



# RECONSTITUTED SPECIAL EDUCATION FUNDING COMMISSION REPORT

December 15, 2021

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## **EXECUTIVE SUMMARY**

### **RECOMMENDED SPECIAL EDUCATION FUNDING FORMULA CHANGES:**

- Revise the weighting factors based on results from the Independent Fiscal Office's survey of student cost distribution.
- Use a three-year average of the Act 16 Report student headcounts in the Special Education Funding Formula calculation.

### **OTHER RECOMMENDATIONS:**

- Set (Freeze) data used in the annual distribution of Special Education Funding as of June 1 prior to the budget year.
- Change the inflation metric for the cost categories from the percentage change in the Consumer Price Index to the percentage change in total statewide special education expenditures per weighted student.
- Post Act 16 Report Data on PDE's publicly accessible Internet website in a useable electronic format (Microsoft Excel) and include Category 1 Counts.
- Revise the Act 16 Report to create of subset of Category 1 to determine the number of students in an inflation-adjusted lower cost range. PDE has recommended \$0 to \$5,000 as the lower cost range.
- Post the Special Education Contingency Fund awards on PDE's publicly accessible Internet website in a usable format (Microsoft Excel).
- Require the IFO to complete a survey of cost distribution in conjunction with each reconstitution of the Special Education Funding Commission.
- Reconstitute the Commission January 15, 2024 with the duty to make a report no later than November 30, 2024.

### **SPECIAL EDUCATION CONTINGENCY FUND RECOMMENDATIONS:**

- Limit application to the Contingency Fund for a student to (2) school years.
- Increase the percentage of funds available for the Contingency Fund.
- The General Assembly should consider the changes recommended to the Contingency Fund set-aside in light of the overall amount of funding available for Special Education. The Commission recognizes that increasing the Contingency Fund set-aside without a proportionate increase to the overall appropriation level will negatively impact the subsidy distribution to school districts.
- Distribute funds from any increase in the percentage of funds directed to the Contingency Fund based on the cost of the student compared to the applicant's total special education instructional costs.

## **RECOMMENDED SPECIAL EDUCATION FUNDING FORMULA REVISIONS**

(1) Calculate the weighted student head count for each school district **using a three-year average of the student headcounts in each cost category** as follows:

- Category 1 = [~~1.51~~] **1.64** (students < \$26,718)
- Category 2 = [~~3.77~~] **3.08** (students => \$26,718 and < \$53,436)
- Category 3 = [~~7.46~~] **6.34** (students => \$53,436)

(2) Adjust the weighted student headcount for rural and small school districts:

- Multiply the weighted student headcount in (1) by 50% of the adjusted sparsity/size ratio
  - The sparsity/size ratio = (60%\*size ratio) + (40%\*sparsity ratio)
    - Size Ratio = average daily membership (ADM) / statewide average ADM
    - Sparsity Ratio = ADM per square mile / state ADM per square mile
    - Adjust by percentage difference > 70<sup>th</sup> percentile
    - For school districts with a sparsity/size ratio < 70<sup>th</sup> percentile no adjustment.

(3) Add the school district's weight in (1) and the adjustment in (2).

(4) Multiply the sum in (3) by the school district's market value/personal income aid ratio and its equalized millage multiplier.

- Equalized millage multiplier = the school district's equalized millage rate as a percentage of the 70<sup>th</sup> percentile.
- For school district with an equalized millage rate > 70<sup>th</sup> percentile the multiplier is 1.

(5) Prorate funding.

- Multiply the product in (4) for each school district by the amount of funds to be distributed and divide by the sum of the products in (4) for all school districts.

## **ESTABLISHMENT AND CHARGE OF THE COMMISSION**

Through Act 3 of 2013 (House Bill 2) the General Assembly established the Special Education Funding Commission (Commission).

Act 3 provided that "every five years the commission shall be reconstituted in accordance with subsection (c) and shall meet and hold public hearings to review the operation of the special education funding provisions of this section, shall make a further report." It also provided that "when in receipt of a further report recommending changes to the special education funding formula, the General Assembly shall consider and take action to enact the formula into law." Act 16 of 2019 reconstituted the Commission and Act 26 of 2021 required the Commission to issue their report by December 31, 2021.

The original statutory charge of the Commission was to develop a special education formula and identify factors that may be used to determine the distribution of a change in special education funding among the school districts in this Commonwealth. It further provided that the Commission shall have all of the following powers and duties:

- (1) Review and make findings and recommendations related to special education funding in this Commonwealth.
- (2) Consult with and utilize experts to assist in carrying out the duties under this subsection.
- (3) Receive input from interested parties, including, but not limited to, charter and cyber charter school operators, and gather information on the identification of children as eligible students by charter and cyber charter schools. The Commission shall also receive input and gather information on charter and cyber charter school funding reimbursements regarding eligible students. The Commission shall draft proposed regulations and proposed legislation based on its findings.
- (4) Hold public hearings in different regions of the Commonwealth.
- (5) Determine the factors under this paragraph that may include all of the following:
  - (i) Three (3) cost categories of eligible students, established so that students with disabilities typically requiring the least intensive range of services would comprise Cost Category 1, students with disabilities typically requiring a middle range of services would comprise Cost Category 2 and students with disabilities typically requiring the most intensive range of services would comprise Cost Category 3. The Commission shall determine a description of and parameters for each of the three (3) cost categories.
  - (ii) A student count for each school district averaged for each of the three (3) most recent years for each cost category of eligible students. For Cost Category 3, the number of eligible students residing or enrolled in the school district and classified in Cost Category 3 shall be calculated in a manner that limits the potential incentive for school districts to overidentify, except for the number of eligible students who are placed by the school district and served in public or private separate schools, residential placements or homebound or hospital placements.

(iii) A weighting factor that differs for each of the three (3) cost categories of students with disabilities based on the typical range of services for each cost category.

(iv) Adjustments for any of the following:

(A) The market value/personal income aid ratio averaged for each of the three (3) most recent years for each school district.

(B) The equalized millage rate averaged for each of the three (3) most recent years for each school district.

(C) Geographic price differences identified for each school district.

(v) A proportional system for distributing the changes in special education funding among the school districts, based on factors listed in this section.

(vi) Development and implementation by the Pennsylvania Department of Education (PDE) of improved systems for collecting and documenting student enrollment and membership in public schools, including revised methods for calculating average daily membership.

(vii) Other factors related to the distribution of special education funding.

(6) Review and consider special education funding factors utilized throughout the United States.

(7) In developing the special education funding factors under subsection (h) and in completing the report required under this subsection, consider the impact these factors may have on the distribution of special education funding among the school districts.

(8) Review the administration of state and regional special education programs and services to determine if cost savings may be achieved and make recommendations to implement the savings.

(9) Consult with and utilize experts to assist the commission in carrying out the duties under this subsection.

(10) Prior to recommending a special education formula under this section, consider nationally accepted accounting and budgeting standards.

It placed the limitations on the Commission's work as well:

- (1) The special education formula developed by the Commission shall not go into effect unless the formula is approved by an act of the General Assembly.
- (2) The General Assembly shall, through the annual appropriations process, determine the level of state funding for special education and the amount of any change in funding. The special education formula developed shall determine only the distribution of any increase in special education funding among the school districts of the Commonwealth above the amount of special education funding in the base year and shall not be used for any other purpose.
- (3) For the 2013-14 school year and each school year thereafter, any state funding for special education in an amount that does not exceed the amount of state funding for special education in the base year shall be allocated in the same manner as the state funding was allocated in the base year (2010-11).

- (4) Nothing in the provisions of Act 3 shall alter Federal or State Law regarding the protections provided to an eligible student for receiving education in the least restrictive environment or shall alter the legal authority of individualized education program teams to make appropriate program and placement decisions for eligible students in accordance with the individualized education program developed for each student.

Act 16 of 2019 provided an additional limitation in Section 122 (k)(2) that the "Commission shall limit the scope of the review provided for under this subsection to only the provision of special education payments to school districts by the Commonwealth through the funding formula contained in Section 2509.5."

### **MEMBERSHIP OF THE COMMISSION**

Act 3 of 2013 defined the requirements for the composition and operation of the Commission, including the same composition for when the Commission would be reconstituted. The Commission membership is:

- (i) The chair and minority chair of the Education Committee of the Senate and the chair and minority chair of the Education Committee of the House of Representatives, or their designees.
- (ii) Two (2) legislators from each of the four (4) legislative caucuses, to be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives, in consultation with the Majority and Minority Leaders of the Senate and the Majority and Minority Leaders of the House of Representatives.
- (iii) The Secretary of Education, or a designee.
- (iv) The Secretary of the Budget, or a designee.
- (v) The Deputy Secretary for Elementary and Secondary Education, or a designee.

