



SPECIAL EDUCATION IN MICHIGAN

Part 1: EXAMINING THE FUNDING SHORTFALL

Dr. Scott Koenigsknecht, Michigan Department of Education

LT. GOVERNOR CALLEY'S SPECIAL EDUCATION REFORM TASK FORCE

- A subcommittee was formed and began working the Spring of 2017.
- We were tasked with examining special education funding system within Michigan (as well as other states), quantifying the shortfall, and identifying areas in need of investment
- The subcommittee released our findings in the Fall of 2017
- The data reflected 2015-2016 numbers
- We now have updated 2017-2018 numbers
- It is a simple balance sheet with complex numbers

SPECIAL EDUCATION BALANCE SHEET

Recap of 2017-2018 Special Education & Expenses – Statewide

Revenues

Federal Sources	
IDEA grant allocations to ISD's	\$362,366,985
IDEA Preschool	\$11,139,351
Medicaid funds passed to districts	\$118,190,376
TOTAL	\$491,696,712

State Revenues

Section 51a2 – Foundation allowance	\$276,710,081
Section 51a3 – Special ed hold harmless	\$412,474
Section 51a6 – Headlee rule claims	\$1,555,403
Section 51a11– Section 53 foundation	\$3,596,000
Section 51c – Durant percentages	\$648,749,594
Section 56 – Millage equalization	\$39,868,326
Section 53 – Foundation	\$9,278,715
TOTAL	\$980,170,593

Local Revenues

ISD Special Education Millages	\$986,681,585
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Total funds available for special education **\$2,458,548,890**

Expenditures

SE-4096 Costs – Section 52*	\$2,554,760,469
SE-4096 Costs – Section 53*	\$12,122,206
SE-4094 Costs*	\$260,426,169
Federal grant	\$362,366,985
Idea Preschool	\$11,139,351

Total Special Education Expenses **\$3,200,815,180**

Unfunded Special Education Costs **(\$742,266,290)**

* - The SE-4094 & 4096 costs shown above are the 2017-2018 costs taken from the 8/21/18 State Aid Status Report.

* - Some of the SE-4096 benefit costs shown above are reimbursed separately under Section 147c and a portion of Section 81 of School Aid. The amount of these funds that would be attributed to the SE-4096 costs shown above is indeterminate at this time and therefore is not included in the revenue sources shown above. These amounts would reduce the amount of unfunded special education costs shown above accordingly.

Related Data

% of Special Education costs covered	76.8%
Statewide membership	1,520,065
Unfunded costs/pupil	\$488
Statewide Sections 52 and 53 FTE	59,740
Unfunded costs/S.E. FTE	\$12,425

FEDERAL REVENUES

- Federal sources include IDEA Grant allocations to local districts (\$362,366,985), IDEA Preschool dollars (\$11,139,351), and Medicaid funds passed to local districts (\$118,190,376)
- These total \$491,696,712

STATE REVENUES

- Section 51a2 (\$276,710,081)- Section 51a(2) of the State School Aid Act is for the reimbursement of districts and intermediate districts for the foundation allowance. The foundation allowance is calculated by multiplying the district's special education pupil membership times the foundation allowance of the pupil's district of residence.
- Section 51a3 (\$412,474)- Section 51a(3) of the State School Aid Act is commonly referred to as the special education hold harmless guarantee. The “hold harmless” payments guarantee that districts’ or intermediate districts’ special education funding doesn’t fall below their 1997 levels.

STATE REVENUES

- Section 51a6 (\$1,555,403) Section 51a(6) of the State School Aid Act reimburses districts and ISDs 100% of the net increase in necessary costs incurred by a district or ISD in implementing the revisions in the Michigan Administrative Rules for Special Education that became effective on July 1, 1987.
- Section 51a11 (\$3,596,000) Section 51a(11) of the State School Aid Act pays the foundation allowances for Section 53a pupils; non-special education pupils counted in membership and served by an ISD in a juvenile detention or child caring facility; and pupils with an emotional impairment counted in membership by an ISD and provided educational services by the department of health and human services (DHHS).

STATE REVENUES

- Section 51c (\$648,749,594) Section 51c of State School Aid Act is commonly referred to as the special education Headless obligation payment. This section satisfies the state's Headlee funding obligation for special education and special education transportation as determined by the 1997 ruling in *Durant v State of Michigan*, 456 Mich 175. This section reimburses districts for 28.6138% of total approved costs of special education excluding costs reimbursed under Section 53a, and 70.4165% of total approved costs of special education transportation.

STATE REVENUES

- Section 56 (\$39,868,326) Section 56 of the State School Aid Act reimburses intermediate districts levying millages for special education. The purpose of the reimbursement is to supplement ISD millage revenues providing lower-funded ISDs with extra funds. ISDs receive greater payments for having less valuable property to tax and higher local tax rates.
- Section 53 (\$9,278,715) Section 53a of the State School Aid Act reimburses districts for 100% of the total approved costs of operating special education programs and services for Section 53a pupils, minus the district's Section 51a(11) foundation allowance that is associated to Section 53a pupils.

