

TESTIMONY ON THE REPORT OF THE LEGISLATIVE
BUDGET AND FINANCE COMMITTEE
TO THE
SUBCOMMITTEE ON BASIC EDUCATION
OF THE
HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

INTERMEDIATE UNITS: INTRODUCTION AND REGIONALIZATION OF EDUCATIONAL SERVICES

presented by:

Jerry B. Stout, Executive Director
Carbon-Lehigh Intermediate Unit #21
Thursday, July 29, 1976
Parkland High School
Orefield, Pennsylvania

LEGISLATIVE HEARING OF THE SUBCOMMITTEE ON

BASIC EDUCATION AT PARKLAND HIGH SCHOOL

Thursday, July 29, 1976--1:00 p.m., Jerry B. Stout, Ph.D.

Honorable members of the Subcommittee on Basic Education, Board members, and fellow educators, it is indeed a pleasure to address this august group and to meet some of the honorable members of our State Legislature.

As some of you may know, I am a recent import to Pennsylvania. I assumed my duties as Executive Director of the Carbon-Lehigh Intermediate Unit this very month, July 12, 1976. I am not a stranger to intermediate units, however, as I held a very similar position in the tall corn state of Iowa for nine years before assuming my present post, nor am I a stranger to Pennsylvania. I have flown many times into the Philadelphia Airport on my way to Atlantic City for the American Association of School Administrators Convention. I have been involved for several years on the national level with the development of regional education. During some of those activities, I met Dr. Harry Gerlach, Deputy Commissioner of Basic Education, Pennsylvania Department of Education. In the Fall of 1970, I visited Harry in Lancaster County and then traveled with him to Penn State to serve as a consultant for a conference involving the outgoing county superintendents in Pennsylvania and the incoming intermediate unit executive directors. Therefore, though I am new to my job, I do not feel as though I am a stranger in Pennsylvania.

On behalf of Dr. Dan Rohrbach, Executive Director, Intermediate Unit #14, Dr. Ron Huber, Executive Director, Intermediate Unit #20, Bill Snyder, Executive Director, Intermediate Unit #29, and myself, representing Carbon-Lehigh Intermediate Unit #21, allow me to express appreciation for the opportunity to be heard by the Subcommittee on Basic Education and for your taking the time to receive input from the intermediate units through both this hearing and the others you are conducting throughout the State.

We have met and divided up the responsibilities for making a coordinated presentation to you. I will, in addition to this introduction, speak a little bit about regionalism and the trend toward regionalism on the national level. Dr. Huber will

speak to you about financing intermediate units and related concerns and Bill Snyder will talk about programs and services of the intermediate units. Dr. Dan Rohrbach will present the recommendations of the four intermediate units.

In my opinion, one of the most exciting agencies involved in equalizing educational opportunities for all of the children of the region, is the intermediate unit. The intermediate units serve as a link between the Department of Education and the local school districts but the emphasis is on services as needed for the children of the local school districts regardless of district size. In Pennsylvania we call these Intermediate Unit Districts. In Iowa they were called Area Education Agencies. In other states they are known as Co-operative Educational Service Agencies, Intermediate Education Districts, Educational Resource Centers, Boards of Cooperative Educational Services, and many other names.

The trend to intermediate units for education is part of a nationwide trend. Legislation has been passed in 22 of the states creating intermediate units of one type or the other eg. New York, Texas, Michigan, Oregon, Wisconsin, Iowa, Nebraska, and many others. Just this Spring, Minnesota passed a piece of legislation creating intermediate units. Other states are attempting to pass legislation now that would create intermediate units on a statewide basis. Among these states are Ohio and Illinois. Educational leaders and legislators in these states have been looking to those who have legislation that has proved effective such as Pennsylvania and Iowa.

Intermediate units can and do help bring about equalization and extension of educational opportunity for the students in local school districts. Programs that can be done more economically and effectively on a regional basis include such things as special education, programs for exceptional children, data processing services, curriculum development, staff development or inservice programs for both certified and non-certified personnel, instructional media services, and many more, some of which Bill will elude to later on.

