

EXECUTIVE SUMMARY

SECTION I

Context/Environment: This section contains background information on the setting within which special education services are provided to children and youth with disabilities. The first module in this section presents some of the changes to the Individuals with Disabilities Education Act resulting from the IDEA Amendments of 1997. The second module describes the implementation of State accountability systems.

Overview of the IDEA Amend- ments of 1997

- The IDEA Amendments of 1997 augment and strengthen the previous version of the Act. This module uses six principles as the framework around which education services are designed and provided to children with disabilities to describe the recent changes. These six principles are the availability of a free appropriate public education (FAPE), appropriate evaluation, development of an individualized education program (IEP), education provided in the least restrictive environment (LRE), parent and student participation in decision making, and procedural safeguards to protect the rights of parents and their child with a disability.
- The IDEA Amendments of 1997 add specific new requirements regarding the disciplining of students with disabilities. The law now specifically requires that FAPE must be made available to children who are suspended or expelled. State and local educational agencies (SEAs and LEAs) are responsible for ensuring that a student's IEP, with its goals and objectives, continues to be implemented in the LRE even though the child has been removed from school.
- The law includes a new competitive grant provision--the State Improvement Grants (SIGs). The majority of these grant funds must be spent for personnel development to fulfill the requirement for an adequate supply of qualified special education, regular education, and related services personnel.

**State
Accountability
Systems and
Students with
Disabilities**

- The law also addresses the issue of professional standards. Under the IDEA Amendments of 1997, States may allow the use of appropriately trained and supervised paraprofessionals and assistants to assist in the provision of special education and related services under certain conditions.
- The traditional model for general education accountability is based largely on inputs to the system. These input-oriented accountability systems are variously called accreditation, school improvement reviews, accountability reports, profiles, or district composite reports. Compliance reviews for specific categorical programs funded by either the Federal or State government also rely on inputs to the system.
- Traditional accountability in special education has been focused on compliance--on ensuring that districts were undertaking the appropriate procedures prescribed by Federal and State law in a timely fashion.
- The IDEA Amendments of 1997 shift accountability to focus on whether students are meeting the new standards, which involves shifting the orientation of accountability from inputs or processes to results and "raising the bar" on expectations for students with disabilities.
- States continue to struggle with establishing the correct mix of emphasis on accountability for process versus accountability for student results.
- Including students with disabilities in the general State accountability system extends their franchise in the general system but at no point exonerates a State from ensuring individual protections promulgated by IDEA.

SECTION II

Student Characteristics: This section contains five modules related to the characteristics of students served under IDEA and the Federal funding that States receive to serve these students.

**Children Ages
Birth Through
Five Served
Under IDEA**

- Over the past 5 years, the number of infants and toddlers served under Part C has steadily increased from 145,179 on December 1, 1992, to 187,348 on December 1, 1996. The percentage of the population ages birth through 2 served under Part C rose slightly from 1.54 percent in 1995 to 1.65 percent in 1996.
- The most frequent setting in which infants and toddlers with disabilities received services was home (90,275 or 53 percent), followed by early intervention classroom (47,896 or 28 percent).
- Over the past 5 years, the number of children served under the IDEA Preschool Grants Program increased from 455,449 during the 1992-93 school year to 559,902 during the 1996-97 school year.
- During the 1995-96 school year, 51.6 percent of children ages 3-5 with disabilities were served in regular classes, approximately a 1 percent increase over the percentage served in regular classes during the previous year.

**Students Ages 6
Through 21
Served Under
IDEA**

- Over the past few years, the number of school-age students with disabilities served has increased at a higher rate than the general school enrollment.
- Over the past 10 years, the number of students ages 6-11 with disabilities served increased 25.3 percent, the number of students ages 12-17 with disabilities increased 30.7 percent, and the number of students ages 18-21 with disabilities increased 14.7 percent.
- More than 90 percent of the school-age students served under IDEA in 1996-97 were classified in one of four disability categories: learning disabilities (51.1 percent or 2,676,299 children), speech or language impairments (20.1 percent or 1,050,975 children), mental retardation (11.4 percent or 594,025 children), and emotional disturbance (8.6 percent or 447,426 children).

