Special Education in Minnesota

Report to the Legislative Commission on Public Education
March, 1989
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Since 1915, the state of Minnesota has recognized the need to provide assistance to children who are physically or mentally handicapped and has had a state-funded program in place to aid school districts in this mission. The original program for this purpose recognized the conditions of deafness, blindness, speech defective and mentally retarded as being eligible for reimbursement from the state on a per student basis.

Despite the financial assistance offered to school districts for the education of the handicapped, the move toward a more comprehensive state program for the education of these students was quite slow. The annual report of the Department of Education for the 1955-56 school year showed that services for children with handicaps were not readily available in most communities outside the metropolitan area.

Concern over this lack of service availability led to the formation of the Interim Commission on Handicapped Children, which was authorized by the Legislature in 1955. Many of the recommendations put forward by this commission, most prominently, the requirement that special education of the educable handicapped be mandatory, were adopted by the Legislature in 1957. With these changes, the availability of education services for the handicapped became much more widespread and the number of students receiving services through special education programs increased at a remarkable rate. State Department of Education figures show that the number of handicapped children served through public school programs increased from approximately 12,600 in 1955-56 to approximately 77,400 in 1987-88, an increase of over 500%.

While Minnesota’s actions in the mid-1950s guaranteed availability of services to handicapped children in Minnesota, national legislation to provide similar access to services for handicapped students throughout the nation was not passed until 1975 in the form of the Education for All Handicapped Act, also known as P.L. 94-142. While this federal legislation shares a common vision with the Minnesota laws passed earlier, it has undoubtedly added greater complexity to the special education system as a whole.

It is the primary aim of this study to explain how the special education system in Minnesota works and to answer some of the questions about the federal, state and local roles in the special education system. This study was commissioned by the Legislative Commission on Public Education pursuant to Laws of Minnesota 1987, Chapter 398, Article III, Section 38. The report was prepared by commission staff.

While the primary thrust of this report is to provide legislators with a thorough qualitative and quantitative outline of the
Minnesota special education framework, the format of the study is flexible enough to describe how possible reforms could be incorporated into the system. While the study does not contain an exhaustive set of recommendations, the absence of such a list should not be viewed as an endorsement of the current system. While it is not the main intention of this report to provide a policy direction, it is hoped that the increased understanding of the special education system that will result from this study can help the Legislature more thoroughly discuss suggested reforms and effectively address many of the problems currently troubling the special education community.
GROWTH AND COMPOSITION OF SPECIAL EDUCATION EXPENDITURES

The following graph, charts, and table outline the growth and composition of special education expenditures in Minnesota since the 1979 fiscal year.
EXPENDITURES ON SPECIAL EDUCATION
1978-79 TO 1987-88

YEAR EXPENDITURES
1978-79 $100,000
1980-81 $120,000
1982-83 $150,000
1984-85 $200,000
1986-87 $300,000

- TOTAL EXPENDITURES
- STATE AID
- LOCAL REVENUE
- FEDERAL
## EXPENDITURES ON SPECIAL EDUCATION
### 1978-79 TO 1987-88
#### (000's)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOTAL EXPENDITURES</th>
<th>STATE AID*</th>
<th>LOCAL REVENUE</th>
<th>FEDERAL EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978-79</td>
<td>$125,962</td>
<td>$81,161</td>
<td>$37,077</td>
<td>$7,724</td>
</tr>
<tr>
<td>1979-80</td>
<td>147,552</td>
<td>90,922</td>
<td>43,818</td>
<td>12,812</td>
</tr>
<tr>
<td>1980-81</td>
<td>166,153</td>
<td>100,978</td>
<td>50,598</td>
<td>14,577</td>
</tr>
<tr>
<td>1981-82</td>
<td>179,596</td>
<td>107,903</td>
<td>55,319</td>
<td>16,374</td>
</tr>
<tr>
<td>1982-83</td>
<td>190,960</td>
<td>103,044</td>
<td>70,330</td>
<td>17,586</td>
</tr>
<tr>
<td>1983-84</td>
<td>208,322</td>
<td>127,905</td>
<td>60,447</td>
<td>19,970</td>
</tr>
<tr>
<td>1984-85</td>
<td>229,840</td>
<td>143,626</td>
<td>66,013</td>
<td>20,201</td>
</tr>
<tr>
<td>1985-86</td>
<td>253,167</td>
<td>144,993</td>
<td>87,176</td>
<td>20,998</td>
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<tr>
<td>1986-87</td>
<td>283,079</td>
<td>155,394</td>
<td>106,335</td>
<td>21,350</td>
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<tr>
<td>1987-88</td>
<td>310,053</td>
<td>156,554</td>
<td>131,184</td>
<td>22,315</td>
</tr>
</tbody>
</table>

