



Full Funding for IDEA

It's a Guarantee, Not Just a Promise

The Council for Exceptional Children (CEC) is continuing its campaign to fully fund the Individuals with Disabilities Education Act, or IDEA. The *Guaranteed Full Funding for IDEA* campaign calls on the 107th Congress and the Administration to pay its full share of the cost of educating children with disabilities by passing legislation this year that guarantees full funding for IDEA within six years, or no later than FY 2008. For FY 2003, CEC is advocating a total federal annual appropriation for IDEA of *\$11.90 billion*,ⁱ including increased appropriations for the IDEA Part B Grants to States Program and preschool grants, as well as the Part C Infants and Toddlers Program and Part D support programs.

Background

When Congress originally enacted P.L. 94-142, The Education for All Handicapped Children Act, in 1975, Congress authorized the federal government to pay 40% of each state's "excess cost" of educating children with disabilities. That amount – commonly referred to as the "IDEA full funding" amount – is calculated by taking 40% of the national average per pupil expenditure (APPE) multiplied by the number of children with disabilities served under IDEA in each state.ⁱⁱ

When P.L. 94-142 was enacted, Congress adopted a full funding formula that phased-in funding increases for IDEA over a period of 5 years, intending to reach full funding by FY 1981, with local communities and states providing the balance of funding.ⁱⁱⁱ Over the years, while the law itself continues to work and children are being educated, the intended federal/state/local cost-sharing partnership has not been realized because Congress never lived up to its financial obligation. As a result, local communities and states have been forced to pay a higher proportion of the special education costs. But ultimately, children and families are the ones who are being shortchanged.

Children and families are shortchanged when more than 37,000 teachers without appropriate licenses teach students with disabilities each year because funds are not available to recruit and train qualified teachers.^{iv} They are shortchanged when research-based educational practices are not available in schools as a result of 10 years of stagnant federal funding for educational research.^v And they are shortchanged when adequate funds are not available to provide developmentally appropriate early intervention services to eligible infants, toddlers, and preschool children with disabilities.^{vi}

Details of the Guaranteed Full Funding for IDEA Campaign

For 26 years Congress has promised to fully fund IDEA, *yet funding is only at 17 percent of the national average per pupil expenditure for FY 2002*.^{vii} Based on funding levels approved by Congress during the past 26 years, IDEA will not reach full funding until FY 2035.^{viii} *School children cannot wait another 33 years*. Congress should fulfill its promise; IDEA funding should be mandatory.^{ix}

How Does CEC's Campaign Address the Problem?

First, CEC calls on Congress and the Administration to increase federal spending over the next six years. Funding for IDEA would be moved out of the discretionary budget and into mandatory spending, which would guarantee increased federal funding. In order to reach full funding of the Part B State and Local Grant Program within six years, CEC calls on the Congress and the Administration to enact legislation this year that guarantees the following appropriation levels over six years:

- FY 2003: *\$9.98 billion* – \$2.45 billion more than FY 2002
- FY 2004: *\$12.43 billion*
- FY 2005: *\$14.88 billion*
- FY 2006: *\$17.33 billion*
- FY 2007: *\$19.78 billion*
- FY 2008: *\$22.23 billion* – Full funding for Part B is reached ^x

Second, CEC calls on Congress and the Administration to secure increased funds to promote personnel preparation, research, and other national activities that will improve educational results for children and youth with disabilities, as well as provide additional funding for preschool grants and the early intervention program for infants and toddlers. Specifically, CEC calls on Congress and the Administration to enact legislation this year to guarantee the following appropriations levels for FY 2003:

- ***\$591 million*** for Part B preschool grants.^{xi}
- ***\$500 million*** for the Part C Infants and Toddlers Program.^{xii}
- ***\$830 million*** for Part D program supports.^{xiii}

ⁱ This figure includes \$9.98 billion for the Part B State and Local Grant Program, \$591 million for Part B preschool grants, \$500 million for the Part C Infants and Toddlers Program, and \$830 million for the Part D support programs.

ⁱⁱ 20 U.S.C. § 1411(a)(2).

ⁱⁱⁱ See Section 611(a)(1) of P.L. 94-142.

^{iv} See Council for Exceptional Children. (2000, October). *Bright Futures for Exceptional Learners: An Agenda to Achieve Quality Conditions for Teaching & Learning*. Arlington, VA: Author.

