



# Special Education Funding

---

Montana's School Funding Interim  
Commission



# YOUR HOST

---

**Isaiah Torres**

**LIAISON TO THE WESTERN STATES**

Education Commission of the States



# WHO WE ARE.

The essential, indispensable member of any team addressing education policy.





# Education Commission of the States Commissioners

## Montana

Susie Hedalen, Superintendent of Public Instruction, Montana Office of Public Instruction

Greg Gianforte, Governor, State of Montana

Erin Ellis, Director of Curriculum and Assessment, Hellgate Elementary School, Montana

Daniel Lee, Dean of the College of Education, University of Montana

Kerri Seekins-Crowe, Representative, Montana State House of Representatives

Timothy Tharp, Chairman, Montana Board of Public Education

Sue Vinton, Majority Whip, Montana State Senate

# WHAT WE DO.

We believe in the power of learning from experience, and we know informed policymakers create better education policy.



# HOW WE DO IT.



**Research**



**Report**



**Convene**



**Counsel**

# SPEAKER

---

**Chris Duncombe**

**PRINCIPAL**

Education Commission of the States



# Special Education

---



Funding Special Education Services &  
National Trends



# Agenda

- **K-12 Funding Principles**
- Special Education Funding
  - National Trends
  - High-cost services
  - State examples
- Q&A

# K-12 Funding Toolkit



**Transparent**



**Student Centered**



**Adequate**



**Fair**



**Sustainable**



# Transparent

**Engage in community outreach.** Funding should be understood and informed by the communities it is intended to serve.

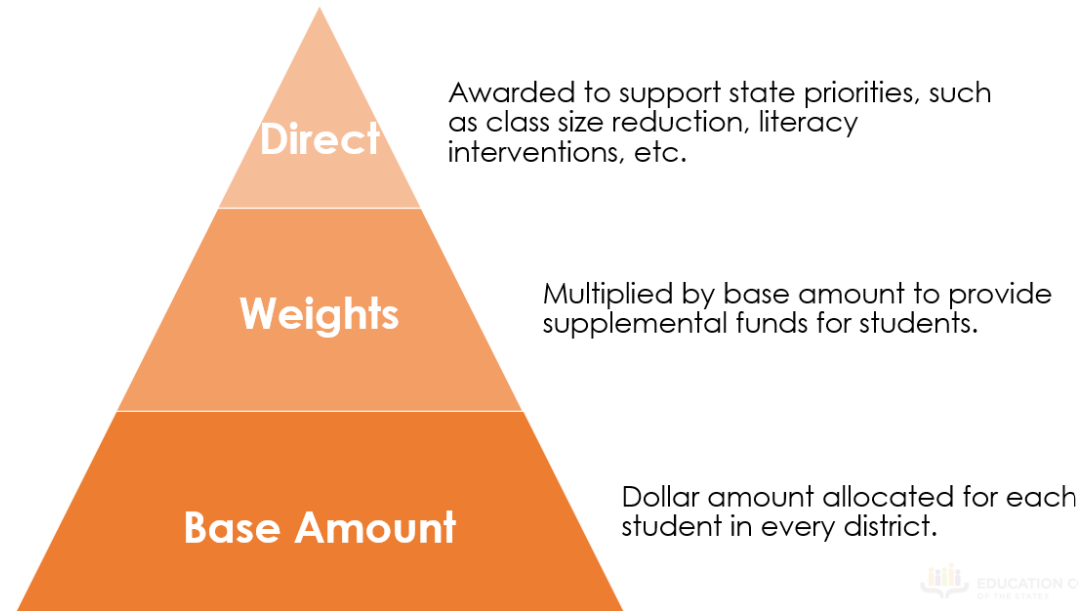
Pathways for public engagement

- Surveys and townhall meetings
- Committees with stakeholder input
- Decision making on budget



# Student Centered

**Adopt a student-based formula.** Each student and their learning needs can be the focal point of state funding.



# Adequate



**Use a research informed base.** Base funding determined by cost estimates for meeting educational goals.

- Education cost function
- Professional judgement panel
- Successful schools model



**Adjust for differences in local wealth.** Help balance differences in property wealth to level the school funding landscape.

