

EFFECT OF SPECIAL EDUCATION FUNDING MODELS IN ILLINOIS ON  
DISTRICT PLACEMENT PRACTICE

BY

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DISSERTATION

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## **Abstract**

The provision of special education services to students with disabilities has grown dramatically since the passage of Public Law 94-142, the first federal legislation guaranteeing this right to publicly educated children. This legislation ensured that students with disabilities adversely affecting their ability to access the general education curriculum must be provided services within the least restrictive environment of a school setting. For some students with more significant disabilities, the least restrictive environment can mean placement in a self-contained setting or even a separate school. The costs associated with self-contained settings can be high, and school districts rely on federal and state reimbursements to offset expenses. The structure of these special education reimbursements varies dramatically across the United States. In Illinois, school districts rely on a combination of revenue from federal, state, and local governments to address costs associated with educating students with disabilities. For students with severe disabilities, Illinois currently provides a greater reimbursement to school districts for students placed at private school placements rather than public settings, creating a potential incentive to access a more restrictive placement for these individuals.

This study sought to examine whether this incentive occurs in practice and how it may influence decision making by special education administrators. A sequential mixed methods design was selected to collect data in two phases. Five research questions were developed to address this topic: (a) How does each Illinois school district's placement rate of students into separate special education settings compare to the state average placement rate? (b) Are any of five demographic variables (operational expenditure per pupil, district size, percent of students in special education, percentage of students receiving free or reduced-price lunch, percentage of non-White students) characteristic of school districts that place students above the statewide

average rate into separate settings? (c) What factors guide special education administrators in their decision-making practices regarding the placement of students with disabilities in the least restrictive environment? (d) To what degree does a special education director's understanding of Illinois special education funding models influence placement of students into separate settings? and (e) To what extent do the placement decision-making practices of special education directors reflect children's best interests? The study used a conceptual framework based on the Best Interests of the Student model (Shapiro & Stefkovich, 2011).

In the first quantitative phase, placement and demographic data from 859 school districts were used to analyze both the number of students placed into separate facilities and the characteristics of districts with significantly more students placed than the state average. Results showed that 11% of districts in Illinois placed into separate settings at a rate higher than the state average. Findings also revealed that districts with higher operating per pupil expenditures and districts with lower enrollments were more likely to place students into these private therapeutic settings. In the qualitative phase, special education directors working in 12 of 95 districts found significant in the first phase were interviewed regarding least restrictive environment, district placement practices, and awareness and involvement in district special education budgeting. These interviews revealed factors special education administrators considered when making placement decisions, including the severity of a student's disability, the availability of a continuum of services, enrollment of the district, professional development for faculty and staff, and awareness of funding issues. District directors reported that independent decision making was a critical factor in making ethical decisions for students, and their placement decisions were not influenced by state incentives. Several recommendations for policy development, practice, and further study are presented.

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## Chapter 1

### Introduction

Least restrictive environment (LRE) is a fundamental principle of the Individuals with Disabilities in Education Act (IDEA, 2004), the federal law mandating the provision of special education services to students with disabilities in public schools. This provision notes the critical importance of educating students with disabilities with their general education peers. Indeed, it notes that the segregation of students with disabilities can be construed as consistent with the concept of “separate but equal” ruled unconstitutional in *Brown v. Board of Education* (Gartner & Lipsky, 1987; Zirkel, 2005). Since the passage of initial special education legislation in 1975 and its subsequent revisions, the concept of LRE has endured as a cornerstone of special education services (Gartner & Lipsky, 1987; Rozalski, Stewart, & Miller, 2010). Specifically, students with disabilities are required to be educated with their peers without disabilities to the maximum extent possible regardless of the nature and severity of their disabilities (IDEA, 2004). When teams meet annually to develop individual education plans, in addition to identifying needs and goals, they must consider and decide upon the LRE in which special education services can be provided.

In order to provide special education services in the LRE, additional resources often are required. Students with significant disabilities, defined as those individuals with cognitive, emotional, and/or behavioral needs, often require extensive supplementary aids and accommodations in order to benefit from the general education environment. Such students also may require additional personnel such as case managers, school psychologists, social workers, speech/language pathologists, and paraprofessionals (McCleskey, Landers, Williamson, & Hoppey, 2010; Rozalski et al., 2010). Within the state of Illinois, the expenses associated with

increased personnel and accommodations can be substantial and potentially prohibitive to school districts, particularly in light of the recent financial burdens these entities have experienced due to tax cap legislation and increased teacher pension obligations (Dimattia & Osborne, 1994; Parrish, 1996, 2010).

Although IDEA mandates the provision of special education services in public schools and authorizes the U.S. Congress to fund services up to 40% of the cost relative to the expense of educating general education students, federal dollars provided for special education have never risen above 20% and for fiscal year 2018 were set at 15% (Department of Education, 2017; Griffith, 2015; Levenson, 2012; McCann, 2014; Millard & Aragon, 2015). Therefore, individual states have been left to provide supplemental funding in order to offset the burden placed on local districts for providing special education services (Levenson, 2012; McCann, 2014; Parrish, 2010). The only federal guidance in IDEA with respect to funding notes that if states use a funding mechanism based on type of setting, that mechanism should not violate the requirements of LRE. It further notes that if policies and procedures are not in place to ensure compliance with LRE, the state must revise its funding mechanism “as soon as feasible” (IDEA, 2004). With little federal guidance in regard to the provision of special education, states have developed a variety of methods to disperse funding to local districts.

Four special education funding models are primarily employed across the United States: pupil-weighted, census-based, resource-based, and percentage reimbursement (Chaikind, Danielson, & Braun, 1993; Millard & Aragon, 2015; Parrish, 2010; Verstegen, 2011). Although each approach has advantages and disadvantages associated with funding equity, those that provide financial incentives for identifying students with disabilities or for placing them in more

restrictive environments are viewed as particularly inequitable and go against the intent of IDEA (Parrish, 2010; Parrish & Wolman, 2004; Verstegen, 2011).

The state of Illinois uses a combination of models to provide funds to school districts for special education. For example, revenues for students placed into public environments with access to typically developing peers are funded through a disincentivizing “census-based” model. With this approach, funding is allocated to districts based on total student population and the percent of low-income students. The vast majority of students receiving special education services in the state are funded through this formula. For students having lower incidence disabilities, such as those with autism, multiple disabilities, or severe emotional disabilities, significant additional resources may be required to support their education.

Districts that do not have sufficient in-district capacity to address students’ specialized needs are obligated to provide services through other means (McCann, 2014; Parrish, 2010; Richmond & Fairchild, 2013). Many Illinois public school districts have opted to form cooperative agreements across multiple school districts to serve such students, permitting districts to pool resources to provide appropriate services to students with more significant needs (Richmond & Fairchild, 2013). These services include self-contained classrooms or schools and are staffed and supported through such agreements. Although these students may not receive education in their home school, cooperative agreement programs are located in their local communities, providing students with continued access to home school activities and events, and exposure to peers without disabilities. This type of placement requires greater resources, but because it is considered a public placement from the perspective of the state, no additional funding is available to districts accessing this option for their students with severe disabilities (O’Reilly, 1995; Parrish, 2010).

Where such public placement options have not been developed to meet the needs of these students, school districts may consider private therapeutic schools as the LRE (McCann, 2014; Richmond & Fairchild, 2013). As suggested by their title, these are privately run organizations that serve specialized populations of students. In order to be considered for enrollment, schools must apply for an individual student's admission and these applications may be rejected or accepted due to a variety of factors (e.g., severity of need, space in the program, need for related services, etc.). Tuition is paid from the educational fund of the public district directly to the private school.

Recognizing the need to offset tuition costs for these special-purpose private schools (such tuitions range from \$35,000 to over \$100,000 annually), the Illinois State Board of Education (ISBE) created a formula for reimbursement. However, in contrast to publicly provided special education services and placements, tuition reimbursement to private therapeutic schools is based upon a formula in which any amount of tuition greater than two times the per capita cost to educate a typically developing student within that district is reimbursable (Illinois Administrative Code, 2016; Parrish, 2010). For example, District A, with a per pupil expenditure of \$8,000, places a student at Private School B whose tuition is \$50,000. Based on the current formula, the district would receive a state reimbursement of \$34,000 ( $\$50,000 - 2 \times \$8,000$ ). This formula permits substantially greater reimbursement to districts than that received by placing the student in a public education setting and is therefore considered an incentivizing formula (Parrish, 2010). As a result, school district administrators and local school boards may be reluctant to build capacity for publicly funded placements for students with more significant disabilities and instead may recommend more restrictive private settings in order to increase state



reimbursement to the district—particularly if their districts have limited local resources available to support education in general.

Within this context of special education funding and LRE, ethical decision making by school administrators becomes a relevant and concerning issue. Specifically, special education directors must be conscious of their legal and ethical commitment to developing an Individual Education Plan (IEP) that meets the best interests of a student, regardless of financial bearing on the district (Richmond & Fairchild, 2013; Scull & Winkler, 2011; Versteegen, 2011). However, administrators have come under increased scrutiny by school boards and the communities they represent to reduce expenditures to meet the needs of all students. Although special education directors may want to increase the capacity to serve students with more significant needs within the local community, doing so may likely require additional expenditures not readily available in the school budget. If students can be placed in private therapeutic schools that adequately meet their educational needs and the district receives substantially more financial support to do so, then school district officials may not be motivated to develop programming in the public sector.

### **Statement of the Problem**

The LRE provision of IDEA has endured for over 40 years as a cornerstone for serving students with disabilities in public schools. However, since its initial inception as Public Law 94-142 in 1975, the number of students identified for special education has grown significantly along with associated costs to local districts for serving these students (Bellamy & Danielson, 1989; Griffith, 2015; Mahitivanichcha & Parrish, 2005; Samuels, 2016). For instance, in 1976, 5.1% of the nation's population of students were identified with special education needs. By 2006, this number had nearly doubled to 9% (Boser, 2009; McLeskey et al., 2010; Samuels, 2016). Although numbers trended downward beginning in 2006, numbers have steadily

increased since 2011. It is unclear what might be affecting trends, though factors such as improved diagnoses of disabilities as well as state policy changes likely play some role (Samuels, 2016). As a result, state officials have been left to develop models that attempt to help school districts offset the costs associated with the federal special education mandate. A variety of formulas have been derived to provide funds to local districts. In comparing different state funding formulas to determine effectiveness and outcomes, researchers have categorized them as either incentive-based or disincentive-based mechanisms (Baker, Green, & Ramsey, 2012; Baker & Ramsey, 2010; Parrish, 1996, 2001, 2010).

As noted previously, when students with disabilities demonstrate needs that require placement outside of their home school, district officials can access either public or private facilities (Illinois Administrative Code, 2016). Although public placements are considered less restrictive in nature, the reimbursement provided for private placements is significantly greater (Parrish, 2010). When the choice is between a public or private school setting, district leaders may be inclined to choose the private setting, particularly if their operating expenditures are low. As a result, directors of special education are faced with an ethical dilemma: Whether to develop local programming so that students can be placed in less restrictive settings in which there is greater access to peers without disabilities, or whether to place in private settings that are more restrictive but offer significant financial incentives to the school district. Although studies have pointed to the inequity in the funding discrepancies and have recommended changes, no research has been conducted on the actual effects of the current funding model on special education practices in Illinois; specifically, whether students have less access to public placements due to the financial incentive of placing a student into a more restrictive private setting and how school

district administrators address the issue of meeting the needs of all students (Parrish, 1996, 2010).

### **Purpose of the Study**

The purpose of this study was to examine whether the current special education funding model in Illinois influences the decisions Illinois public school district special education administrators make regarding how students are placed along the least restrictive environment continuum. Statistical analysis was first employed to both compare district placement rates in separate settings to the state average, and then to examine the likelihood that students placed in separate settings come from districts with specific demographic characteristics. Five demographic variables were chosen based on factors that might influence school districts to seek more restrictive settings and because Illinois requires and monitors these data reports from all school districts. The first variable, operational per pupil expenditure (OPPE), is a measure of a district's total revenue divided by the number of students in a district. Districts with lower OPPE could be influenced by financial incentives tied to placement. District size was a second variable analyzed in order to determine whether total enrollment influenced the ability to serve students with more significant disabilities within the public setting. A third variable considered was the percent of students in special education within a district. Similar to district size, the number of students requiring special education could potentially influence the range of programming available within a school district. The final two variables, percentage of non-White students and students receiving free or reduced-price lunch, were chosen in order to examine whether students marginalized by race or poverty might be over-placed into more restrictive settings. In a subsequent phase, semi-structured interviews were conducted with special education administrators from districts that demonstrated statistically significant higher probability of

placement of students into separate settings to determine the degree to which their knowledge of the Illinois special education funding model factors into the decisions they make as educational leaders. The Best Interests of the Student framework of ethical leadership (Shapiro & Stefkovich, 2011) was used for this study.

## **Research Questions**

This dissertation examined how the current model of special education funding in the state of Illinois influences practices with regard to placement in the least restrictive environment by school district administrators. The following five research questions were addressed:

1. How does each Illinois school district's placement rate of students into separate special education settings compare to the state average placement rate?
2. Are any of five demographic variables (operational expenditure per pupil, district size, percent of students in special education, percentage of students receiving free or reduced-price lunch, percentage of non-White students) characteristic of school districts that place students above the statewide average rate into separate settings?
3. What factors guide special education administrators in their decision-making practices regarding the placement of students with disabilities in the least restrictive environment?
4. To what degree does a special education director's understanding of Illinois special education funding models influence placement of students into separate settings?
5. To what extent do the placement decision-making practices of special education directors reflect children's best interests?

## **Conceptual Framework**

For a conceptual framework, the Best Interests of the Student model developed by Shapiro and Stefkovich (2011) was applied. Ethical leadership in schools has been studied by researchers for more than 30 years, emerging from initial writings by Sergiovanni (1984) and Starratt (1991) on the moral and ethical obligations of the school principal to the education of his/her students. Since that time, numerous ethical guidance documents and research frameworks have been developed that may be applied to this special education leadership dilemma, although

none speaks directly to the issues of funding and student placement. With regard to guidance put forth by leadership organizations, the Interstate School Leaders Licensure Consortium (ISLLC) developed standards for school leaders in 1996; the current version, adopted in 2015, is entitled *Professional Standards for Educational Leaders* (National Policy Board for Educational Administration [NPBEA], 2015). Each revision has further clarified and expanded the definition of the educational leader's role based upon current research into effective leadership practices (Galloway & Ishimaru, 2015). From the most recent version, Standard Two, "Ethics and Professional Norms" addresses the need to "act ethically and professionally in personal conduct, relationships with others, decision making, stewardship of the school's resources, and all aspects of school leadership" (NPBEA, 2015, p. 10).

The American Association of School Administrators (AASA, 2007) also has published a Code of Ethics, which is a statement listing 12 practices to which ethical school leaders must adhere. This statement references the responsibility administrators have to pursue measures to correct laws, policies, and regulations that are not consistent with the best interests of children. Similarly, the Council for Exceptional Children (2015), an international organization supporting special education, published a white paper referencing 12 practices for ethical special education administrators. With regard to decision making, it too notes the importance of upholding laws and policies that influence professional practice and advocating for improvement in such laws. This document, however, focuses entirely on the support of students with disabilities in educational settings and the need to advocate for equity and tolerance in the field of education. Although these documents provide standards and guidance, it is unclear what influence they have on the everyday ethical dilemmas and practices of educational administrators (Shapiro & Stefkovich, 2011).

Research in the field of educational leadership has focused primarily on three lenses through which one can view decision making in practice: The ethics of justice, caring, and critique (Bon & Bigbee, 2011; Eyal, Berkovich, & Schwartz, 2010; Frick, Faircloth, & Little, 2012; Starratt, 1991; Stefkovich & Begley, 2007). The ethic of justice focuses on the rights and responsibilities of decision making. Standardized codes of behavior such as those delineated by professional organizations exemplify the ethic of justice in their focus on the fairness and equity in providing the greatest benefit to the greatest amount of people living within a society (Eyal et al., 2010; Starratt, 1991; Stefkovich, 2006). The ethic of caring places emphasis on demonstrating respect and empathy for the individual and development of trust and commitment (Eyal et al., 2010; Noddings, 2012). This ethic places importance on the relationship between the persons giving and receiving care and contrasts with the ethic of justice in its focus on the intrinsic worth of individuals (Shapiro & Stefkovich, 2011; Stefkovich, 2006). The ethic of critique examines decision making from the perspective of power differentials within organizations (Starratt, 1991). It seeks to challenge the status quo and provide voice to marginalized groups in society (Stefkovich, 2006). In contrast to stand-alone lenses, Starratt (1991) suggested these lenses are complementary and in considering the three together, a richer, more complete ethical response to educational decision making could be made.

Shapiro and Stefkovich (2011), however, recognized that within school settings, there are unique moral aspects to the profession that are not adequately addressed through the ethics of justice, care, and critique:

They have described a paradigm for the profession that expects its leaders to formulate and examine their own professional codes of ethics in light of individual personal codes of ethics, as well as standards set forth by the profession, and then calls on them to place students at the center of the ethical decision-making process. (p. 27)

The authors asserted that in the past, this type of ethical decision making was considered a subset of the ethic of justice, likely due to the need to rely on codes, rules, and principles in addressing dilemmas. However, these codes typically do not reference or highlight the importance of ethics in the day-to-day decision making made by educational leaders. The Best Interests of the Student framework was developed by Shapiro and Stefkovich (2011) in direct response to this need.

Research related to the ethic of the profession has centered on categorizing the types of dilemmas educational leaders regularly face in school settings and determining factors that influence the decisions they make to resolve such issues. For instance, Bon and Bigbee (2011) found that special education leaders regularly employ both personal and professional codes of ethics when making service-related decisions. Similarly, Frick et al. (2012) reported that building principals rely heavily on personal experiences to determine how to best support students with and without disabilities in their buildings. In another example, Frick (2011) examined decision making by high school administrators to determine whether these leaders followed more rule-bound protocols or relied on personal or professional ethics. Common to these studies was the conclusion that educational leaders use both professional and personal ethical codes to make decisions that are in the best interest of children (Bon & Bigbee, 2011; Frick, 2011; Frick et al., 2012).

Ethical dilemmas in the field of special education are prevalent due to consideration that must be given to a number of competing interests when planning, implementing, and evaluating services for students with disabilities (Bon & Bigbee, 2011). Although no one framework speaks specifically to the issue of special education funding in Illinois, the Best Interests of the Student model provides a template for examining ethical decision making by special education administrators when considering placement for students with disabilities. Within the field of

research, this multiple perspective model has been applied to examinations of how principals and other teacher leaders make and justify decisions regarding students with special needs (Frick, 2011; Frick et al., 2012). It has also been applied to how administrative policy directives and legal compliance are balanced with the needs of the community (Bon & Bigbee, 2011). For the purposes of this study, the Best Interests of the Student model fit well in examining how special education leaders balance competing interests in making determinations related to least restrictive placement.

### **Overview of the Research Methodology**

A sequential quantitative to qualitative mixed-methods model was used as the research method for this study. For the quantitative component of data collection, Illinois public school district observed rates of student placement into separate settings were compared to the state expected rate using chi-square testing. Logistic regression was then used to determine whether various district demographic variables (percent of students in special education, district size, operating per pupil expenditure, percentage of students receiving free or reduced-price lunch, and percentage of non-White students) predicted an increased likelihood of districts to place students into separate school settings, defined as private special education placements outside of the local school districts and in which students have no access to the general education environment. Data were accessed via the Illinois District Special Education profile available through the Illinois State Board of Education website ([www.isbe.net](http://www.isbe.net)). The most recent available data this website contained was for the 2015-16 school year. At that time, there were 859 school districts in Illinois. For the purpose of this study, data were analyzed for all 859 school districts.

Through the use of chi-square testing, districts were identified that placed students into separate facilities at a statistically significantly higher rate; these districts then were selected for



the qualitative portion of the study. After an initial screening to determine years working at their districts, and background and experience with placement into separate facilities, 12 special education directors from rural, suburban, and city school districts were identified and contacted to participate in semi-structured interviews regarding ethical decision making and placement of students with significant disabilities in separate facilities. Directors of special education were asked about their understanding of Illinois school code as it pertains to funding and reimbursement for students placed into separate education facilities, their understanding of the funding differences between private and public separate education facilities, and the decision-making practices they employ when authorizing such placements.

### **Significance of the Study**

Several studies have examined the relationship between special education funding formulas and placement of students with disabilities (Baker et al., 2012; Baker & Ramsey, 2010; Chaikind et al., 1993; Mahitivanichcha & Parrish, 2005; O'Reilly, 1995; Parrish, 2010; Parrish & Chambers, 1996). However, studies either focused on comparing aggregate data across states or examined specific state data for correlations between funding formulas and student placement (Fredericks, 2007; Goodman, 2009). Currently, no research has been published outlining the effects of state funding approaches on special education student placement practices. This study provided the potential to highlight effects of the current special education funding structure in Illinois, as well as the decision-making practices of district personnel who have oversight for special education services. Results could potentially influence policy-making related to special education funding as well as to highlight concerns of which special education directors should be cognizant as they plan for programming for students with significant disabilities within their school districts.

## **Limitations of the Study**

Limitations must be noted in a study in order to clearly represent the accuracy of the study's conclusions (Creswell, 2015). They are considered factors not within the control of the study that may have influenced results. This study was limited by several factors. First, quantitative findings depended upon the accuracy of the special education data reported by school districts to the state. Inaccurate entry of data and incomplete or inaccurate accounting on the state database of students' placements potentially affected statistical data analysis. This study's limitations further include the existence and availability of private school placements to all school districts in Illinois. A school district might choose to seek placement in a private facility but if none are present within reasonable distance, then it cannot be considered for a student, even if it is deemed appropriate by the team. An additional limitation to the study was that although each district was compared to the state individually in statistical analyses, it is possible that a school district's membership within a special education cooperative could have influenced results. This type of membership could potentially reduce the need for districts to seek separate private settings if their cooperatives offered other placement options within their cooperative arrangements.

Qualitative data were limited because the special education directors interviewed represented only a sample of the total number of directors statewide. Therefore, results cannot be generalized to the entire state. Given the small sample of participants, caution should be taken when interpreting the results. Recruitment for the study proved difficult. Although multiple outreach attempts were made, only 12 participants, the minimum amount sought, volunteered to participate in the study. Related to this limitation was the inability to determine how responses may have differed from those individuals who either declined to participate or chose not to reply.

Biases can result when the characteristics of participants differ from those of non-participants. If that were the case, the sample may not be representative of the population.

In addition, this study was limited by the experiences and understandings of special education administrators who were interviewed. Through screening questions, directors having less than 5 years of experience in a district were excluded. However, number of years of experience may not necessarily increase an administrator's experience if there have not been students requiring more restrictive placements within the district. Also, though district administrators may be aware of the funding disparities among special education placements, they may be reluctant to share how that knowledge influences their decision making around special education placement because financial factors are not supposed to influence individual student placement decisions. Further, though participants understood pseudonyms would be employed for the study, they could still be reluctant to share information if it could be perceived that their districts are making decisions that are not in the best interests of students.

### **Delimitations of the Study**

This study was delimited to the placement of students eligible for special education services. Although a range of placements options exist for students, this analysis only examined placement into separate facilities. The Illinois Special Education Profile was chosen as the database for analyzing placement rates; 859 public school districts reported information for this profile in the 3 years analyzed for the study and each of these districts was included in the study. However, based on the large number of districts demonstrating significance in separate facility placement rates as compared to the expected state average, the sample analyzed was delimited to include districts with more than five students in such settings.

The participants in the qualitative portion of the study were delimited to district special education directors. These school administrators are most often involved in placement decisions involving consideration of separate settings. However, special education law stipulates only that a local education agency (LEA) representative is required to be present at an IEP meeting to commit district resources for the student's placement decision. Therefore, it is possible that building principals or assistant principals, as well as special education coordinators or other designees could be assigned the role of LEA in an IEP in which separate settings were considered.

The logistic regression component to the quantitative analysis was delimited to non-White and low-income students placed into separate special education facilities. Gender, or ethnicity, and limited English proficiency are all characteristics that could influence placement into facilities but were not examined in this study. In addition, the preferences and opinions of parents and students can factor significantly into how placement decisions but were not included in this analysis.

### **Conclusion and Organization of the Remainder of the Study**

This chapter provided an overview of the core components of the study. The statement of the problem, purpose of the research, as well as the research questions addressed were introduced. In addition, a description of the conceptual framework and the methodology used to collect and analyze data were presented. Finally, this chapter included a discussion of both the significance and limitations and delimitations of the study. Chapter 2 encompasses a review of the literature related to the study. Specifically, it includes an analysis of research that has been conducted related to LRE, national and Illinois-specific models for special education funding, and ethical decision making in education. Chapter 3 presents the research design used to gather

data for the study. In addition, this chapter includes a description of the participants, the reliability and validity measures employed, and a discussion of the methods for data collection and analysis. Chapter 4 provides the results of both statistical analysis and semi-structured interviews. Chapter 5 focuses on the relationship of the results to the conceptual framework and implications for future research.

## **Chapter 2**

### **Review of the Literature**

This chapter contains a review of the empirical research related to the major themes of this study: Least restrictive environment (LRE), special education funding models across the United States, and the specific characteristics of Illinois' special education funding formula. Following this review, the principles of ethical leadership with regard to the role of an educational administrator will be presented. Although there is extensive literature on these three principal components of the study, there is a lack of empirical research linking the concept of LRE to special education funding. Additionally, this concept has not been directly tied to an ethical decision-making framework (Parrish, 2010; Verstegen, 2011).

#### **National Context for Special Education**

Although our nation's founding fathers recognized a universal interest in the education of its citizens, the U.S. Constitution explicitly omits any federal right to a public education, and the Fourteenth Amendment Reserve Clause leaves this authority to the states. Most federal education legislation has been enacted under the "spending clause" of the Constitution, which gives Congress the authority to tax and spend for the general welfare of the United States. Through the 19<sup>th</sup> century, the primary involvement of the federal government in education was the release of federally owned land to states for the provision of state-run services, including public education (McCann, 2014).

It was not until the mid-20<sup>th</sup> century that the federal government established monetary grants to states with the passage of the Elementary and Secondary Education Act of 1965 (ESEA). This Act provided targeted funding to improve educational opportunities for students in the United States. The Act initially created six "titles," ranging from Title 1, which provided

support for the education of low-income families, to others intended to support research and effective practices for teachers in K-12 education. Although not part of the original ESEA, a new provision of Title VI, the Education of Handicapped Children Act, was passed subsequently by Congress in 1966 and is the first record of specific support to states for the education of students with disabilities (McCann, 2014). Four years later, in its Amendments to the ESEA of 1965, Congress passed the Education of the Handicapped Act which authorized the Department of Education to award grants to assist states in the provision of programs for the education of children with disabilities. In 1975, Congress enacted the Education for All Handicapped Children Act, providing more extensive funding through special education grants awarded to states based on student population (McCann, 2014).

