



Special Education Funding: History and Overview



Kansas leads the world in the success of each student.

History of Special Education Funding in Kansas

The 1970s to Present



Special Education for Exceptional Children Act (SEECA)

- Passed in 1974
 - Individuals with Disabilities Education Act passed in 1975.
- Required provision of special education services to students.
- Authorized state aid to school districts to help provide services.
 - Reimbursement for excess costs associated with special education.
 - Primarily paid for special education teachers.
 - Reason: most special education costs are personnel, specifically teachers and paraprofessionals.
 - State aid often covered 100% of excess costs through mid-1980s.



Special Education Funding in the 1990s

- By the 1990s, the policy goal was to fund special education at 92% of excess costs.
 - Not in statute – an informal policy goal.
 - Goal used to determine the annual appropriation.
 - State aid ranged between 77% and 95% from FY 1990-FY 1999.
- Catastrophic state aid
 - Began in SY 1994-1995.
 - State aid to USDs for special education students with particularly costly services.
 - Threshold for state aid has changed over time.



Special Education Funding in the 21st Century

- 92% of excess costs put into statute during the 2005 Special Session.
 - Response to *Montoy vs. State*
 - SY 2005-2006: 89.3%
 - SY 2006-2007 and each subsequent year: 92%



Fiscal Year	State Aid	Federal Aid	Total Aid	Excess Costs
2008-2009	\$427,718,409	\$—	\$427,718,409	89.5%
2009-2010	\$367,427,058	\$56,517,430	\$423,944,488	92.0%
2010-2011	\$388,982,076	\$54,453,996	\$443,436,072	95.7%
2011-2012	\$428,133,154	\$396,920	\$428,530,074	86.6%
2012-2013	\$430,426,151	\$—	\$430,426,151	84.7%
2013-2014	\$428,702,584	\$—	\$428,702,584	82.9%
2014-2015	\$428,360,566	\$—	\$428,360,566	82.2%
2015-2016	\$434,754,409	\$—	\$434,754,409	83.3%
2016-2017	\$435,469,632	\$—	\$435,469,632	80.9%
2017-2018	\$445,981,646	\$—	\$445,981,646	79.2%
2018-2019	\$490,366,856	\$—	\$490,366,856	80.9%
2019-2020	\$497,709,133	\$—	\$497,709,133	76.0%
2020-2021	\$505,416,348	\$6,339,663	\$511,756,011	77.6%
2021-2022	\$512,892,374	\$26,095,428	\$538,987,802	80.6%
2022-2023	\$522,877,065	\$21,945,515	\$544,822,580	76.5%
2023-2024 Estimate	\$528,160,830	\$5,496,839	\$533,658,669	69.3%
2024-2025 Estimate	\$535,518,818	\$—	\$535,518,818	66.4%
2025-2026 Estimate	\$535,518,818	\$—	\$535,518,818	62.7%



Fiscal Year	Total SPED State Aid	Total SPED Expenditures	Aid as a Percent of Expenditures
2008-2009	\$427,718,409	\$766,238,082	55.8%
2009-2010	\$423,944,488*	\$768,877,370	55.1%
2010-2011	\$443,436,072*	\$773,590,853	57.3%
2011-2012	\$428,530,074*	\$790,577,520	54.2%
2012-2013	\$430,426,151	\$818,685,554	52.6%
2013-2014	\$428,702,584	\$837,451,472	51.2%
2014-2015	\$428,360,566	\$845,036,304	50.7%
2015-2016	\$434,754,409	\$843,110,961	51.6%
2016-2017	\$435,469,632	\$862,481,386	50.5%
2017-2018	\$445,981,646	\$899,723,699	49.6%
2018-2019	\$490,366,856	\$966,008,742	50.8%
2019-2020	\$497,709,133	\$1,009,074,869	49.3%
2020-2021	\$511,756,011*	\$1,017,356,006	50.3%
2021-2022	\$538,987,802*	\$1,059,884,948	50.9%
2022-2023	\$544,822,580*	\$1,107,457,829	49.2%
2023-2024 Estimate	\$533,658,669*	\$1,158,323,053	46.1%
2024-2025 Estimate	\$535,518,818	\$1,212,489,790	44.2%
2025-2026 Estimate	\$535,518,818	\$1,269,029,253	42.2%

FY 2009-FY 2023:

- Special education state aid increased by 27.3%
- Special education expenditures increased by 44.5%

*Includes federal monies made available for special education.



