

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE.

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on February 4, 1999 in Room 514-S of the Capitol.

All members were present except: Rep. Spangler  
Rep. McKechnie

Committee staff present: Legislative Research - Alan Conroy, Robert Waller, Stuart Little, Robert Chapman  
Revisor of Statutes - Jim Wilson, Mike Corrigan  
Secretary - Ann McMorris

Conferees appearing before the committee:  
Albert Murray, Commissioner, Juvenile Justice Authority  
Ben Barrett, Director, Legislative Research Department

Others attending: See attached list

Chair called the meeting to order at 9:10 a.m. He announced the new members for the Special Committee on Capital Improvements would be selected soon.

**Juvenile Justice Authority**

**Major Initiatives for FY99 and FY 2000 and their Fiscal Impact**

Albert Murray, Commissioner, Juvenile Justice Authority

Commissioner Murray briefed the committee on the background of the Juvenile Justice Authority, and the four major areas of JJA: (1) Community Planning; (2) Expansion of Capacity at Juvenile Correctional Facilities; (3) Re-classification of youth services specialist positions; and (4) Juvenile correctional facility overcrowding. Committee questioned Commissioner Murray regarding case management, prevention services provided, whether elevating salaries included training, funds required for the Topeka facility. A request was made for a breakdown of FTE and temporary staff and their costs. (Attachment 1)

Jim Frazier, Assistant Commissioner, and Dick Kline, assistant commissioner of Contracts and Audits, fielded questions on funding of the Topeka facility and the community planning team funding as shown on page 1199, Vol. II of Budget Analysis Fiscal Year 2000 respectively.

Chair asked for variables on formula used by the community planning teams and the rationale; also the success of local programs. A demographic and geographical report on the JJA population was also requested. Commissioner Murray noted a full report would be available by February 15 at which time he would be available to appear again before the committee.

**Special Education Funding - Current State Aid Distribution Method**

Ben Barrett, Director, Legislative Research Department

Mr. Barrett explained the (1) State Special Education "Catastrophic Aid"; (2) estimated special education excess costs - FY 2000 table; (3) selected Special Education funding facts; (4) selected information on Special Education expenditures - FY 1983 thru FY 1999 (est); and (5) Special Education Funding - a census-based funding model. (Attachment 2)

Next meeting will be held on February 9, 1999

Adjournment.

Attachments - 2

**HOUSE APPROPRIATIONS COMMITTEE**

**GUEST LIST**

**DATE:     FEBRUARY 3, 1999**

NAME	REPRESENTING
Don Moler	League of KS Municipalities
Judy Moler	Ks. Assoc of Counties
Stacey Farmer	KS ASN of School Boards
Helen Pedigo	JJA
Scott M. Misogus	JJA
Albert Sturman	JJA
Richard Kheni	JJA
James Deppier	JJA
Linda McGee	MGA
Marci Len	Sedgwick County
Bonnie Dennis	Families Together, Inc
Martha L. Cooper	KACTA

Approved: \_\_\_\_\_  
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE.

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on January 29, 1999 in Room



## **Presentation to the House Appropriations Committee**

**Thursday, February 4, 1999**

**Commissioner Albert Murray**

### **Major Initiatives for FY 99 and FY 2000 and their Fiscal Impact**

#### **1. COMMUNITY PLANNING**

Since October of 1997, close to 1,000 people across Kansas participated in a community planning process to identify and address the needs of juveniles at the community level, per the requirements of the Juvenile Justice Reform Act of 1996. For the past year, training events and on-going technical assistance were provided by JJA to give the 29 teams the necessary assistance and support to develop the comprehensive plans required in legislation. The Juvenile Justice Authority (JJA) sponsored 34 regional training events at which teams were given information, data and program resources that would be useful to them in their plan development.

In an effort to keep the planning initiative a high priority, a stringent timeline was developed for the planning teams to attend the training, compile and analyze data, assess local program needs and prepare the district's comprehensive strategic plan. I am pleased to announce that as of early December 1998, all 29 comprehensive strategic plans had been submitted to this agency.

JJA staff are presently in the process of conducting an analysis of each of the plans. The purpose of this thorough review is

- ❖ to ensure that all the necessary requirements of the plans have been addressed
- ❖ to compile a detailed assessment as to the communities' determination of risk factors
- ❖ to compile gaps in resources, program needs
- ❖ to develop the community's recommendations to meet those needs.

It is projected this analysis will be completed in February, 1999.

Throughout this year long planning process approximately one third of the JJA central office staff have attended numerous community planning team meetings, local public official meetings, and special events to provide information and support to the local

Attachment 1-1  
House Appropriations Committee  
February 4, 1999

planning process. It cannot be overstated the number of hours, the effort, the energy and the time community representatives have volunteered to complete this planning initiative. I have been so thoroughly impressed with the level of dedication and commitment I have seen across the state in all the districts among the conveners, facilitators, key leaders, local officials and planning team members in this planning endeavor. The communication and collaboration that I have first hand observed at the community level has been outstanding. They have truly stepped up to the challenge of addressing the needs of their youth in their communities.