*DOES NOT INCLUDE FOUNDATION AID REVENUE*
Distribution and Amount of Federal Aid

Minnesota receives an annual grant based on an unduplicated child count of learners with handicaps, taken by school districts on December 1 of each year.

Aid Distribution*

- Distributed in form of discretionary grants for state-initiated projects designed to equalize services, address unmet needs, and meet other requirements of federal law.
- 15% distributed to Minnesota Department of Education for administrative costs.
- 5% passed through to local school districts on a per-identified child basis.
- 80% passed through to school districts on a per-identified child basis.

Federal Aid Amounts

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>78-79</td>
<td>7,730,000</td>
<td>66.9%</td>
</tr>
<tr>
<td>79-80</td>
<td>12,903,000</td>
<td>13.5%</td>
</tr>
<tr>
<td>80-81</td>
<td>14,640,000</td>
<td>10.7%</td>
</tr>
<tr>
<td>81-82</td>
<td>16,210,000</td>
<td>7.0%</td>
</tr>
<tr>
<td>82-83</td>
<td>17,351,000</td>
<td>6.0%</td>
</tr>
<tr>
<td>83-84</td>
<td>18,386,000</td>
<td>6.3%</td>
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<tr>
<td>84-85</td>
<td>19,537,000</td>
<td>4.5%</td>
</tr>
<tr>
<td>85-86</td>
<td>20,409,000</td>
<td>3.6%</td>
</tr>
<tr>
<td>86-87</td>
<td>21,150,000</td>
<td>7.8%</td>
</tr>
<tr>
<td>87-88</td>
<td>22,798,000</td>
<td></td>
</tr>
</tbody>
</table>

Note: The aid is calculated as 15% of funds to local school districts, joint powers cooperatives, and intermediate districts.
Sources of State Revenue for Special Education

**STUDENT**

General Education Revenue

$2755*

M.S. 124A.22, Subd. 2

**STAFF**

1. Teachers salaries
   66% of FTE salary,
   $18,400 state aid cap.
   M.S. 124.32, Subd. 1b.

2. Contract services
   State pays 52% of the difference between the amount of the contract and
   the basic revenue of the district for that pupil for the amount of time the pupil
   receives services under the contract.
   M.S. 124.32, Subd. 1d.

**OTHER**

1. Supply and equipment aid
   The state shall pay 49% of costs, supplies
   and equipment used for instruction of handicapped not to exceed $47 per pupil.
   M.S. 124.32, Subd. 2.

2. Home-based services
   The state shall pay each district 1/2 of the sum
   spent for personnel providing home-based services.
   M.S. 124.32, Subd. 2b.

3. Residential Aid
   District of residence for handicapped child placed
   in residential facility shall receive aid in amount
   not to exceed 57% of the difference between the
   instructional costs charged to the district
   and the basic revenue of the district for that
   child.
   M.S. 124.32.32 Subd. 5.

* Basic General Education Revenue is $2755. This figure may vary from
district to district depending on training and experience, sparsity,
comparability, and supplemental aid.
SALARY REIMBURSEMENT

The following charts and table describe the state formula for reimbursing special education staff salaries and outline the various reimbursement ratios and state aid caps that have existed since the 1978 fiscal year. The process of deficiency correction is also explained through the use of a chart and narrative.
Aid Payment to Special Education Staff

State contributes 66% of salary per Full Time Equivalent staff (FTE) up to a cap of $18,400. TRA and FICA costs are paid by the local education unit. Districts may levy to fill any gap between the $18,400 cap and 66% of FTE salary.

