IV. SPECIAL EDUCATION

BACKGROUND AND HISTORY

Special education services are provided directly to students by local school districts and are funded from federal grants, state appropriations, and local dollars. All special education services are delivered in accordance with an Individual Education Plan (IEP) developed for each special needs student as required by federal law. Among other things, the IEP contains goals and objectives for student achievement, placement information, and a description of the supportive services necessary for a student to benefit from special education.

The Nevada Department of Education (NDE) oversees special education programs provided by school districts. State authority, responsibilities, services, and direction to local districts are outlined in *Nevada Revised Statutes* (NRS) Chapter 395, "Education of Persons with Disabilities," and in Chapter 395 of the *Nevada Administrative Code*. Both the NDE and local school districts are bound by federal legislation and regulations governing the provision of services to students with special educational needs.

The special education student population in Nevada has grown at an annual rate of less than 5 percent over the last five years and it has increased at a faster rate, since 1992, than has the general student population. Special needs students now comprise about 9.97 percent of the total school population (ages 6 through 17). This figure is lower than the nationwide average of 11.6 percent for special needs students.

According to In\$ite, Nevada's education financial analysis system, in 2004-2005 school year, the average expenditure statewide for educating a disabled student in Nevada was \$15,941 per year, which includes the expenses for general education classes, special education programs, and related services. For the 2004-2005 school year, the total cost to educate students with disabilities (including general education costs) in Nevada was \$378.6 million paid from a combination of federal, state, and local dollars.

In Nevada, special education services are funded from a combination of local, state, and federal sources. State support is provided through the Distributive School Account (DSA) in two forms. First, the DSA includes an appropriation for the actual number of teachers in the previous fiscal year, including special education teachers, at the current average salary and benefit level plus a percentage "roll-up" for salary increases and student enrollment growth.

BACKGROUND AND HISTORY

This amount plus the amounts for other educational expenditures are used to determine a per-pupil basic support guarantee from the state to local school districts. In addition, the Legislature funds a certain number of "units" for special education allocated to school districts each year. A unit is defined as the salary and benefits for one special education teacher. The unit funding can only be used to support special education teacher salaries and benefits.

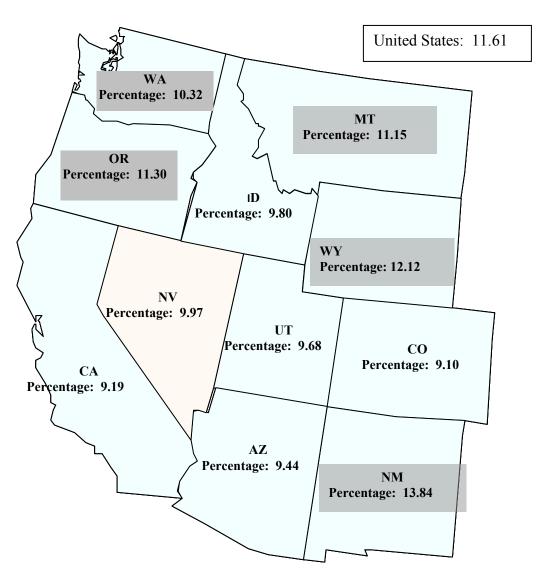
The Legislature funded 2,835 units in Fiscal Year (FY) 2005-2006 at \$34,433 per unit for a total of \$97.6 million. In FY 2006-2007, 2,953 units were funded by the Legislature at \$35,122 per unit for a total appropriation of \$103.7 million.

The amount allocated for each unit falls short of the actual costs of salaries and benefits for special education teachers, who normally have more education and experience than other teachers. This shortfall requires school districts to use money from the local general fund to pay the difference between the amount funded by the state and the actual cost of providing special education services. Some money is available from federal sources and grants, but it has historically been very small. According to The National Conference of State Legislatures, Congress funded less than 18 percent of the total cost; originally it promised the states that it would fund up to 40 percent of the cost.



PERCENTAGE SERVED

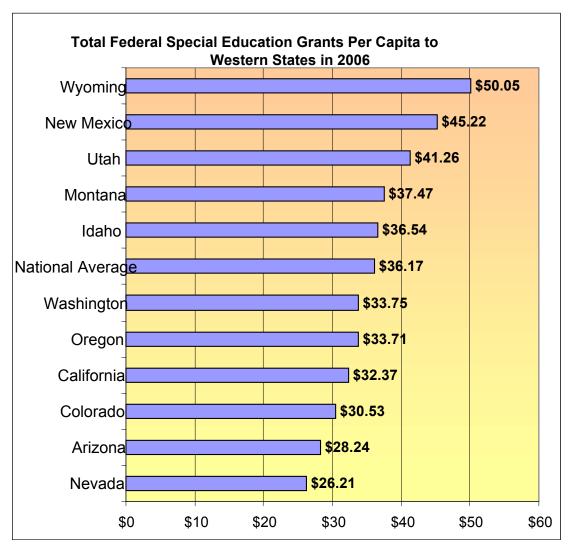
WESTERN STATE COMPARISON: CHILDREN (AGES 6-17) SERVED UNDER IDEA AS A PERCENTAGE OF PUBLIC SCHOOL ENROLLMENT – 2002-2003 SCHOOL YEAR



Source: 26th Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act (IDEA), 2004, Table 1-14, April 2006.

