

How Special Education Programs are Funded in Virginia's Schools

State Funds

State funds are made available to school divisions to assist in the cost of implementing the state's special education program standards. For each child counted in the school division's average daily membership (ADM), an amount is paid to the school division for this purpose. This per-child amount is referred to as the special education add-on. Each student in ADM also generates a per-child amount for basic aid as well as several other add-on amounts. The per-child special education add-on amount is determined by calculating the theoretical number of teachers and aides necessary to meet the special education program standards in each school (based on information supplied on the Dec. 1 Count of Children Receiving Special Education and Related Services), and then determining the state's share of the theoretical cost of those teachers and aides. The state's share of this cost is determined according to the locality's composite index of local ability to pay.

Thus, every child - with or without a disability - enrolled in school, generates an amount that comprises the state's assistance for special education; and the per-pupil amount generated is unique to the school division. Payment of these funds is made into the general fund of each local school board. This means that the funds are commingled with other state funds received by the local school board to operate its programs.

Under certain conditions, children may be served in formally constituted public regional special education programs. The Department of Education sets the tuition rates that these locally operated programs may charge to the participating school divisions. At the end of each semester, school divisions may claim reimbursement for the state share of the tuition paid to the fiscal agent of the regional program. The composite index is applied to the tuition paid (not to exceed the approved rate) to determine the state share. School divisions are not allowed to count these students in ADM.

Children placed in private special education schools are funded through an interagency pool which exists under the Comprehensive Services Act to pay the state's share of the cost of services for children who are in (or at risk of) out-of-home placement by any local public agency (i.e., courts, social services, or school division). Payment is in the form of percentage reimbursement (based on a locality's ability to pay) for actual costs incurred for services purchased. School divisions are not allowed to count these students in ADM. Therefore, as long as a student is served in a

private facility, the school division receives no state SOQ money.

Federal Funds

Federal funds are available both for preschool and school-age special education programs. The amounts received by each school division are determined by a formula that considers historical federal funding, total school enrollment, and poverty level.

Also, In years when the increase in the federal IDEA appropriation to the state exceeds the rate of inflation, the state must award a "sliver" of the overall grant to localities for capacity building. The Virginia Department of Education may award these sliver grants on a targeted basis, competitively, or by formula.

In any given year the Department of Education, at its discretion, may also offer other federal grant opportunities designed for statewide program improvement.

School divisions must apply annually for any federal funds, and cannot commingle federal special education funds with other funds. Upon approval from the State, the school division spends the money and then is reimbursed for approved expenditures.

School divisions may also seek federal Medicaid reimbursement for certain students and services by applying to the Department of Medical Assistance Services to be an approved provider.

Local Funds

A local school board determines how much local funding to request from the governing body (City Council or Board of Supervisors) by costing out all of its programs, and then subtracting out the anticipated revenues from state, federal, and other sources.