

## Special Education Funding Coming Up Short

Special education state aid isn't keeping pace with the cost of providing the services required by federal and state law. School districts must provide these services, regardless of funding provided, forcing districts to shift funding away from general education programs. This year, school districts are receiving \$163 million less state special education aid than they are supposed to get under state law.

Special education costs are growing. Growing student needs and earlier identification results in more students qualifying for services. In addition, Kansas law exceeds federal law in several areas, such as requiring services to gifted students and guaranteeing additional rights to parents.

Year	Headcount Enrollment		Licensed Teachers		Total USD Staff	
	Special Education Students (w/disabilities)	Total Enrollment	Special Education	Total Teachers	Special Education	Total Staff
2011	63,889	485,082	3,841.4	34,074.8	10,090.4	68,186.80
2021	75,306	483,297	4,236.8	35,573.3	10,699.3	71,854.30
# Change	+11,417	-1,785	+395.4	+1,499	+608.9	+3,668
% Change	+17.9%	-0.4%	+10.3%	+4.4%	+6.0%	+5.4%

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## Special Education Students Are Outpacing Overall Enrollment

The number of students identified with disabilities under IDEA and requiring special services is increasing, based on changes in federal and state policies, as well as increased parental requests.

The number of special education students in Kansas has increased nearly 18 percent over the past 10 years. This increase comes at the same time that total student enrollment in Kansas was growing slowly then began to decline around 2020-2021.

Note: This trend is reported in headcount enrollment. This represents the total number of individual students served, even though many special education students receive services for only a portion of the day. It's important to note that every student with an IEP receives services above and beyond what they would receive as a regular education student. When gifted students are included, the total special education headcount enrollment was just over 88,000 Kansas students in fiscal year 2022.

## To Serve More Students, Districts Need More Staff

Most special education services are provided by specially trained staff members. To serve more students, districts must hire more special education teachers and paraprofessionals.

The number of licensed special education teachers in Kansas has increased by nearly 400, or more than 10%, in the past decade – more than double the percent increase among all licensed teachers. Total special education staff, which includes both teachers and special education paraprofessionals, has increased six percent, a higher rate than total staff. Keep reading to learn why total school district staff has increased more than total student enrollment.

## Special Education Costs Have Grown Much More Than Inflation

The total special education expenditures by school districts have increased by 31.5% from 2011-2021, when combining the cost of additional staff with other costs of providing services to an increasing number of students. This increase is 50 percent higher than the rate of inflation over the same period (20.5%). The rate of special education cost increases makes sense, given the rate of increase in the number of students and staff.

In the Kansas school finance formula, special education funding is designed to fund the additional costs to provide special education services to a student, sometimes referred to as "excess cost." This covers the additional expenses, beyond what it costs to teach a general education student. Under this formula, the excess cost has risen by over 43%, compared to total special education expenditures, which increased 31.5%. Neither the state nor federal governments are providing enough money to cover the excess cost, leaving local districts to divert general education funds to provide the legally required special education services.

Year	Consumer Price Index	Special Education Costs		Special Education Aid			Available Revenue	
		Total Special Education Expenditures (in millions)	Excess Cost Under State Law (in millions)	Federal IDEA Aid (in millions)	State Aid, Including Non-IDEA Federal Aid (in millions)	State Aid As % of Excess Cost	General Fund, LOB and Special Education (in millions)	SPED Expenditure as % of GF, LOB and SPED Aid
2011	224.9	\$773.6	\$481.5	\$107.0	\$443.0	92.0%	\$3,967.9	19.5%
2021	271.0	\$1,017.4	\$691.1	\$109.5	\$513.5	74.3%	\$4,791.6	21.2%
# Change	+46.1	+\$243.8	+209.6	+\$2.5	+\$70.5		+\$823.7	
% Change	+20.5%	+31.5%	+43.5%	+2.3%	+15.9%		+20.8%	

## Neither State Aid nor Federal Aid Has Kept Up With Costs

Federal funding is one reason the growth in excess cost outpaced special education expenditures. The Individuals with Disabilities Education Act (IDEA) federal funding has only increased 2%, well below the increase in students and growth in inflation.

From 2011-2021, state-level special education aid increased 15.9%. This is less than the rate of inflation and only about half the rate of special education total expenditures, despite the growing number of students with disabilities and the rising costs of serving them.

## Total Available Resources Can't Serve All Students

Total available revenues are not increasing enough to cover both the rising cost of special education and other programs as provided in the Gannon school finance case, based on educational cost studies and other changing education needs.

When the cost of providing special education – mandated by state and federal law – increases more than funding, districts must shift dollars from programs that are not specifically required by law.

Generally, the only revenues districts can use to cover special education costs come from the school district general fund and local option budget, and of course, special education state aid. Even with increases in other school district aid programs, such as KPERS contributions, bond and interest and capital outlay and food service, these funds are typically not allowed for most special education costs.

