

**REVIEW OF GROWTH IN CLAIMS FOR
STUDENTS WITH SEVERE SPECIAL NEEDS**

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Summary

The Ministry of Education will provide new funding, amounting to approximately \$100 million annually, to school boards province-wide to support students with acute and severe special education needs.

School boards will have to meet new, more simple, but more consequential conditions, including management accountability, reports on results obtained and strict limits on special education surpluses.

An Effectiveness and Equity Fund of more than \$50 million will be created for the 2004-05 school year to respond to remaining unmet needs and to focus existing supports more clearly on educational achievement.

The system of funding for students with special needs will be significantly simplified in future and the complex Intensive Support Amount (ISA) will be discontinued after the transitional year of 2004-05.

The Ministry of Education will establish a new Effectiveness and Efficiency Office to enhance the management of grants and work cooperatively with school boards, beginning with special education funding.

1. Introduction

This review summarizes the basis for the funding and policy decisions made by the Ministry of Education for the school years 2003-04 and 2004-05 with respect to support for students with special education needs.

The review was conducted at the direction of the Minister of Education following the provincial budget in May. The provincial budget included provisional increases in special education funding for 2004-05 subject to adequate explanation being obtained beforehand, and the meeting of such conditions as may be required. The Minister also tied the confirmation of part of final 2003-04 funding to the review outcome.

The reason for the review was the doubling in the number of new cases of students labelled as severely disabled by Ontario school boards. The review involved discussions with supervisory officials, individual school boards, ministry officials, outside experts, regional roundtables and the Minister's Advisory Council on Special Education. A detailed examination of service and financial data for Ontario and other jurisdictions was also undertaken.

2. Background

Support for students with behavioural, physical, intellectual, communication and multiple exceptionalities is one of the key responsibilities of the Ontario education system. Since 1985, it has been provincial law to provide access to public education to all Ontario children, regardless of the individual challenges they may face.

In 1998, a new system for funding education supports for children with special needs was created with the new provincial education funding formula. It consisted of two parts. The first, entitled Special Education Per Pupil Amount or SEPPA, was to help meet the additional educational needs of students with mild and moderate special needs, with a per-student amount determined on total enrolment.

The second part was called the Intensive Support Amount or ISA and was based on the idea that the rates of students with acute and severe needs would vary from board to board. The system required schools and school boards to laboriously document professional diagnoses, classroom conditions and services provided for every eligible student, in conformance with uniform provincial profiles and report-writing standards.

Boards were required to submit student ISA claims to be validated by the ministry. The amount of the grant per case was either \$12,000 or \$27,000 depending on the levels of qualification, but there was no requirement to spend these set amounts on a particular student. Boards were responsible for allocating the grants at the local level. This was designed to provide local flexibility.

From 1998 to 2001, the number of ISA cases declined then rose slightly. From 2001-02 to 2003-04, a provincial initiative to review all ISA files was undertaken with the results indicated in Table I.

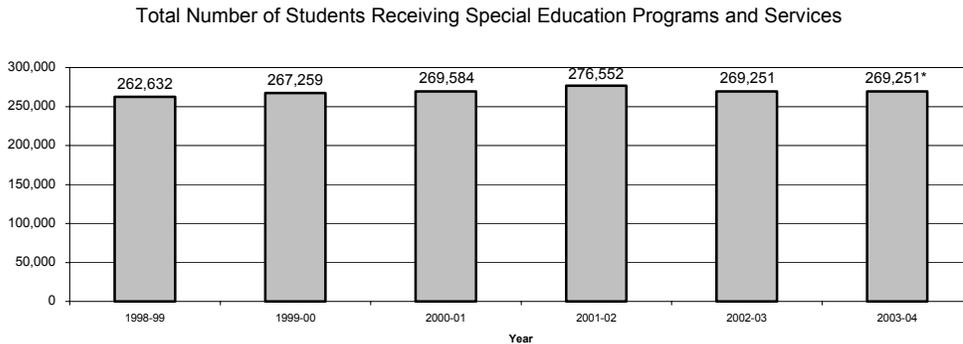
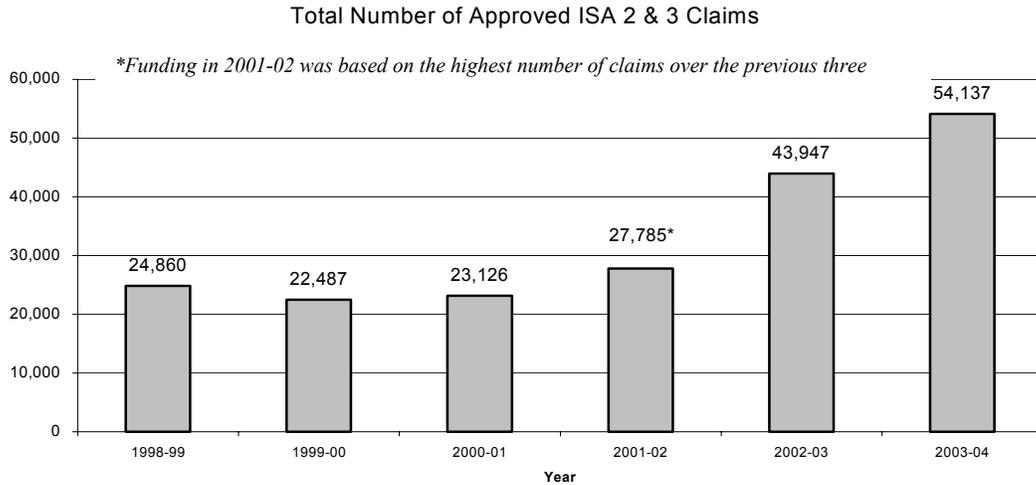
Table 1 : ISA Changes

