



State Funding Proposed Changes: Analysis and Concerns

Senate Concurrent Resolution 124 requested BESE to study and determine the most equitable funding methodology to appropriately address the individual needs of children with special needs within the Minimum Foundation Program (MFP) formula and to incorporate such methodology into the formula as expeditiously as possible.

The proposal presented by the Department of Education fails to address the major issue causing inequities in funding for students with disabilities across schools. The proposal would only change the funding formula for traditional public schools. SCR124 specifically references how:

“This inequity in funding will inevitably leave schools that enroll students with more profound exceptionalities with proportionately fewer resources to address the needs of the special education children who need it most.”

School choice programs tend to serve less students with disabilities and less students with profound disabilities than are found in traditional public schools. This difference in distribution of students combined with the use of different funding formulas for school choice programs than for traditional public schools seems to create the largest inequity in funding for students with disabilities.

Therefore, a reasonable starting point for considering equitable funding based on student needs should use a consistent formula for every student funded with public funds (i.e., all students participating in school choice programs such as charter schools, private school scholarships, and course choice programs).

The Department of Education’s proposal suggests basing the amount of funding for disabilities for traditional public schools on three main factors: Disability classification; placement and performance.

1. Disability Classification

The model weights disability classification with the smallest difference between funding levels. Therefore, this will have the least amount of impact on funding levels for schools.

- Student needs, not their disability classification, drives services and subsequently costs.

2. Placement (Setting/LRE)

This model presents financial incentives to school systems to have students in certain placement options. Parents have expressed concern that funding will influence school system decisions and create pressure to segregate their child from the general population of students.

- Advocates have questioned whether funding based on placement would violate federal law (IDEA 20 USC 1412 Sec 612 (a) (5) (B))

- If applied to all school choice programs, how will this be determined for:
 - Virtual charter schools where it appears that all students with disabilities have the same placement.
 - Private Schools since students do not have IEPs and tend to either use specialized schools (separate schools) or fully include students with disabilities because they only serve students with relatively low levels of needs.

3. Performance

The Value Added Model will be used to determine the largest difference in weights for funding. Weights for this third of the funding have the highest difference across students and therefore the highest impact on the amount of funding schools will receive.

- Funding will not be linked to progress made on any other student IEP goals and objectives other than academic performance as demonstrated on the standardized assessments (i.e., LEAP, EOCT, ACT, etc.).
- Performance on standardized assessments is an incomplete reflection of education responsibilities of school systems for students with disabilities. Restricting funding to standardized assessment performance discourages efforts toward responsibility for individualized outcomes specified in student IEPs.
- If the same funding formula is applied across all students, schools would be further discouraged from including students who tend to not perform well on standardized assessments.
- The Value-Added Model has numerous psychometric flawsⁱ that call into question how precisely it can determine projected performance differences in students who score at the lower ends of the measure. The Department of Education recognized this issue at the upper end of the performance spectrum and is considering adjustments in how the Value Added Model is used to gauge effectiveness of teachers for students who are gifted and talented.

ⁱ <http://www.epi.org/publication/bp278/>