

SPECIAL EDUCATION REPORT TO THE BOARD OF PUBLIC EDUCATION

June 2022



Table of Contents

Introduction	3
Special Education Activities and Data for 2021-2022 School Year	4
School Improvement.....	5
Continuing Education and Technical Assistance.....	6
Comprehensive System of Personnel Development (CSPD).....	6
State Personnel Development Grant (SPDG).....	8
Montana Autism Education Project (MAEP).....	9
School-Based Mental Health.....	10
Montana Higher Education Consortium	10
IDEA Part B Program	11
Data and Accountability.....	11
Recruitment and Retention	12
Early Assistance Program for Special Education (300.704 (b)(3)).....	13
Students Served	14
Special Education Child Count and Student Enrollment.....	14
Student Identification by Disability.....	17
Funding	18
Federal Funding Under IDEA.....	19
State Special Education Funding.....	20
State Funding Trend Data	21
Reimbursement of Disproportionate Costs	21
Local Funding	22



Introduction

The Special Education Unit at the Office of Public Instruction (OPI) provides support to families, school districts, and other agencies to ensure effective education services are provided to Montana's children in the areas of early learning, high-ability/high-achieving students, and special education. These activities are in support of the superintendent's focus on HOPE (through a whole child approach), TEACH (by supporting teacher and educational leaders), LEARN (to improve academic achievement), and READY (to have students who are ready for community, college and careers).

To accomplish this, the department organizes the work into 3 areas which include: School Improvement, Continuing Education and Technical Assistance, and IDEA Part B Program management. Multiple workgroups are used within the department to accomplish the work along with strong collaborative relationships with other departments across the OPI and stakeholders outside the OPI. The Superintendent holds a high standard for collaboration and partnerships to support all Montana students. The Special Education staff have a strong presence in the public forum with interrelationships between agencies, associations, councils, and advisory panels with special education staff serving in advisory and liaison roles and participating in cross department and agency work.

This report includes a detailed description of activities of the special education department during the 2021-2022 school year. Please note that the data included demonstrates that Montana special education programs and OPI support are a success as evidenced by 1) the minimal number of corrective actions and complaints filed each year, 2) the number of special education students served each year aligns with the national average, and 3) the robust professional learning and technical assistance provided to school districts. One area that the special education department will continue to focus on in the coming year is the continuous improvement of the differentiated results-based monitoring system. This system will allow the individual needs of districts to be addressed while maintaining a focus on student achievement.

Special Education Activities and Data for 2021-2022

School Year

By accepting Individuals with Disabilities Education Act (IDEA) funds, the OPI assumes the responsibility of providing general supervision (§300.149) for the appropriate implementation of IDEA in Montana. The activities involved in general supervision include integrated monitoring activities, targeted technical assistance and professional development, fiscal management of special education dollars, effective dispute resolution processes and supports, and data collection and reporting.

The OPI has in place policies and procedures to ensure effective implementation of the IDEA regulations and the Administrative Rules of Montana (ARMs) governing special education (ARM 10.16). When any misalignment with the requirements of the IDEA or ARMs are identified, the OPI ensures correction. The OPI has the IDEA required General Supervision system and focuses on working with school districts to improve outcomes for students through a collaborative model. Throughout this report references to the IDEA and Montana Codes are included to demonstrate alignment.

The activities of the special education staff support an increased focus on student outcomes while still ensuring IDEA alignment. One example of this focus on outcomes is seen in the IDEA State Systemic Improvement Plan (SSIP) that is a part of the IDEA Annual Performance Report (APR). Montana's SSIP has a long-term goal of increasing the school completion rate for American Indian students with disabilities and there is a strong alignment between the SSIP and Every Student Succeeds Act (ESSA) state plan. The [APR document](#) is available on the OPI website for the interested reader.

Examples of the increased collaboration between the special education staff and other OPI program staff includes special education staff participation in the American Indian Achievement Task Force and comprehensive school support teams. Special education staff have worked closely to align the requirements of IDEA district reports with the Continuous School Improvement Plan (CSIP); worked with the staff from Coordinated School Health on school climate activities, student wellbeing; worked with Content Standards and Instruction to improve instruction, align professional development opportunities messaging, and support the Teacher Learning Hub; worked with Assessment to improve equitable access of students with disabilities to statewide assessments; and worked with Measurement and Accountability to improve data quality and ease data reporting burdens.

School Improvement



Under the requirements of the IDEA §300.149, the OPI must ensure each child with a disability is identified and provided with a Free Appropriate Public Education (FAPE). The OPI's monitoring activities is a primary requirement (§300.600) to meet the General Supervision requirements. The monitoring system has evolved, and continues to be refined, to use a model described as Differentiated Monitoring. This model allows the state to leverage the current monitoring system and state and district data to improve results and outcomes for students with disabilities while maintaining IDEA alignment.

By using a differentiated monitoring approach, the OPI is able to use the process to not only meet the monitoring requirements in IDEA but also individualize the technical assistance and professional learning for districts to address their individual needs. All school districts in the state are monitored on a five-year cycle, but the type of monitoring activities and the level of support provided to each district are determined from a wide range of district data available such as, graduation and dropout rates, student achievement, disciplinary removals, setting of special education services, assessment participation rates, and identification rates. These are compared to state rates for special and general education populations. Informally, staff and administrator turnover and access to services are considered while supporting districts.

Prior to the file reviews, technical assistance is provided to district staff to support maintaining alignment with the requirements of the IDEA regulations and Montana rules, and to address any concerns the district has identified. This work begins during the year prior to the formal monitoring process. When an instance of misalignment is identified, OPI staff works with the school district to make corrections and develop procedures that will lead to continued system improvements. In addition, on-site and phone consultation are provided for district staff to assist in developing and improving effective programs for children with disabilities.

Corrective actions are issued when a non-compliance has been identified and the district did not make the correction within the required timeline. The number of corrective action plans (CAP's) are reported to OSEP in the Annual Performance Report (APR). However, the OPI staff continues to work with the district, as required, to make the corrections even after the CAP has been issued. All CAPs must be resolved within one year of the initial monitoring.

Table 1.1 Monitoring Data

School Year	# Districts Monitored	# Districts Monitored with No SPED Students	# of Files Reviewed	# of Corrective Action Plans issued	Percentage of Corrective Actions Possible
2021-2022	107	12	366	Not yet available	Not yet available
2020-2021	102	3	579	18	0.034%
2019-2020	96	7	650	25	0.046%
2018-2019	69	5	629	20	0.038%

Table 1.1 includes data from the 2018-2019, 2019-2020, 2020-2021, 2021-2022 school years. In the 2021-2022 school year 366 files were reviewed. The decrease in files reviewed was due to process changes – rather than reviewing 2 files per case manager, the monitoring team only reviewed one per case manager. Corrective action plans were issued less than 1% (0.034%) of items reviewed in the 2020-2021 school year.



