

Challenges to Charter School Special Education Funding Arrangements: Preliminary Findings

November 9, 2021

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General Challenges in Colorado

- Colorado proportion of students with IEPs increasing
 - Faster in traditional public schools than in charter schools
- Colorado charters (on average) serve relatively few students with disabilities
 - Even fewer of the students needing the most expensive services
- Lack of funding throughout
 - No one reports having enough to meet costs
 - Scarcity mindset drives decision-making
- Lack of qualified staff is severe
 - Universal complaint
 - Produces vacancies, turnover, cost increase
- Some students are expensive to serve appropriately
- Resolving challenges can be very expensive
 - Charters lack appreciation for long-term costs of inadequate programming and potential litigation

Colorado Statute Allows Charter Schools to Challenge Districts...

- Whether they are charged appropriately for services for students with disabilities
- Reviewed by Attorney General's Office or their agent
- State Board of Education rules if amount is appropriate, can order one side to pay, and charge "loser" for cost of audit
- Similar issues raised in recent ECA challenges
- Districts have won ECA challenges, and most districts resolve their special education challenge without resorting to SBE

CACSA/CLCS Research

In partnership with Center for Exceptional Education at CLCS

- Gathered information from districts and stakeholders
- Talked through details of implementation in interviews
- Findings below are based on background research and not the analysis of specific issues from any challenge

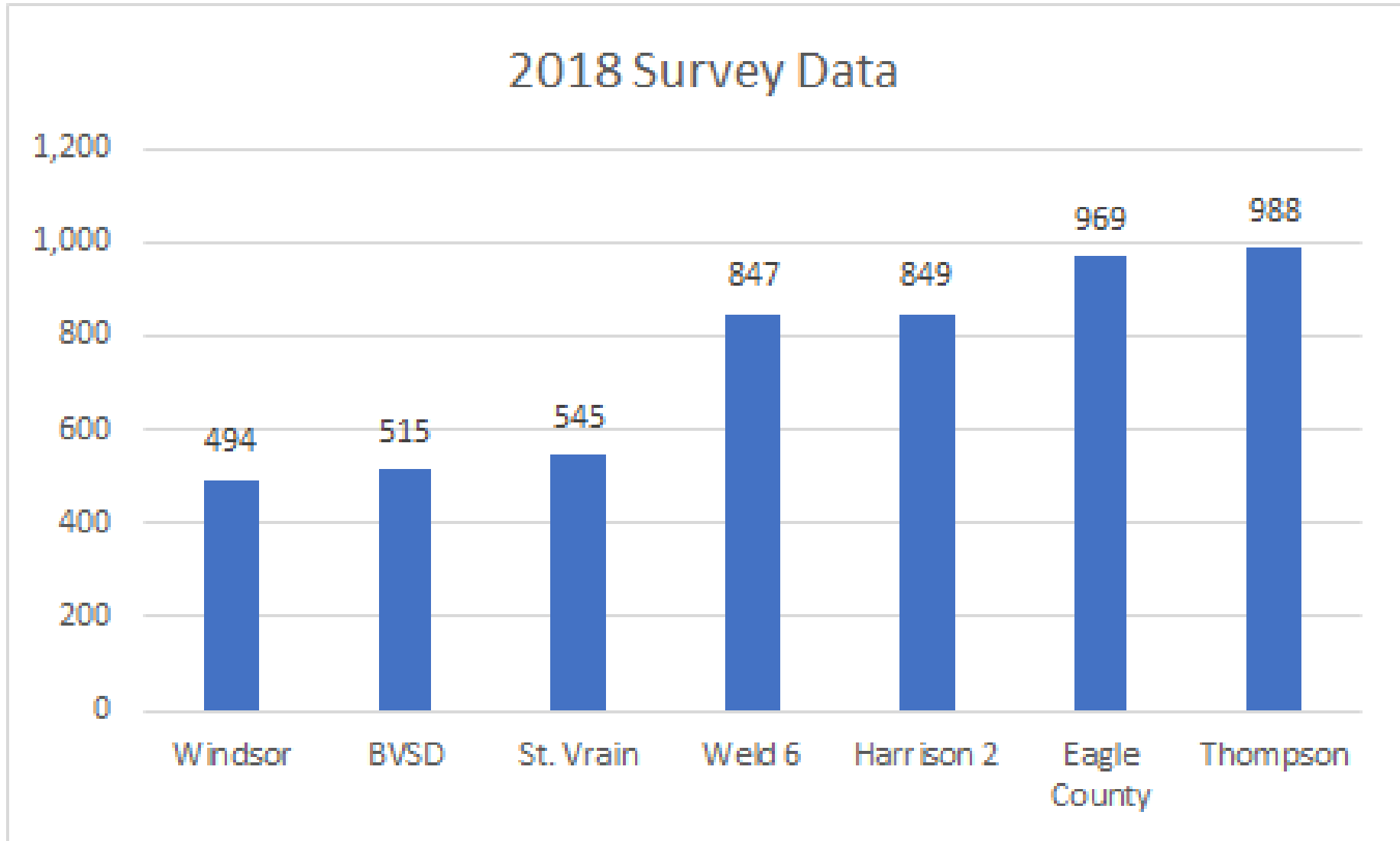
Findings:

