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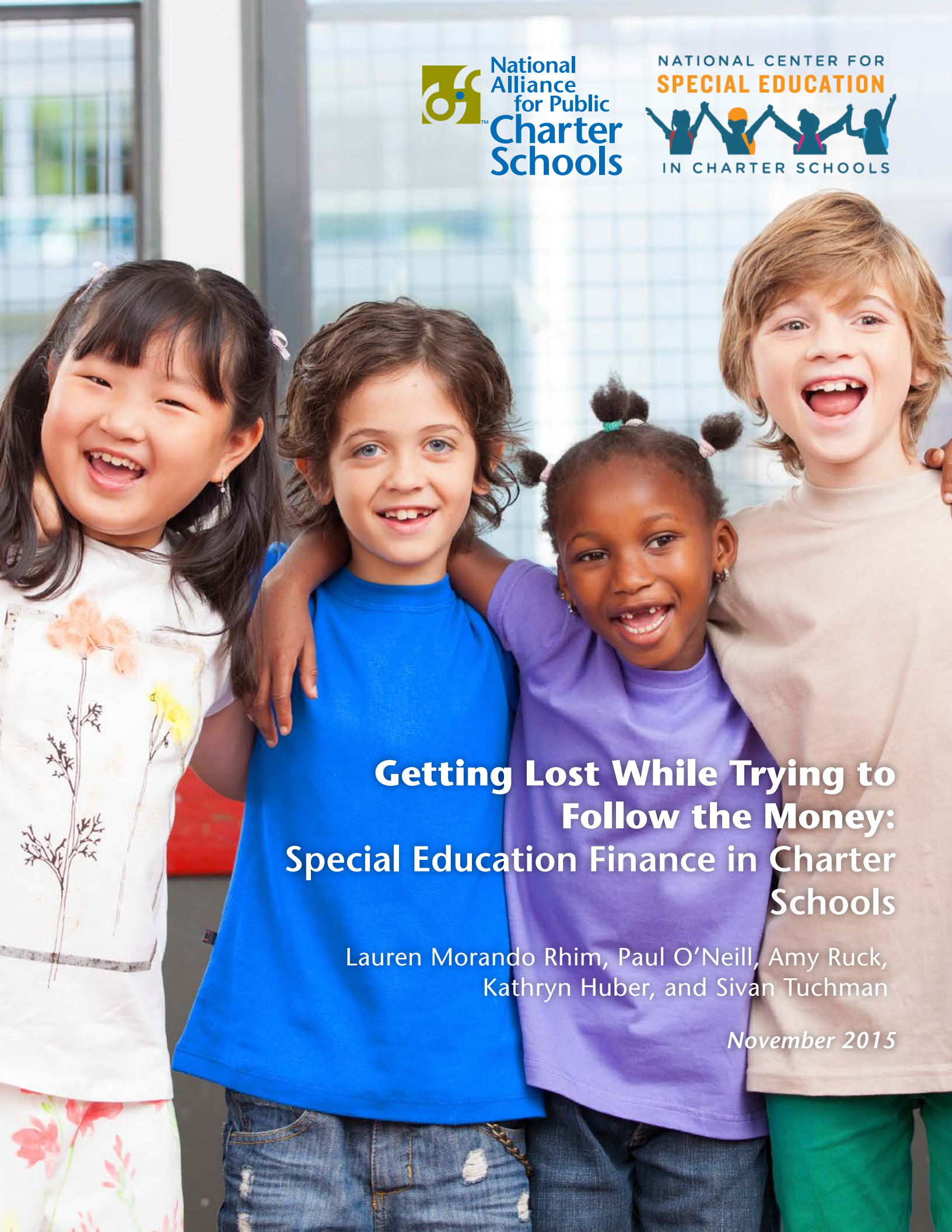

Getting Lost While Trying to Follow the Money: Special Education Finance in Charter Schools

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NATIONAL CENTER FOR SPECIAL EDUCATION IN CHARTER SCHOOLS

About the NCSECS

The National Center for Special Education in Charter Schools (NCSECS) is an independent, non-profit organization formed in 2013 to fill a void that has existed since the inception of the charter school movement in the United States, namely a coordinated effort to address the challenges associated with providing special education and related services in charter schools.

NCSECS is committed to ensuring that students with disabilities have equal access to charter schools, and to fostering innovations that will benefit students with disabilities in both charter and traditional public schools.

National Alliance for Public Charter Schools™

About the National Alliance

The National Alliance for Public Charter Schools is the leading national nonprofit organization committed to advancing the public charter school movement. Our mission is to lead public education to unprecedented levels of academic achievement by fostering a strong charter movement. For more information, please visit our website at www.publiccharters.org.

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Executive Summary

Tracking the special education dollars that support services for students with disabilities attending public schools is complicated; attempting to track the funds to autonomous public charter schools is even more so. Public schools—traditional and charter alike—receive their operating revenues from three primary sources: local property taxes, state per-pupil allocations, and federal categorical-aid programs. The aggregate resources available to provide services to students with disabilities in public schools is a function of both 1) funding available to public schools generally, and 2) funding designated to support special education and related services in particular.

Understanding how dollars flow to charter schools requires consideration of multiple and overlapping federal, state, and local district formulas and policies, and understanding how state policymakers have retrofitted these policies and procedures to include autonomous charter schools.

Because there is no set federal mandate prescribing the distribution of special education funds to charter schools—aside from the requirement that federal funds be distributed equitably—an appreciation of federal, state, and local sources of funding is necessary to understand the particular way charter schools receive money earmarked for special education services. Of particular import, charter schools' legal status, as either autonomous districts—referred to as "local education agencies (LEAs)"—or as part of an existing LEA, shapes how they receive and allocate dollars. In general, all federal, state, and local dollars are distributed through districts as opposed to individual schools.

A factor that influences the amount of dollars available to support special education and related services in charter schools is the practical reality that, on average, charter schools operate with less funding than traditional public schools, and the greatest gap is associated with their limited access to funds raised by districts via local property taxes. Given that local funds generally represent approximately 46 percent of all dollars allocated to support special education, charter schools' limited access to local dollars is a notable challenge.
The purpose of this paper is to provide the reader with a clear and concise summary of special education funding by:

- describing how general and special education programs are funded in public schools;
- spotlighting how three states' special education funding mechanisms apply to charter schools and affect their operations;
- identifying key questions charter schools, authorizers, and support organizations should ask when trying to understand the nuances of special education funding in their state; and
- summarizing a state-by-state review of key laws and regulations that govern how special education is funded in the 43 states with charter schools.

In developing the brief, our goal was to present a clear and succinct point-in-time description of how special education is funded in charter schools to empower key stakeholders with critical information to help inform their operational decisions and, if appropriate, seek policy changes to better support charter schools to develop quality special education programs. The data were collected in early 2015 and reflect the status of federal and state policies at that time. Given the ever-evolving nature of federal and state legislation, readers should bear in mind that laws can change, and should therefore verify the status of relevant laws before taking action based on our analysis.

While we acknowledge the broader field is anxious to understand the "best" or "ideal" funding mechanism, it is premature to proclaim one model is superior to others absent more contextual data. However, our analysis confirms that a high level of technical expertise is needed by school-level teams and by their advocates to effectively monitor and ultimately ensure charter schools receive their proportionate allocation of federal, state, and local dollars to support special education programs. Moreover, the overall lack of adequate funding for special education for all public schools remains an ongoing challenge.

Introduction

The means by which districts—also referred to as "local education agencies" (LEAs)—fund special education and related services for students with disabilities in public schools is complicated; providing the funds to autonomous public charter schools is even more complicated.[1] Understanding how dollars flow first requires consideration of multiple and overlapping federal, state, and local school district formulas and policies that shape how states fund public education—and, in particular, special education—in local schools, and then requires comprehension of how policymakers have retrofitted existing policies and procedures to include charter schools. This understanding also requires a basic knowledge of the history of special education funding and, specifically, of the occasionally competing efforts to provide adequate funds while simultaneously preventing funding from serving as an incentive to over-identify students for special education and related services. Together, considerations of charter school and special education funding formulas are necessary to understand the various means by which charter schools access funding to fulfill special education obligations.

Public schools—traditional and charter alike—receive their operating revenues from three primary sources: local property taxes, state per-pupil allocations, and federal -aid programs.[2] An appreciation of federal, state, and local sources of funding is necessary to understand the particular way charter schools receive money to provide special education services. In general, all federal, state, and local dollars are distributed through districts as opposed to through individual schools.

Charter School Funding

State charter school laws define what entities may authorize charter schools and the parameters of their operations. Most charter school laws explicitly designate the legal identity of their states' charter schools.[3] A charter school is either identified as the equivalent of a district—in federal parlance, an LEA—or considered to be a school within a district LEA. In some states, the charter school has some choice in the matter.

Legal identity impacts how charter schools receive federal, state, and local dollars allocated to support general as well as special education. Typically, if a charter school operates as its own LEA, it receives all federal and state, and sometimes local, dollars directly from the state. If a charter operates as part of a traditional LEA, these dollars generally flow through the district, and in many instances these schools are provided some centralized services (e.g., transportation, student evaluations, specialized therapies, professional development, and legal counsel) in lieu of 100 percent of the funding.

When examined on a per-pupil basis, a series of three studies conducted over the past 15 years have documented that, overall, charter schools receive less funding per pupil than do traditional public schools.[4] The most recent iteration of the financial analysis conducted by the University of Arkansas examined funding in 30 states with the most substantial charter school populations and in Washington, D.C.[5] The study documented that charter schools now receive on average 28 percent less per pupil than do district schools.[6] Financially, this disparity amounts to $3,814 less per student; or, for a school of 400 students, $1,525,600 per year.[7] The University of Arkansas study found that

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[1] Per the Individuals with Disabilities Education Act, 20 U.S.C.,§ 1400 Section 300.34 (2004): Related services means transportation and such developmental, corrective, and other supportive services as are required to assist a child with a disability to benefit from special education, and includes speech-language pathology and audiology services, interpreting services, psychological services, physical and occupational therapy, recreation, including therapeutic recreation, early identification and assessment of disabilities in children, counseling services, including rehabilitation counseling, orientation and mobility services, and medical services for diagnostic or evaluation purposes. Related services also include school health services and school nurse services, social work services in schools, and parent counseling and training.

[2] U.S. Department of Education (2014). Revenues and expenditures for public elementary and secondary school districts: School year 2011-12 (Fiscal year 2012). Washington, DC: Institute of Education Sciences. Retrieved July 1, 2015 from: http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2014303.

[3] Some state charter school laws are vague on the legal status of charter schools.

[4] Speakman, S., Finn, C. E., Hassel, B. C., (August, 2005). Charter School Funding: Inequity's Next Frontier. Washington, DC: Thomas B. Fordham Institute. Retrieved July 1, 2015: http://edexcellence.net/publications/charterschoolfunding.html: Batdorf, M., Maloney, L., May, J., (May, 2010). Charter school funding: Inequity persists. Indianapolis, IN: Ball State University, Retrieved July 1, 2015 from: https://cms.bsu.edu/-/media/WWW/DepartmentalContent/Teachers/PDFs/charterschfunding051710.pdf; Batdorff, M., Maloney, L., May, J., Speakman, S. T. Wolf, P. J. & Cheng, A. (2014, April). Charter School Funding: Inequity Expands. Fayettville, Arkansas: University of Arkansas, Retrieved July 14, 2015 from: http://www.uaedreform.org/wp-content/uploads/charter-funding-inequity-expands.pdf.

[5] Batdorff, et al., (April 2014). Charter School Funding: Inequity Expands, School Choice Demonstration Project Fayettville, University of Arkansas

[6] Ibid.

the disparity in funding results predominantly from differences in access to local funds (i.e., funds generally collected through property taxes and distributed by local school boards).

The University of Arkansas study has been criticized for not accounting for the value of services—including services to support students with disabilities and facilities—that LEAs provide charter schools that operate as part of a traditional LEA.[8] Whether the funding discrepancy is 28 percent, or less if the services that LEAs provide directly to charter schools are quantified, a funding disparity exists and continues to produce practical hurdles for charter schools seeking to allocate adequate resources to support their programs, including programs to serve students with disabilities.

Special Education Funding

Special education, as a subset of a district's or school's overall budget, is funded from federal, state, and local sources of revenue. Whereas federal spending on average makes up only 9 percent of total special education funding, state and local spending represent 45 percent and 46 percent, respectively.[9] Across the nation, funding distribution varies depending on an array of state-specific formulas and considerations. The following sections provide an overview of how federal, state, and local dollars are allocated to support special education and related services.

Federal Funding for Special Education

The federal government distributes dollars to states to support students with disabilities through two primary channels: the Individuals with Disabilities Education Act (IDEA) and Medicaid.

IDEA

The federal government distributes funds to each state to support special education and related services for students with disabilities.[10] Details regarding an individual student's diagnosis, performance level, and placement are outlined in an individualized education program (IEP) that is developed by an IEP team that, consistent with federal law, must comprise teachers, specialists, and parents; older students may also participate in IEP meetings.

Fiscal allocations are calculated pursuant to a statutory formula for disbursement. In 1977, the Education for All Handicapped Children Act (EHA), the earliest federal legislation devoted to funding special education and related services,[11] established a federal funding level that provided equal funding per pupil with a disability.[12] Under the original statute, the federal government authorized funds to each state based on the number of children with disabilities in that state, times 40 percent of the average per-pupil expenditure nationwide. The federal funding through IDEA Part B in 2015, however, was $1,742,[13] just over 14 percent of the total cost to fund the average student in special education. If the full amount authorized had been appropriated by Congress, it would have provided districts with significant supplemental revenue to defray the cost of providing services and supports to students with disabilities.[14]

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[7] Ibid

[8] Baker, B. (May 2014), Review of Charter Funding: Inequity Expands, Boulder, CO: National Education Policy Center. Retrieved July 1, 2015 from: http://nepc.colorado.edu/thinktank/review-charter-funding-inequity

[9] Parrish, T., Harr, J. Anthony, J. Merickel, A., & Esra, P. (May 2003). State Special Education Finance Systems 1999-2000, Part I.. Center for Special Education Finance, American Institutes of Research. Palo Alto, CA: Retrieved July 1, 2015 from: http://csef.air.org/publications/csef/state/statpart1.pdf; Parrish, T., Harr, J. , Wolman, J., Anthony, J. Merickel, A., & and Esra, P. (March 2004). State Special Education Finance Systems 1999-2000. Part II. Center for Special Education Finance, American Institutes of Research. Palo Alto, CA: Retrieved July 1, 2015 from: http://csef.air.org/publications/csef/state/statepart2.pdf

[10] IDEA defines a student with a disability as a student who has been diagnosed as having one of 13 categories of disabilities (e.g., specific learning disability, emotional disability, or autism).

[11] The phrase "special education and related services" encompasses the services and supports provided to students to enable them to access the general education curriculum. "Special education" means specially designed instruction to meet the unique needs of a child with a disability in the classroom or other setting. Related services include speech therapy, occupational therapy, physical therapy, and rehabilitation counseling. Transportation to school may also be a related service.

[12] The adopted formula in the EHA of 1975 was "allotment of state funds" = "number of children with disabilities" x "40% of the national average per-pupil expenditure." See McCann (2014)

[13] U.S. Department of Education, Fiscal Year 2016 Budget Summary and Background Information (Washington, DC: U.S. Department of Education, 2015), 31, Retrieved July 1 from: http://www2.ed.gov/about/overview/budget/budget16/summary/16summary.pdf.

[14] Ibid.

Evolution of Federal IDEA

The original plan for federal funding under EHA, however, failed for two reasons: 1) the plan led to over-identification of students with disabilities,[15] as states sought to secure more funds; and 2) the law was never fully funded by subsequent congressional budgets, leaving states and districts to cover a larger proportion of costs.[16] In subsequent reauthorizations, Congress changed the name of the statute to IDEA (1990) and revised its original special education funding formula (1997). Most recently amended in 2004, IDEA is currently overdue for reauthorization.

IDEA Funding Streams

IDEA contains multiple parts that operationalize the goals of the statute. Of most import to public schools, Part B provides financial assistance to support the education of all students with disabilities between the ages of 3 and 21. Part C targets early intervention services for infants and toddlers.

Under today's funding, federal disbursement of Part B to states does not offer an equal expenditure per pupil, but rather begins with a "base amount" determined by what states received in 1999 (or, subsequently, the base amount of what states received in the year prior). Following disbursement of the base amount, any additional funds are distributed to states based on 1) the number of students ages 3-21 in the state, and 2) the total number of students living in poverty.[17] The updated formula aims to provide guaranteed funding to all states, with added emphasis on the states with the most students with disabilities and the most students growing up in poverty. This formula, however, has been criticized for its failure to provide equal funding to all students with disabilities.[18]

State-Level Distribution of IDEA Funds

Once distributed by the federal government to states, IDEA Part B dollars are further distributed by state education agencies (SEAs) to districts through subgrants. SEAs are allowed to retain a portion of the federal funds for statewide activities, generally in the range of 5 percent, and are expected to distribute the rest of the funds to districts based on established formulas. Similar to how the federal government distributes IDEA to states, states distribute IDEA dollars based on historic allocation patterns, population, and poverty level. IDEA also allows states to allocate set-aside funds to create a statewide "risk pool" or "high-cost fund" that can be used to assist LEAs in meeting the needs of specific students with significant support needs.[19] If districts do not have any students who qualify to receive special education or related services, states have discretion to distribute the funds to other districts based on need.[20] This discretion can enable states to target funds but can also cause challenges for new charter schools that do not have any enrollment history.

IDEA Maintenance of Effort

Under IDEA, states are not allowed to reduce the amount of state financial support for special education and related services for children with disabilities below the amount of that support for the preceding fiscal year.[21] Referred to as "maintenance of effort (MOE)," this clause requires states, at a minimum, to maintain their state financial support to local districts for special education from one year to the next. If an SEA fails to maintain the required level of financial support for special education and related services, the Secretary of Education reduces the allocation of funds under Section 611 (the Part B funding formula) of IDEA for subsequent fiscal years by the same amount the state fails to meet the requirement. Furthermore, if an LEA fails to maintain financial support, the SEA must return to the U.S. Department of

[15] McCann, C. (June 2014). Federal Funding for Students with Disabilities: The evolution of federal special education finance in the United States. Washington, DC: New America Education, Retrieved July 1, 2015 from: https://www.newamerica.org/downloads/IDEA_6_25_2014_FINAL.pdf

[16] Ibid.

[17] The adopted formula in the Individuals with Disabilities Act of 2004 provides that: allotment of state funds = prior year amount + population of students with disabilities/share of children with disabilities living in poverty. See McCann, C., (June 2014). Federal Funding for Students with Disabilities: The evolution of federal special education finance in the United States. Washington, DC: New America Education, Retrieved July 1, 2015 from: https://www.newamerica.org/downloads/IDEA_6_25_2014_FINAL.pdf

[18] McCann, Federal Funding for Students with Disabilities.

[19] U.S. Department of Education, Laws & Guidance (No date). Special Education Rehabilitation Services," Washington, DC: Author. Retrieved July 15, 2015 from: http://www2.ed.gov/programs/osepgts/index.html.

[20] McCann, Federal Funding for Students with Disabilities.

[21] Individual with Disabilities Education Act 34 C.F.R. § 300.163(a) 2004.

Education an amount equal to the amount by which the LEA failed to "maintain effort."[22] Assessing effort can be calculated on an aggregate or per-pupil basis and there are allowable reductions (e.g., the number of enrolled students with disabilities decreases, or a student who has significant support needs leaves or ages out of the district).

Policymakers and practitioners alike hope the long overdue reauthorization of IDEA will provide an opportunity to update and improve the complex federal funding mechanism and create opportunities for more funding overall to support special education.[23]

Medicaid

Medicaid is a federally funded health care program for individuals with low incomes and limited resources. Beginning in 1988, the Medicare Catastrophic Coverage Act created the Medicaid School Program to reimburse schools for providing specific services to students who qualify for Medicaid. For Medicaid to cover school-based services, the services must be primarily medical and not educational in nature, and a qualified Medicaid provider must provide them to children in families that meet Medicaid income eligibility requirements.

To qualify for Medicaid reimbursement, students must have an IEP in accordance with IDEA. To have services reimbursed under the federal Medicaid program, the service must meet the definition of a coverable service under Section 1905(a) of the Social Security Act. Examples of services for which districts can seek Medicaid reimbursement are diagnostics services; occupational, physical, and speech therapy; and mental health counseling. While the federal government outlines regulations related to reimbursements, states have some discretion to narrow these parameters.

Districts, including charter schools operating as districts, can apply to be validated as a provider eligible to provide services and seek reimbursement from Medicaid. For large, populous states, Medicaid reimbursements can generate hundreds of millions of additional federal dollars for certain special education and related services. However, the Medicaid reimbursement process requirements are significant to and are particularly burdensome for small districts and charter school LEAs.

State Funding for Special Education

States use a variety of approaches to distribute state-generated special education funds to local school districts and educational providers.[24] Charter schools must look to their state special education formula to understand how funds are allocated in their state. See the Appendix C for the most applicable statutes and regulations in each state. States also frequently reserve part of their federal IDEA Part B and state funds for extraordinary special education expenses. The following sections describe these two sources of funding.

State Special Education Funding Formulas

Generally, state-level special education funding schemes fall into one of seven categories that consider such variables as average number of students with disabilities, the severity of individual students' disabilities, and average cost of services provided. These variables are frequently used by states to define levels or tiers that are subsequently used to inform funding formulas (e.g., a student identified as requiring Level I services is allocated fewer dollars than a student identified as Level II).

The types of state funding formulas are described in Table I.

When examining the patchwork of state special education funding formulas, it is important to keep in mind that they reflect an evolution of efforts to simultaneously provide support for special education and related services and avoid creating incentives to over-identify students or serve students in more restrictive settings than might otherwise be warranted.