STATE REVENUES

- Total state revenues amount to \$980,170,593
- Federal revenues were \$491,696,712

LOCAL REVENUES

- ISD special education millages: ISDs levy special education millages to pay for the special education services they provide directly or that they pay other school districts to provide. There is a cap on what ISDs can levy for their special education millage—it cannot exceed 1.75 times their 1993 rate, as approved by local residents.
- All ISDs have different taxable and different millage rates this creates tremendous inequities
- Total Local Revenues from all 56 ISDs amount to \$986,681,585

DIFFERENCES IN ISDS LEADING TO INEQUITY

Recap of 2015-2016 Local Millage Information - Michigan ISD's

	<u>Statewide</u>			
<u>Description</u>	<u>Average</u>	<u>Median</u>	<u>High</u>	<u>Low</u>
Membership	26,611	10,672	275,029	2,231
Taxable Value	5,805,693,978	2,655,932,430	51,508,412,204	680,582,655
T.V. per pupil	218,173.05	233,290	578,036	138,036
Special Education				
Millage	2.9500	2.4958	6.2764	0.6329
Levy	17,126,774	7,287,707	135,241,893	986,848
Levy / pupil	641	579	1,725	162
Unfunded costs/pupil	459	505	(22)	1,099
% of S.E. Costs funded	77.4%	73.4%	100.8%	50.8%

Note - The amounts listed in the High and Low columns above do not relate to only one ISD in each column. Each amount listed in those columns consists of the ISD that is the high or low for that individual line item.

TOTAL REVENUES

- Total Revenue amount is \$2,458,548,890
- Local revenues were \$986,681,585
- State revenues were \$980,170,593
- Federal revenues were \$491,696,712

EXPENDITURES

- Section 52 (\$2,554,760,469) SE4096 Costs– Total reported Section 52 special education expenditures. Only districts and intermediate districts with reported Section 52 special education pupils are allowed reimbursement of Section 52 allowable special education costs. Districts and intermediate districts report Section 52 expenditures on the SE4096 special education actual cost report.
- Section 53a (\$12,122,206) SE4096 Costs– Total reported Section 53a special education expenditures. Only districts and intermediate districts with reported Section 53a special education pupils are allowed reimbursement of Section 53a allowable special education costs. Districts and intermediate districts report Section 53a expenditures on the SE4096 special education actual cost report.

EXPENDITURES

- Section 52 Transportation (\$260,426,169) SE4094 Costs- Total reported Section 52 special education transportation expenditures. Each district and intermediate district with allowable transportation costs submits an SE-4094 transportation expenditure report. Only Section 52 and Section 53a transportation costs are reimbursed by the state.
- IDEA Federal Grant (\$362,366,985)- Total expenditures from IDEA, Part B, Special Education Flowthrough grants. ISDs, as the subrecipients of the two grants, submit a final expenditure report at the end of each grant award.

TOTAL EXPENDITURES

- IDEA Preschool (\$11,139,351) Total expenditures from IDEA, Part B, Special Education Preschool grants.
- Total expenditure amount is \$3,200,815,180

TOTAL SHORTFALL

- Total expenditure amount is \$3,200,815,180
- Total revenue amount is \$2,458,548,890
- Shortfall amounts to \$742,266,290

WHAT DOES THIS MEAN?

- Special education is being funded at 76.8%
- Approximately 23% is unfunded
- These funds have to come from somewhere they come from the general funds of school districts. This, too, is an equity issue.
- On average, \$488 dollars of every per pupil foundation is used to cover the shortfall
- Based on the special education FTE count of 59,740, we are underfunding by \$12,425 per special education FTE



QUESTIONS?



SPECIAL EDUCATION IN MICHIGAN

Part 2: ELIGIBILITY

Abby Cypher, Michigan Association of Administrators of Special Education (MAASE)



Eligibility Resources

Michigan Data on MiSchoolData:

<https://www.mischooldata.org/>

Family Matters Fact Sheets: https://www.michigan.gov/mde/0,4615,7-140-6598_88187_81739-425428--,00.html

