



MEMORANDUM

March 9, 2021

Subject: Estimated State Grants Under the Individuals with Disabilities Education Act Programs Included in the American Rescue Plan Act of 2021, the Senate Substitute to H.R. 1319.

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This memorandum was prepared to enable distribution to more than one congressional office.

This memorandum has been prepared in response to congressional interest in estimates of fiscal year (FY) 2021 state allocations of supplemental funds appropriated for the Individuals with Disabilities Education Act (IDEA) Part B, Section 611 grants to states program; the Part B, Section 619 preschool grants program; and the Part C, programs for infants and toddlers with disabilities grants, under the American Rescue Plan Act of 2021, the Senate substitute to H.R. 1319 (hereinafter referred to as the Senate substitute).¹ The Senate substitute would appropriate \$2.58 billion for the Part B, Section 611 program; \$200 million for the Part B, Section 619 program; and \$250 million for the Part C program.

IDEA Part B Formula²

The IDEA is the major federal statute that supports special education and related services for children with disabilities. Part B³ Section 611 authorizes the “grants to states” program, which supports special education for school-age children. Part B, Section 619 authorizes the “preschool grants” program for children with disabilities ages three through five. Since the Part B, Section 611 grants to states support services for children with disabilities as young as three years of age (as well as elementary and secondary school-aged children), Section 619 is not so much a separate program as it is supplemental funding for services to preschool children with disabilities.

¹ The text of the final bill is available at <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-117HR1319EAS.pdf> as of March 9, 2021.

² See CRS Report R44624, *The Individuals with Disabilities Education Act (IDEA) Funding: A Primer*, by Kyrie E. Dragoo.

³ For more information on Part B of the IDEA see CRS Report R41833, *The Individuals with Disabilities Education Act (IDEA), Part B: Key Statutory and Regulatory Provisions*, by Kyrie E. Dragoo.

IDEA Part B, Section 611 Grants to States Formula

Under the IDEA Part B grants to states formula, first the Secretary of Education (the Secretary) must reserve or set aside funds for technical assistance⁴ and for payments to the outlying areas,⁵ the freely associated states, and the Secretary of the Interior.⁶ From the funds remaining after the set-asides are made, each state is guaranteed a base grant amount equal to its IDEA Part B allocation in FY1999. For appropriations scenarios where there are sufficient funds to award each state at least its FY1999 allocation, the Secretary then allocates the remaining IDEA Part B funds among the states based on each state's share of the national population of (1) children ages 3 through 21 and (2) children living in poverty in the age range for which the state provides IDEA Part B services.⁷ Under the IDEA Part B formula, 85% of any funds over the base-year appropriation (FY1999) are distributed based on each state's share of the United States' total population of children ages 3 through 21, and the remaining 15% is distributed according to each state's share of children of the same age range living in poverty. Several additional statutory provisions determine the minimum and maximum amounts that can be allocated to each state.

IDEA Part B, Section 619 Preschool Grants

The Part B Section 611 and Section 619 grant programs' formulas are similar, though they have several notable differences. First, the Part B Section 611 and Section 619 base grant amounts differ between programs, with the grants-to-states program's base grant equal to its IDEA Part B allocation from FY1999 and the preschool grants program's grant equal to its IDEA Part B allocation from FY1997.⁸ In addition, unlike the Section 611 grants-to-states program, Section 619 does not require the Secretary to make any specific set-asides before allocating funds to the states, which include the 50 states, the District of Columbia, and Puerto Rico for the purposes of these calculations. Other than these differences, the process of determining IDEA, Section 619 preschool grants allocations is very similar to the process for determining states' grants under the IDEA, Section 611 grants-to-states program.

Under the Section 619 allocation formula, each state is guaranteed a base grant amount equal to its IDEA Part B allocation in FY1997. For appropriations scenarios where there are sufficient funds to award each state at least its FY1997 allocation, the Secretary then allocates the remaining Section 619 funds among the states based on each state's share of the national population of (1) children ages 3 through 5 and (2) children living in poverty ages 3 through 5 years. Under the IDEA Part B, Section 619 formula, 85% of any funds over the base-year appropriation (FY1997) are distributed based on the state's share of the United States' total population of children ages 3 through 5, and the remaining 15% is distributed

⁴ This reservation is capped in statute at 0.5% of the total amount appropriated under this section.

⁵ For the purposes of IDEA Part B, outlying areas include American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands. This reservation is capped at 1% in statute.

⁶ This reservation is set at 1.226% of the total amount appropriated under this section. Appropriations language included in Division H, Title III of PL 116-260 allowed ED to reserve less than the full 1.226% of total appropriations for these purposes for FY2021.