***The Racial/Ethnic
Composition of
Students with
Disabilities***

- The distribution of students by disability varies across age groups. Specific learning disabilities is the largest single category for each of the three age groups, accounting for 41.2 percent of students ages 6-11, 62.3 percent of students ages 12-17, and 51.7 percent of students ages 18-21.
- The disproportionate representation of racial and ethnic minorities in special education is a highly complex issue because it is difficult to isolate the effects of poverty, limited English proficiency, residence in inner cities, and race/ethnicity on special education eligibility.
- Discrepancies in disability prevalence and service provision across racial/ethnic categories are most apparent in the mental retardation category.
- The race/ethnicity data now required under the IDEA Amendments of 1997 will better enable Congress and OSEP to monitor the disproportionate representation of racial and ethnic minorities in special education and dropout rates for minority youth.

***Gender as a
Factor in Special
Education
Eligibility,
Services, and
Results***

- Although males and females comprise equal proportions of the school-aged population, males account for approximately two-thirds of all students served in special education.
- The disproportionate representation of males in special education seems greatest in the learning disability and emotional disturbance categories, which are often considered the disability categories with the most broadly defined eligibility criteria.
- Once students are identified as eligible for special education, the services they receive do not differ greatly by gender, and teachers appear to consider an individual student when selecting instructional techniques.
- Overall, girls with and without disabilities had better in-school results than boys with and without disabilities. However, despite their better academic performance, females with disabilities have less positive

***Students with
Emotional
Disturbance***

postschool results than their male peers. They are less likely to be employed, have lower wages, and are less likely to enroll in postsecondary education or training.

- In comparison with other students, both with and without disabilities, children with emotional disturbance are more likely to be male, African American, and economically disadvantaged.
- The majority of students with emotional disturbance continue to receive most of their services in environments that separate them from students who do not have emotional disturbance. Although some students can succeed in regular classes, research suggests that many of these students and their teachers do not currently receive the supports that they need to succeed in regular class placements.
- Students with emotional disturbance fail more courses, earn lower grade point averages, miss more days of school, and are retained at grade more than students with other disabilities. Fifty-five percent leave school before graduating.
- OSEP-supported research projects have helped pinpoint problem areas in these students' development and have made significant contributions to the development of promising approaches to early intervention and school discipline. OSEP currently funds projects that focus on prevention, positive approaches to learning, cultural competence, and assessment of children with emotional disturbance.
- In fiscal year (FY) 1998, *The National Agenda for Improving Results of Children and Youth with Serious Emotional Disturbance* became a Focus Area under OSEP's Model/Demonstration priority, and three new awards were granted to support comprehensive services in conformance with the seven target areas of the Agenda.

SECTION III

School Programs and Services: This section contains five modules that examine some of the programs and services available within schools for children and youth with disabilities and their families.

Special Education Teachers: National Trends in Demand and Shortage

- Statistics from OSEP's Data Analysis System (DANS) provide convincing evidence of a national substantial chronic shortage of special education teachers who are fully certified in their positions.
- There has been dramatic growth in the number of total teaching positions nationally for students ages 3-5 with disabilities. From 1987-88 to 1995-96, demand increased by more than 100 percent from about 13,000 to about 27,000 teachers.
- In contrast with the rapid growth in teacher demand for students ages 3-5, the growth in the number of total teaching positions nationally for students ages 6-21 with disabilities has been gradual. From 1987-88 to 1995-96, demand increased by 15 percent from about 284,000 to about 328,000 teachers.
- Teaching positions in special and general education expanded by comparable percentages from 1987-88 to 1995-96; therefore, the serious chronic shortage of teachers in special education cannot be attributed to extraordinarily rapid expansion of teaching positions in contrast with general education. Evidence suggests that the number of graduates in special education teacher preparation programs is much too low to satisfy the need for fully certified special education teachers.
- Twenty-five States either have a statewide policy for using individualized family service plans (IFSPs) with preschoolers (3 States) or allow IFSPs as a local option with children ages 3-5 who are eligible for special education services (22 States). Sixteen of these States have adopted guidelines, standards, or regulations for IFSP development or transition from an IFSP to an IEP.

