

CRS Report for Congress

Individuals with Disabilities Education Act (IDEA): Current Funding Trends

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Individuals with Disabilities Education Act (IDEA): Current Funding Trends

Summary

The Individuals with Disabilities Education Act (IDEA) is the major federal statute that supports special education and related services for children with disabilities. This report traces recent funding trends for this program and tracks the status of actions to “fully fund” the grants-to-states program under Part B of IDEA. FY2007 total funding for IDEA is \$11.8 billion. FY2007 funding for the Part B grants-to-states program is nearly \$10.8 billion. Since FY1995, funding for this program has more than quadrupled, although in recent years funding growth for Part B grants to states has slowed. Full funding of IDEA is generally considered to be 40% of the excess cost (i.e., the additional cost) of educating children with disabilities. The FY2007 amount for the grants-to-states program represents 17.2% of the estimated excess cost of serving children with disabilities, which is down from the 17.7% of excess cost that the FY2006 appropriation represented.

The President’s FY2008 budget would decrease overall funding for IDEA to \$11.5 billion, with funding for the grants-to-states program decreasing to nearly \$10.5 billion, a decrease of \$291 million below the FY2007 appropriation. The decrease in funding — taken together with projected increases in the estimated cost of special education and in the number of children with disabilities served — would represent another decrease in the estimated FY2007 excess cost to 16.5%.

This report will be updated as warranted to reflect congressional action on IDEA appropriations and to incorporate updated data for excess cost calculations.

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Individuals with Disabilities Education Act (IDEA): Current Funding Trends

Introduction

The Individuals with Disabilities Education Act (IDEA) is the major federal statute that supports special education and related services for children with disabilities. As a condition of accepting IDEA funding, the act requires that states and local educational agencies (LEAs) provide a free appropriate public education (FAPE) to each eligible child with a disability. The IDEA is divided into four parts. Part A contains the general provisions, including the purposes of the act and definitions. Part B, the most often discussed part of the act, contains provisions relating to the education of school aged (the grants-to-states program) and state grants program for preschool children with disabilities (Section 619).¹ Part C authorizes state grants for programs serving infants and toddlers with disabilities, while Part D contains the requirements for various national activities designed to improve the education of children with disabilities. Part B is permanently authorized. Parts C and D are authorized through FY2011.² P. L. 108-446 made significant changes to IDEA, most of which went into effect on July 1, 2005.³

Recent Funding Trends⁴

In the fall of 2006, Congress passed a series of continuing resolutions (CRs) to fund appropriations for fiscal year FY2007 that had not yet passed by the end of the 109th Congress. In the 110th Congress, H.J.Res. 20 was passed to continue FY2007 appropriations through the end of the fiscal year. The bill was enacted on February 15, 2007 as P. L. 110-5. Under this final continuing resolution, funding for the Part B grants to states increased by \$200 million, or 1.9%. (See **Table 1**). Since 1995,

¹ Part B includes the funding formulas, provisions relating to evaluations, eligibility determinations, individual educational programs (IEPs), and educational placements. It also contains detailed requirements for procedural safeguards as well as withholding of funds and judicial review.

² IDEA authorizes appropriations for Parts C and D programs and activities through FY2010. These authorities were automatically extended for an additional fiscal year by the General Education Provisions Act (GEPA — 20 U.S.C. §1226a).

³ For further information, see CRS Report RL32716, *Individuals with Disabilities Education Act (IDEA): Analysis of Changes Made by P.L. 108-446*, by Richard N. Apling and Nancy Lee Jones. (Hereafter cited as CRS Report RL32716.)

⁴ All dollar figures are in current dollars; no price-level adjustments have been applied.

IDEA funding for grants to states has more than quadrupled — from \$2.3 billion to \$10.8 billion in FY2007 — although in recent years, funding growth has slowed.

Under P. L. 110-5, the preschool program and the Part C infant and toddlers program would be funded at their FY2006 levels, while funding for the Part D national programs would be cut by about 20%, or \$50.146 million. This is the amount at which state personnel development under IDEA Subpart I of Part D was funded in FY2006. Neither the House or Senate reported appropriations bills nor the President's budget recommended funding this program for FY2007.⁵

FY2008 Budget Request

Table 1 compares the FY2007 appropriations for IDEA with the President's FY2008 budget request. Overall funding for IDEA would decrease by 2.7% under the President's budget, from \$11.8 billion to \$11.5 billion. Most of this decrease is the result of a 2.7% decrease in the Part B grants-to-states program, which would decrease by \$291 million below the FY2007 amount. Preschool state grants would be level funded. Funding for Part C infants and toddlers grants would decrease by \$13.3 million, or approximately 3.1%. Total funding for Part D (national programs and activities) would decrease by \$13.4 million, or 6.6%. This decrease is due to a proposed decrease in funding for parent information centers under IDEA Subpart 3 of Part D. In addition, as with the FY2007 request, the President requests no funding for the state personnel development grants.

