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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

HOUSE DEMOCRATIC POLICY COMMITTEE HEARING
Topic: Education Funding
Abington School District Administration Building – Abington, PA
May 27, 2015

AGENDA

- 10:00 a.m. Welcome and Opening Remarks
- 10:10 a.m. Sarah Galbally
Deputy Secretary for Office of Policy and Planning
Office of Pennsylvania Governor
- 10:30 a.m. Panel One:
- Dr. Amy Sichel, Superintendent, Abington School District
 - Ray McGary, President of School Board, Abington School District
 - Dr. Deborah Wheeler, Superintendent, Upper Dublin School District
- 11:10 a.m. Panel Two:
- Cecilia Bradbury, Special Education Teacher, Philadelphia School District
 - Lawrence Feinberg, Circuit Rider, Campaign for Fair Education Funding
 - Donna Cooper, Executive Director, Public Citizens for Children and Youth
- 11:50 a.m. Closing Remarks

GOVERNOR WOLF'S 2015-16 PROPOSED EDUCATION BUDGET

A HISTORIC INVESTMENT IN STUDENTS

Sarah Galbally
Deputy Secretary for Office of Policy and Planning
Office of Pennsylvania Governor

House Democratic Policy Committee
May 27, 2015



PENNSYLVANIA'S FUTURE DEPENDS ON 3 THINGS:

Schools that Teach

Jobs that Pay

Government that Works

The Commonwealth's education system is central to Pennsylvania's agenda to build a better future.



HISTORIC INVESTMENT IN EDUCATION

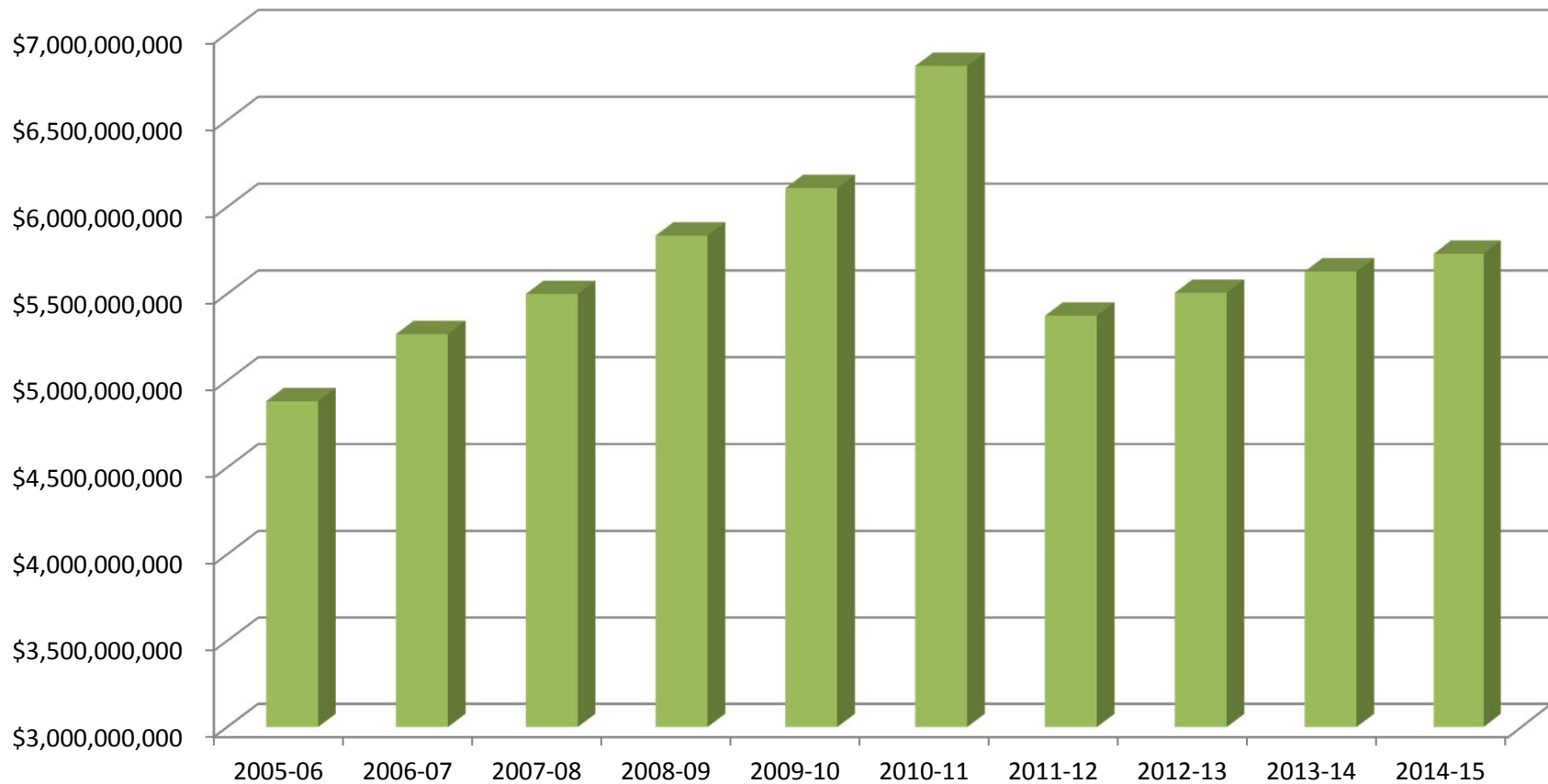
- Over the last four years, schools across Pennsylvania have suffered \$1 billion in cuts that led to massive layoffs, huge property tax increases, and the elimination of valuable programs.
- Gov. Wolf has proposed the Education Reinvestment Act that will restore funding for schools.
- Gov. Wolf's budget will increase the state's share of funding for public education to 50 percent and cut school district property taxes by more than 50 percent for the average homeowner.



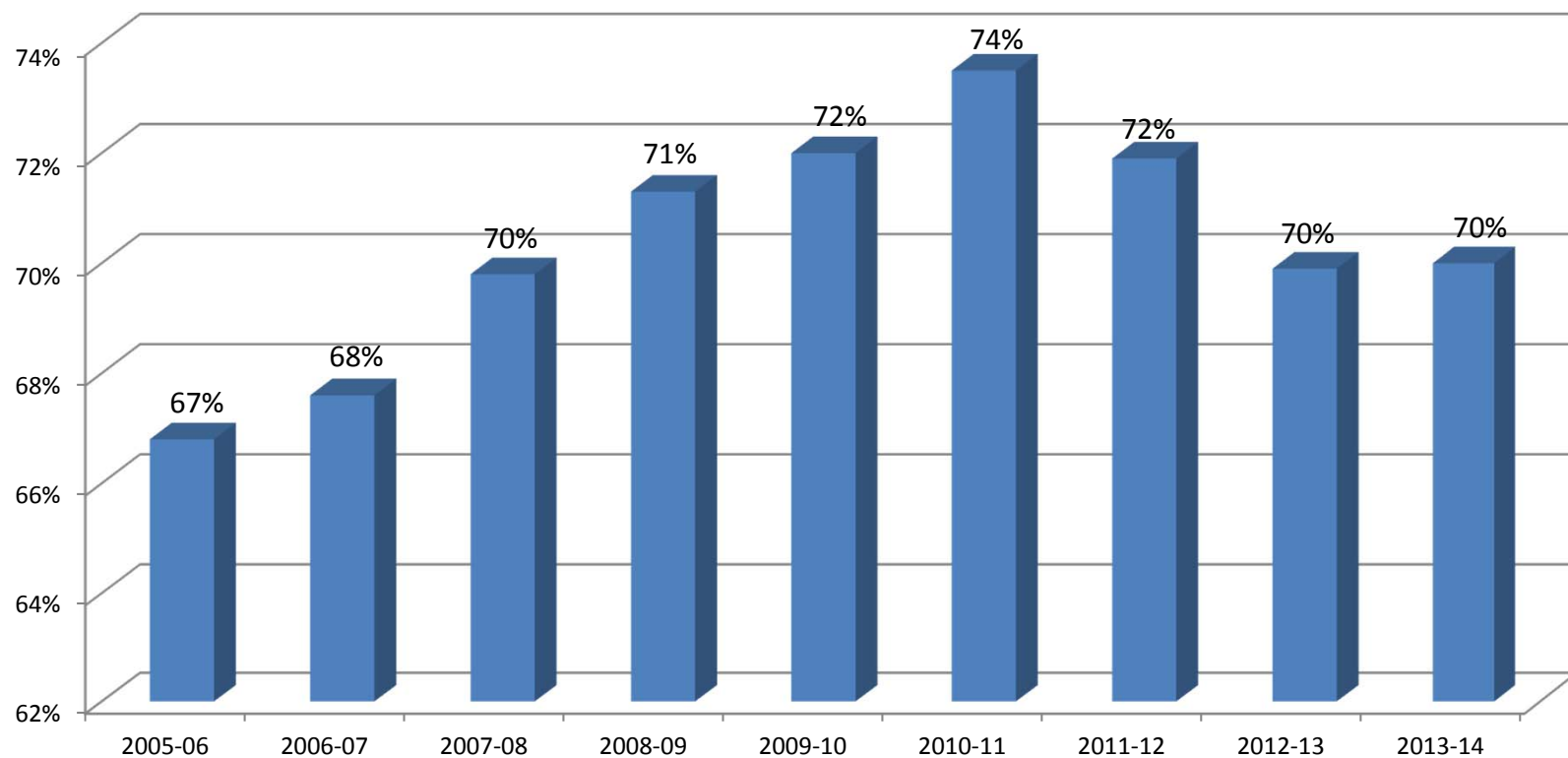
**WE HAVE SEEN WHAT HAPPENS WHEN
THE STATE FAILS TO INVEST
IN OUR CHILDREN AND SCHOOLS...**