⁷ Currently 18 states, the District of Columbia, and Puerto Rico provide children a free appropriate public education (FAPE) until the age of 21, the remaining states stop providing FAPE to students at 18, 19, or 20 years of age. The population used in IDEA formula calculations is based on the age range served in each state. A list of the age ranges served in each state can be found in Table A-1 in CRS Report R44624, *The Individuals with Disabilities Education Act (IDEA) Funding: A Primer*.

⁸ The funding formula adopted through the 1997 IDEA amendments for the grants-to-states program took effect the year the federal appropriation for the grants-to-states program first exceeded \$4.9 billion. Because the IDEA grants-to-states program appropriation first exceeded \$4.9 billion in FY2000, the base-year amount states were guaranteed for their Part B, Section 611 grant was their FY1999 funding level. However, Part B, Section 619 does not include a similar appropriation level that must be exceeded to establish a base-year amount; instead it uses the year the new funding formula was adopted (i.e., FY1997) as its base year in all calculations.

according to the state's share of children of the same age range living in poverty. Several additional statutory provisions determine the minimum and maximum amounts that can be allocated to each state.

The IDEA Part C Formula⁹

After the Secretary has reserved funds for payments to the outlying areas,¹⁰ and the Secretary of the Interior,¹¹ the Secretary allocates the remaining IDEA Part C amount among the 50 states, the District of Columbia, and Puerto Rico according to the ratio of infants and toddlers (ages 0-2) in each state to the number of infants and toddlers in all states. If the appropriation for Part C is funded at a level sufficient to pay the full amounts that all states are eligible to receive in a given year, the minimum allotment for each state is either \$500,000 or one-half of 1% of the total Part C funds allotted to the states, whichever is greater.¹² If the appropriation for Part C is funded at a level insufficient to pay the full amounts that all states are eligible to receive in a given year, the Secretary must ratably reduce the states' payments.

For any fiscal year in which the total amount Congress appropriates for IDEA Part C exceeds \$460 million, the Secretary must reserve a portion of the Part C appropriation for states participating in the State Incentive Grant (SIG) program, allowing flexibility for states to serve children 3 years of age until entrance into elementary school. In FY2021, the IDEA Part C appropriation exceeded \$460 million¹³, and two states participated in the SIG program.¹⁴ The two participating states received \$655,500 each under the State incentive grants authority.¹⁵

Methodology

Table 1 shows the estimated FY2021 supplemental state allocations for the three IDEA programs that would receive supplemental appropriations under the Senate substitute. Per bill language, this memorandum assumes appropriations levels of \$2.58 billion for IDEA Part B Section 611 grants; \$200 million for Part B, Section 619 grants; and \$250 million for Part C grants. Per our conversations with the Department of Education's (ED's) Budget Office, the new appropriations amounts for each program under the Senate substitute are expected to be treated as supplements to previously appropriated funds for the corresponding IDEA program for FY2021. That is, for each of the programs discussed in this memorandum, the estimated state grants under the Senate substitute were calculated as follows:

⁹ CRS Report R44624, *The Individuals with Disabilities Education Act (IDEA) Funding: A Primer*, by Kyrie E. Dragoo.

¹⁰ 20 U.S.C. §1411(b)(1); P.L. 108-446 §616(b)(1). This reservation is capped in statute at 1% of the total appropriation for this part. The outlying areas are defined in §602(22) as the "United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands." Part C §643(2) further states "The provisions of Public Law 95-134, permitting the consolidation of grants to the outlying areas, shall not apply to funds those areas receive under this part."

¹¹ Section 643(b)(1) reserves 1.25% of the Part C appropriation for the Department of the Interior for the "coordination of assistance in the provision of early intervention services by the States to infants and toddlers with disabilities and their families on reservations served by elementary schools and secondary schools for Indian children operated or funded by the Department of the Interior." Appropriations language included in Division H, Title III of PL 116-260 allowed ED to reserve less than the full 1.25% of total appropriations for these purposes for FY2021.

¹² \$500,000 is one half of 1% of \$100 million. Part C of the IDEA has been appropriated more than \$100,000,000 every year since FY1991. Therefore, in practice, the minimum Part C allotment for each state is one half of 1% of the IDEA Part C appropriation available to be allocated to states, in recent years.

¹³ The FY2021 appropriation for IDEA Part C prior to the supplementary appropriations contained in the Senate substitute were \$481,850,000.

¹⁴ The two states providing flexibility for children with disabilities to continue receiving Part C services after their third birthday were Maryland and the District of Columbia.

¹⁵ Per CRS conversation with ED Budget Office on March 8, 2021.

