

HB 704

**Providing the Resources and
Accountability Needed to Meet
Pennsylvania's Education Goals
for Students with Disabilities**





Introduction to the Panel

- **Roy Galloway**
Children's Policy Coordinator/Staff Attorney
Disability Rights Network of Pennsylvania
Harrisburg
- **Baruch Kintisch**
Director of Policy Advocacy
Education Law Center
Philadelphia
- **Dr. Thomas Neville**
Associate Professor, Special Education
Department
Millersville University
Millersville
- **Kenneth Oakes**
Adjunct Prof., Special Educ., Arcadia Univ.
Chair, Educ. & Early Childhood Committee
The Arc of Pennsylvania
Harrisburg
- **Dr. Sherri L. Smith**
Superintendent
Lower Dauphin School District
Hummelstown
- **Sandra L. Zelno**
School Reform Associate
Education Law Center
Pittsburgh



Overview of the Presentation

□ **Four simple points for common agreement:**

- Districts should provide students with disabilities the basic supports and services needed to succeed in school.
- Students have a legal right to this kind of quality special education and are academically and functionally more successful when they receive it.
- It costs more to effectively educate children with disabilities than other students.
- The Commonwealth benefits when all students are educated and prepared for meaningful employment, higher education, and self-sufficiency.

Overview cont.

□ Four key conclusions:

- Most districts currently do not have the basic resources needed to provide a quality education to children with disabilities.
- A recent study found that special education is under-funded in about 400 school districts in Pennsylvania.
- Districts able to provide more funding for special education have better student outcomes. But a child's zip code should not determine the quality of their education.
- Concrete changes in the special education funding and accountability system are needed to fulfill PA's commitment to these issues.





Overview cont.

□ **Four core recommendations:**

- The funding system for special education can be improved to provide adequate resources using a needs-based formula and with strengthened accountability.
- These reforms would produce significant gains, allowing all schools to provide essential supports and services and giving children a chance for a productive life.
- House Bill 704 meets these objectives and merits adoption by the Committee.
- The bill contains a new formula that counts students, meets school needs, fixes the Contingency Fund for costly students, and strengthens accountability for effective investments.



Overview cont.

- **Why is this the right time for fixing the state's special education funding system?**
 - If we do not fix the system, the upward pressures on local property taxes will continue.
 - The basic education funding and accountability reforms adopted in 2008 are incomplete without similar reforms for special education.
 - Federal stimulus dollars for special education make it possible to implement changes to the state formula without incurring excessive obligations in the year following the stimulus.

What is special education?



- ❑ Special education is not a “place” for receiving instruction, but is a set of supports and services to help students learn in the general curriculum according to their needs.
- ❑ The disabilities of most students are relatively mild. Regular education teachers, with support and training, can meet their needs.
- ❑ Most students with special education needs are or may be educated in regular classrooms with accommodations, supports, and services.

What is special education?

“Children with disabilities [shall] have available to them a free appropriate public education which is designed to enable the student to participate fully and independently in the community, including preparation for employment or higher education.”

22 Pa. Code 14.102(a)(1)(i)

“Improving educational results for children with disabilities is an essential element of our national policy of ensuring equality of opportunity, full participation, independent living, and economic self-sufficiency for individuals with disabilities.”

20 U.S. Code 1400(c)(1)



What is special education?

- State and federal laws for special education establish the essential programs and practices needed to effectively educate children with disabilities and balance their rights with other students in schools.
- Children with disabilities deserve a quality education, with appropriate programs, services, accommodations, and skilled teachers and other professionals.
- This is required by state and federal law, but is something that every parent, educator, and policy maker naturally understands as vital for the future well-being of both individual children and the Commonwealth.

What is the current state system for funding special education?



□ Background

– Excess Cost System

- Prior to 1991-92, the state reimbursed school districts for 100% of the “excess costs” of special education above the average cost per student for basic education.
- At that time, two-thirds of all students with disabilities were educated by Intermediate Units away from the regular classroom or school. The state paid IUs to operate these programs, separately from the Excess Cost System used for school districts.



What is the current state system for funding special education?