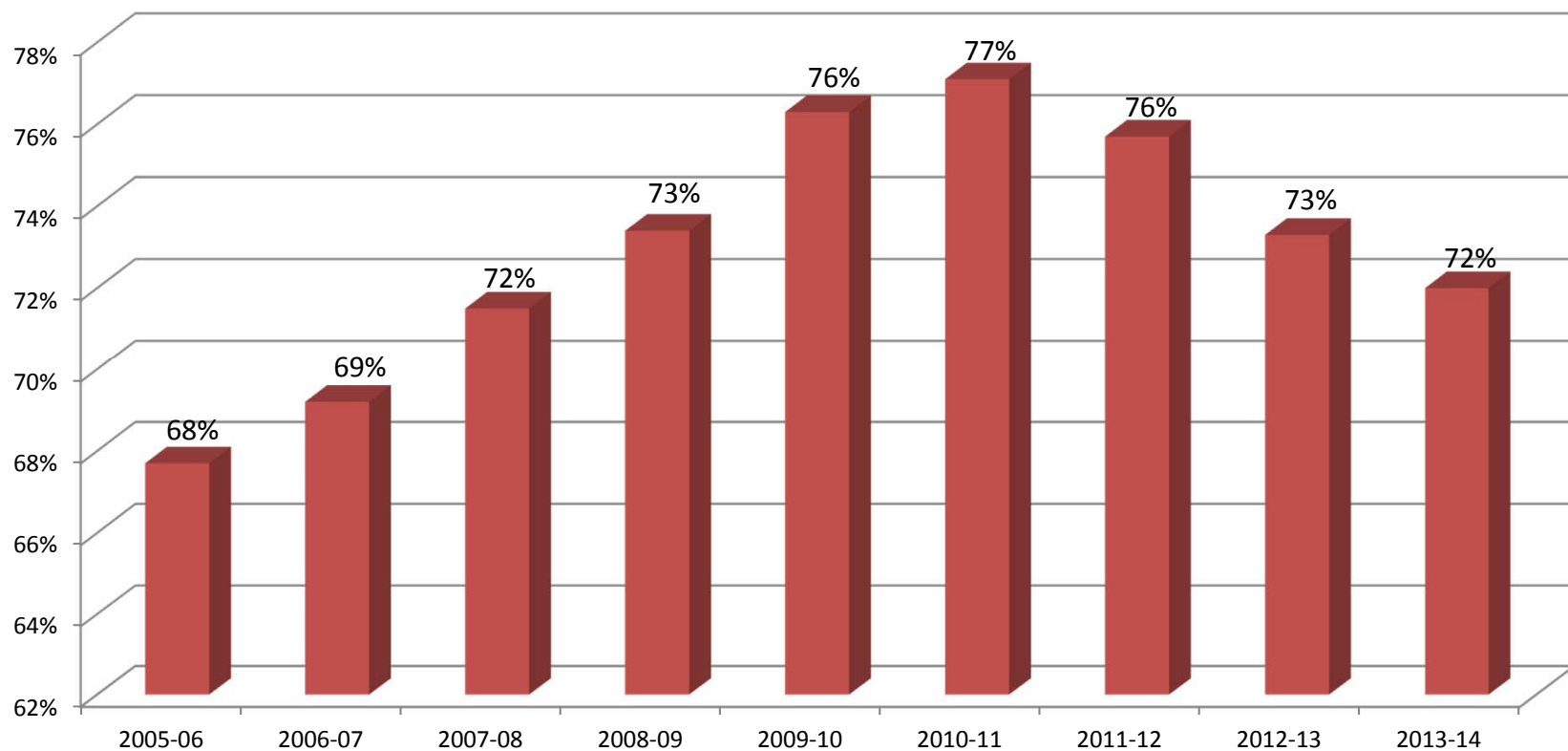
EDUCATION CLASSROOM FUNDING



PERCENTAGE OF STUDENTS ADVANCED OR PROFICIENT IN READING



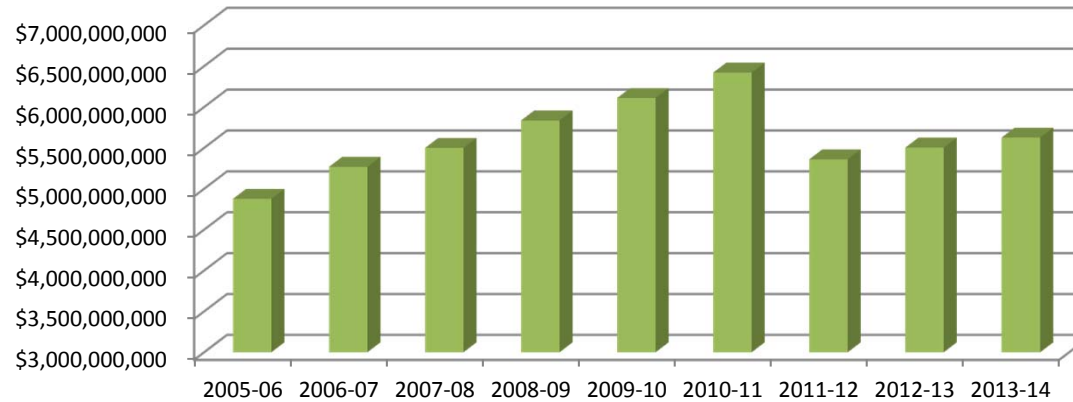
PERCENTAGE OF STUDENTS ADVANCED OR PROFICIENT IN MATH



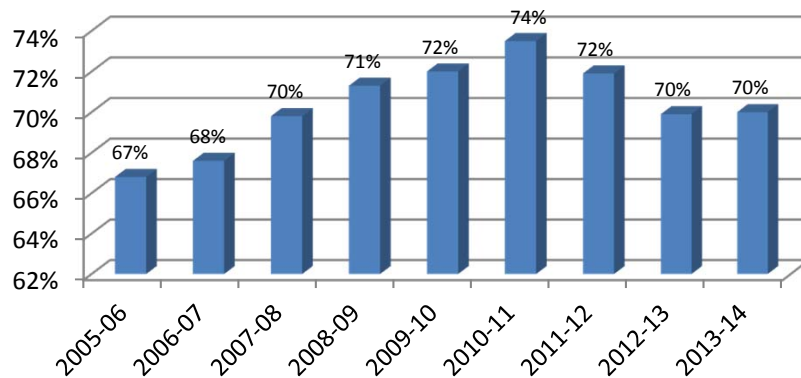
GOVERNOR TOM WOLF

2015 - 2016 PENNSYLVANIA EXECUTIVE BUDGET

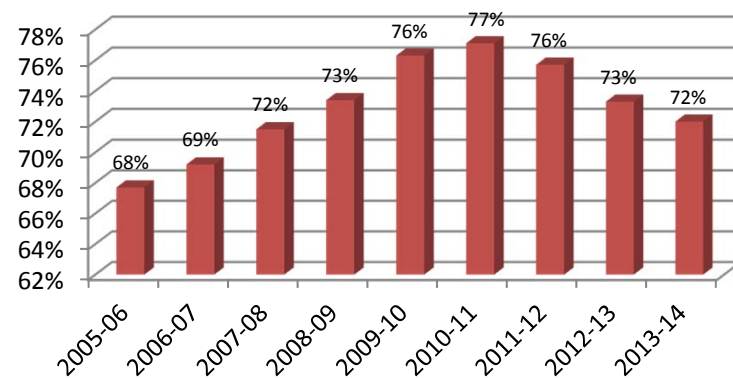
Education Classroom Funding



Advanced/Proficient Reading



Advanced/Proficient Math



THE 2015-16 BUDGET: \$1 BILLION RESTORATION FOR EDUCATION

- \$400 million increase in Basic Education Funding
- \$100 million increase in Special Education Funding
- \$120 million increase in Early Childhood Education
- \$143 million increase in Higher Education Investment
- \$20 million Career and Technical Education and Equipment Grants
- \$8 million for Career Counselors in middle and high schools
- \$9 million for Dual Enrollment
- \$47 million for other Pre-K to 12 and higher education investments
- \$160 million in savings from Cyber Charter Reform



THE STATE WILL PAY ITS FAIR SHARE

- The 2015-16 Budget is the first phase of a 4-year goal to increase overall preK-12 investment by \$2 billion in order to meet the state's educational commitments and provide all children with a quality public education.
- This comprehensive budget will finally bring the state's share of public education up to 50 percent for the first time since the early 1970's.



BASIC EDUCATION FUNDING \$6.13 BILLION

- \$400 million increase for Basic Education Funding – representing the largest increase in Pennsylvania history
 - Full restoration of funding for the Accountability Block Grant and Educational Assistance Program tutoring
 - Reimbursement of approximately 10% of mandatory tuition payments to charter schools
 - Additional restoration of Basic Education Subsidy cuts instituted since the 2010-11 school year



BASIC EDUCATION FUNDING

- Pennsylvania needs a real school funding formula.
- We will work with the bipartisan Basic Education Funding Commission to reach agreement on a formula by June 10 and enact it into law by June 30, so that it will take effect in 2016-17.
- Our goals for a new funding formula:
 - Adequacy
 - Equity
 - Predictability
 - Accountability



SPECIAL EDUCATION FUNDING

Total state spend: \$1.15 BILLION

- Pennsylvania school districts provide special ed services to 269,000 students
- Increases the student based formula amount to \$115.8 million
- Continues the implementation of the formula developed by the bipartisan Special Education Funding Commission



STRONGER ACCOUNTABILITY

- It is time for a renewed focus on strong and fair accountability at all levels – for students, educators and schools.
- The state must start by listening to key stakeholders and developing an accountability framework that will improve and support the success of our public education system, reduce over-testing and ensure public confidence in the performance of our schools.



WE WILL INVEST MORE AND WE WILL EXPECT MORE

- Total school district spending exceeds \$3 billion per year on administrative, back-office, transportation and other central office costs.
- We need to refocus our resources where they belong: in the classroom.
- School districts should continue to work together and with the Intermediate Units to look for additional savings through shared services and other efficiencies.



CYBER CHARTER FUNDING REFORM

- School districts spent \$421 million on mandatory payments to cyber charter schools in 2013-14.
- Cyber charter schools are fundamentally different than brick-and-mortar charter schools in their cost structure and this needs to be recognized.
- Cyber charter schools are more comparable to Intermediate Unit online learning programs.



CYBER CHARTER FUNDING REFORM

- New funding formula based on the highest-cost of several best-performing, comparable Intermediate Unit online education programs
- Regular education = \$5,950 per cyber charter student
- Special education = based on recommendations from the Special Education Funding Commission
- Based on 2013-14 data, school districts would save at least \$160 million



