STATE FUNDING MODELS FOR SPECIAL STUDENT POPULATIONS – (*PRELIMINARY)*

Prepared for Delaware Department of Education

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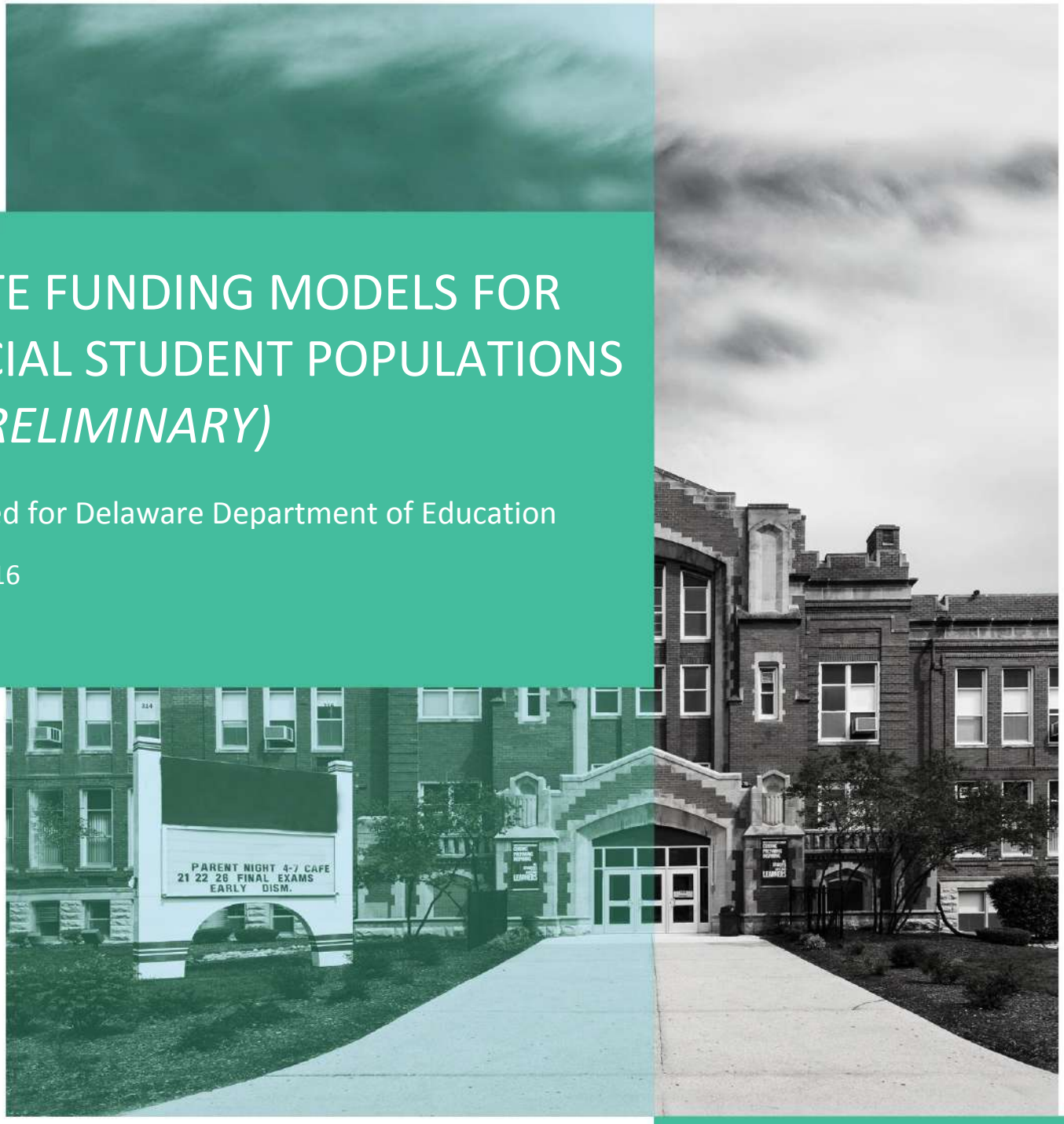

In the following preliminary report, Hanover Research summarizes trends in state funding models for special student populations, including vocational education, low-income students, special education, gifted and talented education, and English Language Learners.

HANOVER RESEARCH

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EXECUTIVE SUMMARY AND KEY FINDINGS

INTRODUCTION

In this preliminary report, Hanover Research (Hanover) summarizes trends in state funding models for special student populations. In particular, the analysis explores how student funding formulas in other states allocate funds for vocational/career and technical education (CTE), low-income students, gifted and talented programs, and English Language Learners (ELLs). In addition to details about formula allocations for special student populations, this research reviews the short- and long-term implementation process for new or revised funding models in several states.

The goal of this research is to continue to support the Delaware Department of Education's (DDOE) review of its K12 education funding model. Notably, this research is intended to supplement previous reports completed by Hanover Research on this topic, namely "Benchmarking State Funding Models." Please note that this document represents a *preliminary* review of this topic; Hanover will provide the final analysis to DDOE in mid-May.

PRELIMINARY FINDINGS

- As of 2013, 37 states use at least one student-based formula factor that explicitly allocates additional funds on a per pupil basis for students with higher needs. The most commonly used student-based formula factors, or "weights" are ELL status, low-income status, and special education status.
- The figure below summarizes the number of states that apply a weighted student funding formula (WSF) to special student populations and the range of the associated weights in each category.

Figure ES.1: Summary of States Using WSF and Associated Weights

CATEGORY	NUMBER OF STATES IDENTIFIED	RANGE
Career and Technical Education	21 states with student-based funding (of which 7 states use WSF)	0.17 to 1.35
Gifted and Talented Education	15 states through formula allocation (of which 9 states use WSF)	Not specified
Low-Income	17 states	.05 to 1.2
Special Education	33 states and the District of Columbia (of which 20 states use WSF)	0.082 1.6874*
ELL	34 states (of which 25 states use WSF)	0.096 to 0.99
At-Risk	At least five states	.025 to 2.41

*Among states using a single weight

FUTURE RESEARCH

In continuing with this research, Hanover intends to provide the following information as part of the final report:

- A detailed analysis of weighted student funding allocations across the states (e.g., what are the criteria students must meet to receive additional funding)
- Profiles of exemplar states that distribute student-based funding to special student populations
- Profiles of states that have implemented or revised new funding systems or formulas

Hanover welcomes feedback from the Delaware Department of Education and will adjust the scope of the final report as requested.

SECTION I: K12 STATE FUNDING MODELS FOR SPECIAL STUDENT POPULATIONS

This section describes how existing state funding formulas account for career and technical education, gifted and talented education, instruction of low-income students, and instruction of English Language Learners. For each category, the analysis focuses on the specific student weights applied by these states, and how the weights fit within each state's funding model.

FORMULA FACTORS FOR SPECIAL STUDENT POPULATIONS

OVERVIEW

Figure 1.1 on the following page displays a summary of the student-level factors that each state accounts for in its funding model. This information was compiled by staff members at the Education Law Center (ELC), who carefully gathered these summaries using publicly available information and confirming details with state education agency staff in each state. However, the publication acknowledges that some inaccuracies may be present in the figure due to the sheer complexity of state funding models and "differences in interpretation of abstract formula concepts and components."[1] Additionally, the figure reflects state funding models as they existed in 2013. Where possible, Hanover identifies states that have updated funding models since that time.

[1] "Funding, Formulas, and Fairness: What Pennsylvania Can Learn from Other States' Education Funding Formulas," Op. cit., p. i.

