

CONNECTICUT  
SCHOOL FINANCE  
PROJECT

# SPECIAL EDUCATION FINANCE OVERVIEW

*Presented to: RESC Special Education Task Force  
May 11, 2016*

# About the CT School Finance Project

- The way Connecticut funds its schools isn't working well. The current system is unfair to students, schools, and communities across the state.
- Founded in 2015, the nonprofit Connecticut School Finance Project aims to fix this broken system and be a trusted, nonpartisan, and independent source of accurate data and information.
- The goals of the Connecticut School Finance Project are to:
  - 1) Build knowledge about how the current school funding system works,
  - 2) Bring together stakeholders who are impacted by how schools are funded, and
  - 3) Identify solutions to Connecticut's school funding challenges that are fair to students and taxpayers, and strengthen schools and communities.

# Our Recent Reports and Work

- History of School Finance in Connecticut
- Improving How Connecticut Funds Special Education
- Connecticut's School Finance System: A Roadblock to Success (INFOGRAPHIC)
- School Finance 101: An introduction to how public schools are funded in Connecticut
- Education Funding Among Connecticut's Regional Peers
- The Mismatch Between Funding & Student Needs in Connecticut

***All of our reports can be viewed at: [ctschoolfinance.org/reports](https://ctschoolfinance.org/reports)***

# Goals for Today

1. Share data and analysis about special education finance in Connecticut
2. Discuss potential new ideas for funding special education
3. Hear your thoughts, feedback, concerns, and suggestions

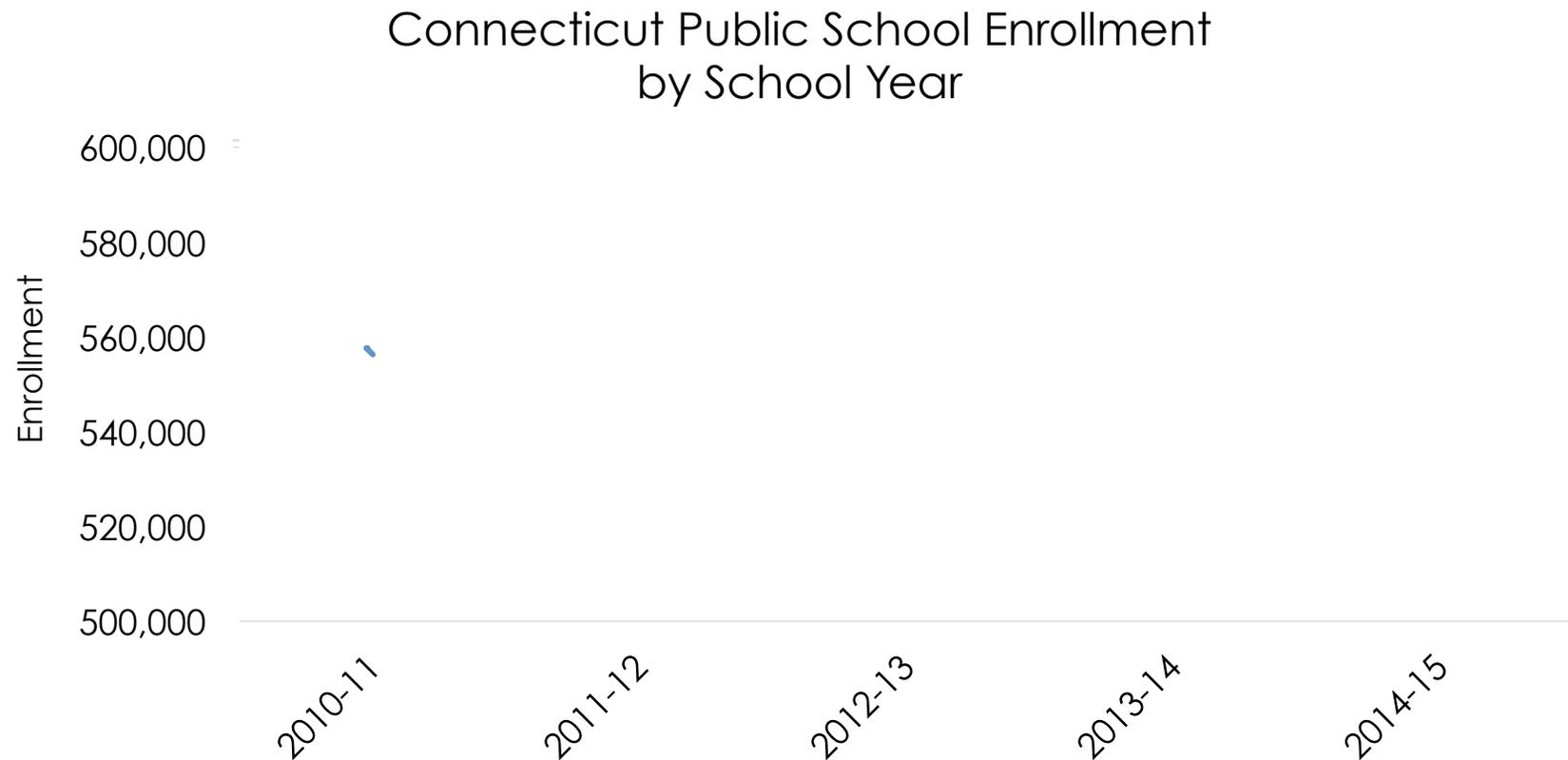
## The Data We Use

- We use official data from state and federal sources as much as possible.
- All data used in this presentation, on our website, and in our printed materials is for the most recent year available.
- Any data calculations are listed in source citations.
- To access a library of data, reports, and our own policy briefs, visit <http://ctschoolfinance.org/> resource.

