State special education funding in Pa. not keeping pace with local needs
New report looks district-by-district at state and local contributions for special ed

State funding for special education in Pennsylvania has been growing far more slowly than expenditures, effectively shifting more of the responsibility for funding special education to local school districts, according to a report released today by the legal advocacy group Education Law Center - PA (ELC) and the statewide coalition PA Schools Work.

The report, called “Shortchanging Children with Disabilities: State Underfunding of Special Education in Pennsylvania,” grew out of the Education Law Center’s advocacy for parents and caregivers whose children too often fail to receive the services and supports they need and are legally entitled to receive. Special education funding is critical to ensuring that students with disabilities receive a free appropriate public education (FAPE) with specialized instruction tailored to their unique needs, in the least restrictive environment, and designed to achieve grade advancement and real progress in light of a child’s potential.

Total school district spending on special education in Pennsylvania grew by $1.54 billion over an eight-year period ending in 2017, but state aid for special education during that same period grew by only $72 million, the report found. Put another way, costs are rising by roughly 5% a year, but state funding for special education is increasing by less than 1% annually.

To cover these expenditure increases, local school districts had to come up with nearly $20 for every state dollar provided for special education. This means districts had to find ways to raise new revenues locally or redirect general education funds to meet special education needs.

The portion of special education costs covered by state allocations dropped 9 percentage points, from 32 percent to 23 percent, during that eight-year period.

“What we found is that despite recent state investments, the state’s special education funding has become more inadequate and inequitable,” said ELC Policy Attorney Reynelle Brown Staley. “State support for special education has not kept pace with the needs of students, resulting in a growing and disproportionate reliance on local funding. This has deepened inequities across the state, especially between rich and poor districts.”

The decline in the share of special education costs covered by the state was steady and consistent over the period studied, from 2008-09 to 2016-17. The portion of special education costs that fell on local districts – to raise or to pay for out of general funds – grew by 9 percentage points, from 63% to 72%. Those are average figures, but in 53 of the state’s 500 school districts, the locally designated share grew by 20 percentage points or more. ELC’s district-by-district breakdown of the changes in local and state share upon which the report is based is available at bit.ly/spec-ed.

In 2014, the General Assembly made some important changes based on a report by the 2013 Special Education Funding Commission, including adopting a new special education formula and increasing state special education funding for the first time in six years.
“But even after the new state formula was approved, we were hearing continuing complaints about students with disabilities not getting the specialized instruction, timely evaluations, and supports they need to be successful,” Staley said.

Even at the outset of the period studied, a 2009 “costing-out” study noted that there was already a $2,000 gap between student need and per-pupil spending on special education.

“The way forward is with an increased state investment,” Staley said. “The Commission needs to revisit the state’s special education funding system, as they promised to do every five years, and demand prompt action from the legislature,” she added. “Just returning the state’s share of special education funding to its 2008-09 level would require state increases of at least $100 million annually for several years – and this is on top of the estimated $3 billion gap in basic education funding.”

“Where special education services are adequately funded and delivered, there is no shortage of examples of students with disabilities thriving in school and achieving their potential,” Staley said. “Supporting all students with disabilities to be successful must become our state’s priority.”

The Education Law Center-PA (ELC) is a nonprofit, legal advocacy organization dedicated to ensuring that all children in Pennsylvania have access to a quality public education. Through legal representation, impact litigation, trainings, and policy advocacy, ELC advances the rights of vulnerable children, including children living in poverty, children of color, children in the foster care and juvenile justice systems, children with disabilities, English learners, LGBTQ students, and children experiencing homelessness. For more information, visit elc-pa.org or follow on Twitter @edlawcenterpa.

PA Schools Work is a coalition of organizations from across Pennsylvania representing teachers and other educators; urban, suburban and rural communities; and parents and other community members working together to advocate for PA public schools, their students and the communities they serve. Visit paschoolswork.org.
**Comments on Education Law Center Report “Shortchanging Children with Disabilities”**

**Tom Gluck**, Executive Director  
*Pennsylvania Association of Intermediate Units (PAIU)*

“The Pennsylvania Association of Intermediate Units (PAIU) is a nonprofit organization comprised of Pennsylvania’s 29 intermediate units, committed to providing high-quality services to students, schools and communities. Across the state, IUs are committed to ensuring that all students with disabilities are receiving a free and appropriate public education, or FAPE, in the least restrictive environment, as required by law. This means providing specialized instruction designed to meet students’ unique needs, enabling them to achieve grade advancement and true progress in light of their potential. The findings of this new report are of grave concern to us. State special education funding now covers only 23% of the cost of those services. Under the state’s current funding system, the costs of delivering special education services have been increasingly falling on local school districts, creating great challenges across the state, but especially in financially strapped, low-wealth districts. We agree with the report that the only way for Pennsylvania to fulfill its obligation to students with disabilities is an increased state investment in special education, which must be coupled with a significant boost in basic education funding.”

**Dr. Edward Albert**, Executive Director  
*Pennsylvania Association for Rural and Small Schools*

“The Pennsylvania Association of Rural and Small Schools (PARSS) is an advocacy and service organization dedicated to ensuring that the Commonwealth's rural school students have access to a quality education. Our 150+ member school districts are united by the belief that a strong commitment by Pennsylvania state government and a fair and equitable funding system are necessary to ensure excellence in rural and small school education. This report plainly states what small, rural and underfunded districts have known for years – there is an urgent need for increased state investment in special education. From the Northeast to the Southwest and everywhere in between, school districts across the Commonwealth have seen their budget challenges rise as the state share of special education funding falls. We hope the legislature heeds the report’s call for increased state investment in both special education and basic education funding.”

