

IOWA CITY COMMUNITY SCHOOL DISTRICT

# SPECIAL EDUCATION DEFICIT REVIEW

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May 26, 2026



**IOWA CITY COMMUNITY  
SCHOOL DISTRICT**

All In for All Kids

# Areas of Focus

Tonight we focus on our special education funding model, FY23-FY25 deficit review, and information provided to the Iowa Department of Education.

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**Overview**

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**Special Ed.  
Supplement  
Review**

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**Dept. of Ed.  
Information  
Requests**

# OVERVIEW

# Special Education Funding

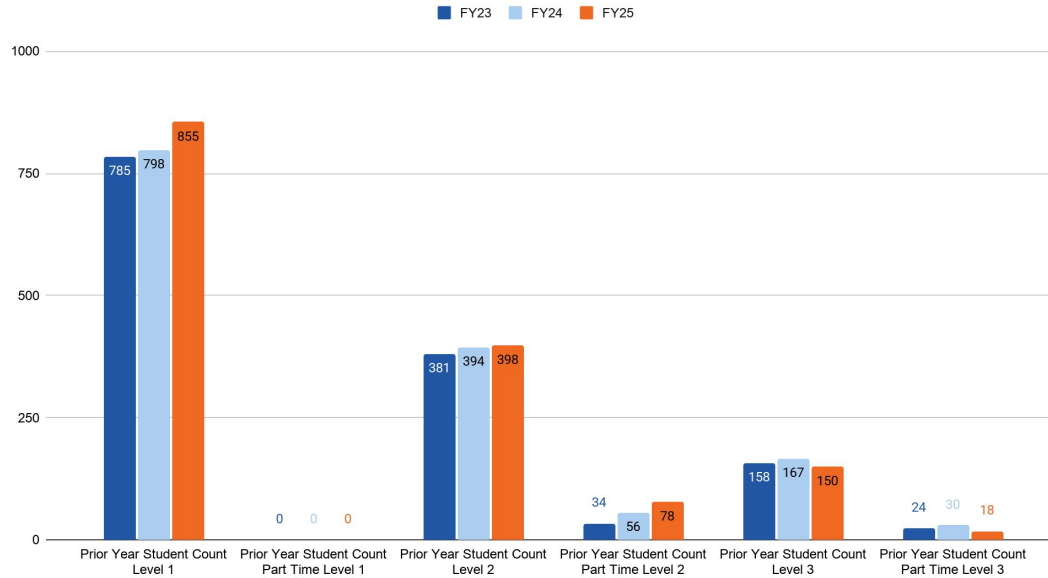
- Iowa funds K–12 special education through a mix of state school aid, federal IDEA funds, and local property taxes. Districts receive general education funding for all students plus additional special education funding for students with Individualized Education Programs (IEPs).
- The state uses a weighted funding formula, meaning students with special education needs generate additional funding above the regular per-pupil amount based on the level of services required. This “special education weighting” is tied to certified enrollment and IEP counts.
- Iowa also supplements district funding through targeted mechanisms including IDEA Part B grants, Medicaid reimbursement for eligible school-based services, and a state high-cost fund that helps districts cover unusually expensive special education placements or services.

# Weighted Student Funding

- Iowa uses a weighted student funding model to provide additional state aid for students receiving special education services. Under the state school foundation formula, every student generates a base level of funding, and students with disabilities generate additional “weighting” based on the intensity of services required through their Individualized Education Program (IEP).
- The weighting system is established in Iowa Code section 256B.9 and administered through the Iowa Department of Education and Area Education Agencies (AEAs). Students are assigned to one of three service levels; Level 1, Level 2, or Level 3; depending on the educational modifications and supports necessary to meet their needs. These weightings are multiplied by the district’s regular per-pupil funding amount to determine the additional special education funding generated for the district.
- The current weighting factors are lower than the original statutory levels established in the 1970s. The state originally set weighting levels at 1.8, 2.2, and 4.4, but the School Budget Review Committee (SBRC) has authority to adjust the factors over time. The current operational weightings are 1.72, 2.21, and 3.74.

