

# **Special education in New York State non- large city school districts 1996 – 2003**

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Commission on Property Tax  
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**Special education instructional expenditure is threatening to bankrupt school budgets**

**Without significant property tax increases general education instructional expenditure will have to be cut if special education expenditure continues to grow at its current pace**

# Main findings

- The real long-term growth rate in non-large city special education expenditure is about five to six percent a year\*
- Despite accounting for only about a quarter of non-large city pupil growth between 1996 and 2003, pupils with disability accounted for nearly half of increased instructional expenditure
- The non-large city school district disabled pupil population increased by only 14,171 pupils or seven percent between 1996 and 2003
- Increased per pupil expenditure rather than increased numbers of pupils with disabilities or changes in types of disabilities explains the 1996 – 2003 forty-five percent increase in non-large city special education instructional expenditure
- Special education per pupil instructional expenditure increased thirty-six percent, growing from \$13,831 in 1996 to \$18,830 in 2003
- General education per pupil instructional expenditure only increased ten percent
- School districts have considerable control over special education expenditure
  - While both New York City and non-large city school districts saw similar growth in their disabled pupil populations the former increased its special education instructional expenditure by only six percent
  - New York City also failed to increase its disabled per pupil expenditure at all
  - Districts halved the previous annual increase in special education expenditure when their budgets were stressed in 2003 by collapsing State aid and soaring employee benefit expenses
- If instructional expenditure had to be reduced by five percent and special education expenditure could not be reduced then, general education expenditure would have to be cut by seven percent
- The State is unlikely to be able to assume funding responsibility for special education
  - special education expenditure is a function of school district community wealth
  - Teacher salaries vary enormously between school districts

*\* All monetary calculations have been made using constant 2004 dollars. New York Metropolitan Region consumer prices increased by twenty-one percent between 1997 and 2004.*

# 1. Technical notes – special education in non-large city school districts between 1996 and 2003

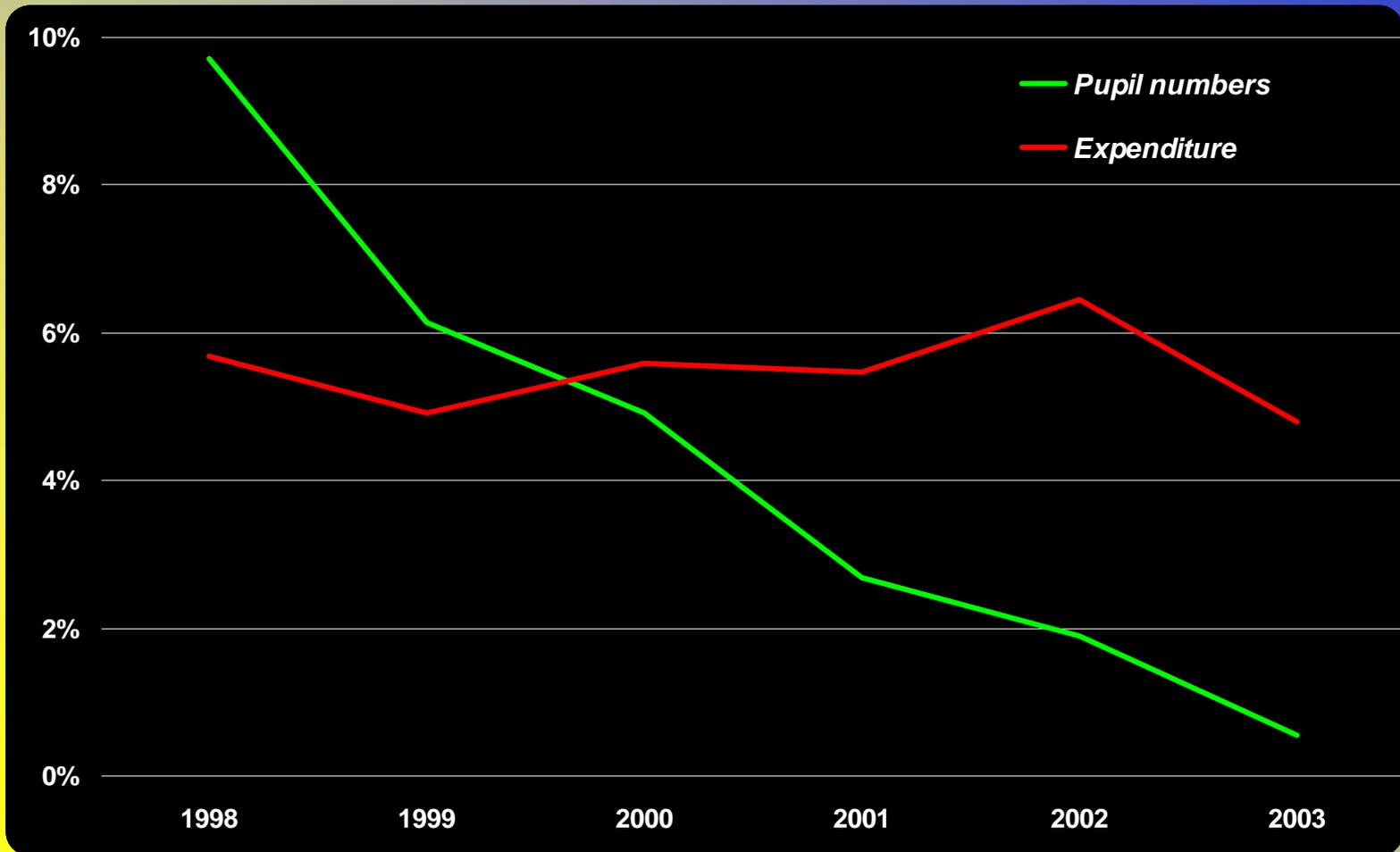
- The large city school districts are Buffalo, Rochester, Syracuse, Yonkers and New York City
- Most, but not all pupils with disabilities are also educated in a general education setting for at least part of the day. In 2004 five percent were educated separately
- The State Education Department records expenditure used to educate pupils with disabilities in a general education setting as general education expenditure *and not* as special education expenditure
- Special education instructional expenditure includes building level administrative costs but not central administrative costs. It excludes operations and maintenance and capital costs to render school premises accessible to pupils with disabilities
- Special education instructional expenditure includes employee benefit costs
- Increased special education instructional expenditure may merely reflect an increase in existing instructional costs, such as staff salaries and benefits, for example, rather than an increase in resources made available for special education
- Unless otherwise specified, all dollar figures have been adjusted for inflation and expressed as constant 2004 dollars
- My research is incomplete and the statistics presented here today may be revised in the future