Continuing Education and Technical Assistance

The Continuing Education and Technical Assistance unit operates programs funded with IDEA discretionary grant monies (§300.704(b)(4)(i)) to support the professional development, personnel preparation, and technical assistance activities required in the IDEA as well as the competitive State Personnel Development Grant (SPDG) Montana has received. These programs include:

Comprehensive System of Personnel Development (CSPD)



The CSPD is a unified personnel development system that ensures quality educational programs and services for all children and youth. Montana CSPD is organized through a statewide council and five regional councils. Efforts to align personnel development delivered to schools identified both in ESSA and Special Education APR continues to be made. One alignment activity that has occurred the last three years is updating the spring report provided to regional CSPD coordinators and chairs showing the

performance of districts within their region on the APR and ESSA indicators. This system has been in place and the special education unit, in collaboration with the Teacher and Learning department and regional CSPD coordinators and councils, have begun to review the system looking for areas of improvement. Work that was begun in 2018-19 and continued is the deep dive into the current structures and alignment with state requirements ([ARM 10.16.3135](#)). A cross walk was completed that guided the activities for the 2020-2021 school year. During the 2021-2022 school year, professional development was delivered both in-person and virtually. This past spring, the OPI developed a searchable tool to share out [CSPD Current Professional Learning Opportunities](#) statewide in one central location.

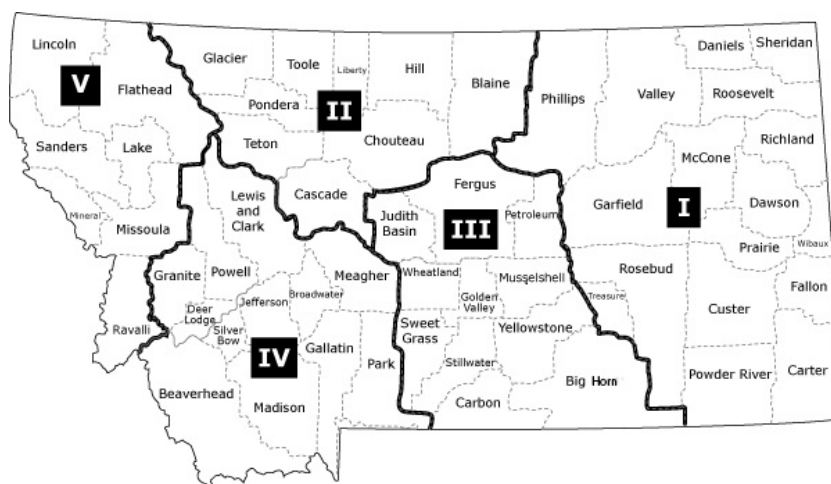


Table 1.2 CSPD Training Data

2021-2022	Region I	Region II	Region III	Region IV	Region V	State total
# of PL Opportunities	23	0*	34	26	24	107
# of Attendees	548	0*	650	774	384	2356
2020-2021	Region I	Region II	Region III	Region IV	Region V	State total
# of PL Opportunities	17	7	36	17	20	97
# of Attendees	303	236	955	442	291	2227
# Cancelled/Rescheduled Due to COVID	0	0	0	0	0	0
2019-2020	Region I	Region II	Region III	Region IV	Region V	State total
# of PL Opportunities	25	15	26	17	9	109
# of Attendees	529	546	611	530	189	2415
# Cancelled/Rescheduled Due to COVID	2	1	9	2	0	14

Table 1.2 shows the number of professional learning opportunities that occurred during the 2019-2020, 2020-2021, and 2021-22 school years in each region aligned with the number of total attendees. *Region 2 has a new director and has scheduled multiple events for the remainder of the budget period through the summer of 2022.



State Personnel Development Grant (SPDG)

The OPI completed the no cost extension year and final reporting in November 2021 for the 2015 SPDG. This grant supported the implementation of Multi-Tiered System of Supports (MTSS) in schools across the state. MTSS work is integrated into multiple areas of work the OPI supports to include ESSA, mental health, whole child supports, school climate, and literacy.

In September of 2020, Montana applied for and received a new 5-year State Personnel Development grant to expand district-level problem solving and systemic implementation of MTSS. The purpose of the new grant is to provide training and support to districts in building the capacity to implement a systems-level problem-solving approach at the district, school, classroom, and individual student level within the multi-tiered systems (MTSS) framework to facilitate the adoption of evidence-based academic and behavioral practices. Training will be available through a zoned implementation approach that corresponds with the regional CSPD zones. The first year of the new grant began on November 1, 2020. The focus for the past year has been on developing training materials for district and school teams, training MTSS Systems coaches, and supporting Cohort 1 with three school districts from CSPD region 1. We also accepted seven school districts into Cohort 2 from CSPD regions 2 & 3 and have begun initial grant onboarding with coaching support. CSPD regions 4 & 5 will begin in the 2023-2024 school year. Materials and trainings that were developed throughout the 2021-2022 have been made available on a MTSS training site that will eventually be available to all schools and districts in Montana.



Montana Autism Education Project (MAEP)

Educating students with autism requires specific skills and knowledge beyond what is acquired through teacher preservice programs. The goals of the OPI Montana Autism Education Project are:

- to increase district-level knowledge of how to educate students with autism through in-person training, interactive video training, on-site technical assistance and peer-to-peer collaboration; and
- to develop inter-agency collaboration between the OPI, school districts, Part C Agency providers, Department of Public Health and Human Services, the Montana Empowerment Center, and Institutes of Higher Education

The OPI Montana Autism Education Project (MAEP) provides public schools with free autism and/or behavior consultations for students who are qualified under the IDEA. OPI part-time consultants include Board Certified Behavior Analysts, Speech-Language Pathologists and experienced educators.