Each plan was to address specific program components as set forth by the reform act. This include Prevention efforts, juvenile intake/assessment, local detention services, community-based graduated sanctions programs such as juvenile probation, intensive supervision, electronic monitoring, drug testing, out-of-home placements, and aftercare services.

Some of the preliminary observations of our review of the comprehensive plans are:

- Community Plans are placing a high emphasis on the need for Prevention programs.
- Intake and Assessment is being identified as having a major role in the plans.
- There is a need for case managers to have a structured decision making instrument and process to determine the appropriate types of services, structure, and supervision that would best benefit the juvenile offender.
- Reported perhaps most often and uniformly from the community planning teams was the lack of a juvenile justice information system has been a barrier in the collection of juvenile justice data. Those who work with the juvenile justice system acknowledge the critical need to continue to develop a statewide juvenile justice information system.
- In some of the urban areas the need reported is the enhancement of existing graduated sanction programs rather than developing a large number of new programs. Smaller districts identified greater gaps in program services and see the need for more programs.
- Reported in almost all plans was the need to expand local bed capacity for out-of-home placements, and in particular, the need for out-of-home placements in the western part of the state.
- Many teams reported the need for local juvenile justice system coordination at the local level, particularly among service providers, court services officers and case managers.

The fiscal impact of the plans is still being analyzed. It is important to understand that the funding identified in the plans encompasses more than state funding. Grants, other state streams of money outside of the JJA, local funding resources as well as private resources were included in the recommendations within comprehensive plans. The JJA will use a financial formula based on communities' juvenile justice histories and needs, as its mechanism to determine the percentage of state funds each community may receive for programs within the strategic plans. As set forth in the Governor's Budget, \$7,329,440 million in new money is recommended for funding of the first year's priorities within the comprehensive plan programs. Of that money, \$4 million is to be used from the Children's Health Care Fund for prevention programs.

There has been extensive work done by the community planning teams in a short period of time to fulfill their commitment to this planning initiative. They are looking with great interest at the degree to which the state will support this initiative through adequate funding of the comprehensive plans. We will be working closely with the Legislature over this session to provide the necessary information to ensure this can be accomplished.

## **2. EXPANSION OF CAPACITY AT JUVENILE CORRECTIONAL FACILITIES**

The decision to expand capacity at the juvenile correctional facilities comes after intensive consideration and study primarily based upon information from four (4) sources:

- ❖ The Juvenile Justice Reform Act,
- ❖ The Kansas Sentencing Commission population forecast for the juvenile correctional facilities anticipating the impact/effects of the new placement matrix,
- ❖ The Juvenile Correctional Facilities Ten (10) Year Master Plan
- ❖ Current juvenile justice best practices information.

The plan to build a 225-bed maximum security and diagnostic and classification center is an important step toward the agency's commitment to providing a cohesive, comprehensive juvenile correctional system that realizes the objectives set forth in the Reform Act. It is also in acknowledgement and response to the accelerating incidences of serious and violent crime being perpetrated by a younger segment of the general population.

The recommendations are predicated on our mission that includes the balanced and restorative justice model with a primary goal to:

- ❖ Promote public safety
- ❖ Hold juvenile offenders accountable
- ❖ Improve the ability of juvenile offenders to live more productively and responsibly in the community.

The mission is accomplished by:



- ❖ Protecting the safety of the public, staff, and offenders
- ❖ Making offenders understand the predictable connection between behavior and consequences and that they can control what happens to them by controlling their behavior
- ❖ Realistic treatment and programming and
- ❖ Constructive training aimed at reintegration of offenders into society.

One of the tasks inherent to the development of the state's overall juvenile justice strategic plan was a re-evaluation of the role(s) that the existing facilities should play in consideration of the revised system mission and the implementation of the new placement matrix. Last year I reported to this committee on the status of our ten- (10) year statewide juvenile correctional facilities master plan. The master plan, completed in 1998, charted a path of facility development designed to best serve the goals and objectives of the Juvenile Justice Reform Act.

The master plan took into consideration an analysis of juvenile offender population projections and the mandatory lengths of stay articulated in the new Legislatively mandated placement matrix for juvenile offenders which will become law on July 1, 1999. It also analyzed the best use of the existing correctional facilities.

The master plan concluded the following:

- ❖ There will be a long-term increase in the demand for juvenile correctional facility (JCF) bed space.
- ❖ The bed space will need to be constructed to house increasingly volatile and dangerous youth.
- ❖ The primary mission of the JCF's must provide for public safety by providing commitment capacity for the most serious, violent and chronic offenders.
- ❖ The system should be designed to house medium to maximum-security classification juvenile offenders.
- ❖ Re-constitute the existing facilities within a system of dedicated, classification-based facilities.