## **CURRENT SPECIAL EDUCATION FUNDING COMMISSION MEMBERS**

### **Senate**

Pat Browne (R-16) – Co-Chair  
Maria Collett (D-12)  
Tim Kearney (D-26)  
Scott Martin (R-13)  
Bob Mensch (R-24)  
Lindsey Williams (D-38)

### **House of Representatives**

Curt Sonney (R-4) – Co-Chair  
Joe Ciresi (D-146)  
George Dunbar (R-56)  
Mark Longietti (D-7)  
Mike Sturla (D-96)  
Jesse Topper (R-78)

### **Governor Tom Wolf's Administration**

Noe Ortega, Secretary of Education, Co-Chair  
Designee: Hannah Barrick  
Sherri Smith, Acting Deputy Secretary for Elementary &  
Secondary Education  
Greg Thall, Secretary of the Budget

## **ORIGINAL SPECIAL EDUCATION FUNDING COMMISSION MEMBERS**

### **Senate**

Pat Browne (R-16) – Co-Chair  
Maria Collett (D-12)  
Andrew Dinniman (D-19)  
Pam Iovino (D-37)  
Wayne Langerholc (R-35)  
Scott Martin (R-13)

### **House of Representatives**

Curt Sonney (R-4) – Co-Chair  
George Dunbar (R-56)  
Mark Longietti (D-7)  
Jim Roebuck (D-188)  
Mike Sturla (D-96)  
Jesse Topper (R-78)

### **Governor Tom Wolf's Administration**

Pedro Rivera, Secretary of Education, Co-Chair  
Matt Stem, Acting Deputy Secretary for Elementary &  
Secondary Education  
Jen Swails, Secretary of the Budget  
Designee: Greg Thall



## **HEARINGS OF THE COMMISSION**

Act 3 established the requirements for the hearings of the Commission and the reconstitution requirements in Section 122 (k) further required the Commission to hold hearings.

Hearings were held:

September 25, 2019	Senate Majority Caucus Room, Harrisburg, PA
October 1, 2019	Moon Township School District Administrative Office, Moon Township, PA
October 2, 2019	Northwest Tri-County Intermediate Unit, Erie, PA
October 7, 2019	Manheim Township District Office, Manheim Township, PA
October 8, 2019	Southern Lehigh High School, Center Valley, PA

## **TESTIMONY RECEIVED BY THE COMMISSION**

The following witnesses testified before the Commission at its public hearings:

Rick Amato, Principal, Broughal Middle School, Bethlehem School District (October 8, 2019)

Hannah Barrick, Assistant Executive Director, PA Association of School Business Officials (October 1, 2019)

Virginia Biancamano, Parent (October 8, 2019)

John Callahan, Chief Advocacy Officer, PA School Boards Association (October 1, 2019)

Chelsea Campolongo, Business Manager, South Park School District (October 1, 2019)

Christy Carucci, Intermediate Unit #5 Special Education Director (October 2, 2019)

Aaron Chapin, Vice President, PA State Education Association (October 7, 2019)

Carole Clancy, Director, Pennsylvania Department of Education Bureau of Special Education (September 25, 2019)

Carrie Crow, School Board President, General McLane School District (October 2, 2019)

Karl Dolak, Business Manager, Harbor Creek School District (October 2, 2019)

Cindy Duch, Director of Parent Advising, Parent Education and Advocacy Leadership Center (October 1, 2019)

Chris Echterling MD, Medical Director for Vulnerable Populations, WellSpan Health (October 7, 2019)

Dr. Elaine Erb, Executive Director, Carbon Lehigh Intermediate Unit #21 (October 8, 2019)

Kathleen Evison, Superintendent, Southern Lehigh School District (October 8, 2019)

Dr. Kali Fedor, PA Association for Gifted Education, President (October 7, 2019)

Dr. Robin Felty, Superintendent, Manheim Township School District (October 7, 2019)

Joe Fullerton, Board Member & President, Penn Manor School District (October 7, 2019)

Edith Gallagher, Board President, Lancaster School District (October 7, 2019)

Emily Gehman, President, Southern Lehigh School Board, (October 8, 2019)

Robert Geletko, Director of Business, Mt. Lebanon School District (October 1, 2019)

LaReina George, Supervisor of Student Services, Sharon City School District (October 2, 2019)

Bea Habursky, Assistant Superintendent, Erie City School district (October 2, 2019)

Dr. Jill Hackman, Executive Director, Berks County Intermediate Unit #14 (October 7, 2019)

Benjamin Hanft, Chief, Pennsylvania Department of Education Bureau of Budget & Fiscal Management's Division of Subsidy Administration (September 25, 2019)

Ann Herrman, Executive Director, Pittsburgh School District (October 1, 2019)

Jay Himes, Leadership Advisor, PA Association of School Business Officials (October 1, 2019)

Wayde Killmeyer, Executive Director Intermediate Unit #4 (October 2, 2019)

Matthew Knittel, Director, Independent Fiscal Office (September 25, 2019)

Angela Kownacki, Special Education Director, Erie City School District (October 2, 2019)

Dr. Theresa Kreider, Director of Student Support Services, Penn Manor School District (October 7, 2019)

David Lapp, Director of Policy Research, Research for Action (October 8, 2019)

Joni Lefever, Director of Pupil Services, Manheim Township School District (October 7, 2019)

Dr. Mike Lechlitter, Superintendent, Penn Manor School District (October 7, 2019)

Dean Maynard, Executive Director, Intermediate Unit # 5 (October 2, 2019)

James McDonald, Director of Behavioral Health Services, Colonial Intermediate Unit #20 (October 8, 2019)

Donna Miller, Superintendent, Girard School District (October 2, 2019)

Thomas Parker, Superintendent, Allentown School District (October 8, 2019)

Dr. Ron Prator, Supervisor of Behavioral Health Services, Colonial Intermediate Unit #20 (October 8, 2019)

Matt Przywara, Chief Financial and Operations Officer, Lancaster School District (October 7, 2019)

Kathleen Reeves, MD, FAAP, Senior Associate Dean Health Equity, Diversity and Inclusion, Director Center for Bioethics, Urban Health and Policy, Professor of Pediatrics, Lewis Katz School of Medicine at Temple University (October 7, 2019)

Michelle Reichard-Huff, Director of Early Childhood and Student Services, Berks County Intermediate Unit #14 (October 7, 2019)

Donna Robbins, Chief Operating Officer, Manheim Township School District (October 7, 2019)

Richard Scaletta, Superintendent, General McLane School District (October 2, 2019)

Dr. Mark Scott, Assistant Director of Special Programs and Services, Carbon Lehigh Intermediate Unit #21 (October 8, 2019)

Thomas Shetterly, Director of Finances, Intermediate Unit #1 (October 1, 2019)

Richard Sniscak, Superintendent, Parkland School District (October 8, 2019)

Robert Snyder, School Board President, Girard School District (October 2, 2019)

Reynelle Brown-Staley, Policy Director, Education Law Center (October 8, 2019)

Tresa Templeton, Business Manager, Sharon City School District (October 2, 2019)

Matt Thomas, Director of Special Education for Westmoreland Intermediate Unit #7 (October 1, 2019)

James Wagner, Executive Director of ARIN Intermediate Unit #28, (October 1, 2019)

Dr. Christopher Wolfel, Executive Director, Colonial Intermediate Unit #20 (October 8, 2019)

Alice Yoder, Director of Community Health, Lancaster General Hospital (October 7, 2019)

Katie Yost, Director of Government and Chapter Relations, The ARC of PA (October 8, 2019)

Dr. Matthew Zakreski, PA Association of Gifted Education Board Member (October 7, 2019)

Sherry Zubeck, Director of Early Childhood and Special Education Services, Lancaster-Lebanon Intermediate Unit #13 (October 7, 2019)

## **TECHNICAL ASSISTANCE RECEIVED BY THE COMMISSION**

The Commission received technical assistance from PDE and other bodies in the General Assembly pursuant to statutory requirements.

Role of PDE –

- (1) PDE provided the Commission with data, research and other information upon request by the commission.
- (2) PDE used existing resources and data systems as well as nationally accepted accounting and modeling standards in collecting the data necessary for accurate functioning of a special education formula.

Role of Other Bodies in the General Assembly – The General Assembly provided administrative support, meeting space and any other assistance required by the Commission to carry out its duties.

Role of the Independent Fiscal Office (IFO) – The IFO served as a vital source of technical expertise in working with large amounts of data in completing the school districts survey and the compilation of the weights.

The IFO, the Pennsylvania Association of School Business Officials (PASBO) and PDE assisted the Commission in performing a survey of school districts to evaluate special education funding. The survey results provided updated data about the distribution of special education costs among students. The Commission utilized this data to determine the review and update the rates in the special education formula.

## **FURTHER ACKNOWLEDGEMENTS**

The Commission wishes to further acknowledge the contributions to its work of the following individuals and organizations:

House of Representatives: Diane Acri, Sean Brandon, Alaina Koltash, Jeff Miller, Christine Seitz, Chris Wakeley

Independent Fiscal Office: Kathleen Hall, Matthew Knittel, Robyn Toth

Manheim Township School District

Moon Township School District

Northwest Tri-County Intermediate Unit

Pennsylvania Association of School Business Officials

Pennsylvania Department of Education: Hannah Barrick, Carole Clancy, Ben Hanft, Danielle Mariano

Senate: Samuel Arnold, Liz Craig, Noah Erwin, Lisa Felix, Tom Holroyd, Cheryl Kleiman, David Kozak, Russ Miller, Brett Schaeffer, Cindy Urban, Vicki Wilken

Southern Lehigh School District

## **UPDATED FORMULA SURVEY – INDEPENDENT FISCAL OFFICE**

The Commission requested that the Independent Fiscal Office once again conduct a survey of school districts to update the weights used in creating the special education funding formula that the original Commission adopted. The Independent Fiscal Office sent surveys to 142 school districts and of those districts 71 (50%) provided responses. The Independent Fiscal Office survey background and results, including the methodology utilized, can be found in Appendix 2.

### **RECOMMENDED SPECIAL EDUCATION FUNDING FORMULA CHANGES**

#### **1. Revise the weighting factor based on results from the Independent Fiscal Office's survey of student cost distribution.**

The initial Commission recommended that the student headcount data reported in each of the three (3) cost categories be adjusted by a weighting factor to establish the relative cost of special education supports and services provided to students with disabilities for the purpose of distributing formula funding on a student cost basis.