In addition to state grants, funding for the Part B grants-to-states program contains set-asides for the outlying areas,⁶ for the freely associated states,⁷ for children with disabilities served in Bureau of Indian Affairs (BIA) schools, and for other purposes. Prior to the 2004 reauthorization of IDEA under P.L. 108-446, the statute authorized the Secretary of Education to reserve up to \$20 million⁸ from Part B and Part C appropriations for studies and evaluations (P.L. 105-17, §674(e)). For FY2002 through FY2004, the Secretary reserved \$16 million annually for these purposes from the Part B grants-to-states appropriation and nothing from the appropriations for Section 619 or Part C appropriations.

P.L. 108-446 made some changes to certain set-aside provisions. Current law no longer authorizes Part B and Part C reserves for studies and evaluations. Instead

⁵ Both the House Appropriations Committee Report (H.Rept. 109-515) and the Senate Appropriations Committee Report (S.Rept. 109-287) indicate that no funding was recommended for FY2007 for state personnel development because funding from FY2006 was still available for this purpose. The House report noted that it intends to resume funding the grants in FY2008 “when existing funds are depleted” (p. 199).

⁶ The outlying areas are defined as “the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands” (P.L. 108-446, §602(22)).

⁷ The freely associated states are: the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau (P.L. 108-446, §611(b)(1)(C)).

⁸ This maximum was to be adjusted each year by the rate of inflation.

the Secretary is authorized to reserve up to \$25 million⁹ of Part B appropriations for technical assistance for the states (P.L. 108-446, §611(c)) related to state requirements for data collection and analysis under §616(i). For FY2006 and FY2007, the Secretary reserved \$15 million from the Part B grants to states appropriation for this purpose. The President proposes reserving \$15 million for FY2008.¹⁰

Table 1. IDEA Appropriations for Fiscal Years (FY) 2006 and 2007 and the IDEA FY2008 Budget Request

(in thousands of dollars)

IDEA program/activity	FY2006	FY2007	Percent change (FY2006 FY2007)	FY2008 request	Percent change (FY2007 FY2008)
Part B grants to states	\$10,582,961	\$10,782,961	1.89%	\$10,491,941	-2.70%
Part B preschool grants (Section 619)	\$380,751	\$380,751	0.00%	\$380,751	0.00%
<i>Subtotal, Part B</i>	\$10,963,712	\$11,163,712	1.82%	\$10,872,692	-2.61%
Part C infants and toddlers grants	\$436,400	\$436,400	0.00%	\$423,067	-3.06%
<i>Subtotal, state grants</i>	\$11,400,112	\$11,600,112	1.75%	\$11,295,759	-2.62%
Part D (total)	\$252,901	\$202,755	-19.83%	\$189,388	-6.59%
Total, IDEA	\$11,653,013	\$11,802,867	1.29%	\$11,485,147	-2.69%

Source: U.S. Department of Education (ED) Budget Service spreadsheets and P.L. 110-5..

Note: Totals may differ slightly due to rounding. All dollar figures are in current dollars; no price-level adjustments have been applied.

⁹ This maximum is to be adjusted each year by the rate of inflation.

¹⁰ Authorization for studies and evaluation is now included in §667 of IDEA.