There are two basic reasons for proceeding with the project outlined in the Governor's budget:

1. There is a compelling need for an operational efficient maximum-security facility that does not currently exist.
2. The Reform act appropriately mandates the development of a diagnostic and classification center that does not currently exist.

With funding for FY2000, the JJA intends to proceed with architectural planning for a 225-bed combined maximum security/diagnostic classification facility.

The facility will play an integral role in the evolution of the JJA mission by addressing four JJA system-wide needs.

1. It will provide a single, centralized processing center for all offenders
2. Will establish a dedicated maximum-security juvenile correctional facility.
3. It will provide for acute medical services.
4. It will establish a program and living facility for pregnant female offenders during the third trimester.
5. It will allow the adoption of a classification based juvenile correctional facility system, in which offenders will be placed incarcerated in the facility most appropriate for them, based on their need for structure and security. The previous system placed juveniles in the three facilities for males primarily according to their age levels.

The facility's 225 beds will be divided among three housing components.

- ❖ 60-bed diagnostic/classification center
- ❖ 150-bed maximum-security facility and,
- ❖ 15-bed infirmary. (Up to 5 beds in the infirmary may be used to house pregnant female offenders on an as-needed basis.)

The overall design blends the consolidated complex and the campus-style concept.

It is designed to be cost effective:

- ❖ Designed with podular housing units
- ❖ Two-level mezzanine configuration
- ❖ Secured outdoor recreation
- ❖ Staff control stations designed for optimum sight supervision lines including the outdoor recreation area.

The projected cost for the facility:

Total project costs--\$38,296,085

Total operational costs--\$9,965,044

Annual costs:

FY2000: \$2,185,297 for planning

FY2001: \$19,913,515 for construction

FY2002: \$16,197,274 for construction

The Governor's budget recommendation for FY2000 is \$2,185,297 million from the State Institutions Building Fund for the cost involved with architectural planning. The Governor has also recommended setting aside \$6 million from the State Institutions Building Fund for the JJA to use on constructing the facility, which would begin in FY2001.

During our presentation to the Joint Building Committee last year, the Juvenile Justice Authority was asked to provide reasons why it costs more to construct juvenile facilities

than adult correctional facilities. To understand the difference, one must look at the basic differences between the juvenile justice system and the adult corrections system.

The fundamental approach associated with the treatment and confinement of juveniles that are placed in secure juvenile correctional environments is significantly different from that of adult correctional programs. The rationale associated with the juvenile correctional system presumes that youthful offenders differ from adult offenders in decision-making capability and thus, through different correctional/treatment programs, they should be given an opportunity for rehabilitation. This is in contrast to the more punitive and custodial model associated with adult correctional programs because the major focus for juveniles is on specialized treatment programs necessary for juveniles to develop social and other life skills. Additionally, the decision-making capability (or lack thereof), unpredictable impulsiveness and other adolescent characteristics present unique confinement and security issues.

In the design of any juvenile correctional facility, the core operational and design concepts developed by the nationally-recognized American Correctional Association (ACA) Standards center on providing facilities that are much smaller in bed capacity and housing unit size than would be considered for an adult institution. The recommended capacity for a juvenile correctional facility is a bed count not exceeding 150 juveniles with living units designed for 25 juveniles or less depending on the classification of juveniles housed.

In contrast, adult facilities allow for large facilities with management units of 500 inmates and living units of up to 80 inmates.

The smaller size of juvenile facilities is intended to provide a more treatment oriented environment that will provide a safe and calming atmosphere encouraging communication between staff and juveniles. Regular interaction between staff and juveniles is encouraged in a juvenile facility, whereas such communication is not promoted between staff and inmates in an adult facility. The atmosphere of the housing units and program spaces must be carefully designed with the appropriate level of architectural detailing to provide a treatment milieu that encourages safe interaction between the staff and juveniles necessary for rehabilitation to take place.

It is important to recognize that ACA standards represent "best practices" in the corrections industry, but are not state or building code requirements. However, it should also be recognized that these standards do reflect nationally-accepted design and management philosophies current in juvenile correctional facilities.

The difference in construction cost associated with juvenile correctional facilities from that of the adult facilities focuses on three factors:

1. Higher costs associated with the smaller scale of the facility, size of the living units, and classification of the juvenile offenders.



2. Building space for the greater number of specialized programs needed in an effective juvenile program. This includes full educational and/or vocational programs needed to comply with State requirements or to provide specialized training for juveniles who have completed their high school education.
3. Architectural character of the facility and the living units' decor create a treatment oriented atmosphere within the secure environment that is necessary for juvenile rehabilitation. Although there is a cost premium associated with this factor, the majority of the cost differences between the adult and juvenile facilities rest with the above two factors.

