



# **SCHOOL DISTRICT PERFORMANCE AUDIT REPORT**

## **K-12 Education: Reviewing Issues Related to Catastrophic Funding for Special Education**

**A Report to the Legislative Post Audit Committee  
By the Legislative Division of Post Audit  
State of Kansas  
October 2009**

# ***Legislative Post Audit Committee***

---

## ***Legislative Division of Post Audit***

**THE LEGISLATIVE POST** Audit Committee and its audit agency, the Legislative Division of Post Audit, are the audit arm of Kansas government. The programs and activities of State government now cost about \$13 billion a year. As legislators and administrators try increasingly to allocate tax dollars effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by Legislative Post Audit helps provide that information.

We conduct our audit work in accordance with applicable government auditing standards set forth by the U.S. Government Accountability Office. These standards pertain to the auditor's professional qualifications, the quality of the audit work, and the characteristics of professional and meaningful reports. The standards also have been endorsed by the American Institute of Certified Public Accountants and adopted by the Legislative Post Audit Committee.

The Legislative Post Audit Committee is a bipartisan committee comprising five senators and five representatives. Of the Senate members, three are appointed by the President of the Senate and two are appointed by the Senate Minority Leader. Of the Representatives, three are appointed by the Speaker of the House and two are appointed by the Minority Leader.

Audits are performed at the direction of the Legislative Post Audit Committee. Legislators

or committees should make their requests for performance audits through the Chairman or any other member of the Committee. Copies of all completed performance audits are available from the Division's office.

### **LEGISLATIVE POST AUDIT COMMITTEE**

Representative Virgil Peck Jr., Chair  
Representative Tom Burroughs  
Representative John Grange  
Representative Peggy Mast

Senator Terry Bruce, Vice-Chair  
Senator Anthony Hensley  
Senator Derek Schmidt  
Senator Chris Steineger  
Senator Dwayne Umbarger

### **LEGISLATIVE DIVISION OF POST AUDIT**

800 SW Jackson  
Suite 1200  
Topeka, Kansas 66612-2212  
Telephone (785) 296-3792  
FAX (785) 296-4482  
E-mail: [LPA@lpa.ks.gov](mailto:LPA@lpa.ks.gov)  
Website: <http://kslegislature.org/postaudit>  
Barbara J. Hinton, Legislative Post Auditor

### **DO YOU HAVE AN IDEA FOR IMPROVED GOVERNMENT EFFICIENCY OR COST SAVINGS?**

The Legislative Post Audit Committee and the Legislative Division of Post Audit have launched an initiative to identify ways to help make State government more efficient. If you have an idea to share with us, send it to [ideas@lpa.state.ks.us](mailto:ideas@lpa.state.ks.us), or write to us at the address above.

You won't receive an individual response, but all ideas will be reviewed, and Legislative Post Audit will pass along the best ones to the Legislative Post Audit Committee.

The Legislative Division of Post Audit supports full access to the services of State government for all citizens. Upon request, Legislative Post Audit can provide its audit reports in large print, audio, or other appropriate alternative format to accommodate persons with visual impairments. Persons with hearing or speech disabilities may reach us through the Kansas Relay Center at 1-800-766-3777. Our office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.



LEGISLATURE OF KANSAS  
**LEGISLATIVE DIVISION OF POST AUDIT**

800 SOUTHWEST JACKSON STREET, SUITE 1200  
TOPEKA, KANSAS 66612-2212  
TELEPHONE (785) 296-3792  
FAX (785) 296-4482  
E-MAIL: lpa@lpa.ks.gov

October 6, 2009

To: Members, Legislative Post Audit Committee

Representative Virgil Peck Jr., Chair	Senator Terry Bruce, Vice-Chair
Representative Tom Burroughs	Senator Anthony Hensley
Representative John Grange	Senator Derek Schmidt
Representative Peggy Mast	Senator Chris Steineger
	Senator Dwayne Umbarger

This report contains the findings, conclusions, and recommendations from our completed performance audit, *K-12 Education: Reviewing Issues Related to Catastrophic Funding for Special Education*.

The report contains a number of appendices, including detailed estimates for the number of catastrophic claims and aid and teacher aid for 2009-10 under each of the various proposed changes to catastrophic aid requirements. The appendices also include an in-depth description of the methodology we used to make our estimates.

The report includes a recommendation for the Legislature to change the current catastrophic aid formula. We would be happy to discuss this recommendation or any other items in the report with any legislative committees, individual legislators, or other State officials.

Barbara J. Hinton  
Legislative Post Auditor

# READER'S GUIDE

<b><i>The Big Picture</i></b>		<b><i>The Details</i></b>	
<b>Audit Highlights</b>	The highlights sheet, inserted in each report, provides an overview of the audit's key findings	<b>"At-a-Glance Box"</b>	Used to describe key aspects of the audited agency; generally appears in the first few pages of the main report
<b>Conclusions and Recommendations</b>	Located at the end of the audit questions, or at the end of the report	<b>Side Headings</b>	Point out key issues and findings
<b>Agency Response</b>	Included as the last Appendix in the report	<b>Charts, Tables, and Graphs</b>	Visually help tell the story of what we found
<b>Table of Contents, and lists of figures and appendices</b>	Lets the reader quickly locate key parts of the report	<b>Narrative Text Boxes</b>	Highlight interesting information or provide detailed examples

This audit was conducted by Laurel Murdie and Alex Gard. Scott Frank was the audit manager. If you need any additional information about the audit's findings, please contact Laurel Murdie at the Division's offices.

Legislative Division of Post Audit  
 800 SW Jackson Street, Suite 1200  
 Topeka, Kansas 66612

(785) 296-3792  
 E-mail: [LPA@lpa.ks.gov](mailto:LPA@lpa.ks.gov)  
 Web: [www.kslegislature.org/postaudit](http://www.kslegislature.org/postaudit)

## Table of Contents

**Question: Why has the number of “catastrophic” special education claims increased in recent years, and how many claims are likely over the next several years?**

<i>Catastrophic Aid Was Created To Help Fund Students With Extremely Expensive Needs</i> .....	page 5
<i>The Number of Catastrophic Aid Claims Filed and the Amount Paid Have Increased Dramatically in Recent Years</i> .....	page 6
<i>We Estimate the Number of Claims Could Increase Dramatically if Districts and Cooperatives Submit All the Claims They Can</i> .....	page 12
<i>Proposed Changes to the Catastrophic Aid Law Would Eliminate Most Claims</i> .....	page 13
<i>Because Districts and Cooperatives Can Get Paid Twice for Some Costs, They Can Make Money On Some Students with Catastrophic Costs</i> .....	page 17
<b>Conclusion</b> .....	page 19
<b>Recommendations for legislative action</b> .....	page 19

## List of Figures

<b>Figure OV-1:</b> Total Special Education Categorical Aid by Category .....	page 4
<b>Figure 1-1:</b> Catastrophic Claims and Aid 2003-04 to 2008-09 School Years .....	page 7
<b>Figure 1-2:</b> Comparison of Student Headcount and Number of Catastrophic Aid Claims Filed by the Top 10 Districts and Cooperatives Filing Claims, 2008-09 .....	page 8
<b>Figure 1-3:</b> An Example of How a District or Cooperative Might Prorate a Special Education Teacher’s Salary and Benefit Costs .....	page 9
<b>Figure 1-4:</b> Estimated Catastrophic Claims and Aid if Districts and Cooperatives Claim All They Could Under Current Law 2007-08 to 2010-11 School Years .....	page 13
<b>Figure 1-5:</b> 2008-09 Actual and 2009-10 Estimated Catastrophic Claims and Aid for Top 20% of Providers if Districts or Cooperatives Claim All They Could Under Current Law (aid amounts shown in thousands) .....	page 14
<b>Figure 1-6:</b> Estimated Catastrophic Claims and Aid Under Various Proposed Changes to Catastrophic Aid Requirements .....	page 16
<b>Figure 1-7:</b> Estimated 2009-10 Special Education Categorical Aid That Would Result Under Various Proposed Changes to Catastrophic Aid .....	page 17
<b>Figure 1-8:</b> An Example of How a District or Cooperative Can Make Money When Providing Special Education Services to a Student with Catastrophic Costs .....	page 18

## List of Appendices

<b>Appendix A:</b> Scope Statement .....	page 21
<b>Appendix B:</b> Summary of Methodology .....	page 23
<b>Appendix C:</b> Estimated Special Education Catastrophic Aid and Teacher Aid Amounts By Provider For Each of the Various Proposed Changes to Catastrophic Aid .....	page 24
<b>Appendix D:</b> Agency Response .....	page 36



## **K-12 Education: Reviewing Issues Related to Catastrophic Funding for Special Education**

---

The federal Individuals with Disabilities Education Act (IDEA) requires states to provide special education services to all children between the ages of 3 and 21 who need special services because of conditions such as mental retardation, hearing or visual impairment, emotional disturbance, or autism. In Kansas, school districts and special education cooperatives also are required to provide special services to gifted children as well. The State provides categorical aid to districts and cooperatives to help cover the costs of these special education services. Most of the State's categorical aid is distributed to districts based on the number of special education teachers and paraprofessionals they employ.

Under a 1994 provision added to the special education funding statutes, districts and cooperatives can receive an extra reimbursement for "catastrophic" special education cases—those that cost at least \$25,000 per year. According to the Department of Education, the number of catastrophic cases (and the accompanying reimbursements) has increased dramatically in recent years, from 87 cases (\$1.1 million) in 2005 to 758 cases (\$12.0 million) in 2009. The Shawnee Mission school district accounted for the largest share of this increase—it hadn't identified any catastrophic cases until 2009, when it identified 333 cases. According to district officials, the district hadn't calculated the costs properly in previous years, and therefore didn't know it had students who were eligible for catastrophic funding.

Recently, members of the 2010 Commission have become concerned about the dramatic increase in catastrophic cases. Specifically, they are concerned that districts may not be applying the same types of costs toward meeting the \$25,000 threshold for catastrophic aid. This school district performance audit answers the following question:

### **Why has the number of "catastrophic" special education claims increased in recent years, and how many claims are likely over the next several years?**

To answer this question, we surveyed the 69 districts and cooperatives providing special education services to determine what methods they used to calculate catastrophic costs. We also talked with district officials from Shawnee Mission, Olathe, Blue Valley, and Wichita.

We gathered data from the Department of Education, and individual districts and cooperatives regarding catastrophic aid applications,

special education expenditures and revenues, special education enrollments, and individualized education plans (IEP). We used these data to estimate how much it cost to serve each special education student in the State, and identify the students who would be eligible for catastrophic aid under the current law, as well as various proposed changes to the catastrophic aid requirements. We also estimated the impact each scenario would have on the amount of categorical aid each district and cooperative would receive per special education teacher. Finally, we analyzed the catastrophic aid applications for 2008-09 and current statutes to identify instances where districts or cooperatives appeared to profit when claiming catastrophic special education aid.

A copy of the scope statement for this audit is included in *Appendix A*. For reporting purposes, we combined the original two questions into one question.

In conducting this audit, we followed all applicable government auditing standards set forth by the U.S. Governmental Accountability Office, except that, because of time constraints, we performed only limited reliability testing of some of the data that were provided by the Department of Education.

Our preliminary testing of expenditure data and individualized education plan (IEP) data showed that both datasets appear to be complete and free of significant outliers. Based on these results, we feel it's unlikely that either expenditure data or IEP data are so grossly or systematically inaccurate as to affect our findings and conclusions.

Our findings begin on page 5, after a brief overview.

## Overview of Special Education Funding

---

### *The Legislature Provided \$436 Million for Special Education Services in 2008-09*

The federal Individuals with Disabilities Education Act (IDEA), passed in 1975, requires states to provide special education services to all children with disabilities who are between the ages of 3 and 21. In addition, under Kansas law, the Special Education for Exceptional Children Act augments the federal law by requiring Kansas school districts to provide special education services to gifted children as well.

School districts are responsible for ensuring that their students receive appropriate education services, but they have several options for providing those services:

- Contract with an outside facility to meet the student's needs.
- Provide the services themselves using their own teachers.
- Join other districts to form a special education cooperative (run by a member district) or interlocal (run by a separate, independent entity). For simplicity's sake, in this report we'll use the term "cooperative" to refer to both cooperatives and interlocals.

**Kansas law requires the State to pay 92% of the "excess costs" of special education, and most of that aid goes to districts and cooperatives in the form of teacher aid.** The "excess" costs of special education are the total costs incurred for serving special education students less other funding sources that already are available to pay for special education services, including a share of the district's regular education funding, federal special education funding, and Medicaid.

Districts and cooperatives pay for special education services with a mix of federal, State, and local funds. The State funding they receive for special education is known as "categorical aid." For the 2008-09 school year, the Legislature appropriated \$436 million in special education categorical aid to the State's 69 districts and cooperatives that provide special education services.

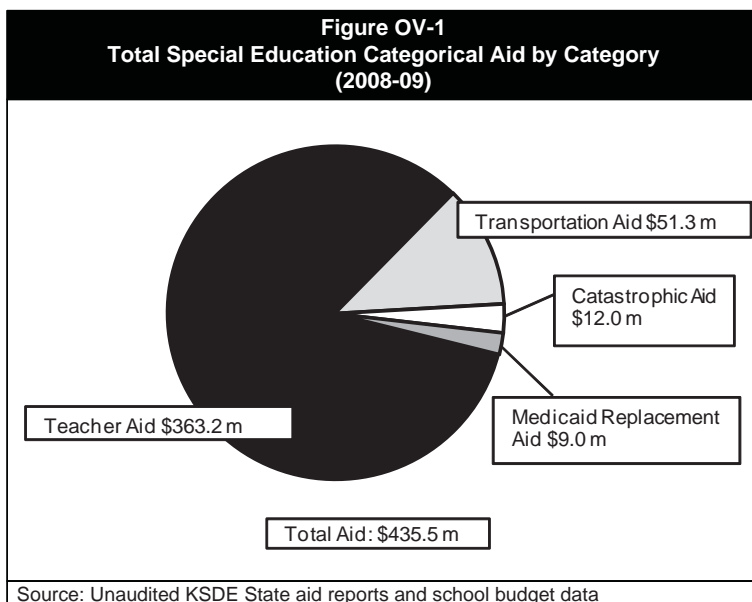
Because of the current fiscal crisis, the Legislature will fund only about 73% or \$367 million of special education excess costs for the 2009-10 school year. Slightly more than one-half of the difference between what the Legislature has appropriated and the 92% requirement will be made up with almost \$56 million in federal American Recovery and Reinvestment Act (ARRA) funding for special education, although Department officials have told us that money will not be distributed as categorical aid through the State's special education formula.

