

STUDY OF THE PROVISIONS AND FUNDING
OF SPECIAL EDUCATION FOR
HANDICAPPED MINORS



Bulletin No. 89-4

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

AUGUST 1988

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OF HANDICAPPED MINORS IN NEVADA

BULLETIN NO. 89-4

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LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

AUGUST 1988

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Senate Concurrent Resolution No. 3--Senators Beyer and Horn
FILE NUMBER 136.

SENATE CONCURRENT RESOLUTION--Directing the Legislative Commission to study the provision and funding of special educational programs for handicapped minors and the payment of the costs for the education of certain children in medical facilities.

WHEREAS. The system of public instruction in this state is of critical importance to our future; and

WHEREAS. A major concern in that system is the ability to provide an educational program for handicapped minors and to pay the costs for the education of certain children with special needs at private medical facilities, which ensures them of a reasonably equal educational opportunity; and

WHEREAS. The educational needs of handicapped minors are often special in nature and require different plans, equipment and supplies than those required for other pupils; and

WHEREAS. The medical condition of a pupil sometimes requires that he or she remain in a hospital or other medical facility for many months and although many such facilities are licensed as private educational institutions, the cost of this individualized education is often more than can be borne by the child's parents or guardian; and

WHEREAS. Adequate financial support for these special programs is imperative; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING. That the legislative commission is hereby directed to study the manner in which the special education of handicapped minors is provided and funded and alternatives for the payment of the costs for the education of certain children with special needs at private medical facilities; and be it further

RESOLVED. That the legislative commission develop a plan to meet the long-range educational needs of handicapped minors and children in private medical facilities and suggest methods to support those plans; and be it further

RESOLVED. That the legislative commission report the results of the study and any recommended legislation to the 65th session of the Nevada legislature.

REPORT OF THE LEGISLATIVE COMMISSION

TO THE MEMBERS OF THE 65TH SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Senate Concurrent Resolution No. 3 of the 64th session of the Nevada legislature, which directed the legislative commission to appoint a subcommittee to study the manner in which special education of handicapped minors is provided and funded and alternatives for the payment of the costs for the education of certain children with special needs at private medical facilities. The subcommittee also was directed to develop a plan to meet the long-range educational needs of handicapped minors and children in private medical facilities and suggest methods to support the plan. The subcommittee appointed to conduct the study was further directed to report the results of the study and any recommendations for legislation to the legislative commission which, in turn, will report to the 65th session of the Nevada legislature.

The members of the subcommittee were:

Senator Joseph M. Neal, Jr., Chairman
Assemblyman Vincent L. Triggs, Vice Chairman
Senator Erik Beyer
Assemblyman Robert G. Craddock
Assemblyman Wendell P. Williams

Legislative counsel bureau staff services for the subcommittee were provided by Kenneth C. Elverum of the research division (principal staff), Scott Edwards of the legal division (legal counsel) and Lyndl L. Payne of the research division (subcommittee secretary).

In this report, the subcommittee has attempted to present its findings and recommendations in a concise form. A great deal of data and information was gathered in the course of the study. All of the supporting documents and minutes of the subcommittee's hearings are on file with the research library of the legislative counsel bureau and are available for review.

This report is transmitted to the members of the 65th session of the Nevada legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada
July 1988

* * * * *

LEGISLATIVE COMMISSION

Senator Lawrence E. Jacobsen, Chairman
Senator Sue Wagner, Vice Chairman

| | |
|--------------------------|---------------------------------|
| Senator James I. Gibson | Assemblyman Louis W. Bergevin |
| Senator Nicholas J. Horn | Assemblyman Joseph E. Dini, Jr. |
| Senator Ann O'Connell | Assemblyman John B. DuBois |
| Senator John M. Vergiels | Assemblyman Robert M. Sader |
| | Assemblyman James W. Schofield |
| | Assemblyman Danny L. Thompson |

SUMMARY OF RECOMMENDATIONS

This summary represents the subcommittee's recommendations regarding funding of special education for handicapped minors in Nevada. These recommendations were developed from suggestions presented at public hearings and written communications to the subcommittee.

The subcommittee recommends:

1. Placing in the statutes a policy statement that the amount provided by the state to local school districts for each special education program unit must be the estimated cost of the average salary and benefits payable to or on behalf of special education teachers, adjusted for any prospective changes in schedules for salaries which may be anticipated by the legislature. The average salary and benefits of special education teachers must be calculated by the state department of education and supplied to each legislature for use in its deliberations upon the financial support for special education program units. (BDR 34-162)
2. Placing in the statutes a policy statement that it is the intent of the legislature that the minimum number of special education program units provided to local school districts by each session of the legislature must be the number provided by the previous sessions of the legislature plus any units which have, since the previous session, been added by districts with local money from a source other than federal money. (BDR-34-162)
3. Mandating that all handicapped children be served at the age of 4 years beginning in fiscal year 1990 and at 3 years in fiscal year 1991. (BDR 34-163)
4. Providing additional funds to the state department of education to enable it to hire a full-time specialist for the gifted and talented to develop and coordinate special programs for academically talented students.
5. Requiring local school districts to reimburse private medical facilities for educational costs of handicapped minors who have been placed in their care when the minor's individualized education program recommends such a placement.

6. Supporting the concept to create in Nevada's department of human resources a special children's division that would provide integrated services to children, including handicapped minors who come under its authority.
7. Using alternative methods of teaching when instructing children with learning disabilities.

REPORT TO THE 65TH SESSION OF THE NEVADA LEGISLATURE
BY THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO
STUDY THE PROVISION AND FUNDING OF
SPECIAL EDUCATION FOR
HANDICAPPED MINORS

I. INTRODUCTION

In 1987, the 64th session of the Nevada legislature adopted Senate Concurrent Resolution No. 3 which directed the legislative commission to study the provision and funding of special education for handicapped minors in Nevada. The legislative commission appointed a subcommittee to conduct the study.

The subcommittee held a total of three meetings. The first meeting was scheduled in Las Vegas, Nevada, in January 1988 at which time the subcommittee was presented with background information by Nevada's state department of education staff concerning the education of handicapped minors and the extent of the funding shortfall. The second meeting was held in Reno, Nevada, in February 1988, and testimony focused on the efficacy of early childhood special education, reasons why academically talented (AT) children should continue to be part of the special education programs, how placements are made in private medical facilities and data on the special education funding shortfall. (See Appendix A.) The subcommittee then conducted a work session and adopted its final recommendations at its third meeting in Carson City, Nevada, in April 1988.

The subcommittee received testimony from a variety of sources, including staff of the state department of education and the department of human resources, local county school district personnel, spokespersons from various state organizations interested in special education, consultants for private medical facilities and parents of handicapped children. The state department of education provided extensive background materials which greatly aided the subcommittee in its deliberations. The subcommittee is grateful to everyone who testified and provided written materials for its consideration.

II. BACKGROUND

Special education support is part of the Nevada Plan, the current means used to finance elementary and secondary

education in Nevada's public schools. The program is funded on a unit basis at a legislatively approved amount per unit. A unit is basically the amount of money intended to support the full-time services of a licensed teacher, including salary and benefits. For the 1987-1988 school year, the legislature authorized 1,075 units at \$24,000 per unit for a total expenditure of approximately \$25.8 million.

This money supports the educational programs for 14,042 handicapped children, or approximately 8.6 percent of the total student population. The programs serve children who are aurally, emotionally, mentally, physically or visually handicapped, as well as those with learning and speech disabilities. In addition, a total of 5,321 AT and 844 preschool children are served under this program.

The first special education unit funding law was enacted in 1973. At that time, 414 units were funded at \$14,500 per unit. Each session since that time, the number of special education units and the cost per unit has increased, but the increases have generally fallen short of what was needed to cover teacher costs. As the cost of the average teacher's salary increased over time, the amount appropriated per unit became less and less able to cover its intended target--the salary of the teacher providing the instructional program for handicapped children.

During academic year 1986-1987, it was estimated that school districts were approximately \$10 million short of full funding for special education.

As a result, the state board of education appointed a special education study committee to make recommendations to the 1987 legislature to correct this shortfall. The subcommittee recommended that the unit continue to be the appropriate funding mechanism for special education programs, but that each unit be funded at the estimated cost of the average teacher's salary and benefits, adjusted for any prospective changes. In addition, the subcommittee recommended that there be a standard procedure for determining the number of units each session. These recommendations were incorporated into Assembly Bill 586 (1987) and would have resulted in an expenditure of \$34 million for 1,075 units in fiscal year (FY) 1988 and \$36.2 million for 1,113 units in FY 1989.

Assembly Bill 586 was not enacted, but concern was expressed for the future funding of special education as well as the educational services provided to school age children in private psychiatric hospitals. These concerns resulted in

the adoption of S.C.R. 3 and the formation of the legislative commission's subcommittee to study special education funding.

III. DISCUSSION OF FINDINGS AND RECOMMENDATIONS

A. FUNDING OF SPECIAL EDUCATION

The subcommittee received testimony that federal and state laws require all handicapped minors to receive a free, appropriate public education (FAPE). Public Law 94-142, for example, states that all handicapped minors must receive an education and related services that meet their unique needs and protect their rights. (See Appendix B.) Under subsection 1 of Nevada Revised Statutes (NRS) 388.450, "Special provisions for education of handicapped minors; uniform criteria for eligibility for instruction," the legislature declares that:

* * * the basic support guarantee for each special education program unit established by law for each school year establishes financial resources sufficient to insure a reasonably equal educational opportunity to handicapped minors residing in Nevada.

The subcommittee learned that special education serves a critical population of students who are currently attending Nevada's elementary and secondary schools. Special education is provided to those students who have emotional, sensory or learning problems that are the result of the child's particular handicap or handicaps. Teaching such children is costly, requiring small classes, specialized equipment and specially trained teachers and aides.

Additional testimony indicated that as of December 1, 1986, there were 14,042 handicapped students being served in Nevada's schools, or approximately 8.6 percent of the student population. Further testimony revealed that Nevada is in the lower 25 percent of the Nation with regard to the percentage of youngsters served in handicapped programs. (The national average of students in special education programs is approximately 12 percent of total student population.) In addition, Nevada's communities are encountering an increase in the severity of the handicaps experienced by children coming into existing programs. As a result, the subcommittee was informed that there is a need for greater support if all children eligible for special education in the state are to be served.

Compounding this problem is the shortage of money to fund the necessary special education programs. The subcommittee was told that the average cost to educate a handicapped minor is \$2,700 per year, but this figure varies greatly according to the individual student. Currently, Nevada school districts receive approximately \$31 million for special education programs. Of this figure, approximately \$4.5 million is federal funds which must be used strictly as a supplement to the existing level of instruction for handicapped students and provide programs "above and beyond" the basic instructional program.

According to testimony received by the subcommittee, the problem is that the \$24,000 currently allocated each special education unit is not sufficient to cover the salary and benefits of the average special education teacher. This shortfall creates an immediate deficit which continues to grow within a school district's budget. In 1985-1986, for example, the deficit was computed at approximately \$8 million, and information gathered in 1987 indicated that the deficit was closer to \$10 million. In order to meet federal and state requirements to provide a FAPE for each handicapped youngster, school districts have had to transfer funds from other areas in their budgets.

The subcommittee, therefore, recommends:

Placing in the statutes a policy statement that the amount provided by the state to local school districts for each special education program unit must be the estimated cost of the average salary and benefits payable to or on behalf of special education teachers, adjusted for any prospective changes in schedules for salaries which may be anticipated by the legislature. The average salary and benefits of special education teachers must be calculated by the state department of education and supplied to each legislature for use in its deliberations upon the financial support for special education program units. (BDR 34-162)

The subcommittee also heard testimony that it is essential to preserve the unit concept of special education funding and that to tie funding to special education enrollment would be a mistake because it would cause fiscal pressures on the eligibility process which would be detrimental to students in the long run. In addition, it was contended that establishing the number of units legislatively on a session-by-session basis is inefficient and has not maintained the necessary level of funding.

The subcommittee, therefore, recommends:

Placing in the statutes a policy statement that it is the intent of the legislature that the minimum number of special education program units provided to local school districts by each session of the legislature must be the number provided by the previous sessions of the legislature plus any units which have, since the previous session, been added by districts with local money from a source other than federal money.
(BDR-34-162)

B. EARLY CHILDHOOD EDUCATION

The subcommittee heard testimony concerning the efficacy of early childhood education for handicapped minors. It has been documented that a child's experiences during the early years of development are crucial to the future competence, success and well-being of that child. Early intervention programs assist children and their families to achieve success and eliminate additional problems that are associated with being handicapped. The subcommittee learned that without specialized programs, young handicapped children fall further and further behind their nonhandicapped peers.

Currently, the state department of education and local school districts are required to serve handicapped minors from the age of 5 years to graduation. However, state law is permissive with regard to serving younger children. For example, aurally handicapped minors may be served from birth, as are some visually handicapped children. Mentally handicapped children may be served at 3 years of age and AT youngsters are served at 4 years of age. As of 1986, a total of 844 children younger than 5 years were served in special education programs.

Recognizing the benefits of early childhood education, the subcommittee was told that the United States Congress had enacted legislation to encourage states to serve all handicapped children beginning at 3 years of age. Under Public Law 99-457, Congress expects all states to provide a free appropriate public education to all youngsters between the ages of 3 and 5 years by the end of the 1990-1991 school year. Currently, Nevada receives approximately \$1.6 million in federal funds annually to support early childhood special education programs. Representatives of the state department of education told the subcommittee that if the State of

Nevada does not have a 3-year-old mandate in place by 1991, it will lose this federal early childhood money.

The subcommittee, therefore, recommends:

Mandating that all handicapped children be served at the age of 4 years beginning in fiscal year 1990 and at 3 years in fiscal year 1991. (BDR 34-163)

C. ACADEMICALLY TALENTED PROGRAMS

The subcommittee received testimony from the state department of education and others that a comprehensive program of special education in Nevada would not be complete without including the academically talented population. Research and testing indicates that these students learn at an advanced rate and are unique in their extraordinary abilities, interests and talents. The subcommittee was told that AT children may be the most neglected group of all when their abilities are compared with their achievements.

As of December 1, 1986, a total of 5,321 academically talented students were served in 70 special education units. However, the subcommittee learned that, while AT students make up approximately 30 percent of the special education population, they receive only about 6.5 percent of the total special education budget. Testimony indicated that if these children are to achieve their fullest potential, they need special programs as much as any other category of exceptionality.

The subcommittee, therefore, recommends:

Providing additional funds to the state department of education to enable it to hire a full-time specialist for the gifted and talented to develop and coordinate special programs for academically talented students.

D. REIMBURSEMENT FOR PRIVATE SCHOOL PLACEMENTS

The subcommittee heard testimony that a number of private hospitals and medical facilities in Nevada are having difficulty in receiving funding support for the special education programs they furnish to children placed in their care. According to a private consultant hired by these facilities, it is their view that there are not sufficient funding mechanisms and policies in place to meet the federal requirement that all handicapped children receive a free, appropriate public education.

However, additional testimony indicated that the existing discretionary authority of the local school districts is seldom used to initiate services in private medical facilities. In response to several questions from subcommittee members, representatives from the state department of education stated that if the department or a local school district makes a placement in such a facility, based on the individualized education program (IEP), then the cost for that educational placement is borne by the department or local school district. If there are residential needs attached, the state department of education or district will pay these costs as well.

Subcommittee discussion centered upon the belief that there is a breakdown in communication between the two service providers, local school districts and private medical facilities concerning the IEP. If the school district determines that its programs cannot meet the child's educational needs, or that the educational program offered by a private medical facility is the suitable program for that child, then reimbursing the private facility is appropriate. However, if youngsters are placed in such facilities for other than educational purposes, the state department of education and local school districts are not required to pay these costs.

The subcommittee concluded that procedures to place children in private hospitals and medical facilities and provide for reimbursement of special education services already exist and that such efforts must begin with the IEP. Additionally, the subcommittee supports increased and enhanced communication between the state department of education, local school districts and private medical facilities so that such facilities are more knowledgeable of the process.

The subcommittee, therefore, recommends:

Requiring local school districts to reimburse private medical facilities for educational costs of handicapped minors who have been placed in their care when the minor's individualized education program recommends such a placement.

E. CREATION OF SPECIAL CHILDREN'S DIVISION

The subcommittee received testimony that currently there are four divisions in Nevada's department of human resources which provide services to children, including handicapped minors. A department representative stated that because

four divisions are involved in this process, there is no single prioritization of a child's needs. This structure contributes to a multi-problem child having numerous caseworkers, evaluations and programs to address his or her needs. To correct this situation, the subcommittee was told that the department is proposing to reorganize itself and create a child services division so that one entity is responsible for evaluating children and providing an integrated service delivery system.

Noting the value of such a system, the subcommittee recommends:

Supporting the concept to create in Nevada's department of human resources a special children's division that would provide integrated services to children, including handicapped minors who come under its authority.

F. TEACHING OF LEARNING DISABLED CHILDREN

The subcommittee received written testimony that children with learning difficulties can look forward to experiencing learning failures when their particular problems go unaddressed. The testimony indicated that alternative methods of teaching such students have been used successfully in other states.

The subcommittee, therefore, recommends:

Using alternative methods of teaching when instructing children with learning disabilities.

IV. CREDITS

The following is a listing of the names of persons who appeared before the subcommittee.

Debra Hay Chapman
Parent
Reno, Nevada

Deborah Davis
Executive Director
Coalition for Handicapped Children's Education (CHANCE)
Reno, Nevada

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Parent
Reno, Nevada

Gloria Dopf
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V. APPENDICES

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APPENDIX A

Compilation Of Statistics Relating To Funding Provided By
Nevada's State Department of Education

COMPILATION OF STATISTICS RELATING TO FUNDING PROVIDED BY
NEVADA'S STATE DEPARTMENT OF EDUCATION

I. STATE AND FEDERAL FUNDING FOR SPECIAL EDUCATION

A. State Funding

1. Special Education Units

Special education support is part of the Nevada Plan, the current means used to finance elementary and secondary education in Nevada's public schools. The program is funded on a unit basis at a legislatively approved amount per unit. A unit includes full-time services of persons licensed by the superintendent of public instruction providing a program of instruction in accordance with minimum standards prescribed by the state board of education (NRS 387.1211). Nevada Revised Statutes, Chapter 387.122 has set the funding for the current academic year (July 1, 1987 - June 30, 1988) at 1,075 units at \$24,000 per unit. The units are distributed to the school district in the following manner which is prescribed by law:

| District | 1987-88 | | 1988-89 | |
|---|--------------|-------------------|--------------|-------------------|
| | Units | Amount | Units | Amount |
| Carson City | 36 | 864,000 | 38 | 912,000 |
| Churchill County | 20 | 480,000 | 20 | 480,000 |
| Clark County | 618 | 14,832,000 | 643 | 15,432,000 |
| Douglas County | 29 | 696,000 | 30 | 720,000 |
| Elko County | 31 | 744,000 | 32 | 768,000 |
| Esmeralda County | 2 | 48,000 | 2 | 48,000 |
| Eureka County | 2 | 48,000 | 2 | 48,000 |
| Humboldt County | 14 | 336,000 | 15 | 360,000 |
| Lander County | 7 | 168,000 | 7 | 168,000 |
| Lincoln County | 7 | 168,000 | 7 | 168,000 |
| Lyon County | 22 | 528,000 | 23 | 552,000 |
| Mineral County | 9 | 216,000 | 9 | 216,000 |
| Nye County | 17 | 408,000 | 18 | 432,000 |
| Pershing County | 5 | 120,000 | 5 | 120,000 |
| Storey County | 2 | 48,000 | 2 | 48,000 |
| Washoe County | 219 | 5,256,000 | 227 | 5,448,000 |
| White Pine County | 10 | 240,000 | 10 | 240,000 |
| Subtotal | 1,050 | 25,200,000 | 1,090 | 26,160,000 |
| Reserved by State Board of Education | 25 | 600,000 | 25 | 600,000 |
| TOTAL | 1,075 | 25,800,000 | 1,115 | 26,760,000 |

Nevada Revised Statutes, Chapter 388.450 defines the population of handicapped minors to be served within the special education units. As of December 1, 1986, 13,791 such students were being served in special programs in Nevada's public schools. These handicapped minors are represented as follows:

SPECIAL EDUCATION, REPORT OF ENROLLMENT
DECEMBER 1, 1986

NEVADA PUBLIC SCHOOLS
AGES 0-21

| SCHOOL DISTRICT | PRIMARY HANDICAPPING CONDITION | | | | | | | TOTAL HC ENROLLMT. | REGULAR ENROLLMENT NOV. 1986 | PREVALANCE OF HANDICAPPED | ACADEMICALLY TALENTED | |
|--------------------|--------------------------------|----------|------------|--------|----------|----------|-------------------------------------|-----------------------|------------------------------------|---------------------------------|--------------------------|-------|
| | AURALLY | VISUALLY | PHYSICALLY | SPEECH | MENTALLY | MULTIPLE | SEVERELY EMOTIONALLY DISABLED | | | | | |
| CARSON CITY | 4 | 2 | 1 | 55 | 65 | 2 | 34 | 431 | 594 | 5,590 | 10.6 | 320 |
| CHURCHILL | 1 | 0 | 2 | 23 | 14 | 6 | 60 | 171 | 277 | 3,031 | 9.14 | 57 |
| CLARK | 111 | 43 | 149 | 1437 | 546 | 374 | 632 | 4402 | 7694 | 94,752 | 8.12 | 3,545 |
| DOUGLAS | 1 | 0 | 3 | 194 | 3 | 8 | 22 | 210 | 441 | 4,399 | 10.025 | 94 |
| ELKO | 2 | 1 | 1 | 189 | 10 | 4 | 11 | 267 | 485 | 4,999 | 9.7 | 63 |
| ESMERALDA | 0 | 0 | 0 | 0 | 0 | 5 | 0 | 10 | 15 | 173 | 8.67 | 0 |
| EUREKA | 0 | 0 | 0 | 20 | 0 | 0 | 0 | 16 | 36 | 196 | 18.37 | 0 |
| HUMBOLDT | 1 | 1 | 0 | 42 | 16 | 2 | 5 | 130 | 197 | 2,176 | 9.05 | 0 |
| LANDER | 0 | 0 | 0 | 23 | 9 | 2 | 0 | 81 | 115 | 1,035 | 11.11 | 16 |
| LINCOLN | 0 | 0 | 0 | 36 | 3 | 3 | 2 | 50 | 94 | 875 | 10.74 | 0 |
| LYON | 3 | 0 | 3 | 138 | 33 | 7 | 10 | 182 | 376 | 3,332 | 11.28 | 78 |
| MINERAL | 0 | 0 | 1 | 56 | 2 | 4 | 6 | 75 | 144 | 1,149 | 12.53 | 0 |
| NYE | 16 | 4 | 0 | 99 | 20 | 8 | 11 | 203 | 361 | 2,616 | 13.8 | 0 |
| PERSHING | 1 | 1 | 0 | 0 | 2 | 1 | 0 | 34 | 39 | 695 | 5.6 | 0 |
| STOREY | 1 | 0 | 0 | 5 | 1 | 1 | 1 | 31 | 40 | 271 | 14.76 | 0 |
| WASHOE | 28 | 10 | 67 | 650 | 185 | 62 | 103 | 1636 | 2741 | 33,166 | 8.26 | 1,114 |
| WHITE PINE | 0 | 0 | 2 | 34 | 11 | 0 | 4 | 91 | 142 | 1,418 | 10.01 | 34 |
| TOTALS | 169 | 62 | 229 | 3001 | 920 | 489 | 901 | 8020 | 13791 | 159,873 | 8.6 | 5,321 |

Currently, the state serves handicapped minors between five (5) and eighteen (18) years of age. There are some students who are served up through twenty-one (21) years of age to meet their unique needs. Aurally handicapped and visually handicapped minors may be served by a school district at birth. Mentally handicapped minors may be served at the age of three (3) years. Academically talented minors may be served at the age of four (4) years. All other areas of exceptionality are served at five (5) years of age, the age nonhandicapped youngsters are served in the districts.

