



**Kansas Legislative Research Department**

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**To:** Special Committee on Education

**From:** Matthew Willis, Senior Research Analyst

**Re:** K-12 Special Education Funding

## **SPECIAL EDUCATION REQUIREMENTS AND FUNDING IN KANSAS WITH SUPPORTING MAPS, TABLES, AND DOCUMENTS**

### **Federal and State Law**

Established in 1975, the Individuals with Disabilities Education Act (IDEA)<sup>1</sup> requires states to provide special education services to children with disabilities between the ages of 0 and 21. Early interventions for children between the ages of 0 and 2 are the responsibility of Tiny-k programs. Children between the ages of 3 and 21 who qualify for services under IDEA receive them from the unified school district in which that individual is a resident.

The Kansas Legislature passed the Special Education for Exceptional Children Act (SEECA) in 1974 and it can be found in [KSA 72-3403](#) *et seq.* SEECA largely mirrors the provisions contained within IDEA with the following additional requirements for school districts:

- Identify and provide gifted services for eligible students;
- Utilize interventions in the regular education classroom prior to referring a student to special education; and
- Provide special education services for eligible students within the district that attend private school.

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<sup>1</sup> The Individuals with Disabilities Act was originally known as the Education for All Handicapped Children Act, or Public Law 94-142, until its name was officially changed during a reauthorization of the Act in 1990.

## **Program Administration**

### ***State Board of Education***

SEECA requires the State Board of Education (State Board) to adopt and administer the state plan for special education and to adopt all rules and regulations necessary to comply with federal law and implement SEECA. Further requirements on the State Board include, but are not limited to:

- Establishing procedures for dispute resolution;
- Establishing guidelines, standards, and training for education advocates;
- Distributing and allocating state and federal funds for special education; and
- Preparing and filing reports required by federal and state law.

### ***Local School Districts***

Unified school districts (USDs) are the organizations responsible with the identification of students who are eligible for special education services and for providing said students with the services they require. In Kansas, USDs primarily utilize three different models for the organization and administration of special education services.

#### ***Independent School District Model***

The first model utilized by a USD is to **independently provide** special education services to the students within their district. The USD would be responsible for hiring and compensating the required staff and providing all of the facilities and other goods to facilitate the services. This model appears to be primarily utilized by larger school districts within the state.

An example of this would be USD 457 Garden City.

#### ***Cooperative Model***

The second model allows two or more USDs to **form a special education cooperative** that provides services for all special education students within the participating districts. In this model, one of the participating USDs serves as the “host district,” which is officially responsible for the hiring and compensation of all required staff<sup>2</sup> and paying for all other costs incurred with the provision of services. The other participating districts then provide payments to the host district for the provision of said services.

An example of this would be the Harvey County Special Education Cooperative where USD 373 Newton is the host district and both USD 440 Halstead and USD 460 Hesston are members.

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<sup>2</sup> The special education staff would officially be staff of the “host district” and would receive the same benefit.

## *Interlocal Model*

The third model permits two or more USDs to **form an interlocal education organization** for the provision of special education services to the member districts. Operationally, “interlocals” are similar to the cooperative model in their provision of services and many have the term “cooperative” in their name. The key difference is that an interlocal is an independent entity that is controlled by a board. The board is traditionally comprised of one representative from each member school district. The interlocal organization is then responsible for the hiring and compensation of all special education staff and ensuring adequate facilities and other items are available for the provision of services. All member districts would then pay the interlocal agreed upon amounts as determined by the board.<sup>3</sup>

An example of this would be the ANW Special Education Cooperative where the following school districts are members and have a representative on the governing board<sup>4</sup>:

- USD 101 Erie;
- USD 256 Marmonton Valley;
- USD 257 Iola;
- USD 258 Humboldt;
- USD 366 Woodson;
- USD 387 Altoona-Midway;
- USD 413 Chanute Public Schools; and
- USD 479 Crest.