Although the amount of categorical aid the State provides is computed on the basis of excess costs, it isn't distributed on that basis. Rather, by law the money is distributed to the districts and cooperatives as follows:

- **Transportation Aid**—A portion of categorical aid is set aside to cover 80% of the cost of transporting special education students and reimbursing special education teachers for the miles they drive.
- **Catastrophic Aid**—A portion of categorical aid is set aside to help pay for special education students who cost more than \$25,000 to serve. This aid, which covers 75% of the cost over \$25,000, was designed to keep districts and cooperatives from being financially devastated if they had to serve students with extremely expensive special needs. (Catastrophic aid is described in more detail in Question 1.)

Under the catastrophic aid formula, however, other types of special education aid (transportation aid, for example) aren't deducted when calculating the catastrophic costs of a special education student. This means a district or cooperative generally is paid twice for some transportation costs and teacher costs—a practice commonly referred to as “double-dipping.” Double-dipping isn't prohibited under the current catastrophic aid formula.

- **Medicaid Replacement Aid**—A portion of categorical aid is set aside to address funding disparities created by changes to school-based Medicaid in 2008. 2009-10 will be the last year for this type of aid. (More information about the changes to Medicaid and their impact on districts and cooperatives can be found in Question 2 of our December 2007 report, *K-12 Education: Reviewing Issues Related to Special Education Funding (07PA30)*.)
- **Teacher Aid**—The remaining categorical aid is distributed to districts and cooperatives based on the number of special education teachers and paraprofessionals they employ. Most categorical aid is distributed as teacher aid. As **Figure OV-1** shows, \$363 million of the \$436 million in categorical aid distributed in 2008-09 (about 83%) was distributed based on the number of special education teacher and paraprofessionals.



For the 2008-09 school year, districts received \$28,760 per full-time-equivalent special education teacher in teacher aid. That aid covered about 54% of the average classroom education teacher's contracted salary and benefits.

For the 2009-10 school year, the Department of Education has informed districts that special education teacher aid will drop to about \$23,000 per teacher. As mentioned earlier, much of this difference will be covered using almost \$56 million in federal American Recovery and Reinvestment Act (ARRA) moneys, but those dollars will be distributed to districts under a federal formula, not the State's categorical aid formula. In this audit, we didn't try to assess whether this situation would result in some districts getting significantly more or less funding than they otherwise would have.

## Why Has the Number of “Catastrophic” Special Education Claims Increased In Recent Years, and How Many Claims Are Likely Over the Next Several Years?

### **Answer in Brief:**

*The number of claims submitted to cover the “catastrophic” costs for very expensive special education students—those costing more than \$25,000 per year—rose dramatically between 2008 and 2009, from 276 to 758. The amount of catastrophic aid paid jumped from \$6 million to \$12 million. Historically, relatively few districts submitted claims, and then only for their very expensive students who required a lot of dedicated resources, such as a full-time teacher or expensive outside contracted services. The primary cause for the big increases in 2009 was the Shawnee Mission district’s decision to prorate costs for all special education students, even its less-expensive ones. A few other districts have begun prorating costs as well. At the same time, 18 districts or cooperatives told us they haven’t claimed all the catastrophic aid they could have by law.*

*Under current law, for the 2009-10 school year, we estimate there would be about 5,500 claims for nearly \$48 million in catastrophic aid if all districts and cooperatives prorate all their shared special education costs and submit all the claims they can (a worst-case scenario). Proposed changes to the requirements for qualifying for catastrophic aid—including increasing the threshold for qualifying, and requiring districts to deduct other forms of special education aid they receive from the catastrophic cost calculation—would eliminate most catastrophic aid claims. That would leave more money available to be distributed to all districts as teacher aid. Finally, we estimate that for about 100 of the 758 catastrophic aid claims filed in 2009, districts or cooperatives received nearly \$1 million in aid over and above the actual cost of providing special education services to these students. These and other findings are discussed in more detail in the sections that follow.*

### **Catastrophic Aid Was Created To Help Fund Students With Extremely Expensive Needs**

As described in the Overview, the Legislature provides categorical aid to help pay for special education services, most of which is distributed based on the number of special education teachers each district or cooperative employees. However, the special education services for some students can be extremely expensive, and the cost would be “catastrophic” to the district or cooperative. Starting in 1994, the Legislature created catastrophic aid and allowed districts and cooperatives to be directly reimbursed for a portion of the cost of providing services to these very expensive students, as follows:

- To receive catastrophic aid, districts and cooperatives must file a claim with the Department of Education in mid-May of the school year they incurred the catastrophic costs.

- They then can be reimbursed for 75% of their costs over the \$25,000 threshold (the district or cooperative is responsible for the first \$25,000). There was no provision in the law to adjust the \$25,000 threshold for inflation. Since 1994, the consumer price index (CPI) has risen 44%. Had the \$25,000 been adjusted for this inflation rate, it would be slightly more than \$36,000 today.

**When calculating catastrophic costs, districts and cooperatives can include all costs—even those costs already covered by transportation and teacher aid—which means they may be paid twice for some costs.** As noted earlier, some special education costs already are covered in part by other categories of State-funded special education aid. For example, transportation aid pays 80% of the cost of transporting special education students. And for the 2008-09 school year, teacher aid paid almost \$29,000 of the average of slightly less than \$53,000 in contracted salary and benefits paid to classroom teachers, or about 54%.

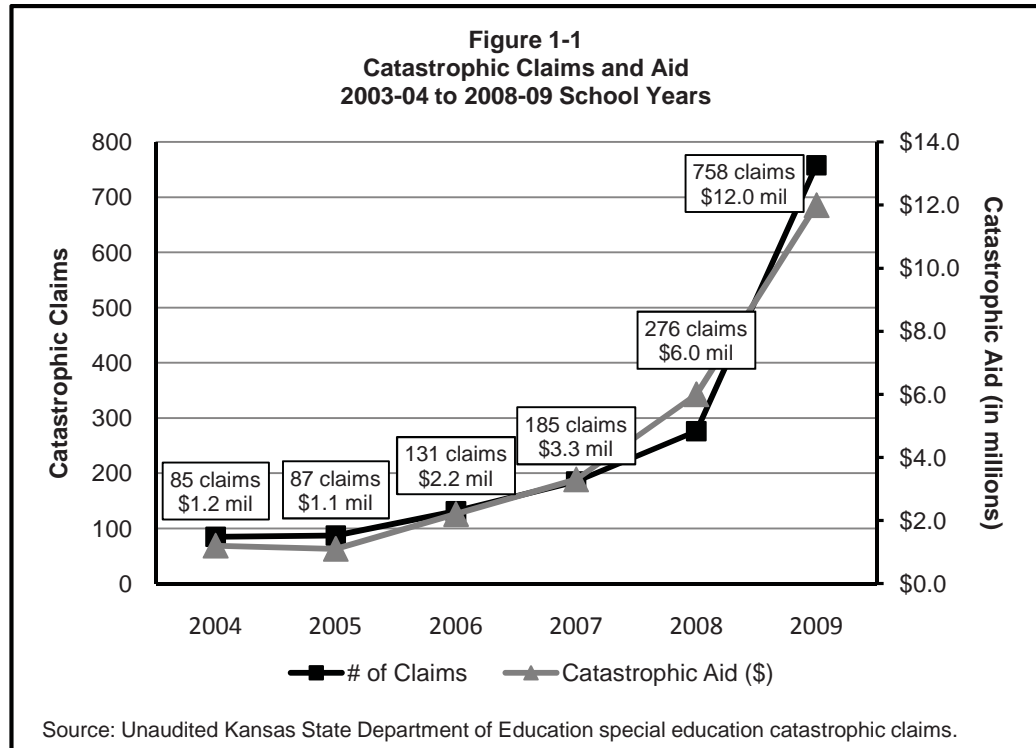
Under the catastrophic aid formula, however, these other types of special education aid aren't deducted when calculating the catastrophic costs of a special education student. This means a district or cooperative generally is paid twice for some transportation costs and teacher costs—a practice commonly referred to as “double-dipping.” Double-dipping isn't prohibited under the current catastrophic aid formula.

Although double-dipping has never been prohibited, initially it may not have been much of an issue. That's because catastrophic aid claims historically were for special education students who required a lot of dedicated resources, such as contracted services provided outside the district or cooperative. For example, early on few districts and cooperatives had the resources to serve students with severe disabilities, and may have contracted with full-time facilities—such as Heartspring in Wichita—to meet these students' needs. Currently, serving a student at a facility like Heartspring can cost a district or cooperative as much as \$250,000 a year.

---

***The Number of Catastrophic Aid Claims Filed and the Amount Paid Have Increased Dramatically in Recent Years***

In recent years, the number of claims submitted to cover the catastrophic costs for very expensive special education students—again, those costing more than \$25,000 per year—as well the total amount catastrophic aid paid to districts and cooperatives, have accelerated rapidly. As **Figure 1-1** shows, relatively few claims were filed in 2004 and 2005, and they accounted for about \$1.2 million each year in catastrophic aid.



Things began to change after that, however:

- The total number of claims filed increased fairly steadily until 2008, but jumped in 2009 to 758 claims.
- Over that same time, the amount of catastrophic aid paid increased to \$12 million.
- The number of districts or cooperatives that filed a catastrophic aid claim increased from 26 in 2006 to 35 in 2009, according to Department of Education data.
- As **Figure 1-2** on page 8 shows, four large districts—but especially the Shawnee Mission school district—significantly increased the number of claims they filed for special education students in 2009.

As described in more detail in the sections that follow, we identified three primary reasons why these numbers have increased so much in recent years:

- The cost of providing special education services has increased over time, but the \$25,000 threshold hasn't.
- The Blue Valley, Olathe, and Wichita school districts indicated they now have more very expensive special education students, and have begun prorating the shared costs for these expensive students.
- The Shawnee Mission school district began prorating the shared costs for all its special education students—not just its expensive ones.

**Figure 1-2  
Comparison of Student Headcount and Number of Catastrophic Aid Claims Filed  
by the Top 10 Districts and Cooperatives Filing Claims, 2008-09**

District or Cooperative	Student Headcount, 2009 (a)		# of Catastrophic Aid Claims				% Change in Claims		Catastrophic Aid Received
	Total	Special Education (b)	2006	2007	2008	2009	2006 to 2009	2008 to 2009	2009
512 Shawnee Mission	27,772	3,086	0	0	0	333	n/a	n/a	\$3,772,482
229 Blue Valley	20,776	1,877	38	69	87	129	239%	48%	\$2,171,072
233 Olathe	26,425	3,149	9	23	85	122	1256%	44%	\$2,989,972
259 Wichita	48,974	6,530	25	19	19	61	144%	221%	\$779,013
637 Southeast Kansas Interlocal	12,956	1,659	5	5	12	18	260%	50%	\$116,923
261 Haysville	4,917	715	3	5	7	16	433%	129%	\$207,824
501 Topeka	13,846	2,363	3	7	9	11	267%	22%	\$211,695
603 ANW Cooperative	5,622	964	5	6	5	11	120%	120%	\$46,516
333 North Central (Concordia)	2,615	530	4	5	4	8	100%	100%	\$84,428
305 Central Kansas (Salina)	14,859	2,349	0	0	0	6	n/a	n/a	\$108,895
<b>Subtotal, Claims Filed</b>			92	139	228	715	677%	214%	
<b>Claims by Other Districts/Coops</b>			38	44	45	43	13%	-4%	
<b>Total Claims Filed</b>			<b>130</b>	<b>183</b>	<b>273</b>	<b>758</b>	<b>483%</b>	<b>178%</b>	

(a) Member districts' and cooperatives' enrollments have been included in host districts or cooperative enrollment figures. Numbers include 4 year-old at-risk students and 3 & 4 year-old special education students.

(b) Gifted students are excluded here because if is very difficult for a gifted student to have expenditures qualifying them as catastrophic.

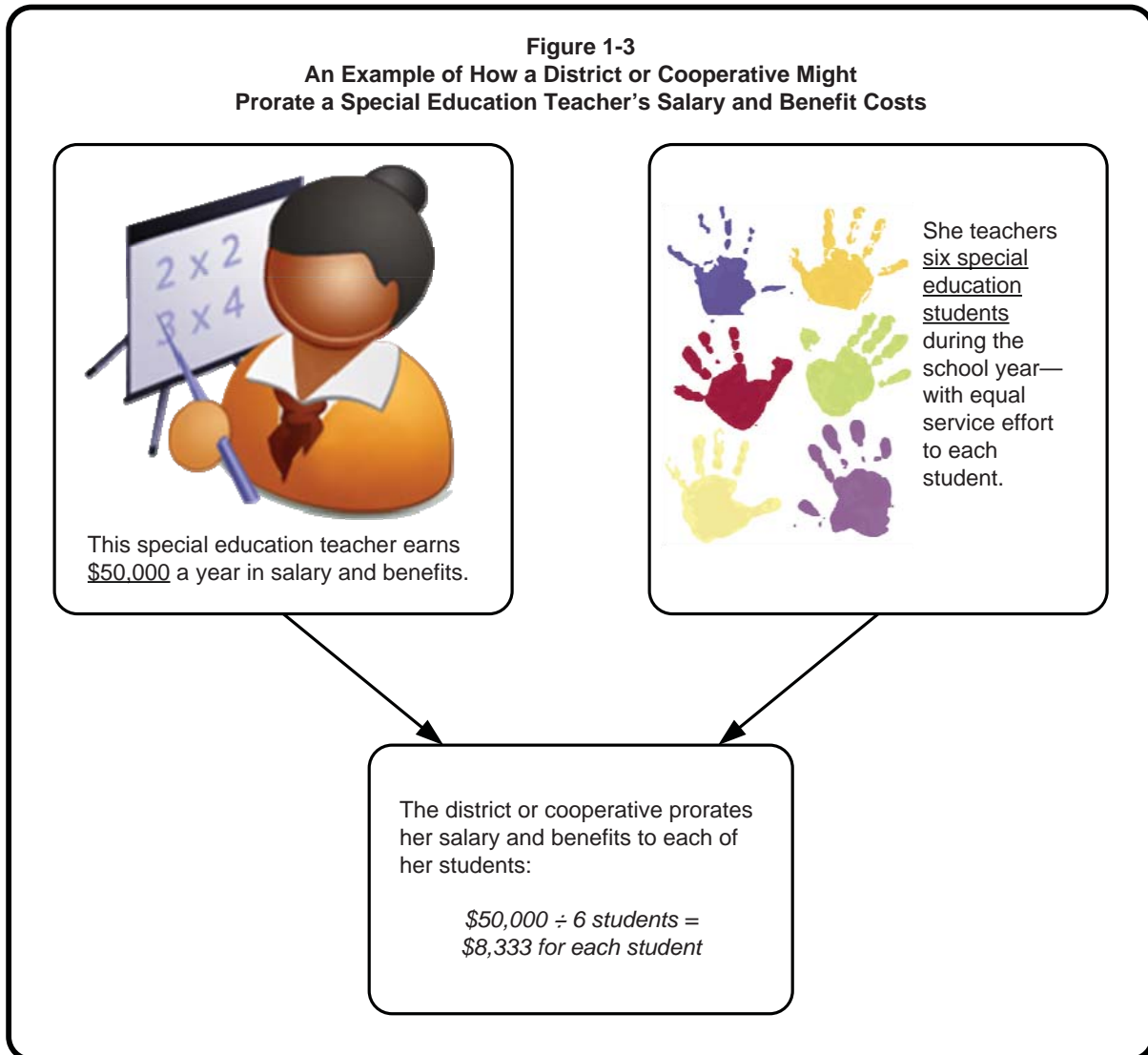
Source: Unaudited Kansas State Department of Education enrollment, special education head count, and catastrophic application data

**Part of the increase over time in catastrophic aid claims filed and paid can be attributed to the static \$25,000 threshold for qualifying for aid.** When catastrophic aid was first introduced in 1994, the “threshold” for qualifying—the cost level that districts and cooperatives had to incur before applying for aid—was \$25,000. The statute made no provision to adjust that threshold for inflation. As described earlier, had the \$25,000 been adjusted for the CPI-U inflation rate, it would be slightly more than \$36,000 today.