# OVERVIEW

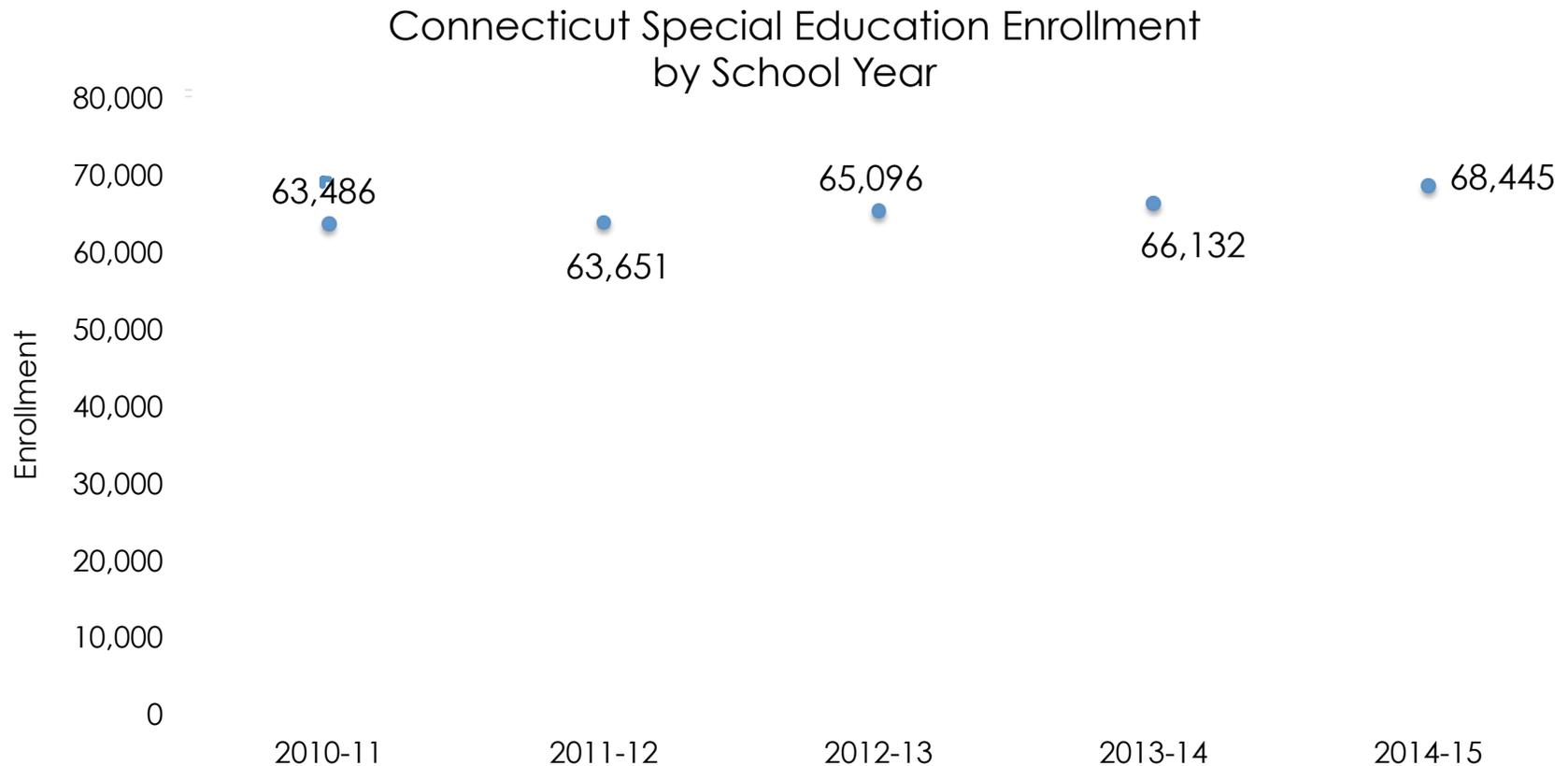
# Enrollment

## Over the last 5 years, the total number of students in Connecticut public schools has declined



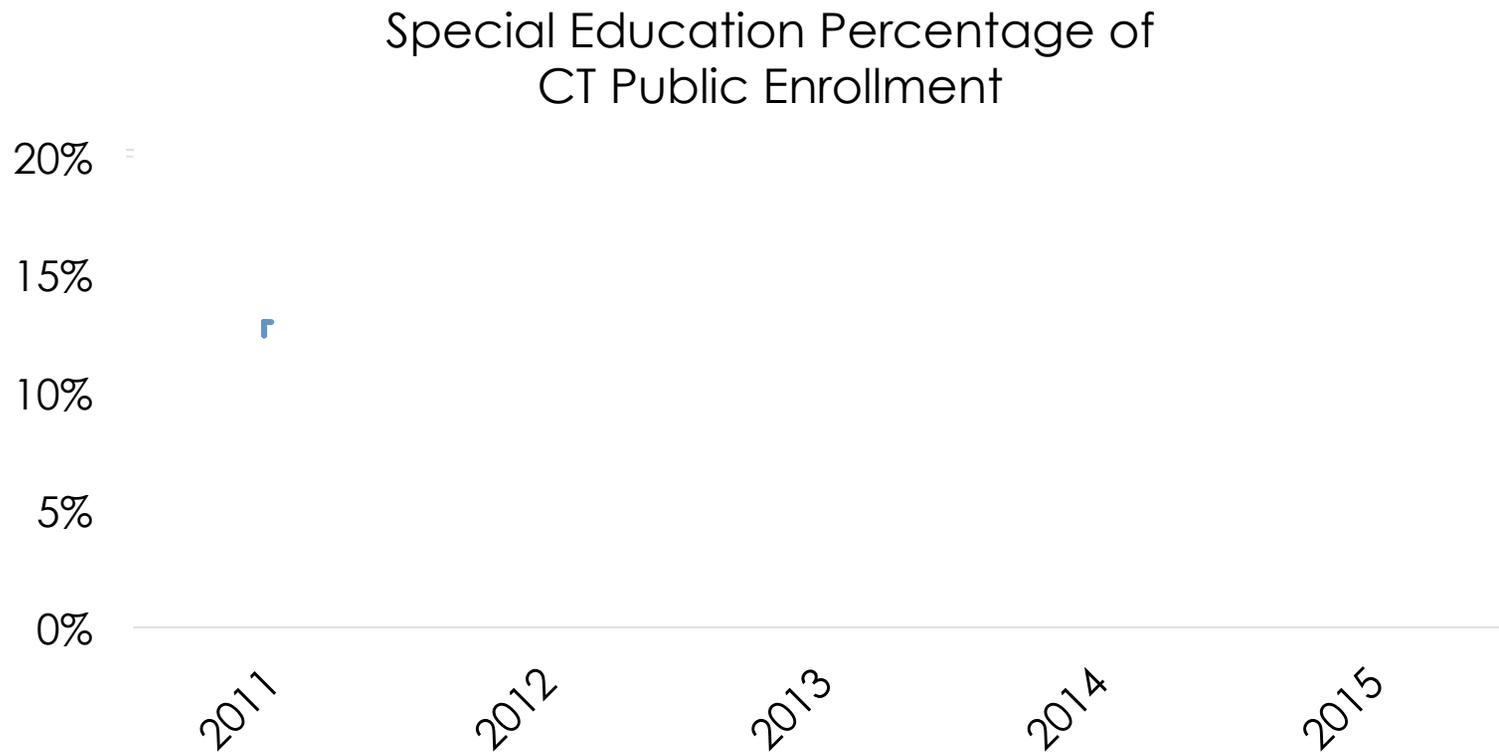
Source: Connecticut State Department of Education. (2015). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

# Over the last 5 years, the total number of special education students in Connecticut public schools has increased more than 7%



Source: Connecticut State Department of Education. (2015). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.