A map of all special education cooperatives and interlocals can be found in the Appendix.

## **Special Education Funding Sources**

USDs in Kansas primarily receive their funding for special education services from the following sources:

- Federal special education aid;
- Medicaid;
- State institutions; and
- State special education aid.

Because USDs are legally required to provide these services to students regardless of funding, any costs the USD incurs in excess of appropriated special education funds must be paid for utilizing general federal, state, or local funding.

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3 Two organizations are categorized by the State Department of Education as “service centers” that provide special education services. These entities are also interlocal organizations that can offer educational services or support beyond special education services.

4 ANW Cooperative’s website also notes that they serve the private schools of St. Patrick Catholic School in Chanute and Chanute Christian Academy. These services would be in partnership with USD 413 Chanute Public Schools. Additionally, ANW Cooperative engages with Greenbush Education Service Center regarding services for Birth – 3.

## Special Education Excess Cost Funding

Provisions of SEECA, codified at [KSA 72-3422](#) require the State Board to determine the amount of state aid for the provision of special education services each year. This cost is determined using the following formula found in statute:

1. Determine the total amount of general fund and local option budgets of all school districts;
2. Subtract the total amount attributable to assignment of transportation, bilingual, career technical education, special education, and at-risk student weightings from the amount determined in Step 1;
3. Divide the remainder from Step 2 by the total number of full-time equivalent pupils in all school districts as of September 20;
4. Determine the total full-time equivalent enrollment of exceptional children receiving special education and related services provided by all school districts;
5. Multiply the amount obtained in Step 3 by the number determined in Step 4;
6. Determine the amount of federal funds received by all school districts for the provision of special education and related services;
7. Determine the amount of revenue received by all school districts rendered under contracts with the state institutions for the provisions of special education and related services by the state institutions (e.g., Parsons State Hospital);
8. Add the amounts in Step 6 and Step 7 to the number from Step 5;
9. Determine the total amount of expenditures of all school districts for the provisions of special education and related services;
10. Subtract the number in Step 8 from the number in Step 9; and
11. Multiply Step 10 by 92.0 percent.

This determination of special education state aid is generally referred to as “excess costs” due to its attempt to capture the costs that school districts incur when providing special education services that are in excess of those to educate a general education student.

Additional documents regarding the determination of special education state aid can be found in the Appendix.

## Special Education Funding Distribution

The SEECA funding statute ([KSA 72-3422](#)) also prescribes special education state aid to be distributed to districts on a per special education full-time equivalent basis (FTE)<sup>5</sup>. Under this methodology, each USD will submit their estimated special education FTEs to the State Department of Education in September so that special education payments can be made accordingly. The time and manner in which special education aid is distributed to USDs is determined by the State Board pursuant to [KSA 72-3423](#).

### APPENDIX SUMMARY

The following items can be found in the appendix of this memorandum as supporting documents. Summaries of each document can be found below.

#### *Kansas School Districts Special Education Service Map*

This document contains a map of all USDs in the state with an overlay of special education cooperatives and interlocals. USDs without a colored overlay are districts that independently provide their own special education services. The map includes a table that identifies each cooperative and interlocal providing special education services and which USDs are members.

#### *Example of Special Education Excess Cost Formula*

This document provides a step by step example of how the special education state aid formula in KSA 72-3422 works. The example utilizes small, unrelated numbers that do not represent actual costs, funding, or proportions of cost or funding with regards to the determination or appropriation of special education state aid.

#### *Historic Special Education Excess Cost Estimates and Actuals*

This document provides an overview of the prior five years of special education state aid estimates produced during the Fall Consensus Revenue Process and the actual amount of costs and funding as determined by the State Department of Education after the conclusion of the fiscal year.