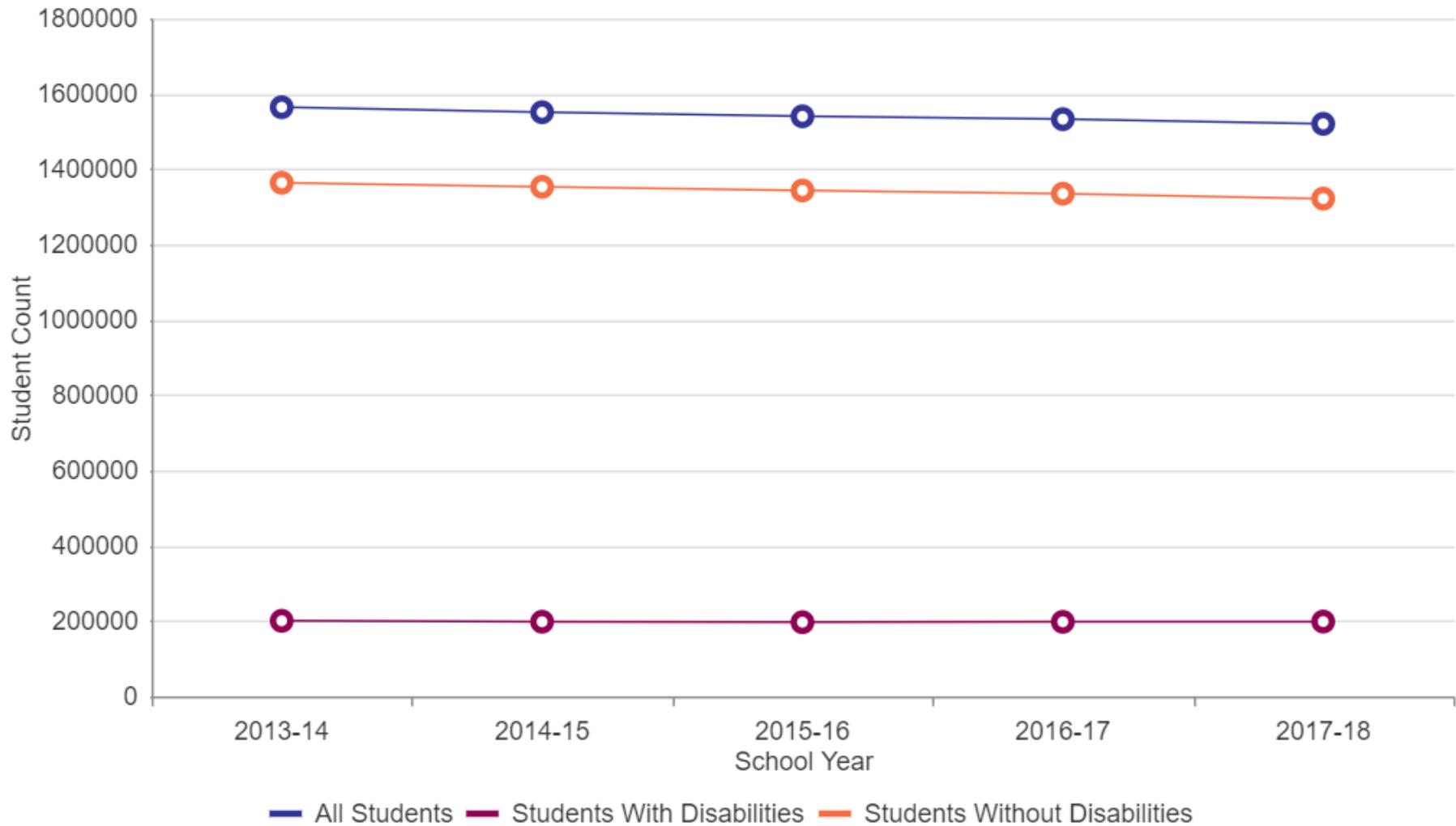


How does a student become eligible for special education?

Many students have a disability, but not all qualify for special education services and programs.

Eligibility for special education is defined by the federal Individuals with Disabilities Education Act (IDEA) and the Michigan Administrative Rules for Special Education (MARSE).

Percent of Total



What's in the IDEA?

The IDEA guides states and schools in providing special education supports and services.

Part A

Provides general provisions and definitions of the IDEA.

Part B

Guides the programs and services (special education) for children ages 3-21. (Michigan provides programs and services from birth to age 26.)

Part C

Guides the early childhood programs and services for eligible children ages birth to 3. Michigan's program is called *Early On*[®].

Part D

Sets up parent training centers for each state. Michigan's parent training center is the Michigan Alliance for Families.

Core Principles of the IDEA

Procedural Safeguards

The IDEA created procedures to help ensure students receive the education they need.

Parent (and Student) Involvement

Parents and students are active members of teams and provide input.

Appropriate Evaluation

Students must be properly evaluated by qualified professionals.

Free and Appropriate Public Education (FAPE)

Students with disabilities must have access to the general education curriculum but it may look different depending on the student's needs. Access may be acquired through alternate achievement standards.

Least Restrictive Environment (LRE)

Students must be with their non-disabled peers as much as possible.

Individualized Education Program (IEP)

An IEP team creates a documented program to meet the needs and strengths of the individual.



Special Education in Michigan

Michigan had mandatory special education through PL 9442 prior to the creation of federal IDEA legislation.

