



Research Report

The Resource Allocation of Foundation Funding for Arkansas School Districts and Open-Enrollment Charter Schools

July 15, 2014

Prepared for the
**THE HOUSE INTERIM COMMITTEE ON EDUCATION
AND THE SENATE INTERIM COMMITTEE ON EDUCATION**



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SPECIAL EDUCATION TEACHERS

All districts must provide students with disabilities access to special education services under the federal Individuals with Disabilities Education Act (IDEA). Arkansas Code § 6-41-202 establishes in state statute that it is also the state's policy to provide a free and appropriate public education to students with disabilities.

Every special education student has an individualized education program (IEP), which serves as the plan for his or her specialized instruction. The IEP is a plan or program developed to ensure that a child with a disability identified under the law and who is attending an elementary or secondary educational institution receives specialized instruction and related services. The IEP specifies the special education programming and related services that must be provided to meet each student's needs. There were 54,222 special education K-12th grade students in Arkansas public schools in the 2012-13 school year (not including students in the Division of Youth Services, the Department of Correction or the Conway Human Development Center), making up 11.5% of the total student enrollment in the state¹.

STAFFING IN THE MATRIX

The matrix provided \$351.28 per student to support 2.9 special education teachers. These teachers are in addition to the 24.94 classroom teachers.

BACKGROUND

The Joint Legislative Committee on Educational Adequacy (Joint Adequacy Committee) set the special education funding rate in the foundation funding matrix in 2003. The Committee determined that the matrix would fund 2.9 special education teachers for every 500 students. Because the specific needs of special education students dictate the level of staffing required, the state could not simply calculate the number of special education teachers needed based on maximum student to teacher staffing for special education classes.

¹ Calculation made using data retrieved from <https://adedata.arkansas.gov/statewide/State/EnrollmentByGrade.aspx?year=21&search=&pagesize=10> and the Arkansas Department of Education's Dec. 1, 2012, special education child count data.

The Committee's consultants, Picus and Associates, had originally proposed funding 2.0 special education teachers, but after receiving input from panels of Arkansas educators and the Arkansas Department of Education, the Joint Adequacy Committee opted to increase the number to 2.9 teachers. Hired again in 2006, Picus and Associates affirmed the state's methodology of funding special education using a "census" approach, meaning that the funding is based on total enrollment rather than on the number of special education students. They noted that the census methodology "is an approach that is becoming more common across the country to provide resources for children with disabilities."

As of 2012, nine states use the census approach for special education funding distribution, while 20 states provide either a flat grant for each special education student or a weighted amount based on the student's disability or instructional environment (e.g., self-contained classroom or regular classroom) (Verstegen, 2012). Eight states use a cost reimbursement method, and the remaining 22 states, including Arkansas, use some other distribution method or a combination of methods. Arkansas provides funding for 2.9 special education teachers through the matrix as well as another \$11 million for districts that incur "catastrophic" expenditures for severely disabled students.

In 2006, Picus and Associates recommended continuing the census-based funding methodology, and they affirmed the state's funding of 2.9 special education teachers for "high-incidence, lower cost students with disabilities." Since then, the matrix has continued to fund 2.9 special education teachers for every 500 students.

ACTUAL STAFFING PATTERNS

The average number of special education teachers is just slightly more than the staffing level established in the matrix. The following table compares the matrix number for special education teachers with the average FTE for all districts.

Special Education Teachers in Districts		
	Matrix FTE Number Per 500	Foundation Paid Staff Per 500
2011-12	2.9	2.98
2012-13	2.9	2.95

There were only small differences in the staffing levels of district groups based on size and concentrations of poverty, with large districts and high poverty districts having the highest staffing levels paid with foundation funding.

By District Size		By Poverty Level	
	Foundation Paid Staff Per 500		Foundation Paid Staff Per 500
Small (750 or Less)	2.69	Low Poverty (>70%)	3.0
Medium (751-5,000)	2.87	Medium Poverty (70%-<90%)	2.86
Large (5,001+)	3.14	High Poverty (90%+)	2.56

COST OF SPECIAL EDUCATION TEACHERS

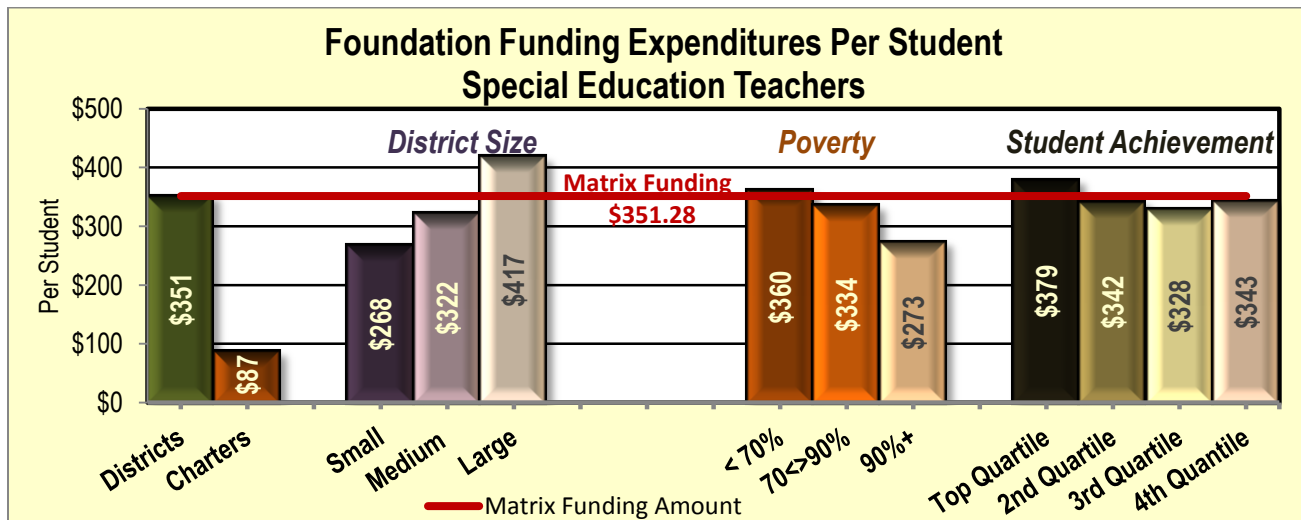
Like most school-level staff, the cost of each FTE in the special education line is calculated using the average teacher salary of \$60,566 for 2013 (base salary of \$48,356, plus benefits). For 2.9 special education teachers, the matrix provides \$175,641 for every 500 students or \$351.28 per student.