- Property tax equalization
- Ability-to-pay index
- Pooled revenue



**Build reserves and dedicate revenue to support schools.** Support K-12 education with revenue dedicated to an education fund.

- Education trust fund
- Revenue from non-general fund sources

# Agenda

- K-12 Funding Principles
- **Special Education Funding**
  - National Trends
  - High-cost services
  - State examples
- Q&A



# National Landscape

## Funding Approaches

- Weighted Funding (32 states)
- Census-Based (13 states – including MT)
- Reimbursement (7 states)
- Resource Allocation (5 states)

## Supplemental Funding

- High-Cost Services (23 states – including MT)

*Most states use more than one funding approach.*

# Weighted Funding

State applies an add-on percentage or dollar amount to the base amount awarded per eligible student.

## Single weight



Single dollar amount or percentage.

- Base = \$7,000
- Weight = 50%

$$\$6,500 + (\$7,000 \times 50\%) = \$10,500$$

## Multiple weights



Multiple dollar amounts or percentages.

- Base = \$7,000
- Weights = 25%, 60%, 150%

$$\text{Weight 1} = \$8,750$$

$$\text{Weight 2} = \$11,200$$

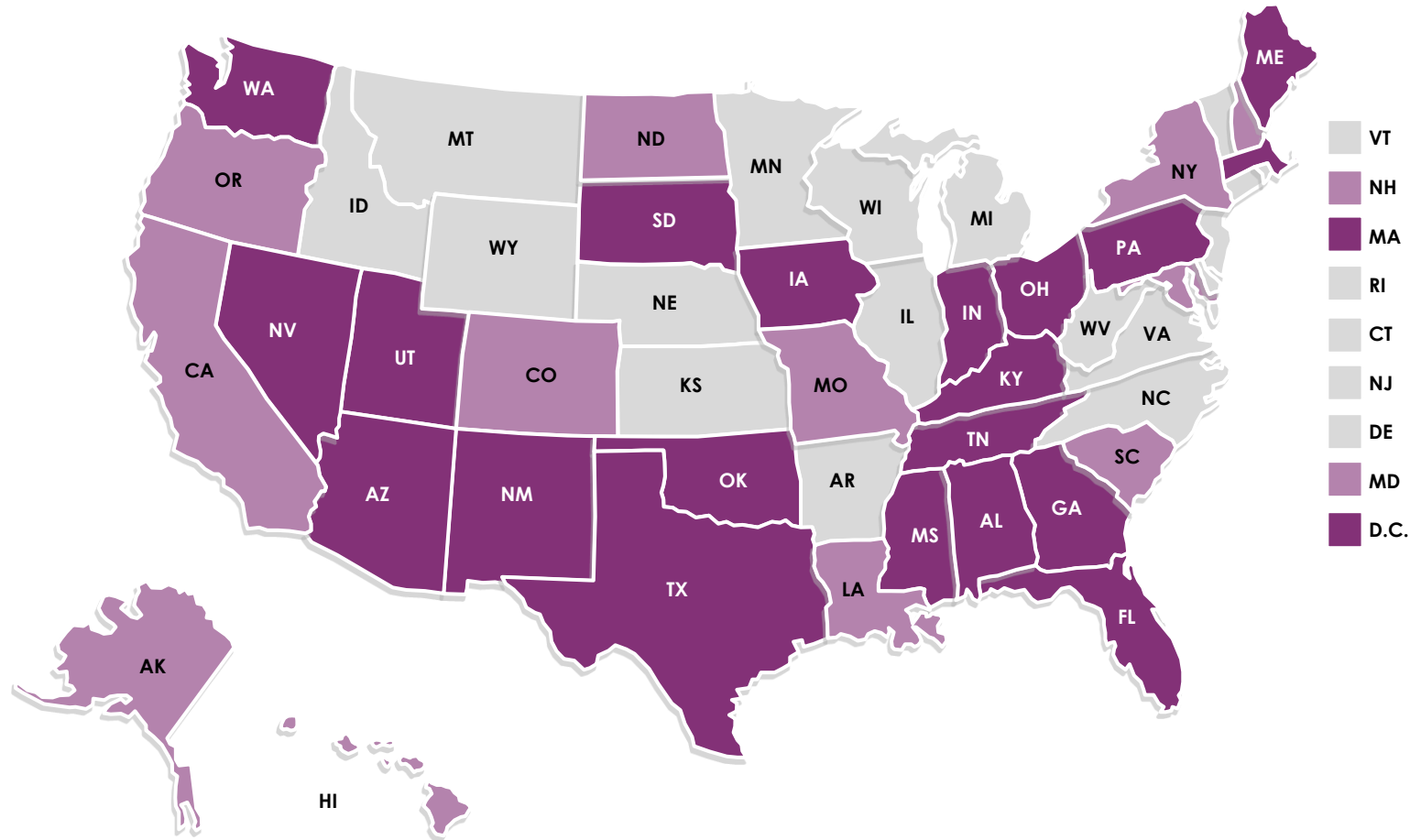
$$\text{Weight 3} = \$17,500$$





# Weighted Funding

- **Single Weight**  
12 states
- **Multiple Weights**  
20 states and D.C.
- **Other Funding Approach**  
18 states



# Recently Adopted Models (2025-26)

	Tennessee	Mississippi	Colorado	Alabama
<b>Base Amount</b>	\$7,295	\$6,847	\$8,496	\$7,547
<b>Weights</b>	Multiple 15 - 150%	Multiple 60 - 130%	Single 25%	Multiple 2 - 75%
<b>Criteria</b>	<ul style="list-style-type: none"> <li>Hour of services</li> <li>- Direct</li> <li>- Ancillary</li> <li>- Residential</li> <li>- Homebound</li> </ul>	Individualized Education Plan (IEP) disability categories	Individualized Education Plan (IEP)	Individualized Education Plan (IEP) disability categories
<b>High-cost Funding</b>	No	No	Yes	Yes



# High-Cost Services

Supplemental resources to cover all or portion of the costs for high-cost services for students. State reimburses district costs and is often coupled with other funding approaches.

## How do districts qualify?

- Exceeding per student cost threshold.
- Student placement.
- District application.

## How much does the state reimburse?

- Target percentage.
- Dollar amount.





