



What Are the Core Funding Components of Part B, Grants to States (Section 611) Funding in the Individuals With Disabilities Education Act (IDEA)?

#18 IN THE SERIES • MAY 2024

More than 90% of IDEA funding is allocated to Part B, Grants to States (Section 611), which contains funding and policy provisions related to special education for children ages 3 to 21. The influence of federal Part B, Grants to States funding on state and local funding decisions is twofold: 1) it links eligibility for IDEA grants to compliance with programmatic and administrative requirements, and 2) it mandates that states and districts maintain consistent levels of state and local funding for special education annually. This brief details its eligibility requirements, allocation methods, and funding trends.

NOTE

For an overview of the IDEA, refer to [Splitting the Bill: What Are the Major Policy and Funding Components of the Individuals With Disabilities Education Act \(IDEA\)?](#)

Bellwether's [Splitting the Bill](#) series primarily focuses on providing information and analysis on aspects of state public education finance policy. Splitting the Bill briefs focused on special education funding deviate slightly from a state policy focus due to the prominent role federal policy and funding have in shaping how states and public school systems fund and provide services for special education students.

What Are the Federal Part B, Grants to States Funding and Student Enrollment Trends?

In fiscal year (FY) 2022, Congress appropriated \$13.7 billion to to Part B, including \$13.3 billion for Part B, Grants to States. From FY16 to FY22, total funding for Part B, Grants to States, increased by \$1.7 billion.¹

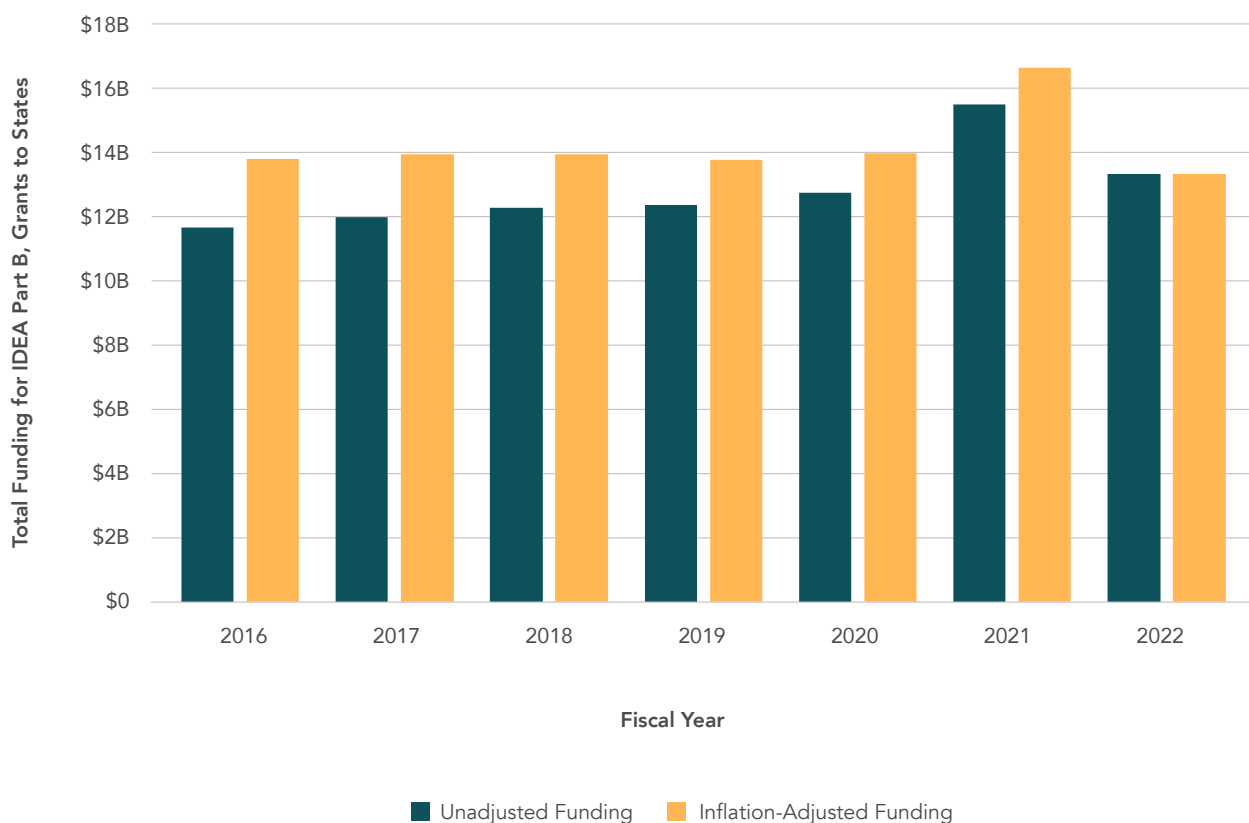
However, when adjusted for inflation (which allows comparison of actual spending power over time), Part B, Grants to States funding declined by about \$470 million, from \$13.8 billion in FY16 to \$13.3 billion in FY22.²

