

DRAFT: State Survey of Special Education Funding Formulas - by David Lapp, Education Law Center, May 2009

	PA Currently	PA - Proposed	New Jersey	New York	New York	Delaware	Maryland	West Virginia	Ohio	Florida	South Carolina
Date of Adoption /	Long ago		2008	prior to 2007-2008	since 2007-2008	1950	5 year phase in began in 2002	2008	2001 began a phase in that is at 90% in 2008-2009	2000	1977
Applicable Statute		HB 704	N.J.S. 18A:7F-43 to N.J.S. 18A:7F-55		McKinney's Education Law § 3602	Code Del. Regs. 14 700, 900, and 928	MD Code, Education, § 5-209	WVC §18-9A-10(a) to WVC §18-9A-26.	Ohio Revised Code § 3317.013 & 3317.03	F.S.A. § 1011.62	South Carolina Annotated Code § 59-20-40
What's Being Measured?	total # of students	number of special ed students	total # of students	hours of direct service	number of special ed students	"teacher units" (based on student populations)	number of special ed students	No Specific Funding for Special Education	Number of students with specific disabilities (autism, speech, etc.)	Numbers of students in "support level 4 or 5" - see "Matrix of Services"	Number of students with specific disabilities (autism, speech, blind, etc.)
Is the Measurement Divided into Categories / tiers? If so, how?	no - Census based approach assumes the same percent of students with disabilities in all districts.	no - one weight (1.3) for all special ed students	no - Census based approach assumes the same percent of students with disabilities in all districts.	Yes 60% & ↑ services → 1.7 weight. 20-60% service → .9 weight add .5 weight if "services" are provided in a regular classroom setting.	no - one weight 1.41 for special ed students (The two-tier weighting system is still used for charter schools.)	Yes - type of disability = more or fewer units (e.g. 1 unit per 20 regular ed students - 1 unit / 15 "educable mentally handicapped" children - 1 unit / 10 seriously emotional disturbed - 1 unit / 8 blind or learning disabled - 1 unit / 6 trainable mentally handicapped, severely mentally handicapped, traumatic brain injured, orthopedically disabled, or partially deaf children - 1 unit / 4 autistic or deaf-blind children.)	No - one weight 1.17 for all special ed students	NA	Yes - six disability Category Weights 1 (Speech Only) - 2892 2 (LD, DH, Other Health - minor) - 3691 3 (Hearing Impaired, Visually Impaired, SBH) - 1.7695 4 (Other Health-Major, Orthopedic) - 2.3646 5 (Multi-handicapped) - 3.1129 6 (TBI, Autism, Deaf-Blind) - 4.7342	Yes Kindergarten and Grades 1, 2, and 3 receiving any Exceptional Student Services(ESE) Services = 1.066 weight Grades 4, 5, 6, 7, and 8 with any ESE Services = 1.0 weight Grades 9, 10, 11, and 12 with any ESE Services = 1.052 weight Support Level 4 = 3.570 weight Support Level 5 = 4.970 weight	yes - each disability has its own weight Trainable Mentally Handicapped 2.04 Speech Handicapped 1.90 Homebound 2.10 Emotionally Handicapped 2.04 Educable Mentally Handicapped 1.74 Learning Disabilities 1.74 Hearing Handicapped 2.57 Visually Handicapped 2.57 Orthopedically Handicapped 2.04 Autism 2.57
What is the formula to determine Special Education "Cost"?	16% x total student population = cost	base cost x 1.3 weight = cost of reaching adequacy target	NJ State contr. to spec. ed. costs = State's Categorical Contribution (Total Enr. x 14.69% x \$10,898 x 1/3 x GCA) + (Extraordinary Aid) + State's Wealth-Equalized Contr. ((Total Enr. x 14.69% x \$10,898 x 2/3) - LFS) + ((Total Enr. x 1.897% x \$1,082) - LFS) GCA = Geographic Cost Adjustment LFS = Local Fair Share	Weights factor into determining the total student counts which are then multiplied by a uniform base cost	Number of special ed students x 1.41 weight = number counted toward the total student population. Total student population x base cost (between approx. \$5,695-\$8,115 depending on geography / poverty) = cost	Districts get state funds based on how many "units" they have. Generally, one "unit" will fund the equivalent of one FTE teacher and one paraprofessional. The number of "units" will also result in state funding for other staff members (principals, support staff, etc.). Currently the state funds approximately 70% of the cost of a teacher or other staff member.	base cost (approx. \$6, 694) x 1.17 weight = cost	Special Ed. is not included in any formula, however, the State funds approximately 55% of public education in WV. Districts have wide discretion over how they use those funds and it is expected that they are used in part to pay the costs of special education.	Number of students in a particular disability category x category weight x district share (based on poverty / geographic cost, but generally around 45% of the base which is currently \$5,565) x 90% = state funding (this calculation is conducted for each of the six disability categories above)	Number of (FTE) students x applicable cost factors (See Matrix) = weighted FTE students. Weighted FTE students x base x district cost differential = base funding from state and local funds. Then also add in a Supplemental Academic Instruction Allocation and an ESE Guaranteed Allocation	The ADM (ave. daily membership) x weight = district WPU (weighted pupil units for a district) State WPU x BSC (Base Student Cost) = Total Cost (BSC) = \$2,578; state weighted pupil units (WPU) = 872,274 The State provides each district the difference between the district total cost and required local support including an index of taxpaying ability. (district WPU X BSC) - (state WPU X BSC X index X .3) = district allocation
Is there provision for extreme expenses? (ie contingency funds?)	Yes - approximately 1% of total state special appropriations. Districts apply to the State which has the discretion to grant applications.	Yes - 1.5% of total state special ed. appropriations. Districts apply to the State which has the discretion to grant applications. Statutory priority to low-wealth districts.	Yes, see "extraordinary aid" in the formula. State pays 75% of Costs over \$40,000 for in district placements, 75% of Costs over \$55,000 for out of district placements. State pays 90% of Costs over \$40,000 when students are educated in inclusion setting.		Yes, State provides up to 49% of the cost above \$10,000	Yes - funds are appropriated at the discretion of the "Interagency Collaborative Team" which will evaluate student with "disabilities who present educational needs that cannot be addressed through the existing resources . . ."	?	Yes, the funding statute created a line item in which districts can apply to the State Superintendent for further assistance "to support children with high acuity needs that exceed the capacity of the school district to provide with available funds." WVC §18-20-5	Yes - "Catastrophic Aid" is an available reimbursement for educational expenses that exceed \$27,375 any child in category two, three, four or five or \$32,850 for any child in category six.	Yes - "smaller" districts can apply to the Commissioner of Education with documentation of the difference between cost and available funds.	Yes, SC has provision for what is called "Categorical Funding" that allows a district to receive additional funding for students whose needs to not fit in the weighted categories.