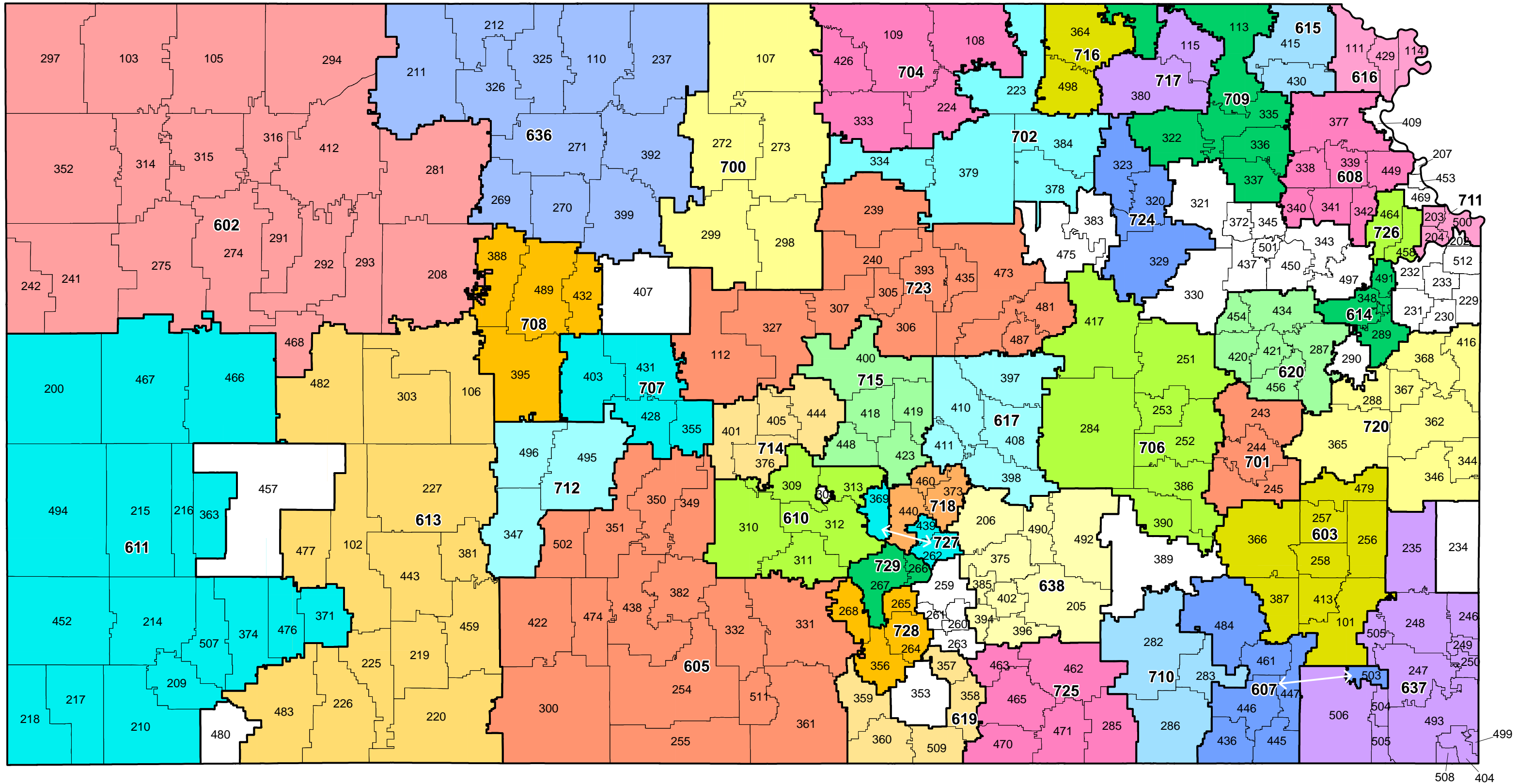
#### *Special Education Funding and Payment Cycle*

This document provides a visualization of the annual process for the determination and distribution of special education state aid. Entries colored in orange represent actions taken to determine and appropriate special education state aid. Entries in green represent distributions of funds to USDs.

