

FINAL REPORT

SPECIAL EDUCATION INTERIM STUDY COMMITTEE

January 1992

AUTHORIZATION AND APPOINTMENT

The Special Education Interim Study Committee was established by the Legislative Council during the 1991 Interim period of the Seventy-fourth General Assembly to study issues relating to the financing of special education. The Committee was charged with the duties of receiving the report of the Special Education Task Force, which had been formed by the Department of Education; reviewing special education funding; and making recommendations to the General Assembly.

The Committee consisted of six legislative members, three from each chamber, as follows:

Senator Larry Murphy, Co-chairperson
Representative Janet Adams, Co-chairperson
Senator Mike Connolly
Senator Ray Taylor
Representative Dennis Cohoon
Representative Charles Hurley

MEETING DATES

The Legislative Council granted the Special Education Interim Study Committee one meeting day which was utilized on October 30, 1991.

BACKGROUND INFORMATION

The Department of Education developed recommendations for special education funding in October 1990 in response to a December 1989 request from the School Budget Review Committee (SBRC), that the Bureau of Special Education study alternative funding for special education and make recommendations to the SBRC for alternate funding patterns, and a legislative directive, which was contained in the FY 1991 Education Appropriations bill. The report required in the legislation was filed with the General Assembly at the commencement of the 1991 Session of the 74th General Assembly. The recommendations contained in the

report, however, were not incorporated into legislation during that session. During the course of the 1991 Legislative Session, two bills relating to special education were enacted, Senate File 378 and Senate File 314, and the Governor also submitted as part of his last revised budget recommendations a proposal relating to changes in the funding and state support for special education. The legislation, however, did not address the specific issues and concerns highlighted by the SBRC's request or the previous legislative directive and the Governor's proposal was not acted upon during the 1991 Session of the 74th General Assembly. The Department of Education and the State Board of Education elected to convene the Special Education Finance Task Force to review the issues involved and make new recommendations to the Department in the fall of 1991. It was the report of this Task Force that was received and reviewed by the Special Education Interim Study Committee.

Prior to the October 30, 1991, meeting of the Committee, the members received copies of the draft and final reports of the Special Education Finance Task Force, several responses by various interest groups to that Task Force Report, and background information prepared by staff relating to special education regulation and the events leading up to the formation of the Special Education Task Force.

TESTIMONY RECEIVED

At the October 30, 1991, meeting the Special Education Interim Study Committee received testimony regarding the history and evolution of special education in Iowa, the Renewed Service Delivery System, the contents and supporting documentation of the report of the Special Education Finance Task Force, concerns relating to the current special education funding system, and concerns relating to the financing system proposed under the Task Force Report. A summary of the oral testimony received is as follows:

Mr. Frank Vance, Bureau of Special Education, Department of Education: Mr. Vance described the beginnings and evolution of special education programming and finance in Iowa, the factors which have affected special education funding during recent years, the factors which may affect special education funding in the future, and the ways in which the Department of Education is attempting to address and prevent learning and adjustment problems in children. He described the Renewed Service Delivery System as a process by which students requiring special education will receive services on a noncategorical, outcomes-based, functional assessment basis organized at the local building level.

Mr. John Finnessy, Superintendent of the Denison Community School District and Chairperson of the Special Education Finance Task Force: Mr. Finnessy described

the four guiding principles of the Task Force as: 1) meeting student needs with quality services, 2) determining equity for students and districts, 3) encouraging a predictable and manageable funding system, and 4) developing an efficient, coordinated, and productive system. He then listed the recommendations of the Task Force and the items which the Task Force believes require further study.

Ms. Ellen Rohlwing, Association for Retarded Citizens: Ms. Ellen Rohlwing provided the Committee with a parent's perspective on services received by children requiring special education. She expressed concerns about consistency in quality, funding, and distribution of services in the state and expansions of certain noncategorical approaches to providing education opportunities to disadvantaged or at-risk children. She also requested parental and advocacy input in the development and implementation of any changes in the current system.

Dr. Glenn Grove, Director of Special Education at the Loess Hills Area Education Agency: Dr. Grove expressed the area education agencies' preference for the present funding system over the system proposed under the Task Force Report, attributed the rise in special education costs under the current system to growth in special needs populations, and reminded the Committee of the mandates for services that are and that may be included in the federal legislation. He applauded the current efforts under the Renewed Services Delivery System approach and cautioned that the Task Force proposals may not actually represent cost savings to the system. He informed the Committee that the area education agencies view the Task Force Report as a best alternative to the current system, but that if the package is materially altered they would no longer support the report.

Dr. Richard Christie, Chairperson of the Urban Education Network and Superintendent of Schools in the Council Bluffs Community School District; and Dr. Austin Mueller, Director of Special Services in Cedar Rapids: Dr. Christie informed the Committee that, although the Urban Education Network supports the current special education funding system, they realize that there may be a need for change and that they support the Task Force's recommendations as a package. He indicated that they disagree with only one of the Task Force's recommendations, that being the number of student counts that should be taken. Dr. Christie discussed the positive impact that the Renewed Service Delivery System is having on schools and teachers' education decision making. Dr. Christie and Dr. Mueller also discussed some of the restrictions on alternative funding sources that create barriers to providing services to some educationally disadvantaged students.