Estimated FY2007 and FY2008 State Grants

Table 2 shows estimated Part B grants-to-states allocations based on the FY2006 and FY2007 appropriations and on the FY2008 request. The FY2007 estimates are compared to states' FY2006 grants. The FY2008 estimates are compared to the FY2007 estimates. Increases in FY2007 estimated grants range from 1.70% to 3.39%. The interaction of IDEA formula provisions accounts for the smallest states receiving percentage increases that are nearly twice the percentage increases of most other states. The formula requires (at the proposed level of the FY2007 increase) that no state receive **less** than $\frac{1}{3}\%$ of the overall increase in funding since FY1999 or 90% of the percentage increase of total IDEA Part B grants-to-states appropriations over the previous year, whichever amount is greater. In addition, no state may receive a grant that is **more** than the overall annual growth rate in appropriations plus 1.5 percentage points. The minimum grant for the smallest states is the $\frac{1}{3}\%$ of appropriations growth since FY1999; however, this would be more than the overall annual growth plus 1.5 percentage points. So the smallest states receive the latter percentage increase ($1.89\% + 1.5\% = 3.39\%$). Most other states receive the other minimum growth rate of 90% of the annual growth in total appropriations ($0.1.89 \text{ times } 90\% = 1.70\%$). FY2008 estimated decreases range from -2.48% to -4.16%.¹¹ For both FY2007 and FY2008, the total amount for set-asides represents inflationary increases for Bureau of Indian Affairs (BIA) schools, outlying areas, and the freely associated states,¹² and level funding for technical assistance to the states.

¹¹ When grants-to-states total funding is less than prior-year funding but greater than FY1999 funding, each state receives the amount it received for FY1999 plus a proportional share of the funds above the FY1999 level.

¹² The recent practice of the U.S. Department of Education (ED) has been to increase funding for outlying areas and the freely associated states by the rate of inflation. Recent appropriations language (including language in the act making appropriations for the Departments of Labor, Health and Human Services, and Education and Related Agencies for FY2006 — P.L. 109-149) limits increases in BIA funding under IDEA to the rate of inflation, unless that amount would be greater than an amount based on the percentage increase in funds provided under §611(i).

**Table 2. Final FY2006, Preliminary FY2007, and FY2008 Request
IDEA Part B Grants-to-States Allocations**

(dollars rounded to nearest \$000)

State	Final FY2006 grants	Estimated FY2007 grants	Estimated FY2008 grants (based on FY2008 request)	Estimated percent change from FY2006 to FY2007	Estimated percent change from FY2007 to FY2008 request
Alabama	\$167,635,000	\$170,486,000	\$165,918,000	1.70%	-2.68%
Alaska	32,452,000	33,552,000	32,593,000	3.39%	-2.86%
Arizona	162,328,000	167,830,000	163,033,000	3.39%	-2.86%
Arkansas	103,400,000	105,159,000	102,265,000	1.70%	-2.75%
California	1,130,940,000	1,150,176,000	1,117,812,000	1.70%	-2.81%
Colorado	137,481,000	142,142,000	138,079,000	3.39%	-2.86%
Connecticut	122,567,000	124,652,000	121,429,000	1.70%	-2.59%
Delaware	29,742,000	30,750,000	29,871,000	3.39%	-2.86%
District of Columbia	14,954,000	15,461,000	15,019,000	3.39%	-2.86%
Florida	580,457,000	593,036,000	577,084,000	2.17%	-2.69%
Georgia	285,369,000	295,043,000	286,609,000	3.39%	-2.86%
Hawaii	36,801,000	37,427,000	36,380,000	1.70%	-2.80%
Idaho	50,036,000	50,887,000	49,454,000	1.70%	-2.82%
Illinois	466,850,000	474,790,000	462,168,000	1.70%	-2.66%
Indiana	235,740,000	239,750,000	233,519,000	1.70%	-2.60%
Iowa	112,542,000	114,456,000	111,512,000	1.70%	-2.57%
Kansas	98,509,000	100,185,000	97,494,000	1.70%	-2.69%
Kentucky	145,505,000	147,980,000	144,057,000	1.70%	-2.65%
Louisiana	174,506,000	177,474,000	172,450,000	1.70%	-2.83%
Maine	50,442,000	51,300,000	49,981,000	1.70%	-2.57%
Maryland	184,574,000	187,713,000	182,739,000	1.70%	-2.65%
Massachusetts	261,681,000	266,132,000	259,287,000	1.70%	-2.57%
Michigan	369,262,000	375,542,000	365,114,000	1.70%	-2.78%
Minnesota	174,985,000	177,961,000	173,255,000	1.70%	-2.64%
Mississippi	109,703,000	111,568,000	108,467,000	1.70%	-2.78%
Missouri	209,400,000	212,961,000	207,470,000	1.70%	-2.58%
Montana	33,879,000	34,572,000	33,601,000	2.04%	-2.81%
Nebraska	68,834,000	70,005,000	68,204,000	1.70%	-2.57%
Nevada	61,046,000	63,116,000	61,312,000	3.39%	-2.86%
New Hampshire	43,748,000	44,492,000	43,345,000	1.70%	-2.58%
New Jersey	333,206,000	338,874,000	330,158,000	1.70%	-2.57%
New Mexico	84,016,000	85,445,000	83,220,000	1.70%	-2.60%
New York	699,789,000	711,692,000	693,105,000	1.70%	-2.61%
North Carolina	288,431,000	294,557,000	286,443,000	2.12%	-2.75%
North Dakota	24,150,000	24,969,000	24,255,000	3.39%	-2.86%
Ohio	403,485,000	410,348,000	399,039,000	1.70%	-2.76%