What other variables are considered?	None	poverty, tax effort, school district location, inclusion	poverty, school district, (inclusion is factored in only for extreme expenses)	inclusion	inclusion, school district, poverty	school district effort is factored into the general ed. formula.	special ed is one of many factors in the overall formula. Others include poverty, ell, school district location.	none	poverty and school district location	special ed is one of many factors in the overall formula. Others include poverty, ell, school district location.	school district location / wealth
Accountability checks on over identification?	No	Yes	No (but see below)		The DOE collects data for federally mandated state performance plans, which can affect the IDEA dollars, but not state funding.	?	?	No, but see motivation for reform below.	No	The DOE conducts statistical analyses to determine when a district's numbers are inconsistent with other similar districts and alerts those districts. However, there is no legal authority to withhold funds.	No
Reasons for recent or future reform?	Potential underfunding and inaccurate distribution.	See Costing-Out Study 2009	The move to a "census-based" approach was touted by those who claimed that pupil weights create an incentive to over classify students as special ed. in order to get more state funding. There is no conclusive evidence that this is true and others have doubted the likelihood of districts overclassifying students when they are still responsible to locally fund a large portion of the additional costs of federally and state mandated special education.	"There was a feeling among a lot of practitioners that having the two weightings created an artificial distinction that was unnecessarily complex and confusing." Burt Porter - Director of Education Finance NY State Education Department A system measuring instructional time for special ed. did not factor in expenses outside instructional time (teacher prep time, assistive technology costs, training, etc.)	When questioned about over-classification incentives in a pupil-weighted system, Michael C. Plotzker, Coordinator for the Central Office Administrative Support Services Team, responded, "There's no incentive created by the weights to over-identify kids with disabilities are born by local funding."	Delaware is in the process of reforming education funding, including special education. A pilot "needs-based" system is now used in 12 of the state's 19 districts. This system still uses teacher units, but in recognition of the fact that not all autistic students - for example - are alike, the focus is now on the amount of services a student requires (Basic, Intense, and Complex) rather than the name of their disability. (See attached rubric). In addition, the LEAD Committee was established by Governor Ruth Ann Minner in 2007 to study school funding. LEAD found that DE's current unit system has led to inflexibility, unpredictability, and funding disparities for schools. LEAD published funding reform recommendations based on a pupil-weighted system. See LEAD Committee's report at http://www.vision2015delaware.org/resources/LEAD_funding_study.pdf	In 2002 MD became the first state to enact a comprehensive funding formula guided by principles of adequacy and equity without being ordered to do so by a court. Special Ed weights are just one part of this formula. However, a recent evaluation of the new funding formula concluded that "In the few years following [the new formula], proficiency levels statewide have improved dramatically for all students and for NCLB groups." (available at http://docushare.msde.state.md.us/docushare/dsweb/View/Collection-18046). In January Education Week ranked the MD state education system as #1 in the nation.	Public Schools in WV are heavily State funded. The State pays an allowance toward the statutorily set minimum salaries of teachers and other expenses based on the total student enrollment (ie approx. 66 teachers and 45 "service professionals" per 1,000 students). Prior to 2008 WV counted special ed students by a factor of 2:1 (ie 10 spec. ed = 20 regular ed). In 2008, WV increased funding for regular education, but it did away with any weighting for special ed students. This was intended to do away with what was a perceived incentive to over identify students as special ed due to the high percent of state funding.	The overall Ohio public school funding system was born of litigation in which the courts ruled that the state was not providing adequate nor equitable funding for public education. Poor districts have realized gains under the new formula. However, the new governor is advocating new legislation that, while keeping the pupil weights, would make major changes to the formula and would fall far behind the phase in schedule of the original costing out study. Margaret Burley - Ohio Coalition for the Education of Children with Disabilities.	In 2000 Florida abolished a system involving 15 different cost factors based on disability label (see DE, OH, SC) and adopted a Matrix system to determine each students need. After initial complaints that the Matrix was too complex, support levels 1-3 were removed (except in charter schools). Students in categories 1-3 no longer receive additional funding. However, most schools still complete a "matrix" on those students to see if they fall within support level 4-5. Many districts regretted the change because they lost funding on boarderline students. Complexity remains a problem and the department reports, "It has been very hard to keep the matrix uniform, for every district to do it the same. We do audit but that's a huge job and of course we have limited resources." Martha Haynes - Office of Funding & Financial Reporting.	