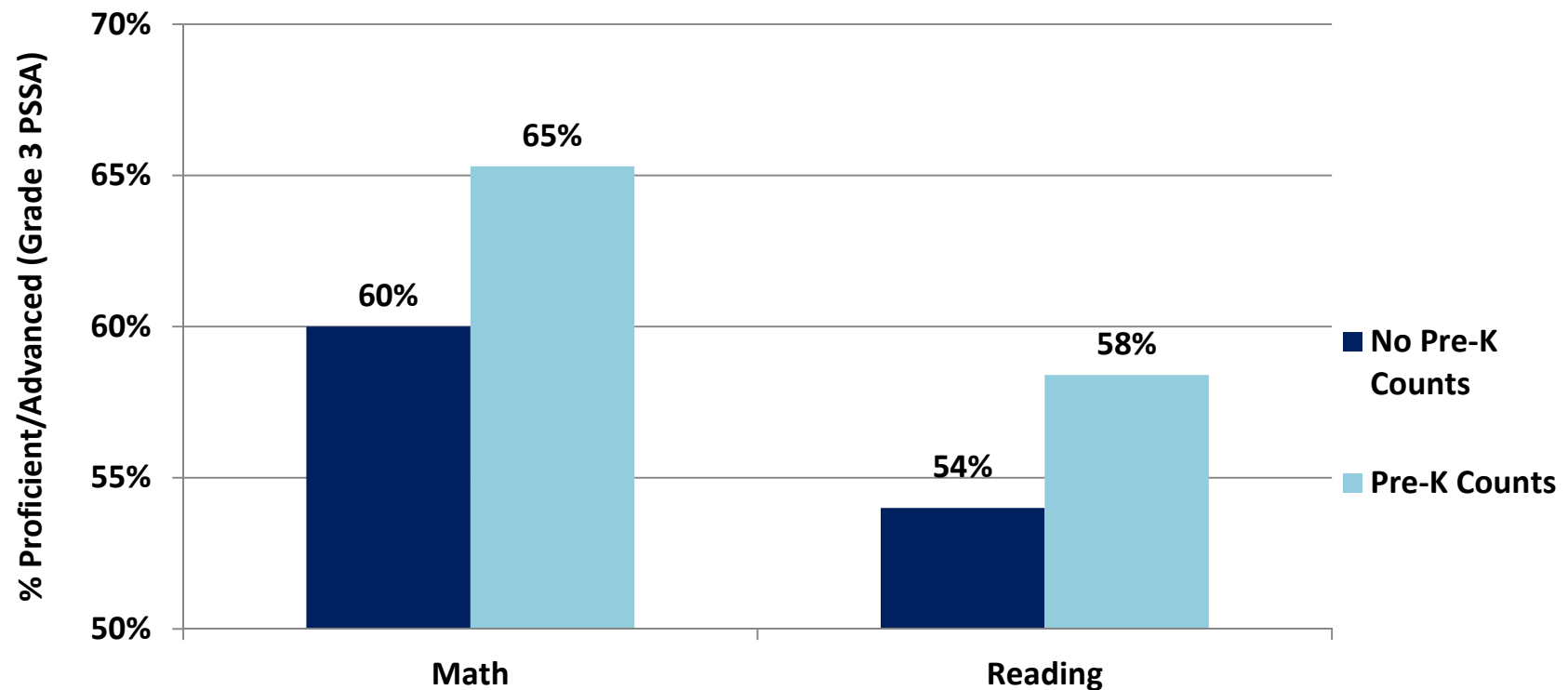
ADDITIONAL CHARTER SCHOOL REFORMS

- Making the pension “double dip” prohibition permanent
- and
- Requiring reimbursement based on audited costs



PRE-KINDERGARTEN PROGRAMS WORK

Low-Income Kids Who Had Pre-K Outperform
Peers by 3rd Grade



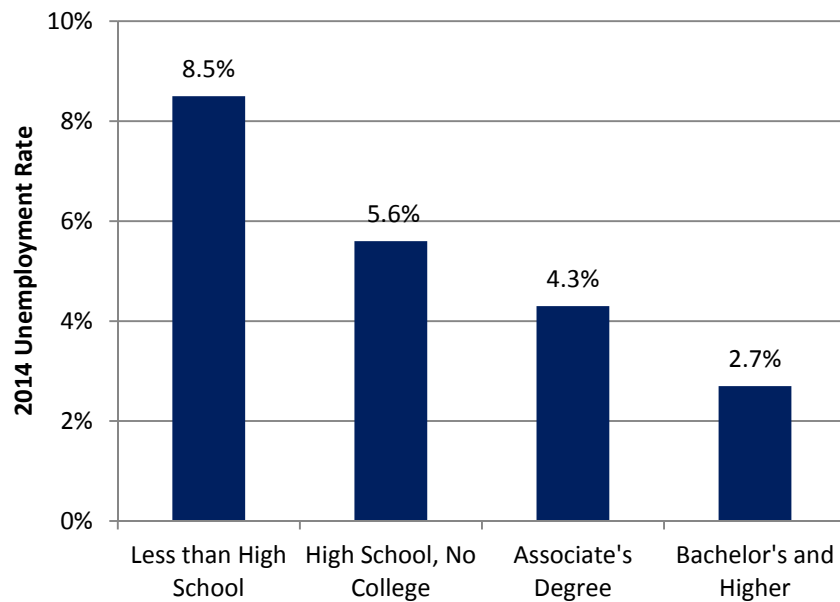
HIGH-QUALITY EARLY CHILDHOOD EDUCATION \$494 MILLION

- \$120 million investment to create an additional 14,000 spaces, an increase of 75 percent
 - \$100 million increase in Pre-K Counts
 - \$20 million increase in Head Start Supplemental Assistance Program
- Part of a multi-year commitment to reach universal pre-k for 3- and 4-year-olds
- \$238 million Early Intervention

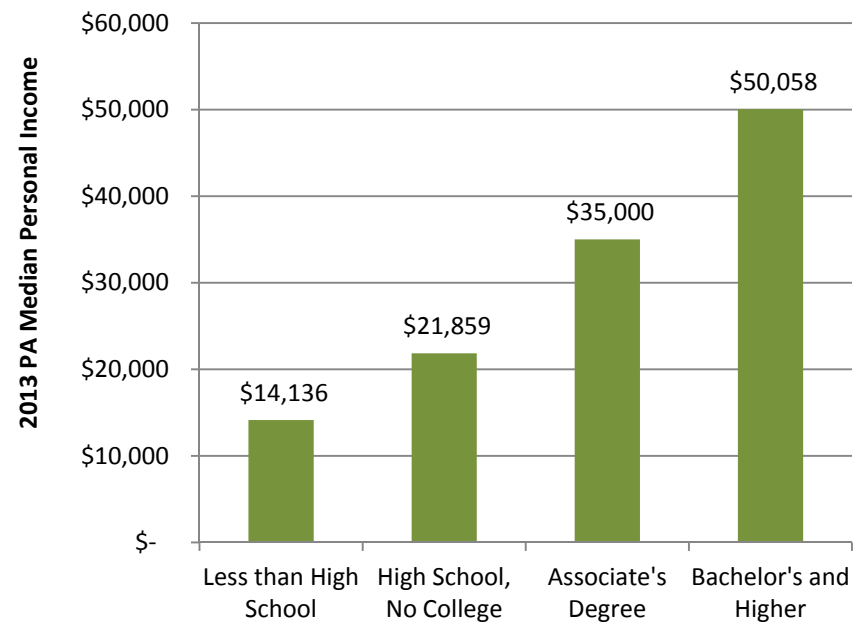


PA RISING: HIGHER EDUCATION AND WORKFORCE DEVELOPMENT FOR PA'S FUTURE

**As Education Increases,
Unemployment Drops...**



...and Income Rises



SETTING A GOAL FOR PENNSYLVANIA'S FUTURE

- Today, just 48 percent of Pennsylvanians have a college degree or industry-recognized certification.
- By 2025, 60 percent of good-paying, reliable Pennsylvania jobs will require these credentials.
- Pennsylvania will close that gap – making a college degree or high-value industry-recognized certification available to at least 650,000 additional Commonwealth residents over the next decade.



BUILDING A BRIDGE FROM HIGH SCHOOL TO COLLEGE AND CAREERS

- \$15 million as the first step to transform and modernize Career and Technical Education by establishing and enhancing programs statewide that prepare students for success in today's high-skill economy
- \$5 million for CTE Equipment Grants
- \$8 million for career counselors in middle and high schools
- \$9 million to re-establish the successful Dual Enrollment Program



REINVESTING IN COLLEGE SUCCESS

- The 2015-16 Budget invests in our students and economy by restoring the higher education cuts over the next two years.
- We must work together to improve higher education success in partnership with the community colleges and the Pennsylvania State System of Higher Education (PASSHE), focusing on:
 - Performance
 - Affordability
 - Student completion
 - Transformation through structured career pathways and partnerships with employers



REINVESTING IN COLLEGE SUCCESS

\$140.9 MILLION IN RESTORATIONS

- \$15 million increase for Community Colleges
- \$45 million increase for the Pennsylvania State System of Higher Education (PASSHE)
- \$80.9 million increase for State-Related Universities
 - \$49.6 million increase for the Pennsylvania State University
 - \$15.4 million increase for Temple University
 - \$14.9 million increase for the University of Pittsburgh
 - \$921,000 increase for Lincoln University



CREATING WORKFORCE PARTNERSHIPS FOR ECONOMIC SUCCESS

- Education and workforce needs must be aligned for students to succeed
- \$1.2 million increase for Pennsylvania College of Technology
- \$863,000 increase for Thaddeus Stevens College of Technology
- \$4.6 million increase for Adult and Family Literacy integrated into job training/workforce development



LIBRARIES

\$60.8 MILLION

- \$1.96 million State Library
- \$53.5 million Public Library Subsidy
- \$2.8 million Library Access
- \$2.6 million Library Services for the Visually Impaired and Disabled



For additional information on the Education Budget, visit
www.education.state.pa.us

Estimated funding by school district is available at
www.SchoolsThatTeach.com

For more information about Governor Wolf's 2015-16 Budget,
visit www.budget.state.pa.us





"Excellence is Our Standard...Achievement is the Result"

Testimony

Dr. Amy Sichel

Superintendent of Schools

May 27, 2015

I appreciate the opportunity to address the state legislators that are with us today in Abington School District and provide testimony on the need to approve the Governor's Budget as it relates to increased educational funding. Secondly I implore you to create a fair, equitable and adequate funding formula for the PA Schools. I am Amy Sichel, the Superintendent of Schools for the Abington School District. Many of you do not know me so let me provide some background. Come July 1 this will be my 40th year working for the Abington School District in a variety of professional roles and for the last 15 years as the School Superintendent. I have the pleasure to work for a Board that places children and their education first, while being fiscally responsible. Abington is an exemplary district and has received much local, state, and national acclaim, most recently with our unique Opportunities to Learn initiative being featured in a chapter of text entitled *Excellence Through Equity* by Alan Blankstein and Pedro Noquera. The entire community is so pleased with this accomplishment for the title of our chapter reflects who we are which is "Focusing on Equity Propelled Us from Good to Great: Abington School District's Opportunity to Learn Initiative". Our results did not happen by accident for they occurred through deliberate planning, hard work on the part of all of our faculty and staff, engagement of our parents and the community at large, and a Board of School Directors who has struggled to ensure that there are the resources to provide the needed outcomes for the children of the Abington School District. Money does matter and there is a direct link between resources and student achievement outcomes.

As you well aware all students in Pennsylvania deserve a quality public education regardless of their zip code. Pennsylvania is one of only three states without a basic education funding formula that is adequate, fair, and predictable. Pennsylvania has one of the widest gaps between wealthy and poor schools in the country. The lack of a formula combined with cuts in state funding has hit our schools hard and districts have reduced staff, furloughed teachers, cut or reduced programs and increased class size. This has done nothing but exacerbate the achievement issues for PA's children. (Attachment No. 1)

The Governor's budget proposal is very positive as it calls for an additional \$2 billion in state funding to be phased in over 4 years. This proposal is very promising, contrary to what has occurred over the last four years. The PA schools have had over \$1Billion dollars in cuts including teacher layoffs, elimination of educational programs, extracurricular activities, loss of transportation, limiting special and related services, little improvement in school facilities etc. The proposed budget would increase K-12 and early childhood education by \$2 Billion dollars. For the 2015-2016 school year, this proposed increased state funding would raise the school funding to about the level received in 2010-2011 for the Basic Education Subsidy. This budget returns some funds to pay for charter schools and special education as well much needed reform in the cyber charter funding formula which is drastically required. It is imperative that the Governor's Budget Proposal for Education happen. School year 2015-2016 must be the first year of a 4-year phase in of increased funding for education. This is the first attempt to restore funding to public education that I have seen in the last ten years and I hope is the beginning of a picture where the 500 school districts can count on receiving a reliable and predictable increase of state funding.

