# The Facts about Special Education in North Carolina

## Introduction

There are over 220,000 children in North Carolina identified as children with disabilities. Students with disabilities often need personalized teaching and support from educators. Providing these special education services is crucial because it ensures students with disabilities can access education and be given the opportunity to succeed. Special education services and supports help students become more independent and reach their full potential in school and beyond.

Inadequate funding levels have resulted in too few helping professionals like psychologists, nurses and social workers who provide vital support for students with disabilities. Missed instructional time can significantly impact educational outcomes as well. Students with disabilities and students of color are disproportionately disciplined according to Civil Rights data. This also results in lost instructional time as well as less access to behavioral and medical support. Students with disabilities may already miss a significant amount of school for a number of reasons, such as medical issues and therapy. Suspensions and court involvement add to lost instructional time.

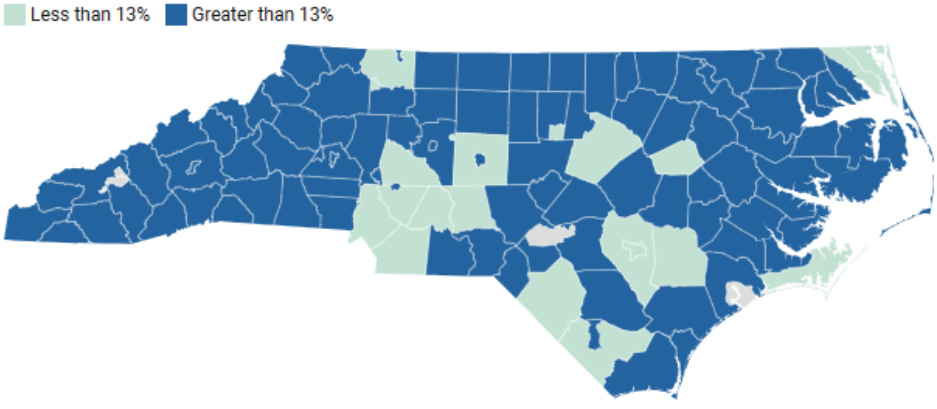
In North Carolina, students with disabilities have struggled to achieve proficiency scores in reading and math. Recent data shows that 15.9% of students with disabilities in North Carolina were grade level proficient in reading, and just 20.7% were grade level proficient in math. According to the NCDPI December 2025 Child Count, 13.7% of K-12 students in North Carolina qualify for special education services.

Funding for special education comes from both federal and state budgets. Federal special education funding comes primarily from two sources: the **Every Student Succeeds Act (ESSA)** and the **Individuals with Disabilities Act (IDEA)**. **ESSA funding** supplements state and local resources. It supports students from low-income families and low-achieving schools through categorical funding to support student achievement.

States receive their federal funding through the “Children with Disabilities” allotment. While the federal funding is intended to cover the excess costs of meeting the educational needs of students with disabilities, it fails to do so. Currently, the state funding comes with a cap, set at 13%. The original cap, 12.5%, was established in 1993 based on estimated numbers of students with special needs as compared to the general student population. In **the majority of districts**, the number of children with disabilities is much greater than the cap allows. As a result, most local school districts are forced to find the extra monies needed to provide special education services from other budget lines to help fill the funding gap.

**Percentage of Special Education Students in NC School Districts as of December 2025**

In North Carolina, funding for students with disabilities or special needs is capped at 13% of a district's Average Daily Membership (ADM) regardless of the percentage of students with disabilities in the district. This map shows which districts have special education populations greater or less than 13% of their ADM.



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In May of 2026, the North Carolina Senate proposed a new bill, SB960: Modernized Children With Disabilities Funding, which would change the funding allotments. The bill would provide school districts with the lesser of two funding methods—funding for all children identified with disabilities in the district or a 16% cap based on the school's average daily membership. The bill also proposes the creation and maintenance of a **High-Cost Disabilities Support Fund (HCDSF)**. The HCDSF would provide public and charter schools with additional funds for intensive and specialized services. Increasing the funding cap to 16% and creating the HCDSF would have a major impact on ensuring proper funding for students with disabilities. Increasing the funding cap to 16% would lower the number of underfunded districts from 94 to 36.

