

Funding Reform: A High-Impact Strategy for High-Quality Special Education Programs in Arizona

In Arizona, the persistent shortage of qualified teachers poses significant challenges, particularly for our most vulnerable students – those with special needs who require specialized support and expertise. The critical shortage of highly trained professionals in Special Education has not only strained educational resources but also threatened the quality of education mandated by federal law¹. Despite ongoing efforts to address special education services in Arizona, their impact remains limited due to foundational issues including the state's public school funding formula. An essential component of this formula is the allocation of funds for special education, which directly affects the quality and availability of services for students with special needs. Arizona must examine and reform the public-school funding system developed in the 1980s, to ensure adequate resources support this critical sector of education.

Current State of Special Education Teacher Shortage in Arizona

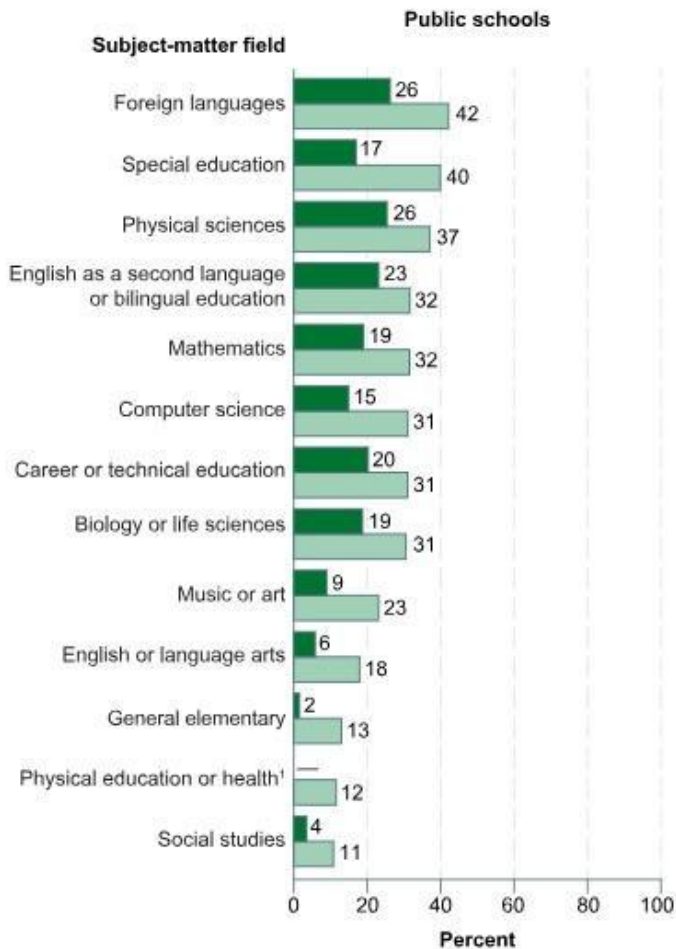
Research demonstrates that highly skilled instructors profoundly impact student achievement. A recent RAND publication highlights research which suggests, that among school-related factors, teachers matter most². In a survey conducted by the National Center for Education Statistics, hiring Special Education teachers and staff topped administrator staffing concerns in 2021, the most recent year available. The data (shown below) demonstrate the dramatic increase in unfilled or very difficult to fill teaching roles. NCES's survey was national in scope, but the lesson is the same in Arizona where teacher pay is near the bottom of all states.

All children require competent educators. Because of the shortage, there are fewer in general, and it's markedly so in the case of special education.

¹ Check out this story on National Public Radio for a specific example:

<https://www.npr.org/2024/05/15/1247795768/children-disabilities-special-education-teacher-shortage>

² <https://www.rand.org/education-and-labor/projects/measuring-teacher-effectiveness/teachers-matter.html>



Among public and private elementary and secondary schools hiring for at least one open teaching position in a specific field, the adjacent figure shows the percentage that found it very difficult or were unable to fill the opening, by subject-matter over school years 2011–12 and 2020–21.