2. Nevada Revised Statutes, Chapter 395 (NRS 395)

The legislature appropriated \$344,875 for the FY 88 school year to allow handicapped minors to be placed in out-of-district or out-of-state programs. After the second augmentation request approved by the Interim Finance Committee, the amount authorized for this program for FY 88 and 89 was \$1,121,873. The youngsters served under NRS 395 are so severely handicapped that their needs cannot be met in the local school districts. Since July 1, 1987, twenty-four (24) severely handicapped students were provided education in facilities under this chapter. Five placements are currently pending. Additionally, there are thirty-eight (38) children who are within the purview of the Department of Human Resources (DHR) who may be entitled to educational services under the provisions of Chapter 395 of NRS. A current review is underway between the Department of Education and DHR to determine if additional resources will be needed for these children.

The following reflects the current placements and costs under NRS 395:

| CASE # | DISTRICT | HANDICAPPING CONDITION | PLACEMENT FACILITY | PROJECTED* COST | STATUS |
|--------|------------|---------------------------|--------------------------------|-----------------------------------|-----------------------|
| 1 | Washoe | Autistic | Kaplan | 54,000 | current |
| 2 | Storey | Physically | Carson SD | 1,296 | current |
| 3 | Washoe | Aurally | Az.Deaf/Blind | 35,000 | current |
| 4 | Storey | Aurally | Washoe SD | 1,123 | current |
| 5 | Washoe | Aurally | Tucker-Maxon Albertina-Kerr | 11,600 | current |
| 6 | Washoe | Head Trauma | Forest Manor | Paid by Medicaid Trans.only | current |
| 7 | Lyon | Aurally | Tucker Maxon Albertina-Kerr | 11,600 | |
| 8 | Clark | Head Trauma | Casa Colina | 64,600 | home 12-19-87 |
| 9 | Carson | Aurally | Oralingua | 29,580 | current |
| 10 | Pershing | Mentally | Washburn Care | 10,860 | current |
| 11 | Washoe | Aurally | Penninsula Oral | 2,260 | summer sch.only |
| 12 | Pershing | Autistic | Anderson-Fodor | 27,000 | current |
| 13 | Clark | Mentally/ | Bar-None SD | 60,000 | home 2-3-88 |
| 14 | Elko | Autistic | Anderson-Fodor | 24,600 | current |
| 15 | Lyon | Head Trauma | Health Care Rehab. | 212,784 | home 11-1-87 |
| 16 | Churchill | Mentally | N. Idaho Children's Home | 63,193 | current |
| 17 | Churchill | Aurally | Penninsula Oral | 23,440 | current |
| 18 | White Pine | Emotionally | Utah Boys Ranch | previously 16,000 | awaiting placement |
| 19 | Washoe | Emotionally | Re-Ed West | 16,000 | home 3-25-88 |
| 20 | Elko | Aurally | Gooding School for the deaf | 32,500 | current |
| 21 | Washoe | Emotionally | Hennepinn County School | 7,488 | shared w/welf. |
| 22 | Washoe | Aurally | St. Josephs Sch. for Deaf | 24,776 | current |
| 23 | Churchill | Emotionally | Pending | pending | pending |
| 24 | Churchill | Emotionally | Majestic Boys Ranch | 3,200 | shared w/welf. |
| 25 | White Pine | Emotionally | Majestic Boys Ranch | 8,030 | shared w/welf. |
| 26 | Churchill | Mentally | Cancelled | | |
| 27 | Nye | Speech | Cancelled | | |
| 28 | Nye | | Cancelled | | |
| 29 | Nye | | Cancelled | | |
| 30 | Elko | Multiply | Pending | Pending | Pending |
| 31 | Washoe | Emotionally | Pending | Pending | Pending |
| 32 | Clark | Physically | Nat'l. Jewish | 584 | home 3-87 |

*Does not include transportation

B. Federal Funding

1. Public Law 94-142 State Grant

Public Law 94-142, the Education of the Handicapped Act, was passed in 1975. The law sets priorities and standards for service for states wishing to access the funds appropriated by congress to fulfill the primary purposes of the act which are to: assure that all handicapped children have a free appropriate public education; provide special education and related services to meet unique needs; assure protection of rights; assist states and localities in providing appropriate educational programs; and assess and assure effectiveness of efforts.

The funds are provided to the state on a per pupil expenditure basis for each student served, in accordance with the requirements of the law, on December 1 of each school year.

Initially, when P.L. 94-142 was developed, a timeline was established for a gradual increase in the per pupil expenditure. The law authorized an increase to 40 percent of the per pupil expenditure within a five (5) year period, if appropriated by congress. Congress has not appropriated these authorizations. The amount received is at approximately 10 percent of the per pupil expenditure. Nevada is receiving \$4.4 million for the P.L. 94-142 State grant program, or approximately \$315 per child. By law this money is used to supplement the existing level of instruction for handicapped students, meet the excess costs and provide programs "above and beyond" the instructional program provided by the state unit funding.

Seventy-five (75) percent of the state's entitlement must flow through to the local school districts based upon their child count and having in place an approved Local Plan for the implementation of Public Law 94-142. The Department of Education is providing slightly in excess of this amount (\$250 per pupil) in order to enable the school districts to meet existing needs. Further, \$350,000 of the amount remains at the state level to administer the special education program. This money primarily supports special education staff salaries within the Department. The difference between the percentage that flows through to the districts and the administration section supports discretionary projects in the districts and in other agencies.

The following is the amount of flow-through money which is available to each school district for the 1987-88 academic year:

| <u>SCHOOL DISTRICT</u> | <u>AMOUNT</u> |
|------------------------|------------------|
| Carson City | 148,500 |
| Churchill | 69,250 |
| Clark | 1,966,500 |
| Douglas | 110,250 |
| Elko | 122,500 |
| Esmeralda | 7,500 |
| Eureka | 9,000 |
| Humboldt | 49,250 |
| Lander | 28,750 |
| Lincoln | 23,500 |
| Lyon | 94,000 |
| Mineral | 36,000 |
| Nye | 90,250 |
| Pershing | 9,750* |
| Storey | 10,000 |
| Washoe | 698,750 |
| White Pine | 36,500 |
| TOTALS | 3,502,750 |

*Pershing County has not submitted a Local Plan to participate in the funding for the current school year.

2. Public Law 99-457 (P.L. 99-457)

P.L. 99-457 amended P.L. 94-142 on October 8, 1986. It generally:

- a. reauthorizes the discretionary programs of the Education of the Handicapped Act;
- b. provides incentives to states to serve additional handicapped children (ages three to five years) who currently are not being served. (Nevada currently serves 844 children in this age range in all of its programs, such as school districts, Head Start, Easter Seals, and college and university. As of December 1, 1986, there were 92 three (3) year olds, 244 four (4) year olds, 508 five (5) year olds.); and
- c. creates a new discretionary program to address the special needs of handicapped infants and toddlers, which is birth through two (2) years of age, and their families. As of December 1, 1986, approximately sixteen (16) zero through two (2) year olds were being served.

Under the program of incentives to states for handicapped children in the three (3) to five (5) age category, the state received \$527,854 in the current school year.

Of this sum, seventy percent, or \$369,498, must flow through to school districts for projects and programs that qualify Thirty percent of this money remains within the Department. Of this thirty percent, five percent is used for administrative purposes and twenty-five percent is available for state educational agency discretionary programs, projects and support (to encourage either model or demonstration projects or to fund pilot projects in specific portions encouraged by the act).

It was the expectation of Congress, by the enactment of P.L. 99-457, that states will provide free, appropriate public education to all three (3) to five (5) year olds by the end of the year 1990-1991. Under the act, after 4 years, each state that wishes to continue to receive federal financial assistance under the birth through two (2) years and three (3) through five (3) year programs must have in place, a mandate to provide appropriate early intervention services to all handicapped children in the state at three (3) years of age.

3. Chapter 1 -- State-Operated Programs for the Handicapped

Federal funds are made available to districts and other agencies for assistance with programs for institutionalized and deinstitutionalized handicapped students based upon a count of students in programs and receipt of an approvable subgrant application. The federal grant award for the 1987-88 school year is \$326,593.

4. Teacher Training for Handicapped Children

This program provides Federal funds for Nevada public school teachers, administrators and parents of the handicapped to receive additional training in working with handicapped children. Training is provided through seminars, institutes, workshops and scholarship grants for advanced summer training in universities. The current amount available is \$70,000.

5. Carl Perkins Vocational Education Act

The Carl Perkins Vocational Education Act requires that 10 percent of the funds coming into a state must be spent on handicapped students. Funds for handicapped students under this act must be used to supply supplemental or additional equipment, materials, services and staff that are not provided to other individuals in occupational education which are essential for handicapped individuals to participate in regular occupational education programs.

During fiscal year FY 1987, there were 1,359 handicapped students served under the Carl Perkins money for an expenditure of \$357,730. For FY 1988, a total expenditure of \$441,516 of Carl Perkins money is anticipated. Further, over fiscal years 1986, 1987 and 1988, Nevada will have spent \$1,960,358.

II. **HISTORIC INFORMATION ON SPECIAL EDUCATION FUNDING**

The legislature passed the first special education unit funding in 1973. At that time 414 units were funded at \$14,500 per unit. Each session thereafter has increased the number of special education units and the cost per unit as a part of the distributive school fund proposal. During each biennium increases were approved; however, the increases usually fell short of the request. Over time as the average teacher's salary increased, the amount appropriated per unit became less and less able to cover it's intended target - the salary of the teacher providing the instructional program to the group of identified handicapped students. For the current academic year, the unit is funded at \$24,000. The average teacher's salary in Nevada as reflected in the Research Bulletin, Volume 29, Number 1, was \$27,599 without fringe benefits. The inclusion of these benefits which are estimated at about 27.5% of salary costs would increase the average outlay to \$35,189 in order to provide a teacher in a special education unit. This fact compounded by the impact of additional educational costs such as instructional supplies, equipment, utilities, transportation and facilities resulted in a growing statewide concern regarding special education funding. To address this concern the State Board of Education appointed a Special Education Study Committee. The committee was comprised of school district program and fiscal administrators as well as department staff. The committee met March 11, June 9, and July 30, 1986 and identified the following concerns about the status and special education funding:

1. The amount of the special education unit is not sufficient to cover the salary plus the fringe benefits of the average special education teacher.
2. Districts are required to expend general fund resources to meet the needs of special education students. For the 1985-86 school year, the deficit was computed as approximately \$8 million.
3. The special education program unit is defined in paragraph (a) of subsection 1 of NRS 387.122 as an organized instructional unit which includes full-time services of persons licensed by the superintendent of public instruction providing a program of instruction in accordance with minimum standards prescribed by the state board.

However, each handicapped student is entitled to a free appropriate public education which requires that related services be provided the student in addition to the basic special education instructional program if the student needs these services in order to benefit from being in special education. Related services such as physical therapy, occupational therapy, teaching assistants and counselling increase the costs of programming for these youngsters.

4. Nevada is serving approximately 8.86% of the total school population in special education programs. This places us in the lower 25 percent of the states with regard to the percentage of youngsters served in handicapped programs versus the total school population. There may be a need to increase the amount or percentage of special education students to be served.
5. Nevada communities are experiencing an increase in the severity of the children coming into programs. This increase in severity creates a need for higher support for the programs because these students usually require additional, costly services.
6. Children surviving birth with greater disabilities are affecting the programs when they become school age.
7. As the community becomes more aware of the services that it is entitled to, the demands for these services increase. This factor will affect the number of units that are required and the amount needed per unit.

The State Board Study Committee proposed the following recommendations:

1. The unit funding mechanism must put an end to an increasing draw of general fund money by special education programs.
2. The budgetary request to the legislature should be used to illustrate interest in a long term as well as short term progression, thereby avoiding returning to the legislature each biennium with the same request for "100 more units". To this end, the committee suggested a 6 year phase in proposal which would enable the state to project needs over a period of three

legislative sessions. The phase in would ultimately result in funding each unit at an amount that would cover the full salary plus fringe benefits of the teacher and increase the percentage of youngsters served in special education programs to an accepted target percentage. If this was accomplished, the committee concluded that the unit would still be an appropriate funding mechanism for special education programs and should be retained rather than changing to funding mechanisms in use in other states such as flat grants, formula based appropriations, and weighting factors.

The State Board of Education adopted the recommendations of this committee and synthesized its recommendations into the FY 88 and 89 requested budgets as the first two years of the proposed 6 year phase in plan. The Board requested 1,075 units, an increase of 60 units, to be funded at \$24,600 for a total cost of \$26,445,000 for FY 88 and 1,135 units, an increase of 60 units, to be funded at \$28,500 per unit for a total cost of \$32,347,500. However, the Executive budget proposed 45 new units at a cost of \$23,700 per unit for a total of \$25,122,000 and 36 new units at \$23,700 per unit for a total of \$25,975,200 for the second year of the biennium.

The information gathered during the 1987 session of the legislature showed that the amount of general fund money being used to support special education programs was growing from the \$8 million amount which was computed for the 1985-86 school year. The amount for the Clark County School District was reported at almost \$8 million, the Washoe County School District at \$2 million and the balance of the state at \$2 million.

During the 1987 session, Assembly Bill (AB) 586 was introduced to revise the provisions governing the funding of special education programs as follows: to declare legislative intent to fund each unit at the estimated cost of the average salary and benefits, adjusted for any prospective changes in schedules for salaries and to establish a mechanism whereby the minimum number of special education units must be the number provided by the previous session plus any units which have been added by the district with local money from a source other than federal funds. The costs for this revision were computed as \$34,179,625 for 1,075 units for FY 88 and \$36,272,670 for 1,113 units for FY 89.

AB 586 was not passed and the legislature instead awarded 1,075 units at \$24,000 per unit for FY 88 and 1,115 units at \$24,000 per unit for FY 89. The concern was raised regarding special education funding and another concern was raised regarding educational services to school aged youngsters in private psychiatric hospitals. These concerns resulted in the passage of Senate Concurrent Resolution No. 3 which was directed to formulate this Legislative Commission's Subcommittee to study the provision and funding of special education for handicapped minors.

III. PROPOSAL FOR FUTURE FUNDING FOR SPECIAL EDUCATION IN NEVADA

In conjunction with the SCR 3 Study and continuing the review initiated by the 1986 State Board Study Committee, each school district was asked to compute the general fund deficit occurring as a result of the special education program needs within the district for fiscal years 1986, 1987 and 1988. The Department prescribed the format of the computation and directions for completion including definition of terms consistent with Handbook II Nevada's Financial Accounting Handbook in order to assure consistency. Attachment A is a copy of the format and directions. The following are the deficit amounts computed by each district:

| SCHOOL DISTRICT | FISCAL YEAR 1986 | | |
|--------------------|------------------|-----------------|-------------------|
| | REVENUE | EXPENDITURES | BALANCE |
| CARSON | \$2,718,722.00 | \$3,610,153.00 | (\$891,431.00) |
| CHURCHILL | \$1,283,217.00 | \$1,360,254.00 | (\$77,037.00) |
| CLARK | \$32,269,024.00 | \$39,807,906.00 | (\$7,538,882.00) |
| DOUGLAS | \$1,732,849.00 | \$1,941,678.00 | (\$208,829.00) |
| ELKO | \$2,070,775.00 | \$2,174,550.00 | (\$103,775.00) |
| ESMERALDA | \$175,688.00 | \$170,928.00 | \$4,760.00 |
| EUREKA | \$210,381.00 | \$293,321.00 | (\$82,940.00) |
| HUMBOLDT | \$765,187.00 | \$937,319.00 | (\$172,132.00) |
| LANDER | \$616,247.00 | \$681,730.00 | (\$65,483.00) |
| LINCOLN | \$562,620.00 | \$629,251.00 | (\$66,631.00) |
| LYON | \$1,505,295.00 | \$1,610,397.00 | (\$105,102.00) |
| MINERAL | \$581,453.00 | \$602,816.00 | (\$21,363.00) |
| NYE | \$1,401,080.00 | \$1,451,228.00 | (\$50,148.00) |
| PERSHING | \$324,005.00 | \$389,460.00 | (\$65,455.00) |
| STOREY | \$277,920.00 | \$346,000.00 | (\$68,080.00) |
| WASHOE | \$11,778,506.00 | \$13,186,504.00 | (\$1,407,997.00) |
| WHITE PINE | \$775,987.00 | \$814,106.00 | (\$38,119.00) |
| TOTALS | \$59,048,956.00 | \$70,007,601.00 | (\$10,958,644.00) |

| FISCAL YEAR 1987 | | | |
|------------------|-----------------|-----------------|-------------------|
| SCHOOL DISTRICT | REVENUE | EXPENDITURES | BALANCE |
| CARSON | \$2,830,246.00 | \$3,834,778.00 | (\$994,532.00) |
| CHURCHILL | \$1,476,168.00 | \$1,578,602.00 | (\$102,434.00) |
| CLARK | \$35,538,373.00 | \$43,927,003.00 | (\$8,388,631.00) |
| DOUGLAS | \$2,060,934.00 | \$2,321,467.00 | (\$260,533.00) |
| ELKO | \$2,293,804.00 | \$2,377,774.00 | (\$83,970.00) |
| ESMERALDA | \$144,826.00 | \$149,142.00 | (\$4,316.00) |
| EUREKA | \$239,984.00 | \$337,693.00 | (\$97,709.00) |
| HUMBOLDT | \$866,725.00 | \$1,047,648.00 | (\$180,923.00) |
| LANDER | \$650,038.00 | \$726,499.00 | (\$76,461.00) |
| LINCOLN | \$661,856.00 | \$710,493.00 | (\$48,637.00) |
| LYON | \$1,797,290.00 | \$1,966,791.00 | (\$169,501.00) |
| MINERAL | \$692,329.00 | \$762,496.00 | (\$70,167.00) |
| NYE | \$1,540,453.00 | \$1,685,856.00 | (\$145,403.00) |
| PERSHING | \$238,297.00 | \$313,044.00 | (\$74,747.00) |
| STOREY | \$204,357.00 | \$268,767.00 | (\$64,410.00) |
| WASHOE | \$12,937,816.00 | \$14,315,044.00 | (\$1,377,228.00) |
| WHITE PINE | \$805,395.00 | \$876,554.00 | (\$71,159.00) |
| TOTALS | \$64,978,891.00 | \$77,199,651.00 | (\$12,210,761.00) |

| PROJECTED FISCAL YEAR 1988 | | | |
|----------------------------|-----------------|-----------------|-------------------|
| SCHOOL DISTRICT | REVENUE | EXPENDITURES | BALANCE |
| CARSON | \$3,065,816.00 | \$4,144,609.00 | (\$1,078,793.00) |
| CHURCHILL | \$1,715,229.00 | \$2,048,692.00 | (\$333,463.00) |
| CLARK | \$38,580,394.00 | \$49,384,598.00 | (\$10,804,204.00) |
| DOUGLAS | \$2,471,253.00 | \$2,855,791.00 | (\$384,538.00) |
| ELKO | \$2,525,723.00 | \$2,639,212.00 | (\$113,489.00) |
| ESMERALDA | \$219,238.00 | \$229,177.00 | (\$9,939.00) |
| EUREKA | \$187,779.00 | \$344,003.00 | (\$156,224.00) |
| HUMBOLDT | \$937,434.00 | \$1,196,000.00 | (\$258,567.00) |
| LANDER | \$678,923.00 | \$852,995.00 | (\$174,072.00) |
| LINCOLN | \$578,638.00 | \$633,125.00 | (\$54,487.00) |
| LYON | \$2,057,392.00 | \$2,288,425.00 | (\$231,033.00) |
| MINERAL | \$708,967.00 | \$818,947.00 | (\$109,980.00) |
| NYE | \$1,647,094.00 | \$1,694,690.00 | (\$47,596.00) |
| PERSHING | \$265,791.00 | \$383,436.00 | (\$117,645.00) |
| STOREY | \$229,044.00 | \$334,595.00 | (\$105,551.00) |
| WASHOE | \$13,979,884.00 | \$15,760,520.00 | (\$1,780,636.00) |
| WHITE PINE | \$846,213.00 | \$1,058,218.00 | (\$212,005.00) |
| TOTALS | \$70,694,812.00 | \$86,867,033.00 | (\$15,972,222.00) |

A goal of future funding proposals for special education programs is to put an end to the dramatically increasing budgetary encroachment of special education programs on general fund money. One significant step toward accomplishing this would be for legislative approval of provisions similar to those set forth in AB 586 from the Sixty-fourth session. Such action would increase the amount of funding in each unit to a level which would fully reimburse the local school districts for salary and benefit costs as well as guarantee the minimum number of units provided to each district by each session of the legislature to be the number provided by the previous session plus any units which have been added by districts with local revenue except for federal funds. Following is a table depicting an increase in the per unit allotment of state funds from \$24,000 in 1988-89 to \$35,189. Adjustments have been made for a 3% per year overall enrollment increase, the assumption of the cost of those units projected to be locally funded as of 1989-90 and the netting out of an estimated factor for the academically talented. The calculation assumes no cost per living increase per unit.

SPECIAL EDUCATION UNIT PROJECTION

| | FY 1988 | FY 1989 | FY 1990 | FY 1991 |
|-----------------|--------------|--------------|--------------|--------------|
| Number of Units | 1,075 | 1,115 | 1,259 | 1,332 |
| Cost per unit | \$24,000 | \$24,000 | \$35,189 | \$35,189 |
| TOTAL | \$25,800,000 | \$26,760,000 | \$44,302,974 | \$46,865,334 |

IV. EARLY CHILDHOOD

For over a decade the special education community, supported by the State Board of Education, has attempted to request a mandate to serve handicapped children as early as three years of age. This effort has not been successful in spite of research and testimony which has been presented in each session of the legislature. It has been documented that a child's experiences during the early years are crucial to future competence, success and well-being. Early intervention programs assist children and their families to achieve success and eliminate additional problems which are associated with being handicapped. Without specialized programs, young handicapped children tend to fall further and further behind their non-handicapped peers.

Federal funds which are directed to early childhood special education in Nevada, total \$1,647,007. In fiscal year 1988, Nevada received the following funds to support early childhood programs.

- | | |
|--|-----------|
| 1. Public Law 99-457 | \$527,854 |
| 2. Public Law 94-142 | 265,860 |
| (844 children at the revised amount of \$315 per child) | |

| | |
|---|---------|
| 3. Chapter 1, Handicapped (revised) | 326,593 |
| 4. Federal personnel preparation grant (to DHR) - NETWORC | 91,135 |
| 5. University of Nevada-Las Vegas teacher preparation program | 191,121 |
| 6. Public Law 99-457 for infant/toddler (to DHR) | 244,444 |

Public Law 99-457 has set forth a requirement that state's wishing to continue participation in federal early childhood education funds must have a mandate in place to serve all three year old handicapped youngsters no later than 1991. To this end, a mandate for Nevada will be a consideration during the Sixty-fifth Legislative Session, 1989.

The chart below demonstrates the projected costs of initiating a mandate for all four year old handicapped youngsters in 1990 and lowering the age to mandate service to all three year old handicapped youngsters beginning in fiscal year 1991. The projected population figures upon which this chart is based were derived from the Nevada Statistical Abstract, 1986 and the University of Nevada Reno, Bureau of Business and Economic Research Reports. The amount per unit has been projected to pay for the full salary costs plus fringe benefits for a teacher in a unit, utilizing current year average salary figures. The average caseload per unit is projected at 30 students in order to accommodate the varied service delivery methods which are appropriate to early childhood programs.