Over time, the cost of providing all special education services has increased—for example, teachers are paid significantly more now than in 1994. But because the threshold hasn’t changed, it’s become easier for districts and cooperatives to qualify for catastrophic aid.

**The recent dramatic rise in catastrophic aid can be attributed primarily to actions taken by four large districts to prorate both the dedicated and shared costs for their special education students.** As noted earlier, catastrophic claims historically had been submitted for very expensive students who required a lot of dedicated resources, such as a full-time teacher or contracted services.

In recent years, however, four large districts—Blue Valley, Olathe, Shawnee Mission, and Wichita—began prorating the shared special education costs they incurred for their special education students. When a district prorates costs, it allocates the cost of shared resources—such as a teacher or paraprofessional who works with several students—to each student who uses those resources. An example of how a district might prorate costs is shown in *Figure 1-3*.



The approach the Shawnee Mission school district took was different from the Blue Valley, Olathe, and Wichita school districts:

- **In recent years, the Blue Valley, Olathe, and Wichita school districts began compiling all costs—including prorating any shared costs—for their increasing population of very expensive students with multiple severe disabilities or autism.** According to officials from the Blue Valley school district, they began submitting more claims a few years ago when they realized their costs were especially high for students with multiple severe disabilities. Later, they said they concentrated their efforts on calculating both the dedicated and shared

costs of serving students with severe autism because they already knew costs were high for these students as well.

Olathe school district officials cited similar reasons for their high catastrophic claims—they said they also saw an increase in students with severe autism, and in 2007 began calculating both the dedicated and shared costs of serving these students. Both districts said they think it's likely they've had an increase in students with severe exceptionalities because they are located very near hospitals or health care centers that specialize in providing services for these exceptionalities.

In Wichita, for 2008-09, officials said they began calculating the costs of students at Levy Special Day School. The school provides services to students with special needs ranging from medically fragile to severely disabled. Before 2008-09, the district hadn't submitted catastrophic applications for these students.

- **For 2008-09, the Shawnee Mission school district began prorating costs for all its special education students—including those that were less expensive.** The Shawnee Mission school district had never before submitted a claim for catastrophic aid. But by linking its personnel, accounting, and special education service data for 2008-09, the district was able to “cost out” the services provided to all its nearly 4,600 special education students. For any student whose estimated costs exceeded \$25,000—even by \$1—the district turned in a claim for catastrophic aid. As a result, it submitted claims for almost 11% of its non-gifted special education students, compared to less than 1% for the Wichita and Topeka school districts.

As **Figure 1-2** showed, catastrophic claims for the Shawnee Mission school district went from 0 in 2008 to 333 in 2009, and accounted for 44% of all catastrophic claims filed in the State that year. Shawnee Mission also received \$3.8 million in catastrophic aid in 2009, accounting for about 31% of the catastrophic aid paid.

What's unique about the approach the Shawnee Mission school district used is that it has applied for aid for all students who cost more than \$25,000, not just the extremely expensive students it serves. For more information on how the Shawnee Mission school district prorates special education costs, see the accompanying profile box on page 11.

**At the same time, at least 20 districts or cooperatives told us they haven't claimed all the catastrophic aid they could have by law.**

To determine the types of expenditures providers typically include when filing claims for catastrophic aid, we sent a questionnaire to all 69 districts and cooperatives that provide special education services. Of those, 61 completed the questionnaire.

In addition to the questionnaire, we listened to and reviewed recent testimony from some of these providers to legislative committees. Here's a summary of what these districts and cooperatives have said:

- **Some district or cooperatives told us that they probably had students whose costs exceeded \$25,000, but that they couldn't easily prorate the costs related to those students.** In recent years, all districts likely have become more aware of the possibility of prorating

### The Shawnee Mission School District Prorates Costs for Each of its Special Education Students

The Shawnee Mission school district is the only district or cooperative in the State that prorates costs for all its special education students, even the less expensive ones. This allows them to identify every student whose costs exceed the \$25,000 threshold and to claim catastrophic aid for each. In 2008-09, Shawnee Mission submitted 333 catastrophic aid claims—almost 45% of the Statewide total.

We met with officials from the district to better understand how they prorate costs for each of their students. They told us that, because the district keeps its financial data and special education Individual Education Plan (IEP) data electronically, they were able to merge data from the two systems and allocate costs to all special education students. Here's how it works:

- The costs of any resources (staff, transportation, contracted services) that were dedicated to a single student were assigned to that student. For example, for a special education teacher who provided services exclusively to one student, the entire salary and benefits costs for that teacher were assigned only to that student.
- For special education teachers who worked only in special education but who served more than one student, the entire salary and benefit costs were allocated to all students served based on the amount of effort spent with each student. For example, for a teacher assigned to 10 students—one for whom the teacher spent 90% of his or her service efforts, then 90% of that teacher's salary and benefit costs were prorated as a cost to that one student. The remaining 10% of costs were prorated equally among the other 9 students.
- Salary and benefit costs for special education paraprofessionals who worked only in special education and who worked alongside a special education teacher were allocated in the same way the teacher's salary and benefit costs were allocated.
- For specialist-type positions such as nurses, psychologists, and consultants, who in addition to providing some special education services also provided some regular education services, the district calculated a cost per minute of service provided by each staff (based on actual salary and benefit costs), then allocated costs to the individual students based on the service minutes shown in each student's IEP.
- For transportation services, the district allocated the cost of the route equally to each special education student who regularly rode on the route.

Using this method, the district was able to "cost out" all of its nearly 4,600 special education students, and for 2008-09, filed a catastrophic aid claim for every student whose costs exceeded \$25,000.

shared costs for their special education students. Seven districts told us they know they had some students whose costs were more than \$25,000, but they didn't apply because calculating the costs was cumbersome and not worth the aid they would receive.

- **Some districts or cooperatives haven't counted all the costs they could.** Here are the reasons cited:
  - *6 told us they thought catastrophic aid was only available to cover the cost of contracting for special education services provided outside the district.*
  - *9 told us they didn't know they could prorate costs when services were provided to several students.*
  - *12 told us they didn't know they could include costs that already were covered by other types of categorical aid, such as transportation aid or teacher aid (the "double-dipping" issue discussed earlier).*

---

***We Estimate the Number of Claims Could Increase Dramatically if Districts And Cooperatives Submit All the Claims They Can***

Many districts and cooperatives told us that, for the 2009-10 school year, they'll begin prorating costs to all their special education students—just like the Shawnee Mission school district did—because if they don't they'll lose special education funding to the districts that do prorate. That's because the total amount of special education aid remains the same. However, the more catastrophic aid a district or cooperative claims for itself, the less categorical aid funding is available for everyone else to be distributed through teacher aid.

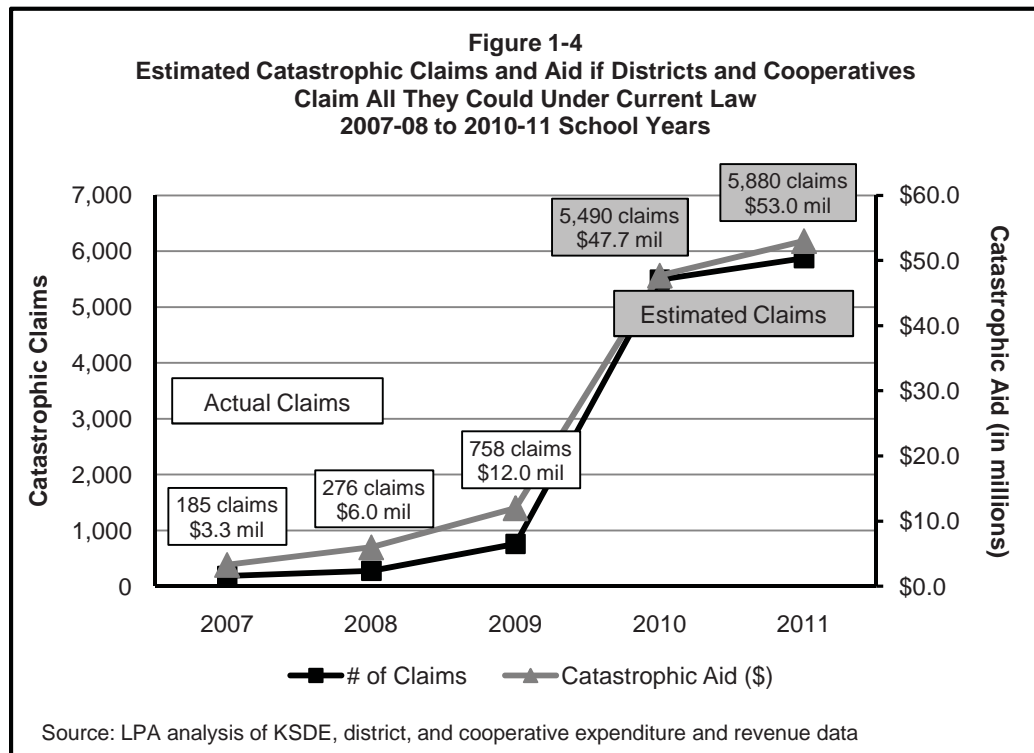
**We estimated the number of catastrophic claims and aid that would result if everyone submitted all the claims they were entitled to under the current law.** We used 2008-09 special education expenditure and service data from the Department to allocate special education costs to all special education students in a manner that was similar to (though less precise than) the methodology the Shawnee Mission school district used.

We then used the Consumer Price Index (CPI-U) to project the costs for each student out to future years. We used those results to identify students whose costs would exceed the current threshold of \$25,000. Our methodology is explained in more detail in **Appendix B**.

The reader should keep a few important things in mind about our estimates:

- It represents a worst-case scenario for 2009-10. Our estimates represent what would happen if every district and cooperative filed a catastrophic claim for every student who is eligible. However, it's unlikely every provider will have the resources to prorate costs for all its special education students in 2009-10.
- Because of data limitations, our methodology was not as refined as what districts and cooperatives might be able to do. We had to rely on summarized expenditure data and less-precise service data than would be available at the district and cooperative level. Because these data are less precise, our estimates could be **overstated or understated** by an unknown amount.
- Because the actual expenditures for the 2008-09 school year weren't available at the time of the audit, we used budgeted expenditures for each district and cooperative. Overall, this could **overstate** our estimates somewhat because providers' actual expenditures tend to be lower than what they budgeted.
- We used the same group of students, services, and special education providers for each year's projections. In reality, the State's special education population generally increases each year. To simplify our calculations, we didn't try to account for any projected growth, which would **understate** our estimates somewhat.
- Because our cost allocations are imprecise, we only counted students whose estimated costs exceeded the catastrophic aid threshold by at least 10%. For example, in order for us to count a student as "eligible" for catastrophic aid under current law, the student's estimated costs had to be at least \$27,500 (the \$25,000 threshold plus \$2,500 for the 10% buffer).

A summary of our estimates for the number of catastrophic claims and total catastrophic aid for the next few years are shown in *Figure 1-4*.



**Under current law, we estimate the number of claims could increase by almost 625% in the current school year if districts and cooperatives submit all the claims they could.** As *Figure 1-4* shows, if districts submitted all the claims they could for 2009-10, we estimate the number of claims filed could jump from 758 last year to almost 5,500 this year. The amount of catastrophic aid paid could quadruple, from \$12 million to nearly \$48 million. Following the dramatic initial increase, we estimate that claims and aid would increase gradually in subsequent years because of inflation.

*Figure 1-5* on page 14 shows the 2008-09 actual and 2009-10 estimated claims for the top 20% of districts or cooperatives filing claims for catastrophic aid. As the figure shows, if school districts submit all the claims they could, the Olathe, Shawnee Mission, Blue Valley, and Wichita school districts would continue to be among the top districts receiving catastrophic special education aid. Other districts or cooperatives with a large number of potential catastrophic claims include Topeka, Lawrence, Paola, Kansas City, and DeSoto. Detailed estimates for all districts and cooperatives for can be found in *Appendix C*.

***Proposed Changes to the Catastrophic Aid Law Would Eliminate Most Claims***

Because of the dramatic increase in claims and catastrophic aid paid in 2008-09, there's been much discussion about changing the requirements for catastrophic aid. For example, in 2008 the Legislature considered House Bill 2606, which would have increased

**Figure 1-5**  
**2008-09 Actual and 2009-10 Estimated Catastrophic Claims and Aid**  
**for Top 20% of Providers**  
**if Districts or Cooperatives Claim All They Could Under Current Law**  
**(Estimated aid rounded to nearest thousand)**

District or Cooperative		2008-09 (Actual)		2009-10 (Estimated)	
		# of Catastrophic Applications	Total Catastrophic Aid	# of Catastrophic Applications	Total Catastrophic Aid
233	Olathe	122	\$2,989,972	441	\$6,028,000
512	Shawnee Mission	333	\$3,772,482	456	\$4,647,000
229	Blue Valley	129	\$2,171,072	361	\$4,640,000
259	Wichita	61	\$779,013	762	\$4,573,000
501	Topeka	11	\$211,695	324	\$2,980,000
497	Lawrence	0	\$0	171	\$1,600,000
368	East Central (Paola)	1	\$7,007	134	\$1,549,000
500	Wyandotte (Kansas City)	4	\$53,306	240	\$1,497,000
232	DeSoto	1	\$61,874	81	\$1,424,000
618	Sedgwick County	1	\$162,426	189	\$1,119,000
607	Tri-County	2	\$18,093	116	\$1,112,000
428	Barton Co. (Great Bend)	0	\$0	105	\$992,000
610	Reno County	1	\$33,019	83	\$965,000
608	Northwest Kansas	0	\$0	99	\$830,000
Total, top 20% Districts/Cooperatives		666	\$10,259,957	3,562	\$33,956,000
<b>Total, all Districts and Cooperatives</b>		<b>758</b>	<b>\$12,008,400</b>	<b>5,491</b>	<b>\$47,657,000</b>

Source: LPA analysis of KSDE, district, and cooperative expenditure and revenue data

the catastrophic cost threshold from \$25,000 to \$36,000 for the 2008-09 school year, and adjust it for inflation in future years.

