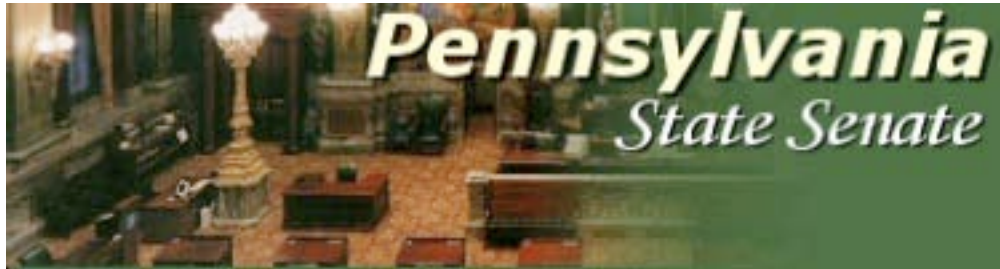


SPECIAL EDUCATION FUNDING IN PENNSYLVANIA

Supporting Senate Bill 1115 to Improve Special Education Funding
and Accountability Reforms for Students with Disabilities



Senate Education Committee

Honorable Senator Jeffrey Piccola, Chair

**Tuesday, November 01, 2011
Hearing Room 1, North Office Building
Harrisburg, PA -- 9:00am**

Testimony by:

**Dr. Edward J. Maritz, Sto-Rox School District
Board Secretary / School Director (1993 – present)**

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STO - ROX

SCHOOL DISTRICT

2011 Sto-Rox Board of School Directors

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November 01, 2011:

I would like to take this opportunity to thank the Honorable Chairman Senator Piccola for this opportunity to testify at this Senate Education Committee Meeting. I am honored to join with the other testifier's, experts, and concerned stakeholders in examining special education funding in Pennsylvania. My testimony is offered in full support of SB1115. Over the last two decades it has become universally understood that most school districts in Pennsylvania currently do not have the adequate resources needed to provide a quality education to students with disabilities. Some research on special education funding has identified as many as 391 school districts with inadequate funding streams for special education.

The Sto-Rox School District is one such district that does not currently have the adequate resources needed to provide a quality education to students with disabilities. Within this testimony I will provide information regarding the Sto-Rox School District (Allegheny County) where I have served as an elected school director since 1993. The Sto-Rox School District is substantially impacted by the inequities of Special Education funding. The percentage of our Special Education population compared to total enrollment is well above the statewide average and is second highest in Allegheny County. Yet, our special education subsidies received, per pupil, are the second lowest in Allegheny County. [See Tables 2 & 3 on Pages 13 & 14].

As the attached testimony will provide, Sto-Rox students are the victims of an outrageously flawed special education finance system. Here at Sto-Rox we remain deeply committed to providing a high quality public education for all students, including our most vulnerable students, those with disabilities. It is my sincere hope that this Senate Education Committee meeting is a critical first step toward realizing meaningful special education funding reform.

I want to again personally thank Honorable Senator Piccola and all of the Honorable Senators on the Senate Education Committee for this opportunity to testify and get the story of Sto-Rox heard. I owe gratitude to Hon. Senator Wayne Fontana for affording me the opportunity to be considered as a candidate to deliver testimony. I am grateful to Mr. Matt Azeles, Deputy Director of the Senate Education Committee for his assistance with matters of procedure and protocol. In addition, I wish to thank Mr. Frank Dalmas, Sto-Rox Director of Pupil Services, Mr. Edward Yorke, Sto-Rox Business Manager and Superintendent Dr. Michael Panza for their assistance with district specific internal data. Finally, and most important, I am most grateful to Sto-Rox School Board President Elizabeth Smith who provided invaluable assistance in the data collection, analysis, and editing of this testimony.

It remains my belief that as a locally elected school director an important part of my board service is to work together with the honorable legislators of the General Assembly to raise awareness of this issue so that together we can help usher in a new day for Special Education Funding in Pennsylvania.

Respectfully submitted,

Edward J. Maritz, Ed.D.
Board Secretary / Elected School Director, Sto-Rox SD (1993-present)



STO - ROX

SCHOOL DISTRICT



Sto-Rox School District (Allegheny County)

District Enrollment	1406	Free & Reduced Eligible: 83% of all Students. <i>[As per District Report Filed with PDE]</i>
Entire District Operating Budget for 2009-2010	\$23,776,719	Special Ed Costs Represent Nearly 20% of our entire Operating Budget
Special Education Enrollment	371	26% of all Students <i>(Statewide Average is 16%)</i>
Aid Ratio	.7700	
Community Population <i>(2010 Census Data)</i>	13,328	Residents Below Poverty Level: <i>(2010 Census)</i> 2538 <i>(19% of Entire School Community Lives Below Poverty.)</i>
Actual Special Education Expenditures 09-10 <i>(Audited/AFR Reported)</i>	\$3,734,909.34	Total Special Education Costs
Actual Special Education Subsidy 09-10 SY <i>(Audited/AFR Reported)</i>	- \$1,033,312.44	Actual Special Education Subsidy Received
DIFFERENCE <i>(cost over subsidy)</i>	= \$2,701,596.90	A 2.8 Million Dollar Shortfall in Special Education
Actual Charter School Expenditures (2009-2010) <i>(Audited)</i>	\$1,981,001.13	Propel, Etc.
Actual Charter School Reimbursements (2009-2010) <i>(Audited)</i>	-\$ 610,772.95	State Subsidy Reimbursement for Charter Schools
DIFFERENCE <i>(Charter School Cost, less Reimbursements)</i>	= \$1,370,228.18	Sto-Rox Taxpayers pay the difference, or roughly \$1.3 Million Dollars, for Charter Schools
EQUALIZED MILLAGE RATE 2009-2010 <i>(Value of a mill at Sto-Rox is approximately \$275,000)</i> <i>(Collection Rates are in the low 90% range)</i>	29.6	11th Highest Taxed Statewide out of 500 SD's! The Sto-Rox District is not <i>unwilling</i> to Tax. We simply are <i>unable</i> to Tax our residents any further!



Students with Disabilities in Pennsylvania Deserve:

- ✓ Specialized Early Intervention Services.
- ✓ Robust School-Wide Behavioral Support Programs to encourage responsible choices.
- ✓ Expanded Programming such as after-school and extended school year services.
- ✓ An education that increases chances of post-graduation success thereby lowering societal expenses.

