

# **Detroit Public Schools Community District**

*Discussion Document – Special Education Detail*

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May XX, 2017

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**Population Overview**

2

**Special Education Pupil Composition**

3

**Financial Impact**

# Population Overview - A

## Historical District Pupil Population Summary

*By headcount*

	FY12	FY13	FY14	FY15	FY16
<b>DPS(CD)</b>					
Gen. Ed.	54,175	40,364	39,194	37,791	36,899
Sp. Ed.	11,957	8,804	8,953	8,733	8,658
Total	66,132	49,168	48,147	46,524	45,557
<b>Charter Schools</b>					
Gen. Ed.	33,721	35,246	37,104	37,645	37,593
Sp. Ed.	3,268	3,104	3,403	3,372	3,565
Total	36,989	38,350	40,507	41,017	41,158

	FY12	FY13	FY14	FY15	FY16
<b>DPS(CD) % of Total</b>					
Gen. Ed.	81.9%	82.1%	81.4%	81.2%	81.0%
Sp. Ed.	18.1%	17.9%	18.6%	18.8%	19.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Charter Schools % of Total</b>					
Gen. Ed.	91.2%	91.9%	91.6%	91.8%	91.3%
Sp. Ed.	8.8%	8.1%	8.4%	8.2%	8.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

- DPS(CD) has consistently maintained a greater number of special education pupils than the Detroit Charter Schools
- As a percentage of total enrollment, DPS(CD) has over twice the concentration of special education pupils
- Even as total enrollment between DPS(CD) and the Charter Schools converge over time, this discrepancy has persisted

Source: Headcount data compiled from mischooldata.org

# Population Overview - B

## Historical District Pupil Population Summary

*By headcount*

	FY12	FY13	FY14	FY15	FY16	Net Change	Net Change %
<b>DPS(CD)</b>							
Gen. Ed.	54,175	40,364	39,194	37,791	36,899	-17,276	-31.9%
Sp. Ed.	11,957	8,804	8,953	8,733	8,658	-3,299	-27.6%
Total	66,132	49,168	48,147	46,524	45,557	-20,575	-31.1%
<b>Charter Schools</b>							
Gen. Ed.	33,721	35,246	37,104	37,645	37,593	3,872	11.5%
Sp. Ed.	3,268	3,104	3,403	3,372	3,565	297	9.1%
Total	36,989	38,350	40,507	41,017	41,158	4,169	11.3%

	FY12	FY13	FY14	FY15	FY16
<b>DPS(CD) % of Total</b>					
Gen. Ed.	81.9%	82.1%	81.4%	81.2%	81.0%
Sp. Ed.	18.1%	17.9%	18.6%	18.8%	19.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Charter Schools % of Total</b>					
Gen. Ed.	91.2%	91.9%	91.6%	91.8%	91.3%
Sp. Ed.	8.8%	8.1%	8.4%	8.2%	8.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

