

# **Considering Special Education Funding in Illinois: State and National Trends**

## **HJR 24 Special Education Funding Task Force**

### **Springfield, Illinois**

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# Policy Issues in Special Education Funding

- **Why of interest?**
  - Nearly 14% of public school students are in special education
  - Spending on special education services constitutes 14% of total spending on elementary and secondary education
  - The most recent carefully derived estimate of total SE spending in the US was \$50 billion (1999-2000)



# Special Education State Funding Formulas

- **State SE formulas vary considerably in their general orientation as well as in the detailed provisions.**
- **There are five basic types of funding formulas.**



# State Funding Formulas: Across the US in 1999-2000

- **Pupil weights: 18 states\***
- **Census-based: 9 states**
- **Resource-based: 6 states**
- **Percentage reimbursement: 6 states**
- **Variable block grant: 4 states**
- **Other/combination: 7 states**

\* Includes North Carolina's "flat" amount per SE student formula



# State Funding Formulas: Pupil Weights

- **State special education aid is allocated on a per student basis.**
- **Most weighting systems provide more funding for students expected to cost more.**
- **Funding weights are differentiated on the basis of student placement, disability category, or some combination of the two.**



# State Funding Formulas: Census-based

- **Funding is based on a fixed amount, which applies to all students, or against the school-age population.**
- **Not tied to special education count, disability type, category of service, or other student characteristics.**
- **Sometimes adjusted**
  - e.g., for poverty (federal)
  - “degree of severity” (California)



# State Funding Formulas: Resource-Based

- **Funding is based on an allocation of specific education resources, such as teachers or classroom units.**
- **Resource-based formulas include unit and personnel mechanisms in which distribution of funds is based on payment for specified resources, such as teachers, aides, or equipment.**



# State Funding Formulas: Percentage Reimbursement

- **Funding is based on reimbursing a set percentage of approved SE expenditures**
- **The percentage amount varies considerably across the states using this type of mechanism from approximately one-third to 100% in Wyoming.**



# Traditional Criteria for Evaluating SE Funding Formulas

- **Understandable**
- **Fiscal Accountability**
- **Equitable**
- **Cost-Based**
- **Adequate**
- **Cost Control**
- **Predictable**
- **Placement Neutral**
- **Flexible**
- **Outcome Accountability**
- **Identification Neutral**
- **Connection to Regular Education Funding**
- **Reasonable Reporting Burden**
- **Political Acceptability**



# Policy Issues in Special Education Funding

## Overarching SE formula goals:

- **Adequate** – How much funding is needed to reach the education goals set for the state’s SE students?
- **Equitable** – Are these funds being fairly distributed based on variations in student needs?
- **Efficient** – Are funds distributed to:
  - Produce reasonable reporting burden?
  - Foster best practice?

