



West Central Kansas Special Education Cooperative #708

Sponsoring District: USD 489 Hays Member Districts: USD 388 Ellis, USD 395 LaCrosse, USD 432 Victoria
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Testimony before the **Kansas Legislative Special Committee on Special Education**

By **Kyle Carlin, Director of Special Education - WCKSEC**

Testimony provided on behalf of the West Central Kansas Special Education Cooperative, USD 489 Hays Public Schools, USD 432 Victoria Public Schools, USD 388 Ellis Public Schools, and USD 395 LaCrosse Public Schools

Thursday, November 10, 2022

Madam Chairwoman:

Thank you for the opportunity to address the committee about our budget and how we meet these expenses at a local level.

Executive Summary

West Central Kansas Special Education Cooperative serves 966 students in the districts of USD 489 Hays, USD 432 Victoria, USD 395 LaCrosse, and USD 388 Ellis.

Budgeted Expenses

West Central Kansas Special Education Cooperative (WCKSEC) develops its budget in the spring of each school year based on the needs of the students within our member districts.

WCKSEC has an anticipated budget for the current school year totaling \$8,650,415. 96% of the budget goes toward the salary and benefits of the teachers, therapists, and support staff who serve our students. The remaining 4% covers other expenses that allow our staff to meet the needs of their students.

WCKSEC Budgeted Expenses for 2022-23 School Year

	FY23 Estimate
EXPENSES	7/6/2022
Other Expenses	\$ 90,958.00
Professional Development	\$ 48,650.00
HACC Part C	\$ 4,800.00
Transportation	\$ 45,500.00
Supplies/Equipment	\$ 146,200.00
Fringe	\$ 1,977,418.00
Salary	\$ 6,336,889.00
TOTAL COOP EXPENSES	\$ 8,650,415

Budgeted Revenues

WCKSEC anticipates revenues in the following amounts. Federal Revenue is estimated at \$1,334,723 (15.4 percent of total budget). State funding is estimated at \$3,991,020 (46.1 percent of total budget). Local revenue is estimated at \$2,646,880, plus an additional \$638,812 coming from our prior year cash balance. Local funds account for 38.5 percent of our budget.

WCKSEC Budgeted Revenue for 2022-23 School Year

REVENUE	
Federal Revenue	\$ 1,334,723
State Revenue	\$ 3,991,020
Local Revenue Total	\$ 2,646,880

Full Testimony

My organization supports funding special education at the statutory level of 92 percent of excess costs. Excess cost is the remaining costs associated with providing special education services in Kansas after federal funds have been exhausted. KSDE data shows that state special education aid covered between 71 percent and 81 percent of excess cost over the past 5 years. Legislative Post Audit analysis showed that in the 2018-19 school year special education was underfunded by \$77 million. This underfunding of special education places a strain on local school districts as they are forced to reallocate money from their budgets to fund special education. KSDE estimates excess cost for the current school year will be covered at 71%. This underfunding is costing school districts \$155 million in local funds to provide special education services.

The four districts within our special education cooperative will spend just over \$2.5 million in local funds to carry out special education services. If state special education aid was provided at the statutory level of 92% this would reduce district costs by approximately \$1.5 million across the four districts. The effects of underfunding special education are felt locally by every student and every parent. When districts have to make additional allocations for special education, it means that resources that would benefit all students are not available. Please consider a plan to increase special education funding to 92% of excess cost to complete the work already done in the area of school finance.

WCKSEC is a district-hosted cooperative. Our host district (USD 489 Hays) serves as the sponsoring district and cooperates with USD 432 Victoria, USD 395 LaCrosse, and USD 388 Ellis. This means that all WCKSEC employees are employees of USD 489 and may be assigned across the cooperative to meet the needs of students in the four districts. Our cooperative agreement outlines that special education costs will be shared across the four districts (except for special education student transportation, some computer equipment for staff assigned solely within their district, and capital costs associated with accommodating students with disabilities).