So what does this mean for the Abington School District.... not a lot. The Governor's Budget restores funds to the 2010-2011 levels and for us this is a minimal increase in basic education. However, I am fully aware that for districts in severe financial need, this is the first time in years where they possibly will not cut programs, layoff teachers, increase class size etc. I am delighted to represent many of my fellow superintendents

for my testimony is not only about the Abington School District, but about doing what is right for Pennsylvanians children. Now if the funding and phase in continues over the next four years, Abington will see some better reimbursement for charter school funding, possibly enjoy being a part of a county consortium for pre-school education, possibly some overall increases in basic education and special education funding and much needed reform in payments to charter schools!

I am very aware of the Basic Education Funding Commission and have followed their work along with The Campaign for Fair Education Funding which also provides a new funding formula that shows promise. Both of these organizations seek to restore funds to districts that were cut in 2010-2011. PASA, the PA Association of School Administrators and the other key educational organizations, PASBO, PARSS, PSBA, and Principals Association endorse the Campaign for Fair Education Funding Formula and I attach the Executive Summary (Attachment No. 2). I think you will see that this is a very succinct analysis and bodes well for public education. The key educational organizations, PASA, PASBO, PARSS, PSBA, Principals Association and PAIU each support the formula and the adequacy target developed by the Campaign for Fair Education Funding. The funding formula allocates dollars and seeks to restore funds to districts that were cut in 2010-2011 and provides a predictable system into the future.

The Fair Education Funding Formula directs funds to the districts with the greatest needs by looking at poverty, English Language Learners, enrollment, tax effort of districts, sparcity, the impact of charter and cyber charter schools etc. All districts will receive minimum funding increases while the formula is being implemented. The formula shares the fiscal responsibility among the local communities, the state, and individual and commercial taxpayers. Strong accountability standards would be built in to ensure that schools/districts invest effectively and efficiently. Districts like Philadelphia, Chester-Upland, and Norristown are targeted.

The Campaign for Fair Funding is an essential step to providing quality public education for all students regardless where they live. The formula is a long-term formula based

upon students' needs; therefore, every child will have the opportunity to learn. We are hopeful that this information from the campaign will inform the deliberations of the Basic Education Funding Commission, as the legislators and governor work to develop a new formula. The Campaign's goals are consistent with the Commission to ensure a formula that student-driven, adequate, sustainable, and a long-term funding system (Attachment No. 3).

I am very pleased that the Governor pledged to increase funding by \$2.0 billion over the next 4 years. The Governor's Budget must be passed for it is the first phase of a four-year goal to increase funding for pre-k to 12 and clearly ensures that the state meets its commitment for a quality education for all of Pennsylvania's children. We all hope that the Governor's proposal is supported and passed by the Legislator and that everyone puts forth effort to create a new funding formula that will begin to achieve these goals for Pennsylvania's children. Thank you for your time this morning.



THE CAMPAIGN FOR FAIR EDUCATION FUNDING

Because every child deserves a chance to succeed.

*Every Pennsylvania student deserves a quality education
no matter where that student lives*

But Pennsylvania's system for funding public schools is broken:

- We are one of only three states without a basic education funding formula to distribute adequate resources both fairly and predictably.
- Pennsylvania has the widest funding gap between wealthy and poor school districts of any state in the country. Per pupil spending in PA's poorest districts is 33% less than in PA's wealthiest districts. [NCES 2015]
- The absence of a funding formula, combined with state funding cuts in recent years, hits our students hard.

Since 2010-11:

93%

of school
districts
reduced staff

50%

furloughed
teachers or
other staff

74%

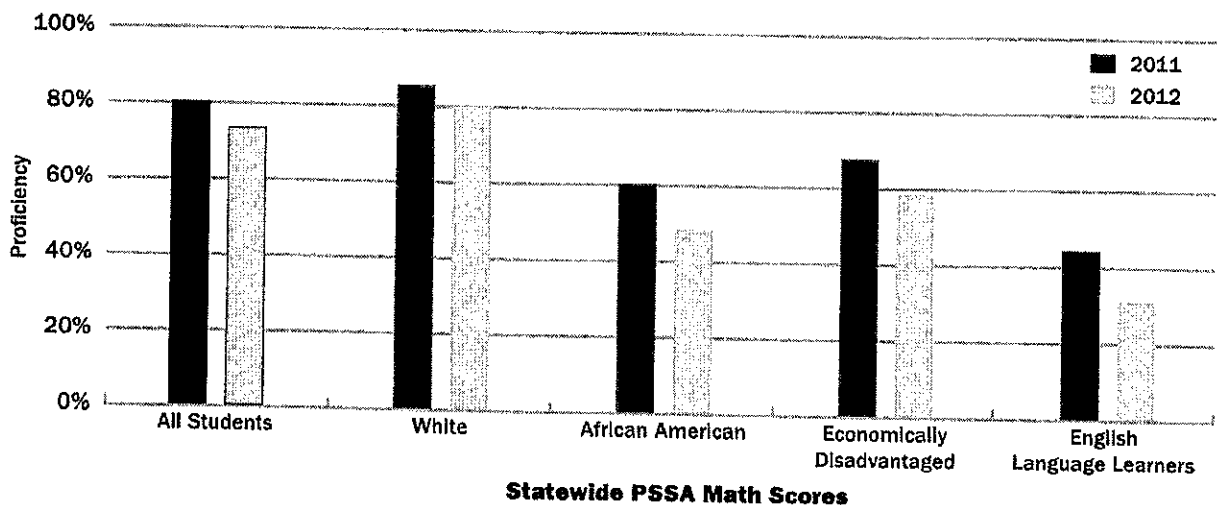
cut or reduced
at least one
academic program

57%

Increased
class size

[PASA-PASRO Report, January 2015]

And that has hurt students across Pennsylvania, as performance has lagged.



[Pittsburgh Post-Gazette, November 21, 2014]



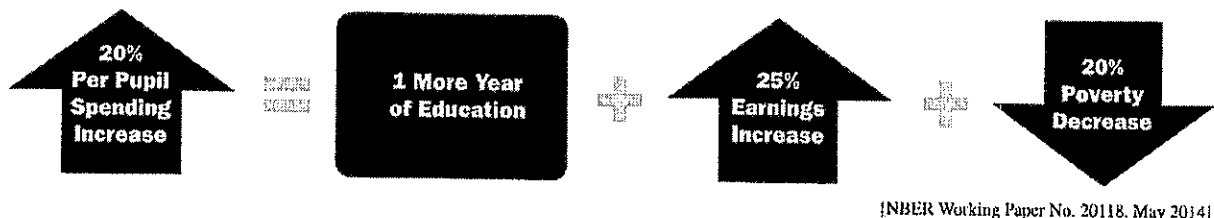
THE CAMPAIGN FOR FAIR EDUCATION FUNDING

Because every child deserves a chance to succeed.

Our public school funding system fails to provide enough resources to educate all students to academic standards, produces racial disparities and a wide gap between the wealthiest and poorest schools, and is so unpredictable from year to year that school districts cannot effectively budget or plan.

Pennsylvania must adopt an education funding system that provides enough resources so students in every school have a fair shot at academic success.

Research on school finance reform in other states found that sustained, long-term increases in per-pupil spending led to increases in educational attainment and the likelihood that poor children graduate from high school, which in turn increased future family income.



The Campaign for Fair Education Funding Proposal:

A student-driven, long-term, predictable education funding system that equitably distributes adequate state funding to ensure students in every public school meet academic standards and are prepared for success as adults.

The Campaign advocates for a school funding system that:

- Directs adequate funding to districts and students based on real costs, addressing student challenges like poverty, English proficiency, homelessness and foster care placement; and district factors like district size and sparsity, local tax effort and district wealth, and charter school enrollment.
- Ensures that all districts receive minimum funding increases while the new formula is being phased in.
- Calls for schools to invest efficiently, through shared services and other initiatives, and effectively, through stronger academic and fiscal accountability measures at the district and school level.
- Provides for an increased annual state investment of \$3.6 billion to be phased in over six to eight years. For example, an eight-year phase-in would mean annual increases of \$451 million.

Campaign for Fair Education Funding

Proposed Basic Education Funding System for Pennsylvania Schools

Executive Summary
February 26, 2015

The mission of the Campaign for Fair Education Funding is to ensure that Pennsylvania adopts and maintains an adequate and equitable system of funding public education by 2016, to enable every child to meet state academic standards and be prepared for post-secondary success.

The Campaign has proposed a new Basic Education Funding (BEF) formula to boost student outcomes in all parts of the state by helping close funding shortfalls in all school districts and narrow the growing gap between wealthy and poorer districts. This proposed funding system is based on the real costs necessary to help students meet state academic standards. The proposed formula relies on accurate, reliable, verifiable, and current school and community data. The formula:

- Directs more funding to districts and students with the greatest need by addressing student factors like poverty, English proficiency, and enrollment, as well as district factors like tax effort, sparsity and the impact of charter schools.
- Ensures that all districts receive minimum funding increases while the new formula is being implemented.
- Operates based on shared fiscal responsibility among the local community and the state, and individual and commercial taxpayers.
- Includes strong accountability standards to ensure that schools invest efficiently and effectively.

The Campaign's proposal combines a new funding formula with recommendations for greater efficiencies and strong accountability.

1. New Formula for Adequate and Equitable Basic Education Funding

The Campaign proposes a new funding formula that would be transparent, sustainable, equitable, and long-range. The elements of this formula, which would be revisited every five years, are as follows:

Statewide Base Cost: The first step was to determine a base amount of educational dollars that reflects the costs associated with educating each student. The base cost calculation is derived from a five-year weighted average of Average Daily Membership (ADM), giving greatest value to the most recent data to count students, and the statewide average of Actual Instructional Expenses (AIE) to determine the per pupil base cost. This base cost is then adjusted to reflect the current federal share of education funding for Pennsylvania, which is approximately four percent. The group's calculations produced a base cost of \$7,266.

Student-Specific Weights – Poverty, ELL, Homeless and Foster Care: The base amount is adjusted for poverty among students in each district. A weight of .25 is added for students between 101-185% of the poverty level and an additional weight of .75 is added for children under 100% of the poverty level. A weight of .50 is added for each English Language Learner (ELL) student, unless a school district has fewer than 40 ELL students and then the weight per child will be .75. An additional weight of .25 is added for homeless students and for children in foster care to address the additional barriers these children face.

District-Specific Weights – Sparsity, Tax Effort and Local Wealth: Students in districts that are both sparsely populated and large in terms of square miles will receive an additional weight according to a formula very similar to that enacted for Special Education Funding in Act 126 of 2013-14. The amount is

also adjusted for local tax effort, a measure of how much of a community's wealth and resources are employed to support its public schools. The Campaign recommends that a new, more comprehensive measure of local wealth be developed to replace the current market value/personal income aid ratio now used in BEF allocations. Until that occurs, the current aid ratio should be used in the formula for 2015-16.