1. Estimate FY2021 state allocations for the corresponding section of IDEA assuming combined appropriations under the regular appropriations process and the appropriations levels indicated in the Senate substitute¹⁶
2. From the estimated state allocations calculated in step 1, subtract the estimated amounts already allocated to each state under the corresponding program under regular FY2021 appropriations.¹⁷

The set-aside amounts used in calculations of estimated state allocations for IDEA Part B, Section 611 and Part C in this memorandum were made in equal percentages to those set-asides made by ED for FY2021 allocations for the corresponding programs.¹⁸

Grants to Outlying Areas

Section 611 specifies that the set-aside of funds for outlying areas is to be used “to provide assistance to outlying areas in accordance with their respective populations of individuals aged 3 through 21.” Section 619 does not have a set-aside for outlying areas. Part C of the IDEA does not specify how the funds set aside for outlying areas under this part are to be distributed among the outlying areas. For the purposes of this memorandum, CRS estimated allocations to outlying areas in equal percentages to those used by ED to allocate funds to outlying areas under Section 611 and Part C of the IDEA for FY2021.¹⁹

Findings

Table 1 presents CRS estimates of FY2021 supplemental state grant allocations based on the population and poverty data used by the Department of Education (ED) to calculate estimated FY2021 grant allocations²⁰ and do not account for likely future changes in these data.

Estimated grants are provided solely to assist in gauging the relative impact of funding levels in the legislative process. They are not intended to predict specific amounts that states would receive.

Table 1. Estimated FY2021 Grants to States for IDEA Part B Section 611, IDEA Part B Section 619, and IDEA Part C, Under the Supplemental Appropriation Included in the American Rescue Plan of 2021, the Senate Substitute to H.R. 1319.

(\$ in thousands)

| Estimated FY2021 Allocations | | | | | |
|------------------------------|---------------------|---------------------|--------|--|----------------------|
| State | Part B, Section 611 | Part B, Section 619 | Part C | Total Supplemental FY2021 Appropriations | State Share of Total |
| Alabama | 37,185 | 3,021 | 3,569 | 43,775 | 1.44% |
| Alaska | 8,600 | 667 | 1,222 | 10,491 | 0.35% |
| Arizona | 45,663 | 2,941 | 5,135 | 53,740 | 1.77% |

¹⁶ The regular FY2021 appropriations were \$12.9 billion for Section 611, \$397 million for Section 619, and \$482 million for Part C.

¹⁷ Unpublished estimated state allocations for FY2021 were provided to CRS by ED on March 5th, 2021.

¹⁸ ED’s FY2021 estimated state tables were retrieved by CRS on March 5, 2021 from <https://www2.ed.gov/about/overview/budget/statetables/21stbyprogram.xlsx>.

¹⁹ Unpublished data were provided to CRS by ED on March 5th, 2021.

²⁰ Unpublished data were provided to CRS by ED on March 5th, 2021.

Estimated FY2021 Allocations

| State | Part B, Section 611 | Part B, Section 619 | Part C | Total Supplemental FY2021 Appropriations | State Share of Total |
|----------------------|----------------------------|----------------------------|---------------|---|-----------------------------|
| Arkansas | 26,549 | 2,732 | 2,272 | 31,553 | 1.04% |
| California | 250,197 | 20,783 | 28,728 | 299,708 | 9.89% |
| Colorado | 38,572 | 2,689 | 4,009 | 45,270 | 1.49% |
| Connecticut | 27,238 | 2,498 | 2,182 | 31,918 | 1.05% |
| Delaware | 8,513 | 667 | 1,222 | 10,402 | 0.34% |
| District of Columbia | 4,255 | 130 | 1,562 | 5,948 | 0.20% |
| Florida | 153,384 | 10,036 | 13,817 | 177,237 | 5.85% |
| Georgia | 83,221 | 5,337 | 7,938 | 96,495 | 3.18% |
| Hawaii | 9,440 | 553 | 1,222 | 11,215 | 0.37% |
| Idaho | 13,234 | 1,156 | 1,383 | 15,773 | 0.52% |
| Illinois | 103,599 | 8,978 | 8,995 | 121,572 | 4.01% |
| Indiana | 61,394 | 4,532 | 5,037 | 70,963 | 2.34% |
| Iowa | 25,017 | 2,033 | 2,356 | 29,406 | 0.97% |
| Kansas | 25,326 | 2,207 | 2,226 | 29,759 | 0.98% |
| Kentucky | 37,500 | 5,202 | 3,313 | 46,014 | 1.52% |
| Louisiana | 40,011 | 3,293 | 3,646 | 46,950 | 1.55% |
| Maine | 11,213 | 1,280 | 1,222 | 13,715 | 0.45% |
| Maryland | 45,681 | 3,478 | 4,721 | 53,880 | 1.78% |
| Massachusetts | 58,169 | 5,038 | 4,361 | 67,568 | 2.23% |
| Michigan | 81,752 | 6,373 | 6,837 | 94,961 | 3.13% |
| Minnesota | 45,024 | 3,783 | 4,238 | 53,045 | 1.75% |
| Mississippi | 24,520 | 2,151 | 2,227 | 28,897 | 0.95% |
| Missouri | 46,541 | 3,253 | 4,449 | 54,244 | 1.79% |
| Montana | 8,600 | 641 | 1,222 | 10,463 | 0.35% |
| Nebraska | 15,301 | 1,225 | 1,577 | 18,102 | 0.60% |
| Nevada | 17,371 | 1,227 | 2,229 | 20,827 | 0.69% |
| New Hampshire | 9,724 | 793 | 1,222 | 11,739 | 0.39% |
| New Jersey | 74,068 | 5,795 | 6,235 | 86,098 | 2.84% |
| New Mexico | 18,664 | 1,624 | 1,440 | 21,728 | 0.72% |
| New York | 155,434 | 17,189 | 13,785 | 186,407 | 6.15% |
| North Carolina | 81,359 | 6,122 | 7,397 | 94,878 | 3.13% |
| North Dakota | 6,872 | 442 | 1,222 | 8,536 | 0.28% |

