Over the past 10 years there has been a dramatic shift from students with mild disabilities to students with more significant disabilities, impacting special education expenditures. The more significant the disability, the greater the level of resources necessary to meet each student’s educational needs.

**Mild disabilities include students with Learning Disabilities and Speech/Language Impairments**

**Significant disabilities, typically requiring more extensive educational services,**

**include Autism, Behavior Disorders, Mental Handicaps, Other Health Impairments, etc.**

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Special Education Expenditures and Funding Sources

Source: Nebraska Department of Education

Special education and related services are federally mandated for eligible children. Funding is through a categorical program that provides a percentage reimbursement of the allowable excess costs of the prior year for school-age children.

• Federal Funding – Congress made a commitment in 1975 that the federal government would fund 40% of the educational costs (i.e., Part B, State Grants) for children with disabilities through the IDEA; with state and local funds supplementing the remainder. Congress is presently funding at approximately 17% and has never risen above 19% to date.

• State Funding – Reimbursement based on excess costs from prior year expenditures (excess allowable costs), general fund appropriations for SPED reimbursement is limited to 5% of prior fiscal year expenditures but has not reached the 5% level since the 2005-06 school year.

• Local Funding – State reimbursement varies between school districts. The state aid formula: [(needs – resources) = equalization]; IDEA Base and IDEA Enrollment Poverty Federal Funds; local districts make up the difference from their general funds. There is a direct relationship between special education funding and special education expenditures on the impact of general funds available to operate school district. For the first time, local funding has outspent state funding for special education services.

Not funding Special Education has a direct impact on programs for Non-Special Education Students.

**Special Education Funding – Questions and Answers**

**Q WHAT DOES FEDERAL LAW SAY ABOUT SPECIAL EDUCATION SERVICES?**

**A** The Individuals with Disabilities Education Act (IDEA) is a federal law mandating services to children with disabilities throughout the nation. IDEA governs how states and public agencies provide early intervention, special education and related services to eligible infants, toddlers, children and youth with disabilities. Infants and toddlers with disabilities (birth-2) and their families receive early intervention services under IDEA Part C. Children and youth (ages 3-21) receive special education and related services under IDEA Part B.

**Q WHAT IS MAINTENANCE OF EFFORT (MOE) UNDER IDEA PART B?**

**A** Maintenance of effort under Part B means that an applicant for funds under Part B may not reduce the level of expenditures for support of special education below the level of expenditures for support of special education for the preceding fiscal year (34 CFR 300.231(a)). Reductions in expenditures are allowed, only if they meet the provisions of 34 CFR 300.232 and/or 34 CFR 300.233.