



AMERICAN
SPEECH-LANGUAGE-
HEARING
ASSOCIATION

IDEA Funding for FY2009 & Beyond

ACTION REQUESTED

Please support an increase of \$2 billion in fiscal year 2009 appropriations for the Individuals with Disabilities Education Act (IDEA) Part B Grants to States. A **\$2 billion** increase would bring the federal share of IDEA funding up to **20%** in **FY2009**, the highest level of federal support for students with disabilities.

Also, please continue the investment in children with disabilities by co-sponsoring H.R. 821, the Everyone Deserves Unconditional Access to Education (EDUCATE) Act, as introduced by Representatives Chris Van Hollen (D-MD), Mike Ferguson (R-NJ), and Darlene Hooley (D-OR) or S. 1159, the IDEA Full Funding Act, as introduced by Senators Tom Harkin (D-IA) and Chuck Hagel (R-NE), along with eleven other senators. Both **H.R. 821** and **S. 1159** would increase federal funding for IDEA with mandatory funds over the next eight years and would ensure that the federal government “fully fund” its commitment to pay 40% of IDEA.

BACKGROUND

When IDEA was enacted in 1975, Congress made a commitment that the federal government would fund 40% of the educational costs (i.e., Part B, State Grants) for disabled children, with state and local funds supplementing the remainder. The reauthorized IDEA 2004 law (P.L. 108-446) authorized specific funding levels to allow the federal share of special education funding to grow from 18% in 2004 to 40% by 2011.

Unfortunately, Congress never appropriated enough funding to match the levels specified in the law. For fiscal year 2008, the authorized funding level for IDEA was \$19.23 billion while Congress only appropriated \$10.7 billion. Although the appropriated amount was \$200 million above 2006 levels, the federal share dropped from 17.6% to 17.2%.

According to the U.S. Department of Education data, in FY2008 the national average per pupil expenditure (APPE) will be \$9,288 and that 6,855,000 children will be served by IDEA Part B. Multiplying these two numbers would get you the total estimated national expenditure (combined federal, state, and local funding = 100%) for children with disabilities. The federal share should be 40% (full funding) but has never risen above 19%.

Funding increases can and should coincide with the authorization levels in the IDEA 2004 law. For more information, please contact Neil Snyder at 202-624-7750 or by e-mail at nsnyder@asha.org.

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IDEA FUNDING

Time for Congress to Live Up to Their Commitment

In 1975, our country took a major step forward in promoting the inclusion and equality of one of our most disenfranchised groups of citizens. Passage of the Education for All Handicapped Children Act (now known as the Individuals with Disabilities Education Act), ensured all children with disabilities a free, appropriate public education.¹ More than six million children with disabilities are no longer limited by their families' ability to afford private education. They are no longer forced to attend costly state institutions, or worse, stay home and miss out entirely on the benefits of an education. IDEA ensures that children with disabilities may attend public schools alongside their peers. There is no question about it: students, schools, and communities are enriched when all children have a right to a free, appropriate public education.

Despite all that has been accomplished on behalf of children with disabilities, much more remains to be done. When IDEA passed in 1975, Congress understood that they were creating a law that would have increased financial impact at the local level. They agreed to pay for the excess costs of educating a child with a disability compared to a general education student. Over several years, that promise was translated into 40% of the national average per pupil expenditure for every child in special education.

In the 32-year history of the Individuals with Disabilities Education Act, the federal contribution has always fallen far short of the congressional commitment to fully fund IDEA. Local and state budgets have been forced to absorb the shortfall.² Recently, Congress has made significant progress, but IDEA appropriations still need a 117% increase before IDEA is fully funded.³ After 32 years, the magnitude of that shortfall demands a new approach. It is time to make special education funding mandatory and deliver on a long overdue promise.

Summary of H.R. 821 and S. 1159 Provisions

- Make IDEA funding mandatory.
- Increase the federal contribution from 17.2% to 40%.
- Accomplish full funding gradually over eight years from 2008 to 2015.
- Require states to maintain their level of effort.
- Encourage schools to intervene early in a child's life and provide developmentally appropriate programs and services. Developmentally appropriate intervention during the early years dramatically reduces later referrals to special education and eventually helps to curb the costs of special education.

