

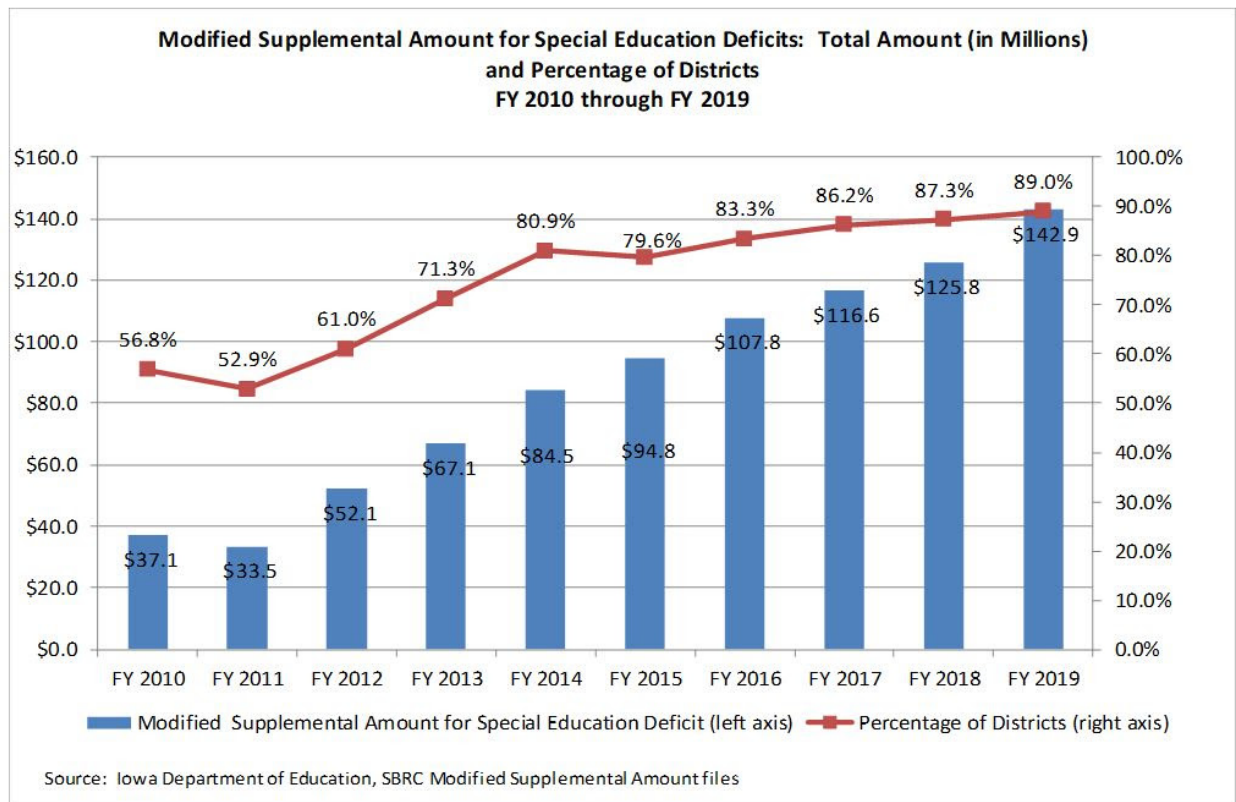
Special Education Final Report & Deficit for FY 2021

Background:

Under Iowa law, the special education program of a school operates as a separate budget within the overall school financial operation. Unlike a school's general fund that is not allowed to exceed its maximum spending authority, special education funds can exceed their funding formula to accommodate the special needs of a school's unique clientele. Special education budgets must be built to accommodate the needs of the students; whereas, general education instruction must be designed to accommodate the budget.

By separating special education from the general fund, the regular education program is protected from excessive costs that sometimes accompany special education. Excessive costs in special education actually increase a school's spending authority.

The Iowa Association of School Board advises, "It is important for school boards to approve the request for Modified Supplemental Amount (MSA) for negative special education balances because this allows the district to recoup spending authority used to cover the excess costs of special education instruction. The following graphic provides the total amount of MSA approved and the percentage of districts receiving MSA from FY 2010 to FY 2019."

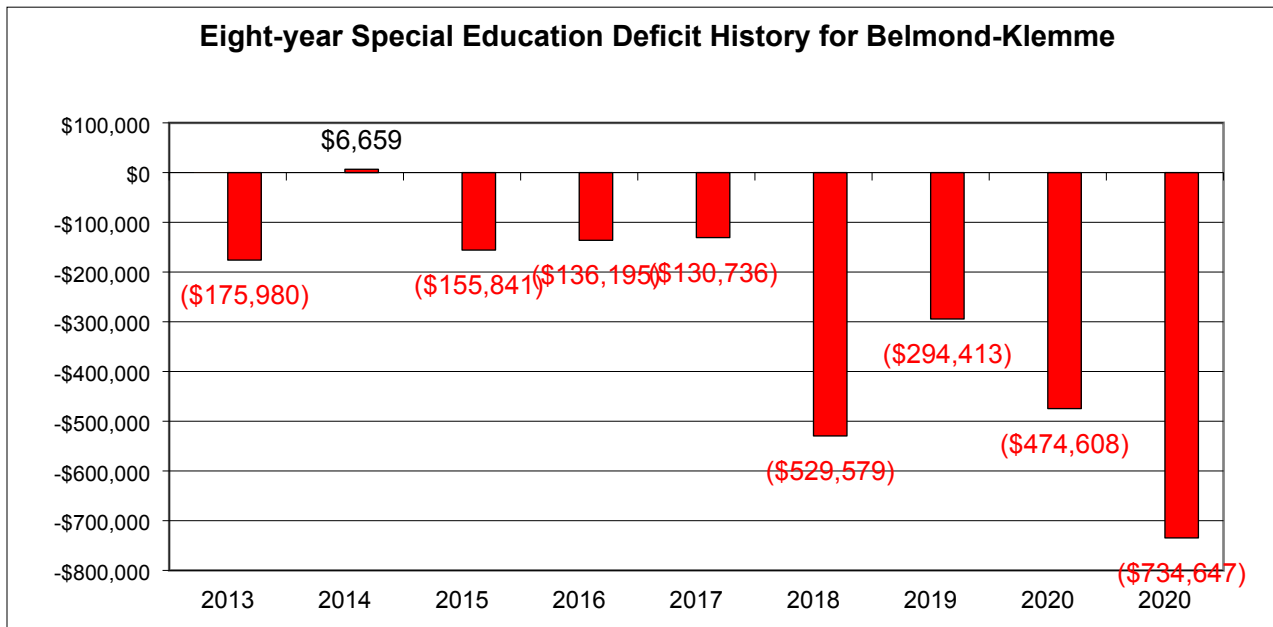


You can see from the graph above special education deficits have tripled across the state in the last ten years.

Unfortunately, special education costs are very hard to anticipate, and Belmond-Klemme has greater challenges than most schools due to our high rate of students in special education.

For Fiscal Year 2020, the Belmond-Klemme district ran a special education deficit of \$734,647.

The graph below shows recent trends in special education spending at Belmond-Klemme.



Recommended Action:

I recommend approval of the report as submitted along with a request for reimbursement from the state of Iowa for our excess special education costs.