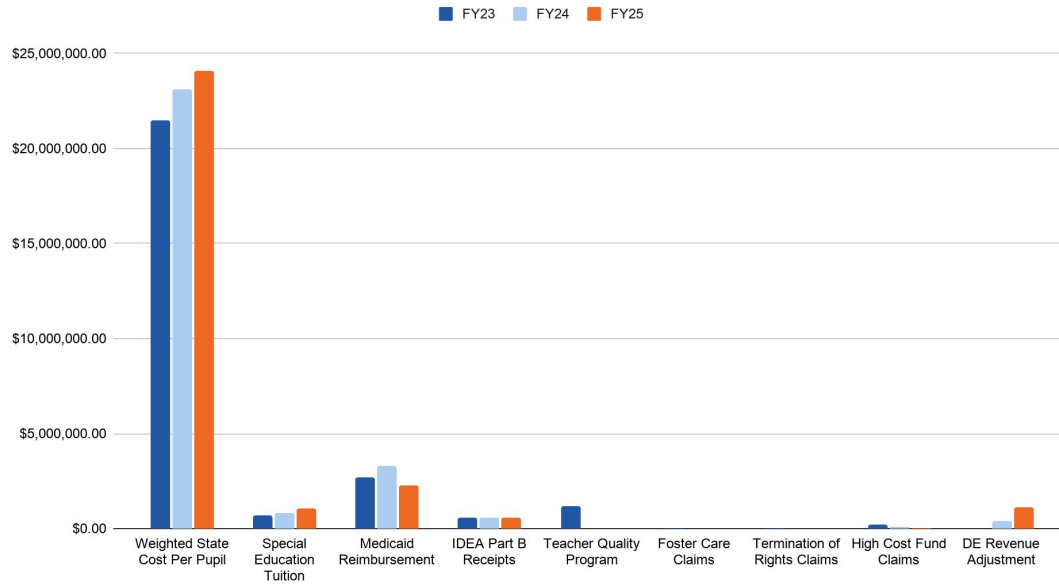
# Special Education Enrollment

FY23, FY24 and FY25 Special Education Student Population

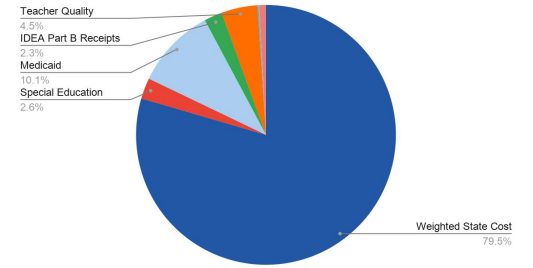


# Special Education Revenues

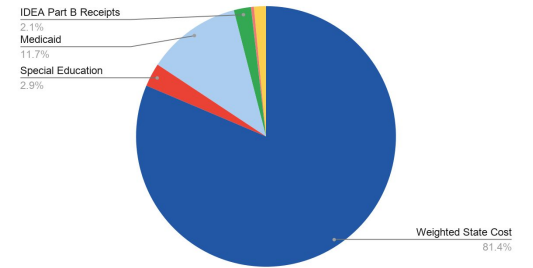