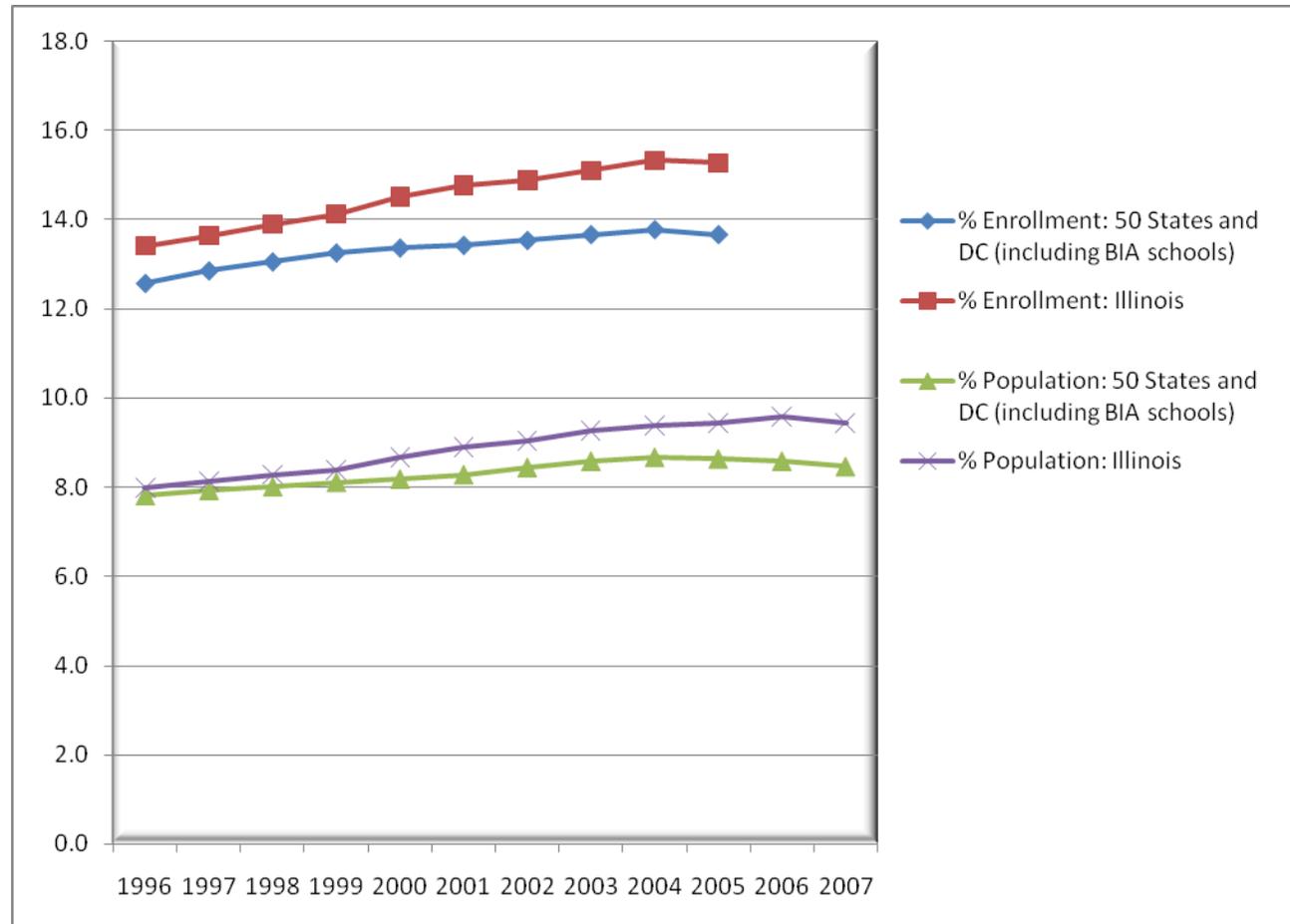


# Special Education in Illinois

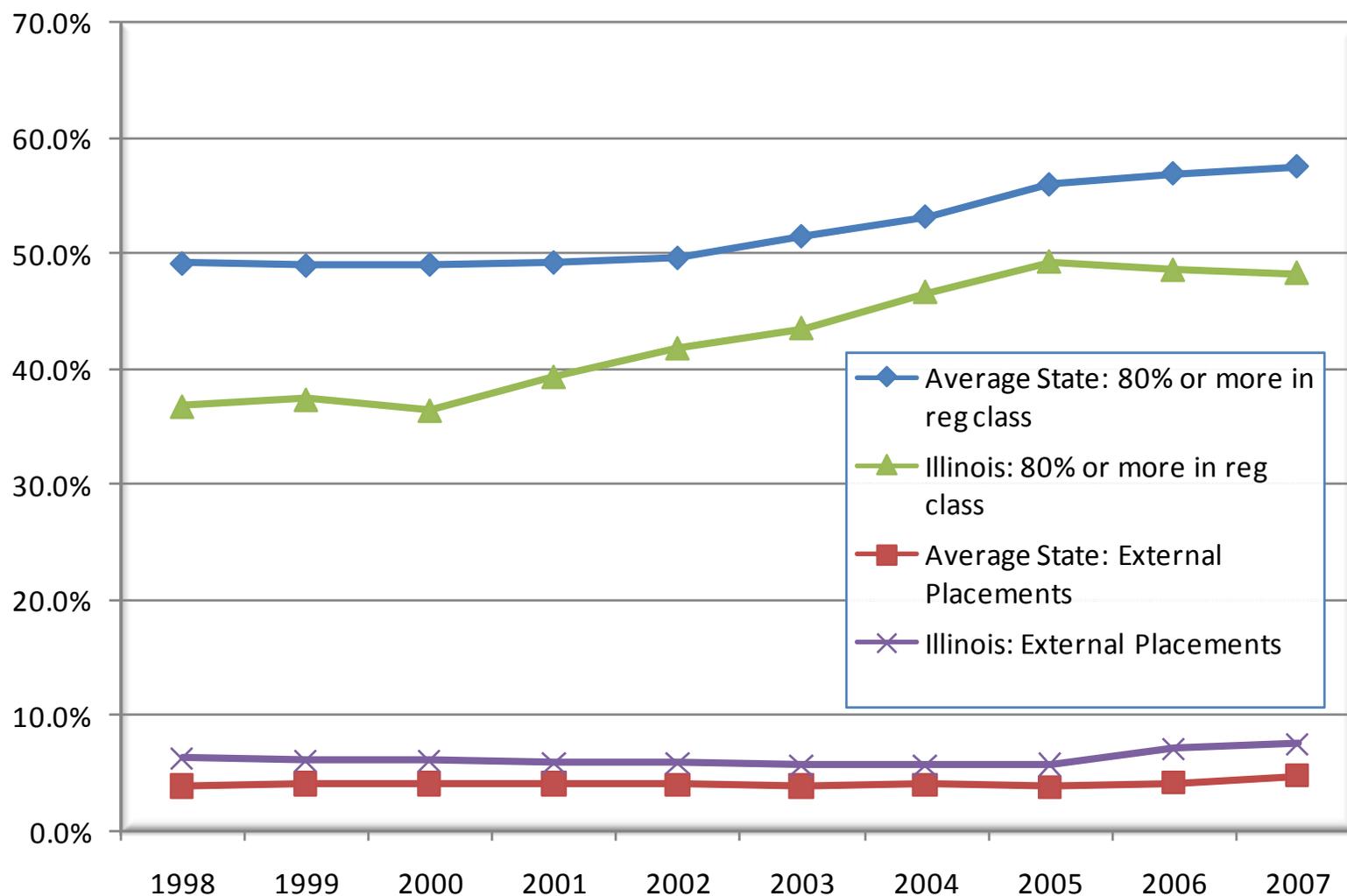
## What do federal data show?

