



**Testimony of the
Pennsylvania Association of Intermediate Units
Before the
Special Education Funding Formula Commission
September 26, 2013**



Chairman Browne, Chairman O'Neill and members of the Special Education Funding Formula Commission, my name is John George, Executive Director of the Berks County Intermediate Unit and President of the Pennsylvania Association of Intermediate Units. With me today to offer testimony from the Berks County Intermediate Unit are Carl Blessing, Chief Financial Officer and Chris Celmer, Assistant Director of Business Services. From the Carbon Lehigh Intermediate Unit, we are joined by Uldis Vilcins, Director of Transportation Services, and Tee Decker, Assistant Director of Special Programs and Services. We are here today to share with the Commission information and recommendations regarding the operations and costs associated with the transportation of students with disabilities.

All 29 Pennsylvania intermediate units provide special education pupil transportation for either school age students, children who are served in pre-school early intervention programs, or both. IU 14 and IU 21, who are represented here today, both own and operate bus fleets, and are two of the larger transportation operations among the 29 intermediate units.

Unlike regular transportation, school districts are required to transport students with disabilities who attend school age programs and those who are served in early intervention programs. To fulfill this requirement, districts may choose to operate their own transportation, they make contract with private vendors, or they may engage the services of the intermediate units. Under current Pennsylvania law, intermediate unit are required to provide transportation if no other options are available. Nevertheless, many districts choose intermediate units for special education transportation for a variety of reasons. The transportation of students with significant disabilities requires specially trained personnel and specialized equipment that intermediate units are well positioned to provide. Also, because intermediate units are regional service entities providing transportation for multiple school districts, intermediate units can leverage shared service arrangements between districts to lower transportation costs.

When a district opts to hire an intermediate unit for early intervention or special education transportation, the school code provides for the Pennsylvania Department of Education (PDE) to facilitate district payment for those transportation services through a system of "Advance and Withhold." In this system, PDE advances to the intermediate units their anticipated costs for providing transportation, and then, after calculating district eligibility for state funded transportation reimbursement, PDE withholds from a district's basic education subsidy the final net costs for the transportation services. This system has been successful through the years and

encourages regionalized transportation among districts to reduce overall cost. Annually, the cost of that transportation is approximately \$150 million.

The issue we wish to explore today is how transportation services affect the overall cost of special education. In most districts, the overwhelming number of students with disabilities is served in school buildings within the district. There are, however, several students with disabilities who require specialized programs and services that are typically not available in a school district. Therefore, these children, in order to receive an appropriate education, must be transported to schools that offer specialized programming. Whenever it is necessary to transport a student outside of his/her district of residence, the cost significantly increases.

As an example, the Muhlenberg School District in Berks County is a suburban district of approximately 3,500 students, of which 16% have disabilities. The net cost of transporting regular education students to and from their local school is approximately \$190 per student, per year (it is actually \$360 prior to state reimbursement). The cost of transporting students with disabilities to a specialized school within Berks County is \$3,600 (\$5,505 prior to state reimbursement) per student, per year. The cost of transporting students with disabilities to a special school in the Allentown area is approximately \$8,000 (\$14,238 prior to state reimbursement) per year. During the current school year, Muhlenberg School District is transporting four students to Lehigh County for a total cost of \$32,000 after state reimbursement.

	Destination	Number of Students	Annual Projected Cost After Reimbursement	Projected Net Cost Per Student/Year
Special Needs Run #1	School in Bethlehem, PA	4	\$32,020	\$8,005
Special Needs Run #2	School in Berks County	5	\$18,238	\$3,648
Regular Ed Run #3A	Muhlenberg SD – Secondary/HS	42	\$20,628	\$191
Regular Ed Run #3B	Muhlenberg SD – Elementary	66	Included in above	\$191

Schuylkill Valley School District and Wyomissing School District are two suburban school districts each with an enrollment of approximately 1,900 students. Each has a child with

disability that is educated at an approved private school in Malvern, Chester County. The two districts share the cost of a van to provide daily transportation for these children to travel between Berks County and Malvern. The annual cost of doing so is approximately \$75,500; Wyomissing pays approximately \$39,500 and Schuylkill Valley's contributes \$36,000.

As you can clearly see from these examples, the aggregate cost of transporting students with disabilities is significantly greater than the cost of transporting their non-disabled peers.

The factors that lead to this increased cost are many, but generally there are four major cost-drivers:

1. Distance
2. Additional personnel
3. Special equipment
4. Requirements beyond K-12

The basic rule to understanding the cost of transportation is that the more miles the bus travels the greater the cost. This is a result of the need to pay the driver for the additional time needed to complete the run as well as the cost of increased fuel consumption. Since some specialized services can only be delivered outside of the county, districts will incur the costs for providing longer trips. In Berks County last year (excluding Reading School District), 356 students with disabilities were transported to school buildings outside of their district of residence. The number increases to 500 when Reading School District is included in the data.

