

# Special Education Funding

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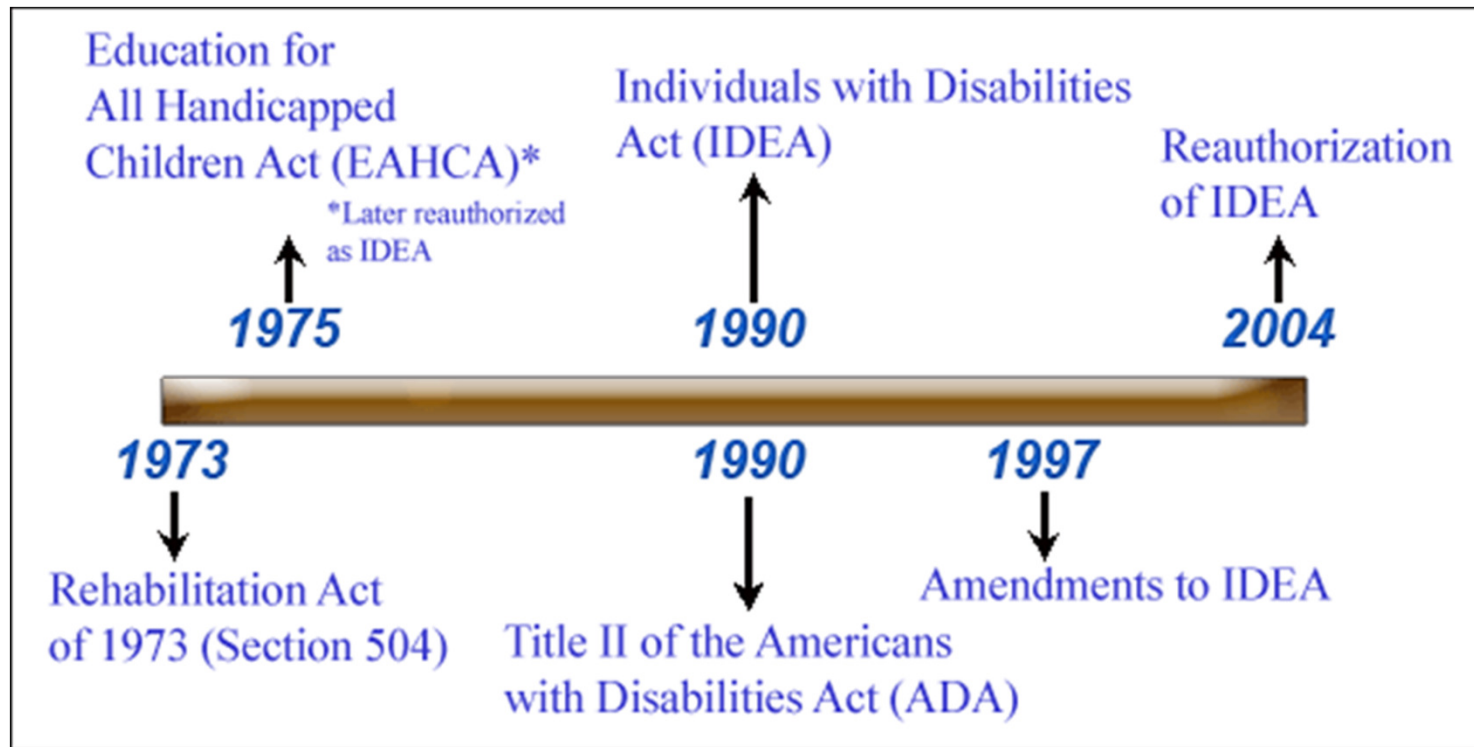
White Pine County School District

Jeff Zander, Superintendent

Elko County School District

January 21, 2017

# Federal Legislative Timeline



[http://iris.peabody.vanderbilt.edu/module/nur01-personnel/cresource/q1/p03/nur01\\_03\\_link\\_timeline/](http://iris.peabody.vanderbilt.edu/module/nur01-personnel/cresource/q1/p03/nur01_03_link_timeline/)

