



**Testimony before the  
2022 Special Committee on Education**

**On**

**Special Education Excess Costs**

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Madam Chair and Members of the Committee,

Thank you for the opportunity to offer testimony on excess costs and special education services provided to disabled and gifted students in Kansas.

**Special education students and costs are increasing for a number of reasons.**

Because issues in special education funding are driven by an increase in students identified, it is important to understand why this is happening. Percentages are increasing nationally, as well as in Kansas, but there are several reasons why Kansas is rising somewhat faster.

- **Parents have a stronger voice in special education than other areas of K-12 education, and understandably want the best possible services for their children.**

Parents have extensive rights under the federal law to request services and appeal decisions if they are not satisfied. In fact, organizations are funded specifically to help parents exercise these rights. When parents and districts disagree, it is because more services are sought, which would further increase costs. Over time, special education has lost some “stigma” and more parents want services. Importantly, Kansas law provides additional protections beyond federal requirements which make it easier for parents to keep students in special education programs even if school officials believe these services are no longer needed.

- **Kansas policies have promoted more identification of students.**

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

Plans for developmental delays and learning disabilities. (Note: it will take time to measure the full impact of earlier identification. For example, state assessments do not begin until three grade.)

- **Changing student needs have resulted in more identification.**

Kansas educators have reported more students with mental health issues, problems of socialization with other students and impacted by excessive screen time on devices. These issues have been increasing over recent years and were worsened by the pandemic. These trends can lead to academic and behavioral problems, which can result in more special education needs if they cannot be addressed by general education teachers and supports. When school funding fell behind inflation from 2009 to 2017, regulation staff and support programs were reduced. Districts have been rebuilding these programs with *Gannon* funding, which was not fully funded until this year.

Another area of rapid growth has been for students with autism, which increased by 21.2 percent since 2018 and is now the fifth largest category of disability.

**Despite funding issues, there have been positive results for special education in Kansas.**

Kansas ranks in the top 10 states for students with disabilities graduation rates, and special education graduation rates have improved more than overall graduation rates in Kansas.

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 its special education IDEA by the Office of Special Education programs (OSEP). This is an annual determination based on an evaluation of district level data representing all districts within Kansas, which 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, and other indicators that measure compliance with the requirements of the IDEA. Among other indicators, states are audited to ensure they are not over-identifying students for special education.

Kansas special education test scores declined by just one percent since the COVID pandemic, which has severely impacted all states.

**Data on cost increases:**

Special education state aid is not keeping up with the cost of providing services required by federal and state law. Because school districts must provide these services regardless of funding provided, this has resulted in shifting funding away from general education programs. This year, school districts are receiving \$163 million less in state special education aid than they are supposed to receive under state law.

Special education costs are growing because of more students are qualify for services under federal law, because Kansas exceeds federal law in several areas, such as requiring services to gifted students and additional parental rights, and because of increasing student needs.

Year	Headcount Enrollment		Licensed Teachers		Total Staff	
	Special Education Students (w/disabilities)	Total Enrollment	Special Education	Total Teachers	Special Education	Total USD 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
<b>Change</b>	<b>11,417</b>	<b>-1,785</b>	<b>395.4</b>	<b>1,499</b>	<b>608.9</b>	<b>3,668</b>
<i>Percent</i>	<i>17.9%</i>	<i>-0.4%</i>	<i>10.3%</i>	<i>4.4%</i>	<i>6.0%</i>	<i>5.4%</i>

**The number of special education students is increasing faster than overall enrollment.**

Due to changes in federal and state policies and increased parental requests, the number of students identified with disabilities under IDEA and requiring special services has been increasing faster than total enrollment.

In Kansas, the number of special education students has increased nearly 18 percent over the past ten years. While the number of students overall was growing slowly then dropped during the COVID pandemic, the number of special education students has continued to rise.

**Note:** this is the headcount enrollment. Many special education students receive services for only a portion of the day. However, all students with an IEP receive services above and beyond what they would receive as a regular education student. When gifted students are included, the total special education headcount enrollment in fiscal year 2022 was just over 88,000 Kansas students.