1 [Splitting the Bill — #18 in the Series: What Are the Core Funding Components of Part B, Grants to States \(Section 611\) Funding in the Individuals With Disabilities Education Act \(IDEA\)?](#)

During that same period, the number of children aged 3 to 21 identified for special education services increased from 6.7 million to 7.3 million.³ The increase in the population of students identified for services combined with the decline in funding in constant dollars resulted in a \$231 decline in per-pupil funding from \$2,069 in FY16 to \$1,838 in FY22.⁴

At the state level, 45 states and the District of Columbia experienced an increase in students identified for special education services during this time period. Texas saw the most significant increase (37.2%)⁵ in students identified for special education services, while Illinois saw the most significant decline (-2.6%).⁶ Among the 50 states and the District of Columbia, Part B, Grants to States per-pupil funding declined in 48 states, and total funding declined in 43 of them (in constant dollars).⁷

INFLATION-ADJUSTED AND UNADJUSTED TOTAL FUNDING FOR IDEA PART B, GRANTS TO STATES, FISCAL YEAR 2016 TO 2022



Sources: U.S. Department of Education’s Budget History Table, U.S. Department of Education’s Open Data Platform, and National Center for Education Statistics.

What Are the State and Local Educational Agency (LEA) Eligibility Requirements for Federal Part B, Grants to States Funding?

States are eligible for federal Part B, Grants to States funding if they submit a state plan that meets several conditions, including:

- Meeting all obligations related to the educational rights of children with disabilities.
- Establishing measurable goals and timelines for the achievement of outcomes for children with disabilities.⁸

LEAs are eligible for Part B, Grants to States funding if they submit a plan to the state that meets the following requirements:

- Consistency with the state plan and state policies.
- Ensuring that federal funding is used only to fund excess costs to provide special education services and does not replace state or local dollars.⁹

IDEA does not require LEAs to actively serve students identified for special education services to receive Part B, Grants to States funding.¹⁰ This provision allows an LEA to have funds available to identify students for special education services or serve students with disabilities who enroll or are identified for services during the school year.

How Are the Federal Part B, Grants to States Allocated?

IDEA's Part B, Grants to States are allocated to the states, the District of Columbia, and Puerto Rico through a formula defined in the law. If the amount of funding available for state allocations is equal to or greater than the amount from the previous year, then the formula distributes funds as follows:

- **Base Payment Amounts:** Each state receives a base grant, which is the amount the state received in FY99.
- **Population Amounts:** Eighty-five percent of the remaining funds are allocated to the states based on their share of the total student population ages 3 to 21.
- **Poverty Amounts:** The remaining 15% of the funds are distributed based on the state's share of impoverished children ages 3 to 21.

IDEA establishes both a floor and a ceiling to ensure states do not receive more or less than a certain amount of funding.¹¹

How Must States Allocate Federal Part B, Grants to School Districts?

The majority of the federal Part B, Grants to States funding that states receive must be allocated to LEAs, including charter school LEAs, through a defined formula. States are allowed to first set aside a maximum of 10% of funds for their own administrative costs and statewide activities. IDEA defines a range of allowable uses for the state-level activities, including professional development for educators and service providers and assistance for LEAs implementing mental health supports.¹² States can also use up to 10% of their set-aside funds to establish a “high-cost fund” to share costs with LEAs serving children with disabilities with particularly costly educational needs.¹³

As with the allocation of funds to states, LEAs first receive a base payment amount, anchored to a prior year. The base payment to an LEA is the amount it would have received if the state had distributed 75% of the state’s FY99 grant.¹⁴ The LEA base payment amounts stay the same from year to year unless adjustments are required based on factors such as LEA consolidation and significant enrollment growth, among others.¹⁵

Once the state set-aside and the LEA base payment amounts have been subtracted, states distribute the remaining funding to LEAs similarly to the federal-to-state formula allocation as follows:

- **Population Amounts:** Eighty-five percent of the remaining funds are allocated to the eligible LEAs based on their share of the total student population ages 3 to 21.¹⁶
- **Poverty Amounts:** The remaining 15% of the funds are distributed based on the eligible LEA’s share of impoverished children ages 3 to 21.¹⁷

If states choose to set aside less than the maximum allowed, any additional funds are used to increase the amount of LEA funding distributed through the population and poverty amounts.

Questions for Advocates

- *What proportion of special education services in your state are funded through IDEA versus state and local funds? How have those proportions shifted over time?*
- *What are your state’s trends in federal Part B, Grants to States funding, including at the local and per-student levels?*
- *How are state set-aside dollars being used in your state? Do those set-aside dollars align with what LEAs need to support students with disabilities most effectively?*
- *Does your state maintain a high-cost fund, and how aligned is the level of funding available and allocation method used with the demand for funding from LEAs?*