More recently, both the 2010 Commission and a group of special education directors have put forth proposals to address the catastrophic aid formula. In general, each of the proposals includes one or both of the following changes:

- Adjusting the \$25,000 threshold upward to account for inflation
- Requiring districts to deduct the State categorical aid they've already received for a student from the catastrophic cost calculation (in other words, eliminate double-dipping).

To estimate the effects various proposed changes would have on the number of catastrophic claims and the total amount of catastrophic aid, we started with the student-level cost estimates described earlier. We then estimated the amount of teacher and transportation aid the districts or cooperatives would receive for each student. Using the

cost and aid estimates and the criteria from each of the proposals, we identified students who would be eligible for catastrophic aid under each proposal. More detailed information about the methodology can be found in *Appendix B*.

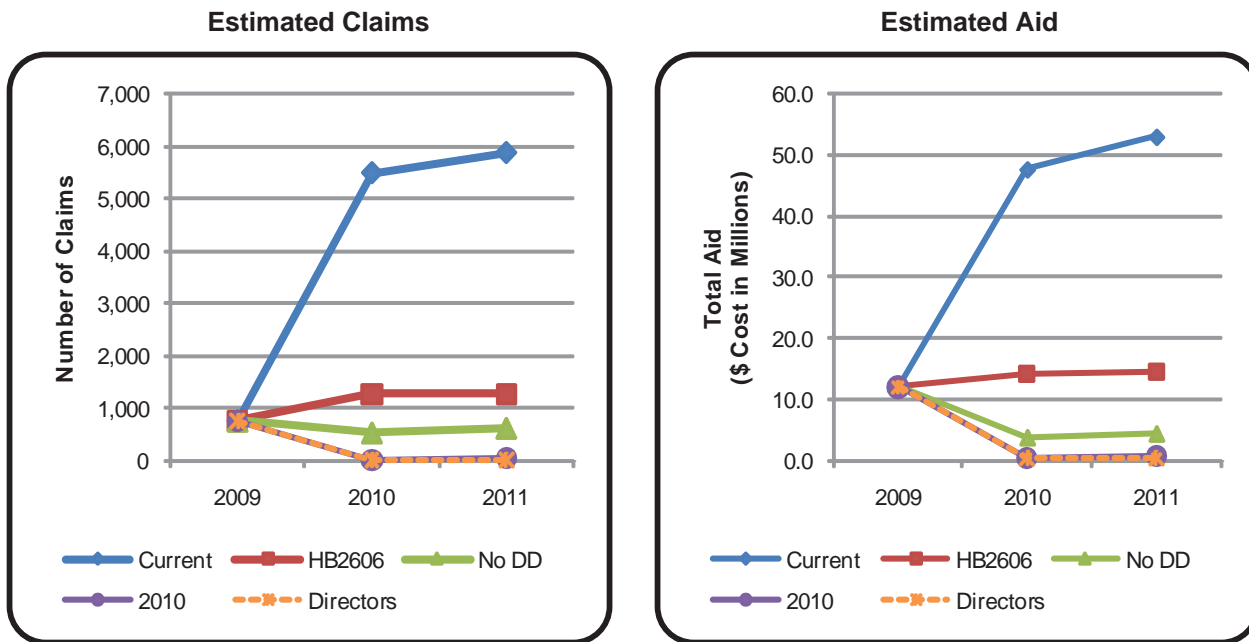
The various proposals and our estimated results are summarized in *Figure 1-6* on page 16. Detailed information for each district and cooperative appears in *Appendix C*.

As *Figure 1-6* shows:

- **Scenario #2 — Raising the \$25,000 spending threshold that currently is required to qualify for catastrophic aid and allowing it to increase with inflation in future years would stabilize the number of claims and aid.** If the threshold were raised to \$36,000 for 2008-09 and indexed to the CPI-U (as required in 2007 House Bill 2606), then for 2009-10, the number of catastrophic claims would increase to about 1,300 per year and would remain at that level each year. The amount of catastrophic aid would be around \$14 million and would gradually increase with inflation because the threshold, under this scenario wouldn't increase with inflation.
- **Scenario #3 — Eliminating double-dipping (requiring districts and cooperatives to deduct other types of State categorical aid they've already received for a student from the catastrophic cost calculation) would reduce the number of catastrophic aid claims filed, at least in the short term.** Initially, the number of claims filed could drop to about 500 and catastrophic aid could drop to around \$3.8 million. However, unless the catastrophic aid threshold also was adjusted for inflation, the number of claims and the amount of catastrophic aid would begin growing again. Eventually, the State would be back in the same situation that it currently faces—with many arguing the threshold is too low.
- **Scenarios #4 and #5 — Raising the threshold and eliminating double dipping would eliminate almost all catastrophic aid claims.** For example, if the threshold were raised to twice the previous year's teacher aid allocation, and districts were required to deduct any other State categorical aid they'd already received (as in the plan proposed by the 2010 Commission in May 2009), the number of claims likely would drop to around 10 to 20 each year, and catastrophic aid would fall to around \$400,000.

**Regardless of whether the Legislature keeps the current catastrophic aid law or adopts any of the proposed changes, the total amount of State special education aid won't be affected.** Under any of the proposed changes, as shown in *Figure 1-7*, the total amount of special education aid wouldn't change—it still would be whatever amount the Legislature appropriated for the year. That's because the catastrophic aid formula only affects how special education funding is distributed, not the total available.

**Figure 1-6**  
**Estimated Catastrophic Claims and Aid**  
**Under Various Proposed Changes to Catastrophic Aid Requirements**



Proposed Change:	Details of the Proposed Change:			Estimated # of Claims and Estimated Catastrophic Aid	
	Threshold	Accounts for inflation?	Eliminates Double-Dipping?	2009-10	2010-11
<b>Scenario #1</b> No change to current law	\$25,000	no	no	5,490 claims \$47.7 million	5,880 claims \$53.0 million
<b>Scenario #2</b> House Bill 2606	\$36,000 (a)	yes	no	1,270 claims \$14.2 million	1,270 claims \$14.6 million
<b>Scenario #3</b> Eliminate Double-Dipping (b)	\$25,000	no	yes	530 claims \$3.9 million	620 claims \$4.5 million
<b>Scenario #4</b> 2010 Commission	\$56,400 (2 times prior year's aid per teacher) (c)	yes	yes	10 claims \$420K	40 claims \$650K
<b>Scenario #5</b> Special Education Directors' Proposal	\$59,550 (2 times prior year's avg cost per special education FTE) (d)	yes	yes	10 claims \$390K	10 claims \$420K

(a) House Bill 2606 proposed the threshold be modified to \$36,000 in 2008-09, and adjusted for inflation in subsequent years.  
 (b) Scenario was created by LPA as it seemed a logical extension of the other proposals, but we don't endorse this over any other proposed change.  
 (c) This amount is tied to the prior year's special education aid per teacher. For example, the 2007-2008 aid amount per teacher was \$28,200, so the threshold for 2008-09 would be \$56,400.  
 (d) This amount is tied to the prior year's Statewide average cost per special education FTE. For example, the 2007-08 Statewide average special education cost for 10 FTE was \$29,775, so the threshold for 2008-09 would be \$59,550. Total catastrophic aid would be capped at \$4 million.  
 Source: LPA analysis of KSDE and district expenditure and revenue data.

However, the more catastrophic aid districts and cooperatives claim, the less aid there is available to distribute as teacher aid to help fund special education teachers and paraprofessionals. This is shown in *Figure 1-7*. For example, if the catastrophic aid formula isn't changed, we estimate catastrophic aid could increase to nearly \$48 million in 2009-10, which would reduce the amount of teacher aid by almost \$3,000 per teacher (compared to the current level estimated by the Department). Conversely, if the 2010 Commission's proposal were adopted by the Legislature, the total amount of catastrophic aid could drop to around \$400,000, increasing the amount of teacher aid by almost \$750 per teacher.

**Figure 1-7**  
**Estimated 2009-10 Special Education Categorical Aid That Would Result**  
**Under Various Proposed Changes to Catastrophic Aid**  
 (aid amounts shown in millions)

	Transportation Aid	Medicaid Replacement Aid	Catastrophic Aid	Teacher Aid	Total Categorical Aid	Teacher Aid Distributed per Teacher	Amt Under/Over KSDE est. for 2009-10 (a)
<b>#1 No Change to Current Law</b> * \$25,000 threshold * no inflation adjustment	\$56.5	\$9.0	\$47.7	\$254.4	\$367.5	\$20,026	(\$2,974)
<b>#2 House Bill 2606</b> * \$36,000 threshold (b) * adjusted for inflation	\$56.5	\$9.0	\$14.2	\$287.9	\$367.5	\$22,661	(\$339)
<b>#3 Eliminate Double Dipping</b> * \$25,000 threshold * no inflation adjustment	\$56.5	\$9.0	\$3.9	\$298.2	\$367.5	\$23,470	\$470
<b>#4 2010 Commission</b> * 2x prior year's teacher aid per teacher * adjusted for inflation	\$56.5	\$9.0	\$0.4	\$301.7	\$367.5	\$23,744	\$744
<b>#5 Special Ed. Directors</b> * 2x prior year's average cost per student * adjusted for inflation	\$56.5	\$9.0	\$0.4	\$301.7	\$367.5	\$23,746	\$746

(a) KSDE began notifying districts and cooperatives to expect teacher aid per teacher to fall to \$23,000 in FY2010-11 because of shifts in the composition of special education funding.  
 (b) House Bill 2606 proposed the threshold be modified to \$36,000 in 2008-09, and adjusted for inflation in subsequent years.  
 Source: LPA analysis of KSDE, district, and cooperative expenditure and revenue data.

***Because Districts and Cooperatives Can Get Paid Twice for Some Costs, They Can Make Money On Some Students with Catastrophic Costs***

If districts have to shoulder some of the cost of providing special education services, they are more likely to try to provide them more efficiently. That's one reason why none of the four types of special education categorical aid—transportation, catastrophic, Medicaid replacement, or teacher aid—is designed to cover all the costs a district or cooperative incurs. For example, transportation aid covers only 80% of transportation costs, and teacher aid has provided roughly half the cost of a special education teacher.

As noted earlier, under the current catastrophic aid formula all costs for a special education student—even those costs that are reimbursed through other types of categorical aid—can be counted when computing his or her “catastrophic” costs. As a result, in some cases districts and cooperatives can make money on these students.

Using the data we compiled for our earlier analyses, we estimate that for about 100 of the 758 catastrophic aid claims filed in 2009, districts and cooperatives received nearly \$1 million in categorical aid—teacher, transportation, and catastrophic—over and above the actual cost of providing special education services to these students. We estimate that the additional amount some districts or cooperatives received varied from about \$500 to about \$432,500, and averaged slightly more than \$45,000. **Figure 1-8** shows an example of how this occurred.

**Figure 1-8**  
**An Example of How a District or Cooperative Can Make Money When Providing Special Education Services to a Student with Catastrophic Costs (a)**

*This example was for an autistic student requiring one-on-one education and a dedicated nurse.*

Costs the District or Cooperative Incurred		Aid the District or Cooperative Received to Help Cover These Costs	
<i>Special Education Services (b)</i>	\$35,000	\$18,000	<i>Teacher Aid (c)</i>
<i>Transportation</i>	\$42,000	\$33,600	<i>Transportation Aid (80% of costs)</i>
<b>Subtotal</b>	<b>\$77,000</b>	<b>\$51,600</b>	
		\$39,000	<i>Catastrophic Aid (75% of actual costs over \$25,000 or 75% of \$52,000)</i>
<b>Total Cost</b>	<b>\$77,000</b>	<b>\$90,600</b>	<b>Total Aid</b>
		<b>\$13,600</b>	<b>"Profit"</b>

(a) Costs and aid amounts have been rounded to the nearest thousand. Student characteristics were altered to help maintain the student's confidentiality.  
 (b) Includes both instruction and support costs.  
 (c) LPA estimate based on the amount of teacher aid per dollar of service cost this provider historically receives.  
 Source: LPA analysis of KSDE catastrophic claims

As the figure shows, by the time all the different types of special education aid were added up, this district/cooperative ended up with \$13,600 more in total categorical aid than it actually spent on the student.

The biggest issue we saw appeared to be with transportation costs. Given their ability to make money on some students, districts and cooperatives have little incentive for ensuring that severely disabled

students are transported cost-effectively. Because they are reimbursed twice for transportation costs (80% from transportation aid and 75% from catastrophic aid), districts and cooperatives receive an additional \$1.55 in aid (\$0.75 in catastrophic aid and \$0.80 in transportation aid) for every additional dollar they spend transporting a catastrophic student (a net gain of \$0.55 per dollar spent). Conversely, if they find a less expensive way to transport the student, they would lose \$1.55 in aid for every dollar they cut (a net loss to the district or cooperative of \$0.55 per dollar of spending cut).

***Conclusion:***

The Legislature created catastrophic aid in 1994 as a way of keeping school districts and special education cooperatives from being financially devastated if they had to serve students with extremely expensive special needs, but after 15 years, it's become apparent that there are problems with the original catastrophic aid formula. While the appropriate threshold at which a student's costs become catastrophic is subjective, the fact that the threshold isn't adjusted to account for inflation means that it is effectively lowered each year. In addition, allowing districts and cooperatives to be reimbursed twice for the same costs (i.e., double-dipping) is generally poor public policy, and for catastrophic aid, it creates situations where districts and cooperatives may receive more than they actually spent and could encourage inefficiency.

While we think the Legislature should correct the problems with the catastrophic aid formula, it should keep two things in mind. First, changing the catastrophic aid formula doesn't affect the total amount of special education aid it provides, it just changes the way it's distributed. Second, care will have to be taken in fixing the formula not to make it far more difficult for districts and cooperatives to access catastrophic aid than actually was intended.

***Recommendations for Legislative Action:***

1. To help ensure that the State's catastrophic aid formula provides the type of relief from catastrophic special education costs that the Legislature intended it to, and to ensure that school districts and special education cooperatives aren't reimbursed twice by the State for the same costs, the Legislature should amend K.S.A. 72-983 to do the following, effective starting the 2009-10 school year:
  - a. set the threshold for qualifying for catastrophic aid to whatever amount it deems appropriate.

- b. add a mechanism to the catastrophic aid formula to allow the threshold to increase with inflation in future years. Possible mechanisms might include adjusting the threshold based on the Consumer Price Index, or tying the threshold to a special education cost indicator, such as the average cost per special education FTE or the amount of categorical teacher aid per special education teacher.
- c. require districts and cooperatives to deduct the State special education aid they've already received for a student (transportation aid and teacher aid) when calculating costs for catastrophic aid.

The Legislative Educational Planning Committee or another legislative committee should introduce legislation to accomplish this.