Budgeted Expenses

Within my cooperative, budget decisions for each year are made based on the special education and related services needed for students with exceptionalities to receive a free, appropriate public education (FAPE) through their individualized education program (IEP). These services are identified for each student with a disability or giftedness by their parents and other members of their IEP team (general education teacher, special education teacher, person to interpret evaluation results, local education administrator, and other relevant educators).

Based on the services recommended for our 966 students, we determine the number of special education teachers, related service providers (school psychologists, speech language pathologists, occupational therapists, physical therapists, nurses, etc.), special education paraeducators, and other staff members that are needed to provide these services. Other resources are identified that will ensure the above-mentioned staff can meet the needs of their students. These resources include supplies, curriculum, adaptive equipment, computer equipment, professional development, mileage reimbursement, etc. For the current budget of WCKSEC, 96% of the budget is allocated to staff salaries and benefits. The remaining 4% covers the other resources listed.

WCKSEC Budgeted Expenses for 2022-23 School Year

	FY23 Estimate
EXPENSES	7/6/2022
Other Expenses	\$ 90,958.00
Professional Development	\$ 48,650.00
HACC Part C	\$ 4,800.00
Transportation	\$ 45,500.00
Supplies/Equipment	\$ 146,200.00
Fringe	\$ 1,977,418.00
Salary	\$ 6,336,889.00
TOTAL COOP EXPENSES	\$ 8,650,415

Our anticipated budget for the cooperative for the current school year is \$8.6 million. We also factor in an additional 5% into our budget authority in the event that we need to meet sudden changes that may be caused by students moving into our districts with an unexpected level of need, by students needing an out-of-district placement in a residential program, or to account for an increased cost in contracted services.

Budgeted Federal Revenue

The WCKSEC budget is funded through federal, state, and local funds. A majority of federal funds come through IDEA Title VI-B grants. For my cooperative, Title VI-B grants are just over \$1 million. Federal funds also include Targeted Improvement Plan grants (\$34,343) and Medicaid funding for required health services (estimated \$250,000). Total anticipated federal funds for WCKSEC for the 2022-23 school year are \$1,334,723 (15.4 percent of the budget).

WCKSEC Federal Funding for 2022-23 School Year

(Yellow=Known, Blue = Estimated)

VI B 3-21	\$	933,205
VI B 3-21 PSPS	\$	82,488
VI B 3-5	\$	25,979
VI B 3-5 PSPS	\$	1,708
TIP	\$	34,343
Medicaid FFS	\$	175,000
Medicaid Cost Settlement	\$	82,000
Federal Revenue	\$	1,334,723

Budgeted State Revenue

Total state funding for WCKSEC is estimated at \$3,991,020 for the current school year (46.1 percent of the budget). State funding is distributed based on costs associated with abnormally expensive services (catastrophic aid), special education transportation, the number of students in an agency that receive Medicaid reimbursable services (Medicaid state replacement aid), and the number of staff we employ (special teacher aid). Additional funding is also available through the Kansas Deaf-Blind Project.

Catastrophic Aid Funding

WCKSEC currently does not have any students eligible for catastrophic aid funding.

Special Education Transportation Funding

In WCKSEC, each district pays for the special education transportation for students in their district and they get reimbursed directly. The cooperative pays mileage to staff and gets reimbursed through transfers with our host district. We estimate to receive \$30,000 in reimbursement for staff mileage this school year.

Medicaid State Replacement Aid

We estimate that our Medicaid State Replacement Aid funding will be \$50,000 this school year.

Special Teacher Aid

We currently have 77 Full-Time Equivalent (FTE) licensed staff and 127 FTE paraeducators. Licensed staff are estimated to be reimbursed at \$30,900 this year. Paraeducators are reimbursed at 40 percent of the licensed staff amount. Based on these numbers, we estimate our state special teacher funding to be \$3,931,036. These payments will be reduced by \$23,016 due to audit adjustments.

Deaf-Blind Grant

The Kansas Deaf-Blind Project makes grants available to schools for students who qualify for the project. WCKSEC estimates \$3,000 of funding for these grants.