Dr. Stan Jensen, Executive Director of Rural Schools of Iowa, Inc.: Dr. Jensen discussed the rural schools' general support for the recommendations, with the

exception of the number of students counts that should be taken. He also stressed the importance of adequate funding to the School Budget Review Committee, the SBRC's past reluctance to relieve many of the financial stresses that school districts face, and emphasized both the need of districts to carry over funding from one fiscal year to another and the need for certain districts to be provided with financial relief if they have an unusually high number of the 3.52 weightedness category special education students. Dr. Jensen highlighted the importance of the formation of consortia between rural districts and of rewarding districts with good programs.

Ms. Jan Reinicke, Iowa State Education Association: Ms. Reinicke expressed the Iowa State Education Association's opposition to any limitations on maximum funding for special education. She noted that the Task Force, and some others, appear to believe that the Renewed Service Delivery System will create a net savings to the state, a belief that is not shared by ISEA. She stated that ISEA is also concerned about the availability of time and support for the classroom teacher to function under RSDS, as well as the provision of appropriate staff development and pupil-teacher ratios to support the increased demands that inhere in the system.

Mr. Mervin Roth, Executive Director, Iowa Protection & Advocacy Services, Inc. and Vice Chairperson of the Iowa Coalition for Persons with Disabilities: Mr. Roth expressed concern over the lack of involvement by members of the general public and advocacy groups in the work of the Task Force, the effect on service that a funding cap and relaxation of documentation requirements could have, and the lack of organized efforts to train and support regular education teachers and support staff to serve additional special education students in the classroom.

Mr. Roger Johnson, Member of the Board of Directors of the Autism Society: Mr. Johnson described the Regional Autism Services Program, which was recommended as a guide for the development of outreach teams in the Task Force Report to the Committee and stressed both the need for education services in the least restrictive environment and the cost savings that can be realized by early diagnosis and appropriate programming.

The Committee also received written testimony which is summarized as follows:

Iowa Association of School Boards: The testimony stressed that special education must be provided, under state and federal law, regardless of the adequacy of funding to provide services, and expressed support for the recommended increases in the special education weightings and the addition of deficit reduction funds to special education funding. Opposition to imposition of maximum fund generation limits was expressed, but it was added that if limits are imposed, the ability to

increase percentages of weightedness by districts with low percentages and appeal to SBRC under unique circumstances is supported. The testimony also expressed support for the following: services review by the Department of Education, adjustments in weightedness in accordance with new mandates, equalization of special education and regular education foundation percentages, maintenance of current funding for 3.52 weighted students, compensation to districts for extremely expensive students and additional administrative costs associated with unique circumstances, maintenance of the AEA current special education support service funding levels, allowing districts to carry over positive year-end balances, flexibility in use of funds to serve all students with special needs, expanded use of paraprofessionals in the delivery of educational programming, and studies of special education transportation issues, coordination of agencies' service delivery systems, and improvement of programs for behaviorally disordered students.

Area 16 Superintendents' Council: The testimony expressed support for the current system of funding for special education and indicated a belief that current deficits are due to underfunding, not overidentification. The testimony also supported equalization of general and special education foundation support levels, funding of statewide deficits through state general fund revenues, the inclusion of nonpublic students in special education populations percentages where those children are served, the payment of educational expenses of severely disabled students by agencies which place those students in facilities or institutions that are not under the student's resident district's control, that additional financial resources be made available to support additional mandates, and that districts which exceed the average weightedness percentages of identification be subject to program review. The Council expressed opposition to the imposition of funding caps, and expressed the need for all of the following: addressing the issue of standards for program qualification, local flexibility in programming, simplification in the program side of special education, review and modification of special education pupil-teacher ratios to permit greater flexibility, promotion of changes which allow greater local district flexibility to respond to student needs, attachment of responsibility for prior determination of financial consequences to programming and program change decision-making authority, targeting and review of districts which are believed to be overidentifying students for special education, that standards and criteria used to place students in programs be reviewed to determine the extent of impact on identification of students, and that identification of special education be reviewed in light of adequacy of funding of programs.

RECOMMENDATIONS

The Committee made the following recommendations:

1. That the Special Education Report be forwarded to the Legislative Council and to the members of the House and Senate Education Committees, without recommendation, for their review.
2. That an addendum, listing the concerns of the interest and advocacy groups who provided information to the Committee and of any member who indicates that they wish to have their concerns listed, be compiled by staff and forwarded with this report to the Legislative Council and the Education Committees.

