

Priority Issue: Special Education Funding and Inequities for Children with Disabilities

Background:

The Individuals with Disabilities in Education Act (IDEA) is the federal law that gives children with disabilities the legal right to a free appropriate public education (FAPE).

A High-Level View of Special Education Funding:

- IDEA was intended to be funded by states paying 60% of special education costs and the federal government paying 40%. In Wisconsin, IDEA has never been funded as intended.
- School funding is complex. Funding comes from a mix of federal, state and local funds, grants, and Medicaid reimbursement.
- Federal Funding for IDEA is only about 10%, and advocates are concerned that states may not receive what is currently promised.
- State Funding for IDEA in Wisconsin is only about 35%. This will be explained further below.

The Problem:

- For every dollar that a school spends on special education, the state only reimburses about 35 cents.
- The latest state budget increased the amount schools are reimbursed to 42% this year (2025-2026) and 45% next year (2026-2027) BUT the funding increase wasn't guaranteed. It was **sum certain**.
 - **Sum Certain** means a certain amount of money, called an appropriation, is set aside to reimburse from. If that amount runs low, schools receive less than they were promised.
 - **Sum Sufficient** means the funding is guaranteed. Every school gets 42%-45%. This creates stability for students and our schools.
- In the 2025 budget, the special education increase was sum certain and not guaranteed. Therefore, the funding immediately fell short of the 42% reimbursement promised for students with disabilities.
- Students with disabilities lost twice in the latest budget: not only did the promise of 42% reimbursement fall short, but there was also NO general education aid increase this year. Students in special education are general education students too!

A lack of adequate funding to support students with disabilities can lead to:

- Putting student safety at risk. For example: without enough supervision and support, students may elope, are at risk of choking or falling, or medical needs could go unnoticed.
- Less access to quality therapeutic services
- Students with disabilities being secluded or restrained at a much higher rate than their peers
- Not enough classroom support
- Inadequate training & pay for support staff
- A lack or shortage of assistive technology that supports learning

- Frustration for families, students, and school staff
- Shortened school days
- Missed developmental milestones
- Instability for families: when parents have to be called to school to pick up their student, their student cannot attend full days, or extra IEP meetings have to happen, a parent's employment can be at risk.

How does this affect all students?

Special education services are legally mandated, meaning schools must provide them. To cover special education fund deficits, districts are forced to take money from their general education fund. This affects special education students, general education students, school staff, and often local taxpayers.

- Referendums are a way many districts have resorted to solving their budget crisis. In the *spring 2025 election alone, 89 school referendums were on ballots* around the state. To put that in perspective, there are 421 school districts in Wisconsin.
- A Legislative Fiscal Bureau Memo showed 1 in 5 school operating referendums in 2024 could have been avoided if special education costs were fully reimbursed.
- Special education funding from both the state and federal levels are currently lacking and inflation is increasing costs.
- The difference for the funding comes out of the general education fund which lowers the amount per student that can be spent in each district.
 - This leads to stretching resources thin across the board, and it affects everyone.
 - This lack of and subsequent shifting of funds impacts special education students twice. Their general education classrooms *and* special education services are both still underfunded.
- Students with disabilities are suspended, secluded, and physically restrained at a higher rate compared to their peers.

Our Ask:

Increasing the state special education reimbursement rate to 90% sum sufficient.

- This helps every child receive a free appropriate public education (FAPE).
 - It's a start to give schools the ability to hire adequate staff, pay paraprofessionals living wages, afford to give professionals adequate professional training opportunities, etc.
- Private voucher schools already receive a 90% sum sufficient reimbursement rate for special education services through the special needs scholarship program. Private voucher school funds come out of local public school district budgets, creating another funding issue for our local schools.
 - We believe the same protections for students with disabilities & rules around public meetings, input, records, & transparency should apply for all schools that receive public money.