FY23, FY24 and FY25 Revenue Streams



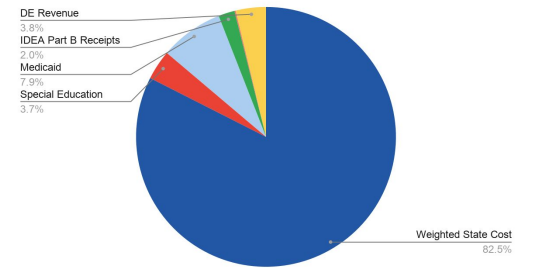
FY23



FY24

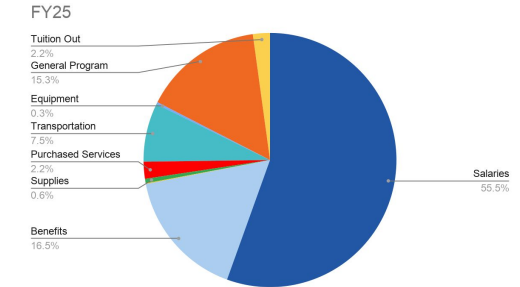
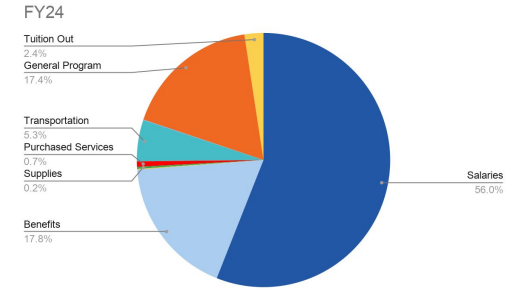
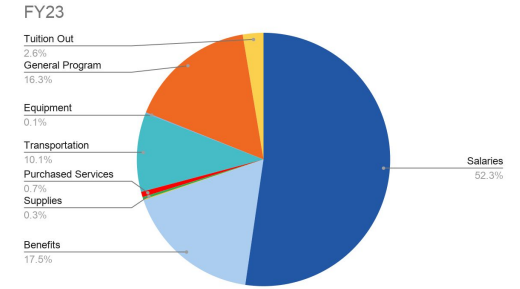
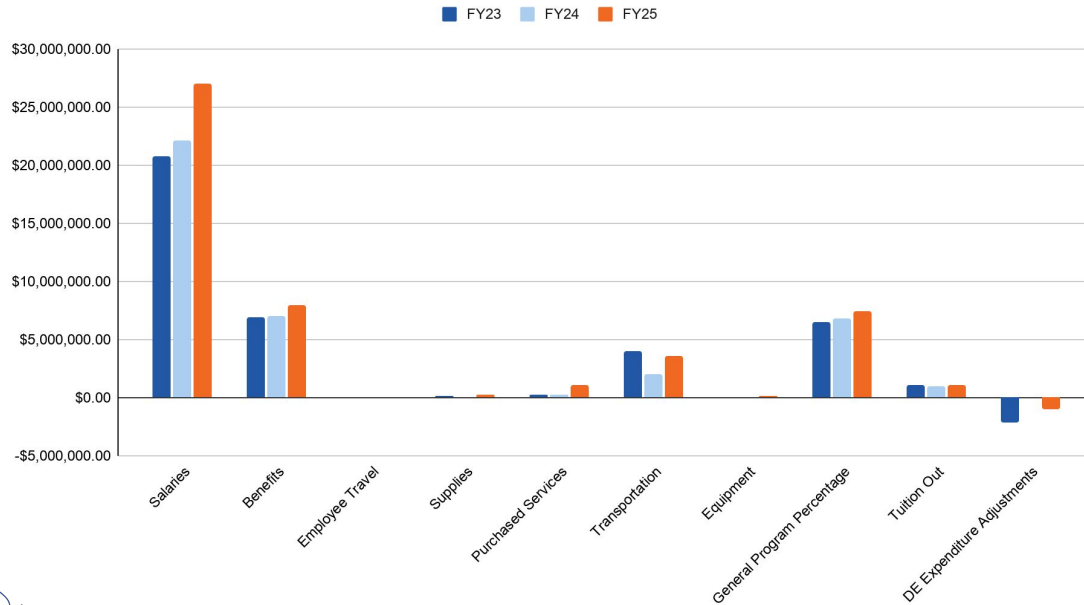