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<sup>5</sup> State law states that a special education paraeducator is considered as 2/5th of a FTE for funding purposes.

# Kansas School Districts Participating in Special Education Cooperatives and Interlocals



USD	Special Education Cooperatives and Interlocals	Special Education Cooperatives and Interlocals	Special Education Cooperatives and Interlocals	Special Education Cooperatives and Interlocals
202 Turner USD	<b>602 Northwest Kansas Educational Services Center</b>	<b>611 High Plains Educational Cooperative (continued)</b>	<b>637 Southeast Kansas (SEK) Special Education Interlocal</b>	<b>711 Wyandotte County Special Education Cooperative</b>
207 Fort Leavenworth USD	103 Cheylin USD	214 Ulysses USD	235 Uniontown USD	203 Piper USD
229 Blue Valley USD	105 Rawlins County USD	215 Lakin USD	246 Northeast USD	204 Bonner Springs USD
230 Spring Hill USD	208 Wakeeney USD	216 Deerfield USD	247 Cherokee USD	500 Kansas City USD
231 Gardner Edgerton USD	241 Wallace County Schools USD	217 Rolla USD	248 Girard USD	<b>712 Tri-County Special Services Cooperative</b>
232 De Soto USD	242 Weskan USD	218 Elkhart USD	249 Frontenac Public Schools USD	347 Kinsley-Offerle USD
233 Olathe USD	274 Oakley USD	363 Holcomb USD	250 Pittsburg USD	495 Fort Larned USD
234 Fort Scott USD	275 Triplains USD	371 Montezuma USD	404 Riverton USD	496 Pawnee Heights USD
259 Wichita USD	281 Graham County USD	374 Sublette USD	493 Columbus USD	<b>714 Rice County Special Services Cooperative</b>
260 Derby USD	291 Grinnell Public Schools USD	452 Stanton County USD	499 Galena USD	376 Sterling USD
261 Haysville USD	292 Wheatland USD	466 Scott County USD	504 Oswego USD	401 Chase-Raymond USD
263 Mulvane USD	293 Quinter Public Schools USD	467 Leoti USD	505 Chetopa-St. Paul USD	405 Lyons USD
290 Ottawa USD	294 Oberlin USD	476 Copeland USD	506 Labette County USD	444 Little River USD
308 Hutchinson Public Schools USD	297 St Francis Comm. Schools USD	494 Syracuse USD	508 Baxter Springs USD	<b>715 McPherson County Special Education Cooperative</b>
321 Kaw Valley USD	314 Brewster USD	507 Satanta USD	<b>638 Butler County Special Education Interlocal</b>	400 Smoky Valley USD
330 Wabaunsee East USD	315 Colby Public Schools USD	<b>613 Southwest Kansas Area Cooperative</b>	205 Bluestem USD	418 McPherson USD
343 Perry Public Schools USD	316 Golden Plains USD	102 Cimarron-Ensign USD	206 Remington-Whitewater USD	419 Canton-Galva USD
345 Seaman USD	352 Goodland USD	106 Western Plains USD	375 Circle USD	423 Moundridge USD
353 Wellington USD	412 Hoxie Community Schools USD	219 Minneola USD	385 Andover USD	448 Inman USD
372 Silver Lake USD	468 Healy Public Schools	220 Ashland USD	394 Rose Hill Public Schools USD	<b>716 Marshall County Special Education Cooperative</b>
383 Manhattan USD	<b>603 ANW Special Education Cooperative</b>	225 Fowler USD	396 Douglass Public Schools USD	364 Marysville USD