Chart 1.1 MAEP Consultation Data

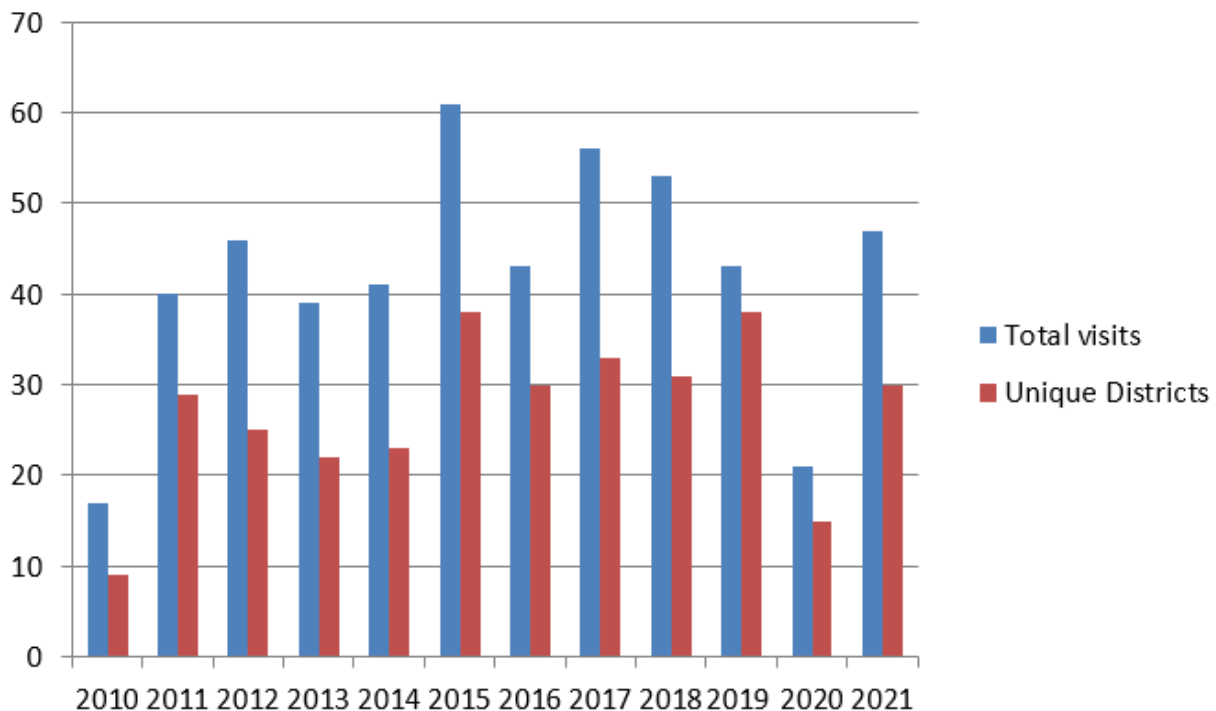


Chart 1.1 shows the total number of consultations visits completed each school year since 2010 and the number of different districts those visits happened in. In the 2021-2022 school year, 15 virtual and 32 on-site consultations were provided to 30 school districts statewide. Students to whom consultations were provided included students with autism, cognitive delay, emotional disturbance, learning

disabilities, other health impairment, speech-language impairment, traumatic brain injury and visual impairment.

The OPI MAEP provides in-person trainings statewide to all school staff, including general education teachers, paraeducators and administrators. The trainings are provided by MAEP staff and through contracts with Montana education professionals as well as national-level trainers in specific areas/curriculum (communication, behavior, educating students with autism).

The OPI MAEP has continued to provide trainings both virtually and in-person, with over 1400 educators attending 59 trainings and receiving over 6,000 hours of training. Training topics included: identifying students with autism, assistive technology, behavior management, brain differences in autism, executive functioning, life skills, self-advocacy, teaching communication to students who do not use verbal language and teaching social skills to all students.

These trainings were attended by educators from 125 Montana school districts and special education cooperatives. MAEP trainings had an average score of 4.7/5 on the post-training evaluation question of, “Would you suggest this training to others?” More information about the MAEP trainings can be found on the [MAEP blog](#).



School-Based Mental Health

In collaboration with the Coordinated School Health Unit of the OPI and the Children’s Mental Health Bureau at the Department of Public Health and Human Services (DPHHS) the Special Education unit works to address the mental health needs of Montana’s children. Integrated work using the MTSS framework to provide professional development and supports promoting positive school climate and participation in the Whole Child Skill Development Competencies work group and MSWAC work group have been the primary focus in the 2020-2021 and 2021-2022 school year. You can find the compilation of much of this work on the [OPI School Mental Health](#) website.



Montana Higher Education Consortium

With the assistance of the Center for Technical Assistance for Excellence in Special Education (TAESE) at the Utah State University, the OPI continues to work with representatives of all Montana teacher preparation programs to improve pre-service instruction. The focus of the Consortium is to create a mechanism to foster greater involvement of the Institutes of Higher Education (IHEs) in important educational initiatives to ensure there is consistency between the message of the OPI and the IHEs regarding future teachers on important educational initiatives that impact all students.

The Higher Education Consortium met twice in person during the 2021-2022, in October and April. Topics in the fall included guided discussions/presentations on Gifted and Talented, MTSS, the Montana Autism Project, and Efforts to Expand Opportunities for Native Educators. The spring meeting included proficiency-based learning, review of teacher preparation program standards, and a presentation from MACIE on Indian Education for All and available resources.



IDEA Part B Program

The IDEA Part B Program Management unit oversees the application, allocation and distribution of approximately \$80 million of state and federal special education funds, ensures the accountability for the use of those funds and oversees all related IDEA grant reporting and requirements. This unit also oversees the distribution of IDEA discretionary funds to support programs that are a specific need area in Montana as identified in the Annual Performance Report.

Each year the OPI distributes federal and state special education funds to Montana school districts (see figure 2.1). The program manager reviews and approves the applications for the IDEA funds, determines what expenditures are allowable, and works with other OPI staff to set the special education rates for state appropriations.

District eligibility for funds is determined through approved special education narrative of what and how services will be delivered and through meeting state and federal fiscal effort maintenance requirements.



Data and Accountability

Special education staff oversee the collection, analysis and reporting of all special education data required for federal (§300.601) and state reporting purposes. The staff provides technical assistance and support to local district staff in the management of student data related to special education. Please refer to Appendix A for an info graphic of the activities and reporting requirements that occur annually.



Recruitment and Retention

School districts and special education cooperatives have been struggling for many years to recruit and retain qualified professionals to services students with disabilities. The OPI continues to collaborate and partner with stakeholders across the state to actively address this need. Below is a description of the current activities and partnerships OPI is supporting around recruitment and retention of special education staff.

Traineeships – In partnership with the University of Montana and Montana State University-Billings, the OPI provides support for professional training programs for special education teachers, speech-language pathologists, and school psychologists. In the fall of 2023, the OPI will add a traineeship for occupational therapists. These traineeships help defray the costs of training for special education teacher, speech language pathologist (SLP), and school psychologist candidates. Additional fiscal supports to state university school psychology and speech pathology programs provide a structure for supervision of students as they complete their training. Students who participate in these programs agree to work in Montana schools for a minimum of two years after licensure.

As of May 2022 approximately \$189,045 of federal IDEA funds are used to support the Special Education Teacher Endorsement program and students in that program. During the 2021-2022 academic year there were 32 students enrolled in the program. Beginning in the fall of 2022, an increase of \$10,955 will be added to the Special Education Teacher Endorsement program for a total \$200,000. This will allow for three more students to participate in this program.

Montana Recruitment Project –The Montana Recruitment Project is an activity of Montana Council of Administrators of Special Education (MCASE) that is actively supported by the special education department at the OPI. The purpose and goal of this project is to assist school districts and special education cooperatives to locate special education personnel who are highly qualified in the areas of expertise necessary. This project is fiscally supported by MCASE, participation fees, and OPI IDEA funds. A [recruitment project annual report](#) developed, reviewed with the committee and MCASE members, and posted on the MCASE website outlines progress on previous years goal, current year goals, and a summary of project activities.