**Education for Handicapped Children Act.** With the issuance of federal funds through Title VI to states for the provision of education to students with disabilities, parents and disability advocates began challenging school districts to provide a wider range and higher quality of special education services. These challenges resulted in two seminal U.S. Supreme Court decisions: *PARC v. Board of Education* (1972) and *Mills v. Board of Education* (1972). These cases established that students with disabilities had the right to a free and appropriate public education in the least restrictive environment. However, at the time of these decisions in the early 1970s, despite the establishment of federal funding, less than half of all children with disabilities were receiving appropriate special education services (Jones, 1995). Debate in the U.S. Congress over the Education for All Handicapped Children Act centered on society's increasing awareness of marginalized groups, including those with disabilities, the judicial decisions requiring the education of children with disabilities, the inability of states and local

governments to fund special education services, and the belief that students with disabilities could, with education, become productive citizens (Jones, 1995).

The Education for All Handicapped Children Act (P.L. 94-142) established principles for the education of students with disabilities, including the right to a free and appropriate public education in the least restrictive environment. In addition, the law set forth a federal funding responsibility to supplement costs to states for the provision of special education services that altered previous formulas enacted in the ESEA amendments (McCann, 2014). Specifically, rather than basing the formula on a state's total population of students, P.L. 94-142 stipulated use of a census for children with disabilities. The law was intended to phase in funding so that by 1982, states would receive an amount equal to 40% of the average per pupil expenditure for a general education public school student.

**Individuals with Disabilities Education Act.** In 1990, Congress reauthorized P.L. 94-142, and retitled it the Individuals with Disabilities Education Act (IDEA). Changes made in the law at this time sought to focus attention on the individual rather than the disability, promote research in the field of special education, and bolster supports for transition to adulthood by mandating that a postsecondary plan be included in any individualized education plan (Greene, 2007; McCann, 2014). Since 1990, the Act has been revised and amended twice. IDEA 1997 broadened eligibility for young students with special needs and included a mandate that mediation be pursued for disputes between parents and school districts prior to entering due process hearing procedures. Significant to this study, IDEA 1997 also altered the model for allocating funding to states. Although the original legislation allocated funds based on a census of students with disabilities in each state, Congress recognized this formula as incentivizing and as a result, altered the funding structure. States now receive funding based upon the total number



of school-aged children in a state and the number of students living at or below the poverty level in each state (Dhuey & Lipscomb, 2013; IDEA, 2004; McCann, 2014). A subsequent reauthorization of IDEA in 2004 changed the eligibility procedures for students with specific learning disabilities requiring states to consider the use of research-based interventions prior to finding a student eligible for special education. IDEA was again amended slightly in 2007 but since this time, has not been reviewed by Congress.

### **National Perspective on Special Education Percentages and Funding**

Nationally, the number of students identified as having disabilities and requiring special education increased each year from 3.7 million students in 1975 until 2004-05 when it peaked at 6.7 million students, or 13.8% of U.S. public school enrollments (Griffith, 2015; Scull & Winkler, 2011). Since that time, there has been a decrease of approximately 300,000 U.S. students eligible for services (Griffith, 2015). Speculation on the decrease of students receiving special education has been attributed both to the implementation of interventions designed to provide intensive academic support to students prior to being evaluated as well as to the elimination of incentivization for school districts to receive funding for increased numbers of identified students (McCann, 2014).

The Center on Special Education Finance (CSEF) reported on the most recent national special education funding data available in 1999-2000. At that time, federal dollars comprised approximately 9% of the funding districts allocated for special education services. The remaining costs were shared between state and local district revenue sources (e.g., property taxes and sales taxes) (McCann, 2014; Parrish, 2010). The CSEF study, however, disclosed that over the previous 10 years, local districts had been required to assume increased responsibility for special education funding. The authors of the study suggested this change was likely due to the increase

in identification of certain disabilities such as autism and other health impairment outpacing states' willingness to contribute adequate proportional resources (Parrish & Wolman, 2004).

### **State Special Education Funding Models**

Although initial federal legislation authorized funding to states for the purpose of offsetting the higher costs of educating students with disabilities, support has never attained the original commitment. Forty percent of the cost of educating a general education student was to be allocated to the local school district, which was intended to supplement additional costs borne by IDEA mandates, but in practice, federal funding for special education has never approached this figure and currently hovers at less than 20% (McCann, 2014; Parrish, 2010). Therefore, in order to meet the mandate to provide a free and appropriate education to all students with disabilities, a significant burden has fallen upon states and local school districts to provide adequate financial support for special education services. Having received insufficient guidance from the federal government regarding the definition of adequate funding, states have developed four different types of formulas in an attempt to equitably fund the provision of special education services within public school districts (Millard & Aragon, 2015). These formulas can be divided into two categories based on whether the formula provides an incentive or disincentive for identifying students for special education, and they are explained in the following sections.

**Incentive-providing funding formulas.** Of the five funding formulas most commonly used by states, three provide incentives for districts to identify special education students. That is, the funding structure provides for increased reimbursements to districts as greater numbers of students with disabilities are identified. Although the intent of such formulas is to compensate districts for the added costs associated with special education, critics argue that such formulas encourage or even pressure public school districts to identify higher numbers of students for

special education in order to gain increased state funding (Mahitivanichcha & Parrish, 2005; Parrish, 2010).

***Pupil-weighted formulas.*** Pupil-weighted formulas calculate special education funding based upon applying one or multiple weighting factors to categories such as disability, placement or intensity of services (Mahitivanichcha & Parrish, 2005). This formula attempts to recognize that the more intensive the need for support, the greater it is expected to cost to educate the child. Typically, the cost of a special education disability or placement is calculated and figured as an added percentage of the cost to educate a general education student. If the amount to educate a general education student is weighted as 1.0, then the special education cost is added to this base to determine the funding level for these students. Weights increase in direct proportion to the perceived intensity of needed services (Verstegen, 2011). Therefore, districts reap an incentive in funding by either identifying students under more significant labels or placing students in more restrictive environments. Although this approach is easily understood and connects directly to general education funding, the cost estimates may not accurately represent actual expenditures for students (Parrish, 2010). As of 2015, 33 states utilized this sort of funding model (Millard & Aragon, 2015).

***Percent reimbursement formulas.*** Another method states use to fund special education for public school districts is based on defining eligible cost categories and assigning a percentage of costs that will be reimbursed by the state. Districts may be reimbursed for 100% of program expenditures or some lesser percentage. There is typically a basis for determining allowable costs and caps have been established in most states employing this model as a way of containing costs. The cap for allowable costs is established by preventing districts from exceeding some specified percentage of the statewide average claim per student (Parrish, 2010). This formula can create

higher costs and is difficult to control at the state level because it is difficult to accurately project costs (Millard & Aragon, 2015; Parrish, 2010; Verstegen, 2011). Conversely, it can provide more appropriate levels of support to districts and allow districts to better predict how much aid they will receive and at what times of the year to expect the revenue for budgeting purposes (Parrish, 2010). Five states currently use this funding approach.

***Resource-based formulas.*** A final incentive-based funding scheme also currently used by five states is one that relies on district assignment of resources such as the number of full-time equivalent teachers or number of classrooms required to serve the district's special education population (Millard & Aragon, 2015). For example, through 2017, Illinois provided public school districts with a standard reimbursement per each full-time equivalent certified and non-certified special education professional (Parrish, 2001).

Although such a model is both easy for school districts to understand and plan with regard to the budget, resource-based allocations do not accurately reflect true costs (Boscardin & Jacobsen, 1999). For example, prior to 2017, Illinois disbursed a set amount of money per teacher; however, this amount was fixed and did not consistently increase based upon cost of living adjustments or annual pay increases set by collective bargaining agreements (Fritts, 2012; Parrish, 2010). This system also did not adjust for certified positions that may cost more for the district to provide, such as speech/language pathologists, occupational therapists, and physical therapists (Parrish, 2010).

***Empirical research related to incentive-based formulas.*** A number of studies have examined the effects of incentivizing formulas on the identification of students with special needs. Dempsey and Fuchs (1993) studied the effects of a policy change in Tennessee involving a shift from a disincentivizing to incentivizing formula. Specifically, the authors looked at both

the percentage of students identified for special education and their educational placement over a 9-year period in which the funding model shifted from a flat grant amount to a pupil-weighted formula. This pupil-weighted formula provided for increased funding for students placed in more restrictive special education settings. Overall, results indicated that although there was an overall decrease in students identified with special needs, the number of students receiving services in more restrictive placements increased.

In a similar study of special education funding in Texas, Cullen (2003) sought to examine the fiscal incentives related to the increased weight factor applied to students with disabilities. The incentive to expand the disability count was measured by the amount of additional state revenue received by districts for classifying additional students as having a disability. Through statistical analysis, Cullen estimated that fiscal incentives could explain a nearly 40% increase in student disability rates. The greatest response to increased incentives occurred in districts with smaller student enrollments and in districts with higher concentrations of poor and minority students. Greene and Forster (2002) similarly found that pupil-weighted systems accounted for a 1.24% additional enrollment increase over a 10-year period. The cumulative effect of this formula resulted in 33 states demonstrating a combined 62% increase in special education enrollment over this period.

Finally, Daniel (2005) examined a policy whereby districts received increased funds based on the number of students with more significant disabilities. Although the intent was to reflect and reimburse based on the true costs of special education, it instead produced an era of increased pressure to identify more students with severe needs. Daniel noted:

by the end of the implementation process, the true intent of the policy-makers, of fair and equitable funding, disappeared in a shuffle of texts, documents, assessments, and percentiles, all done in the name of procuring maximum funding for students with special needs. (p. 779)

In the first year of policy implementation, the number of claims for students with severe needs doubled even though overall enrollment of students with special needs declined. Associated costs for these students in the same period of time more than doubled from \$63 million to \$162 million in less than a year (p. 779). Daniel concluded that these statistics confirm the argument that the policy resulted in a “competition for claims” (p. 779).

Although incentivizing formulas have unique advantages and disadvantages, they share a common characteristic that an increase in the identification of special education students can generate more revenue for the local school district. As the number of students eligible for special education has steadily increased since the enactment of IDEA, some research has examined whether a causal relationship might exist between the ability to identify more students and to provide more revenue to the district (Greene, 2007; Mahitivanichcha & Parrish, 2005; Parrish & Wolman, 2004). Although various mitigating factors play a role, research has confirmed that incentive-based funding may be correlated with increased identification of special education needs in districts (Mahitivanichcha & Parrish, 2005).

**Non-incentive based funding formulas.** In response to the apparent link between increased revenue and escalating numbers of students identified with disabilities, most states have implemented funding systems that provide fixed amounts of money to districts based upon special education or district enrollment rather than weights for the intensity of need or placement of special education students. This section defines two such models employed by states and notes strengths and weaknesses.

**Flat grant models.** In a flat grant approach, states disburse revenue by dividing the total state funding available by the special education count for the state (Millard & Aragon, 2015; Parrish, 2010; Versteegen, 2011). Using this formula, revenues are distributed to districts based

on the number of identified students in each district (Baker et al., 2012; Baker & Ramsey, 2010; Parrish, 2010; Parrish & Wolman, 2004). Although this approach provides some incentive for districts to identify additional numbers of students, it is categorized as disincentivizing because the model does not factor in severity of disability or restrictiveness of placement into the funding disbursement. Districts can, therefore, exercise local control to determine into which spending categories money should flow. A disadvantage to this approach is that districts do not receive additional reimbursements for students with significantly higher costs associated with their special education services. In addition, funding under this approach may not provide sufficient revenue to adequately support a student with special needs in accordance with recommendations made through an individualized education plan (Parrish, 2010).

*Census-based models.* Because of the slight incentivizing aspect of the flat-grant model noted above, some states have developed a census-based formula for distributing funding to districts (Millard & Aragon, 2015; Parrish, 2010; Parrish & Wolman, 2004; Verstegen, 2011). In this approach states determine a lump-sum allocation based on total general education enrollment and then assign a fixed percentage that all districts will receive based on this enrollment to support special education programming (Baker et al., 2012; Baker & Ramsey, 2010). As of 2010, five states used a true census-based formula with an additional 14 states using modifications of the formula to calculate district funding (Verstegen, 2011). This model gained popularity in part because eliminating incentives allowed districts more flexibility in programming. With no identification requirement to receive funding, the need for formal procedures for determining allocations was eliminated (Greene, 2007; Parrish & Chambers, 1996). Census-based formulas also gained momentum because of the problems associated with attempting to measure differing costs between districts and the ease with which calculations can be made at the state level for

disbursements. Finally, like flat-grant models, districts have local control in allocating funds across the district (Greene, 2007; Parrish, 2010).

*Empirical research related to disincentivizing formulas.* In part as a result of escalating costs related to incentivizing formulas, research in the field has examined the effects of disincentivizing formulas on the rates and placement of students in special education. Dhuey and Lipscomb (2013), using data available from the U.S. Department of Education and state department of education databases, analyzed the rate of students identified with disabilities and their educational placements in states that used a census-based formula for pupil reimbursement. The results demonstrated a statistically significant relationship between adopting census funding and a reduction in the special education enrollment rate. Of particular relevance, data also demonstrated a statistically significant relationship between census funding and more restrictive special education placements outside of local school districts. Dhuey and Lipscomb (2013) noted that of the states analyzed, all provided additional reimbursement to districts for students placed in these more intensive settings. They concluded that because census-funding formulas result in fewer total students identified for special education, districts may place students with severe disabilities in more restrictive settings to offset the reduction in revenue from census-based funding.

In a similar study, Kwak (2010) examined historical data from California to identify shifting trends that resulted from a change from a pupil-weighted formula to a census-based formula. Prior to 1996, California used a funding formula which provided each district an amount of funding based on the number of students identified as having a disability. A reform implemented that year altered funding to a census-based model reflecting total enrollment in a district rather than special education enrollment exclusively. Kwak analyzed district special



education enrollments for years prior to and following this reform, finding a significant correlation between census-based funding and overall special education enrollment. Kwak concluded this correlation reflected the fact that districts were receiving less state reimbursement with the census-based model and shifted to practices resulting in the identification of fewer students with special needs. Similar to Dhuey and Lipscomb (2013), Kwak also observed a slight increase in students with more significant disabilities being placed in more restrictive separate settings.

An additional example of disincentivizing practices occurred in the state of Texas (Office of Special Education Programs, 2017). As a result of a monitoring visit that included analysis of identification practices, the Office of Special Education Programs (OSEP) determined that several school districts across the state had demonstrated a pattern in which special education evaluations were delayed or did not occur in an attempt to keep the percentage of students eligible in the state to no more than 8.5%. Interviews conducted as part of the investigation revealed that some district officials refused to evaluate students because there was an expectation that a lower percentage of identified students would result in less monitoring by the state. This example highlights an instance in which identifying fewer students as eligible for special education provided benefits such as less state oversight that were perceived to outweigh the benefits of increased state special education funding for the local districts.

**Influence of philosophy on policy.** Ultimately, a school district must provide a free and appropriate education to every student, including those with disabilities. Although the funding models presented identify tendencies for district officials to make decisions based on finances alone, the education of students must take a higher priority despite an era of dwindling resources (Parrish, 1996, 2010). Boscardin and Jacobsen (1999) reported on the attributes of a funding

framework that would support an inclusive approach to special education. They noted equity, diversity, liberty, efficiency, unity, and collaboration as qualities required for an inclusive school environment. In such a setting, an aggregate funding model could permit the creation of unique programs at the building level to meet the needs of all students. Although their study only identified philosophical components to an inclusive funding model, it aligns with professional standards for school administrators emphasizing that student need rather than limited resources should dictate programming.

More recently, studies have examined trends in state special education financing models. Ahearn (2010) reported that more states are moving away from a census-based model, possibly due to recognition that this model does not account for high cost students. Parrish (2010), in his analysis of the state of Illinois funding model, noted in his recommendations that a revised funding model should reflect a framework in which funding is program driven and reflects philosophical orientations toward equity and inclusion. Baker et al. (2012), reviewing the current literature on the topic, recommended that future research focus on a better understanding of the relationship between funding approaches, classification of children, and quality of services provided. Finally, Conlin and Jalilevand (2015) conducted a study analyzing the effect of district wealth on special education placement. Their results showed that poorer school districts had higher rates of students eligible for special education and thus assumed a greater financial burden than wealthy districts. Despite this finding, no significant difference in placement rates occurred between the two types of districts. The researchers further reported that placement practices for students with disabilities were not significantly influenced by district wealth (Conlin & Jalilevand, 2015).

## **Illinois' Special Education Funding Model**

Illinois' model for funding special education was developed in the early 1970s as way to assist public school districts with the provision of special education services to students with disabilities (Parrish, 2010). Through 2004, reimbursement in Illinois for students placed in public settings and requiring more significant district supports fell into what state officials termed the "extraordinary" services categorical (Parrish, 2010). District officials determined the cost for providing personnel and supports needed for each publicly placed student, and those that generated expenditures exceeding 1.5 times the average per pupil expenditures for the district were eligible for the extraordinary categorical reimbursement. Regardless of the amount of expense associated with any individual student, the maximum reimbursement dispersed by the state to school districts for serving students within public settings was \$2,000 per student (Fritts, 2012; Parrish, 2010). Actual costs for serving students in public settings can range significantly. For example, some students may require a smaller instructional setting and related service supports such as speech/language or occupational therapy. Other students, however, might require individualized support from a paraprofessional or nurse in addition, which result in significantly higher expenses to the district.

In 2004, in response to a federal government audit and a 1998 task force report that criticized Illinois for incentive-based formulas in its categorical funding, the state revamped its model for publicly placed students (Parrish, 2010). Rather than reimbursing school districts for the number of students above a cost threshold, a general fund was established whereby reimbursements were allocated through a census-based model. As of 2004, districts receive reimbursement for any publicly-served special education student based on the average daily attendance (general and special education students) for the district adjusted for the percentage of

students eligible for free or reduced-price lunch (Illinois Administrative Code, 2016). Although a census-based funding model eliminates incentives for over-identification, it also prevents recognition of unique circumstances and needs that come with serving students with more intensive special needs in the public setting.

In 2007, Illinois further modified the reimbursement for students placed in public placements. Recognizing the high cost of maintaining a student with significant needs in a public setting, reimbursement rules were changed to provide increased funding to districts. The state introduced a new excess cost or “X” fund intended to recognize and reimburse school districts for providing services to students requiring intensive resources to receive special education in public settings. Tapping into unused funds from the orphanage mandated categorical, state officials agreed to reimburse districts for any student-specific costs related to the provision of special education that were calculated to be over four times the district operating per pupil expenditure (calculated by dividing total district operating expenditures by the number of students enrolled in the district each year). Although this revision provided some relief to local school district expenditures, the unused funds have been exhausted quickly with no other revenue stream to maintain this level of reimbursement (Parrish, 2010). The amount of proration to this reimbursement fluctuates depending on the amount available in the orphanage categorical fund. In fiscal year 2017, Fund X was prorated to 13.9% of the expected reimbursement amount (Illinois State Board of Education, Division of Funding and Disbursements, 2018).

Although the changes experienced in public placement reimbursement have attempted to de-incentivize special education identification, similar changes have not been made to the reimbursement model for students placed in non-public, private settings. For these settings, the state provides reimbursement for any amount over two times the operating per pupil expenditure

for a district. As Parrish (2001) pointed out in his original analysis of special education funding in Illinois, the discrepancy between these two categoricals can be quite significant. For instance, for a district with an average operating expenditure per pupil of \$8,000, the maximum amount that it could receive in reimbursement for a publicly placed student prior to 2004 was \$2,000, even if that student's needs cost significantly more than \$10,000 to support (\$8,000 plus the additional \$2,000). After 2004, when Illinois moved to a census-based model, there was no appreciable increase in reimbursement for publicly-placed students. If that same student were placed into a private placement charging tuition of \$50,000, the district would be responsible for paying only \$16,000 and the remainder would be reimbursed by the state. Both the Illinois Alliance for Special Education Administrators (IAASE) and the Center for Special Education Finance have written position statements noting the inequity of this model and concerns that it greatly incentivizes the placement of students into more restrictive settings offered through private placements. These statements also note that the greatest effect may be experienced in districts with the lowest operating per pupil expenditures (IAASE, 2017; Parrish, 2010).

In 2010, Illinois re-commissioned a task force to analyze special education funding (Parrish, 2010). Similar to 2001, this task force noted the inherent inequities in the funding structures. Specifically, task force members noted that the formula for calculating private placement reimbursement continued to provide a substantially higher level of funding to districts than that for less restrictive environments. Although the state had created a new reimbursement formula for students costing more than four times the per capita tuition, the source of revenue (extra monies unspent from the orphanage fund) has not approached the actual costs that local districts are experiencing in serving students with significant needs within public settings (Parrish, 2010).

The Evidenced Based Funding model, adopted in 2017, is the first significant piece of education finance reform for the State of Illinois since 1973 (Cauhorn, 2015). This new funding formula sets an adequacy target for each school district in the state based upon the establishment of a core set of educational cost factors related to staffing patterns in effective schools. Districts are then analyzed in relation to this statewide adequacy target and placed into tiers to allocate funding. In this model, districts that are most discrepant from the adequacy target will receive an increased amount of state funds and districts that surpass adequacy targets will receive only their “hold harmless” amount, which is the reimbursement they received the year the Act was passed (Evidence Based Funding for Student Success Act, 2017). Special education services including teaching and related services support are included as a component of adequacy targets with districts required to provide a minimum amount of such supports to be considered adequate.

Table 1 lists the Illinois categorical fund models in place prior to August 2017 and changes that have occurred as a result of EBF. As noted in Table 1, several mandated categoricals were incorporated into a new general state aid formula that will fund schools most discrepant from adequacy targets. Private placement remains a separate mandated categorical, unaffected by Evidence Based Funding. Because this new funding model has only recently taken effect, data are not yet available to analyze its effects on public school districts in Illinois (Pearson & Garcia, 2017).

Table 1

*Illinois Mandated Categorical Fund Models* (Parrish, 2010)

Mandated categorical	Pre-2017 funding model	Post-2017 model
Special education personnel	Resource	EBF
Funding for children requiring special education services	Census	EBF
Students placed in nonpublic schools	Pupil-weighted	Pupil-weighted
Transportation	Resource	Resource
Extended school year	Resource	EBF
Orphanage/Foster	Pupil-weighted	Pupil-weighted
Excess Cost fund	Pupil-weighted/resource	Pupil-weighted/resource

**Least Restrictive Environment**

Over 40 years have passed since the enactment of the Education for All Handicapped Children Act in 1975, guaranteeing students with disabilities the right to a free and appropriate public education. Among the guidelines stipulated by this law and its subsequent reauthorizations under IDEA was the concept of least restrictive environment (LRE). This law directed states to establish

procedures to assure that, to the maximum extent appropriate, handicapped children, including children in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular educational environment occurs only when the nature or severity of the handicap is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily. (Education for All Handicapped Children Act, 1975)

Since this time, LRE has become a critical principle in planning for and serving the needs of students with disabilities.

**Defining LRE.** Despite the language of the legislation, no specific definition of LRE exists (Bellamy & Danielson, 1989; Blackman, 1989; Rozalski et al., 2010). As it is typically

applied, LRE represents a physical space where students with disabilities receive services without reference to conditions or circumstances that exist in that location (Tucker, 1989). However, a more comprehensive understanding of LRE encompasses not only where students receive services but also how those services are provided so that the student is accessing educational benefits (Tucker, 1989). The LRE terminology has been described as ambiguous and leaving much to interpretation (Bellamy & Danielson, 1989; Rozalski et al., 2010; Taylor, 1988). In a legal analysis of LRE, Yell (1995) listed five questions that could guide school districts in determining the appropriate placement for a student receiving special education. However, he noted that despite this guidance, the LRE provision has provoked “significant confusion and controversy” (p. 392).

Due to the lack of clarity surrounding the concept of LRE, it has been left to the judicial system to refine its intent as a policy within special education (Alquraini, 2013; Rozalski et al., 2010). Although no U.S. Supreme Court rulings have provided direct guidance to public school systems with regard to LRE, several U.S. Circuit Court cases have helped to clarify how schools can interpret this provision. In *Roncker v. Walter* (700 F.2d 1058, 1983), the Sixth Circuit Court established a two-pronged test to guide placement decisions: Can the educational services that make the segregated setting superior be feasibly provided in a non-segregated setting and if so, is the student being mainstreamed to the maximum extent appropriate? In *Daniel R.R. v. State Board of Education* (874 F.2d 1036, 1989), however, the Fifth Circuit Court established two different questions for establishing LRE: Can an appropriate education in the general education classroom with the use of supplementary aids and services be achieved satisfactorily, and is the student integrated to the maximum extent appropriate?



Although several special education cases have been heard at the U.S. Circuit Court level, there is varying guidance on what constitutes the LRE. For instance, in *T. R. on behalf of N.R. v. Kingwood Township* (205 F. 3d 572, 1991), the Third Circuit Court noted that LRE is the placement where to the greatest extent possible, students with disabilities are educated with typical students. In *Hartmann v. Loudoun County Board of Education* (118 F.3d. 996, 1997), the Fourth Circuit Court ruled that partial inclusion was appropriate as it allowed the student to interact with general education peers to the maximum extent possible. Other circuit court decisions have further refined decisions regarding LRE to focus upon the use of supplementary aids and services and the need for a continuum of placements (Rozalski et al., 2010). Language in subsequent IDEA revisions has noted that special education funding policies should be placement neutral and that LRE decisions cannot be based on limitations in district resources (Rozalski et al., 2010).

The volume of litigation attributed to the concept of LRE points to the significant bearing it has on special education practices and policy, and creates a tenuous balancing act that special education administrators must maintain between a student's needs, parental choice, and school district obligations. Beyond case law, school administrators must rely on their personal backgrounds and professional experiences to guide decisions regarding LRE for individual students (McLeskey et al., 2010).

**The continuum of special education placements.** The IDEA directs that the general education setting must be the starting place to consider where services should be delivered to students with disabilities. Special education teams must consider a minimum of three placements when determining the LRE for a student at an Individualized Education Program (IEP) meeting. Most students receiving special education services can benefit from exposure to the general

education setting and the vast majority do (Bellamy & Danielson, 1989; Blackman, 1989; Boscardin & Jacobsen; 1999; Lane, Wehby, Little, & Cooley, 2005). However, a small percentage of students require services in separate placements. Typically, the decision to consider a separate placement is due both to the needs of the student and to possible disruptive behaviors that interfere with the safety and learning of typically developing peers (Lane et al., 2005; McCleskey et al., 2010). When an IEP team determines that a student requires placement in a separate setting, the choice then turns to what degree of segregation is necessary to help the student achieve goals that may return him/her to the general education setting as efficiently as possible. At this point, the team must decide whether to proceed with choices that include a self-contained classroom, separate public day school, or a private school option.

*Self-contained classrooms.* A self-contained classroom can be defined as a classroom within a general education setting serving only students with disabilities (Kaufmann, Bantz, & McCullough, 2010; Lane et al., 2005). These classrooms have been in place in most public school districts since special education services first were federally mandated by the Education for All Handicapped Children Act and were the predominant form of service delivery during the 1970s and early 1980s (Kaufmann et al., 2010; Lane et al., 2005; Mattison, 2011). With recognition and emerging acceptance that students with disabilities should have access to the general education curriculum and environment, a growing number of parents, educators, and researchers pushed states and school districts to provide opportunities to integrate students with their typically developing peers (Alquraini, 2013; McGovern, 2015; McLeskey et al., 2010; Theoharis & Causton, 2014). As this inclusion movement progressed into the 1980s and 1990s, there was a significant push to educate students with disabilities in less restrictive settings and many self-contained classrooms were eliminated. Those that currently remain typically provide

supports to students with significant behavioral or intellectual disabilities. Because these settings are located within general education public schools, most students receiving instruction in self-contained classrooms have the opportunity to interact with peers without disabilities through social settings such as lunch and recess, as well as general education classroom activities such as cooperative learning groups and differentiated academic instruction, as well as physical education, music, art, and other disciplines (Kaufmann et al., 2010; Lane et al., 2005).

