

FUNDING SPECIAL EDUCATION: CHARTING A PATH THAT CONFRONTS COMPLEXITY AND CRAFTS COHERENCE



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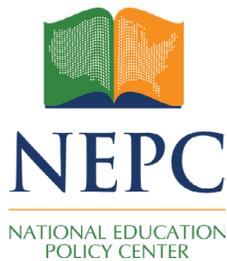


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Executive Summary

Present-day challenges affecting special education funding are rooted in a complex regulatory and policy environment that reflects little forethought about who can and will pay special education costs.

Despite the fact that federal law obligates state and local education agencies that accept federal funding to ensure a free and appropriate public education for children with disabilities, the federal government does little to fund the special education that students with disabilities receive—covering only about 15% of total special education funding. This places the overwhelming burden on states and localities to implement and pay for special education programs.

The result is a diffuse funding system where costs are largely covered by state and local tax dollars. States themselves have a hodgepodge of policies, each with different assumptions about how much they should share special education program costs with localities. However, almost all states fail to provide enough funding to cover the full cost of special education in a local school district. In addition, many formulae intentionally limit states' liability for local special education costs.

This leaves local school districts responsible for whatever costs federal and state governments do not fund, with the extent of this burden varying considerably across and within states. Cross-state differences are easily recognized as a result of differences in state funding formulae, but within-state cost differences are more complex and problematic, especially for districts that serve greater concentrations of students in need, experience higher costs for services, or are located in lower-wealth localities. As a result, local school districts nationwide face very different costs in implementing their special education programs. Yet, local cost burden has long been a source of concern for its impact on the resources available for

educating all students in a school district and potential influence on decisions about whether students with disabilities are identified for special education and the types of supports and services they receive.

Such funding variances occur in an environment where education priorities are shifting toward an emphasis on early intervention for struggling students and on unifying general and special education programs within schools. Increasingly, local educators are expected to implement student support systems—such as Response to Intervention and Multi-tiered Systems of Support—that provide a continuum of academic and non-academic supports to students with and without disabilities. However, efforts to implement new flexible service-delivery models can clash with federal and state policies that restrict how funding earmarked for special education can be used.

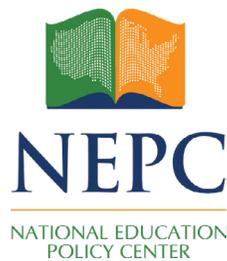
To be fair, policymakers are flying blind with respect to understanding special education costs. There are no national data on what is actually spent on special education, nor a clear fix on its revenue sources. Also, there are few reliable benchmarks for what effective special education programs should cost. Without such information it is little wonder that policymakers have struggled to develop fair and effective funding policies.

Some policymakers and advocates have responded to these circumstances with repeated calls for “full federal funding”—referring to Congress’ stated intent to provide substantially larger appropriations than have historically been budgeted. However, while increased federal appropriations would relieve some of the fiscal pressure faced by states and localities, an increase in federal funding cannot by itself address other long-standing disparities.

Instead, increased federal funding should be packaged with a new framework for federal policy that would establish a fair and effective system for funding special education—one that ensures equal educational opportunities for students with disabilities. Specifically, it is recommended that federal policymakers take the following three specific and immediate steps:

- Establish data sources to monitor special education spending by states and localities and provide periodic, national benchmarks for special education costs.
- Put in place new criteria and rules that ensure special education costs are equitably distributed across federal, state, and local agencies.
- Create new flexibility for states and localities to blend various funding streams to support new policy initiatives focused on developing early intervening services and unifying regular and special education systems.

Each of these recommendations is detailed in the closing segment of this brief. Taken together, these steps will move the country closer to a new, more coherent national policy framework grounded in thoughtful consideration of *what* special education should cost, *who* should pay the costs, and *how* best to align funding models with policy goals for identifying and providing appropriate educational opportunities for children with disabilities.



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The Individuals with Disabilities Education Act (IDEA), which originally became law as The Education for All Handicapped Children Act (EAHCA) in 1975, affirmed that children with disabilities are entitled to a free and appropriate public education through an individualized education program.¹ Since that time, millions of children with disabilities have attended public schools where they received the special education and related services necessary to support their learning.

However, throughout its history, the task of paying for these additional supports and services has proven challenging—and, now, nearly 40 years later, the absence of a coherent set of sustained policies for funding special education poses an ever-increasing threat to the program's integrity, and ultimately, the ability for children with disabilities to access and succeed in school.

There is mounting evidence that the current system for funding special education is failing. Most recently, state-led efforts to limit the number of students eligible for special education have drawn federal ire and national attention,² and each budget cycle state policymakers reiterate their frustration with the unpredictability in spending for special education programs.³ Local educators also decry insufficient funding, and reports describe schools facing difficult choices between having to raise local tax rates or cutting general education programs to access the cash necessary to meet their legal obligations.⁴ Advocates for children with disabilities portray a game of legal roulette where states and school districts choose to adopt more conservative approaches to identifying and serving students and then attempt to defend these decisions in disputes with parents or advocates.⁵

This all occurs against a backdrop of shifting education priorities toward an emphasis on early intervention for struggling students and efforts to unify general and special education programs within schools. As a result, increasingly, local educators are expected to imple-

ment student support systems—such as Response to Intervention (RTI) and Multi-tiered Systems of Support (MTSS)—that provide a continuum of academic and non-academic supports to students *with* and *without* disabilities.⁶ However, efforts to implement new flexible service delivery models can clash with federal and state policies that restrict how funding earmarked for special education can be used.⁷

These circumstances have arisen because of existing policies. Special education for children with disabilities operates in a complex regulatory and policy milieu that limits, and sometimes complicates, local districts' ability to secure adequate funds and to use funds efficiently and effectively. The purpose of this policy brief is to develop a common understanding of the existing special education funding policy landscape and make recommendations for developing a new, more coherent policy framework. Specifically, this policy brief addresses four questions:

1. What laws and policies establish the requirement for public funding for special education?
2. What are federal, state, and local education agencies' roles in paying for special education?
3. In what ways do funding models create incentives and disincentives to provide supports and services for students with disabilities?
4. What does special education for children with disabilities cost?

To answer these questions, the brief reviews the existing—but very limited—literature on special education funding policies. This absence of empirical research in and of itself is also problematic; policymakers have little evidence to draw upon to guide their thinking. The brief concludes with recommendations for developing a new policy framework grounded in thoughtful consideration of *what* special education should cost, *who* should pay these costs, and *how* best to align funding models with policy goals for identifying and providing appropriate educational opportunities for children with disabilities. The brief also makes clear the need for a stronger federal role in shaping special education funding policy to promote a more equitable special education funding system.

Literature Review

What Laws and Policies Establish the Requirement for Public Funding for Special Education?