The weighting factors were developed from a survey of cost distribution completed by a representative sample of school districts and charter schools and reflect the typical range of services for students in each cost category based on special education costs in excess of regular education costs. The initial survey was conducted by the Independent Fiscal Office (IFO) with the assistance of PDE and the Pennsylvania Association of School Business Officials (PASBO). The weighting factors in the current formula are as follows:

<b>Current Weighting Factors</b>		
<b>Category</b>	<b>Average Cost</b>	<b>Weight</b>
Regular Education	\$ 6,099	
Category 1	\$ 9,210	1.51
Category 2	\$ 34,678	3.77
Category 3	\$ 68,689	7.46

Upon the reconstitution of the Commission in 2019, the Commission requested that the IFO conduct a new survey of cost distribution with the assistance of the department and PASBO to review the weighting factors based on new updated survey data. Several years had elapsed since the initial survey had been conducted and considering the natural growth in special education expenditures, the Commission believed a review of the accuracy of weighting factors was necessary.

Additionally, during testimony before the Commission in Moon Township on October 1, 2019, Hannah Barrick, the Assistant Executive Director of PASBO recommended that the commission, "review and update the accuracy of the category weights." At the same hearing, speaking to the new survey being conducted by the IFO on behalf of the commission, John Callahan, the Pennsylvania School Boards Association's Chief Advocacy Officer commented that, "the survey tool the IFO is utilizing to determine the category costs may shift the reimbursement . . . we are encouraged by the methodology and direction of the process."

The Commission is recommending that new weighting factors determined from the new IFO survey replace those in the current formula. The Commission believes the updated weighting factors more accurately represent current student costs than those developed by the first Commission. The new weighting factors recommended by the Commission are as follows:

Reccomended Weighting Factors		
Category	Average Cost	Weight
Regular Education	\$ 7,140	
Category 1	\$ 11,677	1.64
Category 2	\$ 35,920	3.08
Category 3	\$ 74,031	6.34

## **2. Use a three-year average of the Act 16 Report student headcounts in the Special Education Funding Formula calculation.**

The current formula uses the student headcount from the Act 16 Report for the most recent prior year. However, it employs three-year averages in other formula factors to create stability in distribution from year-to-year. The factors that utilize three-year averages in the formula are its wealth factor (market value/personal income aid ratio), tax effort factor (equalized millage) and the sparsity-size adjustment that uses average daily membership.

In written testimony presented to the Commission at its October 1, 2019 hearing, PASBO recommended the formula be changed to "smooth Act 16 data over three years to mitigate significant fluctuations in school district funding." PSBA in its written testimony presented at the same hearing recommended using three-year averages, "to smooth out the possibility that these factors could have a steep increase or decrease in a single year."

Additionally, it should be noted that the Commonwealth's Basic Education Funding Formula uses three-year average of average daily membership to create stability in distribution from year-to-year.

The Commission believes using a three-year average of the student headcounts provides less formula variation from year-to-year and more stability for school districts when developing special education budgets and recommends utilizing a three-year average of the Act 16 Report student headcounts in the formula calculation.

## **OTHER RECOMMENDATIONS**

### **1. Set (Freeze) data used in the annual distribution of Special Education Funding as of June 1 prior to the budget year.**

The annual distribution of Special Education Funding is presented to school districts as an estimated allocation until the Act 16 Report data is finalized in late April of each school year. Not knowing the special education funding allocation amount makes it difficult for school districts to budget, as the final amount is not known until close to the end of the school year.

The PSBA in its testimony to the committee spoke to this issue. "One of the primary considerations in developing a formula is providing consistency and predictability to school districts who rely on this funding. Currently the formula relies on data that is not calculated on a date certain. This problem was seen with the basic education funding formula and was addressed by setting a date in time when factors became fixed in the formula. We would suggest this same fixed date be set for the special education funding and match the basic education funding formula by setting the date by June 1 of every year." PASBO in its testimony also suggested the Commission, "lock in data as of May or June 1 to ensure predictability for school districts and to mirror basic education funding implementation."

To provide predictability to school districts when budgeting, the Commission recommends that the data used in the annual distribution of Special Education Funding be set as of June 1 prior to the budget year.

## **2. Change the inflation metric for the cost categories from the percentage change in the Consumer Price Index to the percentage change in total statewide special education expenditures per weighted student.**

To work effectively, the cost categories need to grow at the same rate as the cost of special education services. If special education costs are rising more quickly than the cost categories, then some students could move across categories even though the services they received did not change. Minimizing this shift through an appropriate inflation metric is important to preserve the integrity and continuity of the cost categories and reduce the potential for sizeable shifts in updated category weights.

Under current law, the cost categories are linked to the Consumer Price Index (CPI), but many testifiers commented on the escalating costs of providing special education services. The expenditure data submitted by school districts in the Annual Financial Reports (AFR) support this observation. The average change in the CPI since 2016 was 1.4% compared to the 2% average change in total statewide special education expenditures (reported in the AFR) per weighted student headcount (WSC; from the formula calculation). The CPI is on pace to be near 5% for 2021-22 but is forecasted to hover near 2% in the future. On the other hand, the AFR/WSC is estimated to be 4.3% for 2021-22 and is expected to grow at 3% in the out years.

## **3. Post Act 16 Report Data on PDE's publicly accessible Internet website in a useable electronic format (Microsoft Excel) and include Category 1 Counts.**

Presently, the Act 16 Report is provided to the chairman and minority chairman of the Education and Appropriations Committees of the Senate and the chairman and minority chairman of the Education and Appropriations Committees of the House of Representatives as a word document. Additionally, while school districts are required to report Category 1 student counts to the department, the information is not required to be included in the Act 16 Report. Further, the Act 16 Data and the Category 1 counts are not typically posted on the department's website until June when posting the estimated special education funding allocations for the upcoming school year.

To provide greater transparency and more useable information to the public, school district and legislative staff, the commission recommends posting the annual Act 16 Report data on the department's publicly accessible internet website in a usable format (Microsoft Excel) and including Category 1 student counts in the report.

**4. Revise the Act 16 Report to create of subset of Category 1 to determine the number of students in an inflation-adjusted lower cost range. PDE has recommended \$0 to \$5,000 as the lower cost range.**

Section 1372 of the Public School Code requires PDE to collect data on the number of students with disabilities in four (4) cost ranges that have been indexed to the Consumer Price Index since 2016. The table below lists the original ranges, the inflation-adjusted ranges for 2020-21, and the proportion of special education students in each range in the most recent Act 16 Report from 2019-20.

Table 1	Original Range <sup>1</sup>		Range in 2020/21 <sup>2</sup>		Share of Special Education Students in 2019/20 <sup>3</sup>
	Minimum	Maximum	Minimum	Maximum	
Category 1	\$0	\$25,000	\$0	\$26,718	89.1%
Category 2	\$25,000	\$50,000	\$26,718	\$53,436	7.8%
Category 3a	\$50,000	\$75,000	\$53,436	\$80,154	2.2%
Category 3b	\$75,000	and up	\$80,154	and up	1.0%
<sup>1</sup> Section 1372 of the Public School Code					
<sup>2</sup> PDE webpage: Act 16 - Reporting of Expenditures Relating to Exceptional Students					
<sup>3</sup> 2019/20 Report of Expenditures Relating to Exceptional Pennsylvania Students					

The distribution of students between the four (4) existing ranges is imbalanced, with nearly nine (9) in ten (10) special education students falling into the lowest cost category. While the IFO survey revealed the average cost of Category 1 to be \$11,677, it also showed a segment of special education students with very low costs.

Therefore, members of the Commission asked PDE staff if there were any sensical break points within Category 1 where it may be prudent to collect actual headcounts rather than survey figures. Collecting this information over the next several school years will provide the next reconstituted Commission the ability to recommend splitting Category 1 into two (2) groups in the formula weights to better reflect the proportional costs to educate this group of students.

PDE recommended a Category 1A range of \$0 to \$5,000, noting that this subset would capture students with very low costs while also minimizing the reporting burden for school districts. According to the IFO survey, approximately eight (8) percent of all special education students fall in this range. This Category 1A would be indexed to inflation in the same manner as the other cost categories are.

**5. Post the Special Education Contingency Fund awards on PDE's publicly accessible Internet website in a usable format (Microsoft Excel).**

Currently, the Special Education Contingency Fund awards are not publicly available. To provide greater transparency to the public, the Commission recommends posting contingency fund awards on PDE's publicly accessible internet website in a usable electronic format (Microsoft Excel).



**6. Require the IFO to complete a survey of cost distribution in conjunction with each reconstitution of the Special Education Funding Commission.**

The survey of cost distribution conducted by the IFO serves to inform the Commission as to the accuracy of the weighting factors used in the formula and provides the information necessary to adjust the weighting factors to better represent the cost of special education instruction and services. Given the importance of this data in any formula review the Commission is recommending the IFO complete a survey of cost distribution in conjunction with each reconstitution of the Commission.

**7. Reconstitute the Commission January 15, 2024 with the duty to make a report no later than November 30, 2024.**

Act 3 of 2013, which established the Commission pursuant to Section 122 of the Public School Code, requires the Commission to be reconstituted every five (5) years, to meet and hold public hearings to review the operation of the special education funding provisions and issue a report. This provision is intended to maintain the integrity of the formula and ensure that the factors used are relevant.