SOURCE: USED, National Center for Education Statistics, Schools and Staffing Surveys. ³

Specialized teaching positions and therapy providers —physical and occupational therapists, speech pathologists, and nurses among others— have been and will continue to be the most challenging positions to fill. The table to the left shows the number of special education teaching positions employed by Public Educational Agencies (PEAs) in Arizona by sector. After years of “grow your own” certification programs⁴ boosting the pool of teachers, 2023 state totals of special education teachers fell back from the peak in 2022. Unaccounted for in the table are the number of contract employees filling positions. PEAs rely on contracted services generally for one of two reasons: economy of scale when a

³ <https://nces.ed.gov/programs/coe/indicator/tls/elem-sec-teacher-openings>
https://www.rand.org/content/dam/rand/pubs/research_reports/RR4300/RR4312/RAND_RR4312.pdf
<https://azgovernor.gov/sites/default/files/educator-retention-task-force-recommendations.pdf>

⁴ “Grow your Own” certification programs typically forge teachers recruited from the ranks of instructional aides and basic classroom teachers. Local school districts, community colleges, and other groups provide basic subject-specific instruction in specialty areas to fill positions in shortage areas.

full-time equivalent teacher is not needed, OR a teacher is not available at market rate. Although special education students are funded at a higher level than general education students, these additional funds do not necessarily alleviate shortages in this segment of the teacher employment market.

Arizona Student-Based Special Education “Add-On” Funding Weights FY2024

Disability	Weight
Multiple Disabilities Severe Sensory Impairment	7.947
Orthopedic Impairment (Self-Contained)	6.773
MD-R, A-R, and SID-R	6.024
MD-SC, A-SC, and SID-SC	5.988
Emotionally Disabled (Private)	4.822
Visual Impairment	4.806
Hearing Impairment	4.771
Moderate Intellectual Disability	4.421
Preschool Severe Delay	3.595
Orthopedic Impairment (Resource)	3.158
DD, ED, MIID, SLD, SLI, and OHI	0.292

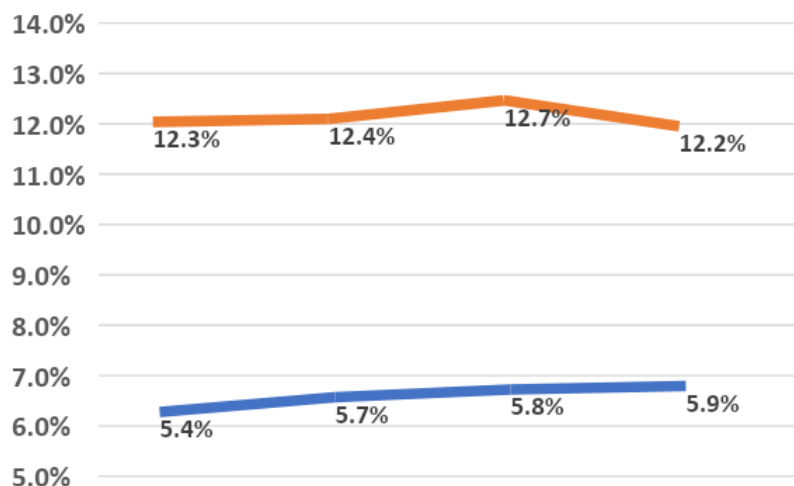
In Arizona special education funding supplements basic state per pupil funding. These additional “funding weights” provide more resources for students with more need due to their disability. The logic goes, if a student requires greater support, more funding is provided to purchase the health, safety, and academic support needed.

Arizona is similar to other states in Special Education demographics. The largest category of Special Education students in our state is

“SLD” (Students with Specific Learning Disabilities). Over several analyses and cost studies in Arizona dating back four decades, policymakers determined that educating a student with a SLD required fewer resources compared to a student with Hearing Impairment (HI). Consequently, the additional funding allocated for a SLD student represents only a fraction (0.292) of what an HI student receives (which is 4.771 times the base support level of a general education student). Students with Multiple Disabilities with Sever Sensory Impairment receive the highest level of funding, amounting to additional funding 7.947 times the base support level in the latest fiscal year due to their extensive therapeutic, health, and safety needs.