4 YEAR OLD MANDATE

| Fiscal Year | Projected Population of 4-5 Year Olds | Projected # of Handicapped Youngsters* | # Units | Cost Per Unit | Total |
|-------------|---------------------------------------|--|---------|---------------|-----------|
| 1990 | 35,461 | 1,064 | 35 | 35,189 | 1,231,615 |

3 YEAR OLD MANDATE

| Fiscal Year | Projected Population of 3-5 Year Olds | Projected # of Handicapped Youngsters* | # Units | Cost Per Unit | Total |
|-------------|---------------------------------------|--|---------|---------------|-----------|
| 1991 | 55,486 | 1,665 | 55 | 35,189 | 1,935,395 |

*Based upon a 3 percent incidence rate of handicapped children within the total population.

V. OTHER CONSIDERATIONS

1. Academically Talented

Concern has been expressed about directing unit funds to serve academically talented students when there is not enough money to provide for handicapped students whose services are mandated by

Public Law 94-142. According to the December 1, 1986 child count, 5,321 academically talented students were served in 70 special education units. Fifty-nine of these units were funded through the state allocation and eleven were funded by the local school districts. Research and testing clearly conveys that these students learn at an advanced rate and are unique in their extraordinary abilities, interests and talents. They may be the most neglected group of all when this ability is compared with their achievement.

2. Private School Placement

The existing discretionary authority of the local school districts is seldom used to initiate services in private facilities. Instead, the local school districts direct their state allocated units to serve handicapped students who are enrolled within their attendance areas. Some questions have been raised as to whether there is a need to fund programs for identified special education children who are placed in private facilities.

VI. RECOMMENDATIONS

A. Present a Bill to the 1989 session of the legislature which is similar to AB 586 that was submitted in 1987 and addresses the following content.

1. It is the declared intent of the legislature that the amount provided by the state to local school districts for each special education program unit must be the estimated cost of the average salary and benefits payable to or on behalf of special education teachers, adjusted for any prospective changes in schedules for salaries which may be anticipated by the legislature. The average salary and benefits of special education teachers must be calculated by the department and supplied to each legislature for use in its deliberations upon the financial support for special education program units.
2. It is the declared intent of the legislature that the minimum number of special education program units provided to local school districts by each session of the legislature must be the number provided by the previous session of the legislature plus any units which have, since the previous session, been added by districts with local money from a source other than federal money.

The number of units and cost per unit to fulfill these requirements would be:

| | 1990 | 1991 |
|-----------------|----------|----------|
| Number of Units | 1,259 | 1,332 |
| Cost Per Unit | \$35,189 | \$35,189 |

- B. Present a Bill to the 1989 session of the legislature which will mandate that all handicapped children be served at the age of 4 years in 1990 and at the age of 3 years in 1991. The number of units and cost per unit would be:

| | 1990 | 1991 |
|-----------------|----------|----------|
| Number of Units | 35 | 55 |
| Cost Per Unit | \$35,189 | \$35,189 |

COUNTY SCHOOL DISTRICT

SPECIAL EDUCATION REVENUE AND EXPENDITURES
GENERAL OPERATING FUND FY

ENROLLMENT

- A. Total District Enrollment

- B. Total Number of Mainstreamed Students

- C. Total Number of Self-contained Students

- D. Total Number of Handicapped Students

REVENUE GENERATED

1. Total Basic Support

- State Support Per Pupil

- Handicapped Count

 X

2. State Unit Support

- Funding Per Unit

- Number of Units

 X

3. Local Revenue

TOTAL REVENUE GENERATED

EXPENDITURES

1. Direct Special Education Expenses

2. Estimated Regular Education Costs for Sp. Ed. Students

3. Estimated Undistributed Expenses for Sp. Ed. Students

TOTAL EXPENDITURES

BALANCE

(SEE ATTACHED DIRECTIONS FOR FORM COMPLETION)

DIRECTIONS FOR FORM COMPLETION

Please complete one form for each of the following years: FY 86, FY 87, FY 88 (projected).

- The total district enrollment (Item A) is the enrollment as reported to the Department of Education on forms ADM 05 and 06 for the end of the third school month.
- The number of mainstreamed students (Item B) is the total number of students who spend at least one period per day or the equivalent in a regular education program.
- The number of handicapped students is the combination of Items B and C but must be the same total as the number of handicapped students reported in the December 1 Child Count.
- The Total Basic Support is the per pupil support multiplied by the handicapped count (Item D).
- The State Unit Support is the funding per unit multiplied by the total number of units (state and discretionary) allocated to the district.
- The Local Revenue is the local revenue (not already accounted for in the basic support section) received by the district multiplied by the percentage of handicapped students in the district (Item D divided by A).
- Direct Special Education is the total of general fund expenditures for special education programs. This should include Program Code 200 expenses and academically talented if not included in 200.
- Regular Education costs are the total of general fund expenditures for regular education programs. This should include Program Code 100 and other function 1000 expenses excepting for special education program costs.

This amount is then multiplied by the % of mainstreamed students which is computed as Item B divided by A.

- Undistributed Expenses are the total of expenses applicable to the entire district or not assignable to a particular instructional program. This should include Program Code 00 and functions in the 2000-2900 series not already accounted for as a regular or special education expense.

This amount is then multiplied by the % of handicapped students which is computed as Item D divided by A.

APPENDIX B

Education Of The Handicapped, 20 U.S.C. Secs. 1400-1485

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EDUCATION OF THE HANDICAPPED

20 U.S.C. SECS. 1400-1485

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EDUCATION OF THE HANDICAPPED

20 U.S.C. Secs. 1400-1485

[P.L. 91-230, April 13, 1970, 84 Stat. 121; as amended by P.L. 93-380, August 21, 1974, 88 Stat. 580, by P.L. 94-142, November 29, 1975, 89 Stat. 773, by Pub. L. 95-561, November 1, 1978, 92 Stat. 2364, by Pub. L. 98-199, December 2, 1983, 97 Stat. 1357, by Pub. L. 99-372, August 5, 1986, 100 Stat. 796, and by Pub. L. 99-457, Oct. 8, 1986, 100 Stat. 1145.]

SUBCHAPTER I — GENERAL PROVISIONS

Sec. 1400. Congressional statements and declarations

Short title

(a) This chapter may be cited as the "Education of the Handicapped Act."

Findings

(b) The Congress finds that—

(1) there are more than eight million handicapped children in the United States today;

(2) the special educational needs of such children are not being fully met;

(3) more than half of the handicapped children in the United States do not receive appropriate educational services which would enable them to have full equality of opportunity;

(4) one million of the handicapped children in the United States are excluded entirely from the public school system and will not go through the educational process with their peers;

(5) there are many handicapped children throughout the United States participating in regular school programs whose handicaps prevent them from having a successful educational experience because their handicaps are undetected;

(6) because of the lack of adequate services within the public school system, families are often forced to find services outside the public school system, often at great distance from their residence and at their own expense;

(7) developments in the training of teachers and in diagnostic and instructional procedures and methods have advanced to the point that, given appropriate funding, State and local educational agencies can and will provide effective special education and related services to meet the needs of handicapped children;

(8) State and local educational agencies have a responsibility to provide education for all handicapped children, but present financial resources are inadequate to meet the special educational needs of handicapped children; and

(9) it is in the National interest that the Federal Government assist State and local efforts to provide programs to meet the educational needs of handicapped children in order to assure equal protection of the law.

Purpose

(c) It is the purpose of this chapter to assure that all handicapped children have available to them, within the time periods specified in Section 1412(2)(B) of this title, a free appropriate public education which emphasizes special education and related services designed to meet their unique needs, to assure that the rights of handicapped children and their parents or guardians are protected, to assist States and localities to provide for the education of all handicapped children, and to assess and assure the effectiveness of efforts to educate handicapped children.

Pub. L. 91-230, Title VI, Sec. 601, Apr. 13, 1970, 84 Stat. 175, amended by Pub. L. 94-142, Sec. 3(a), Nov. 29, 1975, 89 Stat. 774 [reclassified as Sec. 1400 in 1981].

Sec. 1401. Definitions

(a) As used in this chapter—

(1) The term "handicapped children" means mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired children, or children with specific learning disabilities, who by reason thereof require special education and related services.

(3).[*] The term "Advisory Committee" means the National Advisory Committee on the Education of Handicapped Children.

*Former subsection (a)(2) was deleted; however, subsections (a)(3) - (a)(22) were not renumbered.

(4) The term "construction," except where otherwise specified, means (A) erection of new or expansion of existing structures, and the acquisition and installation of equipment therefor; or (B) acquisition of existing structures not owned by any agency or institution making application for assistance under this chapter; or (C) remodeling or alteration (including the acquisition, installation, modernization, or replacement of equipment) of existing structures; or (D) acquisition of land in connection with the activities in clauses (A), (B), and (C); or (E) a combination of any two or more of the foregoing.

(5) The term "equipment" includes machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, telecommunications, sensory, and other technological aids and devices, and books, periodicals, documents, and other related materials.

(6) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(7) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(8) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(9) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(10) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(11) The term "institution of higher education" means an educational institution in any State which—

(A) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(B) is legally authorized within such State to provide a program of education beyond high school;

(C) provides an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(D) is a public or other nonprofit institution;

(E) is accredited by a nationally recognized accrediting agency or association listed by the Commissioner pursuant to this paragraph or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited: *Provided, however,* That in the case of an institution offering a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge, if the Commissioner determines that there is no nationally recognized accrediting agency or association qualified to accredit such institutions, he shall appoint an advisory committee, composed of persons specially qualified to evaluate training provided by such institutions, which shall prescribe the standards of content, scope, and quality which must be met in order to qualify such institutions to participate under this Act and shall also determine whether particular institutions meet such standards. For the purposes of this paragraph the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of education or training offered; and

(F) The term includes community colleges receiving funding from the Secretary of the Interior under Public Law 95-471.

(12) The term "nonprofit" as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more

nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(13) The term "research and related purposes" means research, research training (including the payment of stipends and allowances), surveys, or demonstrations in the field of education of handicapped children, or the dissemination of information derived therefrom, including (but without limitation) experimental schools.

(14) The term "Secretary" means the Secretary of Education.

(15) The term "children with specific learning disabilities" means those children who have a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia. Such term does not include children who have learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental, cultural, or economic disadvantage.

(16) The term "special education" means specially designed instruction, at no cost to parents or guardians, to meet the unique needs of a handicapped child, including classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions.

(17) The term "related services" means transportation, and such developmental, corrective, and other supportive services (including speech pathology and audiology, psychological services, physical and occupational therapy, recreation, and medical and counseling services, except that such medical services shall be for diagnostic and evaluation purposes only) as may be required to assist a handicapped child to benefit from special education, and includes the early identification and assessment of handicapping conditions in children.

(18) The term "free appropriate public education" means special education and related services which (A) have been provided at public expense, under public supervision and direction, and without charge, (B) meet the standards of the State educational agency, (C) include an appropriate preschool, elementary, or secondary school education in the State involved, and (D) are provided in conformity with the individualized education program required under section 1414(a)(5) of this title.

(19) The term "individualized education program" means a written statement for each handicapped child de-

veloped in any meeting by a representative of the local educational agency or an intermediate educational unit who shall be qualified to provide, or supervise the provision of, specially designed instruction to meet the unique needs of handicapped children, the teacher, the parents or guardian of such child, and, whenever appropriate, such child, which statement shall include (A) a statement of the present levels of educational performance of such child, (B) a statement of annual goals, including short-term instructional objectives, (C) a statement of the specific educational services to be provided to such child, and the extent to which such child will be able to participate in regular educational programs, (D) the projected date for initiation and anticipated duration of such services, and (E) appropriate objective criteria and evaluation procedures and schedules for determining, on at least an annual basis, whether instructional objectives are being achieved.

(20) The term "excess costs" means those costs which are in excess of the average annual per student expenditure in a local educational agency during the preceding school year for an elementary or secondary school student, as may be appropriate, and which shall be computed after deducting (A) amounts received under this subchapter or under title I or title VII of the Elementary and Secondary Education Act of 1965, and (B) any State or local funds expended for programs which would qualify for assistance under this subchapter or under such titles.

(21) The term "native language" has the meaning given that term by section 703(a)(2) of the Bilingual Education Act.

(22) The term "intermediate educational unit" means any public authority, other than a local educational agency, which is under the general supervision of a State educational agency, which is established by State law for the purpose of providing free public education on a regional basis, and which provides special education and related services to handicapped children within that State.

(23) (A) The term "public or private nonprofit agency or organization" includes an Indian tribe. (B) The terms "Indian", "American Indian", and "Indian American" mean an individual who is a member of an Indian tribe. (C) The term "Indian tribe" means any Federal or State Indian tribe, band, rancheria, pueblo, colony, or community, including any Alaskan native village or regional village corporation (as defined in or established under the Alaska Native Claims Settlement Act).

(b) For purposes of part C of this title, "handicapped youth" means any handicapped child (as defined in section 602(a)(1)) who—

(1) is twelve years of age or older; or

(2) is enrolled in the seventh or higher grade in school.

NOTE: (a) Except as provided in subsection (b), the provisions of this Act shall take effect on the date of enactment of this Act.

(b)(1) To the extent that the amendments made by this Act to parts C, D, E, and G of the Education of the Handicapped Act prohibit or limit the use of funds, such amendments shall apply only to funds obligated after the date of enactment of this Act.

(2) As determined necessary by the Secretary of Education for purposes of providing services under the Education of the Handicapped Act pending the issuance of regulations implementing the amendments made by this Act, the Secretary shall provide financial assistance under parts C, D, E, and G of the Act as in effect on the day before the date of enactment of this Act until issuance of such regulations or March 1, 1984, whichever is earlier.

Pub. L. 91-230, Title VI, Sec. 602, Apr. 13, 1970, 84 Stat. 175; amended by Pub. L. 94-142, Sec. 4(a), Nov. 29, 1975, 89 Stat. 775, Pub. L. 98-199, Sec. 2, Dec. 2, 1983, 97 Stat. 1357, and by Pub. L. 99-457, Title IV, Sec. 402, Oct. 8, 1986, 100 Stat. 1172.

Sec. 1402. Office of Special Education Programs

(a) There shall be, within the Office of Special Education and Rehabilitative Services in the Department of Education, an Office of Special Education Programs which shall be the principal agency in the Department for administering and carrying out this Act and other programs and activities concerning the education and training of the handicapped.

(b)(1) The office established under subsection (a) shall be headed by a Deputy Assistant Secretary who shall be selected by the Secretary and shall report directly to the Assistant Secretary for Special Education and Rehabilitative Services. The position of Deputy Assistant Secretary shall be in grade GS-18 of the General Schedule under section 5104 of title 5, United States Code, and shall be a Senior Executive Service position for the purposes of section 3182(a)(2) of such title.

(2) In addition to such Deputy Assistant Secretary, there shall be established in such office not less than six positions for persons to assist the Deputy Assistant Secretary, including the position of the Associate Deputy Assistant Secretary. Each such position shall be in grade GS-15 of the General Schedule under section 5104 of title 5, United States Code.

Pub. L. 91-230, Title VI, Sec. 603, Apr. 13, 1970, 84 Stat. 177; amended by Pub. L. 93-380, Title VI, Sec. 612(a), Aug. 21, 1974, 88 Stat. 579, and by Pub. L. 98-199, Sec. 3(a), Dec. 2, 1983, 97 Stat. 1357.

Sec. 1403. National Advisory Committee on Handicapped Children and Youth

Repealed by Pub. L. 99-457, Title IV, Sec. 407, Oct. 8, 1986, 100 Stat. 1177.

Sec. 1404. Acquisition of equipment and construction of necessary facilities

Authorization for use of funds

(a) In the case of any program authorized by this chapter, if the Secretary determines that such program will be improved by permitting the funds authorized for such program to be used for the acquisition of equipment and the construction of necessary facilities, he may authorize the use of such funds for such purposes.

Recovery of payments under certain conditions

(b) If within twenty years after the completion of any construction (except minor remodeling or alteration) for which funds have been paid pursuant to a grant or contract under this chapter the facility constructed ceases to be used for the purposes for which it was constructed, the United States, unless the Secretary determines that there is good cause for releasing the recipient of the funds from its obligation, shall be entitled to recover from the applicant or other owner of the facility an amount which bears the same ratio to the then value of the facility as the amount of such Federal funds bore to the cost of the portion of the facility financed with such funds. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated.

Pub. L. 91-230, Title VI, Sec. 605, Apr. 13, 1970, 84 Stat. 177.

Sec. 1405. Employment of handicapped individuals

The Secretary shall assure that each recipient of assistance under this chapter shall make positive efforts to employ and advance in employment qualified handicapped individuals in programs assisted under this chapter.

Pub. L. 91-230, Title VI, Sec. 606, as added Pub. L. 94-142, Sec. 6(a), Nov. 29, 1975, 89 Stat. 795.

Sec. 1406. Grants for the removal of architectural barriers

(a) The Secretary is authorized to make grants and to enter into cooperative agreements with the Secretary of the Interior and with State educational agencies to assist such agencies in making grants to local educational agencies or intermediate educational units to pay part or all of the cost of altering existing buildings and equipment in accordance with standards promulgated under the Act approved August 12, 1968 (Public Law 90-480), relating to architectural barriers.

(b) For the purposes of carrying out the provisions of this section, there are authorized to be appropriated such sums as may be necessary.

Pub. L. 91-230, Title VI, Sec. 607, as added by Pub. L. 94-142, Sec. 6(a), Nov. 29, 1975, 89 Stat. 795, and amended

by Pub. L. 98-199, Sec. 5, Dec. 2, 1983, 97 Stat. 1358, and by Pub. L. 99-457, Title IV, Sec. 401, Oct. 8, 1986, 100 Stat. 1172.

Sec. 1407. Requirements for prescribing regulations

(a) For purposes of complying with section 431(b) of the General Education Provisions Act with respect to regulations promulgated under part B of this Act, the thirty-day period under such section shall be ninety days.

(b) The Secretary may not implement, or publish in final form, any regulation prescribed pursuant to this Act which would procedurally or substantively lessen the protections provided to handicapped children under this Act, as embodied in regulations in effect on July 20, 1983 (particularly as such protections relate to parental consent to initial evaluation or initial placement in special education, least restrictive environment, related services, timelines, attendance of evaluation personnel at IEP meetings, or qualifications of personnel), except to the extent that such regulation reflects the clear and unequivocal intent of the Congress in legislation.

(c) The Secretary shall transmit a copy of any regulations promulgated under this Act to the National Advisory Committee on the Education of the Handicapped concurrently with publication in the Federal Register.

Pub. L. 91-230, Title VI, Sec. 608, as added by Pub. L. 98-199, Sec. 6, Dec. 2, 1983, 97 Stat. 1359.

Sec. 1408. Eligibility for Financial Assistance

Effective for fiscal years for which the Secretary may make grants under section 1419(b)(1), no State or local educational agency or intermediate educational unit or other public institution or agency may receive a grant under parts C through G which relate exclusively to programs, projects, and activities pertaining to children aged three to five, inclusive, unless the State is eligible to receive a grant under section 1419(b)(1). Pub. L. 99-457, Title II, Sec. 202, Oct. 8, 1986, 100 Stat. 1158.

SUBCHAPTER II — ASSISTANCE FOR EDUCATION OF ALL HANDICAPPED CHILDREN

Sec. 1411. Entitlements and allocations

Formula for determining maximum State entitlement

(a)(1) Except as provided in paragraph (3) and in section 1419 of this title, the maximum amount of the grant to which a State is entitled under this subchapter for any fiscal year shall be equal to—

(A) the number of handicapped children aged three to five, inclusive, in a State who are receiving special educa-

tion and related services as determined under paragraph (3) if the State is eligible for a grant under section 1419 and the number of handicapped children aged six through 21, inclusive, in a State who are receiving special education and related services as so determined;

multiplied by—

(B)(i) 5 per centum, for the fiscal year ending September 30, 1978, of the average per pupil expenditure in public elementary and secondary schools in the United States;

(ii) 10 per centum, for the fiscal year ending September 30, 1979, of the average per pupil expenditure in public elementary and secondary schools in the United States;

(iii) 20 per centum, for the fiscal year ending September 30, 1980, of the average per pupil expenditure in public elementary and secondary schools in the United States;

(iv) 30 per centum, for the fiscal year ending September 30, 1981, of the average per pupil expenditure in public elementary and secondary schools in the United States; and

(v) 40 per centum, for the fiscal year ending September 30, 1982, and for each fiscal year thereafter, of the average per pupil expenditure in public elementary and secondary schools in the United States;

except that no State shall receive an amount which is less than the amount which such State received under this subchapter for the fiscal year ending September 30, 1977.

(2) For the purposes of this subsection and subsection (b) through subsection (e) of this section, the term "State" does not include Guam, American Samoa, the Virgin Islands, Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(3) The number of handicapped children receiving special education and related services in any fiscal year shall be equal to the number of such children receiving special education and related services on December 1 of the fiscal year preceding the fiscal year for which the determination is made.

(4) For purposes of paragraph (1)(B), the term "average per pupil expenditure," in the United States, means the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made (or, if satisfactory data for such year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies in the United States (which, for purposes of this subsection, means the fifty States and the District of Columbia), as the case may be, plus any direct expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures is made), divided by the aggregate number

of children in average daily attendance to whom such agencies provided free public education during such preceding year.

(5)(A) In determining the allotment of each State under paragraph (1), the Secretary may not count—

(i) handicapped children aged three to seventeen, inclusive, in such State under paragraph (1)(A) to the extent the number of such children is greater than 12 per cent of the number of all children aged five to seventeen, inclusive, in such State and the State serves all handicapped children aged three to five, inclusive, in the state pursuant to State law or practice or the order of any court,

(ii) handicapped children aged five to seventeen, inclusive, in such state under paragraph (1)(A) to the extent the number of such children is greater than 12 percent of the number of all children aged five to seventeen, inclusive, in such State and the State does not serve all handicapped children aged three to five, inclusive, in the State pursuant to State law or practice on the order of any court; and

(iii) handicapped children who are counted under section 121 of the Elementary and Secondary Education Act of 1965.

(B) For purposes of subparagraph (A), the number of children aged five to seventeen, inclusive, in any State shall be determined by the Secretary on the basis of the most recent satisfactory data available to him.

**Distribution and use of grant funds by States
for fiscal year ending September 30, 1978**

(b)(1) Of the funds received under subsection (a) of this section by any State for the fiscal year ending September 30, 1978—

(A) 50 per centum of such funds may be used by such State in accordance with the provisions of paragraph (2); and

(B) 50 per centum of such funds shall be distributed by such State pursuant to subsection (d) of this section to local educational agencies and intermediate educational units in such State, for use in accordance with the priorities established under section 1412(3) of this title.

(2) Of the funds which any State may use under paragraph (1)(A)—

(A) an amount which is equal to the greater of—

(i) 5 per centum of the total amount of funds received under this subchapter by such State; or

(ii) \$200,000;

may be used by such State for administrative costs related to carrying out sections 1412 and 1413 of this title;

(B) the remainder shall be used by such State to provide support services and direct services, in accordance with the priorities established under section 1412(3) of this title.

**Distribution and use of grant funds by States for
fiscal years ending September 30, 1979, and thereafter**

(c)(1) Of the funds received under subsection (a) of this section by any State for the fiscal year ending September 30, 1979, and for each fiscal year thereafter—

(A) 25 per centum of such funds may be used by such State in accordance with the provisions of paragraph (2); and

(B) except as provided in paragraph (4), 75 per centum of such funds shall be distributed by such State pursuant to subsection (d) of this section to local educational agencies and intermediate educational units in such State, for use in accordance with priorities established under section 1412(3) of this title.

