



Christopher J. Smith
Chief Financial Officer

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Texas Education Agency
Texas Commission on Special Education Funding
Room E1.010, Texas State Capitol
1100 Congress Avenue
Austin, TX 78701

Honorable Members of the Texas Commission on Special Education Funding:

My name is Christopher J. Smith (Chris) and I am CFO for Katy ISD. Our district currently has just over 90,500 students, and 13.5 percent of those students are enrolled in Special Education programs. We are a fast-growing school district, and our Special Education student population growth outpaces district growth overall.

I would like to thank you for your time and effort spent on such an important subject. One thing for sure is that looking at anything related to Special Education is extremely complex, the challenges associated with funding and fiscal compliance being the most difficult. I appreciate your efforts. I urge you to proceed carefully, making sure you have gathered all the data needed to make solid recommendations before moving forward with change. At the same time, I think the data will show that in Katy and other districts, resources are not keeping pace with the cost of providing quality services.

Enrollment growth and Special Education Enrollment growth trends:

Table 1

Year	Enrollment	Enrollment Gain (Loss)	% Gain (Loss)	Special Ed Enrollment	Enrollment Gain (Loss)	% Gain (Loss)	% Special Ed
2007-08	53,762	3,037	6.0%	4,958	151	3.1%	9.2%
2008-09	56,191	2,429	4.5%	4,917	(41)	(0.8%)	8.8%
2009-10	58,444	2,253	4.0%	4,897	(20)	(0.4%)	8.4%
2010-11	60,573	2,129	3.6%	4,807	(90)	(1.8%)	7.9%
2011-12	62,153	1,580	2.6%	5,133	326	6.8%	8.3%
2012-13	64,409	2,256	3.6%	5,404	271	5.3%	8.4%
2013-14	67,214	2,805	4.4%	5,772	368	6.8%	8.6%
2014-15	70,330	3,116	4.6%	6,120	348	6.0%	8.7%
2015-16	72,952	2,622	3.7%	6,603	483	7.9%	9.1%
2016-17	75,428	2,476	3.4%	7,140	537	8.1%	9.5%
2017-18	77,522	2,094	2.8%	7,805	665	9.3%	10.1%
2018-19	79,913	2,391	3.1%	8,652	847	10.9%	10.8%
2019-20	83,423	3,510	4.4%	10,099	1,447	16.7%	12.1%
2020-21	84,176	753	0.9%	10,800	701	6.9%	12.8%
2021-22	88,368	4,192	5.0%	11,921	1,121	10.4%	13.5%

	<u>15-year Avg</u>	<u>10-year Avg</u>	<u>5-year Avg</u>
Average Enrollment growth:	3.8%	3.6%	3.2%
Average Special Education Enrollment growth:	8.2%	8.8%	10.8%

Spending Requirement

Katy ISD's schedule of mandated spending found below, illustrates that Katy ISD spends far more than the funding formulas generate and thus, far more than we are required to spend. We are, however, spending at the level Federally required to support the needs of our special education students, surely this is also happening throughout the State.