Charter Schools: Districts paying tuition to charter schools should be weighted to offset stranded and other mandated costs associated with operating parallel systems of public schools. The weight should be driven by the total number of charter students in a district, and should be higher for newly enrolled charter students in recognition that it takes time to reduce stranded costs. The Campaign used a 0.30 weight to calculate expected costs of implementing a charter school factor.

Hold Harmless: The Campaign recommends that no district receive less in state BEF funds than received in FY 2015, increased by the Act 1 index. As the formula is phased in over time, any school district already at the adequacy target would receive a minimum annual increase in state BEF equal to the Act 1 Index. Once all districts reach the state share of the adequacy target, annual adjustments will be made to BEF based on an up-to-date student count. This protection would provide minimum increases to 18 school districts at a cost of \$48.6 million.

Proposal Costs and Phase-In Period: After full phase-in, the Campaign's proposal would bring the annual BEF level to \$9.326 billion, up from the \$ 5.715 billion in spending for BEF and Ready to Learn grants in 2014-15. This increase of \$3.611 billion would be phased in over six to eight years. Therefore, as an example, an eight-year phase-in would call for annual increases of approximately \$451 million in BEF in that period.

2. Greater Efficiencies

The Campaign recognizes that every tax dollar must be spent effectively and efficiently in the education of our children and the first step in that process is to make certain that schools demonstrate outstanding stewardship of every tax dollar they currently receive. The Campaign recommends several initiatives to generate even greater potential savings: encouraging expanded use of shared services; mandate relief that is specific, limited in scope, and subject to PA Department of Education (PDE) review, with exceptions to protect individual substantive rights ensure access to a quality education; determining the actual cost of providing cyber charter schools; and expanded use of consolidated tax collections. The campaign acknowledges that in their efforts to prudently manage local budgets and meet student needs, school districts are faced with unfunded pension debt.

3. Student Outcome and Fiscal Accountability

The Campaign recommends that Pennsylvania adopt a system of accountability at the district and school level to assure that tax dollars are being appropriately invested to prepare students to meet state academic standards and to achieve post-secondary and career success. The system should place responsibility on the district or school to improve and should make all appropriate information publicly available at the state, school district, and school level. The Campaign further recommends that PDE be given sufficient resources to implement the accountability system, including the resources and tools necessary to support schools' progress and to intervene as appropriate when schools are not meeting academic standards.



Benchmarks for Assessing Basic Education Funding System Proposals

April 2015

Pennsylvania's Public School Funding System Is Failing Our Children

Our system for funding public schools is broken. Pennsylvania is one of only three states without a basic education funding formula to distribute sufficient resources both fairly and predictably.

The result is a funding system that fails to provide enough resources to educate all students to academic standards, produces a wide gap between the wealthiest and poorest schools, and is so unpredictable from year to year that school districts cannot effectively budget or plan.

- A recent national study determined that Pennsylvania has the widest funding gap between wealthy and poor school districts of any state in the country. Per pupil spending in PA's poorest districts is 33% less than in PA's wealthiest districts.
- The absence of a funding formula to distribute dollars based on real costs and true needs, combined with state funding cuts in recent years, have hit our students hard. A survey of PA school districts earlier this year found schools have experienced unprecedented reductions in academic programs and school staff over the last few years, with more anticipated for next school year. About three of four surveyed school districts cut or reduced at least one academic program since 2010-11, with nearly 40% reporting cuts in 2014-15 alone. Most districts reported at least one round of class size increases since 2010-11, and 93% reduced teaching and other staff through furloughs or other means.

Money Matters: There Is a Link between Resources and Outcomes

Money does matter. Student performance has tracked funding level changes in Pennsylvania.

- A 2011 Education Law Center study found that as state education increased by 40% from 2003 to 2010, test scores in the lowest-achieving districts increased by 50%. Conversely, as state funding was cut since 2011 and our system grew more inequitable without a formula, state test scores dropped and the achievement gap did not close.
- Increased per-pupil spending as part of school finance reforms in other states led to an increase in the likelihood of graduating from high school and other educational attainment for poor children, narrowing differences between those raised in poor and affluent families. One study found that increasing spending per student for low-income children by just 20% throughout school results in children gaining one more year of education, which increases their earnings by 25% and reduces poverty levels by 20%.

The Campaign for Fair Education Funding Proposes a Better Way to Fund Our Schools

The Campaign for Fair Education Funding wants to ensure that every public school student has access to a quality education no matter where they live. It proposed a new long-term basic education funding formula that is student-driven, sustainable, equitable, and provides sufficient resources so students in every school have a fair shot at academic success. The proposal calls for about \$3.6 billion in new state education investments – to be phased in over six to eight years.

Our aim is to help inform the deliberations of the Basic Education Funding Commission, the legislature and the governor as they work to enact a new funding system. The Campaign will be assessing proposals that will be released by other parties to determine whether they are consistent with the Campaign's goals and contain the elements the Campaign considers essential to a student-driven, adequate, equitable, sustainable, and long-term funding system.

Elements That Are Essential to an Effective State Basic Education Funding System

The Campaign will be asking the following questions about any proposals that are presented:

- 1. Does the proposal provide enough resources to educate every Pennsylvania child to meet state academic standards?**

Funds must be sufficient to get the job done. A proposal must provide adequate resources to support the real and actual costs of educating students to meet academic standards, starting with a base rate and adjusting for student factors like poverty and district factors like tax effort, district sparsity and the impact of charter school costs. The Campaign's proposal estimates that cost at about \$3.6 billion in new state investments once fully phased in.

- 2. Is the proposal built on a base amount that reflects the number of students enrolled and the actual costs associated with what it takes to educate a student to meet state academic standards?**

Proposals should start with a base cost, calculated by using accurate counts of students attending each school district and multiplying that by the actual instructional expenses required to educate students in this state. For example, the Campaign's base cost for educating each child is \$7,266.

- 3. Does the proposed funding system fairly distribute dollars to cover the costs of educating students with different needs and additional barriers?**

A state school funding system must direct resources to students and school districts with the greatest needs. It is widely recognized that some children, such as those living in poverty or learning English, require more support to overcome challenges and meet academic standards. A formula must address that reality by adjusting the per pupil cost based on the number of children in a school district who live in poverty, are English Language Learners (ELL), or are homeless or in foster care. The Campaign's proposal applied weights for each of these student factors.

- 4. Does the proposal take into account cost implications of factors such as school district size and student population sparsity?**

Factors like district size and sparsity of student population affect per-student costs. For example, in smaller, rural districts, fixed costs must be spread over a smaller student population, limiting economies of scale savings. At the same time, there are about 50 districts that cover at least 200 square miles, most with sparse populations, which must operate small schools across a district to avoid subjecting students to long bus rides each day. A school funding formula must account for these unique district needs by applying a district size and sparsity weight.

5. Does the proposal adjust for local tax effort and district wealth?

Some districts with higher student costs due to factors like higher poverty, but with a limited tax base because of lower property values, end up paying more in local tax effort to support their schools. Other districts have fewer students with greater challenges but higher wealth and property values, allowing them to provide more resources with much lower tax effort. This contributes to wide fiscal disparities among school districts and aggravates the achievement gap among students based on income and other factors. A formula must adjust for local tax effort and district wealth, but with a new, more comprehensive measure of local wealth to replace the current market value/personal income aid ratio now used in basic education funding allocations.

6. Does the proposal adjust for charter school enrollment and related “stranded costs”?

Districts paying tuition to charter schools have “stranded” and other mandated costs. State dollars follow a child to a charter, but the district still must cover its fixed and mandated costs even with fewer students, particularly in the first few years. Funding to a district should be weighted to account for the number of charter students in a district, with a higher weight for newly enrolled charter students in recognition that it takes time to reduce stranded costs.

7. Does the proposal provide stability for school districts that are in flux because of population and enrollment shifts?

School districts experiencing enrollment shifts still must carry some fixed and mandated costs, at least for a period of time. Yet some of these districts may already be at the level of full state support under a funding formula and might otherwise see flat or reduced state funding if no protections are in place. They should have some buffer from the impact of these demographic changes, particularly during the period when a new funding system is being phased in. The Campaign’s proposal provides for every district to receive a minimum annual increase set in law during the phase-in period, with annual adjustments based up-to-date student count thereafter.

8. Does the proposal include provisions for increased efficiencies and greater student outcome and fiscal accountability?

The Campaign recognizes that every tax dollar must be spent effectively and efficiently in the education of our children and the first step in that process is to make certain that schools demonstrate outstanding stewardship of every tax dollar they currently receive. School funding proposals must promote expanded initiatives to generate greater potential costs savings at the school district level, such as expanded use of shared services, and contain a system of accountability at the district and school level to assure that tax dollars are being effectively invested to prepare students to meet state academic standards.

The Campaign for Fair Education Funding will be closely examining each state basic education funding system proposal to assess the extent to which it contains the elements that it deems critically important for full and fair basic education funding. It will also examine the overall impact of each proposal to ensure that it provides sufficient funds and addresses income, racial and other disparities to meet the goal of ensuring that all children receive an opportunity for a quality education no matter where they live.



"Excellence is Our Standard...Achievement is the Result"

Testimony

Raymond McGarry, Esquire

President of the Board of School Directors

Abington School District

May 27, 2015

I appreciate the opportunity to address the state legislators who are with us today and provide testimony on the need to approve the Governor's Budget as it relates to increased educational funding. Secondly, I implore you to create a fair, equitable and adequate funding formula for Pennsylvania Schools. I am Ray McGarry, the President of the Board of School Directors for the Abington School District.

Every Pennsylvania child deserves a quality education and they should not have to live in Abington Township or the Borough of Rockledge for this to be a reality. Zip codes should not drive the quality of education that a community can deliver. The state has an obligation to provide adequate, equitable and fair funding to the 500 school districts in Pennsylvania.

The Pennsylvania system for funding public schools is broken. Pennsylvania is one of only three states without a basic education funding formula. This state does not provide resources and distribute them in a fair and predictable manner. Pennsylvania has the largest gap between wealthy and poor districts, where the wealthy districts spend 33% more than the poorer districts. The absence of an adequate state funding formula has led to districts to reduce and cut staff, furlough employees, cut academic and extracurricular programs, decrease or eliminate transportation and increase class size. All of these consequences are a disservice to Pennsylvania's children.

In the Abington School District we have worked hard as a Board, administration, faculty, staff, parents and community members to ensure that quality education has continued despite this lack of consistent funding from the state. In terms of per pupil allocation for educational programs, a decrease in state funding has translated from a high of \$1535 per pupil to a low of \$1368 per pupil in state funding, which is about 10% decrease for the Abington School District. With the Governor's Budget proposal, this per pupil subsidy could increase to \$1559 and with the Governor's phase in plan over the four years, there could be a predictable and reliable increase with our basic education subsidy.