**To serve these additional students, districts have had to hire more staff.**

To serve more students, districts need more special education teachers and paraprofessionals, because most SPED services are provided by staff. Special education teachers have increased by nearly 400, or over 10%, in the past decade, more than double the percent increase in total teachers. Total special education staff, which includes both teachers and special education paraprofessionals, has increased six percent, a higher rate than total staff. (For reasons why total school district staff has increased more than total student enrollment, see below.)

**The cost of special education services has increased significantly more than inflation.**

With additional staff and other costs of providing services to an increasing number of students, total special education expenditures by districts have increased by 31.5%, which is 50 percent than the rate of inflation over this period (20.5%). In other words, special education costs have increased much faster than inflation, which is to be expected when students and staff are increasing.

The state’s excess cost formula, which is set by state law, is designed to account for the portion of the costs of “regular education;” in other words, the amount allocated to students in general education programs, as well as federal aid. Under this formula, the “excess cost” has risen by over 43%, compared to total special education expenditures, which increased 31.5%.

Year	Consumer Price Index	Special Education Costs		Special Education Aid			Available Revenue	
		Total Special Education Expenditures (\$000s)	SPED Excess Cost Under State Law (\$000s)	Federal IDEA Special Education Aid (\$000s)	State Aid, including non-IDEA federal aid (\$000s)	State aid as Percent of Excess Cost	General Fund, LOB and SPED Aid (\$000s)	SPED Expend. As Percent 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%
<b>Change</b>	<b>46.1</b>	<b>\$243.8</b>	<b>\$209.6</b>	<b>\$2.5</b>	<b>\$70.5</b>		<b>\$823.7</b>	
<i>Percent</i>	20.5%	31.5%	43.5%	2.3%	15.9%		20.8%	

**Neither state nor federal aid for special education has kept up with special education costs.**

One reason the excess cost amount has risen faster than special expenditures is because federal special education provided for the Individuals with Disabilities Education Act (IDEA) has only increased slightly over 2%, much less than the increase in students and the inflation rate.

Over the same period, state special education aid increased 15.9%, less than the rate of inflation and only about half the rate of special education total expenditures, despite the increase in the number of students with disabilities and costs of serving them.

**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, based on educational cost studies and other changing education needs.**

When special education costs, which are mandated by state and federal law, increase more than available revenues, districts must shift funding from other education programs where specific services are not required by law.

For the most part, the only revenues districts can use for special education costs come from the school district general fund, local option budget, and of course special education state aid. While other school district aid programs have increased (such as KPERs contributions, bond and interest and capital outlay, other federal aid and food service) these revenues cannot be used for most special education costs.

From 2011 to 2021 these available revenues increased by about 21 percent, or about the same rate as inflation. However, because special education costs have been increasing **MORE** than inflation, the shift of funding to cover those costs means funding for other programs supported by those revenues have increased at **LESS** than the rate of inflation.

It is also important to note that while overall headcount enrollment is essentially unchanged since 2011 after COVID, that does not recognize some important new costs, which required additional staff.

- Headcount enrollment does not reflect kindergarten students that previously were half time and now are full time. Districts have also expanded preschool programs for three- and four-year-olds.
- More students are qualifying 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 health and safety issues which have changed significantly in the past decade. Districts have also added technology staff to assist teachers, students and families.

Because state aid for special education has not kept up with special education costs, the increases in base state and weightings provided under the *Gannon* plan, which were based on state cost studies and designed to restore funding to inflation-adjusted 2009 levels by 2023, are not having the intended effect.

In the benchmark year of 2009, special education was funded at 92 percent of excess cost. Although base state aid and weighting are being restored to inflation-adjusted 2009 levels under Gannon, the decline in special education aid as percentage of costs is eroding the value of 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 through the IEP under state and federal law, regardless of cost, and Kansas special education test scores declined by just 1 percent since 2016, even during COVID. Test scores of non-disabled students dropped 6 percent over that same period as districts had to shift funding away from general education to maintain mandatory special education services.

I'll stand for questions at the appropriate time.