- **Identification Rates**
- **Placement Patterns**
- **Staffing**

# SE identification rates in Illinois and the Nation: % of Enrollment/Population



## Percentage of SE Students (ages 6 - 21) Spending 80% or More in Regular Ed Classrooms and Those in External Placements, 1998 - 2007



Source: Derived from longitudinal data files from [www.IDEAdata.org](http://www.IDEAdata.org).  
 External placements in this exhibit include public or private separate or residential facilities and home/hospital placements.

## Number of SE students per FTE SE Staff, 2004-05 (based on total SE enrollment)

	SE Teachers	SE Teacher Aides*	SE Related Service Providers
<b>Illinois</b>	<b>13.3</b>	<b>11.2</b>	<b>36.1</b>
<b>National Avg. (50 States &amp; DC)</b>	<b>15.1</b>	<b>17.0</b>	<b>30.1</b>

\* Includes interpreters

Note: The lower number in Illinois implies that the state has more SE teachers per child in special education in relation to the nation.

Source: These ratios were calculated from IDEA personnel and child count data from [www.ideadata.org](http://www.ideadata.org); Child Count (ages 3-21) and Personnel FTE Counts from the Annual Report to Congress on the Implementation of the Individuals with Disabilities.



## Personnel-Based SE Exp. per SE Student Index by State (top 24 and bottom 5)

1	New York	2.15
2	Hawaii	1.77
3	Vermont	1.60
4	New Hampshire	1.49
5	New Jersey	1.38
6	Rhode Island	1.30
7	Minnesota	1.27
8	Virginia	1.22
9	New Mexico	1.21
10	Kansas	1.15
11	Louisiana	1.10
12	Iowa	1.10
13	Illinois	1.10
14	Maine	1.07
15	Arizona	1.06
16	Maryland	1.06
17	Connecticut	1.06
18	Delaware	1.01
19	Wyoming	1.01
20	Pennsylvania	0.99
21	North Dakota	0.99
22	South Dakota	0.99
23	Massachusetts	0.98
24	Wisconsin	0.97
47	Utah	0.70
48	Indiana	0.69
49	Idaho	0.68
50	Oklahoma	0.67
51	South Carolina	0.63



# Illinois SE Formula

## I. State reimbursements for personnel are:

- **Full-time professional personnel** (\$9,000 per special education certified teacher, state approved special education director, related services provider, registered therapist, professional consultant, and special education administrator or supervisor (and others who qualify))
- **Hospital/homebound instruction** (one-half of the teacher's salary, but not more than \$1,000 annually per child or \$9,000 per teacher, whichever is less)
- **Readers for the blind or partially sighted** – (one-half of salary - not more than \$400 annually per child)
- **Noncertified employees** (the lesser of one-half of the salary or \$3,500 annually per employee)



