



Issue Brief: Students with Disabilities

The current flat funding model of \$5,309 per student with a disability simply does not reflect the cost of each student’s unique mandated services and programs. Meanwhile, the State’s 13% funding cap for students with disabilities creates an unfunded mandate for many districts. To ensure that no student goes underserved, the funding formula and cap for students with disabilities needs to be reformed.

NCSBA Position & Recommendations

To confidently serve students with disabilities, personnel must have the resources at their disposal to meet the real and specific needs of students, without recharacterizing a student’s needs as lesser or greater. For example, the cost of serving a student with a hearing impairment is dramatically different than that of a student with significant cognitive disabilities that requires verbal assistance. Thus, NCSBA recommends that the General Assembly **implement a weighted funding model based on the cost of services for students with disabilities**, similar to [DPI’s legislatively-required proposal from 2024](#). If the funding formula for students with disabilities is revamped, the funding cap will inherently be addressed and there’s no indication that costs will significantly rise. **NCSBA also requests a temporary hold harmless/phase out for districts facing a decrease in funding.** By funding each student’s needs, the General Assembly can avoid throwing dollars at a shapeless problem and provide solutions for districts that may be under benefitting or over benefitting from an outdated and ineffective system of funding. If not, at a minimum, the General Assembly should **increase the 13% funding cap.**

Background

Special education means specially-designed instruction to meet the unique needs of a student with a disability, whether it be a developmental disability, visual impairment, severe emotional disability, hearing impairment, severe physical impairment, or other health impairment that adversely affects educational performance.¹ Per the October 2024 Report to the General Assembly, **there are approximately 213,211 total public school students with disabilities** (3-21 years of age) in North Carolina, but we are **confident the true figure is higher** (PSUs with less than 10 students with disabilities are withheld

¹ NC Policies Governing Services for Children with Disabilities, NC 1500-2.37 Special Education and NC 1500-2.4 Child with a Disability, North Carolina Department of Public Instruction, accessed January 2025.

from the official count for privacy reasons).²

The current allotment formula for students with disabilities provides a uniform amount for each individual—regardless of disability—for special education classrooms, instruction designed to make the general curriculum accessible, tutoring, therapies, and other services/equipment. North Carolina is one of only 10 states in the country to still utilize a flat funding allocation for all students with disabilities, regardless of severity, while other states have successfully pursued full or partially weighted funding models.³ **North Carolina currently provides districts with about \$5,300 per student with a disability up to 13% of its enrollment,**⁴ but many school systems are above the cap, along with many charter schools.⁵ When a district’s population of students with disabilities is higher than the cap, the per-student spending is diluted, leaving districts scrambling to cover the additional costs using local funds or other resources.

However, this issue has not been without progress. In 2021, legislators directed DPI to study the issue and provide recommendations, and DPI ultimately presented a more accurate funding formula that would consider student needs. It was approved by the State Board of Education and can be viewed [here](#). The General Assembly also raised the long-standing enrollment cap from 12.5% to 12.75% in 2019 and then to 13% in 2021.

Yet, improved funding for students with disabilities remains a pressing need, compounding on existing issues related to recruitment and retention and student well-being. Teachers and TAs in special education are expected to play a variety of roles to stretch funding beyond its means, often leading to burnout, turnover, and chronically vacant positions. **Special education teaching roles are consistently the most difficult for districts to fill.** Further, students with more severe disabilities and their teachers and TAs must have the resources to be physically and mentally prepared not just to learn, but also to work together to accomplish daily tasks, such as eating and using the restroom.

² Students with Disabilities – Definition of Residence, Report to the General Assembly, October 2024.

³ Funded: National Policy Maps (A National Overview of State Education Funding Policies), Special Education, accessed January 2025.

⁴ 2024-2025 Allotment Policy Manual, North Carolina Department of Public Instruction, accessed January 2025.

⁵ North Carolina Special Education Funding Recommendations, Appendix C: Students with Disabilities by School System, North Carolina Department of Public Instruction in conjunction with RTI International, August 2022.