## 2. Despite minimal growth in pupil numbers between 1996 and 2003 non-large city special education expenditure soared

- The special education pupil population increased by 14,171 pupils or seven percent
- Yet special education instructional expenditure increased by forty-five percent
- With the result that per pupil expenditure increased by thirty-six percent, growing from \$13,831 in 1996 to \$18,830 in 2003
- Pupils without disabilities numbers increased by about three percent, but for general education
  - instructional expenditure increased by only fourteen percent
  - per pupil expenditure increased by only ten percent
- In 1996 school districts were spending 1.9 times as much per pupil in special education as they were for each pupil in general education
- By 2003 this figure had increased to 2.4
- Total pupil numbers probably increased by about three percent
- Total instructional expenditure increased by twenty percent

### 3. Special education pupil population growth collapses but expenditure grows five to six percent a year

Note: the percentages charted are of three year moving averages centered on the second year calculated using constant 2004 dollars



#### 4. Suffolk County provides a particularly stark example of the recent dynamics of special education in non-large city school districts

- Special education pupil numbers increased by only four percent between 1996 and 2005
- Yet expenditure increased by fifty-four percent
- With the result that special education per pupil instructional expenditure increased by fifty percent growing from \$17,870 in 1996 to \$26,675 in 2005
- General education per pupil instructional expenditure on the other hand increased by only seven percent between 1996 and 2005 and was flat between 1996 and 2003
- In 1996 Suffolk County school districts were spending 1.96 times as much per special education pupil as they were per pupil in general education.
- By 2005 this figure had increased to 2.73

**The impact of special  
education on school  
district expenditure  
1996 - 2003**

## 5. Pupils with disabilities consumed a disproportionate share of the increase in instructional expenditure between 1996 and 2003

- Pupils with disabilities accounted for something like a quarter or perhaps at the most, thirty percent, of the 1996-2003 increase in pupil numbers, but almost a half of the instructional expenditure increase
- *This disproportion – in the purely technical sense of the word - was especially apparent in Suffolk County: pupils with disabilities accounted for about five percent of pupil growth, but forty-four percent of instructional expenditure growth*