TALKING POINTS

1) Full Funding of IDEA Equals 40%

- Part B of IDEA originally authorized Congress to contribute up to 40% of the national average per pupil expenditure (APPE) for each special education student.⁴ With an estimated 6,834,000 students served under IDEA in 2007, schools are qualified to receive \$25.1 billion in federal funds.
- School districts are only receiving \$10.7 billion. Therefore, schools are currently receiving roughly 17.2% rather than the federal commitment of 40% of APPE.⁵ In addition, there are different programs within IDEA that are funded individually and serve specific purposes. For example, Part C of IDEA is designed to meet the developmental needs of infants and toddlers and their families in order to prevent later disabilities.
- Funding for Part C programs has fallen from \$444 million in 2004 to \$436 million in 2007.

2) Federal Government Falls Short on Funding

- Federal funding was \$14.4 billion short of full funding for 2007 and would need a 135% increase to be fully funded.⁶

3) Shortfall Impacts School Districts and Students

- While much attention has been paid to rising federal expenditures for special education over the past few years, new federal funding has not kept pace with increasing costs at the local level.
- Over the past few years, the local financial burden has increased from 39% of total spending to 45%.⁷ According to the U.S. Department of Education, "Historically, local educational agencies have struggled with meeting the minimal education needs of a growing population of children with disabilities".⁸
- The federal government shortchanged local school districts by more than \$14.4 billion in FY2007 alone.
- Twenty-five cents of every dollar spent by the federal government on IDEA Part B State Grants goes to the provision of related services for children with disabilities.⁹ Related services include: speech-language pathology and audiology services, psychological services, and physical and occupational therapy services among others. These services are used to assist a child with a disability to benefit from special education, including the early identification and assessment of disabling conditions.
- For FY2007, \$2.6 billion of federal funds were used to provide related services to the 6.5 million students with disabilities. If IDEA had been fully funded in 2007, then \$6.3 billion would have been spent on related services, a federal shortfall of over \$3.7 billion!

References

¹ See Education for All Handicapped Children Act of 1975, 20 U.S.C. § 1400 et seq.

² Based on a 2002 study by the Special Education Expenditure project, Chambers, Parrish, et al, educating a special education student costs an average of 1.9 times as much as a regular education student. As indicated in Appendix I, FY2003 APPE is an estimated \$7,402. Therefore, the excess cost created by the average special education student is 1.9 times APPE, or \$6,662. With 6,580,000 children served by IDEA, each costing an average excess of \$9,369, approximately \$43 billion was spent on excess special education costs in FY2003. The federal share of \$8.8 billion is only 18% of the excess cost of special education.

³ FY2007 funding for ISDEA is \$10.7 billion. The FY2007 IDEA authorization level was \$16,938,917,714 while the full funding level would've been \$23,087,250,000. Therefore, the program is \$11.5 billion short of full funding this year. A 135% increase is needed to fully fund IDEA.

⁴ 20 U.S.C. § 1411 (a).

⁵ To calculate percentage of APPE funded by current law: (current funding)/(APPE*Enrollment) or (\$10.7 billion)/(\$9,168*6,834,000) = 17.18%.

⁶ Full funding would be \$25.1 billion in FY2007, appropriation amounted to \$10.7 billion, a difference of 135%.

⁷ Parish, T. B. (2001). Who's paying the rising costs of special education? *Journal of Special Education Leadership*, Vol. 11 (1). Council of Administrators of Special Education.

⁸ Department of Education, Fiscal Year 2002 Justifications of Appropriation Estimates to Congress, Vol.1.

⁹ "What Are We Spending on Special Education Services in the United States, 1999-2000?", Twenty-fourth Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act, U.S. Department of Education, <http://www.ed.gov/about/reports/annual/osep/2002/section-i.pdf>, Section I, page I-34, figure I-8.