This middle echelon agency of a three-echelon school system is in a position to bring about cooperation and coordination with other governmental units and other public and private agencies concerned with services for children. The trends in both the public and the private sectors especially for planning and development are towards a regional basis. There are many examples in the fields of mental health, social services, conservation, flood control, highway improvement and so on.

The late Dr. Robert Isenberg, former associate secretary of the American Association of School Administrators, encouraged the development of regional programs and agencies. He stated that there should be a state plan for establishing intermediate units. The area, geographically, must be large enough to provide the pupil and financial base necessary for highly sophisticated programs. Programs should be comprehensive rather than special purpose as they develop. In other words, we should not have one agency for providing special education, another agency for providing data processing, and another agency for providing staff development activities, etc. Only programs with high quality should be undertaken. Emphasis should be on flexibility and variability in program development. Educational needs are different among local school districts and even within local school districts. The needs are continuously changing over time. Intermediate units are most effective when they are a legitimate part of the state school system. Intermediate units are facilitated through research and development, planning and coordinating efforts. Personnel in the intermediate units are equal partners with local school district personnel. They must give the local personnel continuous support and service. They must be accessible to the school district personnel and willing to devote time and effort to servicing the needs of children in those local districts.

Intermediate units strengthen our local school districts but not by dominating them. They must not encroach upon local control or place the organizational needs of the intermediate unit above the needs of the students in the local districts. Intermediate units should not be standardized, they must not all be exactly alike, mere images. If they are to meet the needs of the region they are serving, they must have flexibility and variability. Each intermediate unit is going to have school districts with varying cultural, social and attitudinal make-ups and therefore, of course, varying needs of their student populations.

The instructional function is the heart of public education. The majority of efforts of a service unit on a regional basis should be supportive of local personnel in strengthening that instructional function. Intermediate units should not ignore administrative functions. Certainly many of our local districts need help in changing those functions also, but administrative functions are important only as they are facilitative to the instructional function. Not only should the intermediate unit services be provided in high cost, low pupil incidence areas but the I.U. also should serve as a leader in planning change for education. Since the intermediate unit is locally based, it can assess and meet the needs of individual students. It is also far enough away from the traditional constraints of local school districts to foresee the needs of change and to implement change as needed.

The trend toward intermediate units is now well established and Pennsylvania has had a lot to do with that. The need to keep these intermediate units close to the local school districts they are serving seems obvious but it is something that we, as educators, and you, as legislators, will have to constantly watch and protect. It is easy to talk about local control and at the same time, slip into the entanglements of bureaucratic and administrative red tape.

I would like to relate to you some of the recent developments on the national scene as it regards intermediate units. Recently, the Congress of the United States, has recognized the trend towards intermediate units. In several pieces of important legislation, intermediate units or Regional Educational Service Agencies are recognized as local education agencies eligible for federal funds. The U.S. Office of Education in its regulations and administrative procedures are beginning to recognize the efficiency of utilizing intermediate units for distribution, coordination, dissemination, planning and developing programs for education. One of the most recent developments has been the excitement developed at the National Institute of Education about the utilization of intermediate units. N.I.E., in cooperation with the American Association of School Administrators, this Spring, sponsored four regional conferences throughout the United States on the emerging intermediate units. The Eastern Conference was held at the University of Maryland and staff members of the Pennsylvania intermediate units were major participants. The Midwestern Conference was held in Detroit, Michigan, and I was a presentor and participant in that conference. The Rocky Mountain Conference was held in Denver, Colorado, and the Far Western Conference was held in San Francisco, California. C. Larry Hutchins, Chief, School Practice and Service Division of the National Institute of Education, recently wrote to me, and I quote, "I am very excited about the prospects of a national organization of intermediate units or regional service agencies and hope the Institute can play some small role in facilitating such a group." Also extracted from Mr. Hutchins' correspondence with me are some of the purposes of the conferences held as far as the point-of-view for the National Institute of Education was concerned. The conferences were to gather information about the number of types, status, and capability of intermediate unit service agencies; to assess the feasibility of using intermediate units as a personal point of linkage between the research and development production system and the school based users of research and development; to determine the information staff and organizational requirements for operational relationships among the National Institute of Education, intermediate

units, research and development laboratories and local school districts; to demonstrate the Institute's commitment to the role of the intermediate units; and to encourage groups such as the American Association of School Administrators to increase their support and utilization of intermediate units.