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[22] For more information regarding Maintenance of Effort, see http://www2.ed.gov/policy/speced/guid/idea/monitor/smfs-partb-waivers.html.
[23] McCann, C., (July 29, 2014). IDEA's funding formula really needs an update. SpecialEDpost. Retrieved July 1, 2015 from: http://specialedpost.org/2014/07/29/ideas-funding-formula-really-needs-an-update/

[24] Ahearn, E., (April, 2010). Financing Special Education: State Funding Formulas, Alexandria, VA: National Association of State Directors of Special Education. Retrieved July 1, 2015 from: http://nasdse.org/DesktopModules/DNNspot-Store/ProductFiles/82_dce66976-08dd-4cdd-abbd-1397e973c81a.pdf

Table I: State Special Education Funding Formulas[25]

Formula Type *(# of states)*	Description
Weighted funding *(19)*	Funding allocated per student with a disability and amount (i.e., weight) increases based on severity of disability, type of placement, or student need. Weighted formulas may be based on a single factor (e.g., disability diagnosis) or multiple factors (e.g., diagnosis and services provided). Under this formula, students with disabilities are generally identified by levels—corresponding with the significance of their disability or the services they require—and funding increases based on level.
Census-based distribution *(7)*	A fixed average per-pupil dollar amount of funding allocated per state average rates of disabilities, regardless of specific rate of disabilities in each district or school. Under this formula, the state provides every district with a set dollar amount (e.g., $8,000) that represents the average cost of educating a student with a disability across the state, which is then multiplied by the average percentage of students with disabilities across the state (e.g., 13%).
Resource-based funding *(6)*	Funding based on payment for a certain number of special education resources (e.g., teachers or classroom units), typically determined by state-prescribed staff/student ratios. Under this formula, the state might provide the resources required to hire one full-time equivalent special education teacher for every 10 students with a moderate disability, one full-time equivalent specialist for a single child with a significant disability, or one-quarter of a speech therapist for 10 students identified as having a speech or language disability.
Percentage reimbursement *(5)*	Funding based on a percentage of allowable actual expenditures. Under this formula, the state might reimburse 20% of all special education expenditures above average per pupil up to $20,000 and then 50% of all dollars allocated to educate an individual student above $20,000 spent to provide more specialized services.
Block grant *(1)*	Funding based on base-year or prior-year allocations, revenues, and/or enrollment. Under this formula, states allocate dollars based largely on prior expenditures and give districts discretion to distribute according to local funding formulas.
Combination of approaches *(5)*	Funding based on a combination of census and weighted formulas. Under this formula, states allocate dollars based on consideration of both overall averages of enrollment and cost and degree of support required.
No separate special education funding *(7)*	Funding to support special education is rolled into overall state per-pupil allocation funding levels and is distributed by localities as they choose.

Charter schools seeking to access the full breadth of eligible state special education funds must look not only to the state funding formula for allocating funds per district, but also to the qualifying services for which the state will allow expenditure of special education funds. Combined, these factors determine how state funding is disseminated, and how funding is received by each individual school. In addition, because charter schools must abide by all federal and state laws and regulations that affect them, it is essential for charter schools to understand numerous factors, including—most importantly—their legal identity and their degree of linkage to a traditional LEA (see discussion below).

State Extraordinary Aid Formulas

In addition to the specific formula states use to provide funding to districts for provision of special education and related services (e.g., weighted or census-based), many states have formulas or "pools" to provide districts additional funds should they enroll a student with "exceptional" or "extraordinary" needs (e.g., a student requires a private residential therapeutic setting that costs three times the average per-pupil allocation, and has a fiscal impact that limits and/or inhibits a district's ability to provide special education and related services). One approach to exceptional aid encouraged in the 2007 reauthorization of IDEA is so-called risk pools, wherein states may appropriate up to 10 percent of their federal IDEA Part B funds allocated for state-level activities to create a high-cost fund to which local districts can apply for reimbursements for extraordinary expenses. In general, districts must apply to receive reimbursement from the fund. In some states (e.g., Massachusetts), local districts are required to contribute to a statewide risk pool that operates separate from the one supported with federal dollars.[26]

[25] Ahearn, Financing Special Education.

[26] Richmond, M., &. Fairchild, D., (November 2013). Financing the Education of High Needs Students (Washington, DC: Thomas B. Fordham Institute, 2013). Retrieved July 1, 2015 from: http://edexcellence.net/publications/financing-the-education-of-high-need-students

In general, statewide risk pools are underfunded and applications for reimbursements exceed dollars appropriated, which leads to schools being reimbursed a portion of their request. In other words, even if a state maintains a high-cost fund, there is generally no guarantee districts will be able to secure 100 percent reimbursement for extraordinary costs.[27] Furthermore, based on anecdotes from charter operators, it is unclear whether they are being extended access to the funds in the same manner as traditional public schools.

Local Funding for Special Education

According to the most recent national data available, 46 percent of all dollars devoted to special education programs come from local sources.[28] That is, school districts typically allocate dollars from their general revenues (e.g., raised through local property taxes) to support programs for students with disabilities.

These dollars are not specifically collected for the purposes of providing special education and related services, and districts do not have the same reporting requirements associated with these funds as they do for federal and state dollars directed to support special education. Rather, districts determine how much to allocate based on the specific needs of the enrolled students in a given year.

Individual districts do not typically have a specific formula analogous to the federal IDEA or state statute. If the budget necessary to provide special education exceeds existing local, state, or federal revenues, or if unanticipated costs arise midyear, districts typically draw from local reserve funds, raise taxes, or reallocate funds from within their budget in order to pay for the costs.

Unlike traditional districts, charter schools generally do not have taxing authority and cannot increase their public funding based on need.

Charter School Legal Identity

The concept of an LEA is established in federal law. Under IDEA and other federal statutes, an LEA is the entity that has authority and responsibility to operate public schools. State-level authority is in the hands of the SEA, which typically is the state department of education. Whether a particular charter school is regarded as an LEA depends on state charter school law. However, LEA status is not always clearly defined, and is often complicated where state law delineates one status for certain purposes (e.g., distribution of state funding or Title I) and a different status for purposes of special education.

Depending on the state, charter schools may be classified as either a separate LEA or a part of another LEA. In addition, some states allow either the school or the school's authorizer to determine a charter school's legal status. Understanding the legal status of a school, and the state context, is essential in determining both the financial and programmatic responsibilities a school faces for all federal requirements related to educating a student with a disability. See Appendix for summary of legal status by state.

Legally Autonomous LEA

Legal recognition as an LEA has notable programmatic and financial implications.[29] Charter schools that operate as independent LEAs have greater freedom—and responsibility—in designing curricula, hiring teachers and staff, and implementing programs. Charters that are designated to operate as LEAs generally receive state and federal moneys directly and have control over how they spend those funds to meet the needs of their students and programs. Of greatest note to the discussion regarding special education finance, charter schools that operate as independent LEAs are wholly responsible for providing students with disabilities a full array of services, including a full continuum of alternative placements, analogous to a multischool district.[30]

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[27] Richmond and Fairchild . Financing the Education of High Needs Students.

[28] Parish et al. State Special Education Finance Systems.

[29] Green P. D., & Mead, P.F., (2004). Charter Schools and the Law: Chartering New Legal Relationships (Norwood, MA: Christopher-Gordon Publishers; Heubert, J. P., (2006). "Schools without Rules? Charter Schools, Federal Disability Law, and the Paradoxes of Deregulation," Harvard Civil Rights-Civil Liberties Law Review 32, 301-353; Rhim, L.M., Ahearn, E., and Lange, C., (2007). Toward a More Sophisticated Analysis of the Charter School Sector: Considering Legal Identity as a Critical Variable of Interest," Journal of School Choice 1(3), 115-122

[30] Individuals with Disabilities Education Act, 20 U.S.C.,§ 1400 Section § 300.115 defines a continuum of alternative placements as: "(a) Each public agency must ensure that a continuum of alternative placements is available to meet the needs of children with disabilities for special education and related services. (b) The continuum required in paragraph (a) of this section must— (1) Include the alternative placements listed in the definition of special education under §300.38 (instruction in regular classes, special classes, special schools, home instruction, and instruction in hospitals and institutions); and (2) Make provision for supplementary services (such as resource room or itinerant instruction) to be provided in conjunction with regular class placement."

Legally Part of an LEA

Charter schools that operate as part of an LEA generally have access to a variety of services (e.g., human resources, transportation, and legal counsel) through the district central office, analogous to traditional public schools. Of note, as part of a larger, multischool LEA, they are also generally able to take advantage of the economies of scale realized when purchasing a variety of goods and services. However, they are denied some of the programmatic and financial freedoms typically deemed crucial to the development of new and innovative schools. Charter schools that operate as part of an LEA share responsibility for provision of special education and related services with the broader district. That is, they are required to provide a diverse array of services, but responsibility for providing the full continuum lies with the larger district. Furthermore, in practice, being part of an LEA can involve being required to adopt the district's approach to identifying and educating students with disabilities regardless of the extent to which it aligns with the charter school's mission.

Linkage to an LEA for the Purpose of Accessing Funding

Separate from but related to legal status—and central to our analysis of special education funding—is the question of how charter schools receive their federal, state, and local funding. The funding path is connected to a school's LEA status and the extent to which, by statute or choice, individual charter schools link to other LEAs.[31] There are three types of linkage:

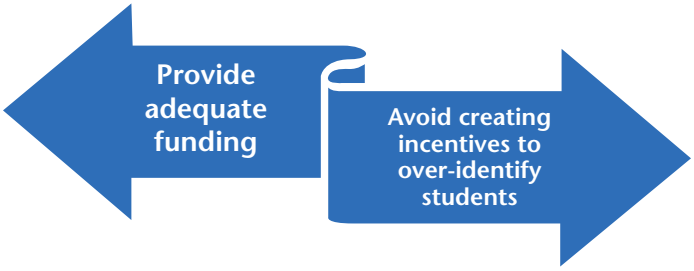
- ***No Link***—A charter school that is its own LEA has full responsibility for special education, receives federal and state funds directly from the state, and usually has no link to another LEA (although a charter could seek to negotiate a working relationship with an LEA voluntarily, similar to any other vendor).
- ***Total Link***—If a charter is considered a part of an LEA, the LEA is responsible for the students with disabilities enrolled in the charter school, and the LEA is the recipient of all federal, state, and local dollars, which it typically allocates to charter schools directly or in the form of services, largely at its discretion.
- ***Partial Link***—There is a required or negotiated connection (e.g., the charter school has responsibility for services, but the child's home LEA carries out evaluation team tasks), or the charter school is responsible for only those services that can be delivered in the school and the LEA resumes responsibility when the child needs more specialized day or residential placement. In partial-link states, the charter law typically dictates how federal, state, and local dollars are allocated relative to services provided. In many instances, the traditional LEA (i.e., not the charter school) has greater authority and, in turn, discretion to determine how the shared responsibilities are operationalized.

The construct of linkage is essential for charter schools to understand because it defines both the way the funding is distributed and the way responsibilities for special education are delegated. To illustrate the impact of legal status and linkage, we spotlight three states following the overview of key federal and state policy considerations: Arizona, Colorado, and New York.

Evolving Federal and State Policy Considerations

Current federal and state special education finance formulas reflect the latest iteration of an ongoing debate regarding how best to fund special education, a debate shaped by inherent tensions associated with providing adequate funds while avoiding creating incentives to over-identify students or serve students in more segregated settings.[32]

Special Education Funding Tensions



[31] Ahearn, E. A., Rhim, L. M., Lange, C., & McLaughlin, M. (2005). Project Intersect research report #1: State legislative review. College Park, MD: Project Intersect.

[32] These policy factors are discussed at length in Thomas Parrish. (2001). Special Education in an Era of School. Reform Federal Resource Center for Special Education, Lexington,KY.; American Institutes for Research in the Behavioral Sciences, Palo Alto, CA. Center for Special Education Finance. Retrived July 1, 2015 from: http://files.eric.ed.gov/fulltext/ED412699.pdf; McCann, Federal Funding for Students with Disabilities.

Federal Funding Priorities

The current federal funding formula allocates more funding to states with higher percentages of students from families living in poverty.[33] This prioritization of poverty in allocating funding for special education came about as a result of data showing that students growing up in poverty in urban environments comprise a disproportionately large percentage of students who qualify to receive special education and related services.[34] However, despite the intent to distribute additional funding to high-poverty states and LEAs, federal funding that guarantees minimum funds to small states (which generally corresponds with states with fewer students eligible for special education) can result in disproportionately higher funding to states with fewer students. Given the limited pool of federal dollars for special education, this can have the effect of limiting funding for states and districts with the greatest need in terms of actual number of students.[35]

State Funding Priorities

States have established their funding formulas for special education based on prioritizing one or more of the following factors:

1. creating flexibility in placements and use of funds for delivery of services,
2. concerns about rising special education costs,
3. concerns over the efficiency of special education services, and
4. a high cost of special education assessments and program administration.[36]

Although each state may not address each priority, and may prioritize each factor differently, the state formulas reflect different approaches to effectively and efficiently distributing limited resources. In aggregate, the various funding formulas are evidence of the complex factors involved with attempting to create a special education funding mechanism that simultaneously provides funding where needed and avoids creating incentives to over-identify students.

State Mini Case Studies: Special Education Finance in Charter Schools

To capture and illustrate the critical issues related to special education funding in charter schools, we developed mini case studies of three states that represent a cross section of the models and iterations that permeate the national landscape. By telling the stories of these three states, stakeholders—from applicant groups to funders—will be better equipped to navigate the complicated landscape. These three states not only are geographically diverse, but also provide a lens into the various authorizing structures, portfolio sizes, legal statuses, and delivery model approaches that should resonate with many other states. Arizona, Colorado, and New York each provide an example of not only a variety of funding mechanisms to deliver special education services, but also disparate delivery approaches and models.

Data Collection

To present accurate information and an on-the-ground perspective, we culled data from websites, published documents, and interviews with key stakeholders. The websites and documents used are cited throughout the body of the text and ranged from the National Alliance for Public Charter Schools to the National Association of Charter School Authorizers to state education websites. Each state's law was reviewed and incorporated into the synthesis.

Due to the diverse natures of each state, it was important for us to find the right individuals to provide insight regarding the law, landscape, and current realities. In Arizona, individuals from the Arizona State Board for Charter Schools, as well as from the Arizona Department of Education and the Arizona Charter School Association, provided information and background. In Colorado, individuals from the Colorado League of Charter Schools, the Charter School Institute, and the state department of education, as well as an attorney who specializes in charter school law, helped provide us with context to the statewide landscape. In New York, staff from the New

[33] McCann, Federal Funding for Students with Disabilities

[34] Ibid

[35] Ibid.

[36] Parrish, Special Education in an Era of School Reform, 11-17.

York City Charter School Center, State University of New York Charter School Institute, and state department of education provided us with insight into the New York charter school special education funding environment. While we owe special thanks to each and every one of them, any errors or omissions are our responsibility.

Arizona						
Year Chartering Started	**Authorizer**	**# of Schools**	**LEA Status**	**Funding Structure**	**Average Charter School Per-Pupil Allocation**	**State Special Education Funding Formula**
1994 (*only state in the country that allows for-profit entities to hold a charter; about 5% of charters)	Arizona State Board for Charter Schools, state board of education, and Arizona State University	605	Public education agency); all charter schools, including for-profit, are considered their own LEAs[37]	No link Partial (district sponsored)[38]	$7,684 (2011-2012)	Multiple student weights

State Charter Context

As of the 2013-2014 school year, Arizona had 605[39] charter schools or campuses, which served 184,400 students across the state. Charter schools account for approximately 26 percent of all public schools in the state, and 17 percent of the students in Arizona attend charter schools.[40] Arizona law allows charter developers to apply to a variety of authorizers: Arizona State Board for Charter Schools, the state board of education (not currently authorizing schools), or a college or university. The Arizona State Board for Charter Schools, an independent charter board, authorizes the vast majority (i.e., 99.9 percent) of schools in the state. Arizona State University and multiple districts across the state have notably smaller charter portfolios (< 11 schools).

Legal Status

The Arizona state charter school law considers each charter holder its own public education agency (PEA),[41] which is the same as an LEA. Fewer than a dozen charter schools are authorized by school districts as part of the district LEA, and these will be phased out in Fiscal year 2017. These few schools are considered a district campus. As a district campus, these charters are included in the district special education consortium for purposes of receiving state and federal special education dollars.

There are caveats within the application related to LEA status and special education funding based on the authorizer (i.e., "sponsor"). If an LEA authorizes a school, the charter is partially linked to the district. Arizona charter schools that operate as part of the district LEA invoice the district for special education and related services provided. In this arrangement, the districts act as a bank account for the individual charter schools. Their portion of the federal and state funds is held at the district level but directly correlates to the student population and level of services needed.

Charter schools authorized by the Arizona State Board for Charter Schools, or ones sponsored by a university, operate as autonomous LEAs. They receive their funding via a no-link approach, which means the state disseminates the funding directly to the charter schools.

The Arizona charter school law allows for both for-profit and nonprofit charter holders. In 2013-2014, approximately 30 of more than 605 schools were operated directly by a for-profit entity. All operators, regardless of profit status, are required to follow all

[37] State of Arizona, Office of the Attorney General (July 20, 2004). Opinion Re: Charter Schools Operated by For-profit Organizations. Retrieved June 22 from: https://www.attorneygeneral.state.az.us/sites/default/files/I04-006.pdf

[38] Ariz. Rev. Stat. § 15-185.

[39] National Alliance for Public Charter Schools. (2014) Estimated number of charter schools and students 2013-2014. Washington, DC: Author. http://www.publiccharters.org/wp-content/uploads/2014/02/New-and-Closed-Report-February-20141.pdf

[40] Personal communication with Eileen Sigmund, July 22, 2015.

[41] In Arizona, a charter holder that operates multiple sites under a single charter is the PEA. A single-site charter is also a PEA.

legal and operational special education guidelines. Both for-profit and nonprofit charter entities are eligible for state funding. Under federal regulations, only nonprofit charter boards are eligible to receive IDEA funding. This stipulation precludes charter schools operated by for-profits from accessing Arizona's Extraordinary Special Education Needs Fund, which is supported by federal dollars.

Special Education Enrollment

Based on data collected by the U.S. Department of Education Civil Rights Data Collection, 10.19 percent of the students in Arizona charter schools have disabilities, compared with 11.99 percent of the students in traditional public schools.[42] A number of schools in Arizona report that more than 35percent of their students receive special education services.[43] For instance, in 2014, two schools opened that target students on the autism spectrum. Arizona's charter law does not expressly allow for preferences for students with disabilities. However, a charter applicant may identify academic programs and focus recruitment efforts on students with specific needs or interests. Authorizers and charter schools are responsible for ensuring that all students are served in accordance with the requirements of Americans with Disabilities Education Act, IDEA and Section 504.

Special Education Funding

The Arizona Department of Education (ADE) distributes federal IDEA funds via a formula based on a base special education census count taken in December of —adjusted by new or expanding charter school submission of the IDEA Charter School Expansion Act grant applications— and poverty and population counts from the prior school year. School districts and charter schools must report these population and poverty data annually, and the U.S. Department of Education has issued guidance regarding how states are to adjust their process to accommodate new and expanding schools that would not have been a part of the 1998 special education census data. New charter schools submit their respective IDEA Charter School Expansion Act grant application once the school begins to serve students with disabilities to notify the SEA and record student count data to be used to generate distribution of IDEA funds. Existing and expanding charter schools are required to submit this same application in order to notify the SEA of their increase in counts of special education-eligible students, their population, and/or poverty counts.

Based on concerns raised by charter schools, the Arizona Charter School Association (ACSA) recently examined how many charter schools were accessing their federal IDEA Part B dollars (i.e., the funding based on enrollment of students with disabilities by school population and/or poverty levels). ACSA discovered that 268 districts—representing both traditional and charter districts—were not accessing their IDEA Part B funding, which includes approximately $513 per student with a disability,[44] due to nonsubmission of the IDEA Charter School Expansion Act applications. Upon discovering the discrepancy, ACSA provided a webinar to all Arizona charter schools informing them how to complete the necessary paperwork to report their special education-eligible students, poverty, and enrollment numbers that would generate distribution of their full IDEA Part B funding.

The ADE is also responsible for disbursing state special education funds. Unlike the federal IDEA funds, all charter schools—for-profit or nonprofit—are eligible for the state allotment. State dollars flow through districts to charters that are part of the district (i.e., linked), and directly to charter schools that operate as LEAs (i.e., not linked). The state funding works on the same formula for all public schools in the state of Arizona. The formula is based on the average daily membership (ADM), which is calculated based on the total enrollment of fractional and full-time students over the first 100 days of each school year. An amount is derived after the ADM posts. The schools are then responsible for aligning this ADM count to the special education assigned weight per student. The weights are based on a student's level of need, disability category, and required services. This results in significant variability in the funding added to the base per pupil. For instance, based on the most recent data publicly available, in 2007, students with speech and language impairments were allocated between $1,434 and $1,858 in state funds, students with specific learning disabilities were allocated between $3,906 and $5,968, and students with emotional disabilities were allocated between $5,869 and $10,443.[45]

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[42] Rhim, L. M., Gumz, J., & Henderson, K., (October 2015),.Key Trends in Special Education in Charter Schools: A Secondary Analysis of the Civil Rights Data Collection 2011-2012. Retrieved November 10, 2015 from www.ncsecs.org/s/crdc_full.pdf

[43] Ibid.

[44] "IDEA Funding," Arizona Charter Schools Association, last modified May 2015, accessed July 15, 2015, https://azcharters.org/idea-funding.

Arizona operates a risk pool for students who require services that are three times the state average expenditure (i.e., $22,049 in 2015), the IDEA High-Cost Child Grant Special Education Supplemental Fund.[46] Schools may apply to the ADE to access the fund when they have essentially exhausted available special education funds. Arizona also operates an Extraordinary Special Education Needs Fund. Districts, including charter schools that operate as nonprofits, are eligible to apply for reimbursement for costs. However, the state has not allocated dollars to support the Extraordinary Fund since 1999.

While federal and state special education dollars are distributed equitably in Arizona, the base-funding amount that charters receive relative to traditional district counterparts is not equitable. Based on a 2011-2012 report by Student Equity Now, an advocacy group seeking to change the Arizona school funding mechanism, charter schools in Arizona receive an average total per-pupil allocation of $7,684 versus a traditional district average of $9,020. This difference is mostly due to the disparity in distribution of local funds.[47]

State Role in Training and Compliance

The state requires new operators to attend mandatory annual training that covers the basics of special education and the use of federal funds. All new personnel who are working in existing schools are invited to attend. To reinforce the importance of the training, the Arizona State Board for Charter Schools has required the training provided by the Arizona SEA as part of their individual contracts with schools.

