

Special Education Funding in Colorado

April 28, 2017

Historical Context

- * **2004:** Consortium of Directors Special Education, with superintendents and chief financial officers, highlighted issues of district spending on reimbursed special education costs (current model in place since 1994)
- * **2005:** Ref C and additional \$48M available
- * **2006:** Redesign of special ed funding model w/ Rep. Jack Pommer, chief financial officers, Consortium, CDE
 - * Reviewed other state funding models
 - * Philosophy of “do no harm”
 - * All school districts agreed to new funding model based on additional \$48M

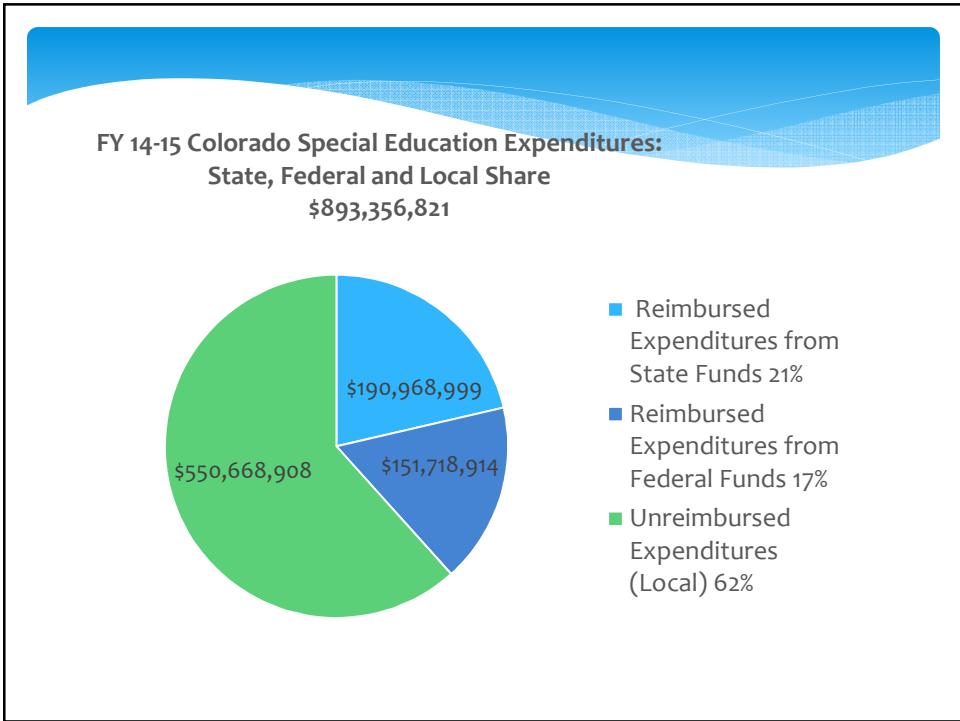
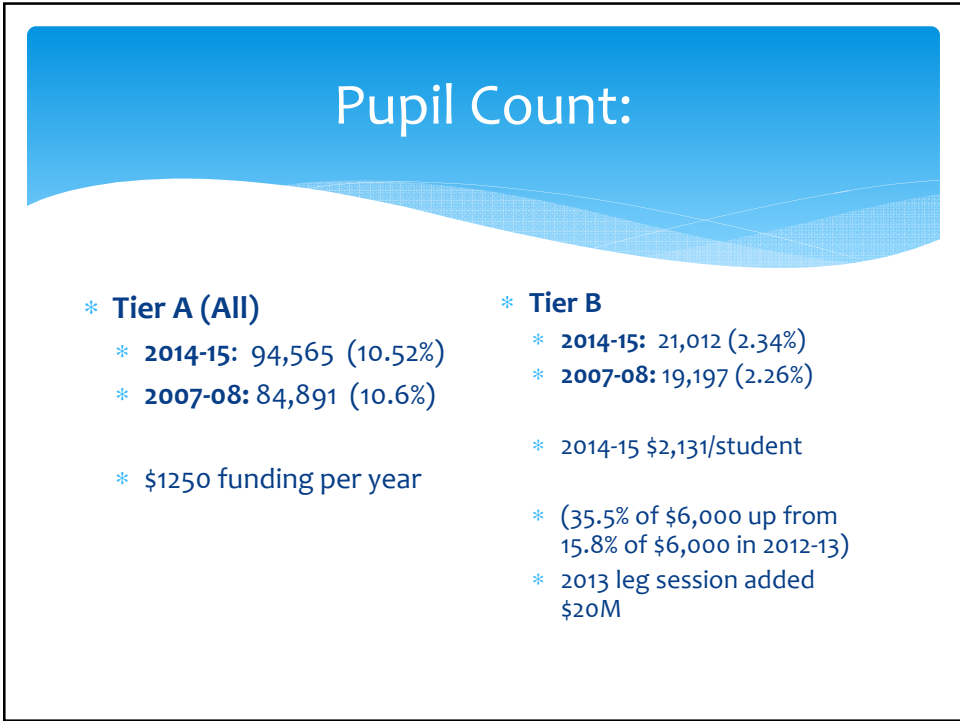
Basic Structure:

- * Tiered funding formula based on severity of need
- * Four Components:
 - * Educational Orphans: \$500,000 for those placed in eligible facilities
 - * Tier A: \$1250 for every student with a disability served by the AU
 - * Tier B: any remaining funds after above, provides for up to \$6000 for each student w/ specified disabilities
 - * High Cost Pool and SEFAC (2006-07 budget year)

Tier B Students:

- * Visual Impairment, including blindness
- * Hearing Impairment, including deafness
- * Deaf-blindness
- * Serious Emotional Disability
- * Autism Spectrum Disorders
- * Traumatic Brain Injury
- * Multiple Disabilities
- * Intellectual Disability





SEFAC Finding:

November 2016

- * The Gap Analysis based on December 1, 2014 (funded) count
 - * identifies average special education cost for a student with disabilities in FY 2014-2015 was \$9,703.
 - * Comparing that average cost to the FY 2014-2015 state revenue of \$1,250 for Tier A, \$2,027 for eligible students identified as Tier B and \$30.01 million in preschool special education funding plus federal funding,
 - * there remains a 62% gap between available funding and costs to educate students with disabilities in Colorado.

High Cost Pool

- * **2006-07:** added \$2M annually to fund grants to Au's as reimbursement for high costs for serving students w/ disabilities; establishes SEFAC
- * **2007-08:** additional \$2M annually added to high cost reimbursement funds
- * Resulted in:
 - * \$2M annually for out of district high costs
 - * \$2M annually for in district high costs

SEFAC: Setting the Context

- * Required membership:
 - * representative from CDE, responsible for the administration of special education programs
 - * special education director with expertise in special education finance from a board of cooperative services
 - * business official from a large urban or suburban administrative unit (AU)
 - * business official from a small rural administrative unit (AU)
 - * 8 special education specialists with appropriate statewide geographic representation

Required to:

- * Determine the form and manner for high cost applications
- * Use 50% of the total appropriation for out of district placements and 50% for in district placements
- * Determine whether to award a grant to an administrative unit, considering for each AU's application/s the annual audited operating expenses for the preceding budget year and the percentage of those expenditures that represent the high costs incurred in the previous budget year
- * Award grants for out of district placements by first prioritizing the AU's that spent the highest percentages, based on the AU's annual audited operating expenses in the preceding budget year, on high costs incurred in the previous budget year in providing special education services to students in such placements.
- * Award grants for in district placements by first prioritizing the AU's that spent the highest percentages, based on the AU's annual audited operating expenses in the preceding budget year, on high costs incurred in the previous budget year in providing special education services to students in such placements.

and...

- * Disqualify any applications for administrative units that have failed to provide the department with the data collected concerning special education programs as required by section 22-20-114 (6), including the count of assessed students receiving special education services
- * Determine, on an annual basis, the threshold amount of costs incurred in providing special education services to a child with disabilities above which an administrative unit may request reimbursement in the form of a grant
- * Review administrative unit high cost applications
- * Recommend allocations to the State Board developed by the committee from AU applications
- * Develop the statutorily required report
- * Make recommendations regarding the future funding of special education


Values established by SEFAC:

- * Annual awards fluctuate depending on relative fiscal impact per district and total dollar amount in apps
- * Allowable costs are for individual child, not general ed costs or for special ed costs existing otherwise
- * Apps reimbursed at 100% of expenditures minus revenues until money runs out to honor leg intent for meaningful reimbursement

Current Data

(2014-15 costs, 2015-16 Funding Year)

- * **Thresholds:**
 - * \$40,000 for out of district
 - * \$25,000 for in district
- * **Applications submitted:**
 - * 136 out of district (27 AU's)
 - * 404 in district (28 AU's)
- * **Applications Funded:**
 - * Out of district: 30 (22%), 17 AU's
 - * In district: 78 (19%), 14 AU's



Difference in Funding vs Need*:

(2014-15 Costs)

	Out of District Apps	In District Apps
Total Amount Requested by AU's	\$8,788,386	\$14,737,243
Funded	\$2,000,000	\$2,000,000
Amount Not Funded	\$6,788,386	\$12,737,243
Revenues Deducted from Claims	\$1,865,790	\$4,684,291
Additional Amount Needed to Fully Fund Claims	\$4,922,596	\$8,052,952

*Application process is voluntary and most likely does not represent actual high cost needs

Factors to consider:

- * Concern about overall high cost impacts on local budgets – guided by “do no harm”
- * SEFAC discussions regarding various models, threshold adjustments
- * Funding more AU’s w/ a percentage of eligible reimbursement doesn’t get to the real impact
- * Any way you look at it, not sufficient funds
- * But... funding high cost needs doesn’t benefit all AU’s

Some final thoughts...

- * The Consortium has not pushed for additional funding since 2013 in order to support the superintendents’ priorities around addressing the negative factor
- * What data is needed to have informed discussions around special education funding needs?
- * What is a reasonable local share of special education costs?
- * There are many factors to consider
- * The Consortium is available and interested in participating in special education funding discussions/design

Thank you