Special education operates according to a unique set of obligations and constraints. Unlike regular education, special education is largely framed by federal law and regulations. The 14th Amendment to the Constitution, Section 504 of the Rehabilitation Act of 1973,⁸ the Americans with Disabilities Act (ADA) of 1990,⁹ and the Individuals with Disabilities Education Act (IDEA, as reauthorized in 2004),¹⁰ all compel state and local education agencies

to provide students with disabilities educational opportunities comparable to those offered children without disabilities. Of the laws, IDEA is the most prescriptive with respect to the educational experiences of children with disabilities.¹¹

Part B of IDEA governs how special education and related services are provided to school-aged children with disabilities. Specifically, IDEA Part B stipulates the requirements states and local education agencies must follow to receive federal funding for the special education and related services provided to children and youth ages 3-21 with disabilities.¹²

To receive the federal special education funding that IDEA Part B provides, each state must develop its own plan to comply with that law's detailed requirements for implementing special education programs.¹³ The assumption embedded in IDEA is that when states follow its requirements, they will achieve the law's substantive goal: a free and appropriate public education (FAPE) for students with disabilities.¹⁴ However, allowing states to develop their own plans has resulted in differences in the terms, definitions and eligibility criteria for disability categories across the states.¹⁵

For example, a child qualifies for special education if she or he possesses a disability according to federal and state criteria *and* this disability adversely impacts educational performance to the extent that the student needs specially designed instruction, beyond instruction offered to peers. Federal regulations specify 13 impairments that constitute disabilities.¹⁶ However, IDEA Part B does not describe the diagnostic criteria or assessment tools to be used in evaluating whether a child falls within a particular category; rather, the responsibility to establish criteria is left to the states.¹⁷

Each child identified for special education must have an individualized education program (IEP) that specifies his or her unique needs and prescribes the services and supports necessary to access and benefit from the general education curriculum.¹⁸ However, FAPE requires that the services identified on a child's IEP must be made available at no cost to students or parents—that is, public dollars must pay to implement a child's IEP.¹⁹ Moreover, IDEA Part B does not explicitly allow cost to be considered as an IEP is developed. Rather, if an IEP plan stipulates that a particular education program or service be provided, cost considerations *do not* release public education agencies from their obligation to provide specified supports.²⁰

While states and localities largely share in the responsibility for implementing this system, it is less clear how the costs of special education are shared by federal, state, and local education agencies.

In summary, federal policies and laws compel state and local education agencies to provide special education and related services to students with disabilities; to access IDEA Part B funding, states must develop their own implementation plans. The result of the existing legal and policy framework is a diffuse service system, with differences in special education policies, programs and resources across states.

Special education costs vary with the services and supports identified on students' IEPs, and public education dollars must pay for them. While states and localities largely share in the responsibility for implementing this system, it is less clear how the costs of special education are shared by federal, state, and local education agencies.

What are Federal, State, and Local Education Agencies' Roles in Paying for Special Education?

A complex array of federal, state and local sources provide funding for special education. The share of costs each entity pays, however, differs across and within states. Such differences have resulted in confusion regarding which entities ultimately bear the responsibility for ensuring adequate funding.

Federal Funding

First and foremost, IDEA is a “funding statute”: in exchange for federal funding, states must implement the law’s detailed requirements for providing special education and related services to students with disabilities.²¹ When crafting the law, policymakers recognized the need for a federal role to support state and local efforts:

While States, local educational agencies and educational service agencies are primarily responsible for providing an education for all children with disabilities, it is in the national interest that the Federal Government have a supporting role in assisting State and local efforts to educate children with disabilities in order to improve the results for such children and ensure equal protection of the law. (20 U.S.C. §1400(c)(6))

Thus, the underlying purpose of federal IDEA Part B dollars is to pay a portion of the costs incurred by state and local educational agencies providing special education and related services to school-aged children with disabilities.

Most of the IDEA funding provided to states through Part B of the law is passed through to local educational agencies. Complex federal funding formula determine the amount of federal funding localities receive. With few exceptions, federal IDEA Part B funds can only be used to pay for allowable costs incurred when state and local education agencies provide special services to students with IEPs.²² As a result, to comply with federal spending guidelines and reporting requirements, over time states and localities have developed separate architecture for special and general education programs, each with its own cost accounting and funding systems.

That said, in the 2004 reauthorization of IDEA, lawmakers introduced new flexibility for local education agencies to use federal funding to develop and implement coordinated, early intervening services.²³ Under this provision, local educators received new flexibility to use up to 15% of a portion of IDEA Part B funds to provide coordinated early intervening services (CEIS) to students without IEPs but who struggle academically or behaviorally and could benefit from resources normally reserved for students receiving special education. Where a state determines that a local education agency shows significant disproportionality by race or ethnicity among children with disabilities—that is, among children being identified as having a disability, being placed in specific disability categories, being placed in particular educational settings, or being subject to disciplinary actions—the local education agency *must* use the entire allowed portion of CEIS funding for students particularly (but

not exclusively) in groups that appeared significantly overidentified.²⁴

IDEA also allows states to reserve up to 10% of federal IDEA Part B funding to pay for state administration, technical assistance, and specified allowable costs related to supporting IDEA's implementation.²⁵ Beginning in 2004, states may also set aside up to 10% of IDEA Part B's state-level discretionary funding to set up "risk pools" that provide additional supplemental funding to local education agencies that provide services to "high-need" students or that experience catastrophic or extraordinary costs.²⁶

From IDEA's inception, there was no expectation that federal funding would cover the full cost of special education; state and local education budgets have always been expected to provide the balance of funding. Initially, Congress set a target for the federal contribution at 40% of the additional cost of educating children with disabilities.²⁷ However, the federal share of special education costs has never reached this level.

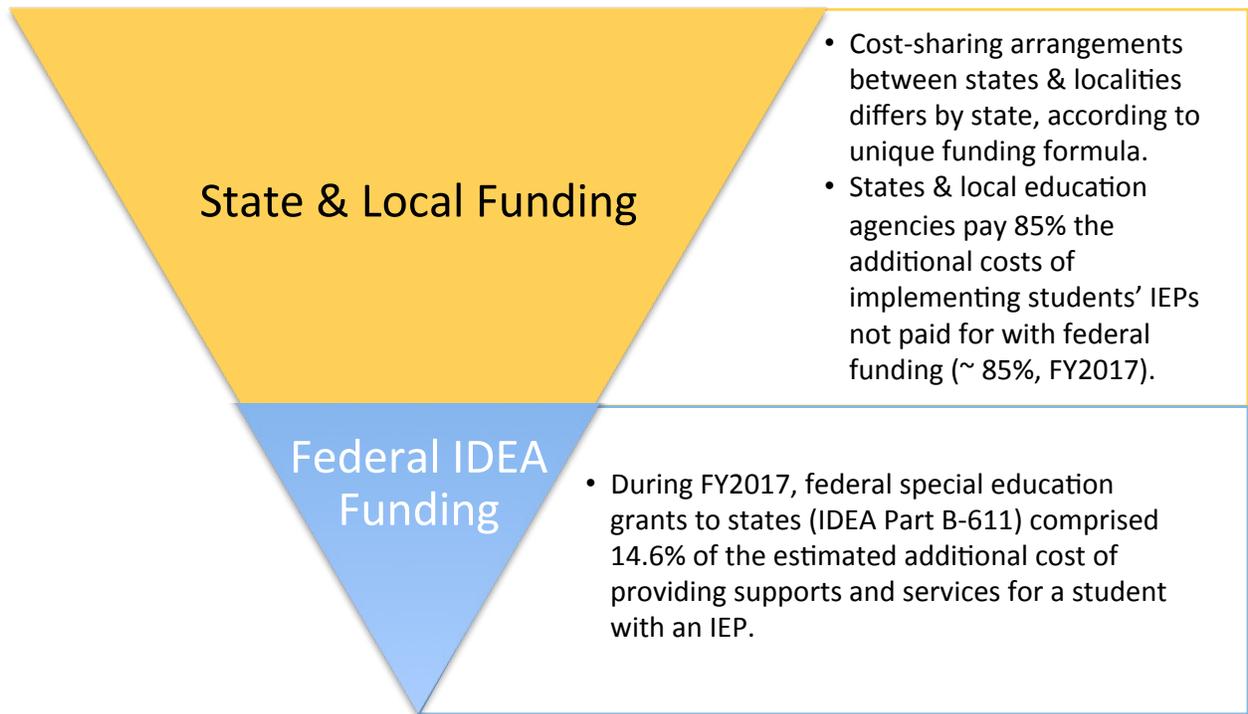
Most recently, and with additional monies provided through the American Recovery & Reinvestment Act (ARRA, 2008), the federal share of estimated special education costs reached about 17% in 2009.²⁸ Updated estimates suggest that federal funding has subsequently declined: in FY17, federal funds paid for about 15% of what was spent on special education. The remaining 85% of costs of special education were shouldered by state and local education agencies (Figure 1).