> With the increased 16% cap proposed by SB 960, 80 school districts would receive special education funding for all of their identified students compared to only 21 districts that have adequate funding with the 13% cap.

## Every Student Succeeds Act

ESSA was signed into law in December 2015 and replaced the No Child Left Behind (NCLB) policy as the country's general education law. ESSA went into effect during the 2017-2018 school year and has had a significant impact on all public school students, including students with disabilities. ESSA transitioned power away from the federal government to the state level. Under ESSA, states decide upon education plans for their schools while working within frameworks provided by the federal government. States must receive approval for their proposed education plans. ESSA ushered in several other significant changes as well; it encourages states to expand personalized learning, gives parents more influence over their children's educational plans, and upholds protections for disadvantaged and high-need students.

## Individuals with Disabilities Education Act

**IDEA** is the primary federal **funding** source for students with disabilities and **special education**. Getting quality education for students with disabilities has been a challenge across the country for decades, and North Carolina has been no exception. Prior to the 1970s, parents were not able to enroll their child in public school if their child was determined to be "uneducable." The 1970s, however, saw landmark legal cases that challenged this unequal education system. In 1975, Congress passed the **Individuals with Disabilities Education ACT (IDEA)**, giving children with disabilities the right to "free, appropriate" public education (FAPE). More specifically, IDEA allowed students with disabilities to attend "regular neighborhood schools, in regular classrooms, to the extent possible."

IDEA also determined that each child with a disability would receive an individualized support program to help them succeed in public school, and states were provided with federal funding to make this happen. Parents were also given a larger role in their child's education and had more opportunities to speak with educators. Today, there are approximately 220,730 students in North Carolina covered under IDEA.

> There are about 220,730 students in N.C. covered under IDEA legislation.

While the concept behind IDEA may seem relatively straightforward, navigating the special education system can be complex. Even defining who qualifies under special education may not be obvious. Jane Wettach of the Children's Law Clinic at Duke Law School, created a valuable resource entitled "A Parent's Guide to Special Education in North Carolina" to help answer some of these questions. In this guide, Wettach defines special education as "an approach to teaching children with disabilities that takes into account the barriers those children have to learning in a more typical way."

Examples of a special educational curriculum may include changes in how material is taught, what materials are used, and having specialized lesson plans. Each child is given what is known as an **Individualized Education Program or IEP**, a document that outlines the individualized educational plan for a student. Each child is also given an IEP team that meets with the child's parents to best discuss how to help the child succeed.

### U. S. Department of Education Cuts Threaten Services for Special Needs Students

Since taking office in 2025, President Trump and his administration have been making large-scale cuts to federal department staff and funding, including taking steps to eliminate the Department of Education (ED) and moving many of its duties back to states. In March 2025, President Trump signed an executive order, ordering the closure and dismantling of the ED. Secretary of Education McMahon, has cut ED staff by more than half.

Eliminating the ED threatens the ability of parents of students with disabilities to advocate for the rights of their child. If parents feel their child is not receiving adequate services or accommodations at school due to a disability, they currently have several options for addressing the issue. They can file a complaint with their state, claiming that the child's rights have been violated without proper legal process, or they may choose to pursue legal action in state or federal court. However, this process is time-consuming and often too expensive for many families. Another option is filing a complaint with the ED. Complaints are investigated by the department's Office for Civil Rights. However, advocates warn this option is becoming increasingly out of reach.

When the ED's staff was cut, the administration also dismantled 7 branches of the Office for Civil Rights (OCR) in major cities throughout the nation. OCR was instructed to focus on cases related to antisemitism, resulting in around 6,000 complaints from students with disabilities, going untouched for weeks. A review of the ED by the US Government Accountability Office (GAO) from March to September of 2025 found that of the 9,000 alleged discrimination complaints submitted to the OCR, 7,000 were resolved. Of those 7,000 complaints, **90% were resolved by dismissing the complaint without any actual review**. This rate of dismissal is highly unusual and sets a concerning precedent.

