

## **FUNDING INCENTIVES FOR APPROVED PRIVATE SCHOOLS**

### **ISSUE**

Department of Education Reimburses Private Schools to Serve Children with Special Education in Segregated Settings

### **SUMMARY**

It is clear that the number of children served in segregated centers operated by Intermediate Units (IUs) varies dramatically from IU to IU. Many IUs will provide unique services to school districts. However, we do believe that many IUs are able to supplement the costs of segregated services through funding from the State. In order to prevent any financial incentive for segregated options, and to put the pressure of a free-market environment on IUs, so that they become more cost effective and improve quality. The Arc of PA recommends that all funding to IUs be given to school districts. This approach will mean those IUs that are providing a quality, low-cost service, will expand and continue to provide those services to school districts.

### **BACKGROUND**

Presently the Department of Education reimburses approved private schools 60% of the costs to serve children with special education in segregated settings. This funding policy provides the financial incentive to have school districts refer children to segregated services provided by the approved private schools. This economic incentive increases the number of children who are referred to segregated placements, as opposed to least restrictive environments. Financial incentives for placement must be used for serving children in the least restrictive environment, as required by *Oberti* and Federal law.

### **POSITION**

It is the position of The Arc of Pennsylvania that the State Department of Education must not provide any funding incentives to segregate children who receive special education services. To this end it is the recommendation of The Arc of Pennsylvania that approved private schools not receive any direct funding by Pennsylvania. If a child is placed in an approved private school, the local school district shall be required to fund 100% of those costs. The funds presently given to approved private schools by the State are to be given to the local school districts.

It is the position of The Arc of Pennsylvania that the direct funding of IUs has increased the likelihood that children will be served in segregated classes operated by the IU. To prevent any financial incentive to segregate children, it is the position of The Arc of

**The Arc of Pennsylvania  
Position Statement**

Pennsylvania that all funding to the IUs should be given to the local school districts, and that if local school districts wish to purchase services from the IU, they can be responsible for reimbursing 100% of the cost directly to the IU.

Approved by The Arc of Pennsylvania Board of Directors January 26, 2013