Students with Disabilities in Pennsylvania Currently Endure:

- ✓ Insufficient Funding for Special Education, which increases strain on the quality of special education.
- ✓ Increasing class sizes, which diminish additional time and effort available per student.
- ✓ Delayed Replacement of Textbooks and Instructional Supports exposing them to antiquated materials.
- ✓ Inadequate Instructional Support Materials such as Technology and Library Services.

With Adequate Special Education Funding Pennsylvania Will Provide Students with Disabilities:

- ✓ Increased Professional Development for all Teachers, particularly those in Inclusionary Classrooms.
- ✓ Increased Professional Development and Specialized Training for Education Support Personnel.
- ✓ Intensive staff training on urban education and societal challenges germane to poor inner-city areas.
- ✓ Intensive training on the educational challenges of students deriving from broken family structures.

SB1115 PROVIDES AN IMPORTANT STARTING POINT SOLUTION!

Formal Oral Testimony: (Pages 5-9)

I would like to again thank the Senate Education Committee Chair Honorable Senator Piccola for commencing this Senate Education Committee Meeting to address the topic of how special education is funded in Pennsylvania. My name is Edward Maritz and I've been a School Director in the Sto-Rox School District since 1993. Our District is a small, poor school district wrestling with various societal challenges that are germane to inner-city urban areas. Our district struggles began with the collapse of the steel mill industry in Pittsburgh in the early 1980's. Like many former rust-belt communities with declining industrial tax bases, many of our families and students are deeply impacted by poverty.

Sto-Rox is the victim of an outrageously flawed special education funding system. Toward this end, nearly 20% of our entire school district operating budget is devoted toward special education programming. Given the socio-economic status of our communities, we place a high premium on our ability to programmatically meet the needs of all learners. At Sto-Rox, we encounter a substantial number of parents (or single parent families) who have low levels of education or little time to spend with their children due to employment considerations or other factors. We have great concern for our students and worry about their nutrition, basic health care, non-functional families, teenage pregnancy, dropout rates, and dependency on drugs and alcohol, as well as suicide and depression. Our student population comprises 1400 students and we realize high incidence rates of special education students whom are both expensive and difficult to educate. Our current special education population is 26% which is well above the assumed statewide average of 16%. This increases the need for our school district to offer a high quality education, as this is crucial to our student's intellectual development. Within the Sto-Rox School District, many of our students come from broken family structures where the parent's educational level is low and the family income is lower yet. This leads to an oft-cited criticism that (additional) school funding does not lead to improved achievement. However, the unique complexities of our community produce a student population that is both expensive and challenging to educate.

The greatest travesty occurs with the inequity of special education funding in Pennsylvania. State subsidies for special education cover only one-quarter of our overall special education expenses. For example, our special education expenditures for our last fiscal year were \$3.8 million dollars and special education subsidy revenues from the state were just \$1 million dollars. As such, local taxpayers were required to fund this \$2.8 million dollar shortfall as listed on Table 1, found on Page 12. **This 2.8 million dollar shortfall causes a significant strain on the entire school district budget. Comparatively, to fund this shortfall locally, we would need to levy TEN MILLS of property taxes (with a collection value of only \$275,000 per mill) to fund this special education subsidy shortfall.** These factors are further explored in Table 7.

Toward the end of this testimony there are two comparative analyses in Tables 2 & 3, found on pages 13 and 14 respectively, which delineate all of Allegheny County's Special Education incidence rates and subsidies. Sto-Rox has the 2nd HIGHEST incidence rate of special education students in ALL of Allegheny County, standing at 26.4%. Comparatively, we receive the 2nd LOWEST subsidy per pupil at \$2,764 per special education student.

The Commonwealth's ongoing failure to provide adequate and equitable resources for Special Education negatively impacts ALL students in our school district and not just those with disabilities. When Districts are faced with substantial deficiencies in funding for special education, ALL of the districts expenditures become strained, resulting in insufficient resources being allocated district wide. In terms of basic support for schools, the General Assembly would be wise to consider appropriating targeted impact aid or, at minimum, a special appropriation to school districts that display extraordinarily high tax effort to support their schools. At Sto-Rox, we are not *unwilling* to tax our residents. The reality is we are unable to tax any further for fear that our citizens may lose their homes to tax sheriff sales. **Sto-Rox currently ranks ELEVENTH HIGHEST STATEWIDE out of 500 school districts for overall tax effort using 2009-2010 PDE statewide-equalized millage rates.**

The most significant equity issue affecting Sto-Rox is special education funding. We can no longer ignore years of research about incidence rates of special education students. We must be sensitive to the fact that poverty not only impacts upon achievement, but also impacts the incidence rates of special education populations. High poverty rates, low birth weights, lack of prenatal care, lack of proper nutrition and unavailability of health care are all directly related to the incidence rates of special education students. The application of funding special education based upon assumed mean incidence rates utilizing statewide averages punish poor districts with little impact being realized in affluent districts.

I commend Honorable Senators Browne and Dinniman and all of the co-sponsors of Senate Bill 1115 for recognizing the need to reform special education funding in Pennsylvania. Senate Bill 1115 can work in tandem with other educational reforms while strengthening schools and reducing pressure on local property taxes. Senate Bill 1115 is poised to bring true reform to special education funding in that it counts real students rather than erroneously assuming every district has the same percentage of special education students. If adopted, this bill would *finally* change the way Pennsylvania funds special education. Senate Bill 1115 finally recognizes that the special education incidence rate in many school districts often increases and the bill applies its funding based upon actual student counts, with accountability measures built into the law to guard against over-identification. It also fixes the woefully inadequate special education contingency fund. The contingency fund, if appropriately administered, can assist those districts with extraordinary expenses for the most costly students that no simple formula could account for regarding the relative severity of a student's disability, or the types of services students actually receive.

The current Special Education funding system in Pennsylvania is a broken system that continues to tolerate vast inequities among our state's 500 school districts. The education of our children should NOT rely on a funding system that is directly correlated to the relative wealth of its community. The educational outcomes of children should NOT be predisposed by the financial circumstances of a child's community nor should such a system predispose the destiny of its children. Taxpayers in the Sto-Rox School District fund their schools from their need, while many of our wealthy counterparts in suburbia are still funding their schools from their excess.

