



ARIN Intermediate Unit  
2895 W Pike  
Indiana, PA 15701-9769

Regional Education Service Agency

Phone 724-463-5300  
FAX: 724-463-5315  
E-mail: info@iu28.org  
Website: iu28.org

October 1, 2019

Chairmen Browne, Sonney and Rivera and members of the Special Education Funding Commission. Thank you for the opportunity to address the Commission and offer some perspective relative to Special Education Funding in the Commonwealth.

My name is James Wagner and I am the Executive Director of ARIN Intermediate Unit serving Armstrong and Indiana Counties. ARIN provides services to 11 rural school districts and two Career and Technical Centers, one in each county. We also operate the business office for the Riverview Intermediate Unit based in Clarion, PA.

On May 5, 1972, the Commonwealth of Pennsylvania entered into a Consent Agreement with what was then known as the Pennsylvania Association of Retarded Citizens (PARC). Up until that time, PA law allowed public schools to deny service to children who had not attained a mental age of five years prior to the start of first grade. In 1971, PARC filed a Civil Rights lawsuit against the Commonwealth, which resulted in the Consent Decree mentioned above. With the Consent Decree, Pennsylvania became the first state to guarantee an education for children with disabilities. The Consent Decree also became the foundation for the landmark 1975 federal legislation called the Education for all Handicapped Children Act that we now refer to as IDEA (by the way, the 1972 Consent Decree remains in effect).

Shortly before PARC filed their suit, the Pennsylvania legislature replaced the County Superintendents Office with 29 Intermediate Units, effective July 1, 1971. The IUs were envisioned as being able to achieve economies of scale and were crucial in supporting school districts as they began to educate the tens of thousands of students with disabilities who would be entering school for the first time.

While Intermediate Units initially operated thousands of classrooms across the Commonwealth, they today tend to operate multi-district classes for those school districts that otherwise would operate classes with only a couple of students or highly specialized programs for which there is a significant shortage of qualified staff. Many Intermediate Units, including ARIN Intermediate Unit, also offer specialized transportation services for children with disabilities. The classes and transportation are offered on a regional basis saving Pennsylvania taxpayers millions of dollars each year.

Since the PARC Consent Decree was signed, PA governors and legislators have struggled with how to pay for Special Education. In 2012, a Special Education Funding Commission was established to review the problem and make recommendations. The Commission recommended that any Special Education Subsidy that exceeded the level of the 10-11 fiscal year be distributed based upon a new formula that would reflect the level of a student's need, while considering community differences. This novel approach of basing a formula on actual cost and ability to pay was enacted into law and took effect for the 14-15 fiscal year.



ARIN Intermediate Unit  
2895 W Pike  
Indiana, PA 15701-9769

Regional Education Service Agency  
Phone: 724-463-5300  
FAX: 724-463-5315  
E-mail: info@iu28.org  
Website: iu28.org

I would like to Thank the members of the original commission for their attempt to fully understand the challenges and the need for a new funding formula. I would also echo Representative Sonney's recent comments that the improvements made to the special education funding formula in 2013 most certainly have made a positive difference for students and schools. Unfortunately, not all of the Commission's recommendations were adopted into law, and therefore other significant differences that would have even further increased the positive impacts for students, primarily in Categories II and III, have not been implemented.

Despite the positive work achieved by the Commission, many school districts continue to lose ground as they attempt to deal with the increasing costs of Special Education. I would like to share with you the experience of two of my districts, Homer-Center and Armstrong.

The Homer-Center School District consists of one elementary school and a junior-senior high school. It serves 47 square miles, has approximately 850 students. In the 2008-09 fiscal year, the district had special education expenditures in the amount of \$922,000 and a state special education subsidy of \$551,000 (or 59% of expenditures). For the 2018-19 fiscal year, expenditures had more than doubled to \$1,968,000 while the subsidy rose from \$551,000 to \$610,222 (or 31% of expenditures).

Armstrong School District consists of four elementary buildings, one primary and one intermediate building and two junior-senior high schools. It encompasses 436 square miles, has almost 5,000 students and logs approximately 50,000 miles/week in student transportation. In the 8 years ending June 30<sup>th</sup>, Armstrong's Special Education costs increased 32% from \$10,912,000 to \$14,373,000. During that same 8-year span, their special education subsidy only increased by 12% from \$4,082,000 to \$4,565,600 with a result that in the 18-19 fiscal year the district had \$2,977,000/year of new expenses that were not reimbursed.

I hope that the information I just shared gives you concrete examples of the challenges facing many of our districts. While the recommendations that were made and adopted by the 2013 Commission have made positive impacts, the increase in district expenses, often being driven by the increases in children being diagnosed with Autism Spectrum and Emotional Disorders, are not being adequately funded.

As we continue to try and solve this problem, we can't forget that for at least five years, the special education subsidy was flatlined---even as costs rose significantly. Over the last six fiscal years, there has been a much appreciated 16% increase in the special education subsidy. Unfortunately, the reality is that over the last 11 years, the average compounded increase in the special education subsidy line item was approximately 1 ¼%.

Thank You again for the opportunity to share these perspectives. I appreciate your leadership, especially on this important topic.

Please know that the Pennsylvania Association of Intermediate Units, as well as the individual IUs across the Commonwealth, are willing and able to serve as a resource for you.

That concludes my remarks and I would be happy to answer any questions after you hear from my colleagues.