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Funding Special Education by Total District Enrollment

Advantages, Disadvantages, and Policy Considerations

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Students with disabilities in the United States are guaranteed a free and appropriate public education under the Individuals with Disabilities Education Improvement Act (IDEA). While the IDEA improves education access and quality for students with disabilities by requiring that school districts provide the services and supports necessary to meet their individual needs, the costs of educating students with disabilities are generally higher than the costs of educating other students. At a time when many states are facing tight budgets and growing special education costs, a new policy brief describes a method that several states, including California, have adopted for allocating special education aid among school districts to help contain special education costs. This method is called the census funding model. A census funding model is based primarily on total district enrollment and a fixed aid amount per student. Census funding differs from other methods used by states for distributing special education funds because aid is largely independent of the characteristics of special education programs, such as the number of students served. The policy brief addresses the advantages and disadvantages of census funding and describes possible options for mitigating concerns about funding equity under a census model. Although the authors focus on the census-based funding model in their brief, they do not view it necessarily as the preferred policy option for all states. Rather, their intent is to help policy makers, educators, and researchers gain a fuller understanding of census funding models.

The authors discuss five key advantages of census-based models over other funding alternatives: 1) the allocation formula is simple and transparent; 2) legal protections are maintained for youth with disabilities; 3) the model is inherently adaptable and can include weights based on external characteristics such as poverty; 4) the model has been shown to disincentivize disability identification; and 5) the model may incentivize the use of cost-effective placement options.

Among the disadvantages of the model, the authors identify: 1) its grounding in a non-testable assumption that the per-student additional costs of meeting special education needs are uniformly distributed across districts, for instance, among different types of districts (primary, high-school, vocational, and so on), or in districts serving populations with higher rates of disability; 2) the funding allocations may be inequitable; 3) the funding allocations might become inadequate over time; 4) disability identification and higher quality (but costly) services may be disincentivized; and 5) legal protections for youth with disabilities cannot by maintained if youth are not identified.

The authors recommend states weigh the advantages and disadvantages of census-based models to those of other funding model alternatives, and that any future state proposals to enact or reform census-funding systems recognize and address the model's main deficiencies explicitly. For instance, they suggest that introducing adjustment factors (such as regional wage levels, population density, poverty, and students with exceptionally high-cost disabilities), selecting factors according to states' own characteristics, and monitoring changes in these factors over time may help to achieve greater equity. In particular, factors that

help to make districts' purchasing power comparable should be considered. The authors also recommend states and districts consider ways to increase cost-effective program delivery in addition to considering alternative funding structures for special education.

The [full study](#) can be found in Dhuey, E. & Lipscomb, S. (2013). "Funding Special Education By Total District Enrollment: Advantages, Disadvantages, And Policy Considerations," Education Finance and Policy, Summer 2013, Vol. 8, No. 3, Pages 316-331.

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