Using IFSPs with Preschoolers

***Educational
Environments for
Students with
Disabilities***

- A National Association of State Directors of Special Education (NASDSE) study found two main factors that promote the successful use of IFSPs with preschoolers: family preference for using an IFSP and State and local support for the use of IFSPs.
- The NASDSE study also described barriers to the implementation of IFSPs with preschoolers. These include agency differences in eligibility rules and requirements, resistance to change, and the cost associated with using IFSPs with preschoolers.
- There has been gradual progress in serving larger percentages of students with disabilities in regular class environments and regular schools.
- In 1995-96, more than 95 percent of students with disabilities ages 6-21 attended schools with their nondisabled peers. Approximately 46 percent were removed from their regular classes for less than 21 percent of the day; about 29 percent received special education and related services outside regular classes for 21-60 percent of the day; and 22 percent were served outside of the regular classroom for more than 60 percent of the day.
- The environments in which students with disabilities received services varied by disability and age. Progress in serving students in more inclusive settings has also varied from State to State.
- Factors affecting the extent to which students are served with nondisabled peers include statewide student achievement, population density, per capita income, human services expenditures per capita, and expenditures per pupil.

***Funding for
IDEA***

- Under the IDEA Amendments of 1997, in the next FY after the Federal appropriation for Part B, Section 611 reaches approximately \$4.9 billion, the previous year's allocation will become the base allocation for States; 85 percent of additional funds above the base will be allocated based on population in the age ranges for which States mandate services, and 15 percent will be

based on the number of children in the State living in poverty in those age ranges.

- A NASDSE survey found that although in FY 1994 more than \$7.6 million was distributed nationally to States through OSEP-sponsored competitive grants for personnel preparation, 43 States allocated \$29.7 million of their set-aside for Comprehensive System of Personnel Development activities.
- The IDEA Amendments of 1997 freeze the State set-aside at FY 1997 levels, plus either an adjustment for inflation or the percentage increase in the State IDEA allocation, whichever is lower.
- Part B funding to States increased by 34 percent (\$785,558) from 1996 to 1997, the largest 1-year increase in the history of the program.
- Over the past 20 years, States have been working toward interagency collaboration to provide more comprehensive, cost-effective, and streamlined services to children with disabilities. Recent reauthorizations of IDEA have increasingly required that interagency collaboration be used to strengthen special education services.
- Interagency agreements cover a spectrum of services to school-aged students with disabilities, including school-to-work transition activities and data sharing, improving services to children in juvenile treatment centers, creating coordinated early intervention and preschool services, expanding health services access for Medicaid eligible children, and collaborating on multi-agency personnel development.
- Building on a history of interagency cooperation, SEAs, vocational education agencies, and vocational rehabilitation programs are in the process of renewing their service systems to provide youth with disabilities a smoother transition into postschool activities.

***State Progress
in Use of
Interagency
Agreements***

SECTION IV

Results: The six modules in this section describe some of the reforms, alternate assessments, and results for students with disabilities; OSEP's State monitoring program; OSEP's response to the Government Performance and Results Act; and the efforts of the Federal and Regional Resource Centers to improve results.

Standards-Based Reform and Students with Disabilities

- Standards-based reform encompasses four concepts: high standards, accountability, implementation of consequences as part of the accountability system, and renewed reliance on the use of assessments to measure the performance of students and their progress toward meeting standards.
- Although the use of statewide assessments as part of educational accountability systems is widespread, the specifics of the assessments are extremely variable from one State to the next. Most States administer assessments in grades 4, 8, and 11, and the subjects most frequently covered are mathematics, language arts, and writing, with science and social studies close behind.
- Currently, there is a tremendous amount of State activity related to assessments, which means that the characteristics of State assessment systems change frequently.
- In December 1997, the Department of Education was sponsoring 19 assessment-related projects. Eight of these projects were funded through the Office of Special Education Programs; eight were funded by the Office of Educational Research and Improvement. The remaining studies included a project exploring ways to increase the number of students with disabilities and limited English proficiency who participate in the National Assessment of Educational Progress (NAEP); National Center for Educational Statistics research that addresses students with disabilities and students with limited English proficiency; and a study by the National Center on Educational Outcomes that focuses on educational results for all students.

