

# SPECIAL EDUCATION FUNDING ACROSS THE STATES

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**EDUCATION COMMISSION**  
OF THE STATES

Your education policy team.

Michael Griffith and  
Emily Parker



# Individuals with Disabilities Education Act (IDEA)

- Since 1975 states/school districts have had to comply with the mandates of IDEA
- Special education funding is dictated by federal government policy – this is different from any other student subgroup that states/districts educate

# Individuals with Disabilities Education Act (IDEA)

- A free, appropriate public education to all children with disabilities
- Services to each student with disabilities must be based on their individualized education program
- A student's education services must be provided, to the maximum extent appropriate, in the least restrictive environment, which for most children entails "mainstreaming" them in classes with children who do not have disabilities
- All of these services must be provided regardless of cost to the student's Local Education Authority

# Individuals with Disabilities Education Act (IDEA) “Supplement not Supplant”

- The federal government does not require states to fund special education programs
- If a state does choose to provide special education funding to districts, then it must maintain funding at or above the previous year’s funding amount or risk reductions in their IDEA Part B grants

Federal Law: 34 CFR §300.202(a)(3)

# Individuals with Disabilities Education Act (IDEA) “Supplement not Supplant”

- States are allowed to change their revenue sources, or their special education funding formulas, without a waiver from the federal government so long as the total funding amount remains unchanged

# Education Cost Sharing Formula

- The Education Cost Sharing (ECS) formula is the mechanism through which the state distributes education funds to districts.
- In October 2017, the Connecticut General Assembly passed a new ECS formula as part of the state's biennial budget for fiscal years 2018 and 2019.
- The new ECS formula has NOT yet been implemented. The new formula is scheduled to be implemented beginning in fiscal year 2019.

# Education Cost Sharing Formula

- “Any local or regional board of education which provides special education...for any exceptional child...shall be financially responsible for the reasonable costs of special education instruction.” (C.G.S.A. § 10-76g)
- Up to four and one-half times average per-pupil educational costs.
- Excess Cost Grant: The State Board of Education shall, **within available appropriations**, pay any costs in excess of the local or regional board's basic contribution.

# Education Cost Sharing Formula

- Assumption that 22% of the ECS grant is for special education expenses.
- In 2014, the ECS grant only covered 67% of state special education expenditures.
- The Excess Cost Grant covered an additional 27%.
- Leaves unmet cost that districts must pay through other mechanisms. This cost varies from district to district and year to year