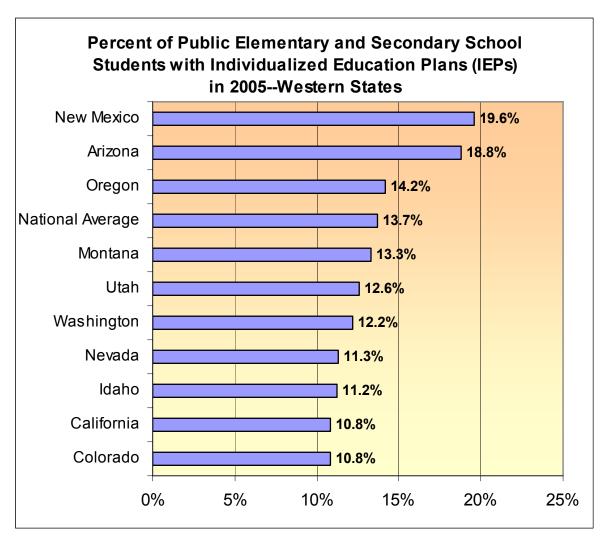
Higher Percentage Than Nevada
Lower Percentage Than Nevada

SPECIAL EDUCATION GRANTS



Source: U.S. Department of Education, *FY 2001-2007 State Tables* in *Education State Rankings 2006-2007*, Morgan-Quitno 2006.

STUDENTS WITH IEPS



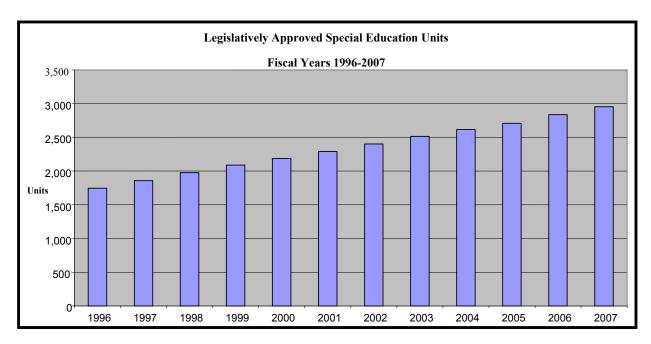
Source: U.S. Department of Education, *National Center for Education Statistics Common Core of Data Database* in *Education State Rankings 2006-2007*, Morgan-Quitno 2006.

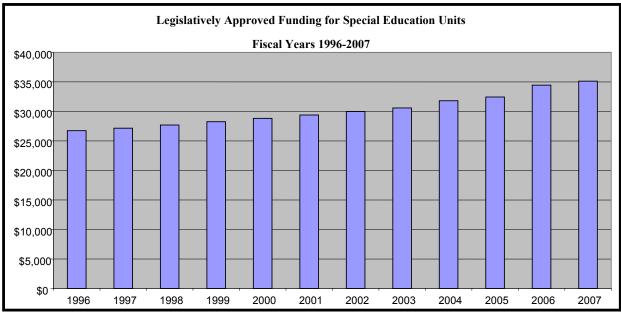
Note: Data from Wyoming were not available.



UNIT FUNDING

NEVADA SPECIAL EDUCATION UNIT FUNDING





Source: Nevada Legislative Counsel Bureau Fiscal Analysis Division, Nevada Legislative Appropriations Reports, various years.

NRS 387.1211(3) defines "special education unit" as an organized unit of special education and related services which includes full-time services of persons licensed by the Superintendent of Public Instruction or other appropriate licensing body, providing a program of instruction in accordance with minimum standards prescribed by the State Board of Education.