Figure 1.1: State Formula Factors for Basic Education Funding, 2013

State	Student-Based Factors				District-Based Factors			
	Low-Income	Students with Disabilities	English Learners	Per Student Base Cost	Poverty Factor	Cost of Living Factor	Tax Effort Factor	Small District Factor
Alabama							✓	
Alaska	✓	✓	✓	✓				✓
Arizona		✓	✓	✓				✓
Arkansas				✓			✓	
California**	✓		✓	✓	✓		✓	✓
Colorado	✓		✓	✓		✓		✓
Connecticut	✓		✓	✓	✓			
Delaware							✓	
Florida		✓	✓	✓	✓	✓		✓
Georgia		✓	✓	✓				✓
Hawaii	✓	✓	✓	✓				
Idaho		✓						✓
Illinois	✓			✓	✓			
Indiana	✓			✓	✓		✓	✓
Iowa	✓	✓	✓		✓			
Kansas	✓		✓	✓	✓			✓
Kentucky	✓	✓	✓	✓			✓	
Louisiana	✓	✓	✓	✓			✓	✓
Maine	✓	✓	✓	✓		✓	✓	✓
Maryland	✓	✓	✓	✓	✓	✓	✓	
Massachusetts*	✓	✓	✓	✓		✓		
Michigan				✓				
Minnesota*	✓		✓	✓	✓	✓	✓	✓
Mississippi	✓			✓				
Missouri	✓	✓	✓	✓		✓		✓
Montana	✓	✓		✓			✓	
Nebraska	✓	✓	✓				✓	✓
Nevada					✓		✓	✓
New Hampshire	✓	✓	✓	✓			✓	

State	Student-Based Factors				District-Based Factors			
New Jersey*	✓		✓	✓	✓	✓	✓	
New Mexico	✓	✓	✓				✓	✓
New York	✓	✓	✓	✓	✓	✓	✓	
North Carolina								
North Dakota				✓			✓	✓
Ohio								
Oklahoma	✓	✓	✓	✓				✓
Oregon	✓	✓	✓	✓			✓	✓
Pennsylvania								
Rhode Island	✓			✓	✓		✓	
South Carolina		✓		✓			✓	
South Dakota				✓			✓	✓
Tennessee						✓	✓	
Texas	✓	✓	✓	✓	✓	✓	✓	✓
Utah	✓	✓		✓			✓	✓
Vermont	✓		✓	✓	✓			✓
Virginia	✓	✓	✓	✓	✓	✓	✓	✓
Washington	✓	✓	✓		✓			✓
West Virginia				✓			✓	✓
Wisconsin				✓			✓	✓
Wyoming*						✓	✓	✓

Source: Education Law Center[2]
*The figure was updated when necessary to reflect the most recently available funding formula information.
**California's funding formula was updated from the original report to reflect changes made by the Local Control Funding Formula established in the 2013 Budget Act.[3]

[2] Figure created verbatim from: "Funding, Formulas, and Fairness: What Pennsylvania Can Learn from Other States' Education Funding Formulas." Education Law Center, February 2013, p. 11. http://www.elc-pa.org/wp-content/uploads/2013/02/ELC_schoolfundingreport.2013.pdf

[3] [1] "Local Control Funding Formula Overview." California Department of Education. http://www.cde.ca.gov/fg/aa/lc/lcffoverview.asp
[2] "LCFF Frequently Asked Questions." California Department of Education. http://www.cde.ca.gov/fg/aa/lc/lcfffaq.asp

AT-RISK STUDENTS

Hanover identified five states that allocate student-based funding specifically for at-risk students.

Figure 1.2: Weighted Student Funding Formulas for At-Risk Students by State

STATE	ADDITIONAL ALLOCATION
Georgia	▪ Remedial: 1.3073 ▪ Alternative education: 1.5938
North Carolina	▪ Students scoring below grade level, State Test: $200 per pupil
Oregon	▪ Students in Pregnant & Parenting Program 1.00 ▪ Neglected and delinquent students 0.25 ▪ Students in foster care 0.25
South Carolina	▪ Grade 1-12 pupils who fail to meet statewide standards in reading, writing and math or who do not meet first grade readiness standards. ○ 0.26 Compensatory ○ 0.114 Remediation
Texas	▪ Pupils who are pregnant (per FTE): 2.41

Source: Education Policy Analysis[4]

CAREER AND TECHNICAL EDUCATION (CTE)

The National Center for Innovation in Career and Technical Education (NCICTE) prepared a report titled "State Strategies for Financing Career and Technical Education" for the U.S. Department of Education. The report, which relies on state data from AY 2011-2012, compiles state regulations for funding career and technical education (CTE), including type of funding and method of allocation. According to the NCICTE, state funding for CTE fall into one of three categories: categorical funding (37 states), foundational funding (7 states), and funding for area CTE centers (7 states).[5]

Among the 37 states that distribute categorical funds, the most common method is via a student-based formula (21 states) that follows one of three approaches:

- Making **pro-rata distributions** based on levels of student participation
  - Hawaii
  - Illinois
  - Montana
  - Nevada
  - North Carolina
  - South Carolina
  - Utah
  - Washington
  - West Virginia

[4] Verstegen, D. "Public Education Finance Systems in the United States and Funding Policies for Populations with Special Educational Needs." *Educational Policy Analysis*, July 2011. http://epaa.asu.edu/ojs/article/view/769/923

[5] "State Strategies for Financing Career and Technical Education: State Approaches to Funding CTE Programs (AY2011-12)." National Center for Innovation in Career and Technical Education. http://ctecenter.ed.gov/research/state_approaches

- **Weighting CTE participants** more heavily in state K12 education formula allocations
  - Alaska
  - Florida
  - Georgia
  - Kansas
  - Pennsylvania
  - Texas
  - Wyoming

- Establishing **differential weights** for students based on their type or level of program involvement[6]
  - Arizona
  - Indiana
  - Kentucky
  - Michigan
  - Ohio

Figure 1.3 below summarizes the weighted student funding formula factors used in the states that allocate funds based on this method. Among the seven states with a WSF for CTE, the CTE weight ranges from 0.17 in Pennsylvania to 1.35 in Texas. Two states—Georgia and Kansas—allocate additional funding to CTE programs that require laboratory space or other specialized equipment. **Appendix A.1** contains a comprehensive list of state funding methods for CTE, including other student-based allocation methods.

Figure 1.3: Weighted Student Funding Formulas for Financing Career and Technical Education by State

State	CTE Weight	Description
Alaska	1.015	The state applies a supplemental weight to LEA weighted ADM for all students in grades 7 to 12 (not just CTE students).
Florida	0.999	The state allocates funding based on an add-on weight of 0.999 per CTE student to adjust for the additional costs of providing CTE services. Of funds generated, 80 percent must be spent on career education programs in grades nine to 12. An additional value of 0.1, 0.2, or 0.3 FTE is calculated for each student who completes an industry-certified career or professional academy program and who is issued the highest level of industry certification and a high school diploma.
Georgia	1.0 or 1.1841	General and career education funds are allocated through the state's Quality Basic Education Funding Formula, which weights student FTE for 19 different instructional programs. Rates are based on the cost of providing instruction at an established teacher-to-student ratio. At the high school level, general and career education instruction are included under the same instructional program, with student FTE weighted at 1.0 based on a 1:23 teacher-to-student ratio. Vocational laboratory programs, or those CTE programs requiring specialty equipment or facilities, generate an additional FTE weight of 1.1841 and assume a teacher-to-student ratio of 1:20.

[6] Bulleted text reproduced verbatim from: "State Strategies for Financing Career and Technical Education: Student-Based Formulas (AY2011-12)." National Center for Innovation in Career and Technical Education. http://ctecenter.ed.gov/reports/student_formula

State	CTE Weight	Description
Kansas	0.5	The state's foundational formula provides an additional weight of 0.5 for each FTE CTE student. Extra weighting applies only to those junior and senior level CTE courses determined to be "high cost" by the state, according to the following criteria: 1) requiring special facilities; 2) requiring special equipment; 3) having a lower pupil/teacher ratio; and 4) requiring specialized teacher training to remain current in the field of instruction. In 2012, the state began to offer performance incentives. High schools can earn $1,000 per secondary student that graduates with an industry-recognized credential (from a state-approved list).
Pennsylvania	0.17 or 0.21 to 0.375	The state distributes funds through the Secondary Career and Technical Education Subsidy program, which provides an add-on weight of 0.17 to the student ADM for CTE programs operated by LEAs and charter schools, and an add-on weight of 0.21 to the ADM at area CTE centers. This weighted ADM is then multiplied by the lesser of the state's average instructional expense per student or an LEA wealth factor. Add-on weighted funding is capped at 0.375 times the weighted CTE ADM.
Texas	1.35	The state's basic grant formula applies a weight for CTE students. Each FTE CTE student in grades nine to 12 generates an annual allotment of 1.35 times the adjusted state base. Programs also receive an additional $50 per student who enrolls in two or more advanced CTE courses for a minimum of three credits.
Wyoming	1.29	The state's foundational formula provides a 1.29 weight for FTE CTE enrollments. Additional funds are allocated for equipment expenses based on the number of full-time CTE instructors. CTE programs are defined in the formula as those comprised of up to three or more courses in a sequence in a particular industry or occupational area that lead to increased skills, knowledge, or proficiencies. The state also provides demonstration grants to partnerships of secondary and postsecondary institutions to develop new or expand existing CTE programs. In 2014, demonstration grants were awarded to STEM-focused projects.

