



Governor's Advisory Council for Exceptional Citizens (GACEC)
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MEMORANDUM

DATE: February 24, 2017

TO: The Honorable Members of the Delaware General Assembly

FROM: Dafne A. Carnright, Chairperson
GACEC

RE: **House Substitute No. 1 for House Bill No. 12 (Basic Special Education Unit)**

The Governor's Advisory Council for Exceptional Citizens (GACEC) has reviewed **House Substitute (HS) No. 1 for House Bill (HB) No. 12** which would provide State funding to kindergarten through third grade for basic special education by addressing anomalies in the current unit count system for students who qualify for special education. Council endorsed similar legislation introduced in 2015 (H.B. 30) and **endorses** the current legislation. We would also like to share the following observations.

First, special education students of all ages (Pre-K to 12) with substantial needs are funded through "Intensive" or "Complex" units (lines 15-16). In contrast, special education students with "basic" needs are funded through the following units: Preschool (pre-kindergarten) and Basic Special Education (grades 4-12). There is an obvious gap, i.e., there is no distinct special education unit for students with basic needs in grades K-3. The K-3 special education students with basic needs are merged into a K-3 unit with all other students (line 10).

Second, the result of the system noted above is reduced funding for K-3 special education students with basic needs. The irregularity is illustrated in the following table:

"BASIC NEEDS" SPECIAL EDUCATION STUDENT FUNDING

GRADE	UNIT COUNT (number of students needed to generate a unit)
Preschool (pre-K)	12.8
K-3	16.2
4-12	8.4

It is unusual to have "richer" unit counts for very young (pre-K) students and students in higher (4-12)

grades. Furthermore, the difference in funding is dramatic. Identical K-3 students generate roughly half of the funding of the 4-12 students (16.2 versus 8.4).

The impact of the irregularity is difficult to measure. The duty of a district to identify students with disabilities and provide a free, appropriate public education is not statutorily diminished by lower funding for the K-3 special education population (14 Del.C. §§3101, 3120, and 3122). However, it is logical to assume that reduced funding may influence the availability of services and supports for this group of students. Furthermore, as highlighted in the attached January 25, 2017 News Journal article, the K-3 grades are critical to student success:

A 2015 study by the National Center for Analysis of Longitudinal Data in Education Research identifies grade three as a crucial pivot. Between pre-K and third grade, about 41 percent of students were able to “graduate” from special services, the study found. After grade three, only about 26 percent of students transition out. The rest remain in special education for the rest of their academic careers.

The 2015 legislation (H.B. No. 30) proposed a modification of the special education “basic” unit so grades K-3 students with a current 16.2 funding ratio would have the same 8.4 funding ratio as grades 4-12 students. The fiscal note for this initiative was approximately \$11 million. See fiscal note. The 2017 bill is more fiscally restrained. It gradually adjusts the basic special education unit count for grades K-3 over a 4-year period as illustrated in the following table:

PHASED IN “BASIC NEEDS” SPECIAL EDUCATION STUDENT FUNDING
FOR GRADES K-3

SCHOOL YEAR	UNIT COUNT	STATE SHARE OF COST
S2017-18	14.2	14.2 \$1.759 MILLION (FY18)
2018-19	12.2	\$4.173 MILLION (FY19)
2019-2020	10.2	\$7.636 MILLION (FY20)
2020-2021	8.4	\$12.294 MILLION (FY21)

Council supports the gradual change to the funding system in light of the current economic situation in Delaware. Thank you for your time and consideration of our observations and endorsement. Please feel free to contact me or Wendy Strauss at the GACEC office should you have any questions.

CC: The Honorable Susan L. Bunting, Department of Education
Dr. Terri Quinn-Gray, State Board of Education