***Developing
Alternate
Assessments for
Students with
Disabilities***

- Although many students with disabilities currently participate in large-scale assessments, the challenge is to develop rigorous, alternate assessments for students with significant disabilities that are based on standards relevant to their postschool needs.
- There are three predominant types of large-scale assessment for students with disabilities: general assessments, general assessments with accommodations, and alternate assessments.
- Participation in alternate assessments should be used cautiously because the majority of students with disabilities can participate in large-scale assessments.
- Kentucky's Alternate Portfolio and Maryland's Independence Mastery Assessment Program are examples of alternate assessment systems for the small percentage of students who cannot participate in regular assessments.

***Secondary
School
Completion for
Students with
Disabilities***

- Students with disabilities who complete high school are more likely to be employed, earn higher wages, and enroll in postsecondary education and training.
- Graduation rates vary by disability. Students with speech and language impairments, specific learning disabilities, hearing impairments, and visual impairments were most likely to graduate with a diploma or certificate.
- The percentage of students with disabilities who complete high school with a diploma or certificate also varies considerably by State. In 1995-96, 151,222 students ages 17-21 with disabilities graduated with a diploma or certificate. This figure represented 29 percent of all students with disabilities and 74 percent of those exiting the system.
- State economic, demographic, and educational variables apparently affect graduation rates, but in complex and inconsistent ways.

**State
Improvement
and Monitoring**

- In working with States to ensure compliance and improved results for students with disabilities, OSEP emphasizes partnerships and technical assistance, together with a strong accountability system.
- To ensure a strong accountability system, OSEP has emphasized strong and diverse customer input in the monitoring process; effective methods for ensuring compliance with Part B, with strongest emphasis on requirements that relate most directly to continuous improvement in learner results; prompt identification and correction of deficiencies; and corrective action requirements and strategies that yield improved access and results for students.
- OSEP focused its monitoring efforts during the first half of the 1997-98 school year on working with a broad spectrum of stakeholders to ensure timely implementation of the new requirements in a manner which would support improved results for students and educational reform.

**Performance
Indicators for
Parts B, C, and D**

- To meet the mandate of the Government Performance and Results Act of 1993, OSEP developed a strategic plan based on the IDEA Amendments of 1997, OSEP's primary vehicle for improving results for children and youth with disabilities. OSEP developed a series of program logic models with goals, objectives, and performance indicators for the IDEA Amendments of 1997 as a whole, as well as for Parts B, C, and D independently.
- A primary objective of Part B is to improve educational results for children and youth with disabilities. An indicator of progress in this area is to increase the percentage of children with disabilities who are proficient in reading, math, and other academic subjects, based on measures such as State assessments and the National Assessment of Educational Progress.
- One of OSEP's strategies for reaching the Part C objective of identifying all eligible children is to work with the Federal Interagency Coordinating Council to develop ways to coordinate Child Find efforts for Federal programs serving similar populations.

***Results From
RRC Technical
Assistance to
States***

- The primary goal of the Part D discretionary programs is to build a comprehensive and systematic infrastructure that is linked to States, school systems, and families and that identifies, develops, and communicates best practices to improve results for children with disabilities.
- RRCs help State educational agencies improve their systems of early intervention, special education, and transition services through the development and implementation of policies, programs, and practices to enhance educational results for children and youth with disabilities.
- As a result of an ongoing work group, information exchanges, and conferences, States are better able to implement systems for ensuring compliance that have a direct effect on the services available to children with disabilities and the results they achieve.
- The RRFC Network, its member Centers, and its major collaborator in the domain of assessment and accountability, the National Center for Educational Outcomes, have worked together to develop research, disseminate best practices, provide technical assistance, and facilitate collaborative efforts linking general and special education personnel, parents, and other stakeholders.