Endnotes

- 1 The large, temporary increase in funding for FY21 is because Congress allocated a one-time funding increase to IDEA through the American Rescue Plan, including \$2.6 billion in Part B, Section 611 funding. "U.S. Department of Education Releases More Than \$3 Billion in American Rescue Plan Funds to Support Children with Disabilities," U.S. Department of Education website, July 1, 2021, <https://www.ed.gov/news/press-releases/us-department-education-releases-more-3-billion-american-rescue-plan-funds-support-children-disabilities>.
- 2 Author's calculation using data from the U.S. Department of Education. All calculations have been adjusted for inflation. To understand the changes in the purchasing power of funding over the years, the Part B total and per-pupil funding have been adjusted for inflation. This adjustment makes funding levels comparable across years. In this brief, funding is adjusted using a calculated school-year multiplier using the Consumer Price Index (CPI). The school-year multiplier is calculated through a two-step process. The CPI for the second half of one fiscal year and the first half of the next fiscal year is averaged to better align with the timing of a school year. The resulting school-year-aligned CPI is used to convert amounts to constant dollars.
- 3 "2022 Tables and Figures, National Center for Education Statistics website, https://nces.ed.gov/programs/digest/d22/tables/dt22_204.70.asp.
- 4 Author's calculation using data from the U.S. Department of Education. All calculations have been adjusted for inflation. "Education Department Budget History Table: FY 1980—FY 2021 Congressional Appropriations," U.S. Department of Education website, last modified on December 13, 2023, <https://www2.ed.gov/about/overview/budget/history/index.html>.
- 5 In 2018, a federal investigation found that Texas had been effectively denying students with disabilities the tools and services they need in order to learn, in violation of federal law. In 2020, federal officials notified Texas that they had failed to prove that the state had done enough to "overhaul a system that illegally left thousands of public school students who have disabilities without needed special education services." In response to the federal actions, Texas has taken measures to correctly identify students who qualify for special education services. Laurie VanderPloeg, U.S. Department of Education, Office of Special Education and Rehabilitative Services, October 19, 2020, <https://www2.ed.gov/fund/data/report/idea/partbdmsrpts/tx-b-2020-dmsletter.pdf>.
- 6 Author's calculation using data from the U.S. Department of Education. All calculations have been adjusted for inflation. "Education Department Budget History Tables: FY 1980—FY 2023 Congressional Appropriations," U.S. Department of Education website, last modified on December 13, 2023, <https://www2.ed.gov/about/overview/budget/history/index.html>.
- 7 Ibid.
- 8 "Subpart B — State Eligibility," IDEA website, last modified on September 28, 2022, <https://sites.ed.gov/idea/regs/b/b>.
- 9 "Subpart C — Local Educational Agency Eligibility," IDEA website, last modified on July 31, 2017, <https://sites.ed.gov/idea/regs/b/c>.
- 10 "Code of Federal Regulations," U.S. National Archives, last updated on March 27, 2024, <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-G/subject-group-ECFR9cb9567d0f7a8a1/section-300.705>.
- 11 "Code of Federal Regulations," U.S. National Archives, 20 U.S.C. §1411(d)(3)(B) and 20 U.S.C. §1411(a)(2)(B), <https://uscode.house.gov/view.xhtml?path=/prelim@title20/chapter33&edition=prelim>; "Individuals with Disabilities Education Act," U.S. Congress, <https://www.congress.gov/bills/108th-congress/house-bill/1350>.
- 12 "Code of Federal Regulations," U.S. National Archives, Section 300.704, <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-G/subject-group-ECFR9cb9567d0f7a8a1/section-300.704>.
- 13 Ibid.
- 14 "Code of Federal Regulations," U.S. National Archives, Section 300.816, <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-H/section-300.816>; and IDEA website, U.S. Department of Education, <https://sites.ed.gov/idea/regs/b/g/300.705>.
- 15 "Code of Federal Regulations," U.S. National Archives, Section 300.705 (b)(2) and Section 300.816(b), <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-G/subject-group-ECFR9cb9567d0f7a8a1/section-300.705>.
- 16 "Code of Federal Regulations," Section 300.705, Subgrants to LEAs, <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-G/subject-group-ECFR9cb9567d0f7a8a1/section-300.705>; and Ibid., Section 300.816, Allocations to LEAs, <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-H/section-300.816>.
- 17 Ibid., <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-G/subject-group-ECFR9cb9567d0f7a8a1/section-300.705>; <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-H/section-300.816>.

About the Authors



KRISTA KAPUT

Krista Kaput is a senior analyst at Bellwether in the Policy and Evaluation practice area. She can be reached at krista.kaput@bellwether.org.



JENNIFER O'NEAL SCHIESS

Jennifer O'Neal Schiess is a senior partner at Bellwether and leads the Policy and Evaluation practice area. She can be reached at jennifer.schiess@bellwether.org.

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Any errors in fact or analysis are the responsibility of the authors alone.

ABOUT THE SERIES

Splitting the Bill is a crash course in the essentials of school finance equity for advocates and others interested in reforming state education finance systems. Learn more and read the other briefs in this series [here](#).

About Bellwether

Bellwether is a national nonprofit that exists to transform education to ensure systemically marginalized young people achieve outcomes that lead to fulfilling lives and flourishing communities. Founded in 2010, we work hand in hand with education leaders and organizations to accelerate their impact, inform and influence policy and program design, and share what we learn along the way. For more, visit bellwether.org.

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