

Arizona Special Education Programs and Cost Analysis

Project Overview and Outcomes
January 2023



**ARIZONA DEPARTMENT
OF EDUCATION**



Purpose

- Provide a comprehensive picture of the funding needs for all children with disabilities who receive special education and related services under the Individuals with Disabilities Education Act in the Arizona public education system
- Provide ADE and stakeholders with the necessary data to propose policy changes in special education funding

Criteria for LEA Cohort

- Intended to represent a minimum of 20% of the public school special education population
- Inclusive of traditional public school districts and charter schools
- Inclusive of single site charters and LEAs, and larger charter networks
- Represent every county in Arizona
- Representative of urban and rural LEAs
- Representative of Impact Aid students
- Representative of K-8 and K-12 LEAs

Task One: Special Education Statewide Demographic and Staffing Trend Analysis

Objective/Task: Identify the change in the public education student population from 2009-10 school year to 2018-19 school year to include total change in percentage of public education student population, to include children with a disability or disabilities.

Methodology: Evaluate the student level demographic data for 2019 compared to 2010.

Data Source: ADE student demographic data

Population Sample: Statewide to include school districts and charter schools

Objective/Task: Identify the impact of the teacher and related service provider shortage on special education and identify the additional costs associated with special education staffing models compared to the average teacher pay for general education programs.

Methodology: Evaluate the teacher and related service provider vacancies as of October 2019. Determine the number and cost for filling these vacancies with vendor/contractors.

Data Source: District survey/data

Population Sample: Representative sample of LEAs

Phase I Outcomes

Task 1 – Enrollment Change

- Statewide public education enrollment increased 5%; however, special education population increased 15% during the same time period
- Disability categories with largest increases:
 - Developmental Delay
 - Mild Intellectual Disability
 - Other Health Impairment
 - Autism

Phase I Outcomes

Task 1 – Staffing Impact

- Special education teachers are paid on average 9% more than general education teachers
- Outsourced employees cost significantly more than LEA employees
 - Teacher - \$9,000
 - Occupational Therapist - \$37,000
 - Speech Pathologist - \$23,000

Task Two: Analysis of Transportation Trend Data and Direct Costs

Objective/Task: Identify the change in special education verses general education transportation route miles from 2010 to 2019. Compare this trend to total student enrollment trend data.

Methodology: Evaluate the submitted route mileage data for 2019 compared to 2010.

Data Source: ADE Trans55-1 data, total student enrollment data and special education designation data for same period

Population Sample: Statewide to include school districts and charter schools

Objective/Task: Evaluate the actual cost of special education transportation compared to the state-funded transportation formula.

Methodology: Identify the FY22 route costs compared to the per mileage funding model.

Data Source: District survey/data

Population Sample: Representative sample of LEAs

Phase I Outcomes

Task 2 – Statewide Transportation Change

- Total statewide transportation decreased
- Special education miles account for approximately 35%
- Students with disabilities account for approximately 11%
- Approximately 20% of students with disabilities are provided specialized transportation services

Phase I Outcomes

Task 2 – LEA Transportation Costs

- Special education cost per mile calculated at \$0.02 to \$10.43 per mile more than the state average
- Special education cost per mile calculated at \$0.74 to \$11.95 per mile more than the state funding formula
- Special education cost per student calculated at \$19 to \$16,590 more per student than the state per rider average

Task Three: Analysis of Residential Treatment Center and Private Placement Costs Compared to the Funding Formula

Objective/Task: Identify the cost for residential treatment center and private placement options compared to the funding formula.

Methodology: Evaluate the out-of-state and private placement costs and compare to the state funding formula.

Data Source: District survey/data

Population Sample: Representative sample of LEAs

Phase I Outcomes

Task 3 – Private Placement and Residential Treatment Centers Costs

- Private placement cost exceed the state funding formula by over 82%
- Students in private placement represented only 2% of the students with disabilities in the LEA sample

Task Four: Analysis of Special Education Empowerment Scholarship Accounts (ESAs) as a Total Cost of the ESA Program Compared to the Public Education Proportionate Distribution of State Revenues Between General Education and Special Education

Objective/Task: Determine statewide ESA special education cost as a component of the total cost of the ESA program and of overall special education costs compared to the public education proportionate distribution of state revenues between general education and special education.

Methodology: Aggregate statewide data for ESAs provided for those designated special education to provide an overall look at how much the ESAs cost for special education as a component of overall special education costs.

Data Source: Statewide ESA data from FY18 to FY22

Population Sample: Statewide to include ESA specific data

Phase II Outcomes

Task 4 – ESA Cost Analysis

- The ESA program eligibility has been expanded almost yearly since its original enactment in 2011.
 - The percentage of students receiving ESA's has nearly tripled between 2018 to 2022, growing from .43% to 1.14% of the state's public school enrollment.
 - Students with disabilities have accounted for approximately 60% of participants each year and have received more than 80% of the distributed funds each year.

Task Five: Analysis of Special Education Direct Program Costs

Objective/Task: Identify the actual additional costs related to state and locally funded special education services. Determine the total cost for providing public education to special education in comparison to the Arizona funding model provided.

Methodology: Evaluate the actual costs for both instructional and related service providers to deliver services to students with disabilities. Identify expenditures for students with multiple disabilities. Identify funding formula in comparison to actual costs. Financial costs will include the additional salaries, benefits, and non-payroll expenditures beyond what would have been expended by the LEA for general education programs.

Data Source: District survey/data

Population Sample: Representative sample of LEAs

Phase II Outcomes

Task 5 – Special Education Direct Program Costs

- On average, the total additional cost per student (measured by ADM) was \$15,041. The average amount of additional (Group B) funding per student funded by the state funding formula totaled \$9,432 which results in an average cost of \$5,609 additional cost to the LEA beyond the funding formula, or essentially underfunded.
 - The disability category most underfunded was Moderate Intellectual Disability (MOID) costing an average of \$27,348 over what the state funding formula provides.
 - The only disability category that presented itself as having positive variances to the state funding formula was Autism (A).
 - This conclusion does not take away from the overall analysis that the current special education funding model does not sufficiently provide funding to address the student needs.

Completion

- Project is completed with the final report issued <https://www.azed.gov/policy/policy-government-relations-reports>
- Acknowledgements and appreciation to the Department of Education team and the LEA representatives for the support and large volume of data collection

Questions / Discussion



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