As I read the report on the Pennsylvania Intermediate Unit system, I could not help but marvel at the positive tone of the report. A former president once said, "Change is the law of life and those who look only to the past are certain to miss the future." It is obvious that Pennsylvania has not just looked to the past in providing for education. Regionalism in education in the form of intermediate units is certainly a part of the present and a part of the future for Pennsylvania education. It is really heartening to see such a positive change has been rated average or good by 127 of 136 superintendents reacting to the question about quality of intermediate unit services received by local school districts. Of the remaining nine, only five rate services from intermediate units as bad. Service agencies must be responsive to the needs of those they serve. And so again, the statistics are heartening when we see that 112 of 136 superintendents reported that the I.U. program of services was responsive to the needs of the school district. The superintendents three most frequently mentioned areas of concern were (1) financing of intermediate units, (2) need for additional intermediate unit services, (3) local control of intermediate units. These legitimate concerns certainly did not reflect any rejection of the concept of intermediate units. Seventy-four percent (74%) or 101 of the 136 superintendents reported that the intermediate unit system is an improvement over the replaced county school offices. That is a mighty good batting average. Two-hundred six (206) of two-hundred fifty seven (257) school board presidents rated intermediate unit services average/good/or excellent. Only four school board presidents indicated that the services were bad. Again, very encouraging responses. Only 14% of the respondents among the school board presidents thought the intermediate unit system was not an improvement over the county school offices. These statistics along with many others that are listed in the written report strongly support the efficacy of the legislation in Pennsylvania that created intermediate units.

Intermediate units have emerged and you in Pennsylvania can be proud of your leadership role in this valuable contribution to our great American educational system. May I again quote a former president, "Education is both the foundation and unifying force of our democratic way of life. It is the highest expression of achievement in our society enobling and enriching human life. In short, it is at the same time, the most profitable investment society can make and the richest reward it can confer."

I hope that I have made a positive contribution to this hearing and turn the meeting over to Dr. Ron Huber to speak about intermediate unit financing.

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BUDGET AND FINANCE COMMITTEE
TO THE
SUBCOMMITTEE ON BASIC EDUCATION
OF THE
HOUSE OF REPRESENTATIVES, COMMONWEALTH OF PENNSYLVANIA

INTERMEDIATE UNITS: FINANCING

Presented by:

Dr. H. Ronald Huber, Executive Director
Colonial Northampton Intermediate Unit Number 20

Thursday, July 29, 1976
Parkland High School
Orefield, Pennsylvania

FINANCING

Honorable Members of the House of Representatives, Members of the Subcommittee on Basic Education, and professional staff, we are privileged to have the opportunity to testify before you today. It is indeed an honor to be able to express a few thoughts and ideas on Intermediate Units to you.

Financing the educational enterprise in Pennsylvania has become a problem for everyone during 1976-77. Local districts have been put to the wall during the budget development and adoption process of 1975-76 and most have had to raise local taxes substantially. The Commonwealth is operating on a budget that reflected no additional taxes, and with costs increasing everywhere, this means an austerity budget. Furthermore, we can expect no help from the federal government that would be meaningful at the local level.

In spite of all this, we must consider the future of education and its financial needs in Pennsylvania. Intermediate Units have been financed on the same basic amount since beginning in 1971-72. This means that each year more of the costs have to be paid by the local districts. This creates a dilemma for the local districts in that they must choose whether to cut a much needed service or increase their contribution in order to maintain the status quo.

Going back a minute to the organization of Intermediate Units, a problem was created right in the beginning. Intermediate Units are presently financed on a figure which is based on the County Superintendent's calculating what it was costing to operate their office in 1968-69. How this figure was arrived at differed across the Commonwealth, and as a result, the funds that are available now are being distributed on an uneven and inequitable basis. When more basic aid becomes available, there should be a new way to distribute the funds devised in order to more equally reimburse the Intermediate Units.

