



Disability Rights Network of Pennsylvania



Education Law Center

Special Education Funding Reform

Testimony of The Arc of PA, Disability Rights Network of PA, and Education Law Center

Hearing of the Special Education Subcommittee of the House Education Committee

Tuesday, November 18, 2008

As part of the 2008-09 budget process, the General Assembly and Governor Rendell adopted historic reforms to the state funding and accountability systems for public education. The new systems incorporate the recommendations of the 2007 Costing-out Study commissioned by the General Assembly. Education funding is now calculated and distributed based on rational factors such as enrollment, poverty, regional price differences, and other variables that influence the cost of providing a quality education for every child.

The General Assembly and Governor Rendell omitted one significant area from the funding and accountability reforms adopted in 2008. Special education was left out of the reforms. The current state systems for special education funding and accountability simply give every school district the same amount it received in the previous year, plus a small annual increase. The Costing-out Study recommended that special education should be funded for each school district using the same rational factors as the rest of public education, including the number of students actually enrolled in special education and a weight (1.3) recognizing the extra costs involved in providing quality education to students with disabilities.

Many disability organizations, advocates, and parents of children with disabilities strongly supported the reforms adopted in 2008. The great majority of students in special education receive much or all of their daily education side by side with their peers, and thus benefit from the smaller class sizes, higher quality teachers, stronger curriculum, and better support services provided for all students through the new state funding system. But students with disabilities have additional needs that cost more, requiring extra funding through a formula for special education. The special education funding system must now be reformed as part of the 2009-10 state budget process to reflect the recommendations of the Costing-out Study.

Last year, state officials made promises to fix the special education funding and accountability systems in the 2009-10 budget. Now is the time to start fulfilling these promises. The 300,000 students in special education are counting on these reforms so that they can be successfully educated with their peers and learn the knowledge and skills needed to graduate, continue their education, and contribute to their communities.

Attached are Principles for Special Education Funding and Accountability Reform endorsed by over 20 organizations in Pennsylvania. The Principles ask the General Assembly: (1) to fix the formula that calculates and distributes special education funding; and (2) to strengthen the accountability mechanisms to ensure that this investment benefits students in compliance with state and federal laws for special education. The endorsing organizations recognize that this is tight budget year, and that adequate funding for special education must be gradually phased in over several years. But there is no reason to delay adoption of a new formula and a strengthened accountability system.

We congratulate the Education Committee for scheduling this hearing and initiating the reform process. We look forward to working with the Committee to implement the needed reforms no later than June 2009.

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of PA**

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QUESTIONS ABOUT SPECIAL EDUCATION FUNDING AND ACCOUNTABILITY

- (1) For Pennsylvania students in special education, what does it cost to provide a quality education in the least restrictive environment in public schools under state academic standards?
 - How did the 2007 Costing-out Study answer this question?
 - What is the current level of special education funding in Pennsylvania, including the relative contributions of school districts, the state, and the federal government?
- (2) Why does it cost more for special education than for the education of other students?
- (3) Where should additional special education resources be invested – such as in improved classroom conditions and in additional staff, programs, services, training, or equipment? What are the ways in which funding could be used to increase/promote quality inclusion and students' progress towards state academic standards and other goals in students' IEPs?
- (4) What are the benefits that funding reform for special education can create for students, families, educators, schools, and communities? How can reforms make things better?
- (5) How can the current accountability systems for special education be strengthened to improve results (especially effective inclusion), oversight, and technical assistance?

Special Education Funding Reform in Pennsylvania

Core Principles for State Reforms Needed in the Budget Cycle for the 2009-10 Fiscal Year

(Legislation expected to be adopted in June 2009)

August 20, 2008

Foundational Principles

1. Providing a quality public education for children with disabilities is important for the well-being of families and communities throughout the Commonwealth. Every Pennsylvanian benefits from this investment.
2. Educators know how to help students with disabilities to succeed in school, or can be trained on these skills. The missing ingredient is often the funding needed to support professional development, quality instruction, and support services.
3. Pennsylvania's system for funding special education is broken and must be fixed. Currently, the state is distributing funds without a rational system related to student and district needs. The level of state funding is also too low, which forces local school districts to carry an excessive burden.
4. The current funding system does not provide incentives for students with disabilities to be educated in regular classrooms with needed supports (inclusion), and in fact provides some incentives for educating students in restrictive settings. Quality Inclusion is legally mandated and is important because children with disabilities and their peers are more successful both in school and after they graduate when effectively engaged rather than excluded. Reforms are needed to provide incentives and accountability for increasing the amount and quality of inclusion in all schools.
5. The Governor and General Assembly have a constitutional responsibility for implementing major reforms to the state system for funding special education. These reforms should not be delayed past June 2009, as part of the budget for fiscal year 2009-10.

