9%	\$572,260	\$90,046
Redding	210	105	1.0%	\$12,086	\$1,902
Ridgefield	833	417	1.0%	\$48,007	\$7,554
Rocky Hill	408	204	25.2%	\$591,963	\$93,146
Roxbury	24	12	1.0%	\$1,384	\$218
Salem	88	44	30.1%	\$152,135	\$23,938
Salisbury	56	28	1.0%	\$3,233	\$509
Scotland	38	19	40.8%	\$89,327	\$14,056
Seymour	392	196	40.6%	\$917,950	\$144,441
Sharon	31	15	1.0%	\$1,776	\$280
Shelton	806	403	15.1%	\$703,197	\$110,650
Sherman	36	18	1.0%	\$2,064	\$325
Simsbury	656	328	16.6%	\$629,524	\$99,056
Somers	207	104	32.6%	\$388,820	\$61,181
Southbury	453	226	19.4%	\$504,766	\$79,426
Southington	1014	507	25.2%	\$1,472,267	\$231,663
South Windsor	635	317	16.3%	\$595,493	\$93,702
Sprague	70	35	47.1%	\$190,180	\$29,925
Stafford	274	137	44.7%	\$707,206	\$111,280
Stamford	2746	1373	10.0%	\$1,582,613	\$249,026

Town	Estimated Resident SWDs ³	SWD Need Students	Final Base Aid Ratio	Estimated Fully Funded Grant	Estimated Prorated Grant
Sterling	89	45	44.1%	\$226,081	\$35,574
Stonington	289	145	1.0%	\$16,674	\$2,624
Stratford	1297	648	30.8%	\$2,298,716	\$361,709
Suffield	318	159	24.9%	\$457,348	\$71,966
Thomaston	131	66	40.7%	\$307,631	\$48,406
Thompson	181	90	36.7%	\$381,800	\$60,080
Tolland	374	187	26.4%	\$570,610	\$89,789
Torrington	841	421	57.6%	\$2,790,569	\$439,099
Trumbull	1055	528	4.0%	\$242,615	\$38,176
Union	10	5	14.9%	\$8,754	\$1,379
Vernon	692	346	51.2%	\$2,039,826	\$320,974
Voluntown	50	25	36.2%	\$104,280	\$16,409
Wallingford	1001	500	30.8%	\$1,777,086	\$279,627
Warren	26	13	1.0%	\$1,498	\$236
Washington	37	19	1.0%	\$2,133	\$336
Waterbury	3976	1988	71.1%	\$16,292,337	\$2,563,627
Waterford	433	217	1.0%	\$24,973	\$3,930
Watertown	469	234	37.3%	\$1,008,044	\$158,621
Westbrook	98	49	1.0%	\$5,647	\$889
West Hartford	1622	811	21.6%	\$2,017,834	\$317,507
West Haven	1344	672	60.5%	\$4,689,391	\$737,882
Weston	315	157	1.0%	\$18,134	\$2,854
Westport	740	370	1.0%	\$42,652	\$6,711
Wethersfield	566	283	31.8%	\$1,038,186	\$163,362
Willington	131	65	39.7%	\$299,025	\$47,056
Wilton	673	337	1.0%	\$38,794	\$6,104
Winchester	192	96	45.4%	\$503,935	\$79,295
Windham	657	328	71.7%	\$2,714,065	\$427,062
Windsor	784	392	21.8%	\$985,115	\$155,009
Windsor Locks	285	143	24.8%	\$408,190	\$64,229
Wolcott	364	182	37.3%	\$782,435	\$123,121
Woodbridge	211	106	1.0%	\$12,161	\$1,913
Woodbury	190	95	14.6%	\$159,264	\$25,061
Woodstock	164	82	28.7%	\$271,353	\$42,701