State	Final FY2006 grants	Estimated FY2007 grants	Estimated FY2008 grants (based on FY2008 request)	Estimated percent change from FY2006 to FY2007	Estimated percent change from FY2007 to FY2008 request
Oklahoma	136,350,000	138,669,000	134,926,000	1.70%	-2.70%
Oregon	118,887,000	120,909,000	117,642,000	1.70%	-2.70%
Pennsylvania	393,753,000	400,450,000	389,470,000	1.70%	-2.74%
Puerto Rico	99,227,000	102,591,000	99,658,000	3.39%	-2.86%
Rhode Island	40,312,000	40,998,000	39,943,000	1.70%	-2.57%
South Carolina	161,465,000	164,211,000	159,901,000	1.70%	-2.62%
South Dakota	28,769,000	29,744,000	28,894,000	3.39%	-2.86%
Tennessee	214,982,000	218,639,000	212,789,000	1.70%	-2.68%
Texas	888,269,000	904,579,000	879,009,000	1.84%	-2.83%
Utah	98,327,000	99,999,000	97,201,000	1.70%	-2.80%
Vermont	23,285,000	24,075,000	23,386,000	3.39%	-2.86%
Virginia	259,641,000	264,057,000	256,955,000	1.70%	-2.69%
Washington	204,037,000	207,507,000	201,719,000	1.70%	-2.79%
West Virginia	70,009,000	71,200,000	69,369,000	1.70%	-2.57%
Wisconsin	191,909,000	195,173,000	190,007,000	1.70%	-2.65%
Wyoming	24,428,000	25,257,000	24,535,000	3.39%	-2.86%
Subtotals to states	10,442,096,000	10,640,540,000	10,351,144,000	1.90%	-2.72%
Total set-asides	140,864,000	142,421,000	140,797,000	1.11%	-1.14%
Totals	10,582,961,000	10,782,961,000	10,491,941,000	1.89%	-2.70%

Source: CRS calculations based on data obtained from the U.S. Department of Education (ED) Budget Service.

Note: Totals may differ slightly due to rounding. FY2007 and FY2008 grants are estimates only and do not necessarily represent amounts states and other entities will eventually receive. These amounts are provided for the purpose of policy discussion only.

Authorized Funding and Maximum Funding of IDEA

Actual and proposed Part B grants-to-states funding and state grant amounts are often compared with amounts to provide maximum state grants under the program — the so called “full funding” of IDEA. In addition, as a result of changes made by P.L. 108-446, which provides for specific authorization levels for the Part B grants-to-states program, it is appropriate to compare actual and proposed funding and grant amounts to authorized funding levels and estimated state grants at those authorized levels.

Part B Grants-to-States Authorizations. Prior to the enactment of P.L. 108-446, IDEA authorized “such sums as may be necessary” for the Part B grants-to-states program. In response to debate about how and when to reach maximum funding for IDEA, P.L. 108-446 [§611(i)] amended the act to include several years of specific authorization levels, culminating in an amount estimated to provide each state with its maximum grant in FY2011. **Table 3** lists these authorized amounts.

Table 3. Authorizations for the IDEA Part B Grants-to-States Program (P.L. 108-446, §611(i))

Fiscal year	Authorization
2005	\$12,358,376,571
2006	14,648,647,143
2007	16,938,917,714
2008	19,229,188,286
2009	21,519,458,857
2010	23,809,729,429
2011	26,100,000,000
2012 and subsequent years	such sums as may be necessary

Table 4 compares (1) estimated FY2007 Part B grants-to-states allocations (column 2) with estimated allocations based on the FY2007 authorization level for the program (column 3); (2) estimated FY2008 allocations based on the President's budget request (column 5) with those based on the FY2008 authorization (column 6); (3) estimated FY2007 Part B grants-to-states allocations (column 2) with allocations based on estimated FY2007 maximum state grants (column 4); and (4) estimated FY2008 grants-to-states allocations based on the President's request (column 5) with the allocations based on estimated FY2008 maximum state grants (column 7).