The ADE trains new schools on how to report enrollment data during their June required training and keeps a rolling enrollment reporting system open all year for new schools. Schools must submit the application based on projected enrollment counts, and then amend it after the October statewide enrollment count. However, the onus is on the charter school to complete the process.

The ADE oversees compliance and the flow of all federal and state special education funds. It assigns consultants to serve as liaisons to individual charter schools, and a consultant is on call daily to respond to any questions charter schools may have. In addition, the ADE assigns mentors to assist all new special education directors in charter schools. The mentors help new charter schools establish protocols and programs, review IEPs, and establish operational mechanisms. At the ADE level, one unit oversees federal funds and one oversees the state funds. No matter the funding link, these units work hand in hand with all of the schools within the state.

Accurate reporting is critical to disseminating federal, state, and local dollars to support special education. The rapid growth—and, at times, mobility—of charter schools and charter personnel can make it difficult for state personnel to stay up to date. This issue is not unique to Arizona, as coding diligence requires a great deal of system knowledge, authorizer relationships, and organizational diligence on the school's behalf. While coding may appear to be a small administrative detail, accurate reporting using correct codes is critical to ensuring the state knows where individual students are enrolled and being served, which, in turn, generates federal and state funds to support the special education programs.

System Strengths and Weaknesses

The funding mechanism for special education in Arizona is generally set up to ensure that charter schools receive equal funding for students with disabilities. Charter schools have the option to be authorized by such entities as the State Board for Charter Schools, universities, or community colleges that will allow them fiscal separation from traditional public school districts. The choice by a charter to be authorized by a school board requires the flow of money through that district, which can potentially result in a smaller allocation due to an administrative fee charged by the district. The general funding disparity between charters and traditional public schools means that any additional financial needs for special education affects charter schools greatly, potentially creating incentives to under-serve students with disabilities. Federal funding restrictions applied to for-profit charter schools may exacerbate similar

[45] Arizona Department of Education, Special Education Cost Study: Submitted in Compliance with A. R. S. §15-236 Phoenix, AZ: Author. December 2007), http://www.azed.gov/special-education/files/2011/06/specialeducationcoststudy2007.pdf.

[46] C. Hill, memo to Arizona Department of Education superintendents regarding 2015 IDEA high-costs grant special education supplemental funds, 2015.

[47] Student Equity Now (N.D.) Facts and stats: Why are some students considered worth less than others? Phoenix, AZ: Author. Retrieved July 15, 2015 from: www.wttp://studentequitynow. org/facts-and-stats. html.

negative incentives for the enrollment, retention, and provision of students in special education.

Colorado						
Year Chartering Started	**Authorizer**	**# of Schools**	**LEA Status**	**Funding Structure**	**Average Charter School Per-Pupil Allocation**	**State Special Education Funding Formula**
1993	District/LEAs, Charter School Institute	197	Part of an LEA	Total link	$8,472[48]	Multiple student weights

State Charter Context

As of the 2013-2014 school year, Colorado had 197 charter schools, which accounted for approximately 10 percent of all public schools in the state. Colorado law allows charter applicants to apply directly to districts—178 in the state—as well as to the independent Charter School Institute (CSI), which has statewide chartering authority. In rural areas, charters can enter into agreements with a Board of Cooperative Educational Services (BOCES), which acts as an intermediate administrative unit between the state and local districts for purposes of providing supports to local districts. The state charter law permits some districts to be granted exclusive chartering authority within a geographic region. If a district is granted this authority, the Colorado CSI cannot authorize new schools within that geographical boundary. The Colorado CSI authorizes 30 schools throughout the state, Denver Public Schools (DPS) authorizes 42 schools within Denver city limits, and other district authorizers oversee the remaining charters in the state.

Special Education Funding

In Colorado, state and federal special education funds are allocated on a multiple-student weight funding formula that is set in state statute for the associated programs. As such, funding is allocated based on a per-student amount; the amount may vary based on disability, type of placement, or student need.

The formula for distribution of federal dollars, established in 1999, is a base amount for each district, referred to in Colorado law as an "administrative unit" (AU). Every October, districts are required to report their special education enrollment counts to the state. This count, along with the count of students living in poverty, is then used to allocate the remaining federal funds. For the 2014-2015 school year, the average IDEA funding amount yields approximately $156 per student.[49]

The state special education formula is based on a December enrollment count from the prior year. Colorado allocates a foundation of $1,250 per student with a disability. The remaining funds are distributed on a per-pupil basis—up to a maximum of $6,000 per student—for students with disabilities, based on the significance of their needs assigned according to tiers of service. The state funds flow to AUs, with 90 percent of the appropriation distributed in September and the remaining 10 percent distributed in the spring.

The state also has a limited High-Cost Allocation Fund—sometimes referred to as a "risk pool"—for students who have extremely high needs and require costly services (i.e., Tier C), which is distributed, student by student, each year.[50] Decisions regarding allocation are made by the Special Education Fiscal Advisory Committee, which evaluates applications for reimbursements in May of each year. The amount districts are reimbursed from the risk pool varies annually based on need across the state. If reimbursement requests exceed the dollars allocated to the pool, districts receive proportionally less than they request.

[48] Colorado School Finance Project (2013). Per pupil current spending and revenues for K-12 Public Education. Denver, CO: Author. Retrieved June 5, 2015 from: http://www.cosfp.org/StateProfileData/2013/ProfileTable4StudentSpending2013.pdf.

[49] Colorado Department of Education. (2015). State and federal allocation. Denver, CO: Author. Retrieved June 5, 2015 from: http://www.cde.state.co.us/cdefisgrant/allocations.

[50] "Special Education Fiscal Advisory Committee," Colorado Department of Education, Retrieved July 15 from: http://www.cde.state.co.us/cdespedfin/sefac.

Legal Status

All charter schools in Colorado are part of an LEA; the LEA is either the district in which the charter is located or the CSI. In instances where a charter is authorized by a rural district, the charter holder may utilize the BOCES as the LEA for special education services and all other federal programs (e.g., Title I). Distributions of special education funds to Colorado charter schools are always through the total-link model, in that funds flow through the LEA (i.e., school district, BOCES, or CSI) and are credited to the charter school. However, the actual cost of services provided by the district frequently exceeds the dollar amount credited. While the Colorado statute dictates that charter schools are part of the local districts in which they are located, the manner in which individual authorizers manage special education in charter schools varies.

Colorado Charter School Insurance Model

Although the total-link model describes the special education funding path for all charter schools in the state, the ways in which charter schools utilize these funds varies. A few approaches depend on the school's agreement with its authorizer. Some districts require their charter schools to purchase special education services from them via an "insurance model." In this model, charter schools pay the district a per-pupil amount for all students as a guarantee for the cost of special education and related services for students with disabilities. The insurance model is not one size fits all, but rather is implemented in a full, partial, or independent insurance option (described below). Charters receive funds from the district of residence, and then, in return, pay the district for their chosen insurance option, creating a circuitous funding mechanism. While the insurance model has merits, it can lead to frustration on the part of charters, which may have little control over the quality or quantity of services offered by the district. Conversely, districts can be frustrated by the costs associated with providing services to students enrolled in charter schools.

Full Insurance Model

The full insurance option is the most common model selected by charter schools. The district, as the LEA, is entirely responsible for special education administration and related services at the charter school. Districts use a detailed fiscal formula to define the net average special education per-pupil cost across the entire district, which charter schools pay (e.g., $700 per student) to the district essentially as an insurance premium.[51] In return for the per-pupil allocation, the district provides services to the students with disabilities.

Partial Insurance Model

This model can be described as the a la carte approach, and is defined and agreed on between the LEA and the individual school in the charter agreement or contract. This approach varies significantly in charter schools across the state. When charters choose this approach, they are choosing from a prescribed set of services and pay the district for the services provided. The charter school then assumes responsibility for any additional or remaining services. An adjusted per-pupil financial formula is then calculated to determine costs and funding.

In Colorado, the partial insurance option presents a compromise between districts responsible for special education and charter schools striving for greater autonomy. Charter schools were finding that, as part of a larger district, they had limited control over the services for their students with disabilities. In particular, charter schools were frustrated about the lack of control over human resources, quality of service delivery, timeliness, and flexibility. At the same time, some Colorado districts (e.g., Jefferson County) were interested in granting charter schools autonomy. These districts were interested in giving charters choice within the parameters of the state charter law—either via service options (e.g., sending three physical therapists to the school and letting the school choose the best provider) or the ability to gain independence and capacity. By enabling, via the charter agreement, this partial insurance option, charters have been able to regain more control over services for their students, while also developing expertise and resources in-house to better serve all their students.

Independent Insurance Model

The independent insurance or contract model, described by some as the "on your own" option, was developed to accommodate a statewide virtual charter program, but in 2010 was used by almost 22 percent of

[51] Colo. Rev. Stat. § 22-30.5-1112(2)(a.8).

charter schools.[52] In this model, the district, based on the location of the school, takes central administrative responsibility—as required by law—but passes on 100 percent of the service responsibility to the charter school. Charter schools with this model may be compelled to maintain a substantial reserve fund dedicated to special education costs, to have a strong indemnification clause necessitating the school to take responsibility for any legal costs and to maintain records that justify expenditures for state and federal purposes. Essential to this model is a robust interaction between the relevant districts of residence and the charter special education personnel and administration.

The CSI utilizes a contract model with the schools it authorizes. Each contract that the CSI has with a school delineates special education responsibilities and services and requires a detailed annual audit. The CSI retains 3 percent of the per-pupil revenues for administrative costs, which covers training and oversight. The CSI receives and holds the state and federal special education funds, and distributes these funds to schools based on the enrollment of students with disabilities.

Other Approaches

It also is worth noting that the evolution of the charter movement in Colorado has bred hybrids of these various models. Rocky Mountain Deaf School serves almost entirely students with disabilities and has been able, via a contract, to charge "excess costs"[53] to its district authorizer for district-resident students as well as to other districts of residence for students residing in those districts. Excess cost is the amount of money above the district per-pupil amount and the federal funds received based on the October 1 count.[54] Excess cost recovery provides the bulk of the charter school's funding, which runs in excess of $20,000 per student, per year. This program is costly to deliver, and while the school receives excess funds from multiple districts for the program delivery, it does not receive support for overhead ("indirect" costs) and it has been difficult for this school to provide comprehensive services and operate in the black.

Special Education Enrollment

Based on data reported on the Civil Rights Data Collection in 2011-2012, on average, 10.37 percent of the students in traditional public schools in Colorado have IEPs compared with 6.46 percent of the students in charter schools.[55] In an effort to ensure charter schools serve a broad array of students with disabilities—including those with "low-incidence" disabilities that require more separate educational environments—in 2010, DPS created a new funding structure to encourage charter schools to create special education centers within their buildings. For instance, in one charter school, DPS is providing funding through a formula correlated to the cost of a full-time teacher to enable the charter school to offer an autism program. This relationship enables the charter school to house the program and also have the ability to hire its own special education personnel. Colorado is an example of how a state has adapted and created flexibility within special education funding paths for charters that operate as part of a traditional LEA.

Emerging Strategies

Indirectly related to evolving efforts to provide funding and flexibility in how charter schools manage their special education program, Colorado is also exploring strategies to improve overall access to charter schools and boost accountability for outcomes. In 2010, Denver created a districtwide common enrollment system through which all students complete a single application and designate their school preferences as part of a districtwide centralized lottery. DPS also has introduced alternative accountability options for charter schools that serve at-risk populations. While these initiatives may serve as models for other states, Colorado charter schools reportedly continue to struggle to provide special education and related services because Colorado funding for special education is very low—by some calculations 51st in the nation. This reality causes relationships between charters and LEAs to be characterized by methods of sharing what amounts

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[52] Colorado Department of Education, (June 2010). Charter School Special Education Finance Study Denver, CO: Author, http://cospl.coalliance.org/fedora/repository/co%3A11601/ed1262c372010internet.pdf/.

[53] As outlined in the Colorado charter statute Colo. Rev. Stat. § 22-20-109(5), "If a student with a disability attends a charter school, the school district of residence shall be responsible for paying any tuition charge for the excess costs incurred in educating the child in accordance with the provisions of § 22-20-109 (5). (i.e., the state special education statute).

[54] For more about Excess Costs in Colorado, see http://www.cde.state.co.us/cdechart/guidebook/sped/excess#sthash.5FVOgnCi.dpuf.

[55] Rhim, L. M., Gumz, J., & Henderson, K., (October 2015), Special Education Trends in Charter Schools.: Secondary analysis of the Civil Rights Data Collection. New York, NY: National Center for Special Education in Charter Schools.

to a shortfall in resources. Colorado policymakers are reportedly working to create a landscape that puts equity for all schools at the forefront while aiming to give more autonomy to charters in how they deliver special education and related services.

System Strengths and Weaknesses

Colorado, while limiting charter autonomy by requiring their direct linkage to districts through LEA status, provides options and flexibility for charter schools. The various insurance models can give charter schools a spectrum of responsibility for administration, services, and finances related to special education. Small charter schools without personnel with high levels of technical understanding of special education may benefit from greater reliance on district support. Conversely, well-established charters can choose a more autonomous model for services, utilizing their own staff and service models. Colorado's BOCES also offers help to rural charter schools to overcome the incredibly challenging issue of special education in communities that may have sparse resources. Variable funding in the formula for students with more- or less-severe disabilities allows charter schools to have some confidence that funds will be commensurate with need, which can reduce incentives to "counsel out" or under-serve students with disabilities.

State Charter Context

As of the 2013-2014 school year, New York had 233 charter schools, which accounted for approximately 4.5 percent of all public schools in the state. New York state law allows for three types of authorizers: 1) district boards of education, 2) the State University of New York (SUNY), and 3) the State Board of Regents. Currently, New York City (NYC) and Buffalo Public Schools are the only districts that have authorized any charters.

New York

Year Chartering Started	Authorizer	# of Schools	LEA Status	Funding Structure	Average Charter School Per-Pupil Allocation	State Special Education Funding Formula
1998	State University of New York, State Board of Regents (State Dept. of Education)	233	Part of an LEA	Partial link	$15,920	Individual student weights

Legal Status

Under New York state law, a charter school is an independent LEA for all purposes except special education. The district of residence of each student remains the LEA for purposes of special education. The LEA of residence is responsible for establishing and overseeing special education and related services, including the creation and evaluation of progress toward goals outlined in the IEP of each child with a disability who is enrolled in a local charter school. [56]

The charter school is required to implement each IEP and 504 plan. However, the New York charter law allows the charter school, in implementing an IEP, to choose whether to provide services directly, hire an independent service provider, or ask the district of residence to provide said services. The LEA determines the amount of federal special education funding the charter school will receive, based on calculating a proportionate amount related to the needed level of service (i.e., the tier of service) for the individual student. If the school is providing services in-house, the funding the LEA forwards (i.e., passes through) to the charter school is generally less than what the district would have allocated to provide the services in a traditional public school due to calculations used to determine the pass through and the LEA's retaining administrative costs.

District Role in Provision of Special Education and Related Services

In NYC, the local community school district (CSD) where a charter school is located retains responsibility

[56] In NYC, the local community school district of residence functions as the LEA.

for providing special education services to students who enroll in the school. The CSD functions as the local branch of the NYC LEA. Special education services in the CSDs are handled by a system of regional committees on special education (CSEs). Each charter school is assigned to a CSE. Charter school operators must establish with the NYC Department of Education (DOE) the level of services provided at the school for each student. Related services provided by the NYC DOE must be accessed through a list of service providers compiled by the NYC DOE.

Through the CSEs, state personnel serve on charter school IEP teams. Once IEPs are developed, charter schools are dependent on the NYC DOE to provide specialized staff, resources, and services. Charter schools are frequently left with little flexibility in terms of delivering and assessing the quality of service. Because the NYC DOE is responsible for providing special education services, CSE members may have an incentive to refer students with more significant special education needs back to existing special education programs rather than provide supports in charter schools. In the past, it was the position of the NYC DOE that charter school students seeking full-time special education services from the NYC DOE must be sent back to the district for placement by the district. It appears that this position is now more flexible. But such arrangements that result in the district retaining students with substantial needs arguably violate the students' civil rights outlined under Section 504 to access a "unique" program.[57] These arrangements can also create a system in which charter schools are criticized for not enrolling enough students with disabilities or not delivering on their promise of serving all students fairly, equitably, and soundly.

Special Education Enrollment Data

Based on data reported on the Civil Rights Data Collection in 2011-2012, on average, 14.63 percent of students in traditional public schools in New York have IEPs, compared with 12.09 percent of students in charter schools.[58] In New York, 81 percent[59] of charter schools are clustered in NYC. Within NYC, recent estimates indicate that charter schools serve 13.4 percent of students with disabilities, compared with a citywide percentage of 17.6 percent.[60]

New York Enrollment Targets

Since 2010, the New York charter law has required charter schools, upon renewal or start-up, to meet or exceed district specific enrollment and retention targets for students with disabilities. While this law was developed to help address equity concerns, the extent to which the law has actually influenced enrollment is not yet clear. A preliminary study indicates that the majority of schools in New York continue to choose blind lotteries that do not take into account such at-risk characteristics as special education. Overall, in the first few years of implementation of the policy, no change seems to have occurred in charter school enrollment of students with disabilities.[61] Notably, the requirement only addresses enrollment and retention numbers. The system does not address service-delivery quality issues or charter schools' approaches and processes related to identifying students with disabilities, training or monitoring. It is a simple quota, and one that does not take into account the great range of special education needs presented by students. It also fails to factor in the reality that, in some areas, students are over-identified for special education. Finding fault with charter schools that don't match excessively high percentages of students identified as having a disability is problematic.

New York Enrollment Preferences

The New York state charter law allows charter schools to focus their admissions on students "at risk for academic failure."[62] This has resulted in the creation of numerous schools across the state that serve significant numbers of students with high needs, but not necessarily students

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[57] Section 504 of the Rehabilitation Act of 1973, 34 C.F.R. Part 104.4

[58] Rhim et al. Key Trends in Special Education in Charter Schools.

[59] Based on 2013-2014 School year data: http://www.publiccharters.org/wp-content/uploads/2014/02/New-and-Closed-Report-February-20141.pdf and http://www.nyccharterschools.org/facts

[60] New York City Charter School Center (2015) 2013-2014 test scores show gains. New York, NY: Author. Retrieved July 1, 2015: http://www.nyccharter-schools.org/blog/testscores2014

[61] Tabron, L. A., Hokom, M & Qin, M., (2015). What Could the Use of Weighted Lotteries Mean for the Demographic Mix of NY charters?" (presentation for the 40th Annual Conference of the Association of Education Finance and Policy, Washington, DC. https://aefpweb.org/sites/default/files/webform/aefp40/AEFPMasterPaper_2%2020_LT2.pdf.

with disabilities. Some of these schools operate within the prescribed funding structure, and some have negotiated additional aid from district and state sources.

Special Education Funding

In New York, special education funding is distributed using individual student weights based on the services they require. If the CSE's IEP team decides a student enrolled in a charter school requires intensive special education services within that setting, the individual charter school may arrange for provision of the services and bill the NYC DOE. Services and related costs are based on a three-tiered system of need. For a student who requires special education services for less than 20 percent of the school day, no additional funding is provided. For a student who requires special education services 20-59 percent of the school day, schools will receive an additional $10,390 per student. For students who require special education services over 60 percent of the school day, schools will receive an additional $19,049 per student. The tiered system is not unique to charter schools and is applied statewide for all students who receive special education and related services. Of the total allocations for students in special education in New York, an average of about $1,652 comes from federal IDEA Part B.[63]

Despite high levels of excess cost funding to address the needs of students with the most significant disabilities, no additional funding is provided for the majority of students with disabilities served in NYC charter schools—those who fall into the lower two tiers. As a result, many schools do not build out their own speech therapy, occupational and physical therapy, and other related services. Instead, charter schools often rely on the district for these services and so are not able to control quality or alignment of services with the broader charter program.

New York charter schools bill the students' districts of residence for costs associated with special education. For the 49 (2013-2014) charter schools located outside NYC, complications have arisen because schools recruit and enroll students from multiple districts. Consequently, charter schools often deal with multiple districts' billing systems and bureaucracies to recoup payments. In addition, they must navigate a variety of local CSEs to ensure IEP compliance, address placement disputes, and navigate other special education-related decisions.

In 2004, the NYC DOE recognized that roughly half of the funding necessary to deliver special education and related services was not being directly passed through via the complex funding formula to the city's charter schools. To adjust for that, the city instituted a policy to provide additional, tiered funding based on services provided by the charter school. This funding, on top of the state-regulated per-pupil funding, ensures that charter schools receive comparable funding to meet their obligations to a similar degree as a traditional district school.

System Strengths and Weaknesses

The system in New York, while well-funded, runs up against one of the biggest problems that occur for charter schools that do not operate as their own LEA: a disconnect between the institution funding services (the LEA) and the institution delivering services (the charter school). Charter schools are forced to choose between receiving their full special education allocation through services being directly provided by the district, and having autonomy through running their own special education programs but likely losing part of their special education funds. The district has little incentive, when providing services, to do so at a high caliber because it does not have any source of accountability to parents or the charter schools. Nevertheless, the overall cost of managing reimbursement and administration for special education makes it difficult for charter schools to reasonably opt to manage their own services. Remedying these issues will be important for New York to consider as the charter sector continues to grow.

Multiple nonprofit support organizations, such as the New York City Special Education Collaborative, are working to create a system of resources, best practices, professional development, and coaching opportunities to ensure that all schools—despite the indirect funding path—are providing quality instructional and fully compliant special education services to all students. Advocacy, knowledge, and participation are key in order for New York charter schools to combat service delivery, enrollment, and funding obstacles. New York law provides a great deal of autonomy to the individual

[62] N.Y. Educ. Law § 2853: Charter school organization; oversight; facilities

[63] New York State Education Department (2015). State calculated minimum per-pupil allocations. Albany, NY: Retrieved August 15 from: http://www.p12.nysed.gov/sedcar/federal/2015-16/perpupil_1516.html.

schools, and the state has a high per-pupil funding amount, especially as compared with both Arizona and Colorado. That favorable base level of funding gives New York a strong financial position from which to operate. This landscape, combined with the distinctive geographical spread of urban to rural schools, continues to make New York an intriguing environment that is closely watched by other chartering states.