Because of the interruptions caused by the COVID-19 pandemic and because the Commission members believe that maintaining consistency in the review process important, it is recommended that the Commission be reconstituted on January 15, 2024 with the duty to make a report no later than November 30, 2024.

**SPECIAL EDUCATION CONTINGENCY FUND RECOMMENDATIONS**

In addition to testimony regarding the Special Education Funding Formula, the Commission heard testimony regarding the Special Education Contingency Fund (Contingency Fund), which provides limited funds to Local Education Agencies (LEAs) for extraordinary special education program expenses (24 P.S. §25-2509.8). The purpose of the Contingency Fund is to provide additional state funding for the emergent implementation of the Individualized Education Program (IEP) for a student with significant disabilities with unexpected costs.

Each year, LEAs may submit applications to PDE requesting Contingency Funds to partially meet the extraordinary educational needs of an individual child with significant disabilities, who requires a highly specialized program, or related services, in order to receive an appropriate education in the least restrictive environment.

The Contingency Fund is funded each year through the Special Education Funding appropriation. One percent of the total Special Education Funding appropriation is directed to the Contingency Fund, and of that amount, \$1 million is directed to an Approved Private School. For 2021-22, \$11.3 million is available through the Contingency Fund.

While PDE receives hundreds of applications for Contingency Fund resources each year, a relatively small number of applications are funded each year due to resource limitations. For example, in 2020-21, less than 20% of all Contingency Fund applications received funding.

**2020-21  
Contingency Fund**

Number of total requests	<b>562</b>
Number of awards for each year	<b>97</b>
Application with the highest expenditure	<b>\$357,206</b>
Application with the lowest expenditure	<b>\$119,697</b>

During the Commission's hearing process, several testifiers highlighted their extraordinary special education expenses and noted difficulty in accessing resources from the Contingency Fund. PDE provided several initial recommendations to the Commission to begin to address the limitations of the Contingency Fund. The following are the Commission's recommendation.

**1. Limit application to the Contingency Fund for a student to two (2) school years.**

The Contingency Fund is intended to cover emergent extraordinary special education expenses of individual students that are not covered by a LEA's operating budget. Each year PDE's Contingency Fund guidelines remind applicants that the availability of these funds should not be presupposed in their special education operating budget.

Over the past seven years, some LEAs have submitted Contingency Fund applications for the same students for multiple years. While applications for individual students were not funded in multiple years in all circumstances, many applicants received those awards for the same student.

To address this, the Commission recommends limiting application to the Contingency Fund for an individual student to no more than two years. This limitation has the potential to provide greater access to Contingency Fund resources to a larger number of LEAs each year. This limitation would apply only to applications for the same individual student; it would not prohibit an application to the Contingency Fund for the extraordinary expenses of other students.

**2. Increase the percentage of funds available for the Contingency Fund.**

In recognition of the fact that the annual applications to the Contingency Fund consistently far outweigh the available resources, the Commission recommends increasing the percentage of funds available to the Contingency Fund from the Special Education Funding appropriation.

While currently only 1% of the total Special Education Funding appropriation is dedicated to funding extraordinary special education expenses, an increase in this percentage to direct additional resources to the Contingency Fund would provide greater access to the Contingency Fund to a greater number of LEAs struggling with extraordinary special education expenses.

**3. The General Assembly should consider the changes recommended to the Contingency Fund set-aside in light of the overall amount of funding available for Special Education. The Commission recognizes that increasing the Contingency Fund set-aside without a proportionate increase to the overall appropriation level will negatively impact the subsidy distribution to school districts.**

In conjunction with Commission's recommendation to increase the percentage of funds available to the Contingency Fund, the Commission recognizes that care must be taken when recommending an increase in the percentage of funds available to the Contingency Fund, as these funds come directly from the Special Education Funding appropriation, which provides special education funding to all 500 school districts.

The goal of this recommendation is to ensure that any increase in the percentage of funds directed to the Contingency Fund is accomplished only if it is done in conjunction with a proportionate increase in the Special Education Funding appropriation. This would ensure that school district special education funding is not negatively impacted by increasing funds available to the Contingency Fund.

**4. Distribute funds from any increase in the percentage of funds directed to the Contingency Fund based on the cost of the student compared to the applicant's total special education instructional costs.**

The Commission recommends adding an additional factor to PDE's process in reviewing Contingency Fund applications.

While Contingency Fund applications are currently reviewed and awarded based on the amount of extraordinary special education expenses articulated in the application, there is no consideration given to the amount of an individual student's extraordinary special education expenses in relation to the entire special education instructional expenditures of the LEA.

To accommodate that fact, in reviewing Contingency Fund applications each year, the Commission recommends allowing PDE to compare the extraordinary special education expenses in an individual application to its total special education instructional expenditures. This would provide access to Contingency Fund resources to a broader array of LEAs, seeking to increase the overall number that have received awards over the past several years.

To ensure that the Contingency Fund has a greater reach without disrupting the current process for application and review, the Commission recommends that this new factor be applied only to additional Contingency Fund resources that are made available through an increase in the percentage of Special Education Funding dedicated to the Contingency Fund.

## **APPENDIX 1 – PUBLIC HEARINGS AND TESTIMONY**

August 27, 2019	<b>Harrisburg</b> Room 140 MC, State Capitol Building
Organizational Meeting	

September 25, 2019	<b>Harrisburg</b> Room 140 MC, State Capitol Building
<b>Presenters</b>	<b>Position/Affiliation</b>
Carole Clancy	Director, PDE Bureau of Special Education
Benjamin Hanft	Chief, PDE Bureau of Budget & Fiscal Management's Division of Subsidy Administration
Matthew Knittel	Director Independent Fiscal Office

October 1, 2019	<b>Moon Township School District Central Administrative Office</b>
<b>Presenters</b>	<b>Position/Affiliation</b>
James Wagner	Executive Director of ARIN IU #28
Matt Thomas	Director of Special Education for Westmoreland IU 7
Thomas Shetterly	Director of Finances, Intermediate Unit 1
John Callahan	Chief Advocacy Officer, PA School Boards Association
Hannah Barrick	Assistant Executive Director, PA Association of School Business Officials
Jay Himes	Leadership Advisor, PA Association of School Business Officials
Chelsea Campolongo	Business Manager, South Park School District
Robert Geletko	Director of Business, Mt. Lebanon School District
Ann Herrmann	Executive Director, Pittsburgh School District New Program for Students with Exceptionalities
Cindy Duch	Director of Parent Advising Parent Education and Advocacy Leadership Center

October 2, 2019	<b>Northwest Tri-County Intermediate Unit</b>
<b>Presenters</b>	<b>Position/Affiliation</b>
Christy Carucci	IU5 Special Education Director
Bea Habursky	Assistant Superintendent, Erie City School District
Angela Kownacki	Special Education Director, Erie City School District
Stacey Mulson	Special Education Director, Union City Area School District
Dean Maynard	IU5 Executive Director
Wayde Killmeyer	IU4 Executive Director
LaReina George	Supervisor of Student Services, Sharon City School District
Tresa Templeton	Business Manager, Sharon City School District
Donna Miller	Superintendent, Girard School District
Robert Snyder	School Board President, Girard School District
Richard Scaletta	Superintendent, General McLane School District
Carrie Crow	School Board President, General McLane School District
Karl Dolak	Business Manager, Harbor Creek School District

October 7, 2019	<b>Manheim Township SD District Office</b>
<b>Presenters</b>	<b>Position/Affiliation</b>
Dr. Jill Hackman	Executive Director, Berks County IU #14
Mrs. Sherry Zubeck	Lancaster-Lebanon IU13 Director of Early Childhood and Special Education Services
Mrs. Michelle Reichard-Huff	Berks County IU14 Director of Early Childhood and Student Services
Dr. Theresa Kreider	Penn Manor School District Director of Student Support Services
Kathleen Reeves, MD	FAAP, Senior Associate Dean Health Equity, Diversity and Inclusion, Director Center for Bioethics, Urban Health and Policy, Professor of Pediatrics Lewis Katz School of Medicine at Temple University
Alice Yoder	Director Community Health at Lancaster General Hospital
Chris Echterling, MD	Medical Director for Vulnerable Populations, WellSpan Health
Mrs. Donna Roberts	Chief Operating Officer, Manheim Township School District

Mrs. Joni Lefever	Director of Pupil Services, Manheim Township School District
Dr. Robin Felty	Superintendent, Manheim Township School District
Aaron Chapin	Vice President, PSEA
Matt Przywara	Chief Financial and Operations Officer, Lancaster School District
Edith Gallagher	Board President, Lancaster School District
Dr. Mike Leichter	Superintendent, Penn Manor School District
Joe Fullerton	Board Member and Principal, Penn Manor School District
Dr. Kali Fedor	PAGE President
Dr. Matthew Zakreski	PAGE Board member

October 8, 2019	<b>Southern Lehigh SD High School</b>
<b>Presenters</b>	<b>Position/Affiliation</b>
Dr. Elaine Eib	Executive Director, Carbon Lehigh Intermediate Unit 21
Dr. Christopher Wolfel	Executive Director, Colonial Intermediate Unit 20
Dr. Mark Scott	Assistant Director of Special Programs and Services, Carbon Lehigh Intermediate Unit 21
Mr. James McDonald	Director of Behavioral Health Services, Colonial Intermediate Unit 20
Dr. Ron Prator	Supervisor of Behavioral Health Services, Colonial Intermediate Unit 20
Rick Amato	Principal, Broughal Middle School, Bethlehem School District
Kathleen Evison	Superintendent, Southern Lehigh School District
Emily Gehman	President, Southern Lehigh School Board
Richard Sniscak	Superintendent Parkland School District
Thomas Parker	Superintendent, Allentown School District
Katie Yost	Director of Government and Chapter Relations, The Arc of PA
Virginia Biancamano	Parent
David Lapp	Research for Action
Reynelle Brown Staley	Policy Director, Education Law Center

## **APPENDIX 2 - INDEPENDENT FISCAL OFFICE SURVEY**





# Special Education Funding Formula Survey

Independent Fiscal Office | December 2021

## Survey Background and Results

In Fall 2019, the Special Education Funding Commission requested that the Independent Fiscal Office (IFO) perform a survey of school districts to update the weights used in the special education funding formula. The new survey would update a previous analysis by the IFO that also used a survey to solicit data on special education costs for school year (SY) 2011-12. For the update, the IFO sent surveys to 142 school districts that requested greater detail on school district costs to provide special education services. Of the 142 school districts that received the survey, 71 (50.0%) provided usable responses (see table). Districts that submitted usable responses represented nearly one fifth (19.1%) of all special education students in the state, ranging from 16.2% for rural districts to 30.6% for urban districts.

