

Special Education: Funding Overview
 Legislative Council Staff
 October 18, 2021

Federal Funding

Colorado receives federal funding for special education through grants authorized by the Individuals with Disabilities Act (IDEA), which governs how states and public agencies provide early intervention and special education to youth with disabilities. Colorado receives an IDEA Part B allocation annually, which supports students ages three through 21 years old, as well as preschool funding for ages three to five years old. Table 1 includes four years of appropriations of IDEA Part B and preschool funds.

Fiscal Year	FY 2018-19	FY 2019-20	FY 2020-21*	FY 2021-22*
Total Allocation of IDEA Part B Funds**	\$154,211,966	\$154,857,805	\$163,556,245	\$ 198,344,256***
Total Allocation of IDEA Preschool Funds	\$ 3,634,726	\$3,721,634	\$3,746,242	\$6,800,296***

Source: Colorado Department of Education

**Totals are preliminary*

***Includes supplemental funds*

****Includes American Rescue Plan Funds*

State Funding

State funding for special education is provided as part of **categorical program funding**, which is outside of district funding under the School Finance Act. Categorical programs also include English language learners; transportation, career and technical education, gifted and talented, expelled and at risk student services, small attendance centers and comprehensive health education.

The **Colorado Constitution (Amendment 23)** requires that total state funding for all categorical programs increase annually by at least the rate of inflation. The General Assembly determines how to allocate categorical funding among the various programs as part of the annual budget process. Traditionally, education programs for children with disabilities is the largest recipient of categorical funding.

How is state special education funding allocated?

Funding to provide educational services to students with disabilities is distributed to administrative units. An administrative unit could be a school district, a board of cooperative services, or a combination of school districts. State funds are allocated as follows:

- **Tier A - \$135.6 million (FY 2020-21):** \$1,250 for each child with a disability who was reported on the prior year special education count. This amount has not changed since 2006.
- **Tier B - \$63.3 million (FY 2020-21):** up to \$6,000 per student for children reported on the prior year special education count with the following disabilities: intellectual disability; serious emotional

disability; hearing impairment, including deafness; vision impairment, including blindness; deaf-blindness; autism spectrum disorders; traumatic brain injury; and multiple disabilities. In FY 2020-21, Tier B funding was \$2,629 per student. The actual amount of Tier B funding is based on the appropriation and the amount remaining after Tier A students are funded.

- **High cost grants - \$4.0 million (FY 2020-21).** High cost grants provide partial reimbursement of the high costs to provide special education services to a child in the preceding fiscal year. These grants are distributed by the Colorado Special Education Fiscal Advisory Committee, taking into consideration the magnitude of the high costs incurred by a unit in relation to its budget. Of the \$4.0 million for the program, \$2.0 million is for students in high-cost in-district placements or programs, and \$2.0 million is for students in high-cost out-of-district placements or programs.
- **Children without direct parental involvement - \$500,000 (FY 2020-21).** Administrative units that pay tuition to facilities to provide special education services to students whose parents cannot be located or are incarcerated, or whose parents' rights have been relinquished or terminated receive \$500,000 of the appropriation.
- **ChildFind - \$2.8 million (FY 2020-21).** Administrative units also receive funding to offset the costs of screening and evaluating children with disabilities from birth through two years of age (Part C of IDEA). Senate Bill 21-275 shifted some ChildFind duties from the Colorado Department of Education to the Colorado Department of Human Services beginning in FY 2022-23.

How many students?

In FY 2020-21, state funding for the education of students with disabilities was used to provide services to about 104,600 Colorado public school students with disabilities, or roughly 12.0 percent of total pupil membership.

Historical Funding

Figure 1 shows state and federal funding for special education over the past five years. In FY 2021-22, state funding is estimated to be about \$220 million.

Figure 1
State Funding for Special Education