Conclusion

This paper represents the most comprehensive analysis to date of how special education is funded in charter schools. However, it leaves many unanswered questions. Most notably, what is the best model? Absent a more in-depth and representative analysis that considers all relevant variables (e.g., underlying state charter funding formula, state special education funding formula, and individual schools' LEA statuses) we cannot assess which approach to funding special education in charter schools is "best" or even identify multiple models that effectively address the various competing priorities related to equity and adequacy in both the charter and traditional public sector. Rather, similar to the broader struggle to balance equity and adequacy while minimizing potential adverse incentives, determining how best to fund special education in charter schools is highly dependent on how states fund public schools more generally and how they have retrofit their governance structure to accommodate autonomous charter schools.

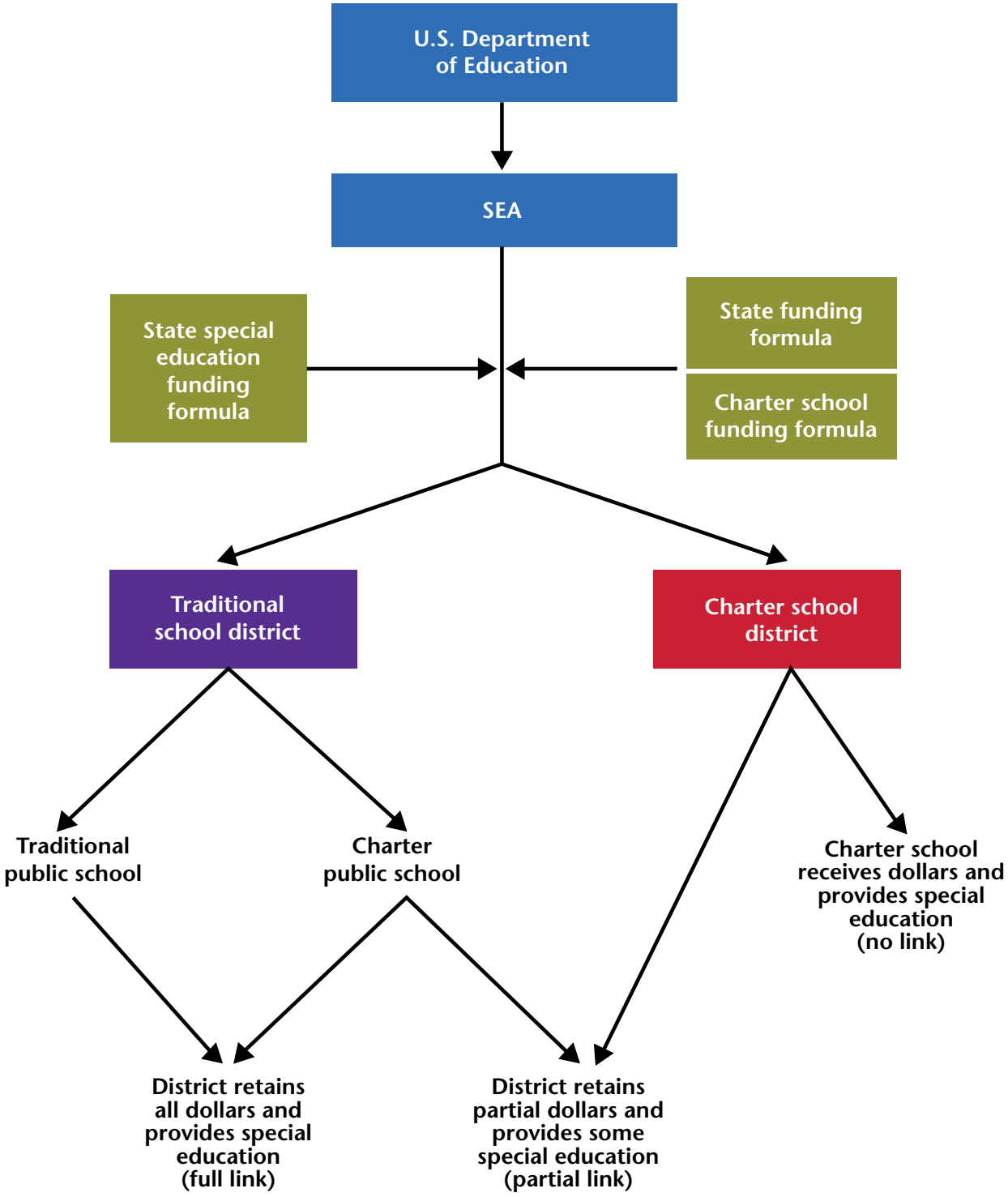
Arizona, Colorado, and New York each have their own distinct funding challenges as well as unique elements that are arguably promising. But it is unclear to what extent these elements are portable. For instance, New York's overall state funding formula is critical to charters and the local district working together to provide a full continuum of options. The synergistic relationship would not be feasible given a different funding base or distribution formula.

In each state, charters presumably work to maximize both state and federal dollars to educate special education students in compliance with federal law and, ideally, in innovative and effective ways. The charter model provides an opportunity to establish and create best practices and provide choice for all families. Within this structure, and despite funding obstacles, charter schools need to learn what questions to ask, what trainings to attend, what requirements they face, and how to navigate the process to optimize their special education dollars.

Policymakers should aspire to develop new and innovative models to fund special education overall—and in charter schools in particular—to ensure that a student's decision to exercise choice does not trigger a precipitous decrease in the resources available to him or her, or, conversely, that the lack of resources does not limit a student's choices.[64] Because of the complicated history of federal categorical-aid disbursements, special education advocates know equity and adaptation are not the norm for special education funding in all schools. Despite this, charter schools need to push the agenda, band together, and advocate for special education funding equality in order to best serve all students. Developing a basic understanding of how special education is funded in the charter sector is the first step of this journey.

[64] The Recovery School District in Louisiana recently developed a multipronged strategy to ensure students with disability have ready access to a full continuum of options in charter schools and revised the state funding formula to ensure dollars follow students based on both their diagnosis and the services they require. These new policies and practices have promise, but it is premature to assess the extent to which these changes will generate the desired outcomes related to access and outcomes for students with disabilities.

Special Education Funding Paths



Arrows = Flow of authority and money

Appendix A

Key Questions and Variables to Consider Regarding Special Education Funding in Your State

1. What is the legal status (e.g., own LEA, part of an existing LEA, or a hybrid) of your school for purposes of special education?
   - What is your "linkage" to a local district or LEA for purposes of accessing federal, state, and local funds and providing special education and related services?
   - If your school operates as part of an LEA, what is the LEA responsible for providing related to special education, and what responsibility do you have as a school of the LEA?
   - If your school operates as part of an LEA, how does the district quantify the value of the special education and related services it provides to your school?

2. How do charter schools in your state receive federal, state, and local funds?
   - Do you have access to the same federal, state, and local dollars as traditional public schools?
   - What formula does your state use to distribute IDEA Part B and C funds?
   - What formula does your state use to distribute and reimburse state dollars?
   - Does your state fund preschool, and if so, how do charter schools access these dollars?
   - Does your state have a means to subsidize the cost of educating students with extraordinary special education needs (e.g., risk pools, high-cost aid)?
   - How do you access Medicaid reimbursement for qualified special education services?
   - If your state has a formula to reimburse schools for extraordinary costs, how do charter schools access these funds?

3. How do charter schools in your state submit data regarding special education enrollment and service provision?
   - Who in your school is responsible for submitting data regarding special education enrollment and provision of services?
   - Do you have a system to verify that data being reported are accurate (e.g., one staff member enters data and a second staff member verifies accuracy)?
   - Do district and state data reports accurately reflect the enrollment data specific to students with disabilities at your school?
   - If published reports regarding your enrollment are not accurate, who do you contact to correct the data?

Appendix B

Charter School Policy Matrix[65]

State	# of Schools (2013-2014)	Type of Authorizer(s)[66]	Legal Status	Type of Linkage for Special Education	State Special Education Funding Formula
AK	27	LEA	Part of an LEA	Partial link	Combination of funding formula types
AZ	605	State charter school board Local school districts	LEA	No link Partial link (LEA chartered)	Multiple student weights
AR	39	SEA charter authorizing panel	Open-enrollment schools are LEAs Conversion schools are part of an LEA	Open-enrollment schools are no link Conversion schools are total link	No separate funding formula for special education—instead, special education dollars are included in the general fund
CA	1,130	LEAs or county offices of education	LEA Part of LEA for the purposes of IDEA	No link Partial link	Census-based
CO	197	LEAs The CSI of Colorado	Part of an LEA	Total link	Multiple student weights
CT	18	State board of education	Part of an LEA	Total link	No separate distribution of special education funding—funding formula rolls special education costs into general funding
DE	21	LEA or state department of education for start-ups; LEA for conversions	LEA	No link	Resource-based
DC	60	D.C. Public Charter School Board	LEA Part of an LEA for the purposes of IDEA	No link Partial link	Single student weight
FL	625	LEA	Part of an LEA	Partial link	Multiple student weights
GA	110	State board of education/ LEA State charter school commission	Part of an LEA LEA	Total link for charters authorized through the LEA No link for charters authorized as their own LEAs	Multiple student weights

[65] Matrix is based on a document initially created and maintained by Eileen Ahearn under the auspices of SpedTACS, a federally funded technical assistance project led by the National Association of State Directors of Special Education. The table includes data collected directly from state directors of special education and a review of state charter school statutes updated on an annual basis.

[66] Many states permit multiple entities to grant charters and in some instances it is a two-step process wherein a local district is the authorizer but the state board of education is the final authority. For the purposes of this table, the entity listed is the one that holds primary responsibility for fulfilling authorizer duties (i.e., application, oversight, and renewal).

Appendix B: Charter School Policy Matrix

State	# of Schools (2013-2014)	Type of Authorizer(s)[66]	Legal Status	Type of Linkage for Special Education	State Special Education Funding Formula
HI	33	State public charter school commission Public and private post-secondary schools, county or state agencies, and nonprofit	Part of an LEA	Partial link	No separate special education funding formula—special education funds are rolled into the general fund instead
ID	47	LEA Idaho Public Charter School Commission	LEA Part of an LEA	Total link No link	Census-based
IL	66	Illinois Charter School Commission LEA	LEA Part of an LEA	No link Partial link	Funding formula is based on a combination system
IN	75	LEAs Charter school board, public and nonprofit universities, and executive of a consolidated city	LEA	No link	Multiple student weights
IA	3	LEA State board of education	Part of an LEA	Partial link	Multiple student weights
KS	11	LEA	Part of an LEA	Total link	Resource-based
LA	117	State board of education LEA	LEA Part of an LEA	Partial link	Single student weights
ME	5	Local school board within an administrative unit A collaborative of approved authorizers State charter school commission	Part of an LEA LEA	Total link No link	Single student weight
MD	52	LEA State board of education under limited circumstances	Part of an LEA	Partial link	Combination system
MA	81	State board of education (i.e., Commonwealth charters) LEA + local teacher union + state board (Horace Mann charters)	LEA Part of an LEA	No link Total link	Census-based
MI	297	Intermediate school board Board of a community college governing board of a state public university Entity created by two authorizers through an inter-local agreement LEA	LEA Part of an LEA	No link Total link	Percentage reimbursement system

Appendix B: Charter School Policy Matrix

State	# of Schools (2013-2014)	Type of Authorizer(s)[66]	Legal Status	Type of Linkage for Special Education	State Special Education Funding Formula
MN	149	School board; intermediate school district board or education district Eligible nonprofit organization College or university Single-purpose authorizers	LEA	Partial link	Percentage reimbursement system
MS	0	Mississippi Charter School Authorizer Board	LEA	No link	Resource-based
MO	38	The local school district in which the charter will reside A four-year college or university or a community college with its primary campus in Missouri Special administrative board of the St. Louis School District Missouri Public Charter School Commission	LEA Part of an LEA	No link Partial link	No separate special education funding formula—special education funds and expenses are included with general funds and expenses
NV	34	LEA county school districts; colleges and universities within the Nevada System of Higher Education; and State Public Charter Authority (SPCSA)	Part of an LEA	Partial link	Single student weights
NH	19	State LEA	Part of an LEA	Total link	Single student weights
NJ	87	Commissioner of education	LEA	Partial link	Census-based
NM	95	Public education commission Local school board	LEA Part of an LEA	No link Partial link	Multiple student weights
NY	233	State university trustees Board of regents LEA (with subsequent approval by the board of regents)	Part of an LEA	Partial link	Single student weights
NC	127	State board of education	LEA	No link	Single student weights

Appendix B: Charter School Policy Matrix

State	# of Schools (2013-2014)	Type of Authorizer(s)[66]	Legal Status	Type of Linkage for Special Education	State Special Education Funding Formula
OH	400	LEA Other LEA in the same county Educational service center LEA of a joint vocational district 13 state universities named in the law	LEA	No link	Multiple student weights
OK	25	LEA Higher education entities career tech centers Federally recognized tribes	LEA	No link Partial link	Multiple student weights
OR	124	LEA and state board of education by appeal	Part of an LEA	Total link	Single student weights
PA	176	LEA and SEA	LEA and SEA	No link	Census-based (16%)
RI	19	State board of education after recommendation from the commissioner	LEA	No link	No separate special education funding formula—special education funding is included with all other funding
SC	59	LEA State (South Carolina public charter school district)	Part of an LEA	Partial link Total link	Multiple student weights
TN	71	LEA	Part of an LEA	Partial link, total link	Resource-based
TX	280	State authorizes open-enrollment charter schools LEA authorizes campus charter schools	LEA Part of an LEA	No link for open-enrollment charters Total link for campus charters	Multiple student weights
UT	95	State charter school board LEA Select institutions of higher education	LEA	No link for state board charters Partial link for LEA charters	Block grants
VA	6	LEA	Part of an LEA	Total link	Resource-based
WA*	9	Washington Charter School Commission School District boards of directors	LEA	No link	Single student weight
WI	245	LEAs are primary authorizers Milwaukee (Institutions of Higher Education (IDE) and the city) Racine (IHE)	Part of an LEA	Total link No link	Percentage reimbursement
WY	4	LEA	Part of an LEA	Total link	Percentage reimbursement

* In September 2015, the Washington State Supreme Court issued a ruling that the state charter school law was unconstitutional due to charter schools not meeting the definition of "common schools."

Appendix C

Statutory Review of State Charter School Special Education Funding Laws

Each state charter school law or associated statutes prescribe how charter schools are funded, including how they receive dollars designated to support special education programs and services. Based on an examination of these statutes, the following state-by-state review 1) describes the statutory framework that shapes special education funding in the charter sector, and 2) identifies the specific statutes charter schools and support organizations need to be familiar with in their respective states. This review should not be construed as legal advice, but rather a point-in-time of key statutes we reviewed in mid-2015. As is the case with most laws, there may be a practical difference between what is in the statute and what is operationalized at the school and district level.

ALASKA

Alaska currently has 27 operating charter schools. In Alaska, charter schools are members within the district LEA. Charter schools seeking authorization must first apply to the local school district, and the state board of education must then approve applications. Once approved by both entities, the school district becomes the charter authorizer. Federal and state special education funds flow to the district LEA, which retains administrative costs (capped at 4 percent) and indirect costs. The remaining funds then flow to the charter school, making Alaska a partial-link state. Alaska relies on a combination funding formula for special education, and the amount of funding generated by both general and special education students enrolled in the charter school is determined in the same manner as it would be for a student enrolled in another public school in that school district. This amount includes funds generated by grants; appropriations; federal impact aid; the required local contribution; the local contribution under Alaska Stat. § 14.17.410(c); and the federal, state, and local contribution for special needs students under Alaska Stat. § 14.17.420(a)(1). Alaska's level of general per-pupil funding is based on the revenue of the local school district, and the charter school negotiates base funding with the district based in part on indirect per-pupil costs. In addition to the state special education aid allocated under the combination formula, supplemental state special education funding is available for districts that have a high volume of students with a disability, as well as on an individual-claim basis for students with high-cost, low-incidence disabilities.

Special Education Law
Alaska Stat. § 14.17.420: Special needs and intensive services funding (amended by 2014 Alaska Laws Ch. 15, H.B. 278)
Alaska Stat. § 14.17.410: Public school funding
Alaska Stat. § 14.30.335: Eligibility for federal funds
Alaska Stat. § 14.30.650: Special Education Services Agency, funding

Charter School Statute
Alaska Stat. 14.03.260: Charter school funding (amended by 2014 Alaska Laws Ch. 15, H.B. 278)
Alaska Stat. 14.03.255: Organization and operation of a charter school (amended by 2014 Alaska Laws Ch. 15, H.B. 278)

ARIZONA

There are currently 605 charter schools operating in the state of Arizona. Charters have a variety of options for authorization, including the local school district (if the charter will be located within its geographic boundaries), the Arizona State Board for Charter Schools, the state board of education, and a state university or community college district. Under Arizona law, the charter school is designated as its own LEA, and is responsible for meeting the special education needs of its students. Schools may have either no-link or partial-link status depending on

their authorizer: No-link schools are authorized by the state charter board and receive federal, state, and local funds directly, including those dollars designated for special education. For the small number of partial-link schools that are authorized by the local school district, federal, state, and local dollars, including those federal and state dollars designated for special education, flow through the district LEA. All funds are overseen and dispersed by the ADE, which provides consultants to charters to answer any questions they may have about general or special education funding. Arizona's special education funding is based on multiple student weights, which vary based on the student's needs, disability, or placement type. For low-incidence, high-cost disabilities, the availability of additional funding depends of the school's LEA status—no-link schools may apply for any additional federal or state funds designed to serve those students that a district would be eligible for, while partial-link schools may request that the district apply for such funds on behalf of students enrolled in the charter.

Special Education Law
Ariz. Rev. Stat. § 15-769: Appropriation and apportionment; approval of program
Ariz. Rev. Stat. § 15-774: Extraordinary Special Education Needs Fund; grant application; criteria
Ariz. Rev. Stat. § 15-1182: Special education fund; administration
Ariz. Rev. Stat. § 15-1202: Special education fund account; administration; expenditure limitation

Charter School Statute
Ariz. Rev. Stat. § 15-183: Charter schools; application; requirements; immunity; exemptions; renewal of application; reprisal; fee; funds
Ariz. Rev. Stat. § 15-185: Charter schools; financing; civil penalty; transportation; definitions

ARKANSAS

There are 39 charter schools currently operating in Arkansas. The Arkansas State Board of Education serves as authorizer for those schools, though a provision allows local school districts to evaluate and comment on pending charter applications before they go to the state board. However, these comments are not supposed to affect the final decision of the school board as to whether to grant a charter. There is some differentiation in legal designation for conversion versus open-enrollment charter schools. For conversion charters, the local school district is designated as the LEA, and the charter has a total link with that district—all state and federal funds are dispersed directly to the LEA. In open-enrollment schools, the charter school itself is the LEA and has no link to any other LEA, which means that federal and state dollars flow directly to the charter, which is then responsible for providing special education services to students. Arkansas' funding formula does not provide for separate special education funding—federal and state special education dollars are included with general funding levels and are distributed to LEAs as such. That said, charters are entitled to federal, state, and local funding levels comparable to those of traditional public schools for students with disabilities, and Arkansas state law allows both types of charters to apply for additional federal or state funding to serve students with low-incidence, high-cost disabilities.

Special Education Law
Ark. Code Ann. § 6-41-205: Provision for education
Ark. Code Ann. § 6-41-206: Responsibilities of state and school districts
Ark. Code Ann. § 6-41-207: Duties of the state board of education
Ark. Code Ann. § 6-41-208: Contracts for services
Ark. Code Ann. § 6-41-209: Cooperation among state agencies
Ark. Code Ann. § 6-41-221: Receipt and disbursement of federal funds
Ark. Code Ann. § 6-41-307: Appropriations, state

Charter School Statute
Ark. Code Ann. § 6-23-501: Funding for open-enrollment public charter schools
Ark. Code Ann. § 6-23-502: Source of funding
Ark. Code Ann. § 6-23-503: Use of funding
Ark. Code Ann. § 6-23-701: Designated public charter authorizer

CALIFORNIA

California has the largest number of charter schools of any state, with over 1,200 charters currently in operation in fall 2015. California law allows new applicants to apply to multiple authorizers, including the local school district if the charter will operate within its boundaries, the county board of education if the charter will serve pupils otherwise served by the county within its geographic boundaries, and the state board of education if the charter will operate multiple sites throughout the state. For special education purposes, charter schools have the option of either being part of their authorizer's LEA in a partial-link arrangement, or becoming their own LEAs in a no-link arrangement and joining a special education local plan area (SELPA). Consequently, the manner in which funds are distributed is dependent on multiple variables (e.g., who authorizers and decision related to legal status and SELPA). A SELPA is an administrative unit originally designed to ensure that all students in a geographic region had access to services. It now functions as a fiscal pass through similar to structures in other states. All state and federal money passes from the State, to the SELPA, and is then sent to member LEAs depending on the local allocation plan that has been developed. The state of California requires all schools be a member of a SELPA which is then responsible for assisting members implement responsibilities outlined in IDEA. Each SELPA is responsible for developing their own plan to distribute special education dollars. By default, all charter schools are part of their local authorizing district and members of the respective SELPA that incorporates their authorizer. Authorizers and charter schools have been creative in developing unique arrangements in this relationship. Charters that are part of their authorizer for special education must contribute an equitable portion (e.g., it ranges in the state from $0 to $1,500 in San Diego) of their charter school block grant funding to support districtwide special education costs and services.

There are three types of SELPAs in CA. A SELPA may be composed entirely of charters. California law requires a SELPA to tailor their local plans to include charter schools and does not impose geographic limitations on which SELPA a charter may join. All special education funds in California must flow through a SELPA and are then filtered to each district within that SELPA.