The Michigan Administrative Rules of Special Education (MARSE) define things such as:

1. The age range of students eligible in our state (26 years old instead of 321)
2. Timelines
3. Eligibility
4. Caseloads



Methods for measuring implementation of the laws that govern special education:

Determinations to the State of Michigan from the federal Office of Special Education (OSEP):

July 2018- Needs Intervention

July 2019- Needs Assistance

State Performance Plan Indicators:

Issued to local districts from MDE



13 Areas of Special Education Eligibility

Autism Spectrum Disorder

Severe Multiple Impairment

Deaf/Blindness
Disability

Specific Learning

Cognitive Impairment

Speech and Language Impairment

Deaf/Hard of Hearing

Otherwise Health Impaired

Emotional Impairment

Traumatic Brain Injury

Early Childhood Developmental Delay

Visual Impairment

Why an evaluation is done

A special education evaluation is done to:

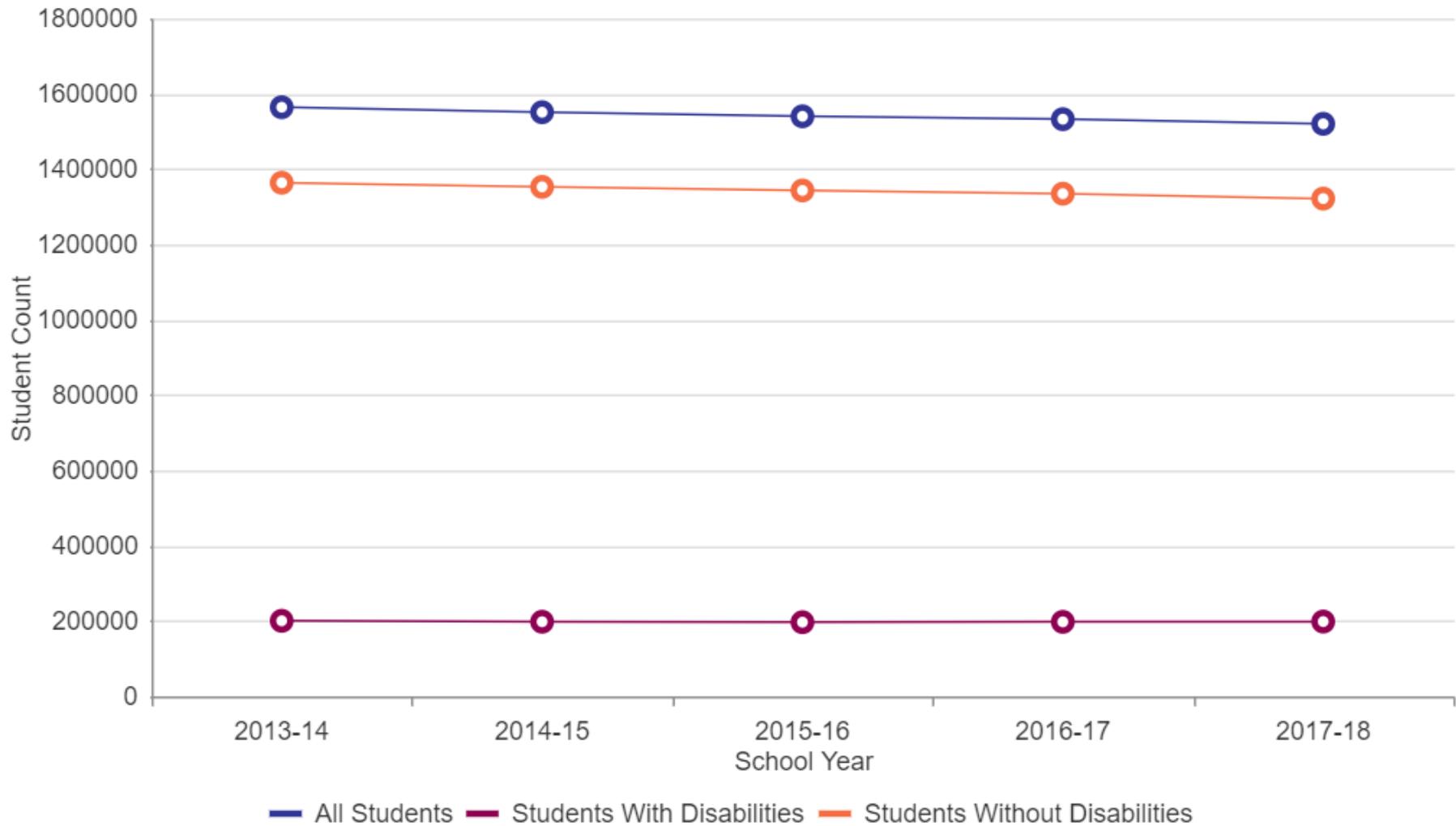
1. See if your child has a disability as defined by the IDEA or [Michigan Administrative Rules for Special Education \(MARSE\)](#). (Parents may be concerned about one disability, but districts must consider all suspected disabilities.)
2. Find information that helps define your child's educational needs.
3. Provide information about appropriate educational programming for your child.

