

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.
- 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.
- Transportation of special education students is not a fully funded mandate. The State should fulfill its responsibility to transport special education students.

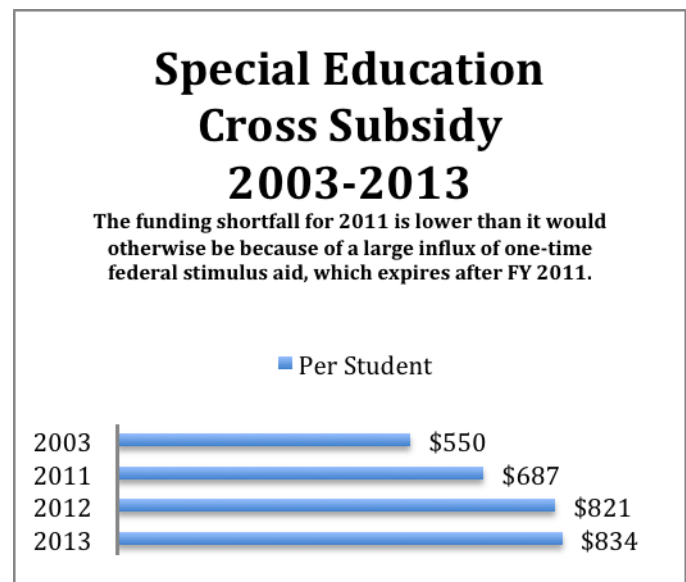
BACKGROUND

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. 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. 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 According to SEEP, the federal government has never funded more than 17 percent of its special education commitment. The Minnesota Department of Education estimates that Minnesota would have received an additional \$339.4 million for the 2010-11 school year if Congress had fully funded its 40 percent share.

There is also a gap in special education funding at the state level. The state gap results from insufficient appropriation of funds to cover the state regular special education formula. The State appropriates a fixed amount to cover these costs. When the state appropriation is insufficient, each school district receives a prorated amount of its anticipated revenue. The current gap between the formula and the capped appropriation for AMSD districts is \$109 million.

After federal and state special education funding are taken into account, the Minnesota Department of Education projects school districts statewide will subsidize special education by \$565 per WADM in fiscal year 2010. AMSD districts will subsidize special education by over \$647 per WADM. This special education cross-subsidy 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.²

As a part of the recent Federal Fiscal Stimulus plan (ARRA) school districts received an increase in IDEA funding. This, however, was 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.