Source: U.S. Department of Education[7]

Gifted and Talented Education

The Davidson Institute for Talent Development summarizes gifted education policies across the United States by examining the prevalence of state mandates for gifted education and identifying the availability of state funding for such programs. The Institute describes the following five categories of state-level gifted education policies:

- Gifted programming is mandated and fully funded by the state (4 states)
- Gifted programming is mandated and partially funded by the state (23 states)
- Gifted programming is mandated not state funding is not available (8 states)
- Gifted programming is not mandated but state funding is available (6 states)
- Gifted programming is not mandated and state funding is not available (10 states)[8]

[7] Figure text reproduced from: Foster, L. R., Klein, S., and B. Elliott. "State Strategies for Financing Career and Technical Education." U.S. Department of Education, October 2014, p. 4. http://ctecenter.ed.gov/files/NCICTE_CTE_Finance_Study_Final_508.pdf

[8] "Gifted Education Policies." Davidson Institute for Talent Development. http://www.davidsongifted.org/db/StatePolicy.aspx

The National Association for Gifted Children (NAGC) and the Council of State Directors of Programs for the Gifted (CSDPG) jointly issued a report titled "2014-2015 States of the States in Gifted Education: Policy and Practice Data." The report includes survey-based results from 41 states and the District of Columbia on a variety of topics related to gifted education, including the role of the state education agency, funding for gifted and talented education, mandates to identify and serve gifted students, among others. Based on survey responses from 39 states, the report identifies 15 states that make funding available through formula allocation. In particular, nine states reported using a weighted student funding method.[9]

LOW-INCOME STUDENTS

Education policy researcher Deborah Verstegen identified 17 states that allocate additional funds to low-income students, typically identified as students eligible for Free or Reduced Price Lunch (FRPL). Weight factors range from 0.05 in Mississippi to 1.20 in Maine.

Figure 1.4: Funding Formulas for Low-Income Students by State

STATE	ELIGIBILITY	ADDITIONAL ALLOCATION
Hawaii	FRPL	.10 per pupil
Iowa	FRPL grades 1-6 + Budget Enrollment	>25% Combined District Cost + <75% Modified Allowable Growth
Louisiana	FRPL	0.19
Maine	FRPL	1.20
Maryland	FRPL	0.50
Massachusetts	Per low-income pupil	$2,285 to $2,831
Michigan	Free breakfast, lunch or milk	0.115
Minnesota	FRPL	Variable weighting 0.0 to 0.6, depending on concentration of F & RL-eligible pupils in the building.
Mississippi	Free lunch	0.05
Missouri	FRPL > 26.6%	0.25
Nebraska	Whichever is greater- free lunch, or <19 years w/household income < $15,000	Varies 0.05 - 0.30
New Jersey	Free Lunch and Wealth	Varies
Oklahoma	FRPL	0.25
Oregon	Poverty	0.25
Texas	FRPL	0.25
Vermont	Students age 6-17 from families receiving food stamps	0.25
Washington	FRPL	> 0.40

Source: Education Policy Analysis[10]

[9] "2014-2015 State of the States in Gifted Education: Policy and Practice Data." National Association for Gifted Children and The Council of State Directors of Programs for the Gifted, November 2015, p. 262. http://www.nagc.org/sites/default/files/key%20reports/2014-2015%20State%20of%20the%20States%20%28final%29.pdf

[10] Verstegen, D. "Public Education Finance Systems in the United States and Funding Policies for Populations with Special Educational Needs." *Educational Policy Analysis*, July 2011. http://epaa.asu.edu/ojs/article/view/769/923

ENGLISH LANGUAGE LEARNERS

According to the Education Commission of the States, 46 states provide funding for English Language Learners outside federal Title III funds and do so in one of three ways:

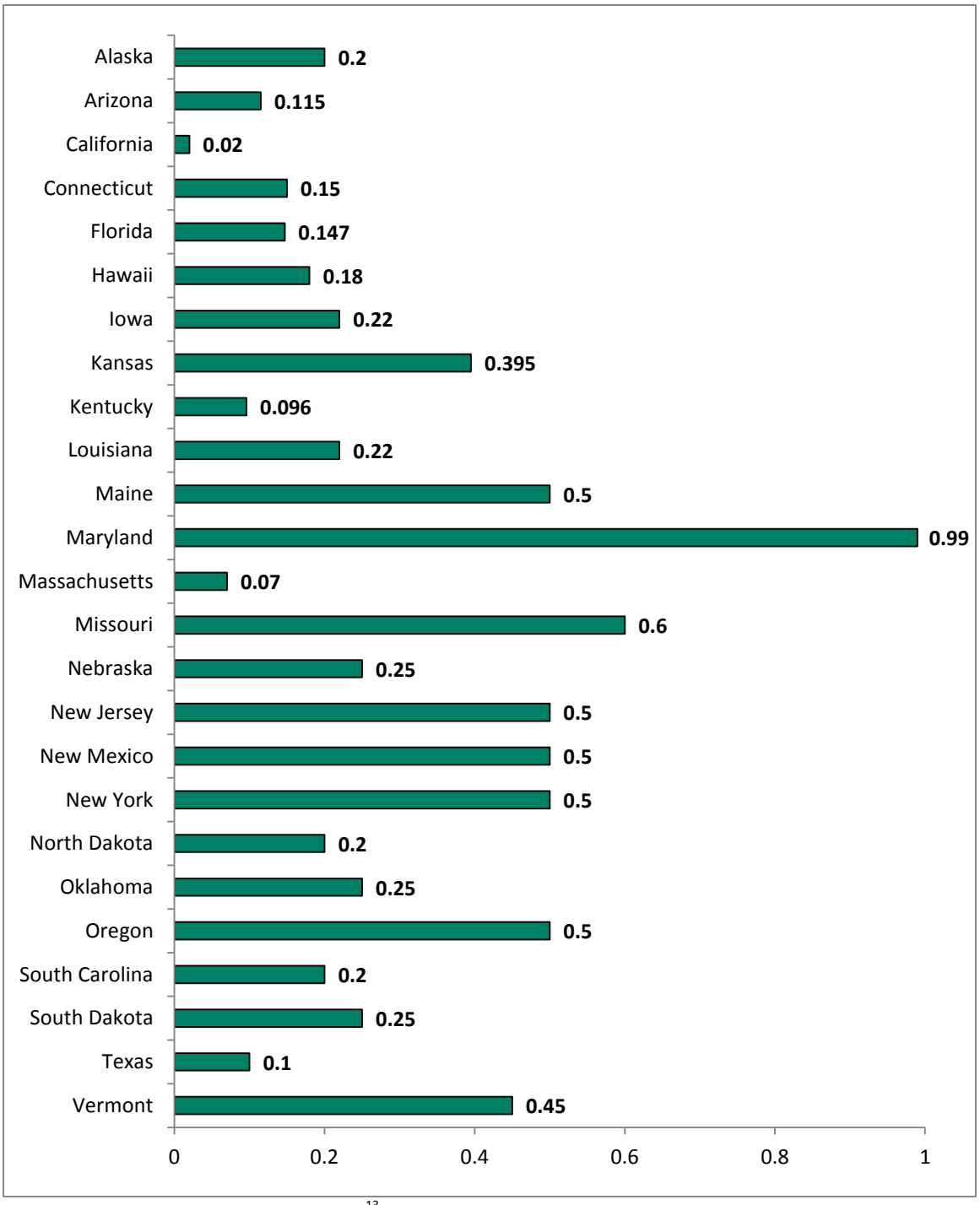
- Formula funded (34 states)
- Categorical funding (9 states)
- Reimbursement funding (3 states)[11]

The 34 states that allocate money to ELL students through adjustments within the primary funding formula do so according to three approaches: weights, dollar amounts, and teacher allocations.[12] More specifically, the majority of states allocate additional funds for ELL students through a weighted student formula, with weighting factors ranging from 0.096 in Kentucky to 0.99 in Maryland. The median value for all states using this method is 0.22. Figure 1.5 on the following page displays the weight factors in each of the 25 states that currently allocate ELL funding according to this method.

Please refer to Figure A.2 in the Appendix for a comprehensive list of state policies on ELL funding.

[11] Millard, M. "State Funding Mechanisms for English Language Learners." Education Commission of the States, January 2015, p. 1. http://www.ecs.org/clearinghouse/01/16/94/11694.pdf
[12] Ibid., p. 2.

