
Nevada Special Education Funding

Commission on School Funding

31 May 2024

Special Education Funding Engagement

The Nevada Department of Education (NDE) contracted with WestEd to:

1. Describe how special education is currently funded in Nevada;
2. Explore how Nevada's special education funding formula compares to other states;
3. Develop considerations related to and potential implications of previously proposed and any new recommendations for changes.

Grounding Assumptions

Each local educational agency (LEA) must provide a free and appropriate education to each student with a disability and each state must ensure implementation of IDEA by its LEAs.

Federal special education funding is not and is not intended to be sufficient to fund special education costs. Each state provides special education funding and there is most often a local share as well.

Federal Special Education Funding

- IDEA funding is not sufficient to provide a free appropriate public education to students with disabilities.
- Federal funds cover approximately 13 percent of the cost of special education, with that proportion varying based on the cost of special education in specific localities.
- "Full funding" of IDEA would cover 40 percent of the excess costs of special education — states and LEAs would be expected to contribute approximately 60 percent of the excess costs of special education.

Federal Funding is Not Equal Across States

The U.S. Department of Education's formula allocates a base amount using child counts from 1997 and 1999. Additional funding is allocated based on total school populations.

- Between FY1999 and FY2021:
 - Nationally, the average per pupil grant increased 210% per student receiving special education (\$783 to \$2,489).
 - Nevada's amount increased 137% (\$810 to \$1,924), the smallest increase
 - Only two states receive less than Nevada per child with a disability (PA and OK)
 - Highest amounts per student are in WY (\$3,372), LA (\$3,129) and VT (\$3,006)
 - [Kolbe, T., Dhuey, E., & Doutre, S. M. \(2023\). Unequal and increasingly unfair: How federal policy creates disparities in special education funding. *Exceptional Children*, 90\(1\), 57-75.](#)

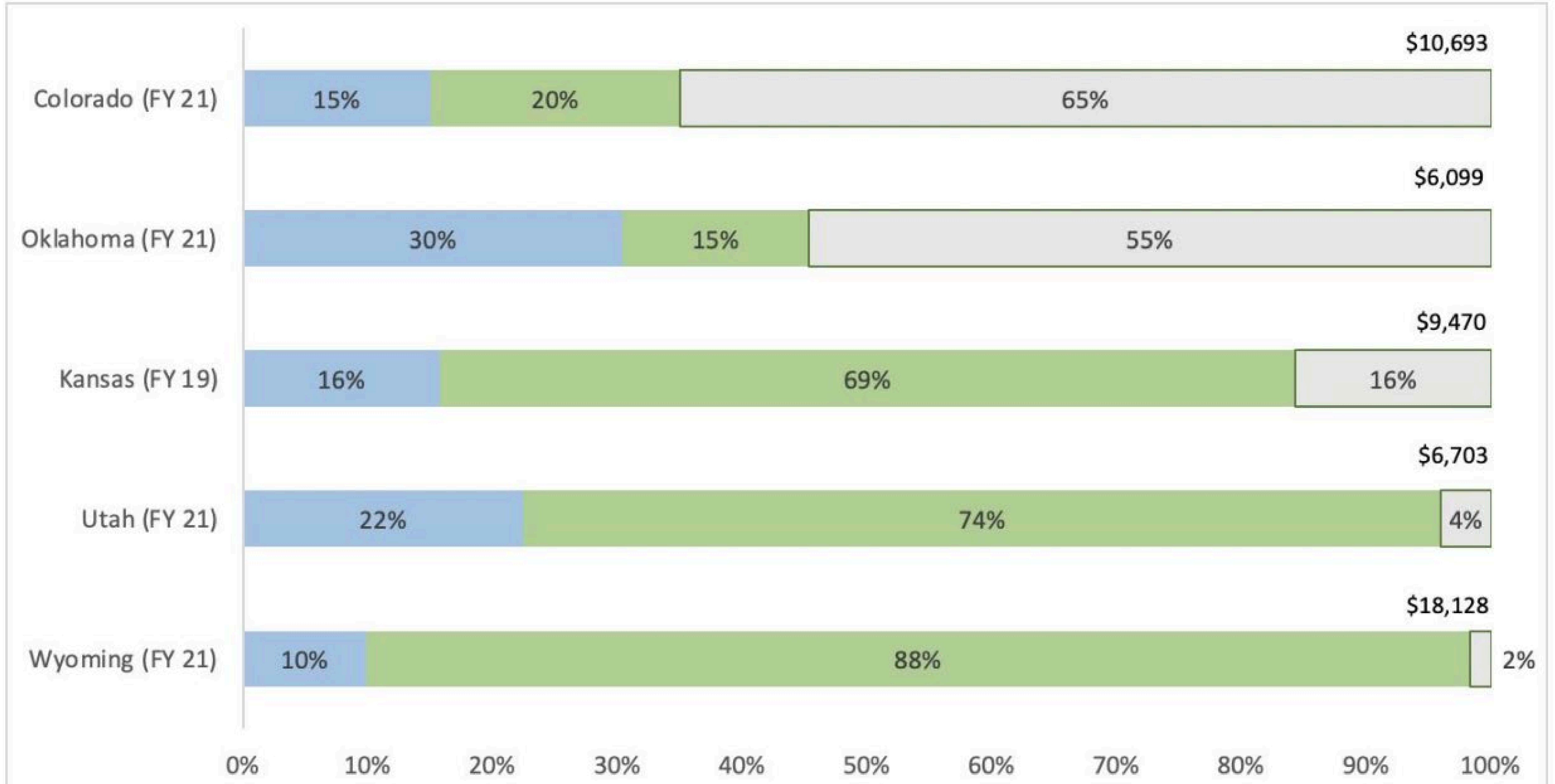
State and Local Share of Special Education Funding