Our great commonwealth is a very diverse state. In Pennsylvania, there are many school districts which are districts that are situated in poverty-stricken communities which are simultaneously surrounded by communities that are "pockets" of wealth. It is not at all uncommon to have a "poor" school district neighboring a more "wealthy" school district. To be a poor school district means that you are forced to "live within your means" or face going distressed. An example illustrates this point. If we at Sto-Rox wanted to hire an additional guidance counselor at \$50,000 and did not have budgeted money available for it, we could not spend those dollars on guidance services or we would be over-spending and mismanaging our school district. However, if our neighboring school district in Montour wanted to renovate its football field and install astro-turf football field at a cost exceeding one-million dollars, *which it did*, they were able to spend this money because they had a budget surplus readily available to them. After all, both school districts are simply "living within their means," whether or not that is good for the educational program is apparently irrelevant in Pennsylvania.

Sto-Rox *used to be* a middle-income community with a thriving industrial tax base. Over the last 25 years, heavy industry fell apart, people moved to suburbia, and state support for schools fell flat. Sto-Rox is currently situated as a district in a pocket of poverty, which is surrounded by a district that is situated in a pocket of wealth, that being the Montour School District. Our neighboring suburban district has a current fund balance in excess of \$24 million dollars, which is the equivalent size of Sto-Rox's *entire* operating budget!

Money matters with regard to providing high quality services to students with disabilities. Wealthier school districts are easily able to spend more on special education. The resultant effect is better outcomes for those students. In a poor school district like Sto-Rox, students with disabilities are underserved, or worse, under identified. Special Education is one of the fastest growing expenditure line items for school districts today, and continued flat funding by the state falls far short of covering the actual expenses incurred by School Districts. This merely shifts the burden to local property tax payers as Table 7 illustrates.

The [additional and temporary] federal stimulus funds from IDEA did not provide long-term solutions. Truth be told, Federal stimulus dollars for IDEA were intended to supplement, not supplant, State funding. These Federal Stimulus Dollars for IDEA were intended to be utilized for "one- shot spending" that would produce "a long-term effect." However, as any school practitioner will tell you, that doesn't include the day to day needs of students with IEP's for services that Districts will not be able to sustain beyond the stimulus dollars. These facts underscore why long-term solutions are sorely needed for Special Education funding.

The Commonwealth's share of special education funding is woefully inadequate currently covering only 32 cents on every dollar. Throughout my 18 years of service as a school director, I've witnessed funding for special education fall substantially behind that of regular education. According to a 2005 report by the Build Initiative on the "*Cost Savings to Special Education from Pre-Schooling in Pennsylvania*," the proportion of children eligible for special education services has grown from 8% in 1975 to 14% in 2003. While identification of students requiring special education has increased at the primary grade levels, so have the expenditures to provide such services. Overall, statewide, students with disabilities are identified at an increased growth rate of about 2.5% per year. Yet, despite the growth in identification and the inflationary increases in costs to provide such services, Pennsylvania has "flat-funded" special education subsidies for nearly five years now with annual average increases barely reaching 1% in the special education subsidy. If any funding formula is deemed to be truly objective and serve its intended purpose, then no one can be entirely satisfied. Compromising a funding formula for political expediency is not the way to reform education funding in Pennsylvania, and that is exactly what Pennsylvania's current special education funding system is, a compromised system that, while politically expedient, ends up harming the education of students with disabilities and this simply can no longer be tolerated.

Understandably, the goal of any increase in state funding would be to ensure that all students meet state academic standards. However, students with disabilities have higher costs to educate than regular education students as there are excess costs to provide students with disabilities needed basic instructional materials, services, equipment, technology, and personnel. The resultant effect of these realities lays bare a special education funding system in Pennsylvania that long has been known to be broken, unfair, and unable to provide the adequate resources needed for special education in districts that need the most help. The current census based approach utilizing assumed statewide mean average incidence rate percentages negatively impacts students with disabilities in districts with above average incidence rates.

It is important to understand that the problems with special education funding are not isolated. For well over a decade, Pennsylvania has provided local communities the option of forming Charter Schools as an alternative to local public schools. Truth be told, Pennsylvania's inadequate special education funding also has an indirect impact on Charter Schools. As you are aware, Pennsylvania's public schools do not receive special education funding that is directly tied to the numbers of students with disabilities served within the public schools. Instead, public schools receive funding based upon a statewide assumed mean average. However, Pennsylvania's Charter Schools receive FULL funding (directly from the public school) for the excess cost of educating a student with a disability in the Charter School. Therefore, Pennsylvania's current unfair system of special education funding complicates the charter school process and in many cases it causes significant animosity and divides schools, taxpayers, and other community stakeholders from the charter school concept.

The current broken and unfair funding system for special education in our Commonwealth is arguably an attributing factor to causing school districts like Sto-Rox financial distress. Few in the General Assembly can deny that the special education funding system needs to be fixed and proposals like Senate Bill 1115 set us on this path. If this legislature has truly committed itself to helping financially distressed districts, revamping property taxes, restructuring charter schools, and doing what works for all students, then Senate Bill 1115 cannot be ignored. It is patently unfair to allow a population of students with the greatest needs to be flat funded for several years while related services and costs continue to rise. The flat funding of special education forces poorer districts to pull away resources from regular education.

It is not at all lost on me, and I'm entirely sensitive to the fact that as Senators you've long grown accustomed to hearing pleas from educators for more money. However, Senate Bill 1115 isn't just about more money—it's about a critical part of public education that has long tolerated a special education funding mechanism that is unfair. As elected officials in positions of trust and authority, we do a disservice to parents, communities, educators, and most of all to the most vulnerable students we have—students with disabilities. Quite simply stated, we can no longer ignore the fact that Pennsylvania has allowed special education funding to take a "back seat" to other education priorities in the State and for too long the special education subsidy has been grossly ignored while other improvements were being made to basic education.

Compounding matters, Pennsylvania's current census based approach to special education funding further exacerbates the problem of our state's unfair property tax system, as school districts situated in high poverty areas have the greatest need while simultaneously having the fewest resources upon which to draw. The Sto-Rox School District has proven that it can deliver results with additional funding. We were recognized by PDE as one of the 50 School Districts statewide demonstrating the most improvement since 2002. Furthermore, Sto-Rox was initially one of the Eleven Empowerment Districts identified in Act 16 of 2000. We worked very hard and were able to demonstrate successful academic achievement gains to be removed from the Empowerment list in 2004. The targeted impacted aid of empowerment dollars mattered then and targeted aid for improvements in special education funding will matter today.

