



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS



Support State Funding on Behalf of Children with Special Education Needs

The six education leadership groups listed above and below urge legislative action on two special education funding issues:

- 1) Amend aid formulas to provide state support for educational services on behalf of students through age 22, consistent with court decisions; and
- 2) End the shift of costs for placements in residential special education placements from the state to school district.

Fund Free Appropriate Public Education to Age 22

Decisions by federal and state courts have determined that the federal Individuals with Disabilities Education Act (IDEA) requires that states and their schools must provide a free appropriate public education to all young people without a high school diploma until at least the day before their 22nd birthday. But current New York law provides state funding on behalf of students only through the school year in which they turn 21, consistent with previous interpretations of the IDEA.

We strongly support the State Education Department's proposals to amend state aid formulas for Foundation Aid, Public Excess Cost Aid, and Private Excess Cost Aid to ensure that local taxpayers will not bear the entire cost of this court-mandated extension of services.

SED estimates the total additional state aid cost would be \$74.4 million, but notes that, "From a state fiscal perspective, this will largely result in a shifting of costs, as most students with disabilities aged 21 and 22 are served in residential settings overseen by the New York State Office for People with Disabilities."

Without state aid, the cost has been shifted entirely to school districts and their local taxpayers. The impact can be especially damaging for small, poor districts, where one additional placement might consume most or all of whatever revenue might be raised by a property tax increase within the tax cap. For example, for two-thirds of high need districts, a 1% local tax increase would raise less than \$100,000, not enough to fund the cost for one student with severe needs.

Residential Placement Cost Shift

The enacted 2020-21 state budget eliminated the 18.424% state share of funding for room and board costs for students needing residential special education programs, requiring school districts to absorb the expense. The legislation also required school districts to assume the 50% of costs previously paid by the state toward maintenance costs of students at the state schools for the blind and deaf at Batavia and Rome, respectively.

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The provision was due to sunset at the end of that fiscal year but has been extended in each succeeding enacted state budget. Like its predecessors since 2020, the 2026-27 Executive Budget would make this state funding cut permanent. In past budgets, the Legislature has resisted that step, but annually extended the provision, one year at a time. For the coming year, the Assembly would end the cost shift, while the Senate would accept the executive proposal to make the shift permanent.

Our groups strongly urge ending this cost shift. It places an increased financial burden on school districts outside New York City totaling \$15.7 million, according to State Education Department estimates. The impact is not spread over all districts. As with continuing special education services for young people to age 22, absorbing the cost can be especially dire for poor districts, where one additional placement might consume most or all of whatever revenue might be raised by a property tax increase within the tax cap.