

## Analysis faulty in 'bounty funding' report

By Tom Parrish

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While I find the initial premise of the study [Effects of Funding Incentives on Special Education Enrollment](#) interesting and worthy of exploration, I find the analysis faulty,

both in regard to the special education funding conclusions and the high-stakes testing.

**The funding incentive.** While the premise that "bounty" systems may correlate to higher special education identification does not seem implausible, there are so many other confounding factors, I did not expect the simple analyses tested through this study to reveal much. Indeed, I will argue it did not.

Even if it had revealed a relationship between "bounty" (a name I presume they selected to purposely show bias against special education identification revealed throughout this brief report) funding systems and identification, it would be difficult to conclude from this that such systems are undesirable from a policy perspective. Even if so-called bounty systems contain incentives to identify children for special education -- which they may do in some instances -- lump-sum systems clearly create incentives *not* to identify students for special education. What we would really like are funding systems that are as identification neutral as possible; ones that do not create clear incentives for under- or over-identification.

In regard to the researcher's conclusion of a causal relationship between identification and funding based on the simple typology of lump-sum vs. bounty systems, a quick review of [Figure 2 \(Special Education Enrollments Under Bounty and Lump Sum Systems 1991-2000\)](#) and [Figure 3 \(Average Special Education Enrollment in Lump Sum and Bounty States 1991-2000\)](#) seems to reveal the fatal flaw in their assertions of a clear and pronounced relationship. The most striking visual element of Figure 2 is not that the bounty line is higher than the lump-sum line over the past few years shown, but that this relationship was established in such a dramatic fashion in one year!

You would expect any objective reviewer to question the authors' basic hypothesis concerning the expected impact of bounty funding when the relationship only appears to hold for three of the eight years included in their analysis. For the five-year span of 1993 through 1997, special education identification for the bounty states is lower than for the lump-sum states.

What could have occurred in 1998 to so dramatically change this pattern? Was there instantaneous recognition of this great incentive on the part of special education policy-makers across the nation? Not likely. The authors reveal what is going on, but refuse to incorporate it into their analyses. They mention the 1998 funding change in California, but fail to mention that this change, in a state that represents one-eighth of the nation's population, will explain the full magnitude of the drastic changes in the trend lines shown in Figure 2.

In 1998, California changed from a "bounty" to a "lump-sum" system, thereby suddenly associating lump-sum states with lower, rather than higher, special education identification rates in the (Jay) **Greene**/(Greg) **Forster** analysis. Because California has so many students, and because its special education rate is well below the national average, the change in special education policy by this state alone dramatically affects, and in fact determines, the results of the analysis shown in this report.

Figure 3 shows virtually the same analysis as Figure 2, except all states are counted the same irrespective of size (thus the California effect shown in Figure 2 is substantially mitigated) and classifying all states consistently throughout. Of course they used the final year, after California had switched, as the determining year for classifying states. Once again, the bounty states show lower special education identification rates for six of the eight years shown in Figure 3 (all years except the last two).

A more objective analysis of the data provided by Greene/Forster appears to show stronger evidence for a relationship between lump-sum funding systems and greater identification (the opposite of their findings). However, this conclusion does not appear to fit their political agenda and generally seems implausible.

**High stakes testing on special education enrollments.** I believe special education identification is less likely to be affected by how high stakes the state tests are, than how special education students are counted within the context of reporting these state test results.

Kentucky, for example, has high stakes testing, but placing a student in special education does not exempt districts from fully assessing educational outcomes for special education students, nor does it exempt districts from including these results within the context of the average scores reported for all children. Consequently, special education cannot be seen as a place to hide from accountability or public reporting in Kentucky. This is less true in other states, and I think most special education policymakers would agree districts and states should be held just as accountable for their special education students as for all students, thereby precluding any test avoidance or public reporting incentives to place students in special education.

In conclusion, while fiscal provisions are likely to impact program provision in sometimes desirable and other times undesirable ways, the simple typology and analyses provided in this report provides no meaningful insight into this relationship.

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