



Financing Special Education

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Purpose

- Review and consider special education funding factors utilized throughout the United States



Questions

- Why fund special education?
- How do states fund special education?
- What are the key methods used?
- What are weights and how do they provide assistance for special education programs and services?



Why fund special education?

- GOAL-provide a free and appropriate education in the least restrictive environment
- Funding to recognize and support the excess costs of programs/related services (IEP)
 - Support a continuum of services
 - Lessen incentives to classify students into more severe disability categories and/or segregate students with disabilities



How do States fund special education? --Data source

- Previous comprehensive 50-state survey:
 - ECS, Verstegen, 1990
 - NCES, Sielke et al., 1997-98
 - NCSL, Whitney et al., 1998
 - Verstegen and Jordan, 2007



How do States fund special education? Source

- Verstegen, D. A. 50-State Survey of Finance Policies and Programs
- www.schoolfinances.info
- Verstegen & Knoeppel (Winter 2012). Statehouse to Schoolhouse: Fifty State Finance Apportionment Systems in the U.S. *Journal of Education Finance*.



How do States fund special education? Findings

- ✓ Four key methods are used:
 1. Weighting—20 states
 2. Cost Reimbursement-8 states
 3. Unit Funding-5 states
 4. Census-9 states
 5. Other-18 states
- Note: Some states use multiple methods

Finding: 50-State Funding for Special Education

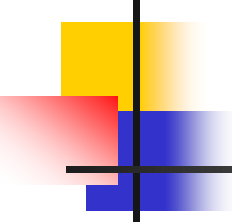
Pupil/ Weighting (20)	AZ, FL, GA, HI, IA, KS, KY, LA, MD, MO, NM, NY, OH, OK, OR, SC, TN, TX, UT
	WA, WV
Cost Reimbursement (8)	AR, IN, ME, MI, MN, NE, VT, WY
Unit (5)	DE, ID, MS, NV, VA
Census (9)	AL, CA, ID, IL, MA, NJ, NC, ND, NM
Other (18)*	AK, AL, AR, CA, CO, CT, ID, IL, MD, MN, MT, NH, NY, ND, OR, PA, SD, WA
*Multiple methods in some states	



Key Methods —Weighting

Def. Weighting: Ratio of special to general education costs

If special education costs an additional 90% more than general education, the *weight would be 0.9*. The student would be counted once for regular education (1.0) and then for special education (0.9) to *generate 1.9 times general education funding*



Key Methods —Weighting (20 states)--Number & Basis

1) Number/size of weights:

Varies—single, multiple, or broad categories

2) Basis for distribution:

- Disability category
- Instructional Arrangement
- Service Intensity
- Extremely high cost students



How many weights? Single

- Several states use a **single weight**—
e.g. Maryland (1.74), Oregon (1.5)
- Note: Students counted first as general education (1.0). Maryland and Oregon add additional funds for extraordinarily high cost students (other funding).

How many weights?

Broad categories

- Delaware, Iowa and Kentucky have three **broad categories**. Hawaii has four.

- Kentucky

Mild: 1.24

Moderate 2.17

Severe 3.35

- Delaware

Mainstreamed 1.72

Separate Class 2.21

Separate, Severe 3.74

How Many Weights? Multiple (Texas)



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Homebound	5
Hospital class	3
Speech therapy	5
Resource room	3
Self-contained, mild and moderate, regular campus	3
Self-contained, severe, regular campus	3
Off home campus	2.7
Non-public day school	1.7
Vocational adjustment class	2.3
(Above categories based on FTES)	
Mainstream students (Based on ADA)	1.1

Weights: Basis--Disability Category (Kentucky)

Speech Language disability	0.24
Orthopedically Impaired	1.17
Other Health Impaired	1.17
Specific Learning Disability	1.17
Developmentally Delayed	1.17
Mild Mental Disability	1.17
Hearing Impaired	2.35
Visually Impaired	2.35
Emotional Behavior Disability	2.35
Deaf Blind	2.35
Multiple Disabilities	2.35
Autism	2.35
Traumatic Brain Injury	2.35
Functional Mental Disability	2.35



Weights: Basis-Instructional Arrangement (Iowa)

Resource teaching program, special class with integration, supplemental assistance. Receive all or part of instructional program in general education.	1.72
Self-contained special class with little integration, limited participation in general Education with non-handicapped pupils	2.21
Self-contained special class. Pupils with similar educational needs who are severely handicapped and full time special education program	3.74



Weights: Basis-Service Intensity (New York)

Pupils with handicapped conditions in Special Class 60% or more or the school day in either public school or BOCES Program	1.65
Pupils with handicapping conditions in special class 20% or more of the school week or Receiving consultant teacher services a minimum of 2 hours per week	0.9