Each fiscal year, the local authorizer or LEA allocates a portion of property tax revenue to charter schools based on districtwide average daily attendance. Charters may negotiate with their LEA for a share of operational funding from other sources (e.g., sales tax, forest preserve revenues). A charter is deemed its own LEA for purposes of determining eligibility for California Lottery funds. California's special education funding formula is census-based, meaning it designates a fixed dollar amount per student based on average daily attendance ADA ADM.

California maintains a fund for districts who serve students with low-incidence disabilities. These dollars are typically retained by the SELPA unless the charter school is an LEA member.

Special Education Law
Cal. Educ. Code § 56205: Policies, procedures, and programs consistent with state; contents of local plan
Cal. Educ. Code § 56207.5: Request by charter school to participate; review and approval
Cal. Educ. Code § 56836.01: Responsibilities of administrators of special education local plan areas
Cal. Educ. Code § 56836.07: Allocation of funds for the special education local plan area; proportionate share to the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area
Cal. Educ. Code § 56836.08: Computations to determine funding for each local plan area; general fund moneys
Cal. Educ. Code § 56836.10: Amount of funding per unit of average daily attendance; computations
Cal. Educ. Code § 56836.11: Statewide target amount per unit of average daily attendance; computation of equalization and other adjustments for fiscal years
Cal. Educ. Code § 56836.22: Funding for special education and related services; per-pupil entitlement (low-incidence funding)
Cal. Educ. Code § 56836.145: Computation of equalization adjustment for each special education local plan area; special education funding rate per unit of average daily attendance; statewide 90th percentile special education funding rate

Cal. Educ. Code § 56836.156: Calculation and allocation of funds to special education local plan areas; permanent increases in amount per unit of average daily attendance for special education local plan areas; priority of programs; supplemental funding
Cal. Educ. Code § 56837: Allocations for local entitlements (federal funding)

Charter School Statute
Cal. Educ. Code § 47630.5: Application of charter; use of charter school funding method; additional responsibilities
Cal. Educ. Code § 47631: Application of Article 3; charter school authorized pursuant to Section 47605.5; average daily attendance rate; funding
Cal. Educ. Code § 47634.4: Charter school's individual application for federal and state categorical programs
Cal. Educ. Code § 47635: Annual transfer of funding in lieu of property taxes
Cal. Educ. Code § 47636: Application for funding from other sources
Cal. Educ. Code § 47638: Lottery funds; allocation
Cal. Educ. Code § 47640: Local education agency
Cal. Educ. Code § 47641: Charter school deemed as local educational agency
Cal. Educ. Code § 47642: State and federal funding; inclusion in allocation plan
Cal. Educ. Code § 47643: Change in allocation plan
Cal. Educ. Code § 47644: School deemed local educational authority; apportionment of funds
Cal. Educ. Code § 47646: Special education funding and services
Cal. Educ. Code § 47650: Charter school deemed a school district; total amount certified
Cal. Educ. Code § 47651: Receipt of state aid; method

COLORADO

The state of Colorado has 197 charter schools currently in operation. Under Colorado law, all school districts are permitted to authorize charter schools, provided the majority of the students who will attend the charter reside within the authorizing district. The state also gives authority to the CSI, a statewide organization that is granted "exclusive chartering authority" by the Colorado State Board of Education. All charter schools in Colorado are part of an LEA in a total-link system—for schools authorized by the CSI, the CSI serves as LEA, while for schools authorized by a local school district, the district serves as the LEA. In both cases, the LEA is responsible for providing special education to all students under its authority, including those attending charter schools. Federal and state special education funds flow to the LEA, and the school district is responsible for educating students with disabilities enrolled in charter schools. Colorado's special education formula is based on multiple student weights, and varies based on the amount and type of services and placement a student needs, as well as on the nature of the student's disability. Because the excess cost of educating special education students falls to the district, many district LEAs require their charters to utilize an "insurance model" in which the charter pays a fixed per-pupil expense for all enrolled students to the district as insurance toward the cost of educating a subset of students who require special education or related services.

Special Education Law
Colo. Rev. Stat. Ann. § 22-20-114: Funding of programs; legislative intent; definition
Colo. Rev. Stat. Ann. § 22-20-109: Tuition; rules
Colo. Rev. Stat. Ann. § 22-20-114.5: Special education fiscal advisory committee; special education high-cost grants; definitions; repeal

Charter School Statute
Colo. Rev. Stat. Ann. § 22-30.5-111.5: Charter schools; financing; definitions
Colo. Rev. Stat. Ann. § 22-30.5-111.7: Financial reporting; request for accounting
Colo. Rev. Stat. Ann. § 22-30.5-112: Charter schools; financing; definitions; guidelines
Colo. Rev. Stat. Ann. § 22-30.5-112.2: Charter schools; at-risk supplemental aid; definitions; legislative declaration
Colo. Rev. Stat. Ann. § 22-30.5-112.3: Charter schools; additional aid from district

Colo. Rev. Stat. Ann. § 22-30.5-513: Institute charter schools; definitions; funding; at-risk supplemental aid; legislative declaration
Colo. Rev. Stat. Ann. § 22-30.5-513.5: Institute charter schools; funding; definitions
Colo. Rev. Stat. Ann. § 22-30.5-515: Institute charter school; additional aid

CONNECTICUT

Currently, there are 18 charter schools operating in Connecticut. Charters may be authorized by either the state board of education (for state charter schools) or the local school district and the state board of education (for local charter schools). For local charters, the district serves as the LEA, while state charters are required to be part of the LEA in the home district of the student requiring special education, even if the state board of education serves as authorizer. In either case, the charter school has a total link to the district LEA, and federal and state special education funds flow directly to the LEA, which is ultimately responsible for special education services. District-sponsored charter schools in Connecticut calculate per-pupil funding based on the district's budget calculation formula. Connecticut does not have a separate state special education funding formula—instead, funding to support special education is included in general funding levels. Connecticut law provides that for students with high-cost, low-incidence disabilities, the LEA must pay the charter an amount equal to the difference between the reasonable cost of educating the student (as calculated by statutory formula) and the amount of funding actually received by the charter on behalf of that student. These payments are made on a quarterly basis, meaning the charter school is responsible for up-front costs associated with educating these students, subject to later reimbursement. Charters may also apply for any additional state or federal grants or funding intended for special needs students (including high-cost, low-incidence students) that would be available to any other public school.

Special Education Law
Conn. Gen. Stat. Ann. Ch. 164 §10-76b: State supervision of special education programs and services; regulations; coordinating agency
Conn. Gen. Stat. Ann. Ch. 164 § 10-76d: Duties and powers of boards of education to provide special education programs and services; determination of eligibility for Medicaid; development of individualized education program; planning and placement team meetings; public agency placements, apportionment of costs; relationship of insurance to special education costs (funding formula)
Conn. Gen. Stat. Ann. Ch. 164 § 10-76f: Definition of terms used in formula for state aid for special education
Conn. Gen. Stat. Ann. Ch. 164 § 10-76g: State aid for special education

Charter School Statute
Conn. Gen. Stat. Ann. Ch. 164 § 10-66aa: Charter schools, definitions
Conn. Gen. Stat. Ann. Ch. 164 § 10-66ee: Charter school funding; special education students; transportation; contracts; cooperative arrangements

DELAWARE

There are currently 18 charter schools operating in Delaware. Delaware allows two options for authorization—the local school board authorizes conversion charters, while new charters may apply to either the state board of education or the local school district. There is some ambiguity in Delaware law as to which entity serves as the actual LEA—the district or the charter itself. In practice, the charter school generally serves as the LEA in a no-link system, meaning 100 percent of federal, state, and local education dollars flow directly to the charter school. The state funds special education using a resource-based formula, and the law provides that charter schools are to be allocated both general and special education funds based on the same formula as other public schools. As their own LEAs, charter schools are responsible for providing special education for their students, and charters have access to a special support fund maintained by the state for students with high-cost, low-incidence disabilities. Charters may also contract with the local school district or private service providers to provide special education, or may decide to join a special education cooperative. Additionally, they may apply directly for any federal or state funding for children with disabilities that they are qualified to receive based on their student demographics.

Special Education Law
Del. Code Ann. tit. 14, § 1501: Support of free public schools
Del. Code Ann. tit. 14, § 1502: Disbursements
Del. Code Ann. tit. 14, § 1701: Amount to be appropriated by general assembly
Del. Code Ann. tit. 14, § 1703: Unit of pupils (special education)
Del. Code Ann. tit. 14, § 1707: Division III equalization funding

Charter School Statute
Del. Code Ann. tit. 14, § 503: Legal status
Del. Code Ann. tit. 14, § 504A: Powers
Del. Code Ann. tit. 14, § 509: School financing
Del. Code Ann. tit. 14, § 510: State assistance

FLORIDA

Currently, Florida has 625 operating charter schools. The local school board serves as the authorizer for most public charter schools, though there is an option for state universities to serve as authorizers for lab schools and community college district boards of trustees to serve as authorizers for career technical schools. Under Florida law, the school district serving as the authorizer is designated as the LEA, and the charter school is a member of that LEA in a partial-link relationship. Under this arrangement, the school is responsible for providing the services, and the district is responsible for overseeing them. Florida's special education funding formula is based on multiple student weights, and the per-pupil amount varies based on a student's needs, disability, type of placement, and so on. Federal, state, and district funds, including those designated for special education, flow through the LEA. Florida law provides that charters are to be funded in the same manner as traditional public schools, and are to receive the same proportion of federal, state, and district funding—including funding designated for special education—as any other public school. Charters are free to form cooperatives with other public charter schools with district approval in order to provide direct instruction services, but they may not contract with a for-profit service provider. Florida's weighted funding formula provides for an increased per-pupil allocation for students who have high-cost, low-incidence disabilities, and the LEA may apply for any additional state and federal categorical aid available for these students on behalf of any student within the LEA, including students enrolled in charter schools.

Special Education Law
Fla. Stat. Ann. § 1011.62: Funds for operation of schools
Fla. Stat. Ann. § 1011.62-1: Computation of the basic amount to be included for operation (funding formula)

Charter School Statute
Fla. Stat. Ann. § 1002.33: Charter schools
Fla. Stat. Ann. § 1002.33-9: Charter school requirements
Fla. Stat. Ann. § 1002.33-11: Charter school cooperatives
Fla. Stat. Ann. § 1002.33-17: Funding

GEORGIA

Currently, Georgia has 110 operating charter schools. Georgia law allows for three different types of charter schools—conversions, new start-ups, and virtual schools. Georgia has multiple authorizing options for charters, allowing local school boards, a state charter school commission, and the state board of education to serve as authorizers. If the charter wishes to have a statewide attendance area, it applies directly to the commission for authorization, providing a copy of the application to the local school district within which the charter would be located. Charters seeking a finite service area apply directly to the local district in which they would propose to be located, and forward a copy of the application to the commission. In a district-authorized school, the district serves as the LEA and is responsible for providing special education services. For charters authorized by the state, the school is the LEA and is responsible for providing special education services.

Georgia's special education funding formula is based on multiple student weights, and per-pupil funding is determined based on a variety of characteristics, including disability, placement, and level of need. If a district LEA authorizes a charter, the charter and the LEA have a total-link relationship, and federal and state funds for special education flow directly to the LEA. The school district also maintains responsibility for providing special education services. If a charter is serving as its own LEA, however, there is no link with any local school district, and federal and state funds flow directly to the school. In those circumstances, the individual school is responsible for all special education services. For general funding, Georgia charters fall under the same seven-step school funding formula as other public schools, known as the Quality Basic Education formula (QBE). Within the structure of the QBE, LEAs may apply for additional federal and state categorical funding based on the needs of their student populations, including grants to offset the cost of educating students with high-cost, low-incidence disabilities.

Special Education Law
Ga. Code Ann. § 20-2-152: Special education programs (funding formula)
Ga. Code Ann. § 20-2-166: Calculation of amount of state funds to be allocated to local school systems; distribution of funds
Ga. Code Ann. § 20-2-161: Quality Basic Education formula
Ga. Code Ann. § 20-2-169: Department of education designated as agency to receive federal funds; certain funds placed under control of state board of the Technical College System of Georgia
Ga. Code Ann. § 20-2-250: Awarding of grants

Charter School Statute
Ga. Code Ann. § 20-2-2068.1: Allotment of state, local, and federal funds (funding formula)
Ga. Code Ann. § 20-2-2082: State charter schools commission
Ga. Code Ann. § 20-2-2083: Authority of commission

HAWAII

Hawaii currently has 33 operating charter schools—it is also the only state with a single, statewide public school district. The Hawaii State Public Charter School Commission serves as the authorizer for all charter schools in the state. Charter schools are part of the statewide district, which serves as the LEA, in a partial-link relationship. Hawaii does not have separate special education funding, and instead finances special education out of the state's general fund. Under Hawaii law, the state department of education has the ultimate responsibility for providing special education, and the individual charters are responsible for providing the services in a student's IEP. If the school provides documentation as to why it cannot do so, the department must step in to verify this judgment and, if needed, to provide services by offering staff, funding, or both to the school based on a per-pupil weighted formula. This formula is used to allocate special education dollars to all public school students with disabilities and is based on the provisions of student IEPs. Hawaii utilizes a districtwide tracking system, which contains the provisions of each special education student's IEP. The information within the IEPs, including services needed, nature and severity of disability, and unique needs (such as transportation) that would generate additional expenses, are used to determine a per-pupil amount of funding for each student. This total is intended to cover the cost of educating the student and is distributed to the LEA. If this amount is insufficient to meet the student's needs, the LEA may submit documentation to the department of education as to why the school cannot implement the provisions of the student's IEP with the funds provided, at which point the department will evaluate whether additional funds, staff, or resources are needed. If so, the department will provide them to the school.

In Hawaii, there are no property taxes levied for education funds, and no constitutionally or legislatively prescribed means of allocating funds to public schools. Instead, all education funding from such state revenue sources as personal and corporate income tax, excise taxes, and special-use taxes are included in the state's general fund. Twice per year, the state legislature approves the state's educational expenditures for the six-month period based on funds available and the proposed budget submitted by the department of education. Charter schools in Hawaii are eligible for all federal financial support in the same manner as other public schools. Federal funds are received by

the state board of education, then distributed to the state charter school commission, and in turn are distributed to charter schools. For state funds, the state board of education determines a base amount of funding per pupil based on enrollment data. It then adopts a weighted student formula based on the recommendation of the committee on weights, taking into account the educational needs of each student, including such factors as economic disadvantage, transiency, English language learner, and so on. Students with these factors have additional funding added to their per-pupil allocation. When the amount per each pupil is set, the governor allocates the funds to the state department of education, which in turn allocates them to the individual schools (or for charters, the state charter commission, which distributes them to the individual charters). Under Hawaii law, charters do have some ability to negotiate with the state board of education for different per-pupil rates of funding than the rate set by the state board if they can demonstrate a unique need that results in a higher cost per pupil.

Special Education Law
Haw. Rev. Stat. § 302A-1303.5: Committee on weights
Haw. Rev. Stat. § 302A-1303.6: Weighted student formula
Haw. Rev. Stat. § 302A-1401: Administration and use of federal funds, including early education
Haw. Rev. Stat. § 302A-1402: Custodian of federal funds

Charter School Statute
Haw. Rev. Stat. § 302D-3: State public charter school commission; establishment; appointment
Haw. Rev. Stat. § 302D-5: Authorizer powers, duties, and liabilities
Haw. Rev. Stat. § 302D-25: Applicability of state laws
Haw. Rev. Stat. § 302D-28: Funding and finance
Haw. Rev. Stat. § 302D-29: Weighted student formula
Haw. Rev. Stat. § 302D-30: Responsibilities of the department; special education services

IDAHO

There are 47 charter schools currently in operation in Idaho. Local school boards; the state charter school commission; state public colleges, universities, and community colleges; and certain private nonprofit colleges may authorize charter schools. If a charter is authorized by an entity other than a local school board, it is considered its own LEA and has a no-link relationship with the local school district. If a local district authorizes the charter, the charter becomes part of the district LEA in partial-link relationship. The LEA—whether the district or the charter school—is ultimately responsible for providing and funding special education services. Idaho's state funding formula is census-based, meaning it is a fixed dollar amount based on average daily enrollment. If a district LEA authorizes a charter, federal special education funds flow through the LEA to the charter school. For those charters authorized by a state entity, however, federal funds flow directly to those schools because they are considered their own LEAs. State special education funding for charter schools is distributed using the same formula as that used by every other state public school with the funds flowing to the LEA, unless the charter is its own LEA. In that case, state funds flow directly to the charter acting as its own LEA, and the charter is responsible for providing special education services. Charters may contract with other districts and schools to help meet the needs of their student with disabilities, and may be eligible for additional state funding if they serve a high number of students with severe emotional disturbances. LEAs, whether they are a local school district or the charter school, may apply for additional state and federal categorical aid for which they qualify, including funds designed to offset the expense of serving students with high-cost, low-incidence disabilities. At this time, 15 charter schools in Idaho are authorized through the district LEA, and 32 are authorized through the Idaho Public Charter School Commission.

Special Education Law
Idaho Code Ann. § 33-110: Agency to negotiate, and accept, federal assistance
Idaho Code Ann. § 33-111: Budget for educational institutions
Idaho Code Ann. § 33-117: Public school financial requirements

Idaho Code Ann. § 33-2002: Responsibility of school districts for education of children with disabilities
Idaho Code Ann. § 33-2004: Contracting by approved form for education by another school district, approved rehabilitation center or hospital, or a corporation
Idaho Code Ann. § 33-2005: Additional disbursement

Charter School Statute
Idaho Code Ann. § 33-5203: Authorization; limitations
Idaho Code Ann. § 33-5208: Public charter school financial support

ILLINOIS

There are currently 66 charter schools operating in Illinois. The schools are authorized by either the local school district or the Illinois Charter School Commission. Charter applicants may apply to the charter school commission if they were denied by the local school district or if they wish to serve more than one currently existing school district. Even if one or both of these authorizers deny the charter school authorization, this denial can be overridden by a voter referendum. If the Illinois Charter School Commission grants the school's charter, the school is its own LEA and has a no-link relationship with any other LEA. If the charter is authorized through the local district, it becomes a part of the district LEA in a partial-link arrangement. Charter schools do not have the authority to tax locally, and most of their funding comes from state sources, though they are entitled to a proportionate share of the federal funding available to traditional public schools. Charter schools in Illinois may receive no less than 75 percent and no more than 125 percent of what other public schools receive in per-pupil funding, the amount of which is determined by state statutory formula. Illinois utilizes a combination funding formula for special education. For charter schools authorized through the district, federal and state special education dollars flow through the LEA, where they are then used to finance special education in individual schools (including charters) in proportionate shares (as outlined in the Illinois Charter School Act) based on how many students registered to attend the school qualify for special education. If the charter is its own LEA, the state board pays directly to the charter any federal or state special education funds to which any other public school would be entitled. Charters are also eligible to apply for any state or federal grant or additional categorical funding for which they qualify, including funds designed to offset the expense of educating students with high-cost, low-incidence disabilities.

Special Education Law
105 Ill. Comp. Stat. 5/14-7.02b: Funding for children requiring special education services
105 Ill. Comp. Stat. 5/14-12.01: Account of expenditures; cost report; reimbursement
105 Ill. Comp. Stat. 5/14-14.01: Warrants for reimbursement

Charter School Statute
105 Ill. Comp. Stat. 5/27A-5: Charter school; legal entity; requirements (amended by 2014 Ill. Legis. Serv. P.A. 98-1059 [H.B. 3937])
105 Ill. Comp. Stat. 5/27A-11: Local financing
105 Ill. Comp. Stat. 5/27A-11.5: State financing

INDIANA

There are currently 75 charter schools operating in Indiana. Local school boards are the primary authorizers, but four-year universities, the mayor of Indianapolis, a state charter board, and a nonprofit college or university that issues bachelors' degrees are also permitted to authorize charters. In Indiana, charters are designated LEAs and have a no-link relationship to any other LEA. Indiana calculates the amount of funding each district should be allotted based on a foundation level, which is individually determined for each district using a statutory formula and is intended to ensure minimum adequate funding. Once this base level has been established, the state adjusts the amount based on two calculations—the Foundation Grant, which adjusts for actual enrollment and student socioeconomic status, and the Variable Grant, which adjusts the calculations from the previous year for the actual enrollment for the current year. Charter schools are funded using the same formula, though charters receive a

higher proportion of state funds because they are unable to utilize local revenue in the form of taxes. Indiana's special education funding formula is based on multiple student weights. Each year, charters submit a count of student with a disabilities enrolled at the school, what their disabilities are, and what services they need. The state board of education then verifies the charter school's count and sends any applicable federal and state funds directly to the charter. While Indiana law indicates that charters should receive comparable (though not identical) funding as that provided to traditional public schools, charters are somewhat disadvantaged given that they do not receive local tax revenue and do not have access to local capital funds. As LEAs, charters may apply directly for any additional federal or state grants or categorical funding intended for students with high-cost, low-incidence disabilities. Charters are free to contract with the school district or other service providers or to enter a cooperative in order to provide special education services.

