

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

H.B. 249  
Mar 9, 2021  
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10104-MKa-35

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

Sponsors: Representatives Elmore, Blackwell, and Bradford (Primary Sponsors).

Referred to:

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

7 The General Assembly of North Carolina enacts:

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

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

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

31 **SECTION 2.** There is appropriated from the General Fund to the Department of  
32 Public Instruction the sum of seven million seven hundred twenty-five thousand six hundred  
33 ninety dollars (\$7,725,690) for the 2021-2022 fiscal year for the purpose of allocating funds for  
34 children with disabilities to local school administrative units for at least thirteen percent (13%)  
35 of each local school administrative unit's 2021-2022 allocated average daily membership in the  
36 local school administrative units.



1                   **SECTION 3.** Section 2 of this act becomes effective July 1, 2021. The remainder of  
2 this act is effective when it becomes law.