Between 2011 and 2021, available district revenues increased by about 21%, or about the same rate as inflation. Not only do special education costs outpace inflation, the shift of funding to cover those costs has resulted in fewer dollars available to support other programs that serve all students.

And while overall headcount enrollment is essentially unchanged comparing 2011 to 2021, the increase in special education students brings with it important new costs, including the need for additional staff hires.

- More district preschool programs have grown to serve both three- and four-year-old children.
- Headcount enrollment does not reflect kindergarten students who have gone from half days to full days.
- Early childhood programs have expanded, leading to more early identification of students who qualify for special education services.
- More students are qualifying for and receiving at-risk and bilingual services, which are weighted for additional costs.
- More students are enrolled in Career Tech Ed courses, which have a higher cost and weighting.
- Districts have added more counselors, social workers, nurses, school psychologists and security staff to address rapidly-changing health and safety issues.
- Technology staff have been added in many districts to assist teachers, students and families.

The Gannon plan to fund Kansas schools was based on state cost studies and designed to restore funding to inflation-adjusted 2009 levels by 2023. But when state aid falls short of special education costs, it becomes all but impossible for the plan's increases in base state and weightings to have their intended effect.

In the benchmark year of 2009, special education was funded at 92% of excess cost. The base state aid and weighting are being restored to inflation-adjusted 2009 levels under Gannon. However, the decline in special education aid as percentage of costs is eroding a district's ability to use a higher base aid for salaries, programs and services. That makes it more difficult for districts to restore levels of academic performance to 2009 levels.

Special education services are protected under state and federal law, regardless of cost. Kansas special education test scores have declined by just 1% since 2016, even during the COVID pandemic. Test scores of students without disabilities dropped 6% over that same period, as districts were forced to transfer funding away from general education to maintain mandatory special education services.

## Special Education Students and Costs Have Many Factors

As issues in special education funding are driven by an increase in the growing number of students identified, it is important to understand why this is happening. Percentages are increasing nationally, as well as in Kansas. However, there are specific reasons why Kansas special education numbers are rising at a somewhat faster rate.

### PARENTS HAVE A STRONGER VOICE IN SPECIAL EDUCATION AND UNDERSTANDABLY WANT THE BEST POSSIBLE SERVICES FOR THEIR CHILDREN

Parents of special education students have extensive rights under the federal law to request services and appeal decisions if they are not satisfied. In fact, there are organizations designed specifically to help parents exercise these rights. Over time, special education has lost some of its traditional stigma, and more parents want services. Today, a primary source of disagreement is when a parent seeks to secure more services for their child, which would increase the district's costs to deliver services. Importantly, Kansas law provides additional protections beyond federal requirements. These make it easier for parents to keep students in special education programs, even if school officials believe the special services are no longer needed.

## KANSAS POLICIES PROMOTE MORE IDENTIFICATION OF STUDENTS

In recent years, Kansas has expanded early childhood services with bipartisan support. More contact with students at an earlier age means more students with disabilities are identified sooner. Research shows earlier identification and intervention improves long-term outcomes for students.

The legislature and Kansas Board of Education have both required more screening for dyslexia and other reading disorders. As a result, districts have seen increases in the number of students qualifying for services to address developmental delays and learning disabilities. It will take time to more fully measure the effects or benefits of earlier identification. For example, state assessments do not begin until third grade.

## CHANGING STUDENT NEEDS HAVE RESULTED IN MORE IDENTIFICATION

Kansas educators have reported more students with mental health issues, peer socialization challenges and effects of excessive screen time on devices. These trends, accentuated during the pandemic, can lead to academic and behavioral problems. This can result in more special education needs when issues cannot be addressed by general education teachers and supports. When school funding fell behind inflation from 2009 to 2017, districts reduced regulation staff and support programs. In the years since, they have been rebuilding these programs with Gannon funding, which was only fully funded beginning in the 2023 fiscal year.

Students with autism are another area of rapid growth. This group of students, which has increased by 21.2% since 2018, is now the fifth largest category of disability.

## Special Education Has Positive Results in Kansas Despite Funding

Kansas ranks in the top 10 states for graduation rates among students with disabilities. In fact, special education graduation rates in Kansas have improved more than overall graduation rates. And noted earlier in this report, test scores among special education students in Kansas declined just 1% during the pandemic, well below the test score declines among regular education students during the same time period.

Kansas is one of a small number of states that has received the Meets Requirements standard for the past 10 years for the implementation of special education by the Office of Special Education programs (OSEP). This is an annual determination based on an evaluation of district-level data representing all Kansas districts. The process evaluates the state's efforts to implement the requirements and purposes of the federal law and describes how the state will improve its implementation. This includes indicators that measure child and family results, as well as indicators that measure compliance with the requirements of the IDEA. Among other indicators, states are audited to verify they are not over-identifying students for special education.