The study by the Legislative Budget and Finance Committee dealt with the problem of financing on pages 138 through 159. This chapter reveals that although large sums of money are administered by the Intermediate Units, the great percentage of this is mandated by legislation or agreed to by court decree. The three largest parts -- Special Education, Non-Public School Services, and Vocational-Technical Education -- amount to 81% of the total involved.

A word or two needs to be said about the process of developing and adopting an Intermediate Unit Budget. As you are very well familiar by now, there are five distinct steps that are taken in reaching a final operating budget.

First - the Superintendents act upon the budgets and the program of services,

Second - the Intermediate Unit Board must take action next upon the budgets,

Third - the individual boards each take independent action at their local board meeting on the budgets,

Fourth - the entire membership of board members attend a convention to act upon the budgets, and

Fifth - the Pennsylvania Department of Education must receive and approve the budgets by May 1.

This process is quite cumbersome and needs to be revised. It also requires decisions on some line items as early as November when there are few hard facts known about what the following year will dictate in the way of cost increases.

The report also refers in several places to the inability of Intermediate Units to own property or capital goods. This fact is because of the stipulation in the original law prohibiting ownership by Intermediate Units of property or capital items. This has proven to be inefficient and wasteful in some instances. It must be pointed out though in all fairness that leasing has been economical for certain items in specific localities. What is really needed is the option

of ownership and allow the school board to choose the most economical way of proceeding.

It should be pointed out that the second paragraph on page 154 shows dramatically what has happened in the funding of services to local districts. It states as follows: "In the first year of operation, 1971-72, state funding represented 74% of the Intermediate Units general operating fund; it has dropped steadily since that time. Conversely, school district contributions have steadily increased from 26% in FY 1971-72 to 50% in FY 1975-76."

This again demonstrates that local districts are willing to pay for services that are within the concept of why the Intermediate Unit exists. Without increased funds soon, the decision to continue will become more difficult. No part of education has been required to exist on the same level of funding for six consecutive years.

The superintendents and school board presidents in an overwhelming majority throughout the report have asked for increased services. This demonstrates a confidence that the Intermediate Unit can provide much needed help in the areas of negotiations and labor management, bulk purchasing and assistance in federal projects. However, without increased funding, it will be impossible to provide these services on existing funds, and difficult to continue present services.

To summarize, the basic subsidy for Intermediate Unit operation should be part of a formula that has significant ties to increasing costs and the request for greater services. This need not be an astronomical amount, but should reflect the increasing operational costs experienced by all departments of government in this period of time.

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INTERMEDIATE UNITS: PROGRAMS AND SERVICES

presented by:

William H. Snyder, Executive Director
Schuylkill Intermediate Unit #29
Thursday, July 29, 1976
Parkland High School
Orefield, Pennsylvania

INTERMEDIATE UNITS: PROGRAMS AND SERVICES

The Intermediate Units of the Commonwealth of Pennsylvania are presently offering a great variety and diversity of programs and services to the local school districts and to many other agencies and publics across the State. In referring to the Report of the Legislative Budget and Finance Committee, Chart G on Page 55, and Pages 160 and 161 present the broad spectrum of offerings found in the intermediate unit.

This broad range of programs and services has caused some concerns in certain quarters as to whether the intermediate units have reached too far or extended themselves into areas where they should not be functioning. A contrary view is held by this presenter. It is strongly believed that the wide variety of programs and services that can be provided represent the finest ingredient for potential success in the operation of the intermediate unit and in its relationships with its component districts. Each intermediate unit offers a nucleus of services common to all. In addition, however, each intermediate unit offers services unique to it based on local needs, interests, and desires. This is an option that must be preserved. It should be remembered that at the time legislation was being developed for the establishment of intermediate units a philosophical debate was being waged as to whether the legislation should spell out in very specific terms those programs and services that should be offered or whether these functions should be stated in very general terms. The legislators made a very wise decision at that time when the determination was made to state the functions in broad categories so that a diversity of programs could be developed to adequately meet the needs of each geographical area. The members of the legislature should be

commended for envisioning the long range benefits that have accrued through this decision. In addition, the Department of Education should be commended for the manner in which it implemented this concept into an operational format to be followed by the intermediate units. Attention should also be called to the fact that the program of services carried on by each intermediate unit is developed through planning and communications with many groups including the following:

1. The Advisory Council, composed of the Superintendents of each of the school districts comprising the unit;
2. Other administrative groups such as the high school principals, elementary principals and curriculum coordinators;
3. Steering Committees which are composed of a cross section of the population;
4. Intermediate unit board members which represent the school districts involved;
5. Students through the intermediate unit Student Forum;
6. Task forces composed of parents and representatives of related agencies;
7. All district school board members who express agreement or disagreement with the program of services by their vote on the I.U. budget, which is a cost reflection of the services to be offered.