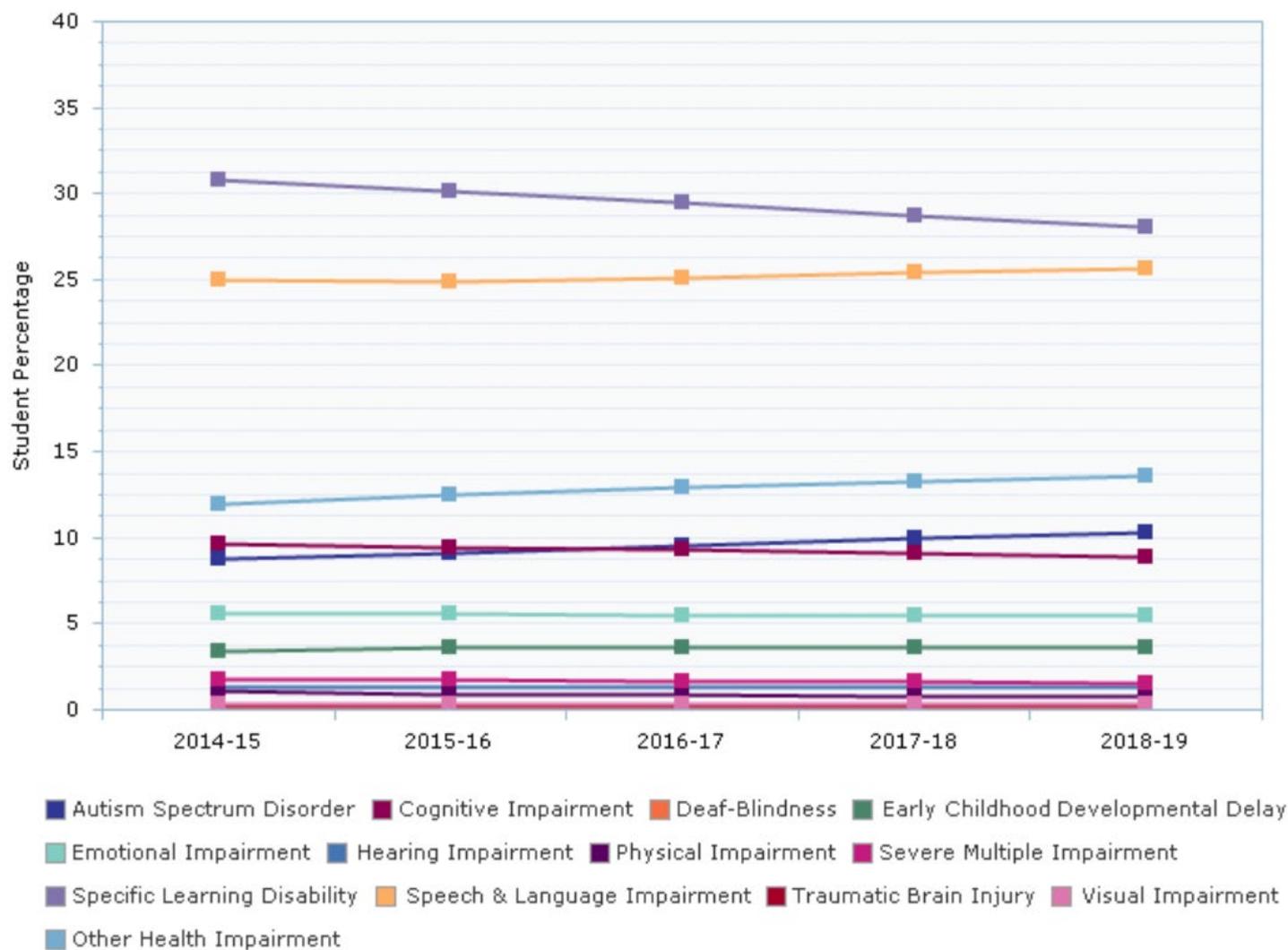
How an evaluation is done

A team of school professionals called a "multidisciplinary evaluation team" (MET) will:

- Assess your child according to your consent.
- Meet to review the information about your child.
- Make a recommendation about whether your child meets (eligibility) requirements for special education programs and/or services.

Percent of Total







Individualized Education Plan (IEP)

- A plan/contract created by the school and parents designed to ensure that students with disabilities receive a Free and Appropriate Public Education (FAPE) in the Least Restrictive Environment (LRE)
- Programs and/or services are based on the needs of the student with a disability regardless of cost.

