

The Fallout of Shrinking Special Education Funding

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As public school districts approach the end of the fiscal year, the financial strain on special education programs is impossible to ignore. Across the country, administrators are sounding the alarm that a decrease in government funding threatens the core of services designed to ensure students with disabilities receive a fair and appropriate education. The repercussions are budgetary, legal, and societal.

A Crisis in Support and Access

The Individuals with Disabilities Education Act ([IDEA](#)) has been the cornerstone of special education in the United States for many years, guaranteeing eligible students the right to a Free Appropriate Public Education (FAPE) tailored to their individual needs through an Individualized Education Program (IEP). But as federal and state funding levels stagnate or decline, school districts are struggling to sustain those mandates.

Essential services, which include occupational and speech therapy, one-on-one aides, specialized classroom instruction, and adaptive technology, are increasingly at risk. In many districts, administrators face impossible choices to reduce staff, increase caseloads, or limit access to supports, which directly impact student progress. The result is an environment where schools risk falling out of compliance with federal law, opening the door to complaints, state investigations, and civil litigation.

Legal Obligations Under Strain

The IDEA is an unfunded or underfunded mandate, which becomes more consequential each fiscal year. The federal government initially promised to cover 40% of the excess costs of educating students with disabilities. According to the Congressional Research Service, current funding is at less than 12%, and the *IDEA* shortfall in the 2024-2025 school year nationwide was \$38.66 billion. States and local districts shoulder the rest.

Failure to provide appropriate services can expose districts to multiple forms of legal liability. Parents may file for administrative due process hearings, alleging violations of FAPE or procedural rights under IDEA. If unresolved, these disputes can escalate into federal court actions under Section 504 of the Rehabilitation Act or the Americans with Disabilities Act (ADA). Claims of discrimination, denial of access, or failure to accommodate are among the most common special education lawsuits nationwide.

Moreover, reductions in special education staff can raise employment law concerns, such as violations of teacher-to-student ratios required by state law or breaches of collective bargaining agreements. If a district reallocates special-education funds to general programming, questions of misappropriation or misuse of federal funds under the Office of Special Education Programs ([OSEP](#)) can arise.

Effect on Families and Educators

Families who rely on these services can find themselves trying to work through appeals and attend numerous meetings to restore previously agreed-upon supports. Teachers and specialists also find themselves in untenable positions. Many are legally responsible for ensuring compliance with IEPs, which gets harder as resources to implement them disappear.

Looking Toward 2026: A Troubling Forecast

If current trends continue, the 2026 forecast for special education is concerning. Without renewed investment, the quality and equity of special education could sharply deteriorate, leading to widening achievement gaps between students with disabilities and their peers. Legal experts anticipate a surge in litigation as parents and advocacy organizations seek to hold schools accountable. At the same time, policymakers may face renewed scrutiny.

The Intersection of Policy, Law, and Equity

Special education is a civil right. The IDEA, Section 504, and ADA collectively enshrine the principle that students with disabilities deserve equal access to learning opportunities. When funding is cut, that right is eroded.

At the end of the day, this is about accountability. The promise of the IDEA was that every child, regardless of disability, would have access to an education that prepares them for further learning, employment, and independent living.

As 2026 planning continues, policymakers need to understand cutting special-education funding shifts costs to families forced to seek private services, to teachers navigating impossible workloads, and to courts addressing the fallout.