
Washington State Special Education Coalition

Presentation to Basic Education
Funding Task Force

History of Funding Models

Three generations of funding systems:

- FLAT “excess cost” grant (1972)
- “FULL” cost model
 - Excess cost
 - Basic Education Back Out (1979)
- Census based FLAT “excess cost” grant plus Safety Net (1995)

Sp Ed Funding History

- 1988 Law Suit (Doran III) filed against Full Cost Model
- Recognized some districts would be over-funded and some would be under-funded
 - established a need for Safety Net in combination w/formula.

Funding Committee Established

- Between 1989 and 1994 studies on funding
- Committee established in 1994 to recommend changes in the funding mechanism/ formula
- Independent Consultants hired to work with committee.
- Data & research collected
 - National
 - State
- Stakeholders represented: Parents, advocates, teachers, business managers, Superintendents, other administrators, agency staff and others.

Excess Cost Model Selected - '94

- Excess cost funds = basic ed allocation X .9309.
- Funds for each special ed student are BEA + Excess Cost dollars + federal funds + medicaid.
- This model is thought to be the most fair and has the least financial incentive for labels or “place” of service delivery.
- Funding index (not “cap”) identifies amount of funds automatically sent to dist.’s for special education students
- Safety Net available to those who establish a need based on “properly formulated IEP”
- As a whole, no one should have lost money, although sp ed allocation looked smaller because of elimination of back-out.

Inconsistent Accounting in Safety Net Applications

- Improvements were made to the Safety Net over the years
- Safety Net Committee meets regularly-posted on website
- Advocates became increasingly concerned about confusion and inconsistencies between districts
- 2001 - Leg. established requirement that all district's use same accounting system for Safety Net Application.

Reduction of Basic Education Dollars

- In 1994, the state had “backed out” an average of 45% of basic ed money which had to be spent on sp ed. Range 39-58%
- 2003/04 advocates found less than 20% of basic ed dollars could be accounted for as having been spent on sp ed students.
- In 2006-07, the appropriations act required the OSPI to modify the excess cost methodology to ensure a full share of basic ed to special ed
- The amount of basic education funds shifted to special education—now 30% average
- There is no transparent, revenue to expenditure accounting system required of districts with regard to basic ed funds.
- There is no way to tell where the BEA generated by sp ed students is spent.
- Coding inconsistencies exist

Odden and Picus Report-2006

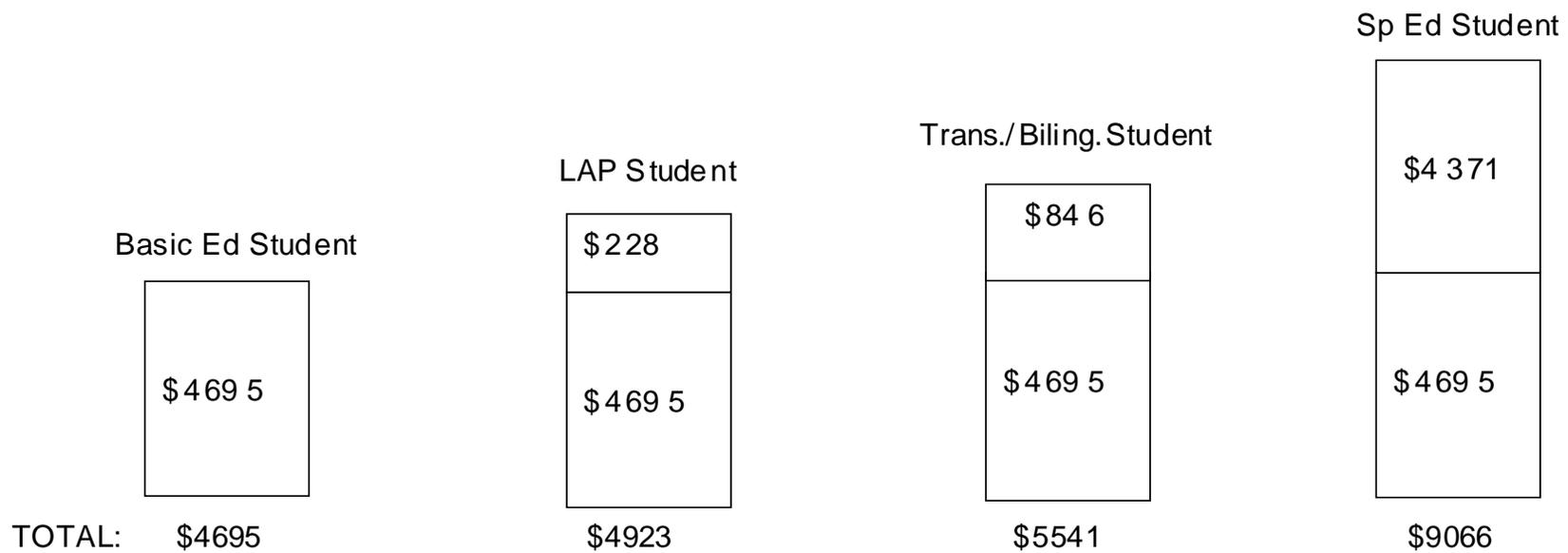
- Washington Learns contracted with Odden & Picus to perform an analysis of the funding system in Washington State.
- Their report recommended keeping the special education funding system as it currently exists, and increasing the Basic Education Allocation for all, in order to drive more money into the system which would increase funding for both basic education and special education.

Basic Ed is under-funded

- When basic ed is under-funded all areas suffer.
- There are more needy children than ever in our schools today.
- We should not blame minorities, including sp ed students, for the shortfall of the system.
- Increase basic education allocation which increases special education funding
- Increase basic education and all students benefit, including ELL and LAP

Judge McPhee's Decision

- "At the end of the trial, it seems evident that the alleged shortfall in the special education appropriation, if it is found to exist at all, is the product of an inadequate BEA, not an inadequate excess cost multiplier. The adequacy of the BEA is not an issue before this court. I have read reports that other cases in other courts are addressing the constitutionality of basic education funding, but that issue is not here.[1]



Numbers based on averages, using 2006/07 data

Federal funding is in addition to the above. Sp Ed fed. funds are \$1504.

Christie Perkins
December 2007

Remember:

- We will never be able to truly understand how much money is needed and where it is needed, unless we have a funding system that
 - is transparent,
 - Is easy to understand, and
 - embodies simple, but very specific coding
- We need a system that the public will easily understand and support. This would reflect real accountability.
- This is not a special ed problem. It is a basic ed problem.