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Wyoming's Special Education Funding Issues

**Examining the background, policy, and real-world
implications of capping special education
funding in the Cowboy State.**

Background Information

Prior to the 2019/2020 school year, special education was funded in Wyoming using a 100% reimbursement rate system, meaning that the state government would fully reimburse all expenditures made by schools for their special education programs. Following a cap on special education funding placed by the Wyoming legislature that took effect this year, schools were left on their own for hundreds of thousands of dollars in funding. Due to this new policy, school districts across Wyoming were forced to dip into their “savings accounts” from their General Funds, which is the place where districts get their payroll, field trip, and extra-curricular funding from.

Educators and legislators are concerned that the cap on special education funding has shifted the responsibility of caring for vulnerable students from parents to the schools themselves. Think about whether or not it makes sense for a school district to be responsible for students outside of regular school hours. It is no longer enough for districts to hire a full-time psychological expert to serve as the on-campus counselor. Now school districts are being forced to dip into their savings accounts to pay for a child to be placed into specialized behavioral health facilities, which they were previously reimbursed for.

The ultimate goal of these programs, referred to as Individualized Education Plans (IEPs) are to provide a safe environment with behavioral health professionals that can cater to the individual student's needs, so they can one day return to a traditional school environment. Before we get too far into it, we should talk about the way special education previously worked, and how the Wyoming legislature put school districts into this bind.





Educator's Perspectives

My conversation with an on-the-ground educator provided several insights into how the special education program was run prior to the cap on funding, and how running special education programs has become more complicated as a result. According to the educator, special education funding was plentiful before the cap, and the pervading mantra was always “put the health of the children before the health of the district.” As I said previously, Wyoming used to operate with a 100% reimbursement rate for special education, meaning that school districts would not be distracted by questions of financing, and could instead focus on providing the best education for vulnerable students.

When the Wyoming legislature decided to place a cap on special education funding, they hamstrung school districts with special education students, which includes all 48 districts in the state. According to the educator, districts “are now paying 24/7 for kids in placement”. Meanwhile, “we have psychologists on campus prepared to help kids during school days.” The educator I spoke to was adamant that schools are only equipped, and should only be required, to care for students from the moment they cross the threshold of campus to the moment they leave school grounds. This reflects Wyoming statutory law regarding student placement, wherein the Department of Family Services (DFS) covers the student’s room and board, the Department of Health pays for the student’s medical expenses, and the Department of Education gets reimbursed after paying for the student’s education.

Keep in mind that these budgetary concerns are a direct result of the state government restricting the amount of money schools can be reimbursed for special education, a program that traditionally takes up the most space in school districts’ budgets. The question remains: why would the legislature take this kind of action in the first place? Again, the educator I talked to said it is likely that legislators sought to lower the education deficit by cutting the lowest hanging fruit that would affect the least amount of students. Unfortunately, the group that was targeted by the Wyoming legislature was the population that

needed help the most. Not only did this policy shift put vulnerable students in jeopardy, it damaged the financial stability of school districts and threatened their economic flexibility.

Again, the educator I spoke to had this to say about their district’s financial situation, “We will be broke in a few years. If the state didn’t provide funding we would not be able to make payroll”. This means that the effects of capping special education money could be that teacher’s pay would be cut in order to make up for the funding gap. The concerns expressed by the educator I spoke to reflect those of educators throughout Wyoming. In separate articles from the *Casper Star-Tribune* and online at Wyoming Public Media, educators were quoted saying that the actions taken by legislators were a mistake.

Mike Harris, then serving as the Special Education Director for Fremont School District #1, said that administrators in his district would be, “in the back of our minds, thinking, do I have enough [funding] to cover this student’s needs, and the next student who comes in, and the third student?” This demonstrates the feeling of being trapped in a cycle of debt that typifies the experience of many special education professionals in Wyoming. Harris went on to say that, in his district, “we’ve had a steady increase in our enrollment and new kids with disabilities who’ve come in. And we have had to hire people mid-year and seek new service providers.” It is clear that Mr. Harris, who has continued to serve in Fremont School District #1 as the Student Services Director, felt cornered because of his circumstances.

The Individuals with Disabilities Education Act (IDEA Act for short) contained some of the most important legislative support systems for vulnerable populations, but it also included language that put people like Mike Harris in the crosshairs of the state and federal governments. The IDEA Act specified that states have to provide free and appropriate public education to all students, including those with disabilities. Part of that stipulation was that school districts had to maintain a consistent level of funding to comply with federal law. That means that if Mike



Harris's special education budget dipped, he would risk losing federal dollars the next year. You can see how this situation would be extremely stressful to administrators, whose jobs it is to consistently secure federal dollars in order to continue as an educational institution.