## 6. Increased expenditure per pupil not growth in pupil numbers explains the 1996 – 2003 twenty percent increase in instructional expenditure

- If general and special education per pupil expenditure had not changed between 1996 and 2003, pupil population growth would have increased instructional expenditure by only four percent
- If special education per pupil expenditure had only grown by the same ten percent that general education per pupil expenditure grew, then instructional expenditure would only have increased another two percent points
- The fact that special education per pupil expenditure grew twenty-six percentage points more than did general education per pupil expenditure served to increase instructional expenditure by a further six percentage points

*Note: the other nine percentage points of the 1996 – 2003 increase in special education expenditure was accounted for by the ten percent increase in general education per pupil expenditure*

**Types of  
disability in  
New York  
State schools  
1996 - 2006**

## **7. Change in types of disability over time and regional variation in prevalence of disabilities**

- **There were some significant changes in the types of disabilities afflicting New York State school children between 1996 and 2006**
  - **Speech/language impairments grew by fifty percent**
  - **‘Other health impairments’ grew by a quarter**
  - **Mental retardation declined by a fifth**
  - **Learning disabilities declined by a fifth**
  - **Autism almost quadrupled – however, in 2006 it accounted for only four percent of disabilities**
- **I doubt these changes were sufficient to explain the great run-up in special education expenditure documented here**
- **There were no significant variations between regions in the prevalence of particular kinds of disabilities**

**Special education  
expenditure:  
mandatory or  
discretionary**

## 8. School districts may have more control over special education expenditure than you might imagine

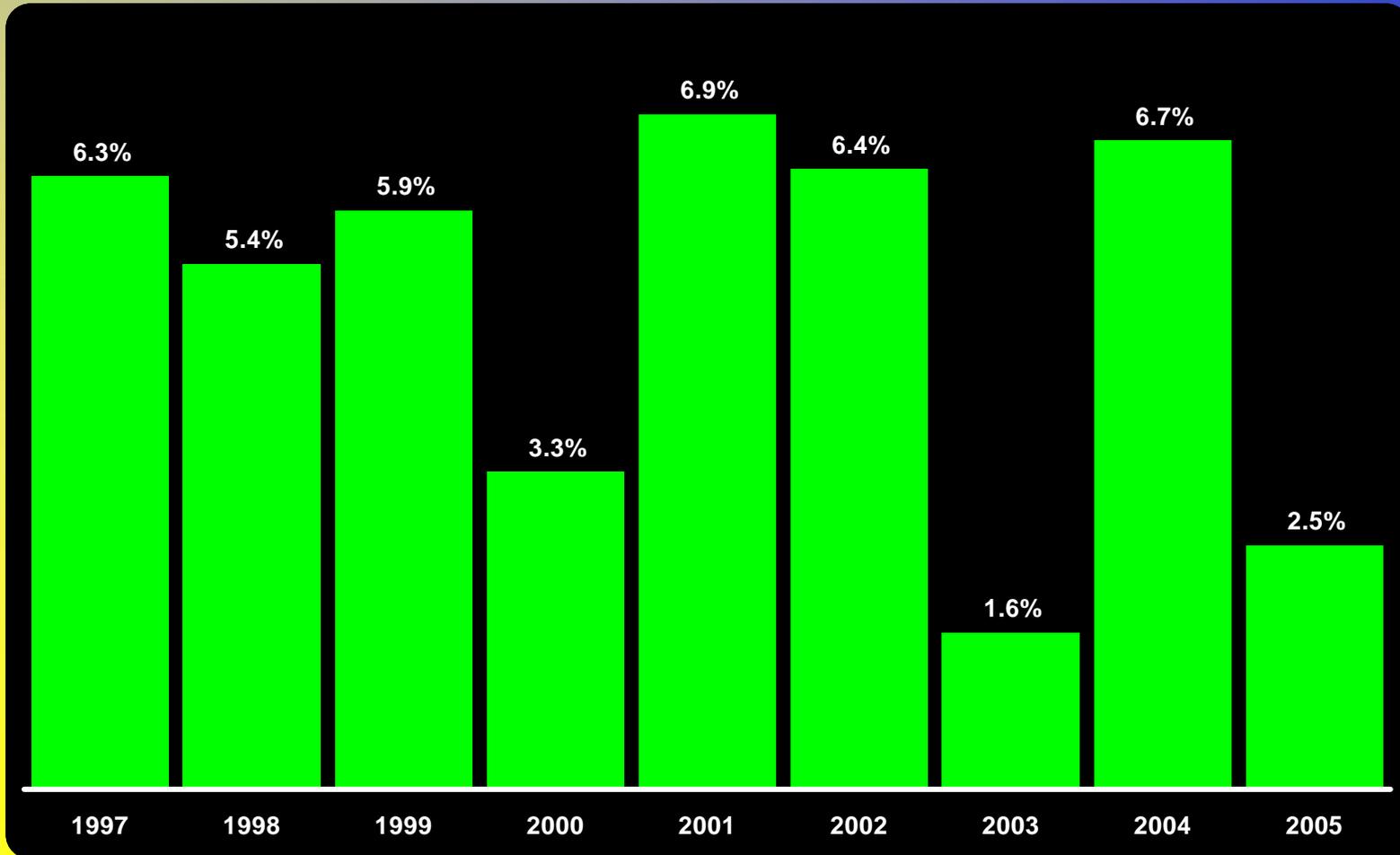
- Both New York City and non-large city school district saw roughly the same increases in their special education pupil populations between 1996 and 2003 (six and seven percent respectively)
- Both operate under the same Federal and State mandates
- But while non-large city school districts increased special education
  - per pupil expenditure by thirty-six percent
  - instructional expenditure by forty-five percent
- New York City on the other hand:
  - increased special education instructional expenditure by only six percent
  - and failed to increase per pupil expenditure at all!