By law, federal funds must supplement—and may not supplant—state and local efforts; that is, they must be added to state funding for special education.²⁹ This requirement reinforces the expectation and need for a state and local role in special education funding. However, the amount of federal supplemental funding available to states and localities is a long-standing point of contention, with a broad range of stakeholders repeatedly calling for Congress to "fully fund" IDEA.³⁰

Federal IDEA Part B funding also poses two other challenges for states and localities. First, outdated and complex federal formulae advantage certain types of states and districts over others.³¹ For instance, states where the number of children aged 3-21 has increased over the past two decades received fewer federal dollars per student, and on average, large states received about 12% less per child with disability than small states. Disparities in IDEA Part B funding across states trickle down to school districts. On average, nationwide, larger districts with more students receive fewer federal dollars per pupil than smaller districts; school districts within the lowest population states have higher per-child federal funding; and, districts with the largest declines in enrollment over the last 15 years have higher per-child federal allocations.³²

In summary, despite IDEA's role as a "funding statute," the federal government plays a limited role in funding special education, while existing federal policy concurrently creates formula-driven disparities in funding for states and localities. Rules for how federal funds may be spent also constrain state and local policymakers' attempts to implement more unified educational systems for students with and without disabilities.

Figure 1: Balance Between Federal, State & Local Funding for Special Education³³



State Funding

A limited federal role in paying for special education places states in the position of deciding whether and to what extent they will step in to help localities pay for special education. Absent state funding, the risk is that localities cannot, and possibly will not, meet their obligations to ensure FAPE for children with disabilities. In response, all states provide some form of supplemental funding for special education.

However, states have developed very different funding policies. In fact, the existing policy landscape reflects a hodgepodge of 50 distinct state funding policies, each of which places different limits on state funding obligations and imposes requirements for localities wanting to access state funding.

For example, states are not equally generous when it comes to providing supplemental funding. At opposite ends of the continuum, for example, Wyoming reimburses districts for nearly 100% of their special education spending, while Arkansas funds only a portion of services to the most-costly children with disabilities (i.e., high-need, residentially placed, and students receiving extended school year services).³⁴ Through the 2019 school year, Vermont reimbursed districts an average of 60% of their total special education spending, while California's block grant formula covers, on average, about 31% of special education costs.³⁵

Even with substantial cross-state differences, state special education funding policies can be organized according to broad categories (Figures 2 & 3).³⁶ States use one of three ap-

proaches to determine their funding obligations: 1) a statutory formula that links funding to the population and characteristics of students with disabilities in a state; 2) stipulating an appropriation amount and then distributing this appropriation to localities using different mechanisms; or 3) reimbursing localities for a share of their costs. In addition, most states operate a contingency fund that distributes additional funding to localities—beyond what they receive through the state’s other special education funding mechanisms—to school districts that experience catastrophic, extraordinary, or excess special education costs.³⁷

Each general category of state funding policy is described with further detail below.

Figure 2: Typology of State Policies for Funding Special Education

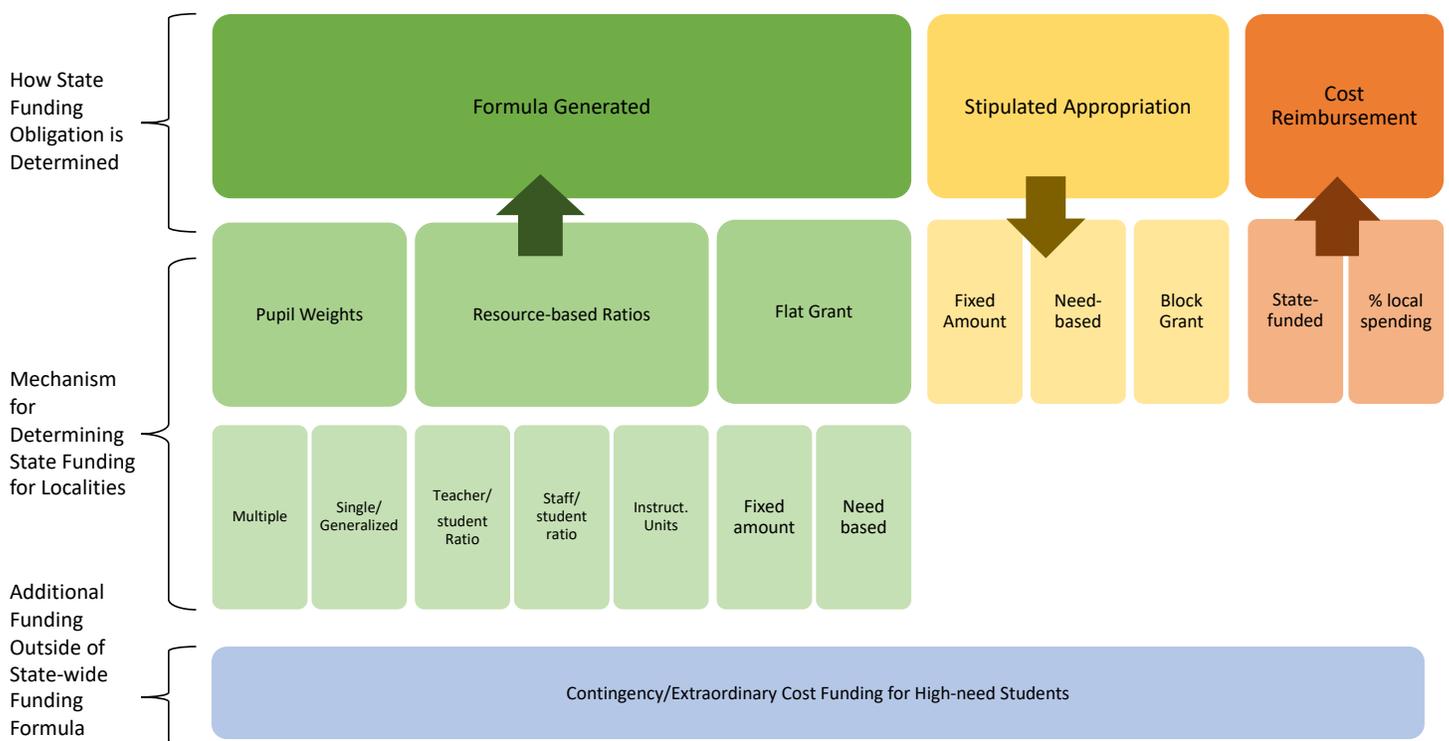


Figure 3: Overview of State Special Education Funding Formula (2015)

