

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS45513-NGa-152

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

Sponsors: Senator Grafstein (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO RAISE THE CAP ON THE MAXIMUM PERCENTAGE OF STUDENTS FOR
3 WHICH A PUBLIC SCHOOL UNIT CAN RECEIVE FUNDS, TO PROVIDE
4 ADDITIONAL SUPPORT FOR HIGH-COST DISABILITIES, AND TO APPROPRIATE
5 FUNDS FOR THOSE PURPOSES.

6 Whereas, North Carolina public schools are required under federal law through the
7 Individuals with Disabilities Education Act (IDEA) to provide appropriate educational services
8 to all eligible students with disabilities; and

9 Whereas, the current State funding formula for Exceptional Children services caps
10 funding at 13% of a school district's Average Daily Membership (ADM); and

11 Whereas, many North Carolina school districts now serve a higher percentage of
12 students with disabilities than the current funding cap reflects; and

13 Whereas, when State funding does not align with the number of students requiring
14 services, school districts must redirect funds from general classroom instruction to meet federally
15 mandated special education obligations; Now, therefore,
16 The General Assembly of North Carolina enacts:

17 **SECTION 1.(a)** G.S. 115C-111.05 reads as rewritten:

18 "**§ 115C-111.05. Funding for children with disabilities.**

19 To the extent funds are made available for this purpose, the State Board shall allocate funds
20 for children with disabilities to each local school administrative unit on a per child basis. Each
21 local school administrative unit shall receive funds for the lesser of (i) all children who are
22 identified as children with disabilities or (ii) ~~thirteen~~ ~~sixteen~~ percent ~~(13%)~~ ~~(16%)~~ of its allotted
23 average daily membership in the local school administrative unit for the current school year."

24 **SECTION 1.(b)** There is appropriated from the General Fund to the Department of
25 Public Instruction the sum of eighty-two million eight hundred thousand dollars (\$82,800,000)
26 in recurring funds beginning with the 2026-2027 fiscal year for funding for children with
27 disabilities.

28 **SECTION 2.(a)** Part 1F of Article 9 of Chapter 115C of the General Statutes is
29 amended by adding a new section to read:

30 "**§ 115C-111.11. High-Cost Disabilities Support Fund.**

31 (a) The Department of Public Instruction shall maintain a High-Cost Disabilities Support
32 Fund (HCDSF) to be used to provide funds to local school administrative units and charter
33 schools for the extraordinary costs associated with educating children with disabilities who
34 require intensive and specialized services. The Department shall allocate funds for the following
35 purposes:



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- 1 (1) To provide additional State reimbursement for students whose special
- 2 education services exceed a cost threshold determined by the State Board of
- 3 Education.
- 4 (2) To help districts support students with complex needs while maintaining
- 5 stability in local budgets.
- 6 (3) To ensure that districts do not incur undue financial hardship for serving
- 7 students requiring the most intensive services.
- 8 (b) The State Board of Education shall adopt rules governing the use of funds from the
- 9 HCDSF consistent with the requirements of this section, including at least the following:
- 10 (1) Eligibility to receive funds.
- 11 (2) Reimbursement thresholds for specific uses of funds.
- 12 (3) Reporting requirements for uses of funds."

13 **SECTION 2.(b)** There is appropriated from the General Fund to the Department of
14 Public Instruction the sum of fifteen million dollars (\$15,000,000) in recurring funds beginning
15 with the 2026-2027 fiscal year to be used for the purposes set out in G.S. 115C-111.11, as enacted
16 by this act.

17 **SECTION 3.** This act becomes effective July 1, 2026, and applies to funds allocated
18 for children with disabilities beginning with the 2026-2027 school year.