# Legislation and Significance

Legislation	Significance
Rehabilitation Act of 1973 (Section 504)	A civil rights act for people with disabilities, it guarantees that they are not discriminated against or excluded from any program or activity receiving federal funds.
Education for All Handicapped Children Act (EAHCA)*, 1975	This act ensures that all students with disabilities have a federal right to “a free and appropriate public education.” It also mandates that students with disabilities receive “related services” necessary for them to be
*Later reauthorized as IDEA	
Individuals with Disabilities Act (IDEA), 1990	This act was formerly entitled the Education for All Handicapped Children Act. It continues to ensure the rights provided in EAHCA, but revisions to the act have added special education categories for traumatic brain injury and autism.
Title II of the Americans with Disabilities Act (ADA), 1990	ADA builds on the Rehabilitation Act of 1973. This legislation guarantees people who have disabilities better access to buildings, public transportation, and communication.
Amendments to IDEA, 1997	Among the changes in IDEA, 1997, are the inclusion of ADHD within the “other health impairments” category, a provision for the participation of students with disabilities in standardized assessments, the inclusion of students with disabilities in the general education classroom, and guidelines about discipline regarding students with disabilities.
Reauthorization of IDEA, 2004	The 2004 reauthorization of IDEA includes several addendums regarding personnel qualifications, assessments, and IEPs. School nursing is included as a related service. This means that school nurses can be listed as related service providers in IEPs and that school districts are eligible for state, federal, and third-party reimbursements for these services.

# Special Education Funding

- 1973 – Funding for special education was enacted as an add-on to the Nevada Plan and distributed as a “unit” allocation.
- The funding units were initially designed to cover the cost of an average teacher for a specified number of special education pupils by disability.
- The number of units were allocated based on characteristics of each district’s special education population (i.e. similar to caseloads).
- Revenue and expenditures were recorded in the General Fund

# Special Education Units

- Since the baseline units were established, they have been increased incrementally and have not always mirrored the proportional increases in some district's special education population.
- The unit amount has not kept pace with teacher costs
- District General Fund transfers have increased to cover special education funding deficits.

# Special Education Unit Allocations

- Units and unit amounts are appropriated through legislation
- Senate Bill 515, 2015
  - **Sec. 3. 1.** The basic support guarantee for each special education program unit that is maintained and operated for at least 9 months of a school year is \$45,455 in Fiscal Year 2015-2016, except as limited by subsection 2.
  - 2. The maximum number of units and amount of basic support for special education program units within each of the school districts, before any reallocation pursuant to NRS 387.1221, for Fiscal Year 2015-2016 are:

	Allocation of Special Education Units 2015-2016		
<u>District</u>	<u>Units</u>		<u>Amount</u>
Carson City	81	\$	3,681,828
Churchill County	47	\$	2,136,369
Clark County	1,925	\$	87,500,240
Douglas County	70	\$	3,181,827
Elko County	84	\$	3,818,192
Esmeralda County	1	\$	45,455
Eureka County	3	\$	136,364
Humboldt County	32	\$	1,454,549
Lander County	12	\$	545,456
Lincoln County	18	\$	818,184
Lyon County	63	\$	2,863,644
Mineral County	8	\$	363,637
Nye County	58	\$	2,636,371
Pershing County	16	\$	727,275
Storey County	8	\$	363,637
Washoe County	567	\$	25,772,798
White Pine County	16	\$	727,275
Subtotal	3,009	\$	136,773,101
Reserved by State Board of Education	40	\$	1,818,197
<b>TOTAL</b>	<b>3,049</b>	<b>\$</b>	<b>138,591,298</b>

# Special Education Funding Reform

- Senate Bill 500; 2013 Legislature
  - Task Force on K-12 Public Education Funding
    - Modification of Funding for Students with Disabilities
      - Weighted funding of 2.0 to all students with disabilities
      - Funding cap of 13% (if funding is at 2.0)
    - Contingency fund for students with disabilities who require high cost services
      - NDE develop a plan for the operational guidelines
        - » How to and how much to allocate to the fund
    - Initially provide funding as categorical outside the funding formula and transition inside at a later date if it makes sense to do so.
    - NDE work to develop implementation plan that takes into consideration maintenance of effort (MOE)



# Special Education Funding Reform

- Senate Bill 508; 2015 Legislature
  - Sect. 30 repeals unit funding and requires a multiplier
  - Sect. 24 creates a Contingency Account for Special Education Services
    - State Board of Education to adopt regulations for the application, approval and disbursement of money to “reimburse” school districts...

