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

Updated February 11, 2005

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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. FY2005 total funding for IDEA is \$11.7 billion. FY2005 funding for the Part B grants-to-states program is nearly \$10.6 billion. Since FY1995, funding for this program has more than quadrupled. The FY2005 amount for the grants-to-states program represents 18.6% of the estimated excess cost (i.e., the additional cost) of serving children with disabilities, which is approaching one-half of the amount necessary to “fully fund” the program for FY2005.

The President’s FY2006 budget would increase overall funding for IDEA to \$12.1 billion, with funding for the grants-to-states program increasing to nearly \$11.1 billion. Because of projected increases in the estimated cost of special education and in the number of children with disabilities served, this amount would also represent 18.6% of the estimated FY2006 excess cost.

This report will be updated 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

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,² 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 FY2011.³ P.L. 108-446 made significant changes to IDEA, most of which go into effect on July 1, 2005.⁴

Recent Funding Trends⁵

Table 1 shows recent trends in IDEA appropriations since FY1995 for selected fiscal years. In this period, overall IDEA funding has increased by more than 250%, from \$3.3 billion to \$11.7 billion. Most of the increases over this period have been for the grants-to-states program, with its funding more than quadrupling since FY1995.⁶ Funding for Part C has increased more modestly — growing by about 40% since FY1995. Funds for the preschool program (Section 619) have grown more slowly since FY1995 — by about 6.75%. Since FY2002, when funding was \$390 million, funding

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 Part C was originally established as Part H.

³ 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).

⁴ For further information, see CRS Report RL32716, *Individuals with Disabilities Education Act (IDEA): Analysis of Changes Made by P.L. 108-446*.

⁵ All dollar figures are in current dollars; no price-level adjustments have been applied.

⁶ As a result of the rapid increase in grants-to-states funding — the share of total IDEA funding for which this program accounts — has also increased: from about 71% in FY1995 to about 91% in FY2005.

for the preschool program has declined slightly each year due to general across-the-board cuts in discretionary budget authority in those years. Funding for Part D had been rising modestly since 1995. The lower appropriation in FY2005 and the lower FY2006 budget request reflect the transfer of authority for certain research and innovation activities from IDEA to the Institute for Education Sciences.⁷

FY2006 Budget Request

Table 1 also compares the FY2005 appropriations for IDEA with the President's FY2006 budget request. Overall funding for IDEA would increase by 4.0% under the President's budget, from \$11.7 billion to \$12.1 billion. Most of this increase is the result of a 4.8% increase in the Part B grants-to-states program, which would grow by \$508 million above the FY2005 amount. Preschool state grants and Part C infants and toddlers grants would be level funded. Total funding for Part D (national programs and activities) would decrease by 17.6%. Most of this decrease is due to a request for no funding for the state personnel development grants (subpart 1 of Part D of IDEA).

In addition to grants to states and set-asides for the outlying areas,⁸ for the freely associated states,⁹ and for children with disabilities served in Bureau of Indian Affairs (BIA) schools, funding for the Part B grants-to-states program contains set-asides for other purposes. Prior to the 2004 reauthorization of IDEA under P.L. 108-446, P.L. 105-17 (the 1997 IDEA amendments) authorized the Secretary of Education to reserve up to \$20 million¹⁰ 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 in this regard. Current law no longer authorizes Part B and Part C reserves for studies and evaluations. Instead the Secretary is authorized to reserve up to \$25 million¹¹ 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 FY2005, the Secretary reserved \$10 million from the Part B grants to states appropriation for this purpose and proposes the same amount reserved for FY2006. Funding for studies and evaluation is now authorized under Section 667 of P.L. 108-446. No funds were appropriated for these purposes in FY2005. The President is requesting \$10 million for FY2006. This amount is reflected in the total FY2006 request for Part D in **Table 1**.

⁷ See Title II of P.L. 108-446.

⁸ 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)).

⁹ 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)).

¹⁰ This maximum was to be adjusted each year by the rate of inflation.

¹¹ This maximum is to be adjusted each year by the rate of inflation.