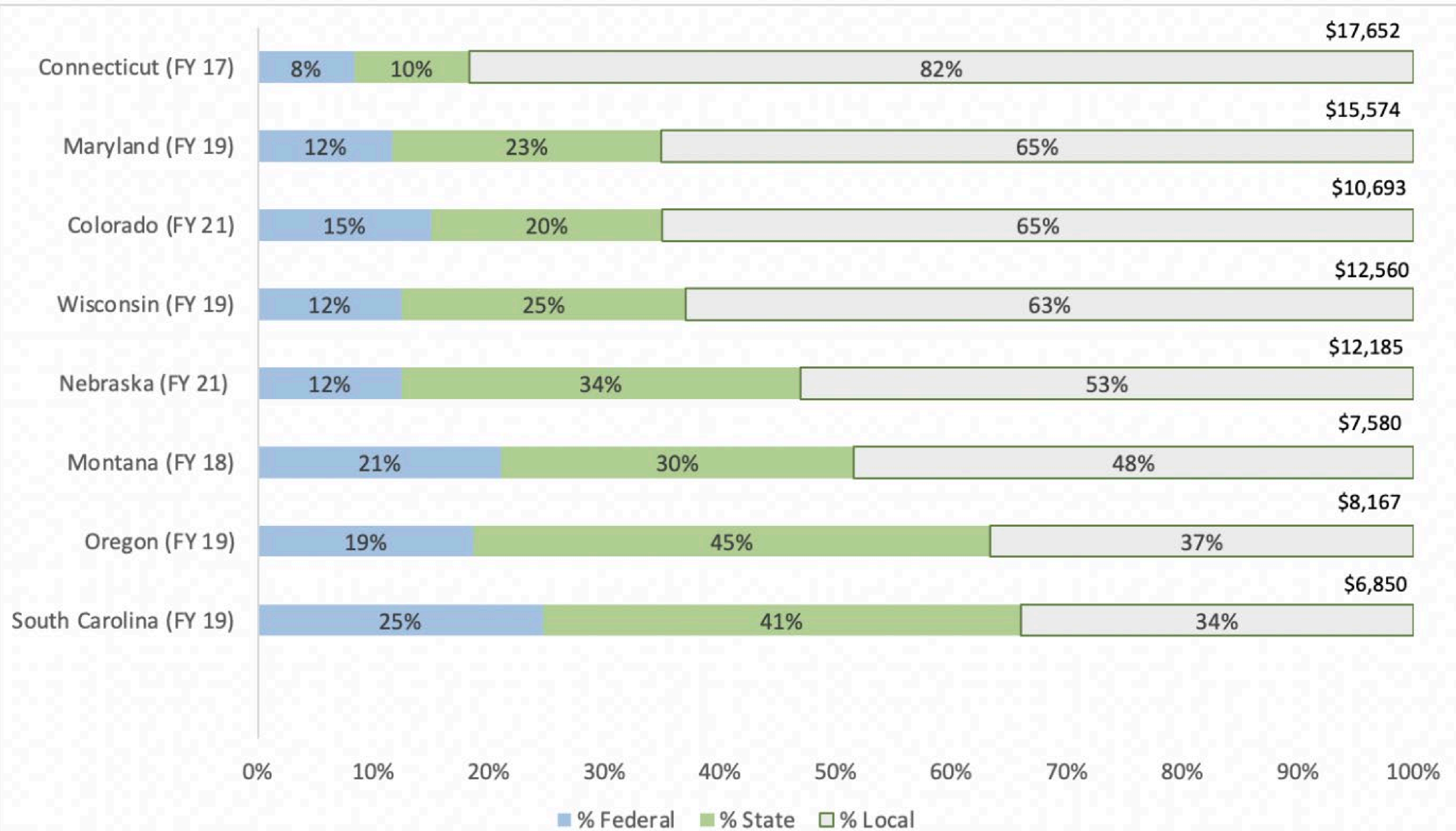
While federal funds for special education make up a relatively consistent proportion of overall spending across the states, the balance of state and local funds is highly inconsistent across states.

