



Commission on Special Education Funding April 25 Hearing Summary

The Commission on Special Education Funding met on Monday, April 25, to hear from Texas school districts in regards to the current system of funding for special education, unmet needs, and suggestions for improvements.

School District Chief Financial Officer (CFO) Panel

A panel of school district Chief Financial Officers (CFO) offered the first testimony. That panel included Pam Sanchez, Lake Travis ISD; Christopher Smith, Katy ISD; Johnny Hill, Plano ISD; Flor Ayala, Laredo ISD; and Jeffri Orosco, Elgin ISD. All CFOs clearly explained that their districts' required expenditures for special education far exceeded the funding received from the state. In some cases, districts only received half of their true cost for serving students with special needs.

Pam Sanchez of **Lake Travis ISD** told the committee that funding based on attendance instead of enrollment does not relate to the true cost of education. She also mentioned the challenges staffing shortages pose for districts, and said that while her district provides a hiring bonus to help recruit new hires, a state stipend for special education teacher and paraprofessionals would truly help in recruitment and retention of staff. She also mentioned the fact that no state funding is provided to help cover the costs of student evaluations.

Christopher Smith of **Katy ISD** echoed staffing concerns, citing a shortage of specialists in particular. He also mentioned that high cost of equipment that can be required to serve students, legal expenses when the district is challenged, and the uncovered costs of both initial and additional parent-requested evaluations.

Jonny Hill, representing **Plano ISD** testified that the current formulas and weights are not sufficient to adequately fund and care for special needs students, so most districts must supplement the special education budget from general education funding. Hill explained that both the number of students and the cost of providing services have both increased. The delta has grown over the past several years because there is no inflationary factor built into the formulas, increased requirements apply to districts, and outdated formulas are impossible to benchmark.

Hill went on to say that because HB 3 did not include a factor to help formulas keep up with inflation, the buying power it may have provided at the time has completely diminished. Inflation has increased by 11% since the time HB 3 passed in 2019 and provided a 3% increase to most schools. The cost of special education has increased faster than any other program since that time.



Districts have a large number of vacancies to hire for in special education and must use incentives to attract employees. If those positions are not filled, districts must contract with private providers for services at a cost that is typically 25-30% more.

Plano ISD is spending almost twice the amount received in special education funding on special education services. The formulas adopted 30 years ago are out-of-date and confusing, using ADA, contact hours, and FTEs.

Mr. Hill urged Commission members to consider the long-term solution of a cost of services approach, explaining that costs will be different in urban vs. suburban, west Texas vs. east Texas. And costs should be indexed for inflation.

Short-term solutions suggested by Mr. Hill include:

1. Provide direct funding for districts to offer stipends to special education staff
2. Provide state funding for special education evaluations
3. Adjust retire-rehire rules for LSSPs and other professionals districts must hire
4. Adjust funding weight for mainstream instructional arrangement from 1.15 weight to 1.3
5. Increase funding cap for extended year programs

Flor Ayala from **Laredo ISD** recommended making updates and changes to the funding weights based on data related to cost. She also suggested a state-reimbursed incentive for the hiring of special education instructional aides, and she recommended that districts be reimbursed for costs related to special education evaluations. She also spoke to the differential between the cost of transportation for special education students compared to the much lower rate of state funding for that purpose.

School District Special Education Practitioners Panel

Next, the Commission heard from school district directors of Special Education. Thelissa Edwards of Spring ISD, Montie Parker of Allen ISD, and Amanda Sanchez-Muñoz from San Elizario ISD participated on this panel.

Panelists echoed the sentiments of the CFOs that state funding for special education is not sufficient to cover the true cost of serving students with special needs. They suggested that the Commission consider funding based on disability, rather than educational setting. **Montie Parker** of **Allen ISD** suggested that funding tiers for mild, medium, and severe disabilities be considered. He also expressed a need for flat rate reimbursements, and he pointed out that case management costs for students are not currently covered by state funding at all.



2020 Special Education Allotment Advisory Committee Report

Kristen McGuire, Director of GR for the **Texas Council of Administrators of Special Education (TCASE)**, provided an overview of the Special Education Allotment Advisory Committee report from August of 2020.

Issues identified with the current system included:

- Special education is a service, not a place; funding based on instructional arrangement does not align with the intensity of services and supports a student receives.
- Contact hours are limited to 6 hours per day.
- Regular FSP funding is reduced during the time a child spends in a special education setting.
- Evaluation costs are not funded.
- Current formulas have not been updated in almost 30 years.
- Average per-pupil expenditures for students in special education in Texas is more than \$3,000 below the national average.

Funding reform options suggested in the report include:

- Shifting from instructional arrangement as basis of funding to a model based on the intensity of special education services provided; this could be accomplished using a matrix that generates a cost factor based on intensity of supports required.
- Change the manner in which data is collected to focus on services provided rather than special education setting, to better align with federal collection standards.
- Create related services weights
- Create an evaluation reimbursement fund.
- Relieve costs associated with residential placements and contracted personnel.
- Consider funding based on enrollment rather than ADA (same as the dyslexia allotment model).
- Incentivize the profession (consider loan forgiveness, tuition reimbursement)

For more information on this hearing, access to the presentation materials from those who testified, and the link to watch the archived recording of this hearing, please visit:

<https://tea.texas.gov/finance-and-grants/state-funding/additional-finance-resources/texas-commission-on-special-education-funding>



Commission on Special Education Funding
April 25, 2022
Page 4