UNIT FUNDING

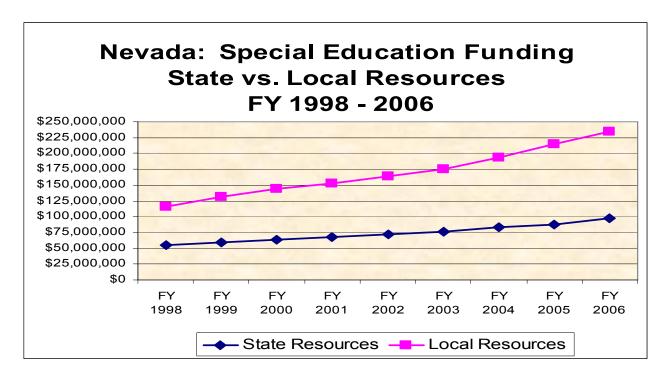
Nevada: Special Education Unit Funding Fiscal Years 1994 – 2007 (Number Approved and Unit Amount)

<u>Fiscal Year</u>	Legislatively Approved
2007	2,953 @ \$35,122
2006	2,835 @ \$34,433
2005	2,708 @ \$32,447
2004	2,615 @ \$31,811
2003	2,514 @ \$30,576
2002	2,402 @ \$29,977
2002	
2001	2,291 @ \$29,389
2000	2,186 @ \$28,813
1999	2,088 @ \$28,248
	-,222 (-) 4-2,-12
1998	1,976 @ \$27,694
1997	1,857 @ \$27,151
1996	1,746 @ \$26,740

Source: Nevada Legislative Counsel Bureau Fiscal Analysis Division, *Nevada Legislative Appropriations Reports*, various years.

FUNDING

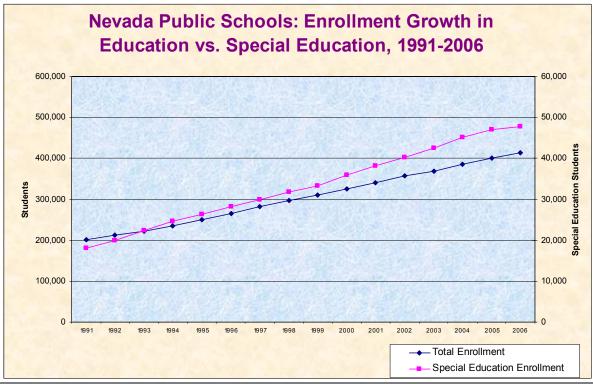
NEVADA: SPECIAL EDUCATION FUNDING STATE VS LOCAL RESOURCES



Fiscal Year	State Resources	Local Resources
FY 1998	\$54,723,344	\$116,198,395
FY 1999	\$58,981,824	\$132,014,493
FY 2000	\$62,985,218	\$143,861,090
FY 2001	\$67,330,199	\$151,949,548
FY 2002	\$72,004,754	\$163,313,519
FY 2003	\$76,868,064	\$175,025,638
FY 2004	\$83,185,765	\$193,915,875
FY 2005	\$87,866,476	\$214,087,930
FY 2006	\$97,617,555	\$234,142,483

Source: Nevada Department of Education, NRS 387.303 Report and Nevada Legislative Counsel Bureau Fiscal Analysis Division, *Nevada Legislative Appropriations Reports*, various years.

FUNDING

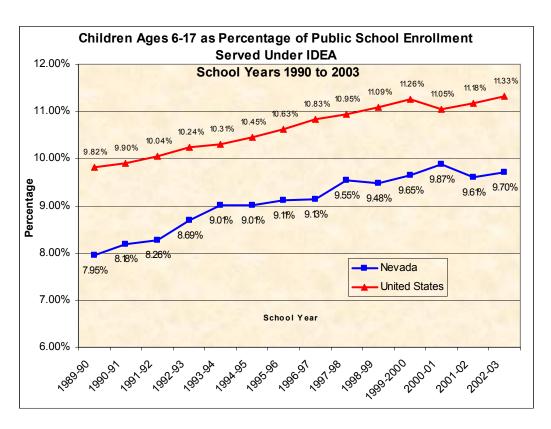


School Year	Total Enrollment	Percent Increase	Special Education Enrollment*	Percent Increase	
1991	201,316	7.75	18,065	9.8	
1992	211,810	5.21	19,957	10.47	
1993	222,846	5.21	22,402	12.25	
1994	235,800	5.81	24,624	9.92	
1995	250,747	6.34	26,345	6.99	
1996	265,041	5.70	28,174	6.94	
1997	282,131	6.45	29,946	6.29	
1998	296,621	5.14	31,726	5.94	
1999	311,063	4.87	33,294	4.94	
2000	325,610	4.68	35,847	7.67	
2001	340,706	4.64	38,165	6.47	
2002	356,814	4.73	40,196	5.32	
2003	369,498	3.55	42,532	5.81	
2004	385,414	4.31	45,201	6.28	
2005	401,211	4.09	47,015	4.01	
2006	413,252	3.00	47,794	1.66	

Source: Nevada Department of Education, Research Bulletin 2006 & Research Bulletin 2005.