FY25



# Special Education Expenses

FY23, FY24 and FY25 Expenses



## Significant Increases from FY24 to FY25

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Teacher Salary Supplement	\$1,200,000
Behavior Interventionists	\$1,300,000
Expansion of Preschool Program	\$675,000
Inclusion of Nursing Salaries	\$750,000
Paraeducator Wage Increases	\$989,000
Teacher Wage Increases	\$705,000
Proper Identification of Supplies & Equipment	\$225,000
Preschool Transportation	\$82,000
General Program Percentage	\$568,000
Tuition Classified as Contract Services*	\$702,000

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<b>Total</b>	<b>\$7,196,000</b>
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*\* This was a series of payments to other districts incorrectly coded.  
This has been reported to the Department of Education.*

## Staffing Levels

Position	FY23	FY24	FY25
Sign Language Interpreter	0.8258 FTE	3.75 FTE	2.5625 FTE
Special Education Department Specialist	2 FTE	4 FTE	1 FTE
Special Education Social Worker	5 FTE	2 FTE	6 FTE
Behavior Interventionist	18 FTE	25.5 FTE	39.5 FTE
Nurse	21 FTE	25 FTE	24 FTE
Preschool Paraeducator	19.275 FTE	15 FTE	23.4375 FTE
Preschool Teachers	18 FTE	19.5 FTE	25 FTE

**DEPT. OF EDUCATION  
INFORMATION**

## Timeline & Scope

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**December 2025:** Department of Education request for information related to an increase in ICCSD special education deficit.

**March 2026:** Department of Education requests follow up information referencing December 2025 submission. Department of Education also provides a file of expenses (FY23, FY24, FY25) to be reviewed by district staff to determine appropriateness of spending. **UEN districts received similar requests for information related to expenditures.**

**April 2026:** District staff submits response to Department of Education.

**May 2026: Currently we have not received any feedback on our submission**

**June 2026:** Department of Education will provide update on findings to SBRC for all districts.

# Paraprofessionals

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**Department of Education Observation:** In FY23 - FY25, the number of special education paraprofessionals ranges from 446 - 479 FTEs. In FY24, the district served a total of 1,594 special education students. In FY25, the district served a total of 1,643 special education students.

**Department of Education Narrative Request:** Please verify the assignment for the paras to ensure that 100% of their time was dedicated to a special education environment. If that is the case, please provide additional information regarding the district's systemic use of paraprofessionals in its special education program since a 1:3 special education paraprofessional to special education student ratio is an outlier in the state.

## Paraprofessionals

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**District Response:** Special Education paraeducators spend 100% of their time supporting students with IEPs (as directed by their IEP). Paraeducator schedules are updated frequently at the building level with oversight from special education coordinators.

ICCSA strives to serve all students in their assigned home school based on their residence. Therefore, we do not have programs regionally located at schools which can cause the number of paraeducators to be larger than districts that regionally serve students in programs.

The decision to add paraeducators is made by the IEP team. Beginning in the 2024-25 school year professional development for LEA representatives began to review our continuum of services. Additionally, students with paraeducator services written into their IEP also utilize a Student Independence Mapping (SIM) process to fade support as students skills develop. During the 2025-26 school year, we began the process of evaluating our paraeducator staffing and rather than hiring for a posted position, we reassigned if there was no longer a need to student movement or changes in goals/rosters. We've moved some paraeducators internally rather than continuing to hire. In 2025-2026 we expanded our preschool programming from half day preschool to full day preschool offered at all of our attendance areas. This increased the number of paraeducators as students that required support from a para increased from half day to full day, as well as the number of students attending preschool increased.

# Supplies & Equipment

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**Department of Education Observation:** The district's narrative contained the following explanation: *"Previous procurement policies had been lax on identifying supplies intended for use by the special education department. Efforts to more appropriately identify additional supplies and equipment is properly coded resulted in an additional ~\$225,000 in expenses for special education."*

**Department of Education Narrative Request:** Please explain what types of supplies/equipment were not coded to Special Education in prior years that could have been appropriate to charge to the program.

