Special Education Funding

House Ways and Means

March 12, 2025

Special Education Data Trends

Special Education Students
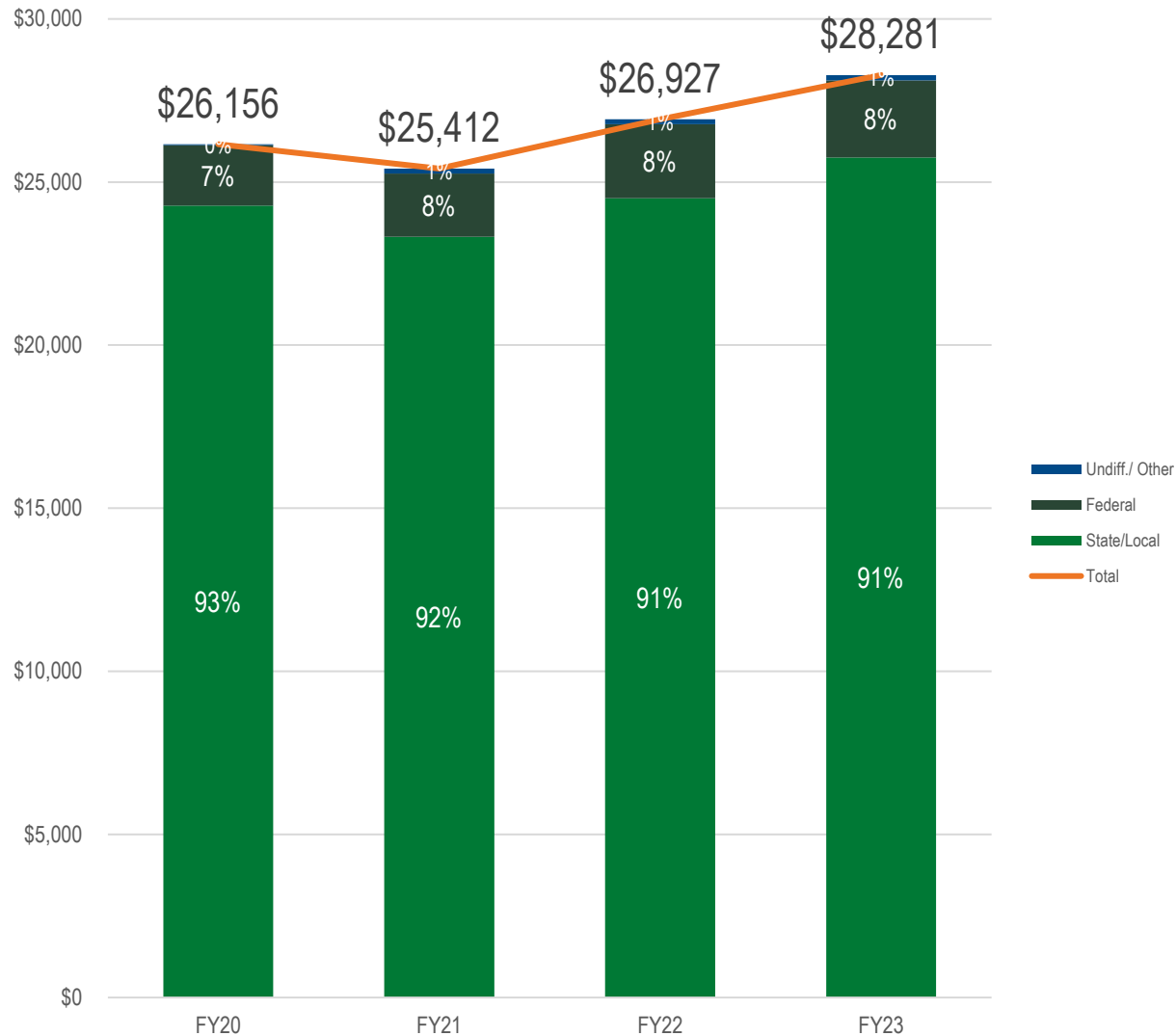
Special Education	2019-20	2020-21	2021-22	2022-23
State Average	17.9%	17.4%	18.3%	18.6%

Special education percentages vary widely by SU/SD. Smaller and higher need (based on % of economically disadvantaged students) SU/SDs tend to have higher percentages of special education students than other SU/SDs.

