

DELAWARE COUNTY INTERMEDIATE UNIT

SERVING THE SCHOOLS OF DELAWARE COUNTY

**Education Service Center
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Lawrence J. O'Shea, Ph.D.
Executive Director

June 10, 2014

The Honorable Dominic F. Pileggi
Pennsylvania State Senate
100 Evergreen Drive, Suite 113
Glen Mills, PA 19342

Dear Senator Pileggi:

We are writing on behalf of the Delaware County Intermediate Unit (DCIU) and our fifteen public school districts to ask for your support of **Senate Bill 1316** (Sen. Browne, R-Lehigh) and **House Bill 2138** (Rep. O'Neill, R-Bucks), legislation that creates a fair special education funding system for school districts and charter schools. While there is much opposition from charter school proponents, these legislative proposals were well-vetted by the Special Education Funding Commission, based on input from stakeholders across the Commonwealth. These bills, if enacted, would finally scrap the state's assumption that 16 percent of students in each district require special education services in favor of a formula that weighs factors like student needs, poverty, and property tax levels. Importantly, the bills take a step toward better addressing the needs of each individual school district including those in Delaware County.

Special education funding for charter schools is currently based solely on school district expenditures with no relationship to true special education costs of students attending the charter school. **HB 2138** and **SB 1316** focus on actual charter school special education enrollment and the actual costs of providing a special education program to each eligible charter school student. While the legislation would reduce the special education tuition rate charter schools would receive for their very low-cost special education students, the proposals also would increase the amount charters receive for each special education student with high-cost special education needs. In fact, charter schools would receive anywhere from nearly \$48,000 to more than \$122,000 per special education student in the highest cost category—three times more than what charter schools receive for the same students under the current calculation.

According to an analysis of charter school annual financial reports, in 2012-13 charter schools received more than \$350 million from school districts in special education tuition payments, yet charter schools only spent approximately \$156 million on special education costs. In addition, the actual percentage of the total special education revenue charters receive from school districts that is spent on actual special education costs has been declining. In 2011-12 alone, Delaware County School Districts paid over \$14.7 million to Charter Schools for special education students attending those Charters.

Further, while the amount school districts have received in state special education funding has been stagnant for the past six years despite increasing special education costs, the total amount school districts sent to charter schools for special education tuition increased each year. School districts have faced cuts in state and federal funding, such as the elimination of the charter school reimbursement line item and reductions in the Accountability Block Grant, and have had their options to increase local taxpayer revenues greatly reduced by the elimination of many Act 1 exceptions. This equated to the loss of hundreds of millions of dollars for local school districts. Charter schools cannot be immune to this reality. Pursuant to Act 3 of 2013, the Special Education Funding Commission report clearly articulates the funding principles that should apply to both school districts and charter schools, and the legislative proposals implement the Commission's recommendations accurately.

Senate Bill 1316 and **House Bill 2138** are critical pieces of legislation that will provide necessary changes to special education funding equally benefiting ALL special education students, regardless of whether they attend a school district or charter school. With scarce resources, all special education funding must be delivered fairly and used carefully, for special education services. It is widely acknowledged that the current system of funding special education is broken and unfair. Special education students deserve better. The current system does not provide enough resources for the services children need and it fails to ensure that all special education dollars are spent on special education services. We doubt anyone can think of a reason why special education dollars should be spent on anything other than special education. **Senate Bill 1316** and **House Bill 2138** affirm that most eminently fair assumption. State special education funding should be distributed to both school systems and charter schools based on the level of services that students need. Allocating these specific taxpayer dollars differently to school districts and charter schools doesn't make sense. All of our public schools should receive funding distributed by the same allocation formula.

In the interests of Delaware County's school districts, resident taxpayers, and special education students, we urge you to please support this legislation.

Sincerely,

George Steinhoff, Ed.D.
Chair, Delaware County Chief School Administrators
Superintendent, Penn Delco School District

Lawrence J. O'Shea, Ph.D.
Executive Director, DCIU