389 Eureka USD	101 Erie USD	226 Meade USD	402 Augusta USD	498 Valley Heights USD
407 Russell County USD	256 Marmaton Valley USD	227 Jetmore USD	490 El Dorado USD	<b>717 Marshall - Nemaha County Special Education Cooperative</b>
409 Atchison Public Schools USD	257 Iola USD	303 Ness City USD	492 Flinthills USD	115 Nemaha USD
437 Auburn-Washburn USD	258 Humboldt USD	381 Spearville USD	<b>700 Beloit Special Education Cooperative</b>	380 Vermillion USD
450 Shawnee Heights USD	366 Woodson USD	443 Dodge City USD	107 Rock Hills USD	<b>718 Harvey County Special Education Cooperative</b>
453 Leavenworth USD	387 Altoona-Midway USD	459 Bucklin USD	272 Waconda USD	373 Newton USD
457 Garden City USD	413 Chanute Public Schools USD	477 Ingalls USD	273 Beloit USD	440 Halstead USD
468 Healy Public Schools USD	479 Crest USD	482 Dighton USD	298 Lincoln USD	460 Hesston USD
469 Lansing USD	<b>605 South Central Kansas Special Education Cooperative</b>	483 Kismet-Plains USD	299 Sylvan Grove USD	<b>720 East Central Kansas Special Education Cooperative</b>
475 Geary County Schools USD	254 Barber County North USD	<b>614 East Central Kansas Cooperative in Education</b>	<b>701 Coffey County Special Education Cooperative</b>	288 Central Heights USD
480 Liberal USD	255 South Barber USD	289 Wellsville USD	243 Lebo-Waverly USD	344 Pleasanton USD
497 Lawrence USD	300 Comanche County USD	348 Baldwin City USD	244 Burlington USD	346 Jayhawk USD
501 Topeka Public Schools USD	331 Kingman-Norwich USD	491 Eudora USD	245 Leroy-Gridley USD	362 Prairie View USD
512 Shawnee Mission Public Schools USD	332 Cunningham USD	<b>615 Brown County Kansas Special Education Cooperative</b>	<b>702 Twin Lakes Education Cooperative</b>	365 Garnett USD
	349 Stafford USD	415 Hiawatha USD	223 Barnes USD	367 Osawatomie USD
	350 St. John-Hudson USD	430 South Brown County USD	334 Southern Cloud USD	368 Paola USD
	351 Macksville USD	<b>616 Doniphan County Education Cooperative</b>	378 Riley County USD	416 Louisburg USD
	361 Anthony-Harper USD	111 Doniphan West USD	379 Clay Center USD	<b>723 Central Kansas Cooperative in Education</b>
	382 Pratt USD	114 Riverside USD	384 Blue Valley USD	112 Central Plains USD
	422 Greensburg USD	429 Troy Public Schools USD	<b>704 Learning Cooperative of North Central Kansas</b>	239 North Ottawa County USD
	438 Skyline Schools USD	<b>617 Marion County Special Education</b>	108 North Central-Washington Schools USD	240 Twin Valley USD
	474 Haviland USD	397 Centre USD	109 Republic County-Hillcrest Rural Schools USD	305 Salina USD
	502 Lewis USD	398 Peabody-Burns USD	224 Clifton-Clyde USD	306 Southeast of Saline USD
	511 Attica USD	408 Marion-Florence USD	333 Concordia USD	307 Ell-Saline USD
	<b>607 Tri County Special Education Cooperative</b>	410 Durham-Hillsboro-Lehigh USD	426 Pike Valley USD	327 Ellsworth USD