Special Education Law
Ind. Code § 20-35-4-1: School corporations; powers and duties regarding instruction of children with disabilities; funding; teachers and paraprofessional personnel
Ind. Code § 20-35-4-8: Mandatory and optional special education facilities
Ind. Code § 20-35-4-10: Comprehensive plan of special education for children with disabilities
Ind. Code § 20-35-5-2: Agreement forming cooperative; requirements
Ind. Code § 20-35-5-5: Agreement forming cooperative; funding
Ind. Code § 20-35-5-6: Agreement forming cooperative; funding; formulas
Ind. Code § 20-35-6-2: Contracts for services; payment of costs; adoption of rules

Charter School Statute
Ind. Code § 20-24-2.1-2: Duties, charter school board
Ind. Code § 20-24-7-2: Submission of information; distribution of state tuition support
Ind. Code § 20-24-7-3: Proportionate share of local funds for conversion charter schools
Ind. Code § 20-24-7-4: Cost of services provided to charter schools
Ind. Code § 20-24-7-5: Grants and private funds
Ind. Code § 20-24-7-10: Eligibility for federal funds; distribution of grants; reports
Ind. Code § 20-24-7-11: State matching funds; facilities incentive grants program
Ind. Code § 20-24-7-13.5: State and federal funding

IOWA

Iowa currently has three operating charter schools. Charter applicants must first be approved by their local school district, then by the state board of education. Once approved by the state board of education, the district in which the charter will be located serves as its authorizer. Iowa does not permit multischool charters and caps the number of charters per district at one. By law, charters in Iowa must be a part of the local school district LEA and have a partial-link relationship to the district. While the district bears the overall responsibility for providing and funding special education, the charter is required to comply with all provisions of federal special education law that would apply to traditional public schools. Charters are responsible for complying with a child's IEP and service plan, with assistance and cooperation from the area education agency if needed to provide resources, training, or staff. Iowa's special education funding formula is based on multiple student weights and varies based on disability, type of placement, and services required. Students are classified into one of three levels based on these factors. Each student in a public school is classified at 1.0, meaning the school receives the base level of per-pupil funding for that student, as calculated by statutory formula. Special education students classified as Level I receive additional funds totaling 0.72 multiplied by the standard per-pupil allocation, which is added to their per-pupil funding amount. Students at Level II receive an additional 1.2 multiplied by the standard per-pupil allocation, and students at Level III—who are generally students with high-cost, low-incidence disabilities; severe disabilities; or multiple disabilities—receive an additional 2.74 multiplied by the standard per-pupil allocation. All applicable federal and state special education funding follows the eligible child to his or her district, and funding then flows to the district LEA for special education students within the district, including those in charter schools. Parts of both the federal and state

funding also go through an area education agency, which is responsible for providing special education to the students within its service area, as well as support and technical assistance to schools.

Special Education Law
Iowa Code Ann. § 256B.2: Definitions; policies; funds (special education)
Iowa Code Ann. § 256B.3: Powers and duties of division of special education
Iowa Code Ann. § 256B.9: Weighting plan; audits; evaluations; expenditures
Iowa Code Ann. § 256B.15: Reimbursement for special education services
Iowa Code Ann. § 257.1: State school foundation program; state aid
Iowa Code Ann. § 257.8: State percentage of growth; supplemental state aid
Iowa Code Ann. § 257.9: State cost per pupil
Iowa Code Ann. § 257.10: District cost per pupil; district cost
Iowa Code Ann. § 257.35: Area education agency payments
Iowa Code Ann. § 257.36: Special education support services balances
Iowa Code Ann. § 257.50: Federal assistance; school district responsibilities

Charter School Statute
Iowa Code Ann. § 256F.1: Authorization and purpose
Iowa Code Ann. § 256F.2: Definitions
Iowa Code Ann. § 256F.4: General operating requirements

KANSAS

There are presently 11 charter schools operating in the state of Kansas. To be authorized, a charter must apply first to the local school district and then to the state board of education. Once approved by the board of education, the district in which the charter will be located becomes the authorizer. Charters have a total-link relationship to their district LEA, and the district is responsible for providing special education services. Federal and state funds for general education flow through the district and are based on a statutory formula, which considers enrollment, district size, and student characteristics. Once a base funding amount has been established, the state determines how much the district will receive in local and federal revenue, then allocates aid to each district to cover the difference between total local and federal aid and the minimum "base amount" of funding per student. This is accomplished mainly through the use of three state funds: the Base State Aid Per Pupil Fund, the Property Tax Equalization Fund, and the Supplemental Equalization Fund. This formula applies to charters within the district LEA. Kansas' special education funding formula is resource-based, meaning that the amount of funding allocated is based on standardized, accepted costs of services provided rather than on student factors. Federal and state funds flow directly to the district LEA and remain there—no funds flow to the charter because the district is responsible for providing all special education services. Consequently, the district LEA is responsible for applying for any available state or federal categorical aid intended to offset the expense of educating students with high-cost, low-incidence disabilities within the district, including those students enrolled in charter schools.

Special Education Law
Kan. Stat. Ann. § 72-965: State and federal funds; distribution and allocation; payments; grants and contributions; early intervening services; unencumbered balance in fund
Kan. Stat. Ann. § 72-978: Special education state aid; computation of amounts; apportionment; limitations
Kan. Stat. Ann. § 72-979: Manner of payments determined by state board; disposition; overpayments; underpayments; forms; reports
Kan. Stat. Ann. § 72-983: Catastrophic state aid; computation of amounts; apportionment; limitations

Charter School Statute
Kan. Stat. Ann. § 72-1903: Intention of act; charter school defined
Kan. Stat. Ann. § 72-1904: Authorization to establish; purposes

Kan. Stat. Ann. § 72-1906: Petition for establishment; design and contents; receipt, review, and screening; preparation and submission; charter elements and requirements; public hearing; duties of state board; approval or disapproval of petition; waiver of policies, rules and regulations

LOUISIANA

Louisiana currently has 117 operating charter schools. As of fall 2014, 100 percent of the 58 public schools in New Orleans were charter schools. Under Louisiana law, local school boards, the state board of education, and local charter authorizing organizations may all serve as authorizers. Authorizers may charge a fee (capped at 2 percent of the per-pupil cost for each school) for administrative expenses. No more than five local authorizing agencies may operate in any particular region. The charter schools in the state are divided into five major types depending on their status as a new start-up or conversion, and those types are further subdivided based on other school characteristics.

Charters are funded in the same manner that traditional public schools in the state are funded—using a three-tiered system known as the Minimum Foundation Program. Level I determines the base amount of per-pupil funding, and the percentages of that figure that are to originate from state and local funding, respectively. This level also provides additional funding weights for certain students considered at risk or whose costs of education are deemed higher, including special education students, low-income students, gifted students, and vocational students. The amount of additional funding allocated by these weights is determined by multiplying a statutorily designated weight amount (1.22 for low-income students, 1.6 for gifted students, 1.06 for vocational students, and 2.5 for special education students) by the base amount per pupil, then adding the additional funding to the base amount to determine how much the school should be reimbursed for the student. Level II rewards schools that meet their funding goals by providing additional state funding, and Level III provides funding for employee salaries and pay raises, as well as for the hiring of such specialized staff members as foreign language teachers.

A charter's legal status is determined by its type: Type 1B, Type 2, and Type 5 charters are considered to be their own LEAs, are responsible for special education within their schools, and have no link to any other LEA. For all other Type 1 schools, and for Type 3 or Type 4 schools, the local school board is the designated LEA, and that charter and school board have a partial-link relationship. Type 5 schools, if they convert to a Type 3B school, still have the option of maintaining their independent LEA status. The state special education funding formula is based on a single student weight (2.5 multiplied by the base amount of per-pupil funding). For those schools that act as their own LEAs, the school receives a per-pupil share of federal, state, and local funding based on the number of students enrolled between Feb. 1 and Oct. 1 and the single applicable weights applied to each.

Charter schools are also eligible for additional state funding for students with high-cost, low-incidence disabilities, either directly if they act as their own LEAs, or through the district if they are part of the school board LEA. Under Louisiana law, charter schools may contract with service providers or other schools in a cooperative to help provide special education services, provided they detail their plans to do so in the charter document. In spring 2014, the Recovery School District introduced a progressive new funding formula wherein schools now receive state special education funding based on the severity of a student's disability (as opposed to the same amount per special education student regardless of the severity of his or her disability) and the number of hours of services he or she receives. The weighted formula identifies five potential levels of funding based on these two factors.

Special Education Law

La. Rev. Stat. Ann. 17 § 1944: Local education agency; responsibilities
La. Rev. Stat. Ann. § 1945: Special schools and school districts
La. Rev. Stat. Ann § 1947: Funding (amended by 2014 La. Sess. Law Serv. Act 811 [H.B. 63])

Charter School Statute

La. Rev. Stat. Ann 17 § 3981: State board of elementary and secondary education; powers and duties relative to charter schools

La. Rev. Stat. Ann 17 § 3981.1: State board; powers and duties relative to local charter authorizers
La. Rev. Stat. Ann 17 § 3995: Charter school funding

MAINE

The state of Maine currently has five operating charter schools and allows for a variety of authorization options. Any local school board or group of school boards may apply to become an authorizer and accept charter applications, and charters may also apply to the state charter schools commission. Maine law allows for new start-up charters, conversion charters, and virtual charters, but only the state charter schools commission may approve virtual charter schools. Virtual schools are permitted to contract for educational services, including special education, but nonvirtual schools may do so only through their governing board. The charter's LEA status depends on how it was authorized: If it was authorized through the local school district, it is part of the district LEA in a total-link relationship, and the district holds the ultimate responsibility for special education. In this situation, special education funds flow to the district, which is then responsible for paying for, contracting for, and arranging for special education for the students served by the district, including those in charter schools. If the state charter schools commission approves the charter, the charter is the LEA but has a partial link to the district in which it resides. In the partial-link system, the district is required to send federal or state aid applicable to a student with a disability to the charter school in proportion with the services the charter provides—directly or indirectly—to the student. Additionally, the local funding that makes up a percentage of the minimum per-pupil allotment (known as the Essential Programs and Services amount) follows students to the charter school, whether they are general or special education students. Charters approved by the state charter schools commission are responsible for providing special education services to their students.

Maine's special education funding formula is based on a single student weight, and the additional amount per special education student is calculated by multiplying a fixed weight amount for every special education student by the per-pupil allocation, then adding the additional funding to the student's per-pupil allocation. Additional allocations for students with high-cost, low-incidence disabilities are paid to the charter directly by the state board of education. Generally, funds follow the student whether they attend a charter school or a traditional school, but districts are permitted to retain up to 1 percent of per-pupil funding to cover administrative expenses.

Special Education Law
20-A M.R.S.A. § 7006: Responsibility
20-A M.R.S.A. § 7251-A: Local special education services; related services
20-A M.R.S.A. § 7301: State aid
20-A M.R.S.A. § 15401: Administration of federal aid
20-A M.R.S.A. § 15753: Mandated legislative appropriations for special education

Charter School Statute
20 A.M.R.S.A. § 2405: Authorizers
20 A.M.R.S.A. § 2412: Operations
20-A M.R.S.A. § 2413: Funding

MARYLAND

Maryland currently has 52 operating charter schools. In most cases, the local school board is the only authorizer available; however, in very limited circumstances, the state board of education may be permitted to authorize a charter school that is in the process of restructuring itself if it will continue to operate as a charter school after the restructuring. Currently, all of the charter schools in Maryland are authorized by local school districts and are part of the district LEA within a partial-link relationship. The LEA is responsible for providing special education to all students in the district, including those attending charter schools. All funds, including general and special education, flow through the LEA, which is required to disperse a commensurate amount of federal, state, and local funds to the charter as those dispersed to traditional public schools in the previous year. Maryland's special

education funding formula is a combination approach and is based on enrollment, characteristics of students, types of services needed, and severity and extent of disability, all of which are factored into calculating a per-pupil amount. Maryland law makes no provision for charter schools' ability to contract for special education services, though in practice they have generally been permitted to do so in the same manner as traditional public schools. Because the district is responsible for special education, it would also fall to the district to apply for any additional state or federal categorical aid intended to offset the expense of educating students with high-cost, low-incidence disabilities on behalf of any student in the district—including those in charter schools—who qualified.

Special Education Law
Md. Code Ann., Educ. § 8-414: Funding levels
Md. Code Ann., Educ. § 8-415: Costs of educating children with disabilities collectively shared

Charter School Statute
Md. Code Ann., Educ. § 9-107: Compliance with public policy initiatives, court orders, or federal improvement plans required
Md. Code Ann., Educ. § 9-109: Funding and surplus educational materials

MASSACHUSETTS

There are 81 public charter schools currently operating in the state of Massachusetts, and state law provides for either new start-up or conversion charters, but not virtual charters. The state divides charters into two types—commonwealth charter schools, which are authorized by the State Board of Education, and Horace Mann-type charter schools, which are authorized by the state board but must also be approved by the local school committee and, in some cases, the local teacher's union. Horace Mann schools are part of the district LEA under a total-link relationship. Commonwealth schools are designated as their own LEAs and have a no-link relationship with the local districts. Commonwealth schools are responsible for providing special education to students who receive services in the school, but if a student requires a private placement, the financial responsibility for that placement falls to the district. State law permits a charter to contract for services but requires that a charter school wishing to expand its contract with a service provider submit a plan detailing its ability to manage the expanded contract without sacrificing educational quality.

The state's special education funding formula is census-based, meaning it is a fixed dollar amount based on total enrollment. For Horace Mann-type charter schools, the charter has some freedom to negotiate a budget with the local district LEA for the provision of special education services, and the district has the ultimate authority to approve the budget. Once a budget agreement has been reached, the district and the charter school draft a memorandum of understanding documenting its terms, and federal and state special education funds—which flow to the LEA—are distributed by the LEA to the charter in accordance with the agreed budget. Commonwealth charter schools—the most common type of charters in Massachusetts—charge "tuition" for students with disabilities to the residential LEA. The amount of this tuition is based on the average per-pupil cost of the LEA and incorporates federal, state, and local sources. While, for both types of schools, the district is responsible for the cost of students who require private placement, the LEA—whether district or charter—is also able to apply for additional federal and state funding intended to offset the expense of educating students with high-cost, low-incidence disabilities who remain in the district.

Special Education Law
Mass. Gen. Laws Ann. ch. 70, § 3: Foundation budget; regulations; calculation of budget
Mass. Gen. Laws Ann. ch. 70, § 8: Districts' methods for allocating appropriated funds; under-performing districts; restrictions
Mass. Gen. Laws Ann. ch. 70, § 13: Allocation of funds
Mass. Gen. Laws Ann. ch. 71B, § 5: Costs or obligations; payment; budget
Mass. Gen. Laws Ann. ch. 71B, § 5A: Special education reimbursement program

Mass. Gen. Laws Ann. ch. 71B, § 5B: Pooled risk program for extraordinary and unanticipated special education costs
Mass. Gen. Laws Ann. ch. 71B, § 14: Special needs programs; reimbursement of transportation costs
Charter School Statute
Mass. Gen. Laws Ann. ch. 71, § 89: Commonwealth charter schools; Horace Mann charter schools; applications; enrollment; employees; funding

MICHIGAN

There are currently 297 charter schools operating in the state of Michigan (referred to as "public school academies"). Michigan law allows for four different types of authorizers: local school boards, intermediate school boards, community colleges, and public state universities. All authorizers and approvals of charters are subject to review by the state board of education. Under Michigan law, charters authorized by local school districts are part of the district LEA and have a total-link relationship. Schools chartered by any entity other that the local school district function as an LEA and have no link to any other LEA. Under Michigan law, charters receive a basic foundation allowance per pupil from the state, and charters are usually eligible for the same categorical funding as are traditional public schools. In addition to this base amount per pupil, special education students are eligible for additional funding.

Michigan's special education funding formula is a percentage reimbursement model. For total-link schools, state and federal special education funds flow to the LEA and are based on reimbursement of a percentage of allowable special education service costs. For no-link schools, these funds flow to the charter. Categorical funds from the states flow to the LEA—whether the district or the charter—and other state funds flow to the intermediate school district and are distributed among the schools within that intermediate school district, including charters. One of the duties of the intermediate school district is to provide funding for special education for students with high-cost, low-incidence disabilities within the district, including those attending charter schools. Charters are also eligible for state-designated federal IDEA Part B supplemental funding for high-cost, low-incidence students. Michigan law provides reimbursement for about 70 percent of approved transportation costs associated with special education, though it does not provide reimbursement for general student transportation costs.

Special Education Law
Mich. Comp. Laws Ann. § 388.1651a: Allocations for reimbursement to districts and intermediate districts for special education programs
Mich. Comp. Laws Ann. § 388.1651b: Funding; compliance with rules
Mich. Comp. Laws Ann. § 388.1651c: Reimbursement for percentage of special education and special education transportation costs
Mich. Comp. Laws Ann. § 388.1651d: Federally funded special education programs; distribution; payment schedule
Mich. Comp. Laws Ann. § 388.1652: Special education programs and services; necessary costs; reimbursement
Mich. Comp. Laws Ann. § 388.1653a: Special education programs and services; reimbursement of total approved costs; limitation; costs of transportation; allocation
Mich. Comp. Laws Ann. § 388.1656: Reimbursement to intermediate districts levying millages for special education; limitation; distribution plan; computation; payments
Mich. Comp. Laws Ann. § 388.1658: Allocation of funds for special education transportation services

Charter School Statute
Mich. Comp. Laws Ann. § 380.501: Powers of public school academies; definitions
Mich. Comp. Laws Ann. § 380.503a: Operation of public school academy by school district; levy of taxes; use of revenue or bonds
Mich. Comp. Laws Ann. § 380.507: Duties of authorizing bodies; powers; fiscal agent; termination or revocation, issuance, or reconstitution of contract

MINNESOTA

The state of Minnesota currently has 149 charter schools in operation. There are a number of options for authorization, including local school boards, intermediate school boards, cooperatives, certain nonprofit organizations, private colleges, public postsecondary institutions, and single-purpose authorizers. At the state level, charter schools are funded somewhat differently than are traditional public schools, but the charters have the same access to general education revenue, special education revenue, start-up grants, building lease revenue, and certain other school district revenue. Charter schools are independent LEAs but are partially linked to the school district LEA only for purposes of funding high-cost, low-incidence students whose expenditures exceed allotted state and federal aid.

Minnesota's special education funding formula provides for percentage reimbursement of approved special education expenditures. Federal and state special education funding is paid directly to the charter, and if an individual student requires expenditures beyond what he or she is allotted through federal and state funds, Minnesota law permits the charter to bill the student's home school district for the difference. Of the amount billed to the district, the charter must cover 10 percent and the district must cover the rest. Charters schools in which at least 90 percent of the student population has a disability are eligible to receive accelerated state aid payments.

Special Education Law
Minn. Stat. Ann. § 125A.75: Special education programs; approval; aid payments; travel aid; litigation costs
Minn. Stat. Ann. § 125A.76: Special education revenue
Minn. Stat. Ann. § 125A.78: Alternative delivery aid adjustment
Minn. Stat. Ann. § 125A.79: Special education excess cost aid
Minn. Stat. Ann. § 126C.05: Definition of pupil units
Minn. Stat. Ann. § 125A.11: Special instructions for nonresident children
Minn. Stat. Ann. § 126C.13: General education aid

Charter School Statute
Minn. Stat. Ann. § 124D.10: Charter schools
Minn. Stat. Ann. § 124D.11: Revenue for a charter school

MISSISSIPPI

The first cohort of charter schools in Mississippi is due to open in fall 2015. In 2013, Mississippi changed its charter school laws significantly, including clarifying provisions for special education. State law proscribes authorization procedures based on an A through F district performance rating. Applicants in D- or F-rated districts may apply directly to the Mississippi Charter School Authorizer Board, which then serves as the authorizer if the charter is approved. In districts with an A, B, or C performance rating, however, the charter school authorizer board may only authorize the charter if a majority of the local school board votes to endorse an existing application or initiate a new one. Once the local board approves, the state charter school authorizer board becomes the authorizer for these schools as well.

Special education funding in Mississippi is resource-based, and Mississippi law requires that charters act as their own LEAs, meaning the charter is responsible for providing special education services. Under Mississippi law, when the new charter schools become operational, applicable federal and state funding for special education reimbursement will be paid directly to the charter schools, and those payments will be made at the same time and in the same manner that payments are made to local school districts. Even though it is responsible for special education, a charter will be permitted to contract or negotiate arrangements with the local school district for special education services, or with other state-approved providers. This includes services for students with high-cost, low-incidence disabilities. As their own LEAs, charters may also apply for any additional federal or state funding for high-cost, low-incidence students that would be available to a school district.

Special Education Law
Miss. Code Ann. § 37-22-7: Funding
Miss. Code Ann. § 37-23-149: Special education, special services fund created
Miss. Code Ann. § 37-23-150: Legislative intent; unfunded federal mandates

Charter School Statute
Miss. Code Ann. § 37-28-11: Costs
Miss. Code Ann. § 37-28-39: Charter school requirements
Miss. Code Ann. § 37-28-41: Powers of charter school
Miss. Code Ann. § 37-28-55: Payments to charter school from state department of education
Miss. Code Ann. § 37-28-59: Use of funds

MISSOURI

There are currently 38 charter schools in operation in Missouri. The state allows multiple types of authorizers, including the local school board in which the charter would be located; a special administrative board for the Kansas City and St. Louis school districts; a public college, university, community college, or vocational school whose primary campus is in Missouri; and the Missouri Public Charter Schools Commission. Districts that have lost their accreditation—generally due to low performance—are not permitted to serve as authorizers.

Missouri does not have separate special education funding—instead, special education funds are incorporated into the general fund. Missouri's general funding formula has four steps: First, the district's weighted average daily attendance is calculated by factoring the base amount per pupil plus additional allocations if a school has enough students who qualify, such as funding for low-income students, students who are English language learners, and special education students. Next, the state sets an adequacy target for average operating expenditures, and third, calculates a dollar value multiplier for districts whose cost of operations are higher. Finally, the formula factors in local effort, or the amount of local funds that districts contribute. Charters are funded using a very similar formula, but the main difference is LEA status. A charter school may elect to be either a member of a school district LEA in a partial-link relationship or its own LEA with no link to another LEA when it applies for authorization. For charters that are part of a district LEA, general and special education funds flow to the LEA. Missouri law provides that the LEA must distribute federal and state funds for students with disabilities to charter schools in proportion to the amounts distributed to other public schools within the LEA. Charters that are their own LEAs receive general and special education funds directly. Both types of schools are subject to up to a 1.5 percent administrative fee from authorizers. LEAs—whether districts or charter schools—may apply for additional federal and state categorical aid that is available for students with high-cost, low-incidence disabilities. Both types of charters may contract or join a cooperative in order to meet the special education needs of their students.