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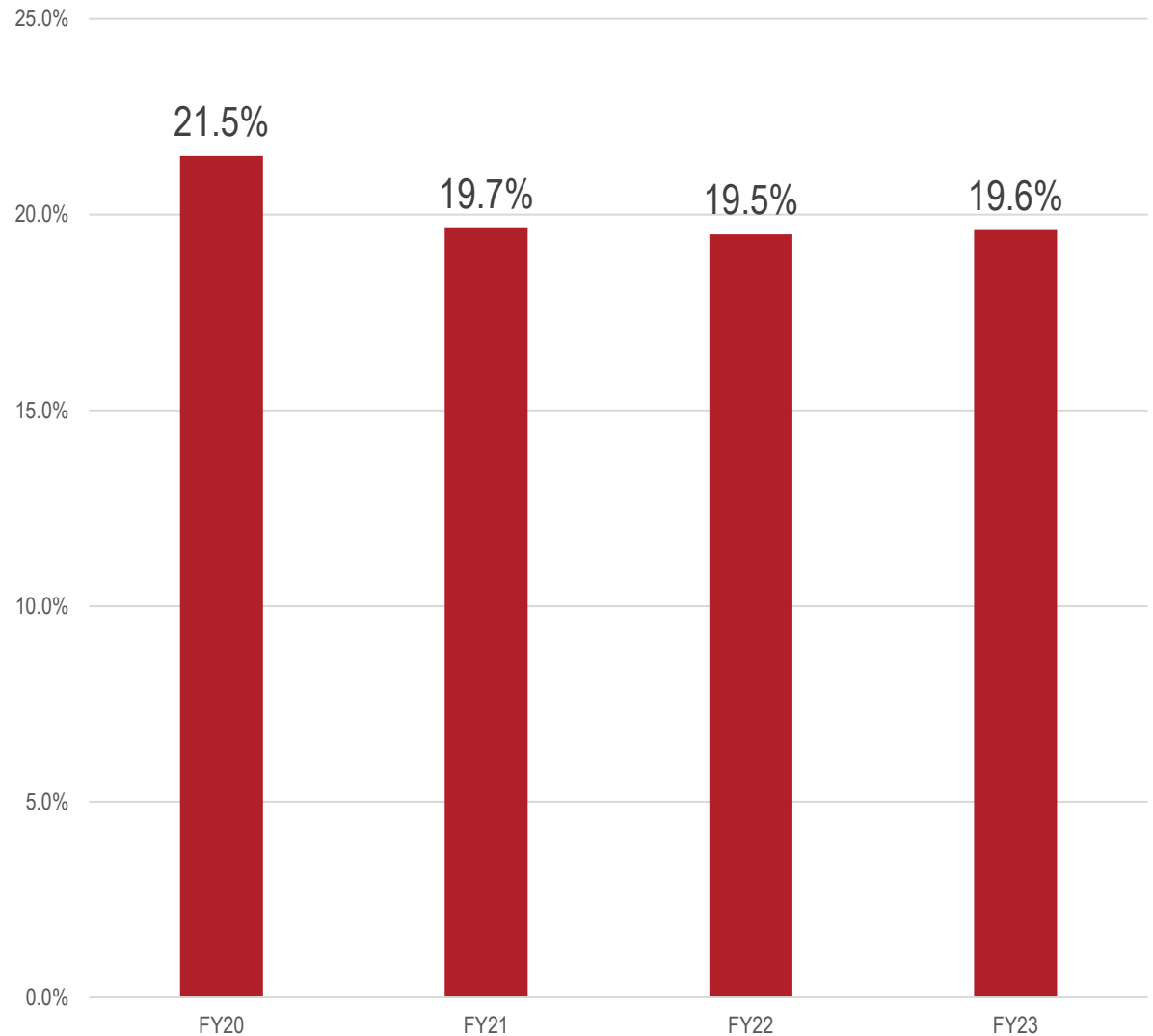AGENCY OF EDUCATION

Special Education Expenditures FY20-FY23

Statewide special education expenditures in SU/SDs increased between FY20 to FY23, from $26,156 to $28,281 per special education student. Total special education expenditures in FY23 were $437.5 million.

This increase of 8.1% compares to an increase of 18.5% for overall total expenditures, likely due to the availability of federal pandemic relief funds.

