

On May 31, 2025, the Connecticut General Assembly passed Senate Bill (S.B.) 1, *An Act Increasing Resources for Students, Schools and Special Education*, which became Public Act 25-93. Public Act 25-93 contains a variety of provisions designed to strengthen special education services, expand early childhood programming, revise reporting requirements, and improve student discipline and oversight.

This analysis details the changes to education funding and policies contained in Public Act 25-93, and the impact of these changes on students, school districts, and the state.

## Key Components of Public Act 25-93

- **Reporting on out-of-district special education providers will be more accessible.**
  - The Connecticut State Department of Education (CSDE) will develop, and share publicly, a list of special education programs offered by Regional Educational Service Centers (RESCs), private providers, and school districts that accept out-of-district placements.
- **Disparities in special education will be studied by the CSDE.**
  - The CSDE will study the disproportionate or over-identification of minority students for special education services. A report with its findings and recommendations will be shared with the new Office of the Educational Ombudsperson.
- **Private special education providers will be subject to more oversight when working with school boards.**
  - Updates include aligning to an established rate schedule, limiting funding for nonapproved placements, requiring background checks, and setting timely notices for staffing changes.
- **Starting in fiscal year 2027, a new competitive grant is established to support in-district or regional special education programs and services for students with disabilities.**
  - This new grant is aimed at incentivizing districts to provide specialized in-district or regional special education programs to reduce outplacements. The amount appropriated for this grant is \$9.9 million in FY 2027.
- **Funds provided via the new special education grant referenced above are exempted from the minimum budget requirement (MBR).**
  - Any funding from the new in-district or regional special education programming grant will be exempted from counting toward a district's MBR calculation for the following fiscal year, and will therefore not increase a district's MBR.

- **Students with disabilities who have experienced trauma, or have behavioral health needs, are supported through more grant funding.**
  - School boards that partner with a community services provider will be eligible for a grant to offer support services to students with disabilities and their families, including trauma-informed care coordination and family outreach.
- **In FY 2027, financial support will be available to special education educators and paraeducators for training, education, and testing.**
  - Grant recipients must commit to providing special education services in an Alliance District for at least three years, or they must repay the grant if the service commitment is not met.
- **The Commissioner's Network will be phased out over the next three years.**
  - Starting July 1, 2025, no new schools will be added to the Commissioner's Network and current participants cannot extend their participation. The program is set to conclude by FY 2028.

## Breakdown of Policy Changes in Public Act 25-93

This section provides a detailed view into how policy changes in Public Act 25-93 will impact stakeholders, systems, and processes. Our analysis of the legislation revealed eight key themes:

1. Establishment of the Early Childhood Education Endowment;
2. Special education service delivery revisions;
3. Grants to support special education students;
4. Workforce development for education professionals;
5. Updates to reporting requirements;
6. Creation of the Office of the Educational Ombudsperson;
7. Changes to the school discipline process (expulsion and suspension hearings); and
8. Phase-out of the Commissioner's Network.

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 25-93 that contain the respective policy changes are included in parentheses at the end of each bullet point.