Contemporary juvenile correctional facilities vary in their project construction cost and can range from a low of \$100,000 per bed to a high of \$250,000 per bed based on the classification and treatment programs. The project construction cost estimate for the proposed 225-bed facility is \$170,000 per bed.

### **3. RE-CLASSIFICATION OF YOUTH SERVICES SPECIALIST POSITIONS**

The Governor has recommended that \$595,120 be used to upgrade the youth services specialist positions within the four juvenile correctional facilities. This upgrade would affect 376 Direct care staff (64% of JJA employees) at the following locations:

- ❖ 77 – Atchison
- ❖ 49 – Beloit
- ❖ 86 – Larned
- ❖ 164 - Topeka

The rationale behind this recommendation is that with Juvenile Justice Reform, the requirements of the job performed by the youth service specialists include more complex and different job responsibilities and reflects the shift at the facilities from a social welfare model to a correctional model, in which juveniles are expected to be held more responsible for making changes in their lives that will benefit themselves and the rest of society. Staff will have greater responsibility with regard to maintaining security at the institutions and as the population trend continues within our facilities, will be required to deal with juveniles with complex needs.

The JJA is recommending two classification series:

1. juvenile correctional specialist positions that emphasize case management
2. juvenile correctional officer

The pay plan for these two positions is in the final stages of implementation design by the Department of Personnel Services, a division of Dept. of Administration. It is our belief that the position upgrades will help reduce turnover and retain good staff within the facilities, as well as help the agency attract well-qualified new staff as positions open. It

would make the staff positions more comparable to positions at Dept. of Corrections as they exist in the adult system's current pay structure.

#### **4. JUVENILE CORRECTIONAL FACILITY OVERCROWDING**

The Governor has recommended that \$748,313 be used over FY99 and FY2000 to provide for a 57-bed expansion at the Topeka Juvenile Correctional Facility (Topeka JCF.) To this end, an additional four FTE staff positions are recommended in the budget. Plans are underway to add additional beds to two units at Topeka JCF, in an effort to reduce overcrowding that has been prevalent over the past three years at the three facilities for male juvenile offenders. The additional bed space would bring capacity at Topeka JCF to 276.

## **SPECIAL EDUCATION FUNDING—CURRENT STATE AID DISTRIBUTION METHOD**

### **Kansas Special Education Funding Plan—A Resource Based Model**

The Legislature determines the amount to be appropriated for special education services each year. Often, this decision is related to an estimate of the amount of the *excess costs* of providing special education services the appropriation is intended to represent. This linkage of the appropriation with an excess costs threshold is a custom; it is not a requirement of law. Under the state's formula, school districts receive money mainly on the basis of the teaching *resources* they have, as follows:

- 80 percent of costs of transporting children to special education services;
- 80 percent of the cost of actual travel allowances paid special education teachers;
- 80 percent of the cost of maintaining a child away from the child's residence, not to exceed \$600 per child per year; and
- from the remainder of the amount appropriated for the year, a uniform amount per full-time equivalent (FTE) special education teacher (paraprofessionals counted at 0.4 FTE).

**NOTE:** Under other provisions, the amount required to fund the "catastrophic" special education state aid program also is paid from the line item appropriation for special education services aid, thus reducing somewhat the amount available for the teaching unit distribution. The catastrophic aid program reimburses school districts for 75.0 percent of the costs above \$25,000 per year for a student for whom the district provides special education services.

Kansas Legislative Research Department  
February 5, 1999

Attachment 2-1  
House Appropriations Committee  
February 4, 1999

## STATE SPECIAL EDUCATION "CATASTROPHIC AID"

This program which is authorized by K.S.A. 1998 Supp. 72-983 provides that any exceptional child, except gifted, whose educational cost exceeds \$25,000 for the school year, is eligible to receive a grant of state funds in an amount equivalent to 75.0 percent of that portion of the cost which exceeds \$25,000.

	<b>School Year</b>			
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>
No. of Students	27	33	35	39
Total Cost	\$1,300,567	\$1,972,071	\$2,257,394	\$2,147,304
Total Cost Less \$25,000	\$625,567	\$1, 147,071	\$1,392,394	\$1,172,304
State Catastrophic Entitlement	\$469,178	\$860,306	\$1,036,802	\$879,230

**Source:** State Department of Education  
July 14, 1998

**ESTIMATED SPECIAL EDUCATION EXCESS COSTS--FY 2000**

<b>FY 1998 ACTUAL EXPENDITURES</b>			<b>\$389,402,720</b>
<b>FY 1999 ESTIMATE</b>			
FY 1998 Actual			\$389,402,720
Percent Inc. (based on teacher salary increase avg.)	3.60%		14,018,498
Added Teachers No./Amt.	350	\$45,818	16,036,300
<b>EST. TOTAL FY 1999 EXPENDITURES</b>			<b>\$419,457,518</b>