Figure 1.5: English Language Learner Funding Policy by State



Source: Education Commission of the States[13]

[13] [1] "50-State Comparison: Type of Funding." Education Commission of the States, November 2014. http://ecs.force.com/mbdata/mbquestNB2?rep=ELL1412
[2] Figure text adapted nearly verbatim from: "50-State Comparison: Funding Per Student." Education Commission of the States, November 2014. http://ecs.force.com/mbdata/mbquestNB2?rep=ELL1413

SPECIAL EDUCATION

According to the Education Commission of the States, 33 states and the District of Columbia provide funding for Special Education students through the state's primary funding formula. These states do so through one of four methods: single weight (10 states), multiple weights (10 states), dollar allocation (6 states), and staff-based allocation (7 states).[14] Notably, among the states that allocate special education funds through a weighted student funding formula, 10 states use a single weight while 10 states use multiple weights depending on the type or severity of the disability.

Among the states that allocate special education funding via a single weighting factor, weights range from 0.082 in North Dakota to 1.6874 in Kansas, with a median weighting factor of 1.0. Among states that apply multiple weights to special education funding, the number of weighting categories used range from three (Iowa and Kentucky) to 12 (Texas).

Figure 1.6: Special Education Funding Policy by State

STATE	TYPE OF FUNDING	ADDITIONAL ALLOCATION
Alaska	Single weight	Alaska uses a special needs factor of 1.2 in the formula.
Arizona	Multiple weights	▪ Hearing impaired: 4.771 ▪ Multiple disabilities, autism and severe intellectual disability: 6.024 ▪ Self-contained programs for pupils with multiple disabilities, autism and severe intellectual disability: 5.833 ▪ Multiple disabilities with severe sensory impairment: 7.947 ▪ Orthopedic impairments, resource program: 3.158 ▪ Orthopedic impairments, self-contained program: 6.773 ▪ Preschool, severe delayed: 3.595 ▪ Developmental delays, emotional disabilities, mild intellectual disabilities, specific learning disability, speech/language impairment and other health impairments: 0.003 ▪ Emotional disabilities, enrolled in private special education programs: 4.822 ▪ Moderate intellectual disability: 4.421 ▪ Visual impairment: 4.806
District of Columbia	Multiple weights	▪ Level 1 - Eight hours or less per week of specialized services: 0.97 ▪ Level 2 - More than 8 hours and less than or equal to 16 hours per school week of specialized services: 1.2 ▪ Level 3 - More than 16 hours and less than or equal to 24 hours per school week of specialized services: 1.97 ▪ Level 4 - More than 24 hours per week which may include instruction in a self-contained (dedicated) special education school other than residential placement: 3.49 ▪ Residential: 1.67 The weightings are applied cumulatively in the counts of students who fall into more than one of the above categories.

[14] "State Funding for Students with Disabilities: All Data Points for States Using Formula Funding Mechanism." Education Commission of the States, June 2015. http://ecs.force.com/mbdata/mbfundallf?rep=SBFAF

State	Type of Funding	Additional Allocation
Florida	Multiple weights	▪ K-3: 1.126 ▪ 4-8: 1.00 ▪ 9-12: 1.004 ▪ Level 4 support: 3.548 ▪ Level 5 support: 5.104 Fixed funding for special education students not receiving level 4 or 5 services is provided through an Exceptional Student Education guaranteed allocation.
Iowa	Multiple weights	▪ Level 1 - Students receiving specially designed instruction for a part of the educational program (includes modifications and adaptations to the general education program): 0.72 ▪ Level 2 - Students receiving specially designed instruction for a majority of the educational program (includes substantial modifications, adaptations, and special education accommodations to the general education program): 1.21 ▪ Level 3 – Students receiving specially designed instruction for most or all of the educational program (requires extensive redesign of curriculum and substantial modification of instructional techniques, strategies and materials): 2.74
Kansas	Single weight	Weight in the formula: 1.6874
Kentucky	Multiple weights	▪ Low incidence disabilities: 2.35 ▪ Moderate incidence: 1.17 ▪ High incidence: 0.24
Louisiana	Single weight	Weight in the formula: 1.5
Maine	Multiple weights	Funding is based on a 6 step formula adjustment: ▪ Step 1: Base Component - Applies 1.277 weight (for the excess cost) to all students up to 15% of subsidizable students in the district. ▪ Step 2: Prevalence Adjustment - Applies .38 weight (for the excess cost) to all students above 15% of subsidizable students in the district. ▪ Step 3: Size Adjustment - Applies .29 weight for additional funds for school administrative units with fewer than 20 students w/disabilities in the district. ▪ Step 4: High Cost In-District Adjustment - Allocates additional funds for students estimated to cost 3 times the statewide special education EPS rate in the district. ▪ Step 5: High Cost Out-of-District Adjustment - Allocates additional funds for students estimated to cost 4 times the statewide special education EPS rate in the district. ▪ Step 6: EPS Special Education Allocation (with EPS Maintenance of Effort Adjustment and High Cost Out-of-District Adjustment) in the district.
Maryland	Single weight	Per pupil amount is 74% of the annual per pupil foundation amount multiplied by 0.5, the state share of special education funding.
Missouri	Single weight	An additional weight of 0.75 is applied to student counts above the state threshold of 12.6% special education students.
New Mexico	Multiple weights	▪ Students requiring a minimal amount of special education: 0.7 ▪ Students requiring a moderate amount of special education: 0.7 ▪ Students requiring an extensive amount of special education: 1.0 ▪ Student requiring a maximum amount of special education: 2.0
New York	Single weight	Weight in the formula: 1.41

State	Type of Funding	Additional Allocation
North Dakota	Single weight	Additional weight in the formula: 0.082.
Oklahoma	Multiple weights	▪ Vision impaired: 3.8 ▪ Learning disabilities: 0.4 ▪ Deaf or hard-of-hearing: 2.9 ▪ Deaf and blind: 3.8 ▪ Educable mentally handicapped: 1.3 ▪ Emotionally disturbed: 2.5 ▪ Gifted: 0.34 ▪ Multiple handicapped: 2.4 ▪ Physically handicapped: 1.2 ▪ Speech impaired: 0.05 ▪ Trainable mentally handicapped: 1.3
Oregon	Single weight	Additional weight in the formula: 1.0.
Rhode Island	Single weight	The state's "high need student weight" is 40%. It is meant to address the effects of poverty and other factors influencing educational need.
South Carolina	Multiple weights	▪ Educable mentally handicapped pupils and learning disabilities pupils: 1.74 ▪ Trainable mentally handicapped pupils, emotionally handicapped pupils and orthopedically handicapped pupils: 2.04 ▪ Visually handicapped pupils, pupils with autism and hearing handicapped pupils: 2.57 ▪ Speech handicapped pupils: 1.9 ▪ Pupils who are homebound and pupils who reside in emergency shelters: 2.1
Texas	Multiple weights	▪ 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 ▪ State schools: 2.8 ▪ Residential care and treatment: 4.0 ▪ Mainstream: 1.1
Washington	Single weight	▪ Additional weight in the formula: 0.93. *Note: there are additional weights for early childhood but only one weight for students age 5-21.

Source: Education Commission of the States[15]

[15] Figure text reproduced nearly verbatim from: "State Funding for Students with Disabilities: All States Data." Education Commission of the States, June 2015. http://ecs.force.com/mbdata/mbquest3D?rep=SD10

Please refer to Figure A.3 in the Appendix for a comprehensive list of state policies on special education funding.

STATE PROFILES

The final report will include profiles of exemplary states to demonstrate how weighting factors are used for special student populations in the aggregate, as part of the state's funding system. To identify exemplary states, Hanover will primarily draw from two sources: Education Week's Quality Counts 2016 report and the Education Law Center's (ELC) National Report Card. *Education Week's* "Quality Counts" report considers school finance in terms of both overall spending level and equitable distribution of funds across school districts, using school finance data from 2013.[16] ELC's 2016 National Report Card uses school finance data from 2013 and includes funding distribution as one of the report card's four measures of fair student funding. This measure considers per pupil spending by school district relative to student poverty.[17]

[16] "Quality Counts 2016: Report and Rankings." *Education Week*. http://www.edweek.org/ew/toc/2016/01/07/index.html?intc=EW-QC16-LFTNAV

[17] Baker, B. et al. "Is School Funding Fair? A National Report Card." Education Law Center, March 2016. http://www.schoolfundingfairness.org/National_Report_Card_2016.pdf

SECTION II: IMPLEMENTATION OF K12 STATE FUNDING MODELS

This section of the report will examine the steps states have taken when implementing new funding models and the issues such states encountered. Where information is available, relevant topics will include the length of the implementation process, phase-out/phase-in schedules, stakeholder communication and buy-in, continuous review/monitoring efforts, and policy revision.