Category	2001-02	2002-03	2003-04	Change
# Cases	27,785	43,947	54,137	95%
Prevalence	1.4%	2.2%	2.8%	100%
One student in	71	45	36	
Requests (\$millions)	565	766	926	64%

This activity finished as the transition to a new government was being completed. In January 2004, the new administration was presented with a request for support for the “final instalment” — approximately an additional 6,000 cases above the boards’ earlier estimates and 200% or \$112 million above the amount budgeted for the 2003-04 school year.

3. Review Findings

Some support can be found for the outcome realized through the ISA process, but many factors questioning the result were raised as well.



Comparative Need

From 1998 to 2001, Ontario's recognition of acute or severe special needs was somewhat lower than the rates for some other jurisdictions with similar funding systems. By 2003, however, Ontario exhibited the highest prevalence of any province or state in North America where there is a comparable system.

**TABLE # 2: Inter-Provincial Comparison* of Prevalence Rates
Students With Acute or Severe Special Needs**

As per cent of total student population

	Rate	Year
Ontario	2.76%	2003-04
Quebec	2.27%	2002-03
British Columbia	2.07%	2003-04
Alberta	2.0%	2001-02
Saskatchewan	1.73%	2003-04

* Each jurisdiction sets its own definitions, so it is only the convention of acute or severe special needs that is comparable.

Ontario Context

As the preceding graphs indicate, the total number of students with special education needs in the province, including mild and moderate needs, actually declined slightly during the period in question. Starting in 2001, higher proportions were labelled as acute or severe needs each year.

Result Patterns

Results in the comprehensive review varied from board to board. The highest increase was 1,800 per cent, while the lowest was 22 per cent.

TABLE # 3: Growth in Approved Claims for Students with Acute or Severe Special Needs (ISA 2 & 3)

Change 2000-01 to 2003-04	# Boards
Over 200%	22
150-200%	10
100-150%	18
Under 100%	19
Under 50%	3

The general trend at boards was for successive years of growth. While there was some clustering of need between boards towards the average, in general, the spread between boards became greater at the extremes.

Factors reported by boards include: previous lack of professionals to conduct assessments in northern, rural and francophone areas particularly; prior cuts at the time the new funding formula was instituted; the relocation of group homes to suburban and rural areas; high levels of migration of First Nations children off reserve; increased poverty; and the appeal of specific school programs.

TABLE # 4: School Board ISA Prevalence Rates by Range 2000-01*-2003-04

Range % students	Number of Boards		
	2000/01* #	2002/03 #	2003/04 #
4.5+	0	4	8
4.0-4.5	0	2	2
3.5-4.0	0	1	10
3.0-3.5	1	8	10
2.5-3.0	2	7	21
2.0-2.5	7	22	14
1.5-2.0	7	22	7
1.0-1.5	30	6	0
0.5-1.0	24	0	0
0-0.5	1	0	0

* 2001-02 not available. **Bold** = median range

One common internal factor cited in different ways by several boards was the concept of “created need.” In these examples, students demonstrated serious behavioural or other issues because of deficiencies in the school system in areas such as English-as-a-Second Language (ESL) or lack of initial response to mild disabilities, which then became worse.

Changes in Criteria

A significant influence in the results appears to have been the change in criteria for eligibility in 2001. Two categories in particular, Behaviour and Learning Disability, seem to have become more straightforward and easier to attain. In total, 72.7 per cent of the increase from 2002-03 to 2003-04, or 7,399 cases, came from these profiles.

In the chart included in Appendix I, all of the high-growth board examples have at least 80 per cent of new claims from either these two categories or adding a third: Intellectual Disability. In most cases, the boards show large jumps, even doubling the prevalence rates in one year, often changing from near provincial average prevalence to as much as double the provincial rate.

