

Element Detail 4c

Element: Revise funding formula weight for **special education students**

Design Assumptions:

1. State and federal law require school systems to identify, locate, and evaluate all students who have or are suspected of having disabilities and in need of special education and related services.
2. To ensure students are not misidentified as being disabled, the law defines a list of eligible disabilities and students must meet one of those criteria.
3. The timeline for identifying, locating and evaluating students for special education and related services is established in State and federal law and regulation. Parental consent is required for students to be evaluated. An Individualized Education Plan (IEP) must be developed within 30 days of the date a student is identified as a student with a disability.
4. Differentiated weights are recommended in principle, but it is anticipated that the special education study required by HB 1415 will propose those weights. In the meantime, the Commission will propose a single placeholder weight.
5. Staffing requirements in preK-2nd grade that require certification in Special Education and literacy / reading.
- 5.6. To provide special education resources, local school systems spend more than the current funding formula provides.

Implementation Considerations:

1. Because a special education study required by HB 1415 is due by December 2019, the new weight may be revised again at that time; we anticipate that this study will recommend a differentiated weight at that time.
- ~~2. Review APA's recommendations for special education weights against design assumptions~~
- ~~3.~~2. Additional staff (both teachers and paraprofessionals) should be assigned to elementary and middle schools to flexibly provide supports identified by teachers.

Cost Savings: As other building blocks are implemented (such as tutoring for struggling learners) fewer students may be identified as needing special education services.

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Working Group 4 recommends:

- **Develop a weight that, when combined with a per pupil base, will provide an amount equal to the current total expenditures for special education (not including federal funds or nonpublic placement funds)**
- **After completion of study required under HB 1415, new assumptions of need will be used to develop a revised weight**

Spec Ed resource assumptions from APA report.

Additional resources:			
Assumes 12% require Spec Ed	Elementary (450 pupils)	Middle (720 pupils)	High (1,200 pupils)
Instructional	6 FTE	9.6 FTE	16 FTE
Spec Ed Staff (non instructional)	2 FTE	2.5 FTE	6 FTE
Supplies/District	\$2,745	\$2,745	\$2,745

Per pupil base resource assumptions from APA report.

Blended evidence based and professional judgement panels			
	Elementary (450 pupils)	Middle (720 pupils)	High (1,200 pupils)
Instructional	38.5 FTE (1:11.7)	46.4 FTE (1:15.5)	73 FTE (1:16.4)
Pupil Support	4 FTE (1:112.7)	7.9 FTE (1:91.1)	12.8 FTE (1:93.8)
Administrative	5 FTE (1:90)	7 FTE (1:102.9)	11 FTE (1:109.1)
Other	3 FTE (1:150)	4.5 FTE (1:266.7)	4 FTE (1:300)
Supplies/District Level	\$2,805 (\$6.23/pupil)	\$2,805 (\$3.90/pupil)	\$2,805 (\$2.34/pupil)

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Resources

The 2016 study recommended a special education weight of .91. Based upon recommended resources, the PJ study resulted in a higher weight of 1.25 than the EB study’s weight of 0.70. This is primarily because the EB study assumed high cost special education student services were to be fully paid for by the State, which results in their exclusion from the approach’s 0.70 weight. Alternatively, the PJ study includes these students in the calculation of its 1.25 weight. If the EB model included the high-cost special education students, then the resulting weight would be higher. Using the 3.86 weight for severe special education students from the PJ approach, and the same weighting based upon the proportion of students in each need category as was done to create the average PJ weight, an EB weight that includes these higher cost students would be 0.96. Averaging the EB and PJ weight produces a weight of 1.11. Knowing that meaningful achievement gaps exist for these students, the study team recommends a rounded weight of 1.10 for special education students, including mild, moderate, and severe categories. Less available federal resources, the final recommended weight was 0.91.

