

Here's the information you requested. To continue receiving WISTAX research . . .

Join the Wisconsin Taxpayers Alliance.

Now in its 8th decade, WISTAX is a nonprofit, nonpartisan organization dedicated to policy research and citizen education. WISTAX is Wisconsin's only statewide government watchdog. It is *the* independent source that the public, press and public officials look to for the truth about state and local government.

WISTAX cuts through political rhetoric to give you facts. Armed with WISTAX facts, Wisconsin voters can do their job—keep government honest, efficient and accountable.

What are the benefits of WISTAX membership?

Sign up for one-year membership with WISTAX and keep yourself informed! Membership includes:

- 28 issues of our bimonthly newsletter—
in-depth analysis of breaking news;
- 12 issues of our monthly magazine—read-
able briefs on Wisconsin government;
- Annual tax guide;
- Reduced prices on special publications;
- Access to first-rate research staff.

Your membership helps ensure responsible government for Wisconsin.



Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033
Phone: 608.241.9789 Fax: 608.241.5807

Date: _____

Name: _____

Company: _____

Address: _____

City/Zip: _____

I want to become an annual member of WISTAX (\$75 minimum)! I am contributing:

\$75 _____ \$100 _____ \$250 _____ \$500 _____ Other \$ _____

Payment enclosed Visa/MC # _____ Exp. _____

Info Request



A monthly review of Wisconsin government, taxes and public finance

The Wisconsin Taxpayer

...with new
reader-friendly
features!



Also in this issue:

Wisconsin Notes: Number of women in state legislature down; more ...

WISTAX Focus: Who ultimately pays Wisconsin's taxes; more ...

Special Education Legal Requirements

Funding Special Education

IN BRIEF

Federal legislation passed in 1975 guaranteed a free and appropriate education for disabled children. Along with the federal mandate was authorization for partial funding. Wisconsin also authorizes state funding of special education. This report examines Wisconsin special education populations and funding in a national context. Among the key findings:

- From 1977 through 2003, the number of Wisconsin students identified as disabled rose from 6.1% of the public school population to 14.4%.
- Federal and state funding has not kept pace with increases in disabled student populations.
- Although federal dollars have risen significantly since 1996-97, they are still less than half the amount authorized by law.
- Wisconsin special education funding increased modestly over the last 10 years as most new school aid dollars went to general aid.
- In 2003-04, state special education dollars were less than half the authorized amount.

Wisconsin Notes

■ **Women Legislators.** The number of women in the Wisconsin legislature declined by three to 34 for the 2005-07 session. At 25.8% of all seats, Wisconsin was 18th in percentage of female legislators, according to the National Conference of State Legislatures. Nationally, the percentage of female legislators rose to 22.5% from 22.2% in 2003.

■ **State Revenues.** Wisconsin's Legislative Fiscal Bureau (LFB) recently released revenue estimates for the 2005-07 biennium. They project state general purpose tax revenues growing an average of 4.7% during the two years. Of the state's major taxes, the individual income tax is expected to climb the most, 6.7% per year. The corporate income tax is forecast to decline 5.2% per year after rising 13.0% in 2004-05.

■ **High School AP Tests.** The number of Wisconsin high school students taking advanced placement (AP) courses rose 10.8% in 2004 to 17,768. These students took a total of 27,984 AP exams. Students earning a grade of at least three out of a possible five on an AP exam are eligible for college credit at most colleges and universities. In Wisconsin,

Number of Advanced Placement Students Rises
AP Students, Exams and % "College-Level" Scores

	2000	2001	2002	2003	2004
Students	12,604	13,736	14,882	16,034	17,768
Exams	19,012	20,815	22,850	25,141	27,984
Scores 3-5	12,918	13,538	15,905	17,099	19,184
% Scores 3-5	67.9%	65.0%	69.6%	68.0%	68.6%

68.6% of students earned grades of 3-5, compared to 59.7% nationally. Among the AP tests, students were most likely to score 3-5 on European History (81.9%), Calculus BC (81.8%) and Psychology (81.0%).

