



a closer LOOK



The 2022-23 state budget: The need for greater investments for special education

The education of children with disabilities is one of the most important responsibilities of public education. School districts strive to give children an equal opportunity for a good education and under state and federal law cannot refuse services to a child with special needs. Special education, by its very nature, is costly. Children with physical or mental disabilities require specialized instruction and, often, a wide array of support services to enable them to further benefit from the standard educational program. These are costs that public schools typically do not bear for other children in a regular classroom setting. As these costs continue to swell and contribute to other growing state-mandated financial burdens, Pennsylvania's school districts are beginning to face a very real financial crisis. To aid public schools in providing special education, both state and federal budgets include appropriations intended to help pay for educating students with disabilities. However, state and federal financial support for special education has failed to keep up with the increased cost to public schools.



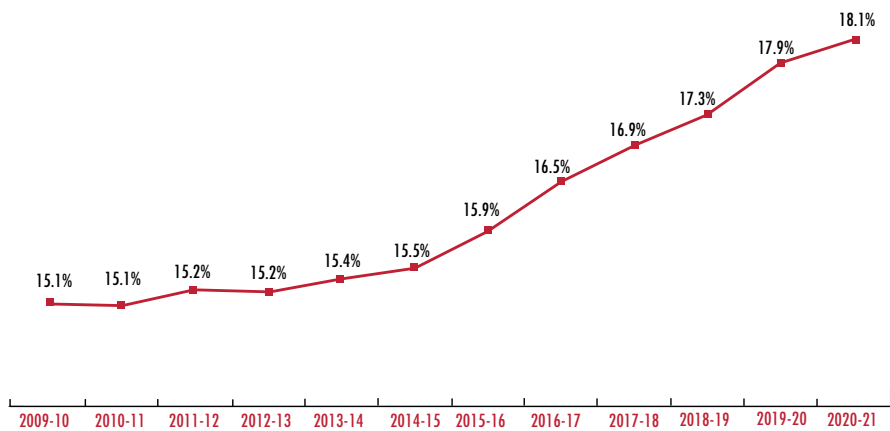
School districts are seeking an additional investment in the 2022-23 state budget of at least \$200 million to help keep pace with increases in mandated expenses for special education and reduce the reliance on local property tax revenues to pay these mandated costs.

Of all the cost drivers on school district budgets, special education is one of the hardest to control.

Public schools are required by federal law and state regulations to provide students with disabilities specialized programs, services and supports that allow them to receive an education. These programs, services and supports come with substantial additional expenses because they are individualized for each student. And because special education costs are mandated, school districts have very little, if any, control over those costs and how they increase year over year.

The percentage of students identified for special education has been steadily increasing. In 2020-21, more than 307,000, or 18.1% of public school students, received special education programs and services. This represents a 13.9% increase over the last 12 years while overall public school enrollments are down 4.7% in that same time. The required specialized programs and services for these growing numbers of students continue to put very real financial burdens on school district budgets.

Percentage of students in special education

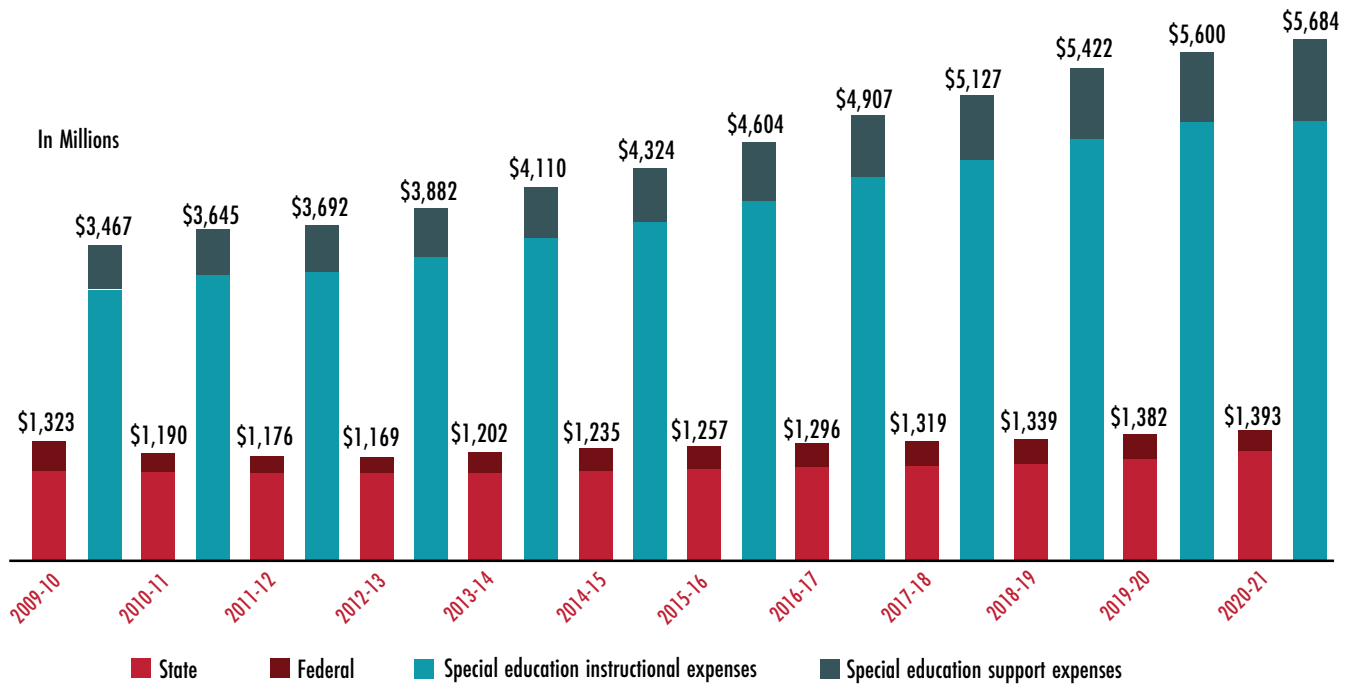


Increases in special education expenses outpace revenues. With the number of students requiring special education growing, so too have the expenses for public schools. Between the 2009-10 and 2020-21 school years, state and federal special education revenue increased 5.3% while mandated special education spending increased 63.9%.

The state and federal shares of special education expenses have been steadily decreasing because they have not kept up with the increases in expenditures. In 2009-10, state and federal revenue accounted for 38.2% of special education expenses but that percentage fell to 24.5% by 2020-21. Because state and federal special education funding has failed to keep pace with the growth in expenses, most school districts have been forced to pay a larger share of special education expenses entirely from increases in local funding sources, such as property taxes. With state and federal funding making up less than a quarter of what schools spend for special education in the most recent school year, the remaining 75%, or nearly \$4.3 billion, will have to come from other, primarily local, sources of revenue.



State and federal special education funding vs expenditures



Special education is a budget pressure. The lack of sufficient state and federal special education funding creates significant pressure on local school districts and their taxpayers. Pennsylvania’s public schools need help. To be clear, school districts are in no way suggesting or recommending that the requirements related to providing special education be eliminated. Because special education costs are mandated, school districts have very little, if any, control over those costs and how they increase year over year. Increasingly, school districts are experiencing the need to raise local taxes or redirect existing outlays to cover the growing cost of special education, due to insufficient state and federal special education funding.

Percent of special education funding by source