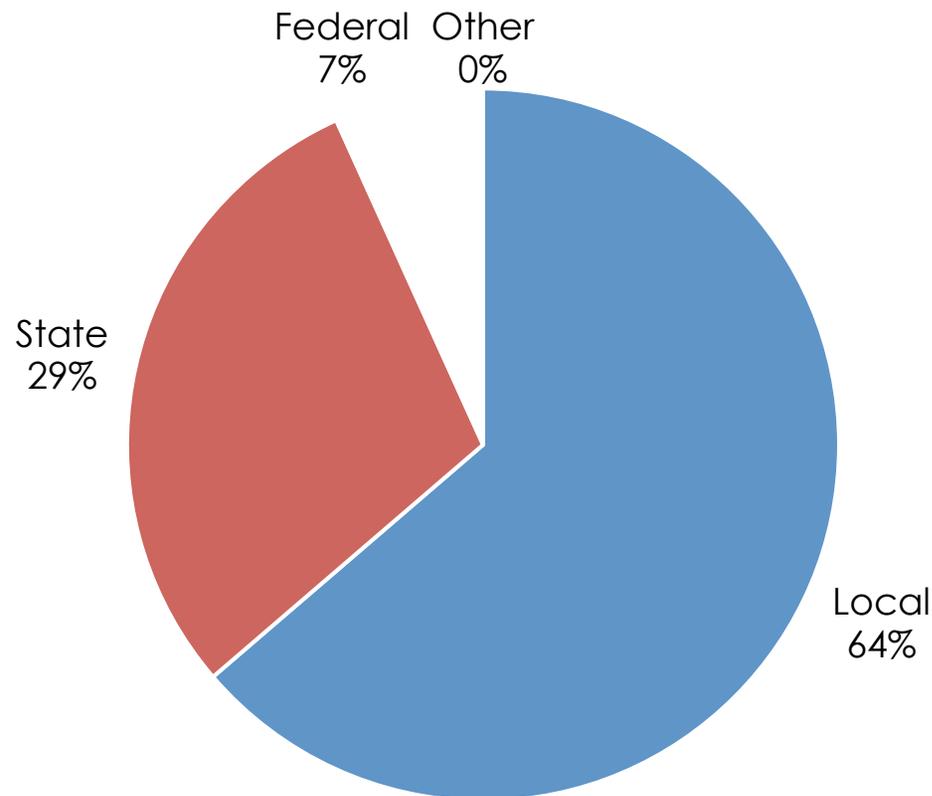
# Which translates to a 1% increase in the special education identification rate over the past 5 years



Source: Connecticut State Department of Education. (2015). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoofinance.org/data/connecticut-school-enrollment>.

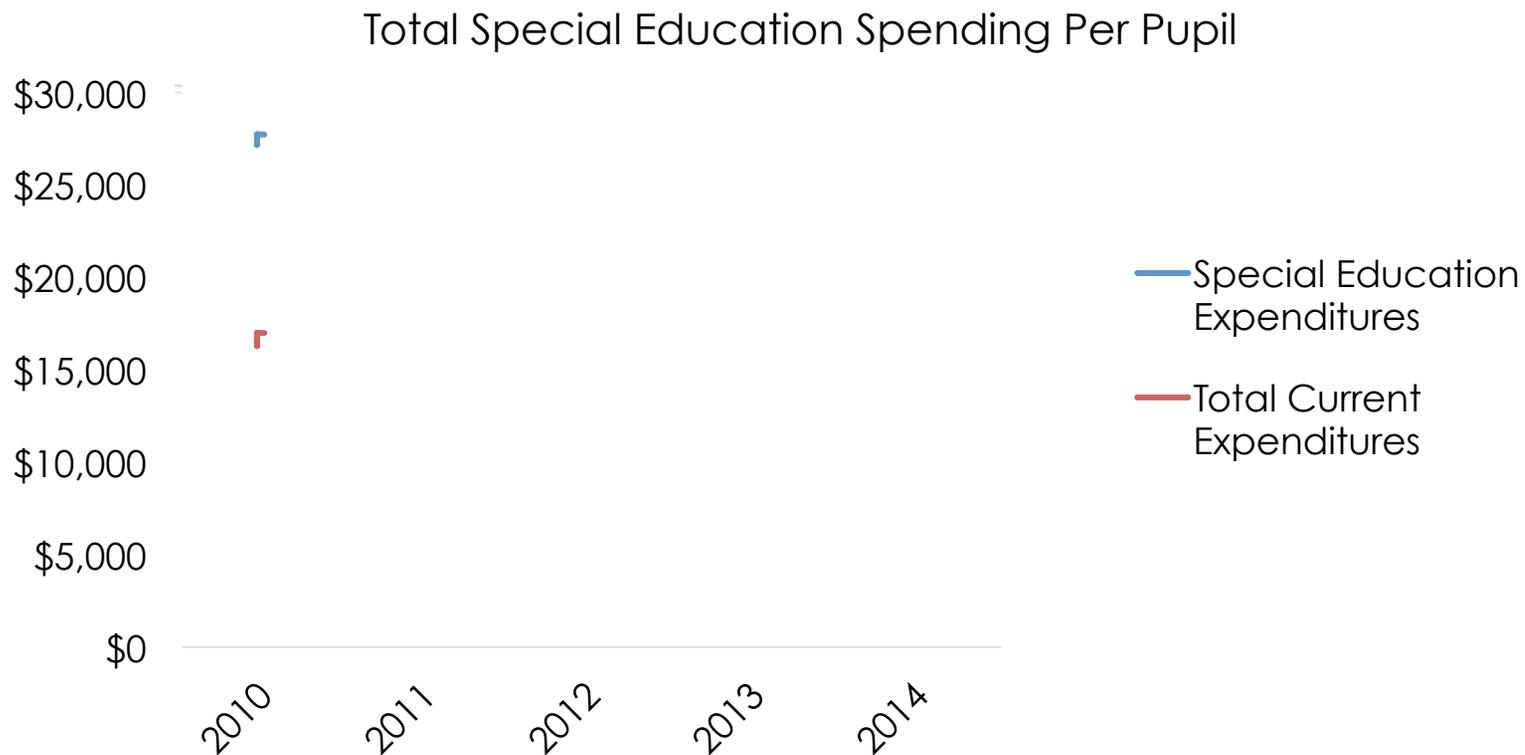
# Total Spending

# Connecticut special education spending by source, 2014



Source: Connecticut State Department of Education. (2015). *LEA Special Education Expenditures*. Available from <http://ctschoolfinance.org/data/lea-special-education-expenditures-2003-14>.