***Public day placements.*** Public day placements, as implied in their title, are operated either by individual public school districts or by cooperative agreements between neighboring public school districts that pool resources to access services for lower incidence populations. As a result, these schools exist within the boundaries of the combined geographic regions of the districts they serve and offer students connection to peers with and without disabilities who live in their neighborhood communities. These schools typically provide supports to students either with emotional disabilities, severe intellectual or sensory impairments, and/or autism spectrum disorders, although co-morbid disabilities (e.g., learning disabilities, other health impairments) often are present (Lane et al., 2005; Rozalski et al., 2010). Because public day placements are supported and operated by public school districts, there also may be a stronger connection to the general education setting in terms of curriculum and planning. The ability to transition students back to the general education setting also is considered easier and tends to be more successful (Parrish, 2010; Parrish & Wolman, 2004).

***Private placements.*** In contrast to placements operated by public school districts or special education cooperatives, private placements are independently operated, primarily for-profit schools that serve the same population that can be considered for public placements (Richmond & Fairchild, 2013). In contrast to public schools that are funded through federal,

state, and local government funds, private therapeutic schools receive their revenue primarily through tuition paid by an enrolled student's home school district. Beyond funding sources, other significant differences between public and private placements include the fact that private placements can be selective regarding the students they accept. Private school officials can establish their own procedures for student retention or transition back to the home school, independent of the IEP team. Additionally, because these schools have no affiliation with public school districts, they have no obligation to be located in close geographic proximity to the students they serve.

With no public school district affiliation, the curriculum provided at private day schools also can be significantly different from that offered in a student's resident school district. Although private therapeutic schools in Illinois can apply for accreditation through the Illinois State Board of Education, a process that requires the school to provide information regarding its operations, there is no obligation to align the curriculum to public schools or to Illinois curriculum standards. As a result, transitioning students to their home schools after they have demonstrated progress can be challenging, because they may have had little or no exposure to the public school curriculum and learning standards of their local district. This sort of transition is typically also costly due to scheduling and transportation constraints (Parrish, 2010).

***Recent trends in educational placement.*** Research on the topic of LRE originally focused more on the placement of students with less intensive needs into the mainstream environment. Recent studies analyzing placement practices for students with more significant disabilities indicate that these students have not transitioned to less restrictive settings (Banerjee, Sundeen, Hutchinson, & Jackson, 2016; Kurth, Morningstar, & Kozleski, 2014; Morningstar, Kurth, & Johnson, 2017). For instance, a study analyzing placement practices using data reported

by states to the federal government determined that most states have not set rigorous goals to decrease referrals to separate settings for students with lower incidence disabilities and that students with severe disabilities were disproportionately placed into such settings (Kurth et al., 2014). Additional studies have confirmed this trend, with the exception of students diagnosed with autism: That eligibility category has seen a significant trend toward placement in less restrictive settings. Research by Morningstar et al. (2017) suggests this trend is due to both the increased identification and the wide range of needs students on the autism spectrum demonstrate. Additionally, a 2016 study (Banerjee et al., 2016) analyzed the relationship between parental socio-economic status, involvement, and education level to the likelihood of placement into separate settings. Findings showed both parent involvement and education level had a positive correlation with placement into more inclusive environments but no significant relationship, positive or negative, with parent socio-economic status.

### **Ethical Leadership in Education and Conceptual Framework**

Special education administrators are faced with the challenge of providing students with access to the LRE despite rising costs associated with special education. Given the funding scenario in Illinois where incentives are present for placing students in private therapeutic settings, school administrators may feel pressure to look at maximizing reimbursement rather than developing local programming for students with more significant needs, resulting in an ethical dilemma. A number of frameworks have been developed since educational leadership and ethical decision making began being studied in earnest in the 1970s (Starratt, 1991; Stefkovich & Begley, 2007). For the purpose of this study, a framework that encompasses the best interests of the student was used.

**Ethical leadership frameworks.** Ethical decision making in educational leadership has been a topic of research for over 30 years. Starratt (1991) noted that by virtue of educating children, school administrators have a “moral responsibility to be proactive about creating an ethical environment for the conduct of education” (p. 187). A variety of ethical frameworks have been developed as methods for analyzing decision making as it relates to special education leadership. In choosing a framework that fit this research study, it was important to understand existing models as described in the theoretical research.

*Ethic of critique.* The ethic of critique seeks to approach decision making by providing a voice to those marginalized by traditional education (Stefkovich, 2006). This ethic emphasizes consideration of who is affected by a decision and how a decision might affect students from minority backgrounds including race, sexuality, and gender. Scholars such as Michael Apple, Henry Giroux, and Paulo Freire have noted the disproportionate benefit of some groups over others and the paradox of leading a bureaucratic institution and being an activist for marginalized voices (Frick et al., 2012; Stefkovich, 2006). Starratt (1991) posited that a critical framework for educational ethics would cause administrators to question the status quo and to closely examine the power differentials present in schools. He noted that this ethic poses a fundamental challenge for the educational administrator of how to construct an environment in which education can address the disproportional benefits of some groups over others.

Within the field of special education, Lashley (2007) noted that educators who view disabilities from a deficit standpoint have perceived the least restrictive environment mandate as ineffective or even harmful, because it can lead to placing students with special needs back in the environment where they initially struggled. These educators also may believe the presence of students with special needs as adversely affecting the education of their general education peers.

These beliefs reflect stereotypes and discriminatory practices that predominated education prior to the enactment of federal special education laws. Starratt (1991) noted that beyond the legal and professional responsibilities of the public school educator, there is a moral obligation to ensure that societal inequities not be reproduced in the public school system.

To address this deficit mindset, some researchers have investigated the merits of inclusive schools where all students are equally involved in the general education setting. Theoharis (2007) examined whether leaders and educational systems can be considered socially just without accepting individuals with disabilities as part of the environment, observing that “social justice cannot be a reality in schools where students with disabilities are segregated or pulled out from the regular classroom, or receive separate curriculum and instruction” (p. 222). Research on inclusive schools has noted that in addition to providing all students with access to the general education curriculum, educating students with disabilities in mainstream settings can lead to significant achievement gains for both students in special education and their general education peers (Theoharis & Causton, 2014). Frattura and Capper (2007) further investigated the power differential between students with and without disabilities in their work on Integrated Comprehensive Services. In this approach to education, schools provide services to all students in heterogeneous classroom environments. They noted that “the source of student failure is the system; hence the system needs to accommodate the student” (p. 8).

***Ethic of justice.*** Although the ethic of critique identifies unethical practices in the education of students, school administrators also must apply an ethic of justice in order to weigh the rights of the individual against the rights of the group (Frick et al., 2012). This concept of balancing equality with equity requires that school administrators know the laws governing special education and apply them to ethical dilemmas related to decision making. Starratt (1991)

described the ethic of justice as originating in two schools of thought: one stresses society as its key component and the other focuses on the individual as central. In a school setting, both justice for the individual and justice with regard to how society conceives of laws and rules are required. Finally, Starratt noted the school administrator's central role in determining that both avenues of justice are applied to decision making.

In determining the appropriate services and placement for students with disabilities, it is critical that administrators clearly understand the ethic of justice. Questions regarding the most appropriate placement frequently require measuring the good of the individual against the good of the larger student population (Bon & Bigbee, 2011). School leaders also must carefully weigh how placement in less restrictive settings will positively and negatively influence the student and the group. Administrators must be able to communicate their rationale for such situations and facilitate conversations with parents at the table when special education placement decisions are being made (Bays & Crockett, 2007). Frick et al. (2012) further noted that funding decisions surrounding special education must take into consideration not only the needs of individuals with disabilities but also the needs of typically developing students, the larger school community setting, and the overall budget.

The concept of justice also can be applied to how leadership should actively create pathways for reducing practices that marginalize students with disabilities. Such practices include the segregation of these students into separate classrooms or facilities where such students are denied the opportunity to learn and work with their peers and denied a sense of belonging in the classroom (Frattura & Capper, 2007; Sapon-Shevin, 2003; Theoharis & Causton, 2014).



*Ethic of caring.* The ethic of caring shifts the emphasis from the focus on rights and responsibilities considered within the ethic of justice to one of compassion and empathy (Stefkovich, 2006). Noddings (2012) wrote of the importance of awareness of others and of approaching a relationship from a position of unconditional positive regard. She further stated that “caring preserves both the group and the individual and, as we have already seen, it limits our obligation so that it may realistically be met” (Noddings, p. 710). Starratt (1991) noted that educational administrators must be “grounded in the belief that the integrity of human relationships should be held sacred and that the school as an organization should hold the good of human beings within it as sacred” (p. 195). Therefore, administrators must appreciate not only the rules and structures of decisions but also the relationships and connections that lead to agreements built on principles, trust, and commitment.

With regard to the decisions made by special education leaders, the ethic of caring is evident in many relationships. Most prominently, administrators must act out of respect and empathy for the individual student as well as the family (Frick et al., 2012). These leaders must demonstrate a willingness to model acceptance and to act as advocates for students with disabilities. However, special education administrators also must demonstrate a similar ethic of care when dealing with the community, school administrators, and other educators who are not as intimately involved in supporting students with disabilities. For example, Shapiro and Stefkovich (2011) noted the importance of this relationship from the perspective of school district business officials. They explained that school business managers must realize an ethic of caring in order to understand and respect the need to financially support programs and interests for students with special needs that considers relationships as well as budgetary concerns. Additionally, in a study of how principals make decisions related to special education, over half

of all statements principals made attributed these choices to the ethic of care and specifically, the importance of building relationships to make informed decisions (Skelton, 2017).

***Ethic of the community.*** In addition to the above-mentioned ethical perspectives, Furman (1998) described the importance of the concept of community as a basis for ethical decision making. Specifically, the community is the context within which other ethical paradigms are applied as educational administrators make decisions in an ever-changing environment (Furman, 1998; Shapiro & Stefkovich, 2011; Stefkovich, 2006). Furman (1998) explained that the community rather than the individual is the major focus of schools' moral agency but that it should be viewed from a perspective that blends postmodernism (the construction rather than discovery of knowledge or truth) with the emphasis that traditional education places upon the notion of community. She further noted the importance of establishing communities of "otherness" where students are encouraged to explore and participate in smaller groups who hold shared values within the larger bureaucratic organization.

With regard to district-level decision making and looking specifically at the field of special education, it is critical to both support students with special needs through subgroups and also to avoid assignment to such groups by virtue of a child's disability. Although Furman (1998) supported the concept of a school-within-a-school in order to foster trust and democratic processes, she also noted that "an absolutely essential criterion for these smaller groupings is that they reflect the diversity of the larger school or community in order to serve the purpose of postmodern community development" (p. 322).

***Ethic of the profession.*** Starratt (1991) described the components of critique, justice, and caring as complementary and when considered holistically as a framework, a better overall basis for making decisions. However, Shapiro and Stefkovich (2011) noted that although these three

ethics are important to consider together, they focus primarily on the individual decisions that educators make and do not adequately address the moral aspects of the education profession. Educational leaders must weigh not only their personal code of ethics but also the ethic of the profession in decision making. In developing this concept, Shapiro and Stefkovich (2011) reviewed statements of ethics adopted by many professional associations dedicated to education. For example, Standard 5 of the educational leadership standards states that a “school administrator is an educational leader who promotes the success of all students by acting with integrity, fairness, and in an ethical manner” (NPBEA, 2015, p. 18). Ethics also are incorporated into standards set by other professional education organizations such as the National Association for the Accreditation of Teachers and the Council for Exceptional Children (Frick et al., 2012). Although ethical codes may serve as a reference for the profession, standards set by professional associations tend to be limited in their responsiveness in that they often are removed from day-to-day decision making that educational leaders must address (Stefkovich, 2006; Stefkovich & Begley, 2007).

A key component to the creation of a more encompassing ethical framework is the integration of personal and professional ethics (Shapiro & Stefkovich, 2011). The ethic of the profession, therefore, considers the ethics of critique, justice, and caring with the standards of the profession and merges these paradigms in order to create a more dynamic model that places the best interests of the student as central. Because special education leaders regularly are expected to make decisions about services provided to students with disabilities, this framework can serve as an ethical guidepost (Bon & Bigbee, 2011). In a qualitative study examining the perceptions of school leaders with regard to decision making in special education, Bon and Bigbee (2011) noted that special educators face complex ethical issues and often must choose between

competing and conflicting options. They found that special education leaders often felt a need to compromise between the principles of the best interest of the child and administrative or district directives at odds with these principles. In addition, in a qualitative study examining how principals approach decision making for special education, Skelton (2017) found that principals reported experiencing challenges and cited the importance of weighing personal and professional obligations.

*Rest's four component model of moral behavior.* In addition to the ethical perspectives noted above, James Rest (1984) developed a separate model for evaluating moral behavior and ethical practices that has been used extensively in both educational and organizational research (Bebeau, Rest, & Narvaez, 1999). Rest's model suggests that in order to justify a decision as ethical, four components of moral behavior must be considered: sensitivity, judgment, motivation, and courage. Moral sensitivity refers to the ability of a person to interpret a situation in light of its influence on self and others. Moral judgment refers to one's evaluation of the morality of a given action. Moral motivation includes evaluating the ability of a person to make choices based upon moral rather than personal values. Moral courage denotes a person's ability to sustain moral behavior in spite of obstacles or fatigue (Rest).

Research conducted on Rest's framework has noted the difficulty in accurately measuring moral motivation and courage (Klinker & Hackmann, 2004; O'Fallon & Butterfield, 2005). O'Fallon and Butterfield (2005) conducted a meta-analysis of 174 articles examining ethical decision making in the business field and found that although a significant number of studies examined moral judgment, far fewer studies focused on moral sensitivity, motivation, or courage. The authors further noted that only a few studies investigated the link between any of

Rest's four components and none examined moral motivation and its link to moral behavior or courage.

Klinker and Hackmann (2004) investigated the use of Rest's framework in the decision-making processes of secondary school principals. In their study, principals were presented with ethical narratives and asked to choose the most appropriate action response from four choices. After making a selection, principals rated eight possible justifications for their response, based upon the importance that justification had on their response. These justifications aligned with the processes in Rest's model. In addition, participants were interviewed to more completely understand internal factors influencing their decision making. Results showed that although most principals were able to determine the correct ethical response to a narrative, they had difficulty identifying the processes used to make their decisions. Interviews provided some evidence of themes aligned with Rest's model, but all respondents expressed difficulty defining their process for decision making.

Additional studies have further indicated difficulty with measuring the moral component of behavior. For example, Chambers (2011) noted that in one such test of moral behavior, the Moral Skills Inventory, respondents chose from options that reflected the theoretical structure imposed by the researcher rather than their personal moral behavior. Similarly, Elm and Weber (1994), in a comparison of two instruments, the Moral Judgment Interview and the Defining Issues Test, noted that if theoretical issues were not fully understood, interpretation of results of moral behavior tests could result in questionable validity.

Although not referenced in the research that was reviewed, there appears to be a distinct parallel between Rest's model and that of other established ethical paradigms. Moral sensitivity relates both to the ethics of caring and critique in recognizing the importance of decision making

upon others and recognition of the true effect of decision making. Moral judgment implies recognition of right and wrong in decision-making situations. This type of judgment is suggestive of the ethic of justice, in which educators rely upon fundamental rules, rights and laws (Shapiro & Stefkovich, 2011; Stefkovich, 2006). Moral motivation, with its focus on the ability of people to make decisions based on moral rather than personal values, shares similarities with the ethics of caring, critique, and profession. Specifically, the interest in acting morally toward others should encompass both a respect for differences as well as an acknowledgment of the best interests of the individual in the situation. Finally, moral courage parallels characteristics of the ethic of critique in that one must serve as an activist for just causes, even when faced with oppressive majorities referenced in critical theory (Shapiro & Stefkovich, 2011; Stefkovich, 2006).

**Influence of culture on decision making.** Although not presented in any research as a paradigm unto itself, several studies have cited the relevance of cultural practices in ethical decision making (Begley & Johansson, 1998; Eyal et al., 2010; Law, Walker, & Dimmock, 2003; Robbins & Trabichet, 2009). Researchers have noted that principles of the ethics of justice and equity are associated with the customs and rules unique to individual societies and may look different in different parts of the world or even different regions of one country (Bon & Bigbee, 2011; Robbins & Trabichet, 2009). For example, in examining responses to ethical dilemmas, Begley and Johansson (1998) noted that administrators from Sweden articulated trans-rational principles in their responses as opposed to Canadian participants who used more rational strategies. Law et al. (2003) referenced the Protestant background of school principals as well as East Asian philosophy as significant influences on how conflict is addressed and resolved in Hong Kong. Similarly, Eyal et al. (2010) reported that the ethic of community was negatively

viewed by principal trainees in Israel, likely due to the negative perception those citizens have of community-based decisions. In addition, they noted that the centralized education model in place in Israel offers less opportunities for autonomy and site-based, situational decision making. Based on these findings, it is critical to consider the culture of populations when evaluating their ethical decision making.

**Consideration of multiple perspectives.** In reviewing the empirical research on ethical decision-making practices, most studies have sought to identify how administrators approached conflict and whether they could identify an ethical paradigm that participants employed to address the issue. Findings from several studies note the difficulty in identifying one specific paradigm toward which administrators gravitated when addressing complex situations (Eyal et al., 2010; Frick et al., 2012; Frick & Gutierrez, 2009; Langlois, 2004). Eyal et al. (2010) conducted a quantitative analysis examining correlations between different paradigms in which findings suggested contradictions between certain ethical considerations (e.g., critique versus care) that made it difficult to take into account more than one preference at a time. Interviewing secondary school principals about their approach to making value-laden decisions, Frick (2011) found little evidence that participants regularly or consistently made reference to a single set of guiding principles when making critical decisions. In a theoretical analysis of the ethics of school leadership, Reitzug (1994) noted that “resolving ethical issues through the lens of a single perspective is only a partial solution and can result in well-meaning but oppressive practices in a diverse society” (p. 415).

**Prevalence of the ethic of the profession.** As noted previously, the ethic of the profession encompasses concepts of previously established paradigms such as critique, justice, and caring. However, it recognizes that these specific perspectives can often clash, resulting in

the need for school administrators to refer to personal and professional codes of ethics based upon the best interests of the student (Shapiro & Stefkovich, 2011; Stefkovich; 2006). Several studies reviewed focused on the use of this specific ethic with regard to decision making in practice. Frick and colleagues investigated work-related behaviors unique to the profession of educational leadership (Frick, 2011, Frick & Gutierrez, 2009; Frick et al., 2012). Findings from those studies suggested that the expression “the best interest of the child” resonated with administrators in terms of the qualities that they thought one must possess in order to aspire to a viable professional ethic (Frick et al., 2012). They noted that “this maxim is a reference point, a check among many checks when balancing and negotiating a wide mix of values and considerations although making decisions that have moral and ethical qualities” (Frick et al., p. 229).

Even research on decision making that did not set out to specifically evaluate the use of the ethic of profession noted the importance that professional expectations played when addressing conflicts or ethical dilemmas. Pauken (2012), in gauging the development of personal ethical codes in graduate students, noted that professionals must rely not only on their organizational code of ethics but also on the personal values they harbor. Further, in a study of superintendent reflections on resolving complex problems, findings suggested that these administrators’ practices were grounded in professional communities where a balance among standards and rules, human relationships, and morals was evident (Langlois, 2004). Langlois (2004) stated that “[superintendents’] exercise of free will and commitment to personal authenticity and professional responsibility towards their school communities reveals a professional ethics which builds upon itself” (p. 89).



## **Conceptual Framework**

Educators and administrators frequently cite “the best interest of the child” as a driving factor in decision making around ethical dilemmas (Stefkovich & Begley, 2007). However, when surveyed in research studies, many individuals have difficulty defining exact intentions in employing this term. And although the term “best interest” comprises the legal standard used by courts to determine issues of child custody, support and visitation, it is defined less by any one standard and more by the weighing of a variety of factors resulting in a different definition for each individual situation (Stefkovich, 2006; Stefkovich & Begley, 2007; Walker, 1998). Indeed, in a factor analysis of over 70 news articles in the popular press, Stefkovich, O’Brien, and Moore (as cited in Stefkovich & Begley, 2007) noted that the term “best interest of students” referred to over 21 different topic areas and was used to justify a wide range of administrative decisions, from discipline to school consolidation efforts. Walker (1998) further reported that in addition to the broad term of students’ best interests, decision makers also factor in maximization of benefits, educational goals, and the well-being of stakeholders when making ethical choices.

Stefkovich (2006) provided a clearer definition of the term “best interest of the child” that centered around three concepts: rights, responsibility, and respect. Rights encompass universal principles such as freedom from bodily harm, freedom from humiliation, and ideals of dignity and equality (Shapiro & Stefkovich, 2011; Stefkovich; Stefkovich & Begley, 2007). Responsibility refers to the obligation to make moral choices that reflect equality between individuals in a society and accountability toward others (Stefkovich; Stefkovich & Begley, 2007). With regard to respect, Stefkovich and Begley (2007) noted that it should be considered “a positive, mutual interaction, focusing on the individual” (p. 219). Bon and Bigbee (2011)

further noted that taking into account rights, responsibility, and respect, a child's best interests depend on the ability of decision makers to weigh their professional and personal ethics.

Expanding on the ethic of the profession, Shapiro and Stefkovich (2011) partnered together to consider a framework further centered on the best interests of the student and that incorporated multiple ethical paradigms along with a consideration of personal and professional codes. Depicted graphically in Figure 1, the circles denote factors that overlap to create the professional paradigm with additional considerations influencing the paradigm surrounding the inner circle of the Best Interests of the Student. Arrows indicate various ways in which these factors interact and may clash with each other in certain circumstances. The authors emphasize the dynamic and multi-dimensional nature of this framework:

We have described a paradigm for the profession that expects its leaders to formulate and examine their own professional codes of ethics in light of individual personal codes of ethics, as well as standards set forth by the profession, and then calls on them to place students at the center of the ethical decision-making process. (p. 27)

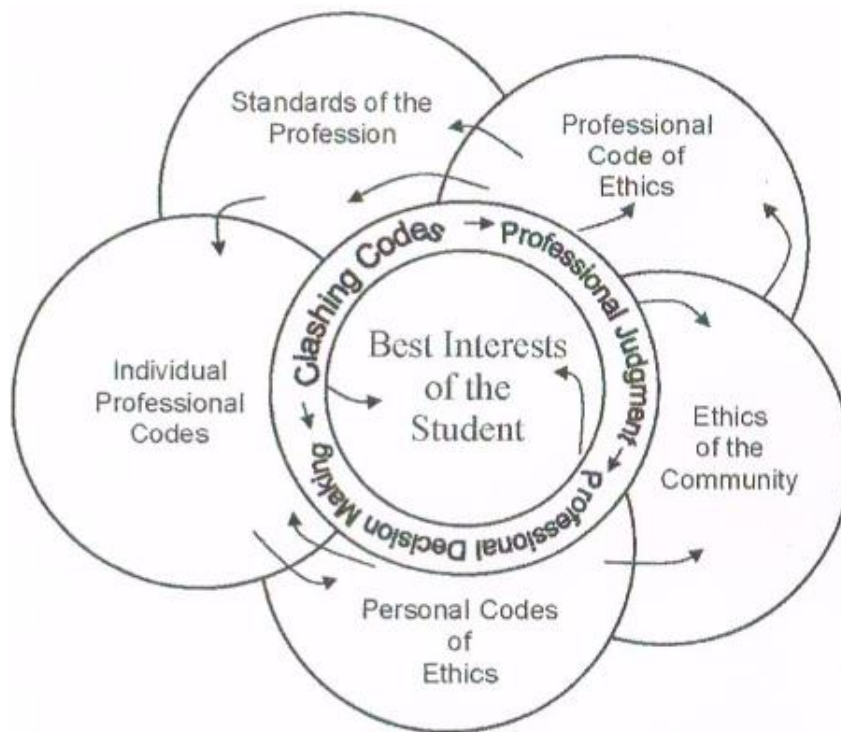


Figure 1. Best interests of the student conceptual framework (Shapiro & Stefkovich, 2011).

## **Gaps in the Literature**

Several studies have provided national comparisons of special education funding models in addition to an in-depth look at state funding policies (Parrish, 2001, 2010; Versteegen, 2011). These researchers have noted that state policies can either incentivize or disincentivize the placement of students across the LRE. However, because of the wide variety of policies and practices, between-state comparisons have not been possible (Parrish, 2010). Examinations of individual states, including Illinois, also have been published. Parrish (2010) is the only researcher to examine Illinois in detail through two studies commissioned by the Illinois State Board of Education (Parrish, 2001, 2010). Although these studies provide a thorough understanding of the funding structures of the state, they have not investigated the specific relationship between LRE and reimbursement. Attempts have been made to connect funding policies to special education practices, but these studies, which generally have applied quantitative research methods, have either examined the perceptions of school administrators or analyzed special education data; they have not examined the possibility of a connection (Bon & Bigbee, 2011; Frick et al., 2012; Hasazi, Johnston, Liggett, & Schattman, 1994).

Despite both recognized systemic inequity in reimbursing school districts at a lower rate for placing students in the LRE as opposed to sending them away from their local community to separate facilities, and significant revisions to school funding enacted in 2017, no changes to the reimbursement model for private therapeutic settings have been enacted in Illinois since the funding model was created in the early 1970s. Although legislation has been proposed that would eliminate incentives for placing students in private special education placements, no movement has occurred in considering or passing an amendment to the school code that would address this issue. This study sought to examine the effects of disincentivizing LRE for students

with significant special needs by investigating trends in placement data and perceptions of special education administrators with regard to supporting such students. In doing so, it addresses gaps in the literature by connecting placement data and the perspectives of special administrators related to least restrictive environment and school funding.

## **Conclusion**

This chapter included an overview of the structure and funding for special education in public schools at both the national and state levels. Research reviewed included analyses of how various funding formulas result in higher or lower percentages of students placed into special education. Illinois' funding formula for reimbursement of special education placements was highlighted as a system that provides incentives for school districts to place students into more restrictive environments. After a discussion of the history of LRE, this chapter ended with a review of conceptual frameworks related to ethical leadership. Special education leaders are frequently faced with determining whether to build programming within local settings to support students with more significant disabilities or to seek placement outside of their home communities. This decision can present an ethical dilemma to these leaders as they weigh the needs of one student against the needs of the general population and the financial implications for a school district. This sort of educational dilemma fits well under Shapiro and Stefkovich's (2011) Best Interests of the Student framework as it incorporates the principles of the ethic of the profession into how decisions are made.

## **Chapter 3**

### **Methodology**

The purpose of this study was to investigate whether inequities in current special education funding structures in Illinois influence decisions regarding placements of students with disabilities into the least restrictive environment. This chapter includes a description of the research methodology employed for the study. Included are sections addressing the research questions and design, description of participants, reliability and validity, and data collection and analysis procedures.