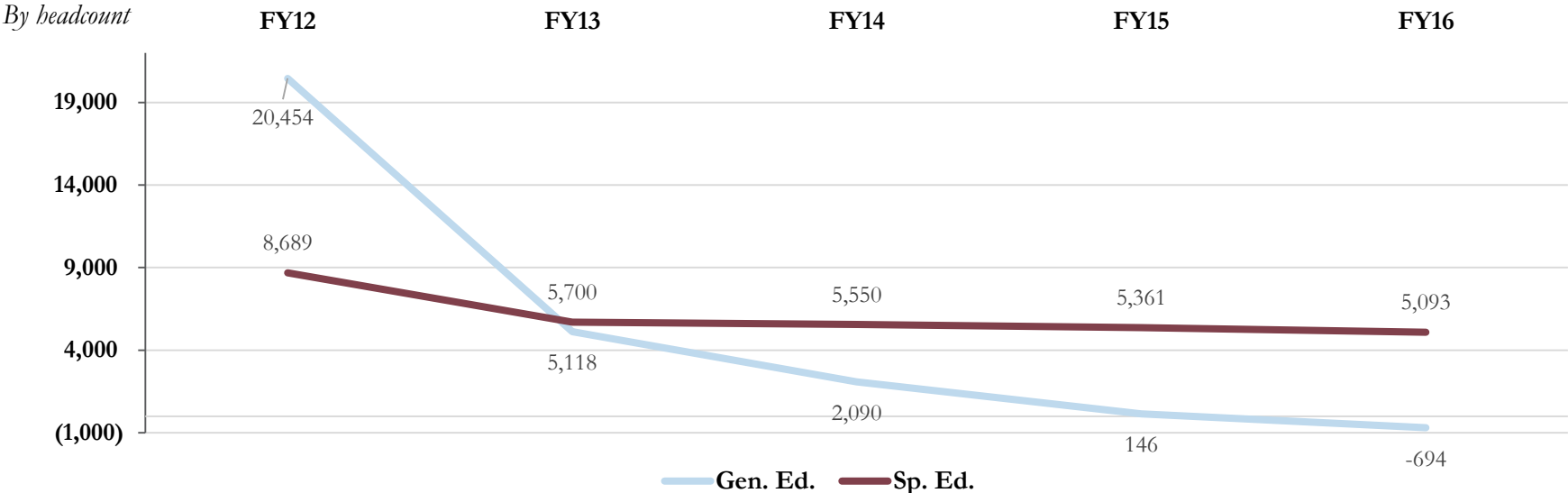
- DPS(CD) has consistently maintained a greater number of special education pupils than the Detroit Charter Schools
- As a percentage of total enrollment, DPS(CD) has over twice the concentration of special education pupils
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Source: Headcount data compiled from mischooldata.org

# Population Overview – Maintained Special Education Gap

- The difference in general education headcount between DPS(CD) and the Charter Schools has decreased significantly over time, **declining by over 100% of the initial variance from FY12 to FY16**
- In contrast, the difference in special education has remained relatively constant from FY13 to FY16, **with approximately 90% of the variance persisting over the last three years**

Difference in Pupils Between DPS(CD) and Detroit Charter Schools



Source: Headcount data compiled from mischooldata.org

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**1** Population Overview

**2** Special Education Pupil Composition

**3** Financial Impact

# Special Education Pupil Composition – Summary

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
<b>DPS(CD)</b>					
Autism Spectrum Disorder	6.7%	8.5%	8.8%	9.6%	10.1%
Cognitive Impairment	19.6%	19.5%	18.6%	18.2%	18.1%
Emotional Impairment	4.2%	3.9%	4.0%	3.9%	3.8%
Specific Learning Disability	40.0%	32.9%	30.9%	29.1%	28.3%
Speech & Language Impairment	13.6%	16.0%	17.8%	18.4%	18.3%
Other*	15.9%	19.3%	19.9%	20.8%	21.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
<b>Charter Schools</b>					
Autism Spectrum Disorder	0.6%	0.6%	0.5%	1.0%	n/a
Cognitive Impairment	3.0%	3.4%	2.9%	3.7%	n/a
Emotional Impairment	0.6%	1.9%	1.4%	1.7%	n/a
Specific Learning Disability	47.9%	46.6%	45.4%	43.9%	n/a
Speech & Language Impairment	21.4%	21.4%	21.6%	21.3%	n/a
Other*	26.6%	26.2%	28.3%	28.4%	n/a
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>n/a</b>

\* Consists of conditions not listed above as well as headcount data per school too small to breakout into each category.