EXPENDITURES FROM FOUNDATION FUNDING

In 2013, districts statewide spent about \$160.6 million from foundation funding on special education teachers. This equates to about \$351.32 per student, which is almost exactly the amount funded in the matrix (\$351.28).

Special Education Teachers: Foundation Funding and Expenditures		
	District Funding	District Expenditures
2011-12	\$157,499,254	\$157,000,486
2012-13	\$160,608,253	\$160,628,972

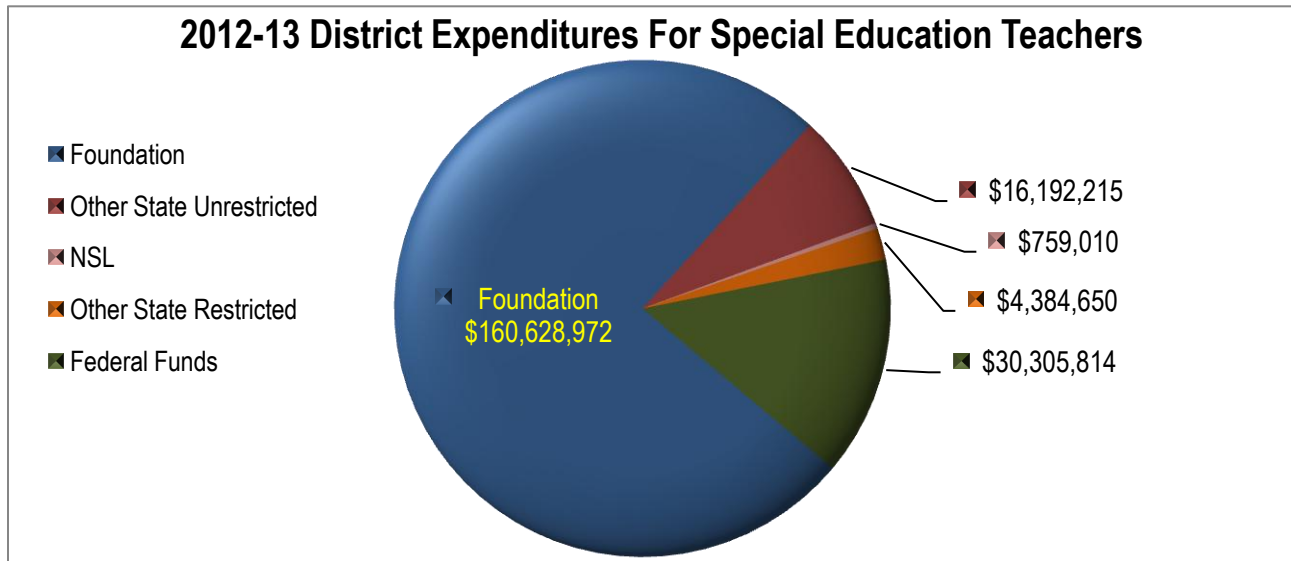
Open-enrollment charter schools spent considerably less foundation funding per student on special education teachers than regular school districts, as shown in the following chart. This is true when considering only foundation funding expenditures (\$87 per student compared with districts' \$351) as well as expenditures from all funding sources (\$172 per charter school student compared with districts' \$464). This lower level of spending may be due to the fact that charter schools as a group have a smaller percentage of students in special education, about 7.1%, compared with 11.56% of students in regular school districts. Charter schools may have fewer severely disabled students than regular school districts have.



The chart also indicates that larger districts spent more from foundation funding than smaller districts and districts with low concentrations of poverty spent more than districts with high concentrations of poverty. There was little difference in districts' spending patterns based on student achievement, with the exception of the districts in the highest achieving group, which slightly outspent districts in the other groups.

EXPENDITURES FROM ALL FUNDING SOURCES

Foundation funding covered about 75.7% of districts' total expenditures on special education teachers in 2012-13. Districts used other funding, including federal IDEA, Part B funds and state catastrophic funding to pay for special education teachers.



STATE RANKING

NCES provides data on total instructional expenditures for special education salaries in each state. The most recent data available for all states are from 2010-11. According to the NCES data, Arkansas schools spent \$382.33 per student on special education instructional staff in 2010-11. Arkansas had the 12th highest per-student special education expenditure among SREB states and the 5th highest among surrounding states. (The enrollment data used to calculate the per-student special education expenditures include pre-K students who have been excluded from the BLR's foundation funding analysis.)