Note: School districts will incur costs for mandated special education services, incur expenditures before knowing whether disbursement will be reimbursed or not. Any funding received will most likely be received after year-end and included in fund balance to offset expenditures for the next fiscal year OR the District will simply have to absorb the expenditures through GF Transfers.

# How does it work?

- Districts receive supplemental per pupil amount multiplied by child count , capped at 13% of special education enrollment
- “Multiplier” of 1.53??
- If a district’s identification rate exceeds 13%, then the district does not receive funding for each student in the child count
- District can apply to the contingency fund for reimbursement for high cost students
- NDE proposed a distribution of the \$168M that would have increased funding to all districts
- LCB construed statute as limiting how funds could be distributed; consequently, most districts did not get increased funding in 2016-17 (those who had been disproportionately underfunded did get increases)

# Funding Formula

- Enrollment
- Statewide Average Per Pupil & Multiplier
- Allowable Statewide Special Education Funding
- Maintenance of Effort
- Adjustments
- Total Adjusted Funding



# Average Per Pupil Funding & Multiplier

Special Education Funding allocation per SB515	Divided by Total Enrollment (not capped)	Per Pupil amount based on total allocation divided by number of allowable Spec Ed enrollment.	FY17 Statewide Average Basic Support Per Pupil (will change with final taxation projection)	% of Per Pupil Basic Guarantee	Total Basic Guarantee Plus Per Pupil Spec. Ed. And multiplier
\$168,125,519.00	55,419	\$3,033.72	\$5,774.00	53%	\$8,807.72
\$168,125,519.00	54,120.33	\$3,106.51	\$2,740.28	47%	1.53

The sum of the per pupil special education amount plus the basic guarantee per pupil amount is the total amount of funding provided per special education student. This sum is 1.53 more than the \$5,774 per pupil guarantee. This is 0.47 less than the recommendation from the TAC and Task Force.

# Allowable Special Education Funding

District	Allowable Spec Ed Enrollement for Funding max 13%	Statewide Average Per Pupil Amount	Total Allowable Funding
Carson City	978	\$ 3,033.72	\$ 2,967,338.49
Churchill	424	\$ 3,033.72	\$ 1,284,900.16
Clark	37,700	\$ 3,033.72	\$ 114,371,100.74
Douglas	779	\$ 3,033.72	\$ 2,361,960.42
Elko	1,132	\$ 3,033.72	\$ 3,434,166.74
Esmeralda	9	\$ 3,033.72	\$ 27,303.45
Eureka	20	\$ 3,033.72	\$ 60,674.32
Humboldt	448	\$ 3,033.72	\$ 1,358,255.42
Lander	112	\$ 3,033.72	\$ 339,776.21
Lincoln	131	\$ 3,033.72	\$ 398,721.32
Lyon	1,052	\$ 3,033.72	\$ 3,191,742.48
Mineral	65	\$ 3,033.72	\$ 197,191.55
Nye	652	\$ 3,033.72	\$ 1,976,648.13
Pershing	83	\$ 3,033.72	\$ 252,010.80
Storey	53	\$ 3,033.72	\$ 160,908.31
Washoe	8,259	\$ 3,033.72	\$ 25,055,986.93
White Pine	163	\$ 3,033.72	\$ 494,556.41
State Charters	2,061	\$ 3,033.72	\$ 6,252,489.09
<b>Total</b>	54,120	\$ 3,033.72	\$ 164,185,730.97