Table 2

Program Intent Code (PIC)	PIC 21	PIC 22	PIC 23, 33	PIC 24, 26, 28, 29, 30, 34	PIC 25, 35	PIC 36	PIC 37, 43	PIC 38
Supplemental State Allotment Area	Gifted and Talented	Career and Technology Education	Special Education	Compensatory Education	Bilingual Education	Early Education	Dyslexia	College, Career and Military Readiness
Required Level of Spending	100%	55%	55%	55%	55%	100%	100%	55%
2019								
FSP Revenue Generated	\$ 2,597,191	\$ 22,431,218	\$ 55,526,199	\$ 42,635,184	\$ 6,979,428	\$ -	\$ -	\$ -
TSDS/PEIMS Expenditures	\$ 3,609,723	\$ 14,745,321	\$ 107,061,922	\$ 24,815,865	\$ 8,736,852	\$ -	\$ -	\$ -
Actual percent of funds expended	139%	66%	193%	58%	125%	0%	0%	0%
2020								
FSP Revenue Generated	\$ -	\$ 34,965,671	\$ 69,841,824	\$ 38,966,754	\$ 9,606,294	\$ 8,794,354	\$ 2,678,368	\$ 7,168,000
TSDS/PEIMS Expenditures	\$ 3,897,689	\$ 19,627,908	\$ 123,751,968	\$ 24,740,981	\$ 9,268,374	\$ 10,271,880	\$ 5,246,040	\$ 4,841,784
Actual percent of funds expended	0%	56%	177%	63%	96%	117%	196%	68%
2021								
FSP Revenue Generated	\$ -	\$ 35,621,120	\$ 75,727,123	\$ 41,322,276	\$ 9,772,018	\$ 9,206,749	\$ 3,275,888	\$ 7,168,000
TSDS/PEIMS Expenditures	\$ 4,203,136	\$ 24,282,234	\$ 135,111,113	\$ 26,194,260	\$ 11,314,477	\$ 11,545,068	\$ 5,881,627	\$ 5,004,930
Actual percent of funds expended	0%	68%	178%	63%	116%	125%	180%	70%

Staffing

Special Education has been identified by the Texas Education Agency (TEA) as a staffing field of critical shortage every year since I entered Public Education. These critical shortages can be grouped into two distinct categories: 1. Evaluation Professionals, and 2. Special Education teaching staff. The scarcity of Evaluation professionals such as Speech Pathologists, Diagnosticians, Occupational/Physical Therapists (OTPT), Music Therapists, and Licensed Specialists in School Psychology (LSSP) is becoming increasingly difficult to combat. Their ongoing demand by industries other than education forces school districts to contract with organizations that can offer more competitive pay to these individuals. In return, these higher costs are then passed back to the district in service fees. Federal and state regulations related to assessment timelines further complicate this process and create untenable working conditions. These professionals are often able to obtain positions in the private sector for more pay and less stress. Combined with the general shortage of qualified individuals available to hire in these roles, school districts are finding it increasingly difficult to recruit and retain evaluation professionals.

Special Education is a highly specialized field that requires not only a knowledge of educator methods and practice of teaching but also the knowledge of disabilities and how to specially design and provide instruction for students who have been diagnosed with disabilities. This takes longer to master and requires additional study and certifications which require an additional expenditure by the educator to obtain. Teachers already work long hours well beyond their contract times, the same is true of Special Education teachers. Special Education teachers and professionals are at heightened risk for stress and burnout causing them to leave the profession or change their role within the profession. This is

contributing to the critical shortage in this area. In order to recruit and retain Special Education teachers, school districts must offer incentives for filling these roles which could include higher pay stipends and lower class sizes/caseloads.

Due to the incredibly complex nature of Special Education, support for general education teachers such as professional development is required to ensure the implementation of Special Education student services. Professional development targets a variety of required areas such as specialized instructional supports, compliance with federal and state laws, data collection, implementation of accommodations or modifications, and other necessary areas. Instructional materials also have to be accommodated or modified to ensure student needs are met.

Additional costs related to special education

A number of other factors (beyond the cost of hiring sufficient staff with the specialized skills needed to provide quality services) also drive Special Education costs.

Equipment or Services required for a Free Appropriate Public Education (FAPE) – Students served through Special Education often require specialized equipment in order to access the school environment and gain educational benefits and receive a free and appropriate public education as required by federal and state laws. This equipment is costly in nature with some devices running upwards of \$20,000 - \$30,000 dollars per student. Sometimes students require a program that is so specialized that school district staff must contract with an outside agency to bring someone in to provide the service or to place a student in an out of school district setting. Both of these options are examples of how the provision of services for a single Special Education student can exceed the funds provided to the district.