What's in the IEP?

The *Individuals with Disabilities Education Act* (IDEA) requires certain information be in the IEP. IEP forms can look different, but must include:

1. Present levels of academic achievement and functional performance (PLAAFP), which is information on how your child is doing in school and how his or her disability may affect progress in the general education curriculum.
2. Yearly goals for your child that the IEP team thinks your child can meet in a year.
3. A description of how progress on yearly goals will be measured for your child.
4. Special education and related services (such as speech therapy), including supplementary (or additional) aids and services your child will get at school (also called accommodations).
5. Amount of time during the school day, if any, your child spends apart from his or her peers without disabilities.
6. Your child's participation in alternate state and district tests, or accommodations related to the state test.
7. The projected start date for the services and modifications for your child, and where, how often, and how long they are provided.

When to do the IEP

An initial IEP must be completed and notice provided within 30 school days after you provide consent for your child's evaluation. Your child's eligibility is determined at the initial IEP meeting, based on the results of the evaluation and other relevant information. However, the IEP meeting and notice of the offer of special education programs or services might not be on the same day.

The IEP must be reviewed annually to develop and/or revise the contents for your child's IEP. An IEP can happen more than once a year if revisions are needed.

Students with a disability are entitled to a free appropriate public education (FAPE). Schools must provide a FAPE through programs and services. The FAPE must meet the student's unique needs and provide an educational benefit.

To provide a FAPE, schools must:

- Create an individualized education program (IEP) for your child, which is a written plan for your child's education at school.
- Provide special education services that meet your child's specific (or unique) needs.
- Provide related services so your child can benefit from special education. An example of related services is receiving occupational therapy.
- Provide [accommodations and modifications](#) so your child can be in general education settings.
- Provide access to the same non-academic and extracurricular activities as peers without disabilities.
- Educate your child in the [least restrictive environment \(LRE\)](#), which means your child should be educated as much as possible in the general education classroom with peers that are not disabled. Spending time outside the general education classroom is only allowed if it is needed to meet your child's specific needs.

Schools are not required to:

- Provide services that are superior to what other students receive.
- Provide programming based only on parents' requests, such as the supports and services their child will receive. These are decisions made by the IEP team, which includes the parent.
- Provide preferred treatment in belonging to clubs or playing sports. However, students are entitled to the same opportunity as others to be involved.



Educational Placement and the Least Restrictive Environment (LRE)

Educational placement is the setting where your child receives his or her education and services. Schools must place students in the least restrictive environment (LRE). That means students must be placed in the general education setting whenever possible, and receive supports and services as determined by the individualized education program team.

Students must be taught alongside their nondisabled peers as much as possible.

The General Education Setting

If your child did not need special education services:

- Where would he or she go to school?
- What classes would he or she be in?
- What activities would he or she do?

These answers make up the general education setting.

General (sometimes called regular) education settings include classrooms, lunchrooms, playgrounds, gyms, libraries, and any other location where children without disabilities are educated.

Unless otherwise noted in the IEP, this is the setting where your child should be educated.

When can a school place my child outside the general education setting?

Options like special classes or schools may only be used if your child cannot make satisfactory progress toward his or her individualized education program (IEP) goals in the regular educational environment, even with supplementary aids and services.



SPECIAL EDUCATION IN MICHIGAN

Part 3: Programs and Services

Katie Flynn, Assistant Superintendent of Ottawa Area ISD



Delivery of Programs and Services

The delivery of programs and services across the State of Michigan follows the Michigan Administrative Rules for Special Education, but are more specifically outlined in the **56 ISD plans**. While ISD plans are similar in structure, they vary based upon the unique nature of each area in which they serve.



2 Main Types of Program/Service Provision

- 1) ISD provides everything- Least frequent
- 2) Local District and ISD share in the provision Most frequent

**Note - There are 56 different ways for providing programs and/or services

Montcalm Area ISD Plan

The MAISD and LEA's operate the following programs at the Early Childhood (C), Elementary (E) and Secondary (S) levels:

	SCI	MoCI	MiCI	EI	1832(e) RR	1832(e) HI	ECSE/ PCLG Services 1832(e)	LD	ASD	HB/H	1832(e) Transition Plus
MAISD	E,S	E,S		E,S		E,S	C		E,S	E,S	S
CCC			E,S		E,S					E,S	
CMP			E,S		E,S					E,S	
GPS			E,S		E,S			S		E,S	
LCS			E,S		E,S					E,S	
MCS			E,S		E,S					E,S	
TCS			E,S		E,S					E,S	

Ottawa Area ISD Plan

Continuum of Special Education Programs and Services

The following chart illustrates the continuum of programs and services provided by local school districts and the OAISD. Center program services are available to all local school districts and public school academies within OAISD. Teacher consultant services are provided primarily through the OAISD.