(2)(A) Subject to the provisions of subparagraph (B), of the funds which any State may use under paragraph (1)(A)—

(i) an amount which is equal to the greater of—

(I) 5 per centum of the total amount of funds received under this subchapter by such State; or

(II) \$350,000

may be used by such State for administrative costs related to carrying out the provisions of sections 1412 and 1413 of this title; and

(ii) the part remaining after use in accordance with clause (i) shall be used by the State (I) to provide support services and direct services in accordance with the priorities established under section 1412(3), and (II) for the administrative costs of monitoring and complaint investigation but only to the extent that such costs exceed the costs of administration incurred during fiscal year 1985.

(B) The amount expended by any State from the funds available to such State under paragraph (1)(A) in any fiscal year for the provision of support services or for the provision of direct services shall be matched on a program basis by such State, from funds other than Federal funds, for the provision of support services or for the provision of direct services for the fiscal year involved.

(3) The provisions of section 1413(a)(9) of this title shall not apply with respect to amounts available for use by any State under paragraph 2.

(4)(A) No funds shall be distributed by any State under this subsection in any fiscal year to any local educational agency or intermediate educational unit in such State if—

(i) such local educational agency or intermediate educational unit is entitled, under subsection (d) of this section, to less than \$7,500 for such fiscal year; or

(ii) such local educational agency or intermediate educational unit has not submitted an application for such funds which meets the requirements of section 1414 of this title.

(B) Whenever the provisions of subparagraph (A) apply, the State involved shall use such funds to assure the provision of a free appropriate education to handicapped children residing in the area served by such local educational agency or such intermediate educational unit. The provisions of paragraph (2)(B) shall not apply to the use of such funds.

Allocation of funds within States to local educational agencies and intermediate educational units

(d) From the total amount of funds available to local educational agencies and intermediate educational units in any State under subsection (b)(1)(B) or subsection (c)(1)(B) of this section, as the case may be, each local educational agency and intermediate educational unit shall be entitled to an amount which bears the same ratio to the total amount available under subsection (b)(1)(B) or subsection (c)(1)(B) of this section, as the case may be, as the number of handicapped children aged three to twenty-one, inclusive, receiving special education and related services in such local educational agency or intermediate educational unit bears to the aggregate number of handicapped children aged three to twenty-one, inclusive, receiving special education and related services in all local educational agencies and intermediate educational units which apply to the State educational agency involved for funds under this subchapter.

Territories and possessions

(e)(1) The jurisdictions to which this subsection applies are Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(2) Each jurisdiction to which this subsection applies shall be entitled to a grant for the purposes set forth in section 601(c) in an amount equal to an amount determined by the Secretary in accordance with criteria based on respective needs, except that the aggregate of the amount to which such jurisdictions are so entitled for any fiscal year shall not exceed an amount equal to 1 per centum of the aggregate amounts available to all States under this subchapter for that fiscal year. If the aggregate of the amounts, determined by the Secretary pursuant to the preceding sentence, to be so needed for any fiscal year exceeds an amount equal to such 1 per centum limitation, the entitlement of such jurisdictions shall be reduced proportionately until such aggregate does not exceed such 1 per centum limitation.

(3) The amount expended for administration by each jurisdiction under this subsection shall not exceed 5 per centum of the amount allotted to such jurisdiction for any fiscal year, or \$35,000, whichever is greater.

Indian reservations

(f)(1) The Secretary shall make payments to the Secretary of the Interior according to the need for assistance for the education of handicapped children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior. The amount of such payment for any fiscal year shall be 1.25 percent of the aggregate amounts available to all States under this subchapter for that fiscal year.

(2) The Secretary of the Interior may receive an allotment under paragraph (1) only after submitting to the Secretary an application which—

(A) meets the applicable requirements of sections 1412, 1413, and 1414(a),

(B) includes satisfactory assurance that all handicapped children aged 3 to 5, inclusive, receive a free appropriate public education by or before the 1987-1988 school year,

(C) includes an assurance that there are public hearings, adequate notice of such hearings, and an opportunity for comment afforded to members of tribes, tribal governing bodies, and designated local school boards before adoption of the policies, programs, and procedures required under sections 1412, 1413, and 1414(a), and

(D) is approved by the Secretary.

Section 1416 shall apply to any such application.

Reductions or increases

(g)(1) If the sums appropriated under subsection (h) for any fiscal year for making payments to States under subsection (a) are not sufficient to pay in full the total amounts which all States are entitled to receive under subsection (a) for such fiscal year, the maximum amounts which all States are entitled to receive under subsection (a) for such fiscal year shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

(2) In the case of any fiscal year in which the maximum amounts for which States are eligible have been reduced under the first sentence of paragraph (1), and in which additional funds have not been made available to pay in full

the total of such maximum amounts under the last sentence of such paragraph, the State educational agency shall fix dates before which each local educational agency or intermediate educational unit shall report to the State educational agency on the amount of funds available to the local educational agency or intermediate educational unit, under the provisions of subsection (d) of this section, which it estimates that it will expend in accordance with the provisions of this section. The amounts so available to any local educational agency or intermediate educational unit, or any amount which would be available to any other local educational agency or intermediate educational unit if it were to submit a program meeting the requirements of this subchapter, which the State educational agency determines will not be used for the period of its availability, shall be available for allocation to those local educational agencies and intermediate educational units, in the manner provided by this section, which the State educational agency determines will need and be able to use additional funds to carry out approved programs.

(h) For grants under subsection (a) there are authorized to be appropriated such sums as may be necessary.

Pub. L. 91-230, Title VI, Sec. 611, Apr. 13, 1970, 84 Stat. 178; amended by Pub. L. 93-380, Title VI, Secs. 614(a), (e)(1), (2), Aug. 21, 1974, 88 Stat. 580, 582; Pub. L. 94-142, Secs. 2(a)(1)-(3), 5(a), (c), Nov. 29, 1975, 89 Stat. 773, 776, 794; Pub. L. 96-270, Sec. 13, June 14, 1980; Pub. L. 98-199, Sec. 15, Dec. 2, 1983, 97 Stat. 1357; and by Pub. L. 99-457, Title II, Sec. 201, and Title IV, Secs. 403, 404, Oct. 8, 1986, 100 Stat. 1155 and 1173.

Sec. 1412. Eligibility requirements

In order to qualify for assistance under this subchapter in any fiscal year, a State shall demonstrate to the Secretary that the following conditions are met:

(1) The State has in effect a policy that assures all handicapped children the right to a free appropriate public education.

(2) The State has developed a plan pursuant to section 1413(b) of this title in effect prior to November 29, 1975, and submitted not later than August 21, 1975, which will be amended so as to comply with the provisions of this paragraph. Each such amended plan shall set forth in detail the policies and procedures which the State will undertake or has undertaken in order to assure that—

(A) there is established (i) a goal of providing full educational opportunity to all handicapped children, (ii) a detailed timetable for accomplishing such a goal, and (iii) a description of the kind and number of facilities, personnel, and services necessary throughout the State to meet such a goal;

(B) a free appropriate public education will be available for all handicapped children between the ages of three and eighteen within the State not later than September 1, 1978, and for all handicapped children between the ages of three and twenty-one within the State not later than September 1, 1980, except that, with respect to handicapped children aged three to five and aged eighteen to twenty-one, inclusive, the requirements of this clause shall not be applied in any State if the application of such requirements would be inconsistent with State law or practice, or the order of any court, respecting public education within such age groups in the State;

(C) all children residing in the State who are handicapped, regardless of the severity of their handicap, and who are in need of special education and related services are identified, located, and evaluated, and that a practical method is developed and implemented to determine which children are currently receiving needed special education and related services and which children are not currently receiving needed special education and related services;

(D) policies and procedures are established in accordance with detailed criteria prescribed under section 1417(c) of this title; and

(E) the amendment to the plan submitted by the State required by this section shall be available to parents, guardians, and other members of the general public at least thirty days prior to the date of submission of the amendment to the Secretary.

(3) The State has established priorities for providing a free appropriate public education to all handicapped children, which priorities shall meet the timetables set forth in clause (B) of paragraph (2) of this section, first with respect to handicapped children who are not receiving an education, and second with respect to handicapped children, within each disability, with the most severe handicaps who are receiving an inadequate education, and has made adequate progress in meeting the timetables set forth in clause (B) of paragraph (2) of this section.

(4) Each local educational agency in the State will maintain records of the individualized education program for each handicapped child, and such program shall be established, reviewed, and revised as provided in section 1414(a)(5) of this title.

(5) The State has established (A) procedural safeguards as required by section 1415 of this title, (B) procedures to assure that, to the maximum extent appropriate, handicapped children, including children in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular

educational environment occurs only when the nature or severity of the handicap is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily, and (C) procedures to assure that testing and evaluation materials and procedures utilized for the purposes of evaluation and placement of handicapped children will be selected and administered so as not to be racially or culturally discriminatory. Such materials or procedures shall be provided and administered in the child's native language or mode of communication, unless it clearly is not feasible to do so, and no single procedure shall be the sole criterion for determining an appropriate educational program for a child.

(6) The State educational agency shall be responsible for assuring that the requirements of this subchapter are carried out and that all educational programs for handicapped children within the State, including all such programs administered by any other State or local agency, will be under the general supervision of the persons responsible for educational programs for handicapped children in the State educational agency and shall meet education standards of the State educational agency. This paragraph shall not be construed to limit the responsibility of agencies other than educational agencies in a State from providing or paying for some or all of the costs of a free appropriate public education to be provided handicapped children in the State.

(7) The State shall assure that (A) in carrying out the requirements of this section procedures are established for consultation with individuals involved in or concerned with the education of handicapped children, including handicapped individuals and parents or guardians of handicapped children, and (B) there are public hearings, adequate notice of such hearings, and an opportunity for comment available to the general public prior to adoption of the policies, programs, and procedures required pursuant to the provisions of this section and section 1413 of this title.

Pub. L. 91-230, Title VI, Sec. 612, Apr. 13, 1970, 84 Stat. 178; amended by Pub. L. 92-318, Title IV, Sec. 421(b)(1)(C), June 23, 1972, 86 Stat. 341; Pub. L. 93-380, Title VI Secs. 614(b), (f)(1), 615(a), Title VIII, Sec. 843(b), Aug. 21, 1974, 88 Stat. 581, 582, 611; Pub. L. 94-142, Secs. 2(a)(4), (c), (d), 5(a), Nov. 29, 1975, 89 Stat. 773, 774, 780; and by Pub. L. 99-457, Title II, Sec. 203, Oct. 8, 1986, 100 Stat. 1158.

Sec. 1413. State Plans

Requisite features

(a) Any State meeting the eligibility requirements set forth in section 1412 of this title and desiring to participate in the program under this subchapter shall submit to the Secretary, through its State educational agency, a State plan at such

time, in such manner, and containing or accompanied by such information, as he deems necessary. Each such plan shall—

(1) set forth policies and procedures designed to assure that funds paid to the State under this subchapter will be expended in accordance with the provisions of this subchapter, with particular attention given to the provisions of sections 1411(b), 1411(c), 1411(d), 1412(2) and 1412(3) of this title;

(2) provide that programs and procedures will be established to assure that funds received by the State or any of its political subdivisions under any other Federal program, including section 241c-1 of this title, section 844a(b)(8) of this title or its successor authority, and section 1262(a)(4)(B) of this title, under which there is specific authority for the provision of assistance for the education of handicapped children, will be utilized by the State, or any of its political subdivisions, only in a manner consistent with the goal of providing a free appropriate public education for all handicapped children, except that nothing in this clause shall be construed to limit the specific requirements of the laws governing such Federal programs;

(3) set forth, consistent with the purposes of this chapter, a description of programs and procedures for (A) the development and implementation of a comprehensive system of personnel development which shall include the in-service training of general and special educational instructional and support personnel, detailed procedures to assure that all personnel necessary to carry out the purposes of this chapter are appropriately and adequately prepared and trained, and effective procedures for acquiring and disseminating to teachers and administrators of programs for handicapped children significant information derived from educational research, demonstration, and similar projects, and (B) adopting, where appropriate, promising educational practices and materials development through such projects;

(4) set forth policies and procedures to assure—

(A) that, to the extent consistent with the number and location of handicapped children in the State who are enrolled in private elementary and secondary schools, provision is made for the participation of such children in the program assisted or carried out under this subchapter by providing for such children special education and related services; and

(B) that (i) handicapped children in private schools and facilities will be provided special education and related services (in conformance with an individualized educational program as required by this subchapter) at no cost to their parents or guardian, if such children are placed in or referred to such schools or facilities by the

State or appropriate local educational agency as the means of carrying out the requirements of this subchapter or any other applicable law requiring the provision of special education and related services to all handicapped children within such State, and (ii) in all such instances the State educational agency shall determine whether such schools and facilities meet standards that apply to State and local educational agencies and that children so served have all the rights they would have if served by such agencies;

(5) set forth policies and procedures which assure that the State shall seek to recover any funds made available under this subchapter for services to any child who is determined to be erroneously classified as eligible to be counted under section 1411(a) or 1411(d) of this title;

(6) provide satisfactory assurance that the control of funds provided under this subchapter, and title to property derived therefrom, shall be in a public agency for the uses and purposes provided in this subchapter, and that a public agency will administer such funds and property;

(7) provide for (A) making such reports in such form and containing such information as the Secretary may require to carry out his functions under this subchapter, and (B) keeping such records and affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports and proper disbursement of Federal funds under this subchapter;

(8) provide procedures to assure that final action with respect to any application submitted by a local educational agency or an intermediate educational unit shall not be taken without first affording the local educational agency or intermediate educational unit involved reasonable notice and opportunity for a hearing;

(9) provide satisfactory assurance that Federal funds made available under this subchapter (A) will not be commingled with State funds, and (B) will be so used as to supplement and increase the level of Federal, State, and local funds (including funds that are not under the direct control of State or local educational agencies) expended for special education and related services provided to handicapped children under this subchapter and in no case to supplant such Federal, State, and local funds, except that, where the State provides clear and convincing evidence that all handicapped children have available to them a free appropriate public education, the Secretary may waive in part the requirement of this clause if he concurs with the evidence provided by the State;

(10) provide consistent with procedures prescribed pursuant to section 1417(a)(2) of this title, satisfactory assurance that such fiscal control and fund accounting

procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this subchapter to the State, including any such funds paid by the State to local educational agencies and intermediate educational units;

(11) provide for procedures for evaluation at least annually of the effectiveness of programs in meeting the educational needs of handicapped children (including evaluation of individualized education programs), in accordance with such criteria that the Secretary shall prescribe pursuant to section 1417 of this title;

(12) provide that the State has an advisory panel, appointed by the Governor or any other official authorized under State law to make such appointments, composed of individuals involved in or concerned with the education of handicapped children, including handicapped individuals, teachers, parents or guardians of handicapped children, State and local education officials, and administrators of programs for handicapped children, which (A) advises the State educational agency of unmet needs within the State in the education of handicapped children, (B) comments publicly on any rules or regulations proposed for issuance by the State regarding the education of handicapped children and the procedures for distribution of funds under this subchapter, and (C) assists the State in developing and reporting such data and evaluations as may assist the Secretary in the performance of his responsibilities under section 1418 of this title;

(13) set forth policies and procedures for developing and implementing interagency agreements between the State educational agency and other appropriate State and local agencies to (A) define the financial responsibility of each agency for providing handicapped children and youth with free appropriate public education, and (B) resolve interagency disputes, including procedures under which local educational agencies may initiate proceedings under the agreement in order to secure reimbursement from other agencies or otherwise implement the provisions of this agreement;

(14) policies and procedures relating to the establishment and maintenance of standards to ensure that personnel necessary to carry out the purposes of this subchapter are appropriately and adequately prepared and trained, including —

(A) the establishment and maintenance of standards which are consistent with any State approved or recognized certification, licensing, registration, or other comparable requirements which apply to the area in which he or she is providing special education or related services, and

(B) to the extent such standards are not based on the highest requirements in the State applicable to a specific profession or discipline, the steps the State is taking to require the retraining or hiring of personnel that meet appropriate professional requirements in the State.

Additional assurances

(b) Whenever a State educational agency provides free appropriate public education for handicapped children, or provides direct services to such children, such State educational agency shall include, as part of the State plan required by subsection (a) of this section, such additional assurances not specified in such subsection (a) of this section as are contained in section 1414(a) of this title, except that funds available for the provision of such education or services may be expended without regard to the provisions relating to excess costs in section 1414(a) of this title.

Notice and hearing prior to disapproval of plan

(c) The Secretary shall approve any State plan and any modification thereof which—

(1) is submitted by a State eligible in accordance with section 1412 of this title; and

(2) meets the requirements of subsection (a) and subsection (b) of this section.

The Secretary shall disapprove any State plan which does not meet the requirements of the preceding sentence, but shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State.

Participation of handicapped children in private schools

(d)(1) If, on the date of enactment of the Education of the Handicapped Act Amendments of 1983, a State educational agency is prohibited by law from providing for the participation in special programs of handicapped children enrolled in private elementary and secondary schools as required by subsection (a)(4), the Secretary shall waive such requirement, and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a)(4).

(2)(A) When the Secretary arranges for services pursuant to this subsection, the Secretary, after consultation with the appropriate public and private school officials, shall pay to the provider of such services an amount per child which may not exceed the Federal amount provided per child under this part to all handicapped children enrolled in the State for services for the fiscal year preceding the fiscal year for which the determination is made.

(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Secretary may withhold from the allocation of the affected State educational agency the amount the Secretary estimates would be necessary to pay the cost of such services.

(C) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the State educational agency to meet the requirements of subsection (a)(4).

(3)(A) The Secretary shall not take any final action under this subsection until the State educational agency affected by such action has had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or his designee to show cause why such action should not be taken.

(B) If a State educational agency is dissatisfied with the Secretary's final action after a proceeding under subparagraph (A) of this paragraph, it may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(C) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(e) This Act shall not be construed to permit a State to reduce medical and other assistance available or to alter eligibility under titles V and XIX of the Social Security Act with respect to the provision of a free appropriate public education for handicapped children within the State.

Pub. L. 91-230, Title VI, Sec. 613, Apr. 13, 1970, 84 Stat. 179; amended by Pub. L. 93-380, Title VI, Secs. 614(c), (d), 615(b), (c), Title VIII, Sec. 843(b)(2), Aug. 21, 1974, 88 Stat. 581, 583, 611; Pub. L. 94-142, Secs. 2(b)(3), 5(a), Nov. 29, 1975, 89 Stat. 774, 782; Pub. L. 98-199, Sec. 7, Dec. 2, 1983, 97 Stat. 1359; and by Pub. L. 99-457, Title II, Sec. 203, and Title IV, Sec. 405, Oct. 8, 1986, 100 Stat. 1158 and 1174.

Sec. 1414. Application

Requisite features

(a) A local educational agency or an intermediate educational unit which desires to receive payments under section 1411(d) of this title for any fiscal year shall submit an application to the appropriate State educational agency. Such application shall—

(1) provide satisfactory assurance that payments under this subchapter will be used for excess costs directly attributable to programs which—

(A) provide that all children residing within the jurisdiction of the local educational agency or the intermediate educational unit who are handicapped, regardless of the severity of their handicap, and are in need of special education and related services will be identified, located, and evaluated, and provide for the inclusion of a practical method of determining which children are currently receiving needed special education and related services and which children are not currently receiving such education and services;

(B) establish policies and procedures in accordance with detailed criteria prescribed under section 1417(c) of this title;

(C) establish a goal of providing full educational opportunities to all handicapped children, including—

(i) procedures for the implementation and use of the comprehensive system of personnel development established by the State educational agency under section 1413(a)(3) of this title;

(ii) the provision of, and the establishment of priorities for providing, a free appropriate public education to all handicapped children, first with respect to handicapped children who are not receiving an education, and second with respect to handicapped children, within each disability, with the most severe handicaps who are receiving an inadequate education;

(iii) the participation and consultation of the parents or guardian of such children; and

(iv) to the maximum extent practicable and consistent with the provisions of section 1412(5)(B) of this title, the provision of special services to enable such children to participate in regular educational programs;

(D) establish a detailed timetable for accomplishing the goal described in subclause (C); and

(E) provide a description of the kind and number of facilities, personnel, and services necessary to meet the goal described in subclause (C);

(2) provide satisfactory assurance that (A) the control of funds provided under this subchapter, and title to property derived from such funds, shall be in a public agency for the uses and purposes provided in this subchapter, and that a public agency will administer such funds and property, (B) Federal funds expended by local educational agencies and intermediate educational units for programs under this subchapter (i) shall be used to pay only the excess costs directly attributable to the education of handicapped children, and (ii) shall be used to supplement and, to the extent practicable, increase the level of State and local funds expended for the education of handicapped children, and in no case to supplant such State and local funds, and (C) State and local funds will be used in the jurisdiction of the local educational agency or intermediate educational unit to provide services in program areas which, taken as a whole, are at least comparable to services being provided in areas of such jurisdiction which are not receiving funds under this subchapter;

(3)(A) provide for furnishing such information (which, in the case of reports relating to performance, is in accordance with specific performance criteria related to program objectives) as may be necessary to enable the State educational agency to perform its duties under this subchapter, including information relating to the educational achievement of handicapped children participating in programs carried out under this subchapter; and

(B) provide for keeping such records, and provide for affording such access to such records, as the State educational agency may find necessary to assure the correctness and verification of such information furnished under subclause (A);

(4) provide for making the application and all pertinent documents related to such application available to parents, guardians, and other members of the general public, and provide that all evaluation and reports required under clause (3) shall be public information;

(5) provide assurances that the local educational agency or intermediate educational unit will establish, or re-

visé, whichever is appropriate, an individualized education program for each handicapped child at the beginning of each school year and will then review and, if appropriate revise, its provisions periodically, but not less than annually;

(6) provide satisfactory assurance that policies and programs established and administered by the local educational agency or intermediate educational unit shall be consistent with the provision of paragraph (1) through paragraph (7) of section 1412 and section 1413(a) of this title; and

(7) provide satisfactory assurance that the local educational agency or intermediate educational unit will establish and maintain procedural safeguards in accordance with the provisions of sections 1412(5)(B), 1412(5)(C), and 1415 of this title.

Approval by State educational agencies of applications submitted by local educational agencies or intermediate educational units; notice and hearing

(b)(1) A State educational agency shall approve any application submitted by a local educational agency or an intermediate educational unit under subsection (a) of this section if the State educational agency determines that such application meets the requirements of subsection (a) of this section, except that no such application may be approved until the State plan submitted by such State educational agency under subsection (a) of this section is approved by the Secretary under section 1413(c) of this title. A State educational agency shall disapprove any application submitted by a local educational agency or an intermediate educational unit under subsection (a) of this section if the State educational agency determines that such application does not meet the requirements of subsection (a) of this section.

(2)(A) Whenever a State educational agency, after reasonable notice and opportunity for a hearing, finds that a local educational agency or an intermediate educational unit, in the administration of an application approved by the State educational agency under paragraph (1), has failed to comply with any requirement set forth in such application, the State educational agency, after giving appropriate notice to the local educational agency or the intermediate educational unit, shall—

(i) make no further payments to such local educational agency or such intermediate educational unit under section 1420 of this title until the State educational agency is satisfied that there is no longer any failure to comply with the requirement involved; or

(ii) take such finding into account in its review of any application made by such local educational agency or

such intermediate educational unit under subsection (a) of this section.

(B) The provisions of the last sentence of section 1416(a) of this title shall apply to any local educational agency or any intermediate educational unit receiving any notification from a State educational agency under this paragraph.