Funding Principles

6. Special education funding in Pennsylvania should be calculated and distributed through an independent formula so that each district receives state funding based on the following factors which are not part of the current special education funding system.
 - a. Actual student enrollment for special education in each district, measured as an average of the five most recent school years.
 - b. A single "multiplier" reflecting additional costs for educating students with all levels of disability above the "base cost" for other students, as recommended by the 2007 Costing-out Study.
 - c. The multiplier should be increased within a fixed range to provide an incentive rewarding districts that raise their average rate and quality of inclusion, so that the formula reflects the needs of more inclusive districts

- meeting an established state standard correlated to national benchmarks (e.g., inclusion rate in top 20% nationally).
- d. Annual adjustments for inflation, poverty, tax effort, and other local cost factors.
7. A contingency fund for special education should be utilized to provide resources needed to cover extraordinary expenses not anticipated through the funding formula. The state should also set aside resources to provide incentives for districts making extraordinary improvement in meeting high standards for quality special education. Districts may apply for these extra resources.

Accountability Principles

8. The state should enhance and enforce its accountability systems for special education funding to ensure that these resources are effectively used by local school districts to meet student needs. The state will measure whether student needs are being met based on performance indicators including inclusion rates, graduation rates, dropout rates, effective transition, and achievement gaps (students making significant progress towards proficiency in state academic standards, including alternate standards when appropriate), and through progress monitoring of IEP objectives.
- a. Every district should file with the state an annual Special Education Accountability Plan, incorporating the standards for state-mandated accountability plans for Basic Education, showing how new state resources are being used to meet the needs of students with disabilities. The Plans will align the needs of students with disabilities with the proven, research-based practices currently approved for investment of new Basic Education Funding. Thus, investment of new special education funding received in any given year will be used for one or more research-based programs approved by the state, such as school-wide positive behavior supports, supplementary aids and services to support inclusion, providing assistive technology and support services to meet student needs, including students in inclusive environments, adapting curricula and co-teaching in inclusive classrooms, and other programs reflected in federally-approved performance indicators. Plans will document that special education funding for these purposes is used to supplement and not supplant other resources.
 - b. The state will review all Plans, work with districts to improve Plans, monitor Plan implementation, provide technical assistance in districts struggling to meet student needs, and withhold up to five percent of all state and federal special education funding for districts failing to meet student needs. The state's monitoring role shall be substantive and not merely symbolic. Monitoring, support, and intervention by the state shall involve appropriate Department staff in all areas, and shall neither be solely delegated nor limited to the Bureau of Special Education.
 - c. To discourage the inappropriate over-identification of children for special education, the state will automatically conduct a thorough audit of the Plan and take appropriate remedial action (including withholding up to five percent of all state and federal special education funding) for any district increasing

the actual student enrollment for special education more than 5% in any single year unless the increase is determined to be justified.

- d. The Department shall release special education funding to districts in periodic payments, only after monitoring and reporting activities have documented effective use of resources to meet student needs.
- e. The Department shall publish all relevant accountability reports on its website for public review and shall issue a comprehensive annual accountability report on special education funding to the Governor, all majority and minority officers of the General Assembly, and the majority and minority chairpersons of the Senate and House Education and Appropriations Committees.

Approved as of November 17, 2008 by:

Disability Rights Network
Education Law Center
The Arc of Pennsylvania
ACHIEVA
Mental Health Association in Pennsylvania
Alliance for Infants
Western PA Coalition of Education Advocates
The Total Learning Center
Parent Education & Advocacy Leadership Center (PEAL)
Vision for Equality
Mentor Parent Program
Local Task Force on the Right to Education, IU2
The Parent Learning Support Network
Kids Together, Inc.
Pennsylvania's Education for All Coalition, Inc.
Philadelphia Right to Education Local Task Force #26
Center for Independent Living of North Central PA
Community Justice Project
Chester County Right to Education Task Force
Good Schools Pennsylvania
Parents United for Public Education
Local Task Force #3 (Allegheny Co.)
DuBois Special Education PTA
Coalition of Inclusion Advocates
Liberty Resources
Alliance for Inclusive Education (ALFIE)
Local Task Force on the Right To Education, Delaware County

(Other approvals pending)