**FY 2000 PROJECTION--SPECIAL EDUCATION EXPENDITURES AND EXCESS COSTS BASED ON CURRENT LAW**

Est. FY 1999 Costs			\$419,457,518
Percent Inc. (based on teacher salary increase avg.)	2.50%		10,486,438
Added Tchrs. No./Amt.	275	\$46,963	12,914,825
<b>PROJECTED FY 2000 TOTAL EXPENDITURES</b>			<b>\$442,858,781</b>

**EXCESS COST COMPUTATION**

Projected Expenditures			\$442,858,781
Less: Avg. Per Pupil Cost of Regular Ed. (\$5,162)* times 22,700 FTE Special Ed. Pupils (except SRS residents):	22,700	\$117,177,400	117,177,400
Less: Fed. Aid from State Dept. of Ed.			38,800,000
Less: Medicaid Reimbursements			12,000,000
Less: SRS Contribution			3,000,000
<b>FY 2000 EXCESS COST--100 PERCENT</b>			<b>\$271,881,381</b>

**EXHIBIT:  
ESTIMATED EXCESS COST FUNDING FY 2000**

Percent of Excess Cost	Amount (THOUSANDS)	Inc . Over FY 1999 (a) (THOUSANDS)	Teach. Unit Amount (b)
100 Percent	\$271,881	\$53,037	\$24,713
95 Percent	\$258,287	\$39,443	\$23,302
90 Percent	\$244,693	\$25,849	\$21,891
85 Percent	\$231,099	\$12,255	\$20,480
80 Percent	\$217,505	(\$1,339)	\$19,069
75 Percent	\$203,911	(\$14,933)	\$17,658
70 Percent	\$190,317	(\$28,527)	\$16,247
65 Percent	\$176,723	(\$42,121)	\$14,836

\* Computed by subtracting from the projected state total of general fund and supplemental general fund budgets the amounts for the preceding year attributable to the transportation, vocational education, bilingual education and at-risk program weights. This sum was then divided by the projection year unweighted FTE enrollment.

- (a) Actual FY 1999 appropriation: \$218,844,174
- (b) For FY 2000, this amount is computed by dividing the amount of the appropriation remaining after amounts for "catastrophic" state aid and transportation reimbursements have been paid by the number of FTE teaching units.

Amounts are in Thousands:

Est. Catastrophic State Aid	\$1,200
Est. Transportation Reimb.	\$32,600
Est. Actual FTE Teaching Units	9,633.7

Prepared by: Legislative Research Department, Division of Financial Services--State Department of Education and Division of Budget.

NOTE: KSDE 11/23 EST. OF CURRENT FY 1999 EXCESS COST FUNDING--86.4%.

NOVEMBER 23, 1998



## SELECTED SPECIAL EDUCATION FUNDING FACTS

### FY 1999

- ✓ The special education services appropriation for this fiscal year is \$218,844,174.
- ✓ A recent estimate of the special education excess costs state aid funding level for FY 1999 is 86.4 percent. (The estimate last spring based upon the Legislature's action was 87.8 percent.)

### FY 2000

- ✓ To fund special education excess costs in FY 2000 at 87.8 percent would require an appropriation of \$238,711,853, an increase over FY 1999 of \$19,867,679.
- ✓ To maintain special education excess cost funding in FY 2000 at the "current" 86.4 percent rate would require an appropriation of \$234,905,513, an increase over FY 1999 of \$16,061,339.
- ✓ The State Board of Education has recommended funding special education at 100.0 percent of excess costs. This would require an appropriation of \$271,881,385, an increase over FY 1999 of \$53,037,207.
- ✓ The Governor has recommended an appropriation of \$231,069,438, an increase over FY 1999 of \$12,225,264, or 5.6 percent. The Governor's recommendation was not intended to relate to an "excess cost" standard. The recommended level of funding would equate to about 85.0 percent of excess costs.
- ✓ Each 1.0 percentage point increase in special education excess cost funding for FY 2000 costs about \$2,718,814.

Kansas Legislative Research Department  
February 5, 1999

SELECTED INFORMATION ON SPECIAL EDUCATION EXPENDITURES--FY 1983 -- FY 1999 (EST.)

