

House Education Committee

Testimony on SB 260

Provided by Bert Moore, Director,
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I would like to thank the committee for allowing me the opportunity to share my support for Senate Bill 260 which will remove language related to the calculation of Excess Cost from the formula adopted during the 2011 legislative session and delayed for one year during the 2012 legislative session. I am referring specifically to the 150% cap on “excess cost” paired with the added state aid for those agencies that are below 75% of “excess cost”.

In 2008 the “Special Education Funding Task Force” was formed to review the funding of special education in Kansas. The committee was composed of legislative representatives, board of education members appointed by the Kansas Association of School Boards, members appointed by the United School Administrators, a Kansas National Education Association, and ex-officio member the Commissioner of Education, Dr. Alexa Posny. I was selected by the United School Administrators to serve on the Task Force. Dr. Posny was elected the chairperson of the Task Force, and I was elected the Vice-Chairperson for the Task Force.

In our initial meetings it was decided by consensus of the group that no district or agency would be impacted negatively if a change was recommended to the state funding formula for special education. The Task Force heard testimony from a variety of persons and decided to make no recommendation to change the Kansas special education funding formula.

What I would like to share with you today is what I have learned after researching the outcomes that will occur as a result of the change in the state funding formula for special education state aid when “excess cost” is expanded for agencies under 75% of excess cost, and capped for districts over 150% of excess cost. I will first address the “increase” in state aid for agencies under 75% of excess cost. The

data I will use is from spreadsheets I requested from the KSDE Director of School Finance using the 2009-10 Personnel Database compared to the general education enrollment for local education agencies that are part of a Cooperative, Interlocal or provide their own special education programs.

Increase in State Aid for Agencies Under 75% of Excess Cost Using 2009-10 Data

- There were five agencies that would receive additional state aid which would amount to \$1,071,345 in additional state aid. This amount was not appropriated as part of the bill and will need to be taken from the “pool” of funds targeted under the state’s “categorical aid” funding formula.
- Most special education agencies spend 90-95% of their budget on “personnel” costs so when provided additional state aid, it is assumed that these districts will “add” staff.
- The Maintenance of Effort may not be waived for local education agencies. The districts receiving added state aid will need to maintain their level of effort or risk losing federal funds.
- The special education Personnel data will not be finalized until May of 2012. This means that an agency will not know if it will receive added state aid until the fiscal year has almost ended. The budget will have already been encumbered and spent. Also, this is an unaudited report. The audited report is not completed until sometime during the next school year. How will these funds be redistributed in a manner that will benefit these agencies during this school year?
- This measure did not review any data at the local level related to the “need” for additional special education funding based on the agency being below 75% of excess cost.

Decrease in State Aid for Agencies Over 150% of Excess Cost Using 2009-10 Data

- There are several agencies that would receive less state aid. The way that the Personnel state aid is computed for the purpose of identifying the agencies that would be over 150% of excess cost will not occur until the final personnel data is submitted in May of 2012. This is an unaudited report. The audited report is not completed until sometime during the next school year. How will these funds be reduced during the 2011-12

school year after the final budget has been computed, encumbered, and spent?

- This measure did not review any data at the local level related to the “need” for special education services at the local level.

Additional Points of Clarification

- There are foster care homes spread out across the state where parents receive added compensation for taking children with significant disabilities. In my Cooperative we maintain our children in their neighborhood schools; therefore, we have to add additional personnel to meet the Individual Education Program needs of these children if they require special education services beyond what we are already providing for other children with disabilities.
- The Individuals with Disabilities Education Act is very specific about the “Child Find” responsibilities of local education agencies to “seek out and identify” ALL children that may have a suspected disability. Some agencies are more thorough in their Child Find activities than others which results in identifying a larger percentage of children with disabilities.
- ‘Early identification’ is a related service. My three Cooperative districts all provide preschool programs for students in order to ensure that they receive needed special education services as early as possible to prevent more significant disabilities later in their school experience.
- Rural communities must hire staff to meet the needs of children with disabilities when their isolation prevents contracting for services from another agency.

The overall cost for this two-year initiative will ultimately reduce the state aid for ALL agencies by approximately \$100 per teacher unit using recent data provided by Mr. Dale Dennis. This is based on a difference for those agencies that will receive additional state aid compared to the reduction for the agencies in excess of 150% of excess cost.

I am asking that Senate Bill 260 be passed. The changes in the special education funding formula as modified by the original SB 359 have too many “unintended consequences” that will negatively impact the ability of local education agencies to provide students with disabilities with a free appropriate public education in

the least restrictive environment. The implementation of this measure will not reduce the special education costs for the state but redistribute them in a manner that will reduce the state aid for ALL agencies that receive state Personnel reimbursement. Those agencies below 75% of excess cost will lose federal funds if they do not maintain the same level of funding (local effort) when this measure sun sets at the end of the 2013-2014 school year.