# High-Cost Services

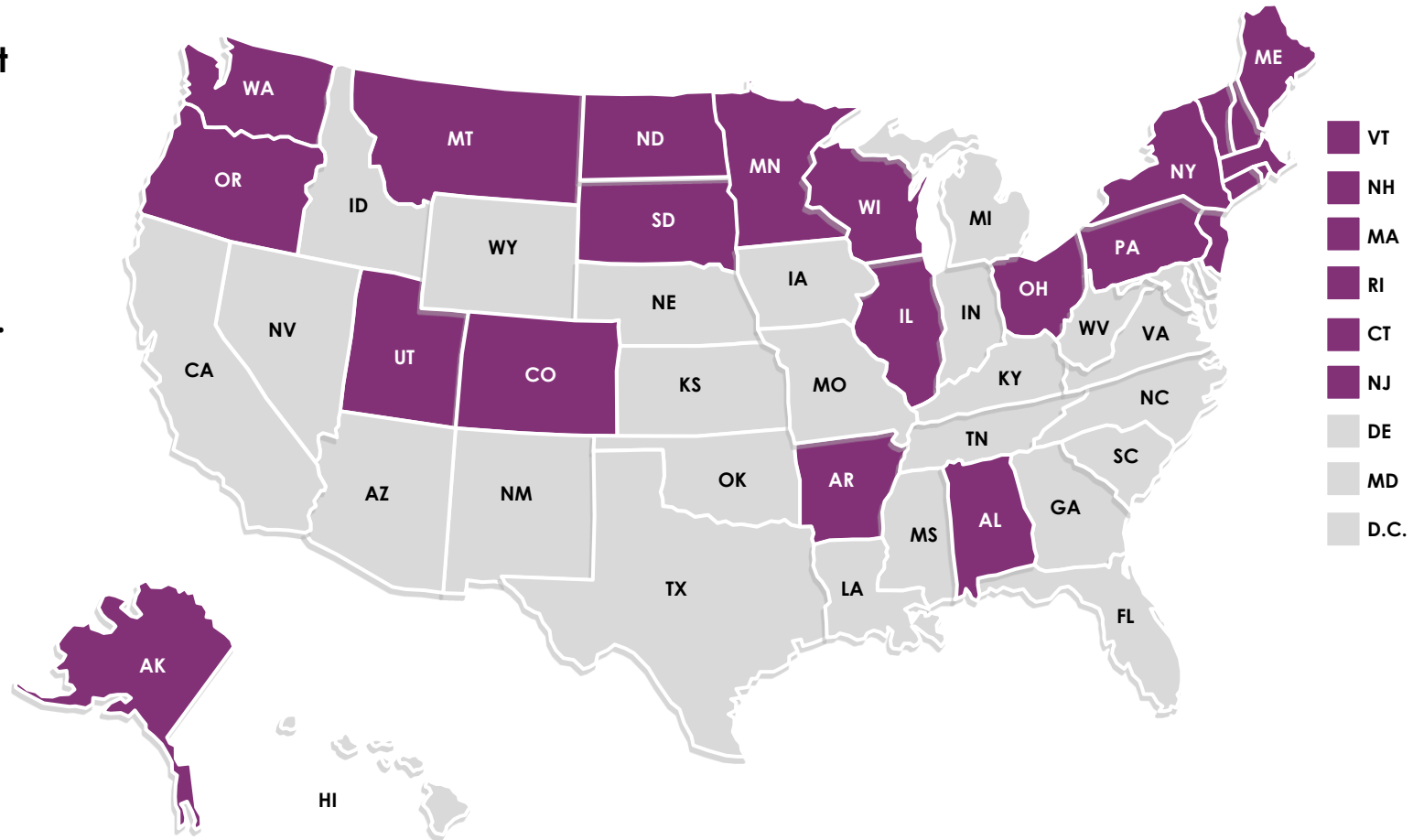
## States with High-Cost Services Funding



**Yes**  
23 states



**No**  
27 states and D.C.



# Eligible Students

## How do districts qualify for funds?

- Exceeding dollar threshold per student.
  - Average approx. \$40,000
  - Range: \$15,000 (AR) to \$75,000 (PA)
- Exceeding per student cost.
  - 3 to 4.5 x per pupil average
- Student placement
  - Residential treatment, homebound, out-of-district or out-of-state.
- Application
  - Review board(SD)



# Funding Amounts

## How much does the state fund?

- Prorated based on budget appropriation.
  - $\text{State appropriation} / \text{eligible costs} = \text{state share}$
- Target reimbursement percentage.
  - Average approx. 75%
  - Range: 40% (MT) to WY (100%)
- Formula funding.
  - Thirteen x per pupil amount (AK)





# Wisconsin

## **High Cost Special Education Aid**

State reimburses 90% of costs for students who have non-administrative special education costs in excess of \$30,000.

## **Special Education Categorical Aid**

State reimburses districts for eligible costs from the prior year based on appropriations.



# Other Challenges

## Do districts have special education staffing challenges – small, rural districts?

- State initiative to assist in recruiting and retaining special ed. teachers or specialists.
  - HI - Provides \$10,000 pay differential
- Direct regional education service agency to support service delivery for students with complex needs.
  - MI - Districts can contract services with regional provider.





**EDUCATION  
COMMISSION**  
OF THE STATES

Your education policy team.

# THANK YOU

---

**Isaiah Torres**

[itorres@ecs.org](mailto:itorres@ecs.org)

**Chris Duncombe**

[cduncombe@ecs.org](mailto:cduncombe@ecs.org)



EDUCATION COMMISSION  
OF THE STATES

| [ecs.org](http://ecs.org)