

Honorable Task Force on K-12 Public Education Funding
Technical Advisory Committee (TAC)

Distinguished Committee,

On behalf of the Special Education Directors' Association (SEDA), we would like to thank you for soliciting our input in the daunting process of proposing a revision to the current funding stream for special education in the State of Nevada. SEDA members represent seventeen Districts and the State Sponsored Charter Authority, causing our input to be as diverse as the state itself. As you are aware, the 2012 AIR Report noted several deficiencies in the current manner in which Nevada allocates state funding for special education. Below we have sought to codify the concerns and recommendations of SEDA members throughout the state and we thank you in advance for your consideration of our viewpoint.

Maintenance Of Effort

SEDA noted information that the TAC received regarding exercising caution around maintenance of effort (MOE) for all districts. As you are aware, MOE is a federal requirement that any state change in funding structure must accommodate. The federal government determines that in order to meet the IDEA-B MOE requirement in any fiscal year, an LEA is required to expend **state and/or local funds** on special education at 100% of the level at which it expended state and/or local funds on special education in the preceding fiscal year. Section 34 CFR 300.203 of the Individuals with Disabilities Education Act (IDEA) provides the following four methods for determining whether an LEA has met the IDEA-B MOE requirement:

- The *total* amount the LEA expended in *state and local funds* must equal or exceed the amount it expended from those sources for special education during the previous fiscal year.
- The *per-pupil* amount the LEA expended in *state and local funds* must equal or exceed the amount it expended per capita from those sources for special education during the previous fiscal year.
- The *total* amount the LEA expended in *local funds* must equal or exceed the amount it expended from that source for special education during the previous fiscal year.
- The *per-pupil* amount the LEA expended in *local funds* must equal or exceed the amount it expended per capita from that source for special education during the previous fiscal year.

Districts will be responsible for MOE requirements regardless of any changes to our state funding streams for special education. It is assumed that proposed changes to state special education funding streams are proposed in order to facilitate an increase of state special education funding thereby producing a decrease in local expenses (e.g., the general fund transfer). SEDA wishes to caution the TAC that any changes resulting in a decrease in

state funding below previous MOE targets would result in a district further supplementing the special education fund to maintain MOE. Such an event would certainly impact a district's ability to provide regular education programming to non-disabled students. MOE targets can only be reduced through the federal allowable exceptions, none of which would support funding restructure shortfalls. While SEDA believes the intent of the task force is to increase funding, MOE must be kept in mind throughout the process.

Weighted Student Funding

SEDA members uniformly expressed complete opposition to a weighted formula on the basis of disability category. Members felt that the unintended consequence of such a system may create fidelity issues within the identification process. Over-identification of particular disability categories could be a potential hazard within this system.

However, as we understand the motion currently under consideration of a 2.0 DSA weight per special education student, SEDA members were unanimously in support. There was discussion from some districts that currently operate under the Net Mineral Proceeds funding as they are unclear in how they would be funded under this weighted formula. The TAC may have already addressed these districts but there was an expressed need for further explanation as to how they will be categorized in the proposed system. For example, Eureka is currently receiving \$100.00 in basic support. To double that amount and remove their ADM-11 Unit Funding would cause a significant decrease in state support thus triggering the aforementioned MOE concern.

Funding Cap

A cap of 13% for district weighted funding of special education was proposed. A cap at this rate is consistent with national identification. There was robust discussion around the proposed cap, as some districts are currently exceeding the same. At the last TAC meeting, there was consideration for of using catastrophic or contingency funds to offset those districts currently above the 13% identification rate. The AIR report states:

The catastrophic or contingency fund should be reserved for administrative costs into an exceptional-need fund to assist schools districts in providing educational services to high-need pupils with disabilities.

SEDA members uniformly expressed consensus that the funding cap and the catastrophic fund should not have interplay. Simply stated, we desire to see a cap, if employed, to serve precisely as that—a cap. A catastrophic fund, according to our input, should function as a separate entity. A fund whereby districts who had students requiring particularly costly services could seek remedy, but not that this fund would be used, in any manner, to offset higher than normal identification rates.

In closing, we would like to thank you for soliciting our input. We care deeply about students with disabilities within the state and appreciate the time and effort you have put into the funding structure. Nevada districts have been woefully underfunded for students with disabilities for quite some time. We also wish to reiterate that the charter authority participated and was in full agreement with these points.

Sincerely,

SEDA