

Connecticut Education Association

Capitol Place, Suite 500 21 Oak Street, Hartford, CT 06106 860-525-5641 | fax: 860-955-2508 | cea.org

Policy, Research, & Government Relations Ray Rossomando, Director

Testimony of

Orlando Rodriguez

Connecticut Education Association

Government Oversight Committee

R۵

SB 1467 AN ACT REQUIRING A REVIEW OF THE COSTS OF SPECIAL EDUCATION SERVICES PROVIDED BY PRIVATE PROVIDERS.

March 11th, 2025

Good afternoon, Senator Gadkar-Wilco, Representative Dathan, Senator Sampson, Representative Carney, and members of the Government Oversight_Committee. My name is Orlando Rodriguez, and I am a Research and Policy Development Specialist for CEA, which represents educators in over 150 school districts across the state.

CEA wholeheartedly supports <u>SB 1467 An Act Requiring a Review of the Costs of Special Education</u>
<u>Services Provided by Private Providers</u>. We must be certain that there are no Approved Private Special Education Programs (APSEPs) that charge excessive rates and fall short on meeting the needs of special education students.

From the 2018-2019 school year through the 2022-2023 school year, in Connecticut, tuition for private, residential, or out of state placements increased from \$92,752 per pupil to \$112,793 per pupil.¹ That is an increase of nearly 22 percent in just four years. While costs have increased, the number of outplaced students has decreased from 3,654, in 2018-2019, to 3,399, in 2022-2023. It is important to note that the increase in expenditures is not because there are more students being outplaced, it is because more is being charged for outplaced students.

In 2021, the Connecticut Post reported that the highest salary for a school superintendent, in Connecticut, was \$315,000.² A CEA review of IRS filings of APSEPs found exorbitant compensation over \$400,000 annually for executives of seven providers. The highest individual compensation in 2021 was \$1.4 million.³ The average teacher salary, in Connecticut, is \$83,400 — including specialized teachers educating students with disabilities.⁴ You can hire an additional 17 special education teachers for the price of one APSEP executive paid \$1.4 million.

Formatted: Font color: Auto

¹ https://public-edsight.ct.gov/overview/per-pupil-expenditures-by-function---district/per-pupil-expenditures-for-outplaced-students?language=en_US

https://www.ctpost.com/news/article/Comparing-Connecticut-s-superintendents-Who-16220277.php

³ CEA review of IRS 501(c)3 filings for APSEPs in Connecticut.

⁴ https://www.nea.org/resource-library/educator-pay-and-student-spending-how-does-your-state-rank

We recommend additional language for this bill requiring the Connecticut State Department of Education to identify APSEPs where,

- 1) individual executive compensation is more than 3 times the median teacher salary of the APSEP, and
- total executive compensation is more than 3 times the highest individual executive compensation of the APSEP.

Sadly, the bad practices of some providers call for tighten oversight of APSEPs. We believe a fixed-price schedule is needed to rein in runaway pricing for special education services charged by some private providers. Furthermore, there must be a cap on executive compensation. Most private sector providers are *non*-profit charitable organizations and should not have *for*-profit executive pay.

CEA believes it is urgent to have transparency on rates charged by APSEPs. Furthermore, we look forward to working with the State Department of Education on developing a methodology to determine a fair maximum fixed-price schedule and thank the committee for addressing this challenging topic.