Estimated FY2021 Allocations

| State | Part B, Section 611 | Part B, Section 619 | Part C | Total Supplemental FY2021 Appropriations | State Share of Total |
|--------------------------------|----------------------------|----------------------------|----------------|---|-----------------------------|
| Ohio | 89,947 | 6,753 | 8,352 | 105,052 | 3.47% |
| Oklahoma | 35,369 | 1,993 | 3,059 | 40,422 | 1.33% |
| Oregon | 30,555 | 2,091 | 2,720 | 35,366 | 1.17% |
| Pennsylvania | 88,010 | 7,098 | 8,432 | 103,540 | 3.42% |
| Puerto Rico | 28,925 | 1,682 | 1,328 | 31,936 | 1.05% |
| Rhode Island | 8,961 | 851 | 1,222 | 11,034 | 0.36% |
| South Carolina | 42,006 | 3,637 | 3,517 | 49,159 | 1.62% |
| South Dakota | 8,428 | 746 | 1,222 | 10,396 | 0.34% |
| Tennessee | 56,411 | 3,750 | 4,960 | 65,122 | 2.15% |
| Texas | 242,756 | 12,600 | 23,778 | 279,135 | 9.21% |
| Utah | 25,726 | 1,943 | 2,989 | 30,658 | 1.01% |
| Vermont | 6,626 | 473 | 1,222 | 8,320 | 0.27% |
| Virginia | 67,451 | 4,932 | 6,127 | 78,509 | 2.59% |
| Washington | 52,704 | 4,410 | 5,500 | 62,614 | 2.07% |
| West Virginia | 15,562 | 1,774 | 1,222 | 18,559 | 0.61% |
| Wisconsin | 42,596 | 4,824 | 3,978 | 51,398 | 1.70% |
| Wyoming | 6,951 | 575 | 1,222 | 8,748 | 0.29% |
| Subtotal for the states | 2,548,175 | 200,000 | 245,068 | 2,993,243 | 98.79% |
| American Samoa | 1,389 | 0 | 335 | 1,724 | 0.06% |
| Guam | 3,382 | 0 | 820 | 4,202 | 0.14% |
| Northern Mariana Islands | 1,055 | 0 | 257 | 1,311 | 0.04% |
| Virgin Islands | 1,755 | 0 | 437 | 2,191 | 0.07% |
| Freely Associated States | 1,312 | 0 | 0 | 1,312 | 0.04% |
| Secretary of the Interior | 19,943 | 0 | 3,086 | 23,030 | 0.76% |
| Technical Assistance | 2,991 | 0 | 0 | 2,991 | 0.10% |
| Subtotal Set-Asides | 31,826 | 0 | 4,934 | 36,761 | 1.21% |
| Total Appropriation | 2,580,000 | 200,000 | 250,000 | 3,030,000 | 100.00% |

Source: Estimates prepared by CRS based on unpublished data provided by the U.S. Department of Education, Budget Service and appropriations included in the American Rescue Plan of 2021, the Senate substitute to H.R. 1319, available at <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-117HR1319EAS.pdf>.

Notes: The set-asides included in **Table 1** above were estimated to be made in equal percentages to the set-asides made by ED in calculating state allocations under regular appropriations for IDEA Part B Section 611 and IDEA Part C for FY2021.

Notes: Estimated grants may not sum to totals due to rounding. These are estimated grants only. In addition to other limitations, data which will be used to calculate final grants are not yet available. These estimates are provided solely to assist in comparisons of the relative impact of funding levels in the legislative process. They are not intended to predict specific amounts states will receive.