School Board Intensity

The ISA process was the source of much frustration for school and board staff due to the enormous volume of work required and the long delays in results. As the process changed, boards began to invest heavily in resources to influence outcomes. Boards reported they became “much better at the process” and “considerably more comfortable with the language.” The actions of boards show a very intense effort was made to meet the written requirements of the ISA funding formula, examples of which include:

- very significant training of regular and resource teachers in the terms and language needed in ISA claims,
- workshops for area pediatricians and family doctors on the requirements for diagnosis,
- expert teams for specific exceptionalities,

- hiring of consultants and experts on the preparation of applications,
- hiring of ISA specialist psychologists,
- hiring of former Ministry of Education validators to conduct workshops to train staff.

These developments raise the question of whether the ISA funding process has become an end in itself and whether the considerable resources invested in the process influence the outcome.

Ministry Role

In late 2003 the Ministry provided \$10 million to boards to hire professionals and pay for documentation costs. Several boards cited these funds as having been key to obtaining the diagnoses and documentation required for their files and increasing claims in 2002-03 and 2003-04.

At the same time, approval rates by the ministry-contracted staff or validators jumped from 73 per cent of all school board ISA claims in 2000-01 to 96 per cent in 2002-03 and 99 per cent in 2003-04. The validators report that boards became better at filling in the claims. There is some indication of confusion of roles by the Ministry, in that validators and ministry staff became actively involved in helping boards to correct reporting deficiencies, leading to a ‘smoothing’ effect. At the same time, the Ministry did not have research to anticipate increases that could arise from criteria and process changes.

In one notable area of process breakdown, there was a clear requirement that boards be already providing the service being claimed as part of the criteria, but various boards reported that they did not have the resources to provide the service until the claims were validated and funds generated.

School Board Surpluses

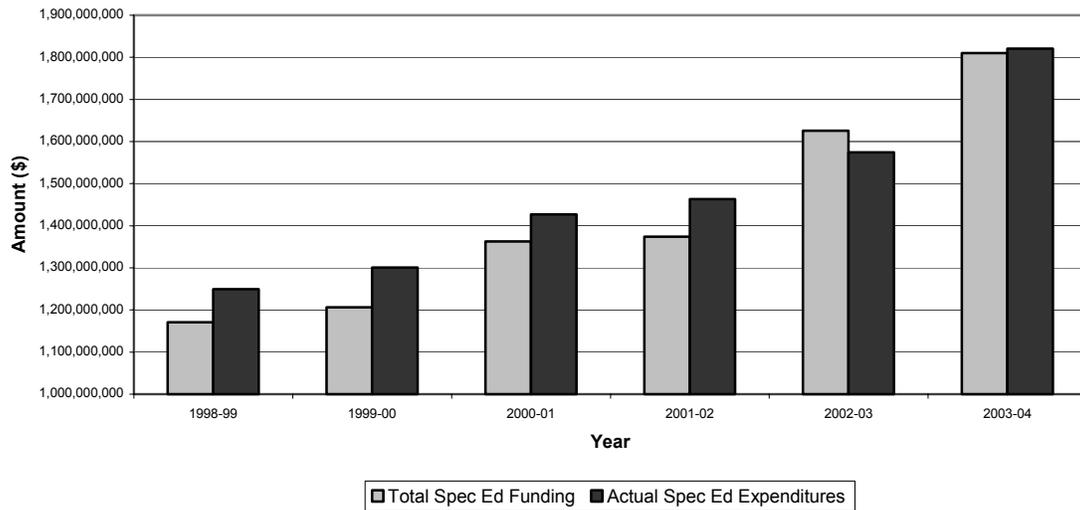
One anomaly arising from the ISA process is the creation of large special education surpluses on the part of just over half of school boards. Boards are required to retain any funds unspent on special education in accounts for that purpose, but these had been largely nominal amounts until 2002-03.

TABLE # 5: Year-end Special Education Accumulated Surpluses at School Boards

Year	2001-02	2002-03	2003-04
	\$9M	\$85M	\$102M (estimated)

As a result of a decision by the previous government to flow ISA funding increases late in the 2002-03 school year, some boards decided to retain significant portions of the funds. In part, this was a board reaction to previous under-funding and, in part, a reflection of how quickly certain boards could expand their programs.

Spec Ed Funding vs. Board Expenditures



4. Implications

Clearly, the ISA process provides well-documented evidence of students with particular needs. Just as clearly, these needs are obviously wider than the original intent of the grant program for students with acute or severe needs and now include many students with moderate needs.

Some boards have overlapped special education grants with the intent of other grants provided by the Ministry of Education, such as English-as-a-Second Language, Learning Opportunity, Literacy/Numeracy and Student Success grants.