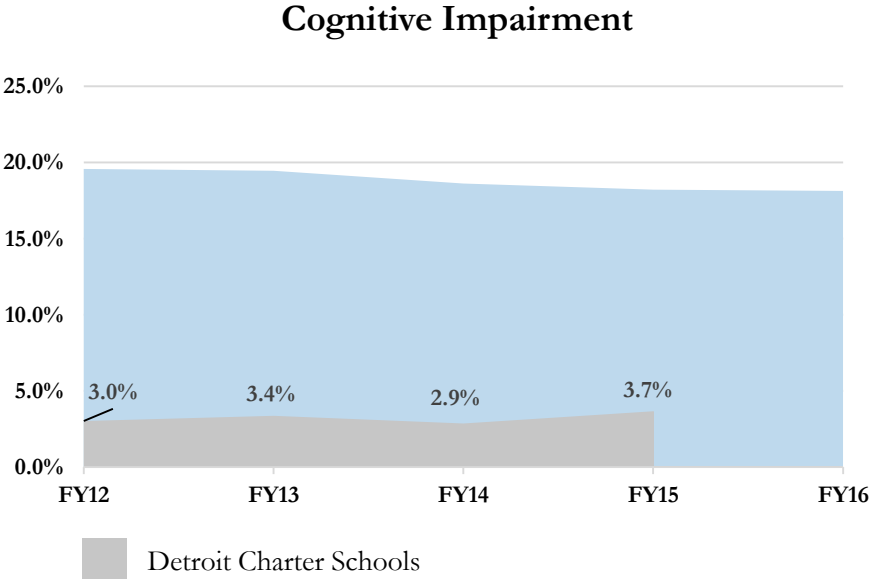
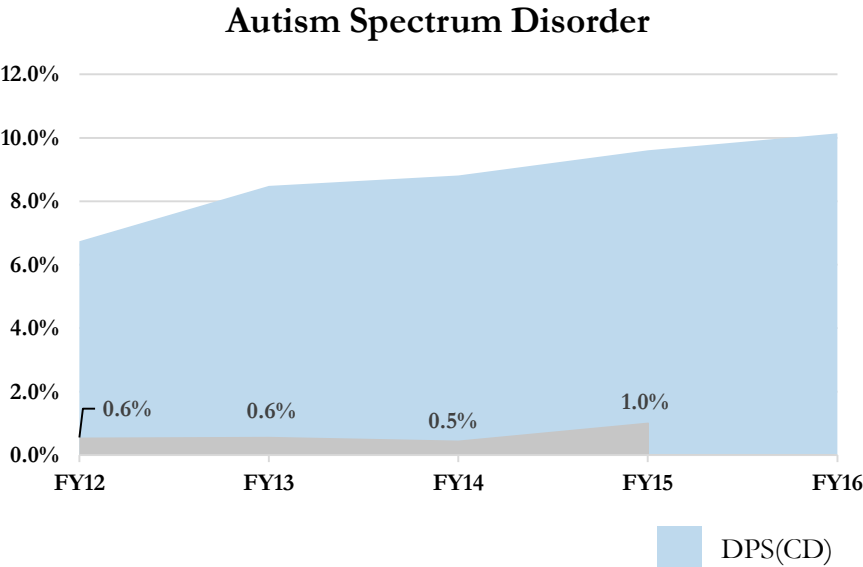
# Special Education Pupil Composition – Key Program Trends Over Time

**Based on the approved Special Education Center Programs Budget for 2016-2017:**

- **Autism Spectrum Disorder** – The most restrictive special education program in terms of allowable pupil headcount per basic program teacher. For every 6 students, 1 teacher is required to be present.
- **Cognitive Impairment (CI)** – Characterized by a lack of cognitive development adversely affecting educational achievement. Students with moderate CI have IQ’s of 40-55 while students with severe cases have IQ’s of 0-39.