**District Response:** Previously a significant number of items purchased to support the special education function were charged as institutional expenses. Examples of items previously not consistently allocated to special education in prior years include protective items, support devices for level three students, or technology.

# Behavior Interventionists

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**Department of Education Observation:** The district's narrative outlines a \$1.3 million increase for behavior interventionist programming as part of special ed programming.

**Department of Education Narrative Request:** Please provide additional details regarding the \$1.3 million increase for behavior interventionist programming as part of special ed programming.

**District Response:** A goal of our district was, to the greatest extent possible and in compliance with the student's IEP, to have students included in the general education setting. To help with this, our Behavior Interventionists work with our teachers to help support the student in and out of the general education setting. They will work with Special Ed. teachers to ensure compliance of the student's goals, services, and potential Behavior Intervention Plans. In addition to supporting teachers, they model highly-effective strategies, use preference inventories to meet goals through reinforcements, progress monitor goals through accurate data collection, and debrief/plan when incidents may occur. All of these supports remain part of the Continuum of Services that we continue to bring to our teachers and administrators.

# Nurse Salaries

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**Department of Education Observation:** The district's narrative states the inclusion of nursing salaries contributed to an additional \$750,000 to provide care to special education students in FY25.

**Department of Education Narrative Request:** Please provide the rationale behind the \$750,000 for nurses charged to the special education program.

**District Response:** Nurse salaries are an allowable expenditure of special education funds to the extent that nurses provide services to students as specified in their IEPs. In 2023, our nurses submitted time-study data to the business office detailing the time they spent supporting students with chronic health conditions and IEPs, as well as their involvement in the district's Medicaid billing program. This data was averaged to determine the proportion of each nurse's FTE that could be supported with special education funds.

## Tuition Misclassified as Contract Services

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**Department of Education Observation:** The below information was included in the district's narrative: *During the year, a process change was implemented in the routing of tuition invoices through the district. This resulted in tuition charges that should have been coded as tuition being coded to professional educational services (Obj. 320). In total ~\$702,000 of expenses were misclassified. Since the SES calculates tuition off billing summaries and not ledger detail, this resulted in these expenses being double counted in the special education supplement. Variance is approximately 1.4% of the corrected expenditures, or 3.8% of the originally calculated special education deficit. Finance has reviewed invoice processing procedures, and taken steps to ensure ledger balances for tuition charges on the SES are reconciled against ledger balances to prevent these errors moving forward.*

**Department of Education Narrative Request:** If these expenditures were double counted in the SES, this would have resulted in a higher deficit. Did the district ensure any request for modified supplemental amount due to a special education deficit balance was offset by the identified expenditures that were double counted?

**District Response:** This adjustment was not corrected in the MSA request. The issue was identified subsequent to the submission of the request.

# Expenditure Review

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**Department of Education Request:** There were a number of purchases charged to the special education program for which the Department was unable to clearly determine were appropriate based on the descriptions provided by the district. Appropriate expenditures to the special education program are only those purchased pursuant to an individual student's IEP.

- If any purchases were also used as part of the general education program, they should not be coded to special education.
  - *Example #1:* If curriculum or classroom supplies were purchased for use by a special education student, but it is the same curriculum used in the general education environment, it is not a special education cost.
  - *Example #2:* If all students are issued a computer, and a special education student is issued the same computer, it is not a special education cost.
- If district documentation is insufficient to illustrate the expenditure was appropriate to SE, the expenditure should be identified as inappropriate to the program.