State	State Funding Obligation	Allocation Mechanism	State	State Funding Obligation	Allocation Mechanism	State	State Funding Obligation	Allocation Mechanism
Alaska	Formula	Single weight	Massachusetts	Formula	Flat grant	Ohio	Formula	Flat grant
Alabama	Formula	Resource-based	Maryland	Formula	Single weight	Oklahoma	Formula	Multiple weights
Arkansas	Stipulated	Contingency funding (only)	Maine	Formula	Multiple weights	Oregon	Formula	Single weight
California	Stipulated	Block grant	Michigan	Cost reimbursement	% of local spending	Pennsylvania	Stipulated	Need based
Colorado	Formula	Flat grant	Minnesota	Formula	Other	Rhode Island	Formula	Single weight
Connecticut	Formula	Other	Missouri	Formula	Single weight	South Carolina	Formula	Multiple weights
Delaware	Formula	Resource-based	Mississippi	Formula	Resource-based	South Dakota	Formula	Flat grant
Florida	Formula	Multiple weights	Montana	Stipulated	Block & Reimbursement	Tennessee	Formula	Resource-based
Georgia	Formula	Resource-based	North Carolina	Stipulated	Fixed amount	Texas	Formula	Multiple weights
Iowa	Formula	Multiple weights	North Dakota	Formula	Single weight	Utah	Formula	Flat
Idaho	Formula	Resource-based	Nebraska	Cost reimbursement	% of local spending	Virginia	Formula	Resource-based
Illinois	Stipulated	Other	New Hampshire	Formula	Flat grant	Vermont	Cost reimbursement	% of local spending
Indiana	Formula	Flat grants	New Jersey	Formula	Other	Washington	Formula	Single weight
Kansas	Formula	Single weight	New Mexico	Formula	Multiple weights	Wisconsin	Cost reimbursement	% of local spending
Kentucky	Formula	Multiple weights	Nevada	Formula	Resource-based	West Virginia	Stipulated	Contingency funding (only)
Louisiana	Formula	Single weight	New York	Formula	Single weight	Wyoming	Cost reimbursement	State funded (100% reimbursement)

Note: States periodically revise their special education funding formula. This figure summarizes state policies in place during 2015. The profile draws from two sources that independently catalogue state education funding policies: 1) Education Commission for the States, *State Funding for Students with Disabilities: All States, All Data* (June 2015). Retrieved August 8, 2018 from <https://www.ecs.org/50-state-comparison-k-12-special-education-funding/>; and 2) *A Quick Glance at School Finance: A 50 State Survey of School Finance Policies and Programs (2018)*. Retrieved November 30, 2018 from <https://schoolfinancesdav.files.wordpress.com/2018/09/special-education.pdf>

Formula-Generated Appropriations

For 35 states, the amount appropriated for special education is determined through formulae that peg state funding to the level of need in local school districts, adjusting for differ-

ences in the share of students with disabilities and, in some cases, student need (Figure 3). The resulting state appropriation is equal to the sum of these adjustments across all school districts within a state. States use one of three general approaches to determine how much additional funding is allocated to localities:

1. Pupil weights

Pupil weights are the most common strategy; in 2015, 18 states relied on weights to determine their funding obligation (Figure 3). States employ either a single weight or multiple weights applied to some base per-pupil funding amount.

There is no consensus among states as to the multipliers used in their calculations, and in most states, there is no clear rationale for how weights are determined. Additionally, weights (single and multiple) are typically applied to some state average per-pupil expenditure amount. However, there are substantial differences in educational spending across states, even after adjusting for differences in wages, poverty and economies of scale.³⁸ As a result, the amount of additional funding generated by weighted special education funding formula can vary significantly across states.

For instance, states using a single weight use different multipliers. One report found that Oregon used a multiplier of 2.0 per student with an IEP, up to 11% of a district's enrollment.³⁹ Another found that for each special education student, Maryland provided school districts an additional .5 applied to 74% of the annual per-pupil state appropriation.⁴⁰

When multiple weights are used, they are typically tied to the number of students with a particular disability (e.g., speech or language), severity of need (e.g., mild, moderate, severe), or where or how a student is educated (e.g., resource room, out-of-district placement). For instance, Oklahoma's formula incorporates 10 additional weights corresponding to disability categories—e.g., .05 for speech or language impairments and 2.5 for emotionally disturbed students.⁴¹ Similarly, Arizona also uses weights that adjust for student disability categories (e.g., hearing impaired, 4.711; multiple disabilities, including autism, served in resource programs, 6.024); grade levels (e.g., K-3 grade level, 0.060); and English language learners (0.115).⁴²

States also differ in how they estimate student counts for weights. Some states calculate weights based on an estimated number or actual number of students with IEPs, while others assume that all districts have the same percentage of children with disabilities or cap the number of weighted students at a certain percentage of the student population in the district (e.g., 11% in Oregon). Other states stipulate a percentage of students (e.g., 12%) with disabilities for all school districts and districts receive funding based on that percentage, regardless of their student population.

2. Resource-based ratios

Seven states provide funding for special education using resource-based ratios—e.g., teacher- and staff-to-student ratios (Figure 3).⁴³ Like pupil weights, ratios can be generalized across disabilities and student placements, or they may be specific to student need. For example, Virginia's funding provides for a share of salary cost for instructional positions based on staffing standards for special education.⁴⁴ However, as was the case with pupil weights, there is no consensus among states regarding resource

thresholds or staffing requirements. Accordingly, depending on the state, a locality may receive a different level of state support for a student with the same disability and needs.

3. Flat grants

Seven states provide school districts with a flat grant amount for each student with an IEP, or alternatively, according to disability type. The grant amounts are typically defined in statute.

Like pupil weights, grant amounts among states differ. For example, New Hampshire school districts receive an additional \$1,956.09 per student with an IEP.⁴⁵ Ohio has six categories of special education services, each with a specific dollar amount (e.g., \$1,578 per student with learning disability; \$25,637 for students with autism, brain injury, or hearing and vision impairment).⁴⁶

Flat grants included in state statute typically require legislative action (e.g., statutory amendments or new legislation) to adjust for changes in special education costs. Failure to make these modifications can result in a gradual shift in cost burden to localities over time as the grant amount pays for an increasingly smaller share of local special education costs.

Stipulated Appropriations

Top-down funding formulae start with the state stipulating an appropriation for local special education programs. In some instances, the appropriation amount is based on earlier appropriation amounts. In other cases, however, the amount reflects funds available—without clear ties to past funding or local need. States rely on different approaches to distribute funds to localities, including: 1) flat grants; 2) need-based calculations; or 3) census block grants.

Flat grant amounts are typically calculated by dividing the state appropriation by the number of eligible students with IEPs or educational units statewide. For example, in FY2017-18, Colorado school districts received \$1,250 per child with an IEP and an additional \$6,000 per child with specified high-need disabilities.⁴⁷

Needs-based calculations use weights or other cost factors to allocate funds available among school districts, according to the number or share of students with disabilities and the severity of their needs.

Census block grants provide districts with a fixed amount for each student enrolled in a district, not just students with IEPs. Vermont, for example, will use such grants as of FY2021. Although the allocation operates as a separate appropriation for special education in that state's budget, districts will have broad latitude to spend their grants on supports for students with and without disabilities.