WISTAX Focus

■ **State Tax Burden.** The first study of the Wisconsin tax burden since 1979 found the state's tax system to be proportional to progressive for 99% of households. A recent issue of *Focus* from the Wisconsin Taxpayers Alliance titled "Who ultimately pays Wisconsin taxes?" (#28-04) summarizes some of the key findings of the Wisconsin Department of Revenue study. It notes that the individual income tax was the most progressive, "sufficiently so as to offset the regressivity of some other taxes."

■ **Property Tax Increases.** In "Property tax increases accelerate" (#27-04), WISTAX estimated that net property taxes levied in December 2004 for collection in 2005 will be at least 6% over 2004 levels. Last year's increase was 4.7%. State (8.4%) and school (7.3%) levies are rising the most, followed by counties (4.6%) and technical colleges (4.5%). Municipal levies are projected to rise 4.5%.

The Wisconsin Taxpayer

January 2005 Vol. 73 No. 1

Publication Number USPS 688-800

Periodical postage paid

at Madison, Wisconsin

Subscription Price:

One Year, \$12; Three Years, \$28

Published each month by the Wisconsin Taxpayers Alliance

Postmaster:

Send address changes to *The Wisconsin Taxpayer*, 401 North Lawn Avenue, Madison, Wisconsin 53704-5033 phone: 608.241.9789 fax: 608.241.5807 e-mail: wistax@wistax.org website: www.wistax.org

Officers and Board of Directors:

Dale R. Schuh, Chair, Stevens Point; Jay B. Williams, Vice Chair, Mequon; Jere D. McGaffey, Secretary-Treasurer, Milwaukee

J.L. Adams, Beloit; M.D. Bugher, Madison; M.A. Cullen, Janesville; C.W. Knox, Jefferson; D.J. Kuester, Milwaukee; S.W. Orr, Jr., Wausau; R.J. O'Toole, Milwaukee; J.D. Quick, Manitowoc; A.E. Randall, Milwaukee; L.S. Sosnowski, Madison; J.B. Torinus, Jr., West Bend; W.T. Walker, Racine; R.L. Fitzsimonds (*Emeritus*), Milwaukee

Staff:

Todd A. Berry, President; Joan Bleifuhs; Jo A. Egelhoff, Development Director; Melissa Gaviin; Dale J. Knapp, Research Director; Sandra Mumm, Business Manager; Beulah M. Poulter, Operations Director; Richard G. Sheil, Research Associate

The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its publications, civic lectures and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan and independently funded, WISTAX is not affiliated with any group—national, state or local—and receives no government support.

www.wistax.org

Funding Special Education

From 1977 through 2003, the number of Wisconsin children identified as disabled more than doubled to 127,031. As a share of total public school enrollment, the special education population here climbed from 6.1% to 14.4%. With federal and state special education aids below authorized levels over the 26-year period, Wisconsin school districts are using state general aids and local property taxes to help fund these services.

LEGISLATIVE HISTORY

Prior to 1975, advocates for disabled students argued that the educational needs of disabled children were not being met. Nationally, more than one million disabled students were excluded from the public school system. Due to lack of adequate services in these schools, families were often forced to find services from other providers, usually at their own expense.

Federal Law

In 1975, the federal government passed the Education for All Handicapped Children Act. The law guaranteed a free and appropriate education to all disabled children. It sought to:

- improve how disabled children were identified and educated;
- evaluate the success of these efforts; and
- provide due-process protections for these children and their families.

The act also provided financial incentives to states and localities that complied with the law.

Since 1975, the act has been amended several times, including 1992 when the

name was changed to the Individuals with Disabilities Education Act (IDEA). The act was further amended in 1997 and most recently in December 2004. Because Wisconsin has not yet adopted the most recent changes, they are not discussed here.

Under current law, school districts are required to provide a free and appropriate education to disabled students ages three through 21. Students are to be taught in the least-restrictive environment possible, alongside nondisabled students if possible. An individual education program (IEP) is created for each student with input from teachers, parents, a district representative and other persons who can assess the student's needs (see back cover for additional detail).

Wisconsin Law

Wisconsin has required special education services for disabled students since 1973, two years before the federal mandate. In 1998, Chapter 115 of the *Wisconsin Statutes* was amended to comply with IDEA as amended by Congress in 1997.

Special education services in Wisconsin generally are provided by public school districts, cooperative educational service agencies (CESA's) and county children with disabilities education boards (CCDEB's). Children who are enrolled in private schools or home schooled are eligible for special education services provided through these local education agencies (LEA's). The Wisconsin Department of Public Instruction (DPI) is responsible for overseeing and supervising special education in the state.