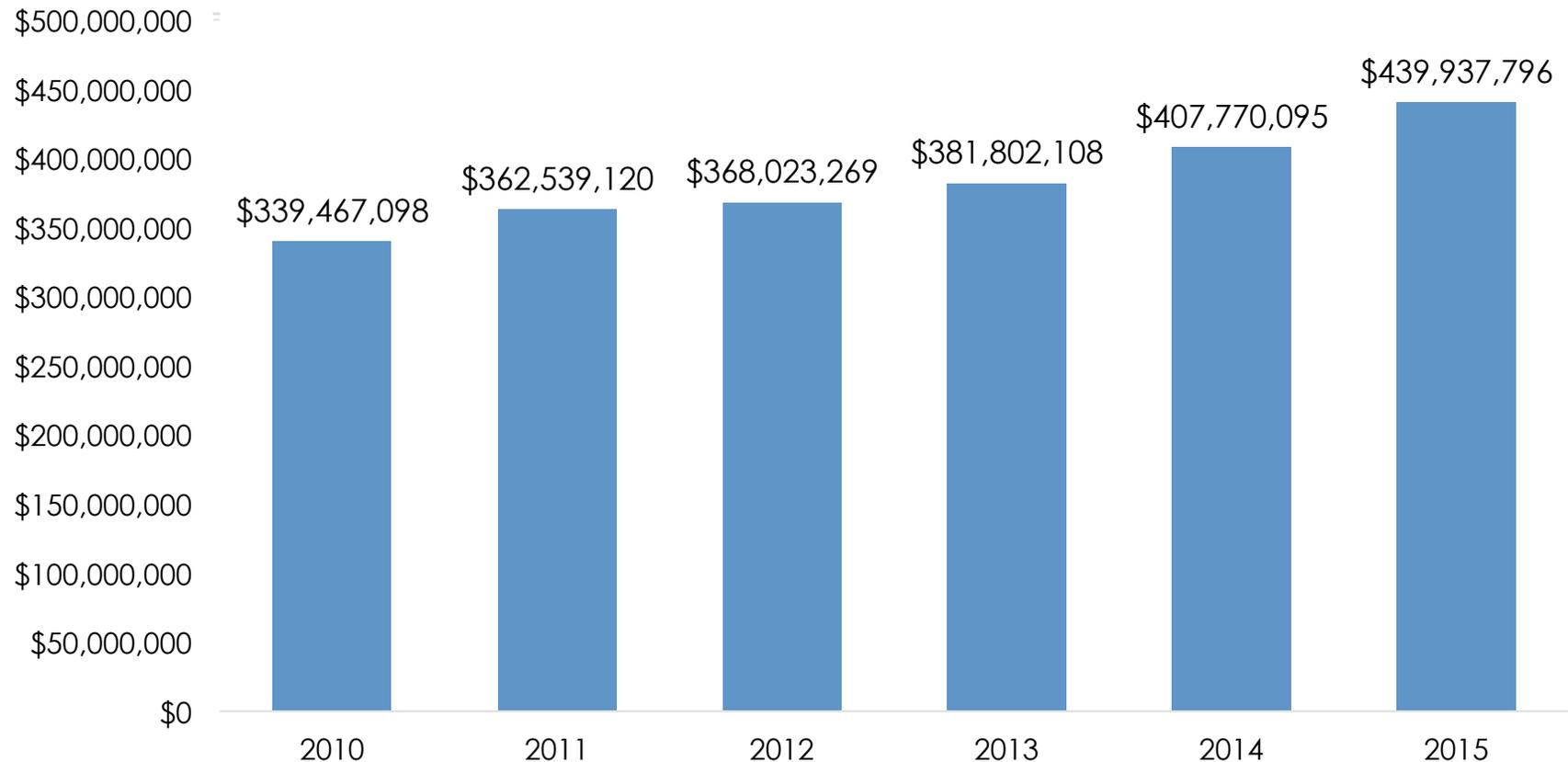
# Over the past 5 years, total per pupil spending has increased by \$1,725, while SpED spending per pupil has increased by \$2,203



Sources: Connecticut State Department of Education. (2015). *LEA Special Education Expenditures*. Available from <http://ctschoolfinance.org/data/lea-special-education-expenditures-2003-14>.  
 Connecticut State Department of Education. (2015). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.  
 United States Census Bureau. (2013). *Public Education Revenue Sources by State*. Retrieved from <http://www.census.gov/govs/school/>.

# SpEd tuition expenditures have risen more than \$100 million since 2010

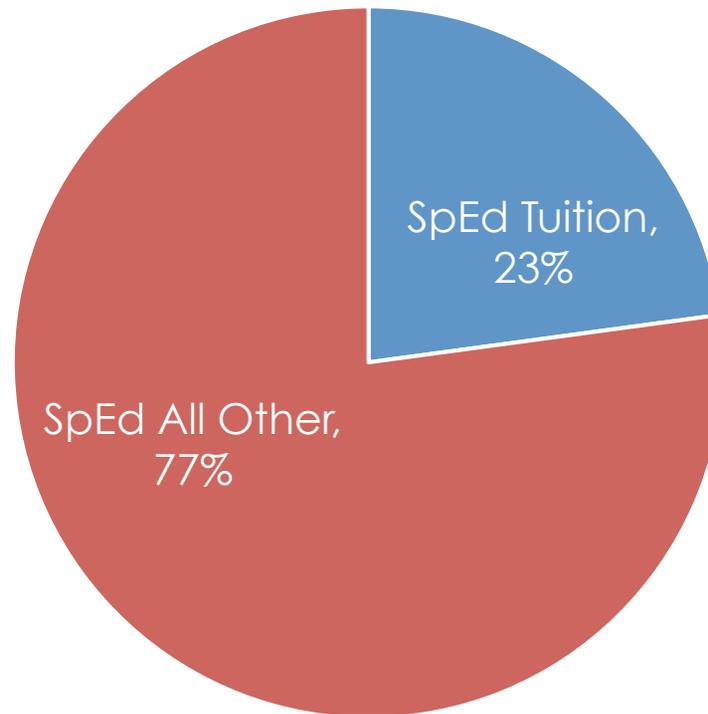
LEA Special Education Tuition Expenditure



Source: Connecticut State Department of Education. (2016). *2009-15 End of School Year Report (ED 001) data*. Available from <http://ctschoolfinance.org/data/end-of-year-school-reports-ed001-2009-15>.