Contracted Services - Direct Student Services

Table 3

Evaluation or Service Providers

Type of Service	Fund Source	Total
EVALUATION SERVICES IEE'S	192	\$ 65,488
ABS WEST - BEHAVIOR PLACEMENTS	192	\$ 72,371
MED PERM STUDENT SERVICES	192	\$ 6,953
LIFE SKILLS - NURSES	192	\$ 185,824
OTPT HCDE	192	\$ 2,413,029
DIAG CONTRACTED SERVICES	192	\$ 215,074
LSSP CONTRACTED SERVICES	192	\$ 122,043
SLP CONTRACTED SERVICES	192	\$ 123,525
		\$ 3,204,304

- Student services, evaluations, therapy, and educational placement depicted in Table 3 (other than HCDE & ABS West) are contracted primarily because we cannot fill vacant positions.

Contracted Services – Indirect Student Services

Table 4

Other Services Necessary for Provision of SPED Services

Type of Service	Fund Source	Total
Staff Development - IEP Services	192	\$ 39,650
Outside Consultants for Programs and Student Service Implementation	192	\$ 115,282
Interpretation Services	192	\$ 163,657
Homebound Phone Contracts	192	\$ 4,179
Total		\$ 322,767

- Indirect student services such as student consultations, teacher training, program reviews, or other services are required by district personnel to implement a student's Individualized Education Program (IEP) services.
- When a parent disagrees with an evaluation completed by a school district they have the right to an independent evaluation conducted at the expense of the school district. Katy ISD spent \$65,487 on Independent Educational Evaluations (IEES) during the 2021-2022 school year.

Dispute Resolution

Special Education relies on the Individuals with Disabilities in Education Act (IDEA) for guidance. The process for dispute resolution of Special Education concerns is based within the IDEA and state law. This process includes filing a request for a due process lawsuit. Parents can file a request for a due process lawsuit at any point and for any area of dispute. School districts must respond to this request in order to afford due process of a student's and parent's rights and ensure the appropriate implementation of federal and state law. These hearings require time from special education staff members who are required to testify and produce artifacts. The time spent in the litigation process is time spent away from campus. This impacts the ability of the provider to meet the needs of their students and requires a separate provider to step in, increasing that provider's workload. This illustrates an example of how existing resources are impacted and why it is necessary to consider a 360 degree approach to funding.

Evaluations and ARD Meeting Data

Table 5a **Completed Evaluations 2020-2021**

Service Provider	Completed Evaluations	Average Time Spent Per Evaluation	Approximate Hourly Rate	Approximate Cost to District
Diagnostician	3,135	10 hours	\$45	\$1,410,750
Speech Language Pathologist	2,347	5 hours	\$45	\$528,075
Licensed Specialist in School Psychology	1,990	10 hours	\$45	\$895,500
Total Evaluations	7,472			\$2,834,325

- Hourly rates calculated on the mid-point divided by 7.5 hours per day

Table 5b **Completed ARD Meetings 2020-2021**

Total ARD Meetings	16,679
Minimum Cost Per ARD	\$470
Total Cost – ARDs	\$7,839,130

- Minimum cost analysis indicated below was used for this calculation

Approximate Cost for ARD Meetings

This is a minimum cost estimate based on the following information.

ARDs must include at minimum: Diagnostician, General Education Teacher, Special Education Teacher, and an Administrator. About 85% of our SPED students receive speech therapy services, so an SLP would also be required in most ARDs. The majority of our ARD meetings have 6-10 people that attend and some have greater than 20 people.

Table 5c

Required ARD Members	Approximate Hourly Rate	Total Cost for 2 Hour ARD
Diagnostician	\$ 45	\$ 90
General Education Teacher	\$ 40	\$ 80
Special Education Teacher	\$ 40	\$ 80
Administrator	\$ 65	\$ 130
Speech Language Pathologist	\$ 45	\$ 90

Total Cost: \$470

- Hourly rates used the mid-point divided by 7.5 hours per day on the lowest pay scale option for the position listed;
- Teacher pay used two years of experience divided by the number of contract days and then 7.5 hours per day