District	LD R340.1832(e)	HI R340.1832(e)	EI	Mild CI R340.1832(e)	Moderate CI	Severe CI	SXI R340.1832(e)	Autism R340.1832(e)	AI Early Intervention R340.1758b	Elementary Resource R340.1832(e)	Secondary Resource R340.1832(e)	EC SE Programs	EC SE Services R340.1832(e)	Teacher Consultant R340.1832(e)	Speech / Language Services	School Social Work	Occupational Therapy	Physical Therapy	School Psychologist	Teacher Specialist R340.1832(e)
Allendale							Ctr-E	Ctr-E		✓	✓	✓		ISD	✓	✓	✓	✓	✓	
Black River										✓	✓			ISD	✓	✓	✓	✓	✓	
Coopersville										✓	✓	✓		ISD	✓	✓	✓	✓	✓	
Eagle Crest										✓				ISD	✓	✓	✓	✓	✓	
Grand Haven			MS, S	Reg E, MS,S	Reg E, M,S		Ctr-MS HS	Ctr-E		✓	✓	✓		AI & ISD	✓	✓	✓	✓	✓	
Hamilton								Ctr-E		✓	✓	✓		ISD	✓	✓	✓	✓	✓	
Holland		Ctr-E, MS, S	MS, S	E, MS, S	E, MS, S		Ctr-E	Ctr-E	Ctr	✓	✓	✓		HI & ISD	✓	✓	✓	✓	✓	
Hudsonville				E, MS, S	E, S			E		✓	✓	✓		EI & ISD	✓	✓	✓	✓	✓	



How are programs and services funded?

Branch ISD- keeps all funding, provides all programs and services

Ottawa ISD - reimburses nearly 100% of special costs for local districts while providing programs and/or services for low incidence disabilities

Kent ISD- previously sent out most funding to local districts while Grand Rapids Public Schools provided programs for low incidence disabilities

Oakland Schools- keeps a small percent of IDEA funding for compliance, low incidence service providers (DHH and VI TC) and professional learning. They flow the rest out to local districts. Select local districts independently run center programs and other locals pay tuition for students to attend.