## **APPENDIX A**

### **Scope Statement**

This appendix contains the scope statement approved by the 2010 Commission for this audit on June 29, 2009. The audit was requested by Chairwoman Chronister.

## SCOPE STATEMENT

### **K-12 Education: Reviewing Issues Related to Catastrophic Funding for Special Education**

The federal Individuals with Disabilities Education Act (IDEA) requires states to provide special education services to all children between the ages of 3 and 21 who need special services because of conditions such as mental retardation, hearing or visual impairment, emotional disturbance, or autism. In Kansas, school districts and special education cooperatives also are required to provide special services to gifted children as well. The State provides categorical aid to districts and cooperatives to help cover the costs of these special education services. Most of the State's categorical aid is distributed to districts based on the number of special education teachers and paraprofessionals they employ.

Under a 1994 provision added to the special education funding statutes, districts and cooperatives can receive an extra reimbursement for "catastrophic" special education cases—those that cost at least \$25,000 per year. According to the Department of Education, the number of catastrophic cases (and the accompanying reimbursements) has increased dramatically in recent years, from 87 cases (\$1.1 million) in 2005 to 758 cases (\$12.0 million) in 2009. The Shawnee Mission school district accounts for the largest share of this increase—it hadn't identified any catastrophic cases until 2009, when it identified 333 cases. According district officials, the district hadn't calculated the costs properly in previous years, and therefore didn't know it had students who were eligible for catastrophic funding.

Recently, members of the 2010 Commission have become concerned about the dramatic increase in catastrophic cases. Specifically, they are concerned that districts may not be applying the same types of costs toward meeting the \$25,000 threshold for catastrophic aid. This school district performance audit would answer the following question:

- 1. Do school districts include the same types of expenditures when calculating the costs for "catastrophic" special education cases?** To answer this question, we would interview officials from the Department of Education, and review documents as necessary to understand the requirements for catastrophic funding. For a sample of school districts, we would interview district officials, look at a sample of cases, to identify the types of expenditures those districts include when calculating the cost of their catastrophic cases, and determine if those expenditures are allowable. We would also compare the districts to see if they are consistent in types of expenditures they include. We would conduct additional testwork as needed.
- 2. How many "catastrophic" special education cases is the State likely to have over the next few years?** To answer this question, we would use special education student and expenditure data from the Department of Education to estimate the number of students and cost of serving those students for the next several years. Using those projections, we would estimate the number of students who will cost more than the \$25,000 catastrophic threshold, and effect that might have on the amount of special education funding available to other school districts. We would conduct additional testwork as needed.

**Estimated Resources: 1 staff (6-8 weeks)**

## APPENDIX B

### Summary of Methodology

This appendix contains a summary of the methodology we used to estimate how many students would qualify for catastrophic aid and how much those students would cost under a variety of scenarios. The methodology we used contained three basic steps:

- Estimate the special education costs for each student.
- Estimate the amount of special education aid received for each student.
- Use the data to identify students who qualify for catastrophic aid based on various proposed criteria.

#### Estimating Special Education Costs

In order to estimate the special education costs for each student, we had to do the following:

- **Identify all students for whom districts and cooperatives submitted catastrophic claims in 2008-09.** Because the district or cooperative calculates how much these students cost as part of the application process, we didn't need to do any further work to estimate their costs.
- **Estimate the special education costs for all other special education students for 2008-09.** We separated these costs into two categories—service costs and transportation costs—and estimated them as follows:

- Service Costs—A service cost rate for each district or cooperative was estimated by dividing the total amount the provider spent on services in 2008-09 (excluding amounts spent for the catastrophic students) by the total number of minutes of service provided to non-catastrophic students that year (as indicated on each student's Individualized Education Plan). The cost for each student was calculated by multiplying the service cost rate by the number of minutes of service for that student.

*For example, if a district spent \$800,000 on services for non-catastrophic students, and provided a total of 2.5 million minutes of service to those students, the service cost rate would be \$0.32 per minute ( $\$800,000 \div 2.5 \text{ million minutes}$ ). For a student in that district who received 50,000 minutes of service during the year, we would assign \$16,000 in service costs ( $50,000 \text{ minutes} \times \$0.32 \text{ per minute}$ ).*

- Transportation Costs—This was calculated in much the same way as service costs. The total amount a provider spent on transportation (excluding amounts spent for catastrophic students) was divided by the number of special education students who received transportation services to establish a transportation cost rate. That rate was then assigned back to each student who received transportation services.

*For example, if a district spent \$4.0 million transporting 100 non-catastrophic special education students, we would assign \$4,000 in transportation costs to each student transported ( $\$4.0 \text{ million} \div 100 \text{ students}$ ).*

- **Estimate how those costs will grow in future years to account for inflation.** Because of inflation, the same services will become more expensive over time. In order to account for this in 2009-10 and 2010-11, we multiplied each student's costs by an inflation factor (1.43% for 2009-10, and an additional 3.0% for 2010-11). For example, if we estimated that a student's services cost \$30,000 in 2008-09, we estimated that those same services would cost \$30,429 in 2009-10 ( $\$30,000 \times 1.0143$ ) and \$31,342 in 2010-11 ( $\$30,429 \times 1.03$ ).

## Estimating Special Education Aid and Net Costs

To estimate the total amount of special education aid and net costs for each student, we had to do the following:

- **Estimate the amount of teacher aid for each student.** To do this, first we had to estimate the rate at which the district or cooperative had historically been reimbursed for special education service costs. We calculated that aid rate (%) by totaling each district and cooperatives' expenditures and dividing by the amount of non-catastrophic and non-transportation State categorical aid they each received. Next, to estimate the State aid for each student, we multiplied each student's non-catastrophic expenditure totals by the aid rate for the district or cooperative providing the student's services.
- **Identify the amount of transportation aid for each student.** State law allows 80% of transportation costs to be reimbursed. We calculated transportation aid for each student by multiplying the student's total transportation costs by .80. For example, if a student's transportation costs were \$10,000, transportation aid would be \$8,000 ( $\$10,000 \times 0.8$ ).
- **Calculate net costs for each student.** Because some of the proposed changes to catastrophic aid requirements included using "net" costs (subtracting State aid) rather than using gross costs, we needed to be able to calculate net costs for each student. We did this by subtracting the estimated aid received from the total estimated costs for each student.

## Identifying Students Who Would Qualify for Special Education Catastrophic Aid

To identify students who would qualify for catastrophic aid under each of the various proposed changes to catastrophic aid requirements, we did the following:

- **Identified students who would be eligible for aid under each proposed scenario.** For example, if no changes were made to current law, then districts still would have to spend \$25,000 for a student before applying for catastrophic aid. Under the next scenario—House Bill 2606—the spending threshold is \$36,000, so we counted students whose costs were \$36,000 or more. Using the criteria under each scenario, we estimated the number of students who would qualify for catastrophic aid for 2009-10—if districts and cooperatives submit all the claims they could.
- **We adjusted our estimates by 10%.** Because our cost allocations were imprecise, we only counted students whose estimated costs exceeded the cost threshold by at least 10%. For example, in order for us to count a student as "eligible" for catastrophic aid under current law, the student's estimated costs had to be at least \$27,500 (the \$25,000 threshold plus \$2,500 for the 10% buffer.)

## APPENDIX C

### **Estimated Special Education Catastrophic Aid and Teacher Aid Amounts by Provider- For Each of the Various Proposed Changes to Catastrophic Aid**

This appendix includes detailed estimates for each district and cooperative providing special education services. It includes the actual total number of catastrophic claims, amount of special education catastrophic aid and teacher aid for 2008-09 and also our estimates of what those values would be for 2009-10 under each of the various proposed changes to catastrophic aid requirements.

The various proposed changes to catastrophic aid requirements and our estimates are:

**Scenario 1 — No changes to current law — Pages 26 to 27.**

- \$25,000 threshold
- No inflation adjustment

**Scenario 2 — House Bill 2606 — Pages 28 to 29.**

- \$36,000 threshold
- Adjusted for inflation

**Scenario 3 — Eliminate Double Dipping — Pages 30 to 31.**

- \$25,000 threshold
- No inflation adjustment

**Scenario 4 — 2010 Commission — Pages 32 to 33.**

- Threshold set at 2 times the prior year's teacher aid per teacher FTE
- Adjusted for inflation

**Scenario 5 — Special Education Directors' — Pages 34 to 35.**

- Threshold set at 2 times the prior year's average cost per student FTE
- Adjusted for inflation

**Scenario 1: No Change to Current Law**

\* \$25,000 threshold

\* No inflation adjustment

(aid amounts are in thousands)

Provider	2008-09 (Actual)				2009-10 (LPA Estimate)				Net Change, 2008-09 to 2009-10			
	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)			
202 Turner	1   \$20	\$2,744	\$2,764	12   \$53	\$1,962	\$2,015	\$33	(\$782)	(\$749)			
229 Blue Valley	129   \$2,171	\$15,302	\$17,473	361   \$4,640	\$10,941	\$15,581	\$2,469	(\$4,361)	(\$1,892)			
230 Spring Hill	1   \$34	\$1,409	\$1,444	11   \$105	\$1,008	\$1,113	\$70	(\$402)	(\$331)			
231 Gardner-Edgerton	3   \$73	\$3,477	\$3,550	52   \$466	\$2,486	\$2,951	\$393	(\$991)	(\$598)			
232 DeSoto	1   \$62	\$3,925	\$3,987	81   \$1,424	\$2,806	\$4,230	\$1,362	(\$1,119)	\$243			
233 Olathe	122   \$2,990	\$20,746	\$23,736	441   \$6,028	\$14,834	\$20,861	\$3,038	(\$5,913)	(\$2,875)			
234 Ft. Scott	0   \$0	\$1,045	\$1,045	18   \$111	\$747	\$858	\$111	(\$298)	(\$186)			
244 Coffey Co. (Burlington)	0   \$0	\$1,880	\$1,880	18   \$191	\$1,344	\$1,535	\$191	(\$536)	(\$345)			
253 Flint Hills (Emporia)	0   \$0	\$4,926	\$4,926	73   \$516	\$3,522	\$4,038	\$516	(\$1,404)	(\$888)			
259 Wichita	61   \$779	\$32,289	\$33,068	762   \$4,573	\$23,086	\$27,659	\$3,794	(\$9,202)	(\$5,408)			
260 Derby	0   \$0	\$4,753	\$4,753	2   \$12	\$3,399	\$3,410	\$12	(\$1,355)	(\$1,343)			
261 Haysville	16   \$208	\$3,645	\$3,853	16   \$215	\$2,606	\$2,821	\$7	(\$1,039)	(\$1,032)			
263 Mulvane	0   \$0	\$1,194	\$1,194	19   \$146	\$854	\$999	\$146	(\$340)	(\$194)			
273 Beloit	5   \$16	\$1,874	\$1,889	45   \$381	\$1,340	\$1,721	\$366	(\$534)	(\$168)			
282 Chautauqua/Elk Co.	1   \$22	\$1,217	\$1,239	10   \$116	\$870	\$985	\$93	(\$347)	(\$254)			
290 Ottawa	1   \$13	\$1,768	\$1,781	25   \$136	\$1,264	\$1,400	\$123	(\$504)	(\$381)			
305 Central KS Coop (Salina)	6   \$109	\$11,580	\$11,689	108   \$560	\$8,279	\$8,839	\$451	(\$3,300)	(\$2,849)			
308 Hutchinson	0   \$0	\$3,258	\$3,258	0   \$0	\$2,330	\$2,330	\$0	(\$929)	(\$929)			
320 Wamego	0   \$0	\$2,553	\$2,553	27   \$553	\$1,825	\$2,379	\$553	(\$728)	(\$174)			
321 Kaw Valley	0   \$0	\$1,218	\$1,218	19   \$117	\$871	\$988	\$117	(\$347)	(\$230)			
330 Mission Valley	0   \$0	\$547	\$547	6   \$41	\$391	\$432	\$41	(\$156)	(\$115)			
333 North Central (Concordia)	8   \$84	\$2,628	\$2,712	21   \$145	\$1,879	\$2,024	\$61	(\$749)	(\$688)			
336 Holton	1   \$167	\$2,686	\$2,853	73   \$739	\$1,920	\$2,659	\$572	(\$765)	(\$193)			
345 Seaman	2   \$32	\$2,751	\$2,784	27   \$155	\$1,967	\$2,122	\$123	(\$784)	(\$661)			
353 Wellington	0   \$0	\$1,705	\$1,705	0   \$0	\$1,219	\$1,219	\$0	(\$486)	(\$486)			
364 Marshall Co. (Marysville)	2   \$63	\$1,222	\$1,285	14   \$111	\$874	\$985	\$48	(\$348)	(\$301)			
368 East Central KS (Paola)	1   \$7	\$6,543	\$6,550	134   \$1,549	\$4,679	\$6,227	\$1,542	(\$1,865)	(\$323)			
372 Silver Lake	0   \$0	\$549	\$549	12   \$74	\$392	\$466	\$74	(\$156)	(\$83)			
373 Harvey Co. (Newton)	2   \$53	\$4,009	\$4,063	62   \$342	\$2,867	\$3,208	\$288	(\$1,143)	(\$854)			
379 Twin Lakes (Clay Center)	1   \$15	\$2,602	\$2,618	30   \$161	\$1,861	\$2,022	\$146	(\$742)	(\$595)			
383 Manhattan	0   \$0	\$5,482	\$5,482	16   \$73	\$3,920	\$3,992	\$73	(\$1,562)	(\$1,490)			
389 Eureka	0   \$0	\$524	\$524	5   \$25	\$375	\$399	\$25	(\$149)	(\$125)			
405 Rice Co. (Lyons)	0   \$0	\$1,876	\$1,876	15   \$100	\$1,342	\$1,442	\$100	(\$535)	(\$434)			