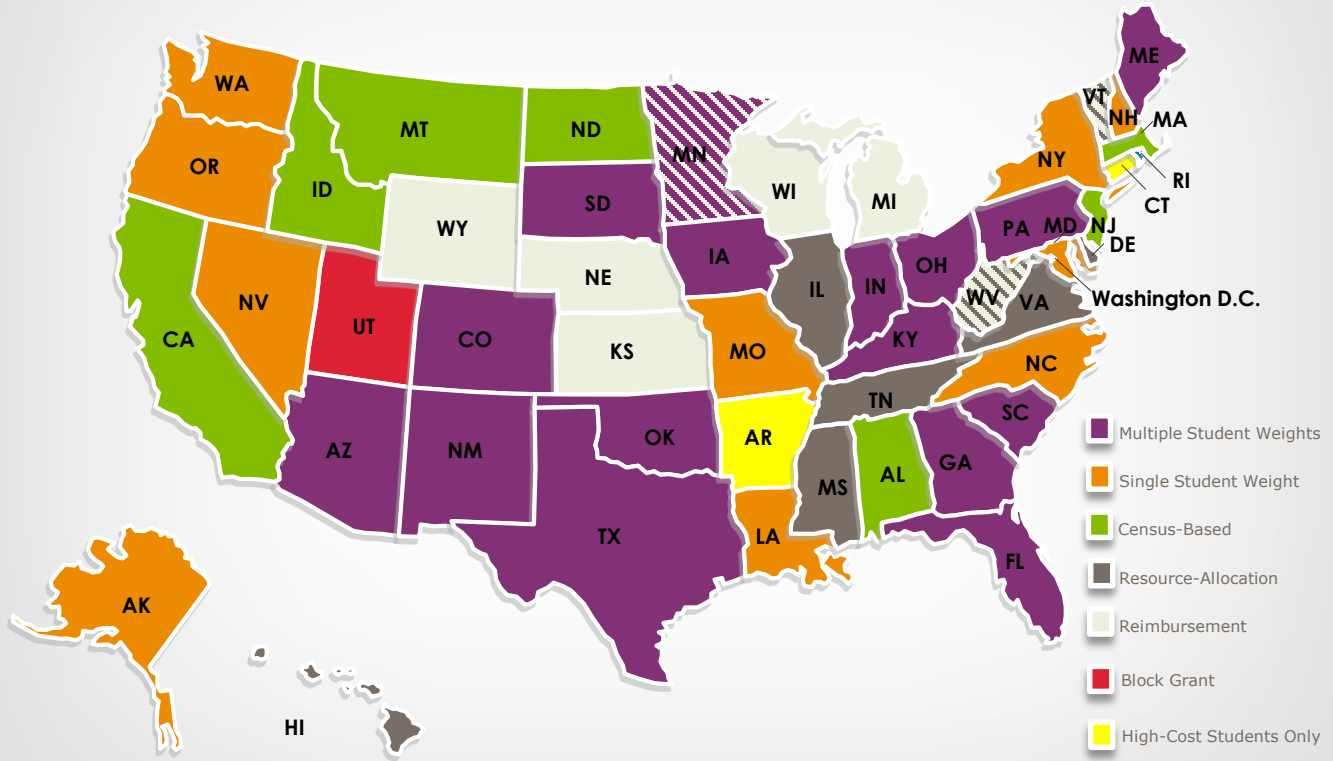
# State Special Education Funding

- Currently all states provide districts with some additional special education funding
- However, no state currently fully funds special education

# State Special Education Models

1. Multiple Student Weights
2. Single Student Weight
3. Census-Based
4. Resource-Allocation Model
5. Reimbursement
6. Block Grant
7. High-Cost Students Only

# Special Education Funding Models



# Special Education Funding

## Districts with Burden of Proof

- Connecticut – High-cost students
- Delaware – Resource Allocation
- Nevada – Single Student Weight
- New Jersey – Census Based
- New York – Single Student Weight
- West Virginia – Resource Allocation/Reimbursement

# Why States Create High-Cost Funding Programs

- High-cost students are not evenly distributed in districts
- An increase in high-cost student enrollment can create financial hardships for districts (especially small districts)
- Helps create some predictability in funding for districts (but it can not eliminate unpredictability)

# High-Cost State Funding Programs: New Hampshire

- **New Hampshire:** Additional \$1,956.09 per special education student.
- District is responsible for 3½ times the state average per-pupil expenditure plus 20% of the additional cost.
- State is responsible for 80% of the cost above the 3½ times the state average per-pupil expenditure, up to 10 times the state average per-pupil expenditure.
- The department of education shall be liable for all costs in excess of 10 times the state average per-pupil expenditure.

N.H. Rev. Stat. § 186-C:18

# High-Cost State Funding Programs: Massachusetts

- **Massachusetts:** Assumed special education enrollment of 3.75% and vocational enrollment of 4.75%.
- Reimburses school districts for a portion of the costs of educating extraordinarily high-needs special education pupils (called the Special Education Circuit Breaker).
- Special Education Circuit Breaker formula changes annually depending on the state's appropriation of funding and distribution of students.
- Calculated by multiplying the average foundation budget per pupil by four.

# High-Cost State Funding Programs: Maine

- **Maine:** Multiple weights based on concentration of special education students
  - ◆ First 15%: 2.277
  - ◆ Above 15% threshold: 1.38
  - ◆ Fewer than 20 students: Additional 1.29
- For high-cost special education placements, additional state funds must be allocated for each student estimated to cost 3 times the statewide special education per-pupil rate.

20-A M.R.S.A. § 15681-A



# Questions?



Michael Griffith  
School Finance Strategist  
[mgriffith@ecs.org](mailto:mgriffith@ecs.org)

Emily Parker  
Policy Analyst  
[eparker@ecs.org](mailto:eparker@ecs.org)