## Difference in Pupils Between DPS(CD) and Detroit Charter Schools

*As a percentage of total special education headcount*





# Special Education Pupil Composition – Key Program Trends Over Time

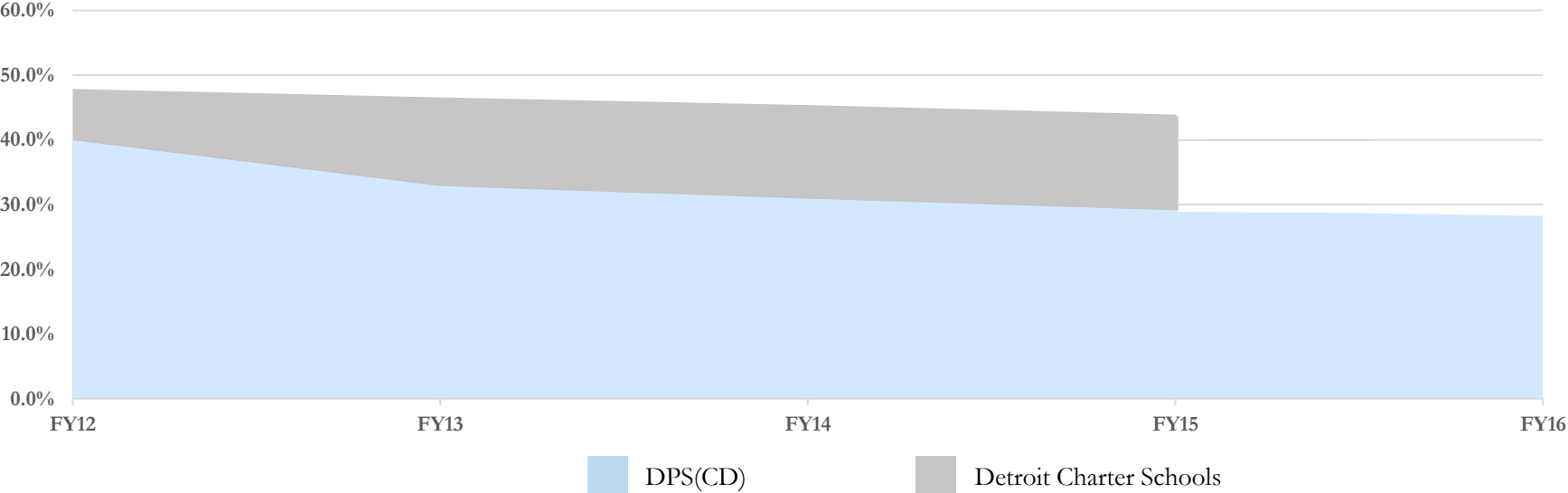
## Based on the Michigan Administrative Rules for Special Education:

- **Specific Learning Disability (SLD)** refers to a disorder of 1 or more basic psychological processes, possibly manifesting itself through an imperfect ability to listen, read, or to do arithmetic, among others.
- **Least resource intensive category to service**
- Not severe enough to qualify for Act 18 funding
- Class size requirements allow for 1 teacher per 15 students for SLD; in contrast, 1 teacher is allowed per 6 students for autism spectrum disorder pupils

## Difference in Pupils Between DPS(CD) and Detroit Charter Schools

*As a percentage of total special education headcount*

### Specific Learning Disability



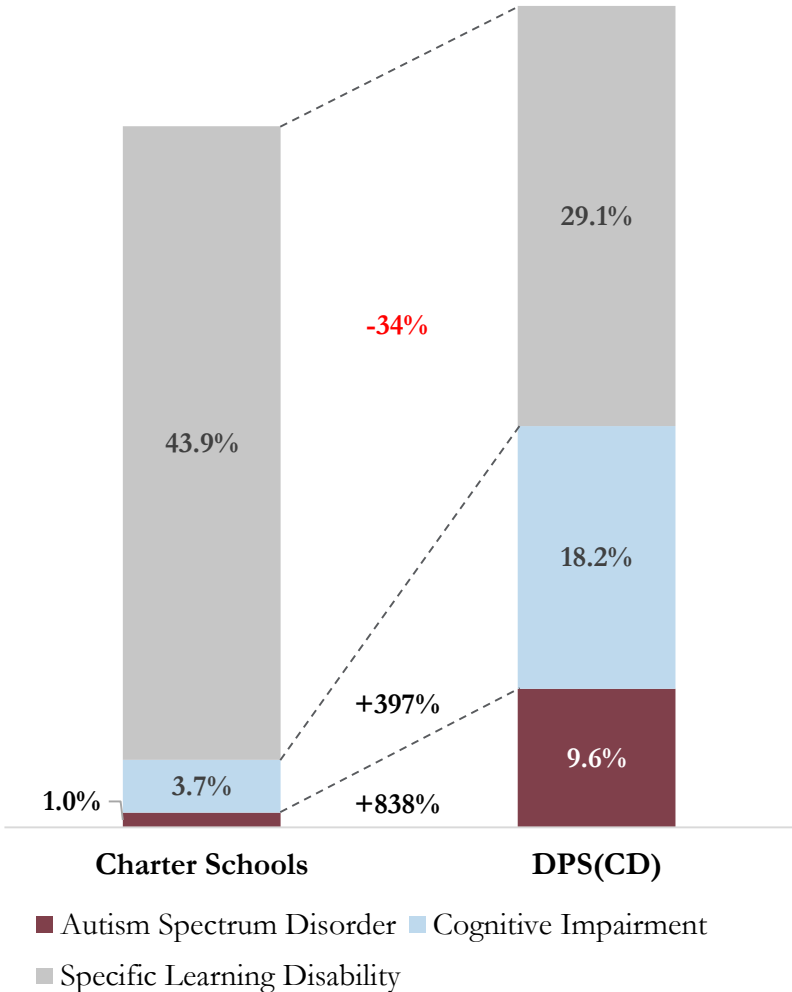
# Special Education Pupil Composition – Apples to Oranges