In closing, I would like to again thank Honorable Chairman Piccola for the invitation to testify at this hearing today to address the topic of how special education is funded in Pennsylvania. I commend Honorable Senators Browne and Dinniman and all of the co-sponsors of Senate Bill 1115 for recognizing the need to reform special education funding in Pennsylvania. Senate Bill 1115 can work in tandem with other educational reforms while strengthening schools and reducing pressure on local property taxes.

Senators Browne and Dinniman, your honorable legislative work and introduction of Senate Bill 1115 means a great deal to many people in Pennsylvania that you may never meet, nor may they ever know who you are or what you have done. However, your legislation is poised, over time, to dramatically improve their lives and the lives of many Pennsylvania students with disabilities. It is my hope that today's efforts will be a starting point to bring about educational equity for all Pennsylvania school age children. Thank you for your bold leadership and service to our great Commonwealth.

Respectfully submitted,



Edward J. Maritz, Ed.D., Sto-Rox School District
Board Secretary / Elected School Director (1993-present)

Post-Testimony, Written Narrative Support submitted for the record on the Inequities and Inadequacies of Pennsylvania's Special Education Funding System (This will not be delivered orally by presenter)

By: Dr. Edward J. Maritz, School Director - Sto-Rox School District

Unequal funding of schools and the unequal educational opportunities this creates in America has been well documented (and tolerated) for several decades. The rich history of our nation has long called for an "equal opportunity for all." However, particularly striking unequal opportunities in education have been well documented, notwithstanding the fact that education itself is related to greater opportunity in life. Public schools have significant potential to be the great equalizer in our society, as schools are able to counterbalance home and community disadvantages with the future promise of an equal opportunity for the children of our society. Reform movements to equalize funding of schools have increased in number as evidenced by litigation in many states challenging the fairness of school finance. The universally understood problem often centers on a funding system whereby poorer communities must tax themselves at much higher rates than wealthier communities to fund their local schools, and yet still cannot offer an educational program that matches that of wealthier communities. An example of the disparities that exist between the ability of a school district to generate local revenue for educational expenses was highlighted within this testimony.

Pennsylvania's over reliance on local property taxes to finance public schools is arguably a contributing factor to disparities in student achievement. The current state school funding system places an overwhelming burden on local communities to finance education. As the Sto-Rox example in this testimony highlights, the amount of local property value varies substantially and communities with the greatest need have the fewest resources upon which to draw. For example, Act 16 of 2000, or the Education Empowerment Act, involved schools on the state's academic watch list which had considerably higher rates of poverty and lower property wealth than the state average. Sto-Rox S.D. was one of the initial eleven Act 16 districts.

As a Commonwealth, we have a responsibility to provide all students, regardless of the income of their parents or the community in which they live, an equal educational opportunity. This is the American ethic, a primary belief that in our society, a meritocracy exists, that a child's success is determined by his/her individual qualities and not by the income level of his/her parents or the color of his/her skin or the value of property in his/her school district. In a study by Dr. William Cooley, of the University of Pittsburgh, entitled "The Difficulty of the Educational Task" the researcher found that "those districts with the easiest educational task often have the most resources available to them and those districts with the most difficult educational task often times have the least resources available to accomplish their respective goals."

When it comes to Special Education funding, our former School District Superintendent Anthony Skender once opined the following "*I am left to wonder if lawmakers in Harrisburg are passively witnessing a practice of educational apartheid against poor students that happen to live in poor communities.*"¹ Simply stated, as long as property taxes remain the basis for school funding, we will continue to tolerate a system that produces rich and poor school districts.

In closing, Lillian Katz, an esteemed early childhood educator, captures the essence of what I believe should be the Commonwealth's mission in reforming Special Education Funding:

"Each of us must come to care about everyone else's children. We must recognize that the welfare of our children and grandchildren is intimately linked to the welfare of all other people's children. After all, when one of our children needs lifesaving surgery, someone else's child will perform it. If one of our children is threatened or harmed by violence, someone else's child will be responsible for the violent act. The good life for our own children can be secured only if a good life is also secured for all other people's children."

Respectfully Submitted,



Dr. Edward J. Maritz, Sto-Rox School District
Board Secretary / School Director (1993-present)

¹ Anthony T. Skender, Jr. formerly worked for the Sto-Rox School District for over thirty years serving in a variety of Administrative Positions, including Superintendent. Mr. Skender routinely testified on these issues throughout the 1990's. The author of this current testimony has incorporated several excerpts from Mr. Skender's previous testimony he previously delivered on behalf of Sto-Rox School District.

NOTES:

[illegible]

TABLE 1: 13-year data trend analysis on Sto-Rox's Special Education Costs vs. Subsidies. **TABLE 1:**

Note the increasing nature of special education costs which have doubled within the time frame below.

Similarly, note the decreasing nature of the total percentage of state subsidies to cover the ever increasing special education expenditures.

Sto-Rox School District Special Education Historical Analysis of Cost vs. Subsidies					
YEAR	State Special Education Subsidy (SES)	District Sp. Ed. Costs	Total District Expenditures	Sp. Ed. Costs as a % of all District Expenditures	% of State Subsidy that covers all Sp. Ed. Costs.
FY 1997 (audited)	487,572	1,750,024	15,180,928	11.5%	28%
FY 1998 (audited)	557,120	1,741,513	14,875,209	11.7%	32%
FY 1999 (audited)	639,568	1,913,631	16,025,663	11.9%	33%
FY 2000 (audited)	688,531	2,080,979	16,363,389	12.7%	33%
FY 2001 (audited)	872,385	2,365,352	17,570,811	13.5%	37% HIGHEST
FY 2002 (audited)	845,033	2,529,031	18,789,301	13.5%	33%
FY 2003 (audited)	850,221	2,752,872	19,955,543	13.8%	31%
FY 2004 (audited)	908,791	3,003,236	20,001,859	15.0%	30%
FY 2005 (audited)	922,245	3,207,724	19,660,935	16.3%	29%
FY 2006 (audited)	955,378	3,691,990	20,641,458	17.9%	26%
FY 2007 (audited)	985,313	3,861,041	21,935,727	17.6%	26%
FY 2008 (audited)	1,005,973	3,527,371	24,271,882	14.5%	29%
FY 2009 (audited)	1,025,679	3,880,189	24,452,467	15.9%	26% LOWEST

Notice the Increase in Special Education Subsidy from 2000 to 2001. An increase of \$183,854!

