EXECUTIVE SUMMARY

This chapter focuses on how the federal and state governments of the United States have been providing funding to educate their youth for more than 200 years. Unfortunately, it was not until the 1950s, when parents of students with exceptionalities sued the schools, that monies from the federal government were made available to educate students with special needs. This chapter also discusses creative funding options because even with the federal funds, states have been relegated to come up with monies to cover their special education population because the federal government has not fully funded its portion of the law. The chapter also examines special education expenditures in relationship to a free and appropriate education and concludes with a discussion about the future trends in funding to educate children with special needs.

INTRODUCTION

According to the U.S. Department of Education, National Center for Education Statistics (2014), the Office of Special Education Programs (OSEP) has calculated that the Individuals with Disabilities Education Act (IDEA) serves approximately 6.8 million children and youth with disabilities nationally. With national expenditures in 2012-2013 totaling an estimated $571 billion, $27.3 billion went toward regular education services and $1 billion was appropriated
for federally funded special needs programs (i.e., Title I, English language learners, gifted and talented education). In per-pupil terms, it costs $12,639 to educate a student with disabilities on average. Special education services cost $8,080 per pupil, $4,394 per pupil is spent on regular education services, and $165 per pupil goes toward services from other federal special needs programs. Special education expenditures within a service delivery model can be costly, as school districts offer special classes, consultants, therapy, tests, extra instruction, private school, and transportation for their special needs students. It has been widely publicized that “the special education system is one of the most heavily regulated and underfunded of all federal education mandates” (Pardin, n.d., para. 1).

The legal definition of a free and appropriate public education (FAPE) consists of several components. Although all components to the definition are key, as it pertains to cost, the authors of IDEA have made certain that school districts understand that “special education and related services be provided at public expense, under public supervision and direction and without charge” (Hersh & Johansen, 2007, p. 1). Special education does consume more money over time (Winters & Greene, 2007). As the needs of special education students change and the demand for additional services rises, private along with public funding sources are very important to assist in educating students with disabilities.

This chapter will:

- Analyze funding sources.
- Discuss the federal special education funding sources available.
- Justify the benefits of engaging in activities that can result in federal, state, and local grant monies.
- Develop examples of innovative spending, funding sources, and options.
- Justify the policies and procedures for budget funding in special education.
- Devise innovative spending options for a budget proposal.
- Construct a portfolio of contact ideas for funding and spending sources.
- Evaluate problems associated with modifications necessary to shape fiscal responsibility within special education service delivery models.