- Many special education students spend time in general education classes as well as special education programs
- For the time spent in general education classes, these students are considered to be general education on an FTE basis
- The special education FTE to headcount ratio helps explain the degree to which these students require additional levels of service and resources

<u>DPS(CD)</u>	<u>FY16</u>
FTE	3,816
Headcount	8,658
<b>FTE/Headcount</b>	<b>44.1%</b>
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<u>Charter Schools</u>	
FTE	347
Headcount	3,565
<b>FTE/Headcount</b>	<b>9.7%</b>

## For the 2014-2015 School Year

*As a percentage of total special education headcount*



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**1** Population Overview

**2** Special Education Pupil Composition

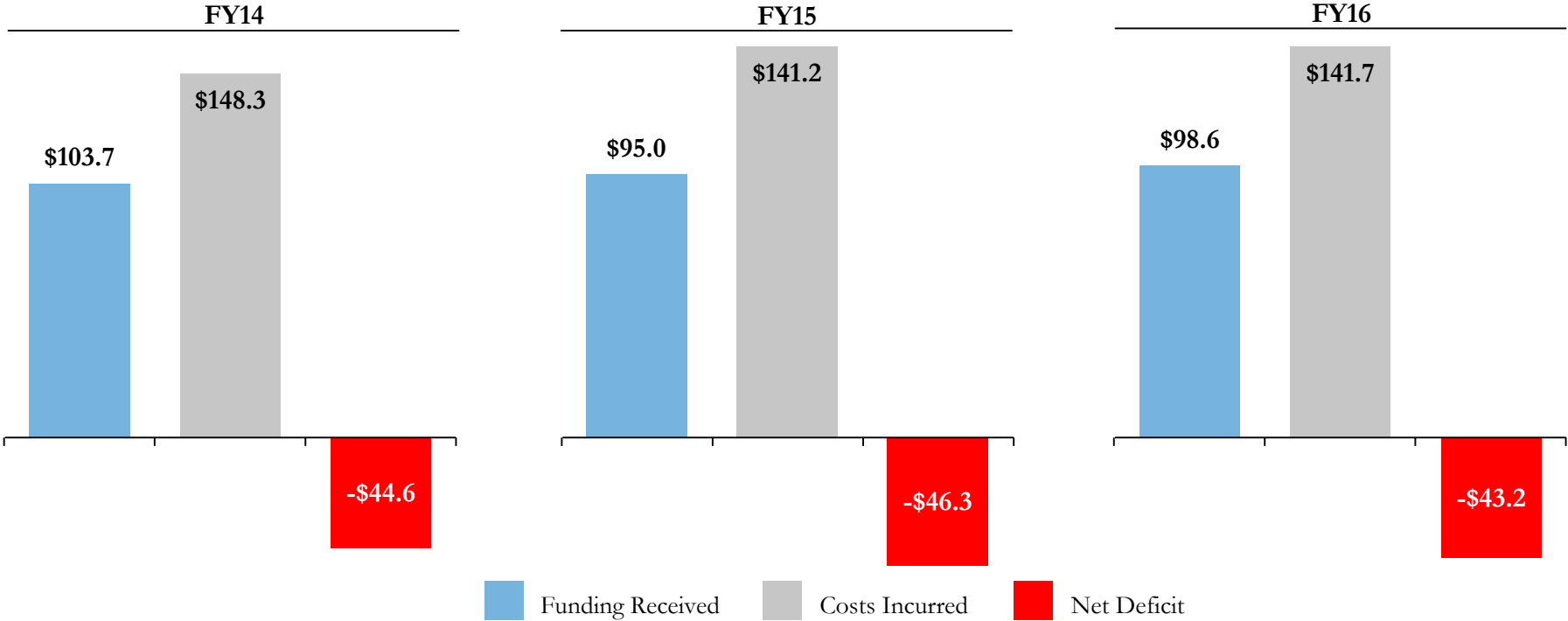
**3** Financial Impact

# Financial Impact – Historical Analysis

- Special education funding dynamics result in costs that exceed funding amounts.
- The resulting deficit needs to be paid for through funding intended for general education.