This was a special extra appropriation by the Commonwealth.

The resultant effect, at that time, created the highest percentage of the state covering our special education expenditures at 37% of costs. It has declined considerably since then.

Past Practice and precedent exists to help districts with extraordinary circumstances.

TABLE 2: Ranking of 08-09 Special Education Incidence Rate Percentages for All of Allegheny County² TABLE 2:

Rank of the Highest % of SpecEd. Enrollment	School District	County	2008-2009 Spec. Ed. Enrollment	2008-2009 Enrollment	2008-2009 SEF Subsidy	Spec. Ed. % of Total Enrollment	2008-2009 Per Pupil Funding as a percentage of Spec. Ed. Enrollment
1	Clairton City SD	Allegheny	231	793	\$993,228	29.1%	\$4,300
2nd HIGHEST	Sto-Rox SD	Allegheny	371	1,406	\$1,025,580	26.4%	\$2,764
3	Wilkesburg Borough SD	Allegheny	367	1,453	\$1,135,688	25.3%	\$3,095
4	Duquesne City SD	Allegheny	122	502	\$611,994	24.3%	\$5,016
5	Cornell SD	Allegheny	145	676	\$419,764	21.4%	\$2,895
6	Woodland Hills SD	Allegheny	898	4,343	\$3,332,872	20.7%	\$3,711
7	Pittsburgh SD	Allegheny	5,600	28,104	\$27,305,507	19.9%	\$4,876
8	Penn Hills SD	Allegheny	955	4,972	\$2,963,257	19.2%	\$3,103
9	Shaler Area SD	Allegheny	964	5,061	\$3,146,384	19.0%	\$3,264
10	Highlands SD	Allegheny	531	2,827	\$1,751,842	18.8%	\$3,299
11	East Allegheny SD	Allegheny	350	1,888	\$1,090,189	18.5%	\$3,115
12	Steel Valley SD	Allegheny	337	1,869	\$1,261,004	18.0%	\$3,742
13	Northgate SD	Allegheny	229	1,296	\$815,675	17.7%	\$3,562
14	Gateway SD	Allegheny	710	4,067	\$1,940,931	17.5%	\$2,734
15	McKeesport Area SD	Allegheny	691	3,966	\$2,899,898	17.4%	\$4,197
16	South Allegheny SD	Allegheny	266	1,599	\$1,048,670	16.6%	\$3,942
17	Carlynton SD	Allegheny	242	1,464	\$825,803	16.5%	\$3,412
18	Deer Lakes SD	Allegheny	322	1,977	\$1,149,690	16.3%	\$3,570
19	Riverview SD	Allegheny	179	1,111	\$630,299	16.1%	\$3,521
20	West Mifflin Area SD	Allegheny	508	3,258	\$1,829,358	15.6%	\$3,601
21	West Allegheny SD	Allegheny	495	3,249	\$1,538,698	15.2%	\$3,108
22	Fox Chapel Area SD	Allegheny	675	4,469	\$2,314,902	15.1%	\$3,429
23	Bethel Park SD	Allegheny	720	4,822	\$2,404,500	14.9%	\$3,340
24	Montour SD	Allegheny	439	3,009	\$1,583,131	14.6%	\$3,606
25	Allegheny Valley SD	Allegheny	167	1,145	\$663,023	14.6%	\$3,970
26	North Hills SD	Allegheny	637	4,431	\$2,227,385	14.4%	\$3,497
27	Keystone Oaks SD	Allegheny	314	2,227	\$1,403,527	14.1%	\$4,470
28	Brentwood Borough SD	Allegheny	177	1,258	\$767,009	14.1%	\$4,333
29	Moon Area SD	Allegheny	516	3,683	\$1,577,697	14.0%	\$3,058
30	Quaker Valley SD	Allegheny	265	1,931	\$784,414	13.7%	\$2,960
31	Upper Saint Clair SD	Allegheny	548	4,107	\$1,743,344	13.3%	\$3,181
32	Elizabeth Forward SD	Allegheny	348	2,679	\$1,641,184	13.0%	\$4,716
33	Avonworth SD	Allegheny	169	1,395	\$676,246	12.1%	\$4,001
34	Mt Lebanon SD	Allegheny	636	5,287	\$2,477,734	12.0%	\$3,896
35	West Jefferson Hills SD	Allegheny	337	2,849	\$1,677,744	11.8%	\$4,978
36	Baldwin-Whitehall SD	Allegheny	483	4,180	\$2,444,767	11.6%	\$5,062
37	Chartiers Valley SD	Allegheny	371	3,402	\$1,443,104	10.9%	\$3,890
38	Pine-Richland SD	Allegheny	493	4,523	\$1,485,391	10.9%	\$3,013
39	South Park SD	Allegheny	235	2,164	\$1,120,189	10.9%	\$4,767
40	Hampton Township SD	Allegheny	332	3,091	\$1,440,068	10.7%	\$4,338
41	Plum Borough SD	Allegheny	434	4,214	\$2,205,554	10.3%	\$5,082
42	North Allegheny SD	Allegheny	829	8,065	\$3,618,200	10.3%	\$4,365
43	South Fayette Twp SD	Allegheny	192	2,279	\$858,240	8.4%	\$4,470

Special Education Incidence Rate Percentages:

Based on percentage of enrollment, the Sto-Rox School District has the second highest percentage of special education students, as compared to total enrollment, of all school districts in Allegheny County. The Sto-Rox School District's percentage of special needs students is 26.4%. Among the County districts, the range of special ed. populations is from a low of 8.4% to a high of 29.1%.

² Former Sto-Rox Director of Administrative Services Mr. Charles J. Lanna compiled data above. Formatting compiled by Testimony Author..

