



Examples of State Approaches

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States have chosen several different ways to incorporate the higher cost of educating a special education student into their financing formulas. North Carolina uses a flat grant system, applying a fixed amount of funding per student. Some states, such as New Hampshire, simply weight all special education students the same in their formulas. This means that a student with a substantial physical disability has the same weight as a student with a minor reading disability if both students are enrolled in special education programs.

Some states have created subcategories of special education students and provided each of those with a specific weight (e.g., South Carolina and Texas). Another approach is to weight a student based on his or her ability to spend time in a “regular classroom” (e.g., Iowa). This system provides the student a higher formula weight for the extra time he or she must spend outside of a regular classroom.

The approach New York takes is to provide all special education students with a single weight plus an additional weight based on the district’s financial need.

A further description of each of these systems can be found below and for links to each state’s funding formula, see [Public School Finance Programs of the U.S. and Canada: 1998-99](#) (compiled by Catherine C. Sielke, John Dayton, C. Thomas Holmes and Anne L. Jefferson, National Center for Education Statistics, February 2001).

Finally, some states make special provisions for funding severely disabled students. In Missouri, districts that elect to serve severely disabled youngsters instead of sending them to the State Schools for the Severely Handicapped are allowed to bill the Department of Elementary and Secondary Education for excess costs.

Iowa Approach

Iowa’s financing formula provides students with four different weights. General education students are provided with a weight of 1.0. Special education students who spend the majority of their day in a “regular classroom” have a weight of 1.8; those unable to spend more than a small amount of their day in a regular classroom are given a weight of 2.2; and severely disabled students are weighted 4.4.

The state law does not differentiate between students who have a physical handicap and those who are learning disabled. Thus, a physically handicapped student who is able to spend the majority of his or her day in a regular classroom would receive less funding than a student with a learning disability who must spend the day in a special education class.

Source: [Iowa Code §256B.9](#).

New Hampshire Approach

In its finance formula, New Hampshire provides an additional weight of 1.0 for each full-time student enrolled in a special education program, giving special education students twice the weight as general education students. The formula does not take into account what type of special needs each student may have.

Source: [Public School Finance Programs of the U.S. and Canada: 1998-99 – New Hampshire](#), (R. Dean Michener, New Hampshire School Boards Association, National Center for Education Statistics, February 2001).

New York Approach

The state of New York has several different types of funding mechanisms for special education. The general funding formula provides for an additional weight of .25 for each student a school district has enrolled in a special education program. Additional grants are provided to schools based on two classifications. (1) Public Excess Cost Aid is "... wealth equalized and uses state aid weightings which are applied to three pupil categories according to the percentage of time students receive special education" and (2) Private Excess Cost Aid is "...a wealth-equalized share of the tuition a district pays for a public school student with needs that can only be met through a contract with an approved private day or residential school."

State aid, called Public Excess Cost Aid, is available to school districts for special education programs and services made available to students with disabilities in public school districts and the Board of Cooperative Educational Services. Aid is available based on the full-time equivalent enrollment of students weighted according to the following categories.

- Students requiring special services/programs more than 60% of the school day 1.7
- Students who require special services or programs for at least 20% of the school week but less than 60% of the school week 0.9
- Students who require direct and or indirect consultant teacher services at least two hours per week 0.9

The state also has a funding program called [Educationally Related Support Services Aid](#) (ERSSA). This program is designed "to help defray costs of providing support services which will enable pupils to maintain their placement in a regular education program." For 1996-97, eligibility for ERSSA services was expanded to include qualified handicapped persons under the Americans with Disabilities Act and any students with disabilities whose attendance did not generate any Excess Cost Aid.

Source: [State Aid to Schools: A Primer](#), (University of the State of New York, State Education Department, Fiscal Analysis and Research Unit, November 2002).

North Carolina Approach

State funding allotments are calculated separately for Children with Disabilities and Preschool Handicapped and then combined into one allotment. Allocations for state-level funding are based upon a headcount. Headcount is based on a count of children with special needs taken on April 1 of the preceding year. Students must have an individual education plan (IEP), based upon specific criteria, written in order to be included in the headcount.

Source: [Allotment Policy Manual, 2002-2003: Children With Disabilities](#), (North Carolina State Board of Education/Department of Public Instruction, July 2002); and [Public School Finance Programs of the U.S. and Canada: 1998-99 – North Carolina](#) (Jane K. Testerman, University of North Carolina, Charlotte and Carvin L. Brown, Appalachian State University, National Center for Education Statistics, February 2001).

South Carolina/Texas Approach

South Carolina

South Carolina has eight different weights for special education students in its financing formula. In the formula, a student's weight is multiplied by the base student cost. Financing formula weights are as follows:

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| • Educational Mentally Handicapped | 1.74 |
| • Learning Disabled | 1.74 |
| • Speech Handicapped | 1.90 |
| • Emotionally handicapped | 2.04 |
| • Orthopedically Handicapped | 2.04 |
| • Homebound | 2.10 |
| • Trainable Mentally Handicapped | 2.04 |
| • Visually Handicapped | 2.57 |
| • Hearing Handicapped | 2.57 |

Source: *South Carolina Annotated Code § 59-20-40.*

Texas

The state of Texas uses 10 different weights in its financing formula for special education students.

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| • Mainstream | 1.1 |
| • Homebound | 5.0 |
| • Hospital Class | 3.0 |
| • Speech Therapy | 5.0 |
| • Resource Room | 3.0 |
| • Self-contained, mild and moderate, regular campus | 3.0 |
| • Self-contained, severe, regular campus | 3.0 |
| • Off home campus | 2.7 |
| • Nonpublic day school | 1.7 |
| • Vocational adjustment class | 2.3 |

Source: *Texas Annotated Code § 42.15.*

Missouri Approach to Funding Severely Disabled Students

Severe Disabilities Services Fund – Districts that elect to serve severely disabled youngsters in place of sending them to the State Schools for the Severely Handicapped may bill the Department of Elementary and Secondary Education for excess costs after all revenues generated by having the child in the district have been backed from the total cost of service.

Source: [Missouri Department of Elementary and Secondary Education, Division of Special Education](#).

For more information on the approaches taken by each state, see [State Special Education Finance Systems, 1999-2000](#) (Thomas Parrish, Jenifer Harr, Jennifer Anthony, Amy Merickel and Phil Esra, Center for Special Education Finance, May 2003).

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