- This creates a burden on general education funding through no fault of its own.

## Net Funding Year-Over-Year Comparison

*\$ in millions*



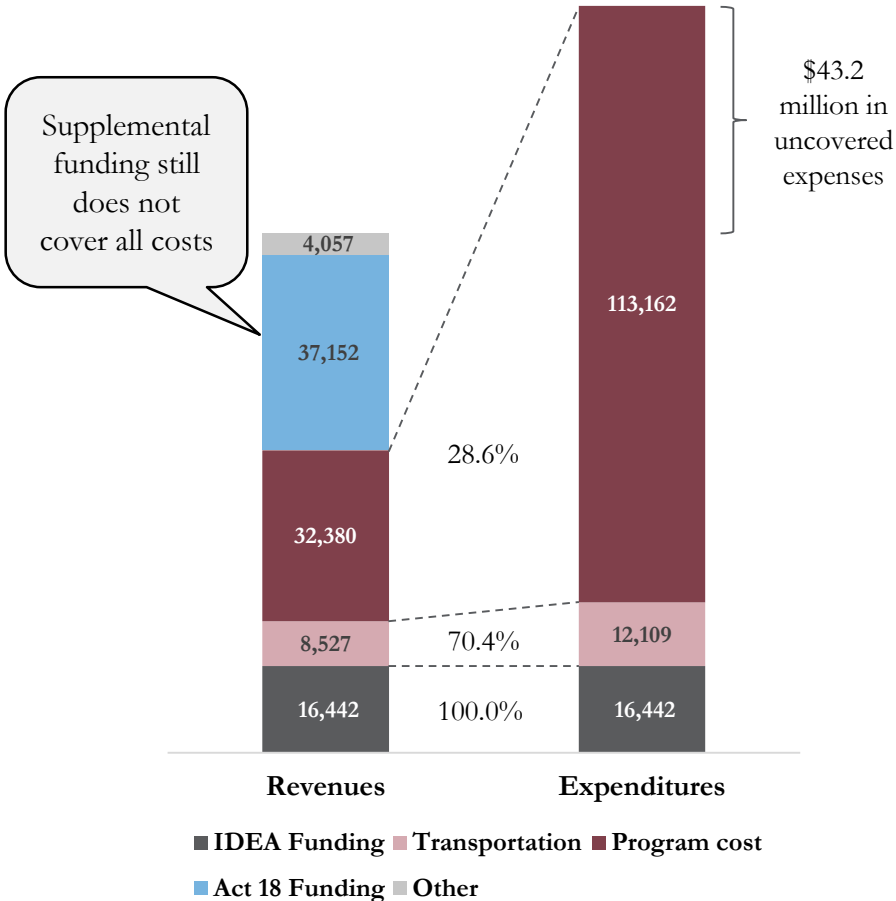
Notes:

Funding sources include all federal, state, and local sources of funding, and costs represent total costs incurred.

# Financial Impact – Detailed Deficit Breakout for DPS(CD)

## FY16 Revenues and Expenditures by Source

\$ in thousands



- For every \$1.00 of special education transportation and program costs, only approximately \$0.33\* is reimbursed by the state of Michigan
- In FY16, even after considering Act 18 Funding, special education funding only supports 62%\* of transportation and program costs, creating a natural shortfall of approximately 38%\* of total expenditures
- 82% of the program costs are related to salaries and benefits, which are driven by special education pupil composition

Notes:

\*Calculated as a percentage of non-IDEA expenditures because IDEA expenditures are fully reimbursed dollar for dollar.