□ Background – Switch to Census System

- After 1991-92, the state made a transition to a Census System.
- There are two parts to the Census System:
 - An overall cap on annual state spending for special education; and
 - A division between districts of overall state funding based on relative student population. In recent years, the state has simply assumed that 16% of all students need special education services.

What is the current state system for funding special education?

□ System used in 2008-09

- Base Supplement – Each school district received a pro rata share of the capped state funding level based on its 2008-2009 market value/personal income aid ratio (MV/PI AR) multiplied by 16 percent of its 2007-2008 total average daily membership (ADM).
- Inflation Index Supplement – A district received additional funding, if necessary, so that the total increase, including the base supplement, equaled a minimum 4.4 % multiplied by its MV/PI AR over its 2007-2008 Special Education Funding allocation.
- Minimum Increase – A district received additional funding, if necessary, so that the total increase, including the base supplement and inflation index supplement, equaled a minimum 2.0 % increase over its 2007-2008 Special Education Funding allocation.

What is the Status of Special Education in Pennsylvania?

- Students with disabilities in PA have different educational opportunities and different outcomes than other students.
- These are individuals with real needs based on their disabilities, whose ability to learn is compromised when their education is under-funded.

PUBLIC SCHOOL DATA (2006-07) Commonwealth of Pennsylvania	Special Education	All Students
Number of Students	270,930	1,821,383
Graduation Rate	84%	90%
One-Year Drop Out Rate	14.2%	1.6%
State Assessment Passing Rate (average of PSSA reading and math)	31%	68%
Receive at least 80% of instruction in the regular classroom	50% of students	92% of students
Highly Qualified Teachers	92%	98%
Unemployment Rate After Leaving School	71% (1998 national data)	4.3%

Sources: PA Dept. of Education (various sources) and Harris Poll.

What is the Status of Special Education in Pennsylvania?

- ❑ Money matters to the quality of special education that a school district can afford to provide.
- ❑ The wealthiest districts can afford to spend more on special education.
- ❑ The student outcomes are much better in these districts than in the poorest districts.

Pennsylvania Academic Performance Results by District Wealth	2007-08 Combined Average Reading and Math Passing Rate on PSSA	2008-09 Property Market Value/Personal Income Aid Ratio <i>(greater poverty indicated by higher ratio)</i>
50 Poorest School Districts	24.95% (Students in Special Education)	0.77
50 Most Wealthy School Districts	50.35% (Students in Special Education)	0.21
Statewide average	70.70% (All Students)	0.55

Sources: PA Dept. of Education, PSSA Results and Aid Ratios.

What is the Status of Special Education in Pennsylvania?

- ❑ Pennsylvania's state share of funding for special education is low.
- ❑ Local school districts pay most of the cost.
- ❑ This puts pressure on local property taxes in many communities.

Special Education Expenditures

(2007-08)

- Local – \$1.5 billion (54%)
- State – \$926 million (32%)
- Federal – \$400 million (14%)
- Total – \$2.8 billion

Sources: PA Dept. of Education, Financial Summaries and U.S. Dept. of Education, Funding Allocation State Tables.

What is the Status of Special Education in Pennsylvania?

- In recent years, state funding for special education has fallen behind state funding for basic education, receiving much smaller annual increases.

STATE FUNDING FOR PUBLIC EDUCATION IN PENNSYLVANIA				
Year	Special Education		Basic Education	
	Increase	Amount	Increase	Amount
2004-05	2.24%	\$869 million	3.56%	\$4.36 billion
2005-06	2.42%	\$890 million	2.98%	\$4.49 billion
2006-07	2.70%	\$914 million	6.46%	\$4.78 billion
2007-08	1.31%	\$926 million	3.56%	\$4.95 billion
2008-09	1.62%	\$941 million	5.66%	\$5.23 billion
2009-10	0.00%	\$941 million	9.00%	\$5.70 billion

Source: PA Dept. of Education, Financial Summaries. NOTE: The 2009-10 basic education increase is from federal stimulus and assumes an increased base amount of state funding as proposed for future years.

What is the Status of Special Education in Pennsylvania?