	436 Caney Valley USD	411 Goessel USD	<b>706 Flint Hills Special Education Cooperative</b>	393 Solomon USD
	445 Coffeyville USD	<b>619 Sumner County Educational Services</b>	251 North Lyon County USD	435 Abilene USD
	446 Independence USD	357 Belle Plaine USD	252 Southern Lyon County USD	473 Chapman USD
	447 Cherryvale USD	358 Oxford USD	253 Emporia USD	481 Rural Vista USD
	461 Neodesha USD	359 Argonia Public Schools USD	284 Chase County USD	487 Herington USD
	484 Fredonia USD	360 Caldwell USD	386 Madison-Virgil USD	<b>724 Special Services Cooperative of Wamego</b>
	503 Parsons USD	509 South Haven USD	390 Hamilton USD	320 Wamego USD
	<b>608 Keystone Learning Services</b>	<b>620 Three Lakes Educational Cooperative</b>	417 Morris County USD	323 Rock Creek USD
	338 Valley Falls USD	287 West Franklin USD	<b>707 Barton County Special Services</b>	329 Mill Creek Valley USD
	339 Jefferson County North USD	420 Osage City USD	355 Ellinwood Public Schools USD	<b>725 Cowley County Special Services Cooperative</b>
	340 Jefferson West USD	421 Lyndon USD	403 Otis-Bison USD	285 Cedar Vale USD
	341 Oskaloosa Public Schools USD	434 Santa Fe Trail USD	428 Great Bend USD	462 Central USD
	342 McLouth USD	454 Burlingame Public School USD	431 Hoisington USD	463 Udall USD
	377 Atchison Co. Comm. Schools USD	456 Marais des Cygnes Valley USD	<b>708 West Central Kansas Special Education Cooperative</b>	465 Winfield USD
	449 Easton USD	<b>636 North Central Kansas Special Education Cooperative Interlocal</b>	388 Ellis USD	470 Arkansas City USD
	<b>610 Reno County Education Cooperative</b>	110 Thunder Ridge USD	395 LaCrosse USD	471 Dexter USD
	309 Nickerson USD	211 Norton Community Schools USD	432 Victoria USD	<b>726 Tonganoxie/Basehor-Linwood Special Education Cooperative</b>
	310 Fairfield USD	212 Northern Valley USD	489 Hays USD	458 Basehor-Linwood USD
	311 Pretty Prairie USD	237 Smith Center USD	<b>709 Holton Special Education Cooperative</b>	464 Tonganoxie USD
	312 Haven Public Schools USD	269 Palco USD	113 Prairie Hills USD	<b>727 Ark Valley Special Education Cooperative</b>
	313 Buhler USD	270 Plainville USD	322 Onaga-Havensville-Wheaton USD	262 Valley Center Public Schools USD
	<b>611 High Plains Educational Cooperative</b>	271 Stockton USD	335 North Jackson USD	369 Burrton USD
	200 Greeley County Schools USD	325 Phillipsburg USD	336 Holton USD	439 Sedgwick Public Schools USD
	209 Moscow Public Schools USD	326 Logan USD	337 Royal Valley USD	<b>728 Goddard Special Education Cooperative</b>
	210 Hugoton Public Schools USD	392 Osborne County USD	<b>710 Chautauqua and Elk County Special Education Services</b>	264 Clearwater USD
		399 Paradise USD	282 West Elk USD	265 Goddard USD
			283 Elk Valley USD	268 Cheney USD
			286 Chautauqua County Community USD	356 Conway Springs USD
				<b>729 Maize Special Education Cooperative</b>
				266 Maize USD
				267 Renwick USD