The conclusion must be reached that these are the services that the local school districts feel they need and want. With recommendations coming from so many different sources, a wide variety of programs and services becomes inevitable.

Another concern of school officials is whether the intermediate unit is a locally oriented service organization or whether it is simply a regional office of the Department of Education. Reference has already

been made to the development at the local level of the program of services. In addition each intermediate unit has been solely responsible for the development of its staffing patterns, salary schedules, operational policies, etc. While it is true that the intermediate units have performed certain liaison and coordinating functions for the Department of Education, generally they have been kept to a minimum and have not been regulatory in nature. There is a need to maintain a constant vigil in this area in order that the original purposes for which the units were created are not aborted.

Some questions have been raised as to the quality of the services offered by the intermediate units. Other concerns have been expressed questioning whether the services are based on the needs of the participating school districts. It should be kept in mind that the intermediate units are still infants, being only five years old. As a result, very few units have developed a valid and reliable instrument or process to evaluate the effectiveness of the offerings. However, referring to the Report of the Legislative Budget and Finance Committee on Pages 114 and 123, of a total of 136 Superintendents responding to the question concerning the quality of the programs, 101 rated the services good and 26 rated the services average. Out of a total of 257 replies received from School Board Presidents on the same question, 56 rated the services excellent, 119 rated the services good, and 31 rated the services average. It would appear that from the local viewpoint the services are considered to be of a quality nature.

With respect to the services being responsive to local needs, please refer again to the Report of the Legislative Budget and Finance Committee, Pages 115 and 123, where 112 of 136 Superintendents and 194 of 257 School Board Presidents, responded affirmatively to the

question as to whether the services of the intermediate units appropriately suited the needs of the local districts.

A final area that should be discussed deals with the charge that too much duplication of services exists vis-a-vis intermediate units and local school districts. It is believed that this concern is greatly exaggerated. There will always be some instances where some duplication will appear to be occurring. However, these areas should be observed carefully before false conclusions are reached. As an example of this it is probably true that each school district in the Commonwealth has some programs in place dealing with curriculum development and improvement. It is also probably true that each intermediate unit has a program bearing a similar title. What is too often overlooked is that the school districts and the intermediate units have different roles to play in the planning and operation of programs dealing with curriculum. In order to have meaningful programs occurring both entities must devote energies and resources to this program.

It is agreed that there are some programs and services that should reside exclusively in the districts. Conversely, there are some services that should be developed solely at the intermediate unit level. For instance, it would appear very questionable whether any school district should be permitted to implement its own data processing program. The key to keeping the duplication of services to a minimum can be found by involving the school districts and the intermediate units in an on-going, sincere planning process. Responsibilities for the implementation of a given program or service should be assigned to that level where it can be carried on most efficiently and economically.

The members of the Subcommittee on Basic Education should be commended for providing representatives of the intermediate units

the opportunity to present their views on this subject and for the sincere interest they have shown regarding the operation of the intermediate units in the Commonwealth of Pennsylvania.

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to the
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INTERMEDIATE UNITS: RECOMMENDATIONS

presented by

Daniel A. Rohrbach, Executive Director
Berks County Intermediate Unit #14

Thursday, July 29, 1976

Parkland High School
Orefield, Pennsylvania

A REPORT TO THE SUBCOMMITTEE ON BASIC EDUCATION
CONCERNING THE RECOMMENDATIONS FOR LEGISLATIVE
CONSIDERATION REGARDING THE PENNSYLVANIA INTERMEDIATE UNITS

Members of the House, Friends --

I, too, want to express our appreciation, on behalf of the Berks County Intermediate Unit, for your willingness to take time out from your busy schedules to hear us who are responsible for the operation of intermediate units and our concerns for needed legislation. We welcome this opportunity to express the needs as we see them to continue and improve the operation and efficiency of an arm of the government which involves the education of the citizens we serve.

