



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

FEB - 4 1998

William R Bauer, Director
The Day School
The Rehabilitation Institute
6301 Northumberland Street
Pittsburgh, PA 15217

Dear Mr. Bauer:

Thank you for your correspondence to President Clinton and Secretary Richard Riley concerning clarification regarding funding of special education programs in the amendments of 1997 to the Individuals with Disabilities Education Act (IDEA). Your letter has been forwarded to our office for response.

In its comments to the passage of the IDEA 97 amendments, Congress reaffirmed its commitment to a continuum of alternative placements but expressed a concern that various funding formulas used by States could result in placements that violate the least restrictive environment provisions of IDEA. The changes regarding funding were a response to that concern.

The statute, at §612(a)(1)(B)(ii)(I)(5(B) states that "if the State uses a funding mechanism by which the State distributes State funds on the basis of the type of setting in which a child is served, the funding mechanism does not result in placements that violate the requirements of... [the LRE provisions]" and that "if the State does not have policies and procedures to ensure compliance... [with this provision]..., the State shall provide the Secretary an assurance that it will revise the funding mechanism as soon as feasible to ensure that such mechanism does not result in such placements." The intent of this language is to further ensure a full continuum of services and that children are placed in the least restrictive environment based on their educational needs, not on State funding formulas.

We appreciate your concerns in this matter and trust that the information provided above clarifies the issue. If you need further information, please contact Dr. Deborah Morrow, OSEP's State contact for Pennsylvania (202) 260-2946.

Sincerely,

Thomas Hehir
Director
Office of Special Education
Programs