In practice, special education funds are not siloed off from general education funding; nor should they be. Special education is a program designation applied to students that have general needs along with all other public education students. The most common setting for the majority of students with a disability is a general education classroom⁵. The logic of having “add-on” weights calibrated to the typical needs of a disability category is solid. But all the special education funding weights key off of the base funding amounts, so when the base is too low none of the specific disability category funding weights will be sufficient. This seems to be the case in Arizona.

Proportion of Teachers in Special Education Positions by Sector and School Year



Finances play a significant role in any market, but even with increased student funding weights, it will take time to shift the momentum of the current market if indeed it is in decline as it appears to be. The figure shows

other general information by state. It is

a decline in Special Education positions in 2023. Though Charter positions continue to tick up slowly, the proportion of charter Special Education teachers is disproportionately low compared to the numbers of students with disabilities⁶. The burden of administrative tasks and paperwork, frequent litigious confrontations, emotionally charged meetings, and the ongoing staff shortages—especially among paraprofessional aides⁷—add substantial pressure on Special Education teachers. For many, these challenges make leaving the profession an all too easy decision.

Focus on Special Education by Arizona Policymakers

In Arizona, the teacher recruitment and retention crisis continues to plague the education system. In response Governor Hobbs convened an Educator Retention Task Force by Executive Order. After analyzing the 2023 Educator Working Conditions Study, the Task Force developed recommendations for the Governor's Office and the state, top amongst them – increase pay and compensation, and improve working conditions. Teachers, including those highly trained in special education, are choosing to exit the profession because of low pay and unreasonable workloads. In recent years, policymakers have made inroads addressing aspects of special education practices and funding, but the fact remains that teacher shortages are still a pressing issue.

In recent years, education policymakers have also focused their attention on a wide range of areas in Arizona's special education programs including funding, procedural matters, accountability, discipline, and academics. Some recently addressed special education policies are outlined below.

Increased awareness of special education indicators—Arizona's school accountability grading system incorporates Special Education data in its measures of school quality. In some accountability models, schools receive credit for serving a large special education population and for inclusion in general education classes for the majority of the school day. The State Board of Education has included these measures in school accountability grades to incentivize schools to prioritize the needs of special education students and encourage inclusive practices.

Special Education cost studies commissioned by the State Department of Education—Using Federal discretionary COVID-relief funds, the Arizona Superintendent of Public Instruction commissioned a cost study of Special Education programs to determine the degree to which they are underfunded. Originally, this study was to be carried out in two phases. In 2022, phase one was completed before the former Superintendent left office. In 2024, the completion of phase two of the cost study remains uncertain.

Legislative proposals and new laws—In 2024, policymakers proposed law changes that would have created a statewide IEP platform, expansion of transition planning, and changes to parents' roles and rights in how students exit public schools upon graduation. Work continues on these proposals.

State Board of Education Committees—The Arizona State Board of Education (SBE) has two Special Education Committees at this time: [SEAP](#) (the standing Special Education Advisory Panel) and the Special

⁶ According to the Superintendent's Annual Financial Report, charter school teacher pay has reversed trend and started to increase in 2023. See our recently published teacher pipeline paper for specifics.

⁷ Paraprofessional aide statistics are not routinely collected, but anecdotally these important positions are being offered now through contract services at rates way beyond their typical hourly wages. Aides often are offered little more than minimum wage in most PEAs.

Education Ad Hoc Evaluations Subcommittee newly convened in 2024. Ostensibly, SEAP is the group the Board relies on for ongoing and larger issues, and the Ad Hoc subcommittee is focused on evaluations. In the early meetings the group has also considered a broader array of issue including parental notification, timelines and processes.

Conclusion

The challenges facing special education in Arizona reflect many of the broader issues felt by those in the teaching profession – low pay and compensation and unreasonable workloads. Despite efforts by policymakers to support diverse student needs, significant gaps persist in resource allocation for Arizona’s education system in general. Moving forward, comprehensive reforms are critical to ensure equitable funding and support for all Arizona students thereby retaining highly skilled professionals and enhancing educational outcomes within the K-12 education landscape. Rather than narrowly targeting the most regulated and stressed Special Education segment of the educator employment market, Arizona would benefit from a broad-based and comprehensive school finance reform.