

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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HOUSE BILL 249

Short Title: Children with Disabilities Funding Formula. (Public)

Sponsors: Representatives Elmore, Blackwell, and Bradford (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Education - K-12, if favorable, Appropriations, if favorable, Rules, Calendar, and
Operations of the House

March 10, 2021

A BILL TO BE ENTITLED
AN ACT TO DIRECT THE DEPARTMENT OF PUBLIC INSTRUCTION TO STUDY AND
PROPOSE CHANGES TO THE STATE FUNDING FORMULA FOR CHILDREN WITH
DISABILITIES TO A MODEL THAT ALLOCATES FUNDS ON SEVERITY OF
DISABILITY TYPE AND TO APPROPRIATE FUNDS TO INCREASE THE CAP ON
THE AMOUNT OF FUNDING FOR CHILDREN WITH DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Department of Public Instruction shall study and propose a change to the formula for State funding for children with disabilities from the current model allocating funding based on required service levels to a model allocating funding based on severity of disability type. The Department may contract with an independent research organization for the study required by this subsection. The Department shall examine at least the following in developing its proposed changes to the funding formula:

- (1) For each local school administrative unit, the percentage of children with disabilities and the funding provided per child with a disability.
- (2) The benefits of allocating funding for children with disabilities based on severity of disability type.
- (3) How other states provide funding for children with disabilities, with particular emphasis on states that differentiate funding by student need.
- (4) How to determine appropriate funding levels for each funding category proposed.
- (5) The determination of a base amount of funding per child with a disability.
- (6) The assignment and number of tiers by disability type for funding allocation amounts to add to a base amount of funding per child with a disability.

SECTION 1.(b) The Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, the House Appropriations Education Committee, and the Senate Appropriations on Education/Higher Education Committee by February 15, 2022, on the study required by subsection (a) of this section and the proposed new formula for allocating funding for children with disabilities using a tiered model based on severity of disability type.

SECTION 2. There is appropriated from the General Fund to the Department of Public Instruction the sum of seven million seven hundred twenty-five thousand six hundred ninety dollars (\$7,725,690) for the 2021-2022 fiscal year for the purpose of allocating funds for children with disabilities to local school administrative units for at least thirteen percent (13%)



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- 1 of each local school administrative unit's 2021-2022 allocated average daily membership in the
2 local school administrative units.
3 **SECTION 3.** Section 2 of this act becomes effective July 1, 2021. The remainder of
4 this act is effective when it becomes law.