Special Education
What it Costs and Why Everyone Has a Stake

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Arizona School Boards Association
Arizona Association of School Business Officials
Do expenditures for students with disabilities exceed funding, creating a funding gap?

- How large is the funding gap?
- Are there differences in the size of the funding gap?
- What accounts for differences in the size of the funding gap?
Analysis of Special Education Expenditures

• Captured in Analysis
  • M&O revenues and expenditures
  • Classroom Site Fund (Special education teacher portion) expenditures
  • Federal IDEA revenues and expenditures

• Not Captured in Analysis
  • Expenditures paid through other federal funds (e.g., Impact Aid)
  • Special education transportation costs, which can be *significant*
Enrollment in Special Education
Type of Disability Matters Because it Has an Impact on Funding

Group A = per pupil
- Specific Learning Disability
- Emotional Disability
- Mild Intellectual Disability
- Speech Language Impairment
- Developmental Delay
- Other Health Impairment

Group B = identified student
- Orthopedic Impairment (self-Contained and resource program)
- Preschool students with disabilities
- Moderate Intellectual Ability
- Visual Impairment
- Hearing Impairment
- Multiple Disabilities, autism and severe intellectual disability (self-contained and resource program)
- Emotional Disabilities who are enrolled in private special education programs
- Multiple disabilities with severe sensory impairment
Percent of Students with Disabilities is Stable, But the Categories Have Shifted Slightly

- 2013: 9.78% (Group A), 1.75% (Group B)
- 2014: 9.68% (Group A), 1.81% (Group B)
- 2015: 9.70% (Group A), 1.85% (Group B)
- 2016: 9.64% (Group A), 1.86% (Group B)
Among Traditional Districts, Unified School Districts Have Higher Rates of Students with Disabilities

- Charter: 0.99%
- Elementary: 1.82%
- Unified: 2.11%
- Union High School: 2.07%
- Accommodation: 1.15%

Perc Group A
Perc Group B
Percent of Students with Disabilities Varies Significantly Across the State

- Apache: 11.3% (Group A), 1.6% (Group B)
- Cochise: 9.8% (Group A), 1.7% (Group B)
- Coconino: 12.5% (Group A), 1.9% (Group B)
- Gila: 12.3% (Group A), 1.5% (Group B)
- Graham: 10.7% (Group A), 1.3% (Group B)
- Greenlee: 9.9% (Group A), 1.1% (Group B)
- La Paz: 15.0% (Group A), 1.7% (Group B)
- Maricopa: 9.0% (Group A), 1.9% (Group B)
- Mohave: 10.3% (Group A), 1.7% (Group B)
- Navajo: 10.8% (Group A), 1.4% (Group B)
- Pima: 11.4% (Group A), 1.8% (Group B)
- Pinal: 10.6% (Group A), 2.2% (Group B)
- Santa Cruz: 7.7% (Group A), 1.0% (Group B)
- Yavapai: 10.4% (Group A), 1.9% (Group B)
- Yuma: 8.9% (Group A), 1.4% (Group B)
Small Districts and Charters Have Significantly Higher Rates of Students with Disabilities

- Small Charter (<100 Students): 2.8% of Charter Enrollment
  - Percent Group A: 10.95%
  - Percent Group B: 5.68%

- Charter: 0.86%
  - Percent Group A: 7.67%

- Small District (<100 Students): 0.2% of District Enrollment
  - Percent Group A: 15.34%

- District: 2.03%
  - Percent Group A: 9.99%

2016

*Percent Group A*  
*Percent Group B*
Special Education Expenditures
Total Expenditures on Special Education Exceed $1B Statewide and Have Increased 8% Since 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>State M&amp;O Special Education</th>
<th>Federal IDEA</th>
<th>Special Education Share of Classroom Site Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$774</td>
<td>$174</td>
<td>$35</td>
</tr>
<tr>
<td>2014</td>
<td>$805</td>
<td>$161</td>
<td>$44</td>
</tr>
<tr>
<td>2015</td>
<td>$821</td>
<td>$164</td>
<td>$45</td>
</tr>
<tr>
<td>2016</td>
<td>$846</td>
<td>$168</td>
<td>$51</td>
</tr>
</tbody>
</table>
Expenditures per Weighted Pupil Vary Across District Types as Well as the Percent Covered by Federal IDEA