**Survey Response Rates**

	Number School Districts				Number Special Education Students		
	Statewide	Surveyed	Responses	Share	Statewide	Responses	Share
Rural	241	57	28	49.1%	72,459	11,709	16.2%
Suburban	239	73	35	47.9%	143,016	23,834	16.7%
Urban	<u>20</u>	<u>12</u>	<u>8</u>	<u>66.7%</u>	<u>49,682</u>	<u>15,185</u>	<u>30.6%</u>
<b>Total</b>	<b>500</b>	<b>142</b>	<b>71</b>	<b>50.0%</b>	<b>265,157</b>	<b>50,728</b>	<b>19.1%</b>

Note: Responses represent usable responses after application of the calibration process described by this report.

To ensure that usable survey responses were representative of all school districts and consistent with reports filed with the Pennsylvania Department of Education (PDE), the IFO compared usable survey responses to cost data reported under Act 16. Overall, the distributions were similar across the four Act 16 cost categories and type of school district (i.e., rural, suburban and urban). For SY 2017-18, the Act 16 data show that 89.2% of students were classified as Category 1 (costs below \$25,627 per student). For the survey, usable responses reported that 89.6% of students were Category 1 (see table). The distributions were also generally similar across school types. Based on this comparison, the IFO moved forward with the analysis and used the data provided by school districts to construct detailed cost distributions for special education students to update the weights used in the special education funding formula.

**Survey Response Data vs Act 16 Data**

Act 16 Category	Lower	Upper	Act 16 Report		Survey Data	
			Students	Share	Students	Share
Category 1	\$0	\$25,627	259,560	89.2%	45,440	89.6%
Category 2	\$25,628	\$51,256	22,319	7.7%	3,850	7.6%
Category 3	\$51,257	\$76,885	6,314	2.2%	976	1.9%
Category 4	\$76,886	No Limit	<u>2,793</u>	<u>1.0%</u>	<u>462</u>	<u>0.9%</u>
<b>Total</b>			<b>290,986</b>	<b>100.0%</b>	<b>50,728</b>	<b>100.0%</b>

Note: Act 16 student count includes charter schools.

The IFO also compared Act 16 data for SY 2011-12 and SY 2017-18. The comparison reveals significant growth in the number of special education students (22,717, 8.5%), and very strong growth in the number of Category 3 and 4 students (see table). These data show that the overall cost distribution has shifted to the right, as a greater share of special education students reside in higher cost categories. (Note: the categories are adjusted for inflation each year so the shift to higher cost categories represents real costs.) The bottom of the table shows detail based on geographic category for school districts only (excludes charter schools). The data show that somewhat more than half (55%) of the increase in special education students was reported by school districts, as opposed to charter schools. All of the increase was reported by rural and suburban schools. Urban school districts reported a reduction.

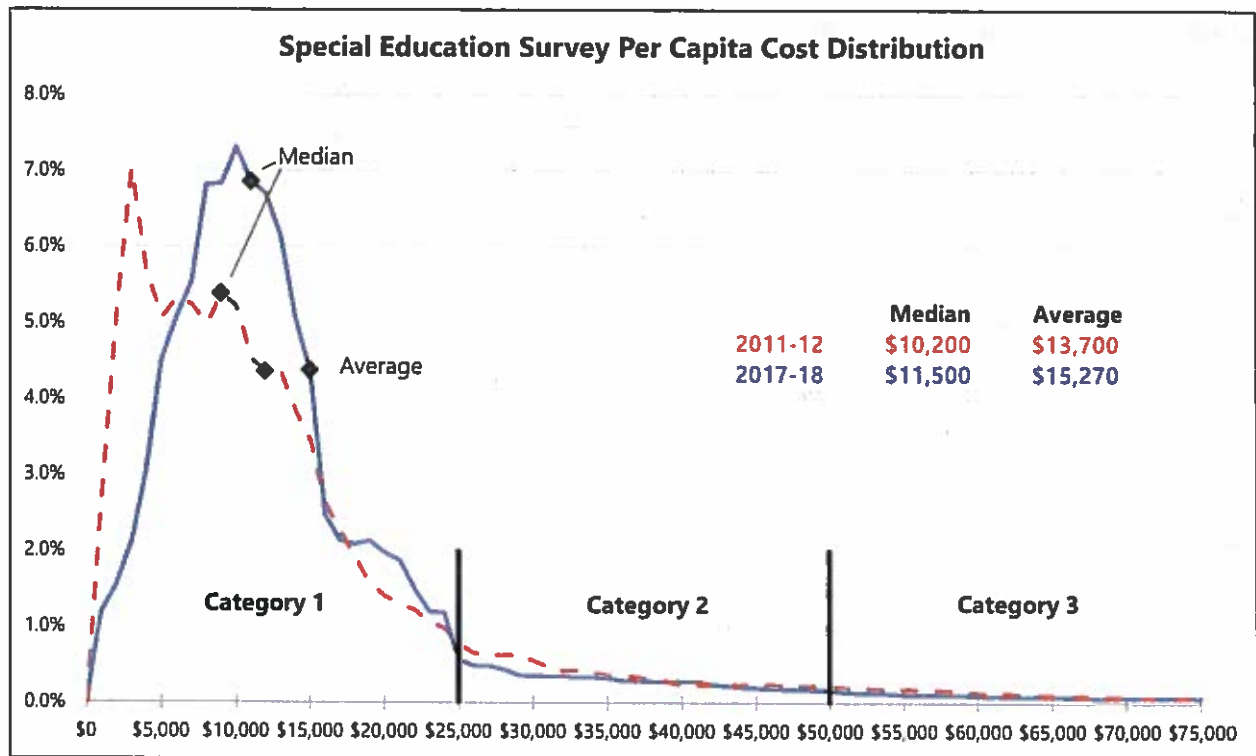
Special Education Students: SY 2011-12 vs SY 2017-18						
Act 16 Category	2011-12		2017-18		Change	
	Students	Share	Students	Share	Number	Growth
Category 1	247,693	92.3%	259,560	89.2%	11,867	4.8%
Category 2	16,257	6.1%	22,319	7.7%	6,062	37.3%
Category 3	3,085	1.2%	6,314	2.2%	3,229	104.7%
Category 4	<u>1,234</u>	<u>0.5%</u>	<u>2,793</u>	<u>1.0%</u>	<u>1,559</u>	<u>126.4%</u>
<b>Total (includes charters)</b>	<b>268,269</b>	<b>100.0%</b>	<b>290,986</b>	<b>100.0%</b>	<b>22,717</b>	<b>8.5%</b>

Geographic Distribution	2011-12		2017-18		Change	
	Students	Share	Students	Share	Number	Growth
Rural School Districts	66,514	26.3%	72,459	27.3%	5,945	8.9%
Suburban School Districts	130,544	51.7%	143,016	53.9%	12,472	9.6%
Urban School Districts	<u>55,522</u>	<u>22.0%</u>	<u>49,682</u>	<u>18.7%</u>	<u>-5,840</u>	<u>-10.5%</u>
<b>Total (excludes charters)</b>	<b>252,580</b>	<b>100.0%</b>	<b>265,157</b>	<b>100.0%</b>	<b>12,577</b>	<b>5.0%</b>

Note: December 1, 2017 counts of special education students for school districts and charter schools.  
Source: Special Education and Total Enrollment by LEA 2008-2018. <https://penndata.hbg.psu.edu/Additional-Reports>.

Similar to Act 16 data, survey responses also reveal a rightward shift of the statewide cost distribution for special education students. Using survey responses for SY 2011-12, the median cost for a special education student was \$10,200 and the average cost was \$13,700 (orange line, see graph). For SY 2017-18, the respective figures are \$11,500 and \$15,270 (blue line). Both surveys reveal a notable peak in the distribution for Category 1 students, followed by a rapid decline and tail that asymptotically approaches zero for higher cost students. For higher cost categories, the rightward shift of the cost distribution is less noticeable due to the relatively low percentages that are displayed for each level of per capita cost (rounded to the nearest thousand).