### **Research Questions**

The current funding model for special education provides financial incentive for school districts in Illinois to place students into more restrictive private placements rather than support the students in local, public settings. Therefore, this study sought to examine to what extent school districts place students into private rather than public placements and to what extent the knowledge of this model influences decisions special education administrators make regarding student placement. The research questions addressed in this study included:

1. How does each Illinois school district's placement rate of students into separate special education settings compare to the state average placement rate?
2. Are any of five demographic variables (operational expenditure per pupil, district size, percent of students in special education, percentage of students receiving free or reduced-price lunch, percentage of non-White students) characteristic of school districts that place students above the statewide average rate into separate settings?
3. What factors guide special education administrators in their decision-making practices regarding the placement of students with disabilities into the least restrictive environment?
4. To what degree does a special education director's understanding of Illinois special education funding models influence placement of students into separate settings?
5. To what extent do the placement decision-making practices of special education directors reflect children's best interests?

## **Research Design**

This study employed a sequential mixed methods research design in order to analyze special education placement practices. A mixed methods approach was chosen for the study because it offered greater validity through triangulation of findings, completeness in bringing greater perspective and depth to the area of inquiry, and context in terms of using qualitative investigation in order to provide clearer understanding of quantitative data results (Bryman, 2006; Teddlie & Yu, 2007). When considering the structure of a research design, the priority and timing of the quantitative and qualitative strands should be taken into consideration. A sequential design framework fit the nature of this study because it permitted qualitative exploration of data collected in the quantitative analysis (Creswell & Plano-Clark, 2011). A sequential design also was appropriate because each data set was equally important in terms of answering the research questions (Creswell, 2015; Creswell & Plano-Clark, 2011).

In the quantitative phase, data were collected to determine the number of districts demonstrating statistically higher rates of placement into separate facilities when compared to the expected rate for the state of Illinois. Once these districts were identified, further statistical analysis was employed to identify characteristics that might predict the likelihood of placing students into separate facilities. In the subsequent qualitative phase, individuals with knowledge and understanding of factors influencing placement decisions were interviewed to provide context and explanation regarding the quantitative data. The quantitative component of this study provided empirical evidence of the overuse of separate facilities by districts in the state of Illinois. The qualitative portion sought to understand these data in light of the actual decisions and factors special education administrators consider when making placement decisions during

IEP meetings. A matrix listing research questions, the types of data collected and the methods for data analyses is included in Appendix A.

### **Population, Site Selection, and Participants**

This study was conducted from August 2017 through May 2018. The site for both phases of this study was the state of Illinois. This state was chosen because of the existing policy in which a monetary incentive exists for districts to place students in private settings as opposed to less restrictive, public environments. Two previous reports have identified this feature of Illinois special education funding, yet no adjustments to the formula have occurred (Parrish, 2001, 2010). Although these reports identified the problem and offered potential remedies, neither provided research on the implications of this policy on practice.

**Quantitative phase population.** For the quantitative analysis, school district special education placement data were analyzed for 3 years (2013-14, 2014-15, and 2015-16) using information available from a clearinghouse of special education and district statistics available on the Illinois State Board of Education (ISBE) website. These 3 years were chosen as they were the most recent data sets available at the time of data collection. In addition, 3 years were chosen for analysis to provide the opportunity to examine any possible trends over time. The availability of data made it feasible to include 859 Illinois public school districts in the analysis. These districts represent those that reported special education placement data for the 3 years accessed for this study. The large number of school districts in the state of Illinois provided a rich data source to yield potentially significant results.

Independent variables were chosen for this study based in part on how the Illinois special education reimbursement formula is structured. As noted previously, Illinois uses a district's operational per pupil expenditures (OPPE) to determine the amount of reimbursement received

for students attending private day schools. Therefore, OPPE was an important figure to analyze to determine if it influenced placement practices. District size and the number of students in special education also were included to address the question of whether smaller districts or districts with fewer special education students might have less in-house options for placement and therefore need to access private settings at higher frequency. Finally, the number of low-income students and non-White students were analyzed to discern whether students from these backgrounds might experience removal from public schools at a greater rate than others.

**Qualitative phase population.** Participants for the qualitative portion of the study were chosen based upon the results of the quantitative component which identified districts placing students into separate facilities at a significantly high rate as compared to the state average. Special education administrators were chosen to be participants based upon the likelihood of their involvement in outside placement decisions. Criteria were established to provide a participant sample which would include individuals who possessed active Illinois Professional Educator Licensure with Director of Special Education endorsement, a minimum of 5 years of experience as special education administrators, and 3 years in their current districts of employment. Participants also needed to have an understanding of current Illinois special education funding mechanisms in order to provide reflection on whether current policies influenced their districts' placement practices.

In order to gain a better understanding of differences in practices across the state, districts were categorized based upon designations developed by the National Center for Education Statistics Urban-Centric Locale Codes (NCES) (NCES, 2008). Locale codes are derived from a classification system originally developed by NCES in the 1980s to describe a school's location, ranging from "large city" to "rural." The codes are based on the physical location represented by



an address that is matched against a geographic database maintained by the Census Bureau (NCES, 2008). Districts are assigned the following codes: rural (census defined territory outside of an urban cluster), town (districts up to 35 miles from an urban cluster), suburban (districts outside a principal urbanized area up to 250,000 residents), or city (districts within an urbanized area with a minimum of 100,000 residents). For the purposes of this study, rural and town designations were combined given the relatively small number of rural districts and the similarity in definitions. In order to provide a diverse representation, four participants from each locale code were sought.

A snowballing technique was employed to make initial contact for participation in the study. This occurred through an initial email to the special education administrators of the districts identified. Email contacts were accessed from the Illinois State Board of Education Directory of Educational Entities (ISBE, 2016). Responses were received from 21 administrators. Of these responses, 17 came from suburban, 2 from city, and 2 from rural/town administrators. Given the interest in having equal representation from the three regional categories, two additional attempts by phone and email were attempted with the identified rural/town and city directors although these attempts were not successful. After initial contact, emails providing more detailed information about the study along with informed consent were sent to interested participants (Appendices B and C). Twelve district administrators responded with signed informed consent and an interview was scheduled. Interview questions were shared via email to the participants at the time the interview appointment was made in order to provide participants the opportunity to reflect on the questions. These 12 administrators represented one city district, two rural/town districts, and nine suburban districts.

Telephone or in-person screening interviews were conducted using criteria noted above and questions listed in Appendix D. The screening interview determined whether participants had experience placing students into private settings and demonstrated understanding of special education reimbursement formulas in the state of Illinois. All 12 participants met screening criteria and proceeded to the semi-structured interview phase. Semi-structured interviews were conducted with participants to discern their perspectives regarding placement practices and LRE. Two interviews were conducted in-person and the remaining 10 interviews occurred by telephone. Each interview was audio-recorded and then transcribed using a professional transcription service. Pseudonyms for participants were assigned by the researcher. Interview questions are included in Appendix E.

Each administrator interviewed was asked to provide information regarding their gender, race/ethnicity, years of experience as a special education administrator, and years of experience in their current districts. Information on administrator characteristics, district type (unit, elementary, high school), and NCES Locale Code is included in Table 2. Participants' experience in special education administration ranged from 5 to 20 years ( $M = 10.92$  years). Eight participants worked in high school (9-12) districts, three in unit (K-12) districts, and one in an elementary (K-8) district. All participants were women, which is consistent with the high predominance of that gender in special education administration (of 95 potential participants, 11 were men). Participants were asked to self-identify their race/ethnicity, with 11 participants stating they were White and one participant identifying as African American. Directors were asked about factors that weigh into placement decisions for students with disabilities in their districts as well as their understanding of special education funding mechanisms in Illinois. Directors also were also asked to describe current trends and issues with regard to placement of

students with disabilities into the LRE. Although a semi-structured interview protocol was prepared, an emergent style was employed in order to permit greater topic exploration. The interview lengths ranged from 17 minutes to 43 minutes ( $M = 27$  minutes) and follow-up interviews were conducted, as necessary, to expand upon or clarify responses.

Table 2

*Characteristics of interview participants*

District	Participant	Gender	Race/ Ethnicity	District type	Category	Years of total experience	Years of district experience
1	Peg	Female	White	High school	Suburban	8	6
2	Christine	Female	White	High school	Suburban	11	5
3	Grace	Female	White	Unit	Suburban	20	20
4	Ellen	Female	African American	High school	City	11	6
5	Linda	Female	White	Elementary	Suburban	17	7
6	Darlene	Female	White	High school	Suburban	15	5
7	Emily	Female	White	Unit	Rural	10	10
8	Heather	Female	White	High school	Suburban	5	5
9	Elizabeth	Female	White	High school	Suburban	11	11
10	Kate	Female	White	High school	Suburban	6	6
11	Donna	Female	White	High school	Suburban	5	5
12	Diana	Female	White	Unit	Rural	12	7

In order to add further context to the quantitative data collected, characteristics of the district each participant represented are listed in Table 3. This table provides information regarding the specific dependent variables for each district. In order to ensure anonymity, district sizes and operating per pupil expenditures were rounded the closest thousand. Information for this table was gathered from 2015-16 school district report cards.

Table 3

*District characteristics of interview participants*

District	District type	Category	Enrollment	OPPE(\$)	Special Ed (%)	Low income (%)	Non-White (%)
1	High school	Suburban	5,000	23,000	12.4	15.5	31.9
2	High school	Suburban	4,000	24,000	16.1	9.8	21.3
3	Unit	Suburban	2000	19,000	15.5	28.5	33.1
4	High school	City	6,000	15,000	16.1	61.1	74.9
5	Elementary	Suburban	2,000	13,000	13.7	40.8	82.3
6	High school	Suburban	7,000	16,000	12.1	15.7	16.6
7	Unit	Rural	5,000	12,000	13	16.6	19.3
8	High school	Suburban	3,000	22,000	12	7.9	26.4
9	High school	Suburban	12,000	18,000	10.8	32.8	50.3
10	High school	Suburban	4,000	19,000	11.2	5.1	36.6
11	High school	Suburban	2,000	13,000	15	34	55.1
12	Unit	Rural	1,000	12,000	13.7	30.4	4.4

*Note.* OPPE means Operating per pupil expenditure.

**Data Collection**

The data for this study were collected in two phases. For the quantitative phase, data were gathered from the Illinois Special Education Profile for the 2013-14, 2014-15, and 2015-16 school years. The Illinois Special Education Profile is a database compiled by ISBE to provide information on a variety of special education data that districts report to the state each year. Districts submit data to ISBE, which then compiles it into profiles available to the public in an online format. Profiles include a variety of information related to district and state special education populations. For the purposes of this study, data collected included the following: district total enrollment, district special education enrollment, number of low-income students, number of non-White students, and number of students placed into separate facilities. Information also was collected from this source on the total statewide number of enrolled students, number of students in special education, and number of students placed into separate

settings. Data were placed into an excel spreadsheet in order to manipulate it for analysis. To further analyze placement data, information was collected from Illinois School Report Cards for the years included in the study (2013-14, 2014-15, and 2015-16). This information is calculated by ISBE from demographic data reported by school districts in Illinois and then placed onto an online accessible database. OPPE data were collected from this source.

During April and May 2018, semi-structured interviews occurred with the 12 participants who agreed to participate in the study. The interview questions (Appendix F) were designed to provide context to the results of the quantitative data. In addition, questions were developed to shed light on how special education administrators make decisions regarding student placement and how they may fit into the Best Interests of the Student framework (Shapiro & Stefkovich, 2011). Most questions were open-ended, providing an opportunity for participants to reflect on their experiences and describe how they approach supports for students with special needs.

Interviews were audio-recorded to preserve the original reporting of each participant. The recordings were transcribed by a professional transcription service to provide a verbatim text of the interviews. Each participant was sent her original interview transcript in order to verify accuracy of the recording. The audio recordings were deleted once the transcripts were verified by each participant.

### **Ethical Considerations**

Prior to initiating the data collection process, human subjects approval was obtained through the Institutional Review Board of the University of Illinois at Urbana-Champaign (Appendix C). The application included consent forms which clearly stated the rights of the participants in the research including the right to withdraw from the study at any time in the process. The risks to which participants were exposed were minimal and were not deemed to be

beyond those encountered in normal life. Informed consent was obtained from all participants prior to conducting interviews. Pseudonyms chosen by the researcher were used for interview participants. Participants' data in this research study were kept confidential at all times.

### **Reliability and Validity**

Reliability is “the consistency of the scores obtained—how consistent they are for each individual from one administration of an instrument to another and from one set of items to another” (Fraenkel & Wallen, 2003, p. 165). For the quantitative portion, statistical software was used to determine the reliability and validity of the data analyzed. For the qualitative data collection portion of the study, use of a common set of questions assisted in establishing reliability. Each participant received the original transcript of her interview via email to verify accuracy of responses. Each participant responded to this email verifying that the transcript was a correct recording of the interview. Data were further checked for reliability through self-tracking memos to order data collection, to memorialize identification of emergent themes, and to make decisions realized through the data collection process.

Validity can be defined as “employing strategies that address potential issues in data collection, data analysis, and the interpretations that might compromise the merging or connecting of the quantitative and qualitative strands of the study” (Creswell & Plano-Clark, 2011, p. 417). With regard to the qualitative data collection, member checking was used to determine the accuracy of the findings. Specifically, a thematic analysis of each interview was compiled and returned to the participant for review. Participants only received themes identified through their individual interviews as opposed to themes identified across all 12 interviews. Participants were asked to respond via email with any errors of fact or interpretation and were

also offered the opportunity to expand upon their original responses. Each participant agreed with each of the themes identified by the researcher.

### **Data Analysis**

Quantitative data analysis occurred through two methods. First, chi-square testing was conducted to determine each district's placement rate into separate facilities as compared to the expected placement rate for the state of Illinois. Chi-square testing provides the ability to determine the statistical significance of observable to expected outcomes (Triola, 2010). For this study, chi-square testing provided the ability to compare placement rates in districts across the state while controlling for district size. The results of the chi-square testing provided a narrowed list of districts in the state placing students at a higher than expected rate into separate settings.

A simultaneous logistic regression analysis then was conducted to determine the existence of significant relationships between the dependent and independent variables. Simultaneous logistic regression was chosen due to its utility in predicting placement on a categorical variable based on multiple independent variables (Kwak & Clayton-Matthews, 2002; Starkweather & Moske, 2011). Specifically, district data were further analyzed to determine whether a relationship existed between placement above the statewide average rate in separate special education settings (dependent variable) and the following school district demographic categories (independent variables): operational expenditure per pupil, district size, percent of students in special education, percentage of students receiving free or reduced-price lunch, and percentage of non-White students. Table 4 provides a listing of the relationship between independent and dependent variables. Data were entered into the Statistical Package for the Social Sciences software (SPSS, Version 24). After controlling for all other predictors, the effect of each predictor was reported as an odds ratio. Prior to conducting the statistical analysis, data

were checked to ensure that the percentage for the dependent variable was at least 15%, indicating stable estimates.

Table 4

*Quantitative Research Variables*

Independent variables	Dependent variable
Operating per pupil expenditure	Placement rate in separate facility above state average
District enrollment (size)	
Percentage students in special education	
Percentage students receiving free or reduced-price lunch	
Percentage of non-White students	

For the qualitative component of the study, transcribed interviews were analyzed using procedures described by Creswell and Plano Clark (2011). Interviews were first transcribed using a professional transcription service. The researcher then read through each transcript to gather an overall impression of the data. Through multiple additional readings of the transcripts, the researcher identified themes emerging from the responses. These themes were coded and categorized and quotes that supported these themes were identified. Transcripts were edited for written presentation to preserve the dignity and confidentiality of the participants. Participants were then provided the opportunity to review the original transcript, themes identified by the researcher as emerging from their responses, and quotes intended for use in summarizing results. Review of identified themes by each participant reduced possible bias resulting from the researcher’s coding. Finally, themes were interpreted by the researcher in light of the research questions guiding this study.



## **Conclusion**

In this chapter, the research methodology was described. Descriptive statistics were used to determine whether Illinois public school districts place students into separate special education facilities at significantly higher rates when compared to the overall state rate of placement. District demographic data were analyzed further to determine if certain demographic variables could predict whether students are placed into separate special education settings above the statewide rate. Twelve special education directors with experience in placing students in separate facilities and representing rural/town, suburban, and city school districts were then interviewed for the purpose of conducting the qualitative component of the study. These data were collected via semi-structured interviews which provided insight into the decision-making process special education leaders make with regard to the placement of students into separate settings. The quantitative and qualitative results were integrated and organized into responses to the research questions guiding this study and are summarized in the following chapter.

## Chapter 4

### Results

Based upon a review of literature and development of research questions, a mixed methods study was conducted employing both statistical analysis and semi-structured interviews to examine placement of students with disabilities into separate settings in Illinois. Five questions outlined below examined this topic from different perspectives. This chapter provides results to the quantitative and qualitative data gathered to address these questions. Using descriptive statistical analysis, quantitative results provide evidence to address the first two questions. Qualitative results gathered from semi-structured interviews provided deeper understanding of the quantitative data and were used to respond to the remaining three questions. Finally, this chapter integrates the quantitative and qualitative results to more substantially interpret the data.

#### **Research Question 1: How Does Each Illinois School District's Placement Rate of Students Into Separate Special Education Settings Compare to the State Average Placement Rate?**

Data were first collected from Illinois public school districts to examine how the rate of student placement into separate settings in each individual district compared to the state average. A chi-square test can be used to determine if there is a statistically significant difference between an observed frequency and the expected frequency for a given category (Triola, 2010). For this study, the test was used to identify school districts that placed students with disabilities into outside settings at a statistically significant higher rate, compared to the expected rate for the state of Illinois. The expected rate for Illinois is a figure that is calculated by the state and provided in each district's special education profile. These figures represent the number of students placed into separate settings as a percentage of total students placed into special

education across the state. For 2013-14, this total number was 18,158 students, for 2014-15 it was 18,264 students, and for 2015-16 it was 18,141 students, representing 6.2% of overall student enrollments for each of these years. When averaged over the number of districts in Illinois, the average annual rate of placement per district was 21.3, 21.7, and 21 students across these 3 years. This analysis was conducted both to confirm that districts were placing at rates higher than the expected rate and to identify potential participants for the qualitative study who could add context and perspective to the reasons their districts placed greater numbers of students into separate settings. Prior to performing the chi-square test, the dataset was narrowed to include only districts that had placed more than five students in outside placements in each year analyzed. This step eliminated from further analysis districts that, because of low total student enrollment, might demonstrate statistical significance with a very small number of outplaced students. No minimum district enrollment was required, but to be included in this study a district must have had more than five students placed into separate settings. In each of the 3 years included in the study, 157 districts had more than five students placed into separate settings.

For the chi-square testing, data were analyzed from each of the 157 district special education profiles. Information gathered included the number of students in each district placed into separate settings and from special education settings within the district. These figures were then compared with statewide totals to determine a chi-square and *p* value. Table 5 provides an overview of the initial data analyses.

Table 5

*Number, percentage, and significance of districts placing students into separate settings*

Year	Total # of districts analyzed	# Districts with >5 students in separate settings	# Districts with $p < .05$	Percentage of significant districts	Districts in cooperatives
2013-14	859	157	96	11%	69
2014-15	859	157	96	11%	69
2015-16	859	157	95	11%	70

Chi-square test results for those districts found to have an observed rate of placement higher than the state average for each of the 3 years analyzed are provided in Appendix G. The tables included in Appendix G also provide a ratio comparing the district separate setting rate to state rate per 1,000 students. This ratio offers further comparison of placement information between each individual district and the state. In addition, Appendix G includes whether each district analyzed belonged to a special education cooperative. These data are included in order to analyze whether cooperative membership might affect placement into separate settings. The total number of districts that were members of a cooperative is summarized in Table 5. Districts with values at  $p < .05$  were identified as statistically significant compared to the state average.

These results were then categorized by type of district and grade levels served. Type of district was defined using categories developed by the National Center for Education Statistics (NCES) Urban-Centric Locale Codes (2008). These data are presented in Table 6 and include both totals across the state as well as totals for districts found statistically significant. Although rural and town are considered two separate categories, for the purpose of this study, these two categories were combined because of the few number of rural schools identified and the similarity in defining characteristics (NCES, 2008).

Table 6

*Number of Districts Placing Into Separate Settings by NCES Code and Significance Compared to State Average Rate*

NCES code	# Districts	% Districts	# Significant			% Significant		
			2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
City	31	3.6%	4	4	4	4.2%	4.2%	4.2%
Suburb	347	40.4%	74	75	74	77.1%	78.1%	77.9%
Town	181	21.1%	12	11	11	12.5%	11.5%	11.6%
Rural	300	34.9%	6	6	6	6.3%	6.3%	6.3%

To better understand factors that weigh into the placement of students with disabilities, districts were further categorized by grade level of student served using state of Illinois terminology for school district type: elementary (K-8), high school (9-12), and unit (K-12). The number of districts in each category is shown in Table 7.

Table 7

*Categories and Levels of Districts Placing Students in Separate Settings at  $p < .05$*

Year	# Districts with $p < .05$	# Districts town/rural				# Districts suburban				# Districts city			
		Elem	HS	Unit	%	Elem	HS	Unit	%	Elem	HS	Unit	%
2013-14	96	2	6	10	19	27	36	9	75	2	3	0	5
2014-15	96	0	5	12	17	28	36	9	75	1	3	0	5
2015-16	95	2	6	10	19	27	36	9	76	2	3	0	5

Chi square analysis resulted in the identification of 96 school districts in the year 2013-14, 96 districts in 2014-15, and 95 districts in 2015-16 that placed students into separate settings at rates higher than the expected rate. Of these districts, 69 to 70 of the significant districts were members of special education cooperatives. Statistically significant districts were then categorized based upon the Urban Centric Locale Code identifying the type of district: rural/town, suburban, and city. The intention of the study was to conduct qualitative interviews with administrators from different district types in order to gather a cross-section of perspectives

based on the proximity of the district to city centers. Table 7 shows the breakdown of districts across each of the years analyzed. Looking at specific districts, because the 95 districts represented in the year 2015-16 were significant across all 3 years of the study, these districts were used as the sample size from which to contact district special education administrators for the qualitative component of the study.

Table 6 also shows that 77.1-78.1% of districts identified as statistically significant were located in suburban regions of the state in 2013-14, 2014-15, and 2015-16. Potential reasons for this greater percentage could relate to a larger population of students living in suburban locations as well as the relatively few school districts categorized as city areas using the Urban Centric Locale Codes. Table 7 provides the percentage of type of district (elementary, high school, unit) identified for each year. High school districts comprised 47% or nearly half of significant districts across the 3 years examined (45 of 95 districts), with elementary districts representing 33% of significant entities (31 of 95 districts). Nineteen unit districts were identified across the 3 years, comprising approximately 20% of the total.

**Research Question 2: Are any of Five Demographic Variables (Operational Expenditure per Pupil, District Size, Percentage of Students in Special Education, Percentage of Students Receiving Free or Reduced-Price Lunch, Percentage of Non-White Students) Characteristic of School Districts That Place Students Above the Statewide Average Rate Into Separate Settings?**

After statistically significant districts were identified for each of 3 years, a simultaneous logistic regression was conducted using the Statistical Package for the Social Sciences (SPSS, Version 24). This analysis, shown in Table 8, was used to determine whether certain demographic characteristics (operational expenditure per pupil, district size or enrollment,

percentage of students in special education, percentage of students eligible for free or reduced-price lunch program, percentage of non-White students) were predictive of students being placed into separate settings.

Table 8

*Simultaneous Logistic Analysis Predicting Placement Into Separate Settings*

Predictor	2013-14	2014-15	2015-16
<i>B</i>			
OPPE	0.404	0.395	0.361
District size	-0.024	-0.023	-0.026
% Sp. Ed.	0.003	-0.031	-0.151
% Free/Red	0.002	0.007	0.021
# Non-White	0.017	0.012	0.003
<i>P</i>			
OPPE	0.0000122	0.000008	0.0000061
District size	0.0000425	0.00085	0.000537
% Sp. Ed.	0.967	0.724	0.086
% Free/Red	0.901	0.649	0.133
# Non-White	0.169	0.362	0.77
Wald Statistic			
OPPE	14.763	15.553	16.081
District size	12.419	11.128	11.981
% Sp. Ed.	0.002	0.125	2.938
% Free/Red	0.015	0.208	2.259
# Non-White	1.893	0.832	0.085
Exp ( $\beta$ )			
OPPE	1.497	1.484	1.435
District size	0.976	0.978	0.974
% Sp. Ed.	1.003	0.969	0.86
% Free/Red	1.002	1.007	1.021
# Non-White	1.017	1.012	1.003
Nagelkerke R Square	0.439	0.439	0.43
<i>N</i> =	859	859	859

The Nagelkerke R Square statistic can be used to provide a predictive value of dependent variables on an independent variable (Triola, 2010). Descriptive statistical analysis provided a Nagelkerke R Square equaling 0.43. This result indicates that approximately 43% of the variance in placement into separate settings could be attributed to district operating per pupil expenditure (OPPE). The exp ( $\beta$ ) or odds ratio for OPPE was 1.497 for 2013-14, 1.484 for 2014-15, and 1.435 for 2015-16. These results indicate that every increase by \$1,000 in OPPE is associated with a 49.7% in 2013-14, 48.4% in 2014-15, and 43.5% in 2015-16 increase in the odds of the district over-placing students into separate settings. District enrollment also was found to demonstrate statistical predictability. For this variable, the exp ( $\beta$ ) ranged from 0.976 in 2013-14, 0.978 in 2014-15, and 0.974 in 2015-16. These results indicate that every increase by 1,000 students is associated with a 2.4% for 2013-14, 2.2% for 2014-15, and 2.6% for 2015-16 decrease in the odds of the district over-placing students into separate settings.

The three other variables considered in this study, percent of students in special education, percent of students eligible for free/reduced-price lunch, and percent of non-White students, did not demonstrate statistically significant predictive capability. The  $p$  value for each of these variables ranged from 0.086 to 0.967, which indicates that these demographic characteristics could not predict with statistical significance placement into separate settings.

### **Research Question 3: What Factors Guide Special Education Administrators in Their Decision-Making Practices Regarding the Placement of Students With Disabilities in the Least Restrictive Environment?**

To answer the remaining three research questions, qualitative interviews were conducted with special education administrators working in districts that were found statistically significant through chi-square testing. The purpose of these interviews was to gain an understanding of how



administrators address the placement of students with disabilities into restrictive settings in their districts, their understanding of funding mechanisms as it relates to the placement of students with disabilities, and how they weigh placement decisions given the state of special education funding in Illinois. For research question 3, which explored administrators' decisions when considering students' LRE, four themes emerged from responses related to the factors that special education directors consider when making placement decisions: severity and/or low incidence of a student's disability, the ability for districts to provide for a continuum of services, the enrollment level for a district including related issues to available space for programming, and concerns with quality and communication with private therapeutic schools.