Provider	2008-09 (Actual)			2009-10 (LPA Estimate)			Net Change, 2008-09 to 2009-10		
	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)
	407 Russell	0	\$0	\$810	0	\$0	\$579	\$0	(\$231)
409 Atchison	1	\$5	\$1,591	15	\$176	\$1,137	\$171	(\$453)	(\$283)
418 McPherson Co.	1	\$76	\$4,027	17	\$151	\$2,879	\$75	(\$1,148)	(\$1,072)
428 Barton Co. (Great Bend)	0	\$0	\$3,306	105	\$992	\$2,364	\$992	(\$942)	\$50
437 Auburn Washburn	3	\$85	\$4,409	85	\$631	\$3,152	\$546	(\$1,256)	(\$711)
442 Marshall/Nemaha Co.	0	\$0	\$1,133	13	\$238	\$810	\$238	(\$323)	(\$85)
450 Shawnee Heights	0	\$0	\$2,376	31	\$174	\$1,699	\$174	(\$677)	(\$503)
453 Leavenworth Co.	1	\$57	\$8,614	97	\$445	\$6,159	\$388	(\$2,455)	(\$2,067)
457 Garden City	0	\$0	\$4,825	112	\$699	\$3,450	\$699	(\$1,375)	(\$676)
465 Cowley Co. (Winfield)	0	\$0	\$4,893	34	\$129	\$3,499	\$129	(\$1,395)	(\$1,266)
475 Junction City	0	\$0	\$5,657	0	\$0	\$4,045	\$0	(\$1,612)	(\$1,612)
480 Liberal	1	\$169	\$1,892	9	\$204	\$1,353	\$35	(\$539)	(\$505)
489 Hays W. Central KS	1	\$13	\$3,829	52	\$180	\$2,737	\$167	(\$1,091)	(\$924)
490 Butler Co. (El Dorado)	3	\$106	\$9,978	82	\$554	\$7,134	\$449	(\$2,844)	(\$2,395)
495 Tri-County (Larned)	0	\$0	\$1,690	56	\$480	\$1,209	\$480	(\$482)	(\$2)
497 Lawrence	0	\$0	\$9,106	171	\$1,600	\$6,511	\$1,600	(\$2,595)	(\$995)
500 Wyandotte Co. (KC)	4	\$53	\$13,493	240	\$1,497	\$9,647	\$1,444	(\$3,846)	(\$2,402)
501 Topeka	11	\$212	\$13,022	324	\$2,980	\$9,311	\$2,768	(\$3,711)	(\$943)
512 Shawnee Mission	331	\$3,788	\$17,993	456	\$4,647	\$12,865	\$860	(\$5,128)	(\$4,268)
602 Northwest Kansas	2	\$22	\$6,237	79	\$536	\$4,459	\$514	(\$1,777)	(\$1,263)
603 ANW Coop	11	\$47	\$5,803	55	\$335	\$4,149	\$289	(\$1,654)	(\$1,365)
605 South Central Kansas	0	\$0	\$6,263	45	\$418	\$4,478	\$418	(\$1,785)	(\$1,367)
607 Tri-County	2	\$18	\$5,883	116	\$1,112	\$4,206	\$1,094	(\$1,677)	(\$583)
608 NW Kansas Srv Ctr	0	\$0	\$4,682	99	\$830	\$3,347	\$830	(\$1,334)	(\$504)
610 Reno County	1	\$33	\$4,527	83	\$965	\$3,236	\$932	(\$1,290)	(\$358)
611 High Plains	0	\$0	\$5,656	90	\$745	\$4,044	\$745	(\$1,612)	(\$867)
613 Southwest Kansas	1	\$129	\$8,274	67	\$402	\$5,916	\$273	(\$2,358)	(\$2,085)
614 East Central Kansas	1	\$13	\$2,950	14	\$69	\$2,109	\$56	(\$841)	(\$785)
615 Brown County Interlocal	0	\$0	\$1,706	18	\$218	\$1,220	\$218	(\$486)	(\$268)
616 Doniphan County	0	\$0	\$1,428	6	\$18	\$1,021	\$18	(\$407)	(\$389)
617 Marion County	0	\$0	\$2,369	28	\$226	\$1,694	\$226	(\$675)	(\$449)
618 Sedgwick County	1	\$162	\$14,107	189	\$1,119	\$10,086	\$956	(\$4,021)	(\$3,064)
619 Sumner County Interlocal	0	\$0	\$2,125	10	\$43	\$1,519	\$43	(\$606)	(\$563)
620 Three Lakes	0	\$0	\$3,845	58	\$389	\$2,749	\$389	(\$1,096)	(\$706)
636 North Central Kansas	0	\$0	\$4,323	18	\$91	\$3,091	\$91	(\$1,232)	(\$1,141)
637 Southeast Kansas	18	\$117	\$9,097	102	\$504	\$6,504	\$387	(\$2,593)	(\$2,205)
<b>STATEWIDE TOTAL (a)</b>	<b>758</b>	<b>\$12,024</b>	<b>\$355,843</b>	<b>5,491</b>	<b>\$47,657</b>	<b>\$254,426</b>	<b>\$35,634</b>	<b>(\$101,417)</b>	<b>(\$65,784)</b>

(a) Totals exclude two other types of special education categorical aid: Medicaid and Transportation aid.

**Scenario 2: House Bill 2606**

\* \$36,000 threshold

\* Adjusted for inflation

(aid amounts are in thousands)

Provider	2008-09 (Actual)			2009-10 (LPA Estimate)			Net Change, 2008-09 to 2009-10		
	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)
202 Turner	1	\$20	\$2,744	1	\$12	\$2,220	(\$8)	(\$524)	(\$532)
229 Blue Valley	129	\$2,171	\$15,302	175	\$2,065	\$12,381	(\$106)	(\$2,922)	(\$3,028)
230 Spring Hill	1	\$34	\$1,409	2	\$42	\$1,140	\$7	(\$269)	(\$262)
231 Gardner-Edgerton	3	\$73	\$3,477	13	\$101	\$2,813	\$28	(\$664)	(\$636)
232 DeSoto	1	\$62	\$3,925	47	\$848	\$3,176	\$786	(\$749)	\$37
233 Olathe	122	\$2,990	\$20,746	220	\$2,726	\$16,785	(\$264)	(\$3,961)	(\$4,225)
234 Ft. Scott	0	\$0	\$1,045	1	\$3	\$845	\$3	(\$199)	(\$196)
244 Coffey Co. (Burlington)	0	\$0	\$1,880	5	\$77	\$1,521	\$77	(\$359)	(\$282)
253 Flint Hills (Emporia)	0	\$0	\$4,926	6	\$40	\$3,985	\$40	(\$940)	(\$900)
259 Wichita	61	\$779	\$32,289	50	\$577	\$26,124	(\$202)	(\$6,165)	(\$6,367)
260 Derby	0	\$0	\$4,753	0	\$0	\$3,846	\$0	(\$908)	(\$908)
261 Haysville	16	\$208	\$3,645	9	\$105	\$2,949	(\$102)	(\$696)	(\$798)
263 Mulvane	0	\$0	\$1,194	1	\$4	\$966	\$4	(\$228)	(\$224)
273 Beloit	5	\$16	\$1,874	10	\$113	\$1,516	\$98	(\$358)	(\$260)
282 Chautauqua/Elk Co.	1	\$22	\$1,217	5	\$56	\$984	\$94	(\$232)	(\$198)
290 Ottawa	1	\$13	\$1,768	1	\$5	\$1,430	(\$8)	(\$338)	(\$346)
305 Central KS Coop (Salina)	6	\$109	\$11,580	4	\$75	\$9,369	(\$34)	(\$2,211)	(\$2,245)
308 Hutchinson	0	\$0	\$3,258	0	\$0	\$2,636	\$0	(\$622)	(\$622)
320 Wamego	0	\$0	\$2,553	23	\$335	\$2,065	\$335	(\$487)	(\$153)
321 Kaw Valley	0	\$0	\$1,218	2	\$22	\$985	\$22	(\$233)	(\$210)
330 Mission Valley	0	\$0	\$547	0	\$0	\$443	\$0	(\$104)	(\$104)
333 North Central (Concordia)	8	\$84	\$2,628	4	\$48	\$2,126	(\$36)	(\$502)	(\$538)
336 Holton	1	\$167	\$2,686	17	\$316	\$2,173	\$149	(\$513)	(\$364)
345 Seaman	2	\$32	\$2,751	2	\$16	\$2,226	(\$16)	(\$525)	(\$542)
353 Wellington	0	\$0	\$1,705	0	\$0	\$1,380	\$0	(\$326)	(\$326)
364 Marshall Co. (Marysville)	2	\$63	\$1,222	2	\$47	\$989	(\$16)	(\$233)	(\$249)
368 East Central KS (Paola)	1	\$7	\$6,543	54	\$652	\$5,294	\$645	(\$1,249)	(\$604)
372 Silver Lake	0	\$0	\$549	0	\$0	\$444	\$0	(\$105)	(\$105)
373 Harvey Co. (Newton)	2	\$53	\$4,009	2	\$37	\$3,244	(\$16)	(\$765)	(\$781)
379 Twin Lakes (Clay Center)	1	\$15	\$2,602	1	\$7	\$2,106	(\$8)	(\$497)	(\$505)
383 Manhattan	0	\$0	\$5,482	1	\$5	\$4,436	\$5	(\$1,047)	(\$1,041)
389 Eureka	0	\$0	\$524	0	\$0	\$424	\$0	(\$100)	(\$100)
405 Rice Co. (Lyons)	0	\$0	\$1,876	3	\$26	\$1,518	\$26	(\$358)	(\$332)
407 Russell	0	\$0	\$810	0	\$0	\$655	\$0	(\$155)	(\$155)

Provider	2008-09 (Actual)			2009-10 (LPA Estimate)			Net Change, 2008-09 to 2009-10		
	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)
409 Atchison	1	\$5	\$1,591	6	\$76	\$1,287	\$71	(\$304)	(\$233)
418 McPherson Co.	1	\$76	\$4,027	2	\$81	\$3,258	\$6	(\$769)	(\$763)
428 Barton Co. (Great Bend)	0	\$0	\$3,306	34	\$207	\$2,675	\$207	(\$631)	(\$424)
437 Auburn Washburn	3	\$85	\$4,409	8	\$82	\$3,567	(\$3)	(\$842)	(\$845)
442 Marshall/Nemaha Co.	0	\$0	\$1,133	4	\$147	\$917	\$147	(\$216)	(\$70)
450 Shawnee Heights	0	\$0	\$2,376	0	\$0	\$1,922	\$0	(\$454)	(\$454)
453 Leavenworth Co.	1	\$57	\$8,614	1	\$50	\$6,970	(\$8)	(\$1,645)	(\$1,652)
457 Garden City	0	\$0	\$4,825	9	\$101	\$3,904	\$101	(\$921)	(\$820)
465 Cowley Co. (Winfield)	0	\$0	\$4,893	1	\$12	\$3,959	\$12	(\$934)	(\$922)
475 Junction City	0	\$0	\$5,657	0	\$0	\$4,577	\$0	(\$1,080)	(\$1,080)
480 Liberal	1	\$169	\$1,892	1	\$163	\$1,531	(\$6)	(\$361)	(\$367)
489 Hays W. Central KS	1	\$13	\$3,829	1	\$5	\$3,098	(\$8)	(\$731)	(\$739)
490 Butler Co. (El Dorado)	3	\$106	\$9,978	6	\$96	\$8,073	(\$9)	(\$1,905)	(\$1,914)
495 Tri-County (Larned)	0	\$0	\$1,690	10	\$111	\$1,368	\$111	(\$323)	(\$212)
497 Lawrence	0	\$0	\$9,106	64	\$346	\$7,367	\$346	(\$1,739)	(\$1,392)
500 Wyandotte Co. (KC)	4	\$53	\$13,493	3	\$21	\$10,917	(\$32)	(\$2,576)	(\$2,609)
501 Topeka	11	\$212	\$13,022	98	\$608	\$10,536	\$397	(\$2,486)	(\$2,090)
512 Shawnee Mission	331	\$3,788	\$17,993	185	\$1,854	\$14,557	(\$1,934)	(\$3,435)	(\$5,369)
602 Northwest Kansas	2	\$22	\$6,237	9	\$45	\$5,046	\$23	(\$1,191)	(\$1,168)
603 ANW Coop	11	\$47	\$5,803	2	\$9	\$4,695	(\$37)	(\$1,108)	(\$1,145)
605 South Central Kansas	0	\$0	\$6,263	18	\$147	\$5,067	\$147	(\$1,196)	(\$1,049)
607 Tri-County	2	\$18	\$5,883	30	\$383	\$4,759	\$365	(\$1,123)	(\$758)
608 NW Kansas Srv Ctr	0	\$0	\$4,682	24	\$193	\$3,788	\$193	(\$894)	(\$701)
610 Reno County	1	\$33	\$4,527	35	\$413	\$3,662	\$380	(\$864)	(\$484)
611 High Plains	0	\$0	\$5,656	30	\$200	\$4,576	\$200	(\$1,080)	(\$880)
613 Southwest Kansas	1	\$129	\$8,274	1	\$122	\$6,695	(\$7)	(\$1,580)	(\$1,586)
614 East Central Kansas	1	\$13	\$2,950	1	\$5	\$2,386	(\$8)	(\$563)	(\$571)
615 Brown County Interlocal	0	\$0	\$1,706	9	\$91	\$1,380	\$91	(\$326)	(\$234)
616 Doniphan County	0	\$0	\$1,428	0	\$0	\$1,155	\$0	(\$273)	(\$273)
617 Marion County	0	\$0	\$2,369	0	\$0	\$1,917	\$0	(\$452)	(\$452)
618 Sedgewick County	1	\$162	\$14,107	3	\$174	\$11,414	\$12	(\$2,693)	(\$2,682)
619 Sumner County Interlocal	0	\$0	\$2,125	0	\$0	\$1,719	\$0	(\$406)	(\$406)
620 Three Lakes	0	\$0	\$3,845	5	\$24	\$3,111	\$24	(\$734)	(\$710)
636 North Central Kansas	0	\$0	\$4,323	0	\$0	\$3,498	\$0	(\$825)	(\$825)
637 Southeast Kansas	18	\$117	\$9,097	5	\$49	\$7,360	(\$68)	(\$1,737)	(\$1,805)
<b>STATEWIDE TOTAL</b>	<b>758</b>	<b>\$12,024</b>	<b>\$355,843</b>	<b>1,266</b>	<b>\$14,178</b>	<b>\$287,905</b>	<b>\$2,155</b>	<b>(\$67,938)</b>	<b>(\$65,784)</b>

(e) Totals exclude two other types of special education categorical aid: Medicaid and Transportation aid.