U.S. law mandates free, appropriate education for handicapped students.

Wisconsin statutes are consistent with federal law as of 1997.

DISABLED POPULATIONS

One important aspect of IDEA is its emphasis on identifying children with disabilities. In Wisconsin, all LEA's are required to conduct continuous identification efforts. In addition, physicians, nurses, psychologists and social workers who believe a child brought to them has a disability are required to refer the child to an LEA.

Wisconsin's increase in disabled students above U.S. average.

In both Wisconsin and the U.S., the number of students identified as disabled has risen dramatically since 1977. As a percentage of public school students, the disabled population nationally climbed from 8.3% in 1977 to 13.5% in 2003 (see chart below). In Wisconsin, the percentage more than doubled over the same period, from 6.1% to 14.4%. Wisconsin has been above the national average every year since 1999.

With Wisconsin's rate rising faster than the U.S. average, its national rank has also climbed. In 1977, the Badger State ranked 44th in terms of percentage of students identified as disabled. That rank has consistently risen, reaching 18th in 2001 before dropping slightly to 22nd in 2003.

Wisconsin's increase (135%) in identification rate since 1977 was sixth nationally, trailing only New Mexico (205%), New Hampshire (164%), Montana (155%), West

Disabled populations vary by school district.

Virginia (140%) and Arkansas (135%). Utah was the only state that had a decline in identification rates over the period, falling from 11.8% to 11.5% of students.

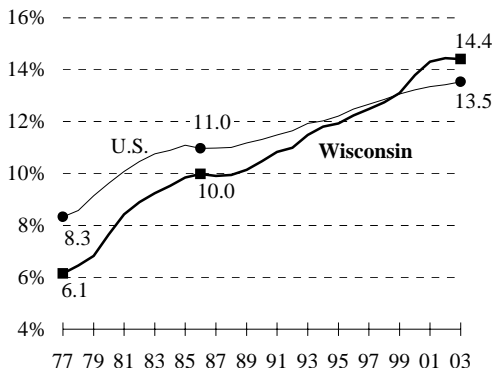
By School District

Disabled student populations in Wisconsin vary significantly by school district. Of Wisconsin's 426 districts, 22 had disabled populations comprising less than 10% of public school students in 2003-04. The lowest rates were in Merton (6.1%), Kohler (6.5%), Arrowhead (7.0%), Whitefish Bay (7.3%) and Lake Geneva-Genoa (7.4%).

Sixteen districts had disabled populations topping 20% of students. The highest rates were in Menominee Indian (31.7%), LaFarge (23.2%), Sharon J11 (22.6%), Cuba City (22.5%) and Richland (22.4%).

Statewide, identification rates for disabled children rose 23.9% from December 1993 through December 2003. Changes also varied by school district. Five districts had rates that more than doubled over the 10 years: Bristol #1, Butternut, Genoa City J2, Herman #22 and Mishicot. However, 62 experienced a decline in identification rates. Four had decreases of more than 30%: De Soto Area, North Cape, Northern Ozaukee and Woodruff J1.

Wisconsin's Disabled Population Climbs
Disabled as Percentage of Public Students,
Wis. and U.S., 1977 - 2003



By Disability

Although the total disabled population has risen dramatically in Wisconsin, there are wide variations by disability. Using federal definitions of impairment, DPI sorts disabilities into 12 categories. The categories and their definitions are listed on page 7.

Wisconsin Changes. The table on page 5 lists the disability categories and the number of students statewide in each. The largest category is learning disabilities, totalling 48,843 students, or 38.2% of the total in 2003 (figures are reported as of December

Changes by Type of Disability
2003 vs. 1997

Primary Disability	1997	2003	% Chg.
Autism	1,052	3,669	248.8
Cog. Disability	13,476	12,336	-8.5
Deaf/Blindness	9	5	-44.4
Emotional Dis.	16,381	16,418	0.2
Hearing	1,550	1,649	6.4
Learn. Disability	46,896	48,843	4.2
Other Health Imp.	3,201	10,563	230.0
Ortho. Impaired	1,893	1,411	-25.5
Sig. Dev. Delay	789	2,759	249.7
Speech/Lang.	27,768	29,318	5.6
Traum. Brain Inj.	283	398	40.6
Visual Imp.	436	459	5.3
Total	113,734	127,828	12.4

of specified year). Speech/language impairments (29,318, or 22.9%) and emotional/behavioral disabilities (16,418, or 12.8%) also were more than 10% of the total. Despite accounting for nearly three quarters of all disabilities, the number of students in these three categories combined rose less than 4.0% since 1997.