For this preliminary phase of the research, Hanover has identified the following states that have recently implemented or revised K12 state funding models:

- **California** implemented the Local Control Funding Formula (LCFF) beginning in 2013-2014 with full implementation slated for 2020-2021[18]
- The governor of **Georgia** has identified school finance as a priority of 2016 and "Requested that lawmakers implement a per-pupil funding formula for public schools."[19]
- **Illinois** passed the School Funding Reform Act of 2014[20]

Please note that this list is not comprehensive and is intended to serve as an example of the types of information that will be included in the final report.

[18] "KCFF Frequently Asked Questions." California Department of Education. http://www.cde.ca.gov/fg/aa/lc/lcfffaq.asp

[19] Auck, A. and H. Railey. "Education Trends." Education Commission of the States, March 2016, p. 3. http://www.ecs.org/ec-content/uploads/2016-State-of-the-States-Addresses.pdf

[20] "School Funding Reform Act of 2014." Illinois State Board of Education. http://www.isbe.net/budget/fy15/fy15-sb16-ppt.pdf

APPENDIX

CAREER AND TECHNICAL EDUCATION

Figure A.1: Student-Based Formulas for Financing Career and Technical Education

State	Type of Funding	Weight/Base	Weighting Assigned to	Method
Alaska	WSF	1.015	All students in grades 7 to 12	The state applies a supplemental weight to LEA weighted ADM for all students (not just CTE students).
Arizona	Differential	0.80–1.25, based on labor market information Districts operating joint CTE centers are eligible for additional weighted ADM funds (weight = 0.142)	Student enrollment in state-approved CTE programs	75 percent of funds are allocated based on average student counts for 11th and 12th grade students enrolled in CTE programs on the 40th and 100th days of school. Each state-approved CTE program is given a funding weight, ranging from 0.80 to 1.25, based on labor market information, which is multiplied by the ADM CTE. The remaining 25 percent of funds are allocated based on program performance related to student placement in postsecondary education or employment. Districts operating joint CTE centers are eligible for additional weighted ADM funds (weight = 0.142 per ADM enrolled from the district).
Florida	WSF	Program cost factor for Grade nine to 12 career workforce education of 0.999	All FTE CTE students	The state allocates funding based on an add-on weight of 0.999 per CTE student to adjust for the additional costs of providing CTE services. Cost factors are determined by the legislature. Of funds generated, 80 percent must be spent on career education programs in grades nine to 12. An additional value of 0.1, 0.2, or 0.3 FTE is calculated for each student who completes an industry-certified career or professional academy program and who is issued the highest level of industry certification and a high school diploma.
Georgia	WSF	1.0 for general and career education in grades nine to 12 1.1841 for vocational laboratory programs	All FTE CTE students enrolled in career education or vocational laboratory programs	General and career education funds are allocated through the state's Quality Basic Education Funding Formula, which weights student FTE for 19 different instructional programs. Rates are based on the cost of providing instruction at an established teacher-to-student ratio. At the high school level, general and career education instruction are included under the same instructional program, with student FTE weighted at 1.0 based on a 1:23 teacher-to-student ratio. Vocational laboratory programs, or those CTE programs requiring specialty equipment or facilities, generate an additional FTE weight of 1.1841 and assume a teacher-to-student ratio of 1:20.
Hawaii	Proportional	$7,000–$7,500)	Number of CTE participants in LEA	Districts receive a base allocation of $7,000–7,500, with additional funds distributed based on the number of CTE participants.

State	Type of Funding	Weight/Base	Weighting Assigned to	Method
Illinois	Proportional	90 percent of prior year's funding	Number of CTE students based on credits or contact hours	Programs are guaranteed at least 90 percent of their previous year's allocation. The remaining 10 percent of funds are allocated based on CTE courses, split evenly between the number of CTE courses taken by students in the previous year and the number of CTE credits earned by students in the previous year. Programs can receive no more than 110 percent of their previous year's allocation.
Indiana	Differential	$225 to $450 per credit hour depending on program type	Credit hours and student enrollment in state-approved CTE programs	Additional Pupil Count funding for CTE is distributed through a weighted formula based on credit hours and student enrollment in state-approved CTE programs. Programs are differentially weighted based on labor market demand and wages, with those programs preparing students for careers in industries that require a more than moderate number of future employees and pay high wages receiving the largest weight.
Kansas	WSF	0.5	Each FTE CTE student in junior and senior level "high-cost" course	The state's foundational formula provides an additional weight of 0.5 for each FTE CTE student. Extra weighting applies only to those junior and senior level CTE courses determined to be "high cost" by the state, according to the following criteria: 1) requiring special facilities; 2) requiring special equipment; 3) having a lower pupil/teacher ratio; and 4) requiring specialized teacher training to remain current in the field of instruction. In 2012, the state began to offer performance incentives. High schools can earn $1,000 per secondary student that graduates with an industry-recognized credential (from a state-approved list).
Kentucky	Differential	1.0 for technical skill programs, 1.5 for high-cost technical skill programs.	Student FTE in CTE programs	Student FTE is weighted according to program type and cost. Programs are classified into three types: (1) Career orientation and exploration; (2) technical skill program; and (3) high-cost technical skill program. High-cost technical skill programs, as defined by the state, are those CTE programs in which students develop highly technical skills and that require high-cost equipment. Technical skill programs are eligible for a weight of 1.0, with high-cost technical skill programs receiving a weight of 1.5.
Michigan	Differential	Added cost reimbursements vary for each of the programs on the state's ranked list, with rates limited to no more than 40 percent of the reported actual costs of program delivery.	Student enrollment in CTE programs on the state's ranked list based on employment demand, wages, and placement rates (60 percent of funds)	The state targets 60 percent of funds to LEAs to cover the costs of providing instruction for programs on the state's ranked list. The ranked list takes into account projected job openings, wages, and placement of CTE students into jobs in their field of study. The remaining 40 percent of funds is distributed to 54 Career Education Planning Districts (CEPDs) to fund other programs as approved by the state. Added-cost reimbursement rates are set by the state for each program on the ranked list. These rates are limited to 40 percent of the median reported expenditures from prior years. Funds for the CEPDs are allocated based on the CEPD's proportional share of the state's total contact hours and total enrollment in grades nine to 12.

State	Type of Funding	Weight/Base	Weighting Assigned to	Method
Montana	Proportional	$200 for each approved CTSO	CTE enrollment	Funds are allocated based on four categories: (1) Student enrollment: pro rata share of prior year state CTE student enrollment funding (nearly 75 percent of funds); (2) $200 for each approved career technical student organization (CTSO) plus a pro rata share of prior year CTSO enrollment; (3) Pro rata share of extended days funding; and (4) Weighted adjustment for LEA expenditures (excluding salaries and benefits) for CTE two years prior to the grant.
Nevada	Proportional		CTE enrollment (duplicated)	Funds are allocated based on two categories: (1) Student counts: duplicated counts of CTE enrollments at each high school for use in ongoing program improvement and maintenance; and (2) Competitive grants to drive change at the school or LEA level through the development and expansion of high school CTE programs. Additional state funds are available to support student organizations and professional development.
North Carolina	Proportional	$10,000 program support and 50 months' salary for months of employment	District's pro rata share of total ADM in grades eight to 12	Funds are allocated based on two categories: (1) Program support funds: Each LEA receives a base amount of $10,000, with remaining funds distributed as a pro rata share of LEA's ADM in grades eight to 12. Funds can be used for expanding, improving, modernizing, or developing CTE programs. (2) Months of Employment (MOEs) to support employment of CTE personnel, which are allocated by distributing a base equivalent to 50 months' salary with any remaining funds allocated based on ADM in grades eight to 12. State gives LEAs the option of transferring funds from MOEs to program support without limitation but restricts the transfer of CTE funds for other purposes to 7 percent of the LEA's categorical allocation.
Ohio	Differential	$1,200 to $4,750 per FTE CTE student and $225 for each FTE CTE student for CTE associated services	Each FTE CTE student enrolled in approved CTE programs	The state provides additional funds for FTE CTE students participating in CTE programs identified in five categories.
Pennsylvania	WSF	0.21 for CTE students at area CTE centers 0.17 for CTE students in LEAs or charter schools	CTE ADM in LEAs or charter schools and area CTE centers	The state distributes funds through the Secondary Career and Technical Education Subsidy program, which provides an add-on weight of 0.17 to the student ADM for CTE programs operated by LEAs and charter schools, and an add-on weight of 0.21 to the ADM at area CTE centers. This weighted ADM is then multiplied by the lesser of the state's average instructional expense per student or an LEA wealth factor. Add-on weighted funding is capped at 0.375 times the weighted CTE ADM.