(3) In carrying out its functions under paragraph (1), each State educational agency shall consider any decision made pursuant to a hearing held under section 1415 of this title which is adverse to the local educational agency or intermediate educational unit involved in such decision.

Consolidated applications

(c)(1) A State educational agency may, for purposes of the consideration and approval of applications under this section, require local educational agencies to submit a consolidated application for payments if such State educational agency determines that any individual application submitted by any such local educational agency will be disapproved because such local educational agency is ineligible to receive payments because of the application of section 1411(c)(4)(A)(i) of this title or such local educational agency would be unable to establish and maintain programs of sufficient size and scope to effectively meet the educational needs of handicapped children.

(2)(A) In any case in which a consolidated application of local educational agencies is approved by a State educational agency under paragraph (1), the payments which such local educational agencies may receive shall be equal to the sum of payments to which each such local educational agency would be entitled under section 1411(d) of this title if an individual application of any such local educational agency has been approved.

(B) The State educational agency shall prescribe rules and regulations with respect to consolidated applications submitted under this subsection which are consistent with the provisions of paragraph (1) through paragraph (7) of section 1412 and section 1413(a) of this title and which provide participating local educational agencies with joint responsibilities for implementing programs receiving payments under this subchapter.

(C) In any case in which an intermediate educational unit is required pursuant to State law to carry out the provisions of this subchapter, the joint responsibilities given to local educational agencies under subparagraph (B) shall not apply to the administration and disbursement of any payments received by such intermediate educational unit. Such responsibilities shall be carried out exclusively by such intermediate educational unit.

Special education and related services provided directly by State educational agencies; regional or State centers

(d) Whenever a State educational agency determines that a local educational agency—

(1) is unable or unwilling to establish and maintain programs of free appropriate public education which meet the requirements established in subsection (a) of this section;

(2) is unable or unwilling to be consolidated with other local educational agencies in order to establish and maintain such programs; or

(3) has one or more handicapped children who can best be served by a regional or State center designed to meet the needs of such children;

the State educational agency shall use the payments which would have been available to such local educational agency to provide special educational and related services directly to handicapped children residing in the area served by such local educational agency. The State educational agency may provide such education and services in such manner, and at such locations (including regional or State centers), as it considers appropriate, except that the manner in which such education and services are provided shall be consistent with the requirements of this subchapter.

Reallocation of funds

(e) Whenever a State educational agency determines that a local educational agency is adequately providing a free appropriate public education to all handicapped children residing in the area served by such agency with State and local funds otherwise available to such agency, the State educational agency may reallocate funds (or such portion of those funds as may not be required to provide such education and services) made available to such agency, pursuant to section 1411(d) of this title, to such other local educational agencies within the State as are not adequately providing special education and related services to all handicapped children residing in the areas served by such other local educational agencies.

Programs using State or local funds

(f) Notwithstanding the provisions of subsection (a)(2)(B)(ii) of this section, any local educational agency which is required to carry out any program for the education of handicapped children pursuant to a State law shall be entitled to receive payments under section 1411(d) of this title for use in carrying out such program, except that such payments may not be used to reduce the level of expenditures for such program made by such local educational agency from State or local funds below the level of such expenditures

for the fiscal year prior to the fiscal year for which such local educational agency seeks such payments.

Pub. L. 91-230, Title VI, Sec. 614, Apr. 13, 1970, 84 Stat. 181; amended by Pub. L. 94-142, Sec. 5(a), Nov. 29, 1975, 89 Stat. 784.

Sec. 1415. Procedural safeguards

Establishment and maintenance

(a) Any State educational agency, any local educational agency, and any intermediate educational unit which receives assistance under this subchapter shall establish and maintain procedures in accordance with subsection (b) through subsection (e) of this section to assure that handicapped children and their parents or guardians are guaranteed procedural safeguards with respect to the provision of free appropriate public education by such agencies and units.

Required procedures; hearing

(b)(1) The procedures required by this section shall include, but shall not be limited to—

(A) an opportunity for the parents or guardian of a handicapped child to examine all relevant records with respect to the identification, evaluation, and educational placement of the child, and the provision of a free appropriate public education to such child, and to obtain an independent educational evaluation of the child;

(B) procedures to protect the rights of the child whenever the parents or guardian of the child are not known, available, or the child is a ward of the State, including the assignment of an individual (who shall not be an employee of the State educational agency, local educational agency, or intermediate educational unit involved in the education or care of the child) to act as surrogate for the parents or guardian;

(C) written prior notice to the parents or guardian of the child whenever such agency or unit—

(i) proposes to initiate or change, or

(ii) refuses to initiate or change,

the identification, evaluation, or educational placement of the child or the provision of a free appropriate public education to the child;

(D) procedures designed to assure that the notice required by clause (C) fully informs the parents or guardian, in the parents' or guardian's native language, unless it clearly is not feasible to do so, of all procedures available pursuant to this section; and

(E) an opportunity to present complaints with respect to any matter relating to the identification, evaluation, or educational placement of the child, or the provision of a free appropriate public education to such child.

(2) Whenever a complaint has been received under paragraph (1) of this subsection, the parents or guardian shall have an opportunity for an impartial due process hearing which shall be conducted by the State educational agency or by the local educational agency or intermediate educational unit, as determined by State law or by the State educational agency. No hearing conducted pursuant to the requirements of this paragraph shall be conducted by an employee of such agency or unit involved in the education or care of the child.

Review of local decision by State educational agency

(c) If the hearing required in paragraph (2) of subsection (b) of this section is conducted by a local educational agency or an intermediate educational unit, any party aggrieved by the findings and decision rendered in such a hearing may appeal to the State educational agency which shall conduct an impartial review of such hearing. The officer conducting such review shall make an independent decision upon completion of such review.

Enumeration of rights accorded parties to hearings

(d) Any party to any hearing conducted pursuant to subsections (b) and (c) of this section shall be accorded (1) the right to be accompanied and advised by counsel and by individuals with special knowledge or training with respect to the problems of handicapped children, (2) the right to present evidence and confront, cross-examine, and compel the attendance of witnesses, (3) the right to a written or electronic verbatim record of such hearing, and (4) the right to written findings of fact and decisions (which findings and decisions shall also be transmitted to the advisory panel established pursuant to section 1413(a)(12) of this title).

Civil action; jurisdiction

(e)(1) A decision made in a hearing conducted pursuant to paragraph (2) of subsection (b) of this section shall be final, except that any party involved in such hearing may appeal such decision under the provisions of subsection (c) and paragraph (2) of this subsection. A decision made under subsection (c) of this section shall be final, except that any party may bring an action under paragraph (2) of this subsection.

(2) Any party aggrieved by the findings and decision made under subsection (b) of this section who does not have the right to an appeal under subsection (c) of this section, and any party aggrieved by the findings and decision under subsection (c) of this section, shall have the right to bring a civil action with respect to the complaint presented pursuant to this section, which action may be brought in any State

court of competent jurisdiction or in a district court of the United States without regard to the amount in controversy. In any action brought under this paragraph the court shall receive the records of the administrative proceedings, shall hear additional evidence at the request of a party, and, basing its decision on the preponderance of the evidence, shall grant such relief as the court determines is appropriate.

(3) During the pendency of any proceedings conducted pursuant to this section, unless the State or local educational agency and the parents or guardian otherwise agree, the child shall remain in the then current educational placement of such child, or, if applying for initial admission to a public school, shall, with the consent of the parents or guardian, be placed in the public school program until all such proceedings have been completed.

(4)(A) The district courts of the United States shall have jurisdiction of actions brought under this subsection without regard to the amount in controversy.

(B) In any action or proceeding brought under this subsection, the court, in its discretion, may award reasonable attorneys' fees as part of the costs to the parents or guardian of a handicapped child or youth who is the prevailing party.

(C) For the purpose of this subsection, fees awarded under this subsection shall be based on rates prevailing in the community in which the action or proceeding arose for the kind and quality of services furnished. No bonus or multiplier may be used in calculating the fees awarded under this subsection.

(D) No award of attorneys' fees and related costs may be made in any action or proceeding under this subsection for services performed subsequent to the time of a written offer of settlement to a parent or guardian if—

(i) the offer is made within the time prescribed by Rule 68 of the Federal Rules of Civil Procedure or, in the case of an administrative proceeding, at any time more than ten days before the proceeding begins;

(ii) the offer is not accepted within ten days; and

(iii) the court or administrative officer finds that the relief finally obtained by the parents or guardian is not more favorable to the parents or guardian than the offer of settlement.

(E) Notwithstanding the provisions of subparagraph (D), an award of attorneys' fees and related costs may be made to a parent or guardian who is the prevailing party and who was substantially justified in rejecting the settlement offer.

(F) Whenever the court finds that—

(i) the parent or guardian, during the course of the action or proceeding, unreasonably protracted the final resolution of the controversy;

(ii) the amount of the attorneys' fees otherwise au-

thorized to be awarded unreasonably exceeds the hourly rate prevailing in the community for similar services by attorneys of reasonably comparable skill, experience, and reputation; or

(iii) the time spent and legal services furnished were excessive considering the nature of the action or proceeding;

the court shall reduce, accordingly, the amount of the attorneys' fees awarded under this subsection.

(G) The provisions of subparagraph (F) shall not apply in any action or proceeding if the court finds that the State or local educational agency unreasonably protracted the final resolution of the action or proceeding or there was a violation of section 1415 of this Act.

(f) Nothing in this title shall be construed to restrict or limit the rights, procedures, and remedies available under the Constitution, title V of the Rehabilitation Act of 1973, or other Federal statutes protecting the rights of handicapped children and youth, except that before the filing of a civil action under such laws seeking relief that is also available under this part, the procedures under subsections (b)(2) and (c) shall be exhausted to the same extent as would be required had the action been brought under this part.

NOTE: GAO STUDY OF ATTORNEYS' FEES PROVISION

1. The Comptroller General of the United States, through the General Accounting Office, shall conduct a study of the impact of the amendments to the Education of the Handicapped Act made by section 2 of this Act. Not later than June 30, 1989, the Comptroller General shall submit a report containing the findings of such study to the Committee on Education and Labor of the House of Representatives and the Committee on Labor of the House of Representatives and the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate. The Comptroller General shall conduct a formal briefing for such Committees on the statute of the study not later than March 1, 1988. Such report shall include the information described in subsection (b).

2. The report authorized under subsection (a) shall include the following information:

(a) The number, in the aggregate and by State, of written decisions under sections 615(b)(2) and (c) transmitted to State advisory panels under section 615(d)(4) for fiscal years 1984 through 1988, the prevailing party in each such decision, and the type of complaint. For fiscal year 1986, the report shall designate which decisions concern complaints filed after the date of the enactment of this Act.

(b) The number, in the aggregate and by State, of civil actions brought under section 615(e)(2), the prevailing party in each action, and the type of complaint for fiscal years 1984 through 1988. For fiscal year 1986 the report shall designate which decisions concern complaints filed after the date of enactment.

(c) Data, for a geographically representative selective sample of States, indicating (A) the specific amount of attorneys' fees, costs, and expenses awarded to the prevailing party, in each action and proceeding under section 615(e)(4)(B) from the date of

the enactment of this Act through fiscal year 1988, and the range of such fees, costs, and expenses awarded in the actions and proceedings under such section, categorized by type of complaint and (B) for the same sample as in (A) the number of hours spent by personnel, including attorneys and consultants, involved in the action or proceeding, and expenses incurred by the parents and the State educational agency and local educational agency.

(d) Data, for a geographically representative sample of States, on the experience of educational agencies in resolving complaints informally under section 615(b)(2), from the date of the enactment of this Act through fiscal year 1988.

NOTE: EFFECTIVE DATE

The amendment made by section 2 shall apply with respect to actions or proceedings brought under section 615(e) of the Education of the Handicapped Act after July 3, 1984, and actions or proceedings brought prior to July 4, 1984, under such section which were pending on July 4, 1984.

Pub. L. 91-230, Title VI, Sec. 615, as added Pub. L. 94-142, Sec. 5(a), Nov. 29, 1975, 89 Stat. 788, and amended by Pub. L. 99-372 Secs. 2 and 3, Aug. 5, 1986, 100 Stat. 796.

Sec. 1416. Withholding of payments; judicial review

(a) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State educational agency involved (and to any local educational agency or intermediate educational unit affected by any failure described in clause (2)), finds—

(1) that there has been a failure to comply substantially with any provision of section 1412 or section 1413 of this title, or

(2) that in the administration of the State plan there is a failure to comply with any provision of this subchapter or with any requirements set forth in the application of a local educational agency or intermediate educational unit approved by the State educational agency pursuant to the State plan,

the Secretary (A) shall, after notifying the State educational agency, withhold any further payments to the State under this subchapter, and (B) may, after notifying the State educational agency, withhold further payments to the State under the Federal programs specified in section 1413(a)(2) of this title within his jurisdiction, to the extent that funds under such programs are available for the provision of assistance for the education of handicapped children. If the Secretary withholds further payments under clause (A) or clause (B) he may determine that such withholding will be limited to programs or projects under the State plan, or portions thereof, affected by the failure, or that the State educational agency shall not make further payments under this subchapter to specified local educational agencies or intermediate educational units affected by the failure. Until the Secretary is satisfied that there is no longer any failure to comply with the provisions of

this subchapter, as specified in clause (1) or clause (2), no further payments shall be made to the State under this subchapter or under the Federal programs specified in section 1413(a)(2) of this title within his jurisdiction to the extent that funds under such programs are available for the provision of assistance for the education of handicapped children, or payments by the State educational agency under this subchapter shall be limited to local educational agencies and intermediate educational units whose actions did not cause or were not involved in the failure, as the case may be. Any State educational agency, local educational agency, or intermediate educational unit in receipt of a notice pursuant to the first sentence of this subsection shall, by means of a public notice, take such measures as may be necessary to bring the pendency of an action pursuant to this subsection to the attention of the public within the jurisdiction of such agency or unit.

(b)(1) If any State is dissatisfied with the Secretary's final action with respect to its State plan submitted under section 1413 of this title, such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28.

(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(3) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28.

Pub. L. 91-230 Title VI, Sec. 616, as added Pub. L. 94-142, Sec. 5(a), Nov. 29, 1975, 89 Stat. 789.

Sec. 1417. Administration

Duties of Secretary

(a)(1) In carrying out his duties under this subchapter, the Secretary shall—

(A) cooperate with, and furnish all technical assistance necessary, directly or by grant or contract, to the States in matters relating to the education of handicapped children and the execution of the provisions of this subchapter;

(B) provide such short-term training programs and institutes as are necessary;

(C) disseminate information, and otherwise promote the education of all handicapped children within the States; and

(D) assure that each State shall, within one year after November 29, 1975, provide certification of the actual number of handicapped children receiving special education and related services in such State.

(2) As soon as practicable after November 29, 1975, the Secretary shall, by regulation, prescribe a uniform financial report to be utilized by State educational agencies in submitting State plans under this subchapter in order to assure equity among the States.

Rules and regulations

(b) In carrying out the provisions of this subchapter, the Secretary (and the Secretary, in carrying out the provision of subsection (c) of this section)* shall issue, not later than January 1, 1977, amend, and revoke such rules and regulations as may be necessary. No other less formal method of implementing such provisions is authorized.

Protection of rights and privacy of parents and students

(c) The Secretary shall take appropriate action, in accordance with the provisions of section 1232g of this title, to assure the protection of the confidentiality of any personally identifiable data, information, and records collected or maintained by the Secretary and by State and local educational agencies pursuant to the provisions of this subchapter.

Hiring of qualified personnel

(d) The Secretary is authorized to hire qualified personnel necessary to conduct data collection and evaluation activities required by subsections (b), (c) and (d) of section 1418 of this title and to carry out his duties under subsection (a)(1) of this section without regard to the provisions of title 5 relating to appointments in the competitive service and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates except that no more than twenty such personnel shall be employed at any time.

Pub. L. 91-230, Title VI, Sec. 617, as added Pub. L. 94-142, Sec. 5(a), Nov. 29, 1975, 89 Stat. 791.

Sec. 1418. Evaluation

(a) The Secretary shall directly or by grant, contract, or cooperative agreement, collect data and conduct studies, investigations, and evaluations—

(1) to assess progress in the implementation of this Act, the impact, and the effectiveness of State and local efforts

* So in original; probably should read: "In carrying out the provisions of this subchapter and of subsection (c) of this section, the Secretary shall issue, . . ."

and efforts by the Secretary of Interior to provide free appropriate public education to all handicapped children and youth and early intervention services to handicapped infants and toddlers, and

(2) to provide—

(A) Congress with information relevant to policymaking, and

(B) Federal, State, and local agencies and the Secretary of Interior with information relevant to program management, administration, and effectiveness with respect to such education and early intervention services.

(b) In carrying out subsection (a), the Secretary, on at least an annual basis, shall obtain data concerning programs and projects assisted under this Act and under other Federal laws relating to handicapped infants, toddlers, children, and youth, and such additional information, from State and local educational agencies, the Secretary of Interior, and other appropriate sources, as is necessary for the implementation of this Act including—

(1) the number of handicapped infants, toddlers, children and youth in each State receiving a free appropriate public education or early intervention services (A) in age groups 0-2 and 3-5, and (B) in age groups 6-11, 12-17, and 18-21 by disability category,

(2) the number of handicapped children and youth in each State who are participating in regular educational programs (consistent with the requirements of sections 1412(5)(B) and 1414(a)(1)(C)(iv)) by disability category, and the number of handicapped children and youth in separate classes, separate schools or facilities, or public or private residential facilities, or who have been otherwise removed from the regular education environment,

(3) the number of handicapped children and youth exiting the educational system each year through program completion or otherwise (A) in age group 3-5, and (B) in age groups 6-11, 12-17, and 18-21 by disability category and anticipated services for the next year,

(4) the amount of Federal, State, and local funds expended in each State specifically for special education and related services and for early intervention services (which may be based upon a sampling of data from State agencies including State and local educational agencies),

(5) the number and type of personnel that are employed in the provision of special education and related services to handicapped children and youth and early intervention services to handicapped infants and toddlers by disability category served, and the estimated number and type of additional personnel by disability category needed to adequately carry out the policy established by this Act, and

(6) a description of the special education and related services and early intervention services needed to fully

implement this Act throughout each State, including estimates of the number of handicapped infants and toddlers in the 0-2 age group and estimates of the number of handicapped children and youth (A) in age group 3-5 and (B) in age groups 6-11, 12-17, and 18-21 and by disability category.

(c) The Secretary shall, by grant, contract, or cooperative agreement, provide for evaluation studies to determine the impact of this Act. Each such evaluation shall include recommendations for improvement of the programs under this Act. The Secretary shall, not later than July 1 of each year, submit to the appropriate committees of each House of the Congress and publish in the Federal Register proposed evaluation priorities for review and comment.

(d)(1) The Secretary may enter into cooperative agreements with State educational agencies and other State agencies to carry out studies to assess the impact and effectiveness of programs assisted under this Act.

(2) An agreement under paragraph (1) shall—

(A) provide for the payment of not to exceed 60 percent of the total cost of studies conducted by a participating State agency to assess the impact and effectiveness of programs assisted under this Act, and

(B) be developed in consultation with the State Advisory Panel established under this Act, the local educational agencies, and others involved in or concerned with the education of handicapped children and youth and the provision of early intervention services to handicapped infants and toddlers.

(3) The Secretary shall provide technical assistance to participating State agencies in the implementation of the study design, analysis, and reporting procedures.

(4) In addition, the Secretary shall disseminate information from such studies to State agencies, regional resources centers, and clearinghouses established by this Act, and, as appropriate, to others involved in, or concerned with, the education of handicapped children and youth and the provision of early intervention services to handicapped infants and toddlers.

(e)(1) At least one study shall be a longitudinal study of a sample of handicapped students, encompassing the full range of handicapping conditions, examining their educational progress while in special education and their occupational, educational, and independent living status after graduating from secondary school or otherwise leaving special education.

(2) At least one study shall focus on obtaining and compiling current information available, through State educational agencies and local educational agencies and other service providers, regarding State and local expenditures for educational services for handicapped students (including special education and related services) and shall gather information

needed in order to calculate a range of per pupil expenditures by handicapping condition.

(f)(1) Not later than 120 days after the close of each fiscal year, the Secretary shall publish and disseminate an annual report on the progress being made toward the provision of a free appropriate public education to all handicapped children and youth and early intervention services for handicapped infants and toddlers. The annual report shall be transmitted to the appropriate committees of each House of Congress and published and disseminated in sufficient quantities to the education community at large and to other interested parties.

(2) The Secretary shall include in each annual report under paragraph (1)—

(A) a compilation and analysis of data gathered under subsection (b),

(B) an index and summary of each evaluation activity and results of studies conducted under subsection (c),

(C) a description of findings and determinations resulting from monitoring reviews of state implementation of part B of this Act,

(D) an analysis and evaluation of the participation of handicapped children and youth in vocational education programs and services,

(E) an analysis and evaluation of the effectiveness of procedures undertaken by each State educational agency, local educational agency, and intermediate educational unit to ensure that handicapped children and youth receive special education and related services in the least restrictive environment commensurate with their needs and to improve programs of instruction for handicapped children and youth in day or residential facilities, and

(F) any recommendation for change in the provisions of this Act or any other Federal law providing support for the education of handicapped children and youth.

(3) In the annual report under paragraph (1) for fiscal year 1985 which is published in 1986 and for every third year thereafter, the Secretary shall include in the annual report—

(A) an index of all current projects funded under parts C through G of this title, and

(B) data reported under sections 1421, 1422, 1423, 1427, 1434, 1441, and 1461.

(4) In the annual report under paragraph (1) for fiscal year 1988 which is published in 1989, the Secretary shall include special sections addressing the provision of a free appropriate public education to handicapped infants, toddlers, children and youth in rural areas and to handicapped migrants, handicapped Indians (particularly programs operated under section 1411(f)), handicapped Native Hawaiian, and other native Pacific basin children and youth, handicapped infants, toddlers, children and youth of limited English proficiency.

(5) Beginning in 1986, in consultation with the National Council for the Handicapped and the Bureau of Indian Affairs Advisory Committee for Exceptional Children, a description of the status of early intervention services for handicapped infants and toddlers from birth through age two, inclusive, and special education and related services to

handicapped children from 3 through 5 years of age (including those receiving services through Head Start, Developmental Disabilities Programs, Crippled Children's Services Mental Health/Mental Retardation Agency, and State child-development centers and private agencies under contract with local schools).

(g) There are authorized to be appropriated \$3,800,000 for fiscal year 1987, \$4,000,000 for fiscal year 1988, and \$4,200,000 for fiscal year 1989 to carry out this section.

Pub. L. 91-230, Title VI, Sec. 618, as added by Pub. L. 94-42, Sec. 5(a), Nov. 29, 1985, 89 Stat. 791, and amended by Pub. L. 98-199, Sec. 8, Dec. 2, 1983, 97 Stat. 1360, and by Pub. L. 99-457, Title IV, Sec. 406, Oct. 8, 1986, 100 Stat. 1174.

Sec. 1419. Pre-school grants

(a)(1) For fiscal years 1987 through 1989 (or fiscal year 1990 if the Secretary makes a grant under this paragraph for such fiscal year) the Secretary shall make a grant to any State which—

(A) has met the eligibility requirements of section 1412,

(B) has a State plan approved under section 1413, and

(C) provides special education and related services to handicapped children aged three to five, inclusive.