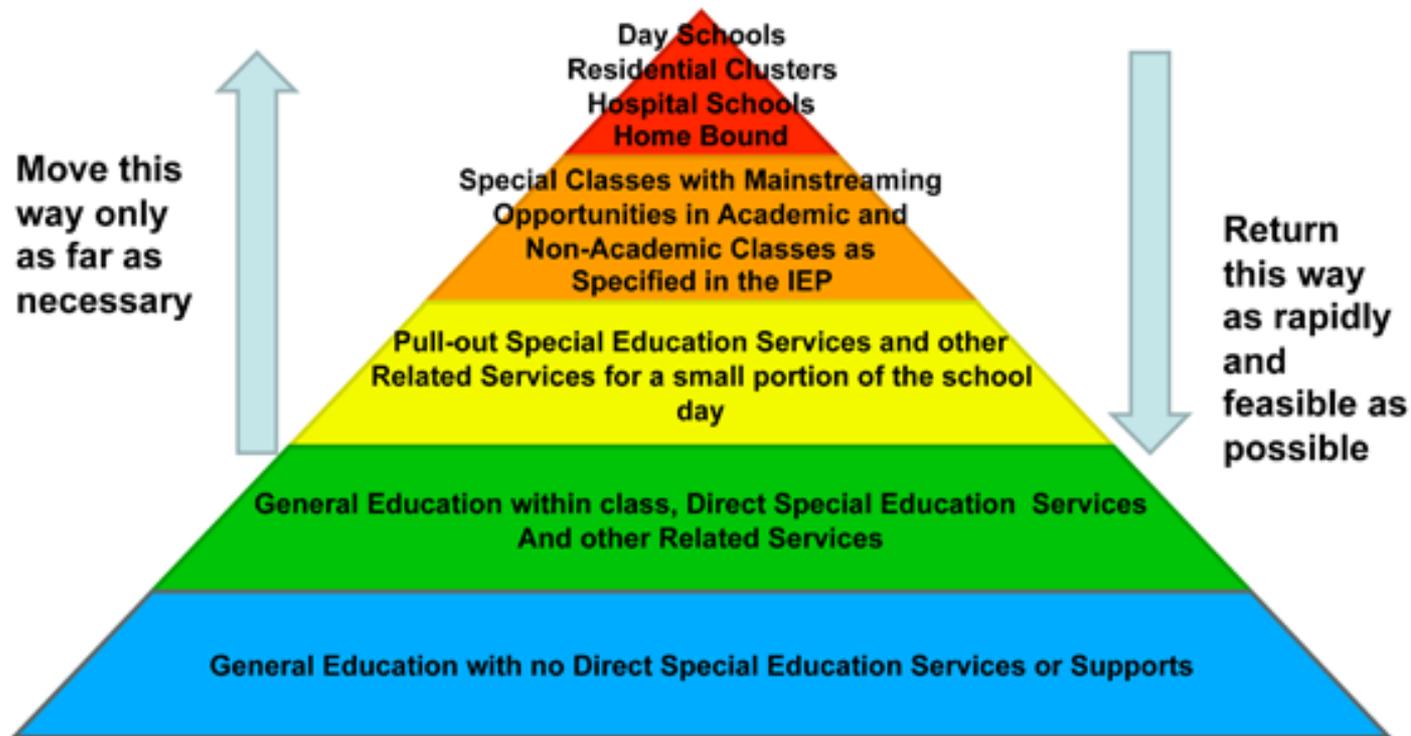


Types of Programs and Services

Special Education Programs and Services are:

- Based on each individual student's IEP
- Strive to keep students in the Least Restrictive Environment (LRE)
- Need to be designed to provide a Free and Appropriate Public Education (FAPE)

Least Restrictive Placement in the Continuum of Services





Typical Services

- Audiology
- Occupational Therapy
- Physical Therapy
- School Social Work
- School Psychology
- Speech and Language Therapy
- Transportation
- Interpreters
- Nursing
- Teacher Consultants for...
 - Deaf and Hard of Hearing
 - Visually Impaired
 - Autism Spectrum Disorder
 - Cognitively Impaired
 - Orientation and Mobility
 - Emotionally Impaired



Other circumstances

Parochials and Home Schools Auxiliary Services Act

Adult Education & Alternative Education

Cyber Schools

Adjudicated Youth - Detention Centers

Jails - Adjudicated Adults

Homebound Youth

Hospitalized Youth



QUESTIONS?

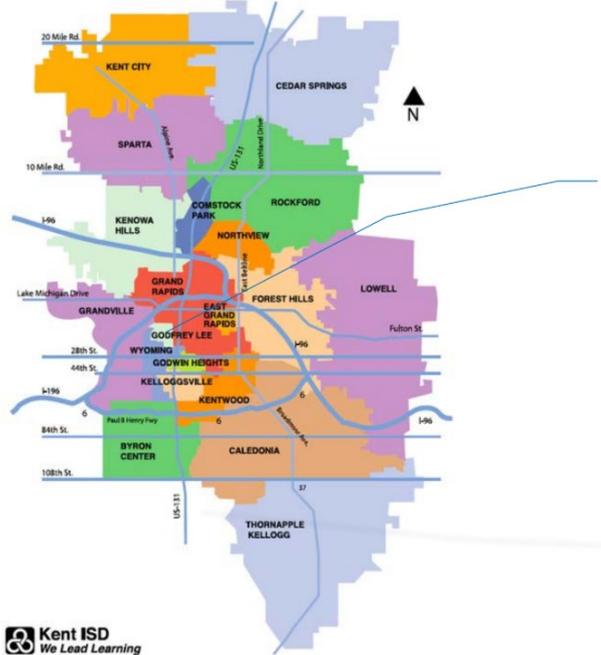


SPECIAL EDUCATION IN MICHIGAN

Part 4: Implementation at a local level

Kevin Polston, Superintendent of Godfrey-Lee Public Schools

Godfrey -Lee Public Schools Profile



Godfrey-Lee

- 1,850 Students
- 1.4 sq. mile district
- 13% Special Education
- 91% Free Lunch/4% Reduced Lunch
- 50% English Learner
- 79% Hispanic/Latino
- 125 Certified Teachers
- Five Schools on Four Sites
- Pre-School Offerings: Head Start, GSRP, ECSE
- ~\$23,000,000 Budget



Unfunded Special Education Costs

- Compliance with IDEA is not fully funded at the national, state, or local level
- Godfrey-Lee 2018-19 General Fund expenditures for special education: **\$416, 713**
- Total for all LEA districts in Kent ISD: **\$29,919,421**
- This includes a countywide special education millage



Collaboration & Efficiency

- Adjacent school districts in Kent County collaborate to share programming for categorical classrooms
- Center based programming for more intensive and specialized need is administered by Kent ISD
- Billing is handled cooperatively and based on true costs for educating each student
- Prevents redundancy and provides enhanced services for students and families



Critical Shortage at the Local Level

- Statewide teacher shortage is impacts the candidate pool, in particular for special education teachers
- We have utilized emergency certification to allow a teacher to finish her program
- The most vulnerable student populations are disproportionately impacted



Case Study - Critical Shortage 2018 -19 SY

- Increased student need and program support called for an additional half time (.5) psychologist staff
- Staffing level at the time was a fulltime (1.0) psychologist for the entire district
- Collaborated with Comstock Park to recruit a full-time (1.0) psychologist
- The only three candidates declined the offer
- Contracted psychologist services from a private company
 - Increased cost
 - Diminished service