$IDEA Money Watch

because we need to know where the money goes

The Facts

→ Just over half (56%) of students with disabilities graduate with a regular diploma. Some states have graduation rates as low as 17% (Nevada) and 23% (Mississippi).
Source: *www.IDEAdata.org*, 2007

→ One in four (26%) students with disabilities drops out of school. Some states have drop-out rates as high as 50% (Arizona) and 45% (Louisiana). In some states, more Black students with disabilities drop out than graduate (FL, LA, MI, NY, SC).
Source: *www.IDEAdata.org*, 2007

→ Students with disabilities score poorly on national measures of reading and math:

4th Grade
Reading: *13% "at" or "above proficient"*
Math: *19% "at" or "above proficient"*

8th Grade
Reading: *7% "at" or "above proficient"*
Math: 8% "at" or "above proficient"
Source: NAEP, 2007

→ One in ten (45,500) special education teachers is not highly qualified as required by IDEA.
Source: www.IDEAdata.org, 2006

→ The National Council on Disability's evaluation of nearly two and a half decades of federal enforcement of the Individuals with Disabilities Education Act found every state and the District of Columbia out of compliance with IDEA requirements to some degree.
Source: Back to School on Civil Rights, 2000

ARRA and IDEA:

Challenges and Opportunities

Opportunities:

- Improving knowledge and involvement of stakeholders on issues of school funding and special education finance;
- Improving achievement and outcomes for IDEA-eligible students;
- Aligning spending with SPP/APR data (*performance* and *compliance*) to improve student achievement and post-school outcomes;
- Advancing/adopting research-based practices;
- Improving teacher qualifications.

Challenges:

- Educating stakeholders;
- Gaining access to information and involvement in decision-making at the SEA and LEA level;
- Limited/confusing guidance from SEAs, some imposing application process;
- Managing detrimental impact of IDEA provisions regarding increases in federal funds and maintenance of effort (MOE);
- Maintaining adherence to IDEA provisions regarding permissive use of funds;
- Obtaining useful information from quarterly reports;
- Showing results within short timeframe.

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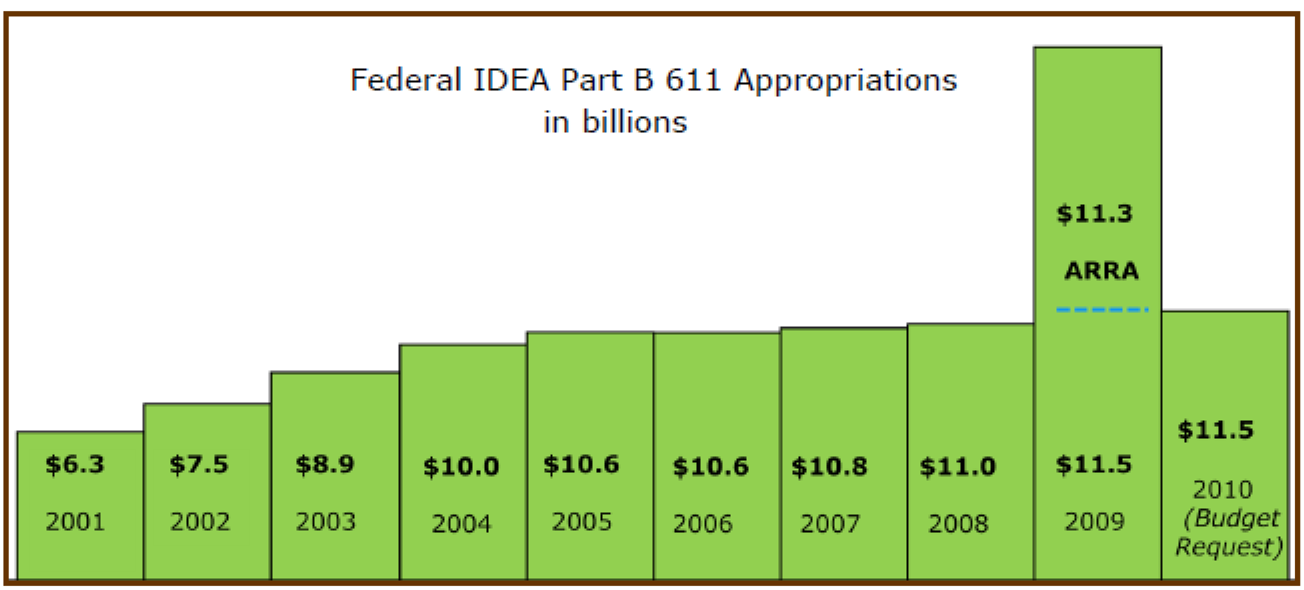
What's in a Rating?