Weights—Research-based cost

Specific Disability Category Weights Based on Research

<u>Student Category</u>	<u>Special Education Weight Using General Education Student as Comparison Group</u>	<u>Special Education Weight Using Student With Specific Learning Disability as Comparison Group</u>
General Education Student	Comparison group 1.0	n/a
Specific Learning Disability (SLD)	1.6	Comparison group 1.0
Speech/Language Impairment (SLI)	1.7	1.1
Emotional Disturbance (ED)	2.2	1.4
Mental Retardation (MR)	2.3	1.4
Orthopedic Impairment (OI)	2.3	1.4
Other Health Impairment (OHI)	2.0	1.3
Autism (AUT)	2.9	1.8
Hearing Impairment/Deafness (HI/D)	2.4	1.5
Multiple Disabilities (MD)	3.1	1.9
Traumatic Brain Injury (TBI)	2.5	1.6
Visual Impairment/Blindness (VI/B)	2.9	1.8
Preschool (PRE) 2	2.0	1.3
Average Special Education Student	1.9	1.2

Key Methods—Cost

Reimbursement (8 states)

- Cost Reimbursement

State defines eligible cost categories and the percentage it will reimburse for them

- Wyoming reimburses 100% of approved special education costs.



Key Methods—Cost Reimbursement (Vermont)

- Operates like an insurance program-
- On average 60% of the costs of special education are reimbursed for each district.
- Approved student costs above \$50,000 are reimbursed at 90%.
- Most other allowed special education costs are reimbursed at a rate that varies each year between 56 and 58%.



Key Methods--Unit Funding (5 states)

- Teacher support based on caseload (Nevada, Virginia, Delaware)
- Pays for by teacher rather than by student—helps rural areas or small districts



Unit Funding (Delaware)

- Units for 12 categories are provided, ranging in size from four pupils per unit (teacher) to 15 pupils per unit.



Key Methods – Census (9 States)

- Overall % of students in school district compared to state total or fixed percent across each district (e.g. 12%)
- Purpose is to hold down costs
- Often coupled with method to pay for very high cost students (Other)



Census (California, Alabama)

California “model based on assumption that, over a reasonably large geographic area, the incidence of disabilities is relatively, uniformly distributed.” Also uses concentration grants.

Alabama--The grade level divisors are adjusted by a weight of 2.5 applied to 5% of ADM count.



Key Methods – Other (18 states)

Growing area of interest is state funding for high costs or **extraordinary costs**.

- Connecticut-4.5 times previous year's average;
- Massachusetts-Circuit breaker funds costs above 4 times foundation budget,
- New Hampshire- Catastrophic aid, 100% for 10 times state average and 80% of the cost between 3.5% and 10% of the state average.



Key Methods-Other (Alaska)

- Block Grant—lump sum funding for Vocational Education, Special Education, Gifted and Talented, Bilingual/Bicultural.



Key Methods – Other (Pennsylvania)

- *Special Education Funding for School Districts*
- Each school district receives the amount it received for the 2008-2009 school year.
- *Contingency Fund*
- A special education contingency fund allocation equal to 1 percent of the special education appropriation is available to school districts.
- *CORE Services Funding To Intermediate Units*
- An amount equal to 5 percent of the special education appropriation is provided to intermediate units to maintain core Services.
- *Institutionalized Children's Program*
- Funding is provided to intermediate units to maintain the Institutionalized Children's Program.

Summary: Special Education Funding Key Methods



- **Weights per pupil (20 states)**
 - Basis: Disability, Instructional Arrangement, Service Intensity
 - Multiple (OK-12) or Single (MD-.074), or Broad category (KY).
- **Unit (5 states): teacher support based on caseload (NV, VA)**
- **Cost reimbursement (8 states)**
 - e.g. Wyoming reimburses 100% of approved special education costs.
- **Census (9): Overall % of students in District**
 - California “model based on assumption that, over a reasonably large geographic area, the incidence of disabilities is relatively, uniformly distributed.” Also uses concentration grants.
- ***Other (18): Growing area of interest is state funding for high costs**
 - Extraordinary Costs (CN 4.5 times previous year’s average; MA, circuit breaker funds costs above 4 times foundation budget, NH, 100% 10 times state average, etc)



Summary: Special Education Funding, Weights vary

- ✓ Maryland has one weight for all students
- ✓ Oklahoma has 12 categories based on a student's **disability**; South Carolina, 10 categories.
- ✓ Texas has nine weights based on **instructional arrangements** (e.g. resource room, self-contained) and one weight for "mainstreamed students"
- ✓ Kentucky has three broad categories based on exceptionality;
- ✓ Hawaii has four broad categories based on **support levels**.
- ✓ Florida: Exceptional Student Education Matrix--Completed by checking all services provided under IEP. Students placed into 5 Support Levels (e.g. level 4=3.734; 5=5.201) that are weighed
- ✓ California couples Census and Extraordinary cost method



Summary

- Weighted method is most popular among states. Also equitable
- Base weights on costs of special education program and services-adequacy focus
- Service intensity, no labels-best practice
- Extraordinary high-cost category needed-state role



Questions & Comments?