**Table 4. Estimated FY2007 and FY2008 IDEA Part B
Grants-to-States Allocations Based on Appropriated and
Proposed Amounts, FY2007 and FY2008 Authorizations, and
Estimated FY2007 and FY2008 Maximum State Grants**

State	Estimated FY2007 grants	Estimated FY2007 authorized grants	Estimated FY2007 maximum grants	Estimated FY2008 grants (based on President's request)	Estimated FY2008 authorized grants	Estimated FY2008 maximum grants
(column 1)	(column 2)	(column 3)	(column 4)	(column 5)	(column 6)	(column 7)
Alabama	170,486,000	269,586,000	344,084,000	165,918,000	306,583,000	349,635,000
Alaska	33,552,000	52,428,000	69,932,000	32,593,000	60,336,000	71,060,000
Arizona	167,830,000	262,254,000	447,312,000	163,033,000	301,808,000	454,528,000
Arkansas	105,159,000	166,122,000	249,602,000	102,265,000	189,107,000	253,628,000
California	1,150,176,000	1,827,129,000	2,504,318,000	1,117,812,000	2,068,354,000	2,544,717,000
Colorado	142,142,000	222,113,000	306,819,000	138,079,000	255,613,000	311,768,000
Connecticut	124,652,000	194,340,000	266,550,000	121,429,000	220,639,000	270,850,000
Delaware	30,750,000	48,050,000	69,569,000	29,871,000	55,298,000	70,691,000
District of Columbia	15,461,000	24,160,000	49,080,000	15,019,000	27,804,000	49,871,000
Florida	593,036,000	937,777,000	1,495,257,000	577,084,000	1,066,454,000	1,519,378,000
Georgia	295,043,000	461,038,000	721,117,000	286,609,000	530,574,000	732,750,000
Hawaii	37,427,000	59,456,000	82,526,000	36,380,000	67,305,000	83,857,000
Idaho	50,887,000	80,838,000	104,495,000	49,454,000	91,511,000	106,180,000
Illinois	474,790,000	748,776,000	1,178,203,000	462,168,000	853,812,000	1,197,209,000
Indiana	239,750,000	380,858,000	653,093,000	233,519,000	431,140,000	663,629,000
Iowa	114,456,000	178,444,000	277,313,000	111,512,000	202,392,000	281,787,000
Kansas	100,185,000	157,062,000	237,092,000	97,494,000	180,162,000	240,917,000
Kentucky	147,980,000	235,076,000	383,174,000	144,057,000	266,112,000	389,355,000
Louisiana	177,474,000	281,929,000	367,994,000	172,450,000	319,151,000	373,931,000
Maine	51,300,000	79,980,000	136,956,000	49,981,000	90,714,000	139,165,000
Maryland	187,713,000	298,194,000	413,859,000	182,739,000	337,563,000	420,535,000
Massachusetts	266,132,000	414,917,000	596,078,000	259,287,000	470,599,000	605,693,000
Michigan	375,542,000	596,573,000	893,459,000	365,114,000	675,336,000	907,872,000
Minnesota	177,961,000	280,516,000	423,765,000	173,255,000	320,027,000	430,601,000
Mississippi	111,568,000	177,234,000	248,478,000	108,467,000	200,633,000	252,486,000
Missouri	212,961,000	336,532,000	536,341,000	207,470,000	382,967,000	544,993,000
Montana	34,572,000	54,734,000	68,771,000	33,601,000	62,170,000	69,880,000
Nebraska	70,005,000	109,142,000	167,578,000	68,204,000	123,789,000	170,281,000
Nevada	63,116,000	98,626,000	170,856,000	61,312,000	113,501,000	173,612,000
New Hampshire	44,492,000	69,750,000	113,804,000	43,345,000	80,009,000	115,640,000
New Jersey	338,874,000	528,327,000	913,861,000	330,158,000	599,228,000	928,603,000
New Mexico	85,445,000	133,643,000	184,841,000	83,220,000	153,627,000	187,823,000
New York	711,692,000	1,109,575,000	1,635,040,000	693,105,000	1,265,543,000	1,661,416,000
North Carolina	294,557,000	465,985,000	718,528,000	286,443,000	529,700,000	730,119,000
North Dakota	24,969,000	39,016,000	50,420,000	24,255,000	44,901,000	51,233,000
Ohio	410,348,000	651,864,000	954,170,000	399,039,000	737,925,000	969,562,000