The table below shows the blended model resources that can be provided given the recommended weight:

	Elementary School of 450 students 12% Special Education (54 students)	Middle School of 720 students 12% Special Education (86 students)	High School of 1,200 students 12% Special Education (144 students)
Personnel (FTE)			
Instructional Staff			
Teachers	3.0	4.8	8.0
Instructional Aides	3.0	4.8	8.0
Special Education Staff			
Therapists (Speech, OT/PT, Behavior, etc)	1.5	1.5	2.0
Coordinator (IEP, Transition)	0.5	1.0	2.0
Job Coaches (Para)			2.0
Other Costs (per student amounts)			
District-level Support (Administration, Related Services, Out of District Placement, Extended School Year, Legal, Supplies, Materials, and Equipment, etc)	\$2,745	\$2,745	\$2,745

Other States (Focused on states using multiple weights)

Sixteen states provide funding for special education through multiple weights in their state funding formulas. Most often, the weights are based on the type/classification of the disability or are based on the level of service required to serve the student. It is important to note that each state has a different “base” amount, so the same weight will generate differing amounts of additional revenue in different states. Several examples of state’s special education weights follow:

Weights Based on Disability

Arizona: Special education is funded through two groups: "Group A" means educational programs for career exploration, a specific learning disability, an emotional disability, a mild intellectual disability, remedial education, a speech/language impairment, developmental delay, homebound, bilingual, other health impairments and gifted pupils.

"Group B" means educational improvements for pupils in kindergarten programs and grades one through three, educational programs for autism, a hearing impairment, a moderate intellectual disability, multiple disabilities, multiple disabilities with severe sensory impairment, orthopedic impairments, preschool severe delay, a severe intellectual disability and emotional disabilities for school age pupils enrolled in private special education programs or in school district programs for children with severe disabilities or visual impairment and English learners enrolled in a program to promote English language proficiency.

Oklahoma: Eleven special education weights are included in the formula:

- Vision impaired: 3.8
- Learning disabilities: 0.4
- Deaf or hard-of-hearing: 2.9
- Deaf and blind: 3.8
- Educable mentally handicapped: 1.3
- Emotionally disturbed: 2.5
- Gifted: 0.34
- Multiple handicapped: 2.4
- Physically handicapped: 1.2
- Speech impaired: 0.05
- Trainable mentally handicapped: 1.3

South Carolina: Five special education weights are included in the formula:

- Educable mentally handicapped pupils and learning disabilities pupils: 1.74
- Trainable mentally handicapped pupils, emotionally handicapped pupils and orthopedically handicapped pupils: 2.04
- Visually handicapped pupils, pupils with autism and hearing handicapped pupils: 2.57
- Speech handicapped pupils: 1.9
- Pupils who are homebound: 1.0

Weights Based on Level Service

Iowa: Three special education weights are included in the formula:

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- Level 1 - Students receiving specially designed instruction for a part of the educational program (includes modifications and adaptations to the general education program): 0.72
- Level 2 - Students receiving specially designed instruction for a majority of the educational program (includes substantial modifications, adaptations, and special education accommodations to the general education program): 1.21
- Level 3 – Students receiving specially designed instruction for most or all of the educational program (requires extensive redesign of curriculum and substantial modification of instructional techniques, strategies and materials): 2.74

New Mexico: Four special education weights are included in the formula:

- Students requiring a minimal amount of special education: 0.7
- Students requiring a moderate amount of special education: 0.7
- Students requiring an extensive amount of special education: 1.0
- Student requiring a maximum amount of special education: 2.0

Texas: Twelve special education weights are included in the formula:

- Homebound: 5.0
- Hospital class: 3.0
- Speech therapy: 5.0
- Resource room: 3.0
- Self-contained, mild and moderate, regular campus: 3.0
- Self-contained, severe, regular campus: 3.0
- Off home campus: 2.7
- Nonpublic day school: 1.7
- Vocational adjustment class: 2.3
- State schools: 2.8
- Residential care and treatment: 4.0
- Mainstream: 1.1