### ***Establishment of the Early Childhood Education Endowment***

Subtopic	Policy Change(s)
<b>Funding</b>	<ul style="list-style-type: none"> <li>Beginning July 1, 2025, a new Early Childhood Education Endowment will support early childhood education programs. (Section 1)</li> <li>By June 30<sup>th</sup> of each fiscal year, any unappropriated surplus will be transferred to the Endowment, with up to \$300 million being transferred in FY 2025 and the full unappropriated surplus amount being transferred to the Endowment in FY 2026 and beyond. (Sec. 2)</li> <li>The State Treasurer will manage the Early Childhood Education Endowment, such as receiving, investing, and disbursing the Endowment's money. (Sec. 12)</li> <li>The State Treasurer will also invest the Early Childhood Education Endowment prudently, considering factors like return, risk, maturity, diversification, liquidity, and expected disbursements and deposits. (Sec. 13)</li> </ul>
<b>Implementation</b>	<ul style="list-style-type: none"> <li>Funds may be released from the Early Childhood Education Endowment to the commissioner of the Office of Early Childhood (OEC) for the purposes of early childhood programming. (Sec. 3)</li> <li>The OEC may spend the funds released from the Endowment for administrative costs, the health insurance subsidy program, and for expansion and programmatic costs. (Sec. 4)</li> <li>OEC may award released funds to any early care and education program providing childcare services or any preschool program operated by a local or regional board of education that meets certain requirements. (Sec. 5)</li> <li>The Early Childhood Care and Education Fund and the Early Childhood Care and Education Fund Advisory Commission is repealed. (Sec. 43)</li> <li>The Early Childhood Cabinet is expanded to include either the executive director of the Connecticut Library Consortium, a cooperating library service unit, or the executive director's designee. (Sec. 40)</li> </ul>
<b>Program Requirements</b>	<ul style="list-style-type: none"> <li>Any early care and education program funded by the Early Childhood Education Endowment is required to allocate at least 35% of expanded spaces to infants and toddlers. (Sec. 6)</li> <li>The amount families pay for childcare services provided by an early care and education program that receives funding from the Early Childhood Education Endowment is limited, starting in FY 2028. (Sec. 7)</li> </ul>

Subtopic	Policy Change(s)
<b>Oversight</b>	<ul style="list-style-type: none"> <li>• An Early Childhood Education Endowment Advisory Board is established with the responsibility of overseeing the Early Childhood Education Endowment. (Sec. 8)</li> <li>• The Advisory Board will annually report on the Endowment's financial health and actuarial future, expenditures from the Endowment, updates of early care and education programs, updates on the families and children served, and recommended legislation. (Sec. 8)</li> <li>• The OEC will submit recommendations to the Advisory Board on priority items during a competitive procurement process for expanding programming. (Sec. 9)</li> <li>• The Advisory Board will develop recommendations on expanding the permitted Endowment expenditures and submit a report by January 1, 2032 to various committees. (Sec. 11)</li> <li>• Ensures the Endowment has the same oversight and requirements as other treasurer-administered funds, such as the Teachers' Pension Fund. (Sec. 14)</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Starting on January 1, 2032, the commissioner of the OEC will prepare an impact analysis every five years of the Endowment and its effect on the availability, affordability, and quality of early childcare. The impact analysis must be submitted to the Advisory Board and various committees by July 1, 2031. (Sec. 10)</li> </ul>

### ***Special Education Service Delivery Revisions***

Subtopic	Policy Change(s)
<b>Transportation Services</b>	<ul style="list-style-type: none"> <li>• The CSDE must conduct a request for information (RFI) from contractors with expertise in transportation route mapping and with the capacity to either (1) create and update recommended coordinated special education bus routes, or (2) provide software for the State to do so. (Sec. 18)</li> <li>• By July 1, 2027, the CSDE must submit a report on the results of the RFI to various committees. (Sec. 18)</li> <li>• The CSDE must develop a model contract for special education transportation service providers and make the contract available by July 1, 2026 to all local and regional boards of education. (Sec. 23)</li> </ul>
<b>Additional Reporting and Guidance</b>	<ul style="list-style-type: none"> <li>• By December 1, 2026, the CSDE will develop and annually update a list of special education programs offered by RESCs, private providers, and school districts that accept out-of-district placements. This list must</li> </ul>

Subtopic	Policy Change(s)
	<p>be made available on the CSDE's website and be distributed to all local and regional boards of education by January 15, 2027. (Sec. 20)</p> <ul style="list-style-type: none"> <li>• The CSDE must conduct a study concerning the disproportionate or over-identification of minority students for special education and related services. A report with its findings and recommendations must be submitted to the new Office of the Educational Ombudsperson by January 1, 2027. (Sec. 30)</li> <li>• The CSDE must also develop and update a special education family guide to help parents and guardians understand special education laws and processes by July 1, 2026, and publish this guide to its website. (Sec. 24)</li> </ul>
<b>Private Special Education Providers</b>	<ul style="list-style-type: none"> <li>• Contracts between school boards and private special education providers must include explanations for the tuition, rates, and fees, and must follow the rate schedule established under Public Act 25-67. (Sec. 16)</li> <li>• School boards must ensure expenditures comply with the rate schedule under Public Act 25-67 for reimbursement requests under the Excess Cost grant as well as the new Special Education and Expansion Development (SEED) grant established under Public Act 25-67. (Sec. 16)</li> <li>• School boards will not be able to request reimbursement under the Excess Cost grant, or the new SEED grant, for costs related to placements at nonapproved private facilities, unless the placement is required by a hearing officer or court order. (Sec. 16)</li> <li>• Adds private special education providers to the list of "nongovernmental school operators" that must do employee and prospective employee criminal background checks and take any related steps. (Sec. 21)</li> <li>• RESCs and private special education providers must notify parents or legal guardians, school boards, and the CSDE about any staffing changes. This written notice must be made within five business days after the staffing changes occur and must include changes impacting the student and a plan to mitigate the impact. (Sec. 22)</li> </ul>