Example A

Staff salary: $25,000
State share: $16,500
\[.66 \times 25,000 = 16,500\]
Local share: $8,500
\[25,000 - 16,500 = 8,500\]

Example B

Staff salary: $35,000
State share: $18,400
\[.66 \times (35,000) = 23,100,\text{ exceeding cap. Maximum aid is } 18,400.\]
Local share: $16,600
\[35,000 - 18,400 = 16,600\]
District may levy for gap between cap and 66% of salary:
\[23,100 - 18,400 = 4,700\]
Aid Pro-Ration

State law does not allow state reimbursement for contact between special education staff and regular education students. In cases where special education staff is working with regular education students, the $18,400 state aid cap is reduced by the ratio of regular education to special education students in the special education staff members total caseload or total classroom membership.* Districts may levy to fill the gap between the revised cap and 66% of FTE salary, reduced by the ratio of regular education to special education students served.

Example A

Teacher salary: $25,000
Cap reduction: $6,133
\[ \left( \frac{3}{33} \right) \times ($18,400) = $6,133 \]
Revised Aid Cap: $11,267
\[ ($18,400 - $6,133) = $11,267 \]
Local share of cost: $13,733
\[ ($25,000 - $11,267) = $13,733 \]
State aid loss due to cap reduction:
\[ ($16,500 - $11,267) = $4,233 \]

Example B

Teacher salary: $35,000
Cap reduction: $6,133
\[ \left( \frac{3}{33} \right) \times ($18,400) = $6,133 \]
Revised Aid Cap: $11,267
\[ ($18,400 - $6,133) = $11,267 \]
Local share of cost: $23,733
\[ ($35,000 - $11,267) = $23,733 \]
State aid loss due to cap reduction:
\[ ($18,400 - $11,267) = $7,133 \]

*In effect, an FTE is reduced by the proportion of regular education to special education students in the FTE’s caseload.

(SE) Special Education Student

(RE) Regular Education Student

1 Proportion of non-special education students in class
2 \( (\times 66) \left( \frac{25,000}{16,500} \right) = 16,500 \)
3 \( (\times 66) \left( \frac{35,000}{23,733} \right) = 23,733 \), therefore $18,400 cap in place in example.
### HISTORY OF SPECIAL EDUCATION FORMULAS

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Salary of Essential Personnel Employed in the Educational Program for Handicapped Children</th>
<th>Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 78</td>
<td>60% with cap + 5% of total salaries.</td>
<td>$11,500</td>
</tr>
<tr>
<td>FY 79</td>
<td>69% with cap + 5% of total salaries.*</td>
<td>$12,000</td>
</tr>
<tr>
<td>FY 80</td>
<td>Greater of: (a) 69% with cap + 5% of total salaries, or; (b) 70% of total salaries.</td>
<td>$12,000</td>
</tr>
<tr>
<td>FY 81</td>
<td>Greater of: (a) 69% with cap + 5 % of total salaries, or; (b) 70% of total salaries.</td>
<td>$12,000</td>
</tr>
<tr>
<td>FY 82</td>
<td>68.8%#</td>
<td>None</td>
</tr>
<tr>
<td>FY 83</td>
<td>68.8%</td>
<td>None</td>
</tr>
<tr>
<td>FY 84</td>
<td>70%</td>
<td>None</td>
</tr>
<tr>
<td>FY 85</td>
<td>70%</td>
<td>None</td>
</tr>
<tr>
<td>FY 86</td>
<td>70%</td>
<td>$19,500</td>
</tr>
<tr>
<td>FY 87</td>
<td>70%</td>
<td>$19,500</td>
</tr>
<tr>
<td>FY 88</td>
<td>66%</td>
<td>$18,400</td>
</tr>
<tr>
<td>FY 89</td>
<td>66%</td>
<td>$18,400</td>
</tr>
</tbody>
</table>

