

**Posted by Wendy Parker on June 2, 2026 in response to [this article](#). Shared with her permission.**

My 30 plus years of experience as a special education teacher, behavior interventionist, building principal, AEA Special Education Director, district Special Education Director (retired from Cedar Rapids CSD in 2022), and current special education consultant to several Iowa school districts gives me a unique perspective into the current financial state of special education in our state.

**Facts:**

- Federal law mandates that students with IEPs have access to a free and appropriate public education regardless of the intensity of needs. If a district is unable to provide those services, they must find another entity who is willing to serve the student and the resident district pays for those services.
- Districts in Iowa are able to spend beyond the dollars allocated to them for special education and those deficits are paid for by local property taxes.
- In Iowa, districts receive funding on a per pupil basis (\$8,148 per student). For students in special education, districts receive additional funding based on the needs of the student. Those needs are classified as Level 1 (additional .72 weighting), Level 2 (additional 1.21 weighting), and Level 3 (additional 2.74 weighting). This means a Level 3 student generates an additional \$22,325 of dollars.
- 298 of 325 Iowa school districts are running a special education deficit
- The state had a total of over 207 million dollars worth of local property taxes for special education deficits in FY 2024.
- Serving students in special education exceeds what districts receive in special education funding.
- AEA services were significantly reduced to districts resulting in services only for individual student needs, and are only able to provide system supports for special education services if districts pay an additional fee.
- This is a list of things the AEA now charges a fee for and what the cost is for districts.  
<https://drive.google.com/.../1TygYh1KZgvhWBuvjOGj.../view...>
- Districts are required to flow through dollars to the AEA for the services that are not part of the fee-based system services. Of the dollars that were sent to the AEA in the past, 90% now flows through to the AEA and districts are able to keep 10% of those dollars. (For a district of 2,000 students, 10% equals around \$120,000) to provide those services the AEA no longer provides.
- AEAs used to be the primary oversight of special education for districts and now the Iowa Department of Education provides the oversight (general supervision).
- Teachers need specific licensure to serve students in special education. A Strat 1 teacher can serve the majority of students with IEPs but teachers need a Strat 2 ID or BD license to serve students with significant behavior needs or students placed on the alternate assessment.

## Assumptions:

- More staff without proper training and coaching will equal better services for students with IEPs.
- If we focus on direct services to individual students by only special education teachers, students with IEPs will get better results.
- Districts run deficits in special education because they are not good stewards of special education funds and use the funds in ways that do not directly benefit students in special education.
- Districts who have big rosters for their special education teachers have less of a deficit.
- Any district, regardless of size, has the capacity to serve any student, regardless of their needs.

## Reality:

- Students in special education will benefit equally, if not more, (for the majority of students) from making general education more accessible than the 20 to 40 minutes of time with a special education teacher they get each day. Both are needed to get results.
- The supports once provided by the AEA are much more costly to replicate than the 10% of funding they were able to keep (unless you are a very large district).
- Students with significant needs require services that are far more costly than what the district receives in the per pupil reimbursement. For example, a 1:1 para costs more than the \$22,325 dollars the district receives and the para is just a piece of the services required. I have been in districts where students require a 1:1 para and 1:1 teacher for safety reasons. Students who require 2 paras is something I see as well.
- There is what is called the “high cost fund” for those students who have extremely high costs but there are a ton of rules around this and very few students qualify.
- Districts with smaller special education teacher rosters often have less of a deficit because they are not serving the number of students with significant needs that other districts are serving. I believe that just about every student with Level 3 funding cost more to serve than the money the district receives. This is the reality that drives up deficits.
- Districts get billed for students who are served in other districts than their resident district. These are students who are in placements, foster care, open enrolled, etc. It is very difficult to predict those bills as you can find out a parent of a student in placement moved into your district sometime during the year and you get a bill from that placement in July, after the school year is over. Placements can cost as much as \$800 a day and even more.
- Students with significant behavior needs are the most difficult to serve because of the lack of placements in Iowa. Although there are districts who will serve students from other districts, this is done less and less as there are very few incentives for a district to serve students with these needs as it is extremely difficult to find qualified staff and issues such as staff injuries will increase a district’s insurance costs significantly.
- Finding teachers (I’m not talking quality teachers, I mean any teacher) with Strat 2 licensure is virtually impossible.

- Staff injuries are increasing rapidly. Not having the trained staff and not having the supports to coach and train staff along with students having increased needs is causing unsafe environments for staff and students. -It is not uncommon for districts to hire a para or a teacher and have them leave in a few weeks or months.
- Districts will pay whatever they need to pay to get services for students with significant needs. Even with that being the reality, many districts have to provide intensive services to one student because there are no other options.
- There is the Therapeutic Classroom Grant but the .5 funding for those students is only for students without IEPs.
- There are students in Iowa who are transported up to an hour and 45 minutes each way to receive appropriate services.
- There was a task force that was going to do a study of AEA services, but the report was not completed.
- Laws that address unsafe behavior in districts does not apply to students with IEPs due to federal law. This also applies to students who we suspect have a disability. In my experience, there are very few students who engage in very unsafe behavior that are not on an IEP or suspected of needing an IEP.

When I worked in Cedar Rapids we had one year with a 13 million dollar deficit and, when I left, we had a 7 million dollar deficit. Most of this was due to students not being placed out of district with COVID and the inability to find teachers and paras (we were down 26 special education teachers and around 100 paras when I left). It would have been impossible to serve the IEPs of our students with the special education funding we received.

**I am not going to complain without giving some solutions, so here they are:**

- The state should take over all the funding for students who require Level 3 services.
- The AEAs should provide therapeutic off-site programs within one hour of every district in Iowa. These programs should be funded by the state, not by individual districts.
- AEAs need to return to providing support for the special education system, not just individual student IEP needs.
- The BOEE needs to address the teacher licensure issues with special education.
- An exhaustive study needs to be done of the entire special education delivery system in Iowa where we determine what is working and what is not working. For example, do students do better when they receive para services? Is co-teaching effective? How many conditionally licensed teachers in special education are in our districts? Is there adequate professional learning available for special education teachers and paras? Is the impact of time with a special education teacher in a special education classroom as effective as a general education classroom where access is optimal? Are IEP goals written and progress monitored around narrow skills or core curriculum standards? Are the college programs for special education effective? What actually is working to recruit quality teachers and support staff? What is working to reduce the gap between students with IEPs and students without IEPs?

- Any special education dollars allocated to the Iowa Department of Education and/or the AEAs that are not spent by June 30th of each year should go to districts to off-set deficits.
- Significant increase in supports for behavior throughout the state. This includes many more BCBA's, the ability to bill Medicaid for BCBA's who provide services in schools, and more training and coaching for staff.

The bottom line is that there is no evidence that I am aware of after 30 plus years experience in special education in Iowa that districts are misusing special education funds to drive up deficits. The people in districts, AEAs, and the Department of Education who are providing and supervising special education services in this state are, for the most part, doing heroic things every single day. They go above and beyond to serve the most vulnerable population of students we serve in this state. It is immoral, at best, and illegal, at worst, to continue down this road. We have to work together to do better, it is the only ethical choice we have.