



May 18, 2023

Michigan House of Representatives
Appropriations Subcommittee on School Aid and Education

The Autism Alliance of Michigan (AAoM) respectfully submits our comments related to special education funding. AAoM is a statewide nonprofit leading collaborative systems change across Michigan since 2009. One of our core pillars focuses on education; ***raising expectations for ALL students with disabilities in accessing high-quality, inclusive education that has results (e.g., graduation rates, post-secondary opportunities) on par with their neurotypical peers.***

These comments related to special education funding in Michigan are based on our current understanding of the structure and estimates of our school finance system.

It is important to note that ***ALL students are first and foremost general education students.***

Some general education students have a disability that impacts their education and therefore are eligible to receive additional specialized supports, services, and instruction under federal law through the Individuals with Disabilities Act (IDEA). This additional support is what we call "Special Education." For the 2022-23 school year, 14% of the total student population is currently eligible to receive special education services and supports in Michigan totaling 209,937 students. This represents an increase from the 2021-22 school year: 13.5% or 203,585 students.

Currently, ***only 58% of special education students in Michigan obtain a traditional, four-year diploma*** (as compared to 84% of their neurotypical peers), which greatly impacts opportunities for post-secondary education, employment, and independent living. Ultimately, our broken education system is resulting in a significant segment of the population that will require state dependent assistance for a lifetime. We have an opportunity, through adequate and equitable funding, to change the trajectory of their lives, eventually contributing to our economy and improving the quality of life for all Michigan citizens.

We thank members of the legislature for their commitment and work to address equity in our school finance system. AAoM applauds the House budget recommendation that moves toward recognizing students with disabilities who are eligible to receive special education services and supports as a "whole" child in appropriating 100% of the per pupil foundation allowance which reflects a shift from only providing proportional foundation allowance to districts.

It is widely recognized that the resources required to appropriately support and educate students with disabilities exceeds what's needed for educating their neurotypical peers.



We demonstrate our deep commitment to the education of ALL students in Michigan, regardless of circumstance, when we directly reflect these realities in our budget appropriations.

The move toward full foundation allowance for students with disabilities is a step in the right direction. However, more is required.

Under federal law, districts must provide special education services regardless of cost. When special education costs exceed dedicated revenues, districts must divert unrestricted revenues from their general education funds to fill the need. As a result, gaps in special education funding impact not only students with disabilities, but all other general education students as well.

We recognize that special education has been chronically underfunded by the federal government by not fulfilling the intended promise of the IDEA in reimbursing states up to 40% of costs (this amount has never exceeded 15%). Additionally, special education has been chronically underfunded in Michigan.

We know that the extent of revenues available to educate students with disabilities varies widely between districts in our state. **Currently, we do not know the true cost of providing special education with fidelity** (via delivery of evidence-based instruction and intervention) in alignment with the intent of IDEA. There are estimates that this amount may equal \$1 billion or more.

Schools need sufficient resources to address the learning needs of all students for them to meet their greatest potential. Much of the discussion around “gaps” in funding related to special education has referred to the “shortfall” amount which represents the difference between what is currently spent by districts and what is reimbursed.

AAoM supports efforts toward a revised funding formula that recognizes even for students with disabilities, there are different levels of needs and resources required.

Additional funding to closing the current special education “shortfall gap” (estimates range from \$350-750 million) means that special education delivery and implementation would most likely remain the same with the current disparities in outcomes. However, closing the “shortfall gap” would mean school districts will no longer be required to put general education fund dollars toward the additional cost of providing special education services and supports. Until the increase in special education funding *exceeds* the “shortfall gap,” no progress will be made for special education and students with disabilities in Michigan.

A deeper analysis of Michigan’s school finance system as it directly relates to students with disabilities who receive special education supports and services is needed. An independent fiscal analysis of the actual costs to meet the unique needs of students with disabilities will provide a more accurate depiction of equitable funding needs for this population.