How Special Education Funding Currently Works

Excess Costs, Distribution, and the Impact of
Underfunding

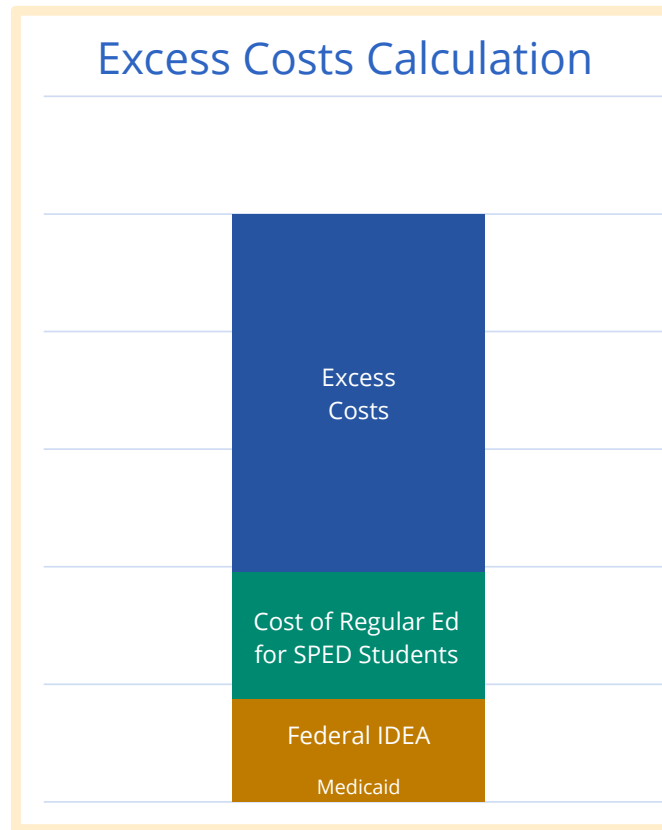


Excess Costs Formula

- KSA 72-3422: state aid should equal 92% of statewide excess costs for providing special education services
- Excess costs = Total cost of providing SPED services – Cost of regular education for SPED students – Federal aid for SPED
- Formula designed to determine how much to appropriate for special education state aid
 - NOT designed to determine how much aid individual districts should receive



Excess Costs Formula



Distribution of State Aid

1. Catastrophic state aid (KSA 72-3425)
 - For students, whose services are twice the per-teacher entitlement from the prior year.
 - Reimburse 75% of costs above twice the per-teacher entitlement.
2. Medicaid replacement state aid (KSA 72-3440)
 - Based on the number of special education students approved for Medicaid services.
 - \$9 million per year.



Distribution of State Aid

3. Transportation state aid (KSA 72-3422)
 - Reimburse 80% of actual travel expenditures
 - For both teachers and students (if transportation is in the IEP)

4. Special education teacher state aid (KSA 72-3422)
 - Balance of appropriation is distributed as aid per FTE teacher
 - Certified teachers: 1.0 FTE
 - Paraprofessionals: 0.4 FTE



Current Special Education Estimates

- Based on the current consensus estimates, special education funding is well below 92% of statewide excess costs.
- FY 2024 estimate: \$528.2 million in state aid
 - 69.3% of excess costs
 - \$173.1 million below 92%
- FY 2025 estimate: \$535.8 million in state aid
 - 66.4% of excess costs
 - \$206.8 million below 92%



Why is the percent of excess costs covered declining?

- Increase in the number of special education students, which requires additional staff and increases the costs to provide services.
 - SY 2015-2016: 82,793 total SPED students (16.3% of KS students).
 - SY 2022-2023: 91,252 total SPED students (17.9% of KS students).
 - Since 2001, special education enrollment is up 20%.
 - Since 1998, the number of special education teachers is up 25%.
 - Number of paraprofessionals is up 93%.
- Appropriation for state aid has increased slower than the growth in the cost of providing special education services.



Effects of Not Funding at 92%

- Because special education services must be provided, school districts must pay for services not covered by federal or state aid.
 - Transfer additional monies from district general funds or supplemental general funds (LOBs).
 - Result: money available to pay for regular education decreases.



Transfers to Special Education Fund Above Requirements

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
General Fund	\$111,901,596	\$155,248,440	\$163,284,533	\$108,892,215	\$137,382,242
Local Option Budgets	\$189,513,552	\$212,633,698	\$196,801,119	\$226,345,130	\$237,699,610
Contingency Reserve	\$1,753,059	\$146,155	\$—	\$23,200	\$544,001
TOTAL	\$303,168,207	\$368,028,293	\$360,085,652	\$335,260,545	\$375,625,853



Amended State Board Plan

Fiscal Year	Excess Costs	State Aid	Excess Cost	Additional Cost
2025	\$808,853,729	\$618,284,695	76.4%	\$82,765,877
2026	\$854,364,907	\$701,050,572	82.1%	\$82,765,877
2027	\$897,083,152	\$783,816,448	87.4%	\$82,765,876
2028	\$941,937,310	\$866,582,325	92.0%	\$82,765,877



How Other States Fund Special Education

A Variety of Systems and Approaches



Different Ways to Fund Special Education

- **Single student weighting (or flat weight):** Provides the same amount of state funding for each student with disabilities, regardless of the severity of those disabilities.
 - Used by 5 states.
- **Multiple student weighting:** Provides different levels of funding for different categories of students, generally based on the kind of disability or services provided.
 - Used by 10 states.
- **Resource-based funding:** Provides funding based on the cost of the resources required, such as salaries or course materials.
 - Used by 2 states.



Different Ways to Fund Special Education

- **Census-based:** Provides funding based on each district's total enrollment and assumes a percent of students in each district will require special education services.
 - Used by 2 states
- **High-cost services:** Provides additional funding for especially high-cost services or students with especially high needs, above a certain set threshold.
 - Used by 3 states.



Different Ways to Fund Special Education

- **Reimbursement:** Districts report special education expenditures to the state and receive reimbursement for a portion of those expenses.
 - Used by 4 states, including Kansas.
- **Hybrid:** Uses two or more funding mechanisms.
 - Used by 25 states.





Questions?