Cost Reimbursement

Five states reimburse localities for some share of their expenditures. The reimbursement percentage varies across states. For instance, Wisconsin reimburses 26.79% of local spending and Michigan 28.6138%.⁴⁸ In Nebraska, between FY2010-2015 the reimbursement rate varied between 51-57%. In contrast, Wyoming reimburses districts and schools for the full cost (100%) of implementing children's IEPs.⁴⁹

Contingency Funding

At least 30 states have contingency funding formulae that provide localities with additional funding for students who present extraordinary or excess special education costs.⁵⁰ High-need students require intensive or unique supports that can exceed normal standards for cost. For the most expensive students with disabilities (i.e., the top 5%), costs can be as much as 5.5-8.7 times greater than the average spending for a general education student, and 8.8-13.6 times larger for students in the top 1% of per special education student expenditures.⁵¹

Since high-need students are unevenly distributed across school districts within a state, the extraordinary cost of providing services for these students can place disproportionate pressure (or financial risk) on certain school districts.⁵² Contingency funding formula mitigate these risks by providing localities with additional funds over-and-above those received through a state's other special education funding formula.

Over time, three general policy models have been adopted by states: 1) the state pays a percentage of additional costs above a set spending threshold, with a cap on the total reimbursement amount; 2) the state pays a percentage of additional costs above a set spending threshold, but without a cap on reimbursement; and 3) districts apply for additional funding from the state and are reimbursed on a funds available basis.⁵³ Some states also establish different thresholds for students placed inside or outside a school district.

In summary, state policymakers have adopted 50 distinct systems for funding special education, each with different assumptions about the state's cost burden and with different ways districts may qualify for additional funds. With one exception, no state provides or ensures enough funding to cover the full cost of special education in a local school district. As a result, nearly every district nationwide must use local revenue to pay for some portion of special education costs.

Local Funding

Local education agencies must ensure FAPE, regardless of cost.⁵⁴ To pay for special education costs not covered by federal or state dollars, localities must raise additional revenue, usually at the expense of local school budgets and tax payers.⁵⁵ However, the local share of special education costs varies considerably across states, at least partly because states are not equally generous in providing supplemental funding for special education programs. By default, then, two hypothetically identical districts located in different states may be respon-

sible for greater or lesser shares of special education costs.⁵⁶

That said, even within states, the share of special education costs paid for with local dollars can vary greatly across districts. For example, the potential for considerable within-state differences in local costs was highlighted in a recent study in Pennsylvania undertaken by the Education Law Center, which showed that in the 2016-17 school year, the local share of special education costs in districts varied from as little as 20% of spending to more than 80%.⁵⁷

Not all state formulae consider differences among districts in the proportion of children with disabilities or the extent of student need—neither of which is distributed equally across school districts. For instance, districts that enroll larger shares of students living in poverty tend to also have more students with disabilities.⁵⁸ As a result, districts in states that fund special education using single weights, flat grants, or census-based mechanisms may have smaller or larger shares of their costs covered by state funding, depending on the characteristics of enrolled students. Nor do state funding formulae consider differences in the local cost of services, further disadvantaging localities with higher operating costs.

However, even when state formulae do account for differences in student need across districts, disparities often result because localities with more and less income and property wealth shoulder different shares of the cost burden. Unlike most states' general education funding formulae, in most states funding for special education is not explicitly equalized for local wealth.⁵⁹ The result is that districts in low-wealth localities must tax at a higher rate to raise the same dollars to pay for special education than the rate applied in a district located in a higher-wealth locality. This problem makes the task of raising local revenue to pay for special education more difficult in economically disadvantaged communities. This is the case even in states where the state share of special education costs is fixed as a percentage reimbursement of total spending (e.g., Michigan).⁶⁰

In summary, local school districts must pay for special education costs not covered by federal and state funding. The extent of this cost burden, however, can vary considerably across and within states. While cross-state differences are more easily recognizable artifacts of the differences in state funding formulae, within-state differences in cost burden are also problematic, especially for districts that serve greater concentrations of students in need, have higher service delivery costs, and are located in lower-wealth communities.

Do Funding Models Create Incentives and Disincentives for Providing Supports and Services?

State funding formulae create the potential for strategic behavior on the part of local school districts, particularly when funding is contingent on special education child count or service delivery. For instance, weighted student funding formulae that link state special education aid with the percentage of students with disabilities or categories of services could prompt educators to identify more or fewer students for special education and with particular disabilities or needs. Similarly, fixed grant amounts might incentivize educators to minimize what is spent on special education programs to limit the impact on local school budgets—at

the expense of appropriately identifying and serving students.

In fact, Congress recognized this potential in its 1997 reauthorization of IDEA when it required states to examine their policies to ensure that their funding formulae do not result in incentives to place children in more restrictive settings.⁶¹

Despite this potential, it has been difficult to conclusively demonstrate connections between state funding mechanisms and local behavior.⁶² In large part this is due to the fact that special education funding is best understood in the context of a specific state. Accordingly, there is little research that looks across states at how funding policies influenced educator behavior that allows us to draw general conclusions about the relationship between state funding formula and local educator behavior.

Instead, a handful of state-specific studies have been used to support conclusions about how policies generate incentives and disincentives for districts. For instance, Cullen (2003) found that about 40% of the growth in Texas' special education enrollment between 1992 and 1997 was due to changes in fiscal incentives to identify students with disabilities.⁶³ Kwak (2010) also found that changes in how special education was funded in California affected the percentage of students districts identified for services.⁶⁴ In a national study of census-based funding formulae, Dhuey and Lipscomb (2011) found that disability rates fell in states during periods of head-count reforms, primarily in subjectively diagnosed categories and in early and late grades.⁶⁵ And in Vermont, Kolbe & Killeen (2017) found that the state's long-standing cost reimbursement formula may have incentivized some local educators to identify struggling students for special education so that they could access additional state funding to pay for services and supports.⁶⁶

In summary, despite a pervasive policy narrative that state funding impacts local decision making about whether and how to serve students with disabilities, taken together, existing evidence is far from conclusive that fiscal incentives inherent in state formula impact the services and supports children with disabilities receive in schools.

What Does Special Education Cost?

In short, despite substantial investment, an accurate accounting of total spending on special education simply does not exist. Some estimates suggest that federal and state spending on special education total as much as \$31 billion per year—or at least that seems to be the best guess for the 2013-14 school year.⁶⁷ But, this estimate doesn't include spending for 13 states *nor* what is spent by localities.

How can this lack of clarity about special education funding be the case? The best estimates of state spending come from the annual appropriations included in state budgets; however, these appropriations are not collated or summarized in ways that allows for determination of total spending nationwide.⁶⁸ Even less is known about local spending. The federal government does not collect data on local spending, and while some states do track local education expenditures, amounts are not easily obtained or aggregated. Federal education finance surveys require districts only to report expenses for special education personnel; other expens-

es, including related services, are lumped into broad function and object classifications that include both general and special education spending.⁶⁹ No other national survey collects school- or district-level data on special education expenditures.

In the face of such limited evidence, several studies have attempted to build estimates of special education costs from the “bottom up”—that is, by identifying the full package of resources required to implement students’ IEPs, and then valuing these resources. The most comprehensive and notable effort was the Special Education Expenditure Project (SEEP), funded by the US Department of Education’s Office of Special Education Programs (ED/OSEP).⁷⁰ The SEEP compiled a nationally representative survey of special education expenditures (under Part B of IDEA) for the 1999-2000 school year. Cost estimates were derived from extensive data collected from a sample of districts and schools in 50 states and the District of Columbia. The resulting Student Resource Cost Database provided a snapshot of the costs of providing special education services to a national sample of nearly 10,000 children with disabilities.