- HB 704 will increase funding for special education by 24 % in gradual increments over at least 6 years. That's about half of the total funding gap, with local districts also picking up their share.
- About 400 districts will see increases above a hold harmless level.
- The average annual increase per district is 4.9%, bringing all districts to an adequate level of funding over time.

Special Education State Share of Funding Gap Per School District	# Districts	Average Annual Increase Under H.B. 704 to Close the Gaps
Hold Harmless (No Gap) (same increase as 2008-09)	90	1.5%
\$1,000 to \$100,000	47	1.5%
\$100,000 to \$200,000	44	3.1%
\$200,000 to \$300,000	65	4.4%
\$300,000 to \$400,000	58	4.8%
\$400,000 to \$500,000	50	7.2%
\$500,000 to \$700,000	46	7.4%
\$700,000 to \$1,000,000	47	8.2%
Over \$1,000,000	53	8.8%

Sources: Rep. Sturla and PA Dept. of Education (various sources).

Why does special education cost more than basic education?



- Improving education for students with disabilities is vital to their self-sufficiency and full participation in society.
- Education is an essential tool for creating a productive citizenry, and for enabling all children – regardless of either fiscal or physiological circumstance – to reach their potential.
- To meet these priorities, state and federal law have required many aspects of special education.

Why does special education cost more than basic education?

- Emotional, intellectual, or physical disabilities can directly impact a child's capacity to achieve key learning goals and milestones in the same manner as students without disabilities.
- This requires additional time, equipment and technology, materials, personnel, and effort.
- Children without disabilities do not need these extra services.





Why does special education cost more than basic education?

- ❑ Costs have increased over the years as science has progressed, identification and treatment have improved, and shortages of trained professionals have developed.
- ❑ Science has also made strides in recognizing and supporting a much wider range of disabilities, such as autism spectrum disorder.
- ❑ As a result, special education enrollment has increased in Pennsylvania by more than 25,000 students since 2002, reaching a total of nearly 280,000 students.



Why does special education cost more than basic education?

- ❑ The failure to provide special education resources can shortchange students with and without disabilities.
- ❑ Faced with chronically insufficient funding for special education, resources become stretched thin and some school officials are forced to spread insufficient resources across all programs.
- ❑ Under-funding special education can thus diminish the quality of programs for all students while marginalizing students with disabilities. Such deficiencies need to be addressed by the state.



What does the costing-out study say about PA funding for special education?

- In 2007, the General Assembly commissioned a costing-out study to evaluate the key cost elements for public education. These cost elements included:
 - A “base cost” of educating an average student in the Commonwealth to meet state academic standards.
 - Cost “weights” for educating students with special needs to meet state standards (including students in poverty, students eligible for special education, gifted students, and English language learners).
 - Additional “cost factors” associated with differences between school districts based on their size, enrollment trends, and regional cost of living.

What does the costing-out study say about PA funding for special education?

- ❑ In 2008, the General Assembly used the findings of the costing-out study to adopt a new funding system for basic education.
- ❑ The base cost was \$8,355 per student.
- ❑ Cost weights were applied for students in poverty (0.43) & English language learners (1.48 - 2.43).
- ❑ Additional adjustments were made based on district size and regional price differences.
- ❑ Special education students were **not** included in the new funding system.





What does the costing-out study say about PA funding for special education?

- For students eligible for special education, the 2007 costing-out study calculated the added cost weight to be 1.3.
- This weight represents an average across all disability and service delivery groups.
- This added cost does not represent a “luxury” model, but was found necessary for educators to have the basic tools and resources they need to ensure that students eligible for special education can meet academic standards.