### Grants to Support Special Education Students

Subtopic	Policy Change(s)
<b>High Quality Special Education Incentive Grant</b>	<ul style="list-style-type: none"> <li>Starting in FY 2027, a new competitive grant for local and regional boards of education is established to support in-district or regional special education programming and services for students with disabilities. (Sec. 19)</li> <li>Grant funds cannot be used for contracts with third-party or private special education providers. (Sec. 19)</li> <li>The CSDE will create an application for local and regional boards of education to request funds, and will develop criteria for reviewing and approving grants. (Sec. 19)</li> <li>Starting on September 30, 2027, any recipient of the grant must submit a report annually to the CSDE assessing the grant's impact on student outcomes and district expenditures. (Sec. 19)</li> <li>Beginning on February 1, 2028, the CSDE must submit a report annually to various committees detailing the progress of the program and assessing the grant's impact on student outcomes. (Sec. 19)</li> </ul>
<b>Behavioral Health Support Services</b>	<ul style="list-style-type: none"> <li>Beginning in FY 2026, a new grant program will be established to help school boards provide support services for special education students who have experienced trauma or have behavioral health needs. (Sec. 26)</li> <li>The CSDE will post a description of the grant program, funding available for each grant, and the grant's application form by September 1, 2025. (Sec. 26)</li> </ul>

### Workforce Development for Education Professionals

Subtopic	Policy Change(s)
<b>Health Insurance for Early Care and Education Employees</b>	<ul style="list-style-type: none"> <li>The Connecticut Health Insurance Exchange will 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 by January 1, 2026. (Sec. 15)</li> <li>The Connecticut Health Insurance Exchange and the OEC will launch a health insurance subsidy program for early care and education employees for FY 2027. (Sec. 15)</li> <li>By May 1, 2026, the Connecticut Health Insurance Exchange must submit a recommendation to the Early Childhood Education Endowment Advisory Board for the FY 2027 health insurance subsidy amount for potential participants. (Sec. 15)</li> </ul>

Subtopic	Policy Change(s)
	<ul style="list-style-type: none"> <li>The Advisory Board must approve or modify the recommendation by June 30, 2026. (Sec. 15)</li> </ul>
<b>Special Education Training, Education, and Testing</b>	<ul style="list-style-type: none"> <li>Beginning in FY 2027, the CSDE will establish and administer the special education training, education, and testing competitive grant program to help educators and paraeducators cover the costs associated with professional training, education, and testing requirements. (Sec. 25)</li> <li>To be awarded grant funds, educators or paraeducators must commit to three years of providing special education services in an Alliance District. (Sec. 25)</li> <li>The CSDE must develop repayment criteria for educators and paraeducators who do not complete the three years of employment in an Alliance District. (Sec. 25)</li> </ul>
<b>Instructional Support Partners</b>	<ul style="list-style-type: none"> <li>Beginning on July 1, 2026, local and regional school boards must hire or designate an instructional support partner in every school or school building. (Sec. 28)</li> <li>The CSDE will host trainings for instructional support partners at least every quarter beginning July 1, 2026. (Sec. 29)</li> </ul>