(2)(A) For fiscal year 1987 the amount of a grant to a State under paragraph (1) may not exceed—

(i) \$300 per handicapped child aged three to five, inclusive, who received special education and related services in such State as determined under section 1411(a)(3), or

(ii) if the amount appropriated under subsection (c) exceeds the product of \$300 and the total number of handicapped children aged three to five, inclusive, who received special education and related services as determined under section 1411(a)(3)—

(I) \$300 per handicapped child aged three to five, inclusive, who received special education and related services in such State as determined under section 1411(a)(3), plus

(II) an amount equal to the portion of the appropriation available after allocating funds to all States under subclause (I) (the excess appropriation) divided by the estimated increase, from the preceding fiscal year, in the number of handicapped children aged three to five, inclusive, who will be receiving special education and related services in all States multiplied by the estimated number of such children in such State.

(B) For fiscal year 1988, funds shall be distributed in accordance with clause (i) or (ii) of paragraph (2)(A), except that the amount specified therein shall be \$400 instead of \$300.

(C) For fiscal year 1989, funds shall be distributed in accordance with clause (i) or (ii) of paragraph (2)(A), except that the amount specified therein shall be \$500 instead of \$300.

(D) If the Secretary makes a grant under paragraph (1) for fiscal year 1990, the amount of a grant to a State under such paragraph may not exceed \$1,000 per handicapped child aged three to five, inclusive, who received special education and related services in such State as determined under section 1411(a)(3).

(E) If the actual number of additional children served in a fiscal year differs from the estimate made under clause (ii)(II) of the applicable subparagraph, subparagraph (A)(ii)(II), the Secretary shall adjust (upwards or downwards) a State's allotment in the subsequent fiscal year.

(F)(i) The amount of a grant under subparagraph (A), (B), or (C) to any State for a fiscal year may not exceed \$3,800 per estimated handicapped child aged three to five, inclusive, who will be receiving or handicapped child, age three to five, inclusive, who is receiving special education and related services in such State.

(ii) If the amount appropriated under subsection (e) for any fiscal year exceeds the amount of grants which may be made to the States for such fiscal year, the excess amount appropriated shall remain available for obligation under this section for 2 succeeding fiscal years.

(3) To receive a grant under paragraph (1) a State shall make an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(b)(1) For fiscal year 1990 (or fiscal year 1991 if required by paragraph (2)) and fiscal years thereafter the Secretary shall make a grant to any State which—

(A) has met the eligibility requirements of section 1412, and

(B) has a State plan approved under section 1413 which includes policies and procedures that assure the availability under the State law and practice of such State of a free appropriate public education for all handicapped children aged three to five, inclusive.

(2) The Secretary may make a grant under paragraph (1) only for fiscal year 1990 and fiscal years thereafter, except that if—

(A) the aggregate amount that was appropriated under subsection (e) for fiscal years 1987, 1988, and 1989 was less than \$656,000,000, and

(B) the amount appropriated for fiscal year 1990 under subsection (e) is less than \$306,000,000,

the Secretary may not make a grant under paragraph (1) in fiscal year 1991 and shall make a grant under subsection (a)(1) for fiscal year 1990.

(3) The amount of any grant to any State under paragraph (1) for any fiscal year may not exceed \$1,000 for each handicapped child in such State aged three to five, inclusive.

(4) To receive a grant under paragraph (1) a State shall make an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(c)(1) For fiscal year 1987, a State which receives a grant under subsection (a)(1) shall—

(A) distribute at least 70 percent of such grant to local educational agencies and intermediate educational units in such State in accordance with paragraph (3), except that in applying such section only handicapped children aged three to five, inclusive, shall be considered,

(B) use not more than 25 percent of such grant for the planning and development of a comprehensive delivery system for which a grant could have been made under section 1423(b) in effect through fiscal year 1987 and for direct and support services for handicapped children, and

(C) use not more than 5 percent of such grant for administrative expenses related to the grant.

(2) For fiscal years beginning after fiscal year 1987, a State which receives a grant under subsection (a)(1) or (b)(1) shall—

(A) distribute at least 75 percent of such grant to local educational agencies and intermediate educational units in such State in accordance with paragraph (3), except that in applying such section only handicapped children aged three to five, inclusive, shall be considered,

(B) use not more than 20 percent of such grant for the planning and development of a comprehensive delivery system for which a grant could have been made under section 1423(b) in effect through fiscal year 1987 and for direct and support services for handicapped children, and

(C) use not more than 5 percent of such grant for administrative expenses related to the grant.

(3) From the amount of funds available to local educational agencies and intermediate educational units in any State under this section, each local educational agency or intermediate educational unit shall be entitled to—

(A) an amount which bears the same ratio to the amount available under subsection (a)(2)(A)(i) or subsection (a)(2)(A)(ii)(I), as the case may be, as the number of handicapped children aged three to five, inclusive, who

received special education and related services as determined under section 1411(a)(3) in such local educational agency or intermediate educational unit bears to the aggregate number of handicapped children aged three to five, inclusive, who received special education and related services in all local educational agencies and intermediate educational units in the State entitled to funds under this section, and

(B) to the extent funds are available under subsection (a)(2)(A)(ii)(II), an amount which bears the same ratio to the amount available under subsection (a)(2)(A)(ii)(II) as the estimated number of additional handicapped children aged three to five, inclusive, who will be receiving special education and related services in such local educational agency or intermediate educational unit bears to the aggregate number of handicapped children aged three to five, inclusive, who will be receiving special education and related services in all local educational agencies and intermediate educational units in the State entitled to funds under this section.

(d) If the sums appropriated under subsection (c) for any fiscal year for making payments to States under subsection (a)(1) or (b)(1) are not sufficient to pay in full the maximum amounts which all States may receive under such subsection for such fiscal year, the maximum amounts which all States may receive under such subsection for such fiscal year shall be ratably reduced by first ratably reducing amounts computed under the excess appropriation provision of subsection (a)(2)(A)(ii)(II). If additional funds become available for making such payments for any fiscal year during which the preceding sentence is applicable, the reduced maximum amounts shall be increased on the same basis as they were reduced.

(e) For grants under subsections (a)(1) and (b)(1) there are authorized to be appropriated such sums as may be necessary.

Pub. L. 91-230, Title VI, Sec. 619, as added Pub. L. 94-142, Sec. 5(a), Nov. 29, 1975, 89 Stat. 793, and amended by Pub. L. 98-199, Sec. 9, Dec. 2, 1983, 97 Stat. 1363, and by Pub. L. 99-457, Title II, Sec. 201, Oct. 8, 1986, 100 Stat. 1155.

EHLR Editorial Note

Section 1419 was amended by Pub. L. 99-457, Title II, Sec. 201, effective with respect to the school year 1987-88. Following is the text of Section 1419 as in effect until that time. For the text of Section 1419 effective with school year 1987-1988, see page 101:29.

Sec. 1419. Incentive Grants

Authority to make grants

(a) The Secretary shall make a grant to any State which—

(1) has met the eligibility requirements of section 1412 of this title;

(2) has a State plan approved under section 1413 of this title; and

(3) provides special education and related services to handicapped children aged three to five, inclusive, who are counted for the purposes of section 1411(a)(1)(A) of this title.

The maximum amount of the grant for each fiscal year which a State may receive under this section shall be \$300 for each such child in that State.

Application

(b) Each State which—

(1) has met the eligibility requirements of section 1412 of this title,

(2) has a State plan approved under section 1413 of this title, and

(3) desires to receive a grant under this section, shall make an application to the Secretary at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require.

Payment

(c) The Secretary shall pay to each State having an application approved under subsection (b) of this section the amount to which the State is entitled under this section, which amount shall be used for the purpose of providing the services specified in clause (3) of subsection (a) of this section and for providing special education and related services for handicapped children from birth to three years of age.

Ratable reduction or increase of payments

(d) If the sums appropriated for any fiscal year for making payments to States under this section are not sufficient to pay in full the maximum amounts which all States may receive under this subchapter for such fiscal year, the maximum amounts which all States may receive under this subchapter for such fiscal year shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

Authorization of appropriations

(e) In addition to the sums necessary to pay the entitlements under section 1411 of this title, there are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

Pub. L. 91-230, Title VI, Sec. 619, as added Pub. L. 94-142, Sec. 5(a), Nov. 29, 1975, 89 Stat. 793, and amended by Pub. L. 98-199, Sec. 9, Dec. 2, 1983, 97 Stat. 1363.

Sec. 1420. Payments

(a) The Secretary shall make payments to each State in amounts which the State educational agency of such State is eligible to receive under this subchapter. Any State educational agency receiving payments under this subsection shall distribute payments to the local educational agencies and intermediate educational units of such State in amounts which such agencies and units are eligible to receive under this subchapter after the State educational agency has approved applications of such agencies or units for payments in accordance with section 1414(b) of this title.

(b) Payments under this subchapter may be made in advance or by way of reimbursement and in such installments as the Secretary may determine necessary.

Pub. L. 91-230, Title VI, Sec. 620, as added Pub. L. 94-142, Sec. 5(a), Nov. 29, 1975, 89 Stat. 793.

SUBCHAPTER III — CENTERS AND SERVICES TO MEET SPECIAL NEEDS OF HANDICAPPED

Sec. 1421. Regional resource and federal centers

(a) The Secretary may make grants to, or enter into contracts or cooperative agreements with, institutions of higher education, public agencies, private nonprofit organizations, State educational agencies, or combinations of such agencies or institutions (which combinations may include one or more local educational agencies) within particular regions of the United States, to pay all or part of the cost of the establishment and operation of regional resource centers. Each regional resource center shall provide consultation, technical assistance, and training to State educational agencies and through such State educational agencies to local educational agencies and to other appropriate State agencies providing early intervention services. The services provided by a regional resource center shall be consistent with the priority needs identified by the States served by the center and the findings of the Secretary in monitoring reports prepared by the Secretary under section 1417 of the Act. Each regional resource center established or operated under this section shall—

(1) assist in identifying and solving persistent problems in providing quality special education and related services for handicapped children and youth and early intervention

services to handicapped infants and toddlers and the families,

(2) assist in developing, identifying, and replicating successful programs and practices which will improve special education and related services to handicapped children and youth and their families and early intervention services to handicapped infants and toddlers and their families,

(3) gather and disseminate information to all State educational agencies within the region and coordinate activities with other centers assisted under this subsection and other relevant projects conducted by the Department of Education,

(4) assist in the improvement of information dissemination to and training activities for professionals and parents of handicapped infants, toddlers, children, and youth, and

(5) provide information to and training for agencies, institutions, and organizations, regarding techniques and approaches for submitting applications for grants, contracts, and cooperative agreements under this subchapter and subchapters D through G.

(b) In determining whether to approve an application for a project under subsection (a), the Secretary shall consider the need for such a center in the region to be served by the applicant and the capability of the applicant to fulfill the responsibilities under subsection (a).

(c) Each regional resource center shall report a summary of materials produced or developed and the summaries reported shall be included in the annual report to Congress required under section 1418.

(d) The Secretary may establish one coordinating technical assistance center focusing on national priorities established by the Secretary to assist the regional resource centers in the delivery of technical assistance, consistent with such national priorities.

(e) Before using funds made available in any fiscal year to carry out this section for purposes of subsection (d), not less than the amount made available for this section in the previous fiscal year shall be made available for regional resource centers under subsection (a) and in no case shall more than \$500,000 be made available for the center under subsection (d).

Pub. L. 91-230, Title VI, Sec. 621, Apr. 13, 1970, 84 Stat. 181; amended by Pub. L. 98-199, Secs. 621, Dec. 2, 1983, 97 Stat. 1357, Pub. L. 98-199, Sec. 10, Dec. 2, 1983, 97 Stat. 1363, and

by Pub. L. 99-457, Title III, Sec. 301, Oct. 8, 1986, 100 Stat. 1159.

Sec. 1422. Services for deaf-blind children and youth

(a)(1) The Secretary is authorized to make grants to, or to enter into cooperative agreements or contracts with, public or nonprofit private agencies, institutions, or organizations to assist State educational agencies to—

(A) assure deaf-blind children and youth provision of special education and related services as well as vocational and transitional services; and

(B) make available to deaf-blind youth upon attaining the age of twenty-two, programs and services to facilitate their transition from educational to other services.

(2) A grant, cooperative agreement, or contract pursuant to paragraph (1)(A) may be made only for programs providing (A) technical assistance to agencies, institutions, or organizations providing educational services to deaf-blind children or youth; (B) pre-service or in-service training to paraprofessionals, professionals, or related services personnel preparing to serve, or serving, deaf-blind children or youth; (C) replication of successful innovative approaches to providing educational or related services to deaf-blind children and youth; and (D) facilitation of parental involvement in the education of their deaf-blind children and youth. Such programs may include—

(i) the diagnosis and educational evaluation of children and youth at risk of being certified deaf-blind;

(ii) programs of adjustment, education, and orientation for deaf-blind children and youth; and

(iii) consultative, counseling, and training services for the families of deaf-blind children and youth.

(3) A grant, cooperative agreement, or contract pursuant to paragraph (1)(B) may be made only for programs providing (A) technical assistance to agencies, institutions, and organizations serving, or proposing to serve, deaf-blind individuals who have attained age twenty-two years; (B) training or in-service training to paraprofessionals or professionals serving, or preparing to serve, such individuals; and (C) assistance in the development or replication of successful innovative approaches to providing rehabilitative, semi-supervised, or independent living programs.

(4) In carrying out this subsection, the Secretary shall take into consideration the need for a center for deaf-blind children and youth in light of the general availability and quality of existing services for such children and youth in the part of the country involved.

(b) The Secretary is also authorized to enter into a limited number of cooperative agreements or contracts to establish and support regional programs for the provision of technical assistance in the education of deaf-blind children and youth.

(c)(1) Programs supported under this section shall report annually to the Secretary on (A) the numbers of deaf-blind children and youth served by age, severity, and nature of deaf-blindness; (B) the number of paraprofessionals, professionals, and family members directly served by each activity; and (C) the types of services provided.

(2) The Secretary shall examine the number of deaf-blind children and youth (A) reported under subparagraph (c)(1)(A) and by the States; (B) served by the programs under part B of this Act and subpart 2 of part B, title I, of the Elementary and Secondary Education Act of 1965 (as modified by chapter I of the Education Consolidation and Improvement Act of 1981); and (C) the Deaf-Blind Registry of each State. The Secretary shall revise the count of deaf-blind children and youth to reflect the most accurate count.

(3) The Secretary shall summarize these data for submission in the annual report required under section 1418.

(d) The Secretary shall disseminate materials and information concerning effective practices in working with deaf-blind children and youth.

(e) The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, public or nonprofit private agencies, institutions, or organizations for the development and operation of extended school year demonstration programs for severely handicapped children and youth, including deaf-blind children and youth.

(f) The Secretary may make grants to, or enter into contracts or cooperative agreements with, the entities under section 1424(a) for the purposes in such section.

Pub. L. 91-230, Title VI, Sec. 622, Apr. 13, 1970, 84 Stat. 182; amended by Pub. L. 98-199, Sec. 10, Dec. 2, 1983, 97 Stat. 1364, and by Pub. L. 99-457, Title III, Sec. 302, Oct. 8, 1986, 100 Stat. 1160.

Sec. 1423. Early education for handicapped children

(a)(1) The Secretary may arrange by contract, grant, or cooperative agreement with appropriate public agencies and private nonprofit organizations, for the development and operation of experimental, demonstration, and outreach pre-school and early intervention programs for handicapped children which the Secretary determines show promise of promoting a comprehensive and strengthened approach to the special problems of such children. Such programs shall include activities and services designed to (1) facilitate the

intellectual, emotional, physical, mental, social, speech, language development, and self-help skills of such children, (2) encourage the participation of the parents of such children in the development and operation of any such program, and (3) acquaint the community to be served by any such program with the problems and potentialities of such children, (4) offer training about exemplary models and practices to State and local personnel who provide services to handicapped children from birth through eight, and (5) support the adaptation of exemplary models and practices in States and local communities.

(2) Programs authorized by paragraph (1) shall be coordinated with similar programs in the schools operated or supported by State or local educational agencies of the community to be served and with similar programs operated by other public agencies in such community.

(3) As much as is feasible, programs assisted under paragraph (1) shall be geographically dispersed throughout the Nation in urban as well as rural areas.

(4)(A) Except as provided in subparagraph (B), no arrangement under paragraph (1) shall provide for the payment of more than 90 percent of the total annual costs of development, operation, and evaluation of any program. Non-Federal contributions may be in cash or in kind, fairly evaluated, including plant, equipment, and services.

(B) The Secretary may waive the requirement of subparagraph (A) in the case of an arrangement entered into under paragraph (1) with governing bodies of Indian tribes located on Federal or State reservations and with consortia of such bodies.

(b) The Secretary shall arrange by contract, grant, or cooperative agreement with appropriate public agencies and private nonprofit organizations for the establishment of a technical assistance development system to assist entities operating experimental, demonstration, and outreach programs and to assist State agencies to expand and improve services provided to handicapped children.

(c) The Secretary shall arrange by contract, grant, or cooperative agreement with appropriate public agencies and private nonprofit organizations for the establishment of early childhood research institutes to carry on sustained research to generate and disseminate new information on preschool and early intervention for handicapped children and their families.

(d) The Secretary may make grants to, enter into contracts or cooperative agreements under this section with, such organizations or institutions, as are determined by the Secretary to be appropriate, for research to identify and meet the full range of special needs of handicapped children and for training of personnel for programs specifically designed for handicapped children.

(e) At least one year before the termination of a grant, contract, or cooperative agreement made or entered into under subsections (b) and (c), the Secretary shall publish in the Federal Register a notice of intent to accept application for such a grant, contract, or cooperative agreement contingent on the appropriation of sufficient funds by Congress.

(f) For purposes of this section the term "handicapped children" includes children from birth through eight years of age.

Pub. L. 91-230, Title VI, Sec. 623, Apr. 13, 1970, 84 Stat. 183; amended by Pub. L. 98-199, Sec. 10, Dec. 2, 1983, 97 Stat. 1365, and by Pub. L. 99-457, Title III, Sec. 303, Oct. 8, 1986, 100 Stat. 1161.

Sec. 1424. Programs for severely handicapped children

(a) The Secretary may make grants to, or enter into contracts or cooperative agreements with, such organizations or institutions, as are determined by the Secretary to be appropriate, to address the needs of severely handicapped children and youth, for—

(1) research to identify and meet the full range of special needs of such handicapped children and youth,

(2) the development or demonstration of new, or improvements in, existing methods, approaches, or techniques which would contribute to the adjustment and education of such handicapped children and youth,

(3) training of personnel for programs specifically designed for such children, and

(4) dissemination of materials and information about practices found effective in working with such children and youth.

(b) In making grants and contracts under subsection (a), the Secretary shall ensure that the activities funded under such grants and contracts will be coordinated with similar activities funded from grants and contracts under other sections of this Act.

(c) To the extent feasible, programs authorized by subsection (a) shall be geographically dispersed throughout the Nation in urban and rural areas.

Pub. L. 91-230, Title VI, Sec. 624, Apr. 13, 1970, 84 Stat. 183; amended by Pub. L. 98-199, Sec. 10, Dec. 2, 1983, 97 Stat. 1366, and by Pub. L. 99-457, Title III, Sec. 304, Oct. 8, 1986, 100 Stat. 1162.

Sec. 1424a. Postsecondary education

(a)(1) The Secretary may make grants to, or enter into contracts with, State educational agencies, institutions of higher education, junior and community colleges, vocational

and technical institutions, and other appropriate nonprofit educational agencies for the development, operation, and dissemination of specially designed model programs of postsecondary, vocational, technical, continuing, or adult education for handicapped individuals.

(2) In making grants or contracts on a competitive basis under paragraph (1), the Secretary shall give priority consideration to 4 regional centers for the deaf and to model programs for individuals with handicapping conditions other than deafness—

(A) for developing and adapting programs of postsecondary, vocational, technical, continuing, or adult education to meet the special needs of handicapped individuals; and

(B) for programs that coordinate, facilitate, and encourage education of handicapped individuals with their non-handicapped peers.

(3) Persons operating programs for handicapped persons under a grant or contract under paragraph (1) must coordinate their efforts with and disseminate information about their activities to the clearinghouse on postsecondary programs established under section 1433(b).

(4) At least one year before the termination of a grant or contract with any of the 4 regional centers for the deaf, the Secretary shall publish in the Federal Register a notice of intent to accept application for such grant or contract, contingent on the appropriation of sufficient funds by Congress.

(5) To the extent feasible, programs authorized by paragraph (1) shall be geographically dispersed throughout the Nation in urban and rural areas.

(6) Of the sums made available for programs under paragraph (1), not less than \$2,000,000 shall first be available for the 4 regional centers for the deaf.

(b) For the purposes of subsection (a) the term "handicapped individuals" means individuals who are mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, other health impaired individuals, or individuals with specific learning disabilities who by reason thereof require special education and related services.

Pub. L. 91-230, Title VI, Sec. 625, as added Pub. L. 93-380, Title VI, Sec. 616, Aug. 21, 1974, 88 Stat. 584; amended by Pub. L. 98-199, Sec. 10, Dec. 2, 1983, 97 Stat. 1367, and by Pub. L. 99-457, Title III, Sec. 305, Oct. 8, 1986, 100 Stat. 1162.

Sec. 1425. Secondary education and transitional services for handicapped youth

(a) The Secretary may make grants to, or enter into contracts with, institutions of higher education, State educa-

tional agencies, local educational agencies, or other appropriate public and private nonprofit institutions or agencies (including the State job training coordinating councils and service delivery area administrative entities established under the Job Training Partnership Act (Public Law 97-300)) to—

(1) strengthen and coordinate special education and related services for handicapped youth currently in school or who recently left school to assist them in the transition to postsecondary education, vocational training, competitive employment (including supported employment), continuing education, or adult services,

(2) stimulate the improvement and development of programs for secondary special education, and

(3) stimulate the improvement of the vocational and life skills of handicapped students to enable them to be better prepared for transition to adult life and services.

To the extent feasible, such programs shall be geographically dispersed through the Nation in urban and rural areas.

(b) Projects assisted under subsection (a) may include—

(1) developing strategies and techniques for transition to independent living, vocational training, vocational rehabilitation, postsecondary education, and competitive employment (including supported employment) for handicapped youth,

(2) establishing demonstration models for services, programs, and individualized education programs, which emphasize vocational training, transitional services, and placement for handicapped youth,

(3) conducting demographic studies which provide information on the numbers, age levels, types of handicapping conditions, and services required for handicapped youth in need of transitional programs,

(4) specially designed vocational programs to increase the potential for competitive employment for handicapped youth,

(5) research and development projects for exemplary service delivery models and the replication and dissemination of successful models,

(6) initiating cooperative models between educational agencies and adult service agencies, including vocational rehabilitation, mental health, mental retardation, public employment, and employers, which facilitate the planning and developing of transitional services for handicapped youth to postsecondary education, vocational training, employment, continuing education, and adult services,

(7) developing appropriate procedures for evaluating vocational training, placement, and transitional services for handicapped youth,

(8) conducting studies which provide information on the numbers, age levels, types of handicapping conditions and reasons why handicapped youth drop out of school, and

(9) developing special education curriculum and instructional techniques that will improve handicapped students' acquisition of the skills necessary for transition to adult life and services, and

(10) specifically designed physical education and therapeutic recreation programs to increase the potential of handicapped youths for community participation.

(c) For purposes of paragraphs (1) and (2) of subsection (b), if an applicant is not an educational agency, such applicant shall coordinate with the State educational agency.

(d) Applications for assistance under subsection (a) other than for the purpose of conducting studies or evaluations shall—

(1) describe the procedures to be used for disseminating relevant findings and data to regional resource centers, clearinghouses, and other interested persons, agencies, or organizations,

(2) describe the procedures that will be used for coordinating services among agencies for which handicapped youth are or will be eligible, and

(3) to the extent appropriate, provide for the direct participation of handicapped students and the parents of handicapped students in the planning, development, and implementation of such projects.