**Severity and/or low incidence of a student's disability.** No matter whether working in an elementary, high school, or unit district, all participants cited the students' severity of disability or low incidence as factoring the decision to place students in settings outside of their districts. Low incidence disabilities are considered those that occur in very small numbers in the general population, such as students who are deaf and/or blind. With regard to higher incidence disabilities, such as emotional disabilities, although directors could support a majority of these students within their school districts, as their needs increased it was more difficult to sustain them in the general education environment within their local districts. For example, a student's mental illness or emotional disturbance was cited frequently as a reason to seek outside placement. Kate, director at a large high school district, explained, "students with safety issues or severe behavioral issues are ones that we typically cannot support in-district." Elizabeth, also a large suburban high school director, reflected, "we access residential programs for students that have gone through our continuum of services or are unsafe to self or others. Usually there is a mental illness component to these students." Ellen, a city high school director, echoed this

response in sharing that her district accesses private settings “when we do not have the level of support to meet the mental health needs [of the students].” Grace added that her unit district struggles to provide appropriate supports for children residing in a Department of Child and Family Services (DCFS) Group Home located within her school’s boundaries. She noted, “these students typically have significant emotional and mental health needs and we just cannot support them adequately in district. Their needs have definitely increased our outplaced numbers.”

Across all 12 interviews, there was agreement that mental illness and emotional disturbance are frequent reasons for seeking outside placement. Peg provided the following statement which reflects the opinions shared by all of the directors: “Placing students out of the district is always an individualized decision but typically, students will have severe mental health issues where they struggle on a daily basis to function with school demands.”

Administrators of districts with smaller student enrollments and/or rural and town districts shared statements that align with the experiences of larger suburban and city districts but noted an additional need to support students with disabilities that are rare in occurrence, such as medically fragile conditions. Diana noted, “we cannot access registered nurses easily for our students who may need this support to attend school. In those cases, we have to look to our cooperative or private placements to provide that service.” Emily agreed: “Students with unique medical needs also might have to be outplaced as we struggle to provide on-site nursing support for even our general education population.” Grace shared similar experiences and added that two students who had recently moved into her district required one-to-one nursing support. She noted, “the severity of disability, I may only have one severe, medically fragile student ,and I do not have enough students to make a class.” Heather explained that the low number of students with medically fragile conditions made it difficult to sustain a quality program: “When I look at

the population of students that we tend to send out . . . students with low incidence, we just do not have a large enough population that I think we could run a program and do it with fidelity.”

An additional sub-theme voiced by several participants was an observed increase in students who were experiencing severe anxiety disorders. Many reported this increase to be a more recent trend that was challenging for their districts to support within the general education environment. Ellen explained:

We have had a surge of students with school anxiety issues recently who have needed to be placed in private placements. We are looking at ways to build programs here within the district so that we can hopefully return those students back to campus.

Elizabeth stated that within her large high school district, the incidence of students with anxiety and requiring short-term (typically 6- to 8-week) hospitalizations seemed to be increasing rapidly, causing her to examine the need for additional types of programming: “I would also like to look at how we support students with re-entry from hospital settings. How do we assist these students to transition back to the same setting where they were feeling so overwhelmed to start?”

**Ability of a district to provide for a continuum of services.** All district administrators interviewed cited the importance of a continuum of services to serve students with disabilities in their respective school districts. Although this theme was prevalent in responses, there were differences in how this continuum was referenced. For instance, suburban special education administrators in high school districts noted the ability and importance in providing a wide array of services and programs to students with disabilities, and they described that—due to their districts’ available resources, they were able to offer these needed services. These administrators described offering a minimum of four levels of support for students with disabilities within their home district, ranging from one period of support across the school day to in-house therapeutic day programs. Kate noted:

Our least restrictive placement options range from resource, which is one period per day, to self-contained and co-taught academic classes which meet graduation requirements. We also have self-contained programming for students on the autism spectrum and students requiring a life skills focus to their curriculum. With the addition of a therapeutic in-house program, we really meet the needs of most of our students.

Elizabeth, also a large high school administrator, reported “with over 1,200 students in special education, we have options to hit the majority of our students’ needs.” Peg echoed this response:

We offer a full continuum for students with disabilities within our school district ranging from consult to self-contained programming. The creation of an on-site therapeutic day school definitely resulted in a reduction of students being sent to private day schools.

These large high school district administrators all echoed sentiments similar to what Kate noted:

We strive for the least restrictive environment, and because we are so large, we have quite a variety of ways in which do that and flexibility to do that. I think that is important because it is going to lend kids the best opportunity to be independent.

Elizabeth further shared, “We are going to get creative and . . . try a lot of different things, do 4- to 6-week progress check-ins, and have conversations on what is the need and how are we doing in terms of meeting student need.”

For larger high school districts, several directors noted that although a number of options along the continuum of supports were available within district, lack of educational progress required the consideration of outside placements to best serve students’ needs. Kate shared that “we look at private therapeutic day schools for students not succeeding at our programs.”

Elizabeth noted, “We have an extensive continuum of services within our district including therapeutic day so when we access residential placement, it is for students that have gone through our system of supports.” Ellen added,

We run the full gamut of placement options with the exception of residential. Despite having a therapeutic school, we have a number of requests for private day. Returning these students to campus is an action plan within our strategic plan.

In contrast, rural/town administrators, as well as administrators of unit districts with low overall student enrollments, cited the difficulty in providing a continuum of services within their districts due to the small population of students with disabilities and the variance among those students. For instance, Emily, director in a rural unit district, stated,

We just do not have the numbers to support running our own programs . . . we did have at one time a program at the middle school for executive functioning skills but unfortunately we did not have the number of kids to continue it.

Emily added that she has looked to create a self-contained model for students typically sent to private day settings but so far, has not been able to establish this program: “You know, here we go again, as much as I love to do in-house programming, it’s better for our kids, it’s better for our parents; we just don’t have the numbers to sustain it.” Emily explained that one program she has implemented to increase the continuum is a blended early childhood program that serves students with and without disabilities. However, she noted, “when I started, we did not have blended early childhood and we do now, although we were somewhat forced into doing it due to the numbers.” When asked to clarify this statement, she explained the self-contained early childhood program struggled to maintain numbers of special education students necessary to run a classroom. Adding tuition-paying general education preschoolers to these classrooms made them more economically viable.

Diana, also a rural, unit district director, noted she did her best to provide a continuum of supports. She noted her advocacy for hosting cooperative programs within her district, thus providing additional supports and permitting her students to stay at their home schools: “It is a win-win for us if we have the space since the cooperative pays us rent and our students and families get to stay in the neighborhood. The challenge lately has been space, though.” She

further shared that her special education cooperative encompasses a large geographic region and some programs are a long bus ride for some of her students:

Unfortunately, I think, we have had to look at one-to-one aides to support students. In some situations, I believe this is more restrictive to the student but if there are not the classrooms within reasonable distance, this is sometimes our only option—that or private day.

She added that several private day schools have grown in popularity among her parents, which can lead to difficulty when discussing placements during IEP meetings: “Parents want their kids at these schools. The cooperative program can serve them, but it is far away and it is often full. This leads to more outplacement than I’d prefer.”

Grace, a unit director in a suburban community, stated she can provide a range of service and placement options within her district but struggles to expand upon these for several reasons:

We only have 1,000 [total K-12] students. So my biggest challenge is that all of our students with disabilities must participate in general education . . . if I cannot fill a classroom or support the students with their significant needs, then I am left to consider outside placements . . . either our cooperative program, or private.

Grace further noted that although she prefers to access her cooperative program for placement, if that program is full she has no choice but to seek out private placement: “I had to choose a private program because our cooperative programs either did not operate programs in the ages I was referring for, or did not have openings.”

**District enrollment levels and issues with available space for programming.** Seven of the 12 participants reported the influence of district size on their ability to meet the individual needs of their special education students. Within these seven interviews, two sub-themes emerged related to the size of the district: Districts with larger student enrollments had more capability to support special education programs but sometimes struggled to find space, and

smaller districts struggled to develop programming for only a few students. As noted above, however, larger school districts were able to provide a wider continuum of services.

Four directors spoke about difficulties in supporting students given limited district facility space. Heather noted that a population growth within her district is causing her school board to consider adding physical space to her buildings. She explained:

We are going to start doing a deep audit of looking at creating our own self-contained instructional program. If we are going to be adding on, then it creates a great opportunity for us to say, “Hey, give us a couple classrooms” . . . we can probably reduce the number of kids that we outplace by 40 students. When you place 70 students out, that is a pretty good chunk.

Emily similarly noted lack of classroom space as a factor in placement: “We tried to set up a program at high school for students with social emotional learning needs and at one point we had the numbers; we just did not have the space for it.”

For other administrators, the issue regarding district size and space was more related to how facilities were utilized and how classroom spaces were assigned to various programs. Linda noted that there has been an over-reliance on self-contained programming for students with special needs in her district: “One of the things I’m trying to do is move back towards a more inclusive model, which means that I’m going to free up some classroom space in some of my buildings that I have.” Linda noted how this approach would permit her to develop programming to support a greater range of student needs:

Right now, I don’t have enough classrooms. I don’t have enough space to have a sensory room or a chill out room which you need to do run a program well for students with more intense needs . . . the students I want to bring back to the district.

Ellen expressed similar challenges in her district:

We are trying to restructure our programs so that students can return to us. Most of our students were receiving services in our special education classes and we noticed these students were not going into the general education settings. We created a freshman academy consult program to begin to push those students into the mainstream. This will hopefully then free up space to bring students back from private placements.

Two directors shared that the special education cooperatives to which they belonged were experiencing some withdrawals of the larger districts. As a result, the cooperative was offering fewer programs for students with more significant disabilities. Emily noted “the surrounding districts are getting bigger and starting some of their own internal programs. They are closing a program that we have used in the past and now we are having to look for something different for our kids.” Diana noted her district was experiencing the same issue: “We used to rely on our cooperatives to provide this programming for us. The larger districts are leaving though, and so we have to look privately because we still don’t have the space or numbers to run our own programs.”

Another factor related to school district size was expressed by two directors of large high school districts. They noted that the large overall enrollment of their districts negatively affected their ability to adequately serve some students in the general education setting. Kate noted that as a director of a single building high school district of over 5,000 students, the imposing physical size of the school could be an issue for some special education students: “We are always looking at IEP goals and attendance and behavior to figure out what we can do within our constraints. We are a large building so that can be a problem because kids can struggle with the large size.” She added that “we are looking for ways to make the larger environment feel smaller and more homey.” She further noted that her buildings were too large to adequately support more emotionally or medically fragile students due to lack of available quieter spaces that these students often need to cope with their environment: “Students with these needs, they get overwhelmed and need a space to cool down [when they are upset].” Donna also saw a similar issue related to students experiencing anxiety disorders in her school:



We have had a steady increase over the past several years of students hospitalized for school anxiety. These students report being overwhelmed by the size of the building. I can't change that so what can I do to make it more approachable—literally—like, just getting them through the front doors is often a huge hurdle.

**Concerns with quality and communication with private therapeutic schools.**

Although special education directors noted collective interest in serving students within the public district whenever possible, all 12 had regular experiences referring students to private therapeutic placements. Three administrators described frustrations when working with these separate settings. Diana, representing a rural district, noted that she has a limited number of private placements within reasonable distance to her schools: “I can only have students in a bus for an hour each way which means I can only access three or four private day schools and these [schools] are not the best.” When asked for further detail, Diana explained that the private school directors have difficulty explaining their curriculum offerings: “I have had instances where I am really concerned that students are getting the best academic rigor. They are supporting the emotional issues, but not paying great attention to academic progress.” Emily expressed concern that private therapeutic schools try to address too many needs:

We have a few private schools that we work with and we definitely have programs we will not work with. Private days just can't meet the need when it comes to intellectual disability, autism, internalizing and externalizing emotional disabilities and learning disabilities. When you have 50 kids and all those categories, that's a tall order.

Donna added that she struggled with clear and consistent communication with administrators from a number of private therapeutic day schools: “Often, the student gets placed and I would never hear another peep from the school except for the annual review. I always have to initiate discussions on progress—especially when the student is doing well.” When asked what level of communication she would prefer, Donna noted that she “really would like monthly updates and

more specific criteria related to when a student might be ready to bridge back [to the public setting]. It would be great to have a plan.”

In summary, four factors emerged as themes in response to understanding how special education administrators consider the least restrictive environment when making placement decisions. Students with disabilities who had either more significant support needs or had low incidence disabilities often required private therapeutic settings. Directors noted that frequently, these students required more extensive resources than were available in public settings. The availability of an appropriate continuum of services was also cited as a factor in supporting all students in public school district settings. Participants indicated an interest in developing a range of services within their districts in order to meet the needs of their students. The continuum of services was influenced by the third factor: district enrollments. Districts with higher overall enrollments often could offer a wider array of special education supports, where smaller districts struggled to develop programs to meet the needs of their students. Administrators from districts with lower enrollments specifically noted that their small size made it challenging to develop and sustain programming for students with significant needs. Finally, several directors noted frustrations with the quality of and communication provided by private therapeutic schools.

**Research Question 4: To What Degree Does a Special Education Director’s Understanding of Illinois Special Education Funding Models Influence Placement of Students Into Separate Settings?**

This research question was addressed through probing participants’ knowledge of funding systems in Illinois, their involvement in budget development within their school districts, and their relationships with their superintendents, business managers, and school boards regarding the costs of special education programming. Themes that emerged included a varied

level of involvement in the budgeting process, overall independence in making placement decisions, and uncertainty over how educational reform might impact decisions in the future.

When asked about the involvement each director had in the budgeting process, there were varied responses. Several directors reported that they had a very limited role in district financial decisions. These directors represented smaller, elementary, and rural districts. Linda noted she was expected to provide a projection of special education aides needed in her district each year but that beyond that duty, the business manager applied a set formula: “In previous districts, I have been much more involved but here, the business department does it all—I barely touch it.” Emily described a similar role: “Our assistant superintendent just tells me to increase by a certain percentage each year. He figures that accounts for any fluctuation in private tuition.” Adding a fixed percentage to the overall amount was also the budgeting plan in Heather’s district: “As far as budgeting for private placement, they [the business department] throw a number in there and it has not been an issue. Nobody has ever said ‘you’re beginning to get close to your cap’ or anything like that.”

In contrast, special education directors at larger high school districts located in suburban and city areas of the state had more direct involvement in the process. Several described a more thorough process of writing for the IDEA grant and working with the business office regarding staffing needs for the upcoming year. Grace noted, “it’s me and the business director in collaboration. I propose a budget based on last year’s projections. I add all of my costs for students at the cooperative or private placements and then project based on grade level.” Darlene explained that she is fully responsible for her district’s special education budget:

Mine is like \$16.5 million now but that includes personnel and everything within that. We have a nice system of checks and balances so that my chief financial officer and superintendent have reliable data from me to support my recommendations.

Peg, another large suburban high school director, noted similar support from her business office:

I run our budget. I'm fortunate that our business manager and I work really well together and he kind of looks to me for what the needs are. Though I of course have to justify an increase in costs, I look at projections and discuss that with him and have always been supported.

When asked about their understanding of the incentive-based nature of special education reimbursement related to private placement, all directors cited awareness of the state's special education funding provisions and denied any influence of this legislation in their current districts on their placement practices. For some districts, the high operating per pupil expenditures (OPPE) made the effects of incentives minimal. Christine, whose district OPPE is nearly three times the state average, shared that few of her private placements are much higher than their two times per OPPE: "We get very little funding back for that as it depends on the daily rate of the private placement." Despite receiving less reimbursement, she noted that her new business director has asked her three times in the past year whether students might be moved from public placements to private settings, presumably to collect this funding. Christine observed that "apparently he thinks the additional reimbursement is worth it but I do not need his approval before making a placement and am not pressured by him other than these periodic questions." Kate also stated that her district experienced relatively small incentive from placing students in private placements: "The funding piece, it doesn't really impact us too much, because we're lucky to have a good base here. It doesn't drive any decisions."

Two directors noted that although the effect of the state reimbursement could be substantial for their districts, delays in receipt of revenue from Illinois decreased the influence it might have on district budgets. Diana, a director with 12 years of experience, noted: "the delay in state payments is almost two years. [This delay] makes it less of a factor in my district-my business manager is just not paying huge attention to it." She further noted that the monthly bills

are what her superintendent cares more about: “The board sees the monthly bill list and the private days are there and they are expensive. I have been asked more than once about these costs [at the school board meeting].” Donna also shared that she regularly gets questioned about the monthly tuition bills: “My business manager knows why the bills are there but it is a real strain on the budget-especially if we have unexpected placements such as kids moving into our district that I could not plan for.”

Other comments related to the existing private placement incentive addressed the relative benefits of the incentive versus bringing students back to the district. Emily noted that despite working in a smaller, rural district where the incentive could have a real effect, she has not been asked to factor the ability to capture this revenue into her decision making:

I think we owe it to our kids to give them what they need and I will do that. Fortunately, my hands are not tied. My superintendent or Board have never come back to me and said, “You have too many kids here.” It has never been about the number or the money.

Elizabeth similarly shared that her awareness of the incentive had no influence on her decisions:

I know that there is an incentive to place a student privately so that it will cost my district less in the long run. However, we strongly believe in this district that students should be educated in their home community. I do not experience any pressure from my board in this regard so I’m able to do what I think is right by kids.

Grace expressed awareness and frustration with the formula: “The state is financially supporting more restrictive placements but at the same time requiring districts to . . . encourage LRE.

There’s no financial advantage to keeping students within the district.” Grace went on to note her concern regarding the number of additional faculty and staff she would need to hire were she to push for a decision to return students she has placed in separate settings back to her district for services.

Two district directors cited creative ways they are managing special education costs within their budgets to increase their capacity to serve students in their home district. Christine

spoke of creating a contingency fund within her annual budget to provide flexibility to both support students being placed in private day or residential settings and to increase resources at the local level:

We just started a new system last year which I am liking a lot. . . . I go through the budget and build a contingency fund for each account [public programs and private tuition]. We budget for our actual kids but then have a separate account for the students we add. Rather than inflate the actual fund, we can just pull from the contingency if needed.

Christine noted that this contingency approach helped her analyze trends and determine how use of separate settings has changed over time. Darlene described using IDEA grant funding to provide a contingency fund for hiring paraprofessionals. She noted that this contingency fund provided a way to increase supports for a student without exceeding the annual district budget and waiting for board approval: “This way, I do not need to wait for board approval. I can address the need right then and there and have the funding available for it.”

Several administrators also referenced the changing landscape of Illinois school funding, particularly, the passage of the Evidence Based Funding educational reform in August 2017 that has had an immediate effect on special education categorical reimbursements. Ellen noted that “with the evidence based funding and lumping all of those special education allocations together into general state aid, we are unsure of how that will impact our current funding structure.” Peg further noted that with the new funding model and its evolving effect on special education reimbursement, she was less confident in how to predict future reimbursement patterns:

I used to understand funding 100% until this new formula came into place; we’ll see how evidence-based funding plays out in terms of categoricals. But of course, I understand they did not change Fund B (private placement) or Fund X (excess cost).

Grace stated she was sufficiently aware of the new funding reform to know that although there were substantial changes, no changes were made to how private placements are reimbursed.

Ellen explained that the lateness of state reimbursements to her district made any incentives received unappreciated:

It does not prevent us from placing students in private facilities. I know that, as with every district, it is always looking at ways of how to save money and knowing that the state has been late on payments means that you cannot count on those dollars.

This research question sought to examine how special education directors' knowledge of both district budgeting practices and state formulas for reimbursement influenced special education placement decisions. Participants offered varied responses when asked about involvement in district budget development. Some directors were fully responsible for decisions on how to allocate funds for special education services, while others had limited roles within their districts. Despite the range of responsibilities, all participants noted that they were able to make placement decisions independent of any pressure from their superintendent, school board or business manager to capitalize on incentives associated with private placement. Directors also indicated they were familiar with the reimbursement formulas in Illinois and the incentivizing feature of private placement reimbursement. They further expressed uncertainty at how recent educational reform might influence special education programming in the future.

**Research Question 5: To What Extent Do the Placement Decision-Making Practices of Special Education Directors Reflect Children's Best Interests?**

As the participants were asked to reflect further on their decision-making practices, two themes emerged that were consistently referenced across all administrators. First, all 12 participants noted the importance of making appropriate placements and provided many examples of how they are permitted to have local control over placement decisions. Second, many directors cited the importance of providing professional development to faculty and staff within their districts in order to better serve their students in the least restrictive environment.

**Ability of special education directors to make independent decisions.** One theme that emerged throughout the 12 interviews was the special education administrator’s authority to make decisions independent of financial factors or higher level review by the superintendent or school board. All 12 administrators shared that they had not experienced any situations in which their superintendent or school board had disputed or discouraged a child’s placement decision. Based on their responses, district characteristics did not appear to matter. Emily, director in a small, rural district, noted that “there is not scrutiny into costs of individual student programs. I was concerned by the numbers [associated with private placement students] but my administration has told me not to worry. We need to do what is best for kids.” In a larger, city district the response was very similar, as Ellen observed, “the superintendent is not involved in the decision making but they support that returning students back to the home school setting is the goal.” Kate’s comment also endorsed this theme as she noted, “we don’t do much . . . other than the paper-pushing. Once a placement is agreed to [at an IEP meeting], our superintendent signs the contracts but beyond that, it is mostly a checking-the-boxes task in terms of informing him or the Board.”

At most, participants stated they took responsibility for informing their superintendents of any anticipated changes based on what they expected to occur at IEP meetings. Peg shared that although her superintendent had no involvement in placement decisions, she had an experience 2 years ago, when she felt it was necessary to provide supporting information on unexpected outside placement numbers to the School Board:

We had, at one point in time, a really big pocket of students coming from our elementary district to the high school who were residentially placed. So I talked with the Board about why there was going to be an increase in the budget. The Board was very supportive, they understand that that’s the nature of special education, so there was no push-back.



Grace also reported that she must discuss any private placement with her superintendent: “I consult and tell him [the circumstances that] led to the decision. However, the decision has always been made first at the IEP table.”

The only type of situations in which participants expressed a lack of control was when disciplinary incidents led to the consideration of a placement change. Christine noted,

if a student with an IEP commits an expellable offense, we automatically look at placement outside of the school district. Although we try to use our cooperative for that, it is not always the most appropriate setting for the student.

Kate expressed a similar viewpoint: “certainly students who have issues with the law may not be appropriate for legal reasons to stay at school.” Grace also experienced a lack of control related to placement and students who had committed crimes: “I currently have eight students living in a DCFS group home, and some of those students are registered sex offenders. I don’t have a choice in those matters—they have to attend somewhere other than the local district.”

Several high school district directors noted that in addition to expulsion or legal issues, one other factor limiting the range of placements that could be considered was related to decisions that had previously been made by the elementary district prior to students’ transition into high school. Peg framed the concern as one of attempting to educate elementary district officials on the wider range of options available at the high school level:

So it’s an interesting conundrum, because the elementary districts, I would say generally speaking, know that the decisions they will make will impact the high school . . . if they are trying to change placement in 8<sup>th</sup> grade, then I try to give them ideas in terms of problem solving . . . to see if there is anything they haven’t thought of to be able to support the student.

She continued, “once the elementary district has placed the student, the student has just had one transition so to transition again back to the high school to one of our programs is challenging.”

Ellen noted,

it is really frustrating in one particular [sending] district because they make decisions that will impact the long haul. We have been trying to work with these districts by establishing articulation meetings where we can share options for high school.

Elizabeth also explained the importance of connecting with feeder elementary districts to address placement planning:

We have roundtable conversations with our feeder districts every year in the fall to start planning transitions. . . . They will also tell the family that the high school may not maintain private day. They let them know that that the high school could totally meet the need in their in-district programming. And that is so helpful.

**Developing professional learning opportunities to build faculty and staff expertise.**

Another theme was related to the extent to which directors cited the need for professional or program development for their faculty and staff to reduce the reliance upon outside placements.

Eight directors cited the relationship between providing professional development for district special education faculty and staff and decisions to maintain more students within their home school settings. Emily explained:

One of the things I look at is providing the professional development to staff to give them the skills in order to be able to effectively support students that they might not have been able to without the training. We are doing as much as we can to help the staff be more qualified, assured, and confident in how to handle social behavioral issues.

Other special education directors echoed this statement. Darlene stated she initiated an in-house professional development program providing high profile trainings on data collection for IEP goals, academic testing, transition plan development, and legal updates. She added:

The climate and culture of the district is not having kids placed out. That pushed our hand in building professional development. . . . Sending people to conferences or bringing national specialists in to train teams on the ground, that has been the bigger bang for our buck.

Peg cited the lack of skilled teachers, related service providers (e.g., social workers and school psychologists) and paraprofessionals as reasons for not being able to serve students in the local district: “I guess the limitation has been just the expertise of our faculty for serving students with

more significant disabilities . . . so how do we provide expertise and professional development around really low-incidence disabilities.”

Ellen also described providing professional development for restructuring specific high school classes so that students could return from private settings: “We have done a lot of professional development, restructured the shape of our classes as well as brought in different supports so that students can return to us from private placements.” She explained that when she assumed this role, the district was both developing a new strategic plan and undergoing focus monitoring by the state for the provision of appropriate special education practices. She noted that this “two for one” of state supervision and board-level strategic planning helped her to target professional development to build the capacity of her teachers, related service providers, and paraprofessionals to serve more students within the district: “Just having the state come in and share how pushing LRE would not only help our students, but also continue to augment that professional growth with our teachers was tremendous.”

Heather referenced that when she came to work in the district 5 years ago, there was a tendency to send students for diagnostic evaluations, often at private placements. Although these placement decisions were not meant to be permanent, often that was the end result. She explained, “one of the things we did was to revamp the model and bring in training to our staff. We developed different assessments for social emotional and executive functioning needs and discovered we were over-placing into more restrictive settings.” She further noted that in adopting this new assessment model, her district dropped the number of students receiving more significant levels of support by 50%.

Another aspect of professional development noted was the importance of educating administrators as well as faculty and staff. Elizabeth spoke in detail about the importance of

training her building principals and other administrators in the importance of adhering to the least restrictive environment. She reported working to “address the perception of building administrators that special education is an easy way to move a kid who is taking up a lot of building resources. That it’s an easy way to move them out of the building.” She has done so by meeting three times each year with building administrators, noting “I lead a meeting about fair and equal and the do’s and don’ts, and that special education is not a place: It’s not a revolving door, it’s a service.” As a result, Elizabeth noted an overall decrease in a push for students to be outplaced, although recent national news of school shootings has affected this attitude: “The Parkland, Florida shooting, I feel like they have ratcheted right back up—every kid is an immediate threat. We need to slow down.”

For Linda, professional development has focused on building the capacities of her general education faculty. She noted:

To facilitate more inclusive environments, you have to get the general education teachers onboard along with special education. Both have their challenges. When you’re trying to improve least restrictive environment percentages, the resistance from general education is what’s really hard.

Donna’s experiences mirror those described by Linda. She has attempted to bring professional development to the general education staff but explained it is largely dependent on the support of the building administrator:

At one of my school buildings, we have made some good headway into building general education classroom capacity—not just with co-teaching but with training on classroom management strategies. At the other one, not so much—that principal really is reluctant to deal with behavior issues.