Fiscal Year	Total Expenditures for Special Education (In Thousands)	% Change From Prior Year	Special Education Excess Costs At 100.0 % (In Thousands)	% Change From Prior Year	Special Education Categorical Aid (In Thousands)	% Change From Prior Year	Categorical Aid as a Percent of Excess Cost	Teaching Units	% Change From Prior Year	Amount Per Teacher	% Change From Prior Year	Headcount Enrollment	% Change From Prior Year
1983	\$ 118,784	--	\$63,716	--	\$57,440	--	90.1	5,149	--	\$9,580	--	54,296	--
1984	129,361	8.9	69,523	9.1	62,662	9.1	90.1	5,360	4.1	10,135	5.8	53,615	(1.3)
1985	143,097	10.6	78,282	12.6	70,418	12.4	90.0	5,493	2.5	11,210	10.6	52,650	(1.8)
1986	162,035	13.2	93,405	19.3	76,384	8.5	81.8	5,726	4.2	11,855	5.8	52,784	0.3
1987	166,926	3.0	94,007	0.6	76,443	0.1	81.3	5,759	0.6	11,298	(4.7)	54,263	2.8
1988	173,278	3.8	99,797	6.2	89,785	17.5	90.0	5,457 *	(5.2)	14,450	27.9	55,222	1.8
1989	192,199	10.9	108,143	8.4	101,260	12.8	93.6	5,753	5.4	15,440	6.9	55,972	1.4
1990	214,650	11.7	119,626	10.6	113,643	12.2	95.0	6,132	6.6	16,200	4.9	56,599	1.1
1991	239,321	11.5	151,261	26.4	125,562	10.5	83.0	6,463	5.4	16,945	4.6	58,205	2.8
1992	250,529	4.7	157,439	4.1	121,078	(3.6)	76.9	6,568	1.6	15,800	(6.8)	59,569	2.3
1993	281,214	12.2	174,840	11.1	149,026	23.1	85.2	7,097	8.1	18,250	15.5	61,634	3.5
1994	305,736	8.7	190,236	8.8	149,026	0.0	78.3	7,424	4.6	17,400	(4.7)	63,221	2.6
1995	325,609	6.5	212,115	11.5	177,289	19.0	83.6	7,839	5.6	19,675	13.1	65,651	3.8
1996	345,533	6.1	223,370	5.3	185,815	4.8	83.2	8,182	4.4	19,825	0.8	67,387	2.6
1997	363,622	5.2	236,973	6.1	190,393	2.5	80.3	8,591	5.0	19,170	(3.3)	68,992	2.4
1998	389,403	7.1	250,952	5.9	200,848	5.5	80.0	9,005	4.8	19,245	0.4	70,730	2.5
1999 (est)	419,458	7.7	256,990	2.4	218,844	9.0	85.2	9,359	3.9	20,000	3.9	72,464	2.5

\* Paraprofessionals were counted as 0.5 FTE teaching unit through FY 1987 and as 0.4 teaching unit beginning in FY 1988.

Updated February 5, 1999.

Prepared by Kansas Legislative Research Department and State Department of Education

## **SPECIAL EDUCATION FUNDING—A CENSUS-BASED FUNDING MODEL**

Under the census-based funding approach, the Legislature determines specific characteristics of the formula and provides funding to support it. Generally, a district receives special education funding based upon:

- The district's *total* enrollment (the actual distribution of special education children and the structure of school district special education services delivery models have no bearing on the entitlement).
  - Basic funding, uniformly applicable to all school districts, likely would be linked to judgments about the statewide incidence of special education children.
  - The program probably would include special provisions to deal with extreme situations, such as children whose services are extraordinarily expensive or areas in which unusually high concentrations of special education children are found.

Kansas Legislative Research Department  
February 5, 1999



# LEGISLATIVE BUDGET COMMITTEE—REPORT TO THE 1999 LEGISLATURE

## SPECIAL EDUCATION FUNDING

### Recommendations

- The State Board of Education should structure a census-based special education funding formula and present it early in the 1999 Session to the House and Senate Committees on Education. The formula should include a "safety net" to aid school districts with unusually high populations of special education students. The plan should specify that school districts that receive safety net aid are subject to audit and review by the State Board of Education of special education identification and placement practices and will receive the State Board's assistance in making optimal use of nonspecial education interventions. Formulas now being used to reimburse school districts for special education transportation costs and for providing catastrophic state aid should be retained.
- The state's auxiliary school services law should be amended to limit the amount a school district must spend on special education services provided in a private, nonprofit elementary or secondary school at the request of the parent of a student of such a school to an amount equal to the proportionate amount of federal funds available to the district under the federal Individuals With Disabilities Education Act (IDEA) Amendments of 1997.
- The State Board of Education should revoke its regulations governing staffing ratios applicable to provision of special education services.
- The State Board of Education should prescribe an evaluation system that promotes measurable, high-quality special education services outcomes.
- The State Board of Education should propose to the House and Senate Education Committees during the 1999 Session incentives that could be effective in accelerating widespread adoption among school districts of aggressive school district preassessment screening activities as a means of reducing special education placements.
- The State Board of Education should submit to the House and Senate Education Committees during the 1999 Session suggested means by which school district inservice activities and the state funding which helps support them could be targeted to better equip all teachers to serve students with special needs in a regular education setting.

