What is the Special Education Funding Cap?

Background

School districts receive both state and federal funding to provide educational services and supports to students with disabilities. In Washington, the state provides the biggest portion of funding for special education, and different districts receive different amounts. Some factors that determine the amount of funding a district will get for special education include:

➢ The percentage of students receiving special education services in the district
➢ How much time students spend in a general education setting
➢ A district's regionalization factor, which generates additional funding for some districts based on property wealth. This is used as a proxy for cost of hiring school staff

What is the funded enrollment cap?

Currently, Washington state special education funding formulas limit the percentage of students who can generate state special education funding in a district to 13.5% of total district enrollment. This means that a district will only receive state funding for up to 13.5% of their students, even if more than 13.5% of students receive special education services. However, districts are still required by state and federal law to provide special education services to all students with a qualifying disability.

How does the funded enrollment cap impact districts?

	District Enrollment (Students)	Total Students Receiving Special Education Services	Percent of Students Receiving Special Education Services	Total State Special Education Funding (Dollars)	State Special Education Funding Per Student (Dollars/Student)
District A	200	27	13.5%	$253,800	$9,400
District B	200	32	16%	$253,800	$7,931

In the above example, District A is providing special education services to the 13.5% of their students who have an Individualized Educational Program (IEP), while receiving $9,400 in state funding for each student receiving special education services to provide them with the supports and services that have been identified in their IEPs. District B is providing special education services to the 16% of their students who have an IEP, but they receive an average of $7,931 per student to provide special education services to eligible students.

The lower per-student funding amount for District B is because they have identified more than 13.5% of their students needing special education services and therefore don't receive additional funding to support the special education needs of their students once they have identified 13.5% of students as needing special education services. In the above example, District A and District B have equal numbers of students enrolled in each district, but District B is providing special education services to 5 more students than District A. Despite District B providing special education services to more students than District A, they receive the same level of funding because districts are limited to receiving state funding for no more than 13.5 percent of students.

The limiting of funding to only 13.5% of students per district is called the funded enrollment cap. Because of this, District B gets less funding per student in special education. They have a larger percentage of their student population to serve, but the state funding stops at 13.5%, so they have to spread the money more thinly compared to District A.

How many districts are impacted by the cap?

The funded enrollment cap negatively impacts districts with higher enrollments of students with disabilities by capping the amount of state special education funding a district can receive.

In 2020-21, 51 percent of our state's 318 local education agencies (school districts, tribal compacts, charter public schools, etc.) provide special education services to more than 13.5% of their students and therefore receive fewer resources to support their students because of the funded enrollment cap.

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