- District staff and leaders do not know what other districts charge
- Districts have basically similar approach to accounting
- Basic approach of using common codes was enough historically
- Wide differences in what is charged
- Districts vary in what services are included and how other supports are treated in accounting
- Clarity might help districts avoid future challenges
- Conflict is also over programming, and the cost is the forum used to raise underlying issues

No simple answers:

“Apples to Apples” Comparisons are Inappropriate

- District approaches to funding and services differ,
 - Driving large differences
 - Insurance: full, partial, and hybrid
- Districts vary in how they count other expenses in process:
 - Like general admin, health, and EL
- Districts vary in how they credit schools for expenditures
- Variation within a district based on school programming
- Differences in treatment of dedicated streams, like IDEA and Colorado ECEA (should balance out)



Source: NVCS data submitted as part of challenge, 2021.

Cross District Charge Comparisons

Special Education	\$1,112	\$639	\$606	\$446*	\$331	\$142-\$272
EL	\$141	\$157	-	-	-	-
Health	-	\$102	\$123	-	-	-
Central Admin	\$104	-	\$208	-	-	-
Total	\$1,348	\$899	\$937	-	-	-

Source: CACSA Survey

Medium-Sized District Authorizer: Wide variation between two charters

		Cost	Purchase	Cost	Purchase
	District Avg.	School A		School B	
SPED Central	\$564	\$564	Y	\$564	Y
SPED School	\$869	\$0	N	\$869	Y
Social Workers	\$49	\$0	N	\$0	N
Nursing	\$40	\$40	Y	\$40	Y
Total	\$1,521	\$604		\$1,473	

Some differences driving cost variation:

- Full or partial insurance
- Covering itinerate services or not
- Treatment of students with severe disabilities, and out-of-district placement
- Including transportation
- Bundling costs of other services (health, EL, central administration)
- Credit process for calculating expenditure by school
- Including dedicated funding streams (ECEA, IDEA, MLO)

School-Level Capacity and Implementation Affect Funding & Programming

- Schools tend to frame issue “transactionally”, not systematically
- Districts decide their own program and prioritization, which drives cost
- Schools with low IEP proportions
 - Feel per-IEP cost is high
 - Report district does not allow students to attend the charter
 - Do not have capacity for students with moderate needs, leads to location decisions to send elsewhere, and cycle of limited capacity and enrollment
- Need more understanding of relationship between needed services, details of the IEP, and implications for funding and staffing
- General lack of qualified staff creates competition and turn-over, making it difficult to provide services

Potential Remedies

- Increased communication, including clear lines to escalate concerns within and between district and charter
- Increased school-level capacity and knowledge
- Integrate charter school staff and leadership into district mechanisms for communication and professional development
 - Charters prioritize participation and integration as in their interest
- Greater clarity on programming, procedures, and funding
 - Consider CSI Special Education MOU
 - Consider CSI Student Services Screener
- Build mutual trust
 - Through ongoing improvement
 - Demonstrate capacity through increased enrollment, successful implementation, and eventually greater delegation may be possible
- Improve processes for enrollment, admissions, identification, and retention