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Study of California's Special Education Funding System Uncovers Opportunities to Realign Funding to Better Meet the Needs of Students with Disabilities

WestEd's second report of a two-part study provides considerations for changes to the state's special education funding policy that are focused on creating a more equitable, effective funding system.

San Francisco, CA - Today WestEd released *California State Special Education Funding System Study, Part 2*, a culminating report from a multi-stage, quantitative study of the state's special education finance system that presents new findings and considerations for improvement.

The study examines a significant amount of statewide student, school, and financial data from the 2016/17, 2017/18, and 2018/19 school years. The independent, objective study of California's special education financing program leverages proven research methods in school finance and surfaces findings that will prompt improvements to how the state applies its special education funding formula to meet the needs of its growing population of students with disabilities.

WestEd presents several considerations to support greater equity and inclusivity for special education students and their families, which if adopted and implemented will ensure that the right amount of funding gets to the right agencies so that they can provide the right services to the right students.

"This report reflects significant investment in understanding the application of school finance research and evidence to California's special education funding environment," says WestEd Co-Project Investigator Sara Doutre.

"It lays out substantial considerations that aim to improve outcomes for students with disabilities by promoting more inclusive practice and bringing general and special education planning and budgeting practices closer together."

Since the last time California's special education funding formula was modified, over a generation ago in 1998, the public education field has made significant advances in understanding the connections between school finance and student outcomes. Data are now available about the different types of funding allocations, the landscape of school systems serving students, the incentives that may drive funding behavior, overlapping student needs, and the impact of growing proportions of students with disabilities on system responsiveness.

"Funding for students with disabilities in California public education has not been looked at with this depth of investigation in over twenty years. This is long overdue," says Michael W. Kirst, Stanford Emeritus Professor of Education and Business Administration and President, California State Board of Education.

"What strikes me about the considerations is the call for differential funding among the different needs of students with disabilities. This seems to echo the research about ensuring students with the greatest need get additional funding."

The findings are organized by three funding system components: allocation, distribution, and expected expenditure. Related considerations are also presented in three priority areas including: ensuring funds reach students with the greatest need; prioritizing appropriate early intervention and identification; and promoting inclusive planning, coordination, and practice.

“Chief among these considerations is, in the long-term, to direct dollars based on the count and need of student with disabilities served by that community,” says WestEd Co-Project Investigator Jason Willis.

“The considerations also point to ways in which the system can attend to the needs of this student population in smaller, rural school systems in California through changes in the state’s extraordinary cost pool and accounting for cost factors that impact these more remote schooling environments.”

WestEd produced this study California’s special education funding system in two parts. [Part 1](#), published in October 2020, provides a comprehensive descriptive review of the current funding system. Both parts of the study also supplement broader state efforts to gather data and evidence to inform changes in special education.

For more information about the study, please contact Sara Doutre at sdoutre@WestEd.org.

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