

Other States' Funding Mechanisms

Various formulas are used nationally to distribute funding to local school districts. State funding formulas often utilize a combination of approaches (Parrish, Harr, Anthony, Merickel, and Esra, 2003, p.3), which have a variety of strengths and weaknesses (<http://csef.air.org>).

Ahearn (2010) describes the basic funding mechanisms used nationally to deliver special education funding:

Weighted Pupil: (1) A series of multiples of the general education amount or the tiered-dollar amounts, allocated per special education student and varying according to disability, type of placement, or student need, or (2) A single multiple of the general education amount or a fixed-dollar amount, allocated per special education student.

Resource Based: Funding based on payment for a certain number of specific education resources (e.g., teachers or classroom units), usually determined by prescribed staff-student ratios that may vary by disability, type of placement or student need.

Percentage Reimbursement: Funding based on a percentage of allowable, actual expenditures.

Census-Based: A fixed-dollar amount per total enrollment or average daily membership.

Block Grant: Funding on base-year or prior-year allocations, revenues, and/or enrollment (p.3).

Summary of Funding Approaches The following table (Baker, *et al.*, 2013, Table 1.1) outlines formula types by state, delineating the strengths and weaknesses of each:

<i>Formula Type</i>	<i>States</i>	<i>Strengths</i>	<i>Weaknesses</i>
Weighted Pupil (varied weights)	Arizona, Colorado, Florida, Georgia, Indiana, Iowa, Kentucky, New Mexico, Ohio, Oklahoma, South Carolina, Texas	Ability to target additional resources to districts serving children in need, and to vary those resources by need levels.	May influence not only aggregate identification rates, but severity of classifications. Even more problematic if separate weights tied to placement type. (see Parrish et al., 1994, 2000)
Weighted Pupil (single weight, or flat grant per SE pupil)	Louisiana, Maine, New Hampshire, New York, North Carolina, Oregon, Washington	Simplicity. Ability to target additional aid to districts serving greater shares of children in need.	Insensitive to differences in concentration of disabilities by severity.
Resource Based	Delaware, Kansas, Mississippi, Nevada, Tennessee, Virginia	Ability to target additional aid to districts serving greater shares of children in need.	If based on fixed sum (typical), may lead to spreading resources to thin across districts/ services/children
Percentage Reimbursement	Michigan, Minnesota, Nebraska, Wisconsin, Wyoming	Less encroachment (Baker, 2003) Ability to target additional aid to districts serving greater shares of children in need.	Potentially cumbersome compliance procedures of accounting for allowable expenses. If based on fixed sum (typical), may lead to spreading resources to thin across districts/ services/children
Census-Based	Alabama, California, Idaho, Massachusetts, Montana, New Jersey, Pennsylvania	Reduces incentive to mis-classify or over-classify (Parrish, 1994)	Potential to deprive districts with uncontrollably high disability rates of necessary resources (Baker and Ramsey, 2010)
Combination of Above Elements (perhaps as multiple Tiers)	Alaska, Illinois, Maryland, South Dakota, Vermont		
No separate special education formula	Arkansas, Connecticut, Hawaii, Missouri*, North Dakota, Rhode Island, West Virginia		

* misclassified by ECS. Formula includes single weight (.75) for each special education student above fixed percent of enrollment. <http://www.projectforum.org/docs/FinancingSpecialEducation-StateFundingFormulas.pdf>