(e) The Secretary is authorized to make grants to, or to enter into contracts or cooperative agreements with, such organizations or institutions as are determined by the Secretary to be appropriate for the development or demonstration of new or improvements in existing methods, approaches, or techniques which will contribute to the adjustment and education of handicapped children and youth and the dissemination of materials and information concerning practices found effective in working with such children and youth.

(f) The Secretary, as appropriate, shall coordinate programs described under subsection (a) with projects developed under section 311 of the Rehabilitation Act of 1973.

Amended by Pub. L. 98-199, Sec. 10, Dec. 2, 1983, 97 Stat. 1367, and by Pub. L. 99-457, Title III, Sec. 306, Oct. 8, 1986, 100 Stat. 1163.

Sec. 1426. Program evaluations

The Secretary shall conduct, either directly or by contract, a thorough and continuing evaluation of the effectiveness of

each program assisted under this part. Results of the evaluations shall be analyzed and submitted to the appropriate committees of each House of Congress together with the annual report under section 1418.

Pub. L. 91-230, Title VI, Sec. 626, formerly Sec. 625, Apr. 13, 1970, Stat. 183, renumbered Pub. L. 93-380, Title VI, Sec. 616, Aug. 21, 1974, 88 Stat. 584, amended by Pub. L. 98-199, Sec. 10, Dec. 2, 1983, 97 Stat. 1368.

Sec. 1427. Authorization of appropriations

(a) There are authorized to be appropriated to carry out section 1421, \$6,700,000 for fiscal year 1987, \$7,100,000 for fiscal year 1988, and \$7,500,000 for fiscal year 1989.

(b) There are authorized to be appropriated to carry out section 1422, \$15,900,000 for fiscal year 1987, \$16,800,000 for fiscal year 1988, and \$17,800,000 for fiscal year 1989.

(c) There are authorized to be appropriated to carry out section 1423, \$24,470,000 for fiscal year 1987, \$25,870,000 for fiscal year 1988, and \$27,410,000 for fiscal year 1989.

(d) There are authorized to be appropriated to carry out section 1424, \$5,300,000 for fiscal year 1987, \$5,600,000 for fiscal year 1988, and \$5,900,000 for fiscal year 1989.

(e) There are authorized to be appropriated to carry out section 1424a, \$5,900,000 for fiscal year 1987, \$6,200,000 for fiscal year 1988, and \$6,600,000 for fiscal year 1989.

(f) There are authorized to be appropriated to carry out section 1425, \$7,300,000 for fiscal year 1987, \$7,700,000 for fiscal year 1988, and \$8,100,000 for fiscal year 1989.

Pub. L. 91-230, Title VI, Sec. 627, formerly Sec. 626, Apr. 13, 1970, 84 Stat. 184, renumbered and amended Pub. L. 93-380, Title VI, Secs. 616, 617, Aug. 21, 1974, 88 Stat. 584; amended by Pub. L. 95-49, Sec. 2, June 17, 1977, 91 Stat. 230, Pub. L. 98-199, Sec. 10, Dec. 2, 1983, 97 Stat. 1368, and by Pub. L. 99-457, Title III, Sec. 307, Oct. 8, 1986, 100 Stat. 1165.

SUBCHAPTER IV — TRAINING PERSONNEL FOR THE EDUCATION OF THE HANDICAPPED

Sec. 1431. Grants for personnel training

(a)(1) The Secretary may make grants, which may include scholarships with necessary stipends and allowances, to institutions of higher education (including the university-affiliated facilities program under the Rehabilitation Act of 1973 and satellite network of the developmental disabilities program) and other appropriate nonprofit agencies to assist them in training personnel for careers in special education and early intervention, including—

(A) special education teaching, including speech-language pathology and audiology, and adaptive physical education,

(B) related services to handicapped children and youth in educational settings,

(C) special education supervision and administration,

(D) special education research, and

(E) training of special education personnel and other personnel providing special services and pre-school and early intervention services for handicapped children.

(2)(A) In making grants under paragraph (1), the Secretary shall base the determination of such grants on information relating to the present and projected need for the personnel to be trained based on identified State, regional, or National shortages, and the capacity of the institution or agency to train qualified personnel, and other information considered appropriate by the Secretary.

(B) The Secretary shall ensure that grants are only made under paragraph (1) to applicant agencies and institutions that meet State and professionally recognized standards for the preparation of special education and related services personnel unless the grant is for the purpose of assisting the applicant agency or institution to meet such standards.

(3) Grants under paragraph (1) may be used by institutions to assist in covering the cost of courses of training or study for such personnel and for establishing and maintaining fellowships or traineeships with such stipends and allowances as may be determined by the Secretary.

(4) The Secretary in carrying out paragraph (1) may reserve a sum not to exceed 5 percent of the amount available for paragraph (1) in each fiscal year for contracts to prepare personnel in areas where shortages exist when a response to that need has not been adequately addressed by the grant process.

(b) The Secretary may make grants to institutions of higher education and other appropriate nonprofit agencies to conduct special projects to develop and demonstrate new approaches (including the application of new technology) for the pre-service training purposes set forth in subsection (a) for regular educators, for the training of teachers to work in community and school settings with handicapped secondary school students, and for the in-service training of special education personnel, including classroom aides, related services personnel, and regular education personnel who serve handicapped children and personnel providing early intervention services.

(c)(1) The Secretary may make grants through a separate competition to private nonprofit organizations for the purpose of providing training and information to parents of

handicapped children and persons who work with parents to enable such individuals to participate more effectively with professionals in meeting the educational needs of handicapped children. Such grants shall be designed to meet the unique training and information needs of parents of handicapped children living in the area to be served by the grant, particularly those who are members of groups that have been traditionally underrepresented.

(2) In order to receive a grant under paragraph (1) a private nonprofit organization shall—

(A) be governed by a board of directors on which a majority of the members are parents of handicapped children and which includes members who are professionals in the field of special education and related services who serve handicapped children and youth, or if the nonprofit private organization does not have such a board, such organization shall have a membership which represents the interests of individuals with handicapping conditions, and shall establish a special governing committee on which a major of the members are parents of handicapped children and which includes members who are professionals in the fields of special education and related services, to operate the training and information program under paragraph (1),

(B) serve the parents of children with the full range of handicapping conditions under such grant program, and

(C) demonstrate the capacity and expertise to conduct effectively the training and information activities for which a grant may be made under paragraph (1).

(3) The board of directors or special governing committee of a private nonprofit organization receiving a grant under paragraph (1) shall meet at least once in each calendar quarter to review the parent training and information activities for which the grant is made, and each such committee shall advise the governing board directly of its views and recommendations. Whenever a private nonprofit organization requests the renewal of a grant under paragraph (1) for a fiscal year, the board of directors or the special governing committee shall submit to the Secretary a written review of the parent training and information program conducted by that private nonprofit organization during the preceding fiscal year.

(4) The Secretary shall ensure that grants under paragraph (1) will—

(A) be distributed geographically to the greatest extent possible throughout all the States and give priority to grants which involve unserved areas, and

(B) be targeted to parents of handicapped children in both urban and rural areas or on a State or regional basis.

(5) Parent training and information programs assisted under paragraph (1) shall assist parents to—

(A) better understand the nature and needs of the handicapping conditions of children,

(B) provide followup support for handicapped children's educational programs,

(C) communicate more effectively with special and regular educators, administrators, related services personnel, and other relevant professionals,

(D) participate in educational decisionmaking processes including the development of a handicapped child's individualized educational program,

(E) obtain information about the programs, services, and resources available to handicapped children and the degree to which the programs, services, and resources are appropriate, and

(F) understand the provisions for the education of handicapped children as specified under part B of this Act.

(6) Parent training and information programs may, at a grant recipient's discretion, include State or local educational personnel where such participation will further an objective of the program assisted by the grant.

(7) Each private nonprofit organization operating a program receiving a grant under paragraph (1) shall consult with appropriate agencies which serve or assist handicapped children and youth and are located in the jurisdictions served by the program.

(8) The Secretary shall provide technical assistance, by grant or contract, for establishing, developing, and coordinating parent training and information programs.

Pub. L. 91-230, Title VI, Sec. 631, Apr. 13, 1970, 84 Stat. 184; amended by Pub. L. 98-199, Sec. 11, Dec. 2, 1983, 97 Stat. 1369, and by Pub. L. 99-457, Title III, Sec. 308, Oct. 8, 1986, 100 Stat. 1165.

Sec. 1432. Grants to State educational agencies and institutions for traineeships

The Secretary shall make grants to each State educational agency and may make grants to institutions of higher education to assist in establishing and maintaining pre-service and in-service programs to prepare personnel to meet the needs of handicapped infants, toddlers, children, and youth or supervisors of such persons, consistent with the personnel needs identified in the State's comprehensive system of personnel development under section 1413.

Pub. L. 91-230, Title VI, Sec. 632, Apr. 13, 1970, 84 Stat. 184; amended by Pub. L. 98-199, Sec. 11, Dec. 2, 1983, 97 Stat.

1371, and by Pub. L. 99-457, Title III, Sec. 309, Oct. 8, 1986, 100 Stat. 1168.

Sec. 1433. Clearinghouses

(a) The Secretary is authorized to make a grant to or enter into a contract with a public agency or a nonprofit private organization or institution for a national clearinghouse on the education of the handicapped and to make grants or contracts with a public agency or a nonprofit private organization or institution for other support projects which may be deemed necessary by the Secretary to disseminate information and provide technical assistance on a national basis to parents, professionals, and other interested parties concerning—

(1) programs relating to the education of the handicapped under this Act and under other Federal laws; and

(2) participation in such programs, including referral of individuals to appropriate National, State, and local agencies and organizations for further assistance.

National clearinghouse on postsecondary education for handicapped; establishment; statement of purpose

(b) In addition to the clearinghouse established under subsection (a), the Secretary shall make a grant or enter into a contract for a national clearinghouse on postsecondary education for handicapped individuals for the purpose of providing information on available services and programs in postsecondary education for the handicapped.

(c) The Secretary shall make a grant or enter into a contract for a national clearinghouse designed to encourage students to seek careers and professional personnel to seek employment in the various fields relating to the education of handicapped children and youth through the following:

(1) Collection and dissemination of information on current and future National, regional, and State needs for special education and related services personnel.

(2) Dissemination to high school counselors and others concerning current career opportunities in special education, location of programs, and various forms of financial assistance (such as scholarships, stipends, and allowances).

(3) Identification of training programs available around the country.

(4) Establishment of a network among local and State educational agencies and institutions of higher education concerning the supply of graduates and available openings.

(5) Technical assistance to institutions seeking to meet State and professionally recognized standards.

(d)(1) In awarding the grants and contracts under this section, the Secretary shall give particular attention to any demonstrated experience at the national level relevant to performance of the functions established in this section, and ability to conduct such projects, communicate with the intended consumers of information, and maintain the necessary communication with other agencies and organizations.

(2) The Secretary is authorized to make contracts with profit-making organizations under this section only when necessary for materials or media access.

Pub. L. 91-230, Title VI, Sec. 633, Apr. 13, 1970, 84 Stat. 184; amended by Pub. L. 98-199, Sec. 11, Dec. 2, 1983, 97 Stat. 1371, and by Pub. L. 99-457, Title III, Sec. 310, Oct. 8, 1986, 100 Stat. 1168.

Sec. 1434. Reports to Secretary

(a) Not more than sixty days after the end of any fiscal year, each recipient of a grant or contract under this part during such fiscal year shall prepare and submit a report to the Secretary. Each such report shall be in such form and detail as the Secretary determines to be appropriate, and shall include—

(1) the number of individuals trained under the grant or contract, by category of training and level of training; and

(2) the number of individuals trained under the grant or contract receiving degrees and certification, by category and level of training.

(b) A summary of the data required by this section shall be included in the annual report of the Secretary under section 618 of this Act.

Pub. L. 91-230, Title VI, Sec. 634, Apr. 13, 1970, 84 Stat. 185; amended by Pub. L. 98-199, Sec. 11, Dec. 2, 1983, 97 Stat. 1372.

Sec. 1435. Authorization of appropriations

(a) There are authorized to be appropriated to carry out this part (other than section 1433) \$70,400,000 for fiscal year 1987, \$74,500,000 for fiscal year 1988, and \$79,000,000 for fiscal year 1989. There are authorized to be appropriated to carry out section 1433, \$1,200,000 for fiscal year 1987, \$1,900,000 for fiscal year 1988, and \$2,000,000 for fiscal year 1989.

(b) Of the funds appropriated pursuant to subsection (a) for any fiscal year, the Secretary shall reserve not less than 65 per centum for activities described in subparagraphs (A) through (E) of section 1431(a)(1).

(c) Of the funds appropriated under subsection (a) for any fiscal year, the Secretary shall reserve 10 percent for activities under section 1431(c).

Pub. L. 91-230, Title VI, Sec. 636, Apr. 13, 1970, 84 Stat. 185; amended by Pub. L. 93-380, Title VI, Sec. 618, Aug. 21, 1974, 88 Stat. 584, Pub. L. 95-49, Sec. 3, June 17, 1977, 91 Stat. 230, Pub. L. 98-199, Sec. 11, Dec. 2, 1983, 97 Stat. 1372 and by Pub. L. 99-457, Title III, Sec. 311, Oct. 8, 1986, 100 Stat. 1169.

SUBCHAPTER V — RESEARCH IN EDUCATION OF HANDICAPPED

Sec. 1441. Research and demonstration projects in education of handicapped children

(a) The Secretary may make grants to, or enter into contracts or cooperative agreements with, State and local educational agencies, institutions of higher education, and other public agencies and nonprofit private organizations for research and related activities to assist special education personnel, related services personnel, early intervention personnel, and other appropriate persons, including parents, in improving the special education and related services and early intervention services for handicapped infants, toddlers, children, and youth, and to conduct research, surveys, or demonstrations relating to the provision of services to handicapped infants, toddlers, children, and youth. Research and related activities shall be designed to increase knowledge and understanding of handicapping conditions, and teaching, learning, and education-related developmental practices and services for handicapped infants, toddlers, children and youth. Research and related activities assisted under this section shall include the following:

(1) The development of new and improved techniques and devices for teaching handicapped infants, toddlers, children and youth.

(2) The development of curricula which meet the unique educational and developmental needs of handicapped infants, toddlers, children and youth.

(3) The application of new technologies and knowledge for the purpose of improving the instruction of handicapped infants, toddlers, children and youth.

(4) The development of program models and exemplary practices in areas of special education and early intervention.

(5) The dissemination of information on research and related activities conducted under this part to regional resource centers and interested individuals and organizations.

(6) The development of instruments, including tests, inventories, and scales for measuring progress of handicapped infants, toddlers, children and youth across a number of developmental domains.

(b) In carrying out subsection (a), the Secretary shall consider the special education or early intervention experience of applicants under such subsection.

(c) The Secretary shall publish proposed research priorities in the Federal Register every 2 years, not later than July 1, and shall allow a period of 60 days for public comments and suggestions. After analyzing and considering the public comments, the Secretary shall publish final research priorities in the Federal Register not later than 30 days after the close of the comment period.

(d) The Secretary shall provide an index (including the title of each research project and the name and address of the researching organization) of all research projects conducted in the prior fiscal year in the annual report described under section 1418. The Secretary shall make reports of research projects available to the education community at large and to other interested parties.

(e) The Secretary shall coordinate the research priorities established under subsection (c) with research priorities established by the National Institute of Handicapped Research and shall provide information concerning research priorities established under such subsection to the National Council on the Handicapped, and to the Bureau of Indian Affairs Advisory Committee for Exceptional Children.

Pub. L. 91-230, Title VI, Sec. 641, Apr. 13, 1970, 84 Stat. 185; amended by Pub. L. 95-49, Sec. 4, June 17, 1977, 91 Stat. 230, Pub. L. 98-199, Sec. 12, Dec. 2, 1983, 97 Stat. 1372, and by Pub. L. 99-457, Title III, Sec. 312, Oct. 8, 1986, 100 Stat. 1169.

Sec. 1442. Research and demonstration projects in physical education and recreation for handicapped children

The Secretary is authorized to make grants to States, State or local educational agencies, institutions of higher education, and other public or nonprofit private educational or research agencies and organizations, and to make contracts with States, State or local educational agencies, institutions of higher education, and other public or private educational or research agencies and organizations, for research and related purposes relating to physical education or recreation for handicapped children, and to conduct research, surveys, or demonstrations relating to physical education or recreation for handicapped children.

Pub. L. 91-230, Title VI, Sec. 642, Apr. 13, 1970, 84 Stat. 185; amended by Pub. L. 98-199, Sec. 12, Dec. 2, 1983, 97 Stat. 1373.

Sec. 1443. Panels of experts

(a) The Secretary shall convene, in accordance with subsection (b), panels of experts who are competent to evaluate

proposals for projects under parts C through G. The panels shall be composed of—

(1) individuals from the field of special education for the handicapped and other relevant disciplines who have significant expertise and experience in the content areas and age levels addressed in the proposals, and

(2) handicapped individuals and parents of handicapped individuals when appropriate.

(b)(1) The Secretary shall convene panels under subsection (a) for any application which includes a total funding request exceeding \$60,000 and may convene or otherwise appoint panels for applications which include funding requests that are less than such amount.

(2) Such panels shall include a majority of non-Federal members. Such non-Federal members shall be provided travel and per diem not to exceed the rate provided to other educational consultants used by the Department and shall be provided consultant fees at such a rate.

(c) The Secretary may use funds available under part C through G to pay expenses and fees of non-Federal members under subsection (b).

Pub. L. 91-230, Title VI, Sec. 643, Apr. 13, 1970, 84 Stat. 185; amended by Pub. L. 98-199, Sec. 12, Dec. 2, 1983, 97 Stat. 1373, and by Pub. L. 99-457, Title III, Sec. 313, Oct. 8, 1986, 100 Stat. 1170.

Sec. 1444. Authorization of appropriations

For purposes of carrying out this part, there are authorized to be appropriated \$18,000,000 for fiscal year 1987, \$19,000,000 for fiscal year 1988, and \$20,100,000 for fiscal year 1989.

Pub. L. 91-230, Title VI, Sec. 644, Apr. 13, 1970, 84 Stat. 186; amended by Pub. L. 93-380, Title VI, Sec. 619, Aug. 21, 1974, 88 Stat. 585, Pub. L. 95-49, Sec. 5, June 17, 1977, 91 Stat. 231, Pub. L. 98-199, Sec. 12, Dec. 2, 1983, 97 Stat. 1374, and by Pub. L. 99-457, Title III, Sec. 314, Oct. 8, 1986, 100 Stat. 1171.

SUBCHAPTER VI — INSTRUCTIONAL MEDIA FOR HANDICAPPED

Sec. 1451. Congressional statement of purpose

(a) The purposes of this subchapter are to promote—

(1) the general welfare of deaf persons by (A) bringing to such persons understanding and appreciation of those films which play such an important part in the general and cultural advancement of hearing persons, (B) providing through these films enriched educational and cultural experiences through which deaf persons can be brought into better touch with the realities of their environment,

and (C) providing a wholesome and rewarding experience which deaf persons may share together; and

(2) the educational advancement of handicapped persons by (A) carrying on research in the use of educational media for the handicapped, (B) producing and distributing educational media for the use of handicapped persons, their parents, their actual or potential employers, and other persons directly involved in work for the advancement of the handicapped, and (C) training persons in the use of educational media for the instruction of the handicapped.

Pub. L. 91-230, Title VI, Sec. 651, Apr. 13, 1970, 84 Stat. 186.

Sec. 1452. Captioned films and educational media for handicapped persons

Establishment of loan service

(a) The Secretary shall establish a loan service of captioned films and educational media for the purpose of making such materials available, in accordance with regulations, in the United States for nonprofit purposes to handicapped persons, parents of handicapped persons, and other persons directly involved in activities for the advancement of the handicapped, including for the purpose of addressing problems of illiteracy among the handicapped.

Authority of Secretary

(b) The Secretary is authorized to—

(1) acquire films (or rights thereto) and other educational media by purchase, lease, or gift;

(2) acquire by lease or purchased¹ equipment necessary to the administration of this subchapter;

(3) provide, by grant or contract, for the captioning of films;

(4) provide, by grant or contract, for the distribution of captioned films and educational media and equipment through State schools for the handicapped, public libraries, and such other agencies as the Commissioner may deem appropriate to serve as local or regional centers for such distribution.

(5) provide, by grant or contract, for the conduct of research in the use of educational and training films and other educational media for the handicapped and the training of persons in the use of such films and media, including the payment to those persons of such stipends (including allowances for travel and other expenses of such persons and their dependents) as he may determine, which shall be consistent with prevailing practices under comparable federally supported programs;

(6) utilize the facilities and services of other governmental agencies;

(7) accept gifts, contributions, and voluntary and uncompensated services of individuals and organizations; and

(8) provide by grant or contract for educational media and materials for the deaf.

(c) The Secretary may make grants to or enter into contracts or cooperative agreements with the National Theatre of the Deaf, Inc. for the purpose of providing theatrical experiences to—

(1) enrich the lives of deaf children and adults,

(2) increase public awareness and understanding of deafness and of the artistic and intellectual achievements of deaf people, and

(3) promote the integration of hearing and deaf people through shared cultural experiences.

Pub. L. 91-230, Title VI, Sec. 652, Apr. 13, 1970, 84 Stat. 186; amended by Pub. L. 93-380, Title VI, Sec. 620(1), Aug. 21, 1974, 88 Stat. 585, Pub. L. 94-482, Title V, Sec. 501(h), Oct. 12, 1976, 90 Stat. 2237, and by Pub. L. 99-457, Title III, Sec. 315, Oct. 8, 1986, 100 Stat. 1171.

Sec. 1453. Authorization

For the purposes of carrying out this part, there are authorized to be appropriated \$15,000,000 for fiscal year 1987, \$15,750,000 for fiscal year 1988, and \$16,540,000 for fiscal year 1989.

Pub. L. 91-230, Title VI, Sec. 654, Apr. 13, 1970, 84 Stat. 187; amended by Pub. L. 93-380, Title VI, Sec. 620(2), Aug. 21, 1974, 88 Stat. 585, Pub. L. 95-49, Sec. 6, June 17, 1977, 91 Stat. 231, Pub. L. 98-199, Sec. 13, Dec. 2, 1983, 97 Stat. 1374, and by Pub. L. 99-457, Title III, Sec. 316, Oct. 8, 1986, 100 Stat. 1171.

SUBCHAPTER VII — TECHNOLOGY, EDUCATIONAL MEDIA, AND MATERIALS FOR THE HANDICAPPED

Sec. 1461. Financial assistance

The Secretary may make grants to or enter into contracts or cooperative agreements with institutions of higher education, State and local educational agencies, or other appropriate agencies and organizations for the purpose of advancing the use of new technology, media, and materials in the education of handicapped students and the provision of early intervention to handicapped infants and toddlers. In carrying out this subsection, the Secretary may fund projects or centers for the purposes of—

(1) determining how technology, media, and materials are being used in the education of the handicapped and how they can be used more effectively,

(2) designing and adapting new technology, media, and materials to improve the education of handicapped students,

(3) assisting the public and private sectors in the development and marketing of new technology, media, and materials for the education of the handicapped, and

(4) disseminating information on the availability and use of new technology, media, and materials for the education of the handicapped.

Pub. L. 94-457, Title III, Sec. 317, Oct. 8, 1986, 100 Stat. 1171.

Sec. 1462. Authorization of appropriations

For the purposes of carrying out this part, there are authorized to be appropriated \$10,000,000 for fiscal year 1987, \$10,500,000 for fiscal year 1988, and \$11,025,000 for fiscal year 1989.