Table 1. IDEA Appropriations for Selected Fiscal Years (FY1995-FY2005) and the IDEA FY2006 Budget Request

(dollars are in \$000)

IDEA program/activity	FY1995	FY2002	FY2003	FY2004	FY2005	Percent change (FY1995-FY2005)	FY2006 Request	Percent change (FY2005-FY2006)
Part B grants to states	\$2,322,915	\$7,528,533 ^a	\$8,874,398 ^a	\$10,068,106 ^a	\$10,589,746 ^b	355.88%	\$11,097,746 ^b	4.8%
Part B preschool grants (Section 619)	\$360,265	\$390,000	\$387,465	\$387,699	\$384,597	6.75%	\$384,597	0.0%
<i>Subtotal Part B</i>	\$2,683,180	\$7,918,533	\$9,261,863	\$10,455,805	\$10,974,343	309.01%	\$11,482,343	4.6%
Part C infants and toddlers grants	\$315,632	\$417,000	\$434,159	\$444,363	\$440,808	39.66%	\$440,808	0.0%
<i>Subtotal state grants</i>	\$2,998,812	\$8,335,533	\$9,696,022	\$10,900,168	\$11,415,151	280.66%	\$11,923,151	4.5%
Part D (total)	\$254,034	\$337,271	\$337,895	\$338,664	\$258,455 ^c	1.74%	\$212,979 ^d	-17.6%
Total IDEA	\$3,252,846	\$8,672,804	\$10,033,917	\$11,238,832	\$11,673,606	258.87%	\$12,136,130	4.0%

Source: U.S. Department of Education (ED) Budget Service spreadsheets.

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

a. This amount contains \$16 million for studies and evaluations.

b. This amount contains \$10 million for technical assistance to states.

c. The reduction from FY2004 reflects the transfer of authority for certain research and innovation activities to the Institute for Education Sciences, funded at \$83.1 million for FY2005 with a request for \$72.6 million for FY2006.

d. This amount contains \$10 million for studies and evaluations.

Estimated FY2005 and FY2006 State Grants

Table 2 shows estimated Part B grants-to-states allocations based on the FY2004 and FY2005 appropriations and on the FY2006 request. The FY2005 estimates are compared to states' FY2004 grants. The FY2006 estimates are compared to the FY2005 estimates. Increases in FY2005 estimated grants range from 4.7% to 6.7%. FY2006 estimated increases range from 4.3% to 6.3%. For both FY2005 and FY2006, the total amount for set-asides represents inflationary increases for Bureau of Indian Affairs (BIA) schools, outlying areas, and the freely associated states¹² and level funding for technical assistance to the states.

**Table 2. Final FY2004, Preliminary FY2005, and FY2006 Request
IDEA Part B Grants-to-States Allocations**
(dollars rounded to nearest \$000)

State	Final FY2004 grants	Preliminary FY2005 grants	Preliminary FY2006 grants (based on FY2006 request)	Percentage change from FY2004 to FY2005	Percentage change from FY2005 to FY2006
Alabama	\$160,386,000	\$167,865,000	\$175,112,000	4.7%	4.3%
Alaska	\$30,463,000	\$32,499,000	\$34,545,000	6.7%	6.3%
Arizona	\$152,382,000	\$162,563,000	\$172,800,000	6.7%	6.3%
Arkansas	\$98,750,000	\$103,546,000	\$108,906,000	4.9%	5.2%
California	\$1,072,637,000	\$1,132,573,000	\$1,192,554,000	5.6%	5.3%
Colorado	\$129,058,000	\$137,681,000	\$146,351,000	6.7%	6.3%
Connecticut	\$117,261,000	\$122,729,000	\$128,028,000	4.7%	4.3%
Delaware	\$27,920,000	\$29,785,000	\$31,661,000	6.7%	6.3%
District of Columbia	\$14,038,000	\$14,976,000	\$15,919,000	6.7%	6.3%
Florida	\$551,219,000	\$581,254,000	\$610,553,000	5.4%	5.0%
Georgia	\$267,886,000	\$285,784,000	\$303,780,000	6.7%	6.3%
Hawaii	\$35,212,000	\$36,854,000	\$38,709,000	4.7%	5.0%
Idaho	\$47,389,000	\$50,109,000	\$52,765,000	5.7%	5.3%
Illinois	\$446,658,000	\$467,485,000	\$487,668,000	4.7%	4.3%
Indiana	\$225,537,000	\$236,054,000	\$246,245,000	4.7%	4.3%
Iowa	\$107,669,000	\$112,690,000	\$117,555,000	4.7%	4.3%
Kansas	\$94,250,000	\$98,645,000	\$102,904,000	4.7%	4.3%
Kentucky	\$137,697,000	\$145,703,000	\$152,961,000	5.8%	5.0%
Louisiana	\$163,815,000	\$174,760,000	\$185,250,000	6.7%	6.0%
Maine	\$48,258,000	\$50,509,000	\$52,689,000	4.7%	4.3%
Maryland	\$176,590,000	\$184,824,000	\$193,392,000	4.7%	4.6%
Massachusetts	\$250,351,000	\$262,025,000	\$273,338,000	4.7%	4.3%

