

Executive Summary

Analysis of District 89's PAEC Departure Rationale

PAEC has conducted a detailed analysis of the departure rationale District 89 posted to its web site in support of its proposed withdrawal from PAEC. The analysis revealed the following:

1. District 89 will need to spend, at a minimum, \$200,820 more per year to run its own special education program than it spends with PAEC right now.
2. The District's calculations of \$1.2 million in savings are simply wrong. This is because:
 - District 89 underestimated its staff cost by at least \$293,470
 - District 89 underestimated its Aides cost by \$151,000 (in part by over estimating reimbursements by \$1,000 per person)
 - District 89 failed to account for additional supplies and materials that will cost at least \$150,000
 - District 89 failed to account for the additional supervisory staff needed. At least one additional administrator, at a cost of over \$100,000 will be needed.
 - District 89's projections include returning nearly 80 students to the district but include no additional costs for custodial and maintenance work, no additional costs for the lunch program, worker's compensation and liability insurance or the cost of retrofitting restrooms to accommodate special needed students.
 - District 89's miscalculated its transportation reimbursement, claiming that it will recover 100% of the additional transportation costs from the State. That's simply wrong. The State reimburses at the 80% level, and the last few years, the State has prorated that reimbursement at a lower level. This miscalculation alone is a \$299,573 error.
 - District 89 also failed to report that it has received an average return from PAEC of \$453,518 per year.
3. There are opportunities for District 89 to save money and remain in PAEC.
4. Because of the negative consequences to the educational programs of all of the students served by PAEC, PAEC will resist District 89's request to depart the cooperative.
5. Both PAEC and District 89 can better use their resources to serve students with special needs than by litigating and fighting about District 89 withdrawing.

Details and a lengthier discussion of these issues and findings are now available on the PAEC Web site.