SEEP data generated a national average for additional spending per student with an IEP, as well as additional spending estimates for each of the federally defined categories of disability. Figure 4 lists these per-student cost estimates (in 1999-2000 dollars) and a more recently updated estimate that reflects changes in service delivery costs over the past 20 years. SEEP also identified a generalized weight for an “average” special education student as equal to 1.9 times the spending for a typical general education student. Although now two decades old, SEEP cost estimates and weights are still the most reliable national estimates for special education costs available to policymakers.

Recognizing the need for updated state-specific information on what constitutes appropriate levels of spending, some states (e.g., Colorado, Montana, Maryland) have incorporated special education into their studies of the cost of providing an “adequate” education.⁷¹ Maryland’s effort to incorporate special education into its cost estimate represents the most recent

Very little is known about what it costs to educate children with disabilities.

and comprehensive adequacy study. In it, Augenblick, Palaich and Associates (2016) reported the additional costs (above base education funding) for students with “mild” disabilities as between \$6,140 and \$7,338 (depending on a student’s grade level); the range of costs for students with “moderate” disabilities as between \$11,499 and \$14,391; and the range of costs for students with “severe” disabilities as between \$36,096 and \$43,591.⁷² The additional “district-level” administrative cost per student with an IEP was \$2,745. Taken together, district- and school-level costs were equated to a weighted average for the three categories of disability: 1.82 for mild disabilities; 2.35 for moderate disabilities; and 4.62 for severe disabilities.⁷³

In summary, very little is known about what it costs to educate children with disabilities. Federal data systems do not collect the information on what is spent by states or districts, nor what services and supports are purchased with these dollars. Instead, the best information available to policymakers are national estimates for per-student costs that are now two decades old, or state-specific estimates generated in the context of studies that set benchmarks for adequate state funding.

Figure 4: SEEP Spending Ratios and Resource Cost Estimates, by Disability Category (1999 & 2014)

Disability Category	Spending Ratio	Total Cost Per Student With IEP		Marginal Cost Per Student With IEP	
	(1999)	(1999)	(2014)	(1999)	(2014)
Autism	2.9	\$18,790	\$29,160	\$15,219	\$23,618
Emotional Disturbance	2.2	\$14,147	\$21,955	\$9,885	\$15,341
Deaf-blind	2.4	\$15,992	\$24,818	\$11,006	\$17,080
Hearing Impairment	2.4	\$15,992	\$24,818	\$11,006	\$17,080
Intellectual Disability	2.3	\$15,040	\$23,341	\$11,393	\$17,681
Multiple Disabilities	3.1	\$20,095	\$31,185	\$16,098	\$24,982
Orthopedic Impairment	2.3	\$14,993	\$23,268	\$10,888	\$16,897
OHI	2.0	\$13,229	\$20,530	\$8,754	\$13,585
SLD	1.6	\$10,558	\$16,385	\$5,507	\$8,546
Speech or language impairment	1.7	\$10,958	\$17,006	\$6,334	\$9,830
TBI	2.5	\$16,542	\$25,672	\$12,459	\$19,335
Visual impairment	2.9	\$18,811	\$29,193	\$13,796	\$21,410
Overall	1.9	\$12,525	\$19,438	\$8,126	\$12,611

Note: The 2014 estimates for Total Cost Per Student with IEP & Marginal Cost Per Student with IEP were calculated by applying the Comparable Wage Index (Taylor & Fowler, 2006) to the 1999 SEEP estimates. In doing so, the 2014 estimates simply represent the 1999 estimates in 2014 dollars and as such they do not capture any changes in service delivery that may have occurred between 1999 and 2014.

Recent Developments

Special education was initially conceived as a separate program for students with disabilities. While its goals were to provide the supports and services necessary for students to access regular education opportunities, over time special and regular education programs evolved as essentially separate programs within schools. Special education resources were distinct from those available to regular education students; they became available to a student once a disability was formally recognized and, even then, according to what an IEP prescribed. More recently, however, policymakers and educators have increasingly recognized that separate educational programs for special and regular education students may not be in the best interest of students with disabilities, nor are they an effective or efficient use of scarce educational resources.⁷⁴

The limits of the special education program model have been challenged by steady increases in both the number of students identified with a disability and the program's costs. In response, states and localities have taken steps to more carefully scrutinize, and even set limits on, how students are identified for special education.⁷⁵ There has also been a growing recognition that waiting to help students until they met thresholds for disability—particularly those struggling academically—has resulted in missed opportunities for early intervention that might mitigate the long-term need for special education. This need for early interven-

tion particularly applies to students with specific learning disabilities, the largest and fastest growing group of students being served.⁷⁶

In response to these developments, the federal government and many states have enacted policies to encourage, and in some cases even require, schools to put in place student support systems—such as Response to Intervention (RTI) and Multi-tiered Systems of Support (MTSS)—that focus on early intervention and that provide a continuum of academic and non-academic supports to students *with* and *without* disabilities. In its 2004 reauthorization, IDEA included a new provision that prohibits states from using discrepancy formulas to determine eligibility for children with specific learning disabilities, and it introduced new provisions that allowed for and encouraged RTI approaches in making eligibility determinations.⁷⁷

The theory of action behind tiered systems of support rests on an assumption that at least some of the children who are identified in the more subjectively defined disability categories (e.g., learning disabilities) may have a learning profile shaped by poor instruction or lack of access to a high-quality general education curriculum rather than by an actual disability.⁷⁸ A team-based, problem-solving approach identifies relatively short-term interventions for such students. Consistent monitoring of their responsiveness to the interventions informs decision-making regarding the need to continue, discontinue, or intensify intervention.

Interventions offered in tiered systems of support may be provided with personnel expert in the specific area of intervention (e.g., literacy or mathematics), often through small group instruction for students with and without diagnosed disabilities. In providing proactive timely and specific interventions for poorly performing students without an identified disability, schools may be able to avoid unnecessary referrals to special education and reduce the number of eligible children and their associated special education costs.

The effect of changes at the federal level provided an impetus for state and local education agencies to develop new tiered service delivery systems. For example, as of 2012, at least 15 states had some form of requirement that local school districts implement RTI for identifying students with specific learning disabilities,⁷⁹ and several states encouraged local educators to implement MTSS in schools.⁸⁰ These policies require local educators to reorient their service delivery systems to focus on a broader range of struggling students, emphasize early intervention, and unify general and special education programs within schools.

The categorical nature of federal and state funding for special education, however, can pose challenges to educators working to implement comprehensive systems of support intended to serve students with a broad range of needs and shared resources (e.g., special education teachers).⁸¹ School funding is typically divided into two categories—general operating and categorical funding. The former is most often comprised of state and local tax dollars that support regular education programs and other aspects of school operations. Categorical funding, usually through some federal or state program, consists of dollars restricted to certain purposes or students.

