



April 20, 2022

Chair Stacey Combest
Texas Commission on Special Education Finance
Texas Education Agency
1701 N. Congress Avenue
Austin, Texas 78701

RE: Response to Slide 14 of TEA presentation at the March 17, 2022 Commission on Special Education Funding Meeting

Dear Chair Combest and Members of the Committee:

Thank you for your service on this very important committee. The first meeting was very informative and raised many important issues for you to consider.

During a portion of TEA's presentation, we believe some vital information was not available when discussing special education funding. Specifically, Slide 14(provided below) of the Commissioner's presentation needs further detail. What is presented on Slide 14 does not take into account all that is behind the numbers or reflect actual practices provided within statute occurring in the districts. We believe the following points should be considered when looking at the data in Slide 14:

1. Consideration 1: Slide 14 assumes that schools are **only** spending 69.1 % of their special education allocation. It is important to note that schools, by law, have a spending requirement of 55% by law and therefore schools are exceeding their spending requirement by almost fifteen%. The 55% funding threshold provides for flexibility and improvement of services at the local level and determined by local needs. The school districts represented in the 69.1% category are meeting the law and exceeding the required expenditure threshold. Slide 14 is not reflective of actual practice and alludes to a thought that the 120 smallest LEA's are under spending their special education funds, rather than what is actually occurring, taking advantage of the flexibility afforded districts by the legislature. Expenditures noted in this slide most likely relates to PIC code 23 and 33 and does not include shared service arrangement expenditures. It is important to note that that the expenditures are relative to the 199/general budget and not federal expenditures. Furthermore, please review Considerations 2-5 when determining the total amount of special education expenditures.
2. Consideration 2: Small and mid-size districts use Shared Services Arrangements to drive down costs. Shared Services Arrangements used by small and mid-sized schools are efficient ways to access a wide array of special education services without employing full-time staff at an individual district. Larger districts typically have full-time staff with higher salaries employed by individual districts, not shared across multiple districts like small and mid-sized schools.
3. Consideration 3: Allocated vs Unallocated expenditures – It appears that Slide 14 did not include PIC 99, Unallocated Expenditures which likely holds special education expenditures for small and mid-size schools as the

year progresses. It is our strong belief that small and mid-sized schools do hold expenditures in PIC 99; therefore, it is important to analyze statistics using these allocated expenditures.

4. Consideration 4: Transportation - Transportation and transportation related issues occur differently in small and mid-sized districts than in larger districts. Small and mid-sized districts typically do not have routes/buses solely dedicated for special education purposes and the expenditure is not coded as a special education expenditure. Likewise, transportation aides on buses typically are not coded to special education expenditures even though the aide is most likely to be on the bus to supervise the special education student.
5. Consideration 5: SHARS expenditures may not be reflected in expenditures of small and mid-sized districts due to the complexity of claiming these costs. This activity is typically a function of the shared service arrangement in the small and mid-size district and expenditures are not reflective in the general budget of small-mid-sized school where it most likely is in the large schools.

Thank you again for taking the time to serve the students of Texas. We appreciate your consideration and will be glad to provide additional information or answer any questions the Committee might have in the future.

Sincerely,

Sincerely,

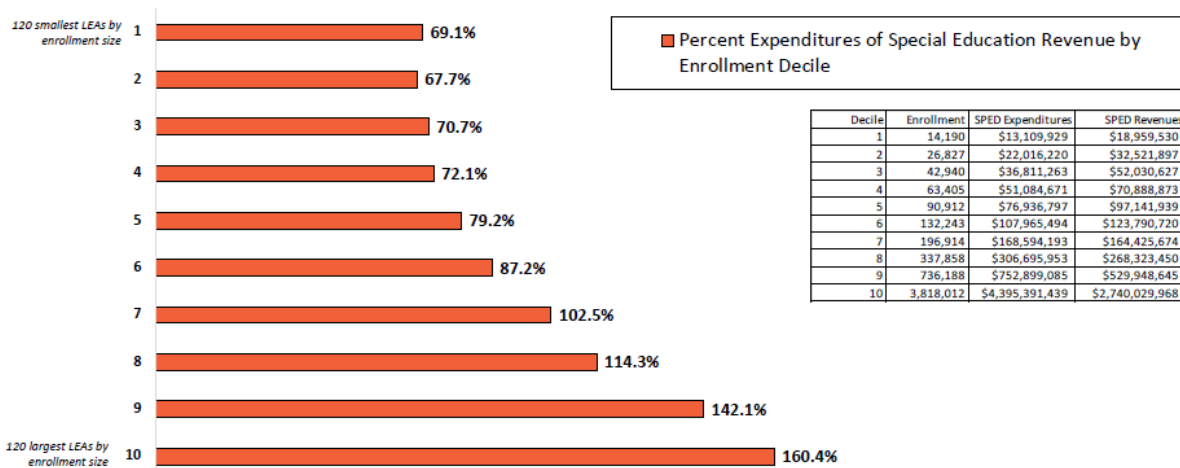



Michael Lee
Executive Director
Texas Association of Rural Schools

Dr. Greg Gibson
Executive Director
Texas Association of Mid-Size Schools

Slide 14 taken from the TEA Presentation from Meeting 1, March 17, 2022

There appears to be a relationship between LEA enrollment size and local special education spending relative to special education FSP revenues.



*LEAs were sorted by enrollment size, smallest to largest, and set in groups of 120.



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