Early Assistance Program for Special Education (300.704 (b)(3))

The Early Assistance Program (EAP) at the Montana Office of Public Instruction (OPI) provides technical assistance to help parents, adult students, guardians, school district staff, advocates and other members of the special education community understand the requirements of the Individuals with Disabilities Education Act (IDEA) and implementing Montana laws.

The EAP also provides informal dispute resolution for special education issues relating to a student's free and appropriate public education or any violation of Part B of the IDEA or implementing Montana laws. Parents and school districts may call the EAP and ask for assistance in resolving these special education concerns. Our philosophy is to resolve special education disagreements amicably with the lowest level of third-party involvement as possible, thereby preventing costly legal entanglements. Given the opportunity to discuss the issues at hand in a less formidable and confrontational venue, both parents and schools can reach agreement while remaining student focused and without undermining the relationships necessary to ensure the smooth delivery of special education services to students with disabilities.

In addition to the EAP, there are several other dispute resolution options available under the IDEA, including: Individualized Education Program (IEP) facilitation, mediation, state complaints, due process hearings, and expedited due process hearings.

The EAP is a voluntary and impartial process and does not provide legal advice to parents or school districts.

Table 1.3 2021-2022 Dispute Resolution Data

Facilitations Requested	State Complaints	Mediations	Due Process Hearings	Expedited Due Process Hearings
11	6	0	0	0

Table 1.3 shows dispute resolution data for the 2021-2022 school year (from August 1, 2021, through June 1, 2022). In addition to the EAP's informal dispute resolution and technical assistance, the Dispute Resolution Office received the following:

- 11 facilitation requests (9 facilitated IEP meetings, 2 requests in process); and
- 6 state complaints (3 final reports issued, 1 dismissed, 2 complaints in process)

Students Served

Special Education Child Count and Student Enrollment

Under the IDEA, students with disabilities are eligible to receive special education and related services until age 21, unless the state has in place a law that limits the age of attendance. The Individuals with Disabilities Education Act (IDEA) provides that “A free appropriate public education [FAPE] must be available to all children residing in the State between the ages of 3 and 21, inclusive, including children with disabilities who have been suspended and expelled from school...” [See 34 CFR 300.101(a)]. However, the IDEA limits the obligation to make FAPE available when application to children aged 3, 4, 5, 18, 19, 20 or 21 would be inconsistent with State law or practice. [see 34 CFR 300.102(a)(1)].

Montana law provides that the trustees of a school board shall assign and admit a child to a school in the district when the child is: (a) 5 years of age or older on or before September 10 of the year in which the child is to enroll but is not yet 19 years of age. [see Montana Code Annotated (MCA) 20-5-101]. Therefore, in accordance with 34 CFR 300.102(a)(1) generally in Montana, a FAPE is available for students aged 3 through 18 [see Administrative Rule of Montana (ARM) 10.16.3122(1)], unless an LEA provides services to students age 19, 20 or 21, then students of the same age with disabilities must be provided a FAPE. [ARM) 10.16.3122 (3)].

Montana law does allow school districts to permissively admit students younger than 5 or older than 19: “[t]he trustees may at their discretion assign and admit a child to a school in the district who is under 5 years of age or an adult who is 19 years of age or older if there are exceptional circumstances that merit waiving the age provision of this section.” [emphasis added, (MCA) 20-5-101(3)].

Additionally, “[t]he board of trustees of a school district or a state-operated adult health care facility providing special education services to its residents may provide or establish and maintain a special education program for a child with a disability who is 2 years of age or under or who is 19 years of age or older and under 22 years of age.” [MCA 20-7-411(4)(a)]. Establishing such a program does not obligate a school district or state-operated adult healthcare facility to offer regular educational programs to a similar age group unless specifically provided by law. [MCA 20-7-411(4)(b)]. Several Montana school districts do provide services to students beyond age 19. As of the October 2021 child count, there were 19 districts (including the Dept of Corrections – Adult) providing services to 38 students ages 19 through 21.

Public schools must make special education and related services available to all students who are eligible beginning at age three and continuing until the student is determined to be no longer eligible. Eligibility as a student with a disability is a two-part test. To be eligible a student must 1) meet the criteria for one, or more, of the 13 disability categories and 2) demonstrate a need for special education and related services. Students who are eligible for special education receive a wide range of services, including specially designed instruction, transition services, assistive technology, and related services such

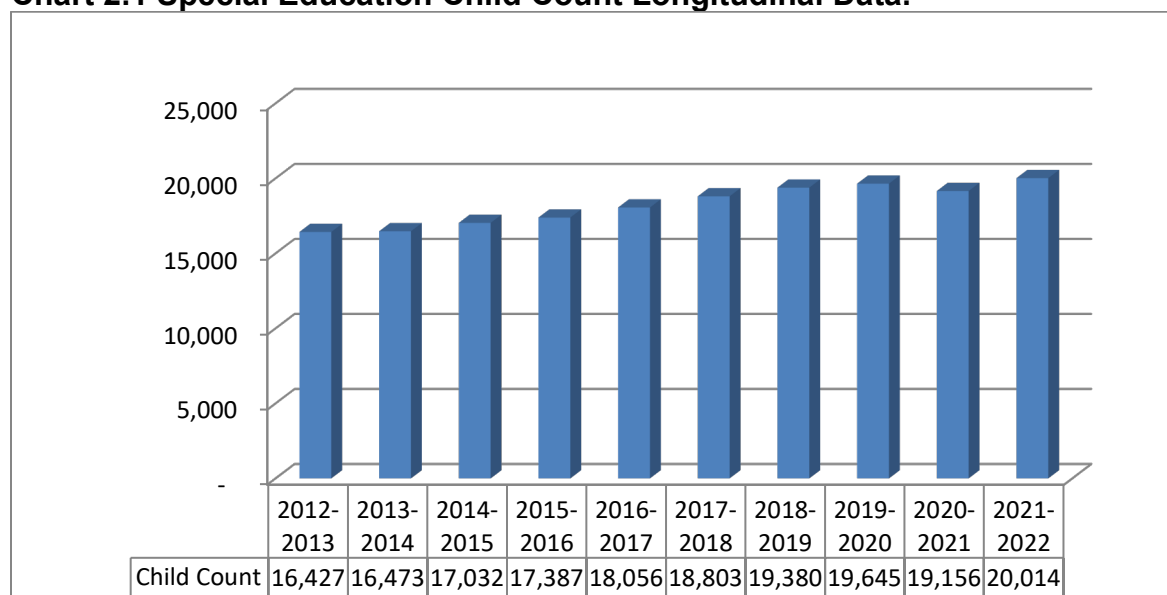
as speech-language therapy, interpreting services, occupational therapy, and physical therapy. The student's Individualized Education Program (IEP) team determines the type and amount of services that each student receives. Students exit special education by returning to regular education, graduating, or reaching the maximum age of attendance.