Three categories increased more than 200% during the period: autism (248.8%); other health impairment (230.0%); and significant development delay (249.7%). These three accounted for 84.8% of the increase in disabled students since 1997. As a share of the total, they rose from 4.4% in 1997 to 13.3% in 2003.

Why the Increase? There are many reasons for increases in the number of disabled students. A report to Congress prior to the 1997 reauthorization of IDEA raised concerns about possible overidentification. A 1999 Legislative Audit Bureau (LAB) report noted that some Wisconsin educators were concerned about possible overidentification by some Wisconsin school districts. Others believed that there were students in need of special education services who were not receiving them and

that Wisconsin's increase was a result of better identification of disabled students.

The increase in autism has troubled researchers for a number of years. There is no consensus as to the reasons for the large jump. Wisconsin is not alone in the increased incidence. While the total number of disabled students nationally rose 32% from 1992-93 through 2002-03, the number diagnosed with autism jumped more than 2,200% from 5,094 to 118,071. In a report to Congress, Wisconsin was cited as one of the top 10 states in terms of autism increases over the 10 years.

One reason for the rise in the "other health impairment" category is an increase in students identified with attention deficit disorder (ADD) or attention deficit hyperactivity disorder (ADHD). In 1999, the U.S. Department of Education added ADD and ADHD to the list of conditions that could render a child eligible for special education services. They were added because a 1991 policy memorandum stating that students with these conditions *may* be eligible for services was not fully implemented.

Another identification issue is subjectivity. Although some disabilities can be identified clinically, others rely on personal judgment and student performance. This can make consistent identification difficult.

By Race

While the general issue of overidentification has been debated, much research has centered on identification among specific groups of students. One focus is on racial composition.

The chart on page 6 shows disabled student populations (ages six through 21) as a percent of specific racial populations in 2002. In that year, Wisconsin's ages six-through-21 disabled rates (relative to total population) were the same as the national average (8.9%).

Researchers are concerned about possible overidentification.

Identifying certain disabled students is subjective.

Some researchers believe Blacks, Hispanics and boys may be overidentified.

However, the chart shows two important differences. First, both here and nationally, identification rates for Blacks and American Indians were significantly above overall identification rates, as well as those of other races. Some point out that this may reflect overidentification; others suggest that these groups face higher incidences of poverty, reduced access to health care, and other factors that can result in disabilities.

Second, among these two groups, as well as Asian populations, Wisconsin's identification rates were significantly above the nation's. Here, 16.1% of the American Indian population ages six through 21 was identified as disabled, compared to 12.0% nationally. Among Blacks, the Wisconsin percentage was 15.5%, compared to 12.2% for the U.S. And among Asian Americans, the rate here was 6.7%, compared to 4.4% nationally.

By Gender

Over-representation of males among the disabled is another concern. According to the LAB, males accounted for 51.4% of 1997-98 public school enrollments, but were 68.0% of total special education

Federal law authorizes funding for 40% of excess costs.

students. Males accounted for 70.1% of enrollments in the three largest categories: learning disabled, speech/language impaired, and seriously emotionally disturbed.

SERVICE PROVISION

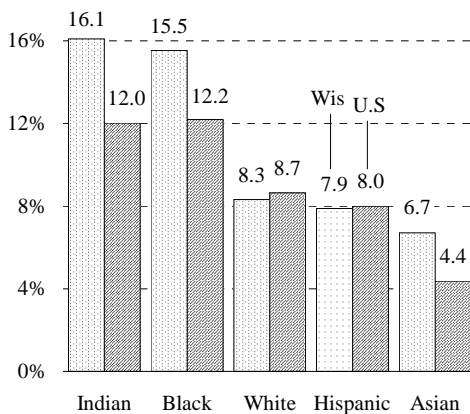
Special education services in Wisconsin generally are provided through local public school districts. In addition to serving disabled students in the public school system, school districts must also serve these students in private or parochial schools and those who are home schooled.