TABLE 3: Ranking of Special Education Per-Pupil Subsidy based on 08-09 Incidence Rates for Allegheny County³ TABLE 3

Rank Order of Highest Spec. Ed. Subsidy Per Pupil	AUN	School District	County	2008-2009 Spec. Ed. Enrollment	2008-2009 Enrollment	2008-2009 Proposed SEF	Spec. Ed. % of Total Enrollment	08-09 Funding per 08-09 Spec. Ed. Enrollment
1 st Highest	103027503	Plum Borough SD	Allegheny	434	4,214	\$2,205,554	10.3%	\$5,082
2	103021102	Baldwin-Whitehall SD	Allegheny	483	4,180	\$2,444,767	11.6%	\$5,062
3	103022503	Duquesne City SD	Allegheny	122	502	\$611,994	24.3%	\$5,016
4	103029553	West Jefferson Hills SD	Allegheny	337	2,849	\$1,677,744	11.8%	\$4,978
5	102027451	Pittsburgh SD	Allegheny	5,600	28,104	\$27,305,507	19.9%	\$4,876
6	103028753	South Park SD	Allegheny	235	2,164	\$1,120,189	10.9%	\$4,767
7	103023153	Elizabeth Forward SD	Allegheny	348	2,679	\$1,641,184	13.0%	\$4,716
8	103028703	South Fayette Twp SD	Allegheny	192	2,279	\$858,240	8.4%	\$4,470
9	103025002	Keystone Oaks SD	Allegheny	314	2,227	\$1,403,527	14.1%	\$4,470
10	103026852	North Allegheny SD	Allegheny	829	8,065	\$3,618,200	10.3%	\$4,365
11	103024603	Hampton Township SD	Allegheny	332	3,091	\$1,440,068	10.7%	\$4,338
12	103021453	Brentwood Borough SD	Allegheny	177	1,258	\$767,009	14.1%	\$4,333
13	103021903	Clairton City SD	Allegheny	231	793	\$993,228	29.1%	\$4,300
14	103026002	McKeesport Area SD	Allegheny	691	3,966	\$2,899,898	17.4%	\$4,197
15	103020753	Avonworth SD	Allegheny	169	1,395	\$676,246	12.1%	\$4,001
16	103020603	Allegheny Valley SD	Allegheny	167	1,145	\$663,023	14.6%	\$3,970
17	103028653	South Allegheny SD	Allegheny	266	1,599	\$1,048,670	16.6%	\$3,942
18	103026402	Mt Lebanon SD	Allegheny	636	5,287	\$2,477,734	12.0%	\$3,896
19	103021752	Chartiers Valley SD	Allegheny	371	3,402	\$1,443,104	10.9%	\$3,890
20	103028833	Steel Valley SD	Allegheny	337	1,869	\$1,261,004	18.0%	\$3,742
21	103029902	Woodland Hills SD	Allegheny	898	4,343	\$3,332,872	20.7%	\$3,711
22	103026303	Montour SD	Allegheny	439	3,009	\$1,583,131	14.6%	\$3,606
23	103029603	West Mifflin Area SD	Allegheny	508	3,258	\$1,829,358	15.6%	\$3,601
24	103022253	Deer Lakes SD	Allegheny	322	1,977	\$1,149,690	16.3%	\$3,570
25	103026873	Northgate SD	Allegheny	229	1,296	\$815,675	17.7%	\$3,562
26	103028203	Riverview SD	Allegheny	179	1,111	\$630,299	16.1%	\$3,521
27	103026902	North Hills SD	Allegheny	637	4,431	\$2,227,385	14.4%	\$3,497
28	103023912	Fox Chapel Area SD	Allegheny	675	4,469	\$2,314,902	15.1%	\$3,429
29	103021603	Carlynton SD	Allegheny	242	1,464	\$825,803	16.5%	\$3,412
30	103021252	Bethel Park SD	Allegheny	720	4,822	\$2,404,500	14.9%	\$3,340
31	103024753	Highlands SD	Allegheny	531	2,827	\$1,751,842	18.8%	\$3,299
32	103028302	Shaler Area SD	Allegheny	964	5,061	\$3,146,384	19.0%	\$3,264
33	103029203	Upper Saint Clair SD	Allegheny	548	4,107	\$1,743,344	13.3%	\$3,181
34	103022803	East Allegheny SD	Allegheny	350	1,888	\$1,090,189	18.5%	\$3,115
35	103029403	West Allegheny SD	Allegheny	495	3,249	\$1,538,698	15.2%	\$3,108
36	103027352	Penn Hills SD	Allegheny	955	4,972	\$2,963,257	19.2%	\$3,103
37	103029803	Wilksburg Borough SD	Allegheny	367	1,453	\$1,135,688	25.3%	\$3,095
38	103026343	Moon Area SD	Allegheny	516	3,683	\$1,577,697	14.0%	\$3,058
39	103021003	Pine-Richland SD	Allegheny	493	4,523	\$1,485,391	10.9%	\$3,013
40	103027753	Quaker Valley SD	Allegheny	265	1,931	\$784,414	13.7%	\$2,960
41	103022103	Cornell SD	Allegheny	145	676	\$419,764	21.4%	\$2,895
42 nd LOWEST	103028853	Sto-Rox SD	Allegheny	371	1,406	\$1,025,580	26.4%	\$2,764
43	103024102	Gateway SD	Allegheny	710	4,067	\$1,940,931	17.5%	\$2,734

State Reimbursement for Special Education Student

Based on the Special Education student enrollment and the State's subsidy to the District for Special Education, the Sto-Rox School District receives the second lowest Special Education subsidy per student among all districts in Allegheny County at \$2,764 per student.