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 Consolidated Appropriations Act, 2005 — P.L. 108-447) limits increases in BIA funding under IDEA to the rate of inflation.

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State	Final FY2004 grants	Preliminary FY2005 grants	Preliminary FY2006 grants (based on FY2006 request)	Percentage change from FY2004 to FY2005	Percentage change from FY2005 to FY2006
Michigan	\$353,313,000	\$369,788,000	\$385,753,000	4.7%	4.3%
Minnesota	\$167,415,000	\$175,222,000	\$182,787,000	4.7%	4.3%
Mississippi	\$104,964,000	\$109,859,000	\$114,602,000	4.7%	4.3%
Missouri	\$200,334,000	\$209,676,000	\$218,728,000	4.7%	4.3%
Montana	\$32,189,000	\$33,928,000	\$35,621,000	5.4%	5.0%
Nebraska	\$65,854,000	\$68,924,000	\$71,900,000	4.7%	4.3%
Nevada	\$57,306,000	\$61,135,000	\$64,985,000	6.7%	6.3%
New Hampshire	\$41,854,000	\$43,805,000	\$45,697,000	4.7%	4.3%
New Jersey	\$318,780,000	\$333,645,000	\$348,049,000	4.7%	4.3%
New Mexico	\$80,379,000	\$84,127,000	\$87,760,000	4.7%	4.3%
New York	\$669,506,000	\$700,725,000	\$730,978,000	4.7%	4.3%
North Carolina	\$271,197,000	\$288,837,000	\$303,763,000	6.5%	5.2%
North Dakota	\$22,670,000	\$24,185,000	\$25,708,000	6.7%	6.3%
Ohio	\$386,053,000	\$404,055,000	\$421,499,000	4.7%	4.3%
Oklahoma	\$130,456,000	\$136,539,000	\$142,434,000	4.7%	4.3%
Oregon	\$113,748,000	\$119,052,000	\$124,192,000	4.7%	4.3%
Pennsylvania	\$376,739,000	\$394,307,000	\$411,330,000	4.7%	4.3%
Puerto Rico	\$93,148,000	\$99,371,000	\$105,629,000	6.7%	6.3%
Rhode Island	\$38,567,000	\$40,365,000	\$42,108,000	4.7%	4.3%
South Carolina	\$154,478,000	\$161,682,000	\$168,662,000	4.7%	4.3%
South Dakota	\$27,006,000	\$28,811,000	\$30,625,000	6.7%	6.3%
Tennessee	\$205,686,000	\$215,277,000	\$224,571,000	4.7%	4.3%
Texas	\$834,470,000	\$889,556,000	\$936,850,000	6.6%	5.3%
Utah	\$93,688,000	\$98,468,000	\$103,653,000	5.1%	5.3%
Vermont	\$21,859,000	\$23,319,000	\$24,787,000	6.7%	6.3%
Virginia	\$246,109,000	\$259,999,000	\$273,145,000	5.6%	5.1%
Washington	\$195,226,000	\$204,329,000	\$213,151,000	4.7%	4.3%
West Virginia	\$66,978,000	\$70,101,000	\$73,128,000	4.7%	4.3%
Wisconsin	\$183,608,000	\$192,169,000	\$200,466,000	4.7%	4.3%
Wyoming	\$22,932,000	\$24,464,000	\$26,004,000	6.7%	6.3%
Subtotals to states	\$9,931,941,000	\$10,456,631,000	\$10,962,251,000	5.3%	4.8%
Total set-asides	\$136,166,000	\$133,114,000	\$135,495,000	-2.2%	1.8%
Totals	\$10,068,106,000	\$10,589,746,000	\$11,097,746,000	5.2%	4.8%