Students with disabilities that have been parentally placed in a private school, including home-schooled children, are eligible to receive special education and related services, although they are not entitled to a Free Appropriate Public Education (FAPE). The amount and type of services available to private school students are different than for public school students. The determination of the types of services made available to private school students is based on discussions between the local school district and the private school officials. The amount of services available is limited to the funding available under the Individuals with Disabilities Education Act (IDEA) proportionate share calculation.

The Special Education Child Count is conducted on the first Monday of October each year. This is a count of students with disabilities who have a valid IEP and are receiving special education services on that date. The count includes students who are enrolled in public schools, publicly funded schools, residential treatment facilities that contract with the OPI, and students who are in private or home schools and are receiving special education services from a public school under a Services Plan.

Chart 2.1 below shows the Child Count Trend data from the 2012-2013 school year to present.

Chart 2.1 Special Education Child Count Longitudinal Data.



The data in Chart 2.1 show an upward trend in the overall Child Count numbers for Montana. Student enrollment for all students shows the same type of trend. Charts 2.2

and 2.3 below show the trend data for student enrollment and for the identification rates for students with disabilities.

Chart 2.2 Student Enrollment Data Grades Pre-Kindergarten through 12

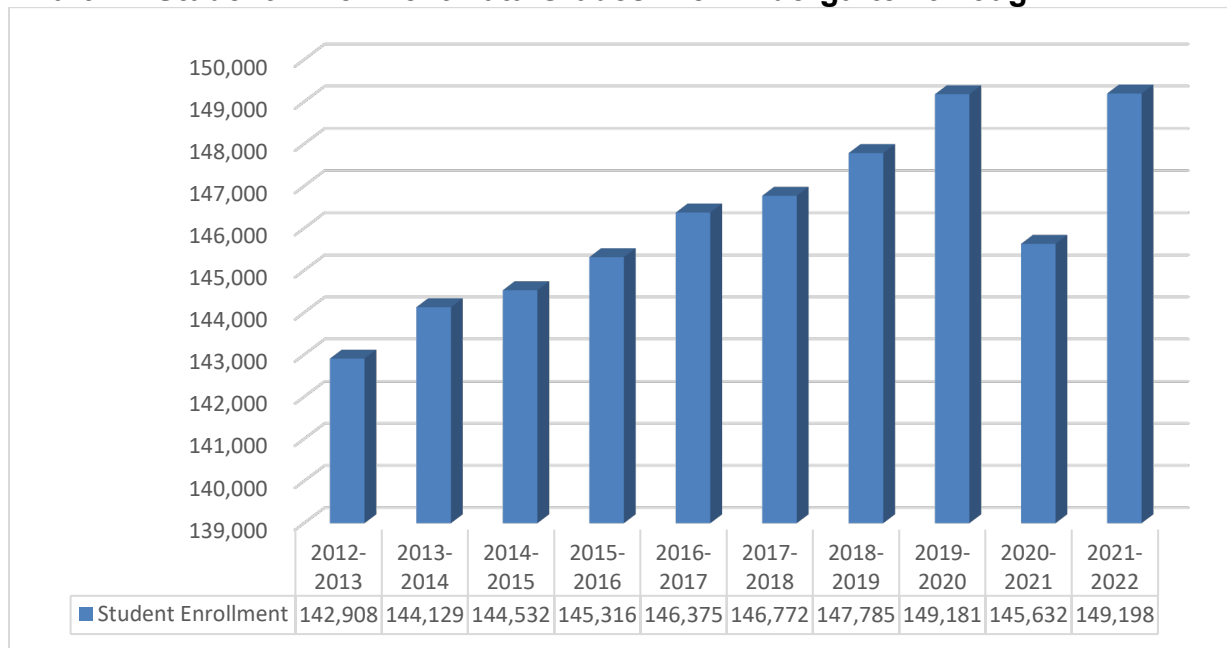
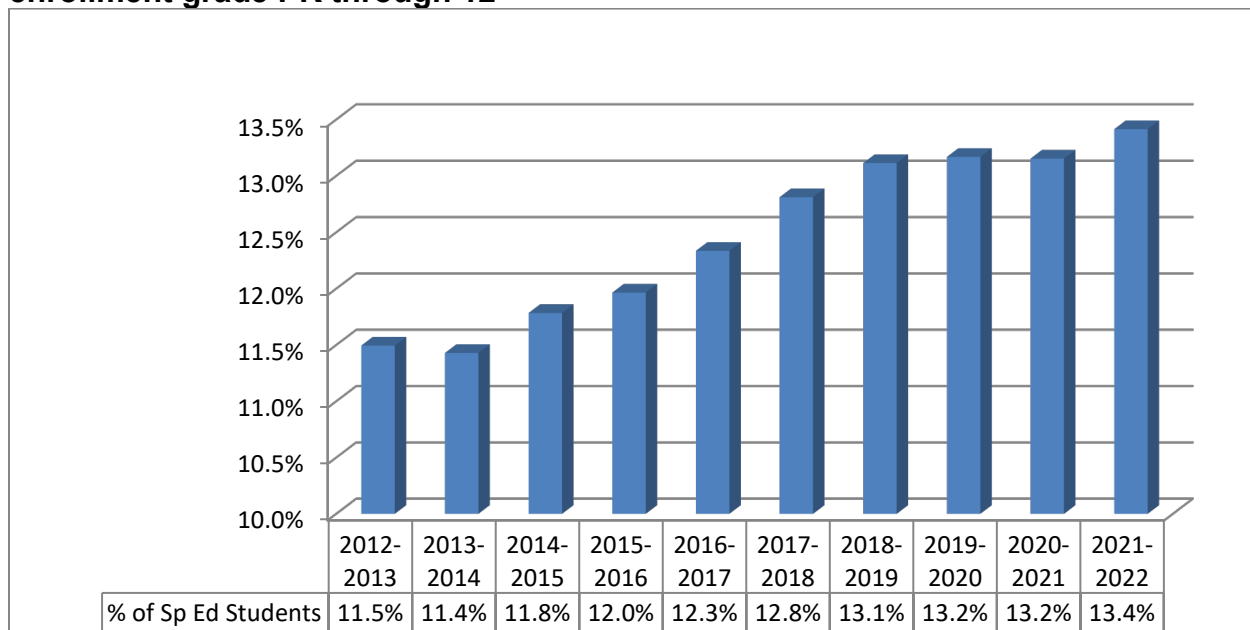


Chart 2.3 Special Education students aged 3-21 as a percentage of student enrollment grade PK through 12



The number of students with disabilities who are eligible for special education and related services in Montana had grown at a faster pace than the total enrollment. This resulted in an increase in the proportion of students identified as students with disabilities. The

identification rate of 13.4 percent puts Montana right at the national average for all IDEA programs.