# Financial Impact – Detailed Deficit Breakout for DPS(CD)

*\$ in thousands*

**Revenues**

	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Special education transportation reimbursement	\$ 9,651	\$ 9,259	\$ 8,527
Special education program cost reimbursement	35,077	33,657	32,380
<b>Total state special education revenue</b>	<b>44,728</b>	<b>42,916</b>	<b>40,907</b>

Medicaid	4,253	1,974	2,598
Act 18	41,714	38,912	37,152
Follow the Kid Revenue	997	700	1,459
IDEA Funding	11,982	10,465	16,442

<b>Total special education revenue</b>	<b>\$ 103,673</b>	<b>\$ 94,967</b>	<b>\$ 98,558</b>
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**Expenditures**

Special education transportation	(13,705)	(13,149)	(12,109)
Salaries and Benefits	(103,482)	(97,582)	(92,845)
Purchased Services	(4,985)	(6,000)	(6,194)
Supplies and Materials	(1,323)	(1,102)	(940)
Indirect Costs	(12,791)	(12,866)	(12,755)
Other Expenditures	(6)	(73)	(427)
Total IDEA Expenditures	(11,982)	(10,465)	(16,442)

<b>Total special education expenditures</b>	<b>(148,275)</b>	<b>(141,238)</b>	<b>(141,713)</b>
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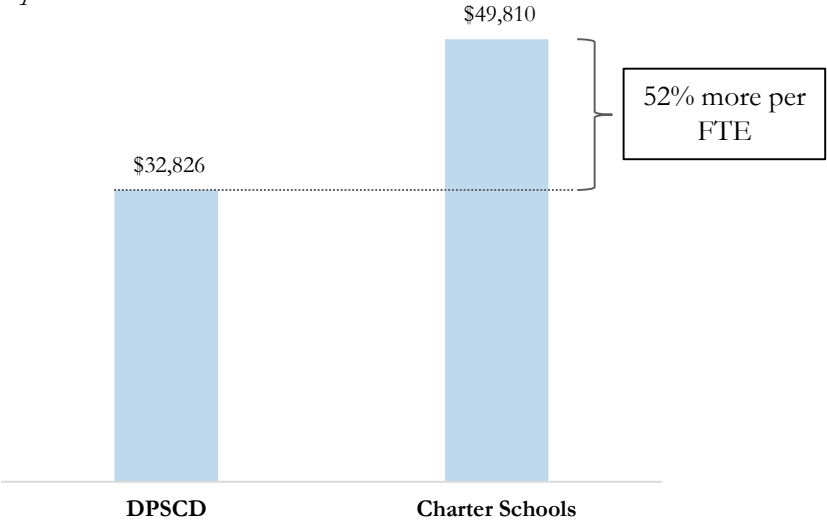
<b>Net Deficit</b>	<b>\$ (44,601)</b>	<b>\$ (46,271)</b>	<b>\$ (43,155)</b>
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Cumulative deficit of \$134.0 million

# Financial Impact – Composition Normalization

## Total Special Education Cost per Pupil<sup>1</sup>

Dollars per FTE



- Despite having a smaller percentage of resource intensive pupils and a larger percentage of resource light pupils, the Charter Schools incur 52% more in total costs per pupil on an FTE basis than DPSCD.
- This discrepancy helps explain why DPSCD must allocate general education funds towards special education.

## Normalized Special Education Deficit

### Normalization:

- Proportionally distribute the total DPSCD and Charter School special education population between DPSCD and the Charter Schools.
- Both populations of special education pupils have the same weightings for each condition.