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. FY2005 and FY2006 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 “Full 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 a may be necessary” for the Part B grants-to-states program. In response to debate about how and when to “fully fund” IDEA, both the House and Senate IDEA reauthorization bills (H.R. 1350 and S. 1248) included several years of specific authorization levels, culminating in amounts estimated to provide each state with its maximum grant.¹³ This approach was included in P.L. 108-446 (§611(i)), with estimated “full funding” reached 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 below compares estimated FY2005 Part B grants-to-states allocations (column 2) with estimated allocations based on the FY2005 authorization level for the program (column 3) and estimated FY2006 allocations based on the President’s budget request (column 5) with those based on the FY2006 authorization (column 6). As discussed below, **Table 4** also presents estimates of maximum state grants under the grants-to-states program for comparison with grants based on appropriated, requested, and authorized amounts.

¹³ The House committee report accompanying H.R. 1350 noted with respect to the bill’s authorization levels that “the Committee has established a clear and genuine pattern to reach the 40 percent goal within the next seven years” (H.Rept. 108-77, p. 93).

Table 4. Estimated FY2005 and FY2006 IDEA Part B Grants-to-States Allocations Based on Appropriated and Proposed Amounts, FY2005 and FY2006 Authorizations, and Estimated FY2005 and FY2006 Maximum State Grants

State	Preliminary FY2005 Grants	Estimated FY2005 Authorized Grants	Estimated FY2005 Maximum Grants	Preliminary FY2006 Grants (based on President's request)	Estimated FY2006 Authorized Grants	Estimated FY2006 Maximum Grants
(column 1)	(column 2)	(column 3)	(column 4)	(column 5)	(column 6)	(column 7)
Alabama	\$167,865,000	\$194,464,000	\$309,467,000	\$175,112,000	\$227,586,000	\$319,331,000
Alaska	\$32,499,000	\$37,850,000	\$59,724,000	\$34,545,000	\$45,432,000	\$61,628,000
Arizona	\$162,563,000	\$189,332,000	\$364,589,000	\$172,800,000	\$227,259,000	\$376,210,000
Arkansas	\$103,546,000	\$122,695,000	\$222,120,000	\$108,906,000	\$146,804,000	\$229,200,000
California	\$1,132,573,000	\$1,332,727,000	\$2,247,317,000	\$1,192,554,000	\$1,599,701,000	\$2,318,948,000
Colorado	\$137,681,000	\$160,352,000	\$274,186,000	\$146,351,000	\$192,474,000	\$282,925,000
Connecticut	\$122,729,000	\$142,177,000	\$246,813,000	\$128,028,000	\$166,392,000	\$254,680,000
Delaware	\$29,785,000	\$34,690,000	\$61,248,000	\$31,661,000	\$41,639,000	\$63,200,000
District of Columbia	\$14,976,000	\$17,442,000	\$43,456,000	\$15,919,000	\$20,936,000	\$44,841,000
Florida	\$581,254,000	\$684,878,000	\$1,322,784,000	\$610,553,000	\$817,702,000	\$1,364,946,000
Georgia	\$285,784,000	\$332,843,000	\$635,017,000	\$303,780,000	\$399,518,000	\$655,257,000
Hawaii	\$36,854,000	\$43,750,000	\$77,373,000	\$38,709,000	\$52,385,000	\$79,840,000
Idaho	\$50,109,000	\$58,880,000	\$96,748,000	\$52,765,000	\$70,675,000	\$99,832,000
Illinois	\$467,485,000	\$546,273,000	\$1,057,910,000	\$487,668,000	\$644,244,000	\$1,091,630,000
Indiana	\$236,054,000	\$276,109,000	\$571,657,000	\$246,245,000	\$324,769,000	\$589,878,000
Iowa	\$112,690,000	\$130,546,000	\$245,153,000	\$117,555,000	\$152,781,000	\$252,967,000
Kansas	\$98,645,000	\$114,276,000	\$216,626,000	\$102,904,000	\$134,112,000	\$223,531,000
Kentucky	\$145,703,000	\$171,085,000	\$345,141,000	\$152,961,000	\$204,282,000	\$356,142,000
Louisiana	\$174,760,000	\$203,536,000	\$338,988,000	\$185,250,000	\$244,309,000	\$349,793,000
Maine	\$50,509,000	\$58,512,000	\$125,654,000	\$52,689,000	\$68,478,000	\$129,660,000
Maryland	\$184,824,000	\$218,708,000	\$378,669,000	\$193,392,000	\$258,099,000	\$390,739,000
Massachusetts	\$262,025,000	\$303,546,000	\$528,910,000	\$273,338,000	\$355,246,000	\$545,769,000
Michigan	\$369,788,000	\$436,245,000	\$792,464,000	\$385,753,000	\$517,642,000	\$817,723,000
Minnesota	\$175,222,000	\$202,987,000	\$379,813,000	\$182,787,000	\$238,034,000	\$391,920,000
Mississippi	\$109,859,000	\$129,774,000	\$222,409,000	\$114,602,000	\$154,024,000	\$229,499,000
Missouri	\$209,676,000	\$244,267,000	\$477,533,000	\$218,728,000	\$286,948,000	\$492,754,000
Montana	\$33,928,000	\$39,823,000	\$64,693,000	\$35,621,000	\$47,457,000	\$66,755,000
Nebraska	\$68,924,000	\$79,846,000	\$148,192,000	\$71,900,000	\$93,446,000	\$152,916,000
Nevada	\$61,135,000	\$71,202,000	\$150,320,000	\$64,985,000	\$85,465,000	\$155,112,000
New Hampshire	\$43,805,000	\$50,747,000	\$104,128,000	\$45,697,000	\$59,390,000	\$107,447,000
New Jersey	\$333,645,000	\$386,514,000	\$802,374,000	\$348,049,000	\$452,345,000	\$827,949,000
New Mexico	\$84,127,000	\$98,214,000	\$172,313,000	\$87,760,000	\$115,526,000	\$177,805,000
New York	\$700,725,000	\$811,761,000	\$1,472,429,000	\$730,978,000	\$950,021,000	\$1,519,361,000
North Carolina	\$288,837,000	\$336,957,000	\$645,020,000	\$303,763,000	\$404,456,000	\$665,579,000
North Dakota	\$24,185,000	\$28,167,000	\$46,705,000	\$25,708,000	\$33,810,000	\$48,193,000
Ohio	\$404,055,000	\$472,925,000	\$844,297,000	\$421,499,000	\$560,289,000	\$871,208,000
Oklahoma	\$136,539,000	\$159,899,000	\$309,430,000	\$142,434,000	\$188,961,000	\$319,293,000