State	Estimated FY2007 grants	Estimated FY2007 authorized grants	Estimated FY2007 maximum grants	Estimated FY2008 grants (based on President's request)	Estimated FY2008 authorized grants	Estimated FY2008 maximum grants
(column 1)	(column 2)	(column 3)	(column 4)	(column 5)	(column 6)	(column 7)
Oklahoma	138,669,000	220,285,000	347,377,000	134,926,000	249,368,000	352,980,000
Oregon	120,909,000	192,072,000	280,935,000	117,642,000	217,431,000	285,467,000
Pennsylvania	400,450,000	636,141,000	1,033,985,000	389,470,000	720,127,000	1,050,665,000
Puerto Rico	102,591,000	160,310,000	316,593,000	99,658,000	184,489,000	321,700,000
Rhode Island	40,998,000	63,918,000	113,346,000	39,943,000	72,496,000	115,174,000
South Carolina	164,211,000	260,860,000	409,680,000	159,901,000	295,300,000	416,289,000
South Dakota	29,744,000	46,479,000	67,240,000	28,894,000	53,489,000	68,325,000
Tennessee	218,639,000	347,322,000	452,186,000	212,789,000	393,177,000	459,481,000
Texas	904,579,000	1,435,073,000	1,933,212,000	879,009,000	1,626,700,000	1,964,398,000
Utah	99,999,000	158,855,000	215,489,000	97,201,000	179,828,000	218,966,000
Vermont	24,075,000	37,619,000	52,028,000	23,386,000	43,293,000	52,867,000
Virginia	264,057,000	419,472,000	640,741,000	256,955,000	474,853,000	651,077,000
Washington	207,507,000	329,639,000	439,376,000	201,719,000	373,159,000	446,464,000
West Virginia	71,200,000	111,005,000	185,420,000	69,369,000	125,902,000	188,411,000
Wisconsin	195,173,000	305,936,000	463,125,000	190,007,000	350,979,000	470,596,000
Wyoming	25,257,000	39,466,000	48,175,000	24,535,000	45,419,000	48,952,000
Subtotals to states	10,640,540,000	16,796,496,000	25,033,238,000	10,351,144,000	19,088,392,000	25,437,067,000
Total set-asides	142,421,000	142,421,000	142,421,000	140,797,000	140,797,000	145,939,000
Totals	10,782,961,000	16,938,918,000	25,175,659,000	10,491,941,000	19,229,188,000	25,583,006,000

Source: CRS calculations based on data obtained from the U.S. Department of Education (ED) Budget Service.

Note: Totals may differ slightly due to rounding. State grants are estimates only and do not necessarily represent amounts states and other entities will eventually receive. These amounts are provided for the purpose of policy discussion only.

Background on Maximum Funding. When Congress enacted the predecessor legislation to IDEA¹³ in 1975, the available estimate of the cost of educating children with disabilities was, on average, twice the cost of educating other children. A determination was made that the federal government would pay some proportion of this additional or “excess” cost. The metric for determining this excess cost was the national average per-pupil expenditure (APPE). The final determination was that the federal government would pay up to 40% of this excess cost. That is,

¹³ Federal special education legislation existed prior to 1975 — most notably the Education of the Handicapped Act (EHA). P.L. 94-142 (the Education for All Handicapped Children Act of 1975) substantially amended the EHA, creating the essential structure and principles of federal assistance to special education that are still reflected in current law. In 1990, the name of the act was changed to the Individuals with Disabilities Education Act by P.L. 101-476. Congress made extensive amendments to IDEA in 1997 (P.L. 105-17) and again in 2004 (P.L. 108-446); however the basic characteristics of the act resemble those first enacted in 1975.

a state's maximum grant under the grant-to-states program was 40% of APPE times the number of children with disabilities served. (See Section 611(a)(2) of IDEA.)¹⁴ Total funds necessary to provide each state with its maximum grant are often called the "full funding" amount for IDEA Part B grants to states.