The state funding issues are compounded by the exorbitant contribution to the Public School Employees' Retirement System, PSERS, which has escalated for both the district and state contribution of about 7% in 2007-08 to a high of 21.4% percent, which will continue to climb to over 30% in the next three years. For this year Abington School District and Pennsylvania will each contribute over \$8 million or \$16 million and rising. More of the state and district resources across the Commonwealth have gone to retirement contributions than to student subsidy for educational programs.

It is very important to examine how the proposed Governor's Budget would reduce property taxes for PA property owners. The proposal provides \$3.8 billion in property tax relief commencing in 2016. This could provide more than \$1000 in tax relief for the average homeowner and reduce property taxes by more than 50%. This tax relief could eliminate school property taxes for 270,000 senior households and provide greater tax relief for high poverty communities.

For the taxpayers of the Abington School District this could mean \$15.8 million in tax relief or a reduction of about \$1000 for the taxpayer. The Governor's proposed budget is very helpful to our taxpayers both locally and in Pennsylvania in general.

In addition with the Governor's budget proposal, the Abington School District could have relief of over \$500,000 for charter school funding reform. This would reduce an expense and could save 6 to 7 teaching positions in the district.

The proposal adds funding for students with special needs. This is an area of great expense for Pennsylvania school districts that has been flat or stagnant over the last three years. The proposed budget increases special education by \$100 million for the state and \$160,000 for the Abington School District.

The Abington School District is very interested in offering pre-school education. With the present financial situation, this is an area to which we cannot fund. With the governor proposing almost \$500 million for pre-school education, the Montgomery County Intermediate Unit is considering a consortium program to provide the beginning of pre-school education in the county districts. Abington would gladly host some classes which could benefit the pre-school children in the district and their families. This would help children to do not have access to pre-school education have the needed readiness for entering kindergarten.

In closing I would hope that the legislators are cautious to distribute state funding in an appropriate and predictable manner. As a member of the Board of School Directors and for those Board members in the Greater Delaware Valley, the Governor's proposal cannot overburden the taxpayers of this region. Our community members could send a disproportionate share of their taxes and resources to the state and there must be an equitable return to the Greater Delaware Valley.

It is time for change in Pennsylvania and I am in favor of our new Governor's direction and hope you feel the same.

Deborah S. Wheeler, Ed.D., Superintendent of Schools, School District of Upper Dublin
5/27/15 House Democratic Policy Committee Hearing

Representative Dean, Deputy Secretary Gallbally, Dr. Sichel, Mr. Gallagher, Distinguished Guests,

Thank you for providing this opportunity to share my thoughts in regard to Education Funding in Pennsylvania. I speak to you from the perspective of a superintendent of schools recently arrived in Pennsylvania, which provides me a unique perspective on these related issues. For my colleagues, the matters and practices under consideration have evolved over time. Because I moved back to Pennsylvania last summer after 30 years in another state, I have a newcomer's eye and viewpoint.

My remarks this morning will address the topic of unfunded mandates that negatively impact my school district. Although there are many mandates that are a cause for concern due to their negative impact on local districts, such as the School Performance Profile and related PVASS growth model measurement, the underfunding of PESERS, the requirement that we run school buses that provide a seat for every child even when many students do not avail themselves of bus transportation, in the interest of time I will concentrate my remarks this morning on the graduation requirement of the Keystone exams.

As the Superintendent of Schools in the School District of Upper Dublin, I represent a high achieving district that is struggling with the graduation requirement tied to the Keystone Exams, which became effective with the 2014 administration. Our results of the 2014 administration of the Keystone provided important findings that have caused us to review our curriculum and instructional practices in Biology and Algebra I at our high school level. This is an appropriate and useful outcome of standardized testing, to use the findings to analyze and improve our educational system. Problematic for our district, as well as for many other districts, is the need to staff remediation courses to support some of our students as they prepare to retake the test in order to meet the graduation requirement. It has become a budgetary issue.

Additionally, for those students who simply do not perform well on standardized tests, we are required to provide enrollment in project based assessments, which also demand staffing and time in our schedules. Teachers who are assigned to teach mandatory remediation courses and/or project based assessment programs cannot be utilized to expand educational offerings for all Upper Dublin students. The cost of hiring a new teacher is currently averaging about \$60,000 for our district. At a time when we are exploring opportunities to personalize learning across our district, making "learning" the constant and "time" the variable, losing any flexibility in utilizing our faculty in innovative ways places pressure on the entire system and diverts funds from innovative programming to meeting this restrictive mandate.

For Upper Dublin those numbers may seem relatively small, however this is our reality; funds that might otherwise be directed to expanding our educational program opportunities is funneled into meeting the mandate that students who struggle with standardized tests can only demonstrate competency through performance on those exams or a prescriptive alternative assessment. Our results for the 2014 administration of the Keystone exams:

Algebra 1 (UDHS)

Advanced	30	16.6%	
Proficient	66	36.6%	53.2%
Basic	66	36.6%	
Below Basic	18	10.0%	46.6%

Algebra 1 (SR Middle School)

Advanced	132	65.6%	
Proficient	63	31.3%	96.9%
Basic	4	0.19%	
Below Basic	2	0.09%	0.28%

Biology

Advanced	166	51.0%	
Proficient	91	28.0%	79%
Basic	48	15.0%	
Below Basic	20	6.0 %	21%

English Literature

Advanced	54	15.0%	
Proficient	247	66.0%	81%
Basic	52	14.0%	
Below Basic	19	5.0%	19%

A less empirical measure of the cost of this unfunded mandate is the toll that it takes on our students. A parent shared with me in an email dated May 18, 2015

I am reaching out to inform you about the impact of Keystone testing on my daughter. Despite being an "A" student, she is terrified of failing the Algebra Keystone...she tells me if she fails this test she has to take a Keystone remediation class and cannot take her elective next year, which she was so excited to take. She is completely upset (in tears) and so stressed over this (so much for resting the night before).

We can quantify the numbers of teachers and their salaries, we can analyze test scores, but how do we measure the quality of life of a high school freshman?

In sum, our commitment is that every student in Upper Dublin will succeed academically. To meet that commitment to our community we are faced with either repurposing existing teachers or hiring additional teachers to fill the mandate related to the graduation requirement, and to requiring all students to demonstrate mastery in a limited manner that restricts their ability to engage in additional coursework given the time commitment required for remediation courses.

Thank you for permitting me to share these thoughts related to the negative impact of one unfunded mandate on our school district. I look forward to further communication with you in regard to other matters.

Cecilia Bradbury, Special Education Teacher, Philadelphia School District
5/27/15 House Democratic Policy Committee Hearing

Nine years ago, I came into the School District of Philadelphia proudly draped in the cape of an education reformer. I was certain that bad teachers, protected by the evil union, were purposefully destroying the futures of Philadelphia's school children. I poured over the Philadelphia Inquirer's Report Cards on Schools editions, tsk tsking the failures of so many city schools. I couldn't imagine how these people could have jobs for life, raking in the big bucks, with a 6.5 hour work day and summers off.

I was so moved by the articles I had read and the stories that I heard that I felt compelled to be part of the solution. At the age of 46, I joined Teach for America and threw myself into the national movement to "close the achievement gap." And what I found was not at all what I expected. The image that had been portrayed and perpetuated by the media was and is, for the most part, false. And I will explain what I mean later.

Because I had a background in mental health and behavioral health, Teach for America decided that I should teach special education. My first stop: Strawberry Mansion High School in north Philadelphia. I was charged with teaching 11th and 12th graders Math and Social Studies. Upon my arrival, I was handed a class list and a key. That's it. Nothing else. I went up to my classroom on the fourth floor and looked around. There was a closet full of books and other materials, most of them more than 30 years old and useless. There was a computer in the corner that I soon learned was equally useless. I walked across the room and looked out the window. Nothing could have prepared me for what I saw: literally, there on the corner, I saw the blood of a 22 year old who had been killed the night before. He had just returned home from Iraq and was shot to death in his own neighborhood after riding his bike to the corner store where he had gotten some cash out of the ATM. His blood marked my resolve to be the best teacher I could be. Teach for America had convinced me that my enthusiasm and high expectations could change lives. I soon learned that it was going to take much more than that!

When I tell you that teaching is, by far, the most difficult thing I have ever done, it is an understatement. And believe me, I have had many challenges in my adult life. I was married to an abusive alcoholic for 8 years. I was a single mother of two young boys and on welfare when I was diagnosed with cancer. Within the same year, I had to have emergency surgery and my house was in foreclosure. I put myself through college starting at the age of 34 and I have earned two master's degrees since. I have worked in many different fields, both for profit and non-profit. I was even a brain injury therapist at Moss Rehab. And teaching is STILL, by far, the most difficult thing I have ever done!

The funny thing is that when I say this, people always assume that it is the children or their parents that make this task so daunting. And, don't get me wrong, sometimes it is. But what really makes my job so hard is the lack of resources. By resources I mean a number of things, but most importantly, I am referring to human resources. Simply put, we do not have enough people working in our schools to do the job of educating Philadelphia's children properly. And every year since I started in 2006, this particular

situation has gotten worse. From the loss of school nurses and counselors to noon-time aides and other non-teaching assistants, our schools suffer in ways you can only understand if you are in the trenches as I am. And as we are faced year after year with more “austerity” and “doomsday budgets” the children arriving at our doorstep become more and more needy. The elephant in the room isn’t “bad teacher.” It is poverty. And children living in poverty bring to school many issues that effect the educational experience.

Philadelphia has the highest rate of deep poverty of all of our nation’s most populous cities. 12.2% of Philadelphians, nearly 185,000 people have incomes below half of the poverty line. And about 60,000 of them are children. Deep poverty has severe consequences for children. Research by Drexel Universities School of Public Health shows that “children in deep poverty are more frequently hospitalized, do less well in school, and are less likely to be employed later in life.” Many also develop cognitive and emotional delays. Children living in poverty arrive to school without basic readiness skills. They come from homes that are literacy deprived. Their vocabularies are significantly less and they haven’t been read to. Many students come to kindergarten not knowing the alphabet, not knowing how to count, and not knowing how to behave in an educational setting. And at my school, Olney Elementary, and at many others schools across the city, we have a growing number of students who speak languages other than English in their homes. Needless to say, Philadelphia teachers face challenges that our suburban counterparts can’t even imagine.

And now I would like to tell you what I have found to be true in all three of the Philadelphia public schools in which I have taught, and it just might surprise you. At Strawberry Mansion High School, Clymer Elementary and Olney Elementary I have had the honor and privilege to stand beside some of the most amazingly dedicated and diligent people that I have ever worked with. There are great things going on in schools across the city that never make the headlines. The love that many of my colleagues have for their students is palpable. The money I have seen spent by teachers on their students is absolutely unbelievable and would NEVER happen in any other field. Only in education do you see people taking from their own families to give to someone else’s. We have teachers at my school who volunteer year round so that our students have one of the best track programs in the city. We had over 60 students do the Broad Street Run this year thanks to them! Our music teacher volunteers his time after school so that we have a really great choir. He and others also volunteer their time so that we have a really cool talent show that the kids look forward to at the end of each year. We have a sixth grade literacy teacher who has spent thousands of dollars on books to create his own library that is second to none. And this doesn’t even begin to tell you what is going on in the classrooms.