*65\% passed in 1977 Laws of Minnesota, Chapter 447, Article 3, Section 9, raised to 69\% in 1978 Laws of Minnesota, Chapter 764, Section 58.*

#65\% passed in 1981 Laws of Minnesota, Chapter 358, Article 3, Section 11, raised to 68.8\% in 1981 Laws of Minnesota, First Special Session, Chapter 2, Section 10.
Budget Deficiency and Proration

- When the aid entitlements generated by the reimbursement formulas exceed the amounts appropriated for these entitlements, the state runs into deficiency due to the fact that the special education appropriation is not an open-and-standing appropriation that is automatically funded. Initially, the special education deficiency is reduced by transfers authorized by the Commissioner of Education from existing fund balances in other accounts. After this adjustment, the reimbursement for the various salary entitlements are reduced by the amount necessary to make the aid entitlements fit the amount appropriated. The funding deficiency that remains after the Commissioner's transfer can be corrected through three means: (1) the Legislature can fund the deficiency with state funds in subsequent Legislative Sessions, (2) local school districts can levy to replace lost state revenue for salaries, or (3) local school districts can reduce programs to the extent necessary to account for the loss of state revenue.

### Diagram

- **Total special education costs**
  - **Projected state obligation**
  - **Actual state obligation after proration (if deficiency not funded)**
  - **Deficiency**
  - **Projected local obligation**
  - **Actual local obligation (including deficiency)**

### Table

<table>
<thead>
<tr>
<th>Projected Obligations</th>
<th>Actual Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
IDENTIFICATION AND PLACEMENT IN SPECIAL EDUCATION

The following charts describe the processes of identification of handicapped students and the placement of these students in the appropriate educational program. The six levels of special education service delivery are also described with these charts.
Identification and Placement in Special Education

Levels 1 & 2
- Regular classroom

Levels 3 & 4
- Resource Room
  - Due Process Procedure
    - Regular classroom
    - Day school or separate facility within school district
  - Development of I.E.P.
    - MR 3525.2900
      - If assessment shows child eligible, child must have I.E.P.
  - Placement
    - MR 3525.3600
      - After development of I.E.P., child is placed in special education delivered at appropriate level.

Levels 5
- Residential facility

Levels 6*
- Day school or separate facility within school district

Recognition of student needs in regular education classroom by staff
- Pre-referral intervention
  - If successful, child returns to regular classroom without special education.
- Assessment
  - MR 3525.2600
    - If assessment shows child not eligible, child returns to regular classroom without special education.
- Assessment
  - MR 3525.2500
    - If assessment shows child eligible, child must have I.E.P.
- Placement
  - MR 3525.3600
    - After development of I.E.P., child is placed in special education delivered at appropriate level.

Child remains in regular classroom during pre-referral and assessment phases.

Due Process Procedure

Federal and state rules provide for parent involvement at any juncture in the process of eligibility determination and referral to special education. These rules require that parents receive notification of decisions made in regard to these students and outline the process of eligibility determination and referral to special education.
Levels of Service

Minnesota Rule 3525.2340 outlines the six levels of service in which children who qualify for special education can be placed. Decision on placement level is made after the education program that is most appropriate for the child has been determined.

Level 1
Regular education classroom, no additional staff contact with student.

Level 2
Regular education classroom, additional staff contact with special education student and regular education teacher.

Level 3
Special education student receives direct instruction from special education staff less than one-half day.

Level 4
Special education student receives direct instruction from special education teacher more than one-half day, but less than full-time.

Level 5
Special education student receives full-time instruction from special education teacher within district building, day school, special station or facility.

Level 6
Student is placed within residential facility.
Service Level 1

A non-handicapped student is placed in a regular classroom and does not receive special education. Student receives assessment services, monitoring, observation and follow-up.

