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
Among Traditional Districts, Unified School Districts Have Higher Rates of Students with Disabilities

<table>
<thead>
<tr>
<th></th>
<th>Perc Group A</th>
<th>Perc Group B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter</td>
<td>0.99%</td>
<td>7.75%</td>
</tr>
<tr>
<td>Elementary</td>
<td>1.82%</td>
<td>9.70%</td>
</tr>
<tr>
<td>Unified</td>
<td>2.11%</td>
<td>10.35%</td>
</tr>
<tr>
<td>Union High School</td>
<td>2.07%</td>
<td>8.62%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>1.15%</td>
<td>12.34%</td>
</tr>
</tbody>
</table>

2016
### Percent of Students with Disabilities Varies Significantly Across the State

<table>
<thead>
<tr>
<th>Region</th>
<th>Group A</th>
<th>Group B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apache</td>
<td>11.3%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Cochise</td>
<td>9.8%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Coconino</td>
<td>12.5%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Gila</td>
<td>12.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Graham</td>
<td>10.7%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Greenlee</td>
<td>9.9%</td>
<td>1.1%</td>
</tr>
<tr>
<td>La Paz</td>
<td>15.0%</td>
<td></td>
</tr>
<tr>
<td>Maricopa</td>
<td>9.0%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Mohave</td>
<td>10.3%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Navajo</td>
<td>10.8%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Pima</td>
<td>11.4%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Pinal</td>
<td>10.6%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Santa Cruz</td>
<td>7.7%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Yavapai</td>
<td>10.4%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Yuma</td>
<td>8.9%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>
Small Districts and Charters Have Significantly Higher Rates of Students with Disabilities

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

- Charter
  - 0.86% of District Enrollment
    - 7.67% Percent Group A
    - 0.86% Percent Group B

- Small District (<100 Students)
  - 0.2% of District Enrollment
    - 15.34% Percent Group A
    - 2.00% Percent Group B

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

2016
Special Education Expenditures
Total Expenditures on Special Education Exceed $1B Statewide and Have Increased 8% Since 2013

- 2013: $774 (State M&O Special Education) + $174 (Federal IDEA) + $35 (Special Education Share of Classroom Site Fund)
- 2014: $805 (State M&O Special Education) + $161 (Federal IDEA) + $44 (Special Education Share of Classroom Site Fund)
- 2015: $821 (State M&O Special Education) + $164 (Federal IDEA) + $45 (Special Education Share of Classroom Site Fund)
- 2016: $846 (State M&O Special Education) + $168 (Federal IDEA) + $51 (Special Education Share of Classroom Site Fund)
Expenditures per Weighted Pupil Vary Across District Types as Well as the Percent Covered by Federal IDEA

- Charter: 23% funded by state, $2,941; 87% funded by IDEA, $858
- Elementary: 16% funded by state, $4,665; 84% funded by IDEA, $886
- Unified: 15% funded by state, $4,242; 85% funded by IDEA, $740
- Union High School: 14% funded by state, $4,227; 86% funded by IDEA, $700
- Accommodation: 35% funded by state, $5,530; 65% funded by IDEA, $3,014
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</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

- 2013: ($115)
- 2014: ($105)
- 2015: ($106)
- 2016: ($75)
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
• Upcoming dashboard with district by district information on special education enrollment, spending, and funding gap trends
Questions?