*Note: New York City has consistently educated twice as many disabled pupils outside of general education as have non-large city school districts*

9. Unlike in non-large city school districts when disabled pupil numbers declined in New York City, special education expenditure declined with it  
*Note the data are charted as three year moving averages centered on the second year*



## 10. Suffolk County school district dramatically reduce special education expenditure when their budgets are stressed



**Could New York  
State assume  
responsibility for  
special education  
expenditure?**

**11. Given the wealth driven disparities in special education provision and the wide variance between school districts in teacher salaries the State cannot assume responsibility for the funding of special education**

- **Suffolk County special education instructional expenditure would appear to be as much a function of community wealth as pupil need**
- **The greater the property wealth, then the greater the school district per pupil expenditure**
- **Either some pupils with disabilities are receiving excessively costly interventions or some pupils are being shortchanged**
- **At least some of the variation in per pupil expenditure between school districts must be a product of differences in teacher salaries**
- **Maximum teacher salaries in Suffolk County in 2003 school districts ranged from a low of \$77,000 to a high of \$122,000 in Islip**
- **It is one thing for my tax dollars to go to Islip to educate pupils with disabilities**
- **It is quite another for my tax dollars to go there to fund the salaries of excessively over-remunerated teachers**



# Recommendations

## **13. Recommendations – the Commission should explore the following issues**

- **Replacing the present special education per pupil State aid formula with a block grant formula - in other States this has been found to slow special education expenditure growth**
- **The competency of our school district special education departments**
  - **do they audit external service providers**
  - **do they claim all the available grants and reimbursements**
  - **are provider payments mindlessly increased annually**
  - **are service contracts competitively bid**
- **The incentives facing the members of Committees on Special Education who write Individualized Education Programs (IEPs) – do they all have incentives to increase special education expenditure?**
- **Creation of a public regional law office specializing in special education law to represent school districts in special education law suits**

## **14. A State commission needs to explore the effectiveness and appropriateness of special education interventions**

- **Presently cost/benefit analysis plays no part in the drafting of IEPs**
- **However, the citizens of New York State have a right to know just what has been the return on the truly huge investment they have made in special education over the last forty years.**
- **Very many teachers, other professional staff and outside consultants have done very well for themselves out of special education**
- **We would like to know just what the children have gained from the great run-up in special education expenditure documented here**
- **Have the gains been commensurate with the expense – what have we paid and what should we pay to increase the reading age of a severely disabled child from that of a six year old to that of a seven year old?**
- **Advance the policy debate - determine what is being spent to what purpose**

**THANK  
YOU**

# Contact information

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The report on which this presentation is based can be viewed at 'Kerby's Korner'. The address is:

<http://lischooltax.com/>

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