## Methodology

### Survey Instrument

The survey was administered in excel and requested additional detail on the cost to provide services to special education students relative to data provided to PDE under Act 16. Respondents were provided with the Act 16 data as reported in the 2017-18 Statistical Summary, which was the most detailed public data available at the time of the survey, and were asked to further subdivide students in the 4 cost categories into 15 cost ranges or "buckets." School districts also had the opportunity to adjust their Act 16 student counts if they had more recent data for the number of special education students served during SY 2017-18. A copy of the survey can be found at the end of this report.

### Survey Process

The IFO worked with the Pennsylvania Association of School Business Officials (PASBO) and identified 142 school districts to receive the survey. PDE emailed surveys to the 142 school districts on October 1, 2019 with a request for response by October 11, 2019. After receiving initial responses, IFO staff responded to questions and reached out to respondents through email and phone calls to clarify or correct any inconsistencies in the data submitted. As part of the survey process, surveys were loaded into an expenditure verification template to compare the total special education spending implied by the responses to reported actual spending on special education from the 2017-18 Annual Financial Report (AFR). If the difference exceeded +/- 10%, then the IFO reached back out to respondents for additional clarification (next subsection). The IFO sent two follow-up reminders and closed the survey on November 7, 2019 after receiving 99 responses.

## **Data Verification and Calibration Process**

### **Comparison of Survey Responses to 2017-18 Special Education Expenditures**

Survey responses were compared to the district's reported total special education expenditures from the 2017-18 AFR. Those expenditures include program costs related to special education programs (account code 1200) and exclude costs related to programming for gifted students (account code 1243), early intervention costs (account code 1280) and charter school tuition payments (object code 562) which are not reportable expenses according to Act 16 guidelines. The data were further adjusted to include special education expenses reported by districts for Act 1 exclusions.<sup>1</sup>

Responses were separated into urban, rural or suburban categories as determined by a location identifier from the National Center for Education Statistics. Outliers in each group were identified by reviewing the level and ratio of average expenditures per regular education student to average expenditures per special education student. Four school districts (two suburban and two rural) were identified as outliers and removed from the analysis. A list of school districts included and excluded from the analysis can be found at the end of this report.

### **Calibration of Survey Responses**

Responses not excluded were checked for reasonableness by multiplying the midpoint of the cost range for each bucket by the number of students reported in the cost range. Those amounts were summed to derive implied total spending. Schools that were within +/- 10% of reported actual total expenditures from the 2017-18 AFR were not adjusted further. Schools with implied total spending outside of the +/- 10% range of actual expenditures were contacted to confirm their survey response, and whether the respondent would like to adjust their data submission to more closely align with the official AFR total spending amount. For that purpose, the IFO resent the original completed survey and included a computation at the bottom that displayed the discrepancy between total spending implied by the survey data and actual amounts on the AFR. Respondents were then requested to recheck their data and adjust if appropriate to minimize the discrepancy.

Adjusted or unadjusted responses were not used if implied total special education expenditures reported in the survey differed by more than +/- 30% from actual spending on special education programs in SY 2017-18. This criterion removed 28 responses from the analysis.

For remaining survey responses, students in the 15 cost buckets were further distributed into \$1,000 increments within each bucket assuming a uniform distribution. Responses with implied total spending in excess of +/- 10% of actual expenditures were calibrated to more accurately reflect total spending reported by school districts in the AFR. For respondents that appeared to overreport (underreport) total costs by more than 10%, the reported distribution of students for most districts was shifted down (up) or to the left (right) by \$1,000 to \$2,000 so that the discrepancy was generally reduced to 5% or less. This calibration process ensured that each districts' survey response was generally consistent with their published AFR expenditures on special education programs in SY 2017-18. To the extent possible, the calibration maintained the original cost distribution submitted by school districts.

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<sup>1</sup> These general costs related to transportation, guidance services, psychological services, social work, instruction and curriculum development, legal services, medical and nursing services that are attributed to special education needs in the SESS schedule as part of each district's Annual Financial Report.

Finally, rural, suburban and urban school districts were grouped together and pro-rated to statewide totals for each group based on the share of students sampled for the group. For example, if rural school district respondents represented 30% of all rural special education students, then the distribution was grossed up by 70% to replicate statewide totals. The three groups were then combined into a statewide distribution.

#### Contingency Fund Data

The analysis includes any contingency funds requested by school districts. The Special Education Contingency Fund compensates school districts for extraordinary expenses incurred from serving special education students with significant disabilities. To be eligible for contingency funds, a district's qualifying expenses for the student must exceed \$75,000. Contingency Fund data was also used to inform the cost curve for students reported in the \$125,000+ cost bucket as this was the highest cost category included in the survey.

#### Weight Computation

The weight computation uses the same methodology employed in the 2013 analysis for the Special Education Funding Formula Commission. The computation uses the detailed cost distribution developed based on the survey data and multiplies the midpoint of each cost category (\$1,000 increments) by the number of statewide special education students in that cost category. Those amounts were summed across the four cost categories used by Act 16. The total cost for students in Category 1 was then divided by the total students in Category 1 to derive an average cost per special education student. That average cost was compared to the average cost for a regular education student to determine the Category 1 weight. Average costs were also computed for Category 2 and Category 3/4. The weights for Category 2 and Category 3/4 are based on average costs relative to Category 1. See the Appendix for additional detail on the statewide cost distribution and weight computations.

## Appendix

### Survey Instrument

#### Special Education Funding Formula Commission Act 16 Survey

Please use this spreadsheet to complete your response. Only the blue cells require data entry. Please complete and return this excel workbook no later than October 11, 2019 to: [SpecialEdFundForm@pnw.gov](mailto:SpecialEdFundForm@pnw.gov)

Please select School District name from dropdown box:

Arlington SD

#### PART I

For school year 2017-18, Act 16 data have been populated in column (a). If these data are correct, please skip to Part II. If these data are incorrect, please use column (b) to enter a positive or negative value that when added to column (a) makes column (c) correct for 2017-18. Column (c) data are used in Part II.

	Column (a) Act 16 Data for 2017-18	Column (b) Adjustment to Correct Data (Only Use if Necessary)	Column (c) Data Used in Part II
Total Special Education Students	1,222	-	1,222
Total Students Reported as Category 1 <sup>1</sup>	1,055		1,055
Total Students Reported as Category 2	109		109
Total Students Reported as Category 3	37		37
Total Students Reported as Category 4	21		21

<sup>1</sup>Total students in Category 1 is calculated by the school district's total number of special education students in 2017-18 less the number of students listed in Categories 2-4 for Act 16 reporting requirements.

#### PART II

For school year 2017-18, Act 16 data from Part I have been populated in the orange cells. Please use the blue cells to subdivide the number of students in each Act 16 category into a cost range. The total of the students in each cost range should equal the number of students in the corresponding Act 16 category. The "Total Check" at the bottom will turn green if all special education students listed in Part I column (c) have been accounted for in the category detail. If not, this cell will remain red and the category detail needs to be revisited.

Student Category	Cost Range	Number Students in 2017-18
Total Number of Special Education Students		1,222
Total Students Reported as Category 1		1,055
Category 1 Detail	\$1 - \$4,000	
	\$4,001 - \$8,000	
	\$8,001 - \$12,000	
	\$12,001 - \$16,000	
	\$16,001 - \$20,000	
	\$20,001 - \$25,627	
Total Students Reported as Category 2		109
Category 2 Detail	\$25,628 - \$34,500	
	\$34,501 - \$42,500	
	\$42,501 - \$51,256	
Total Students Reported as Category 3		37
Category 3 Detail	\$51,257 - \$60,000	
	\$60,001 - \$68,500	
	\$68,501 - \$76,885	
Total Students Reported as Category 4		21
Category 4 Detail	\$76,886 - \$100,000	
	\$100,001 - \$125,000	
	\$125,001 or more	
Total Check		



## School Districts Surveyed, Responding and Included in Analysis

School Districts in Special Education Survey				
LEA Name	County	Completed Survey	SD was Sent a Follow-up Question	SD Data Used in Final Analysis
Abington Heights SD	Lackawanna			
Altoona Area SD	Blair	Yes	Yes	Yes
Ambridge Area SD	Beaver			
Antietam SD	Berks			
Apollo-Ridge SD	Armstrong	Yes	Yes	
Austin Area SD	Potter	Yes		
Avon Grove SD	Chester			
Baldwin-Whitehall SD	Allegheny	Yes		Yes
Bensalem Township SD	Bucks	Yes		Yes
Bentworth SD	Washington	Yes	Yes	
Bethlehem Area SD	Northampton	Yes	Yes	Yes
Big Spring SD	Cumberland	Yes	Yes	Yes
Blacklick Valley SD	Cambria			
Bloomsburg Area SD	Columbia			
Boyertown Area SD	Berks			
Bristol Borough SD	Bucks	Yes	Yes	Yes
Brockway Area SD	Jefferson	Yes		Yes
Brookville Area SD	Jefferson			
Cameron County SD	Cameron	Yes		Yes
Camp Hill SD	Cumberland	Yes		
Canon-McMillan SD	Washington	Yes	Yes	Yes
Carlisle Area SD	Cumberland	*	Yes	
Carlynton SD	Allegheny	Yes		Yes
Central York SD	York	Yes	Yes	
Chambersburg Area SD	Franklin	Yes		Yes
Clarion Area SD	Clarion	Yes	Yes	
Coatesville Area SD	Chester	Yes	Yes	
Colonial SD	Montgomery	Yes		Yes
Conestoga Valley SD	Lancaster	Yes		Yes
Cornwall-Lebanon SD	Lebanon	Yes		Yes
Council Rock SD	Bucks	Yes	Yes	*
Crestwood SD	Luzerne			
Cumberland Valley SD	Cumberland			
Deer Lakes SD	Allegheny	Yes	Yes	Yes
Derry Area SD	Westmoreland	Yes	Yes	Yes