	<u>Current State</u>	<u>Normalized</u>
FTE	\$ 3,816	\$ 2,226
Deficit per FTE	<u>11,309</u>	<u>11,309</u>
Total Deficit	43,154,885	25,169,640
Excess Burden		<u><u>\$ 17,985,245</u></u>

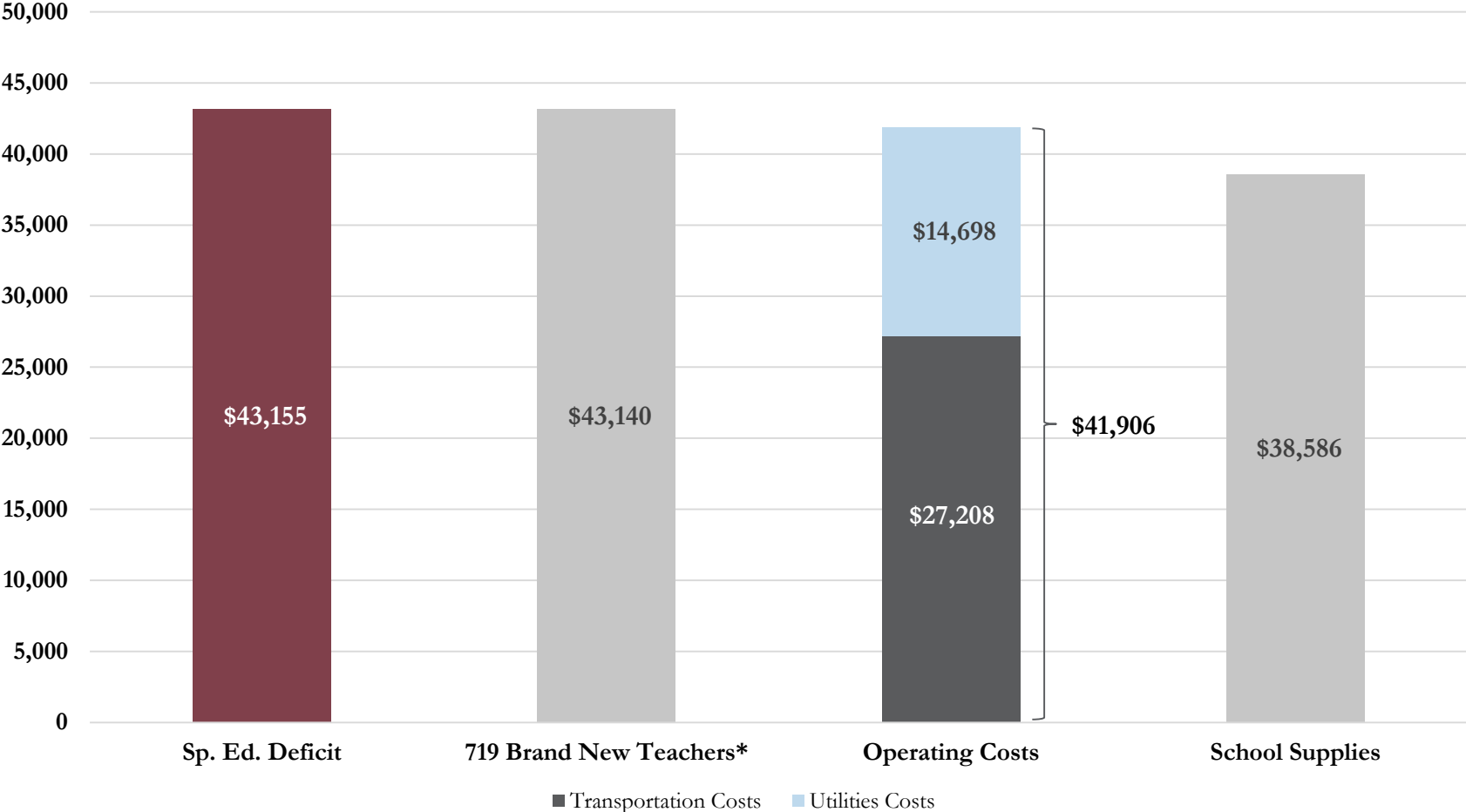
Notes:

1. Data from school State Aid Reports, April 2017.

# Financial Impact – Stated in Different Terms

## Quantified Opportunity Cost Using FY16 Financial Data

\$ in thousands



Notes:

\*The cost of 719 brand new teachers was calculated assuming an average compensation package of approximately \$60,000 dollars.