Because of the challenging needs of students with disabilities, most special education transportation runs require additional personnel. Typically, a bus transporting children with disabilities will include bus aides or assistants. It is not unusual for a bus with multiple children with significant emotional or behavioral issues to have two bus assistants. If a child has a significant medical condition, then typically a nurse assistant will ride on the vehicle. Depending on the amount of hours worked and credentialing required, an extra staff person can cost a district anywhere from \$20,000-\$50,000 annually.

Some busses must have climate control features to regulate the temperature. Many special education runs require booster seats and/or safety vests. There are even some vehicles that must be equipped with medical equipment such as suction machines. Then there are many busses that must be equipped with wheelchair lifts. A typical 72-passenger school bus with no specialized equipment costs approximately \$85,000. In comparison, a 48-passenger bus with a wheelchair lift and air conditioning will cost approximately \$95,000. A 72-passenger bus with a wheelchair lift and air conditioning will cost more than \$103,000.

A fourth factor in driving school district transportation costs is the requirement that districts pay for the transportation of children with disabilities between the ages of three and five years of age. Federal law requires special education to be provided to eligible children beginning at the age of three. Currently in Berks County, there are approximately 2,000 children between the ages of three and five who receive early intervention programs and services. These children are typically served in private childcare facilities throughout the county. Just as all parents may choose their childcare provider for their children, parents of children with disabilities may choose any childcare facility regardless of the location; many choose childcare facilities outside of their district of residence. In Pennsylvania, if a child is eligible for early intervention services, then current rules require the district of residence to pay the cost of transportation to and from the childcare center, even if the childcare center is located outside of the school district boundaries.

The four factors mentioned: the distance traveled, the additional personnel required, the specialized equipment, and the expanded requirements to transport children with disabilities between the ages of three and five, are by far the largest cost factors. There are, however, other variables that contribute to increased costs such as:

- many of the vehicles used to transport children with disabilities typically have lower seating capacity than regular school vehicles;
- the staff that transport students with disabilities require additional training such as CPR, wheelchair securement, disability awareness, etc.;
- increased liability exposure for the district; and the changes, such as cancellations, address changes, school changes, time changes, alternate drop off locations, and many others that frequently occur.

All the factors I have described so far are factors that trigger increased expenditures. When considering the financial impact to a school district, consideration must also be given to the state practices that are manifested within the actual PDE reimbursement formula. In our opinion, there is a flaw in the formula. School districts do receive state dollars through the PDE transportation reimbursement formula. Part of the formula is designed so the amount of reimbursement is linked to the number of students on the bus. A bus that runs at capacity will generate greater reimbursement than a vehicle that does not. While that formula makes sense for transporting most students, it is questionable when applied to transporting students with disabilities. In the case of transporting children with disabilities, for very good reasons, there may only be a few students on a particular bus. Therefore, the bus is not running at capacity and subsequently, the reimbursement is significantly less. In some cases, IEP teams may determine that it is appropriate for a student to be transported alone; in this scenario the cost

is extremely high and the reimbursement is extremely low. Obviously, the less state reimbursement received by a school district the greater the cost to the local taxpayers.

Not only does the current transportation reimbursement formula fail to consider the uniqueness of transporting children with disabilities, the current special education funding formula does not take into account the additional cost that districts must bear to transport children with disabilities to an appropriate education program.

In summary, the aggregate cost to transport students with disabilities is greater than transporting their non-disabled peers because busses must travel farther resulting in higher costs for the driver and for fuel, additional personnel such as bus assistants are typically required, and vehicles are often equipped with specialized features such as climate controls, wheelchair lifts, and other safety devices. Districts also incur additional costs because of the requirement to transport children with disabilities beginning at the age three. In addition to the higher costs for transporting students with disabilities, the current transportation reimbursement formula does not give any consideration to any of the cost drivers associated with special education transportation. Nor does the current special education funding formula take into account any costs for transporting students with disabilities. Consequently, districts must augment these expenses with local dollars by budgeting these expenses in their general operating budget, funded primarily by local property taxes.

Therefore, the Pennsylvania Association of Intermediate Units urges the members of the Commission to design a special education funding formula that is based on the **total costs** associated with the education of students with disabilities. Hopefully we have demonstrated for you today that transportation is a significant part of that total cost that districts must incur.

Thank you for the opportunity to share our recommendations pertaining to the new special education funding formula. We greatly appreciate your leadership, and please know that Pennsylvania Association of Intermediate Units and all the intermediate units across the Commonwealth remain available to serve as a resource for you.

At this time, we will be glad to answer any questions that the Commission may have.