These services can be costly, and smaller school districts may not have the resources to provide services efficiently to the limited number of students in their districts. Some of these districts contract with other service providers for the appropriate education that is mandated.

In some cases, several districts work together to provide special education services. One provides the services and the others pay the providing district. In most cases, these cooperative programs are more cost-effective than if a district provides its own services.

Some CESA's also offer cooperative arrangements. School districts contract with their local CESA for special education services, typically at costs below the level they could provide them on their own. In addition, CCDEB's in Brown, Calumet, Marathon, Racine and Walworth counties have special education programs.

Disabled Rates High Among Blacks, Indians
Disabled % of Respective Populations,
Ages 6-21, 2002



FUNDING

While issues of increased identification of special needs students are important, funding remains the top concern for special education providers in Wisconsin. Dollars for special education services here come from four main sources: federal aids, state special education aids, state general aids and local property taxes.

Federal Funding

IDEA specifies several federal funding sources for special education programs. Most federal dollars are authorized through “Part B,” the section of the law that deals with disabled children ages three through 21. “Part C” authorizes grants to states for infants and toddlers.

Part B funding is divided into two areas. Section 611 of the law authorizes grants for students ages six through 21. Section 619 authorizes grants for students ages three through five. Section 611 funding is

the larger source, accounting for more than 95% of total Part B dollars. This study reports on federal funding for students who are six through 21 (Section 611).

Funding. When Congress passed the Education for All Handicapped Children Act in 1975, it estimated the cost of educating disabled children was, on average, twice the cost of educating other children. The law authorized federal grants to states equal to 40% of this excess cost (or 20% of the total cost). The percentage was to be phased in over several years, from 5% in

School administrators are concerned about special education funding.

Disability Categories

Autism: developmental disability significantly affecting a child’s social interaction and verbal and nonverbal communication, generally evident before age three, that adversely affects learning and educational performance

Cognitive Disability: significantly subaverage intellectual functioning existing with deficits in adaptive behavior and adversely affecting educational performance

Deaf/Blind: concomitant hearing and visual impairments, the combination of which causes such severe communication and other developmental and educational problems that they cannot be accommodated in special education programs solely for children with deafness or children with blindness

Emotional/Behavioral Disabilities: social, emotional or behavioral functioning that so departs from generally accepted, age appropriate, ethnic or cultural norms that it adversely affects a child’s academic progress, social relationships, personal adjustment, classroom adjustment, self-care or vocational skills

Hearing Impairments: significant impairment in hearing, with or without amplification, whether permanent or chronically fluctuating, that significantly adversely affects a child’s educational performance

Learning Disabilities: severe learning problem due to a disorder in one or more of the

basic psychological processes involved in acquiring, organizing or expressing information that manifests itself in school as an impaired ability to listen, reason, speak, read, write, spell, or do mathematical calculations

Other Health Impairment: limited strength, vitality or alertness due to chronic or acute health problems

Orthopedic Impairment: severe orthopedic impairment that adversely affects a child’s educational performance

Significant Development Delay: three-, four- and five-year-olds experiencing significant delays in physical, cognitive, communicative, social, emotional or adaptive development

Speech/Language Impairments: an impairment of speech or sound production, voice, fluency or language that significantly affects educational performance or social, emotional or vocational development

Traumatic Brain Injury: an acquired injury to the brain caused by an external physical force resulting in total or partial functional disability that adversely affects a child’s educational performance

Visual Impairments: visual functioning that significantly adversely affects a student’s educational performance

Disabilities are sorted into 12 categories based on federal definitions of impairment.

fiscal 1978 to 40% in fiscal 1982 and thereafter.