Program development was another theme influencing the extent to which placement practices reflect the best interests of the student. Five directors referenced the creation of programs within their districts designed to enhance the ability to support a broader range of

student need. Emily described creating an early childhood center so that teachers and staff could work more closely together and preschool students would have opportunities to be in classrooms with other students. She noted, “though this is not directly related to separate settings—starting kids out in the right setting can make a big difference down the road.” Other directors, including Kate and Darlene, shared that developing and expanding co-teaching had provided better supports to students, and Ellen has been exploring how to improve programming for students with anxiety disorders: “We have been very focused on looking at data for students receiving support for school anxiety. How can we provide adequate supports so that these students are not afraid to enter the buildings?” In addition to social-emotional disorders, Ellen noted she has led the development of vocational options for students in the district to improve post-graduation outcomes for her students. Christine echoed this focus: “How do we develop programming to better support student needs? Can we minimize some of the academic focus and look at maximizing student areas of strength?”

This research question examined how special education administrators employ practices related to the best interests of the student when making placement decisions. Responses indicated that the directors consistently sought out special education placements that offer supports that best addressed each student’s needs, although that was not always possible in the public setting. Their ability to make these decisions independent of influences from other district administrators was critical to achieving this goal. Directors additionally noted that their ability to provide professional development to certified and non-certified employees influenced how they could best serve students with disabilities in their districts.

## Summary

In this chapter, results were presented regarding whether incentives provided in the Illinois special education reimbursement formula lead to increased placement of students with disabilities into separate, private settings. Descriptive statistical analysis of 859 school districts within the state of Illinois found that in the 2013-14, 2014-15, and 2015-16 school years, 11% of school districts placed students out of district at a rate higher than the state average. Through logistic regression analysis, it was further determined that operating per pupil expenditure was a significant predictor of districts placing students in separate settings: The higher the operating per pupil expenditure, the greater the likelihood of placing students in separate settings. In addition, district size was also a statistically significant predictor of districts placing students into separate settings. In this case, data showed that smaller districts were more likely to make this placement choice than larger districts. Qualitative interviews occurred with administrators of 12 districts placing students into separate settings at significant rates. Seven themes emerged from the semi-structured interviews with district special education administrators. These themes highlight the factors that guide decision making in the placement of students with disabilities into separate settings and included issues that both enhance and inhibit the ability of school districts to serve students in the least restrictive environment. The themes also demonstrate how special education administrators weigh funding issues and fiscal responsibility with the individual needs of students with disabilities. The final chapter of this study will discuss how the results may be viewed within the context of the Best Interests of the Student conceptual framework as well as implications for future research.

## **Chapter 5**

### **Discussion, Implications, and Recommendations**

This chapter presents a review of the research design and methodology as well as the major findings of the study. In the subsequent discussion section, the findings are considered in light of the Best Interests of the Student conceptual framework including the multiple ethical paradigms that were reflected in the qualitative results. The chapter concludes with implications and recommendations for policy and practice as it relates to placement of students with disabilities into the least restrictive environment.

### **Overview of Research Methodology**

The purpose of this study was to determine whether current special education reimbursement policy within the state of Illinois influences placement practices in individual school districts. With the existing financial incentive to place students into private placements, this study aimed to determine if policy was reflected in practice and to examine the perspectives of special education directors as they consider placement options for students with disabilities. The methodology used to address this purpose involved a sequential mixed methods design. In the first quantitative phase, demographic data from 859 school districts across 3 years were collected and analyzed to determine the prevalence of placement into separate settings as well as predictive characteristics of districts that place students into separate settings at a significant rate. After identifying districts significant for placing students in private settings at a rate higher than the state, 12 special education administrators representing those districts participated in semi-structured interviews. The intention of the interviews was to provide context to the quantitative data and to examine how these administrators approached placement decisions in light of Illinois policy. The following research questions guided the study:

1. How does each Illinois school district's placement rate of students into separate special education settings compare to the state average placement rate?
2. Are any of five demographic variables (operational expenditure per pupil, district size, percent of students in special education, percentage of students receiving free or reduced-price lunch, percentage of non-White students) characteristic of school districts that place students above the statewide average rate into separate settings?
3. What factors guide special education administrators in their decision-making practices regarding the placement of students with disabilities in the least restrictive environment?
4. To what degree does a special education director's understanding of Illinois special education funding models influence placement of students into separate settings?
5. To what extent do the placement decision-making practices of special education directors reflect children's best interests?

## **Findings**

**Research question 1: How does each Illinois school district's placement rate of students into separate special education settings compare to the state average placement rate?** Findings for the first research question show that across 3 years of data, 11% of all public school districts in Illinois placed students into separate settings at a rate higher than the statewide expected rate and that a majority of these districts belong to special education cooperatives. These districts were further categorized by the Urban Centric Locale Code (NCES, 2008). Categorizing by these codes permitted an analysis of where school districts were located in relation to accessing private therapeutic schools. A predominant percentage (75-75%) of districts were located in suburban regions of Chicago, Illinois, which is defined as a region outside a principal urbanized area up to 250,000 residents. Findings supported the hypothesis that districts may place into separate settings at a higher rate due to the current policy for special education reimbursement in Illinois, which incentivizes the placement of students into separate settings.

**Research question 2: Are any of five demographic variables (operational expenditure per pupil, district size, percent of students in special education, percentage of**



**students receiving free or reduced-price lunch, percentage of non-White students) characteristic of school districts that place students above the statewide average rate into separate settings?** The data collected were further analyzed in order to determine whether certain district demographic characteristics offered predictive value in whether a district will place students with disabilities into separate settings at a higher rate than the state. The five demographic variables listed in the above question were included in a logistic regression analysis. Two variables, operating per pupil expenditure (OPPE) and district size, were found to have predictive significance. OPPE is a statistic used in the Illinois School Report Card to reflect the total operating district expenditure divided by the student enrollment within a district. This amount is an indicator of that district's level of wealth and ability to provide resources to its students beyond federal and state allocations (Fritts, 2012). In Illinois, where property taxes largely fund local school district expenses, the more valuable the housing, businesses, and industrial properties located within the boundaries of a district, the greater the tax assessed and the higher the operating per pupil expenditure (Fritts, 2012). In this study, approximately 43% of the variance in placement into separate settings could be attributed to district OPPE. These results indicate that the greater the amount of revenue a district spent per pupil, the greater the likelihood of a district placing students into separate settings.

District size was also found to demonstrate statistical predictability. For this variable, the  $\exp(\beta)$  ranged from 0.976 in 2013-14, 0.978 in 2014-15, and 0.974 in 2015-16. That the  $\exp(\beta)$  was lower than 1.00 indicates that the smaller the district, the more likely a student would be placed into a separate setting. The three other variables considered in this study, percent of students in special education, percent of students eligible for free or reduced-price lunch, and percent of non-White students, did not demonstrate statistically significant predictive capability.

**Research question 3: What factors guide special education administrators in their decision-making practices regarding the placement of students with disabilities in the least restrictive environment?**

Interview responses revealed four themes that address the factors that influence decision-making processes. First, many administrators noted that the severity or intensity of the type of disability could lead to consideration of private placements. Students with severe mental health or behavioral issues were most often placed into these outside settings due to the risk of harm to self or others. These students also at times were involved in school expulsion or law enforcement issues where their attendance in public school was prohibited by governing school policy. In addition, administrators shared that students with significant medical needs, often requiring one-to-one nursing supports, were also frequently placed into private therapeutic settings. The low faculty and staff to student ratio and the quieter, more predictable environment of a therapeutic school were cited as two reasons for this placement. Many directors also noted the increased incidence in students with anxiety disorders. Particularly at the high school level, this type of disability led to students frequently experiencing school refusal to the public setting. According to several directors, private therapeutic schools were commonly viewed as more approachable than the public school setting to affected families although several of these directors expressed frustration at the difficulty in the quality of curriculum at private placements and with communication to administrators of these settings.

Another theme that factored into placement decisions was the extent to which an individual school district was able to provide a complete continuum of services to students with disabilities within the public school district. For smaller districts, this ability to provide a continuum of services was emphasized as a true problem in being able to supports students in the

least restrictive environment. Several directors noted that although they had tried to establish programs, they were not able sustain such services due to the fluctuating number of students requiring this level of support. In addition, it was noted that the reduction or lack of availability of services offered in the local special education cooperative factored into placement decisions. For larger school districts, directors were able to describe a continuum of placements designed to ideally match all students within their districts. However, the larger number of students had the potential to create an overwhelming environment for some students with emotional disabilities or fragile medical conditions.

**Research question 4: To what degree does a special education director's understanding of Illinois special education funding models influence placement of students into separate settings?**

In order to examine the influence of funding models on placement practices, participants were asked to share their involvement in the budgeting process for special education in their respective districts. Participants representing smaller districts noted less involvement overall in the budgeting process. These directors shared that they were usually just given a percentage increase by their business managers to account for the following year. In larger districts, directors cited more ownership of the budget process, either developing the budget independently or working alongside the business manager to create a budget that accurately reflected projections. Regardless of the size of the district, directors commented on an overall level of autonomy given to them by their superintendent or board of education. This independence could in part be attributed to the longevity of many of the participating directors in their respective districts.

All directors interviewed for this study were aware of the financial incentive in Illinois for placing students in private placements; however, no director indicated this incentive influenced their actual placement practices. Several directors shared that because of the very high operating per pupil expenditure in their districts, there was not much revenue to be gained from the incentive. For smaller districts, decisions to place in private settings related more to the inability to support students in the local environment due to lack of space or resources. Directors from these districts also noted that the inception of educational reform in Illinois in the past year made it difficult to predict how reimbursement would operate moving forward.

**Research question 5: To what extent do the placement decision-making practices of special education directors reflect children's best interests?**

Two themes emerged from interviews conducted which relate to considering the best interests of the student. First, no matter the size or location of the district, directors shared their belief that they had the ability to make independent decisions on placement at the IEP table, without being pressured by either their superiors or their school boards. Despite constraints related to district size or continuum of services, participants cited the importance in making the best decision to support the individual student. At most, superintendents or school boards were kept apprised of decisions that might affect the district financially, but all directors reported the ability to make placement decisions with a high level of autonomy. One exception to this response was when student discipline was a factor in a change of placement. In those circumstances, directors reported not having as much control over decisions, as school code and conduct policies could supersede IEP placement. High school district directors also reported an exception to having local control when they were transitioning students from elementary districts. Although these directors worked with elementary special education teams to inform

them of the often increased range of public special education placements available at the high school level, they noted their inability to factor heavily into decision-making. They reported that elementary teams would often defer to parent preference for private placement over high school programming. In these situations, directors reported difficulty in getting the student back to local programming, even after the transition to high school.

Professional development and training for faculty, staff, and district administrators was also a factor for directors in making placement decisions that reflected the best interest of the student. Directors noted that special education faculty and staff in their districts needed additional training to provide the necessary supports for students with special needs. Many directors cited examples of providing such training but also referred to additional barriers around professional development which prevented the addition of programs and services at the local level. One barrier noted was the willingness of general education teachers to support students with more challenging needs within their buildings. Special education administrators shared that this support was critical in order to adequately support their students. Indeed, without such professional development and overall faculty and staff buy-in, special education directors were unwilling to return students to the local setting for fear of having the student experience failure and then needing to be re-placed to a private therapeutic setting.

An additional barrier identified was the professional development needed for building-level administrators. School principals, deans, and counselors were cited as individuals critical to the leadership of effective inclusive practices in a district. Several directors noted providing annual trainings to these administrators to refresh them on best practices with regard to supporting students with special needs. These directors reported that this sort of training was effective in creating opportunities for general education faculty to receive professional

development. However, occurrences of violence on school campuses nationwide had negatively affected the willingness to support the return of some of these students, for fear that their enrollment at the local campus would risk safety to others.

## **Discussion**

This section contains a discussion of five key findings from this study. It further considers one additional finding related to independent decision making through the lens of the Best Interests of the Student Multiple Ethical Paradigms Framework (Shapiro & Stefkovich, 2011). Finally, a discussion of how the quantitative results informed the qualitative findings to produce integrated results is presented.

### **Districts in Illinois place in separate settings at a higher rate than expected.**

Quantitative results demonstrate that across 3 years analyzed, 11% of Illinois school districts accessed outside-of-district placements at a more frequent rate than the state expected average. These findings align with results from several studies completed on incentivizing funding practices related to special education. Dempsey and Fuchs (1993) found an increase in placement into more restrictive settings when Tennessee moved from a non-incentive to incentive-based funding formula. Similarly, Cullen (2003) reported a significant increase in students found eligible for special education services when Texas adopted an incentivizing system for district reimbursement. When Texas then implemented a disincentivizing system, a correlating significant decrease in eligibility subsequently occurred (OSEP, 2017). These practices had not been investigated in the state of Illinois, despite awareness of the incentivizing formula for special education placement. Therefore, the findings from this study are of value because they provide evidence that some districts in Illinois are statistically more likely to place students into separate settings. Although a financial incentive to place into students with disabilities into

separate settings exists in Illinois, this study does not provide conclusive evidence that the incentive is the cause for the higher rate of placement. However, given other studies linking incentives to placement practices, it is an important finding.

Districts identified as significant compared to the state in placing students with disabilities in separate settings were further analyzed for membership within a special education cooperative. Of the 95 to 96 districts found significant across the 3 years analyzed in this study, 69 to 70 districts were members of special education cooperatives. Districts have historically joined together in special education cooperatives in order to serve students with more significant needs (Richmond & Fairchild, 2013). Therefore, it is an important finding that despite cooperative membership, many districts still access private therapeutic schools at a significant rate.

**Districts with higher OPPE and lower overall enrollment are more likely to place students into out-of-district settings.** Further analysis examining the characteristics that increase the likelihood that an Illinois school district will access separate settings for students with disabilities was also considered for this study. Greater operating per pupil expenditures (OPPE) were significantly predictive, with a 43% increased likelihood that a higher OPPE would lead to increased rates of placement into separate settings. Given that there is a monetary benefit for districts making these placements in Illinois, this finding may appear counter-intuitive as it would seem more advantageous for a less wealthy district to seek financial benefit from outside placements. Indeed, several studies on special education practices and special education funding formulas in other states found correlations between districts with lower OPPE and practices that could lead to financial benefit. For example, Daniel (2005) reported that an incentive in Ontario, Canada to identify students with severe needs led to a doubling of claims for those students even

though overall special education enrollment declined over the same time. Similarly, Conlin and Jalilevand (2015) found that school districts with lower OPPE had higher rates of students found eligible for special education placement in Michigan.

The difference in Illinois district practices identified in this study may be directly related to the timing of reimbursement to school districts. Private therapeutic settings require receipt of tuition from public school districts on a monthly basis. However, Illinois' reimbursement system relies on data collected from the previous year to determine calculations. As a result, districts do not receive reimbursement from the state until 1-2 years after the tuition for that student has been paid. Districts that have higher fund balances can afford to pay the monthly tuition costs without a detrimental financial effect to the district operating practices. However, the frequency of invoices could have a greater influence on school districts that carry a smaller fund balance, where monthly invoices may have a larger influence on the budget. Several directors from districts with higher OPPEs interviewed noted this point as a reason the incentivization was not a strong consideration for them when making placements though none of the directors cited this factor directly as a concern with regard to their placement practices. The timely payment of monthly tuition to private placements has not been explored in prior research. Therefore, this finding is important because it demonstrates that policy practices in Illinois may indirectly influence placement of students into separate settings.

Although statistical analysis demonstrated that higher OPPE was a strong predictive factor for placing students into private therapeutic settings, it does not necessarily follow that because a district has greater wealth educators will only seek out private placements. Similarly, districts with lower OPPE may not avoid private placements only because of financial factors. For instance, in some school districts, a culture of serving students within the local setting is



valued above outside placements. Two interviewees referenced the value their community members placed on educating all students within their home settings. Although both of these directors represented suburban high school districts, it is plausible that smaller and rural communities also might look for ways to support their students in their home schools rather than to transport them lengthy distances to private settings.

**Intensity of disability and professional competence of faculty and non-certified staff in supporting student needs are strong factors when considering placement options.** No

matter the type of district, interviewees in this study were consistent in noting that the public school setting could not meet the needs of all students with disabilities. Directors from smaller districts cited the lack of students with similar disabilities to make programming feasible within their schools. Administrators from larger districts noted students with medically fragile conditions or very severe disabilities require smaller and more supportive settings than could be offered in a large unit or high school district. This finding is confirmed through other studies conducted on the placement of special education students with more significant needs.

McLeskey et al. (2010) found that although students with learning disabilities were more frequently being served in less restrictive environments, the same did not hold true for students with significant emotional or more severe cognitive disabilities. For students with emotional disabilities, the authors noted the additional resources required typically are not available in the general education setting. Lane et al. (2005) and Mattison (2011) also found that students with the most significant emotional disabilities achieved greater annual gains in self-contained private schools when compared to students attending self-contained classes within public school settings. These authors concurred with McCleskey (2010) that the intensive nature of the

disabilities led to greater supports in the self-contained school and subsequently to better developmental outcomes in areas related directly to the disability.

Despite the existence of private therapeutic placements, several researchers have noted an overreliance in both the United States and abroad on separate schooling for students with severe disabilities. These studies have noted that although students with milder disabilities have experienced less restrictive placements over time, students with more significant emotional or cognitive needs have not (Banerjee et al., 2016; Kurth et al., 2014; Morningstar et al., 2017). Although numerous explanations are provided for this trend, all researchers cited a lack of professional development or competence of faculty or other special education staff as a significant reason for students' continued assignments to more restrictive settings. This lack of professional development supports the findings from this study, in which many administrators interviewed reported inadequate professional development as a factor limiting their ability to support more students in the general education setting. These participants noted that training in the provision of behavioral and academic supports to students with more intensive needs to not only special education teachers but also general education and administrative personnel, would increase the ability to provide programming with integrity to students with more severe needs. This finding is important because in order to provide a greater level of services to students in the general education setting, additional district resources will need to be allocated for professional development to address these types of needs.

**The continuum of services is limited in smaller districts.** In smaller districts, participants noted the difficulty with economies of scale in supporting students with more severe disabilities. Either programs could not be sustained over time due to fluctuations of numbers of students or only one or two students with a particular need were enrolled in the district, thus

making it difficult to provide adequate supports. Richmond and Fairchild (2013) also found this theme prevalent in a national examination of how states finance the education of high-need students: They noted insufficient scale as a specific challenge for lower enrollment districts because of the smaller budget of these districts relative to the greater expenses to educate students with severe needs. District directors participating in this study noted that it was cost prohibitive to hire the needed personnel to support these students in the local setting because not enough students were enrolled to justify this additional expense. Although these directors cited the potential advantage of using their special education cooperatives for this purpose, they reported issues with that option including cooperative programs that already were operating at capacity and the withdrawal of district partners from cooperative arrangements, resulting in the elimination of such programming. This finding is important because it emphasizes that special education directors of smaller districts will continue to need to work together, either through their existing cooperatives or by forming other partnerships to be able to provide least restrictive programming to their students with severe needs.

**The changing landscape of educational funding in Illinois has affected program planning.** Directors interviewed for this study demonstrated a comprehensive understanding regarding how special education funding and reimbursements had operated in Illinois through 2017. However, each director cited uncertainty in how Evidence Based Funding (EBF) might affect special education programs and budgeting in future years. In particular, several directors noted the elimination of the mandated categorical fund for personnel reimbursement directly affected their district special education budgeting for faculty, related service providers, paraprofessionals, and programs. Some noted how this new statewide educational reform has caused them to look at ways of using the federal IDEA grant differently to offset this effect.

Directors also noted that despite the elimination of several special education reimbursements, the state of Illinois incentive to place students in out-of-district private placements remained intact. Directors described an overall uncertainty regarding the state of special education funding moving forward. Research from both Texas and California suggests that this policy change may have a direct effect on student placement decisions; in both states, a change from incentivizing to disincentivizing policies significantly shifted how eligibility or placements were made (Cullen, 2003; Kwak, 2010). Given this evidence, it is possible that the shift to EBF may have unplanned consequences. The impact of EBF on special education is an important finding for school districts and Illinois policy makers moving forward as they consider how to further refine and address funding inequities across the state.

**Independent administrative decision making and its relationship to the best interest of the student.** This section provides a discussion of one major theme of the findings through the lens of the Best Interests of the Student framework (Shapiro & Stefkovich, 2011). Decision making as it relates to special education student placement is influenced by multiple ethical paradigms. Shapiro and Stefkovich (2011) outlined a framework for considering these paradigms along with personal codes of ethics as educators make decisions designed for the best interests of the student. Three subsections discuss aspects of responses provided by study participants as they relate to these ethical paradigms.

***Rules and regulations have a significant influence on the provision of supports to students with special needs.*** As special education directors in this study reflected on how they make placement decisions for students with special needs, most noted a reliance on the law that guides special education: IDEA and its principle of least restrictive environment. Several cited the obligation to consider a range of educational environments or to attempt less restrictive

options before making a recommendation to an outside placement. Others noted the importance of adhering to IDEA's principles in order to protect the district from legal challenges by parents. These findings are consistent with studies on ethical decision making in school administration where research has cited the need to consider and follow administrative directives (Bays & Crockett, 2007; Bon & Bigbee, 2011; Frick et al., 2012). This research has further noted that administrators often are conflicted by the competing priorities of the needs of the student and the financial interests of the district, but that there must be a basic level of compliance with administrative rules.

The Best Interests of the Student framework reflects directors' perspectives through the balance these administrators must maintain between the ethic of justice and their personal codes of ethics. Most directors interviewed cited that their district's philosophy toward the least restrictive environment mirrored their own. In particular, directors in larger suburban settings noted that their beliefs regarding the least restrictive environment matched the placement options available at their district. Therefore, they were able to provide most supports needed to provide special education to students within the local community. An exception to meeting students' needs within the local community occurred when the school district's disciplinary policy superseded special education decision making. In those cases, administrators reported an inability to challenge district policy with regard to actions for which students may be expelled. In contrast, smaller district directors expressed frustration with the lack of options available within their districts to students with more significant disabilities. In either case, directors indicated that their belief in adhering to the rules and regulations guiding special education strongly influenced how they developed programs for students with disabilities. These findings are important as they highlight the weight that rules and regulations have on decision making by special education

directors. The Best Interests of the Student framework could be strengthened by acknowledging that instances exist when directors choose to ignore established rules and to explain why they make different choices.

***Faculty, staff, and district needs must be considered for students' needs to be adequately addressed.*** Many directors noted that a limiting factor in preventing the placement of students into separate settings was the need for quality professional development for district faculty and staff. The ethical considerations related to this finding are substantial in terms of the number of perspectives district directors must balance. Directors interviewed reported the need to bring in outside consultants for the training of special education personnel. Outside consultants were typically compensated through the use of federal special education grant funding of which they had control. However, they further noted the need to provide ongoing training to general education teachers and administrators. For this, directors expressed dependence on district-wide professional development plans that might not always prioritize special education training needs.

Participants also noted the struggle in balancing this priority with competing priorities in the district. One director noted that her inability to get administrator buy-in directly influenced how frequently she considered separate settings for students. This finding is supported by previous research suggesting that balancing competing interests in a school district can be challenging. Principals in three studies reported that determining how to balance the needs of a few versus the greater needs of the school challenged their ethical beliefs (Eyal et al., 2010; Lashley, 2007; Skelton, 2017). In these studies, principals demonstrated genuine care for supporting the placement of students with special needs; however, determining how to balance this interest against the competing interests of faculty and students was not easily resolved. The

compassion administrators offered toward their students with disabilities is an example of the ethic of care (Noddings, 2012; Stefkovich, 2006). The struggle to support students with more significant disabilities who are typically marginalized in a school community reflects the ethic of critique (Frattura & Capper, 2007; Theoharis & Causton, 2014). Participants in this study noted conflicts between their professional code of ethics, dictating that students be served in the least restrictive environment, and the standards of the greater educational profession in which local districts may not fully address least restrictive environment due to the dominant interests of the larger group. This finding is important in highlighting the dilemmas administrators face between individual and group needs and factors that play into their decision making.

***The expectations of the community and of families must be considered and addressed.***

Several participants mentioned the importance of working with families and the school community when supporting students with more intensive needs. Directors indicated that listening to parent perspectives on placement determination was critical to establishing and maintaining trust. Listening to families regarding placement determination reflects an emphasis on the ethic of care (Noddings, 2012; Stefkovich, 2006) when working with the often complex situation of considering a separate setting for a student. Although many directors cited the difficulty in returning students from outside placements back to the local district, they emphasized that the transition was heavily dependent on developing a positive relationship with the family. Previous studies that report on the need for special education administrators to act out of respect and empathy for the individual student and family confirm this finding (Eyal et al., 2010; Frick et al., 2012). Additional research highlights the importance of school administrators, including business managers and secondary principals, applying the ethic of care to decision making in special education (Frick & Gutierrez, 2008; Stefkovich, 2006). Directors in this study

noted that conflicts could occur between what the parent wanted and what the director believed to be in the best interest of the student. They emphasized that placement was the decision of the IEP team and not theirs alone but that at times, it was necessary to concede to parent wishes in order to preserve the relationship with the family and build trust. This finding is important as an example of how professional codes of ethics can clash with other ethical perspectives in considering the best interest of the student.

*Decisions take place that consider the longer-term effects on the student.* Interview participants frequently cited the long-term effects of educating students with disabilities outside of the local placement. One director shared that taking a student away from their local school community could be terribly damaging to the student. She noted that these students often have difficulty with relationships as part of their disability so making a placement change could have a significant negative influence on the student. Special education directors therefore need to weigh these considerations in light of the reasons supporting the change in placement. The importance of planning placement changes is confirmed by previous studies that investigated the attitudes of secondary principals toward special education decisions (Frick & Gutierrez, 2008; Lashley, 2007). In both of these studies, high school principals shared that responsibilities related to supporting students with special needs frequently required negotiating among many competing interests. In this study, the implications of making a placement change were emphasized by district directors. All administrators interviewed cited the importance of weighing these decisions in light of the effect first and foremost on the student. Indeed, many directly cited the term “the best interest of the child” in describing how they make placement decisions. Although they recognized the importance of a continuum, they also recognized that there were typically both benefits and costs to a placement change. This finding is important in demonstrating how district



directors' personal beliefs related to special education support intertwine with that of their districts, parents, and faculty in the support of individual students.

**Integrating the results of the study.** The quantitative results of the study were significant in providing evidence that incentivizing policies with regard to special education reimbursement in Illinois could affect placement practices for students with significant disabilities. However, in order to fully understand this issue, it was critical to incorporate interviews with special education directors who had direct knowledge of placement practices in their districts. Interviews with these 12 directors provided an understanding of a variety of factors influencing how decisions are reached for individual students at IEP meetings. Although the quantitative and qualitative components of the study each produced interesting results, the integration of the data offered the ability to generate conclusions and recommendations for policy and practice that could not have been made if they had been considered separately. Integrating the two results yielded a more complete analysis of the problem and confirmed the use of a mixed methods design for this study.

### **Implications**

Special education funding policy in the state of Illinois has been recognized to have an incentivizing factor favoring out-of-district placements for many years. This study is important because it investigated whether existing policy demonstrates any effect on district practices. It further analyzed how decisions made by district directors of special education reflect the multiple ethical paradigms encompassed within the Best Interests of the Student Framework (Shapiro & Stefkovich, 2011). The section includes a discussion of four implications of this study.