Pub. L. 94-457, Title III, Sec. 317, Oct. 8, 1986, 100 Stat. 1171.

SUBCHAPTER VIII — HANDICAPPED INFANTS AND TODDLERS

Sec. 1471. Findings and policy

Findings

(a) The Congress finds that there is an urgent and substantial need—

(1) to enhance the development of handicapped infants and toddlers and to minimize their potential for developmental delay,

(2) to reduce the educational costs to our society, including our Nation's schools, by minimizing the need for special education and related services after handicapped infants and toddlers reach school age,

(3) to minimize the likelihood of institutionalization of handicapped individuals and maximize the potential for their independent living in society, and

(4) to enhance the capacity of families to meet the special needs of their infants and toddlers with handicaps.

Policy

(b) It is therefore the policy of the United States to provide financial assistance to States—

(1) to develop and implement a statewide, comprehensive, coordinated, multidisciplinary, interagency program

of early intervention services for handicapped infants and toddlers and their families,

(2) to facilitate the coordination of payment for early intervention services from Federal, State, local, and private sources (including public and private insurance coverage), and

(3) to enhance its capacity to provide quality early intervention services and expand and improve existing early intervention services being provided to handicapped infants, toddlers, and their families.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1145.

Sec. 1472. Definitions

As used in this part—

(1) The term 'handicapped infants and toddlers' means individuals from birth to age 2, inclusive, who need early intervention services because they—

(A) are experiencing developmental delays, as measured by appropriate diagnostic instruments and procedures in one or more of the following areas: Cognitive development, physical development, language and speech development, psycho-social development, or self-help skills, or

(B) have a diagnosed physical or mental condition which has a high probability of resulting in developmental delay.

Such term may also include, at a State's discretion, individuals from birth to age 2, inclusive, who are at risk of having substantial developmental delays if early intervention services are not provided.

(2) 'Early intervention services' are developmental services which—

(A) are provided under public supervision,

(B) are provided at no cost except where Federal or State law provides for a system of payments by families, including a schedule of sliding fees,

(C) are designed to meet a handicapped infant's or toddler's developmental needs in any one or more of the following areas:

(i) physical development,

(ii) cognitive development,

(iii) language and speech development,

(iv) psycho-social development, or

(v) self-help skills,

(D) meet the standard of the State, including the requirements of this part,

(E) include—

- (i) family training, counseling, and home visits,
- (ii) special instruction,
- (iii) speech pathology and audiology,
- (iv) occupational therapy,
- (v) physical therapy,
- (vi) psychological services,
- (vii) case management services,

(viii) medical services only for diagnostic or evaluation purposes,

(ix) early identification, screening, and assessment services, and

(x) health services necessary to enable the infant or toddler to benefit from the other early intervention services,

(F) are provided by qualified personnel, including—

- (i) special educators,
- (ii) speech language pathologists and audiologists,
- (iii) occupational therapists,
- (iv) physical therapists,
- (v) psychologists,
- (vi) social workers,
- (vii) nurses, and
- (viii) nutritionists, and

(G) are provided in conformity with an individualized family service plan adopted in accordance with section 1477.

(3) The term 'developmental delay' has the meaning given such term by a State under section 1476(b)(1).

(4) The term 'Council' means the State Interagency Coordinating Council established under section 1482.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1146.

Sec. 1473. General authority

The Secretary shall, in accordance with this part, make grants to States (from their allocations under section 1484) to assist each State to develop a statewide, comprehensive, coordinated, multidisciplinary, interagency system to

provide early intervention services for handicapped infants and toddlers and their families.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1147.

Sec. 1474. General eligibility

In order to be eligible for a grant under section 1473 for any fiscal year, a State shall demonstrate to the Secretary (in its application under section 1478) that the State has established a State Interagency Coordinating Council which meets the requirements of section 1482.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1147.

Sec. 1475. Continuing eligibility

First Two Years

(a) In order to be eligible for a grant under section 1473 for the first or second year of a State's participation under this part, a State shall include in its application under section 1478 for that year assurances that funds received under section 1473 shall be used to assist the State to plan, develop, and implement the statewide system required by section 1476.

Third and Fourth Year

(b)(1) In order to be eligible for a grant under section 1473 for the third or fourth year of a State's participation under this part, a State shall include in its application under section 1478 for that year information and assurances demonstrating to the satisfaction of the Secretary that—

(A) the State has adopted a policy which incorporates all of the components of a statewide system in accordance with section 1476 or obtained a waiver from the Secretary under paragraph (2),

(B) funds shall be used to plan, develop, and implement the statewide system required by section 1476, and

(C) such statewide system will be in effect no later than the beginning of the fourth year of the State's participation under section 1473, except that with respect to section 1476(b)(4), a State need only conduct multidisciplinary assessments, develop individualized family service plans, and make available case management services.

(2) Notwithstanding paragraph (1), the Secretary may permit a State to continue to receive assistance under section 1473 during such third year even if the State has not adopted the policy required by paragraph (1)(A) before receiving assistance if the State demonstrates in its application—

(A) that the State has made a good faith effort to adopt such a policy,

(B) the reasons why it was unable to meet the timeline and the steps remaining before such a policy will be adopted, and

(C) an assurance that the policy will be adopted and go into effect before the fourth year of such assistance.

Fifth and Succeeding Years

(c) In order to be eligible for a grant under section 1473 for a fifth and any succeeding year of a State's participation under this part, a State shall include in its application under section 1478 for that year information and assurances demonstrating to the satisfaction of the Secretary that the State has in effect the statewide system required by section 1476 and a description of services to be provided under section 1476(b)(2).

Exception

(d) Notwithstanding subsections (a) and (b), a State which has in effect a State law, enacted before September 1, 1986, that requires the provision of free appropriate public education to handicapped children from birth through age 2, inclusive, shall be eligible for a grant under section 1473 for the first through fourth years of a State's participation under this part.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1147.

Sec. 1476. Requirements for statewide system

In General

(a) A statewide system of coordinated, comprehensive, multidisciplinary, interagency programs providing appropriate early intervention services to all handicapped infants and toddlers and their families shall include the minimum components under subsection (b).

Minimum Components

(b) The statewide system required by subsection (a) shall include, at a minimum—

(1) a definition of the term 'developmentally delayed' that will be used by the State in carrying out programs under this part,

(2) timetables for ensuring that appropriate early intervention services will be available to all handicapped infants and toddlers in the State before the beginning of the fifth year of a State's participation under this part,

(3) a timely, comprehensive, multidisciplinary evaluation of the functioning of each handicapped infant and toddler in the State and the needs of the families to

appropriately assist in the development of the handicapped infant or toddler,

(4) for each handicapped infant and toddler in the State, an individualized family service plan in accordance with section 1477, including case management services in accordance with such service plan,

(5) a comprehensive child find system, consistent with part B, including a system for making referrals to service providers that includes timelines and provides for the participation by primary referral sources,

(6) a public awareness program focusing on early identification of handicapped infants and toddlers,

(7) a central directory which includes early intervention services, resources, and experts available in the State and research and demonstration projects being conducted in the State,

(8) a comprehensive system of personnel development,

(9) a single line of responsibility in a lead agency designated or established by the Governor for carrying out—

(A) the general administration, supervision, and monitoring of programs and activities receiving assistance under section 1473 to ensure compliance with this part,

(B) the identification and coordination of all available resources within the State from Federal, State, local and private sources,

(C) the assignment of financial responsibility to the appropriate agency,

(D) the development of procedures to ensure that services are provided to handicapped infants and toddlers and their families in a timely manner pending the resolution of any disputes among public agencies or service providers,

(E) the resolution of intra- and interagency disputes, and

(F) the entry into formal interagency agreements that define the financial responsibility of each agency for paying for early intervention services (consistent with State law) and procedures for resolving disputes and that include all additional components necessary to ensure meaningful cooperation and coordination,

(10) a policy pertaining to the contracting or making of other arrangements with service providers to provide early intervention services in the State, consistent with the provisions of this part, including the contents of the

application used and the conditions of the contract or other arrangements,

(11) a procedure for securing timely reimbursement of funds used under this part in accordance with section 1481(a),

(12) procedural safeguards with respect to programs under this part as required by section 1480, and

(13) policies and procedures relating to the establishment and maintenance of standards to ensure that personnel necessary to carry out this part are appropriately and adequately prepared and trained, including—

(A) the establishment and maintenance of standards which are consistent with any State approved or recognized certification, licensing, registration, or other comparable requirements which apply to the area in which such personnel are providing early intervention services, and

(B) to the extent such standards are not based on the highest requirements in the State applicable to a specific profession or discipline, the steps the State is taking to require the retraining or hiring of personnel that meet appropriate professional requirements in the State, and

(14) a system for compiling data on the numbers of handicapped infants and toddlers and their families in the State in need of appropriate early intervention services (which may be based on a sampling of data), the numbers of such infants and toddlers and their families served, the types of services provided (which may be based on a sampling of data), and other information required by the Secretary.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1148.

Sec. 1477. Individualized family service plan

Assessment and Program Development

(a) Each handicapped infant or toddler and the infant or toddler's family shall receive—

(1) a multidisciplinary assessment of unique needs and identification of services appropriate to meet such needs, and

(2) a written individualized family service plan developed by a multidisciplinary team, including the parent or guardian, as required by subsection (d).

Periodic Review

(b) The individualized family service plan shall be evaluated once a year and the family shall be provided a review of

the plan at 6-month intervals (or more often where appropriate based on infant and toddler and family needs).

Promptness After Assessment

(c) The individualized family service plan shall be developed within a reasonable time after the assessment required by subsection (a)(1) is completed. With the parent's consent, early intervention services may commence prior to the completion of such assessment.

Content of Plan

(d) The individualized family service plan shall be in writing and contain—

(1) a statement of the infant's or toddler's present levels of physical development, cognitive development, language and speech development, psycho-social development, and self-help skills, based on acceptable objective criteria,

(2) a statement of the family's strengths and needs relating to enhancing the development of the family's handicapped infant or toddler,

(3) a statement of the major outcomes expected to be achieved for the infant and toddler and the family, and the criteria, procedures, and timelines used to determine the degree to which progress toward achieving the outcomes is being made and whether modifications or revisions of the outcomes or services are necessary,

(4) a statement of specific early intervention services necessary to meet the unique needs of the infant or toddler and the family, including the frequency, intensity, and the method of delivering services,

(5) the projected dates for initiation of services and the anticipated duration of such services,

(6) the name of the case manager from the profession most immediately relevant to the infant's and toddler's or family's needs who will be responsible for the implementation of the plan and coordination with other agencies and persons, and

(7) the steps to be taken supporting the transition of the handicapped toddler to services provided under part B to the extent such services are considered appropriate.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1149.

Sec. 1478. State application and assurances

Application

(a) Any State desiring to receive a grant under section 1473 for any year shall submit an application to the Secretary

at such time and in such manner as the Secretary may reasonably require by regulation. Such an application shall contain—

- (1) a designation of the lead agency in the State that will be responsible for the administration of funds provided under section 1473,
- (2) information demonstrating eligibility of the State under section 1474,
- (3) the information or assurances required to demonstrate eligibility of the State for the particular year of participation under section 1475, and
- (4)(A) information demonstrating that the State has provided (i) public hearings, (ii) adequate notice of such hearings, and (iii) an opportunity for comment to the general public before the submission of such application and before the adoption by the State of the policies described in such application, and (B) a summary of the public comments and the State's responses,
- (5) a description of the uses for which funds will be expended in accordance with this part and for the fifth and succeeding fiscal years a description of the services to be provided,
- (6) a description of the procedure used to ensure an equitable distribution of resources made available under this part among all geographic areas within the State, and
- (7) such other information and assurances as the Secretary may reasonably require by regulation.

Statement of Assurances

(b) Any State desiring to receive a grant under section 1473 shall file with the Secretary a statement at such time and in such manner as the Secretary may reasonably require by regulation. Such statement shall—

- (1) assure that funds paid to the State under section 1473 will be expended in accordance with this part,
- (2) contain assurances that the State will comply with the requirements of section 1481,
- (3) provide satisfactory assurance that the control of funds provided under section 1473, and title to property derived therefrom, shall be in a public agency for the uses and purposes provided in this part and that a public agency will administer such funds and property,
- (4) provide for (A) making such reports in such form and containing such information as the Secretary may require to carry out the Secretary's functions under this part, and (B) keeping such records and affording such access thereto as the Secretary may find necessary to

assure the correctness and verification of such reports and proper disbursement of Federal funds under this part,

(5) provide satisfactory assurance that Federal funds made available under section 1473 (A) will not be commingled with State funds, and (B) will be so used as to supplement and increase the level of State and local funds expended for handicapped infants and toddlers and their families and in no case to supplant such State and local funds,

(6) provide satisfactory assurance that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under section 1473 to the State, and

(7) such other information and assurances as the Secretary may reasonably require by regulation.

Approval of Application and Assurances Required

(c) No State may receive a grant under section 1473 unless the Secretary has approved the application and statement of assurances of that State. The Secretary shall not disapprove such an application or statement of assurances unless the Secretary determines, after notice and opportunity for a hearing, that the application or statement of assurances fails to comply with the requirements of this section.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1150.

Sec. 1479. Uses of funds

In addition to using funds provided under section 1473 to plan, develop, and implement the statewide system required by section 1476, a State may use such funds—

- (1) for direct services for handicapped infants and toddlers that are not otherwise provided from other public or private sources, and
- (2) to expand and improve on services for handicapped infants and toddlers that are otherwise available.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1150.

Sec. 1480. Procedural safeguards

The procedural safeguards required to be included in a statewide system under section 1476(b)(12) shall provide, at a minimum, the following:

- (1) The timely administrative resolution of complaints by parents. Any party aggrieved by the findings and decision regarding an administrative complaint shall have the right to bring a civil action with respect to the complaint, which action may be brought in any State court of competent jurisdiction or in a district court of the United

States without regard to the amount in controversy. In any action brought under this paragraph, the court shall receive the records of the administrative proceedings, shall hear additional evidence at the request of a party, and, basing its decision on the preponderance of the evidence, shall grant such relief as the court determines is appropriate.

(2) The right to confidentiality of personally identifiable information.

(3) The opportunity for parents and a guardian to examine records relating to assessment, screening, eligibility determinations, and the development and implementation of the individualized family service plan.

(4) Procedures to protect the rights of the handicapped infant or toddler whenever the parents or guardian of the child are not known or unavailable or the child is a ward of the State, including the assignment of an individual (who shall not be an employee of the State agency providing services) to act as a surrogate for the parents or guardian.

(5) Written prior notice to the parents or guardian of the handicapped infant or toddler whenever the State agency or service provider proposes to initiate or change or refuses to initiate or change the identification, evaluation, placement, or the provision of appropriate early intervention services to the handicapped infant or toddler.

(6) Procedures designed to assure that the notice required by paragraph (5) fully informs the parents or guardian, in the parents' or guardian's native language, unless it clearly is not feasible to do so, of all procedures available pursuant to this section.

(7) During the pendency of any proceeding or action involving a complaint, unless the State agency and the parents or guardian otherwise agree, the child shall continue to receive the appropriate early intervention services currently being provided or if applying for initial services shall receive the services not in dispute.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1151.

Sec. 1481. Payor of last resort

Nonsubstitution

(a) Funds provided under section 1473 may not be used to satisfy a financial commitment for services which would have been paid for from another public or private source but for the enactment of this part, except that whenever considered necessary to prevent the delay in the receipt of appropriate early intervention services by the infant or toddler or family in a timely fashion, funds provided under section 1473 may be used to pay the provider of services pending reimbursement from the agency which has ultimate responsibility for the payment.

Reduction of Other Benefits

(b) Nothing in this part shall be construed to permit the State to reduce medical or other assistance available or to alter eligibility under title V of the Social Security Act (relating to maternal and child health) or title XIX of the Social Security Act (relating to medicaid for handicapped infants and toddlers) within the State.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1152.

Sec. 1482. State interagency coordinating council

Establishment

(a)(1) Any State which desires to receive financial assistance under section 1473 shall establish a State Interagency Coordinating Council composed of 15 members.

(2) The Council and the chairperson of the Council shall be appointed by the Governor. In making appointments to the Council, the Governor shall ensure that the membership of the Council reasonably represents the population of the State.

Composition

(b) The Council shall be composed of—

(1) at least 3 parents of handicapped infants or toddlers or handicapped children aged 3 through 6, inclusive,

(2) at least 3 public or private providers of early intervention services,

(3) at least one representative from the State legislature,

(4) at least one person involved in personnel preparation, and

(5) other members representing each of the appropriate agencies involved in the provision of or payment for early intervention services to handicapped infants and toddlers and their families and others selected by the Governor.

Meetings

(c) The Council shall meet at least quarterly and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

Management Authority

(d) Subject to the approval of the Governor, the Council may prepare and approve a budget using funds under this part to hire staff, and obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this part.

Functions of Council

(e) The Council shall—

(1) advise and assist the lead agency designated or established under section 1476(b)(9) in the performance of the responsibilities set out in such section, particularly the identification of the sources of fiscal and other support for services for early intervention programs, assignment of financial responsibility to the appropriate agency, and the promotion of the interagency agreements,

(2) advise and assist the lead agency in the preparation of applications and amendments thereto, and

(3) prepare and submit an annual report to the Governor and to the Secretary on the status of early intervention programs for handicapped infants and toddlers and their families operated within the State.

Conflict of Interest

(f) No member of the Council shall cast a vote on any matter which would provide direct financial benefit to that member or otherwise give the appearance of a conflict of interest under State law.

Use of Existing Councils

(g) To the extent that a State has established a Council before September 1, 1986, that is comparable to the Council described in this section, such Council shall be considered to be in compliance with this section. Within 4 years after the date the State accepts funds under section 1473, such State shall establish a council that complies in full with this section.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1153.

Sec. 1483. Federal administration

Sections 1416, 1417, and 1420 shall, to the extent not inconsistent with this part, apply to the program authorized by this part, except that—

(1) any reference to a State educational agency shall be deemed to be a reference to the State agency established or designated under section 1476(b)(9),

(2) any reference to the education of handicapped children and the education of all handicapped children and the provision of free public education to all handicapped children shall be deemed to be a reference to the provision of services to handicapped infants and toddlers in accordance with this part, and

(3) any reference to local educational agencies and intermediate educational agencies shall be deemed to be a reference to local service providers under this part.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1154.

Sec. 1484. Allocation of funds

(a) From the sums appropriated to carry out this part for any fiscal year, the Secretary may reserve 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and the Commonwealth of the Northern Mariana Islands in accordance with their respective needs.

(b)(1) The Secretary shall make payments to the Secretary of the Interior according to the need for such assistance for the provision of early intervention services to handicapped infants and toddlers and their families on reservations serviced by the elementary and secondary schools operated for Indians by the Department of the Interior. The amount of such payment for any fiscal year shall be 1.25 percent of the aggregate of the amount available to all States under this part for that fiscal year.

(2) The Secretary of the Interior may receive an allotment under paragraph (1) only after submitting to the Secretary an application which meets the requirements of section 1478 and which is approved by the Secretary. Section 1416 shall apply to any such application.

(c)(1) For each of the fiscal years 1987 through 1991 from the funds remaining after the reservation and payments under subsections (a) and (b), the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the number of infants and toddlers in the State bears to the number of infants and toddlers in all States, except that no State shall receive less than 0.5 percent of such remainder.

(2) For the purpose of paragraph (1) —

(A) the terms 'infants' and 'toddlers' mean children from birth to age 2, inclusive, and

(B) the term 'State' does not include the jurisdictions described in subsection (a).

(d) If any State elects not to receive its allotment under subsection (c)(1), the Secretary shall reallocate, among the remaining States, amounts from such State in accordance with such subsection.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1154.

Sec. 1485. Authorization of appropriations

There are authorized to be appropriated to carry out this part \$50,000,000 for fiscal year 1987, \$75,000,000 for fiscal year 1988, and such sums as may be necessary for each of the 3 succeeding fiscal years.

Pub. L. 99-457, Title I, Sec. 101, Oct. 8, 1986, 100 Stat. 1155.

Note: Study of Services; Coordination of Actions

(1) The Secretary of Education and the Secretary of Health and Human Services shall conduct a joint study of Federal funding sources and services for early intervention programs currently available and shall jointly act to facilitate interagency coordination of Federal resources for such programs and to ensure that funding available to handicapped infants, toddlers, children, and youth from Federal programs,

other than programs under the Education of the Handicapped Act, is not being withdrawn or reduced.

(2) Not later than 18 months after the date of the enactment of this Act, the Secretary of Education and the Secretary of Health and Human Services shall submit a joint report to the Congress describing the findings of the study conducted under paragraph (1) and describing the joint action taken under that paragraph.

APPENDIX C

Suggested Legislation

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| BDR 34-162 | Revises provisions governing funding of special education..... | 79 |
| BDR 34-163 | Expands special programs for education of handicapped minors..... | 81 |

**SUMMARY--Revises provisions governing funding of special education.
(BDR 34-162)**

FISCAL NOTE: **Effect on Local Government: No.**
Effect on the State or on Industrial Insurance: No.

AN ACT relating to special education; declaring the intent of the legislature regarding the manner in which the levels of support for special education programs will be established; declaring the intent of the legislature regarding the minimum level of support for special education programs; and providing other matters properly relating thereto.

**THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:**

Section 1. Chapter 387 of NRS is hereby amended by adding thereto a new section to read as follows:

1. It is the declared intent of the legislature that the amount provided by the state to local school districts for each special education program unit must be the estimated cost of the average salary and benefits payable to or on behalf of special education teachers, adjusted for any prospective changes in schedules

for salaries which may be anticipated by the legislature. The average salary and benefits of special education teachers must be calculated by the department and supplied to each legislature for use in its deliberations upon financial support for special education program units.

2. It is the declared intent of the legislature that the minimum number of special education program units provided to a local school district must be equal to the number provided to the district by the previous session of the legislature, plus any units which have, since the previous session, been added by the district with local money from a source other than federal money.

Sec. 2. This act becomes effective upon passage and approval.

SUMMARY--Expands special programs for education of handicapped minors.

(BDR 34-163)

FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to pupils; requiring schools to admit handicapped minors to programs of special education; progressively reducing the minimum age for admission to such programs; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 388.490 is hereby amended to read as follows:

388.490 1. Except as *otherwise* provided in [subsections 2 to 5, inclusive,] *subsection 2 and in NRS 388.460, eligible* handicapped minors [may] *must* be admitted at the age of [5] 4 years to special programs established for such minors, and their enrollment or attendance may be counted for *the purpose of* apportionment . [purposes.

2. Aurally handicapped minors may be admitted at any age under 5 to special programs established for such minors, and their enrollment or attendance may be counted for apportionment purposes.

3. Visually handicapped minors may be admitted at any age under 5 to special programs established for such minors, and their enrollment or attendance may be counted for apportionment purposes.

4.] 2. Academically talented minors may be admitted at the age of 4 years to special programs established for such minors, and their enrollment or attendance may be counted for apportionment purposes.

[5. Mentally retarded minors may be admitted at the age of 3 years to special programs established for such minors, and their enrollment or attendance may be counted for apportionment purposes.]

Sec. 2. NRS 388.490 is hereby amended to read as follows:

388.490 1. Except as otherwise provided in subsection 2 and in NRS 388.460, eligible handicapped minors must be admitted at the age of [4] 3 years to special programs established for such minors, and their enrollment or attendance may be counted for the purpose of apportionment.

2. Academically talented minors may be admitted at the age of 4 years to special programs established for such minors, and their enrollment or attendance may be counted for apportionment purposes.

Sec. 3. 1. This section and section 1 of this act become effective on July 1, 1989.

2. Section 2 of this act becomes effective on July 1, 1990.