

# *Pennsylvania School Funding Campaign*

*Successful Schools... Successful Children... Successful Communities*

800 North Third Street · Suite 408 · Harrisburg, PA 17102 · 717-260-9900 · [www.paschoolfunding.org](http://www.paschoolfunding.org)

Testimony before the House Education Committee on  
Special Education Funding  
HB704 Printer's No. 1651

Presented by Jane Carroll, Senior Fellow  
The Education Policy and Leadership Center  
On Behalf of the Pennsylvania School Funding Campaign  
May 6, 2009

Good morning, Chairman Roebuck, Chairman Clymer and members of the House Education Committee. My name is Jane Carroll and I am a Senior Fellow with The Education Policy and Leadership Center. I am here this morning to speak with you on behalf of the Pennsylvania School Funding Campaign about House Bill 704.

The Pennsylvania School Funding Campaign is a statewide coalition of individuals and organizations representing hundreds of thousands of parents, students, educators, school board members, administrators and other concerned citizens advocating for a comprehensive, systemic reform to Pennsylvania's public education funding system. The Campaign was formed in 2007 with a primary mission to support and encourage policymakers to use the results of the November 2007 Costing Out Study to develop a new funding formula that adequately addresses the needs of

each district and provides the necessary resources for all students to successfully meet Pennsylvania's academic standards. That Costing Out Study included an extra weighting for students entitled to special education in its calculations.

As you are aware when the General Assembly took the historic action last year to put into law a new funding formula for basic education based on the findings of the 2007 Costing Out Study the group of students whose needs were quantified in the Study but were excluded from a new funding formula were our students with special needs. House Bill 704 is written to remedy this exclusion.

Prior to 1991, funding for special education was based on the excess cost associated with providing an education for students with special needs. The state reimbursed school districts for those excess costs. The law was changed in 1991 and the state began to fund school districts using the methodology currently in place, which assumes students with special needs account for 16% of the enrollment of each school district. The statewide average is 15.5% but the actual student count as a percent of enrollment ranges from 8% to 28%. By using 16%, a number that approximates the statewide average, instead of a number based on actual student counts, a huge disparity is created between state funding and the actual cost of the program. This gap must be filled by local funding. This puts an unfair and uneven burden on local property owners who see their property taxes increasing to compensate for the State's

under-funding of the programs that serve our most vulnerable students.

HB 704, if adopted, would change the way the Commonwealth funds special education. The bill's language parallels the language in the basic education subsidy formula. The proposed special education funding formula uses the same methodology as the basic education formula. This proposal, consistent with the findings in the 2007 Costing Out Study, would provide for the phasing in of a system of funding for special education which would be adequate, equitable, predictable and accountable.

As you begin your deliberations of HB 704, the Campaign would like to offer four areas for further consideration.

1. Finances: The current economic conditions in the Commonwealth create a challenge for all of us as we consider the best use of limited state and federal stimulus dollars. The Campaign wants to emphasize its position that an increase of \$418 million for the second year funding of the formula for basic education is our top priority to keep the six-year plan for school funding reform on schedule, and that the General Assembly should use federal stimulus funds under the State Fiscal Stabilization Fund to pay for this increase. Nothing that the General Assembly considers concerning HB 704 or related issues should be allowed to detract from the need to fully fund with \$418 million the second year of the basic education formula and maintain support for all other basic

education line-items. We remind you that school districts will also receive federal stimulus funding dedicated for special education during the next two years.

2. **Single Formula:** HB 704 addresses special education funding by establishing a section of law separate from, but consistent with, the basic education formula. While there are divided views on this matter, some members of the Campaign believe it is important to address these issues of basic education and special education in a single formula. While it may be expedient to use the approach of HB 704 for the time being, it is most important that basic education and special education be addressed in language and principle that will easily be combined at some future date.
3. **Statute vs. Regulation:** This legislation proposes to put into statute requirements pertaining to the submission of special education plans that are currently required under existing Department of Education regulations. Some members of the Campaign are concerned that this creates an unnecessary redundancy and may make useful changes in the future more difficult to achieve, especially when there are changes in federal law requiring changes in state policies on these issues. Other members are concerned that including all of these provisions in statute will make them more vulnerable to future alterations through a legislative

process that at times is less transparent and scrutinizing than the lengthy regulatory process.

4. Gifted Students: Nowhere in this bill or in the current basic education subsidy formula is any additional weight given to our students in Gifted Programs. The Costing Out Study included a range of weights for gifted students from .20 to .66 with the smallest school districts receiving the highest weights. Currently, gifted students fall into a crack, unaddressed by both the existing basic education and the proposed special education formulas.

The Campaign wants to commend and support the members of the General Assembly who have introduced HB 704. We support your attention to this issue as an integral part of school funding reform.

On behalf of the Pennsylvania School Funding Campaign, thank you for this opportunity to speak with you today about HB 704. We remain available to help in any way that you may find useful as you proceed with this important issue.