# Expenditure Review

	Total	Indicated "Yes"	% Yes	Indicated "No"	% NO
<b>FY23</b>	\$2,402,463.82	\$2,346,816.00	97.68%	\$55,634.39	2.32%
<b>FY24</b>	\$2,283,854.25	\$2,243,092.19	98.22%	\$40,762.06	1.78%
<b>FY25</b>	\$2,076,498.67	\$2,029,110.82	97.72%	\$47,387.85	2.28%
<b>Total</b>	<b>\$6,762,816.74</b>	<b>\$6,619,019.01</b>	<b>97.87%</b>	<b>\$143,784.30</b>	<b>2.13%</b>

# QUESTIONS & DISCUSSION

# Appendix

# Appendix

Revenue Source	Definition
<b>Special Education Receipts</b>	Revenue generated through weighted special education funding formula. School districts receive additional state aid and property tax authority based on the number of students receiving special education services and their assigned service weighting levels.
<b>Tuition In Receipts</b>	Payments received from other districts or agencies when a district provides special education services for students who reside outside the district. These funds offset the cost of serving nonresident students.
<b>Medicaid Reimbursement for Instructional Program</b>	Federal Medicaid reimbursements for eligible health-related services provided to students with disabilities during the school day, such as speech therapy, nursing services, occupational therapy, or behavioral health supports included in an IEP.
<b>Part B Receipts for Instructional Program</b>	Federal Individuals with Disabilities Education Act (IDEA) Part B funds distributed to districts to support special education and related services for students ages 3–21 with disabilities. These funds supplement, rather than replace, state and local funding.
<b>Teacher Quality</b>	State funding provided through Iowa’s Teacher Leadership and Compensation (TLC) and Teacher Quality programs to support teacher salaries, professional development, mentoring, and instructional improvement, including staff serving special education students.

# Appendix

Revenue Source	Definition
<b>Foster Care Claims</b>	Reimbursements or claims associated with providing educational services to students placed in foster care. These funds may help districts recover costs tied to transportation, special education, or other required services for foster youth.
<b>Termination of Rights Claims</b>	Funding claims associated with students whose parents' rights have been terminated and whose educational costs may become the responsibility of the state or another public agency. Districts may submit claims to recover eligible special education expenditures.
<b>High Cost Fund Claims</b>	State special education assistance available to districts serving students with exceptionally high-cost disabilities or placements. The High Cost Fund helps offset unusually expensive instructional or residential service needs that exceed typical district resources.
<b>DE Revenue Adjustment</b>	Iowa Department of Education adjustments made to district revenue calculations to correct, reconcile, or modify funding allocations related to enrollment, weighting, special education claims, or other state aid factors.

# Appendix

Expense	Definition
<b>Salaries</b>	Total wages and salaries paid to special education staff, including teachers, paraprofessionals, therapists,, and support personnel.
<b>Employee Benefits</b>	Costs associated with employee benefits for special education staff, including health insurance, retirement contributions, Social Security, Medicare, and other benefit programs.
<b>Employee Travel</b>	Reimbursement for travel expenses incurred by special education staff for professional duties, training, student services, or required meetings.
<b>Supplies and Materials</b>	Expenditures for classroom supplies, instructional materials, adaptive equipment, testing materials, technology consumables, and other items used in special education programs.
<b>Contract Services</b>	Payments to outside providers or agencies for contracted special education services such as therapy services, behavioral supports, evaluations, consulting, or specialized instruction.

# Appendix

Expense	Definition
<b>Pupil Transportation</b>	Costs of transporting students with disabilities, including specialized transportation services required by a student's IEP.
<b>Equipment</b>	Expenditures for durable equipment used in special education programs, such as assistive technology devices, adaptive equipment, or specialized classroom equipment.
<b>General Program Percentage</b>	The portion of shared district-wide or general education expenditures allocated to the special education program based on approved accounting methodologies.
<b>Tuition Out</b>	Payments made by the district to another district, agency, or facility for educating students requiring special education services outside the resident district.
<b>DE Expenditure Adjustments</b>	Iowa Department of Education adjustments made to district expenditure reports to reconcile coding corrections, audit findings, or other required financial reporting changes.