Special Education Law
Mo. Rev Stat. § 163.011: Definitions; method of calculating state aid
Mo. Rev Stat. § 163.012: Average daily attendance and membership, how determined
Mo. Rev Stat. § 163.021: Eligibility for state aid, requirements; evaluation of correlation of rates and assessed valuation, report, calculation; further requirements; exception; operating levy less than performance levy, requirements
Mo. Rev Stat. § 163.031: State aid; amount, how determined; categorical add-on revenue, determination of amount; district apportionment, determination of; waiver of rules; deposits to teachers' fund and incidental fund, when
Mo. Rev Stat. § 163.036: Estimates of weighted average daily attendance, authorized, how computed; summer school computation; error in computation between actual and estimated attendance, how corrected; use of assessed valuation for state aid; delinquency in payment of property tax, effect on assessment

Charter School Statute
Mo. Rev Stat. § 160.400: Charter schools defined
Mo. Rev Stat. § 160.415: Distribution of state school aid for charter schools; contract with education service provider, additional requirements; charter school duties, responsibilities

NEVADA

There are 34 charter schools currently in operation in Nevada. State law allows local school boards, the state public charter school authority, or a college or university within the state to serve as authorizers for public charters. Charters in Nevada are part of an LEA—either the state public charter school authority or a local school district—and have a partial-link relationship to the LEA. Nevada operates a resource-based funding formula and distributes dollars based on services required. Federal and state special education dollars flow through the LEA and are distributed in a proportionate share to the charter school based on the amount distributed to other public schools within the LEA. The state public charter school authority is responsible for distributing any available money from federal and state categorical grant programs to eligible charter schools, and the charter is responsible for applying for any such grants for which it may qualify. LEAs may apply for any additional federal or state categorical funding that is intended to offset the expense of educating students with high-cost, low-incidence disabilities. If, after review, the IEP team determines that the school is unable to provide a special education program or services to a student with a disability, the governing body may request that the superintendent in the county where the student resides transfer the student to a more appropriate school placement to ensure that he or she receives a Free appropriate public education. The superintendent may consult with the board of trustees in the student's home district, but ultimately the decision-making authority of where to place the student rests with the superintendent.

Special Education Law
Nev. Rev. Stat. § 395.060: Money to carry out provisions of charter
Nev. Rev. Stat. § 387.047: Money for pupils receiving special education: separate accounting by school districts and charter schools required
Nev. Rev. Stat. § 388.450: Provision of education to pupils with disabilities and gifted and talented pupils; authorization for certain school districts to provide early intervening services; uniform criteria for eligibility for instruction
Nev. Rev. Stat. § 395.010: Special education program and related services to be provided to person with disability
Nev. Rev. Stat. § 395.030: Application for benefits; action by board of trustees
Nev. Rev. Stat. § 395.040: Duties of superintendent of public instruction upon receipt of application
Nev. Rev. Stat. § 395.060: Money to carry out provisions of charter

Charter School Statute
Nev. Rev. Stat. § 386.513: State public charter school authority deemed local education agency for certain purposes; payment of special education program units by department
Nev. Rev. Stat. § 386.570: Count of pupils for apportionment; deposit of money; payment of quarterly sponsorship fee to sponsor; request by charter school for reduction in sponsorship fee

NEW HAMPSHIRE

There are currently 22 operating charter schools in the state of New Hampshire and two more were authorized and scheduled to open in fall 2015. Charters are primarily authorized through the state board of education, though there is a second option for charters to be authorized by a local school district with approval by the state board. Under New Hampshire law, charter schools are considered their own LEAs except for the purposes of special education. For special education, charter schools are considered part of the district LEA in a total-link relationship, and federal and state special education funding flows directly to the district LEA. New Hampshire allocates a fixed dollar amount (the "universal cost") of state adequacy aid to all public schools, and some students generate additional funding ("differentiated aid") based on such special characteristics as low-income, English language learner, or special education student. In addition to this base adequacy aid, which is fixed in statute at $3,450 per

pupil, charter schools are allocated an additional $2,000 per student. Charter schools in New Hampshire do not have access to local funds and do not receive additional funds for facilities or transportation.

New Hampshire's state special education funding formula is based on a single student weight arrangement (i.e., $1,856 per student with an IEP). For students attending charters, the LEA is required to either provide services or reimburse the charter school for costs associated with providing services for special education students. New Hampshire law does not specify how funding is to be addressed for high-cost, low-incidence disabilities, but it does specify that providing services to these students is the responsibility of the LEA of residence. LEAs are permitted to apply for any additional grant or categorical funding intended to offset the costs of educating students with high-cost, low-incidence disabilities.

Special Education Law
N.H. Rev. Stat. Ann. § 186-C:12: Federal assistance
N.H. Rev. Stat. Ann. § 186-C:13: Liability for expenses
N.H. Rev. Stat. Ann. § 186-C:18: State aid

Charter School Statute
N.H. Rev. Stat. Ann. § 194-B:11: Chartered public schools;funding
N.H. Rev. Stat. Ann. § 194-B:12: Chartered public schools; budgets

NEW JERSEY

New Jersey currently has 87 operating charter schools, all of which are authorized by the New Jersey Department of Education. Under New Jersey law, the charter serves as the LEA in a partial-link system, and the school district in which the charter is located must pay the charter 90 percent of the per-pupil allotment and 100 percent of any federal aid for which an individual student qualifies. The New Jersey School Funding Reform Act, passed in 2008, updated the method of calculating both general and special education funding. A professional judgment panel is responsible for determining the base amount of per-pupil funding. Once this amount has been established, additional weights are applied based on students' grade levels and whether they have any special needs, such as low-income or English language learner. Finally, the state applies any adjustment aid for which a district qualifies. Adjustment aid is applied to any school that received a larger allocation under the previous funding structure and is now receiving a smaller one, to avoid penalizing any district with the new system. Charter schools are funded similarly, but they do not qualify for adjustment aid or transportation aid. However, the school's district of residence is required to provide transportation to charter school students, or to provide transportation funding directly to charter schools.

New Jersey's special education funding system is census-based—it counts all students in a given area and estimates special education needs by multiplying excess special education costs by a statewide classification rate. Under this system, charter schools are responsible for special education costs, except for students who require a private or residential placement. The cost of educating these students is the responsibility of the school district in which the charter is located. Under New Jersey law, charters may apply for any additional federal or state funding categorical funding for which they qualify, whether it is for special education or other characteristics or populations.

Special Education Law
N.J. Stat. Ann. § 18A:7F-32: Adjustment of state aid calculation for change in composition or organization of district
N.J. Stat. Ann. § 18A:7F-48: Equalization aid; calculation for beginning in 2009-2010 school year
N.J. Stat. Ann. § 18A:7F-49: Base per-pupil amount; calculation; adjustments; grade-level weights
N.J. Stat. Ann. § 18A:7F-50: Weighted enrollment for each school district and county vocational school district; calculation
N.J. Stat. Ann. § 18A:7F-51: Adequacy budget; calculation
N.J. Stat. Ann. § 18A:7F-52: Equalization aid based on local share determination; property value rate and income value rate; adjustments

N.J. Stat. Ann. § 18A:7F-53: Equalization aid; calculation
N.J. Stat. Ann. § 18A:7F-55: Special education categorical aid; calculation; application for extraordinary special education aid for an individual pupil; emergency and additional aid
N.J. Stat. Ann. § 18A:7F-57: Transportation aid; calculation
N.J. Stat. Ann. § 18A:7F-58: Adjustment aid; educational adequacy aid

Charter School Statute
N.J. Stat. Ann. § 18A:36A-6: Powers of charter school
N.J. Stat. Ann. § 18A:36A-11: Operating guidelines; compliance with certain state provisions required; exemptions
N.J. Stat. Ann. § 18A:36A-12: School district of residence to pay charter school for each resident student attending charter school; amount of payment

NEW MEXICO

New Mexico currently has 95 operating charter schools. Both local school districts and the state's public education commission serve as authorizers for charters in the state. New Mexico's general school funding formula distributes funds to districts through three separate allotments: the State Equalization Guarantee Distribution, Transportation Distributions, and Supplemental Distributions. The amount of state funds allocated is determined using cost differentials. Students with certain needs are assigned to different "units," and funding is allocated based on the dollar amount attached to each unit multiplied by the number of students who are categorized in it. Under New Mexico law, charter schools are funded using the same system.

New Mexico's special education funding formula is based on multiple student weights, including the nature of a student's disability, the type of services required, and the placement the student requires. Schools authorized by the public education commission act as their own LEAs, and federal and state funds flow directly to those schools. Schools, which are authorized by a local district, are a part of the district LEA, and federal and state special education dollars flow through the district. Charters are permitted by state law to contract with the school district to provide special education services, and the law requires that districts provide those services at a reasonable rate. All authorizers are permitted by state law to withhold up to 2 percent of the school's per-pupil funding for administrative costs. Additional funding is available to LEAs serving students with high-cost, low-incidence disabilities, but New Mexico law does not specify whether charter schools' access to these funds is the same as or different from other public schools or other LEAs.

Special Education Law
N.M. Stat. Ann. § 22-8-14: Public school fund
N.M. Stat. Ann. § 22-8-16: Payment to school districts
N.M. Stat. Ann. § 22-8-17: Program cost determination; required information
N.M. Stat. Ann. § 22-8-18: Program cost calculation; local responsibility
N.M. Stat. Ann. § 22-8-20: Basic program units
N.M. Stat. Ann. § 22-8-21: Special education program units
N.M. Stat. Ann. § 22-8-23.6: Charter school student activities program unit
N.M. Stat. Ann. § 22-8-25: State equalization guarantee distribution; definitions; determination of amount
N.M. Stat. Ann. § 22-8-25.1: Additional per-unit distribution from public school fund
N.M. Stat. Ann. § 22-8-26: Transportation distribution
N.M. Stat. Ann. § 22-8-29.4: Transportation distribution adjustment factor
N.M. Stat. Ann. § 22-8-30: Supplemental distributions
N.M. Stat. Ann. § 22-9-5: Custody of funds; budgets; disbursements (federal)

Charter School Statute
N.M. Stat. Ann. § 22-8B-4: Charter schools' rights and responsibilities; operation
N.M. Stat. Ann. § 22-8B-5: Charter schools; status; local school board authority

N.M. Stat. Ann. § 22-8B-16: Public education commission; powers and duties
N.M. Stat. Ann. § 22-8B-13: Charter school financing
N.M. Stat. Ann. § 22-8-6.1: Charter school budgets

NEW YORK

There are 233 charter schools currently operating in the state of New York. Local school districts, the SUNY Charter Schools Institute, or the State Board of Regents may authorize charters with approval from the state department of education. Under New York law, charters are part of an LEA in a partial-link relationship, and the LEA of residence is responsible for establishing and overseeing special education for students in the district, including those in charter schools. Charter schools are responsible for implementing the provisions of a student's IEP but may do so in a number of ways, such as by providing services directly, contracting with the district or joining a cooperative, or hiring an independent service provider. Generally, federal education funds flow to the state board of education and then to the LEA, and state funds flow directly to the LEA. If a charter elects to provide special education services on its own or hire an outside entity, however, the LEA transfers funding accordingly to the charter. If the charter relies on the LEA to provide special education, those funds remain with the LEA.

New York's general school funding formula was updated in 2008. The new system assigns a foundation amount calculated by a foundation aid formula—which includes anticipated local funding—then calculates additional funding based on student characteristics, assigning a fixed weight to each characteristic. Finally, the system determines whether schools qualify for other forms of funding, such as transportation aid; technology aid; and assistance with additional costs for students with high-cost, low-incidence disabilities. Funding for charter schools varies based on the original district the student was attending before enrolling in the charter school. The original district is used to calculate the charter school basic tuition rate. The state than calculates the charter's approved operating expense—the total cost to operate each year—and divides that amount by the total aidable pupil units in the charter. The resulting figure is the amount per pupil allocated to the charter.

New York's special education funding formula for charters is based on multiple student weights, with a fixed dollar amount for each of the different levels of student need. Tier I students, who require special education less than 20 percent of the day, receive no extra funding because services are provided exclusively by the district LEA. Students who receive special education 20-59 percent of the day are allocated an additional $10,390 per student, and students who require special education for 60 percent or more of the day are allocated an additional $19,049 per student. For students with high-cost, low-incidence disabilities that exceed this allotment, the charter may bill the state's High-Cost Education Fund for the excess cost of educating the student.

Special Education Law
N.Y. Educ. Law § 4402: Duties of school districts
N.Y. Educ. Law § 4403: Duties of education department
N.Y. Educ. Law § 4405: Computing financial responsibility for special educational services for certain children with handicapping conditions
N.Y. Educ. Law § 4407: Special provisions relating to instruction of certain children with handicapping conditions
N.Y. Educ. Law § 4410-b: Use of certain federal funds

Charter School Statute
N.Y. Educ. Law § 2853: Charter school organization; oversight; facilities
N.Y. Educ. Law § 2856: Financing of charter schools

NORTH CAROLINA

There are currently 127 charter schools operating in North Carolina. Charter applicants must be approved by the North Carolina Charter Schools Advisory Board, as well as by the North Carolina State Board of Education. Charter schools in North Carolina are LEAs with no link to any other LEA. North Carolina charters are funded in a completely

separate formula from the general school funding formula. Each charter is allotted by the board of education the same average per-pupil cost in state general education dollars as allotted to other public schools in the district where the charter is located. As a no-link LEA, charters apply for and receive all federal funding—for both general and special education—for which they qualify directly. Additionally, the local school district is required to pay the charter a per-pupil share of the local expense fund for the current year, and to provide an accounting of how this per-pupil amount was calculated so that charters can ensure they are receiving the appropriate amount of funding. North Carolina's special education funding formula is based on a single student weight, and a separate, fixed per-pupil amount is calculated for special education students. State special education funds also flow directly to the charter from the state board of education. For students with high-cost, low-incidence disabilities whose educational expenses exceed the per-pupil allotment, a charter may apply for additional federal and state funds or categorical grants to offset the cost of providing services. Charters may also contract with the student's residential district or other service providers to assist with providing special education

Special Education Law
N.C. Gen. Stat. Ann. § 115C-111.2: Contracts with private service providers
N.C. Gen. Stat. Ann. § 115C-111.3: Cost of education of children in group homes, foster homes, etc.
N.C. Gen. Stat. Ann. § 115C-111.4: Nonreduction
N.C. Gen. Stat. Ann. § 115C-111.5: Allocation of federal funds

Charter School Statute
N.C. Gen. Stat. Ann. § 115C-238.29E: Charter school operation
N.C. Gen. Stat. Ann. § 115C-238.29H: State and local funds for a charter school

OHIO

Ohio currently has in operation 400 charter schools, which it refers to as "community schools." Ohio law provides seven different authorization options for charters: the district where the charter will be located; any joint vocational school district, if the charter will be in part of the district; any city, local, or school district in the same county, if the charter will serve part of that county; any educational service center, if the charter will be located within its territory; a sponsoring authority dedicated by a state university, if the charter will serve as the university's teaching site; any qualified educational nonprofit; and the Ohio Department of Education. Ohio law designates charters as no-link LEAs. Ohio's charters are funded by providing the same per-pupil allocation of state and federal funds determined for other public schools in the district where the charter is located, plus additional allocations including those for special education, career-technical education, and low-income students. Charters do not have access to local funds, so while traditional LEAs are required to pay back a portion of state funds as determined by their property taxes, charters are exempt from this requirement and retain their full allocation of state dollars. The local school district is required to provide transportation to charter school students, though the charter may elect to handle its own transportation and be reimbursed by the state directly for doing so.

Ohio's special education funding formula is based on multiple student weights, and charters as well as traditional public schools receive the same base amount per pupil, plus additional funding in a series of multiples that vary based on a student's type of disability, services needed, and placement required. Charters are eligible to apply for additional federal and state categorical aid to provide services to students with high-cost, low-incidence disabilities whose educational expenses exceed their allotment under the multiple weight formula. Additionally, Ohio law requires a school district board of education or the board of an educational service center to negotiate with a charter, should it seek to contract with a local LEA for services, in the same way it would negotiate with a school district.

Special Education Law
OH Rev Code § 3323.08: Plan of local school district; state reimbursement of costs
OH Rev Code § 3323.091: Programs in institutions; funding

OH Rev Code § 3323.012: Community school considered school district
OH Rev Code § 3323.14: Excess cost payments
OH Rev Code § 3323.021: Contracts for services to disabled children
OH Rev Code § 3323.32: Program administration and service coordination, autism and low-incidence disabilities
OH Rev Code § 3323.142: Per-pupil amount defined; excess tuition costs responsibility; payments for additional services

Charter School Statute (Note that they are referred to in state statutes as "community schools")
OH Rev Code § 3314.022: Community school governing authority may contract for disability services
OH Rev Code: Deductions in state aid to other schools; funding procedures; limitation on taxes, bonds, tuition, and loans; review
OH Rev Code § 3314.081: Inclusion of community schools in allocation of federal moneys
OH Rev Code § 3314.082: Community school to be considered school district; governing authority to be considered board of education; grant applications
OH Rev Code § 3314.083: Deduction for excess costs of providing special education and related services for student with disability enrolled in community school
OH Rev Code § 3314.09: Transportation services
OH Rev Code § 3314.091: Transportation agreement with governing authority of community school
OH Rev Code § 3314.12: Report of special education and related services; expenditures

OKLAHOMA

There are 25 charter schools currently in operation in Oklahoma. Oklahoma law allows a variety of charter authorizers, including local school districts; members of the Oklahoma State System of Higher Education; federally recognized Native American tribes, for schools located on reservations; the State Board of Education, when the office of juvenile affairs is the applicant; and the statewide virtual charter board. Oklahoma law designates that charter schools are LEAs, and most have no link to any other LEA. Charters that are authorized by a district may be part of the district LEA in a partial-link relationship for the limited purpose of providing special education.

Oklahoma's special education funding formula is based on multiple student weights, and charter schools are allocated the same base per-pupil amount as traditional public schools in the district where the charter is located. The school then receives allocations calculated by multiples of the per-pupil amount, which vary based on a student's disability, services needed, and placement required. Federal special education funds flow through the state board of education directly to the charter. State funds, however, go through the charter authorizer, who may withhold up to 5 percent of the state per-pupil aid for administrative fees. Charters are permitted to contract with local school districts and other service providers to secure special education services for their students. Additionally, they may apply for any federal or state funding or grants for which they qualify to offset the cost of educating students with high-cost, low-incidence disabilities if the expense of educating these students exceeds their weighted per-pupil allocation.

Special Education Law
Okla. Stat. tit. 70, § 13-101: Special education and related services for children with disabilities; cooperative programs; funding; duty to provide special services
Okla. Stat. tit. 70, § 13-106: State appropriations; apportionment
Okla. Stat. tit. 70, § 13-107: Federal funds; acceptance by state board of education
Okla. Stat. tit. 70, § 13-108: State funds; allowances for children with disabilities
Okla. Stat. tit. 70, § 13-114.1: Oklahoma Special Education Assistance Fund; creation; status; expenditures
Okla. Stat. tit. 70, § 13-114.2: Oklahoma Special Education Assistance Fund; eligibility rules and regulations; application for funds; funding determination; reevaluation of funding
Okla. Stat. tit. 70, § 13-114.3: Oklahoma Special Education Assistance Fund; defraying costs of serving children who resided at Hissom Memorial Center; funding other services; determination of home district

Okla. Stat. tit. 70, § 13-114.4: Oklahoma Special Education Assistance Fund; distribution of funds; amount of payments

Charter School Statute
Okla. Stat. tit. 70, § 3-140: Student eligibility; districts; preferences; discrimination
Okla. Stat. tit. [x], § 3-141: Transportation
Okla. Stat. tit. 70, § 3-142: Funding
Okla. Stat. tit. 70, § 3-144: Charter schools incentive fund
Okla. Stat. tit. 70, § 3-145.3: Powers and duties

OREGON

There are currently 144 charter schools operating in the state of Oregon. Oregon law permits only the local school district to serve as an authorizer, though it does have a provision for appeal to the state board of education or to a higher education institution if a charter petition is denied. Whichever organization approves the application becomes the authorizer (currently all of the charter schools in Oregon are authorized by local school districts). Oregon law provides that charters are a part of the district LEA that authorized them in a total-link relationship. Oregon charters are funded in a similar formula to that used for traditional public schools. For charters, the state combines the charter's weighted ADM with that of the district LEA, and funds are provided to the district to be distributed to the charter. Charters are presumed to have the same poverty percentage as the district, so their weighted ADM is calculated using the same poverty rate. Charters authorized by a district negotiate the percentage of funding they will receive per pupil from the district's general purpose fund allocation (between 80 percent and 95 percent). If the state board of education or a higher education institution authorizes a charter, however, the district of residence must pay the charter a non-negotiable 90 percent for K-8 students and 95 percent for students in grades 9-12. In both cases, districts retain the differences for administrative fees and costs. Additionally, district LEAs are responsible for distributing to the charter school an equitable portion of the federal funds the district receives through the state board of education.

Oregon's special education funding formula is based on a single student weight. Federal and state special education funds flow through the district, which is responsible for providing special education to charter school students. The district retains just over 50 percent of federal and state special education dollars, 5 percent goes to the sponsoring agency, and the charter is entitled to at least 40 percent. Districts may apply for specific state or federal grants for any student in the district—including those who attend charter schools—and may apply for additional allocations for students with high-cost, low-incidence disabilities.

Special Education Law
Or. Rev. Stat. § 343.221: Annual projected activities and cost statement; contracts for services
Or. Rev. Stat. § 343.236: Local, county, or regional programs; eligibility criteria and educational standards; funding
Or. Rev. Stat. § 343.239: Billing of school districts
Or. Rev. Stat. § 343.243: Recovery from state school fund
Or. Rev. Stat. § 343.247: Special education account
Or. Rev. Stat. § 343.285: State funds used to match federal funds

Charter School Statute
Or. Rev. Stat. § 338.095: Financial management system; annual report; visit; audit
Or. Rev. Stat. § 338.145: Responsibility for student transportation; cost of services
Or. Rev. Stat. § 338.155: Residency of students; determination of amounts; minimum required amount; grants available
Or. Rev. Stat. § 338.157: Adjusting for number of poverty-level students
Or. Rev. Stat. § 338.165: Students requiring special education; payment for services

PENNSYLVANIA

There are presently 176 charter schools in operation in Pennsylvania. State law allows local school boards; two or more local school boards, for regional charters; and the state department of education, for virtual charters, to serve as authorizers for charter schools. Under Pennsylvania law, charter schools are LEAs, but they nonetheless maintain a partial link to the local school district because they receive their funding through the local school district. Charter schools receive state funding using a three-step formula: Begin with the district's previous fiscal year budgeting expenditures, subtract up to 21 approved deductions, and divide by either the ADM or the number of students in the district. This amount equals the per-pupil amount received by charter schools.

