OVERVIEW: Section 7.44 of S.L. 2021-180 directs the Department of Public Instruction (DPI) to contract with an independent research organization (IRO) to make recommendations on how to categorize the allocation of funding for students with disabilities and how to set funding levels for each category recommended. The IRO must be located in the State and have not been previously contracted with for such research. The IRO must expand on the findings of certain existing reports and must examine the following:

- For each school system, the percentage of students with disabilities and the funding provided per student with disabilities.
- The potential benefit of allocating funding for students with disabilities based on severity of disability type, as compared to allocating funding based on service level required.
- How other states provide funding for students with disabilities, with particular emphasis on states that differentiate funding by student need.
- How to determine appropriate funding levels for each funding category recommended.
- Recommendations for how schools can utilize available Medicaid reimbursements.

The IRO must submit recommendations and findings to the State Board of Education and DPI by February 15, 2022. DPI must submit a final report on the recommendations and findings, including proposed legislation for implementation, to the Joint Legislative Education Oversight Committee, the General Assembly, the Senate Appropriations Committee on Education/Higher Education, and the House Appropriations Committee on Education by March 15, 2022.

This section became effective July 1, 2021.