

FY 2007 QUESTION NUMBER: 15

QUESTION:

Address the statement in the testimony of Robert Astrove regarding special education spending over the last two years. What percentage of the total special education budget was unspent? What process is used to project special education enrollment? Address the statement that special education enrollment was under projected in 9 of the last 12 years.

BUDGET PAGE REFERENCE: C-7

ANSWER:

In FY 2005, the principal reason for the final expenditure surplus of \$3,501,000 in special education (Category 6) was lower than expected tuition rates for special education students in nonpublic placements (\$3,200,000). The state of Maryland sets these rates and approved a lower increase than anticipated. This was reported early in the fiscal year to the Board of Education as part of the monthly financial report.

There also was a surplus in special education instructional salaries of \$1,900,000. This resulted from a larger number of position vacancies than anticipated. This surplus was offset by a deficit of \$1,600,000, required for a greater than expected number of part-time employees and contract services, particularly to offset vacant speech pathologist and occupational/physical therapist positions.

In FY 2005, MCPS also received more revenue than anticipated. There are two types of additional revenue, unrestricted and restricted, assumed in Mr. Astrove's comments. The unrestricted revenue is related to RICA and non-public tuition reimbursement, which together accounted for \$1.2 million more than originally estimated. This money is not dedicated to special education, but is part of general revenue. This unrestricted revenue is not available to MCPS for expenditures unless the funds are specifically appropriated by the County Council. This was not possible in FY 2005 because the County Council assumed this additional revenue as part of the \$12.6 million in expected FY 2005 MCPS savings used to help fund the FY 2006 Operating Budget.

Additional revenue from a federal grant under the Individuals with Disabilities Education Act (IDEA) of about \$600,000 also was received in FY 2005 as restricted revenue. This meant that it must be used for special education. All of that money was spent as required for special education. In the past, MCPS has often used such additional revenues as a source of supplemental appropriations. In FY 2005, however, this was not possible because of the expenditure surplus discussed above. The Council does not need to provide MCPS with additional spending authority if there is an expected end-of-year surplus.

In summary, MCPS spent a total of \$286.2 million for special education in FY 2005, including \$193.9 million in Category 6. This is an increase of \$29 million (11.2 percent) over FY 2004,

including \$14.9 million (8.3 percent) in Category 6, all higher proportions than the increase in budget as a whole.

In FY 2004, there was a surplus of \$3.1 million in Category 6 Special Education, mainly due to lower costs than expected for non-public placements (\$2.1 million). There also was a surplus of \$1.0 million because of the effects of the comprehensive expenditure restrictions and hiring freeze in effect that fiscal year. In many previous years, special education experienced significant deficits, which were offset by surpluses elsewhere in the operating budget. In FY 2006, the latest monthly financial report estimates a projected surplus of \$2,000,000, mainly due to savings resulting from a lower number of special education students who require non-public placement (\$1,700,000).

Special education enrollment projections are prepared by the Division of Long Range Planning in collaboration with the program directors within the Office of Special Education and Student Services. Each fall enrollment in special education programs and services is reviewed and recent trends analyzed. Input from program directors supplements analysis of trend data and enables changes in programs to be factored into new projections.

For budgeting purposes, the special education forecasts consists of two components; program enrollment projections and resource services projections. The program enrollment forecast represents the number of students receiving 15 hours or more per week of instruction in special classes. The resource services forecast represents the number of resource services students receive. Some students receive more than one resource service. In addition, students with less than 15 hours per week of special education instruction, as well as students with more than 15 hours per week of special education instruction, receive resource services.

For most special education programs, both the enrollment and the resource services projections represent what is expected to be the average level throughout the projection year. These forecast timeframes are used to ensure that enrollment increases that occur during the school year will be adequately projected and factored into staffing decisions.

Records show that for the twelve-year period from 1993–94 to 2004–05 forecasts of special education enrollment and services have been close to forecast. Over this period special education enrollment was above forecast four times and below forecast eight times. Special education services were above forecast six times and below forecast six times. Data for the current school year is not available, since these comparisons of projected and actual enrollment require a full school year's worth of enrollment data. A table providing this data for the twelve year period is attached.

Special Education Enrollment: Projected and Actual (# Students Receiving 15+ hours)*

Forecast Compared to Average Monthly Enrollment

School Year	Total Projected Enrollment (15+ hours)	Actual Average Monthly Enrollment (15+ hours)	Deviation from Projected Enrollment	Percent Deviation
1993-94	5,242	4,910	-332	-6.8%
1994-95	5,292	5,258	-34	-0.6%
1995-96	5,351	5,623	272	4.8%
1996-97	5,721	5,838	117	2.0%
1997-98	6,602	6,487	-115	-1.8%
1998-99	7,037	6,851	-186	-2.7%
1999-00	7,547	7,102	-445	-6.3%
2000-01	7,527	7,263	-264	-3.6%
2001-02	7,707	7,352	-355	-4.8%
2002-03	7,767	7,914	147	1.9%
2003-04	8,239	8,134	-105	-1.3%
2004-05	8,377	8,455	78	0.9%
2005-06	8,595	not available yet	na	na

Special Education Services: Projected and Actual (# of Services Delivered)**

Forecast Compared to Average Monthly Enrollment

School Year	Total Projected Services	Actual Average Monthly Services Delivered	Deviation from Projected Enrollment	Percent Deviation
1993-94	15,623	16,938	1,315	7.8%
1994-95	16,744	18,101	1,357	7.5%
1995-96	18,506	18,727	221	1.2%
1996-97	19,100	19,721	621	3.1%
1997-98	20,181	19,124	-1,057	-5.5%
1998-99	21,530	18,933	-2,597	-13.7%
1999-00	22,100	22,094	-6	0.0%
2000-01	23,661	18,893	-4,768	-25.2%
2001-02	21,760	18,737	-3,023	-16.1%
2002-03	19,320	18,971	-349	-1.8%
2003-04	18,783	19,560	777	4.0%
2004-05	18,970	19,751	781	4.0%
2005-06	20,048	not available yet	na	na

* Special Education projections use average monthly enrollment trends and project for average enrollment.
 Pre-K Speech classes and PEP programs use peak year enrollment trends and project for peak Enrollment
 Average monthly enrollment is for the period November through May.
 Projections and actual enrollment are for students receiving 15 hours or more of services per week.

** Projections and actual number of services delivered are for number of services delivered to students.
 Average monthly services delivered are for the period November through May.
 Transition services not included in forecast or actual enrollment.

In both tables percent deviation calculated as the amount of deviation from projection divided by actual official enrollment.