Pennsylvania's special education funding formula is also census-based, and funds are distributed based on the average per-pupil expenditure for special education students in the previous year, assuming an average of 16 percent of students in a given district are eligible for special education. State funds flow from the state board of education to the district of residence, which then distributes funds to the charter. Federal special education dollars are received by the Pennsylvania Department of Education and distributed to the state LEAs, then to 29 intermediate units based on the federal formula found at 34 C.F.R. § 300.705 (2008). Finally, funds are distributed to the districts and charter schools in the same manner based on a count of students with disabilities. Funds follow the student to any school he or she attends, including a charter school. Pennsylvania law permits a charter to request assistance from the intermediate unit to provide services to the student on a fee-for-service basis, and the services are to be provided at a cost no greater than they would be for a student of a traditional school within the district. Additionally, the state has established a contingency fund from which both school districts and charters may apply for funding for exceptional circumstances or high-cost services. Charters are also permitted to contract with the local school district or with other service providers to provide special education to enrolled students.

Special Education Law
24 P.S. § 1-122: Special education funding commission
24 P.S. § 13-1373: State reimbursement; reports
24 P.S. § 13-1376: Cost of tuition and maintenance of certain exceptional children in approved institutions
24 P.S. § 25-2502.52: Basic education funding for 2012-2013 school year
24 P.S. § 25-2509.4: Payments on account of special education services
24 P.S. § 25-2509.5: Special education payments to school districts
24 P.S. § 25-2509.6: Average cost guarantee
24 P.S. § 25-2509.7: Minimum guarantee
24 P.S. § 25-2509.8: Extraordinary special education program expenses
24 P.S. § 25-2509.12: Special education community support services
24 P.S. § 25-2509.13: Special education funding for student achievement and instruction of eligible students
24 P.S. § 25-2509.15: Special education accountability
24 P.S. § 25-2517: Payments

Charter School Statute
24 P.S. § 17-1725-A: Funding for charter schools
24 P.S. § 17-1726-A: Transportation
24 P.S. § 17-1732-A: Provisions applicable to charter schools

RHODE ISLAND

There are currently 19 charter schools operating in the state of Rhode Island. Rhode Island law requires that charters get approval from the local school board, then apply to the state board of education, which is the only authorizer in the state. Charter schools are considered independent LEAs and have no link to any other LEA, meaning they are responsible for providing special education to their students.

Rhode Island does not have a separate special education funding formula—funding for special education is instead paid out, along with other education costs, from the general fund. Federal funds are received by the state board of education and paid directly to the charter, and charters are responsible for applying for and receiving all federal aid—general and special education—for which they are qualified. State funding is determined based on the average per-pupil amount of other schools in the district where the charter is located. The school district is responsible for paying the charter its share of the local funds that make up the per-pupil amount, and for reporting the amount of local funding to the state. The state calculates what percentage of state funds goes into the per-pupil amount for students in that district, then forwards the funds to cover the difference between the charter's share of local funds and the total per-pupil allocation to the district. The district is then responsible for paying the charter its per-pupil allocation, minus up to 5 percent for administrative costs. As LEAs, charters may apply for additional federal or state funding or grants for low-income students with disabilities—as well as for students with high-cost, low-incidence disabilities—to offset the cost of educating these students. Charters may contract with the school district or other service providers or join a cooperative in order to provide special education services, but they are not required to do so.

Special Education Law
R.I. Gen Laws § 16-3.1-2: Agreements
R.I. Gen. Laws § 16-3.1-7: Newport County regional special education program
R.I. Gen. Laws § 16-7-20: Determination of state's share
R.I. Gen Laws § 16-7-20.1: Annual report of number of children with disabilities receiving support
R.I. Gen. Laws § 16-7-34.2: Appropriation of funds for education of children with disabilities
R.I. Gen. Laws § 16-8-14: Federal aid funds; custody; disbursement
R.I. Gen. Laws § 16-24-6: Special education fund; allocations to communities

Charter School Statute
R.I. Gen. Laws § 16-77.1-2: Operating costs
R.I. Gen. Laws § 16-77.1-3: Federal funds for charter public schools start-up costs
R.I. Gen. Laws § 16-77.1-4: State funds for charter public schools start-up costs
R.I. Gen Laws § 16-77.2-5: Budgets and funding (district charter school)
R.I. Gen Laws § 16-77.3-5: Budgets and funding (independent charter school)

SOUTH CAROLINA

There are currently 59 charter schools in the state of South Carolina. South Carolina law dictates three options for charter school authorization: the local school district, the South Carolina Public Charter School District, or a public or independent institution of higher education. Before it may be authorized through any of these options, the charter school must seek preliminary approval from the state charter school advisory committee to determine compliance with all necessary components of a charter petition. South Carolina law provides that the charter school's authorizer is its LEA, and the charter and LEA have a partial-link relationship.

South Carolina's special education funding formula is based on multiple student weights, and the additional dollar amount allocated per pupil varies based on such factors as the student's disability, resources needed, and placement required. Charter schools authorized by a local district receive 100 percent of the federal, state, and local funds generated by their students (for both general and special education), and the district is not permitted to withhold administrative fees. For charters authorized by the South Carolina Public Charter School District, federal and state special education funds flow to the LEA first, but 100 percent of the funds then flow to the charter. Charters authorized by the South Carolina Public Charter School District receive state and federal funds based on enrollment, but they do not receive any local funds. Sponsors are required to distribute funds promptly to the charter schools in the LEA and can be fined if they fail to do so in a timely manner. The LEA is responsible for providing special

education to all students within the LEA, including those in charter schools. The LEA may also apply for any additional state or federal categorical funding or aid intended to offset the expense of providing special education for students with high-cost, low-incidence disabilities.

Special Education Law
S.C. Code Ann. § 59-21-540: Special educational services for which state aid allowed
S.C. Code Ann. § 59-21-560: Annual surveys and determination of eligibility for special education services by local school authorities
S.C. Code Ann. § 59-21-570: Districts may operate programs singly or jointly; eligibility of district for state aid
S.C. Code Ann. § 59-21-600: Distribution of funds for educational services to mentally handicapped pupils
S.C. Code Ann. § 59-33-50: Establishment and operation of programs by school districts; contracts between districts; special arrangements for multiple-handicapped children

Charter School Statute
S.C. Code Ann. § 59-40-140: Funds; services; reports (amended by: 2014 South Carolina Laws Act 208 [H.B. 4871])

TENNESSEE

There are currently 71 charter schools operating in the state of Tennessee. Local school districts or the state board of education may authorize charters if the application is sponsored by the local school district. Tennessee also operates a statewide district, the Achievement School District (ASD), to turn around chronically underperforming schools, and the ASD serves as an authorizer. The district in which a charter is located is its LEA, and the charter and district have a partial-link relationship. The exception is those charters authorized by the ASD, which have a partial-link relationship with the ASD, which serves as the LEA as opposed to the district in which the charters are located. In both cases, the LEA has the primary responsibility of providing special education and related services. Tennessee distributes state and local education funding through a basic education program (BEP) formula, which funds positions (such as principal or teacher) and assigns each position a number of students whose funding it is intended to cover based on a prescribed staff-to-student ratio.

The state's special education funding formula is also resource-based, and the positions that it funds have adjusted staff-to-student ratios depending on the nature of students' disabilities and needed resources. Federal and state funds flow from the district LEA, and Tennessee law provides that charters must receive 100 percent of the funding generated through the BEP system, with no deduction for administrative costs. Tennessee law is unclear as to the procedure for applying for additional state or federal funding for students with high-cost, low-incidence disabilities, but because the LEA holds primary responsibility for special education, the LEA is likely also responsible for applying for additional categorical funding for these students.

Special Education Law
Tenn. Code Ann. § 49-3-314: Distribution of state funds
Tenn. Code Ann. § 49-3-315: Local funds; levy and apportionment; distribution of state funds
Tenn. Code Ann. § 49-3-351: Basic education program; funds
Tenn. Code Ann. § 49-10-112: Federal funds
Tenn. Code Ann. § 49-10-113: State funds
Tenn. Code Ann. § 49-10-305: Agreements with other school districts or states
Tenn. Code Ann. § 49-10-1001: General provisions (students with multiple disabilities)

Charter School Statute
Tenn. Code Ann. § 49-13-112: Funding; allocation; federal funds
Tenn. Code Ann. § 49-13-124: Charter school powers
Tenn. Code Ann. § 49-13-141: Sponsor of charter school; LEA

TEXAS

There are currently 280 charter schools operating in the state of Texas. Charters may be authorized through either the local school board or the state commissioner of education. The state commissioner is required to notify the state board of education of all charter applications that it intends to grant, and the state board has veto power over those decisions if a majority of the board votes against authorization. Two types of charter schools are recognized—open enrollment and district authorized. Open-enrollment charter schools serve as their own LEAs, with no link to any other LEA. District-authorized charter schools are members of the district LEA and have a partial-link relationship with the district. Most Texas charter schools are open enrollment. Texas' general education funding is calculated using the foundation school program, which is divided into two tiers. Tier I makes a series of adjustments to the basic per-pupil allotment set by the legislature for such factors as grade level, class sizes, teacher salaries, low-income students, bilingual students, and so on. Tier II takes into account weighted average daily enrollment to determine if a district is eligible for additional funding. The total allotment per pupil is then divided between state and local funding. Charters are funded using a similar formula, which applies the value of various weighted categories to the base per-pupil amount.

Texas' special education funding formula is also based on multiple student weights and multiplies a fixed amount per category with the basic per-pupil allotment to come up with an adjusted per-pupil allotment for special education. Federal and state special education funds flow to open-enrollment schools directly. For district-authorized charters, the funds first flow to the LEA and then are distributed to the charter. Special education funding from the state also flows directly to open-enrollment charters, and flows from the district LEA for district authorized charters. All funding is calculated based on average daily attendance as opposed to ADM, so schools with low attendance receive less funding, and students do not generate funding on days they are absent. For district-authorized charters, the LEA is responsible for providing special education for charter school students and may apply for any categorical state or federal aid intended to offset the cost of educating students with high-cost, low-incidence disabilities. Open-enrollment charters may cooperate or contract with the local school district or other service providers to meet their obligation to provide special education services, and may also apply for both federal and state funding for high-cost, low-incidence students.

Special Education Law
Tex. Educ. Code Ann § 29.001: Statewide plan
Tex. Educ. Code Ann § 29.007: Shared-services arrangements
Tex. Educ. Code Ann § 29.008: Contracts for services; residential placement
Tex. Educ. Code Ann § 29.018: Special education grant
Tex. Educ. Code Ann § 42.151: Special education, special allotments

Charter School Statute
Tex. Educ. Code Ann § 12.002: Classes of charter
Tex. Educ. Code Ann § 12.055: Applicability of laws and rules to campus or program-granted charter
Tex. Educ. Code Ann § 12.057: Status (campus charter)
Tex. Educ. Code Ann § 12.106: State funding (open-enrollment charters)
Tex. Educ. Code Ann § 12.107: Status and use of funds (open-enrollment charters)
Tex. Educ. Code Ann § 12.1014: Authorization for grant of charters for schools primarily serving students with disabilities
Tex. Educ. Code Ann § 12.1061: Recovery of certain funds (open-enrollment charters)
Tex. Educ. Code Ann § 12.1071: Effect of accepting state funding (open-enrollment charters)

UTAH

There are 95 charter schools currently in existence in Utah. Under Utah law, local school boards, the state charter school board, and certain higher education institutions may serve as charter school authorizers. All requests for

authorization are subject to approval by the state board of education. Its authorizer determines the charter's LEA status. State-authorized charters serve as their own LEAs, while district-authorized charters become part of the district LEA. Utah law requires that all federal and state funds for charter schools flow directly to the charter school, except where the school is a conversion or operates in LEA facilities without paying rent. Utah school funding is based on a weighted per-pupil system, and charter funding is similar, but the key difference is access to local revenue. Traditional districts receive a per-pupil allotment, calculated by a statutory formula that balances state and local funds. Charters are funded based on the same formula, but they do not have access to local funds. These funds are supplemented by local replacement funding from the state.

Utah special education funding is based on a block grant system, and all funds flow directly to the charter schools from the state board of education. Charters serving as their own LEAs may contract with the local school district or other service providers for the delivery of special education services. For schools in the district LEA, the LEA bears the responsibility of providing special education services. Charters acting as their own LEAs have the right to apply for reimbursement for funds spent educating students with high-cost, low-incidence disabilities, but the state budget for exceptional aid is limited and full reimbursement is not guaranteed. These charters also have the right to apply for any applicable federal funding in the same manner as a school district.

Special Education Law
Utah Code Ann. § 53A-15-303: School district responsibility; reimbursement of costs; other programs
Utah Code Ann. § 53A-17a-106: Determination of weighted pupil units
Utah Code Ann. § 53A-17a-111: Weighted pupil units for programs for students with disabilities; district allocation
Utah Code Ann. § 53A-17a-135: Minimum basic tax rate; certified revenue levy

Charter School Statute
Utah Code Ann. § 53A-1a-503.5: Status of charter schools
Utah Code Ann. § 53A-1a-513: Funding for charter schools
Utah Code Ann. § 53A-20b-103: Utah Charter School Finance Authority created; members; compensation; services

VIRGINIA

Virginia currently has six operating charter schools. Under Virginia law, authorization is a two step-process: Applicants must first submit their proposal to the state board of education for preliminary review; then, if the proposal meets appropriate guidelines, it may be submitted to the local school district. The local school district has the final authority whether to grant or deny a proposal, and if accepted, the local school district becomes the authorizer of the charter school. The charter school becomes part of the district LEA of whichever local school district serves as its authorizer and has a total-link relationship with the LEA. Charter schools negotiate a contract with public school divisions that details all aspects of school funding and operations, such as the base per-pupil amount of funding that will be allocated to the charter, the process for student enrollment, operating costs, services provided, and so on.

Virginia's special education funding formula is resource-based, and Virginia law states that a proportionate share of state and federal funding for special education must be allocated to public charter schools that serve students with disabilities. The charter school's negotiated contract includes a provision for its share of special education funding based on its estimated expenditures per resource unit. The LEA of which the charter is a member is responsible for providing special education and may apply for federal or state funding for students with high-cost, low-incidence disabilities in any school in the district, including charter schools that are part of its LEA.

Special Education Law
Va. Code Ann § 22.1-216: Use of public or private facilities and personnel under contract for special education
Va. Code Ann § 22.1-218: Reimbursement for placement in private schools; reimbursement of school boards from state funds

Va. Code Ann § 22.1-219: Use of federal, state, or local funds not restricted
Va. Code Ann § 22.1-220: Power of counties, cities, and towns to appropriate and expend funds for education of children with disabilities

Charter School Statute
Va. Code Ann § 22.1-212.6: Establishment and operation of public charter schools; requirements
Va. Code Ann § 22.1-212.14: Funding of public charter schools; services provided

WASHINGTON, D.C.

The District of Columbia currently has 60 charter schools in operation. While D.C. is not a state, it operates as a unified district, with the office of the state superintendent of education functioning as the equivalent of a state department of education. D.C. law provides for two authorization options: the D.C. Board of Education, and the D.C. Public Charter School Board. In 2007, however, the D.C. Public Charter School Board began to oversee all charter schools originally authorized by the D.C. Board of Education. The law does permit the Council of the District of Columbia to appoint another authorizer, but so far this has not occurred. Charter schools in D.C. make the decision whether to serve as their own LEAs with a no-link relationship to any other LEA; or to become part of the charter school board LEA with a partial-link relationship to the board. Charter developers must declare legal status when they seek authorization. Charters in D.C. receive general funds in a formula very similar to that of the traditional school district.
D.C. guarantees a base amount of district funding per student, called the "Uniform per Student Funding Formula," to both charters and the traditional district. Additionally, both receive additional funding based on a fixed multiple assigned to other student factors, including low-income students, English language learners, students in lower or higher grade levels, and special education students. One key difference is local intradistrict funds, which traditional districts have access to but charters do not. Federal and state funds, including those for special education, flow from the D.C. Board of Education to LEAs, including charter schools acting as their own LEAs. As LEAs, charters are required to provide special education to enrolled students. Charters may apply for additional categorical federal or district funding for students with high-cost, low-incidence disabilities who require services that exceed their weighted per-pupil allotment. Charters may also contract with the D.C. Public Schools for the provision of special education services.

Special Education Law
D.C. Code § 38-2561.03: Placement and funding of a student with a disability in a nonpublic special education school or program
D.C. Code § 38-2561.04: Funding of a placement of a student with disabilities in a nonpublic special education school or program made by other District of Columbia government agencies

Charter School Statute
D.C. Code § 38-1804.01: Annual budgets for schools
D.C. Code § 38-1804.02: Calculation of number of students
D.C. Code § 38-1804.03: Payments
D.C. Code § 38-1804.03: Payments (charter schools)
D.C. Code § 38-1833.01: Office of public charter school financing and support
D.C. Code § 38-2902: Applicability of formula
D.C. Code § 38-2905: Supplement to foundation-level funding on the basis of the count of special education, LEP/NEP, summer school, and residential school students
D.C. Code § 38-2906.02: Payments to public charter schools

WISCONSIN

The state of Wisconsin currently has 245 operating charter schools. State law allows local school districts to serve as authorizers in all parts of the state. The city of Milwaukee has several additional authorization options, including the City of Milwaukee, the University of Wisconsin-Milwaukee, and the Milwaukee Area Technical College. A charter school authorized by a city, university, or technical college serves as its own LEA and has no link to any other LEA, while a charter school authorized by a local school district may either become part of the district LEA or serve as its own LEA. General funding for district-authorized charters varies depending on the charter's contract with its LEA, and the amount of funding that the LEA provides to the charter is open to some negotiation. Wisconsin law requires that a contract between the charter and the LEA address all aspects of funding comprehensively, including per-pupil allotment, district aid, and grants. Charters acting as their own LEAs have a different funding structure: They receive a sum equal to the per-pupil revenue they received the previous year, plus an additional flat amount designated by statute, multiplied by the number of pupils who attend the charter school.

Wisconsin's special education funding formula is based on percentage reimbursement, and LEAs are compensated for a fixed percentage of allowable expenses for providing special education. For charters acting as their own LEAs, federal and state special education dollars flow directly to the charter, and the charter has the primary responsibility for providing special education services to enrolled students. Schools that are part of the district LEA do not receive funds directly—the funds flow to the district, which is then responsible for providing special education services to all students in the district, including those enrolled in the charter school. Charter schools in Milwaukee and Racine are the only schools in Wisconsin to serve as their own LEAs, and those schools receive federal IDEA funding at the same rate as other school districts in the state. These schools may cooperate or contract with local service providers or the local school district for the provision of special education services. They may also apply for any other additional state or federal categorical funding for which they are eligible, including funding for students with high-cost, low-incidence disabilities.

Special Education Law
Wis. Stat. Ann. § 115.77: Local educational agency duties
Wis. Stat. Ann. § 115.881: Additional special education aid
Wis. Stat. Ann. § 115.882: Payment of state aid
Wis. Stat. Ann. § 115.883: Supplemental special education aid
Wis. Stat. Ann. § 116.032: Contracts for services
Wis. Stat. Ann. § 116.08: State and local aid
Wis. Stat. Ann. § 116.09: State and federal grants
Wis. Stat. Ann. § 121.07: General provisions; state aid computation
Wis. Stat. Ann. § 121.15: Payment of state aid
Wis. Stat. Ann. § 121.17: Use of federal revenue sharing funds
Wis. Stat. Ann. § 121.105: Special adjustment aids
Wis. Stat. Ann. § 121.135: State aid to county children with disabilities education boards

Charter School Statute
Wis. Stat. Ann. § 115.88: State aid
Wis. Stat. Ann. § 115.775: Duties of operators of certain charter schools
Wis. Stat. Ann. § 118.40: Charter schools

WYOMING*

Wyoming currently has only four charter schools in operation, and local school districts are the only entities allowed to authorize schools. Charter schools are part of the LEAs that authorize them in a total-link relationship. Charters in Wyoming receive general funding based on ADM, which is counted along with the ADM of the district LEA. As

part of the charter school contract, the charter and LEA negotiate how much general funding the LEA will provide to the charter, as well as any agreements regarding transportation, resources, and so on. Wyoming law requires that the charter be entitled to 100 percent of the foundation program amount allotted to its students, but shares of additional funding (including funding for low-income students, English language learners, etc.) can be negotiated with the district LEA. The charter is free to contract with the LEA for such educational services as curriculum, media, and so on. All applicable state and federal general funding flows through the district LEA.

Wyoming's special education funding formula is based on percentage reimbursement, meaning LEAs are reimbursed for a fixed percentage of allowable expenses for providing special education. All federal special education funding is received by the state board and dispersed to the LEA, and state funding flows directly to the LEA, which is responsible for providing all special education services to students in the district, including those enrolled in charter schools. Wyoming law does not prohibit district LEAs from contracting for services, and they are responsible for applying for any additional categorical funding they may qualify for to cover the expense associated with providing services to students with high-cost, low-incidence disabilities.

Special Education Law
Wyo. Stat. Ann. § 21-13-201: Levy, collection, and distribution of 6-mill school tax
Wyo. Stat. Ann. § 21-13-311: Determination of amount to be distributed to each district from foundation account; undistributed balance; prohibition on expenditures
Wyo. Stat. Ann. § 21-13-321: Special education; amount within foundation program formula for special education programs and services; district reporting requirements
Wyo. Stat. Ann. § 25-5-110: Special education for minors and costs thereof

Charter School Statute
Wyo. Stat. Ann. § 21-3-305: Charter schools; contract contents; regulations
Wyo. Stat. Ann. § 21-3-304: Charter school; requirements; authority

***Note: Wyoming's school funding system was found unconstitutional by the Supreme Court of Wyoming in Powers v. State, 318 P.3d 300 Jan. 28, 2014). The state has not yet altered its statutes for general education, special education, or charter school funding, so it is unclear at this point which statutes will be updated and which will be permitted to remain the same. The funding formula described above is still the one in use, but there is legislation proposed to alter those parts of it affected by the holding in this case.**