

AMSD Position on Special Education Funding

The Association of Metropolitan School Districts supports full state and federal funding of special education.

AMSD BELIEVES

- Special education services provided by Minnesota's public schools are critical to the education and quality of life of students with special needs.
- Adequate funding of special education is needed for school districts to continue providing high quality special education programs and to ensure a high quality education for students without special needs.
- Congress should fully fund its 40 percent share of special education.
- The State of Minnesota should fully fund the special education formula or allow school boards to levy for the difference between revenue expected under the state formula and the amount of funding actually available.

BACKGROUND

The Special Education Expenditure Project (SEEP) estimates it costs 1.9 times more to educate the average special education student than the average student without special needs.¹

The federal government first mandated special education in 1975 when Congress required states to provide a free and appropriate education in the least restrictive environment to all children with disabilities from the ages of 3 to 21. Minnesota started providing special education services in the 1950s, twenty years before the federal government mandate.

Under the 2004 IDEA reauthorization, the federal government commits to providing states with the full 40% federal share of special education costs by 2011. The 40 percent commitment, present in federal law since 1975, was designed to help local school districts pay for the excess costs associated with special education. According to the Special Education Expenditure Project, the federal government has never funded more than 17 percent of its special education commitment. If Congress had fully funded its share of special education, Minnesota would have received an additional \$168.8 million for the 2003-04 school year, the most recent figures available.

There is also a gap in special education funding at the state level. The gap results from insufficient appropriation of funds to cover the regular special education formula. The regular special education formula calls for the State to provide districts with 68% of the salaries of special education teachers, persons providing related services to students, and support service staff providing direct services to students. The State appropriates a fixed amount to cover these costs. When the state appropriation is insufficient, each school district receives a reduced amount of revenue. Based on the November 2007 Payment Reports from the Minnesota Department of Education, the current gap between the formula and the capped appropriation for AMSD districts is over \$42 million.

After federal and state special education funding are taken into account, the Minnesota Department of Education projects school districts will subsidize special education in excess of \$520 million in fiscal year 2010. This special education cross-subsidy² is the result of federal mandates, inadequate state and federal funding, and the high level of services needed by and delivered to Minnesota's special education students.

As a part of the recent Federal Fiscal Stimulus plan (ARRA) school districts will see an increase in IDEA funding. This, however, is a one time payment and will end in FY2012.



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¹ Special Education Expenditure Project, "What Are We Spending on Special Education Services in the United States, 1999-2000?" June 2004, Report funded by the United States Department of Education.

² The special education cross-subsidy refers to the amount of general education revenue that a school district uses to pay for its special education program. In other words, the cross-subsidization estimate describes how much additional revenue a district needs to fund special education at the mandated level and still maintain funding for regular education programs. AMSD uses the adjusted cross subsidy in its calculations.