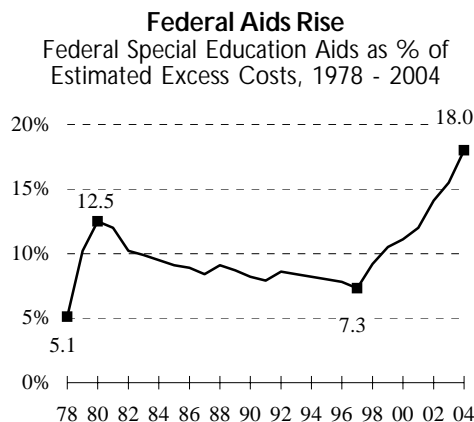
Actual federal funding never reached the 40% level. By 1996-97, federal aid to states had fallen to 7.3% of excess costs (see chart below). Since then, federal support has increased dramatically, rising more than 330% from fiscal 1997 through 2004. For fiscal 2004, federal grants to states were an estimated 18.0% of excess special education costs, just under half the amount authorized.

Wisconsin Trends. Federal grants to Wisconsin have also risen. From 1994-95 through 2004-05, federal special education grants to the Badger State rose 355.9%, or an average of 16.4% per year. The increase was slightly below the national average of 372.1% (16.8% per year).

While total funding has grown significantly, the per student increases are more striking. From 1996-97 through 2003-04, per student (ages 6 through 21) grants to states rose an average of 21.1% per year. In Wisconsin, the increase was smaller, at 19.5% annually. In 2003-04, the state received \$1,281 per disabled student in Section 611 grants.

State Funding

Wisconsin provides two types of aid for local school districts. *Categorical* aids are



Federal funding is less than half the authorized amount.

The state helps fund special education costs with categorical and general aids.

targeted for specific purposes or populations. These dollars can only be spent for a specific purpose. A district's *equalization*, or general, aids are based on per student spending and property values. They can be spent for any purpose.

From 1994-95 through 1998-99, state special education aids per student fell 13% here, compared to an average increase of 23% among 42 states studied.

Categorical Aids. Special education aid is one of more than 20 categorical aids distributed by DPI. It is the state's largest categorical aid program, totalling more than \$315 million, or nearly 60% of all categorical aids in 2003-04.

Special education aids reimburse school districts for prior year expenditures. Before 1999-2000, state law authorized certain special education expenses to be reimbursed at specific rates.

For example, salaries for special education teachers and aides, occupational and physical therapists, and program supervisors were authorized for reimbursement at 63%. Reimbursement rates for salaries of psychologists and social workers were set at 51%. The state was authorized to reimburse 100% of the costs of educating orthopedically impaired children in hospitals and convalescence homes. Overall, an average of 61.8% of allowable costs was authorized to be reimbursed.

Beginning in 1999-2000, these percentages were eliminated. Current state law authorizes reimbursement of 100% of eligible special education costs.

It is important to note that the definitions of costs for federal aids and state aids differ. While the U.S. government uses a

national average of excess costs, or costs above what a non-special education child would incur, the state uses total eligible costs. According to the LAB, approximately 92% of special education costs not federally funded were eligible for state reimbursement in 1997-98. The costs that were not eligible generally were expenditures for equipment and supplies.

The chart below shows total eligible costs and special education aids from 1981-82 through 2003-04. While costs rose significantly over the period, state special education aids did not keep pace. In 1982, aids were approximately 64.4% of eligible costs. In 2004, that figure was down to 30.5%.

Wisconsin special education aids also have not kept pace with other states. A study of 1998-99 special education revenues showed Wisconsin was 16th lowest in state aid dollars per student among 42 states studied. More notably, from 1994-95 through 1998-99, special education aids per student in Wisconsin fell 13%, compared to a national increase of 23%. Rhode Island (-26%) was the only state with a larger decline. Maryland (-5%), Montana (-9%) and Nebraska (-2%) also fell.

Equalization Aids. Because only a portion of special education costs are subsidized through federal aids and state categorical aids, the remaining costs are funded with a combination of state equalization aids and local property taxes.

One of the reasons special education aids have remained relatively flat for the last 10 years is the significant increase in equalization aids. Beginning in 1996-97, the state promised to fund an average of two-thirds of state-local school revenues. To do this, more than \$850 million was added to the equalization aid program and another \$150 million was added to the school levy credit.

This credit is counted in the “two-thirds” calculation. The two-thirds commitment was eliminated beginning with the 2003-04 school year.

Any special education costs not reimbursed through federal dollars or state categorical aids are counted for equalization aid purposes. Costs not funded with equalization dollars are funded with local property taxes.