My colleagues have laid the foundation and given you the background of the recommendations which I will be making. They represent the needs as we I. U. directors of intermediate units see them. I will get directly to the point. The following are our recommendations:

1. The functions of the intermediate units should continue to be defined in broad terms and categories in order that a diversity of programs can be developed to meet the present and future needs of each geographical area. We wish to emphasize, as the report indicates, that the definition of the duties of intermediate units in the original legislation were proper, farsighted, and are valid today.
2. While it is necessary for intermediate units to perform liaison and coordinating services for the State Board of Education and the Department of Education, we appreciate that these have been kept to a minimum in order that the true service concept to our school districts can be maintained.

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3. We recognize, also, that there are certain services that only a regionalized intermediate unit agency should operate. These include areas such as special education, services to nonpublic schools, as well as certain pilot programs and developmental programs which are best diffused throughout the Commonwealth and performed by intermediate units rather than centered wholly in the Department of Education. We feel that these aspects of service oriented programs can be continued and still maintain and strengthen the concept of local control and local operation. Intermediate units should be expected to assume responsibility for these programs, however, only with adequate funding provided by the Commonwealth. Mandated programs should have the fiscal support of the Commonwealth.

4. Provision should be made legislatively and fiscally for an ongoing evaluative process so that intermediate unit services can be better assessed as to whether they should be continued, eliminated, expanded, or curtailed as they relate to the needs of the local school districts and the area served require.

5. Consideration should be given to allowing intermediate units to own vehicles and other real and personal property. Leasing in many instances has proven advantageous and economical. Experience has shown, however, that if ownership were possible, many programs and services could have been delivered more economically and/or more efficiently. We believe I.U.'s should have both choices open to them to better serve the taxpayers of the Commonwealth.

*Need
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6. Legislation is necessary to increase systematically the state subsidies to intermediate units. This should reflect the economy of the time and be more realistic than are now provided in the current legislation. We also feel that appropriations should

be generated by a program of legislative action rather than by a governor's line item budget recommendation as the current law provides. We believe that S. B. 958 is an attempt at a solution to this problem.

7. Consideration should also be given to a change in the budget process as now required by current legislation. It would appear that the current need for a vote on the budget in convention could be eliminated and the action taken by the local board be considered as the action of that board both as to the approval of the individual board as well as the accumulated weighted vote of all the districts.

In closing, we wish to emphasize that we believe the study made by the Legislative Budget and Finance Committee to be valid and the recommendations that we are making to you here today are backed up and documented by the findings of the study. We offer ourselves as executive directors of intermediate units and school directors to help in producing the necessary corrective legislation which will help to improve the efficiency and provide even greater and more equitable services to the children of our Commonwealth. We are not proposing to you at this time specific legislative action or dollar requests because we believe that these should be worked out with you in an atmosphere of cooperation and legislative compromise. We believe that this is what you want and that this is why you are holding these public hearings. If this needed legislation is accomplished soon, it will mean that the intermediate units can get on with the business of providing services to our local school districts and the various publics that they serve.

We have spent five years in the organization and development of intermediate unit services. We believe that the "tinkering time" is over and that what we now need

is time to promote and bring about operational stability, efficiency, and even still greater economy as we provide these services to the citizens of the Commonwealth. We believe that intermediate units as now constituted in the Commonwealth of Pennsylvania are that echelon of the educational system which can help to maintain and preserve the local school district and the local control which is so yearned for by the people that we serve. Dr. Paul B. Salmon, the executive director of the American Association of School Administrators, in a letter dated June 9, 1976, states as follows:

"My commitment to the regional concept in education continues strongly. I believe that it is the best single answer available to the retention of local lay control of education. I say that because local districts most frequently lose power because they are unable to respond to important social and educational problems. The intermediate unit allows them to do that. I predict a new national recognition of the importance of it."

We also believe this statement.

Thank you very much.