^{*} Includes early childhood special education students.

IDEA – CHILDREN SERVED

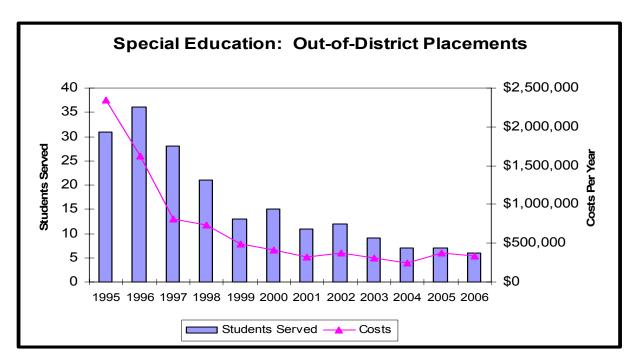


School Year	Nevada	United States		
1989-90	7.95%	9.82%		
1990-91	8.18%	9.90%		
1991-92	8.26%	10.04%		
1992-93	8.69%	10.24%		
1993-94	9.01%	10.31%		
1994-95	9.01%	10.45%		
1995-96	9.11%	10.63%		
1996-97	9.13%	10.83%		
1997-98	9.25%	10.99%		
1998-99	9.25%	11.19%		
1999-00	9.46%	11.36%		
2000-01	9.75%	11.48%		
2001-02	9.80%	11.54%		
2002-03	9.97%	11.61%		

Source: U.S. Department of Education. Annual Reports to Congress on the Implementation of the Individuals with Disabilities Act (IDEA), Appendix A, Data Tables, various years.

FUNDING

NEVADA: SPECIAL EDUCATION – OUT OF DISTRICT PLACEMENTS
NEVADA REVISED STATUTES CHAPTER 395

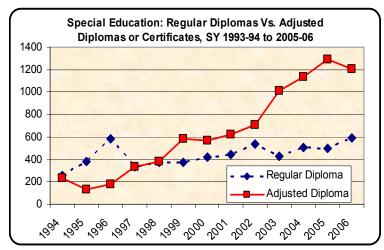


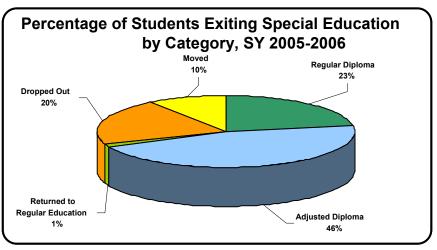
Fiscal Year	Students Served	Costs
2006	6	\$339,489
2005	7	\$372,246
2004	7	\$239,000
2003	9	\$310,000
2002	12	\$379,582
2001	11	\$325,560
2000	15	\$418,257
1999	13	\$494,989
1998	21	\$737,137
1997	28	\$814,228
1996	36	\$1,618,531
1995	31	\$2,345,885

Source: Nevada Department of Education, December 2006.

STUDENTS EXITING PROGRAM

NEVADA: NUMBERS AND PERCENTAGES OF STUDENTS WHO EXITED SPECIAL EDUCATION PROGRAMS, SCHOOL YEARS 1993-1994 TO 2005-2006





Source: Nevada Department of Education, Office of Special Education, December 2006.

	Total Students Who Exited Special	Regular Education Diploma		Adjusted Diploma or Certificate		Returned to Regular Education		Dropped Out (Federal definition)		Moved	
School Year	Education	#	%	#	%	#	%	#	%	#	%
1994	697	254	36%	232	33%	14	2%	116	17%	81	12%
1995	763	381	50%	136	18%	15	2%	83	11%	148	19%
1996	1,097	584	53%	181	16%	17	2%	174	16%	141	13%
1997	1,194	332	28%	338	28%	23	2%	201	17%	300	25%
1998	1,061	376	35%	385	36%	28	3%	81	8%	191	18%
1999	1,636	375	23%	586	36%	55	3%	278	17%	342	21%
2000	1,883	422	22%	564	30%	51	3%	382	20%	464	25%
2001	2,222	447	20%	619	28%	74	3%	418	19%	664	30%
2002	2,349	536	23%	707	30%	79	3%	385	16%	642	27%
2003	2,005	426	21%	1,011	50%	19	1%	216	11%	333	17%
2004	2,290	503	22%	1,138	50%	21	1%	299	13%	329	14%
2005	2,389	494	21%	1,293	54%	26	1%	327	14%	249	10%
2006	2,636	592	23%	1,203	46%	38	1%	539	20%	264	10%