Concerns have been raised that the preoccupation with process has affected the primary goal of improving education for students with special needs. Despite the large investment in question, there is no requirement to demonstrate good outcomes. Provincial standardized test scores show some greater improvement for students with special needs than those without, but none since the funding was increased in 2003.

While a student's exceptionality must be identified in order to provide appropriate accommodation, the increased 'labelling' of students raises the prospect of custodial care rather than better education. The ISA system rewards negative descriptions, and there is no funding incentive to reward progress.

Boards staffing plans for 2003-04 included 4,166 new special education positions. This included:

- 1,275 more teachers,
- 2,374 more education assistants,
- 294 more professionals and para-professionals,
- 26 librarians and guidance counsellors,

- 108 administrative staff, and
- 90 coordinators and consultants.

Yet much work has to be done on the actual best approaches and outcomes for students with special education needs. The reasonable expectation of parents is that funding and staffing increases will equal educational improvement.

The general standard of joint management of grants by the ministry and school boards needs to be improved. As the provincial auditor noted: “Neither the school boards...nor the Ministry...had the information or processes in place to determine whether special education services were being delivered effectively, efficiently and in compliance of the requirements.” (2003, *Annual Report of the Provincial Auditor*)

4. Future Direction

There is a tremendous opportunity for the Ministry of Education and school boards to cooperate and convert an uncertain situation into one of stability and progress for students, parents and schools alike.

Funds will be flowed to boards with conditions: There is still a need to make investments to improve schools in Ontario. The challenge is to focus these new resources on improving educational outcomes.

Demonstrated results: Boards will be required to summarize progress made by students with special needs relative to planned expectations and to report board-wide results on the extent to which expectations were met. The availability of early assessment, academic achievement, Individual Education Plan (IEP) evaluation, parent satisfaction, reduced classroom incidents and suspensions are all potential measures.

Management accountability: As an alternative to the current complex system of paperwork, in future school board directors and superintendents responsible for special education will be required to attest to both the validity of claims and the outcomes being obtained for funding. A parallel is how CEOs and CFOs are required to take responsibility for key information arising from private companies. Quality-assurance programs to support these decisions should be undertaken at all boards. The ministry will randomly audit boards.

Rules for surpluses: Boards will be permitted to retain the equivalent of four per cent of ISA funding for the 2002-03 in year-end surplus and two per cent for subsequent years. Any additional surplus will have to be applied to funding students’ needs. Boards have informed us that most surplus funds currently at their disposal were derived from “cash-flow accidents” and “gaps” in programming times.

ISA will be replaced over the next year: The current baseline will be a starting point, but will be changed over time to a system based more on outcomes and local decision-making, with greatly reduced administrative requirements. Possible directions include

special tracking of actual high-intervention students and developing a Readiness to Learn grant, as suggested by the Rozanski report in conjunction with other grants. Future student assessments should emphasize those that contribute toward the individual student's educational experience.

Effectiveness and Equity Fund: All boards will be eligible to apply to a provincial fund that the government intends to create to support remaining unmet needs and to help focus on results by supporting staff professional development. The fund will total more than \$50 million, based on provincial funds displaced by boards' spending of existing special education surpluses. Boards will be given a say in the makeup and guidelines for the fund.

Effectiveness and Efficiency Office: There have already been many studies and task forces on special education. Instead of further reviews, a permanent office would serve as an ongoing source of accountability and support a higher level of cooperation on effective practices between the ministry and school boards. The efficiency section would conduct periodic audits, including classroom visits to verify board practices and positive outcomes for students. It would also help to coordinate with other ministries, such as Health, and Children's and Youth Services, which make important contributions to supporting children with disabilities. This office would eventually work with school boards on the full range of grants.

APPENDIX I: Example Growth in ISA 2 & 3 Profiles 2002-03 to 2003-04

Board Profiles	New Cases	Prevalence Chg 02/03-03/4 % students	Prov Avg. 02/03-03/4 % students
A Behaviour	37	1.14 - 1.51	.53-.71
Learning Disability	37	.74-1.09	.33-.54
B Learning Disability	78	.69 – 1.21	.33-.54
C Behaviour	54	.60- 1.40	.53-.71
Learning Disability	34	.53-1.05	.33-.54
D Behaviour	82	.70-1.46	.53-.71
Learning Disability	77	.32-1.04	.33-.54
E Behaviour	175	.42-.60	.53-.71
Learning Disability	493	.22-.73	.33-.54
F Behaviour	322	.40-.97	.53-.71
Learning Disability	126	.14- .36	.33-.54
G Behaviour	119	.45-.60	.53-.71
Learning Disability	365	.57-1.01	.33-.54
H Behaviour	76	.99-1.38	.53- .71
Learning Disability	37	.16-.35	.33-.54
Intellectual Disability	40	.82-1.03	.69-.78