^v Personnel Preparation under IDEA (section 673) has been level-funded since 1990. While Personnel Preparation recently received a modest increased appropriation for FY 2002, the program has historically been level-funded. CPI adjusted figures over the life of the program show that federal support for Personnel Preparation under IDEA has declined 52%.

^{vi} Appropriations for the Part B preschool grants (for children with disabilities ages 3 through 5, inclusive) and the Part C Infants and Toddlers Program (ages birth through 2 years of age, inclusive) have not kept pace with inflation. As a result, between FY 1992 and Department projections for FY 2003, the per child allocation under section 619 of Part B of the Act (preschool grants) dropped from \$803 to \$626 (not adjusted for inflation) per child.

^{vii} IDEA authorizes Congress to appropriate 40% of the national average per pupil expenditure (APPE) multiplied by the number of children with disabilities served under IDEA in each state. Currently, the federal share is only at 16.7% APPE.

^{viii} Based on IDEA appropriations history, the Congressional Research Service estimates that full funding will be achieved by FY 2035.

^{ix} While much media attention has been paid to recent increases in IDEA over the past five years, the percentage share of federal spending on special education only increased 1% between 1982 and 1999 [see Parrish, T. H. (2000). *Who's paying the rising cost of special education? Journal of Special Education Leadership*. Council of Administrators of Special Education].

^x Full funding is calculated by taking the Average Per Pupil Expenditure multiplied by the number of children with disabilities served under IDEA in each state. APPE projections are based on the Consumer Price Index, prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to a school-year basis. SOURCE: U.S. Department of Education, National Center for Education Statistics, 2001.

^{xi} The U.S. Department of Education estimates that 622,800 children ages 3 to 5 will receive preschool services under Part B Section 619 of IDEA in FY 2003. CEC's FY 2003 appropriations recommendation is based on a \$950 per child allocation for FY 2003 (US Department of Education projects a per child allocation of \$626 for FY 2003) multiplied by the number of children enrolled in the Part B Preschool Program in each state. Congress should live up to its original promise to fully fund the Part B Preschool Program by providing the promised allocation of \$1500 per child. To accomplish this, Congress should increase the per child allocation by \$145 each year to reach full funding (i.e., \$1500 per child allocation) by FY 2008 at an estimated cost of \$990 million in FY 2008. Approximately 4.8 % of all preschool age children who reside in the United States and its Outlying Areas receive services under the Preschool Program. CEC's appropriation recommendation for Section 619 Preschool Programs takes into account projected increases in program enrollment based on total population growth for all preschool age children residing in the United States and its Outlying Areas. (SOURCE: US Department of Education, Office of Special Education and Rehabilitative Services). The FY 2002 appropriation for the Part B preschool grants is \$390 million.

^{xii} Congress appropriated \$417 million for the Part C Infants and Toddlers Program in FY 2002. While CEC appreciates the much needed \$33 million increase for FY 2002, federal funding historically has not kept pace with program needs. The importance of the early years in ensuring that children succeed later in school and life has achieved bipartisan recognition. States and communities continue to demonstrate their commitment to this effort through the investment of significant resources, but full federal participation is essential. The amounts requested by CEC over the next several years will assist states in planning, developing and implementing statewide systems and for the provision of early intervention services. Full funding of Part C will fulfill the partnership promised by the Congress in 1986. Specifically, CEC requests \$500 million for FY 2003, with subsequent yearly increases of \$45 million per year to reach full funding by FY 2008 at an estimated cost of \$725 million.

^{xiii} Based upon a percentage derived from the total annual appropriation for the Part B Grants to States program, Section 619 Preschool Program, and the Part C Infants and Toddlers annual appropriation for IDEA and the private industry standard for research and dissemination; i.e., the percentage of the overall operating budget applied by a company to ongoing research and demonstration (infrastructure) activities (or R&D). The private industry standard of 10% would be typical for most businesses (SOURCE: U.S. Department of Labor, Bureau of Labor Statistics). However, a conservative 7.5% rate was used to determine appropriate funding levels for the IDEA Part D support programs. All subsequent Part D appropriations should be indexed to the total annual appropriations for the state grants programs (i.e., Part B, Section 619, and Part C) using a conservative 7.5% rate for infrastructure and R&D activities. The FY 2002 appropriation for the Part D support programs is \$337 million.

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