Relationship of Appropriations and Budget Request to Estimated Excess Cost. Although appropriations for IDEA Part B grants to states have increased significantly over the last decade, funding still falls short of the amount that would be necessary to provide 40% of APPE (i.e., 40% of excess cost). **Table 5** shows estimated percentages of excess cost since FY1995. The second column of the table shows appropriations for the Part B grants-to-states program.¹⁵ The third column shows the number of children with disabilities. The fourth column of the table shows the dollars per child with a disability that the appropriated amount represents, that is, the appropriation (column 2) divided by the number of children with disabilities for that year (column 3). The fifth column shows the APPE for each year. The sixth column shows the percentages of APPE that the dollar per child represents (that is, the percentage of the estimated excess cost of educating children with disabilities). The final column compares the percentage of APPE for each year to 40% of APPE for that year. For example, 20% APPE would represent 50% of the 40% criterion. That is, 20% of APPE would mean that the appropriated amount is halfway to 40% of APPE, or halfway to providing 40% of the estimated excess cost of educating children with disabilities. **Table 5** shows that the preliminary FY2007 appropriated amount accounts for 17.2% of the estimated excess cost, which represents 43% of 40% of APPE. The President's budget request would account for 16.5% of estimated excess cost, which would be 41.1% of the 40% criterion.

¹⁴ Under P.L. 108-446, the calculation of maximum state grants changes in FY2007. In general, the maximum grant will be 40% of APPE times the number of children with disabilities the state served in school year 2004-2005 adjusted by the annual rates of change in the state's population of children with disabilities (85% of the adjustment) and in the state's population of children living in poverty (15% of the adjustment). For a discussion of this change, see CRS Report RL32716, *Individuals with Disabilities Education Act (IDEA): Analysis of Changes Made by P.L. 108-446* (under the section of the report titled "Part B — Assistance for Children with Disabilities Ages 3 to 21: Allotment and Authorization (§611)"), by Richard N. Apling and Nancy Lee Jones.

¹⁵ Beginning in FY1999, certain amounts have been excluded from appropriations for the purposes of calculating percentages of APPE. From FY1999 to FY2004, these amounts were designated for evaluations and studies. For FY2005 and succeeding fiscal years, these amounts are designated for technical assistance to the states.

**Table 5. Estimated Percentage
of Average Per-Pupil Expenditure (APPE) for FY1995-FY2008**

Fiscal year	Appropriations for IDEA Part B grants to states (in \$000)	Number of children with disabilities (in 000)	Dollars per child with a disability	Average per-pupil expenditure (APPE)	Dollars per child as percentage of APPE (estimated percentage of excess cost)	Dollars per child compared to 40% of APPE
(column 1)	(column 2)	(column 3)	(column 4)	(column 5)	(column 6)	(column 7)
1995	\$2,322,915	5,467	\$425	\$5,429	7.8%	19.6%
1996	2,323,837	5,629	413	5,640	7.3%	18.3%
1997	3,107,522	5,806	535	5,796	9.2%	23.1%
1998	3,801,000	5,978	636	6,046	10.5%	26.3%
1999	4,301,000	6,133	701	6,296	11.1%	27.8%
2000	4,976,685	6,274	793	6,631	12.0%	29.9%
2001	6,323,685	6,381	991	7,006	14.1%	35.4%
2002	7,512,533	6,483	1,159	7,499	15.5%	38.6%
2003	8,858,398	6,611	1,340	7,839	17.1%	42.7%
2004	10,052,106	6,723	1,495	8,148	18.4%	45.9%
2005	10,579,746	6,820	1,551	8,400	18.5%	46.2%
2006	10,567,961	6,814	1,551	8,786	17.7%	44.1%
2007 preliminary	10,767,961	6,834	1,576	9,168	17.2%	43.0%
2008 request	10,476,941	6,855	1,528	9,288	16.5%	41.1%

Source: Table prepared by Congressional Research Service (CRS) from U.S. Department of Education (ED) data.

Note: FY1999-FY2004 funds exclude amounts for studies and evaluations; FY2005 through FY2008 funds exclude amounts for technical assistance. Estimates of “full funding” amounts and percentages of APPE will change for any fiscal year for which ED revises data to calculate these estimates.

It is important to note that the amount of appropriations needs to increase each year if the percentage of excess cost toward the goal of 40% is to increase. This is because the Budget Service of the U.S. Department of Education (ED), which is the principal source of estimates, increases its estimates of the number of children with disabilities each year, and increases the estimated APPE by an inflation adjustment.