State	Type of Funding	Weight/Base	Weighting Assigned to	Method
South Carolina	Proportional	$20,000 base per LEA for equipment purchases	District's pro rata share of CTE enrollment	State funds are allocated in support of CTE to reimburse programs for the cost of equipment and the provision of work-based learning activities. Equipment funds can be used to implement new courses or upgrade technology for existing courses. Each LEA and area CTE center receives a base allocation of $20,000 for equipment purchases, with any remaining funds distributed to LEAs based on their pro rata share of the state's total CTE enrollment for the prior year. Work-based learning funds are intended to support specific career exploration activities, including job shadowing, service learning, mentoring, school-based enterprise, cooperative education, internship, youth apprenticeship, and registered apprenticeship. These funds are distributed to LEAs through a formula that weights student FTE from two years prior and adjusts for LEA wealth. The state also offers incentive awards to programs based on the number of CTE completers
Texas	WSF	1.35	Each enrolled FTE CTE student	The state's basic grant formula applies a weight for CTE students. Each FTE CTE student in grades nine to 12 generates an annual allotment of 1.35 times the adjusted state base. Programs also receive an additional $50 per student who enrolls in two or more advanced CTE courses for a minimum of three credits.
Utah	Proportional	($10,000 for equipment)	CTE ADM plus growth	Funds are distributed in three categories: (1) Added cost funds distributed proportional to prior year CTE ADM plus growth. Growth is added only if CTE ADM has grown in each of the two prior years up to a maximum of 10 percent; if CTE ADM declines, the LEA is held harmless (growth is set equal to 0 percent). (2) Equipment set aside, with each LEA receiving a flat base allocation of $10,000. Remaining set-aside funds are distributed in two ways: a) 50 percent are distributed based on an LEA's prior year CTE ADM and b) 50 percent are distributed through a request for proposal process. (3) CTE leadership organization funds, with up to 1 percent of appropriation allocated based on prior year student membership in approved organizations.
Washington	Proportional		Pro rata share of state CTE enrollment	CTE programs are offered in approximately 228 Washington LEAs, 10 Skills Centers and 15 branch and satellite centers across the state. Local LEAs receive an enhancement to their basic education apportionment based on the number of CTE FTEs reported by the LEA. To claim the funds, a program and its instructor must be approved according to state regulations and/or state policy.

State	Type of Funding	Weight/Base	Weighting Assigned to	Method
West Virginia	Proportional		Pro rata share of state CTE enrollment and three-year average number of completers to allocate secondary block grant and equipment	Secondary CTE funds are distributed in four categories: (1) Secondary Block Grant: Pro rata share of prior year state CTE enrollment in occupational and non-occupational courses and three year average of CTE completers. (2) Travel covers any travel costs incurred by teachers and support staff related to CTE programming (e.g., attendance at in-service workshops, participation in career technical student organization (CTSO) activities, or program administration at non-school sites, such as at an employment site). Funds are distributed based on each LEA's pro rata share of the total adjusted staff FTE, which takes into account the total number of instructors and staff employed, student enrollment in CTSOs, and a distance factor. (3) Equipment replacement: pro rata share of prior year state CTE enrollment in occupational and non-occupational courses and three year average of CTE completers; and (4) Multi-county grant funding: For seven area CTE centers that serve multiple counties. Multi-county centers (MCCs) qualify for funds to cover indirect costs based on a pro rata share of their total funding. State funds are intended to offset the additional costs of providing CTE services, which it defines as extended employment for instructional and administrative staff, supplies, instructional materials, equipment, and placement services. To be eligible for block funds, providers must assign sufficient administrative oversight of technical programs, with those offering more than five CTE programs required to appoint a state-certified program administrator.
Wyoming	WSF	1.29	FTE CTE enrollment	The state's foundational formula provides a 1.29 weight for FTE CTE enrollments. Additional funds are allocated for equipment expenses based on the number of full-time CTE instructors. CTE programs are defined in the formula as those comprised of up to three or more courses in a sequence in a particular industry or occupational area that lead to increased skills, knowledge, or proficiencies. The state also provides demonstration grants to partnerships of secondary and postsecondary institutions to develop new or expand existing CTE programs. In 2014, demonstration grants were awarded to STEM-focused projects.

Source: National Center for Innovation in Career and Technical Education

ENGLISH LEARNER

Figure A.2: English Language Learner Funding Policy by State

State	Type of Funding	Additional Allocation
Alabama	Categorical	Funding per student depends on state appropriations. For FY 2015, the department allocated $2,005,334 to local school boards on a per student basis, which is approximately an additional $95 per ELL student.
Alaska	Formula	Additional weight in formula: 0.2 (20%)
Arizona	Formula	Additional weight in the formula: 0.115 (11.5%)
Arkansas	Formula	For the 2012-2013 school year, districts received an additional $305 per ELL student.
California	Formula	Additional weight in formula: 0.2 (20%)
Colorado	Categorical	Funding per student varies depending on students' proficiency levels: -$869 per non-English proficient student -$34 per limited English proficient student.
Connecticut	Formula	Additional weight in formula: 0.15 (15%) for ELLs not participating in bilingual education programs
Delaware	There is no state funding for ELL.	N/A
Florida	Formula	Additional weight in formula: 0.147 (14.7%)
Georgia	Formula	Funding per student is based on FTE and teacher/student funding ratios. The ELL ratio is 7:1.
Hawaii	Formula	Additional weight in formula: 0.18 (18%)
Idaho	Categorical	The 2014 state ELL allocation of $3,500,000 was distributed in October 2013 directly to districts with an approved State Limited English Proficient plan. A total of 14,261 students were identified as LEP, averaging $245.42 per student.
Illinois	Reimbursement	Funding per student depends on a district's claims for reimbursement. Additionally, if the money appropriated by the General Assembly is insufficient, it shall be apportioned on the basis of the claims approved.
Indiana	Categorical	Funding for the 2013-2014 Non English Speaking Program (NESP) was $90.88 per pupil.
Iowa	Formula	Additional weight in formula: 0.22 (22%)
Kansas	Formula	Additional weight in formula: 0.395 (39.5%)
Kentucky	Formula	Additional weight in formula: 0.096 (9.6%)
Louisiana	Formula	Additional weight in formula: 0.22 (22%)
Maine	Formula	Additional weight in formula depends on density of ELL students: A. Fewer than 15 ELL students: weight of 0.70 (70%) B. More than 15 ELL students and fewer than 251: weight of 0.50 (50%) C. 251 or more ELL students: weight of 0.525 (52.5%).
Maryland	Formula	Additional weight in the formula: 0.99 (99%)
Massachusetts	Formula	Additional weight in formula varies between 0.07-0.34 (7%-34%), depending on grade level.
Michigan	Reimbursement	For the 2014-2015 school year, there is allocated an amount not to exceed $1,200,000.00 to applicant districts and intermediate districts offering programs of instruction for ELL students.

State	Type of Funding	Additional Allocation
Minnesota	Formula	Revenue is equal to $700 times the greater of 20 or the number of eligible ELL pupil units. Additional revenue is provided for high concentrations of ELLs.
Mississippi	There is no state funding for ELL.	The state relies on Title III funds.
Missouri	Formula	Additional weight in formula: 0.60 (60%)
Montana	There is no state funding for ELL in Montana.	The state relies on Title III funds.
Nebraska	Formula	Additional weight in formula: 0.25 (25%)
Nevada	Categorical	In FY 2014-15 the state allocated $24.95 million for ELL services. These funds were allocated to Clark County School District ($19.71 million) and Washoe County School District ($3.74 million) with the remaining $1.5 million distributed to the remaining school districts based on their ELL enrollment.
New Hampshire	Formula	Funding is an additional $684.45 to the base per pupil cost for an ELL student receiving English Language instruction.
New Jersey	Formula	Additional weight in the formula: 0.5 (50%). For ELL students also considered "at-risk," an additional weight of 0.125 (12.5%) is added to the ELL weight for a total weight of 0.625 (62.5%)
New Mexico	Formula	Additional weight in the formula: 0.5 (50%)
New York	Formula	Additional weight in formula: 0.5 (50%)
North Carolina	Formula	In 2014-15, the state allocated $74.2 million for ELL programs. Each district with at least 20 ELL students receives the dollar equivalent of a teacher assistant position. Any remaining funds are allocated 50% the number of ELL students (up to 10.6% of the districts population) and 50% on the concentration of ELL students.
North Dakota	Formula	Additional weight in formula: 0.2-0.3 (20%-30%), depending on a student's language ability.
Ohio	Categorical	Funding depends on duration of enrollment: (A) $1,515 per student enrolled for 180 school days or less (B) $1,136 per student enrolled for more than 180 school days (C) $758 per student who does not qualify for inclusion under division (A) or (B) and is in a trial-mainstream period.
Oklahoma	Formula	Additional weight in formula: 0.25 (25%)
Oregon	Formula	Additional weight in formula: 0.5 (50%)
Pennsylvania	Categorical	Additional funding of $34.65 per student in FY 2014-15. Funding is from their block grant program which is outside of the formula.
Rhode Island	There is no additional state funding designated specifically for ELL.	However, the state's funding formula provides an additional weight for poverty, based on Free and Reduced Price Lunch counts, that is meant to get at the added cost of ELL.
South Carolina	Formula	Additional weight in formula: 0.2 (20%)
South Dakota	Formula	Additional weight in formula: 0.25 (25%)
Tennessee	Formula	The state's funding formula provides districts with funding for an additional teaching position for every 30 ELL students and an additional interpreter position for every 300 students.
Texas	Formula	Additional weight in formula: 0.1 (10%)