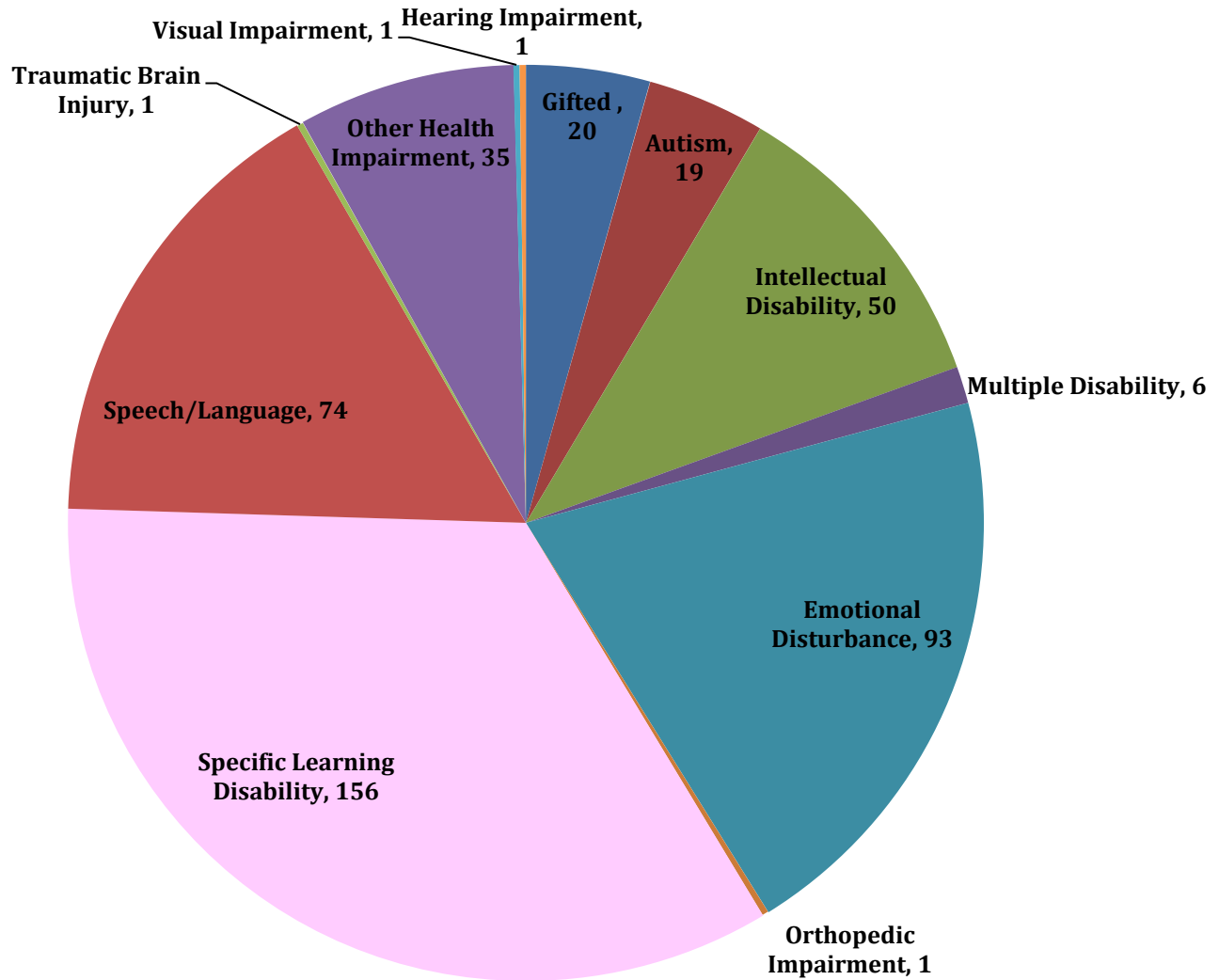
³ Former Sto-Rox Director of Administrative Services Mr. Charles J. Lanna compiled data above. Formatting compiled by Testimony Author..

TABLE 4: 2010-2011 Sto-Rox School District Special Education Diagram **TABLE 4**

This diagram represents the 2010-2011 special education population of students participating in schools both inside and outside of the school district.

NOTE: *The disabilities indicated are the primary diagnosis of the child.*

N= 436 total students.



Source: Sto-Rox School District Administrators

TABLE 5: 2010-2011 Incidence Rate Data **TABLE 5**
for [Out of District] Special Education Placements
Placement decisions pursuant to Individual Education Plans (IEP's)

PROGRAM	Number of Students in 2010-11	Program Cost	Transportation	TOTAL COST
Holy Family	28	\$543,282.00	\$50,380.65	\$593,662.65
Pressley Ridge	6	\$124,800.00	\$33,827.00	\$158,627.00
Wesley Highlands	2	\$30,656.00	\$41,372.75	\$72,028.75
Craig/Friendship Academy	1	\$12,681.36	\$-	\$12,681.36
Auberle	1	\$8,076.00	\$-	\$8,076.00
AIU West	10	\$141,180.00	\$-	\$141,180.00
Phase 4	12	\$5,000.00	\$22,938.00	\$27,938.00
Mon Valley	13	\$733,664.23	\$138,805.00	\$872,469.23
Pathfinder	2	\$103,210.00	\$33,656.00	\$136,866.00
Bradley Center	1	\$29,233.03	\$28,158.00	\$57,391.03
D.T. Watson	1	\$39,277.00	\$33,200.00	\$72,477.00
Children's Institute	3	\$68,247.00	\$98,265.00	\$166,512.00
School f/t Blind	1	\$33,028.00	\$-	\$33,028.00
Pace	3	\$44,848.00	\$76,512.00	\$121,360.00
<u>TOTALS:</u>	84	\$1,917,182.62	\$557,114.40	\$2,474,297.02