INTRODUCTION

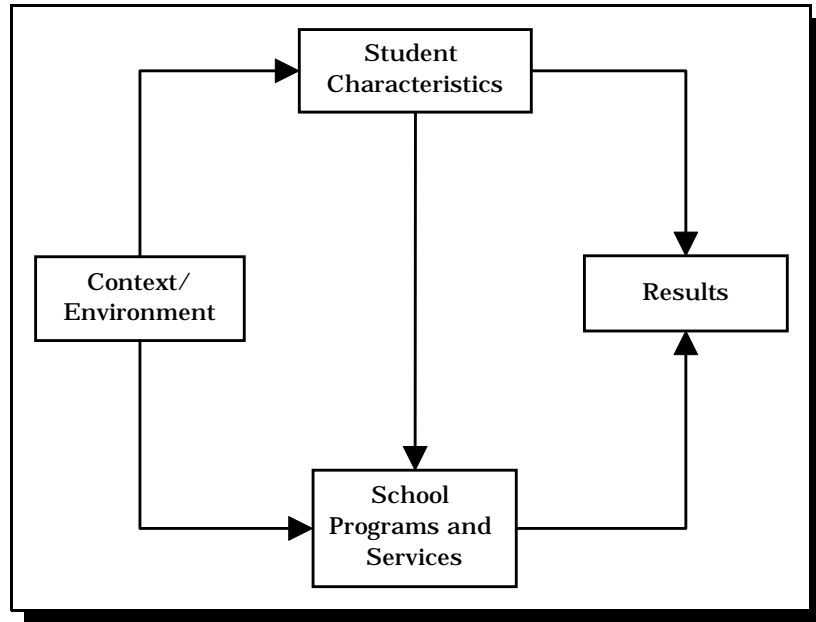
The *20th Annual Report to Congress* was written immediately after the reauthorization of the Individuals with Disabilities Education Act (IDEA). This report reflects the greater emphasis the IDEA Amendments of 1997 place on measurable results, through improved accountability and data collection efforts. It also discusses school reform efforts that have been under way for several years. These changes are taking place at the national, State, and local levels and should result in positive changes for infants, toddlers, children, and youth with disabilities.

This annual report highlights many of the recent changes in the legislation and also builds upon the information contained in the *19th Annual Report*. It retains the overall structure (described below) that was first used in the *19th Annual Report*. To assist the reader, the two reports have been cross-referenced where appropriate.

The report is divided into four sections, each representing one part of a conceptual framework (see figure 1). In this model, educational results for students with disabilities are envisioned as the product of three sets of factors: the context and environment in which education is provided, the characteristics of students, such as disability, race, gender, or poverty, and the school programs and services which they receive. As shown in the model, contextual/environmental factors are directly linked to student characteristics and to school programs and services. However, there is also a direct link between student characteristics and school programs and services. All three of these inputs influence the output, educational results for students.

Within each section of this report are a number of discrete modules that address current issues, highlight trends in data, and/or describe OSEP-sponsored projects (see figure 2). Writers of the modules included OSEP personnel and staff from OSEP-funded research and technical assistance projects.