State	Type of Funding	Additional Allocation
Utah	Categorical	ELL students qualify for funding under the state's "at-risk" program. At-risk funding (which exist outside of the formula) is distributed based on district demographics: -20% of at-risk funding goes to high-poverty districts -76% distributed based on districts' at-risk student enrollment. -4% to all districts.
Vermont	Formula	Additional weight in formula: 0.2 (20%). Additionally, ELL students are given a poverty weight of 0.25 (25%) for an additional total of 0.45 (45%).
Virginia	Formula	An additional 17 teaching positions for every 1,000 ELL students
Washington	Formula	The state formula provides funding for an additional 4.778 hours of bilingual instruction per week. The formula translates to additional funding of approximately $930 per eligible student in the 2013-14 school year.
West Virginia	Categorical	Funding per student depends on the concentration of ELLs in a school district and the varying proficiency levels of students.
Wisconsin	Reimbursement	The state provides $250,000 for districts with ELL student populations that represent 15% or more of the district's total population. The $250,000 is distributed to these districts on a prorated basis depending on each district's total ELL expenditures. The amount of funding is contingent on available state dollars.
Wyoming	Formula	Funding per student depends on staffing costs. The 2015-2016 Block Grant estimate provides an additional $35.56 per FTE ELL teacher.

Source: Education Commission of the States[21]

[21] [1] "50-State Comparison: Type of Funding." Education Commission of the States, November 2014. http://ecs.force.com/mbdata/mbquestNB2?rep=ELL1412
[2] Figure text adapted nearly verbatim from: "50-State Comparison: Funding Per Student." Education Commission of the States, November 2014. http://ecs.force.com/mbdata/mbquestNB2?rep=ELL1413

SPECIAL EDUCATION

Figure A.3: Special Education Funding Policy by State

STATE	TYPE OF FUNDING	ADDITIONAL ALLOCATION
Alabama	Formula-funded: staff-based allocation	Standard grade level teacher-student divisors are adjusted to reflect 5% of the average daily membership weighted by 2.5. Teacher to student ratios are: Grades K-3: 1:14.25 Grades 4-6: 1:21.85 Grades 7-8: 1:20.20 Grades 9-12: 1:18.45 Compensation for special education teachers is determined by salary matrix based on years of experience and level of education.
Alaska	Formula-funded: single weight	Alaska uses a special needs factor of 1.2 in the formula.
Arizona	Formula-funded: multiple weights	Eleven weights in the formula: Hearing impaired: 4.771 Multiple disabilities, autism and severe intellectual disability: 6.024 Self-contained programs for pupils with multiple disabilities, autism and severe intellectual disability: 5.833 Multiple disabilities with severe sensory impairment: 7.947 Orthopedic impairments, resource program: 3.158 Orthopedic impairments, self-contained program: 6.773 Preschool, severe delayed: 3.595 Developmental delays, emotional disabilities, mild intellectual disabilities, specific learning disability, speech/language impairment and other health impairments: 0.003 Emotional disabilities, enrolled in private special education programs: 4.822 Moderate intellectual disability: 4.421 Visual impairment: 4.806
Arkansas	Categorical	Arkansas only provides funding for students with disabilities with high-costs.
California	Categorical	Funding depends on state appropriations. In FY 2014-2015, the department allocated $2,811,461,000 for students with disabilities.
Colorado	Categorical	Districts receive $1,250 for each student with a disability. An additional $6,000 for children with certain disabilities may be provided; however, that funding is dependent on state appropriations and may be prorate
Connecticut	Formula-funded	The state's funding formula does not specifically designate money for students with disabilities; however, districts use formula funds for such purposes.

STATE	TYPE OF FUNDING	ADDITIONAL ALLOCATION
Delaware	Formula-funded: staff-based allocation	Partial unit funding for instructional units is provided based on grade and level of disability (basic, intensive and complex). Teacher to student ratios are: Pre-school: 1: 12.8 K-3: 1: 16.2 Basic, grades 4-12: 1: 8.4 Intensive, PreK-12: 1: 6 Complex, PreK-12: 1: 2.6
District of Columbia	Formula-funded: multiple weights	Five weights in the formula: Level 1 - Eight hours or less per week of specialized services: 0.97 FY 2015 Allocation: $9,207 Level 2 - More than 8 hours and less than or equal to 16 hours per school week of specialized services: 1.2 FY 2015 Allocation: $11,390 Level 3 - More than 16 hours and less than or equal to 24 hours per school week of specialized services: 1.97 FY 2015 Allocation: $18,699 Level 4 - More than 24 hours per week which may include instruction in a self-contained (dedicated) special education school other than residential placement: 3.49 FY 2015 Allocation: $33,127 Residential: 1.67 FY 2015 Allocation: $15,852 The weightings are applied cumulatively in the counts of students who fall into more than one of the above categories.
Florida	Formula-funded: multiple weights	Five weights in the formula: K-3: 1.126 4-8: 1.00 9-12: 1.004 Level 4 support: 3.548 Level 5 support: 5.104 Fixed funding for special education students not receiving level 4 or 5 services is provided through an Exceptional Student Education guaranteed allocation.

State	Type of Funding	Additional Allocation
Georgia	Formula-funded: staff-based	Teacher to student ratios are: Category 1 - Self-contained specific learning disabled and self-contained speech-language disordered: 1:8 Category 2 - Mildly mentally disabled: 1:6.5 Category 3 - Behavior disordered, moderately mentally disabled, severely mentally disabled, resourced specific learning disabled, resourced speech-language disordered, self-contained hearing impaired and deaf, self-contained orthopedically disabled, and self-contained other health impaired: 1:5 Category 4 - Deaf-blind, profoundly mentally disabled, visually impaired and blind, resourced hearing impaired and deaf, resourced orthopedically disabled, and resourced other health impaired: 1:3 Category 5 - Those special education students classified as being in Categories 1 through 4 whose Individualized Educational Programs specify specially designed instruction or supplementary aids or services in alternative placements, in the least restrictive environment, including the regular classroom and who receive such services from personnel such as paraprofessionals, interpreters, job coaches, and other assistive personnel: 1:8 Category 6 - Intellectually gifted: 1:12
Hawaii	Categorical	Funding depends on state appropriations. For FY 2014-2015, $325.5 million was allocated for students with disabilities (approximately 23.2% of the education budget). *Note: Hawaii is a single school district.
Idaho	Formula-funded: staff-based allocation	Districts receive special education funding at a rate of 6.0% of a district's total K–6 enrollment and 5.5% of a district's total 7–12 enrollment for additional support units. The percentage of a district's total enrollment eligible for exceptional child funding is divided by the exceptional child support unit divisor of 14.5 to determine the number of exceptional child support units generated by the district.
Illinois	Categorical	Illinois distributes special education funding via separate categorical programs. In FY 2015, $1.5 billion was provided for these programs. Chicago District 299 receives special education funding through a block grant based on a static percentage and applied against each categorical program.
Indiana	Formula-funded: dollar allocation	Per pupil expenditures by category: Severe disabilities: $8,350 ($8,800 beg. in FY 2016) Mild and moderate disabilities: $2,265 ($2,300 beg. in FY 2016) Communication disorders: $533 ($500 beg. in FY 2016) Homebound programs: $533 ($500 beg. in FY 2016) Special preschool education programs: $2,750 (remains the same beg. in FY 2016)
Iowa	Formula-funded: multiple weights	Three additional weights in the formula: Level 1 - Students receiving specially designed instruction for a part of the educational program (includes modifications and adaptations to the general education program): 0.72 Level 2 - Students receiving specially designed instruction for a majority of the educational program (includes substantial modifications, adaptations, and special education accommodations to the general education program): 1.21 Level 3 – Students receiving specially designed instruction for most or all of the educational program (requires extensive redesign of curriculum and substantial modification of instructional techniques, strategies and materials): 2.74