Source: Sto-Rox School District Administrators

TABLE 6: Federal IDEA Special Education Subsidies **TABLE 6**

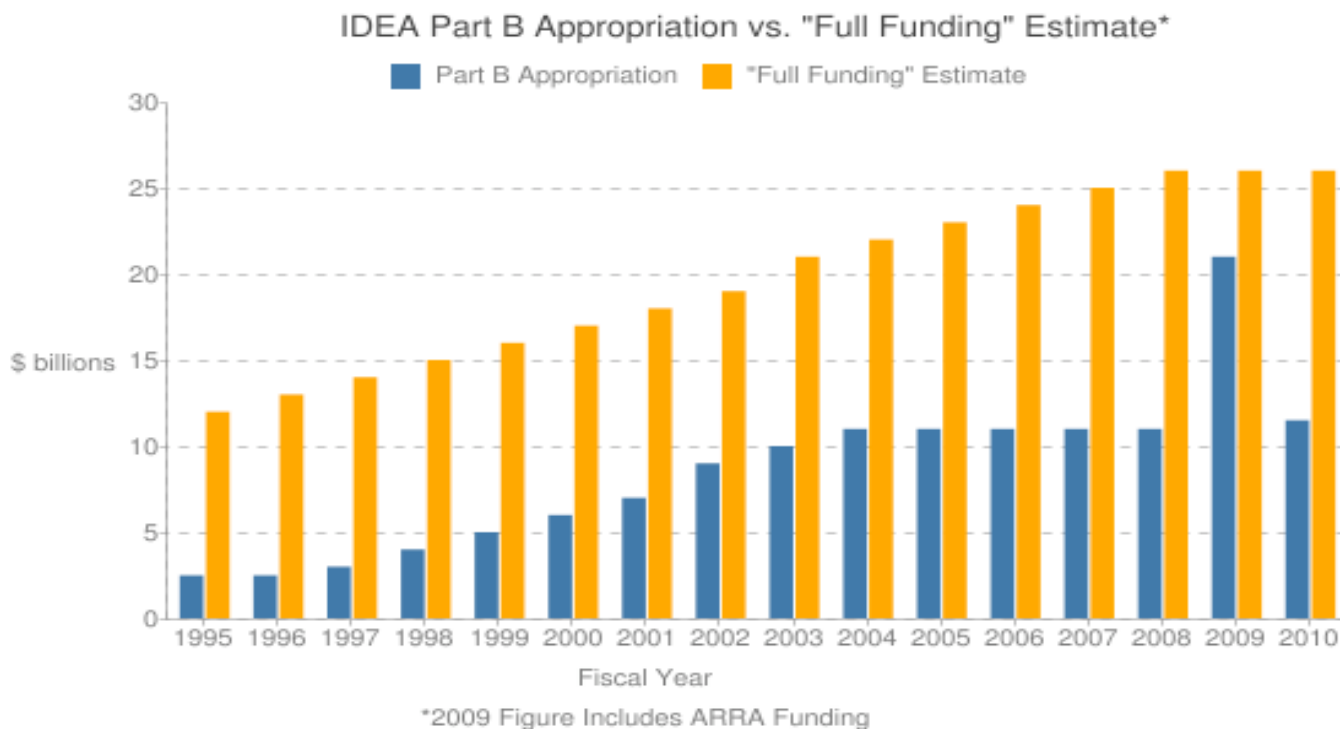
Sto-Rox School District Special Education Subsidies vs. Expenditures for 2009-2010 SY	
Total AFR District Reported 2009-2010 Special Education <u>EXPENDITURES</u>	\$3,734,909.34
<u>Less:</u> Total <u>State</u> Special Education <u>Subsidy</u> from PDE for 2009-2010 (SEF)	\$1,033,312.44
<u>Less:</u> <u>Federal</u> IDEA <u>Subsidy</u> from 2009-2010 <small>*Source: SRSD Business Office</small>	\$ 442,708.42
<u>Less:</u> <u>ARRA</u> Stimulus <u>Subsidy</u> from 2009-2010 <small>*Source: SRSD Business Office</small>	\$ 146,591.00
(Difference): Special Education Funding SHORTFALL from both State & Federal Subsidies	\$2,112,297.48

IDEA Authorized Funding Streams for Special Education and the "Full Funding" Debate

IDEA is not "fully funded." In the IDEA legislation, Congress set a maximum target for the federal contribution to special education spending equal to 40 percent of the estimated excess cost of educating children with disabilities. Thus, if the program were "fully funded," the states would receive their maximum grants, calculated at 40 percent of the national average per pupil expenditure (APPE) times the number of children with disabilities served in the school year 2004-2005, adjusted for population changes.⁴ Under the act, the count of children with disabilities cannot exceed 12 percent of the state's total school population. For FY 2008, IDEA federal funding covered 17.1 percent of the estimated excess cost of educating children with disabilities, the same as in FY 2007 and less than in FY 2006 when federal funding covered 17.7 percent of the cost. The FY 2006 funding represented a significant decrease from the FY 2005 appropriation, which covered 18.5 percent of the excess cost—the first decrease in the federal special education contribution since FY 1996. IDEA Part B "full funding" for FY 2008 would have amounted to approximately \$25.47 billion, or roughly \$14.54 billion more than was actually appropriated.

TABLE 7: THE FUNDING SHORTFALL WITH FEDERAL IDEA FUNDING

A Shortfall that is assumed and funded by the local school districts. **TABLE 7**



⁴ Source: Federal Education Budget Project. Visit: <http://febp.newamerica.net/background-analysis/individuals-disabilities-education-act-funding-distribution>

TABLE 7:**See Attached Excel File****TABLE 7**

Table 7 is a Microsoft Excel Spreadsheet.
A printed hard copy of Table 7 should be attached to this testimony.

**The Local Property Tax Impact of Special Education Underfunding in SD's represented by
Senators on the Senate Education Committee**

1) Table 7 is a Microsoft Excel Spreadsheet. **A printed hard copy of Table 7 should be attached to this testimony.**

2) Table 7 examines the following characteristics below in each of the 129 school districts represented by the Honorable Senators on the Senate Education Committee as was provided to the testimony author by Mr. Matt Azeles, Deputy Director of the Senate Education Committee:

**Data Sorted
By Column L:**

A	B	C	D	E	F	G	H	I	J	K	L	M
Honorable Senator:	Sen. Dist.	School District / LEA	County	PDE (MV/PI) Aid Ratio 2009-2010	AFR District Reported Total Collected Real Estate Property Taxes from 2009-2010	PDE Equalized Millage Rate 2009-2010	PDE Statewide Highest Property Tax Rankings (out of 500 SD's) for 2009-2010	Dollar Value of local revenue generated by one (1) Equalized Mill from 2009-2010 (Column F / G)	Total AFR District Reported SPECIAL EDUCATION EXPENDITURES 2009-2010	SPECIAL EDUCATION SUBSIDY (SEF) PDE 2009-2010	Excess Cost or SHORTFALL of Special Education Expenditures that were NOT covered by the SEF subsidy. (Column J - K)	Needed millage levy of local property tax to make up for the SEF shortfalls in special education (Column L / I)

3) Table 7 pulls published PDE data from a variety of different statewide spreadsheets that are compiled by PDE. Namely, the Annual Financial Reports (AFR) spreadsheets as well as PDE Special Education Subsidy Spreadsheets.

4) The author of this testimony examined the above unique criteria germane to all 129 school districts delineated in table 7 above and performed spreadsheet calculations with that data to arrive at the mathematical conclusions delineated in the attached table 7. Specifically, columns I, L, M above in Table 7 are the products of spreadsheet formulas using the PDE data.

5) The author explicitly details the PDE data sources used at the end of Table 7 for verification purposes.

6) The author of this testimony constructed Table 7 as a means to examine and illustrate that the significant disparities and shortfalls in Special Education funding are arguably a driving force and contributing factor to local property tax increases.