CONCERNS EXPRESSED BY INTEREST GROUPS

1. Flexibility in special education student-teacher ratios is needed at the district level.
2. Requiring additional student counts will cause additional administrative work and expense without producing significant return or benefit.
3. Whether districts will have the ability to seek relief from the School Budget Review Committee, under the Task Force proposal, from negative special education fund balances and whether the Committee will grant any relief.
4. Adequate funding should be provided to the School Budget Review Committee, from which the Committee can grant relief to districts.
5. Any special education transportation study should be aimed at assisting school districts in reducing special education transportation costs, not simply eliminating those costs from special education funding.
6. The proposed positive balance carryover provisions should be increased gradually to 25 percent.
7. Even if special education funds are reduced or capped, school districts will have to meet state mandates for delivery of services and federal mandates for educational services, including any new mandates.
8. The current proposal, with the implicit assumption that too many students are being identified as requiring special education, will cause children who need services to either not receive or be staffed out of programs where they could receive appropriate educational services and that the current administrative rules may be the cause of the numbers of students identified.
9. Implementation of the Task Force proposal must be preceded by a solution to the special education deficit problem.
10. Using or relying on the principles of the Renewed Service Delivery System to provide cost containment under the Task Force proposal may not produce the intended results, due to lack of readiness to implement RSDS.
11. Additional time and resources, including staff development, must be made available to classroom teachers to allow them to meet the new demands, increase coordination and collaboration of efforts, and acquire the knowledge needed to make effective classroom and student education decisions and plans.
12. The enrollment definitions contained in the Task Force Report do not address the impact of early childhood special education students and nonpublic students.

13. The definition of terms, such as "base year" and "enrollment," need to be clarified.
14. There is no provision to phase in the program to evaluate the program's effectiveness.
15. Inclusion of identified preschool children with disabilities without including the general population of preschool children in actual enrollment figures artificially inflates a district's percent of weightedness.
16. Failure to include nonpublic students without disabilities in enrollment calculations also artificially inflates a district's percent of weightedness.
17. The actual basis for the differences in weightedness between districts is not addressed, while overidentification is assumed.
18. The method used to determine maximum additional weightedness rewards districts that have had a higher percentage of weightedness and penalizes those which have had relatively lower percentages.
19. The allowable growth funding mechanism is not responsive to major changes in a district's enrollment and has the potential for increasing inequity in funding between school districts.
20. Criteria and definitions relating to the various appeals to the School Budget Review Committee proposed in the Task Force report are lacking.
21. The proposal for Departmental biannual review and adjustment of weightedness does not include a definition of what is meant by "new population" and does not reflect past experience with SBRC responses to requests for increases in weightedness or Departmental action.
22. The continued funding of programs for the 3.72 (3.52) category of students may increase pressure to increase numbers of students identified in that category.
23. Study of additional items listed in the Task Force Report should be left to the Department of Education as items remaining to be resolved.
24. Statewide education deficits should be funded through state general revenues.
25. Districts should not be responsible for payment of educational expenses of students who are placed outside or beyond the control of the district by court action or other administrative placement, rather the state or the agencies responsible for the placements should pay for those expenses directly.
26. Districts which exceed the funding generation cap should be targeted for specific review of their special education activities rather than imposing a new financial system upon all districts.

27. The Department of Education should be charged with promoting changes in the rules and regulations of special education within the State of Iowa to allow greater flexibility to local school districts to respond to student needs rather than adhering to strict numerical or program definitions.
28. Individuals in charge of programming should also be responsible for determining the financial ramifications for program changes prior to their implementation.
29. The proposed Departmental biannual review to ensure continued levels of service may create additional administrative time and expense and divert time away from the educational program.
30. The compensation to school districts providing a program for a special education student who requires extremely expensive services should be added onto the following year's state aid rather than by reducing the other school districts' state foundation aid on a prorata basis.
31. There is a need for review and modification of current procedures and rules to allow flexibility in the type of staff required to provide special education services.
32. The proposed transfer of costs to the local level, which is inherent in the Task Force Report, comes at a time when adult disability services, which depend on local property tax revenues for support, are already underfunded.
33. The proposed relaxation of requirements for documentation of assessment and individualized services will result in more eligible students not receiving the services they need and the families of these students not being informed of their rights or given access to the procedural safeguards that must be available.
34. Combination of federal Chapter 1 and special education students in programs violates the least restrictive alternative requirements of state and federal law.
35. Increases in student-teacher ratios for students requiring special education will dilute delivery of services and increase problems.
36. Notwithstanding the Task Force's assertion that Iowa should maintain its current level of special education services, the 1988 Office of Special Education's review of Iowa's services noted several deficiencies, as did the testimony provided at Senator Tom Harkin's special Senate hearing, and that many aspects of the Corrective Action Plan by the Office of Special Education have not been implemented.
37. There is a lack of consistency in the overall quality of the education system for students with special needs.

38. A recent study noted that the escalating numbers of students needing special education are a result of advances in medical technology, the prevalence of substance abuse as a contributing factor in a child's mental and physical development, and other societal factors, including dysfunctioning of families and child abuse.
39. Assurances should be maintained that educators and support personnel must be qualified and trained in state-of-the-art approaches and concepts for meeting the unique needs of children with disabilities.
40. Parents and advocacy groups should be given a role in determining what changes are to be made in the special education system.
41. Criteria in the mild to moderate disabilities areas may be changed as a result of implementation of the report causing it to be more difficult for students to receive services.
42. Reducing available funding for special education students will leave teachers with fewer resources to accommodate students who do not currently qualify for special education but who are experiencing difficulties as a result of other disabilities.

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