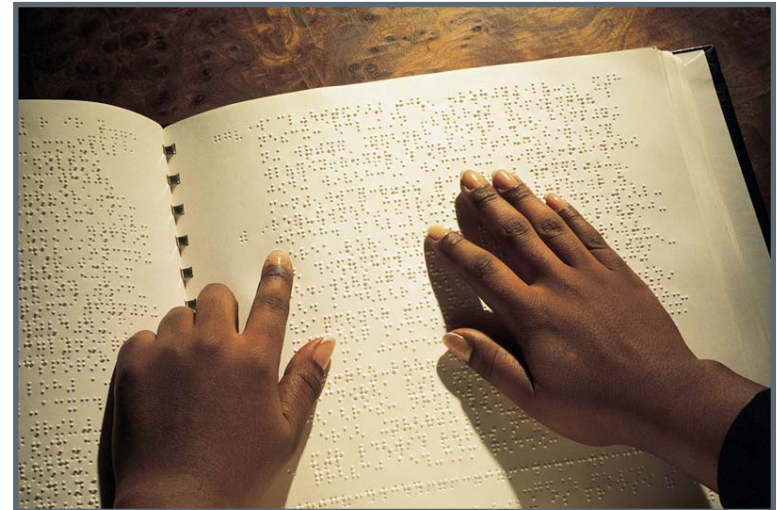


What does the costing-out study say about PA funding for special education?

- In 2008, the same Denver-based consultants updated their 2007 study to further evaluate the costs of providing special education in Pennsylvania. They confirmed their original findings and concluded (using 2006-07 data):
 - 391 school districts have a potential shortfall in annual spending for special education. 110 districts do not have a shortfall.
 - Statewide, the total gap in annual funding for special education is \$380 million. The average per pupil shortfall is \$1,947, based on a total of 194,862 students in districts with a funding gap.
 - Eliminating the spending shortfall for special education in Pennsylvania would greatly increase the ability of districts to meet the basic needs of students with disabilities.

Why is H.B. 704 a good solution to the funding problems for special education?

- House Bill 704 is based on the costing-out study commissioned by the General Assembly.
- The bill uses the variables and weights recommended in the study.
- H.B. 704 is consistent with the basic education funding reforms adopted by the General Assembly in 2008. Its formula can be adopted as a separate line item in the budget or could be merged with the main education formula.





Why is H.B. 704 a good solution to the funding problems for special education?

- ❑ H.B. 704 counts real students, rather than assuming every district has the same percentage of students with disabilities.
- ❑ H.B. 704 fairly divides costs between the state and local districts.
- ❑ H.B. 704 directs more new funding to the under-funded districts with the highest local costs, the highest poverty, and the highest property taxes. 400 total districts are currently under-funded.
- ❑ Federal stimulus dollars for special education make it possible to phase in H.B. 704 over at least 6 years without incurring excessive obligations in the year following the stimulus.



Why is H.B. 704 a good solution to the funding problems for special education?

- ❑ H.B. 704 fixes the Contingency Fund by placing it in statute, providing legislative oversight, and requiring Department reports. The Fund is necessary, because no formula can anticipate the extraordinary expenses needed for the most costly students.
- ❑ H.B. 704 provides improved accountability for special education expenditures. The bill incorporates and strengthens the current accountability system, which already requires districts to implement three-year plans for special education.

How might added resources be used to improve special education?

□ Personnel

- Increased support for teachers to improve instruction for students with disabilities in regular classrooms.
- Enhanced capacity to deliver the specialized services of psychologists, behavioral specialists, assistive technology specialists, physical and occupational therapists, literacy specialists, and others.





How might added resources be used to improve special education?

- **Professional development and training**
 - Staff training is needed not just for special education teachers, but for all teachers providing instruction in inclusive classrooms to students with disabilities.
 - Added training is also important for classroom aides, paraprofessionals, and administrators.



How might added resources be used to improve special education?

- **Assistive technology devices, services, materials**
 - Assistive technology is defined by IDEA as “any item . . . used to increase, maintain, or improve functional capabilities of a child with a disability.”
 - Schools must help to assess the technology needs of students, select the equipment, and support its effective use in the classroom.



How might added resources be used to improve special education?

□ Specialized programs

- A variety of school-based programs have been found to be effective in improving the performance of students with disabilities:
 - Summer school and after school programs.
 - Expanded transition service programs.
 - Early intervening services.
 - School-wide positive behavior support programs.