Plenty, according to the U.S. Department of Education (USED). Many were surprised…even amazed to learn by way of the USED Guidance on Use of IDEA funds provided by the ARRA that local educational agencies (LEAs, *aka* school districts) would need to receive a *"Meets Requirements"* rating from the state (based on the LEA's performance on the State Performance Plan) in order to take advantage of IDEA's provision allowing a reduction in its local level of expenditures on special education by up to 50% of any increase receive from one fiscal year to the next.

Given the extraordinary circumstances brought about by the one-time IDEA supplemental appropriation that Congress provided in the ARRA, these LEA ratings suddenly became a BIG DEAL. The IDEA provision, intended to provide LEAs with some level of relief if/when Congress increases annual appropriations for IDEA, was based on the assumption that increases would be both *gradual* and *sustained*. Since the provision assumed a *sustained* increase, IDEA also allows the new, lower level of local expenditures to become the LEA's new "maintenance of effort" — the amount of local funds the LEA must expend from one year to the next to be in compliance with the law and steer clear of "supplanting" issues. No one ever imagined the circumstances brought about by the IDEA ARRA funds — a giant increase with nothing to indicate that the increase in federal annual appropriations in coming years will be anything close to the amount provided by ARRA.

"*Foul*" cried some … "*who knew?*" sobbed others. Well, the language requiring states to prohibit LEAs from reducing their local expenditures when increases occur had been hiding right in plain sight all the time. It's in IDEA's Section 616, *Monitoring, Technical Assistance, and Enforcement*. Nobody had paid this little bit of statutory language much attention since increases in federal IDEA appropriations have been small, few and far between since the law's enactment back in 1975. Now, here comes the ARRA and its big surprise — a supplemental appropriation for IDEA, all to be counted as FY09 funds, that is equal to the amount provided in FY09 for most LEAs. Now we're talking serious money … and the LEAs suddenly have a lot riding on those RATINGS.



That's our story and we're stickin' with it, said USED. In an addendum to its April 1, 2009 guidance, on April 13th USED modified its explanation of its original interpretation regarding use of IDEA's local level of expenditures provision (now known as the infamous Question D-7) maintaining its original interpretation.

"*Yippee*" cried the advocates … "*About time!*" exclaimed gleeful parents. At least some of the more than 14,000 LEAs in the nation will need to spend all of their ARRA funds on improving services for IDEA-eligible students (while also maintaining the level of their local funding for special education)! Given the dismal outcomes of students with disabilities in the U.S., it seems only fair that LEAs found to be out of compliance with IDEA should be required to use the ARRA windfall funds to do better — by adding the new funds to their current level of expenditures.

Miami-Dade School District,
Miami, Florida
"Meets Requirements"
according to the
Florida Department of Education
YET…

- Only **27.2%** of students with disabilities in grades three through ten demonstrate proficiency in **reading**.

- Only **30.7%** of students with disabilities in grades three through ten demonstrate proficiency in **math**.

- Only **38%** of students with disabilities **graduate**.

- Only **51.64%** of students with disabilities are in **employment** and/or **continuing education** within one year of leaving high school.

- **Black students** represent **26%** of district enrollment yet account for **48%** of students labeled as having **Emotional Disturbance** (*Risk Ratio*: 2.69)

The bottom line. Wait a minute. Turns out, the ratings given to LEAs are based on *compliance* data … stuff like the validity, reliability and timeliness of the data submitted by the LEA; evidence of uncorrected noncompliance in the past; and any audit findings. While there are several important *performance* indicators in the State Performance Plan — such as *graduation and dropout rate*, *proficiency in reading and math on state assessments, instruction in the least restrictive environment* — how an LEA is doing on these *performance* indicators doesn't count in the determination of the rating. (Take, for example, the performance of students with disabilities in Florida's Miami-Dade School District, 4th largest district in the nation. See box at left.) Worse yet, states are not required to report the LEA ratings to the public, making it hard to obtain this important piece of information.

IDEA Money Watch is busy obtaining the LEA ratings for every state in the nation. So far we have LEA ratings for 25 states available from www.IDEAmoneywatch.com. What we are finding is that most states rate most LEAs as *"Meets Requirements"* — making them eligible to take advantage of IDEA's provision to reduce local expenditures by up to 50% of the increase they receive in federal IDEA funds. We'll keep posting the rating until we have every state. Check back if your state isn't listed yet.

Our thanks to the Center for Law and Education for its assistance in obtaining the LEA ratings from states that do not make the ratings publicly available.

www.IDEAmoneywatch.com