Sources for state data: M. Griffith and E. Parker, *School Funding Across the States*, Education Commission of the States, Denver, CO. Prepared for Augenblick, Palaich and Associates for the State of Nevada, April 24, 2018.; T. C. A. § 49-3-307; OH R.C. § 3317.016; M.R.S.A. § 15675; A.C.A. § 6-20-2305; 70 Okl.St. Ann. § 18-201.1; Code of Virginia § 22.1-199.1; NE Ch 79 § 1007.06; Code of Virginia § 22.1-199.1; TEC § 42.151; NM 22-8-1; Iowa Code § 256B.9(1); AZ 15-752; <http://www.cde.state.co.us/cdefinance/fy2017-18brochure>; <http://www.state.nj.us/education/stateaid/1617/EAR2017.pdf>; <https://ed.sc.gov/finance/financial-services/manual-handbooks-and-guidelines/funding-manuals/fy-2017-2018-funding-manual/>

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The Working Group asked APA to provide separate weights for mild, moderate and severe. Additionally, APA was asked to exclude non-public placements which could be addressed through a separate

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categorical. MSDE also examined current district special education expenditures to calculate a combined special education weight (expenditures are not reported based upon disability or need level).

Assumptions

- Given that the Evidence-based approach identifies one combined mild/moderate weight, and does not identify a weight for severe, the study team applied the proportionate relationship from the PJ results to disaggregate the single blended model special education weight into three weights (mild, moderate, severe).
- The tiered weights can be applied based upon the percentage of the day that students are in the general education classroom: 80 percent or more (mild), 40-79 percent (moderate), and less than 40 percent (severe).
- Non-public placement resources, which were included in the 2016 study special education weight, have been excluded.

Cost/Adjustment

2016 Study Results

Excluding non-public placement resources reduces the 2016 study’s single special education weight to 0.89 after accounting for available federal dollars. Applying the proportionate relationship seen in the PJ approach results produces the following three weights in relationship to the 2016 study base of \$10,880:

- Mild: 0.58
- Moderate: 1.03
- Severe: 2.94

FY 2015 Actual District Expenditures

MSDE reviewed actual special education expenditures in districts in FY15, excluding non-public placements and available federal dollars to produce a weight against the current foundation amount and the 2016 study base.

Approx. FY 15 Special Education Weight based on Actual Expenditures		
	Applied to 2016 Study Base	Applied to Per Student Foundation Amount
Base Amount	\$10,880	\$6,860
Weight based upon Unweighted Average Per Student	0.91	1.44
Weight based upon Weighted Average Per Student	1.02	1.63

Given special education expenditures are not reported by disability or need level, MSDE was able to produce a single special education weight, but not multiple. When applied to the 2016 study base, the weight based upon the unweighted average expenditure per student is comparable to the 2016 study weight (.91 vs. .89). However, weight based upon the weighted average expenditure per student (1.02) is higher than the 2016 study blended model recommendation.¹ Weights would need to be higher if applied to a lower base amount, such as the current per student foundation amount.

Guiding Questions

1. ~~Given that the weight based upon the weighted average expenditure per student currently spent by districts is higher than the 2016 study recommendation, would the Working Group recommend that this weight (1.02) be used applied to all special education students as the stop-gap weight pending the results of the forthcoming special education study?~~
2. ~~Does the Working Group recommend that non-public placements be funded as a separate categorical?~~
 - a. ~~Some considerations, districts varied widely in the portion of their expenditures used for non-public placements (0-30 percent of reported expenditures) suggesting different decision making and/or capabilities in districts to serve certain students (likely higher cost students). May create an unintended incentive to serve students outside of a district's schools if they are funded at a higher level for non-district placements. Working Group could also consider recommending the state instead categorically fund the difference for students over a certain cost threshold or need level (such as all severe students), regardless of where they are served.~~

¹ This weight is also similar to the results of the professional judgement approach that produced a weight of about 0.98 after accounting for federal resources. The 2016 study recommendation was based upon blending the results of the PJ and EB approaches.