Data on this is not consistent across states and not available from all states due to inconsistent tracking of local and general fund spending on special education.

[WestEd, 2022. Report on Colorado Special Education Funding Mechanisms.](#)

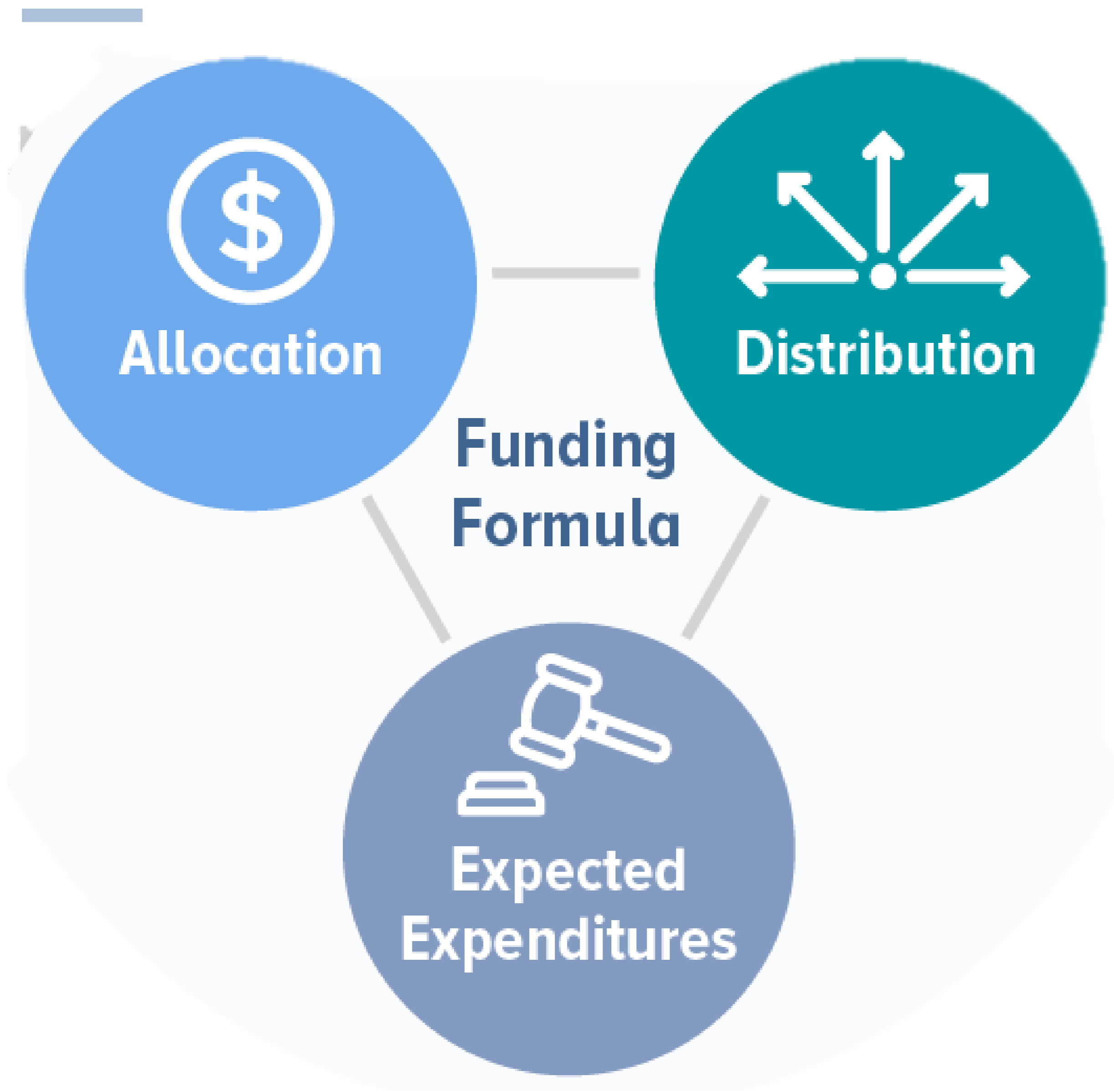
Average Special Education Expenditures per Pupil





State Funding Formulas

Nevada's current formula and how it compares to other states.



Allocation – how amounts of funding are calculated, the mathematical calculation.

Distribution – how funds are directed to specific local entities.