<b>Derry Township SD</b>	Dauphin	Yes		Yes
<b>Dover Area SD</b>	York	Yes	Yes	Yes
<b>Downingtown Area SD</b>	Chester	Yes	Yes	Yes
<b>East Penn SD</b>	Lehigh			
<b>East Stroudsburg Area SD</b>	Monroe			
<b>Elizabeth Forward SD</b>	Allegheny	Yes	Yes	Yes
<b>Elizabethtown Area SD</b>	Lancaster			
<b>Erie City SD</b>	Erie	Yes		Yes
<b>Exeter Township SD</b>	Berks	Yes	Yes	*
<b>Farrell Area SD</b>	Mercer			
<b>Fleetwood Area SD</b>	Berks	Yes	Yes	Yes
<b>Forest Area SD</b>	Forest	Yes	Yes	Yes
<b>Forest City Regional SD</b>	Susquehanna			
<b>Freeport Area SD</b>	Armstrong	Yes		Yes
<b>Gettysburg Area SD</b>	Adams			
<b>Governor Mifflin SD</b>	Berks	Yes	Yes	Yes
<b>Great Valley SD</b>	Chester			
<b>Greater Johnstown SD</b>	Cambria			
<b>Halifax Area SD</b>	Dauphin	Yes		Yes
<b>Hempfield SD</b>	Lancaster	Yes	Yes	Yes
<b>Indiana Area SD</b>	Indiana			
<b>Iroquois SD</b>	Erie	Yes	Yes	Yes
<b>Jeannette City SD</b>	Westmoreland	Yes	Yes	
<b>Jefferson-Morgan SD</b>	Greene	Yes	Yes	Yes
<b>Karns City Area SD</b>	Butler	Yes	Yes	Yes
<b>Kennett Consolidated SD</b>	Chester			
<b>Keystone Central SD</b>	Clinton			
<b>Kutztown Area SD</b>	Berks			
<b>Lackawanna Trail SD</b>	Wyoming	Yes		Yes
<b>Lancaster SD</b>	Lancaster	Yes	Yes	Yes
<b>Lebanon SD</b>	Lebanon	Yes	Yes	
<b>Lewisburg Area SD</b>	Union	Yes	Yes	Yes
<b>Ligonier Valley SD</b>	Westmoreland	Yes	Yes	Yes
<b>Littlestown Area SD</b>	Adams			
<b>Mahanoy Area SD</b>	Schuylkill	Yes	Yes	Yes
<b>Manheim Township SD</b>	Lancaster	Yes	Yes	
<b>Mechanicsburg Area SD</b>	Cumberland	Yes	Yes	
<b>Mercer Area SD</b>	Mercer	Yes	Yes	Yes
<b>Middletown Area SD</b>	Dauphin			
<b>Midd-West SD</b>	Snyder	Yes		Yes
<b>Mifflinburg Area SD</b>	Union	Yes	Yes	Yes

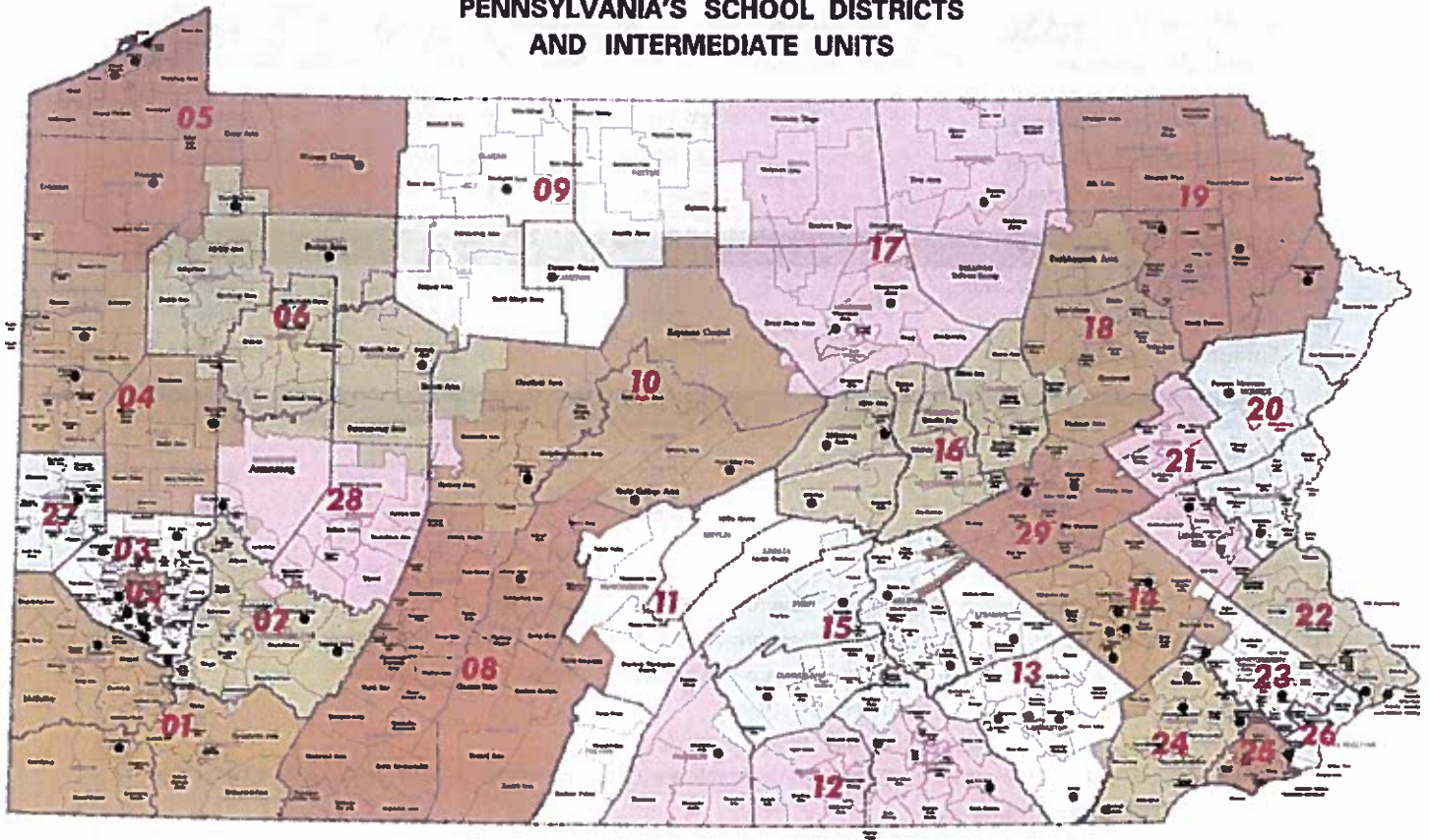


<b>Millcreek Township SD</b>	Erie	Yes	Yes	Yes
<b>Montoursville Area SD</b>	Lycoming	Yes	Yes	Yes
<b>Moshannon Valley SD</b>	Clearfield	Yes		Yes
<b>Mt Lebanon SD</b>	Allegheny	Yes	Yes	Yes
<b>Muhlenberg SD</b>	Berks	Yes		Yes
<b>New Hope-Solebury SD</b>	Bucks	Yes	Yes	
<b>Norristown Area SD</b>	Montgomery	Yes	Yes	
<b>North Penn SD</b>	Montgomery			
<b>North Schuylkill SD</b>	Schuylkill	Yes	Yes	Yes
<b>Northern Lehigh SD</b>	Lehigh	Yes		Yes
<b>Owen J Roberts SD</b>	Chester	Yes	Yes	Yes
<b>Oxford Area SD</b>	Chester	Yes	Yes	Yes
<b>Palisades SD</b>	Bucks	Yes	Yes	
<b>Penn Manor SD</b>	Lancaster			
<b>Penncrest SD</b>	Crawford	Yes	Yes	Yes
<b>Penn-Delco SD</b>	Delaware			
<b>Pennridge SD</b>	Bucks			
<b>Penns Valley Area SD</b>	Centre	Yes		Yes
<b>Pennsbury SD</b>	Bucks			
<b>Pocono Mountain SD</b>	Monroe	Yes	Yes	Yes
<b>Pottsgrove SD</b>	Montgomery	Yes	Yes	Yes
<b>Pottstown SD</b>	Montgomery	*	Yes	
<b>Punxsutawney Area SD</b>	Jefferson	Yes	Yes	
<b>Quaker Valley SD</b>	Allegheny	Yes	Yes	Yes
<b>Reading SD</b>	Berks	Yes	Yes	Yes
<b>Red Lion Area SD</b>	York	Yes	Yes	Yes
<b>Riverside SD</b>	Lackawanna	*	Yes	
<b>Rochester Area SD</b>	Beaver	Yes	Yes	Yes
<b>Salisbury Township SD</b>	Lehigh	Yes		Yes
<b>Shaler Area SD</b>	Allegheny			
<b>Shanksville-Stonycreek SD</b>	Somerset	Yes		
<b>Shenango Area SD</b>	Lawrence	Yes	Yes	
<b>Shikellamy SD</b>	Northumberland	Yes	Yes	
<b>Shippensburg Area SD</b>	Cumberland			
<b>Smethport Area SD</b>	McKean	Yes		Yes
<b>Solanco SD</b>	Lancaster	Yes	Yes	Yes
<b>Souderton Area SD</b>	Montgomery			
<b>South Middleton SD</b>	Cumberland	Yes	Yes	
<b>South Park SD</b>	Allegheny	Yes	Yes	Yes
<b>South Western SD</b>	York			
<b>Southern Tioga SD</b>	Tioga			