# Special Education Tuition expenditures are about 23% of all special education spending

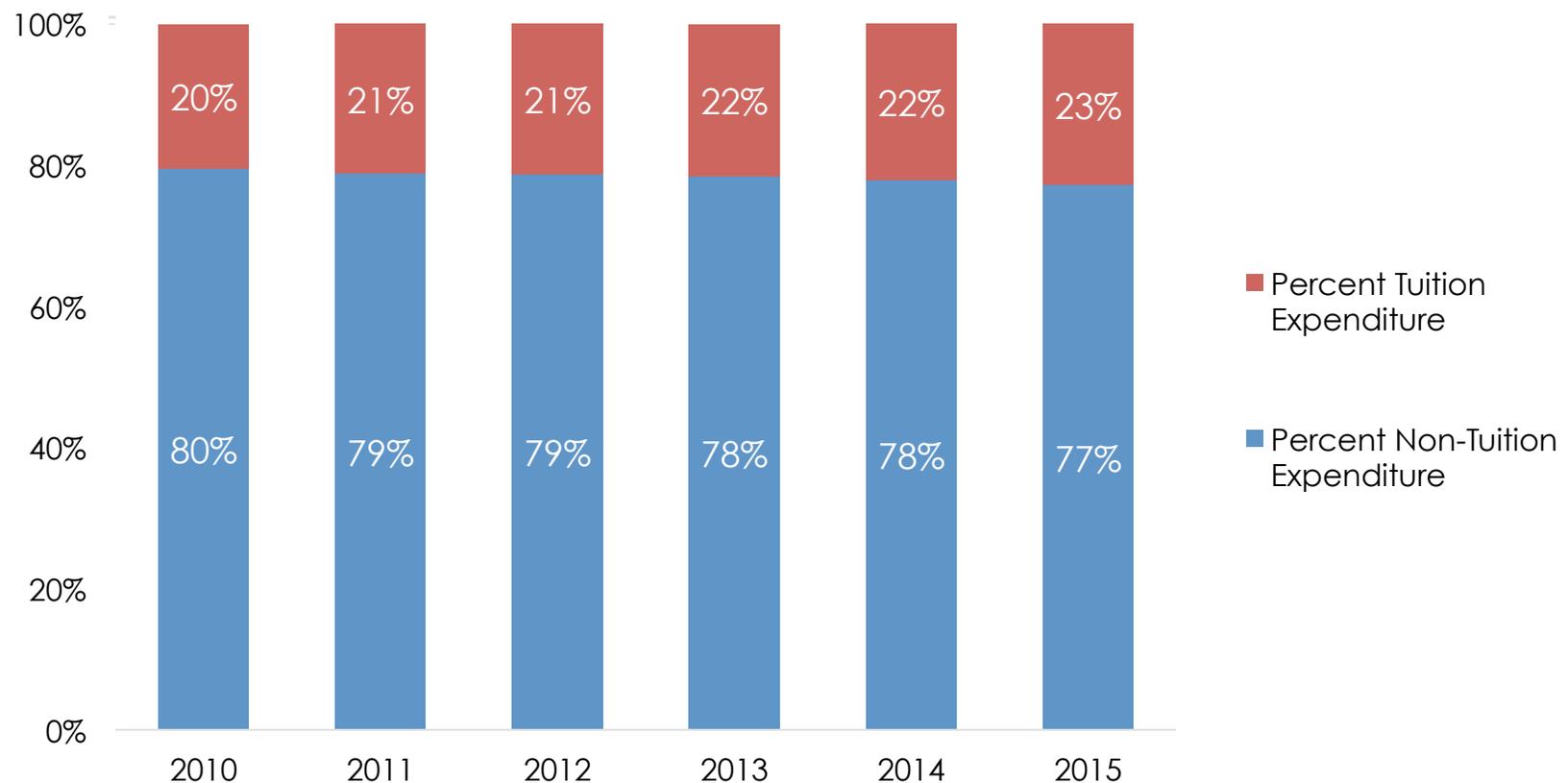
LEA Special Education Expenditures, 2014-15 School Year



Source: Connecticut State Department of Education. (2016). *2009-15 End of School Year Report (ED 001) data*. Available from <http://ctschoolfinance.org/data/end-of-year-school-reports-ed001-2009-15>.