> The Office of Civil Rights, which investigates cases where children's rights have been violated, resolved 90% of their discrimination complaints from March to September of 2025 by dismissing the complaint.

Oversight power over how money for special education is spent by local school districts is also in jeopardy. The ED distributes funding to states, which allocates it to local school districts. In return, local districts must

demonstrate to the state that they are complying with required guidelines. If the ED were eliminated, these oversight mechanisms would cease to exist.

Special education positions are the most difficult to fill, with 74% of public schools in the 2024-2025 school year reporting special education vacancies. An already dire problem will be made worse by the pending lack of oversight and reduction in special education funds.

### Public v.s. Private School Funding for Students with Disabilities

In North Carolina public schools, students with disabilities are given the same allotment for each student ($5,309 in 2024), regardless of their individual needs. This means that students who require more services or assistance do not get more funding to help meet those needs, often leaving them lacking or forcing schools to pull funding from elsewhere to cover the costs. In contrast, the **Education Savings Account Program (ESA+)** voucher program gives each student with disabilities a base allotment of $9,000. Furthermore, students with certain disabilities, such as autism spectrum disorder, hearing impairment, moderate or severe intellectual disability, orthopedic impairment, or visual impairment are eligible for up to $17,000 through the ESA+ program.

The disparity between the funding for students with disabilities in public and private schools is problematic for several reasons. Most importantly, **NC private schools are legally permitted to, and often have policies that discriminate on the basis of disability**—thus, many students with disabilities who apply to a private school are either denied admission because of their disability, or are required to pay a higher tuition rate than their non-disabled peers. In some instances, students with disabilities may find their only option in the private sector is to attend a school specifically for children with disabilities, which isolates them completely from their non-disabled peers. This not only has potential negative impacts on the students with disabilities, but also on their non-disabled peers who do not get the opportunity to interact with students who are different from them.

### Leandro and Improving Special Education in NC

The Leandro Case highlighted the need for special education improvements. Part of the court's response to Leandro included releasing the WestEd Report in 2019, and the state's subsequent Comprehensive Remedial Plan submitted to the court in March of 2021 which gave an overview of the current state of education in North Carolina and recommendations for improvement. These recommendations aimed to help all students, including those with disabilities.

> The Leandro case, which would have provided significant funding and improved outcomes for special education students, was dismissed by the NC Supreme Court in April 2026.

The North Carolina Supreme Court (NCSC) dismissed the Leandro case with prejudice in a 4-3 ruling on April 2, 2026, meaning that the plaintiffs cannot refile and the case is permanently closed. As a result, more focused cases, especially those regarding special education funding, will likely be filed in the near future.

Disability Rights NC offers several ways to meet special education needs in North Carolina:

- Eliminate North Carolina's "cap" for special education funding. The current 13% cap of a district's student population results in underfunding the majority of districts in the state.
- Put funding toward increasing the number of support personnel in schools such as nurses and social workers.
- Direct additional resources and initiatives to economically disadvantaged students. Many disabled students are also economically disadvantaged. According to the WestEd report, "64% of students with IEPs are also economically disadvantaged and 25% of students with disabilities attend high-poverty schools."
- Employ high-quality special education teachers in schools as well as other teachers and principals that are qualified to teach and mentor special needs students.
- Ensure all at-risk 4-year-olds can go to full-day early education programs like NC Pre-K or Smart Start. Both of these programs have been found to significantly reduce the likelihood of special education placement in third grade.

64% of students with IEPs are economically disadvantaged.

## Summary

Special education programs are facing significant challenges, including funding cuts, staffing shortages, and reduced federal oversight, which will negatively impact students with disabilities and their families.

Our most vulnerable students require and have a legal right to additional support to prepare them to lead successful lives. By equipping students with disabilities with the necessary skills and knowledge, special education helps them prepare for future employment, higher education, and independent living.

We must continue to advocate for a sound, basic education for *all* children and make sure our students with disabilities receive the support they need to succeed.

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