Regular Education Classroom

Teacher

Special Education Student

Special Education Student
Service Level 2

A pupil is placed in regular classroom. Instruction and related services are provided indirectly through regular classroom, additional teachers and related staff. Special education staff can work both with teacher and student.

Regular Education Classroom

- Teacher
- Special Education Student
- Special Education Teacher
- Additional Staff
Service Level 3

A pupil receives direct instruction from a teacher, or related supervisor for less than one-half of the day.
Service Level 4
A pupil receives direct instruction for one-half to less than full-time.
Service Level 5

Student receives full-time direct instruction from a teacher within a district building, day school, special station or facility, including joint powers cooperatives and intermediate district settings.

Regular Education Classroom

Teacher

Special Education Staff

Special Education Student

Special Education Student

Special Education Classroom (Special Class)
Service Level 6
Student is placed in residential facility.

*Rule does not explicitly state all service responsibilities within level 6, but students may receive levels 1 through 5 at institutions located near residential facility. Level 6 refers to location of student away from home district.
ELIGIBILITY DETERMINATION FOR CHILDREN WITH LEARNING DISABILITIES

Two means of determining the presence of a learning disability are explained with the following charts and narrative.
State Recommended Policy for Determining Learning Disability

Phase I: Determination of Handicapping Condition

Teacher

Teacher believes student has need for special education and refers for assessment.

Determine ability through IQ test and/or other standardized or informal measures.

Determine achievement through class performance.

Discrepancy not present. Child denied eligibility for special education and returned to regular classroom.

Exclusionary variables present, child returns to regular classroom. Further assessment possible.

Phase II: Determine need for Special Education

If student is determined to have handicapping condition, need for special education determined

1. Identify interfering learning characteristics.
2. Identify variation in performance levels.
3. Identify failure to succeed in pre-referred information.
4. Determine frequency, intensity and direction of learning.
5. Determine need for compensatory skills for learning characteristics.
6. Determine need for alternative teaching strategies.
7. Determine that regular education alone cannot provide the needed specifically designed instruction.

Need for special education determined, child placed in special education learning disability program.

Placement in LD Program

Student is placed in LD Program determined appropriate.
Curriculum Based Measurement

**Referral**
- Teacher makes decision based on academic difficulty.

**Screening**
- Student's performance is reviewed through:
  1. Curriculum based measurement in referred areas at grade level;
  2. Interviews with teachers;
  3. Interviews with parents;
  4. Analysis of student records, including: available health, psychological, speech, language, social and family history;
  5. District-wide testing results, and;
  6. Classroom performance data.

Regular education teacher employs pre-referral strategies aimed at improving performance.

**Eligibility Determination**
- Comprehensive assessment procedures are implemented to establish that the student's academic skills are significantly discrepant from expected achievement. Comprehensive assessment procedures include:
  1. Survey-level testing with Curriculum-Based Measures to determine the student's level of performance in current regular education curriculum.
  2. Diagnostic testing to determine specific skills the student has not mastered (i.e., administration of criterion-referenced and/or norm-referenced standardized tests).
  3. Classroom observations.

**Progress Monitoring**
- For students placed in special education and receiving special education instruction, student progress is monitored using direct and frequent measures to review ongoing success of instructional strategies and appropriateness of placement.

**Student determined not eligible for special education.**
- Returns to regular education.
- Other non-special education options may be considered.

**Student determined eligible, subject to presence of exclusionary variables.**
- Student placed in special education.
- Placement at appropriate service level.

**Exclusionary variables not present, student placed in special education.**
- Student placed at appropriate service level.

**Exclusionary variables present, student is considered for other instructional placement options within regular or special education.**
DETERMINING ELIGIBILITY FOR SPECIAL EDUCATION:
A COMPARISON OF TWO MODELS

INTRODUCTION

In Minnesota, special education is funded with money from federal, state, and local government sources. Since the amount of money appropriated for special education is dependent on the number of students who are eligible for these services, the determination of eligibility criteria is critical to the funding of this program.

Federal statutes require state education agencies to establish and enforce specific eligibility criteria for special education. Since Minnesota does not have state-mandated criteria, criteria for identifying children who would be eligible for special education are currently developed by each individual school district.