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Chart: Special Education Expenditures per student FY20-FY23

	FY20	FY21	FY22	FY23
Total	$26,156	$25,412	$26,927	$28,281
State/Local	93%	92%	91%	91%
Federal	7%	8%	8%	8%
Undiff./ Other	0%	1%	1%	1%

Legend:
- Undiff./ Other
- Federal
- State/Local
- Total

Current Funding Sources for Special Education, FY25

SU/SDs leverage federal, state, and local dollars to fund special education

- Adjustments to funding would be needed to address difference between special education expenditures and state and federal funding
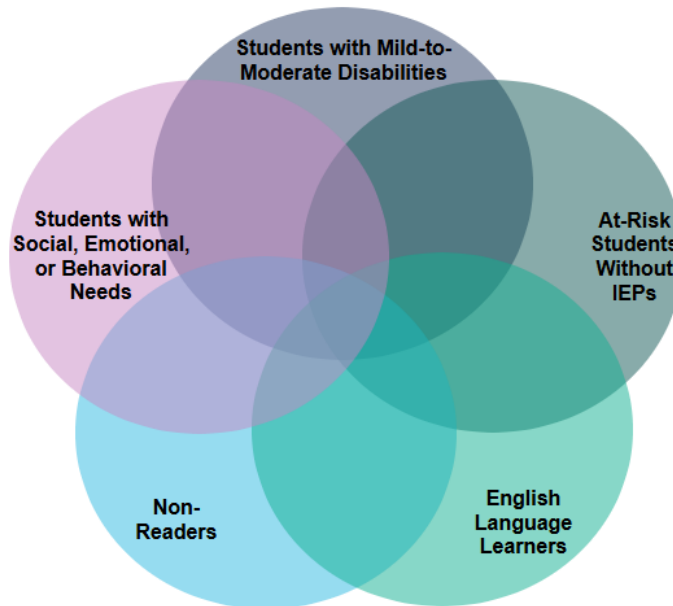
- IDEA, Part B ($38.5 million)

- State Special Education Formula Grants ($264.6 million)
  - Act 173 Census Block Grant
  - Extraordinary Reimbursement Grant
  - Other Grants (I-Team & Regional Specialist Grant, Hearing Impaired, Visually Impaired Grant, BEST Grant, Act 230 Training Grant

- Other State Grants
  - Early Childhood Special Education (ECSE)/EEE ($8.7 million)
  - State-Placed Students- LEA reimbursement for IEP costs ($10 million)

- Other Sources Used
  - General Fund
  - Tuition
  - Medicaid
  - Other Grants

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Moving Forward

Students Needing Additional Support

As struggling students experience common challenges, a similar approach to addressing their needs is possible.

Struggling Students Definition

Students with Mild-to-Moderate Disabilities

Students with Social, Emotional, or Behavioral Needs

At-Risk Students Without IEPs

Non-Readers

English Language Learners

Common Challenges

- Many struggle to read and comprehend

- Many have skill deficits from prior grades

- Many require multiple modes of instruction

- Many learn and process information more slowly than their peers

A similar approach for all can be effective and cost-effective.

Note: Students with ASD, severe disabilities, cognitive disabilities or virtually no fluency in English do have more specialized needs.

District Management Group

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District Management Group's Best Practices

- Ensure elementary Tier 1 core instruction meets the needs of most students;

- Provide additional instructional time outside core subjects aligned to the core instruction, to students who struggle, rather than providing interventions instead of core instruction;

- Ensure students who struggle receive all instruction from highly skilled teachers;

- Create or strengthen a systems-wide approach to supporting positive student behaviors based on expert support; and

- Provide students with more intensive support needs with specialized instruction from skilled and trained experts.

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Act 173's Goals

1. Ensure that all students who struggle are provided with best practices in instruction and intervention by highly skilled educators

2. Reduce the need for special education evaluations and paperwork

3. Change the Special Education funding model

4. Open Special Education and Independent School Rules

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Current Education Transformation Proposal

- Improving academic proficiency through effective accountability:
  - Data that measures the strength of the district's systems
  - Systems-level support for districts in need
- Improving educator preparation, reducing reliance on teachers with provisional licenses, providing mentors for new teachers
- Supporting effective master schedules:
  - Prep time
  - Collaboration and Professional Learning time
  - Intervention time outside of specials, recess, and core instruction
- Ensuring equitable access to other service providers

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Special Education Technical Assistance

- Universal technical assistance and supports

- Differentiated Cyclic Monitoring
  - Implementation of a Risk Assessment
  - Standard Monitoring versus Intensive Monitoring

- Due Diligence Reviews

- Individualized corrective actions