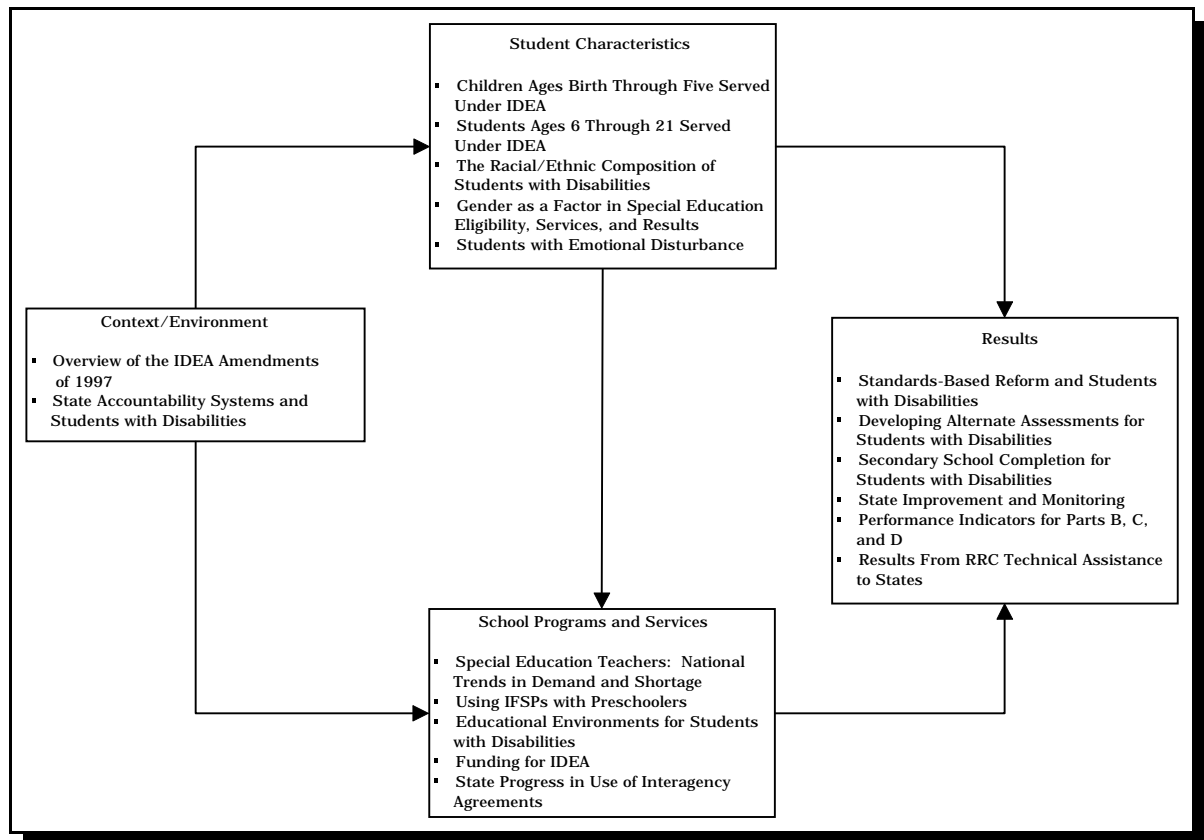
Figure 1
Conceptual Framework of Results for Children and Youth with Disabilities



The intent of the first section, Context/Environment, is to identify selected major societal and educational forces that affect delivery of services to children with disabilities. In this section, two overviews are provided. The first module highlights the changes in IDEA based on its reauthorization in June 1997. The second module contains an overview of State accountability systems with regard to students with disabilities. More information on accountability systems is included in the Results section.

The second section, Student Characteristics, contains five modules that focus on the students served under IDEA. The modules in this section highlight State-reported data and changes in IDEA for children ages birth through 5 and students ages 6 through 21 served under the program.

Figure 2
Issues Addressed in This Report



Also included in this section is the racial/ethnic composition of students with disabilities and gender as factors in special education eligibility, services, and results. Finally, in this section, the needs of children and youth with emotional and behavioral problems are addressed.

There are five modules in the third section, School Programs and Services. The first module discusses national trends over the past 9 years related to special education teacher demands and shortages. The second module highlights the factors that support or impede the use of IFSPs with preschoolers. The third module reports data on educational environments for school-age children. In the fourth module, the status of the Part B funds, the new funding formulas set forth in the IDEA Amendments of 1997 for students ages 6

through 21, and the Preschool Grants Program are described, and highlights of a National Association of State Directors of Special Education survey on State usage of set-aside funds are reported. The fifth module describes the increase in use of interagency agreements to promote collaboration among agencies that serve students with disabilities.

The fourth section brings together all the components of the model by emphasizing national results in the field of special education. The standards-based reform movement is being implemented within the educational system, and special education is playing an increased role in these efforts. The first module describes the concept of standards-based reform and its implementation by States. The second module continues this discussion by describing State efforts in developing alternate assessments for students with disabilities. The third module presents data on secondary school completion for students with disabilities. The remaining three modules describe Federal efforts to ensure that IDEA is fully implemented. They are: OSEP-conducted State improvement and monitoring efforts, development of performance indicators for Parts B, C, and D of IDEA, and efforts of Federal and Regional Resource Centers to assist States in the implementation of the IDEA Amendments of 1997.

The modules in each of the four sections cover a wide range of topics that describe challenges and achievements in serving students with disabilities. Taken as a whole, the *20th Annual Report to Congress* provides an overview of important issues affecting education for students with disabilities today.