



Memorandum

TO: Jessica N. Holmes, Chair, Wake County Board of Commissioners

FROM: Chris Dillon, Assistant County Manager
Michael James, Senior Budget and Management Analyst

CC: Wake County Board of Commissioners
David Ellis, County Manager

DATE: June 3, 2018

SUBJECT: Board of Education Request for Special Education Funding

In response to your request on May 18, County staff held a conference call with Congressman Price's staff on May 23rd to discuss the federal funding sources the Board of Education is requesting be replaced with local funding in their 2018-19 Proposed Budget. Karen Hamilton, Assistant Superintendent of Special Education Services for Wake County Public Schools, also participated in the call. See responses to your questions below:

1. Why is this funding no longer available?

WCPSS received a total of \$120 million in one-time federal funding for special education through the American Recovery and Reinvestment Act of 2009 (ARRA). They used the funding to establish additional positions and services for their special education students. While they made this funding last over multiple fiscal years, there is no longer enough remaining for continued support of the positions and services established with it. The Board of Education is requesting \$5.6 million in local funds to cover this gap in FY 2019.

The second driver relates to special education services that are reimbursable by Medicaid. When the ARRA funding described above began to dwindle, WCPSS received two years of Medicaid reimbursements at once which created carryover funds they used to continue and increase positions that had been previously funded with the ARRA funding. The carryover created from this influx of multiple years of

reimbursements has also run out and the Board of Education is requesting \$2.6 million in local funds to cover this gap in FY 2019.

2. Does WCPSS need to reapply for funding?

No. The federal ARRA funding WCPSS is asking to be replaced with local funds was one-time funding that is no longer available.

Special education programs receive recurring funding through the federally funded IDEA, through a formula-based grant. WCPSS currently receives its share of IDEA federal funding based on criteria in a long-established formula.

3. Are there emergency options that Congressman Price can pursue on behalf of the County?

There are no emergency options available, but Congressman Price will advocate for overall increases in federal funding for IDEA. Congressman Price cannot direct funding increases specifically to Wake County Public School System.