<b>Spring Grove Area SD</b>	York	Yes		
<b>State College Area SD</b>	Centre	Yes	Yes	Yes
<b>Susquenita SD</b>	Perry	Yes	Yes	Yes
<b>Titusville Area SD</b>	Venango	Yes		Yes
<b>Towanda Area SD</b>	Bradford	Yes	Yes	Yes
<b>Tredyffrin-Easttown SD</b>	Chester	Yes	Yes	Yes
<b>Tyrone Area SD</b>	Blair	Yes	Yes	
<b>Union City Area SD</b>	Erie	Yes	Yes	
<b>Unionville-Chadds Ford SD</b>	Chester	Yes	Yes	
<b>Upper Darby SD</b>	Delaware			
<b>Upper Merion Area SD</b>	Montgomery	Yes	Yes	
<b>Upper Saint Clair SD</b>	Allegheny	Yes	Yes	
<b>Wallenpaupack Area SD</b>	Pike	Yes	Yes	Yes
<b>Warren County SD</b>	Warren	Yes	Yes	Yes
<b>Waynesboro Area SD</b>	Franklin	Yes	Yes	
<b>Wellsboro Area SD</b>	Tioga			
<b>West Branch Area SD</b>	Clearfield			
<b>West Shore SD</b>	York			
<b>Western Beaver County SD</b>	Beaver			
<b>Western Wayne SD</b>	Wayne	Yes	Yes	Yes
<b>William Penn SD</b>	Delaware	Yes		Yes
<b>Williamsport Area SD</b>	Lycoming	Yes	Yes	Yes
<b>Wilmington Area SD</b>	Lawrence	Yes	Yes	Yes
<b>Wilson SD</b>	Berks			
<b>Wyomissing Area SD</b>	Berks	Yes		Yes
* School district did not complete entire survey or had concerns with data.				

## Map of School Districts

### PENNSYLVANIA'S SCHOOL DISTRICTS AND INTERMEDIATE UNITS



Note: Black dots represent school districts used in the analysis

## Updated Special Education Weight Computation

Updated Special Education Weight Computation			
Average Cost Levels	Data for 2011-12	Data for 2017-18	Percent Change
Regular Education Average	\$6,099	\$7,140	17.1%
Act 16 Category 1 Average	\$9,210	\$11,677	26.8%
Act 16 Category 2 Average	\$34,678	\$35,920	3.6%
Act 16 Category 3 Average	\$68,689	\$74,031	7.8%
Ratio of Average Costs			
Category 1 / Regular Education	1.51	1.64	8.3%
Category 2 / Category 1	3.77	3.08	-18.3%
Category 3 / Category 1	7.46	6.34	-15.0%
Formula Weight Computations			
Category 1	0.51	0.64	24.6%
Category 2	1.92	1.95	1.8%
Category 3	3.80	4.03	5.9%
Notes:			
Category 1 weight equal to average cost ratio of Category 1 / Regular Education less 1.			
Category 2 weight equal to average cost ratio of Category 2 / Category 1 times Category 1 weight.			
Category 3 weight equal to average cost ratio of Category 3 / Category 1 times Category 1 weight.			
Category 3 includes both Category 3 and 4 from Act 16.			
The ratio of the weights is the same as the ratio of the average costs.			
For example, for 2017-18 the ratio of the Category 2 weight to the Category 1 weight is $1.95 / 0.64 = 3.08$ , which is the same as the ratio of the average costs.			



## Detail for Statewide Cost Distribution

Detail for Statewide Cost Distribution							
Lower Bound	Upper Bound	Total School Districts		Lower Bound	Upper Bound	Total School Districts	
		Share	Cumulative			Share	Cumulative
0	1,000	0.00%	0.0%	63,000	64,000	0.07%	98.3%
1,000	2,000	1.19%	1.2%	64,000	65,000	0.07%	98.4%
2,000	3,000	1.53%	2.7%	65,000	66,000	0.07%	98.4%
3,000	4,000	2.09%	4.8%	66,000	67,000	0.07%	98.5%
4,000	5,000	3.03%	7.8%	67,000	68,000	0.07%	98.6%
5,000	6,000	4.50%	12.3%	68,000	69,000	0.05%	98.6%
6,000	7,000	5.06%	17.4%	69,000	70,000	0.06%	98.7%
7,000	8,000	5.52%	22.9%	70,000	71,000	0.06%	98.8%
8,000	9,000	6.81%	29.7%	71,000	72,000	0.06%	98.8%
9,000	10,000	6.83%	36.6%	72,000	73,000	0.06%	98.9%
10,000	11,000	7.31%	43.9%	73,000	74,000	0.06%	98.9%
11,000	12,000	6.85%	50.7%	74,000	75,000	0.06%	99.0%
12,000	13,000	6.70%	57.4%	75,000	76,000	0.05%	99.0%
13,000	14,000	6.15%	63.6%	76,000	77,000	0.05%	99.1%
14,000	15,000	5.05%	68.6%	77,000	78,000	0.04%	99.1%
15,000	16,000	4.37%	73.0%	78,000	79,000	0.03%	99.1%
16,000	17,000	2.46%	75.5%	79,000	80,000	0.03%	99.2%
17,000	18,000	2.13%	77.6%	80,000	81,000	0.03%	99.2%
18,000	19,000	2.08%	79.7%	81,000	82,000	0.02%	99.2%
19,000	20,000	2.12%	81.8%	82,000	83,000	0.02%	99.2%
20,000	21,000	1.97%	83.8%	83,000	84,000	0.02%	99.3%
21,000	22,000	1.86%	85.6%	84,000	85,000	0.02%	99.3%
22,000	23,000	1.49%	87.1%	85,000	86,000	0.02%	99.3%
23,000	24,000	1.19%	88.3%	86,000	87,000	0.02%	99.3%
24,000	25,000	1.17%	89.5%	87,000	88,000	0.02%	99.4%
25,000	26,000	0.55%	90.0%	88,000	89,000	0.02%	99.4%
26,000	27,000	0.48%	90.5%	89,000	90,000	0.02%	99.4%
27,000	28,000	0.47%	91.0%	90,000	91,000	0.02%	99.4%
28,000	29,000	0.43%	91.4%	91,000	92,000	0.02%	99.5%
29,000	30,000	0.35%	91.8%	92,000	93,000	0.02%	99.5%
30,000	31,000	0.34%	92.1%	93,000	94,000	0.02%	99.5%
31,000	32,000	0.34%	92.4%	94,000	95,000	0.02%	99.5%
32,000	33,000	0.34%	92.8%	95,000	96,000	0.02%	99.6%
33,000	34,000	0.32%	93.1%	96,000	97,000	0.02%	99.6%
34,000	35,000	0.32%	93.4%	97,000	98,000	0.02%	99.6%
35,000	36,000	0.32%	93.7%	98,000	99,000	0.02%	99.6%
36,000	37,000	0.28%	94.0%	99,000	100,000	0.02%	99.7%
37,000	38,000	0.28%	94.3%	100,000	101,000	0.02%	99.7%
38,000	39,000	0.27%	94.6%	101,000	102,000	0.02%	99.7%
39,000	40,000	0.27%	94.8%	102,000	103,000	0.01%	99.7%
40,000	41,000	0.27%	95.1%	103,000	104,000	0.01%	99.7%
41,000	42,000	0.27%	95.4%	104,000	105,000	0.01%	99.7%
42,000	43,000	0.23%	95.6%	105,000	106,000	0.01%	99.7%
43,000	44,000	0.21%	95.8%	106,000	107,000	0.01%	99.7%
44,000	45,000	0.19%	96.0%	107,000	108,000	0.01%	99.7%
45,000	46,000	0.18%	96.2%	108,000	109,000	0.01%	99.8%
46,000	47,000	0.17%	96.4%	109,000	110,000	0.01%	99.8%
47,000	48,000	0.17%	96.5%	110,000	111,000	0.01%	99.8%
48,000	49,000	0.17%	96.7%	111,000	112,000	0.01%	99.8%
49,000	50,000	0.16%	96.9%	112,000	113,000	0.01%	99.8%
50,000	51,000	0.15%	97.0%	113,000	114,000	0.01%	99.8%
51,000	52,000	0.13%	97.1%	114,000	115,000	0.01%	99.8%
52,000	53,000	0.12%	97.3%	115,000	116,000	0.01%	99.8%
53,000	54,000	0.12%	97.4%	116,000	117,000	0.01%	99.8%
54,000	55,000	0.11%	97.5%	117,000	118,000	0.01%	99.8%
55,000	56,000	0.10%	97.6%	118,000	119,000	0.01%	99.8%
56,000	57,000	0.10%	97.7%	119,000	120,000	0.01%	99.9%
57,000	58,000	0.10%	97.8%	120,000	121,000	0.01%	99.9%
58,000	59,000	0.10%	97.9%	121,000	122,000	0.01%	99.9%
59,000	60,000	0.10%	98.0%	122,000	123,000	0.01%	99.9%
60,000	61,000	0.09%	98.1%	123,000	124,000	0.01%	99.9%
61,000	62,000	0.08%	98.1%	124,000	125,000	0.01%	99.9%
62,000	63,000	0.08%	98.2%	125,000	or more	0.10%	100.0%

