



## Analysis: Special Education Funding

A KASB handout says special education funding is about \$110 million below levels required in state law. But they don't disclose that that determination by the Kansas Department of Education does not take into account all of the funding made available for special education.

According to KSDE Deputy Commissioner Craig Neuenswander, special education students are eligible for weightings, but the formula in statute for calculating excess costs does not take that into account. K.S.A 74-3422(a)(2) deducts weightings, which produces a lower amount of regular aid for special education students. Additionally, Local Option Budget funding is collected on special education funding but that money is also not included in KSDE's calculations.

By statute, special education funding is supposed to be 92% of excess costs, which is total costs less federal aid, Medicaid funding, and regular education money for special education students. KSDE says funding was below the 92% threshold last year, but funding actually exceeded total special education costs if all the money is counted.

### **School districts added \$180 million to operating cash reserves over the last two years, including \$24 million for special education**

KASB alleges that a special education funding shortfall made less money available for other education, but districts' financial reports offer a different perspective.

School districts increased their operating cash reserves by \$180 million over the last two years, going from \$998 million to \$1.178 billion. Operating reserves are total cash reserves less federal funds and those for capital outlay and debt services.

Special Education reserves, included in operating reserve totals, went from \$221 million to \$245 million over the same period. (KASB says special education reserves were only \$222 million, but they aren't counting reserves for Special Education Co-Ops).

At the very least, an increase in operating cash reserves indicates that school district operations were not negatively impacted by getting less special education aid than they believe is required. Changes in annual fund balances are like those in checking accounts; balances increase when more money is deposited than is spent. In other words, school districts didn't spend all of the funding they received.