Federal special education funding is categorical and, with few exceptions, can be used only for services to students with disabilities. Specifically, federal IDEA Part B funding restricts

all but a small percentage of funds to spending on students with IEPs.⁸² States and localities must carefully document how IDEA Part B funds are spent, which can deter or confuse local educators about how and whether they might use those funds to support salaries and other personnel costs associated with RTI and other tiered systems of support. Where special education dollars are allocated via categorical funding, schools may be unable to implement small group instructional interventions such as those envisioned in a tiered system of supports.

State funding formulae can also come with restrictions. For instance, states with reimbursement formulas typically reimburse localities for some share of what they spend on students with IEPs if they document that dollars spent were for supports and services allowed under state regulations.

Both federal and state funding formulae for special education may also limit educators' abilities—intentionally—to provide early intervention services for students with a mental or physical impairment that substantially limits a major life activity (the definition of disability under both Section 504 and ADA, but who do not meet the requirements for special education and related services under IDEA.

In summary, existing federal and many state funding formulae may pose barriers to local efforts to implement policy priorities emphasizing early intervention for struggling students and unification of general and special education programs.

Discussion and Analysis

Present-day challenges affecting special education funding are rooted in a complex regulatory and policy milieu that reflects little forethought about who can and will pay special education costs.

Despite the fact that federal law obligates state and local education agencies to ensure a free and appropriate public education for children with disabilities, the federal government does little to fund the mandates—assuming instead that states and localities will both implement and largely pay for special education programs.

The result has been that states have created a hodgepodge of policies governing their share of funding, each with different assumptions about how much of the burden should be borne by local districts. With one exception, no state provides enough funding to cover the full cost of special education programs; in addition, none explicitly takes into account differences in local wealth that affect a district's ability to generate revenue. However, while it is commonly recognized that cross-state differences in funding formulae result in different cost burdens for localities, it is also the case that within-state differences in cost burden exist as well. This is especially the case in districts that serve greater concentrations of students in need, experience higher costs for services, and are located in lower-wealth localities.

As a result of such variations in funding and in local conditions, school districts nationwide face very different costs in implementing their special education programs.⁸³ And yet: spe-

cial education is a federal requirement, and students should have the same access to services regardless of where they live.

To be fair, policymakers are flying blind with respect to understanding special education costs. There are no national data on what is actually spent on special education, nor a clear fix on its revenue sources. Also, there are few reliable benchmarks for what effective special education programs should cost. Without such information it is little wonder that policymakers have struggled to develop fair and effective funding policies.

Some policymakers and advocates have responded to these circumstances with repeated calls for “full federal funding”—referring to Congress’ stated intent to provide substantially larger appropriations than have historically been budgeted for IDEA Part B. However, while increased federal appropriations would certainly relieve some of the fiscal pressure faced by states and localities, an increase in federal funding cannot by itself address other long-standing problems with how federal funds are allocated. For instance, even with “full federal funding” – as conceptualized in current law – nearly 60 percent of the costs will still need to be paid for with either state or local tax dollars. Moreover, without clear guidelines for how costs should be split between states and localities, disparities in local cost burden will continue to exist both between and within states. More dollars also will not address the formidable barriers educators face when trying to leverage federal and state revenues to provide early intervention services and develop comprehensive support systems serving both general and special education students.

Rather, it is time instead to rethink existing policy frameworks for funding special education.

Recommendations

This brief points toward the need for a more active federal role in developing a coherent, national policy framework for funding special education.

Federal law obligates states and localities to ensure that their educational programs are accessible to persons with disabilities. IDEA reaffirms this obligation, and it establishes a federal role in providing financial support to states and localities to ensure free and appropriate public education for all children with disabilities, regardless of where a child resides. However, while IDEA provides exceptionally detailed requirements that states must follow to ensure FAPE and receive funding, federal policymakers have fallen short on their obligations to provide the financial support the law intended.

In the absence of strong federal leadership, a haphazard system for funding special education has emerged—one that results in inequitable cost burdens across and within states. A new federal policy framework is necessary to establish a fair and effective national system for funding special education, ensuring equal educational opportunities for all students with disabilities.

It is therefore recommended that federal policymakers:

- **Establish new data sources to monitor special education spending by states and localities and provide periodic, national benchmarks for special education costs.**

More specifically, federal policymakers should:

1. *Modify existing federal surveys to collect annual data on state and local special education spending and revenues.*

In a 2005 collaborative effort, the US Department of Education's Office of Special Education Programs and other federal agencies worked to develop and test an approach to collecting information on special education spending and revenues by extracting it from existing federal fiscal surveys.⁸⁴ The US Department of Education and Census Bureau should implement the group's recommendations to revise existing federal surveys to improve available information.

2. *Generate resource-based estimates for special education costs.*

The most reliable estimates for special education costs are now nearly 20 years old, predating significant shifts in education policy and best practices for serving students with disabilities. This policy brief echoes others' urgent calls for the federal government to sponsor a new study of special education costs, similar in approach and scale to the 1999-2000 Special Education Expenditure Project (SEEP).

- **Put in place new criteria and rules that ensure special education costs are equitably distributed across federal, state, and local agencies.**

The federal government must play a stronger role in funding special education and ensuring the cost burden for special education programs is equitably distributed across states and localities. To do so, federal policymakers should:

1. *Reaffirm federal funding for special education.*

Federal funding for IDEA Part B has never met the target set at 40% of the excess cost of educating children with disabilities. Policymakers should either fulfill their existing statutory responsibility (i.e., "full federal funding") *or* establish a new target, measured as a share of total special education spending, along with statutory language requiring annual federal funding at that level.

In addition, as a condition of receiving increased federal support, states should be required to commit to a minimum share of special education spending for school-aged children. While this would not entirely eliminate differences in resources available to local educators across states, it would ensure that no locality would be responsible for more than some maximum share of remaining special education costs.

2. *Create a new, single formula to distribute federal IDEA Part B funds to states and local school districts.*

The multiple formulae currently in use are complex and inequitable, penalizing states and districts that experienced population growth and serve increasingly larger shares of economically deprived students.

3. *Provide federal funding for children with low-incidence, high-cost disabilities.*

To alleviate inequities related to high-cost disabilities, IDEA Part B funding should be modified to create a federally-funded risk pool that states and local education agencies can tap into for additional revenues to pay for services for children with low-incidence, high-cost disabilities. This new risk pool should include a method that uniformly ensures and minimizes financial risk for local districts, regardless of the state in which they are located, that provide FAPE for the most high-need students with disabilities.

4. *Require states to differentiate state funding for local school districts according to student need.*

Rules for states receiving IDEA Part B funds should be revised to require states to implement funding formulae that account for differences in special education eligibility and need for services across districts.

5. *Require states to equalize the distribution of federal and state dollars according to local wealth.*

Rules for states receiving IDEA Part B funds should also be revised to require states to equalize special education funding according to local school district wealth.

- **Create new flexibility for states and localities to blend various funding streams to support new policy initiatives focused on early intervening services and unifying regular and special education systems.**

To allow a more holistic approach to serving struggling students, revisions allowing flexibility in using federal IDEA funds should be expanded and broadened; reporting requirements for how funding is used should be revised concurrently to reduce barriers to co-mingling funds across federal and state sources.

