

## MEMORANDUM

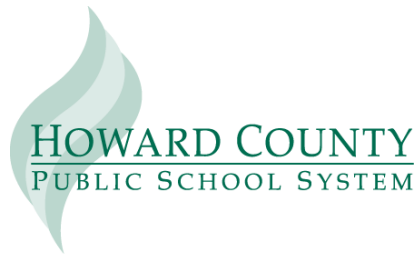
**DATE:** February 18, 2016  
**To:** Board of Education Members

**FROM:** Beverly J. Davis, Executive Director of Budget and Finance  
**RE:** Special Education Expenditure Analysis

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Attached is a five-year Special Education Expenditure Analysis from FY 2011 through FY 2015 which shows that special education expenditures have increased year over year. This analysis captures expenditures in the Special Education category along with transportation costs for special education students included in the operating budget, and in addition expenditures from special education grants.

Attachment



## SPECIAL EDUCATION EXPENDITURE ANALYSIS

### Overview

The Board approves funding for special education services in a separate category within the operating budget called Special Education in accordance with the state of Maryland requirements. Many programs within the Board’s operating budget contain special education funding. A significant amount of transportation funding is also dedicated to providing services to the special education program. In addition, the Board receives grant funding dedicated to special education that increase the total funding available to serve special education students.

### Trend Analysis of Actual Expenditures

Capturing all special education expenditures allows an accurate assessment of funding in this area. The table below provides details of actual expenditures for special education services from FY 2011 through FY 2015 showing that special education expenditures have increased year over year. Expenditures in the Special Education category alone totaled \$91.2 million in FY 2015. Transportation for special education students totaled \$11.3 million in FY 2015. In addition to these funds found in the operating budget, special education grants totaled \$17.5 million in FY 2015. Total expenditures for special education services was nearly \$120 million in FY 2015. The FY 2016 budgeted and FY 2017 proposed budget reflect increases over FY 2015.

Howard County Public School System Five Year Total Special Education Spending Analysis FY 2011-FY 2015					
	FY 2011 Actual Expenditures	FY 2012 Actual Expenditures	FY 2013 Actual Expenditures	FY 2014 Actual Expenditures	FY 2015 Actual Expenditures
Special Education Category Operating	\$ 80,536,382.00	\$ 83,594,214.00	\$ 86,747,978.00	\$ 88,887,049.00	\$ 91,193,981.00
Special Education Transportation	9,541,379.42	9,919,630.67	10,230,630.53	10,334,498.83	11,329,627.47
Total Special Education Operating	\$ 90,077,761.42	\$ 93,513,844.67	\$ 96,978,608.53	\$ 99,221,547.83	\$ 102,523,608.47
Special Education Grant*	14,176,118.99	12,357,263.75	15,142,125.49	16,563,330.00	17,448,026.00
Total Special Education Spending	\$ 104,253,880.41	\$ 105,871,108.42	\$ 112,120,734.02	\$ 115,784,877.83	\$ 119,971,634.47

### Special Education Operating Budget

The Board’s operating budget for the Special Education category has remained slightly more than 12 percent of the overall operating budget each year as detailed in the next table. The HCPSS has been able to meet all special education service needs while having unused budget in the Special Education category each of the past five years. This can be attributed to strategic use of the Special Education grant funds each year.

HCPSS often assigns the more experienced staff to the grants which reduces salaries charged to the operating budget. Grant funds are uncertain at the time of budget development so many staff who are ultimately charged to grants are included in the operating budget at time of budget development. When grants awarded exceed the prior year, as they have in recent years, it creates even more salary savings in the operating budget. Even with rising grant funds for special education, the commitment to special education in the operating budget has grown each year in proportion to the overall operating budget.

Howard County Public School System Five Year Special Education Category Budget Analysis FY 2011 - FY 2015				
Fiscal Year	Original Budget	Final Budget	Non-GAAP Actual Expenditures	Percent of Final Actual Expenditures
2011	\$ 83,071,460	\$ 81,531,860	\$ 80,536,382	12.19%
2012	\$ 84,071,650	\$ 83,601,650	\$ 83,594,214	12.25%
2013	\$ 87,715,530	\$ 87,715,530	\$ 86,747,978	12.44%
2014	\$ 89,821,800	\$ 88,921,800	\$ 88,887,049	12.21%

### **Transfers of Special Education Budget**

Each year, increasing grant funding has allowed the Department of Special Education to assign experienced staff to grants which has generated salary savings in the Special Education category in the operating budget. In FY 2011, FY 2012, FY 2014 and FY 2015, the Board approved the transfer of available budget in the Special Education category. These transfers did not result in any reduction in special education services. On the contrary, as shown in the earlier tables, funding for special education services has grown each year. The Department of Special Education has met all of the service needs of special education students as defined in their IEP's.

Howard County Public School System Five Year Special Education Categorical Transfer Analysis FY 2011 - FY2015				
Fiscal Year	General Fund Budget	Year-End Transfer	Revised Appropriation	Comment
2011	\$ 83,071,460	\$ (1,539,600)	\$ 81,531,860	Available ARRA Grant Funds contributed
2012	\$ 84,071,650	\$ (470,000)	\$ 83,601,650	Available Special Education Grant funds contributed to excess salary savings.
2013	\$ 87,715,530	\$ -	\$ 87,715,530	No transfer made.
2014	\$ 89,821,800	\$ (900,000)	\$ 88,921,800	Available Special Education Grant funds contributed to excess salary savings.

### **Conclusion**

The Board meets the needs of its students who require special education services by providing Special Education category funding, Transportation funding, and Special Education Grant funding. Funding for special education has grown each year and continues to grow in proportion to the overall budget.