In 2003-04, Wisconsin equalization aids averaged 55.6% of equalization aids plus property taxes. In other words, approximately 55.6% of special education costs not funded from federal dollars or state categorical aids is funded via equalization aids; 44.4% comes from property taxes.

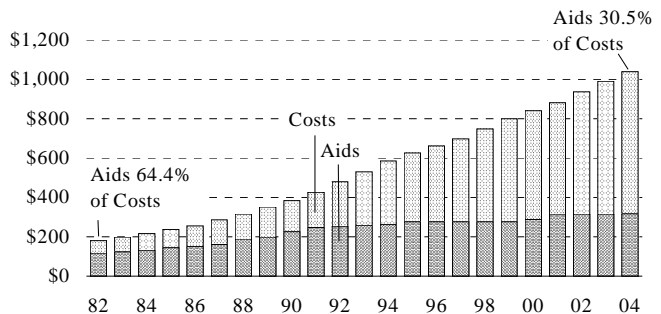
These percentages vary widely by school district. Districts with relatively low property values receive more equalization aids. Thus, more of their special education costs are funded through equalization aids and less through local property taxes. Property-rich districts fund more of their costs through property taxes.

Distribution of Funding

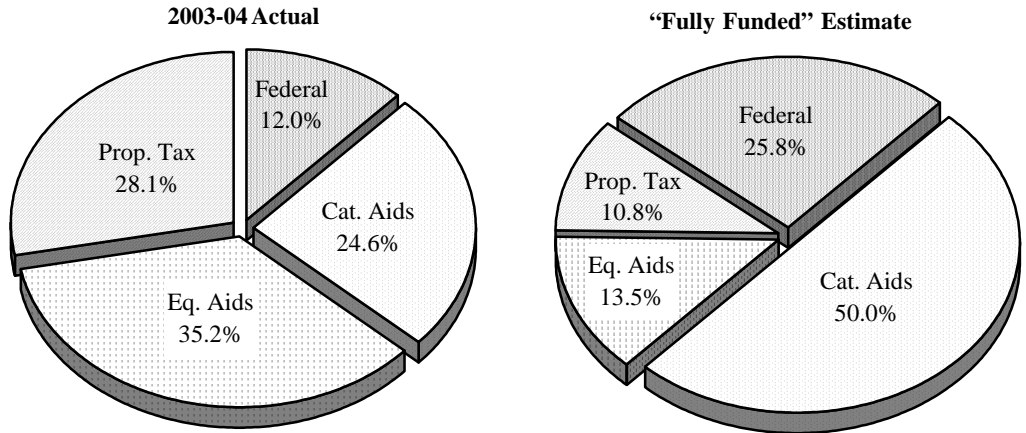
The first pie chart on page 10 shows the estimated distribution of funding for the approximately \$1.28 billion of special education costs in 2003-04. Estimated total

State special education aids are also less than half the authorized amounts.

State Special Education Aids Fall as Share of Costs
Wis. Special Education Aids and Costs, 1982 - 2004



Estimated Distribution of Special Education Funding
 2003-04 Actual and "Fully Funded"
 Total = \$1.28 Billion



costs are the sum of eligible costs for state categorical purposes plus estimated ineligible costs plus costs funded through federal Part B grants.

In 2003-04, an estimated 12.0% of total special education costs was funded with federal grants. State categorical aids paid for an additional 24.6%. The remaining 63.3% was funded through a combination of equalization aids and property taxes. Total state aid dollars funded nearly 60% of costs.

Total state aids fund approximately 60% of special education costs.

Full Funding. Despite large increases in federal grants over the past seven years, federal funding in 2003-04 remained less than half the authorized amount. The 12.0% represented \$154.3 million. Had Part B funding been at the authorized level that year (25.8% of total costs), Wisconsin school districts would have received approximately \$180 million more from the federal government, or \$332 million.

The "full funding" estimate uses the average 61.8% of eligible costs based on state law prior to 1999-2000. Using this figure,

state categorical aids were underfunded by \$325 million in 2003-04.

The second pie chart shows what funding would be if categorical aids and federal Part B funding were at authorized amounts. At the 61.8% level, categorical aids fund 50% of special education costs; federal grants fund slightly more than one quarter. Less than one-fourth of costs are funded with equalization aids and property taxes.