What is unfortunate is that the “failing school” narrative has been so unquestioningly accepted as truth in Philadelphia. And what adds insult to injury is that most of the people proclaiming this narrative have never even stepped foot into one of our schools. And neither have many of the people who are making the decisions about education funding. Our schools are not failing, our policies are. No Child Left Behind has been a

disaster. The over-reliance on high stakes standardized tests has cost us, as a city, in ways that you cannot imagine unless you are on the front line as I am. The money that has been spent on them is obscene. We are spending millions of dollars in a broke school district on testing. This money would be better spent making sure we have basic safety in our schools, enough personnel to adequately address all of our students needs and quality supplies and books.

And my experience as a special education teacher has shown me the untold cost to the children with disabilities who have to take these tests. Under the federal law, IDEA, students with disabilities receive accommodations and modifications to the curriculum. We differentiate, provide support and meet the students where they are throughout the course of the school year. And then for the almighty PSSA, we strip away all supports and place a grade level test in front of them. Often, these tests are several years above their independent reading level. And they fail. And they are labeled Below Basic. Year after year after year. Imagine what that does to a child's self-esteem. A child who is already at a disadvantage due to have a learning disability. I have seen students become physically ill because of these tests. I have even seen a student with Autism literally pull her own eyelashes out with anxiety over the PSSA. What adds to the stress the children experience is that they are shouldering the burden of their schools funding and potential closing because it is attached to the high stakes test scores.

The lack of a fair funding formula in Pennsylvania and the lack of political will to properly fund Philadelphia is taking its toll in more ways than one. From my point of view, it appears that Harrisburg believes that Philadelphia School District students do not deserve what most other school districts in Pennsylvania take for granted. What is standard in the suburbs is considered a luxury in Philadelphia. My own children attended Cheltenham schools, where they received an excellent education. The 3.3 mile distance from my home to my job at Olney Elementary, might as well be a world apart for the differences in the educational systems and obvious priorities. I can't tell you how many times I went to functions at my daughter's schools and felt ashamed that my students in Philadelphia did not have the same opportunities. It just isn't fair. Even the facilities are a world apart between Philadelphia and Cheltenham. And it's close enough that the students know it. When children go to schools that are run down and do not have adequate resources, the message they are receiving is that they don't matter. They are not worthy of better. They do not deserve more. I'm here today to ask you to change that message.



A Full and Fair Basic Education Funding System for Pennsylvania Schools

Pennsylvania's Public School Funding System Is Failing Our Children

Our system for funding public schools is broken. Pennsylvania is one of only three states without a basic education funding (BEF) formula to distribute sufficient resources both fairly and predictably. The result is a funding system that fails to provide enough resources to educate all students to academic standards, produces a wide gap between the wealthiest and poorest schools, and is so unpredictable from year to year that school districts cannot effectively budget or plan.

- A recent national study determined that Pennsylvania has the widest funding gap between wealthy and poor school districts of any state in the country. Per pupil spending in PA's poorest districts is 33% less than in PA's wealthiest districts.
- The absence of a funding formula to distribute dollars based on real costs and true needs, combined with state funding cuts in recent years, have hit our students hard. A survey of PA school districts earlier this year found schools have experienced unprecedented reductions in academic programs and school staff over the last few years, with more anticipated for next school year. About three of four surveyed school districts cut or reduced at least one academic program since 2010-11, with nearly 40% reporting cuts in 2014-15 alone. Most districts reported at least one round of class size increases since 2010-11, and 93% reduced teaching and other staff through furloughs or other means.

The Campaign for Fair Education Funding Proposes a Better Way to Fund Our Schools

The Campaign for Fair Education Funding wants to ensure that every public school student has access to a quality education no matter where they live. To help achieve that goal, it has proposed a new basic education funding formula that is student-driven and provides sufficient resources, distributed in an equitable way, so students in every school have a fair shot at academic success. This proposed funding system is based on the real costs necessary to help students meet state academic standards. The formula would increase the state BEF investment by \$3.611 billion, phased in over six to eight years. For example, an eight-year phase-in would mean annual increases of about \$451 million in BEF.

1. A New Basic Education Funding Formula

The Campaign proposes a new funding formula that would be transparent, sustainable, equitable, long-range, and adequate to meet the needs of all students. It also relies on accurate, reliable, verifiable, and current data. The elements of this formula, which would be revisited every five years, are as follows:

Counting All Students and Establishing a Statewide Base Cost per Student: The state's school funding formula must be based on the actual costs of educating students. That cost is estimated by:

- Making an accurate count of students attending all public schools in each district
- Weighing that enrollment count over five-years to reflect changes over time, with the greatest value to the most recent years' student counts
- Dividing the statewide Actual Instructional Expenses (AIE) by the weighted student count

After adjusting for the current federal share of education funding for Pennsylvania, this calculation produced a base cost per student of \$7,266.



Accounting for Student Needs: It is widely recognized that some children, such as those living in poverty or learning English, require more support to overcome challenges and meet academic standards. The Campaign accounts for that by including students' weights to reflect those additional expenses for:

- Students living in poverty in each district, with a weight of .25 added for students between 101-185% of the poverty level and .75 added for children under 100% of the poverty level.
- English Language Learner (ELL) students, with a weight of .50 added for each, unless a school district has fewer than 40 ELL students and then the weight per child will be .75.
- Homeless students and students living in foster care, with an additional weight of .25 each.

Factoring in School District Circumstances: Specific school district factors must also be addressed.

- Districts that are both sparsely populated and geographically large must spread costs over a smaller student population, limiting economies of scale savings, and operate small schools across a district to avoid subjecting students to long bus rides each day. Payments to such schools would be weighted according to a formula very similar to the one enacted for Special Education Funding.
- Differences in district tax effort and wealth can contribute to wide fiscal disparities among school districts and aggravate the achievement gap among students based on income and other factors. While the Campaign's proposal accounts for these factors, it also recognizes that the current methods of addressing this issue – equalized mills and a market value/personal income aid ratio – are inadequate and recommends the state develop a new measure.
- Charter school enrollment must be taken into account as well. State dollars follow a child to a charter or cyber charter schools, but there are still some fixed and mandated costs that a district cannot avoid even with fewer students, particularly in the short term. The proposal is weighted based on the number of charter students, with a higher weight for newly enrolled charter students in recognition that it takes time to reduce stranded costs. The Campaign used a 0.30 weight to estimate that impact.

Holding Harmless: School districts experiencing enrollment shifts still carry some fixed and mandated costs. But if they are already at full state support under a formula, they could see lower state funding if no protections are in place. The Campaign recommends that as the formula is phased in, any district already at the full funding target would receive a BEF minimum increase equal to the Act 1 Index. Once all districts reach the target, annual adjustments will be made based on an up-to-date student count. This would protect 18 school districts at a cost of \$48.6 million annually.

2. Greater Efficiencies

The Campaign recommends initiatives to generate greater savings: expanded use of shared services; mandate relief that is specific, limited in scope, subject to state review, and not affecting individual substantive rights; determining the actual cost of providing cyber charter schools; and expanded use of consolidated tax collections. It acknowledges that in their efforts to prudently manage local budgets and meet student needs, school districts are faced with unfunded pension debt.

3. Student Outcome and Fiscal Accountability

Pennsylvania should adopt an accountability system to assure that tax dollars are being appropriately invested. The system should place responsibility on each district and school to improve and should make all appropriate information publicly available at the state, school district, and school level. PDE should be given adequate resources to support schools' progress and intervene when schools are not meeting academic standards.



THE CAMPAIGN FOR FAIR EDUCATION FUNDING

Because every child deserves a chance to succeed.

TOP 10 REASONS PA NEEDS A BETTER BASIC EDUCATION FUNDING SYSTEM

- 1. Pennsylvania's system for funding public schools is broken.**
The current system fails to provide enough resources to educate all students to academic standards, and produces racial disparities and a wide gap between the wealthiest and poorest schools.
- 2. We are 1 of only 3 states without a basic education funding formula to distribute adequate resources both fairly and predictably.**
Research on school finance reform in other states found that sustained, long-term increases in per-pupil spending led to increases in educational attainment and the likelihood that poor children graduate from high school, which in turn increased future family income.
- 3. The current system does not fairly distribute dollars to cover the costs of educating students with different needs and additional barriers.**
It is widely recognized that some children, such as those living in poverty or learning English, require more support to overcome challenges and meet academic standards.
- 4. Pennsylvania has the widest funding gap between wealthy and poor school districts of any state in the country.**
Per-pupil spending in Pennsylvania's poorest districts is 33% less than in its wealthiest districts.
[NCES 2015]
- 5. The absence of a funding formula, combined with state funding cuts in recent years, hit our students hard.**
 - 93% of school districts reduced staff
 - 50% furloughed teachers or other staff
 - 74% cut or reduced at least one academic program
 - 57% increased class size

[PASA-PASBO Report, January 2015]

6. Money does matter. Student performance has tracked funding level changes in Pennsylvania.

A 2011 Education Law Center study found that as state education funding increased by 40% from 2003 to 2010, test scores in the lowest-achieving districts increased by 50% [Education Law Center, 2011]. Conversely, as state funding was cut since 2011 and our system grew more inequitable without a formula, state test scores dropped and the achievement gap did not close [PASBO/PASA Survey, 2015].

7. Basic Education funding is so unpredictable from year to year that school districts cannot effectively budget or plan.

Right now, there is no formula, so as we try to develop budgets at a local level, we can only guess at the level of funding we may or may not receive. How do you map out a spending plan for resources to align to a changing curriculum when you don't know with any certainty what your funding will be from one year to the next?

[James Estep May 2015 Letter to the Editor. Their View: Rural districts need fair spending formula. *Centre Daily Times*]

8. Pennsylvanians want the state to increase its support for public schools.

- Increasing state funding for public education is the top priority among Pennsylvania voters [March 2015 Franklin & Marshall College poll].
- Pennsylvanians support increased funding for public schools by a margin of more than 3 to 1 [January 2015 Mercyhurst Center for Applied Politics poll].

9. Pennsylvanians want the state to create a new funding formula for public schools.

- 80% of Pennsylvania voters support a school funding formula that ensures students in every school district have equal access to educational programs and opportunities regardless of the wealth or poverty of the people who live in the district.
- 64% believe that schools with more students who live in poverty should receive more state funding to educate those children, while only about 29% did not agree with that approach.

[Results from questions commissioned by the Campaign for Fair Education Funding in an April 2015 Terry Madonna Opinion Research Survey]

10. Without a funding formula, ALL students will suffer: rural, city, suburban and small town.

The right proposal for students and Pennsylvania will ensure that sufficient funds are provided while addressing income, racial and other disparities so that all children receive an opportunity for a quality education no matter where they live.