STATE	TYPE OF FUNDING	ADDITIONAL ALLOCATION
Kansas	Formula-funded: single weight	Weight in the formula: 1.6874
Kentucky	Formula-funded: multiple weights	Three additional weights in the formula: Low incidence disabilities: 2.35 Moderate incidence: 1.17 High incidence: 0.24
Louisiana	Formula-funded: single weight	Weight in the formula: 1.5
Maine	Formula-funded: multiple weights	Funding is based on a 6 step formula adjustment: Step 1: Base Component - Applies 1.277 weight (for the excess cost) to all students up to 15% of subsidizable students in the district. Step 2: Prevalence Adjustment - Applies .38 weight (for the excess cost) to all students above 15% of subsidizable students in the district. Step 3: Size Adjustment - Applies .29 weight for additional funds for school administrative units with fewer than 20 students w/disabilities in the district. Step 4: High Cost In-District Adjustment - Allocates additional funds for students estimated to cost 3 times the statewide special education EPS rate in the district. Step 5: High Cost Out-of-District Adjustment - Allocates additional funds for students estimated to cost 4 times the statewide special education EPS rate in the district. Step 6: EPS Special Education Allocation (with EPS Maintenance of Effort Adjustment and High Cost Out-of-District Adjustment) in the district.
Maryland	Formula-funded: single weight	Per pupil amount is 74% of the annual per pupil foundation amount multiplied by 0.5, the state share of special education funding.
Massachusetts	Categorical	For FY2014, special education was funded at $4,400,696,186, an increase of approximately $99.5 million for that year.
Michigan	Reimbursement	Reimbursement: 28.6138%
Minnesota	Categorical	$1.12 billion allocated for students with disabilities in FY 2014-2015. The state is transitioning to a new funding method for FY 2016 (still a categorical program) that distributes funding through dollar allocation for three categories of disabilities.
Mississippi	Formula-funded: staff-based allocation	One teacher unit is provided for each approved class of exceptional students. The funding allocated is based on the teacher's certification and experience. Additional funds for students with disabilities are provided through the Special Education, Special Services fund in the State Treasury.
Missouri	Formula-funded: single weight	An additional weight of 0.75 is applied to student counts above the state threshold of 12.6% special education students.

STATE	TYPE OF FUNDING	ADDITIONAL ALLOCATION
Montana	Categorical	Funding depends on state appropriations. The total special education allocation must be distributed according to the following formula: 52.5% through instructional block grants 17.5% through related services block grants 25% to reimbursement of local districts 5% to special education cooperatives and joint boards for administration and travel
Nebraska	Reimbursement	Reimbursement has varied 51% - 57% since 2010
Nevada	Categorical	Funding for 3,049 special education units was $41,608 in FY 2014 and $42,745 in FY 2015 for a total of $126.9 million and $130.3 million respectively.
New Hampshire	Formula-funded: dollar allocation	$1,881.98 for each special education student is added to the base per pupil cost of $3,498.30 per ADM-R.
New Jersey	Formula-funded: dollar allocation	2/3 of the special education costs are funded through the state's primary formula and 1/3 through categorical funding. General special education costs are separate from speech only students. Total FY 2015-2016 allocations per-pupil for general special education was $15,805 and for speech only was $1,259.
New Mexico	Formula-funded: multiple weights	Four additional weights in the formula: Students requiring a minimal amount of special education: 0.7 Students requiring a moderate amount of special education: 0.7 Students requiring an extensive amount of special education: 1.0 Student requiring a maximum amount of special education: 2.0
New York	Formula-funded: single weight	Weight in the formula: 1.41
North Carolina	Categorical	Funding depends on state allocations. In FY 2014-2015, $784,172,856 (or $3,926.97 per funded child count) was allocated for students with disabilities.
North Dakota	Formula-funded: single weight	Additional weight in the formula: 0.082.
Ohio	Formula-funded: dollar allocation	For FY 2015, per-pupil expenditures by category: Speech impaired: $1,517 Developmentally disabled, specific learning disabled, other health issues – minor, preschool developmentally delayed: $3,849 Hearing impaired, severe behavior: $9,248 Visually impaired, other health issues – major: $12,342 Multiple disability, orthopedically handicapped: $16,715 Traumatic brain injury, autism, and deaf-blindness: $24,641

STATE	TYPE OF FUNDING	ADDITIONAL ALLOCATION
Oklahoma	Formula-funded: multiple weights	Eleven additional weights in the formula: Vision impaired: 3.8 Learning disabilities: 0.4 Deaf or hard-of-hearing: 2.9 Deaf and blind: 3.8 Educable mentally handicapped: 1.3 Emotionally disturbed: 2.5 Gifted: 0.34 Multiple handicapped: 2.4 Physically handicapped: 1.2 Speech impaired: 0.05 Trainable mentally handicapped: 1.3
Oregon	Formula-funded: single weight	Additional weight in the formula: 1.0.
Pennsylvania	Categorical	The categorical funds are distributed through a weighted student count based on categories of student costs: Category 1: 1.51 Category 2: 3.77 Category 3: 7.46
Rhode Island	Formula-funded: single weight	The state's "high need student weight" is 40%. It is meant to address the effects of poverty and other factors influencing educational need.
South Carolina	Formula-funded: multiple weights	Five weights in the formula: Educable mentally handicapped pupils and learning disabilities pupils: 1.74 Trainable mentally handicapped pupils, emotionally handicapped pupils and orthopedically handicapped pupils: 2.04 Visually handicapped pupils, pupils with autism and hearing handicapped pupils: 2.57 Speech handicapped pupils: 1.9 Pupils who are homebound and pupils who reside in emergency shelters: 2.1
South Dakota	Formula-funded: dollar allocation	Six allocations in the formula: Level 1 - Mild disability (count is calculated by determining 10.04% of student count): $4, 897 Level 2 - cognitive disability, emotionally disturbed: $12,037 Level 3 - Hearing loss, deafness, vision loss, deaf-blind, orthopedic impairment, traumatic brain injury: $16,002 Level 4 - Autism: $14,288 Level 5 - Multiple disability (must include 2 or more disabilities in levels 2, 3 or 4, not including Deaf-Blind): $21,635 Level 6 - Prolonged assistance: $7,796

STATE	TYPE OF FUNDING	ADDITIONAL ALLOCATION
Tennessee	Formula-funded: staff-based allocation	Tiered teacher allocation system based on location of instruction and amount of specialized contact. A schedule of 10 special education options determines teacher allocations requirements. Special education supervisor: 1:750 Special education assessment personnel: 1:600 Special education assistant: 1:60 Classroom materials and supplies: $36.50/SE Student Instructional equipment: $13.25/SE Student Classroom-related travel: $17.25/SE Student
Texas	Formula-funded: multiple weights	Twelve weights in the formula: 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 State schools: 2.8 Residential care and treatment: 4.0 Mainstream: 1.1
Utah	Formula-funded: dollar allocation	Funding per student is based on the state's add-on weighted pupil unit value of $2,837 for FY2015-2016.
Vermont	Reimbursement	Reimbursement: 60% for (1) 9.75 special education teaching positions per 1,000 average daily membership (ADM) and (2) up to two special education administrators per supervisory union/district based on ADM
Virginia	Formula-funded: staff-based allocation	A minimum of 51 professional instructional positions and aide positions and for special education, a minimum of 6.0 professional instructional positions and aide positions for each 1,000 pupils in March 31 ADM each year. 2015 appropriations: Special Education and Student Services: $13,225,359 Special Education Instructional Services: $7,999,000 Special Education Administration and Assistance Services: $510,001 Special Education Compliance and Monitoring Services: $2,527,393
Washington	Formula-funded: single weight	Additional weight in the formula: 0.93. *Note: there are additional weights for early childhood but only one weight for students age 5-21.

State	Type of Funding	Additional Allocation
West Virginia	Categorical	Funding depends on state appropriations. The total FY 2016 allocation was $7,271,757.
Wisconsin	Reimbursement	Reimbursement: 26.79%
Wyoming	Reimbursement	Reimbursement: 100%

Source: Education Commission of the States[22]

[22] Figure text reproduced nearly verbatim from: "State Funding for Students with Disabilities: All States Data." Education Commission of the States, June 2015. http://ecs.force.com/mbdata/mbquest3D?rep=SD10

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