Assuming new money for special education aids do not reduce equalization aids, the state would be funding an average of 63.5% of special education costs. Surprisingly, if both the federal and state governments fully funded special education, total state funding would only be 3.7 percentage points above current levels (63.5% vs. 59.8%). However, districts would have approximately \$500 million of additional equalization aids and property taxes to spend on general education programs. □

DATA SOURCE:

Center for Special Education Finance; U.S. Department of Education; and Wisconsin Department of Public Instruction.

Continued from back cover

- at the discretion of the parents or district, other individuals with expertise about, or experience with, the child.

The team evaluates the child to determine eligibility for special education services. The district must notify the parents of the team's placement recommendation within 90 days of referral.

Parental consent is required before the team evaluation and prior to providing initial services. Parents have the right to an independent evaluation, which, under certain circumstances, may be provided at public expense.

Program Development

Once a student is found to be in need of services, the IEP team develops an individualized program for him or her. State law lists certain items that must be part of the IEP, including the student's current educational performance, measurable goals and the extent to which the student will participate with nondisabled students in regular classes. An IEP must be in place before services can be provided.

The federal Individuals with Disabilities Education Act (IDEA) requires disabled students to be educated in the least-restrictive environment appropriate. In Wisconsin, that means special education children should be educated alongside nondisabled children to the maximum extent appropriate.

Each student's IEP is reviewed at least once per year. The team evaluates the student's progress and revises the program to address any deficiencies.

If a student is referred to a private school by the school district for the purpose of providing a free and appropriate education, the district must pay the costs. However, the district is not required to pay

private-school costs if it made appropriate opportunities available, but the parents elected to place the child in private school.

DPI OVERSIGHT

It is the ultimate responsibility of DPI to ensure that all Wisconsin children ages three through 21 who are eligible for special education services receive them. DPI fulfills its obligation through: approval of school district special education plans; on-site visits to schools and to other education agencies providing special education services; and investigation of complaints.

In addition, DPI coordinates a system of personnel development to ensure an adequate supply of special education teachers and specialists. It also examines data to determine if there are discrepancies in expulsions and long-term suspensions between disabled and nondisabled students.

DPI makes a mediation program available to parents and school districts to help resolve disputes through its Division for Learning Support: Equity and Advocacy. The cost is paid by DPI.

The 2004 reauthorization changed some of IDEA's provisions to:

- require each state to complete a "state performance plan," which evaluates its efforts to implement the law and describes how it will improve implementation, including measurable targets;
- impose sanctions for a local education agency that is not complying with Part B, including the targets in the state performance plan;
- expand data collection; and
- create a 15-state paperwork demonstration program designed to reduce paperwork and increase instructional time. □

DATA SOURCE:

Wisconsin Department of Public Instruction.

IEP's are reviewed periodically to evaluate progress.

DPI has oversight powers for special education services.

Special Education Legal Requirements

Federal and state laws outline various legal requirements for the Wisconsin Department of Public Instruction (DPI) and local school districts for identifying and providing educational services to disabled students. The laws also detail the rights and responsibilities of disabled students and their parents.

An individualized team is put together for each disabled student.

DISTRICT REQUIREMENTS

There are many legal requirements school districts must meet including ongoing identification efforts, evaluation and program development for disabled students.

Identification

The state of Wisconsin ensures a free and appropriate public education to all disabled children ages three through 21, including children suspended or expelled from school, students in private or parochial schools and those who are home schooled.

School districts are required by state law to conduct continuous identification efforts aimed at special needs students. As part of these efforts, a district must provide information and inservice opportunities to licensed staff to familiarize them with

referral procedures. A district must also inform parents and certain professionals about its referral and evaluation procedures.

The professionals who are required to work with school districts in identifying disabled children include physicians, nurses, psychologists, social workers and social service agency administrators. If a child believed to have a disability is brought to any of these professionals, state law mandates that the child be referred to the local school district or appropriate local education agency.

Once a child has been identified as a student who might have a disability, the district creates an Individualized Education Program (IEP) team consisting of:

- the child, when appropriate;
- his or her parent(s);
- at least one regular education teacher if the child is, or will be participating, in regular education;
- at least one special education teacher;
- a qualified representative of the district; and

Continued on page 11



Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033
608.241.9789 • www.wistax.org

PERIODICALS
USPS 688-800