Expected Expenditures – requirements or restrictions on how funds may be spent.

Allocation

***Allocation* refers to the process for calculating the amount or proportion of funds provided to an entity (e.g., a school, a district, or an intermediary).**

- Unit counts (most frequently, a count of students).
- Adjusted based on a variety of student (e.g., disability type, English learner status) or community (e.g., property tax revenue, cost-of-living) characteristics and/or other measures intended to create equity and/or stability.
- More adjustments = more complexity.

Allocation: Nevada's Current Formula

- Prior year special education funding for each LEA is adjusted for inflation to determine the **base allocation** of special education funding for the current year.
- Base allocation amounts are proportionally adjusted based on available funding.
- **Supplemental funding**, when available, is provided to LEAs for students beyond a 13% cap set for base funding.

Hold Harmless Provision

- Intended to ensure LEAs do not experience a decrease in funds year over year.
- (Similar to federal formula) has led to large disparities across LEAs, with per student LEA amounts ranging from approx. \$3,000 to \$12,000.
- Often mistakenly referred to as the maintenance of effort (MOE) provision.
 - Nevada ensures it meets the state-level maintenance of financial support (MFS) requirement by not reducing the total amount of funds the Legislature makes available for special education.
 - Each LEA must meet MOE (budgeting and spending) and can do so with state and local special education and general funds. LEAs also can reduce amounts with allowable exceptions.
- In the future, a hold harmless provision may be needed during a transition, such as over three to five years, while LEAs adjust to changes in state funding formulas.

Allocation: Other States' Formulas

Allocation Approach	States	Total
Count of Students with Disabilities	AZ, CO, DE, FL, GA, HI, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, NE, NV, NH, NM, NY, NC, OH, OK, OR, PA, SC, TN, TX, UT, VA, WA, WI, WY	39
Census	AK, AL, AR, CA, CT, ID, IL, MT, ND, NJ, RI, WV	8
Hybrid	FL, MS, NV, VT	4
Single weight or Amount	AK, AL, CA, CO, HI, ID, IL, LA, MD, MO, MT, NC, ND, NH, NV, NY, OR, PA, SD, UT, WA	21
Multiple weights	AK, AZ, GA, IA, IN, KY, MA, ME, NJ, OH, OK, SC, SD, TX	16
Resource	AL, DE, ID, IL, NM, TN, VA	7
Reimbursement	KS, MI, MN, NE, WI, WY	6

Weighting Examples

Assuming a base amount of \$1,000 per student

State	Arizona (11 weights)	Georgia (5 weights)	Iowa (3 weights)
Lowest weight	Mild intellectual, specific learning disability, speech language (.003) = \$3	Self-contained learning disabled and speech/language disordered (1.3901) = \$1,390	Receiving part of the educational program (includes modifications and adaptations to general education) (0.72) = \$720
	Preschool severe delay (3.595) = \$3,595	Special education students receiving services in a general education setting) (1.4583) = \$1,458	Receiving majority of the educational program (1.21) = \$1,210
Highest weight	Multiple disability, severe sensory impairment (7.947) = \$7,947	Deaf-blind, profoundly mentally disabled, resourced other health impaired (4.7898) = \$4,790	Receiving most or all of educational program (2.74) = \$2,740

Distribution

***Distribution* refers to where (i.e., the specific entities) the formula directs all or parts of state special education funds.**

- To whom state funds flow from the SEA
 - Directly to schools (some states for charter schools)
 - Directly to LEAs (most states, including **Nevada**)
 - To intermediary LEAs or ESAs (3 states)
- How funds flow
 - Separate categorical allocation(s) (most states, including **Nevada**)
 - Part of the foundation funding (7 states, increasing amount)

Expected Expenditure

***Expected expenditure* refers to the requirements and restrictions that a state sets for the use of funds.**

- Required expenditures (individual and program mandates) make special education unique.
- Restricted expenditures (preserved funding) are common in special education.
 - Nevada (and most states) require all funds be used for special education.
 - TX requires that 55% of funds be used for special education.
 - 7 states include funding as part of base funding and do not restrict its use to only special education.



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Distribution – how funds are directed to specific local entities.

Expected Expenditures – requirements or restrictions on how funds may be spent.

Key Takeaways: Review of Nevada and Other States

- Most states have developed formulas using studies similar to Nevada's 2006, 2012, and 2018 studies.
- Limited data make it very hard to evaluate and compare state's special education funding formulas.
- Over the past decade, states have further differentiated special education funding (moved to multiple weights) and incorporated special education into or coordinated special education funding with general or foundation funding.

Questions and Next Steps

Questions?

Next Steps

- Prior to the June meeting, NDE will share report.
- Commission to discuss recommendations at June 21 meeting.