Furthermore, the legislation that mandates that educational services be provided to handicapped children, the Education for All Handicapped Children Act (PL94-142), gives handicapped children legal rights that reach beyond the scope afforded other children. As a result, the determination of eligibility criteria has legal as well as funding implications.

The right to education is not a fundamental right guaranteed by the U.S. Constitution. Rather, it is based on legal principles dealing with concepts such as equal protection of the laws, access to public services, impartial due process, and nondiscrimination. The rights of handicapped students are extended beyond those underlying public education in general, because of the prescriptive nature of due process rights in PL94-142. In that legislation, statutory language: (1) identifies the specific individuals who will determine the needs of the child; (2) states that all children who are handicapped must have an individualized plan specifying their educational goals; (3) outlines the procedures that must be followed to assure that the assessment of handicapped children is nondiscriminatory; and (4) states that a continuum of alternatives to placement in a traditional classroom setting must be developed, and the child's education must occur in the environment that is "least restrictive" relative to the child's individual needs.

About 12 percent of students in Minnesota's public and non-public schools are receiving special education services. Of this group, 43 percent of the students are considered learning disabled, 12 percent emotionally handicapped, and nine percent educable mentally handicapped. Although controversy exists relative to the determination of eligibility for services for all students with mild handicaps, the greatest disagreement arises with regard to the identification of learning disabled students.
The purpose of this paper is to describe two alternatives, the curriculum-based measurement (CBM) model and the psycho-educational model, stemming from different philosophical bases, which could be used to establish eligibility criteria for children with "learning problems."

THE PSYCHO-EDUCATIONAL MODEL

Proponents of the psycho-educational model believe that it is possible to differentiate the students who have a learning disability from other students with mild handicaps. The learning disability experienced by these children is caused by some type of central nervous system dysfunction. The primary cause of the handicap is not primarily attributable to: (1) a vision, hearing, or motor handicap; (2) mental retardation; (3) emotional disturbance; or (4) environmental, cultural, or economic disadvantage.

Furthermore, characteristics of learning disabled students include: (1) their problem is a lifelong condition, i.e., individuals with a learning disability will have to use compensatory learning techniques throughout their lives; (2) not all learning disabled students have the same characteristics; (3) there is a discrepancy between a learning disabled child's intellectual ability and academic achievement; (4) the disability is found at all intellectual levels, with students having strengths and weaknesses in their performance on different parts of an intellectual or achievement test; (5) specific behaviors/characteristics are indicative of a learning disability; and (6) learning disabled students learn differently than other children.

Under a psycho-educational model, a child would be given two standardized tests. One would determine the child's intellectual ability, the other the child's performance on standardized achievement tests in different curricular areas. Eligibility for special education would be determined by the degree to which the child's performance on the test of intellectual ability varied from performance on achievement tests in one or more of the following areas: oral expression, listening comprehension, written expression, basic reading skills, reading comprehension, mathematics calculation, and mathematics reasoning. If the tests indicate that the child's performance in the various curricular areas is a predetermined level below the child's intellectual ability, the child would become eligible for special education services.

Proponents of the psycho-educational model believe that only students who demonstrate: (1) a specified discrepancy between intellectual ability and academic achievement, (2) behavior characteristics indicative of a learning disability, and (3) a need for services, should be placed in special education. The remaining students should be maintained in regular education with supportive services.
In contrast to the psycho-educational model, proponents of the CBM model believe that it is not possible to differentiate the students whose "learning problem" is due to a handicap from the rest of the group using an intellectual ability/achievement discrepancy measure. Rather, these individuals would take repeated samples of a child's performance in curricular areas such as reading, math, spelling, and written expression examining: (1) how students with "learning problems" were performing in different curricular areas, and (2) the relationship between their performance and their ability to function in the school environment.

The students who receive special education services would be drawn from students whose academic performance in different curricular areas falls below that of their peers. The performance level at which special education services would be provided would be determined by the local district. In such a model, the achievement standards would vary from district to district, since eligibility for services is based on a child's performance relative to the performance of other children in the district.

