New Report, ‘Fixing the Special Education Funding Gap,’ Highlights Stagnant State Aid for Special Education

State lawmakers have been failing in their responsibility to cover the rising costs of services for students with disabilities in Pennsylvania public schools, leaving a growing gap between expenses and state funding, according to a new report by the Education Law Center and PA Schools Work. The funding gap imposes a double burden on students from low-wealth districts, who attend schools that receive inadequate basic and special education funding.

The report, titled “Fixing the Special Education Funding Gap,” urges state lawmakers to reverse course and provide significant new state funding over the next five years.

Pennsylvania lags most of the nation in the state share of education funding – paying just 38% of total costs, according to US Census data. The new report reveals that the level of state support for students with disabilities is even lower, covering only 22% of total special education costs in 2020, a 10 percentage point decline from 2008-09. The decline in the state’s share amounts to a loss of $551 million annually for school districts, driving up property taxes and compounding the difficulty districts have in providing the resources students need to be prepared for college and career.

Special education services are jointly funded with local, state, and federal dollars. With state aid largely flat in the period since 2008, the contribution of local districts has more than doubled – from $1.8 billion to $3.7 billion. State funds covered only one out of every 14 dollars in increased expenditures over that time. On average, local districts had to cover 71% of total special education costs in 2019-20.

“The story of state support for special education in Pennsylvania is one of indifference,” said Sharon Ward, senior policy advisor for the Education Law Center. “Special education enrollment and costs have grown with little help from the state. Combined with the underfunding of basic education, this leaves students with disabilities in low-wealth districts with even fewer resources and drives up local taxes. The report reminds us that the quality and timeliness of services to students with disabilities should not be dictated by where students live or the school district they attend.”
The Pennsylvania school funding lawsuit, *William Penn School District et al. v. Pennsylvania Department of Education et al.*, highlighted the state’s adequacy gap, estimated by one study to be more than $4.6 billion and detailed the devastating results of decades of limited state funding on Pennsylvania children in low-wealth districts. Insufficient state funding to support students with disabilities compounds the impact in districts where students already face significant challenges due to overcrowded classrooms, outdated books, lack of support staff, antiquated buildings, and other resource gaps. The districts with the largest resource gaps serve the largest proportion of Pennsylvania’s Black and Brown students.

“The majority of special education funding comes from local taxpayers, so the fiscal status of the district and its local tax base directly impacts the quality and availability of supports for our students with disabilities,” says Jessica Capitani, a parent of a child with Down syndrome and the board president of The Arc of Pennsylvania. “Pennsylvania must increase its funding of education to ensure that all students with disabilities, regardless of where they live, are able to access the supports and services they are entitled to under the Individual with Disabilities Education Act.”

With special education costs statewide rising annually by $200 million or more each year, the report calls for a historic $200 million boost in state aid for special education in 2022-23 as a first step and similar annual increases over the next five years to raise the state share back to one-third. This would give districts a respite from the pressure of significant annual special education cost increases and give more students the supports they need and are entitled to.

“As families who are also advocates for our loved ones, we need all the tools for our children to holistically be successful and integrated individuals in society,” said Cecelia Thompson, a special education advocate who is a mayoral appointee of the Board of Education for the School District of Philadelphia and mother of an adult son living with autism. “A fully funded school formula will help achieve this effort.”

Accompanying the report is a spreadsheet with data for all Pennsylvania school districts, showing the changes in state and local share of special education costs since 2008. For example:

- In Allentown School District, special education expenditures more than doubled between 2008-09 and 2019-20, increasing by $32.3 million. State special education funding increased by only $2.8 million, and the state share dropped from 30% to 19%.

- In Central Dauphin School District, special education expenditures nearly doubled between 2008-09 and 2019-20, increasing by $17.1 million. State special education funding increased by only $753,000, and the state share dropped from 30% to 17%.

- In the School District of Philadelphia, special education expenses more than doubled between 2008-09 and 2019-20, increasing by $347 million. State special education funding increased by only $27 million, and the state share dropped from 42% to 24%.
• In Pittsburgh Public Schools, special education expenditures increased by $35.9 million between 2008-09 and 2019-20. State special education funding increased by only $2.1 million, and the state share dropped from 40% to 29%.

• In Wilkes-Barre Area School District, special education expenditures increased by 141% between 2008-09 and 2019-20, increasing by $13.6 million. State special education funding increased by only $1.1 million, and the state share dropped from 40% to 21%.

Read the executive summary here and the report here.

The Education Law Center-PA (ELC) is a nonprofit, legal advocacy organization with offices in Philadelphia and Pittsburgh, dedicated to ensuring that all children in Pennsylvania have access to a quality public education. Through legal representation, impact litigation, community engagement, and policy advocacy, ELC advances the rights of underserved children, including children living in poverty, children of color, children in the foster care and juvenile justice systems, children with disabilities, English learners, LGBTQ students, and children experiencing homelessness. Learn more: www.elc-pa.org

PA Schools Work is a coalition of organizations from across Pennsylvania representing teachers and other educators; urban, suburban, and rural communities; and parents and other community members working together to advocate for PA public schools, their students, and the communities they serve.