State	Preliminary FY2005 Grants	Estimated FY2005 Authorized Grants	Estimated FY2005 Maximum Grants	Preliminary FY2006 Grants (based on President's request)	Estimated FY2006 Authorized Grants	Estimated FY2006 Maximum Grants
(column 1)	(column 2)	(column 3)	(column 4)	(column 5)	(column 6)	(column 7)
Oregon	\$119,052,000	\$139,807,000	\$253,035,000	\$124,192,000	\$165,278,000	\$261,100,000
Pennsylvania	\$394,307,000	\$462,526,000	\$908,750,000	\$411,330,000	\$547,723,000	\$937,716,000
Puerto Rico	\$99,371,000	\$115,734,000	\$259,171,000	\$105,629,000	\$138,918,000	\$267,431,000
Rhode Island	\$40,365,000	\$46,761,000	\$107,167,000	\$42,108,000	\$54,726,000	\$110,583,000
South Carolina	\$161,682,000	\$189,328,000	\$369,398,000	\$168,662,000	\$222,975,000	\$381,172,000
South Dakota	\$28,811,000	\$33,555,000	\$59,063,000	\$30,625,000	\$40,277,000	\$60,945,000
Tennessee	\$215,277,000	\$252,273,000	\$407,808,000	\$224,571,000	\$297,817,000	\$420,807,000
Texas	\$889,556,000	\$1,036,810,000	\$1,685,318,000	\$936,850,000	\$1,244,505,000	\$1,739,035,000
Utah	\$98,468,000	\$116,406,000	\$192,037,000	\$103,653,000	\$139,724,000	\$198,158,000
Vermont	\$23,319,000	\$27,159,000	\$45,734,000	\$24,787,000	\$32,599,000	\$47,191,000
Virginia	\$259,999,000	\$305,785,000	\$571,604,000	\$273,145,000	\$366,089,000	\$589,823,000
Washington	\$204,329,000	\$241,484,000	\$411,287,000	\$213,151,000	\$286,744,000	\$424,396,000
West Virginia	\$70,101,000	\$81,209,000	\$168,847,000	\$73,128,000	\$95,041,000	\$174,229,000
Wisconsin	\$192,169,000	\$223,935,000	\$426,152,000	\$200,466,000	\$263,897,000	\$439,736,000
Wyoming	\$24,464,000	\$28,492,000	\$44,699,000	\$26,004,000	\$34,200,000	\$46,124,000
Subtotals to states	\$10,456,631,000	\$12,225,262,000	\$22,311,740,000	\$10,962,251,000	\$14,513,152,000	\$23,022,907,000
Total Set-Asides	\$133,114,000	\$133,114,000	\$133,114,000	\$135,495,000	\$135,495,000	\$135,495,000
Totals	\$10,589,746,000	\$12,358,377,000	\$22,444,854,000	\$11,097,746,000	\$14,648,647,000	\$23,158,402,000