Student Identification by Disability

Table 2.1 Child Count Disability Percentage Trend Data

	SFY 2016	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Autism (AU)	4.37%	4.66%	5.15%	5.23%	5.58%	5.67%	5.70%
Cognitive Delay (CD)	3.33%	3.18%	3.10%	2.99%	2.95%	2.87%	2.69%
Deaf-Blindness (DB)	0.04%	0.04%	0.03%	0.03%	0.03%	0.04%	0.03%
Developmental Delay (DD)	3.96%	3.92%	3.78%	4.07%	4.27%	6.51%	8.14%
Deaf (DE)	0.10%	0.09%	0.09%	0.10%	0.08%	0.06%	0.06%
Emotional Disturbance (ED)	4.38%	4.53%	4.52%	4.57%	4.62%	4.47%	4.08%
Hearing Impairment (HI)	0.34%	0.32%	0.37%	0.31%	0.32%	0.34%	0.30%
Learning Disability (LD)	29.69%	29.47%	29.97%	30.20%	30.14%	29.61%	29.72%
Multiple Disabilities (MD)	20.35%	20.32%	20.16%	20.56%	21.21%	21.03%	21.13%
Other Health Impairment (OHI)	12.02%	12.18%	12.13%	11.99%	11.57%	11.23%	10.66%
Orthopedic Impairment (OI)	0.28%	0.19%	0.23%	0.24%	0.21%	0.20%	0.19%
Speech-Language Impairment (SLI)	20.61%	20.51%	19.89%	19.13%	18.45%	17.39%	16.81%
Traumatic Brain Injury (TBI)	0.23%	0.24%	0.27%	0.28%	0.27%	0.29%	0.23%
Visual Impairment (VI)	0.30%	0.34%	0.31%	0.31%	0.30%	0.29%	0.24%

Chart 2.4 Disabilities by Percentage of Total SFY2022 Child Count

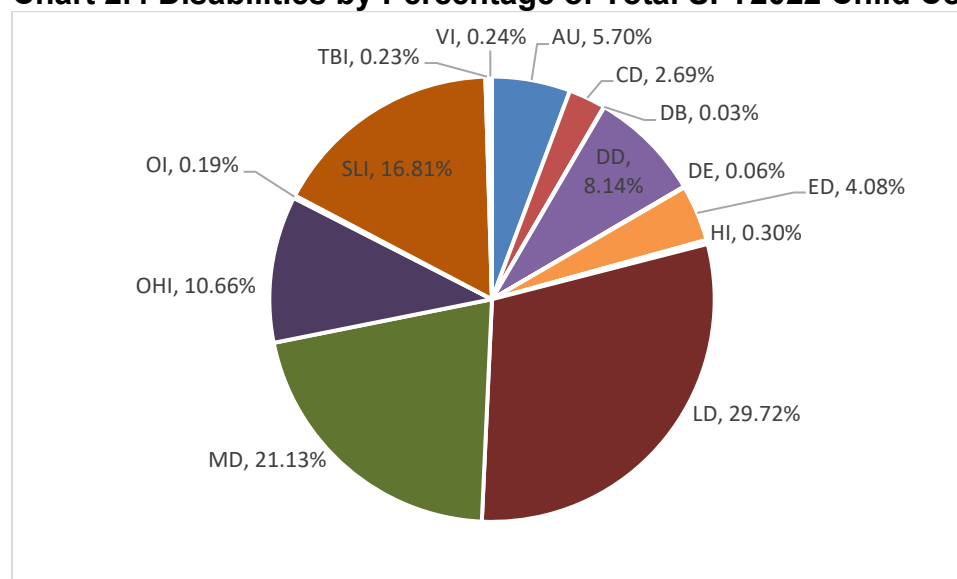


Table 2.1 shows that the proportions have remained relatively stable over the last several years. The data in Chart 2.4 shows the relative proportions of the SFY2022 Child Count made up by students with various disabilities.

Funding

There are three main funding streams for school districts to use in meeting the costs of providing special education and related services to students with disabilities in Montana, Local, state and federal funds. The expenditure of these funds is reported to the OPI using the Trustees' Financial Summary (TFS) report each year in September. The data from those reports are used to provide the summary information below and to ensure compliance with the fiscal regulations of the IDEA. Current year expenditure totals are not currently available and will be reported by the districts in September.

Charts 3.1 and 3.2 below show the amounts and relative percentages of the special education expenditures which come from each funding source.

Chart 3.1 Amounts Expended for Special Education by School Year.

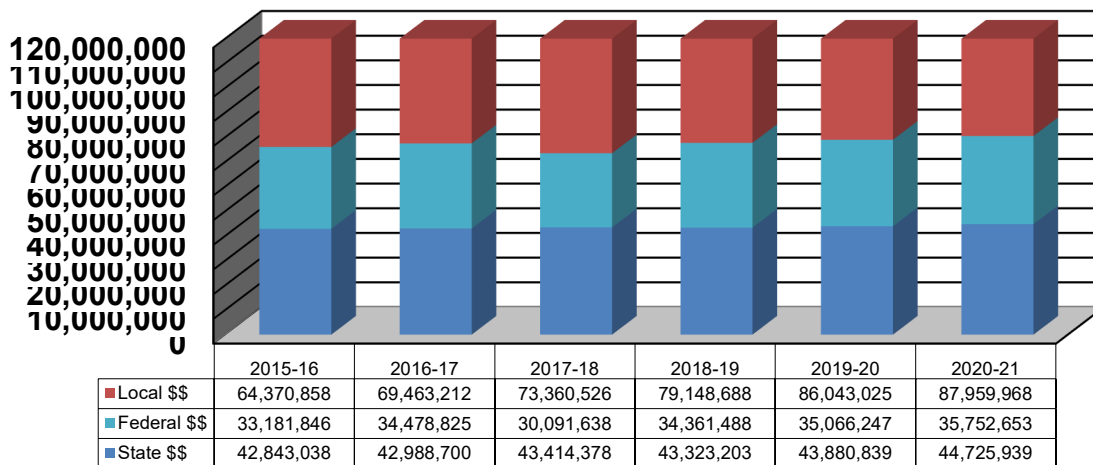


Chart 3.1 shows the amounts, in dollars, which were expended in each of the last seven years to cover the costs of providing special education and related services to Montana students with disabilities. The total expenditures for special education during the 2020-2021 school year (State Fiscal Year 2021) was approximately \$168.4 million. This chart shows an increase of almost \$3.45 million in total expenditures between SFY 2020 and SFY 2021. The amount of local funds used to pay for special education and related services has increased steadily over time.

Chart 3.2 Percentages of State, Federal, and Local Funds Used for Special Education.