**Scenario 3: Eliminate Double Dipping**

\* \$25,000 threshold

\* No inflation adjustment

(aid amounts are in thousands)

Provider	2008-09 (Actual)			2009-10 (LPA Estimate)			Net Change, 2008-09 to 2009-10		
	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)
202 Turner	1	\$20	\$2,744	0	\$0	\$2,299	(\$20)	(\$445)	(\$464)
229 Blue Valley	129	\$2,171	\$15,302	81	\$527	\$12,823	(\$1,644)	(\$2,479)	(\$4,124)
230 Spring Hill	1	\$34	\$1,409	1	\$3	\$1,181	(\$31)	(\$228)	(\$260)
231 Gardner-Edgerton	3	\$73	\$3,477	1	\$22	\$2,913	(\$51)	(\$563)	(\$615)
232 DeSoto	1	\$62	\$3,925	27	\$257	\$3,289	\$195	(\$636)	(\$441)
233 Olathe	122	\$2,990	\$20,746	59	\$579	\$17,385	(\$2,411)	(\$3,361)	(\$5,772)
234 Ft. Scott	0	\$0	\$1,045	0	\$0	\$875	\$0	(\$169)	(\$169)
244 Coffey Co. (Burlington)	0	\$0	\$1,880	3	\$30	\$1,575	\$30	(\$305)	(\$275)
253 Flint Hills (Emporia)	0	\$0	\$4,926	1	\$8	\$4,128	\$8	(\$798)	(\$790)
259 Wichita	61	\$779	\$32,289	31	\$206	\$27,057	(\$573)	(\$5,231)	(\$5,804)
260 Derby	0	\$0	\$4,753	0	\$0	\$3,983	\$0	(\$770)	(\$770)
261 Haysville	16	\$208	\$3,645	4	\$28	\$3,054	(\$180)	(\$591)	(\$770)
263 Mulvane	0	\$0	\$1,194	0	\$0	\$1,000	\$0	(\$193)	(\$193)
273 Beloit	5	\$16	\$1,874	4	\$29	\$1,570	\$13	(\$304)	(\$290)
282 Chautauqua/Elk Co.	1	\$22	\$1,217	4	\$23	\$1,019	\$1	(\$197)	(\$196)
290 Ottawa	1	\$13	\$1,768	0	\$0	\$1,481	(\$13)	(\$286)	(\$300)
305 Central KS Coop (Salina)	6	\$109	\$11,580	3	\$24	\$9,703	(\$85)	(\$1,876)	(\$1,961)
308 Hutchinson	0	\$0	\$3,258	0	\$0	\$2,730	\$0	(\$528)	(\$528)
320 Wamego	0	\$0	\$2,553	18	\$101	\$2,139	\$101	(\$414)	(\$312)
321 Kaw Valley	0	\$0	\$1,218	2	\$10	\$1,021	\$0	(\$197)	(\$187)
330 Mission Valley	0	\$0	\$547	0	\$0	\$458	\$0	(\$89)	(\$89)
333 North Central (Concordia)	8	\$84	\$2,628	2	\$14	\$2,202	(\$71)	(\$426)	(\$497)
336 Holton	1	\$167	\$2,686	21	\$227	\$2,250	\$60	(\$435)	(\$375)
345 Seaman	2	\$32	\$2,751	2	\$1	\$2,306	(\$31)	(\$446)	(\$477)
353 Wellington	0	\$0	\$1,705	0	\$0	\$1,429	\$0	(\$276)	(\$276)
364 Marshall Co. (Marysville)	2	\$63	\$1,222	2	\$23	\$1,024	(\$41)	(\$198)	(\$238)
368 East Central KS (Paola)	1	\$7	\$6,543	3	\$12	\$5,483	\$5	(\$1,060)	(\$1,055)
372 Silver Lake	0	\$0	\$549	0	\$0	\$460	\$0	(\$89)	(\$89)
373 Harvey Co. (Newton)	2	\$53	\$4,009	2	\$13	\$3,360	(\$40)	(\$650)	(\$690)
379 Twin Lakes (Clay Center)	1	\$15	\$2,602	1	\$0	\$2,181	(\$15)	(\$422)	(\$437)
383 Manhattan	0	\$0	\$5,482	0	\$0	\$4,594	\$0	(\$888)	(\$888)
389 Eureka	0	\$0	\$524	0	\$0	\$439	\$0	(\$85)	(\$85)
405 Rice Co. (Lyons)	0	\$0	\$1,876	0	\$0	\$1,572	\$0	(\$304)	(\$304)
407 Russell	0	\$0	\$810	0	\$0	\$679	\$0	(\$131)	(\$131)

Provider	2008-09 (Actual)			2009-10 (LPA Estimate)			Net Change, 2008-09 to 2009-10		
	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)
409 Atchison	1	\$5	\$1,596	4	\$29	\$1,333	\$24	(\$258)	(\$234)
418 McPherson Co.	1	\$76	\$4,103	1	\$32	\$3,375	(\$44)	(\$653)	(\$697)
428 Barton Co. (Great Bend)	0	\$0	\$3,306	34	\$134	\$2,770	\$134	(\$536)	(\$402)
437 Auburn Washburn	3	\$85	\$4,494	2	\$30	\$3,694	(\$55)	(\$714)	(\$769)
442 Marshall/Nemaha Co.	0	\$0	\$1,133	2	\$16	\$949	\$16	(\$184)	(\$168)
450 Shawnee Heights	0	\$0	\$2,376	0	\$0	\$1,991	\$0	(\$385)	(\$385)
453 Leavenworth Co.	1	\$57	\$8,671	1	\$26	\$7,219	(\$32)	(\$1,396)	(\$1,427)
457 Garden City	0	\$0	\$4,825	9	\$55	\$4,043	\$55	(\$782)	(\$727)
465 Cowley Co. (Winfield)	0	\$0	\$4,893	1	\$4	\$4,100	\$4	(\$793)	(\$789)
475 Junction City	0	\$0	\$5,657	0	\$0	\$4,741	\$0	(\$917)	(\$917)
480 Liberal	1	\$169	\$1,892	1	\$85	\$1,586	(\$84)	(\$307)	(\$390)
489 Hays W. Central KS	1	\$13	\$3,829	1	\$0	\$3,208	(\$12)	(\$620)	(\$633)
490 Butler Co. (El Dorado)	3	\$106	\$9,978	3	\$24	\$8,361	(\$82)	(\$1,617)	(\$1,699)
495 Tri-County (Larned)	0	\$0	\$1,690	10	\$35	\$1,416	\$35	(\$274)	(\$238)
497 Lawrence	0	\$0	\$9,106	0	\$0	\$7,631	\$0	(\$1,475)	(\$1,475)
500 Wyandotte Co. (KC)	4	\$53	\$13,493	3	\$15	\$11,307	(\$39)	(\$2,186)	(\$2,225)
501 Topeka	11	\$212	\$13,022	5	\$150	\$10,912	(\$61)	(\$2,110)	(\$2,171)
512 Shawnee Mission	331	\$3,788	\$17,993	124	\$654	\$15,077	(\$3,134)	(\$2,915)	(\$6,049)
602 Northwest Kansas	2	\$22	\$6,237	2	\$4	\$5,226	(\$18)	(\$1,010)	(\$1,029)
603 ANW Coop	11	\$47	\$5,803	0	\$0	\$4,862	(\$47)	(\$940)	(\$987)
605 South Central Kansas	0	\$0	\$6,263	3	\$7	\$5,248	\$7	(\$1,015)	(\$1,008)
607 Tri-County	2	\$18	\$5,883	16	\$118	\$4,929	\$100	(\$953)	(\$853)
608 NW Kansas Srv Ctr	0	\$0	\$4,682	5	\$12	\$3,923	\$12	(\$759)	(\$746)
610 Reno County	1	\$33	\$4,527	10	\$88	\$3,793	\$55	(\$733)	(\$679)
611 High Plains	0	\$0	\$5,656	15	\$55	\$4,740	\$55	(\$916)	(\$861)
613 Southwest Kansas	1	\$129	\$8,274	1	\$61	\$6,934	(\$68)	(\$1,341)	(\$1,409)
614 East Central Kansas	1	\$13	\$2,950	0	\$0	\$2,472	(\$13)	(\$478)	(\$491)
615 Brown County Interlocal	0	\$0	\$1,706	5	\$24	\$1,430	\$24	(\$276)	(\$252)
616 Doniphan County	0	\$0	\$1,428	0	\$0	\$1,196	\$0	(\$231)	(\$231)
617 Marion County	0	\$0	\$2,369	0	\$0	\$1,985	\$0	(\$384)	(\$384)
618 Sedgwick County	1	\$162	\$14,107	2	\$93	\$11,821	(\$69)	(\$2,286)	(\$2,355)
619 Sumner County Interlocal	0	\$0	\$2,125	0	\$0	\$1,781	\$0	(\$344)	(\$344)
620 Three Lakes	0	\$0	\$3,845	0	\$0	\$3,222	\$0	(\$623)	(\$623)
636 North Central Kansas	0	\$0	\$4,323	0	\$0	\$3,623	\$0	(\$701)	(\$701)
637 Southeast Kansas	18	\$117	\$9,097	1	\$9	\$7,623	(\$108)	(\$1,474)	(\$1,582)
<b>STATEWIDE TOTAL</b>	<b>758</b>	<b>\$12,024</b>	<b>\$355,843</b>	<b>533</b>	<b>\$3,894</b>	<b>\$298,188</b>	<b>(\$8,129)</b>	<b>(\$57,654)</b>	<b>(\$65,784)</b>

(a) Totals exclude two other types of special education categorical aid: Medicaid and Transportation aid.

**Scenario 4: 2010 Commission Proposal**

\* Threshold set at 2 times prior year's teacher aid per teacher  
 \* Adjusted for inflation

(aid amounts are in thousands)

Provider	2008-09 (Actual)			2009-10 (LPA Estimate)			Net Change, 2008-09 to 2009-10		
	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)
202 Turner	1	\$20	\$2,764	0	\$0	\$2,326	(\$20)	(\$418)	(\$438)
229 Blue Valley	129	\$2,171	\$17,473	2	\$65	\$12,973	(\$2,106)	(\$2,330)	(\$4,435)
230 Spring Hill	1	\$34	\$1,444	0	\$0	\$1,195	(\$34)	(\$215)	(\$249)
231 Gardner-Edgerton	3	\$73	\$3,550	0	\$0	\$2,947	(\$73)	(\$529)	(\$602)
232 DeSoto	1	\$62	\$3,987	0	\$0	\$3,327	(\$62)	(\$598)	(\$659)
233 Olathe	122	\$2,990	\$23,736	4	\$22	\$17,588	(\$2,968)	(\$3,159)	(\$6,127)
234 Ft. Scott	0	\$0	\$1,045	0	\$0	\$886	\$0	(\$159)	(\$159)
244 Coffey Co. (Burlington)	0	\$0	\$1,880	0	\$0	\$1,594	\$0	(\$286)	(\$286)
253 Flint Hills (Emporia)	0	\$0	\$4,926	0	\$0	\$4,176	\$0	(\$750)	(\$750)
259 Wichita	61	\$779	\$32,289	0	\$0	\$27,373	(\$779)	(\$4,916)	(\$5,695)
260 Derby	0	\$0	\$4,753	0	\$0	\$4,030	\$0	(\$724)	(\$724)
261 Haysville	16	\$208	\$3,853	0	\$0	\$3,090	(\$208)	(\$555)	(\$763)
263 Mulvane	0	\$0	\$1,194	0	\$0	\$1,012	\$0	(\$182)	(\$182)
273 Beloit	5	\$16	\$1,889	0	\$0	\$1,588	(\$16)	(\$285)	(\$301)
282 Chautauqua/Elk Co.	1	\$22	\$1,239	0	\$0	\$1,031	(\$22)	(\$185)	(\$208)
290 Ottawa	1	\$13	\$1,768	0	\$0	\$1,499	(\$13)	(\$269)	(\$283)
305 Central KS Coop (Salina)	6	\$109	\$11,689	0	\$0	\$9,817	(\$109)	(\$1,763)	(\$1,872)
308 Hutchinson	0	\$0	\$3,258	0	\$0	\$2,762	\$0	(\$496)	(\$496)
320 Wamego	0	\$0	\$2,553	0	\$0	\$2,164	\$0	(\$389)	(\$389)
321 Kaw Valley	0	\$0	\$1,218	0	\$0	\$1,033	\$0	(\$185)	(\$185)
330 Mission Valley	0	\$0	\$547	0	\$0	\$464	\$0	(\$83)	(\$83)
333 North Central (Concordia)	8	\$84	\$2,628	0	\$0	\$2,227	(\$84)	(\$400)	(\$484)
336 Holton	1	\$167	\$2,686	1	\$95	\$2,277	(\$72)	(\$409)	(\$481)
345 Seaman	2	\$32	\$2,751	0	\$0	\$2,333	(\$32)	(\$419)	(\$451)
353 Wellington	0	\$0	\$1,705	0	\$0	\$1,446	\$0	(\$260)	(\$260)
364 Marshall Co. (Marysville)	2	\$63	\$1,222	0	\$0	\$1,036	(\$63)	(\$186)	(\$249)
368 East Central KS (Paola)	1	\$7	\$6,550	0	\$0	\$5,547	(\$7)	(\$996)	(\$1,003)
372 Silver Lake	0	\$0	\$549	0	\$0	\$465	\$0	(\$84)	(\$84)
373 Harvey Co. (Newton)	2	\$53	\$4,063	0	\$0	\$3,399	(\$53)	(\$610)	(\$664)
379 Twin Lakes (Clay Center)	1	\$15	\$2,602	0	\$0	\$2,206	(\$15)	(\$396)	(\$411)
383 Manhattan	0	\$0	\$5,482	0	\$0	\$4,648	\$0	(\$835)	(\$835)
389 Eureka	0	\$0	\$524	0	\$0	\$444	\$0	(\$80)	(\$80)
405 Rice Co. (Lyons)	0	\$0	\$1,876	0	\$0	\$1,591	\$0	(\$286)	(\$286)
407 Russell	0	\$0	\$810	0	\$0	\$687	\$0	(\$123)	(\$123)

