

# SPECIAL EDUCATION FUNDING CAP FAQ

## FUNDING CAP BASICS

### • What is the funded enrollment cap?

The funded enrollment cap sets a limit on how much funding a school district receives to fund special education programs and services. Currently, districts can only generate state special education funding for up to 16% of their students, even if they provide special education services to more than 16% of their students.

### • How does this impact districts?

If a district has identified 18% of its students as needing special education services, it will only receive state funding for up to 16% of those students. The additional 2% of students 'over the 16% cap' don't generate additional state funding for a district. However, districts are still required by state and federal law to provide special education services to all students who qualify to receive special education services.

### • If you were a student receiving special education services how would this impact you?

A district that identifies more than 16% of its students as needing special education services will get less in per-student state special education funding than it would if it was at or below the 16% enrollment cap. All students have the same legal educational right to a free and appropriate education, but because of the cap, some districts will have fewer resources per student to fulfill the Individualized Educational Programs (IEPs) for the students in their district.

### • How many school districts are over the cap?

In [July 2024](#), 137 of the state's 295 school districts were above the current 16% enrollment cap.



Students at South Shore PreK-8

### • Why does the cap exist?

Proponents of the cap believe that it will help prevent overidentification of students needing special education services.

### • How did we get to a 16% cap?

When the cap was initially established [in 1995](#), the cap was set at 12.7%. [In 2017](#), the cap was increased to 13.5%. [In 2023](#), the cap was increased to 15%. And [in 2024](#), the cap was increased to its current level of 16%.

## OVERIDENTIFICATION AND DISTRICT PRACTICE

### • How do rates of special education enrollment in Washington state compare to the national average?

In [2021-22](#), the nationwide special education enrollment was 14.7% for students aged 3-21. In 2021-22, Washington's schools identified 13.6% of students aged 3-21 as needing special education services.

## OVERIDENTIFICATION AND DISTRICT PRACTICE (CONTINUED)

- **What does research say about rates of student identification for special education services?**

There is no clear research to indicate there is a specific percentage of students that a district should identify as needing special education services. The increase in the number of students receiving special education services in recent years may be because districts are [getting better at recognizing and diagnosing student needs](#) that qualify them for special education services, such as autism or ADHD, which results in enrollment percentages increasing because students are getting more accurate diagnoses.

- **Is there any indication that the funded enrollment cap shifts how districts identify students as needing special education services?**

In 2021-22, over half of all local education agencies were over the funded enrollment cap for that school year of 13.5%. That would indicate that the cap has, at most, had a minimal impact on limiting how many students a district identifies as needing special education services.

- **Are districts that identify a large portion of their students as needing special education services overidentifying students?**

There is no research to show what is the ‘right’ percentage of students who should be identified as needing special education services. [There is some evidence](#) that indicates children in rural communities are more likely to be diagnosed with a developmental disability than children in urban areas.

- **Does the cap improve the accuracy by which students have their needs appropriately identified as needing special education services?**

A funded enrollment cap has been in place for over twenty-five years and there is no evidence or research to show that it has improved the rate by which students have their needs accurately identified for special education services. When the funded enrollment cap was first established in 1995 there were not any companion policies that aimed to improve the accuracy of identifying students for special education services to proactively address concerns regarding overidentifying students.

- **How does race impact the identification of students for special education services?**

[Indigenous and Black students](#) are identified as needing special education services at greater rates than white students. Students of color are also more likely to be identified with specific disabilities over others. For example, Black and Indigenous students are most likely to be identified as having an emotional behavioral disability and intellectual disability.

- **As a state, can Washington improve the accuracy by which we identify students as needing special education services?**

Washington should always work toward more accurately identifying student needs and addressing overidentification for specific groups of students, especially for specific disabilities, students of color, and English language learners, but having a cap in place doesn’t do anything to improve how we accurately assess the needs of learners, especially learners from marginalized groups.

## FUNDING IMPLICATIONS

- **How does the cap impact funding equity?**

Even with recent special education funding increases, we are still underfunding special education by hundreds of millions of dollars each year. Districts rely on other funding sources, mostly local education levies, to make up for the state underfunding special education. The local funding resources a district is able to access varies across districts with wealthier districts able to access more local levy resources at a lower tax rate than districts with lower property values. This means that a district's ability to make up for the shortfall in state funding is dependent on a district's property wealth and their ability to pass a local levy. This makes it harder for lower-income districts to make up for the financial impacts of a funded enrollment cap, than their wealthier district peers.

- **How much would eliminating the cap cost the state in additional funding?**

If the funded enrollment cap were to be eliminated, it would cost:

- \$24.2 million in the first year
- The costs would be similar in future years as the permanent elimination of the cap would make this an ongoing cost