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Nevada Task Force on K-12 Public Education Funding

Overview of Special Education Funding in the United States

Las Vegas, Nevada
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About NCSL

- Instrumentality of all 50 state and territorial legislatures
- Bipartisan
- Provides research, technical assistance and opportunities to exchange ideas
- Advocates on behalf of legislatures before the federal government

NCSL is committed to the success of state legislators and staff. Founded in 1975, we are a respected bipartisan organization providing states support, ideas, connections and a strong voice on Capitol Hill.



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Goals of Special Education Funding

- State special education funding programs are designed to assist districts with the costs associated with educating students with special needs
- Special education students' goals/services are determined by federally mandated Individualized Education Programs (IEP) for each student
- A school district is required to provide the services identified in a student's IEP regardless of costs



The Cost of Special Education

- It is estimated that special education costs across the nation total between \$65 and \$70 billion per year
- Special education costs account for approximately 15% of total education spending



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Federal Funding of Special Education

- The federal government promised to provide 40% of the cost of special education
- Over the past 15 years, the federal government has provided between 12% and 18% of special education costs
- In 2012-13, the federal government distributed \$11.7 billion to states through the IDEA program – *about \$14.3 billion short of their promise*



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Special Education Funding

- Districts and states are left with providing between 82% to 88% of the costs of special education
- The federal government does not dictate how these costs should be split between school districts and the state
- States are prohibited from cutting special education funding without a waiver from the feds



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How do States Fund their Share of Special Education Costs?

- Within the state's primary funding formula
- Outside of the formula
- With high-cost programs