Provider	2008-09 (Actual)				2009-10 (LPA Estimate)				Net Change, 2008-09 to 2009-10			
	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)			
409 Atchison	1	\$5	\$1,591	0	\$0	\$1,349	(\$5)	(\$242)	(\$247)			
418 McPherson Co.	1	\$76	\$4,027	1	\$7	\$3,414	(\$68)	(\$613)	(\$682)			
428 Barton Co. (Great Bend)	0	\$0	\$3,306	0	\$0	\$2,802	\$0	(\$503)	(\$503)			
437 Auburn Washburn	3	\$85	\$4,409	1	\$2	\$3,737	(\$83)	(\$671)	(\$754)			
442 Marshall/Nemaha Co.	0	\$0	\$1,133	0	\$0	\$960	\$0	(\$172)	(\$172)			
450 Shawnee Heights	0	\$0	\$2,376	0	\$0	\$2,014	\$0	(\$362)	(\$362)			
453 Leavenworth Co.	1	\$57	\$8,614	1	\$1	\$7,303	(\$56)	(\$1,311)	(\$1,367)			
457 Garden City	0	\$0	\$4,825	0	\$0	\$4,090	\$0	(\$735)	(\$735)			
465 Cowley Co. (Winfield)	0	\$0	\$4,893	0	\$0	\$4,148	\$0	(\$745)	(\$745)			
475 Junction City	0	\$0	\$5,657	0	\$0	\$4,796	\$0	(\$861)	(\$861)			
480 Liberal	1	\$169	\$1,892	1	\$61	\$1,604	(\$108)	(\$288)	(\$396)			
489 Hays W. Central KS	1	\$13	\$3,829	0	\$0	\$3,246	(\$13)	(\$583)	(\$596)			
490 Butler Co. (El Dorado)	3	\$106	\$9,978	0	\$0	\$8,459	(\$106)	(\$1,519)	(\$1,625)			
495 Tri-County (Larned)	0	\$0	\$1,690	0	\$0	\$1,433	\$0	(\$257)	(\$257)			
497 Lawrence	0	\$0	\$9,106	0	\$0	\$7,720	\$0	(\$1,386)	(\$1,386)			
500 Wyandotte Co. (KC)	4	\$53	\$13,493	0	\$0	\$11,439	(\$53)	(\$2,054)	(\$2,108)			
501 Topeka	11	\$212	\$13,022	1	\$59	\$11,039	(\$152)	(\$1,983)	(\$2,135)			
512 Shawnee Mission	331	\$3,788	\$17,993	0	\$0	\$15,253	(\$3,788)	(\$2,739)	(\$6,527)			
602 Northwest Kansas	2	\$22	\$6,237	0	\$0	\$5,287	(\$22)	(\$949)	(\$971)			
603 ANW Coop	11	\$47	\$5,803	0	\$0	\$4,919	(\$47)	(\$883)	(\$930)			
605 South Central Kansas	0	\$0	\$6,263	0	\$0	\$5,310	\$0	(\$954)	(\$954)			
607 Tri-County	2	\$18	\$5,883	0	\$0	\$4,987	(\$18)	(\$896)	(\$914)			
608 NW Kansas Srv Ctr	0	\$0	\$4,682	0	\$0	\$3,969	\$0	(\$713)	(\$713)			
610 Reno County	1	\$33	\$4,527	0	\$0	\$3,837	(\$33)	(\$689)	(\$722)			
611 High Plains	0	\$0	\$5,656	0	\$0	\$4,795	\$0	(\$861)	(\$861)			
613 Southwest Kansas	1	\$129	\$8,274	1	\$36	\$7,015	(\$93)	(\$1,260)	(\$1,352)			
614 East Central Kansas	1	\$13	\$2,950	0	\$0	\$2,501	(\$13)	(\$449)	(\$462)			
615 Brown County Interlocal	0	\$0	\$1,706	0	\$0	\$1,446	\$0	(\$260)	(\$260)			
616 Doniphan County	0	\$0	\$1,428	0	\$0	\$1,210	\$0	(\$217)	(\$217)			
617 Marion County	0	\$0	\$2,369	0	\$0	\$2,008	\$0	(\$361)	(\$361)			
618 Sedgewick County	1	\$162	\$14,107	1	\$66	\$11,959	(\$96)	(\$2,148)	(\$2,244)			
619 Sumner County Interlocal	0	\$0	\$2,125	0	\$0	\$1,801	\$0	(\$323)	(\$323)			
620 Three Lakes	0	\$0	\$3,845	0	\$0	\$3,260	\$0	(\$585)	(\$585)			
636 North Central Kansas	0	\$0	\$4,323	0	\$0	\$3,665	\$0	(\$658)	(\$658)			
637 Southeast Kansas	18	\$117	\$9,097	0	\$0	\$7,712	(\$117)	(\$1,385)	(\$1,502)			
<b>STATEWIDE TOTAL</b>	<b>758</b>	<b>\$12,024</b>	<b>\$355,843</b>	<b>14</b>	<b>\$416</b>	<b>\$301,667</b>	<b>(\$11,608)</b>	<b>(\$54,176)</b>	<b>(\$65,784)</b>			

(e) Totals exclude two other types of special education categorical aid: Medicaid and Transportation aid.

**Scenario 5: Special Education Directors' Proposal**  
 \* Threshold set at 2 times prior year's average cost per student  
 \* Adjusted for inflation

(aid amounts are in thousands)

Provider	2008-09 (Actual)				2009-10 (LPA Estimate)				Net Change, 2008-09 to 2009-10			
	Catastrophic Claims /	Teacher Aid	Total (a)	Catastrophic Claims /	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)
	Aid			Aid								
202 Turner	1	\$20	\$2,744	\$2,764	0	\$0	\$2,326	(\$20)	(\$418)	(\$438)		
229 Blue Valley	129	\$2,171	\$15,302	\$17,473	2	\$62	\$12,974	(\$2,109)	(\$2,329)	(\$4,437)		
230 Spring Hill	1	\$34	\$1,409	\$1,444	0	\$0	\$1,195	(\$34)	(\$214)	(\$249)		
231 Gardner-Edgerton	3	\$73	\$3,477	\$3,550	0	\$0	\$2,948	(\$73)	(\$529)	(\$602)		
232 DeSoto	1	\$62	\$3,925	\$3,987	0	\$0	\$3,328	(\$62)	(\$597)	(\$659)		
233 Olathe	122	\$2,990	\$20,746	\$23,736	4	\$16	\$17,589	(\$2,974)	(\$3,157)	(\$6,132)		
234 Ft. Scott	0	\$0	\$1,045	\$1,045	0	\$0	\$886	\$0	(\$159)	(\$159)		
244 Coffey Co. (Burlington)	0	\$0	\$1,880	\$1,880	0	\$0	\$1,594	\$0	(\$286)	(\$286)		
253 Flint Hills (Emporia)	0	\$0	\$4,926	\$4,926	0	\$0	\$4,176	\$0	(\$750)	(\$750)		
259 Wichita	61	\$779	\$32,289	\$33,068	0	\$0	\$27,375	(\$779)	(\$4,914)	(\$5,693)		
260 Derby	0	\$0	\$4,753	\$4,753	0	\$0	\$4,030	\$0	(\$723)	(\$723)		
261 Haysville	16	\$208	\$3,645	\$3,853	0	\$0	\$3,090	(\$208)	(\$555)	(\$763)		
263 Mulvane	0	\$0	\$1,194	\$1,194	0	\$0	\$1,012	\$0	(\$182)	(\$182)		
273 Beloit	5	\$16	\$1,874	\$1,889	0	\$0	\$1,589	(\$16)	(\$285)	(\$301)		
282 Chautauqua/Elk Co.	1	\$22	\$1,217	\$1,239	0	\$0	\$1,031	(\$22)	(\$185)	(\$208)		
290 Ottawa	1	\$13	\$1,768	\$1,781	0	\$0	\$1,499	(\$13)	(\$269)	(\$282)		
305 Central KS Coop (Salina)	6	\$109	\$11,580	\$11,689	0	\$0	\$9,817	(\$109)	(\$1,762)	(\$1,871)		
308 Hutchinson	0	\$0	\$3,258	\$3,258	0	\$0	\$2,762	\$0	(\$496)	(\$496)		
320 Wamego	0	\$0	\$2,553	\$2,553	0	\$0	\$2,164	\$0	(\$388)	(\$388)		
321 Kaw Valley	0	\$0	\$1,218	\$1,218	0	\$0	\$1,033	\$0	(\$185)	(\$185)		
330 Mission Valley	0	\$0	\$547	\$547	0	\$0	\$464	\$0	(\$83)	(\$83)		
333 North Central (Concordia)	8	\$84	\$2,628	\$2,712	0	\$0	\$2,228	(\$84)	(\$400)	(\$484)		
336 Holton	1	\$167	\$2,686	\$2,853	1	\$93	\$2,277	(\$74)	(\$409)	(\$482)		
345 Seaman	2	\$32	\$2,751	\$2,784	0	\$0	\$2,333	(\$32)	(\$419)	(\$451)		
353 Wellington	0	\$0	\$1,705	\$1,705	0	\$0	\$1,446	\$0	(\$260)	(\$260)		
364 Marshall Co. (Marysville)	2	\$63	\$1,222	\$1,285	0	\$0	\$1,036	(\$63)	(\$186)	(\$249)		
368 East Central KS (Paola)	1	\$7	\$6,543	\$6,550	0	\$0	\$5,548	(\$7)	(\$996)	(\$1,003)		
372 Silver Lake	0	\$0	\$549	\$549	0	\$0	\$465	\$0	(\$84)	(\$84)		
373 Harvey Co. (Newton)	2	\$53	\$4,009	\$4,063	0	\$0	\$3,399	(\$53)	(\$610)	(\$664)		
379 Twin Lakes (Clay Center)	1	\$15	\$2,602	\$2,618	0	\$0	\$2,206	(\$15)	(\$396)	(\$411)		
383 Manhattan	0	\$0	\$5,482	\$5,482	0	\$0	\$4,648	\$0	(\$834)	(\$834)		
389 Eureka	0	\$0	\$524	\$524	0	\$0	\$444	\$0	(\$80)	(\$80)		
405 Rice Co. (Lyons)	0	\$0	\$1,876	\$1,876	0	\$0	\$1,591	\$0	(\$286)	(\$286)		
407 Russell	0	\$0	\$810	\$810	0	\$0	\$687	\$0	(\$123)	(\$123)		

Provider	2008-09 (Actual)			2009-10 (LPA Estimate)			Net Change, 2008-09 to 2009-10		
	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic Claims / Aid	Teacher Aid	Total (a)	Catastrophic	Teacher Aid	Total (a)
409 Atchison	1	\$5	\$1,591	0	\$0	\$1,349	(\$5)	(\$242)	(\$247)
418 McPherson Co.	1	\$76	\$4,027	1	\$6	\$3,414	(\$70)	(\$613)	(\$683)
428 Barton Co. (Great Bend)	0	\$0	\$3,306	0	\$0	\$2,803	\$0	(\$503)	(\$503)
437 Auburn Washburn	3	\$85	\$4,409	1	\$1	\$3,738	(\$84)	(\$671)	(\$755)
442 Marshall/Nemaha Co.	0	\$0	\$1,133	0	\$0	\$960	\$0	(\$172)	(\$172)
450 Shawnee Heights	0	\$0	\$2,376	0	\$0	\$2,015	\$0	(\$362)	(\$362)
453 Leavenworth Co.	1	\$57	\$8,614	0	\$0	\$7,303	(\$57)	(\$1,311)	(\$1,368)
457 Garden City	0	\$0	\$4,825	0	\$0	\$4,091	\$0	(\$734)	(\$734)
465 Cowley Co. (Winfield)	0	\$0	\$4,893	0	\$0	\$4,149	\$0	(\$745)	(\$745)
475 Junction City	0	\$0	\$5,657	0	\$0	\$4,796	\$0	(\$861)	(\$861)
480 Liberal	1	\$169	\$1,892	1	\$59	\$1,604	(\$110)	(\$288)	(\$398)
489 Hays W. Central KS	1	\$13	\$3,829	0	\$0	\$3,246	(\$13)	(\$583)	(\$595)
490 Butler Co. (El Dorado)	3	\$106	\$9,978	0	\$0	\$8,459	(\$106)	(\$1,518)	(\$1,624)
495 Tri-County (Larned)	0	\$0	\$1,690	0	\$0	\$1,433	\$0	(\$257)	(\$257)
497 Lawrence	0	\$0	\$9,106	0	\$0	\$7,720	\$0	(\$1,386)	(\$1,386)
500 Wyandotte Co. (KC)	4	\$53	\$13,493	0	\$0	\$11,440	(\$53)	(\$2,053)	(\$2,107)
501 Topeka	11	\$212	\$13,022	1	\$58	\$11,040	(\$154)	(\$1,982)	(\$2,136)
512 Shawnee Mission	331	\$3,788	\$17,993	0	\$0	\$15,254	(\$3,788)	(\$2,738)	(\$6,526)
602 Northwest Kansas	2	\$22	\$6,237	0	\$0	\$5,287	(\$22)	(\$949)	(\$971)
603 ANW Coop	11	\$47	\$5,803	0	\$0	\$4,920	(\$47)	(\$883)	(\$930)
605 South Central Kansas	0	\$0	\$6,263	0	\$0	\$5,310	\$0	(\$953)	(\$953)
607 Tri-County	2	\$18	\$5,883	0	\$0	\$4,987	(\$18)	(\$895)	(\$913)
608 NW Kansas Srv Ctr	0	\$0	\$4,682	0	\$0	\$3,969	\$0	(\$713)	(\$713)
610 Reno County	1	\$33	\$4,527	0	\$0	\$3,838	(\$33)	(\$689)	(\$722)
611 High Plains	0	\$0	\$5,656	0	\$0	\$4,795	\$0	(\$861)	(\$861)
613 Southwest Kansas	1	\$129	\$8,274	1	\$35	\$7,015	(\$94)	(\$1,259)	(\$1,353)
614 East Central Kansas	1	\$13	\$2,950	0	\$0	\$2,501	(\$13)	(\$449)	(\$462)
615 Brown County Interlocal	0	\$0	\$1,706	0	\$0	\$1,446	\$0	(\$260)	(\$260)
616 Doniphan County	0	\$0	\$1,428	0	\$0	\$1,210	\$0	(\$217)	(\$217)
617 Marion County	0	\$0	\$2,369	0	\$0	\$2,008	\$0	(\$361)	(\$361)
618 Sedgwick County	1	\$162	\$14,107	1	\$65	\$11,960	(\$98)	(\$2,147)	(\$2,244)
619 Sumner County Interlocal	0	\$0	\$2,125	0	\$0	\$1,801	\$0	(\$323)	(\$323)
620 Three Lakes	0	\$0	\$3,845	0	\$0	\$3,260	\$0	(\$585)	(\$585)
636 North Central Kansas	0	\$0	\$4,323	0	\$0	\$3,666	\$0	(\$658)	(\$658)
637 Southeast Kansas	18	\$117	\$9,097	0	\$0	\$7,713	(\$117)	(\$1,384)	(\$1,501)
<b>STATEWIDE TOTAL</b>	<b>758</b>	<b>\$12,024</b>	<b>\$355,843</b>	<b>13</b>	<b>\$395</b>	<b>\$301,688</b>	<b>(\$11,629)</b>	<b>(\$54,155)</b>	<b>(\$65,784)</b>

(a) Totals exclude two other types of special education categorical aid: Medicaid and Transportation aid.

## **APPENDIX D**

### **Agency Response**

On September 29, 2009, we provided copies of the draft audit report to the Department of Education. Its response is included as this Appendix.

The agency generally concurred with the report's findings, conclusions, and recommendations.



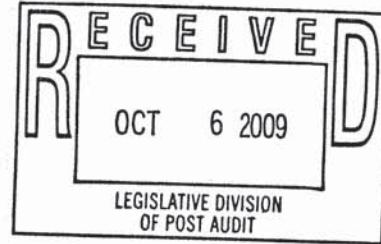
## Division of Fiscal & Administrative Services

785-296-3871  
785-296-0459 (fax)

120 SE 10th Avenue \* Topeka, KS 66612-1182 \* 785-296-6338 (TTY) \* www.ksde.org

October 6, 2009

Mrs. Barbara J. Hinton  
Legislative Post Auditor  
Legislative Division of Post Audit  
800 S. W. Jackson Street, Suite 1200  
Topeka, Kansas 66612-2212



Dear Mrs. Hinton:

Thank you for the opportunity to respond to your performance audit, *K-12 Education: Reviewing Issues Related to Catastrophic funding for Special Education*. Your auditors appear to have conducted a very thorough review of the issues related to special education catastrophic aid in Kansas school districts.

Please feel free to contact this office if we can assist you further.

Sincerely,

Dale M. Dennis, Deputy  
Commissioner of Education

DMD:tjm

h:leg:LPDA—Catastrophic Spec. Ed. Audit