**Marc Stier**, Director  
*Pennsylvania Budget and Policy Center*

“Among the many ways in which the Commonwealth of Pennsylvania fails our children, the most egregious and disturbing is our failure to provide adequate funding for students with disabilities. Despite increase in the nominal level of spending, the state share of funding for special education has fallen from 32% to 23% in the last eight years, placing a larger burden on local school districts. The moral quality of a political community should be judged by what it provides to those of us who, through no fault of their own, need help to thrive. By that standard, Pennsylvania is sadly missing the mark.”
Kari King, Vice President of Public Policy
Pennsylvania Partnerships for Children
“While we are encouraged by recent state investments in special education, the Commonwealth must improve on its commitment to ensure that all children are provided with supports and services that meet their unique needs. Historically, school districts have borne the lion’s share of increased costs for special education, with the state share of special education funding declining from more than one-third to less than one-quarter over the past decade. By making crucial, meaningful investments in this area, the state can continue its work to rebuild its funding responsibility.”

Maureen Cronin, Executive Director
The Arc of Pennsylvania
“Since 1971, when The Arc of Pennsylvania began the fight to provide education for all students in PARC vs Commonwealth, we have been passionate about the rights of students with disabilities. The Arc pursued the Right to Education because our leadership, parents of students with disabilities, believed in their children’s worth and their ability to contribute to their communities. Now 47 years later we even more strongly believe that education is the key to success for our children with disabilities. We see firsthand how quality special education leads students to employment, greater self-sufficiency and reduced need for publicly funded supports. Our leadership in the seventies could never have imagined that our state, the first to adopt the Right to Education, would later become the state that decreases its state share of special education and is now one of the lowest in terms of state share of basic education funding. The Commonwealth should increase its investment in local school districts to assure that each student reaches their potential and needs less publicly funded supports after graduation.”

Representative P. Michael Sturla
(D – Lancaster County)
“I was part of the Special Education Funding Commission convened by the Pennsylvania General Assembly in 2013. At that time, we realized that state funding for students with disabilities was neither fair nor equitable, and we crafted a new system for allocating state funds to special education. Unfortunately, there hasn’t been a significant investment of new state funds through that system, and so the burden of funding special education is increasingly falling on local districts, as this new report reveals. It is time for the legislature to revisit this issue, assess the situation, and take action to ensure that students with disabilities in Pennsylvania are getting the support they need from the state.”
Special Education Expenditures and State and Local Share in Select Districts
(see bit.ly/spec-ed for all district-level data)

Lehigh Valley
Bethlehem Area
Between 2008-9 and 2016-7, Bethlehem Area school district’s special ed expenses went up by $16.5 million or 79 percent.
The state covered only $624,000 of the increase, leaving the local district to come up with $15.7 million.
The state share dropped from 31% to 19%

Allentown City
Between 2008-09 and 2016-17, Allentown City school district’s special ed expenses went up by $20 million or 64%.
The state covered $1.2 million of the increase, leaving the local district to come up with $18.6 million.
The state share dropped from 30% to 20%.

Southeast PA
Philadelphia
Between 2008-9 and 2016-7, Philadelphia school district’s special ed expenses went up by $294 million or 97 percent.
The state covered only $11.9 million of the increase, leading to a decline in state share from 42% to 23%.

Upper Darby
Between 2008-9 and 2016-7, Upper Darby school district’s special ed expenses went up by $22 million or 109 percent.
The state covered only $744,000 of the increase, leaving the local district to come up with $20.8 million.
The state share dropped from 35% to 18%

Harrisburg Area
Central Dauphin
Between 2008-9 and 2016-7, Central Dauphin (Dauphin County) school district’s special ed expenses went up by $13.5 million or 77 percent.
The state covered only $273,000 of the increase, leaving the local district to come up with $11.3 million.
The state share dropped from 30% to 18%

Lebanon
Between 2008-09 and 2016-17, Lebanon school district’s special ed expenses went up by $5.2 million or 84 percent.
The state covered $521,000 of the increase, leaving the local district to come up with $4.3 million.
The state share dropped from 40% to 26%.
Northwest PA
Erie City
Between 2008-09 and 2016-17, Erie City school district’s special ed expenses went up by $9.6 million, or 42 percent.
The state covered $862,000 of the increase, leaving the local district to come up with $8.1 million.
The state share dropped from 50% to 38%.

Iroquois
Between 2008-09 and 2016-17, Iroquois school district’s special ed expenses went up by $973,000, or 50 percent.
The state covered $69,000 of the increase, leaving the local district to come up with $1.3 million.
The state share dropped from 36% to 26%.

Northeast PA
Scranton
Between 2008-09 and 2016-17, Scranton school district’s special ed expenses went up by $10.4 million, or 71 percent.
The state covered only $391,000 of the increase, leaving the local district to come up with $8 million.
The state share dropped from 37% to 23%.

Southwest PA
South Fayette Township
Between 2008-09 and 2016-17, South Fayette Township school district’s special ed expenses went up $2.7 million or 107 percent.
The state covered $90,000 of the increase, leaving the local district to come up with $2.3 million.
The state share dropped from 34% to 18%.

Laurel Highlands
Between 2008-09 and 2016-17, Laurel Highlands school district’s special ed expenses went up $3.4 million, or 89 percent.
The state covered $126,000 of the increase, leaving the local district to come up with $3 million.
The state share dropped from 56% to 31%

South Allegheny
Between 2008-09 and 2016-17, South Allegheny school district’s special ed expenses went up $2 million or 73 percent.
The state covered $88,000 of the increase, leaving the local district to come up with $1.5 million.
The state share dropped from 39% to 24%.