Notes and References

- 1 Congress reauthorized the Education for All Handicapped Children's Act (EAHCA; 1975), along with substantive amendments, including renaming the statute the Individual with Disabilities Act (IDEA), in 1990. It was most recently reauthorized and amended in 1997 and then again in 2004 as the Individual with Disabilities Education Improvement Act of 2004, Pub. L. No. 108-446, 118 Stat. 2647 (2004) (codified at 20 U.S.C. Sections 1400-1482 (2012)).
- 2 For example, most recently, the U.S. Department of Education completed an extensive review of Texas' policy that set a target of 8.5 percent of enrollment for children identified with disabilities, which penalized school districts who exceeded this benchmark. In a letter to the Texas Education Agency, ED found that the Texas Education Agency violated federal laws guaranteeing children with disabilities access to a free and appropriate public education. (For a summary, see: Rosenthal, B.M. (2018). Texas illegally excluded thousands from special education, federal officials say. *New York Times*. Srikrishnan, M. (n.d.). *Special education costs are rising*. Retrieved August 10, 2018, from <https://www.newamerica.org/weekly/edition-193/special-education-costs-are-rising/>)
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- 6 Due to changes made to IDEA in 2004, local education agencies were no longer required to take into consideration whether a child has a severe discrepancy between achievement and ability, and allowed educators to determine whether a child responds to interventions as a part of their evaluation for special education (20 U.S.C.

1414(b)(6)).

- 7 For example: Ciolfi, A. & Ryan, J. (2011, Winter). Race and response-to-intervention in special education. *Howard Law Journal*, 54(303);
Sparks, S.D. (2011, February 28). Districts must walk a fine line to fund RTI programs. *Education Week*. Retrieved August 10, 2018, from <https://www.edweek.org/ew/articles/2011/03/02/22rti-bureaucracy.h30.html>
- 8 Section 504 of the Rehabilitation Act of 1973 (Public Law No. 93-112, 87 Stat. 394; codified at 29 U.S.C. Section 701) guarantees certain rights to people with disabilities prohibits denying participation in public education, or enjoying the benefits offered by public school programs, because of a child's disability.
- 9 The Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101) prohibits discrimination based on disability, including by public entities such as school districts.
- 10 The Individual with Disabilities Education Improvement Act of 2004, Public Law No. 108-446, 118 Stat. 2647 (2004) (codified at 20 U.S.C. Sections 1400-1482 (2012)).
- 11 Mead, J. (2017). Fundamentals of disability law. In E. Shaver & J. Decker (Eds.), *A Guide to Special Education Law*. (pp. 17-28). Cleveland, OH: Education Law Association.
- 12 Although IDEA Part B provides supplemental federal funding for children with disabilities ages 3-21, states are not required to provide special education services to children between ages 3-5 or 18-21 if doing so would be "inconsistent with state law and practice" (20 U.S.C. Section 1412(a)(1)(B)).
- 13 Currently, all states receive IDEA Funding; this includes each of the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas. See 20 U.S.C. Section 1412 *et. seq.* (2012) for a summary of requirements states must attend to in their plans. State plans must be reviewed approved by the U.S. Department of Education for compliance with IDEA and its implementing regulations.
- 14 Crockett, J. & Yell, M. (2017). IEPs, least restrictive environment, and placement. In E. Shaver & J. Decker (Eds.), *A Guide to Special Education Law*. (pp. 65-98). Cleveland, OH: Education Law Association.
- 15 Muller, E., Markowitz, J., Srivastava, S. (2005). *Disability categories: relation of state terms and eligibility criteria to the proportion of children receiving special education services*. Alexandria, VA: Project Forum at the National Association of State Directors of Special Education. Retrieved October 2, 2018, from http://nasdse.org/DesktopModules/DNNspot-Store/ProductFiles/11_4ccd2f74-6d6f-4a3e-8783-0b5b42d9a575.pdf
- 16 See 34 CFR Section 300.8 – Child with a disability.
- 17 IDEA does not provide criteria for assessing the 13 recognized disability categories, nor does it provide clear definitions for the diagnoses for each disability category. Instead, it is left to the states to develop their own diagnostic criteria (20 U.S.C. 1401(c)(3)). However, states cannot adopt laws or policies that explicitly limit or restrict the number of children who can be identified as having a disability (20 U.S.C. Section 1412 *et. seq.* (2012)).
- 18 On March 22, 2017, the U.S. Supreme Court (sometimes referred to as Court) issued a unanimous opinion in *Endrew F. v. Douglas County School District Re-1*, 137 S. Ct. 988. The Court interpreted FAPE requirements to mean that schools must offer an IEP that is reasonably calculated to enable a child to make progress toward challenging objectives (in light of a child's circumstances) and not to provide "merely more than *de minimis*" educational benefit.
- 19 FAPE requires that all special education and related services identified in a student's IEP must be provided at no cost to parents, including: instruction conducted in a classroom, home, hospital and institution, and in other settings; instruction and physical education (see 34 CFR 300.17(a)).
- 20 For example, see *Cedar Rapids Community School District v. Garret F.* (526 U.S. 66 (1999)) where the United

States Supreme Court ruled that IDEA required public school districts to fund “continuous, one-on-one nursing care for disabled children,” despite arguments on the part of the school district about the cost burden of doing so.

- 21 Mead, J. (2017). Fundamentals of disability law. In E. Shaver & J. Decker (Eds.), *A guide to special education law*. (pp. 17-28). Cleveland, OH: Education Law Association.
- 22 Broadly, IDEA Part B funding must only be used to pay the excess costs of providing FAPE to children with disabilities, including the cost of special education teachers and administrators; related services providers; materials and supplies that are used to educate children with disabilities; professional development for special education personnel; professional development for regular education teachers who teach children with disabilities; and specialized equipment or devices to assist children with disabilities. In general, IDEA funding cannot be used to pay for core instruction in general education classrooms, instructional materials used with non-disabled children, or professional development for general education teachers that is not related to meeting the needs of children with disabilities.
- 23 See 34 CFR §300.226 – Early intervening services for regulations describing this new flexibility.
- 24 See 34 CFR §300.646(b)(2).
- 25 See 20 U.S.C. §1411(e).
- 26 See 20 U.S.C. 1412 §611(e)(3)(A)(i).
- 27 When the Education for All Handicapped Children Act of 1975 (the precursor to IDEA) was passed, Congress committed to provide up to 40% of the average per pupil expenditures in the US, multiplied by the number of special education students in each state. This is different than the more common, yet incorrect, assertion that the federal government committed to paying for up to 40% of the cost of educating children with disabilities. (See 34 CFR 300.700(2)(ii)).
- 28 Zembar, T. (2018). *IDEA Funding gap special education grants to states (IDEA Part B-611), Current funding of IDEA*. Washington, DC: National Education Association. Retrieved October 2, 2018, from <https://www.nea.org/assets/docs/IDEA-Funding-Gap-FY-2017-with-State-Table.pdf>
- 29 See 20 U.S.C. §1412(a)(18)(A) and 20 U.S.C. §1413(a)(2)(A)(iii).
- 30 For example, see: National Council on Disability. (2017). *Broken promises: The underfunding of IDEA*. Washington, DC: Author. https://ncd.gov/sites/default/files/NCD_BrokenPromises_508.pdf;
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- 34 Education Commission for the States. (2015, June). *State funding for students with disabilities: All states, all data*. Retrieved August 8, 2018, from <https://www.ecs.org/50-state-comparison-k-12-special-education-funding/>
- 35 Hill, L., Warren, P., Murphy, P., Ugo, I., & Pathak, A. (2016). *Special education finance in California*. Retrieved September 28, 2018, from http://www.ppic.org/content/pubs/report/R_1116LHR.pdf;
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