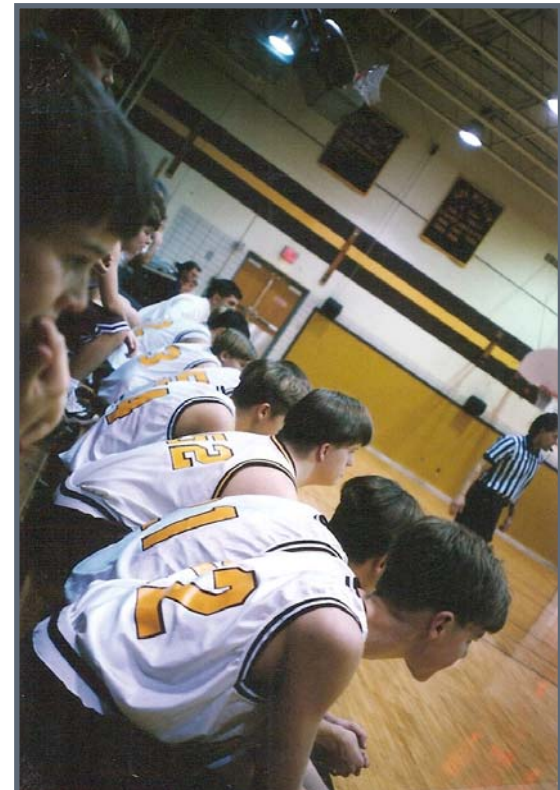
What benefits can be expected from added special education investments?

- **Benefits to school districts and the state:**
 - Schools could truly provide what the law requires.
 - Improved identification, evaluation, and intervention services.
 - Improved ability to develop and implement individualized plans for students.
 - Reduced dropout rates and better academic outcomes, leading to reduced long-term societal costs and social service needs.

What benefits can be expected from added special education investments?

□ Benefits to teachers and staff:

- More highly qualified school and district staff.
- Improved job satisfaction.
- Reduced teacher turnover.





What benefits can be expected from added special education investments?

- **Benefits to all students:**
 - Stronger education programs for all students.
 - Healthier school and classroom cultures.
 - Greater appreciation and understanding of differences between students.



What benefits can be expected from added special education investments?

- **Benefits to students eligible for special education and their families:**
 - Effective inclusion of students with disabilities in regular classrooms.
 - Improved tailoring of services to meet student needs.
 - More effective parent involvement.
 - Higher academic performance.
 - Greater employment, postsecondary success, and capacity for self-sufficiency and success in life.



Conclusion

- ❑ Pennsylvania's special education funding formula is broken.
- ❑ Students with disabilities were left out of the education funding reforms adopted by the General Assembly in 2008.
- ❑ Special education has been an under-funded area for years.
- ❑ The state should act this year to address these problems.
- ❑ H.B. 704 provides an excellent opportunity to adopt a new formula and strengthen the accountability system.
- ❑ The federal stimulus resources make this possible even during these difficult times.

Contacts

- **Roy Galloway**
Children's Policy Coordinator/Staff Attorney
Disability Rights Network of Pennsylvania
1414 N. Cameron St., Suite C
Harrisburg, PA 17103
www.drnpa.org
(717) 236-8110 x 319
rgalloway@drnpa.org
- **Baruch Kintisch**
Director of Policy Advocacy
Education Law Center
1315 Walnut Street, Suite 400
Philadelphia, PA 19107-4798
www.elc-pa.org
(215) 238-6970, ext. 320
bkintisch@elc-pa.org
- **Dr. Thomas Neuville**
Associate Professor, Special Education Department
Millersville University
P.O. Box 1002
Millersville, PA 17551
www.millersville.edu
(717) 871-4880
thomas.neuville@millersville.edu
- **Kenneth Oakes**
Adjunct Professor, Special Education, Arcadia
University
Board Member and Chair, Education & Early
Childhood Sub-Committee The Arc of Pennsylvania
101 South 2nd Street, Suite 8
Harrisburg, PA 17101
www.thearca.org
(717) 234-2621
KWOII@aol.com
- **Dr. Sherri L. Smith**
Superintendent
Lower Dauphin School District
291 East Main Street
Hummelstown, PA 17036
<http://www.ldsd.org>
(717) 566-5300
ssmith@ldsd.org
- **Sandra L. Zelno**
School Reform Associate
Education Law Center
429 Fourth Avenue, Suite 702
Pittsburgh, PA 15219
www.elc-pa.org
(412) 255-6414
szelno@elc-pa.org