# Maintenance of Effort

District	Total: Allowable Spec Ed Enrollement times Statewide Per Pupil Average	FY16 MOE	Difference needed to meet FY16 MOE	Per Pupil Amount FY2016
Carson City	\$ 2,967,338.51	\$ 3,681,828	\$ 714,489.49	\$ 3,656.23
Churchill	\$ 1,284,900.17	\$ 2,136,369	\$ 851,468.83	\$ 3,639.47
Clark	\$ 114,371,101.36	\$ 87,909,334	\$ -	\$ 2,409.40
Douglas	\$ 2,361,960.43	\$ 3,250,009	\$ 888,048.96	\$ 3,505.94
Elko	\$ 3,434,166.76	\$ 3,863,647	\$ 429,480.17	\$ 3,471.38
Esmeralda	\$ 27,303.45	\$ 45,455	\$ 18,151.55	\$ 5,050.56
Eureka	\$ 60,674.32	\$ 181,819	\$ 121,144.61	\$ 7,575.79
Humboldt	\$ 1,358,255.42	\$ 1,500,004	\$ 141,748.51	\$ 2,879.09
Lander	\$ 339,776.22	\$ 545,456	\$ 205,679.78	\$ 4,958.69
Lincoln	\$ 398,721.32	\$ 863,639	\$ 464,917.61	\$ 6,800.31
Lyon	\$ 3,191,742.49	\$ 2,863,644	\$ -	\$ 2,608.05
Mineral	\$ 197,191.55	\$ 386,364	\$ 189,172.91	\$ 4,711.76
Nye	\$ 1,976,648.14	\$ 2,636,371	\$ 659,722.86	\$ 3,087.09
Pershing	\$ 252,010.81	\$ 727,275	\$ 475,264.19	\$ 7,655.53
Storey	\$ 160,908.31	\$ 363,637	\$ 202,728.69	\$ 5,427.42
Washoe	\$ 25,055,987.06	\$ 25,977,345	\$ 921,358.10	\$ 2,938.61
White Pine	\$ 494,556.42	\$ 727,275	\$ 232,718.58	\$ 3,827.76
State Charters	\$ 6,252,489.12	\$ 931,828	\$ -	\$ 576.27
<b>Total</b>	\$ 164,185,731.86	\$ 138,591,300	\$ 6,516,094.84	

The column entitled FY16 MOE is actually the FY16 special education revenue for each school district based on the unit funding method. This column is not correctly classified as it applies to school districts.

Two basic rules:

1. Must expend same “local + state” or “local only” funds as in previous year, on an aggregate or per-pupil basis
2. To be eligible for a federal special education grant award, must budget the same “local + state” or “local only” funds as expended in the most recent year for which final expenditure data are available

# Maintenance of Effort Exceptions

- There are exceptions to the rule requiring that districts spend the same amount as in the previous year, e.g.:
  - Reduction in child count
  - Voluntary departure (resignation, retirement) of staff without replacing, or replacing with less costly staff
  - High-cost child moves from the district (or ages out, or is no longer eligible)



# School District Transfers Per Pupil

District	Transfer to Special Education (FY2017 Final Budget)	Spec. Ed Students	Per Pupil Transfers	Statewide Average Per Pupil Amount	Transfers less Statewide Average
Carson City	7,303,847	1,066	\$ 6,851.64	\$ 3,033.72	\$ 3,817.92
Churchill	2,420,000	511	\$ 4,735.81	\$ 3,033.72	\$ 1,702.10
Clark	302,052,032	37,700	\$ 8,011.99	\$ 3,033.72	\$ 4,978.27
Douglas	4,731,000	892	\$ 5,303.81	\$ 3,033.72	\$ 2,270.10
Elko *	3,716,783	1,132	\$ 3,283.38	\$ 3,033.72	\$ 249.66
Esmeralda	75,914	9	\$ 8,434.89	\$ 3,033.72	\$ 5,401.17
Eureka	500,000	20	\$ 25,000.00	\$ 3,033.72	\$ 21,966.28
Humboldt	2,220,532	542	\$ 4,096.92	\$ 3,033.72	\$ 1,063.21
Lander	453,143	112	\$ 4,045.92	\$ 3,033.72	\$ 1,012.20
Lincoln	307,212	144	\$ 2,133.42	\$ 3,033.72	\$ (900.30)
Lyon	7,100,000	1,097	\$ 6,472.20	\$ 3,033.72	\$ 3,438.48
Mineral	261,757	86	\$ 3,043.69	\$ 3,033.72	\$ 9.97
Nye	7,631,335	831	\$ 9,183.32	\$ 3,033.72	\$ 6,149.60
Pershing	606,445	91	\$ 6,664.23	\$ 3,033.72	\$ 3,630.51
Storey	231,267	58	\$ 3,987.36	\$ 3,033.72	\$ 953.65
Washoe	44,701,857	8,885	\$ 5,031.16	\$ 3,033.72	\$ 1,997.44
White Pine	1,200,508	182	\$ 6,596.20	\$ 3,033.72	\$ 3,562.48
<b>District Total</b>	<b>385,513,632</b>	<b>53,358</b>	<b>\$ 7,225.04</b>	<b>\$ 3,033.72</b>	<b>\$ 4,191.32</b>