WCKSEC State Funding for 2022-23 School Year

(Yellow=Known, Blue = Estimated, Green = Non-Revenue Data)

Total FTE		127.22
Teacher Reimbursement Amount	\$	30,900
Total Special Teacher Amount	\$	3,931,036
Medicaid State Replacement Aid	\$	50,000
WCKSEC Teacher Transportation State Aid	\$	30,000
USD489 Transportation Reimb (80%)		
HACC Teacher Transportation State Aid	\$	-
Deaf Blind Grant	\$	3,000
Catastrophic Aid	\$	-
KSDE Audit exceptions (from prior FY)	\$	(23,016)
State Revenue	\$	3,991,020

Budgeted Local Revenue

WCKSEC provides for the remaining portion of our budget through local funding. The first decision is how much of our prior year cash balance will be used to cover expenses. KSDE recommends that districts have an end-of-year cash balance of eleven to fifteen percent of the total budget. This cash balance is needed because the first state payment for special education does not come until October. To fully cover payroll in August, September, and October, we need our cash balances to be large enough to absorb these costs. To ensure enough on hand at the end of the current year to meet these expenses next school year, WCKSEC will use \$639,000 from these cash balances.

Other local funding includes gifts and grants, payments from neighboring non—member districts for contracted services that we provide to them, and other local payments. These local funds are estimated at \$57,763 for this school year.

WCKSEC Local Funding for 2022-23 School Year

(Yellow=Known, Blue = Estimated)

Reimbursements		
Interest		2000
KVC (USD 489 Gen Ed FTE)		0
Other Local Payments		20400
Contracted Services		24000
Gifts/Grants		5000
Local Revenue SubTotal	\$	51,400
District Assessment	\$	2,595,480
Local Revenue Total	\$	2,646,880

(\$639,000 from current balances will also be used fund the expenses for the current school year.)

The remaining unfunded amount of our budget is covered through payments by our member districts called district assessments. This year our district assessments total \$2,595,480. This amount is then split up by our member districts consistent with the methods within our cooperative agreement. For WCKSEC, this distribution is based on the ratio of each district’s audited student FTE count from the prior school year to the total of these amounts for the cooperative. Each district’s assessment amount is paid quarterly throughout the school year.

WCKSEC Federal Funding for 2022-23 School Year

FY23		WCKSEC Projected District Share		Projected Increase	
		Total District Contributions		\$ 2,595,480	\$ 124,000
		Audited FTE	% of WCKSEC FTE	District Assment	\$ Change from Prior Year
489	Hays	3124.5	77.77%	\$ 2,018,412	\$ 107,078
388	Ellis	335.3	8.35%	\$ 216,602	\$ (12,590)
395	LaCrosse	285	7.09%	\$ 184,109	\$ 19,181
432	Victoria	273	6.79%	\$ 176,357	\$ 10,331
		4017.8	100.00%	\$ 2,595,480	\$ 124,000

Conclusion

In conclusion, the budget for WCKSEC is set based on the needs of the students we serve and funded based on the funds provided through federal, state, and local sources. The current budget is held up by a prior year cash balance that was higher than usual in anticipation of the growing gap between state funding and the amount needed to meet the statutory requirement to cover 92 percent of excess costs.

WCKSEC Overall Budget for 2022-23 School Year

	FY23 Estimate
EXPENSES	7/6/2022
Other Expenses	\$ 90,958.00
Professional Development	\$ 48,650.00
HACC Part C	\$ 4,800.00
Transportation	\$ 45,500.00
Supplies/Equipment	\$ 146,200.00
Fringe	\$ 1,977,418.00
Salary	\$ 6,336,889.00
TOTAL COOP EXPENSES	\$ 8,650,415
REVENUE	
Federal Revenue	\$ 1,334,723
State Revenue	\$ 3,991,020
Local Revenue Total	\$ 2,646,880
Prior Year Cash Balance	\$ 1,836,894
Expense Total	\$ 8,650,415
Revenue Total	\$ 7,972,623
Ending Cash Balance	\$ 1,159,102

Without an increase in special education funding in the next legislative session, a greater percentage of our budget will need to be covered by payments from our member districts.