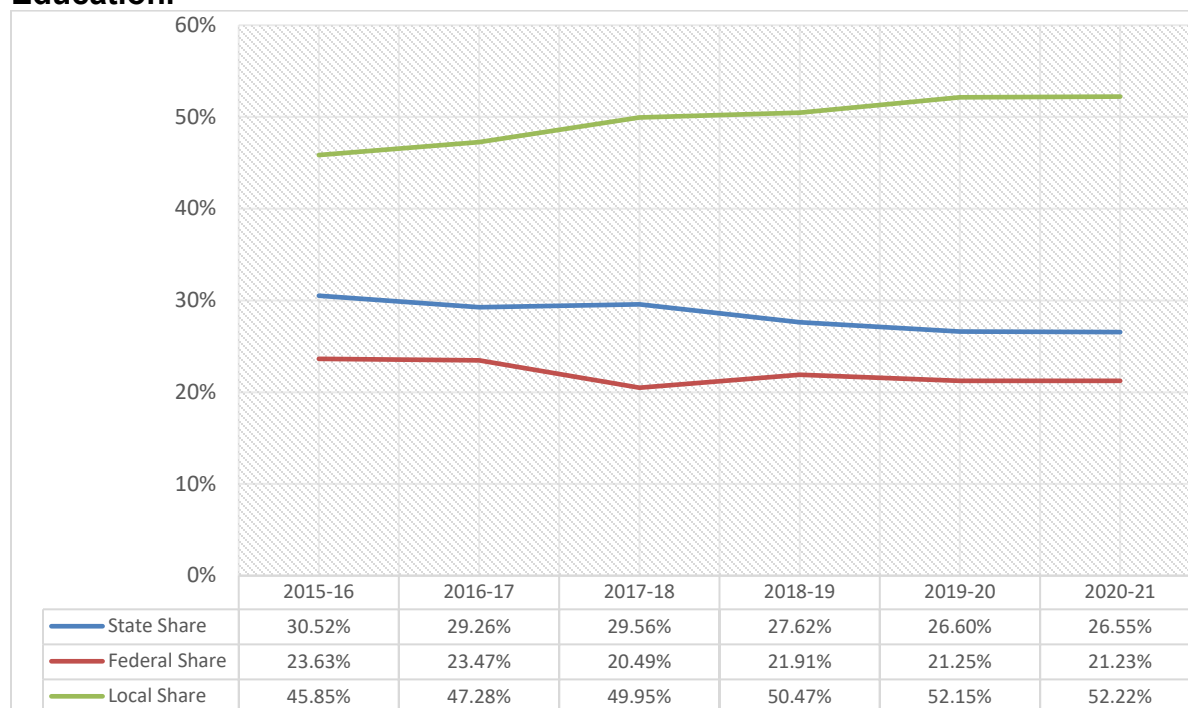


Chart 3.2 shows the relative percentages of the total expenditures that come from each source.

Federal Funding Under IDEA

Each year, Montana receives an award of funds from the U.S. Department of Education (ED) under the IDEA Part B (Section 611) and Preschool (Section 619). For the 2021-2022 school year Montana received a total IDEA allocation of \$43,031,152. Of this amount, \$5,010,415 was set aside for administrative purposes and \$38,020,737 will be distributed to local school districts. The IDEA funds are allocated by school district and distributed to districts and special education cooperatives through the electronic grants management system (EGrants). School districts that are members of a cooperative or consortium submit a joint application to the OPI and the funds are then distributed to the cooperative/consortium.

Montana was awarded IDEA American Rescue Plan (ARP) Part B (Section 611) and Preschool (619) funds to be used during the 2021-2022 and 2022-2023 school year. Montana received a total of \$8.6 million for Part B and \$641,420 for Preschool. 100% of these funds were flowed through to the school districts. The funds were allocated through the same means as the annual IDEA funds.

State Special Education Funding

Montana's special education funding structure distributes state appropriations in accordance with 20-9-321, MCA, based on a combination of school enrollment and expenditures. Seventy percent of the appropriation is distributed through the instructional and related services block grants, which are based on enrollment. Twenty-five percent of the funds are distributed through reimbursement for disproportionate costs, which is based on expenditures, and the remaining 5 percent is distributed to special education cooperatives to cover costs related to travel and administration. Chart 3.3 shows the breakout of state funding by percentage.

Chart 3.3 Percentage of State Special Education Funding by Category.

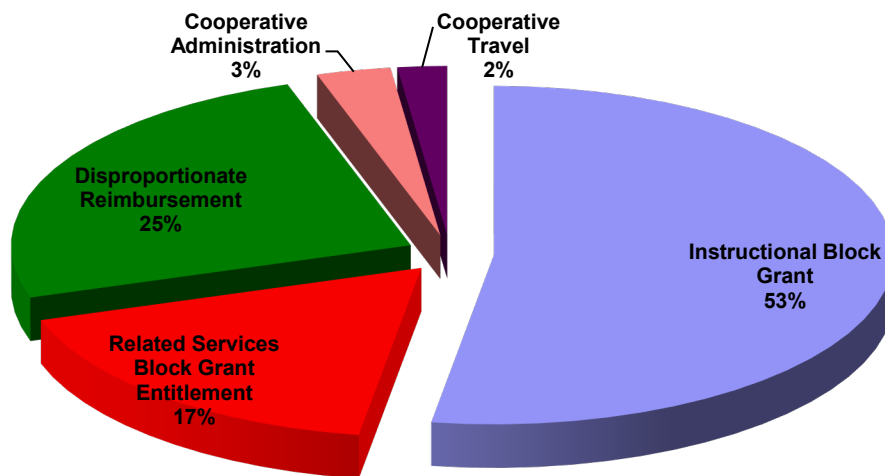


Table 3.1 below shows the state entitlements for the 2021-2022 school year in each funding category.

Table 3.1 State Entitlement for 2021-2022 School Year

Instructional Block Grant	\$23,467.725
Related Services Block Grant Entitlement	\$7,822.062
Disproportionate Reimbursement	\$11,175.720
Cooperative Administration	\$1,341,086
Cooperative Travel	\$894,058
Total	\$44,700,651