The article published in the *Casper Star-Tribune* on December 1st, 2018, also contained instances of educators going on the record to defend special education funding. Amy Vineyard, the School Board Chairwoman for Sheridan County School District #3, said that because of her district being the smallest in the state, "if we ended up having a special education student that did have to be placed... our budget would be ruined." Clearly there is an enormous concern over the financial situations of schools, and individuals such as Mrs. Vineyard are having to stress about where they can find the statutorily mandated funding for special education. Amy Vineyard continued by saying, "There would be no way that we could care for that [special education] child." This is a direct result of hamstringing districts by capping their special education spending.

Imagine if you were required to pay for your mortgage, but suddenly you received a significant pay cut from your job. Now you would have to dip into your savings account to pay for your mortgage, but the result is that your entire lifestyle (your car, food, and spending budgets) are at risk of collapsing. You are faced with the decision of buying food and water or paying for your shelter. This is the situation we have placed our special education administrators, teachers, and healthcare professionals in.

Finally, there is the analysis in the same *Casper Star-Tribune* article that laid out the worst possible situation for educators and administrators alike. Seth Klamann was correct when he said in the *Star-Tribune* that, because funding is distributed at the state level, "if a high-needs student moves around within Wyoming, the money should – eventually – be able to follow him or her." This is a scenario that would not present a challenge to administrators in Wyoming, because they are just transferring the funding from one special education facility to another within the state. The

money is simply changing hands.

However, a different scenario could produce hazardous financial effects on the General Funds of school districts when outside students are introduced to the special education programs. Again Mr. Klamann said, "but if a student moves in from out of state... or costs increased generally, or a student develops an issue from one year to another, it could pose problems." This shows how unpredictable special education funding can be, because each of these scenarios plays out every year in Wyoming school districts. If we could accurately predict how much funding each district would need for a given school year, then we would be able to appropriately allocate the exact amount of money needed for each district, and the state could reimburse accordingly. Until such a time, school districts will continue to retroactively send their expenditures to the state government, and the state will continue to search for ways to reduce school budgets across the board.

A Legislative Perspective

It would be disingenuous to say that the Wyoming legislature put the state in its current position of underfunding without including a legislative perspective. During the course of my in-depth conversation with a Wyoming state legislator, I was able to find several determining factors that affect Wyoming's policies regarding special education. Among them are the fact that special education is inherently unpredictable, hard to budget for, and frequently costs more than educating students outside the special education population. Add to that the preponderance of states to be entirely dependent on the federal government for major funding projects, and it is clear why some legislators are frustrated with the current state of affairs in special education funding.

The legislator I spoke to was concerned about a number of policies being practiced in Wyoming special education facilities, including schools choosing to pass a student so they can graduate and no longer be the responsibility of the district (instead of giving



the student a certificate of completion, which specifies that the student has “completed high school”, but has not met the requirements to graduate). The difference in outcomes for students in this given situation are dramatic. If a student simply “graduates” high school, then their education may be finished, as some behavioral health students do not attend college after secondary school. This creates a problem because their next employer may have little to no knowledge about the person’s behavioral health issues or education level, and may be unprepared to deal with them in a workplace setting.

Or think about a scenario wherein the student goes on to vocational school or college. By choosing to let the student graduate, instead of providing a certificate of completion, the student will be unprepared for the vigorous workload required of collegiate-level courses. By continuing this policy, are we really doing our best to educate and prepare students to thrive in the near future, or are we simply passing the buck to the next individual down the line? The way this policy played out in the scenario presented by the legislator demonstrates how well-meaning laws can produce negative results if the wrong beaurocratic is left in charge.

Another issue brought up by the legislator was the way Individualized Education Plans (IEP) can be manipulated so that they are not tailored to the behavioral needs of students, which would be diametrically opposed to the intentions of the IEPs, as the name implies. The legislator described this process of manipulation by saying, “take your kids to us with the medication that currently works, and [new doctors] will put them on a drug they think might work better.” Keep in mind that a lot of people in mental healthcare, adults included, see several doctors throughout their lives, and that recidivism rates are unfortunately high. This means that for many of these students, they have already seen a healthcare professional and have found a system that works for them. Sometimes it is a process of finding the best medication with the fewest side effects, sometimes it is as simple as finding a calmer, more suitable environment for students to learn in. Consider the case of dyslexia, for example. Up until it

was officially included in the DSM 5 (Diagnostic and Statistical Manual of Mental Disorders, 5th Edition), dyslexia was frequently viewed as indicating lower intellectual abilities, especially in reading and math.