The first implication of this study is that in the state of Illinois, a significantly higher number of students with disabilities are placed into separate facilities when individual districts are compared to the state average rate. Districts that have higher operating per pupil expenditures and districts with smaller enrollments were more likely to demonstrate this practice. This finding does not conclude that the increased rate of placement is caused by the incentivization. However, the fact that all special education directors indicated understanding this feature of special education reimbursement indicates the potential for this policy to influence practice. Although no director responded that the policy affected their decisions, they may also have been reluctant to acknowledge such a practice given that IDEA dictates that placement decisions be made independent of financial considerations. An implication of this finding is that some districts elect to take advantage of this incentive, thus favoring district financial affairs over the best interests of the student, in the process diminishing opportunities for students to progress educationally within less restrictive environments. Similar effects have been seen in other parts of the country as a result of policies that both encourage and discourage special education practices (Cullen, 2001; Daniel, 2005; Dempsey & Fuchs, 1993; Kwak, 2010).

Another implication of this study is the number of factors that district directors cite that make it necessary to consider private therapeutic placements. These factors should be considered and addressed by school districts in light of the principle of least restrictive environment. For example, district directors noted limitations in supporting students with disabilities in the local community. These limitations included overall district size, insufficient district facilities, lack of training for district personnel, and difficulties with transitioning students from an elementary to high school setting. Although directors noted the need for a continuum of placements that included separate settings, they also reported a preference for educating students in the local

community when possible. Previous studies examining least restrictive environment practices in districts confirmed that the factors directors cited in this study are present in other states (Banerjee et al., 2016; Kurth et al., 2014; Morningstar et al., 2017). These implications demonstrate the complexity of providing services to students with more significant needs in public school settings.

A third implication of this study is the value district special education directors place in being permitted to make decisions for students independent of pressures from higher level administrators or their school boards. Each respondent noted their ability to guide IEP teams on special education placement decisions and the level of trust they had earned in their respective school districts with regard to such decision making. They shared that this independence was critical for acting in the best interests of students. The complex ethical decisions administrators must make related to special education has been well documented in a number of previous studies (Bays & Crockett, 2007; Bon & Bigbee, 2011; Eyal, 2010; Frick et al., 2011; Frick & Gutierrez, 2008; Lashley, 2007; Skelton, 2017). The results of this study demonstrate that in order to ethically weigh the competing factors at play in special education placement decisions, district directors of special education must have autonomy.

A final implication of this study is that the results highlight the complexity of providing special education services within the context of multiple systems of governance and support. Although wealthier and larger districts were statistically more likely to place students into private settings, many factors can also influence placement, including transportation distance, the availability of appropriate private therapeutic settings, and the level of state funding and local funds available to support education within a school district. These factors vary significantly across the over 850 school districts in the state of Illinois, especially when elementary districts

develop practices different from the separately governed high school districts that receive their eighth graders. All of this complexity can result in difficulty in standardizing practices related to special education placement so that the best interests of the individual student can be addressed.

### **Recommendations for Policy and Practice**

This section provides recommendations for policymakers and public school personnel. Taken with professional judgment, these recommendations may be useful for those interested in understanding relationships between state special education policies and individual district practices. Recommendations necessitate the use of professional judgment for several reasons. First, Illinois has a complex special education formula that differs from those employed in most other states. Although many states have incentivizing practices, none are tied so directly to the placement of students into private therapeutic settings (Parrish, 2010). Second, federal law mandates that funding levels must not influence placement decisions. Because district directors self-described how they approach placement decisions, they may have provided information that they perceived to be socially acceptable—reflecting best practice as opposed to actual practice. Finally, this study was conducted during a time when school funding policies were changing in Illinois. Although the incentivization of private placement has not changed, other special education reimbursements were significantly affected. Directors noted their recommendations for placement and programming might change due to new educational reforms.

Findings from this study must also be considered under the context of its limitations. First, the results of the quantitative analysis depended upon the accuracy of data input by districts and by the state as well as the potential influence of special education cooperative membership on independent results. Second, a very small number of district directors of special education were interviewed related to the total number of districts in the state of Illinois. In addition, these

directors largely represented school districts located in the suburban regions of Chicago. Districts located in other areas of the state may experience different factors related to placement and funding policies. Placement decisions also may be influenced by the distance that students would need to be transported to therapeutic facilities. Prohibitively long transportation times could result in districts making few or no referrals to these settings.

**Recommendations for policy.** Special education reimbursement policy in the state of Illinois has contained an incentivizing feature for school districts since its inception in the 1970s (Parrish, 2010). Although previous studies and statewide professional organizations have recognized this issue and have lobbied for change, and despite significant educational reform to funding including to several mandated categoricals in August 2017, no alteration to the current formula has occurred. Based upon this study, the following recommendations for policy are presented.

*Special education reimbursement in Illinois should be placement neutral.* Illinois is one of a few states that operates under a reimbursement formula that creates an incentive for districts to place students in the most restrictive placements available along the continuum of special education. Data from this study showed that across 3 years, 11% of school districts placed students into private therapeutic settings at a rate higher than the statewide average. Although district directors representing 12 of these districts denied this incentivizing policy had an effect on actual placement practices, they acknowledged awareness of the policy and the potential financial benefit to districts. Eliminating the private facility mandated categorical should result in additional funds available to distribute to districts to address the needs of its students with disabilities. Elimination of the private facility mandated categorical could include providing local control and potentially creating resources to develop better in-house programming and to provide

professional development to district faculty and staff so that high quality services for a broader range of students can be offered. Private facilities should remain an option on the continuum of special education placements; however, districts should not receive greater reimbursement for accessing these placements over less restrictive options.

***Redistribute and allocate state special education funding in an equitable manner.***

Currently, private facility reimbursement is allocated based on a district's operating per pupil expenditure (OPPE). This formula attempts to ensure equity, in that districts with greater wealth receive less reimbursement back from the state. However, quantitative results from this study demonstrated that districts with higher OPPE were 43% more likely to access private placements for its students. Given this analysis as well as responses from participants, it is likely that districts with high OPPE have the fund balances available to pay monthly tuition to private entities and are not overly influenced by the relatively small amount of reimbursement received 1 to 2 years later. Districts with smaller fund balances, although potentially enticed by the large amount of reimbursement, cannot as easily afford the monthly costs associated with private placement.

Evidence-based funding reform enacted in Illinois attempted to address inequities across the state by establishing adequacy targets in a number of curricular areas. Districts with greater discrepancies from the target are scheduled to receive additional state aid allocations moving forward. Although special education is included as one such target, students with more significant disabilities served in separate settings are not. The creation of a new formula for reimbursement should not only be placement neutral but also should recognize that districts with fewer financial resources may need greater supports to address the needs of students with more significant disabilities.

***Enact measurable outcomes for students placed in private facilities.*** Currently, private facilities are obligated only to provide school districts and parents with progress related to individual student growth toward IEP goals. Neither districts nor parents are provided access to any sort of standardized or non-standardized measures of school achievement, teacher effectiveness, or rates of transition to less restrictive settings. Although the state has required public schools to provide this information and has subsequently published such data regularly since the 1990s, similar measures have not been placed upon private schools (Parrish, 2010). Directors interviewed for this study expressed frustration with the low quality of services they feel their students receive at many separate settings in the state. Several interviewees noted that they purposely steer parents away from certain settings where student outcomes have been particularly modest. Despite these anecdotes, the state currently does not hold private therapeutic placements to any standard of student growth. The implementation of measurable outcomes for private facilities would provide school districts with valuable information on the success these settings have had in serving students with significant needs. It would further permit school districts and families to gauge progress in an additional manner beyond IEP goals, which typically do not represent all areas of the curriculum.

***Require districts and private facilities to create and monitor return plans for students attending private day facilities.*** Currently, Illinois only requires plans that detail a return to less restrictive placement for students placed in residential settings. District directors interviewed for this study indicated frustration that once placed into a private placement, it became very difficult to engage in productive conversations with administrators in the private setting and with parents regarding the return of the student to the local public school district. The creation of a “return” plan whereby IEP teams can clearly outline steps needed to consider less restrictive placement

would obligate private placements to recognize that least restrictive environment must be seriously factored when serving students with special needs. This sort of document, ideally reviewed no less than annually at IEP meetings, would also encourage parents to maintain connection with the public schools given that as expectations are met, the school district will look at transitioning the student back to the local environment. Although several district directors discussed the possibility of such a plan, with no state mandate and private schools reluctant to lose tuition payments, these efforts have not been successful.

**Recommendations for practice.** In addition to policy changes, there are several recommendations emerging from this study that could assist public school districts in serving their students with disabilities in the least restrictive environment. Four recommendations are presented in this section.

*Increase quality professional development for general and special education faculty and staff.* A clear message heard from many participants interviewed was the need for professional development for faculty and staff in order to increase capacity to serve students who are currently referred to private therapeutic schools. District directors reported that their special education faculty and staff do not necessarily have the expertise to handle either students with more severe cognitive disabilities or students with severe emotional disabilities. With appropriate training, they believed less students would be referred to placements outside their districts. In addition, directors noted that general education administrators and teachers also need to receive training on how to effectively support students with disabilities. In particular, several directors noted the need for professional development for administrators in supporting students with social-emotional needs. Providing this training can result in better acceptance of these students in



the general education setting and reduce what directors see as reactionary responses to students who display inappropriate behaviors.

Several directors also noted that additional training to both special and general education faculty on inclusive practices, such as co-teaching, could indirectly reduce the number of referrals to private settings. They shared that lack of available classroom space is one reason that districts seek out private placements. By moving students with milder disabilities from self-contained classrooms into co-teaching situations, space could open up within their schools to bring students back to district who need greater levels of support.

***Encourage continued cooperation between districts.*** Many Illinois public school districts are members of special education cooperatives. These cooperatives were created in part to provide programming to students with lower incidence disabilities. In recent years, however, larger districts have reduced their reliance on cooperatives or have withdrawn entirely. In some areas, district withdrawal from cooperatives has led to the dissolution entirely of the cooperative. Several district directors shared that this issue has resulted in their seeking out private placements for students they typically would refer to their cooperatives. One director noted her cooperative was frequently at capacity in programs she needed. Another director cited that her district's cooperative had significantly scaled down program offerings due to several districts' intent to withdraw. As a result, school districts should work together to provide programming for students. Cooperation between school districts could entail accepting neighboring districts into programming or developing a joint program in an effort to permit students continued access to the least restrictive environment. It could further involve elementary and high school districts working together to provide programming for students in upper elementary grades. Partnerships

between elementary and high school districts would provide continuity between elementary and high school programming and eliminate a concern raised by directors.

***Provide parent education and inter-district engagement regarding ways to support students with significant disabilities in the local community.*** Another recommendation for practice based on the findings of this study relates to the need to engage families and the community in discussions about how students with disabilities are supported educationally. High school directors, in particular, indicated that more frequent communications with elementary districts could help families in understanding options available in the public setting. These directors indicated that conversations about transition with sender districts typically begin in the fall of a student's eighth grade year. Communication between districts and with families should ideally begin prior to this time if outside placements are being considered. Therefore, a practice recommendation is for high school and elementary directors to engage in ongoing discussions regarding student placements. These discussions could involve inviting high school representatives to meetings with families of students with more significant disabilities at any point where private placement might be considered. It could also involve connecting the family with high school representatives prior to the final year of elementary school to better understand and prepare for the transition to high school where more supports might be available in the public setting.

***Engage with educators working in outside special education placements so that a more fluid continuum can be developed.*** A final recommendation for practice is for school district and private therapeutic educators to engage in discussions to better understand how academic and behavioral supports are provided in both settings so as to improve the transition process for students with disabilities. Directors described a relatively fluid continuum for students needing

more or less supports within the district. However, when a recommendation is made to a private setting, the transition is often difficult. District directors reported frustration with the quality of services at many private therapeutic schools as well as the reluctance of private schools to recommend transition back to the public district, even when the student has demonstrated success. Entering into conversations, conducting site visits, and convening more frequent meetings with student teams may facilitate the transition process for students and improve the overall quality of education a student receives.

### **Recommendations for Additional Research**

The findings from this study added important data to the question of whether Illinois should maintain a system of special education reimbursement that offers an incentive to districts for placement of students into the most restrictive settings. Based both upon the results of the study as well as acknowledged limitations of the study, the following four recommendations for future research are offered.

**Conduct follow-up research with more participants from different parts of the state of Illinois and analyze the geographic locations of private settings.** The current study was limited by the small number of participants. Though it intended to provide context regarding student placement across the state, most participants were from school districts located in the suburbs of Chicago. By including the perspectives of directors from across the state, a more complete understanding of the effect of the incentivizing placement policy could be gained. This research could provide further information to policymakers to use in proposing changes to existing reimbursement structures. In addition to contacting a larger and more diverse group of special education directors, future research should analyze the geographical locations of private

settings across the state. The locations of these private placements would explore the question of whether access to these settings affects the number of referrals.

**Study parent and student perspectives toward the continuum of special education placements and attitudes toward private settings.** In order to provide context to the quantitative data collected in this study, special education directors were asked to provide responses to questions on how they provide services to students with disabilities, why they access private placements, and their understanding of the budget process and state policy regarding special education reimbursements. Their answers offered insight into the issues and obstacles surrounding the provisions of services to students with disabilities. However, having the opinions and perspectives of parents and students regarding least restrictive environment would provide a more complete understanding of the issue including why families might request private over public settings. Given that the current study has recommended a change in state policy, examining the perspectives of state constituents would offer important information.

**Analyze the effect of Evidence Based Funding (EBF) school reform on both district budgets as well as special education program development and funding.** One conclusion of this study was that districts with higher operating per pupil expenditures were more likely to place students into separate settings. This result was unexpected, as an initial question of this research was whether districts that have lower OPPEs would take advantage of the increased monies available through privately placing students with disabilities. Future research investigating the influence on district capacity to manage private facility tuition in relation to receipt of timely state reimbursement would provide understanding on how OPPE, placement tuition, and budget are related. This research could include gathering input from district business managers regarding this topic to add context to the results.

In addition, several interviewees expressed their uncertainty regarding how special education programs would be financially supported moving forward in the era of EBF reforms. There are no longer obvious pathways for receipt of state monies to special education budgets as was the case with mandated categorical funds. Therefore, research examining both how EBF has affected the level of state financial support for targeted special education programming as well as how it has affected special education administrators' decision making as it relates to program and professional development would be informative to both school districts and policymakers.

**Analysis of achievement of students in private versus public settings.** In this study, district directors reported that they relied upon private settings to provide supports not offered in-house to students with more significant disabilities. However, they often made these referrals reluctantly due to concern over the quality of instruction provided in private settings as well as the difficulty of transitioning students to less restrictive environments once enrolled in the therapeutic placement. In order to better understand services and outcomes for students placed privately, an analysis of achievement and transition rates would be useful to both district directors and parents who are considering different placements for their students. Achievement results would likely need to include a variety of measures looking at both academic and social emotional growth. An analysis of how many students transition to less restrictive placements would likely require qualitative analysis of parent, district, and private school perspectives.

## **Conclusion**

IDEA, the federal law guiding the provision of special education to all states, directs that students should be educated in the least restrictive environment (LRE). It further stipulates that state funding mechanisms must not violate the principles of LRE. Illinois has been in violation of this principle for many years through incentivizing the placement of students into private

therapeutic schools (Parrish, 2001, 2010). This study was significant because it examined whether this state reimbursement formula caused districts to refer students to private settings instead of developing programs at the local, public level. This mixed methods study investigated student placement practices by both statistically analyzing each district's placement rates to separate settings, and by interviewing special education directors who typically authorize referrals to private placements as well as develop programs within their districts. Because of the ethical implications of making appropriate placement decisions in light of existing financial incentives, the Best Interests of the Student multiple ethical paradigm framework was employed as a lens by which to understand qualitative results (Shapiro & Stefkovich, 2011). This study fills a gap in the literature because it provides data specific to Illinois, which has an existing incentivizing formula. Previous studies have looked at national trends or other states that have different reimbursement models than Illinois. This study found that 11% of school districts placed students into private placements at a higher than expected rate and that these districts had higher operating per pupil expenditures and/or lower enrollments. Interviews with district directors suggested that referrals to private placements were not due to financial incentives but to a number of other factors affecting school districts. District directors cited the importance of independent decision making in order to make ethical decisions regarding placements for students with disabilities. Consequently, Illinois policymakers should review these findings and consider the need to revise current state reimbursement structures to reflect the intent of IDEA.

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## Appendix A

### Data Collection Matrix

Table 9

*Structure of Data Collection*

Research question	Data collected	Method of data analysis
1. How does each Illinois school district's placement rate of students into separate special education settings compare to the state average placement rate?	Information from district special education profile	Chi-square analysis
2. What demographic variables (operational expenditure per pupil, district size, percent of students in special education, percentage of students receiving free or reduced-price lunch, percentage of non-White students) are characteristic of school districts that place students into separate settings?	Information from district special education profile and Illinois school report card	Simultaneous logistic regression
3. What factors guide special education administrators in their decision-making practices regarding the placement of students with disabilities in the least restrictive environment?	Interviews of special education directors	Thematic analysis of interview transcripts
4. To what degree does a special education director's understanding of Illinois special education funding models influence placement of students into separate settings?	Interviews of special education directors	Thematic analysis of interview transcripts
5. To what extent do the placement decision-making practices of special education directors reflect children's best interests?	Interviews of special education directors	Thematic analysis of interview transcripts

## Appendix B

### Email Invitation to Special Education Directors

Director of Special Education,

My name is Ellen Ambuehl and I am a doctoral student in the Department of Education Policy, Organization and Leadership program at the University of Illinois at Urbana-Champaign. I am writing to request your participation in a dissertation study I am conducting to analyze special education funding mechanisms in Illinois. Dr. Don Hackmann, Professor of Educational Leadership, is my dissertation director and will supervise the research. My research question involves examining the relationship between special education funding formulas and the placement of students into special education settings. Specifically, I am quantitatively analyzing whether a relationship exists between district demographic data (per pupil expenditure, percent students in special education, and district size) and placement into more restrictive settings using data obtained through district special education profiles available on the Illinois State Board of Education website. The addition of interview data from special education directors regarding placement decision-making processes will add depth to the analysis of the problem.

Given your position as a Director of Special Education in your district, you have an expertise that will provide this perspective, and I would greatly appreciate interviewing you to gain this information. An initial screening interview will take place to determine years of experience and understanding of current Illinois funding reimbursement policies. I anticipate this interview lasting no longer than 10 minutes. Upon identifying candidates that meet screening criteria, I would interview you at greater length to better understand decision making as it relates to funding and placement into separate special education settings. I anticipate this second interview taking approximately 45-60 minutes on a day and time at your convenience. Interviews may be conducted in-person or via telephone. A brief follow-up interview may be conducted, if it is determined that clarification of responses or additional information is needed. Your identity will be protected through use of pseudonyms and you will not be asked to provide any specific information about students or student placement decisions. I plan to record the interviews so that I can have the most accurate information. When my research is complete, I would be happy to share the results with you. In order for you to understand the nature of my questions, I have attached a list of questions I am interested in asking you.

I have created a written consent for participation in this study and have attached it with this email for your review. Please let me know if you would be willing to assist with the completion of my dissertation thesis. If you have any questions, please feel free to contact me ([eawhite3@illinois.edu](mailto:eawhite3@illinois.edu); 773-681-0511) or Dr. Don Hackmann ([dghack@illinois.edu](mailto:dghack@illinois.edu); 217-333-0230).

Sincerely,  
Ellen Ambuehl

## Appendix C

### Informed Consent and Institutional Review Board Approval

You are invited to participate in a study that involves examining the relationship between special education funding formulas and the placement of students into special education settings in Illinois. The purpose of the study is to examine whether the current special education funding model in Illinois influences the decisions special education administrators make regarding how students are placed along the least restrictive environment continuum. This study is affiliated with the Department of Education Policy, Organization and Leadership at the University of Illinois at Urbana-Champaign. Ellen Ambuehl (doctoral student) and Dr. Don Hackmann (Professor and Dissertation Director) will conduct the study.

Your participation in this research study is completely voluntary. Your decision to participate or not to participate will not affect your relationship in any way with your school district or your relationship with the University of Illinois. You may elect to terminate this activity if at any time you begin to feel uncomfortable about the experience. Should you consent, you will participate in one interview, which should last no longer than one hour. Interview questions will focus on understanding of special education funding models in Illinois and the continuum of placement options available. Interviews will be digitally audio-recorded for the purposes of data analysis and will be transcribed, with all identifying information removed to protect confidentiality of the participants. You also may choose to voluntarily provide documents or other artifacts to assist the researchers in understanding the school district's philosophy with regard to special education placements. You will receive a copy of the transcript by email attachment to double-check the information, and you may be contacted by telephone or email for clarification of your interview responses. Additional follow-up interviews, to expand upon your responses, may be conducted with your permission.

Your interview responses will be kept confidential and secure, and the results of the interviews will only be reported in the aggregate. Publication may include the use of quotations from your interview in educational presentations and in professional publications, but pseudonyms will be used for all quotations so your responses cannot be attributed to you. There is no direct benefit to agreeing to participate in this study for participants, but participation in the study involves minimal risk. Through identifying in practice correlation between special education placement and district reimbursement, it is intended to provide additional support for revisiting special education funding models which could result in benefit to both students and school districts.

In general, we will not tell anyone any information about you. When this research is discussed or published, no one will know that you were in the study. However, laws and university rules might require us to disclose information about you. For example, if required by laws or University Policy, study information which identifies you and the consent form signed by you may be seen or copied by the following people or groups: a) the university committee and office that reviews and approves research studies, the Institutional Review Board (IRB) and Office for Protection of Research Subjects; and b) University and state auditors, and Departments of the university responsible for oversight of research.

If you feel you have not been treated according to the descriptions in this form, or if you have any questions about your rights as a research subject, including questions, concerns, complaints, or to offer input, you may call the University of Illinois Office for the Protection of Research Subjects (OPRS) at 217-333-2670 or email OPRS at [irb@illinois.edu](mailto:irb@illinois.edu). If you have questions or comments regarding this study, please contact Ellen Ambuehl ([eawhite3@illinois.edu](mailto:eawhite3@illinois.edu)) or Don Hackmann ([dghack@illinois.edu](mailto:dghack@illinois.edu)).

**I have read and understand this project and indicate my willingness to voluntarily take part in this research study. I have been given a copy of this consent form for my records.**

I agree to be interviewed for this study and to have my interview digitally audio-recorded for the purpose of transcription.

Yes / No (circle one)

Printed Name: \_\_\_\_\_ Email: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**University of Illinois at Urbana-Champaign  
Institutional Review Board**

Approved: 5-8847 Approved August 9, 2017  
IRB #: 17780 IRB #17780

## IRB EXEMPT APPROVAL

**RPI Name: Donald Hackmann**

**Project Title: Ethical decision making within the context of Illinois' special education funding model and least restrictive environment**

**IRB #: 17780**

**Approval Date: May 22, 2017**

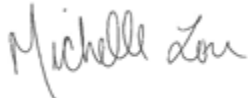
Thank you for submitting the completed IRB application form and related materials. Your application was reviewed by the UIUC Office for the Protection of Research Subjects (OPRS). OPRS has determined that the research activities described in this application meet the criteria for exemption at 45CFR46.101(b)(2). This message serves to supply OPRS approval for your IRB application.

Please contact OPRS if you plan to modify your project (change procedures, populations, consent letters, etc.). Otherwise you may conduct the human subjects research as approved for a period of five years. Exempt protocols will be closed and archived at the time of expiration. Researchers will be required to contact our office if the study will continue beyond five years.

Copies of the attached, date-stamped consent form(s) are to be used when obtaining informed consent.

We appreciate your conscientious adherence to the requirements of human subjects research. If you have any questions about the IRB process, or if you need assistance at any time, please feel free to contact me at OPRS, or visit our website at <http://oprs.research.illinois.edu>

Sincerely,



Michelle Lore

Human Subjects Research Specialist, Office for the Protection of Research Subjects

Attachment(s): Consent Document

c: Ellen Ambuehl



## **Appendix D**

### **Interview Screening Questions**

1. How many years have you worked as a special education administrator, both in your current district and in previous districts?
2. How many students are placed in special education in your district, both within the district and in outside placements?
3. How frequently do you access settings outside your district to support students with special education needs?
4. What is your understanding of Illinois school funding mechanisms as they apply to special education reimbursement, particularly as it relates to outside placements?

## Appendix E

### Interview Questions

1. Describe the continuum of special education placements in your school district, including placement both inside and outside your district. Are there factors that limit the continuum of placement options for students with disabilities in your district?
2. For what reasons might your district access placements outside of your school district for special education? What factors are considered when an outside placement is determined as a possibility?
3. Describe the types of special needs for which students are typically placed outside of your school district. (e.g., what special education services do these students receive)
4. Has development of special education programs and services within your district affected the number of students placed in outside settings? (Follow-up: In what ways is your district actively exploring in-district options as alternatives to outside placements?)
5. What involvement do you have in the determination of placements for students placed in special education?
6. In your role as special education director, to what extent do you discuss student placement decisions with and/or seek approval from your superintendent and/or school board? If outside placements are a possibility, are there other district administrators who must be consulted or involved when those decisions occur? (Follow-up: If so, who are these individuals?)
7. Describe your personal philosophy regarding placement of students in the least restrictive environment. Does it differ from the philosophy of your school district? If so, in what ways?
8. During the time that you have served as your district's special education director, have you personally implemented changes to the district's special education placement practices? If yes, how. If no, why?
9. What factors guide your district's decision-making practices regarding the placement of students with disabilities in your district? If your district is a member of a special education cooperative, does that influence placement practices?
10. Please describe your understanding of the funding system in place in Illinois for students in special education, as it relates to your district's special education funding. To what extent do you think your district's special education funding affects your placement of special education students in the least restrictive environment?
11. As special education director, what is your involvement in developing your school district's budget for special education placements? In what ways do you annually review and evaluate your district's outside placements, including the number of students placed, the appropriateness of each placement, and the financial costs to the district?

12. Is there anything that you would like to share about special education placement practices within your district that I have not asked you, which you feel would be helpful for this study?