602 - 638 are Interlocals

700 - 729 are Cooperatives

## EXAMPLE OF SPECIAL EDUCATION EXCESS COST FORMULA (KSA 72-3422)

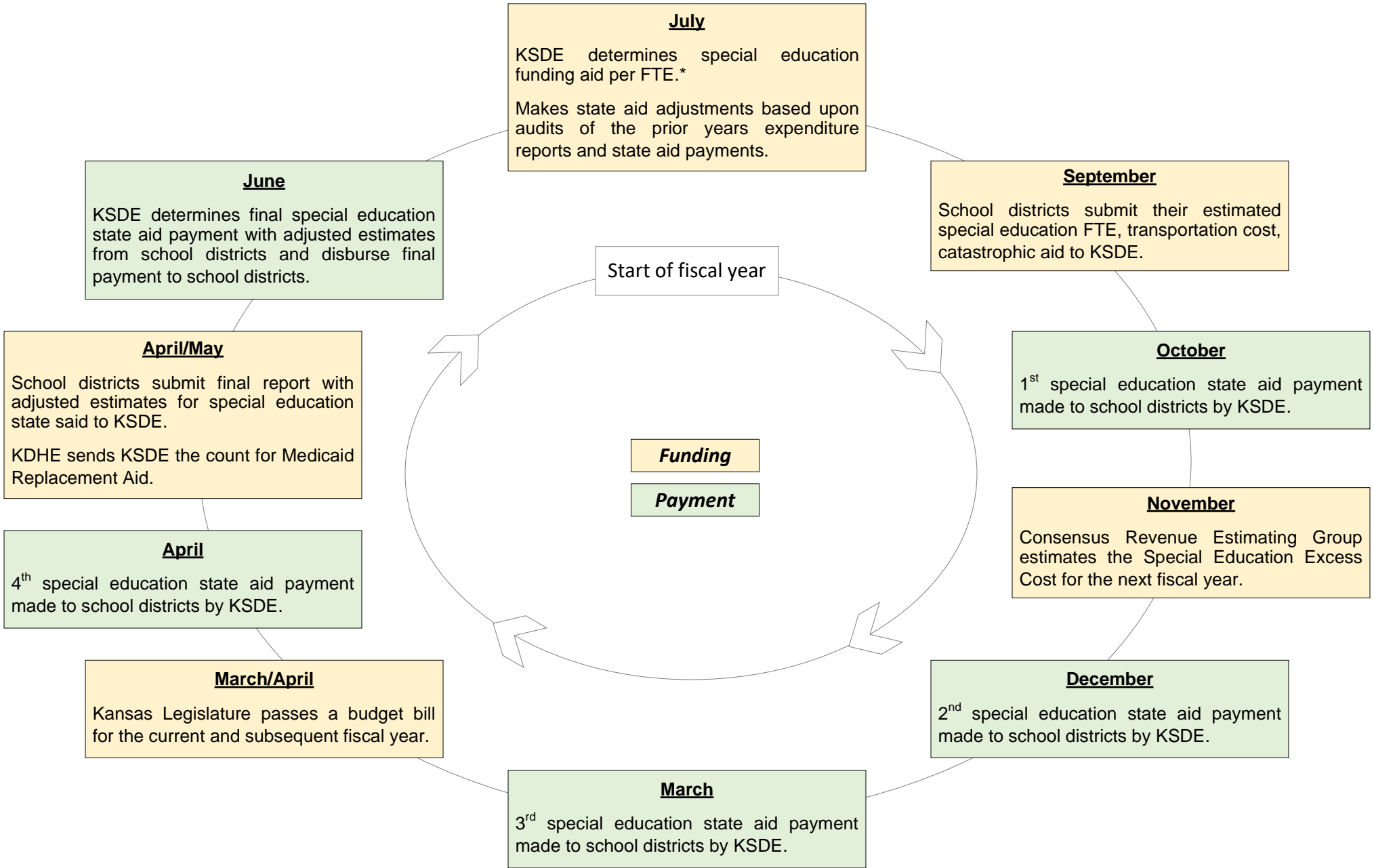
Step	Description	Formula	Total
Step 1	Determine total amount of general fund and local option budgets of all school districts (Calculated per KSA 72-5131 <i>et seq.</i> )	\$1,000	-
Step 2	Subtract the total amount attributable to assignment of weightings (Calculated per KSA 72-5131 <i>et seq.</i> )	\$1,000 - \$400	\$600
Step 3	Divide Step 2 total by total number of FTE equivalent pupils in all USDs as of September 20	$\$600 \div 100 \text{ FTE}$	\$6
Step 4	Determine total FTE enrollment of students receiving special education and related services provided by all school districts	15 FTE	-
Step 5	Multiply Step 3 total by Step 4 total	$\$6 * 15 \text{ FTE}$	\$90
Step 6	Determine amount of federal funds received by all school districts for the provision of special education and related services	\$100	-
Step 7	Determine amount of revenue received by all school districts under contracts with state institutions for provisions of special education and related services by state institutions (eg: Parsons State Hospital)	\$20	-
Step 8	Add amounts from Step 5, Step 6, and Step 7	$\$90 + \$100 + \$20$	\$210
Step 9	Determine total amount of expenditures of all school districts for the provisions of special education and related services (prior fiscal year expenditures with estimated increases)	\$250	-
Step 10	Subtract amount in Step 8 from amount in Step 9	$\$250 - \$210$	\$40
Step 11	Multiply Step 10 total by 92.0 percent	$\$40 * 0.92$	<b>\$36.80</b>