# Tuition costs as a percentage of total SpEd expenditures have risen by 3 percent since 2010

LEA SpEd Tuition Percent of SpEd Expenditure

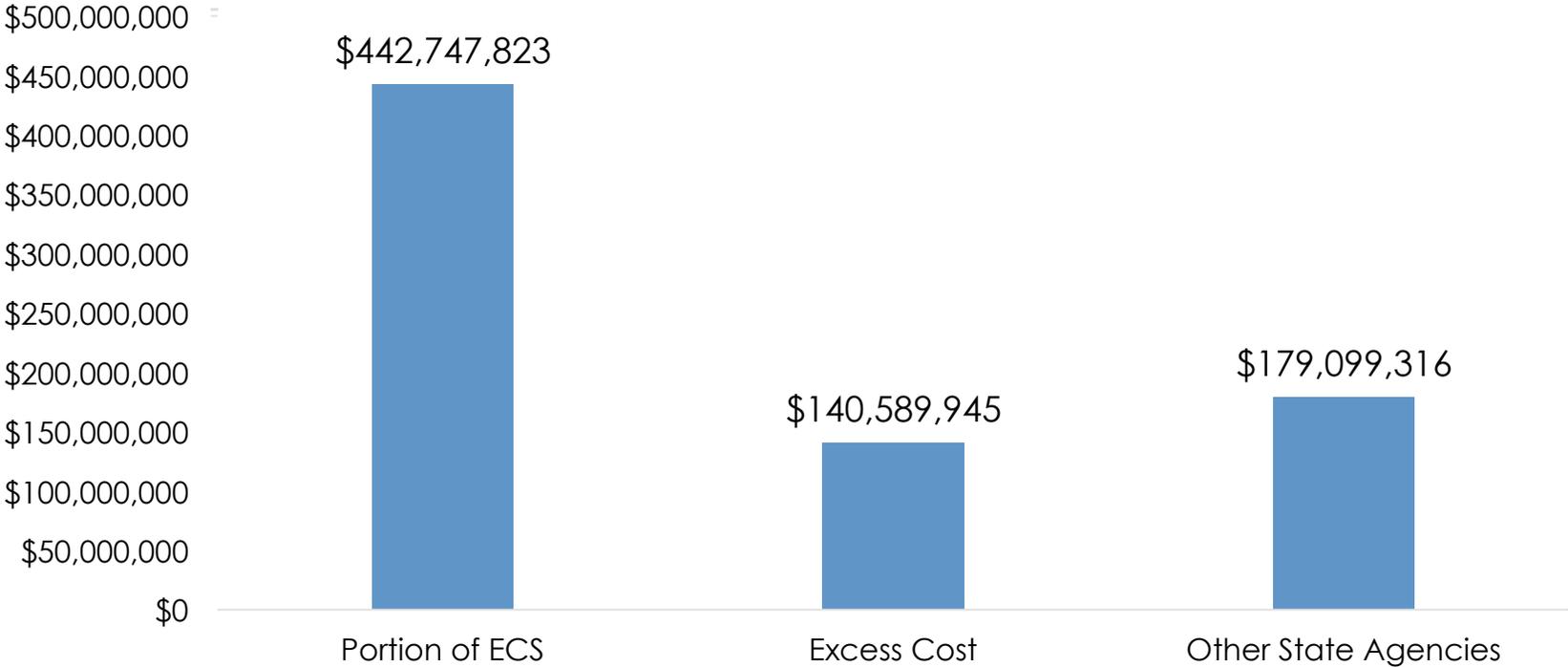


Source: Connecticut State Department of Education. (2016). *2009-15 End of School Year Report (ED 001) data*. Available from <http://ctschoolfinance.org/data/end-of-year-school-reports-ed001-2009-15>.

# State Spending for Special Education

# The State of Connecticut currently spends more than \$762 million annually on special education

2014 State Special Education Expenditures

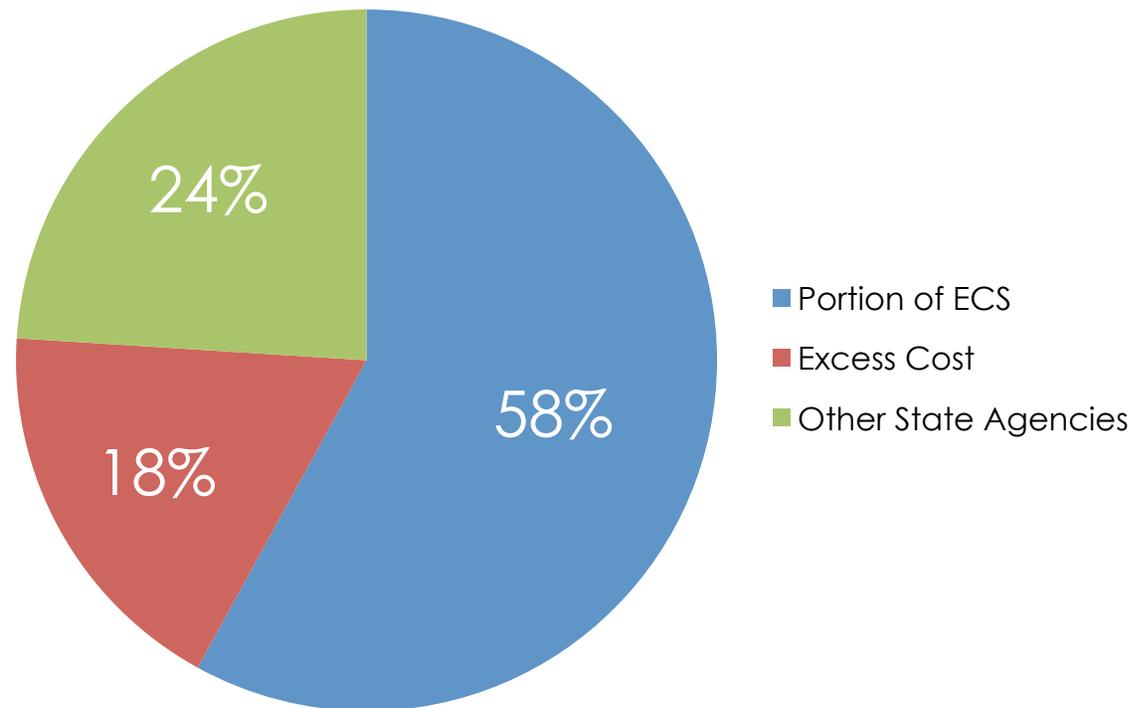


2015-16 IDEA State Maintenance of Support compliance calculated on 2013-14 expenditure data.

Source: Connecticut State Department of Education. (2015). *Individuals with Disabilities Education Act (IDEA) 2015-16 State Maintenance of Effort Report*. Available from <http://ctschoolfinance.org/data/individuals-with-disabilities-education-act-idea-2015-16-state-maintenance-of-effort-report>.

# The largest source of state special education spending is the ECS grant

2014 State Special Education Expenditures



2015-16 IDEA State Maintenance of Support compliance calculated on 2013-14 expenditure data.

Source: Connecticut State Department of Education. (2015). *Individuals with Disabilities Education Act (IDEA) 2015-16 State Maintenance of Effort Report*. Available from <http://ctschoolfinance.org/data/individuals-with-disabilities-education-act-idea-2015-16-state-maintenance-of-effort-report>.

# Special education funding in the Education Cost Sharing formula

- Special education students are included in resident student counts used to calculate equalization grants.
- In 1995, the CT General Assembly increased the ECS foundation by \$911 to account for special education costs.
- Approximately 18-22% of ECS funding is assumed to be attributed to special education expenditures.
- ECS grant accounted for 67.3% of state special education spending in FY14.

Sources: Conn. Gen. Statutes ch. 172, § 10-262h (2013).