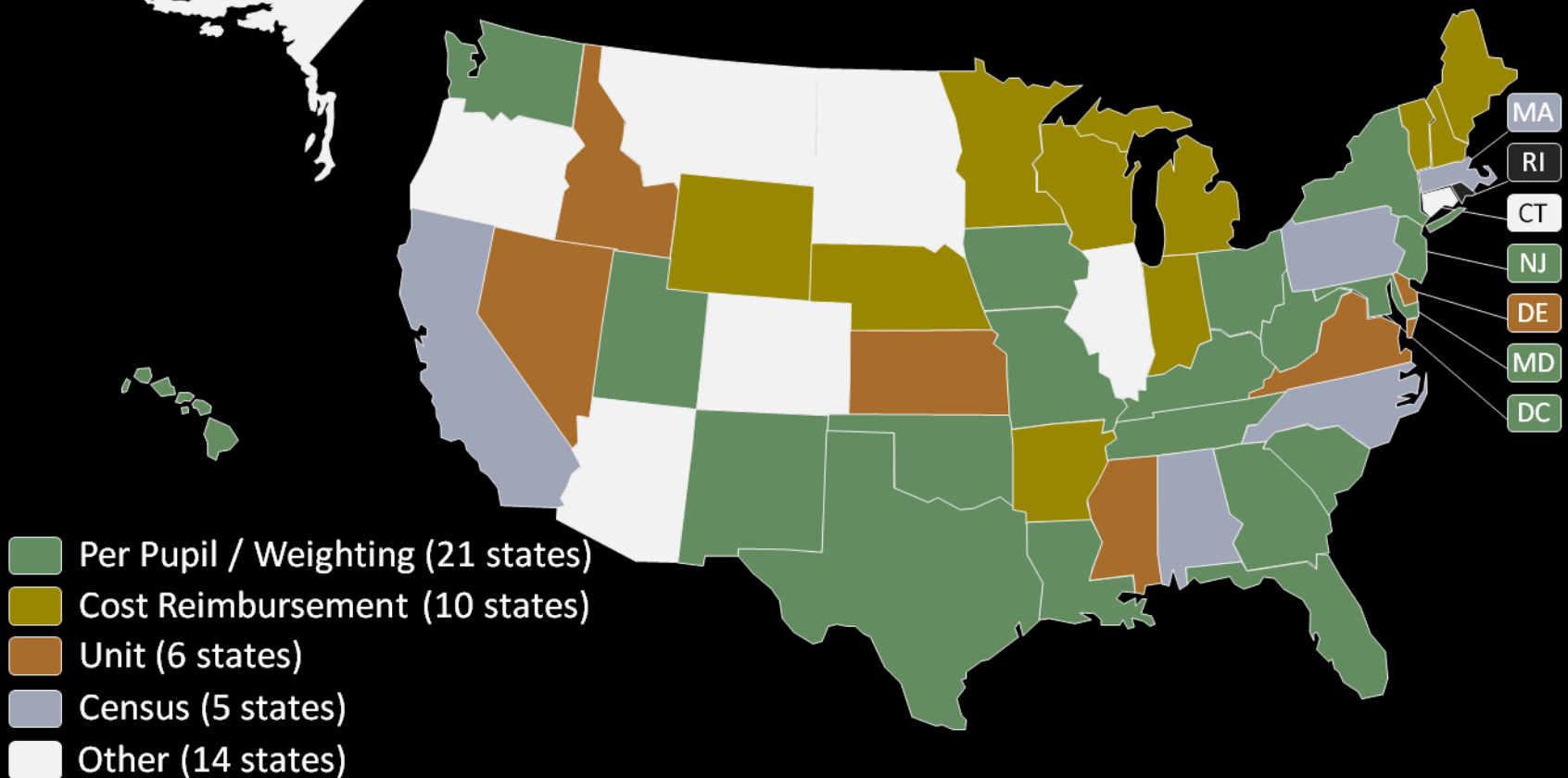


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Funding Mechanisms

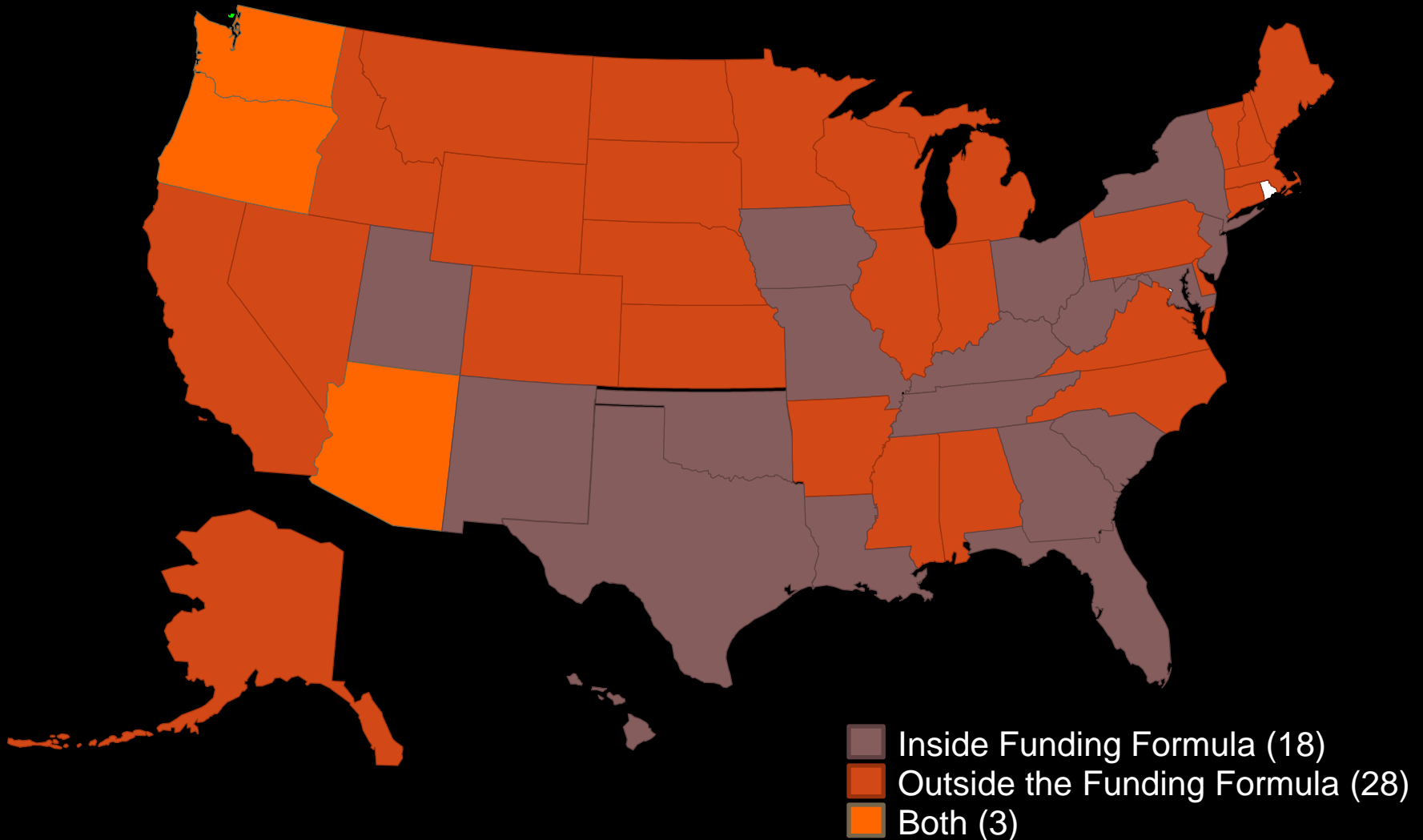


Source: Verstegen (2011)



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Inside the Funding Formula

- States provide special education students with additional weights within the formula
- Some states provide a single weight:
 - Oregon – 0.5
 - West Virginia – 2.0
- Some states make use of a greater number of weights – New Mexico has 12



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Oklahoma: Weighting Based on Disability

Speech Impaired	0.05
Learning Disability	0.40
Physically Handicapped	1.20
Mentally Retarded	1.30
Autism	2.40
Multiple Handicaps	2.40
Traumatic Brain Injury	2.40
Emotionally Disturbed	2.50
Hearing Impaired	2.90
Vision Impaired	3.80
Deaf & Blind	3.80
Special Education Summer Program	1.20



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Texas: Weighting Based on Services Provided

Mainstream student	1.1
Non-public day school	1.7
Vocational adjustment class	2.3
Off home campus	2.7
Hospital Class	3.0
Resource Room	3.0
Self-contained (mild & moderate)	3.0
Homebound	5.0
Speech Therapy	5.0

