There has been much discussion about the growth in city costs for students with disabilities placed in private schools—the largest share of this spending comes from what is known as Carter Cases. According to a decades-old Supreme Court ruling, parents of students with disabilities can enroll their child in a private school and seek tuition payment from the city if they can show that public school cannot meet their child’s needs through legal action known as a “Carter Case.” The amount of city spending on Carter Cases has been growing rapidly in recent years and in fiscal year 2022 reached a new high, topping $900 million. IBO examines these expenditures over time, how much the city has budgeted for future spending, and what is included in these costs.

Carter Case Expenditures Top $900 Million in Fiscal Year 2022, While This Year’s Budget Remains Unchanged

In fiscal year 2022 city spending on Carter Cases reached $918 million, a more than 80 percent increase over the $499 million spent by the city just three years ago.

Despite these rising costs, the city has budgeted only $446 million for Carter Cases in fiscal year 2023—a baseline amount that has remained unchanged for several years. This means the city will likely need to add funding during the year, as it has done in recent years.

For example, the city initially budgeted $666 million for fiscal year 2022 Carter Case expenses. By the end of the fiscal year in June the city anticipated spending $731 million, however, by the middle of September, 2022 claims pushed expenses beyond even those expectations to over $900 million for the fiscal year.
Carter Case expenditures are divided into four categories by the city: tuition, education consultants, legal and arbitration services, and transportation. Tuition costs include payments to contract schools for Carter Case students who are currently enrolled, as well as reimbursement payments to families who had been paying tuition while their cases were processed. Education consultants deliver services—such as behavioral analysis, speech, occupational and physical therapy—directly to private school students who go through the Carter Case process but whose tuition, however, is paid by their parents. Legal and arbitration costs cover expenses incurred during the impartial hearing process to settle a Carter Case claim.
Education Consultants

Dollars in Millions

Fiscal Year


Legal & Arbitration Services

Dollars in Millions

Fiscal Year

Carter Case Spending for Students with Disabilities Continues to Climb

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Beginning almost a decade ago, the Department of Education (DOE) put reforms in place that focused on expedited reimbursements for families paying tuition. Those changes were intended to reduce the number of outstanding claims at any given time, and late last year the DOE transferred the adjudication of Carter Cases from the DOE Impartial Hearing Office to the city's administrative law court, the Office of Administrative Trials and Hearings, to further expedite review. In addition to the shifts on the process side, the DOE has recently worked to increase in-house capacity to provide services to children with disabilities within public schools. However, these changes have yet to reduce expenditures.

Rising costs for tuition and education consultants have remained important factors driving expenditures for Carter Cases. While tuition payments continue to comprise the largest share of costs, spending on education consultants accounted for all the growth in 2022 spending.

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