Office of Fiscal Analysis & Office of Legislative Research. (2014). *CT Special Education Funding*. Retrieved from [http://www.housedems.ct.gov/more/SPED/pubs/OFA-OLR\\_Presentation\\_2013-01-23.pdf](http://www.housedems.ct.gov/more/SPED/pubs/OFA-OLR_Presentation_2013-01-23.pdf).

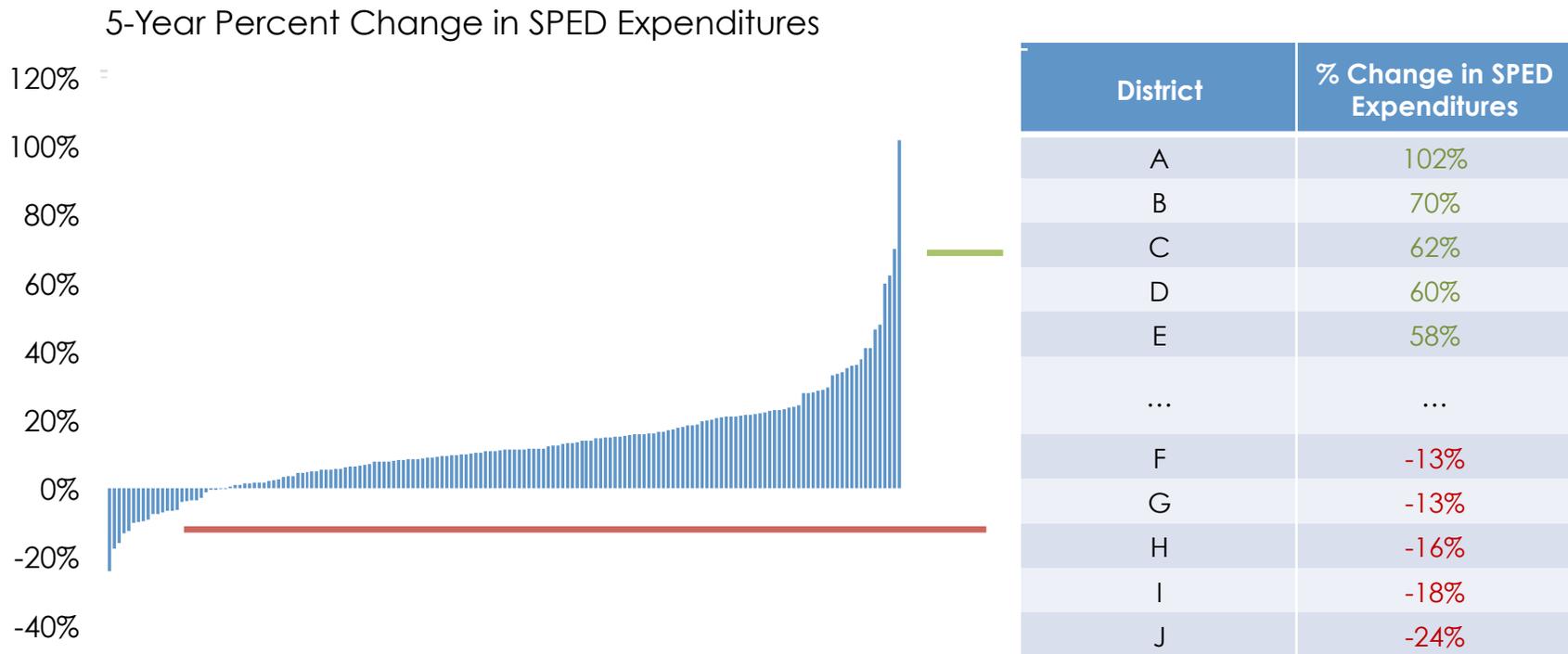
# The Excess Cost grant is Connecticut's method for paying extraordinary special education costs

- Reimburses districts when expenditures for educating a special education student are 4.5 times greater than the district's spending per pupil.
- Reimburses districts when expenditure for state agency placements are greater than a district's spending per pupil.
- Currently capped at \$140 million, limiting state assistance in covering excess expenditures.
- Excess Cost grant accounted for 27% of state special education expenditures in FY14.

Sources: Conn. Gen. Statutes ch. 164, § 10-76g (2015).  
Office of Fiscal Analysis & Office of Legislative Research. (2014). *CT Special Education Funding*. Retrieved from [http://www.housedems.ct.gov/more/SPED/pubs/OFA-OLR\\_Presentation\\_2013-01-23.pdf](http://www.housedems.ct.gov/more/SPED/pubs/OFA-OLR_Presentation_2013-01-23.pdf).