POLICY CONSIDERATIONS

From a policy perspective, a decision that has legal, programmatic, and financial implications for a diverse group of individuals experiencing "learning problems" must be made. This decision involves determining how these students will be identified, and what services will be made available to them.

The legal, programmatic, and financial implications of this decision can be summarized as follows.
Psycho-Educational

Legal

Special education services and the prescriptive nature of due process rights, which follow such a placement decision, should be extended to all students whose academic performance: (1) falls a specified level below that of their peers; and (2) is interfering with the child's ability to function adequately in the school environment.

Programmatic

Students having different types of mild handicapping conditions can not be differentiated from each other. Therefore, a specified proportion of all students experiencing a "learning problem," as described in the previous section, would be placed in special education.

Eligibility criteria for special education would be established at the district level, since curricula varies from district to district.

A child's eligibility for special education services would vary from district to district as a function of: (1) the specific criteria established by a district, (2) the level of performance below which services will be provided, and (3) the proportion of students performing below the identified level who will be served.

Funding

Special education money should be used to fund all students whose academic performance: (1) falls a specified level below that of their peers, and (2) is interfering with the child's ability to function adequately in the school environment.

CBM

Legal

Special education services and the prescriptive nature of due process rights, which follow such a placement decision, should only be extended to students who have demonstrated that their "learning problem" is due to a handicapping condition, characterized by: (1) test results which demonstrate a specified discrepancy between (a) the child's intellectual ability, and (b) the child's academic performance; (2) specific behavior characteristics indicative of a learning disability; and (3) a specific need for services.

Programmatic

Only students whose "learning problem" is due to a specific identified disability, as described in the previous section, would be placed in special education. The remaining students would be maintained in regular education with support services from special education.

Eligibility criteria for special education would be established at the state level.

Funding

Special education money should only fund the education of students whose "learning problem" is attributable to an identified handicap. Funding for the remaining students should be provided through a separate appropriation within regular education.
There currently are no criteria that are used uniformly by all districts in determining which students will receive special education services. A decision about eligibility for services has legal, monetary, and programmatic implications. Concern about the needs of these students makes legislative consideration of this issue imperative.

FOOTNOTE

1. §120.03, Subd. 1. Every child who has a hearing impairment, visual handicap, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, or deaf/blind handicap and needs special instruction and services as determined by the standards of the state board, is a handicapped child.
The following three charts describe the three primary local delivery models for special education services in Minnesota. They are: (1) the local district model, (2) the joint powers cooperative model, and (3) the intermediate district model. A variation of the joint powers cooperative model is being used by the Southwest-West Central Education Cooperative Service Unit (ECSU) in which special education personnel are hired and administered by the ECSU.
Local District Model

Local District #1
[Not providing direct service]
District not providing direct service may contract with other district for special education services. District receiving services through contract may receive limited reimbursement from the state through contract services aid.

Local District #2
[Providing direct service]
Districts are reimbursed under the state formula by the state for staff and support costs incurred in service delivery. Decisions concerning special education program are made by local staff and local school boards.

State Aid is paid to local district for programs run locally. State only reimburses districts that are providing services and does not reimburse local districts directly for costs incurred when purchasing programs from another district. State would pay contract aid to districts not providing direct services in some instances.
Local districts are billed for excess costs beyond revenue provided to joint powers cooperative by state aid formulas.

Member Districts

| A | Individual districts within cooperative can set up their own programs and be reimbursed under the state aid formula. |
| B | Joint Powers Cooperative

Hiring is done by joint powers board except for programs that local districts want to control outside of cooperative. Governed by independent board.

| C | Non-member districts may purchase services on a contract basis from a joint powers cooperative. Non-member district may receive limited state reimbursement through contract aid. |

State Aid is paid to cooperative for cooperative programs and to local districts for locally operated programs. The state does not reimburse local districts directly for costs incurred from cooperative programs. State would pay contract aid to districts not providing direct services in some instances.
A levy not exceeding .6 percent of Adjusted Gross Tax Capacity is certified by the intermediate district and paid by property owners in the member school districts. Member districts are billed for excess costs beyond revenue provided to intermediate districts by 0.6 percent of capacity tax levy and the state aid formula.