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 “Full Funding”. When Congress enacted the predecessor legislation to IDEA¹⁴ 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, a state’s

¹⁴ 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); however the basic characteristics of the Act resemble those first enacted in 1975.

maximum grant under the grant-to-states program is 40% of APPE times the number of children with disabilities served. (See Section 611(a)(2) of IDEA.)¹⁵

Relationship of Appropriations and Budget Request to “Full Funding”. 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 maximum grants to all states. **Table 5** shows estimated percentages of excess cost since FY1995. The 5th column of the table shows the estimated excess cost, that is, the number of children with disabilities served times the national APPE. The 4th column shows the estimated amount needed to “fully fund” IDEA, that is 40% of the figures in the final column. The calculation of the percentage of excess cost included in the appropriation (column 3) is obtained by dividing the appropriation (column 2)¹⁶ by the last column (column 5). The FY2005 appropriated amount (accounting for 18.6% of the estimated excess cost), is approaching one-half of the funds necessary to reach 40% of estimated excess cost and thus represents about one-half of the amount that would be needed to “fully fund” IDEA for FY2005. The President’s budget request would also account for about 18.6% of estimated excess cost.

**Table 5. Estimation of “Full Funding” of
IDEA Part B Grants to States (FY1995-FY2006)**

FY	Appropriations for IDEA Part B grants to states (in \$000)	Actual and proposed appropriations as % of estimated excess cost	Estimated federal full funding (40% of excess cost) (in \$000)	Estimated excess cost (in \$000)
(column 1)	(column 2)	(column 3)	(column 4)	(column 5)
1995	\$2,322,915	7.80%	\$11,872,137	\$29,680,343
1996	2,323,837	7.30%	12,699,024	31,747,560
1997	3,107,522	9.20%	13,460,630	33,651,576
1998	3,801,000	10.50%	14,457,195	36,142,988
1999	4,301,000	11.10%	15,445,347	38,613,368
2000	4,976,685	12.00%	16,641,158	41,602,894
2001	6,323,685	14.10%	17,882,114	44,705,286
2002	7,512,533	15.45%	19,446,407	48,616,017
2003	8,858,398	17.08%	20,729,452	51,823,629
2004	10,052,106	18.40%	21,911,602	54,779,004
2005	10,579,746	18.63%	22,717,174	56,792,934
2006 request	11,087,746	18.64%	23,791,283	59,478,207

¹⁵ Under P.L. 108-446, the calculation of maximum state grants will change in FY2007. See CRS Report RL32716, pp. 7-8 (“Part B — Assistance for Children with Disabilities Ages 3 to 21: Allotment and Authorization (§611)”), for a discussion of this change.

¹⁶ Note that funds for evaluations and studies are excluded from these calculations for FY1998 through FY2005 and funds for technical assistance are excluded from calculations for FY2005 and FY2006.

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 and FY2005 funds exclude funds 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 estimates of excess cost (and thus of the “full funding” amount) tend to increase from year to year. That 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.

Table 4 above compares estimated compares estimated FY2005 Part B grants-to-states allocations (column 2) with allocations based on estimated FY2005 maximum state grants (column 4) and estimated FY2006 allocations based on the President’s budget request (column 5) with estimated FY2006 maximum grants (column 7). It is important to note that totals for maximum grants for FY2005 and FY2006 in **Table 4** differ from those in column 4 of **Table 5** because the Budget Service projects total numbers of children with disabilities served in its estimates of total funds necessary for “full funding” but does not do this for numbers of children with disabilities served in each state. For the state-by-state maximum grant estimates, the Budget Service uses the most recent child count reported by the states, which currently are for December 2003.