Now, mental health professionals have the ability to diagnose, prescribe, and treat dyslexia on a macro scale, and students across the country have benefited from this breakthrough. The same can be said of students in special education, but only if the hardworking individuals in school districts can identify the students’ unique demands, prescribe a treatment program for them, and ensure that students maintain a mental health regimen so they can prevent long-term recidivism in the future.

Finally, the legislator I spoke to expressed concerns over the social and political stigma that is associated with visiting a mental healthcare facility, even if a student does so of their own volition. Specifically, the legislator knows of at least one incident where a student “had to be restrained”, when, in reality, the student posed no threat to the teachers who escorted them out of a building. While it is not the fault of the teachers for using the wrong terminology, the effects can be detrimental for students. It is extremely important that the correct verbiage and language is used by education and healthcare individuals, because they can directly affect the treatment of a student in the future. There is a vastly different connotation to the phrasing “had to be restrained” and “had to be escorted away”. One paints the picture of a straight-jacketed, psychopathic person, and the other is a troubled individual in need of psychological care. Failing to appreciate the difference contributes to a cycle of abuse for vulnerable students.

Chief of Staff of the Wyoming Dept. of Education

My conversation with Dicky Shanor, the Chief of Staff at the Wyoming Department of Education, provided another perspective on special education funding policies, and where Wyoming could seek funding in the near future. To begin with, Mr. Shanor took the



time to differentiate between the two **primary** ways that students can be placed out of typical classrooms. First, there is what Mr. Shanor described as a Court Ordered Placement (COP), which typically results in the Department of Family Services (DFS) paying for the child's room and board, the Department of Health paying for the child's healthcare, and the Department of Education paying for the child's education. The second placement option involves negotiating a plan with school districts, who were then supposed to be reimbursed by the state government. In both instances, school districts were still required to fulfill the entirety of their student's IEP, which explains how and why school districts were paying for student's room and board when they were not on campus. For further reading on the nuances of this policy, please refer to Wyoming Statute Title 21-13-315.

Under normal circumstances, this program functions well and school districts are eventually reimbursed for fulfilling their statutory obligation to provide free education to all students, including those with disabilities. However, once the cap on special education funding took effect in the 2019-2020 school year, districts were now on the hook for both meeting the previous year's special education funding and balancing their budgets for the next school year. Typically, there is a one year delay in reimbursement from the state.

Add to this the stress of having your federal funding rely on maintaining your special education budget, and the frustration shared by educators is completely understandable. One thing that was made abundantly clear throughout my interviews was that every educator and legislator was concerned with the education of every student, it is just a matter of how to pay for their educations.

Which brings us to the conclusion offered by select legislators: Wyoming should expand Medicaid to cover special education in order to secure "free" federal money to support the programs. This would require approval from the Centers for Medicare & Medicaid Services (CMS), new federal regulations on how we could use their funding, and the possibility of having to hire new

personnel to comply with Medicaid requirements. The result of expanding Medicaid is clear – this scenario would mean that special educators, administrators, and parents would have less control over their student's medical options. Greater federal regulation is always accompanied by less local autonomy.

How do other states fund Special Education?

According to the Education Commission of the States, there are seven primary systems for funding special education in K-12, each with their specific benefits and detriments. In the interest of brevity, I have summarized each spending model and listed the various complications and benefits each model entails. Finally, I have assessed the spending models and determined that either a Multiple Student Weights System or a Resource Allocation Model would best suit the unique needs of Wyoming students and educators.

1. **High Cost Students/Multiple Student Weights System:** in this spending model, each student is assigned a "weight", or dollar amount based on the severity of their disability or the kind of disability they have. For instance, a student with severe autism would be given a different weight than a student who is blind.
 - a. **Pro:** this spending model successfully addresses the individual needs of students and districts, without using excess funding in the process.
 - b. **Con:** this system can be extremely complicated to use because it requires assessing every special education student in the state. The model is also reactionary, as opposed to a proactive spending model that attempts to predict how much funding will be necessary.

2. **Single Student Weight System:** students in this spending model are assessed as a group, meaning that funding is distributed based on the total number of students in the special education



population in a given district. The weight or dollar amount is the same for every student, regardless of individual disabilities.