Intermediate District

Intermediate district is reimbursed by the state for staff and support costs incurred in services delivery according to the state formula. Governed by independent board.

Non-member districts may purchase services on a contract basis from an intermediate district. Non-member district may receive limited state reimbursement through contract aid.

State Aid is paid to the intermediate district for programs run by the intermediate district and to local districts for locally operated programs. The state does not reimburse local districts directly for costs incurred from purchasing programs provided by the intermediate district. State would pay contract aid to districts not providing direct services in some instances.
NUMBER OF SPECIAL EDUCATION STUDENTS BY HANDICAPPING CONDITION

The following graphs and tables outline the number of children ages 5 to 21 receiving special education services in Minnesota since the 1979-80 school year. The graphs and tables present the child count for each handicapping condition and the total special education population.
TOTAL SPECIAL EDUCATION
NUMBER AND PERCENT OF TOTAL
1979-80 TO 1987-88

NUMBER OF STUDENTS

PERCENT OF TOTAL

YEARS

70,000 72,000 74,000 76,000 78,000 80,000

70-80 80-81 81-82 82-83 83-84 84-85 85-86 86-87 87-88

Percent
Number
LEARNING DISABLED
NUMBER AND PERCENT OF TOTAL
1979-80 to 1987-88

NUMBER OF STUDENTS

38,000
36,000
34,000
32,000
30,000

79-80  80-81  81-82  82-83  83-84  84-85  85-86  86-87  87-88

YEARS

PERCENT OF TOTAL

5.5
5
4.5
4
3.5

Number
Percent
SPEECH IMPAIRMENT
NUMBER AND PERCENT OF TOTAL
1979-80 TO 1987-88

NUMBER OF STUDENTS

PERCENT OF TOTAL

YEARS

79-80  80-81  81-82  82-83  83-84  84-85  85-86  86-87  87-88

15,000  16,000  17,000  18,000  19,000  20,000  21,000  22,000

1.8   1.9   2.0   2.1   2.2   2.3   2.4   2.5

Number
Percent
MENTALLY RETARDED
NUMBER AND PERCENT OF TOTAL
1979-80 TO 1987-88

YEAR
NUMBER

PERCENT

15,000
14,000
13,000
12,000
11,000
10,000
1.7
1.6
1.5
1.4
1.3

Number
Percent
HEARING IMPAIRED
NUMBER AND PERCENT OF TOTAL
1979-80 TO 1987-88

NUMBER OF STUDENTS

PERCENT OF TOTAL

YEARS

79-80 80-81 81-82 82-83 83-84 84-85 85-86 86-87 87-88
EMOTIONAL/BEHAVIORAL DISORDER
NUMBER AND PERCENT OF TOTAL
1979-80 TO 1987-88
OTHER HEALTH IMPAIRED
NUMBER AND PERCENT OF TOTAL
1979-80 TO 1987-88
VISION IMPAIRED
NUMBER AND PERCENT OF TOTAL
1979-80 TO 1987-88

YEARS
79-80  80-81  81-82  82-83  83-84  84-85  85-86  86-87  87-88

NUMBER OF STUDENTS
350
300
250

PERCENT OF TOTAL
0.03
0.035
0.04
0.045

Number
Percent
### Special Education

**Number and Percent of Total Student Population by Handicapping Condition**

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<tr>
<th>YEAR</th>
<th>LEARNING DISABLED</th>
<th>SPEECH IMPAIRED</th>
<th>MENTALLY RETARDED</th>
<th>EMOTIONAL/BEHAVIOR DISORDERED</th>
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<th>VISION IMPAIRED</th>
<th>TOTAL</th>
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Lundell, Brad.

Special education in Minnesota

4.23.97 JULIE EDDINGTON

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