# Illinois SE Formula

## II. Extended School Year:

**When a school district or special education cooperative operates an approved school or program in excess of the adopted school calendar, personnel reimbursement is available at 1/180 of the amount or rate paid. A maximum of 235 days is allowed.**



## Illinois SE Formula

### **III. Students placed by the district in approved day or residential nonpublic schools :**

- **Tier 1 reimbursement:** The formula reimburses the difference between the district's first per capita charge and \$4,500 assuming the tuition that the district paid is above \$4,500. (Practically, less than 5 districts in the state are eligible because most district per capita amounts are above \$4,500.)
- **Tier 2 reimbursement:** The total tuition paid is compared to the two per capita offset and any difference is eligible to be reimbursed by the State. (Most districts fall into this category.)



## Illinois SE Formula

### IV. Funding for Children Requiring Special Education Services

- These new provisions had a “hold harmless” base defined as the amount each district received under the last year of the old Extraordinary formula (FY 04).
- The remainder of the funds were distributed 85% on district average daily attendance and 15% on poverty. The hold harmless provisions were to remain in effect for three years - beginning with FY 08 these funds are being distributed to all districts based 85% on ADA and 15% on poverty.
- In addition, however, effective January 8, 2008 districts must not receive payments under these provisions less than that received for fiscal year 2007. However, this funding is to be “computed last and shall be separate from other calculations. (It appears that these final provisions have not yet been fully funded.)



# Illinois SE Formula

- **V. Other provisions:**
- **Reimbursement for the actual costs of educating eligible children with disabilities who reside in orphanages, foster family homes, children's homes, or state housing units.**
- **Reimbursement for 4/5 of the cost of transportation for each child who requires special transportation service in order to take advantage of special education facilities.**
- **Reimbursement for children eligible under the first two points above, and enrolled in summer school for at least 60 clock hours.**
  - Eligibility requirements for pupils claimed for summer school are:
    - (1) the pupil must be enrolled in one or more courses offered for at least 60 clock hours in the summer session;
    - (2) the pupil must be eligible pursuant to the requirements for continued summer school services per his or her Individualized Education Program (IEP);
    - (3) there shall not be a tuition charge to families to insure a "free, appropriate public education."



# Looking to the Future

## Funding formulas that:

- Provide comparable services for SE students statewide
- Allow for local professional discretion and possibly spending on RTI
- Have a clear basis for the amount of funds being distributed
- Are tied to the general education formula
- Accommodate student mobility and choice
- Reward success in student outcomes



# Future Emphasis: Efficiency

## Response to Intervention

- Relationship to fiscal policy
- How much does it cost?
- How is it supported?
- What are its intended outcomes and how are they measured?



## Future Emphasis: Efficiency

- How much is being spent on differing practices?
- Are some practices more effective than others?
- How do practices compare in terms of relative costs in relation to relative positive outcomes for children?
- How to maximize education and life benefits for children in special education?

# Looking to the Future

The Strongest and Weakest Special Education "Value Added Index" (VAI) Districts in California						
County	District	2-Yr Avg. VAI	Number of Schools	% Poverty	% Special Education	% "Low Incidence"
<b>Highest 10 Average Value-Added Index (VAI)</b>						
Alameda	1	<b>1.80</b>	5	0%	12%	25%
Los Angeles	2	<b>1.57</b>	13	2%	9%	45%
Fresno	3	<b>1.35</b>	5	99%	10%	22%
Fresno	4	<b>0.99</b>	3	78%	5%	22%
San Diego	5	<b>0.97</b>	4	7%	9%	30%
Los Angeles	6	<b>0.88</b>	4	1%	4%	33%
Santa Clara	7	<b>0.85</b>	18	7%	10%	24%
Fresno	8	<b>0.81</b>	15	76%	8%	26%
Los Angeles	9	<b>0.81</b>	16	2%	11%	33%
<b>Lowest 10 Average Value-Added Index (VAI)</b>						
Alameda	264	<b>-0.54</b>	16	41%	9%	29%
Kern	265	<b>-0.59</b>	5	27%	10%	34%
Kern	266	<b>-0.62</b>	4	33%	11%	13%
Merced	267	<b>-0.64</b>	4	52%	8%	27%
Madera	268	<b>-0.67</b>	4	28%	7%	35%
Tulare	269	<b>-0.78</b>	8	76%	4%	29%
San Joaquin	270	<b>-0.78</b>	6	36%	8%	26%
Tulare	271	<b>-0.86</b>	19	67%	5%	54%
Fresno	273	<b>-1.29</b>	4	96%	6%	22%



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