July 14, 1998

To: Legislative Budget Committee

Re: Special Education Funding

### **SOME COMMONLY ASKED QUESTIONS**

Following are answers to some commonly asked questions about special education funding issues. The information is drawn from two publications: *State Special Education Finance Systems, 1994-95*, Parrish, O'Reilly, Dueñas, and Wolman, Center for Special Education Finance (CSEF), June 1997, and "What are We Spending on Special Education in the U.S.?" CSEF Brief No. 8, February 1998.

As the reader will note, the lack of currently collected, reliable data has made it difficult to answer commonly posed questions in this area.

**Q. *How much are school districts spending annually to provide special education services?***

A. An estimate by CSEF for the 1995-96 school year is \$32.6 billion; however, CSEF notes that the most recent comprehensive data on special education expenditures in the United States is for the 1987-88 school year when total expenditures were reported to be \$19.3 billion.

The U.S. Office of Special Education Programs stopped requiring collection of these data after the 1987-88 school year over concerns about their accuracy and the inability of states to provide the information.

The \$32.6 billion figure was derived by inflating by the Consumer Price Index the 1987-88 average per pupil expenditures on special education services of \$4,347 to 1995-96 dollars (\$5,808) and then multiplying by the 1995-96 count of students, ages 3-21, served in federal Part B special education programs (5.619 million).

**Q. *What is the range among the states in average spending per special education pupil?***

A. For the 1993-94 school year, based on a CSEF survey of 24 states, the range was from \$2,758 in Indiana to \$8,501 in Connecticut. In Kansas, the amount reported was \$6,867, the eighth highest among the reporting states.

Nineteen of the 24 reporting states were "confident" or "highly confident" of the accuracy of their data while five states were "somewhat confident" or "not confident" of the information in their reports. Kansas was "highly confident" of its data.



**Q. What is the relative cost of providing special education services as compared to regular education?**

A. The most recent national study (1988) suggests that expenditures on the average student with disabilities are 2.28 times the expenditure on a regular education student or 128 percent more than is spent on a regular education student.

**Q. What is the percentage of special education expenditures as a percent of total K-12 expenditures?**

A. 1987-88 data, adjusted by 1995-96 prices, yields a figure of 12.2 percent. The comparable figure for Kansas was 11.2 percent. The range was 6.6 percent (Arkansas and Montana) to 21.2 percent (Illinois).

**Q. Are special education expenditures per student growing faster than comparable general education expenditures?**

A. The data used to respond to this question have considerable weaknesses and do not provide a definitive answer; however,

- On the basis of national cost studies, the special education expenditure growth rate is about twice that for special education—4.1 percent as compared to 2.1 percent.
- On the basis of national data for the period 1983-84 to 1986-87, the growth differential was about 20 percent—5.6 percent as compared to 4.6 percent.
- Based on the above, it may be reasonable to estimate an annual rate growth differential of 20 percent to 100 percent.

**Q. What is the relative share of special education revenues from federal, state, and local sources?**

A. Based on 1993-94 data for 24 reporting states, the averages were:

- 7 percent federal,
- 53 percent state, and
- 40 percent local.

For Kansas, the comparable percentages were:

- 7 percent federal,
- 54 percent state, and
- 39 percent local.

**Q. What is the trend in enrollment in special education services?**

A. Regardless of the measure used, the nationwide trend is upward. One such measure is shown below:

School Year	Percent of Age 6-21 Special Education Students to Public Enrollment*
1987-88	10.18
1988-89	10.29
1989-90	10.37
1990-91	10.53
1991-92	10.66
1992-93	10.87
1993-94	10.92
1994-95	11.05
* Children with disabilities.	

July 14, 1998

To: Legislative Budget Committee

Re: Special Education Funding

## SELECTED FACTORS REGARDING SPECIAL EDUCATION COSTS

For several years, the rapid escalation of the costs of providing special education services has been a major concern of policymakers. This matter has been reviewed under legislative auspices on several occasions, but, to date, solutions have proved elusive. This memorandum has been prepared in order to give Committee members a listing of pertinent observations that have been raised in connection with this issue.

