

Southeastern Wisconsin Schools Alliance

Special Education Funding and Issues

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The Southeastern Wisconsin Schools Alliance is a coalition of public school districts in southeastern Wisconsin formed to study educational issues and respond to policy decisions that affect public education.

Background Information

“These are our children and we want to educate them to the best of our ability” is the phrase one hears from educators across the State of Wisconsin. “Our children” refers to the increasing number of students with special needs. Every public school in the state deals with how to meet the needs of these students. Nationwide, there are 6.6 million children receiving special education. In Wisconsin, 12.42% of children in the state had disabilities in 2002-03, compared to 9.56% in 1992-93. Under No Child Left Behind (NCLB), there will be increasing pressure on school districts to better serve the special education population. Within ten years, all students (including special needs students) are expected to be performing at “proficient” level on state tests.

As the need for special education is increasing, the funding from both the federal and state level has not been delivered as promised. According to the Department of Education, the federal aid percentage was intended to be 40% above the average general education costs, but has peaked at 12% (*The Funding Fix*, Education Week, January 8, 2004). At the state level, in 1981-82, the statutory funding level was 68% and the actual level was 66.33%. In 1998-99, the statutory level had dropped to 63% and the actual funding was at 35.07%. Because of this, the actual dollars not reimbursed through categorical aid was approximately \$500 million (Wisconsin Special Education Categorical Aid, 1975-76 to 2002-03, Department of Public Instruction). States use various funding methods. The percentage of reimbursement appears to provide a reasonable funding method (presentation by Wisconsin Department of Public Instruction to the Governor’s Task Force on Educational Excellence on November 6, 2003). The issue is the need to fully fund this mandate at the level required by the state and federal government; not the funding method.

Key Issues

Schools face the following concerns surrounding special education, specifically as they relate to the impact of the cost of special education.

- Schools are required to provide special education services under the Individuals With Disabilities Act (IDEA). There has been an expansion of categories for special needs.
- Number of children requiring services is increasing (larger percentage of total school population), along with an increase in severity of disabilities.
- Costs of providing services to comply with Individual Education Plans (IEP’s) are increasing significantly.

- Federal and state government have not funded special education at the percent legislatively mandated levels. Costs have shifted to the local tax base.
- Revenue caps limit amount of spending. As special education costs increase, the amount of money available for regular education programs decreases.

Recommendations

- Fund special education at the level required by law.
- Require teacher training institutions to strengthen instruction in strategies for addressing individual needs.
- Support prevention, early identification, and early intervention to provide higher student achievement and minimize some long-term costs.
- Allow an exemption for a portion of special education costs to be outside the revenue cap. This could be tied to a percentage based on the type of special education service provided (resource-based) or category of disability.
- Support full funding for low-incidence, high-cost special education students.
- Lower the threshold for financial qualification of low incidence, high cost student funding. Wisconsin currently has \$1.5 million in grants to support low-incidence, high-cost students, but the threshold of \$30,000 actual cost to a school district (after federal and state money is subtracted) is too high and the associated paperwork needs to be simplified.
- Create a trust fund for low incidence-high cost special needs students. This fund would allow the state to pay for extraordinary cases, relieving and undue burden on local taxes/school districts. (Such a fund exists in Alabama.)
- Replace Wisconsin Statutes 115 with IDEA 2004 to align with federal requirements.
- Reduce the portion of Medicaid funds that is kept by the state rather than allocated to local school districts to reimburse costs for mandated services to students.

Research

- One-fifth of special education students spend the majority of their time outside regular classrooms. (*Enveloping Expectations*, Education Week, January 8, 2004).
- “Seventy-four percent of the general education teachers surveyed teach students with IEP’s. But only 45% of general education teachers, compared with 95% of special education teachers, report that they feel ‘very prepared’ to teach the students with IEP’s who are assigned to them.” (*Teachers: Special Education Students Should Meet Own Standards*, Education Week, January 8, 2004)