# Spending Across Districts

# CT public school districts have experienced wide changes in special education spending over the past 5 years

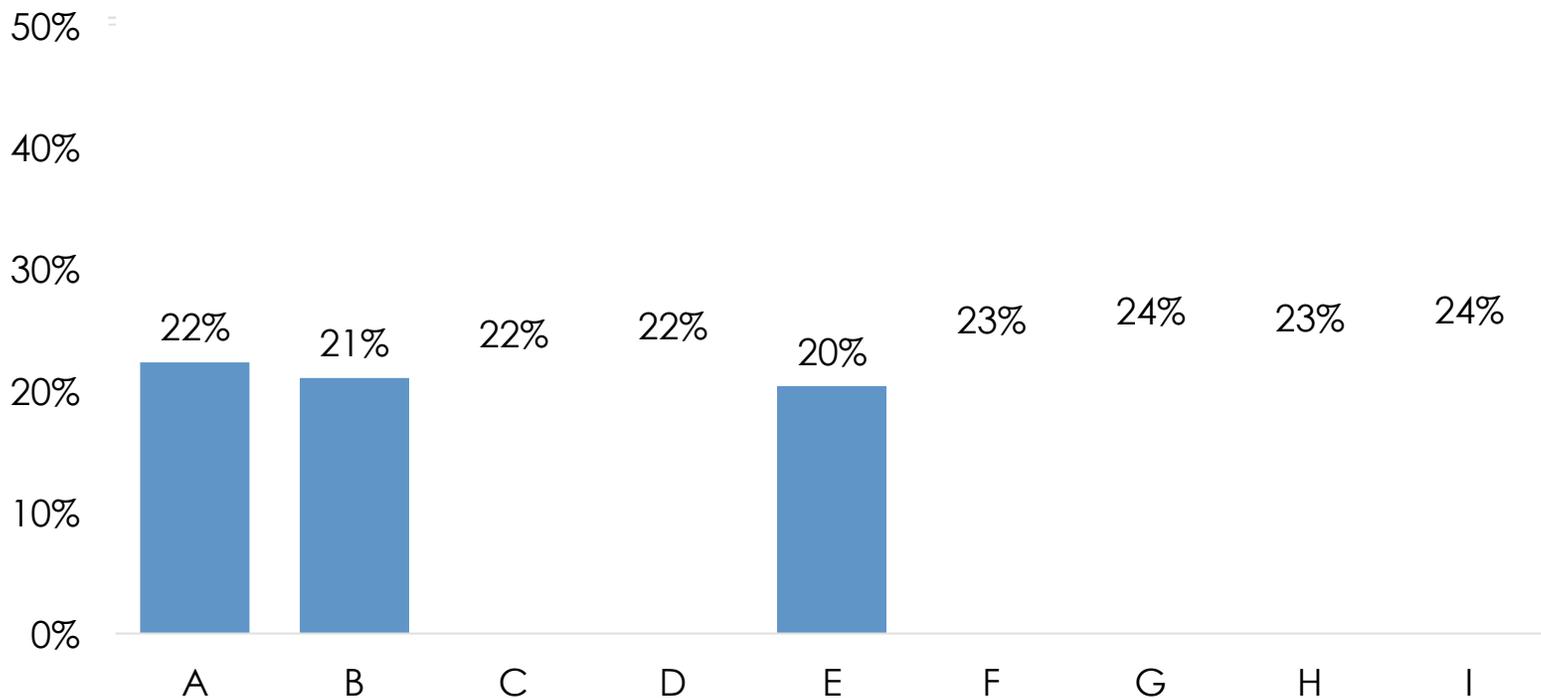


Those districts with the largest variances are among the smallest in the state.

Source: Connecticut State Department of Education. (2016). *2009-15 End of School Year Report (ED 001) data*. Available from <http://ctschoolfinance.org/data/end-of-year-school-reports-ed001-2009-15>.

# Regardless of wealth, districts spend about the same percentage of their total expenditures on special education

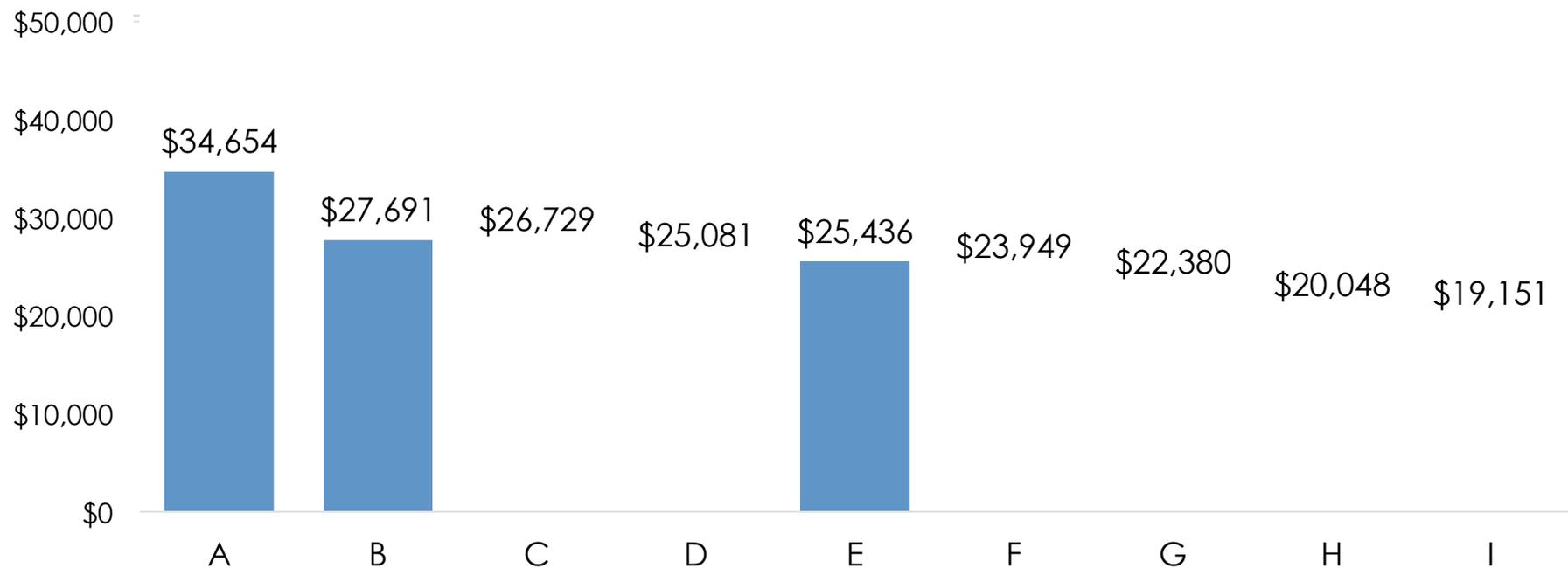
Average SPED % of Total Expenditure by DRG in 2015



Sources: Connecticut State Department of Education. (2016). 2009-15 End of School Year Report (ED 001) data. Available from <http://ctschoolfinance.org/data/end-of-year-school-reports-ed001-2009-15>.  
Connecticut State Department of Education. (2006). Research Bulletin: District Reference Groups, 2006. Retrieved from [http://www.sde.ct.gov/sde/lib/sde/PDF/EvalResearch/DRG\\_2006.pdf](http://www.sde.ct.gov/sde/lib/sde/PDF/EvalResearch/DRG_2006.pdf).

# However, on average, wealthier districts spend significantly more per pupil on special education

Average SpEd Spending Per Pupil by DRG in 2015



Note: As pupil count is measured by district enrollment, special education expenditures exclude special education tuition.

Sources: Connecticut State Department of Education. (2016). 2009-15 End of School Year Report (ED 001) data. Available from <http://ctschoolfinance.org/data/end-of-year-school-reports-ed001-2009-15>.  
Connecticut State Department of Education. (2015). *CT Public School Enrollment\_2000.mdb*. Available from <http://ctschoolfinance.org/data/connecticut-school-enrollment>.  
Connecticut State Department of Education. (2006). Research Bulletin: District Reference Groups, 2006. Retrieved from [http://www.sde.ct.gov/sde/lib/sde/PDF/EvalResearch/DRG\\_2006.pdf](http://www.sde.ct.gov/sde/lib/sde/PDF/EvalResearch/DRG_2006.pdf).