### Special Education Cost Issues

1. With the special education services mandate, the law has required a greater emphasis on identifying exceptional children and providing services to them. Thus, many more children have been identified as being eligible for special education services.
2. As related to No. 1 (above), a large number of special education personnel have been added to the system in order to comply with the mandate for services. It has taken several years beyond the original full service mandate deadline (July 1, 1979, for school age children with disabilities and July 1, 1980, for gifted) to meet the staffing requirements on a statewide basis. Subsequently, special education services were mandated for three- and four-year-old children with disabilities. This mandate became effective for the 1991-92 school year. A question remains as to whether special education staffing, statewide, has yet reached the level necessary to fully deliver the mandated services.
3. In a similar vein (to Nos. 1 and 2), largely as a result of federal legislation, greater emphasis has been placed on preschool identification and intervention services for children with disabilities. This means there has been an increased dedication of resources to providing services, including screening and prevention, to preschoolers. While early intervention services are regarded in professional circles to be cost-effective, they may contribute to increased special education costs in the short term.
4. Members of special education advocacy groups and parents of exceptional children have become better informed about special education services available and those services to



which exceptional children are entitled. These persons have become more persistent in pressing for the services they believe to be required.

5. Advances in medical procedures have made it possible to save some children born prematurely or with serious medical conditions who, in an earlier era, would not have survived. One consequence is an increase in required special education interventions on behalf of these children.
6. In recent years there have been more low birth weight babies born as the result of inadequate prenatal care and substance abuse of mothers. It is likely that many of these children will be in need of special services.
7. Disintegration of the family structure and poor parenting have resulted in neglect of both psychological and physical needs of some children. One consequence is special education involvement for some children for whom such services might otherwise have been avoided or for whom less severe interventions would have been indicated.
8. The trend being urged as a matter of public policy both at the federal and state levels toward deinstitutionalization of persons with mental illness and persons who have mental (and, often, physical) disabilities means that the educational services to which these persons are entitled more often must be provided by the public schools. This results in additional costs in the public education sector. The decisions of the 1996 Kansas Legislature to close Winfield and Topeka State Hospitals are examples of this trend.
9. Approximately 10 percent of all children entering school will require special education services. This means that, in times when the public schools are experiencing enrollment increases generally, it can be expected that the number of children needing special education services also will increase. After several years of decline, in 1985-86, enrollments in Kansas school districts began to increase. In 1992-93, the rate of increase began a systematic decline. Nevertheless, in 1998-99, the projected full-time equivalent enrollment still is expected to increase about 560 over the prior year. This means, due to enrollment growth alone, that about 56 additional children, statewide, will be added to the special education services system.
10. 1990 federal legislation added to the main special education law the terms "assistive technology devices" and "assistive technology services." The State Board of Education has incorporated assistive technology devices and services as "related services" in the Board's "State Plan for Special Education." Greater awareness of these devices and services would be expected to be related to greater use of them, thus affecting special education costs. The 1997 federal legislation increased the emphasis placed on provision of these devices and services. Technological advancements can be expected to stimulate growth and sophistication in the area of assistive devices. This will contribute to special education costs.
11. Fear of costly litigation may cause some school districts to agree to provide special education services beyond the level required under federal law, thus resulting in higher expenditures than otherwise would occur.

12. An amendment contained in the 1990 federal legislation waived the state's immunity from suit in federal court for violations of the Individuals with Disabilities Education Act (the federal special education law—formerly known as the Education of the Handicapped Act). This change could result in greater litigation costs for the state.
13. The 1990 and 1997 federal legislation increased the emphasis on including transition services in the child's individualized educational program (IEP). Transition services include plans in the IEP designed to assist special education students who complete school district special education programs to move into employment, employment training, rehabilitation, or other community settings. Transition services plans are required for all students 14 years of age and older. This focuses increased attention on post-elementary and post-secondary school experiences. Fully implemented, this change could have an impact on other established training and educational programs, as well as various social service providers. (This was not a new concept; rather, it was an increased focus of attention.)
14. There is a strong movement toward a renewed effort to more fully implement the least restrictive environment concept. The term "inclusion" is being used in connection with this programming focus. Thus, it appears that there will be increased emphasis on collaborative teaching models involving the classroom teacher and special education personnel. This could mean fewer programs in which students are pulled out of the classroom for a portion of the day for special services and fewer separate special education rooms. What impact this direction will have on special education costs is uncertain. Some believe costs will be increased, but others believe service delivery will become more cost effective. Undoubtedly, this has contributed to the increase in paraprofessionals.
15. The shift in the focus in educational accountability from "inputs" to "outcomes" might result in identification of more and different services in order to ensure that specific outcomes are achieved. In this regard, the 1997 federal legislation imposes greater requirements relating to involvement by students with disabilities in school districts' testing programs and to the reporting of each student's educational progress.
16. The 1997 federal legislation made student disciplinary requirements more complex. The law requires that, even when a student with a disability is expelled, the district must continue providing educational services.
17. Some contend that the movement toward privatization of foster care and children's services results in increased demand being placed on school districts for evaluations and services.
18. Inflationary cost increases that affect public education generally also affect special education. In this connection, personnel salary increases generally are the same for special education teachers and paraprofessionals as for their regular education counterparts. Therefore, any emphasis placed on increasing teachers' salaries applies equally to special education personnel.