- a. **Pro:** this spending model is objectively simpler than the multiple weight system, and it could feasibly cost less to implement because assessors would not be required to examine each students' disabilities.
 - b. **Con:** although it is simpler and possibly more cost-effective, this system fails to address individual student or district needs, and opts instead to treat every student with a disability in the same manner. Educators are fully aware that this is not the case on the ground, and students should have special education funding tailored to their needs.
3. **Census-Based System:** in perhaps the least-effective spending model, the state government assumes that each district has the same percentage of students with disabilities, and then assigns a weight to students before allocating funding accordingly.
- a. **Pro:** theoretically, this program should work because the special education population should be somewhat evenly distributed throughout the state.
 - b. **Con:** however, the real-world implications of this model are that funding is not allocated according to student and district needs, and are instead wasted where the special education population is lower than in other areas.
4. **Resource-Allocation Model:** think of this spending model as the government awarding resources – in the form of special education teachers or psychologists – in lieu of monetary funding.
- a. **Pro:** instead of requiring districts to efficiently spend money, special education personnel are directly provided for a given number of special education students. By removing one

step from the process, districts can more effectively distribute resources to reflect student's usage throughout the state. This would address the problem presented when students move into or within Wyoming, because it would enable districts to send resources where they are most needed.

- b. **Con:** sometimes districts require the flexibility presented by monetary funding instead of resource allocation. For instance, the district could have unpredictable complications with a student that requires additional funding, but they would be unable to obtain the funding in a timely manner if the state was exclusively providing resources in lieu of dollars.
5. **Reimbursement System:** this is the formula used by Wyoming until the 2019-2020 school year. Under this system, districts submit their actual expenditures for a given year, and the state government reimburses them for all or a portion of the expenses (in the case of Wyoming, there was a 100% reimbursement rate).
- a. **Pro:** this is perhaps the most straight-forward spending model, in that it directly pays districts for their special education expenses. It requires minimal effort from state auditors, and it presents a way for the state to directly address district needs.
 - b. **Con:** although this method is simple, it presents an opportunity for districts to spend first and ask questions later. This can contribute to catastrophic expenses for the state, which helps explain why the Wyoming legislator decided to cap funding for special education in the first place.
6. **Block Grant:** this spending model uses the previous year's special education spending to calculate how much money each district will need the next year, and then the state gives a grant to districts to use on special education.



a. **Pro:** this model would ensure that districts and states would meet the requirements of the IDEA Act – namely, that special education funding should be maintained from one year to the next, lest the state forfeit federal funding.

b. **Con:** meeting the federal minimum requirements could be the only thing this spending model accomplishes. Again, this model fails to address individual district and student needs, instead opting to throw money at the problem in hopes of a solution. When considering each of the funding systems, we should always keep the spirit of Individualized Education Plans in mind – are we trying to satisfy funding demands, or are we addressing the unique needs of special education students?

7. **High-Cost Student System:** what is unique about this model is that it is typically coupled with additional spending mechanisms to address the funding requirements of high-cost students. For example, sometimes even one student can cost a district thousands of dollars, so the state can allocate additional dollars once the district has met the minimum threshold for funding.

a. **Pro:** this addresses the concerns felt by most of the 48 school districts in Wyoming: that a single family can potentially wreak havoc on a district’s finances. By creating a safety valve for districts, we would be sending the message that students’ educations come first, and that districts should do everything in their power to provide an excellent education to every student.

b. **Con:** because this spending model represents actions that go above and beyond typical spending habits, it would potentially cost the state more in the long run.

It is clear that Wyoming has several spending mechanisms before it, yet we are still contemplating using Medicaid to satisfy the special education funding

gap. Before we accept new federal regulations, new federal requirements, and new personnel for special education, we should examine the spending models at our disposal to ensure that every special education student has the best possible avenue to success.

Contact your Representative

This coming legislative session will likely decide the fate of special education funding for Wyoming, and we have two diametrically opposed options in front of us. If you are at all concerned about the state of funding for Wyoming’s special education population, I would highly encourage you to reach out to your elected representative. Please follow the links below to contact your representatives.

- Senators: <https://www.wyoleg.gov/Legislators/2019/S>
- Representatives: <https://www.wyoleg.gov/Legislators/2019/H>
- U.S. Senator John Barrasso: <https://www.barrasso.senate.gov/public/index.cfm/contact-form>
- U.S. Congresswoman Liz Cheney: <https://cheneyforms.house.gov/contact/>