# Hold Harmless?

- Although the allowable funding under the new method allows less revenue than the prior unit funding method, districts will receive revenue equal to the prior year (FY2016).
- Funding will not increase unless the allowable amount exceeds current funding levels.
- Because of MOE requirements and inflation, no increases in revenue could make this a hold harmful provision.
  - School officials have requested that all districts receive an increase in revenue to compensate for inflation.

# Adjustments & Total Funding

	1	2	3	4	5	6	7	8
District	Capped Enrollment	Per Pupil Amount FY2016	Difference needed to meet FY16 Per Pupil (1 x 2)	FY16 MOE or Allowable	Allowable if Greater than MOE	Difference to Meet MOE	Reduced to Meet MOE	Total Actual Funding FY2017
<b>Carson City</b>	978.12	\$3,656.23	\$ 3,576,232	3,681,828				3,681,828
<b>Churchill</b>	423.54	\$3,639.47	\$ 1,541,461	2,136,369				2,136,369
<b>Clark</b>	37700	\$2,409.40	\$ 90,834,380	87,909,334	114,371,101		\$ (2,477,714.50)	111,893,387
<b>Douglas</b>	778.57	\$3,505.94	\$ 2,729,620	3,250,009				3,250,009
<b>Elko</b>	1132	\$3,471.38	\$ 3,929,602	3,863,647		\$ 65,955.23		3,929,602
<b>Esmeralda</b>	9	\$5,050.56	\$ 45,455	45,455				45,455
<b>Eureka</b>	20	\$7,575.79	\$ 151,516	181,819				181,819
<b>Humboldt</b>	447.72	\$2,879.09	\$ 1,289,026	1,500,004				1,500,004
<b>Lander</b>	112	\$4,958.69	\$ 555,373	545,456		\$ 9,917.28		555,373
<b>Lincoln</b>	131.43	\$6,800.31	\$ 893,765	863,639		\$ 30,125.81		893,765
<b>Lyon</b>	1052.09	\$2,608.05	\$ 2,743,903	2,863,644	3,191,742		\$ (69,139.41)	3,122,603
<b>Mineral</b>	65	\$4,711.76	\$ 306,264	386,364				386,364
<b>Nye</b>	651.56	\$3,087.09	\$ 2,011,424	2,636,371				2,636,371
<b>Pershing</b>	83.07	\$7,655.53	\$ 635,945	727,275				727,275
<b>Storey</b>	53.04	\$5,427.42	\$ 287,870	363,637				363,637
<b>Washoe</b>	8259.173	\$2,938.61	\$ 24,270,488	25,977,345				25,977,345
<b>White Pine</b>	163.02	\$3,827.76	\$ 624,001	727,275				727,275
<b>State Charters</b>	2061	\$576.27	\$ 1,187,692	931,828	6,252,489		\$ (135,452.77)	6,117,036

# Impact

- Increase of approximately \$29,534,218
  - 99.64% Benefitting two school districts and State Charters
    - Clark County SD - \$23,984,053
    - Lyon County SD – 258,959
    - Other Districts (3)- 105,999
    - State Charters - 5,185,209
- No provisions for funding to keep pace with expenditures or inflation

# Summary

- Special education is mandated
- expenditures are prescribed through education plans and are not optional
- MOE provisions require districts to spend the same amount as the prior year
- Factor of 1.53 determined by FY2016 funding level of special education revenue on a per student basis
- Factor does not include expenditures that are the basis for MOE
- Because the multiplier is based on available revenue only, future increases may not reflect trends in expenditures
- This could adversely affect school districts that will not see an increase in funding in the foreseeable future regardless of demand
- Districts contribute significant amounts to fund special education services above the basic guarantee and special education per pupil amount
- 13% cap further restricts funding and may not be practical because special education is significantly underfunded