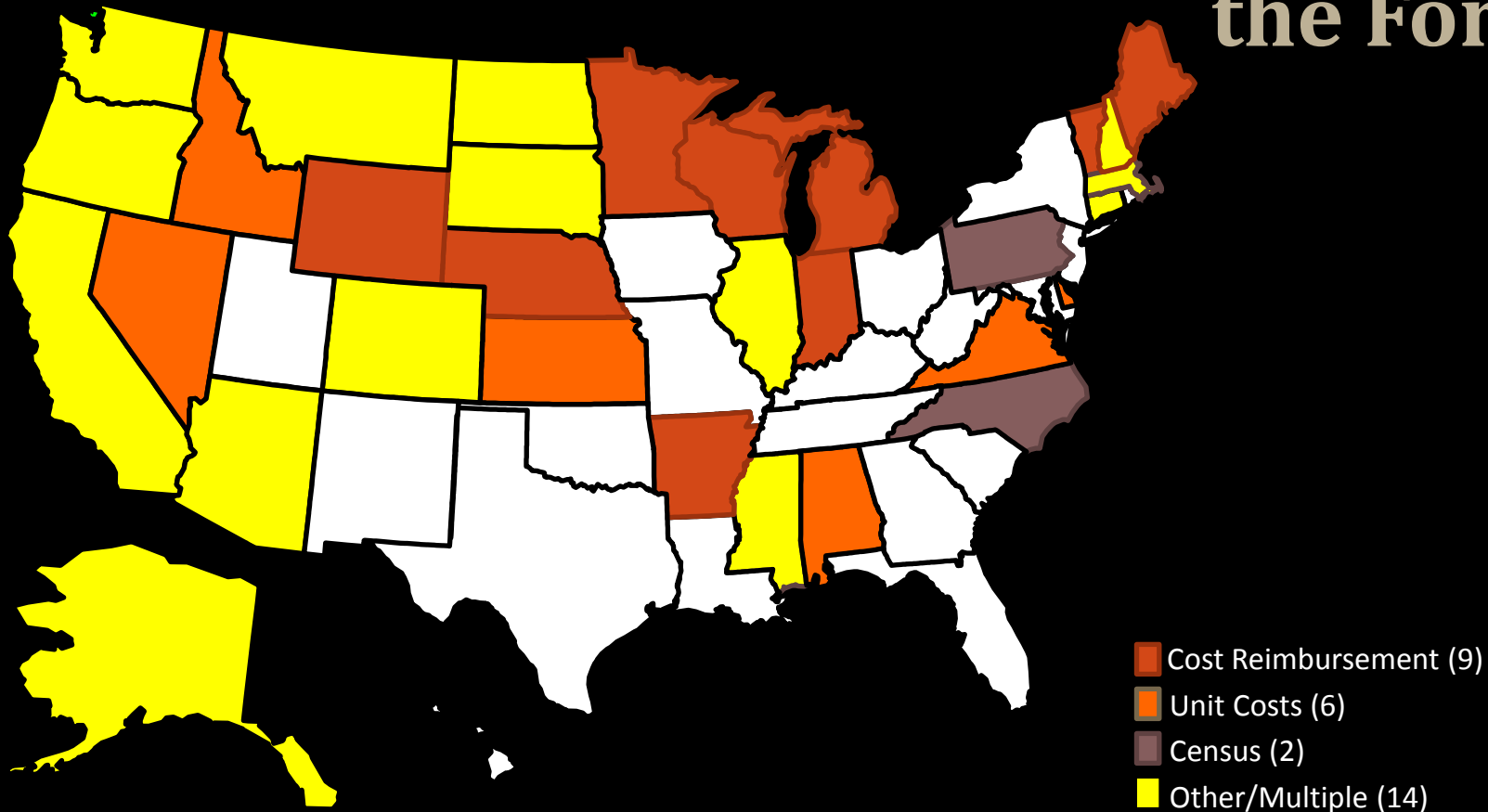


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Funding Special Education Outside the Formula





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Funding Special Education Outside the Formula

- Cost Reimbursement (9 states)
 - The state reimburses the district for a percentage of the cost of educating a special education student – states usually provide a cap to costs
- Unit Cost (6 states)
 - The state provides a flat dollar amount per special education student



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Funding Special Education Outside the Formula

- Census (2 states)
 - States provide funding to districts based on a percentage of their population – this approach assumes that all districts within the state have the same percentage of special education students
- Other/Multiple (14 states)
 - These states make use of multiple systems for distributing special education funding



High Need Students

- 31 states have adopted programs that provide districts with additional funding for high need/cost students
- States vary in how they define a high-cost student:
 - From \$10,000 per student in NY to \$50,000 per student in Vermont
- The amount of financial support varies:
 - Some states use a percentage of costs
 - Others base it on available funding



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Trends in Special Education Funding

- All states are struggling with how to best fund special education students/programs
- Many states have changed their funding systems multiple times over the past two decades
- What are the reasons for these changes?
 - Growth in identified students
 - Research has provided a better understanding of the subject
 - Increased inclusion of special education students in state assessments



Trends in Special Education Funding

- States are moving special education funding into the state's primary formula
 - Easier to connect to the overall funding program
 - Takes a district's "ability-to-pay" into account
- Moving away from broad categories such as "Mild," "Moderate" and "Severe"
 - The more narrow the definition, the better the funds can be targeted



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Trends in Special Education Funding

- Trying to fund districts based on services provided vs. disability categories
 - Studies have found that costs for students are based on the services that they require and not what their disability group may be



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