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FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Slight Increase in State Funding Share for Students with Disabilities

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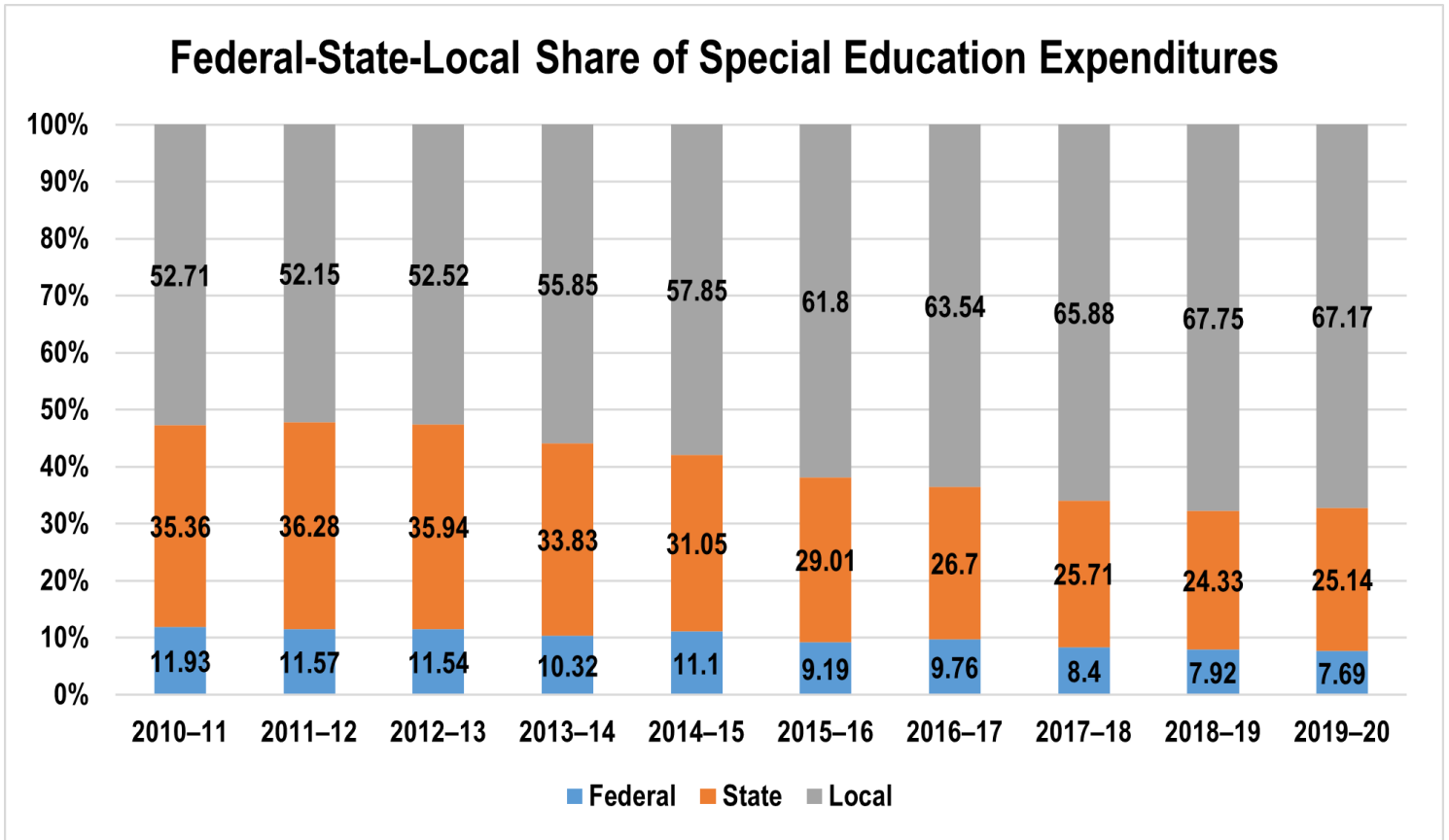
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For decades, local educational agencies (LEAs) advocated for more equitable and adequate funding for students with disabilities. With Governor Gavin Newsom in office and a continued push from the education community, progress is being made. A first small step towards equity came in 2019–20, when the state invested \$152 million to set a floor for special education funding. With this contribution, and for the first time in nearly a decade, the state's share of supporting the education of students with disabilities increased.

Overall, special education expenditures continue to rise as LEA operational costs increase. However, the increase in 2019–20 was the smallest in recent history, from \$16.23 billion to \$16.65 billion. Salaries and benefits, step and column, and the rates of both the California Public Employees' Retirement System and the California State Teachers' Retirement System affect special education expenditures in the same manner they affect the unrestricted General Fund programs.

The chart below shows the trend of growing contributions from LEAs' unrestricted General Funds that were needed to backfill special education expenditures in the last decade. In 2019–20, the state contributed 25.14% of funding; federal funds accounted for only 7.69% of funding; and local funds accounted for 67.17% of the total funds expended.



A larger step towards equity and adequacy was made in 2020-21, with a \$545 million ongoing increase to the state’s contribution to special education funding. We expect the balance of funding support to rightly tip more towards the state as a result.