State Funding Trend Data

Chart 3.4 Instructional and Related Services Block Grant per Student Allocation

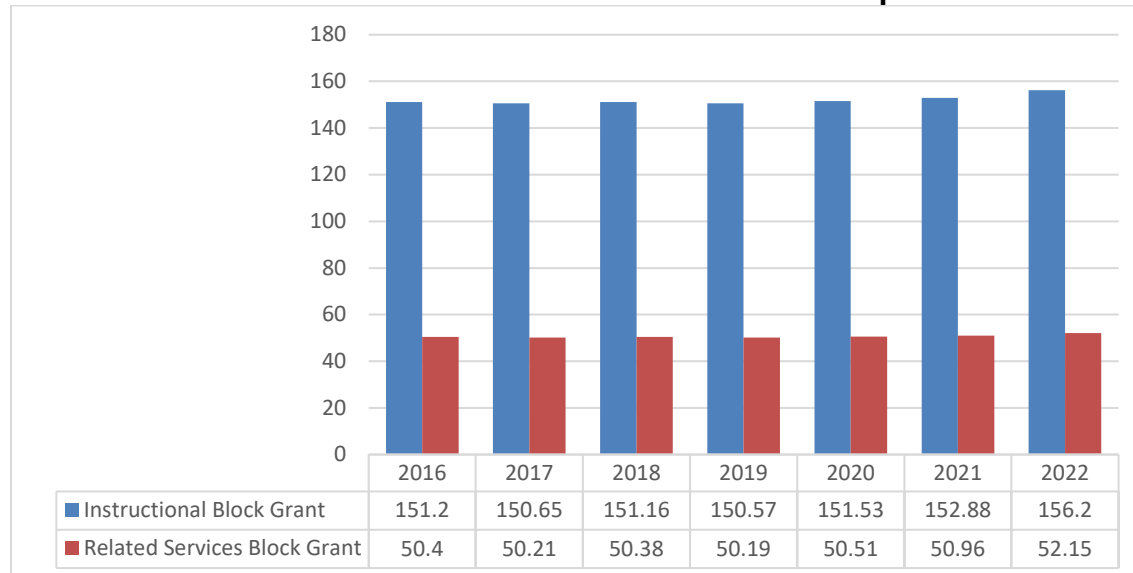


Chart 3.4 shows the Instructional Block Grant and Related Services Block Grant rates from state fiscal year 2016 to 2022. These rates are adjusted annually based on the amount of the legislative appropriation and the enrollment figures for the previous year. A small amount of the allocation is set-aside each year to allow for adjustments as enrollments change.

Reimbursement of Disproportionate Costs

The proportion of the total state appropriation distributed in the form of reimbursement for disproportionate costs is set at 25 percent of the total appropriation for special education costs as set by the allowable cost payment for special education (ARM 20-9-321). Changes in the amounts distributed are a function of changes in the state appropriation.

Chart 3.5 shows the total dollar amount distributed for disproportionate cost reimbursements by year and Chart 3.6 shows the number of school districts receiving those reimbursements.

Chart 3.5 Total Amounts for Disproportionate Cost Reimbursement by Year

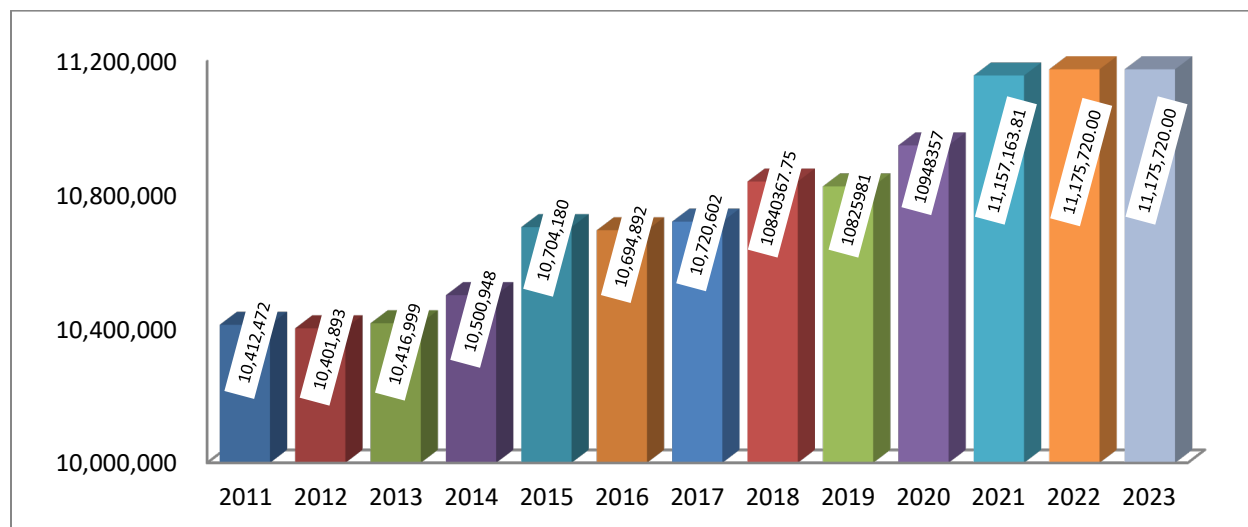
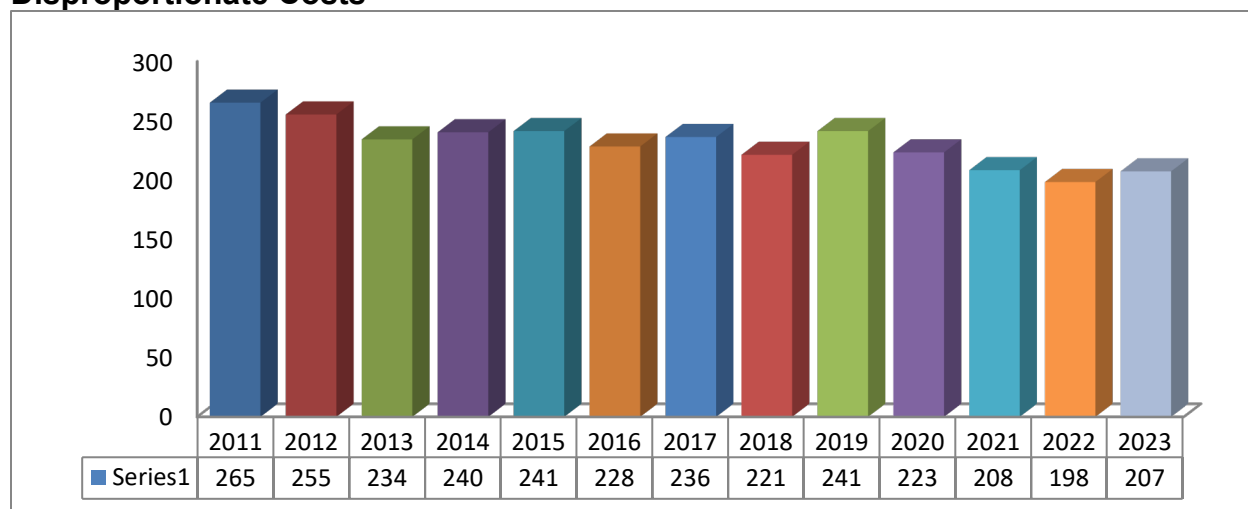


Chart 3.6 Numbers of School Districts Receiving Reimbursement for Disproportionate Costs



Charts 3.5 and 3.6 show the dollar amount distributed to school districts as disproportionate cost reimbursements and the number of districts that received those reimbursements. As the costs of education as a whole increase, the amount that must be spent to meet the requirements for the disproportionate costs also increases.

Local Funding

Of the three funding sources, federal, state, and local, for special education, local school districts have absorbed the largest portion of special education costs by increasing their contribution to over \$87.96 million dollars in state fiscal year 2021. This amount represented over 50 percent of the total expenditures for special education.

Significant variation in special education expenditures exists between districts of similar size. Furthermore, significant variation in special education expenditures exists from year to year within the same district. The reasons for this variability are many; differences in salary for personnel, proportion of students identified as eligible for special education, concentrations of group homes in a community, and the costs of serving students with significant educational needs who enroll and later withdrawal are some of the primary factors.