**SPECIAL EDUCATION EXCESS COSTS ESTIMATES AND ACTUAL COSTS,  
FY 2018 through FY 2022**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b><i>Estimated Total Expenditure Computation</i></b>					
Actual Expenditures for Prior Year	\$ 862,481,386	\$ 899,723,699	\$ 966,008,742	\$ 1,009,074,869	\$ 1,017,356,006
Estimated Percentage Change	4.5%	4.0%	4.5%	3.5%	4.0%
<i>Estimated Increase for Teacher Salaries and Total Expenditures</i>	\$ 38,811,662	\$ 35,988,948	\$ 43,470,393	\$ 35,317,620	\$ 40,694,240
<i>Estimated Increase for Additional Teachers and Paraprofessionals</i>	\$ 5,198,400	\$ 13,398,800	\$ 20,098,200	\$ 20,701,200	\$ 21,322,200
<b><i>Estimated Total Expenditures</i></b>	<b>\$ 906,491,448</b>	<b>\$ 949,111,447</b>	<b>\$ 1,029,577,335</b>	<b>\$ 1,065,093,689</b>	<b>\$ 1,079,372,446</b>
<b><i>Estimated Excess Cost Computation</i></b>					
<i>Less Average Cost Per Pupil of Regular Education</i>	\$ 197,240,910	\$ 202,092,960	\$ 223,256,935	\$ 224,054,000	\$ 229,361,000
Less Federal Aid	\$ 104,000,000	\$ 106,000,000	\$ 106,000,000	\$ 105,000,000	\$ 132,614,188
Less Medicaid Reimbursements	\$ 36,756,516	\$ 37,939,756	\$ 38,684,720	\$ 44,692,737	\$ 45,312,943
Less State Hospital Administrative Costs	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
<b>Estimated FY Excess Costs</b>	<b>\$ 568,194,022</b>	<b>\$ 602,778,731</b>	<b>\$ 661,335,680</b>	<b>\$ 691,046,952</b>	<b>\$ 671,784,315</b>
Approved Special Education State Aid	\$ 445,981,646	\$ 490,380,818	\$ 497,894,780	\$ 505,566,465	\$ 513,030,935
<b>Percent Excess Costs</b>	<b>78.5%</b>	<b>81.4%</b>	<b>75.3%</b>	<b>73.2%</b>	<b>76.4%</b>
<b><i>Actual Total Expenditures</i></b>					
Actual Expenditures for Fiscal Year	\$ 899,723,699	\$ 966,008,742	\$ 1,009,074,869	\$ 1,017,356,006	\$ 1,059,884,948
Difference from Estimated Expenditures (Dollars)	\$ (6,767,749)	\$ 16,897,295	\$ (20,502,466)	\$ (47,737,683)	\$ (19,487,498)
Difference from Estimated Expenditures (Percent)	-0.7%	1.8%	-2.0%	-4.5%	-1.8%

# Special Education Funding and Payment Cycle



\*Determined after removing special education transportation, catastrophic aid, and Medicaid replacement aid from the amount of special education state aid appropriated by the Legislature.