<table>
<thead>
<tr>
<th>District Type</th>
<th>State Funded</th>
<th>IDEA Funded</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter</td>
<td>$2,941</td>
<td>$23%</td>
<td>$858</td>
</tr>
<tr>
<td>Elementary</td>
<td>$4,665</td>
<td>16%</td>
<td>$886</td>
</tr>
<tr>
<td>Unified</td>
<td>$4,242</td>
<td>15%</td>
<td>$740</td>
</tr>
<tr>
<td>Union High School</td>
<td>$4,227</td>
<td>14%</td>
<td>$700</td>
</tr>
<tr>
<td>Accommodation</td>
<td>$5,530</td>
<td>35%</td>
<td>$3,014</td>
</tr>
</tbody>
</table>
The Funding Gap
Definition of the M & O Special Education Funding Gap

- Expenditures for special education not covered by Federal IDEA or Classroom Site Fund revenues.
- Compared to formula funding for special education (Base Support Level + Weights)
  - Includes 7/11 of Group A weight (7 of 11 programs are for students with disabilities)
  - Includes Teacher Experience Index and base funding for self-contained categories
- Difference between Expenditures and Formula Funding = Funding Gap
- Expressed as Funding Gap per pupil (ADM) because it has an impact on all pupils
Why the gap matters to all students:

<table>
<thead>
<tr>
<th></th>
<th>District A</th>
<th>District B</th>
<th>District C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>$5,000 per pupil</td>
<td>$5,000 per pupil</td>
<td>$5,000 per pupil</td>
</tr>
<tr>
<td>Special Ed Funding Gap</td>
<td>-$200 per pupil</td>
<td>+ $0 per pupil</td>
<td>+$200 per pupil</td>
</tr>
<tr>
<td>Actual Funding</td>
<td>$ 4,800 pp</td>
<td>$5,000 pp</td>
<td>$5,200 pp</td>
</tr>
</tbody>
</table>
Proposition 123 Has Helped to Shrink the Special Education Funding Gap per Pupil

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>($115)</td>
</tr>
<tr>
<td>2014</td>
<td>($105)</td>
</tr>
<tr>
<td>2015</td>
<td>($106)</td>
</tr>
<tr>
<td>2016</td>
<td>($75)</td>
</tr>
</tbody>
</table>
The Funding Gap is Not the Same Across All Districts and Charters

- Charter: $141
- Elementary: ($143)
- Unified: ($108)
- Union High School: ($95)
- Accommodation: ($56)
Most Districts Have a Funding Gap, While Most Charters Do Not

- Charter: 108 (Funding Gap), 313 (No Funding Gap)
- Elementary: 65 (Funding Gap), 39 (No Funding Gap)
- Unified: 64 (Funding Gap), 31 (No Funding Gap)
- Union High School: 9 (Funding Gap), 6 (No Funding Gap)
- Accommodation: 6 (Funding Gap), 3 (No Funding Gap)
Factors that Affect the Size of the Funding Gap

- Expenditures per Weighted ADM
  - Expenditures vary across and within disability categories
- Percent of Expenditures Covered by Federal IDEA or other funds
- Percent of Group A Students
- *Group B Weights vs. Actual Costs
  - * This is not a Special Education Cost Study to determine the appropriateness of weights
More Detailed Information…

- AASBO/ASBA Data Analysis Project (aka Data Collection Project)
- [http://www.aasbo.org/?page=DataCollection](http://www.aasbo.org/?page=DataCollection)
- Upcoming dashboard with district by district information on special education enrollment, spending, and funding gap trends
Questions?