## Appendix F

### Chi-Square Results

Table 10

*Chi-Square Data for 2013-14*

District	Cooperative member?	Number placed	Number in district	District Rate per 1000	State rate per 1000	Ratio compared to state average	<i>N</i> for $\chi^2$	$\chi^2$	<i>p</i>
1	Yes	271	627	432.7	66.9	6.5	290631	1269.458	<i>p</i> < .001
2	Yes	244	599	406.5	66.9	6.1	290576	842.151	<i>p</i> < .001
3	Yes	208	573	362.4	66.9	5.4	290514	627.645	<i>p</i> < .001
4	No	142	346	410.4	66.9	6.1	290221	479.574	<i>p</i> < .001
5	Yes	116	229	506.0	66.9	7.6	290078	469.158	<i>p</i> < .001
6	No	129	546	236.1	66.9	3.5	290408	319.580	<i>p</i> < .001
7	No	170	906	187.6	66.9	2.8	290809	245.386	<i>p</i> < .001
8	No	129	409	315.8	66.9	4.7	290271	244.444	<i>p</i> < .001
9	Yes	166	1141	145.5	66.9	2.2	291040	200.774	<i>p</i> < .001
10	Yes	238	1221	194.7	66.9	2.9	291192	167.214	<i>p</i> < .001
11	Yes	99	406	243.8	66.9	3.6	290238	156.729	<i>p</i> < .001
12	Yes	43	142	302.1	66.9	4.5	289918	149.964	<i>p</i> < .001
13	Yes	40	91	438.8	66.9	6.6	289864	141.118	<i>p</i> < .001
14	Yes	147	662	222.5	66.9	3.3	290542	131.709	<i>p</i> < .001
15	Yes	141	738	190.5	66.9	2.8	290612	130.395	<i>p</i> < .001
16	Yes	93	595	156.1	66.9	2.3	290421	117.673	<i>p</i> < .001
17	Yes	113	533	212.1	66.9	3.2	290379	117.265	<i>p</i> < .001
18	Yes	219	1147	190.5	66.9	2.8	291099	114.383	<i>p</i> < .001
19	Yes	24	49	490.3	66.9	7.3	289806	107.593	<i>p</i> < .001
20	Yes	58	217	267.4	66.9	4.0	290008	105.564	<i>p</i> < .001
21	Yes	24	34	689.2	66.9	10.3	289791	104.871	<i>p</i> < .001
22	No	40	135	300.4	66.9	4.5	289908	98.851	<i>p</i> < .001
23	Yes	97	390	248.4	66.9	3.7	290220	90.230	<i>p</i> < .001
24	Yes	144	933	154.7	66.9	2.3	290810	82.902	<i>p</i> < .001
25	No	77	514	150.7	66.9	2.3	290324	80.967	<i>p</i> < .001
26	Yes	103	763	135.1	66.9	2.0	290599	78.312	<i>p</i> < .001
27	Yes	84	528	160.1	66.9	2.4	290345	77.324	<i>p</i> < .001
28	Yes	33	100	333.3	66.9	5.0	289866	75.929	<i>p</i> < .001
29	No	67	527	126.1	66.9	1.9	290327	73.871	<i>p</i> < .001
30	Yes	36	158	227.0	66.9	3.4	289927	61.463	<i>p</i> < .001

(continued)

Table 10 (continued)

District	Cooperative member?	Number placed	Number in district	District Rate per 1000	State rate per 1000	Ratio compared to state average	<i>N</i> for $\chi^2$	$\chi^2$	<i>p</i>
31	Yes	87	762	113.6	66.9	1.7	290582	60.373	<i>p</i> < .001
32	Yes	61	313	194.7	66.9	2.9	290107	57.037	<i>p</i> < .001
33	Yes	114	1239	91.7	66.9	1.4	291086	53.509	<i>p</i> < .001
34	Yes	36	173	210.7	66.9	3.1	289942	49.452	<i>p</i> < .001
35	Yes	40	239	165.5	66.9	2.5	290012	48.931	<i>p</i> < .001
36	Yes	49	411	118.6	66.9	1.8	290193	47.679	<i>p</i> < .001
37	No	68	425	158.7	66.9	2.4	290226	45.785	<i>p</i> < .001
38	No	65	317	204.8	66.9	3.1	290115	43.160	<i>p</i> < .001
39	Yes	103	810	127.4	66.9	1.9	290646	39.489	<i>p</i> < .001
40	Yes	178	1470	121.1	66.9	1.8	291381	37.552	<i>p</i> < .001
41	Yes	63	424	149.4	66.9	2.2	290220	36.809	<i>p</i> < .001
42	Yes	9	37	228.5	66.9	3.4	289779	35.201	<i>p</i> < .001
43	No	40	210	190.5	66.9	2.8	289983	35.161	<i>p</i> < .001
44	Yes	35	226	153.4	66.9	2.3	289994	33.961	<i>p</i> < .001
45	No	80	493	162.8	66.9	2.4	290306	33.497	<i>p</i> < .001
46	Yes	34	185	184.8	66.9	2.8	289952	32.332	<i>p</i> < .001
47	Yes	107	726	148.1	66.9	2.2	290566	31.243	<i>p</i> < .001
48	Yes	120	926	129.9	66.9	1.9	290779	28.798	<i>p</i> < .001
49	No	37	210	176.5	66.9	2.6	289980	27.985	<i>p</i> < .001
50	Yes	39	287	135.1	66.9	2.0	290059	27.266	<i>p</i> < .001
51	Yes	52	408	127.4	66.9	1.9	290193	24.707	<i>p</i> < .001
52	Yes	55	496	111.1	66.9	1.7	290284	24.664	<i>p</i> < .001
53	No	43	266	161.4	66.9	2.4	290042	24.482	<i>p</i> < .001
54	No	61	539	113.6	66.9	1.7	290333	24.251	<i>p</i> < .001
55	No	50	415	121.1	66.9	1.8	290198	24.073	<i>p</i> < .001
56	Yes	48	315	150.7	66.9	2.3	290096	23.958	<i>p</i> < .001
57	No	24	103	236.1	66.9	3.5	289860	23.301	<i>p</i> < .001
58	Yes	17	99	175.1	66.9	2.6	289849	22.061	<i>p</i> < .001
59	Yes	104	911	113.6	66.9	1.7	290748	20.597	<i>p</i> < .001
60	Yes	59	363	162.8	66.9	2.4	290155	19.276	<i>p</i> < .001
61	Yes	50	381	129.9	66.9	1.9	290164	19.115	<i>p</i> < .001
62	Yes	32	226	142.9	66.9	2.1	289991	18.862	<i>p</i> < .001
63	Yes	19	131	144.2	66.9	2.2	289883	18.433	<i>p</i> < .001
64	Yes	5	12	416.4	66.9	6.2	289750	18.040	<i>p</i> < .001
65	Yes	25	124	203.4	66.9	3.0	289882	17.903	<i>p</i> < .001
66	No	25	211	119.8	66.9	1.8	289969	14.416	<i>p</i> < .001

(continued)

Table 10 (continued)

District	Cooperative member?	Number placed	Number in district	District Rate per 1000	State rate per 1000	Ratio compared to state average	<i>N</i> for $\chi^2$	$\chi^2$	<i>p</i>
67	Yes	35	255	137.7	66.9	2.1	290023	14.284	<i>p</i> < .001
68	No	169	1844	91.7	66.9	1.4	291746	12.476	<i>p</i> < .001
69	Yes	16	89	179.2	66.9	2.7	289838	12.340	<i>p</i> < .001
70	Yes	32	215	150.7	66.9	2.3	289980	12.330	<i>p</i> < .001
71	No	36	251	142.9	66.9	2.1	290020	11.814	<i>p</i> < .001
72	No	16	122	131.2	66.9	2.0	289871	11.438	<i>p</i> < .001
73	Yes	18	107	169.6	66.9	2.5	289858	11.368	<i>p</i> < .001
74	Yes	19	100	194.7	66.9	2.9	289852	11.228	<i>p</i> < .001
75	Yes	86	836	102.5	66.9	1.5	290655	11.078	<i>p</i> < .001
76	Yes	23	171	131.2	66.9	2.0	289927	10.977	<i>p</i> < .001
77	Yes	101	989	102.5	66.9	1.5	290823	10.847	<i>p</i> < .001
78	Yes	10	51	196.2	66.9	2.9	289794	10.779	<i>p</i> < .001
79	Yes	30	218	137.7	66.9	2.1	289981	10.151	<i>p</i> < .001
80	Yes	9	56	152.1	66.9	2.3	289798	7.729	0.003
81	Yes	14	104	135.1	66.9	2.0	289851	7.543	0.003
82	Yes	18	159	116.1	66.9	1.7	289910	7.319	0.004
83	Yes	86	1043	82.3	66.9	1.2	290862	6.831	0.005
84	No	17	144	118.6	66.9	1.8	289894	6.694	0.005
85	Yes	29	218	133.8	66.9	2.0	289980	6.370	0.007
86	Yes	41	396	102.5	66.9	1.5	290170	6.261	0.007
87	Yes	17	130	132.5	66.9	2.0	289880	6.175	0.007
88	Yes	73	795	91.7	66.9	1.4	290601	5.991	0.008
89	Yes	59	617	96.5	66.9	1.4	290409	5.165	0.013
90	No	16	133	119.8	66.9	1.8	289882	4.643	0.018
91	Yes	17	141	121.1	66.9	1.8	289891	4.456	0.020
92	Yes	30	243	124.9	66.9	1.9	290006	4.309	0.022
93	No	12	98	121.1	66.9	1.8	289843	4.016	0.027
94	No	19	103	184.8	66.9	2.8	289855	3.574	0.035
95	Yes	46	474	97.7	66.9	1.5	290253	3.512	0.037
96	No	33	288	114.8	66.9	1.7	290054	3.497	0.037

*Note.* All analyses are on 1 df.

Table 11

*Chi-Square Data for 2014-15*

District	Cooperative member?	Number placed	Number in district	Rate per 1000	State rate per 1000	Ratio compared to state average	<i>N</i> for $\chi^2$	$\chi^2$	<i>p</i>
1	Yes	252	594	424.5	66.9	6.3	2055402	917.998	<i>p</i> < .001
2	Yes	227	591	385.0	66.9	5.8	2055374	849.376	<i>p</i> < .001
3	Yes	219	724	302.1	66.9	4.5	2055499	667.689	<i>p</i> < .001
4	No	127	243	519.8	66.9	7.8	2054926	584.146	<i>p</i> < .001
5	Yes	133	384	345.9	66.9	5.2	2055073	377.822	<i>p</i> < .001
6	No	115	523	219.5	66.9	3.3	2055194	248.841	<i>p</i> < .001
7	No	58	126	459.9	66.9	6.9	2054740	225.707	<i>p</i> < .001
8	No	165	895	184.8	66.9	2.8	2055616	205.015	<i>p</i> < .001
9	Yes	121	417	290.3	66.9	4.3	2055094	199.082	<i>p</i> < .001
10	Yes	160	1128	141.6	66.9	2.1	2055844	180.639	<i>p</i> < .001
11	Yes	145	747	193.3	66.9	2.9	2055448	149.434	<i>p</i> < .001
12	Yes	98	395	248.4	66.9	3.7	2055049	145.691	<i>p</i> < .001
13	Yes	40	93	430.6	66.9	6.4	2054689	138.156	<i>p</i> < .001
14	Yes	226	1180	191.9	66.9	2.9	2055962	135.110	<i>p</i> < .001
15	Yes	164	905	180.6	66.9	2.7	2055625	128.597	<i>p</i> < .001
16	Yes	25	48	519.8	66.9	7.8	2054629	125.549	<i>p</i> < .001
17	Yes	117	544	215.1	66.9	3.2	2055217	117.631	<i>p</i> < .001
18	Yes	85	465	183.4	66.9	2.7	2055106	110.286	<i>p</i> < .001
19	Yes	37	96	390.8	66.9	5.8	2054689	100.593	<i>p</i> < .001
20	Yes	86	459	186.2	66.9	2.8	2055101	91.361	<i>p</i> < .001
21	Yes	97	414	234.6	66.9	3.5	2055067	87.837	<i>p</i> < .001
22	No	130	664	196.2	66.9	2.9	2055350	86.066	<i>p</i> < .001
23	Yes	203	1092	186.2	66.9	2.8	2055851	83.357	<i>p</i> < .001
24	Yes	70	530	132.5	66.9	2.0	2055156	81.374	<i>p</i> < .001
25	No	82	573	142.9	66.9	2.1	2055211	80.688	<i>p</i> < .001
26	Yes	53	213	248.4	66.9	3.7	2054822	79.967	<i>p</i> < .001
27	Yes	34	147	231.5	66.9	3.5	2054737	79.566	<i>p</i> < .001
28	Yes	39	152	254.7	66.9	3.8	2054747	65.204	<i>p</i> < .001
29	No	42	193	219.5	66.9	3.3	2054791	63.979	<i>p</i> < .001
30	Yes	134	921	145.5	66.9	2.2	2055611	61.129	<i>p</i> < .001
31	Yes	95	739	128.7	66.9	1.9	2055390	60.863	<i>p</i> < .001
32	Yes	91	533	171.0	66.9	2.6	2055180	56.516	<i>p</i> < .001
33	Yes	24	109	224.0	66.9	3.3	2054689	54.297	<i>p</i> < .001
34	Yes	69	506	136.4	66.9	2.0	2055131	54.279	<i>p</i> < .001

(continued)

Table 11 (continued)

District	Cooperative member?	Number placed	Number in district	Rate per 1000	State rate per 1000	Ratio compared to state average	<i>N</i> for $\chi^2$	$\chi^2$	<i>p</i>
35	Yes	27	113	234.6	66.9	3.5	2054696	52.604	<i>p</i> < .001
36	Yes	68	425	160.1	66.9	2.4	2055049	46.474	<i>p</i> < .001
37	No	80	708	113.6	66.9	1.7	2055344	43.016	<i>p</i> < .001
38	No	9	24	364.3	66.9	5.4	2054589	42.314	<i>p</i> < .001
39	Yes	43	221	194.7	66.9	2.9	2054820	42.157	<i>p</i> < .001
40	Yes	57	405	141.6	66.9	2.1	2055018	41.826	<i>p</i> < .001
41	Yes	180	1500	119.8	66.9	1.8	2056236	40.453	<i>p</i> < .001
42	Yes	128	869	146.8	66.9	2.2	2055553	39.490	<i>p</i> < .001
43	No	48	290	165.5	66.9	2.5	2054894	34.417	<i>p</i> < .001
44	Yes	61	321	190.5	66.9	2.8	2054938	33.703	<i>p</i> < .001
45	No	44	404	109.9	66.9	1.6	2055004	33.214	<i>p</i> < .001
46	Yes	103	1203	85.8	66.9	1.3	2055862	32.910	<i>p</i> < .001
47	Yes	68	371	183.4	66.9	2.7	2054995	31.979	<i>p</i> < .001
48	Yes	35	229	152.1	66.9	2.3	2054820	31.741	<i>p</i> < .001
49	No	39	216	180.6	66.9	2.7	2054811	31.304	<i>p</i> < .001
50	Yes	30	135	221.0	66.9	3.3	2054721	31.264	<i>p</i> < .001
51	Yes	40	195	204.8	66.9	3.1	2054791	29.505	<i>p</i> < .001
52	Yes	15	36	406.5	66.9	6.1	2054607	27.736	<i>p</i> < .001
53	No	54	385	140.3	66.9	2.1	2054995	25.697	<i>p</i> < .001
54	No	61	539	113.6	66.9	1.7	2055156	24.739	<i>p</i> < .001
55	No	24	168	145.5	66.9	2.2	2054748	24.060	<i>p</i> < .001
56	Yes	101	729	139.0	66.9	2.1	2055386	22.691	<i>p</i> < .001
57	No	91	785	116.1	66.9	1.7	2055432	21.896	<i>p</i> < .001
58	Yes	184	1837	100.1	66.9	1.5	2056577	20.836	<i>p</i> < .001
59	Yes	36	298	121.1	66.9	1.8	2054890	20.195	<i>p</i> < .001
60	Yes	41	197	206.3	66.9	3.1	2054794	20.113	<i>p</i> < .001
61	Yes	56	462	121.1	66.9	1.8	2055074	19.190	<i>p</i> < .001
62	Yes	36	217	165.5	66.9	2.5	2054809	18.994	<i>p</i> < .001
63	Yes	22	94	231.5	66.9	3.5	2054672	17.733	<i>p</i> < .001
64	Yes	95	832	114.8	66.9	1.7	2055483	17.651	<i>p</i> < .001
65	Yes	22	140	158.7	66.9	2.4	2054718	16.752	<i>p</i> < .001
66	No	98	982	100.1	66.9	1.5	2055636	16.575	<i>p</i> < .001
67	Yes	44	349	126.1	66.9	1.9	2054949	16.356	<i>p</i> < .001
68	No	25	199	127.4	66.9	1.9	2054780	14.795	<i>p</i> < .001
69	Yes	23	179	131.2	66.9	2.0	2054758	14.641	<i>p</i> < .001

(continued)



Table 11 (continued)

District	Cooperative member?	Number placed	Number in district	Rate per 1000	State rate per 1000	Ratio compared to state average	<i>N</i> for $\chi^2$	$\chi^2$	<i>p</i>
70	Yes	24	185	132.5	66.9	2.0	2054765	14.239	<i>p</i> < .001
71	No	99	859	114.8	66.9	1.7	2055514	13.782	<i>p</i> < .001
72	No	19	100	190.5	66.9	2.8	2054675	13.475	<i>p</i> < .001
73	Yes	16	74	216.5	66.9	3.2	2054646	13.334	<i>p</i> < .001
74	Yes	68	555	122.3	66.9	1.8	2055179	12.802	<i>p</i> < .001
75	Yes	16	108	146.8	66.9	2.2	2054680	11.712	<i>p</i> < .001
76	Yes	29	225	128.7	66.9	1.9	2054810	11.410	<i>p</i> < .001
77	Yes	40	291	136.4	66.9	2.0	2054887	10.686	<i>p</i> < .001
78	Yes	19	129	146.8	66.9	2.2	2054704	10.434	<i>p</i> < .001
79	Yes	10	66	145.5	66.9	2.2	2054632	9.535	0.001
80	Yes	20	141	139.0	66.9	2.1	2054717	9.269	0.001
81	Yes	99	926	107.4	66.9	1.6	2055581	9.160	0.001
82	Yes	32	256	124.9	66.9	1.9	2054844	9.137	0.001
83	Yes	42	309	136.4	66.9	2.0	2054907	8.992	0.001
84	No	10	57	175.1	66.9	2.6	2054623	8.855	0.002
85	Yes	40	332	119.8	66.9	1.8	2054928	6.951	0.005
86	Yes	13	91	148.1	66.9	2.2	2054660	6.832	0.005
87	Yes	14	113	119.8	66.9	1.8	2054683	6.438	0.006
88	Yes	23	163	141.6	66.9	2.1	2054742	6.177	0.007
89	Yes	57	488	117.3	66.9	1.8	2055101	6.050	0.008
90	No	36	268	133.8	66.9	2.0	2054860	5.893	0.009
91	Yes	74	847	87.0	66.9	1.3	2055477	5.348	0.012
92	Yes	30	249	119.8	66.9	1.8	2054835	4.053	0.026
93	No	47	389	121.1	66.9	1.8	2054992	3.528	0.036
94	No	38	407	94.1	66.9	1.4	2055001	3.509	0.037
95	Yes	15	106	144.2	66.9	2.2	2054677	3.108	0.048
96	No	26	241	109.9	66.9	1.6	2054823	2.995	0.052

*Note.* All analyses are on 1 df.

Table 12

*Chi-Square Data for 2015-16*

District	Cooperative member?	Number placed	Number in district	Rate per 1000	State rate per 1000	Ratio compared to state average	$N$ for $\chi^2$	$\chi^2$	$p$
1	Yes	228	560	406.5	66.1	6.1	293053	850.611	$p < .001$
2	Yes	228	734	310.6	66.1	4.7	293227	721.155	$p < .001$
3	Yes	224	608	368.0	66.1	5.6	293097	677.983	$p < .001$
4	No	129	256	501.5	66.1	7.6	292650	631.094	$p < .001$
5	Yes	187	817	228.5	66.1	3.5	293269	296.571	$p < .001$
6	No	118	398	297.0	66.1	4.5	292781	266.250	$p < .001$
7	No	116	538	215.1	66.1	3.3	292919	264.651	$p < .001$
8	No	110	374	293.7	66.1	4.4	292749	204.712	$p < .001$
9	Yes	251	1017	246.9	66.1	3.7	293533	194.926	$p < .001$
10	Yes	30	36	834.9	66.1	12.6	292331	188.201	$p < .001$
11	Yes	153	1144	133.8	66.1	2.0	293562	164.644	$p < .001$
12	Yes	50	131	381.2	66.1	5.8	292446	161.041	$p < .001$
13	Yes	108	453	239.2	66.1	3.6	292826	143.448	$p < .001$
14	Yes	223	1164	191.9	66.1	2.9	293652	131.398	$p < .001$
15	Yes	139	640	216.5	66.1	3.3	293044	112.722	$p < .001$
16	Yes	155	876	176.5	66.1	2.7	293296	111.624	$p < .001$
17	Yes	58	191	303.8	66.1	4.6	292514	108.714	$p < .001$
18	Yes	38	142	267.4	66.1	4.0	292445	106.696	$p < .001$
19	Yes	88	597	146.8	66.1	2.2	292950	99.203	$p < .001$
20	Yes	214	1496	142.9	66.1	2.2	293975	93.658	$p < .001$
21	Yes	74	543	136.4	66.1	2.1	292882	93.063	$p < .001$
22	No	88	459	191.9	66.1	2.9	292812	89.063	$p < .001$
23	Yes	122	749	162.8	66.1	2.5	293136	85.178	$p < .001$
24	Yes	42	152	273.9	66.1	4.1	292459	84.099	$p < .001$
25	No	33	92	358.7	66.1	5.4	292390	82.919	$p < .001$
26	Yes	74	502	148.1	66.1	2.2	292841	78.776	$p < .001$
27	Yes	103	520	197.6	66.1	3.0	292888	78.415	$p < .001$
28	Yes	33	120	277.1	66.1	4.2	292418	72.377	$p < .001$
29	No	28	110	259.4	66.1	3.9	292403	67.968	$p < .001$
30	Yes	94	497	189.1	66.1	2.9	292856	64.344	$p < .001$
31	Yes	63	405	156.1	66.1	2.4	292733	60.991	$p < .001$
32	Yes	53	233	230.0	66.1	3.5	292551	59.320	$p < .001$
33	Yes	55	301	182.0	66.1	2.8	292621	56.888	$p < .001$
34	Yes	82	439	186.2	66.1	2.8	292786	50.800	$p < .001$

(continued)

Table 12 (continued)

District	Cooperative member?	Number placed	Number in district	Rate per 1000	State rate per 1000	Ratio compared to state average	<i>N</i> for $\chi^2$	$\chi^2$	<i>p</i>
35	Yes	83	712	116.1	66.1	1.8	293060	47.105	<i>p</i> < .001
36	Yes	48	407	118.6	66.1	1.8	292720	44.990	<i>p</i> < .001
37	No	17	46	379.3	66.1	5.7	292328	44.579	<i>p</i> < .001
38	No	118	987	119.8	66.1	1.8	293370	43.986	<i>p</i> < .001
39	Yes	22	99	221.0	66.1	3.3	292386	42.504	<i>p</i> < .001
40	Yes	127	852	149.4	66.1	2.3	293244	41.134	<i>p</i> < .001
41	Yes	31	143	221.0	66.1	3.3	292439	40.772	<i>p</i> < .001
42	Yes	63	506	124.9	66.1	1.9	292834	38.764	<i>p</i> < .001
43	No	62	411	150.7	66.1	2.3	292738	34.098	<i>p</i> < .001
44	Yes	26	155	168.2	66.1	2.5	292446	31.701	<i>p</i> < .001
45	No	60	329	182.0	66.1	2.8	292654	30.496	<i>p</i> < .001
46	Yes	33	231	144.2	66.1	2.2	292529	29.546	<i>p</i> < .001
47	Yes	38	211	180.6	66.1	2.7	292514	27.927	<i>p</i> < .001
48	Yes	54	350	154.7	66.1	2.3	292669	27.511	<i>p</i> < .001
49	No	97	1199	81.1	66.1	1.2	293561	27.125	<i>p</i> < .001
50	Yes	19	122	160.1	66.1	2.4	292406	26.593	<i>p</i> < .001
51	Yes	189	1800	105.0	66.1	1.6	294254	26.466	<i>p</i> < .001
52	Yes	37	222	166.9	66.1	2.5	292524	26.292	<i>p</i> < .001
53	No	63	529	118.6	66.1	1.8	292857	26.252	<i>p</i> < .001
54	No	24	134	179.2	66.1	2.7	292423	23.781	<i>p</i> < .001
55	No	37	205	180.6	66.1	2.7	292507	23.636	<i>p</i> < .001
56	Yes	31	216	144.2	66.1	2.2	292512	23.250	<i>p</i> < .001
57	No	47	396	119.8	66.1	1.8	292708	20.792	<i>p</i> < .001
58	Yes	7	25	272.3	66.1	4.1	292297	20.714	<i>p</i> < .001
59	Yes	44	299	145.5	66.1	2.2	292608	20.519	<i>p</i> < .001
60	Yes	74	549	135.1	66.1	2.0	292888	18.665	<i>p</i> < .001
61	Yes	23	169	139.0	66.1	2.1	292457	16.769	<i>p</i> < .001
62	Yes	93	809	114.8	66.1	1.7	293167	16.265	<i>p</i> < .001
63	Yes	70	767	91.7	66.1	1.4	293102	15.941	<i>p</i> < .001
64	Yes	102	911	112.3	66.1	1.7	293278	15.672	<i>p</i> < .001
65	Yes	25	194	128.7	66.1	1.9	292484	15.452	<i>p</i> < .001
66	No	25	191	133.8	66.1	2.0	292481	15.336	<i>p</i> < .001
67	Yes	35	282	123.6	66.1	1.9	292582	15.160	<i>p</i> < .001
68	No	34	226	150.7	66.1	2.3	292525	14.651	<i>p</i> < .001
69	Yes	84	784	107.4	66.1	1.6	293133	13.416	<i>p</i> < .001

(continued)

Table 12 (continued)

District	Cooperative member?	Number placed	Number in district	Rate per 1000	State rate per 1000	Ratio compared to state average	$N$ for $\chi^2$	$\chi^2$	$p$
70	Yes	44	341	128.7	66.1	1.9	292650	13.315	$p < .001$
71	No	11	49	224.0	66.1	3.4	292325	13.036	$p < .001$
72	No	31	317	98.9	66.1	1.5	292613	11.304	$p < .001$
73	Yes	20	144	140.3	66.1	2.1	292429	10.225	$p < .001$
74	Yes	18	100	183.4	66.1	2.8	292383	9.126	0.001
75	Yes	19	154	122.3	66.1	1.9	292438	8.737	0.002
76	Yes	17	68	245.3	66.1	3.7	292350	8.302	0.002
77	Yes	14	127	113.6	66.1	1.7	292406	7.983	0.003
78	Yes	13	97	139.0	66.1	2.1	292375	7.620	0.003
79	Yes	38	348	108.6	66.1	1.6	292651	7.506	0.003
80	Yes	84	740	113.6	66.1	1.7	293089	6.899	0.005
81	Yes	8	60	136.4	66.1	2.1	292333	6.442	0.006
82	Yes	51	414	123.6	66.1	1.9	292730	6.428	0.006
83	Yes	57	532	106.2	66.1	1.6	292854	6.350	0.007
84	No	22	161	136.4	66.1	2.1	292448	5.935	0.008
85	Yes	13	70	186.2	66.1	2.8	292348	5.553	0.011
86	Yes	75	898	83.4	66.1	1.3	293238	5.413	0.011
87	Yes	43	463	92.9	66.1	1.4	292771	5.007	0.015
88	Yes	34	265	128.7	66.1	1.9	292564	4.798	0.017
89	Yes	39	388	100.1	66.1	1.5	292692	4.422	0.021
90	No	29	243	119.8	66.1	1.8	292537	4.408	0.021
91	Yes	16	109	150.7	66.1	2.3	292390	3.968	0.028
92	Yes	23	235	97.7	66.1	1.5	292523	3.950	0.028
93	No	47	361	129.9	66.1	2.0	292673	3.791	0.031
94	No	15	90	164.1	66.1	2.5	292370	3.668	0.033
95	Yes	29	263	111.1	66.1	1.7	292557	3.568	0.035

*Note.* All analyses are on 1 df.