### Updates to Reporting Requirements

Subtopic	Policy Change(s)
<b>Changes to the Minimum Budget Requirement (MBR)</b>	<ul style="list-style-type: none"> <li>Beginning in FY 2026, funding from the new in-district or regional special education programming grant is not required to be included in a district's MBR. (Sec. 19)</li> </ul>
<b>State's Five-Year Plan</b>	<ul style="list-style-type: none"> <li>The commissioner of the CSDE must make an annual presentation to the State Board of Education (SBOE) to provide updates on the priorities, actions, and outcomes outlined in the SBOE's five-year plan. These presentations must be made available on its website. (Sec. 31)</li> </ul>
<b>Superintendent's Annual Report</b>	<ul style="list-style-type: none"> <li>Superintendents of each school district must provide information at a regularly scheduled board of education meeting of the district's contracts, workforce development programs, and staff turnover. (Sec. 32)</li> </ul>
<b>Disconnected Youth Data Transparency</b>	<ul style="list-style-type: none"> <li>Any state agency that contributes data to the disconnected youth report must post the report on its website. (Sec. 33)</li> </ul>

Subtopic	Policy Change(s)
<b>Chronic Absenteeism Prevention and Intervention</b>	<ul style="list-style-type: none"> <li>• The CSDE must revise the chronic absenteeism prevention and intervention plan semiannually, starting on July 1, 2025. (Sec. 34)</li> <li>• The chronic absenteeism prevention and intervention plan is expanded to include findings from the most recent disconnected youth report, policies and procedures concerning truants, and housing status for students. (Sec. 34)</li> <li>• The plan must also include an early indication tool to identify students who are at-risk of becoming chronically absent or disconnected from school. (Sec. 34)</li> <li>• The CSDE may use a home visiting model, and may use family navigators, student success coaches, or other previously identified staff, to address chronic absenteeism. (Sec. 34)</li> </ul>
<b>Nonlapsing, Unspent Funds</b>	<ul style="list-style-type: none"> <li>• Local boards of education must include the balance of any nonlapsing, unspent funds in its existing cost report. (Sec. 35)</li> <li>• Beginning on June 30, 2026, each local board of education must create a new annual report on its nonlapsing, unspent funds, and submit the report to the CSDE and the exclusive bargaining representative for certified employees. (Sec. 36)</li> <li>• Each local board of education must notify the exclusive bargaining representative for certified employees of the nonlapsing, unspent fund, and the board's intended uses of the funds. (Sec. 36)</li> <li>• Beginning in FY 2026, regional boards of education must make available and annually update information about the educational expenditures reserve fund, and must notify the exclusive bargaining representative for certified employees about the educational expenditure reserve's establishment or the board's intended uses. (Sec. 37)</li> </ul>

### ***Creation of the Office of the Educational Ombudsperson***

Subtopic	Policy Change(s)
<b>Office of the Educational Ombudsperson</b>	<ul style="list-style-type: none"> <li>• An Office of the Educational Ombudsperson is established to serve students and their families in the pursuit of preschool, elementary and secondary education, and special education. (Sec. 27)</li> </ul>



### ***Changes to the School Discipline Process (Expulsion and Suspension Hearings)***

Subtopic	Policy Change(s)
<b>Expulsion and Suspension Hearings</b>	<ul style="list-style-type: none"> <li>• Before an expulsion hearing, an administrator, school counselor, or school social worker must contact the local homeless education liaison to determine if the student is homeless. The board of education or the impartial hearing board must consider the impact of homelessness on the student's behavior. (Secs. 38 &amp; 39)</li> <li>• Students cannot be expelled without a plan of interventions and supports to alleviate the impact of homelessness. (Sec. 38)</li> <li>• For any student identified as homeless and who has been expelled two times, a meeting with the local homeless education liaison must be provided. (Sec. 38)</li> </ul>

### ***Phase-Out of the Commissioner's Network***

Subtopic	Policy Change(s)
<b>Phasing-Out the Commissioner's Network</b>	<ul style="list-style-type: none"> <li>• Starting on July 1, 2025, the commissioner of the CSDE is prohibited from adding schools to the Commissioner's Network, and schools participating in the program are prohibited from extending their participation. (Secs. 41 &amp; 42)</li> </ul>
<b>Evaluation of the Commissioner's Network</b>	<ul style="list-style-type: none"> <li>• The commissioner of the CSDE must conduct an evaluation of a school's participation in the program before the end of the third year of its participation. (Sec. 42)</li> </ul>