Pennsylvania Department of Education Cyber Charter School Performance Profile Scores for 2013 and 2014

A score of 70 is considered passing. No cyber charter achieved a score of 70 in either year. Additionally, most cybers never made AYP under No Child Left Behind during the period 2005 thru 2012.

Here are the 2013 and 2014 SPP scores for Pennsylvania's cyber charter schools:

<u>School</u>	<u>2013</u>	<u>2014</u>
21st Century Cyber CS	66.5	66.0
Achievement House CS	39.7	37.5
ACT Academy Cyber CS	30.6	28.9
Agora Cyber CS	48.3	42.4
ASPIRA Bilingual CS	29.0	39.0
Central PA Digital Lrng Foundation CS	31.7	48.8
Commonwealth Connections Academy CS	54.6	52.2
Education Plus Academy Cyber CS	59.0	50.0
Esperanza Cyber CS	32.7	47.7
Pennsylvania Cyber CS	59.4	55.5
Pennsylvania Distance Learning CS	54.7	50.9
Pennsylvania Leadership CS	64.7	59.3
Pennsylvania Virtual CS	67.9	63.4
Solomon Charter School Inc.	36.9	

Pennsylvania Legislative Policy Hearing

May 27, 2015

Testimony Presented by

Donna Cooper

Executive Director, Public Citizens for Children and Youth

Thank you for the opportunity to testify before this esteemed committee. Today's hearing is taking place in the 153rd legislative district which overlaps with Upper Dublin and Abington School Districts. I have a good sense of this district from afar having grown up only a few miles from here in the Springfield School District. While the Spartans often beat the Ghosts in sports, Abington has always been a strong academic rival to Springfield in every way. So much so that both the First Lady and the President have addressed the students and now Ash Carter, a hometown boy is responsible for the defense of our nation.

The top leaders of this nation, including the President, the First Lady and the nation's head of national security traveled to Abington because it offers a world class education to its students. Ash Carter made that point very clear. In part the quality of Abington's education is due to the fact that residents of this community have both the will, and the wherewithal, to come up with 80 cents out of every dollar needed to cover the costs of this high quality education. That substantial local effort generates more than \$16,000 per student for capital costs, instruction, support services and the increasingly onerous pension contribution.

Only fifteen minutes from where we sit today is the Norristown School District. It's another proud district that is about the same size with 7500 students, (Abington has about 7600 students). Norristown's budget is comparable to Abington's at about \$130+ million, compared to Abington's \$140+ million. And in terms of total spending per student the districts are only a few hundred dollars apart. Like the residents of Abington, Norristown property owners are coming up with the lion's share of the District revenues, raising 73 cents of every dollar of their budget locally.

In many ways that's where the similarities end.

For instance, compared to Abington, Norristown's property values are weak. In large measure the property value weakness is driven by the elevated level of poverty in the city. Norristown also has a narrower tax base than Abington has, because so many properties are occupied by the county government and non-profit organizations.

Yet in spite of having a poverty rate six times greater than Abington, Norristown residents are paying 22.5 mills in equalized mills compared to the 18 mills rate in Abington. In raw numbers the millage rate

in Norristown for the current school year is 33.6 compared to 21.06 in Abington. That means that the property tax burden is higher in Norristown than it is in Abington.

Don't get me wrong, there may be many Abington residents struggling to pay their property tax bills, but on average Norristown is getting more out of its residents per household, when compared to income than Abington is collecting and it's getting more from residents who on average have much less.

I am not suggesting that Abington should collect more in local revenues for its schools. There is not much evidence to support that assertion. But these local tax rates offer ample evidence that our school funding system and its heavy reliance on property taxes places an intolerable burden on low income communities and poorer residents.

Not only is Norristown's property tax rate higher than Abington's tax rate, the share of children in poverty is much larger in Norristown. In Abington about two in ten students come from poor families. In absolute terms, the number of poor students attending the Abington School District has grown by nearly 30% since 2008. But, in Norristown more than 7 in ten come to school from families who are struggling to make ends meet and there too the number of children from poverty has jumped up since 2008. The dramatic share of low income students presents extraordinary challenges for the teachers and administrators. It's a challenge that unfortunately is not being met with the level of resources needed for academic success.

And there's a third stark difference between the two school districts, the number and share of children who attend school but don't have English as their first language. Clearly, educating new English Language Learners requires more time for teachers than educating students who come to school fluent in English. In Norristown more than 11% of the children have a first language that isn't English, in Abington, only 2% face this learning challenge.

Suffice to say that Norristown faces very significant barriers to generating the funds needed to provide a quality education to its students. And Norristown's student performance suffers as a result.

But keep in mind, the share of low income students is rising in Abington which means that to continue to do great work Abington is likely to also need more resources to continue to be a top performing school district.

Abington already ranks fourth in the county for the number of low income students. These students deserve a quality education but even a great district like Abington is going to have a hard time delivering a good education if our state funding system is not repaired.

If we zoom out to look at the entire county, we can see a dramatic case study in the disparities in our public education funding system.

Spending per student varies widely at the low end in Upper Perkiomen to the high end in Lower Merion which is spending 100% more than Upper Perk. In fact, Lower Merion is spending twice as much per student than Upper Moreland, North Penn, Spring Ford, Perkiomen and Souderton. It's spending almost 90% more than Methacton, Upper Dublin, Hatboro, Pottsgrove, Pottstown and our case study districts

of Norristown and Abington. It may not be realistic to assume that every district can invest as heavily in its students as Lower Merion can, but it's also not realistic to expect the kinds of results that Lower Merion achieves with significantly less resources and more dramatically disadvantaged children. But those are exactly the kind of results we need and of course, the results we all want for every child.

With respect to property tax rates, they vary widely as well in the county where the Colonial School District has an equalized mills rate that is 100% less than the rate in Cheltenham, Pottsgrove, or Jenkintown.

In fact, these local anomalies are normal.

Every state has counties and communities within counties where the levels of poverty vary or the nationality of the families are very different or the property values are often wildly divergent.

School funding formulas are intended to smooth out these disparities. Unfortunately Pennsylvania doesn't have a school funding formula and as a result we have the embarrassing national distinction of having the greatest disparities among districts with respect to school district resources available to invest in schooling our children. That doesn't just sound bad. It is bad.

It means the very districts that need to spend more on their students to enable them to succeed simply don't have the funds to do so.

But resources are essential to putting proven research practices that are known to boost student achievement in place. For instance, decades of research has shown that pre-k and full day kindergarten are key ingredients in helping children from poverty grow up as productive and well off adults. In Norristown, at least 7 out of every ten children need that kind of smart start. But the District can't afford to make those early years of learning available.

It means also that the students who excel have more limited access to challenging courses. Abington High School, which is about the same size as Norristown High boasts 42 AP courses compared to Norristown's 12 courses.

Our state criterion for district and student academic success is at an all-time high. But no school funding formula to augment local effort in poorer communities and we are at a four year low in state spending for education.

That simply needs to change.

On June 10th the Legislative- created Basic Education Funding Commission is required to release a report that outlines the elements of a new school funding formula.

For that report to be considered credible, it must at a minimum propose a formula that does the following:

- Ensure the formula provides multipliers on the level of state aid that recognize the impact deep and traditional poverty as well as the concentration of low income students, have in a school

district. More than 40 states give districts extra funds to meet the needs of poor students. Specifically, seven of the top ten performing states give their districts more funding to meet the needs of low income students.

- Ensure the formula provides multipliers for the share of students who are English Language Learners. Thirty eight states include extra funding for these students with the average extra payment weighted as 50% of the base cost of education.
- Ensure the formula provides a multiplier for the number of students who are homeless or in the foster care system. Oregon stands out as a state that makes these extra funds available to districts.

The documents that accompany this testimony detail the research about why more resources matter. Those documents cite the research that explains why districts with children living at 100% or less of the federal poverty level are likely to cost twice as much to educate than the average student in a district. Students who are from families living just above the federal poverty level, but are still very poor, are likely to require about 75% more than the typical middle class child requires to educate. These are children who are likely to be from homes living on \$10,000 to \$20,000 for a family of three.

There is strong evidence that schools with a high concentration of poverty also have a significantly difficult time helping students meet state standards. It seems that at a poverty concentration of more than 20-30% the school hits a negative tipping point that requires more resources for success. These schools need more staff, more support and more leadership. That's why a new state funding formula must also provide a multiplier that gives extra resources to school districts with a substantial share of students in poverty.

Of course, districts must be given help in educating children who have a first language that isn't English and are still struggling to learn English. State formulas vary with respect to how much they offer to help defray these instructional costs. New Jersey sends about 50% more per student for every ELL learner and we should do the same.

In addition to giving districts the resources to meet the needs of students, state school funding formulas are intended to equalize the burden of school funding with the state absorbing costs in districts where the tax capacity is low or where the tax burden is high. The capacity and level of taxation are essential elements that the Commission's formula proposal must address if it's to be credible and work.

We've seen ample evidence in the House of Representatives that citizens have pushed their representatives to support higher statewide taxes to help offset school property taxes. What we also learned from the deliberations of the Basic Education Commission is that there is little disagreement that poor children and those who don't speak English as their first language cost more to educate.

But we have yet to hear if the state is going to step up to the plate and reduce the local tax burden by putting sufficient funds into our districts, especially those that are cash strapped by local tax capacity and overburdened with low income students. You have to think about this problem this way. For the average students, not those who need extra help, Pennsylvania is spending about \$1,000 less per student than the states that are outperforming the Commonwealth on national assessments. Our

lower income students typically have a much larger expenditure gap. Pennsylvania is a strong performer, but not strong enough. And even our strength is fraying. A recent analysis by the Rand Corporation found that among the top states, Pennsylvania has some of the widest gaps between students who are minority and typically economic disadvantaged and those who are white or more middle class.

We are leaving far too many children behind. And it's not some else's or some other district's problem. This achievement gap, which is primarily due to our absence of a reasonable school funding system, is costing the state, according to Rand \$1-3 billion in earning power of our workers and 2-7% in our state GDP.

The current state approach to school funding is holding back every community in this state and stunting the economic growth of the Commonwealth.

That's why it will not be good enough for the Commission to put out a formula that proposes an increased level of state funding for poor students or the others I've described as needing more investment. Nor will we remedy our school funding problem if the Commission releases a proposal that recognizes local tax capacity and tax effort. Those factors will only matter if there are sufficient funds put on the table to enable the lowest spending districts to close that \$1,000- \$4,000 per student gap that is dragging down our student outcomes.

In 2006, the legislature's own research found that gap to be about \$3.2 billion. Some progress was made in meeting that funding mark, but for the last four years, the level of funds for instruction have been slashed so much so that compared to 2008 little progress has been made.

That means for the Commission's recommendations to really matter it must propose a formula that ensures every district has sufficient funds to boost the quality of education in our districts, close our achievement gaps, relieve tax payers of the rising local tax burden of good schools and set our state on the path of prosperity.

We cannot do this with a one-time shot in the arm of \$400 million. But we can start to make some real progress by committing ourselves to over the next four years putting at least \$2 billion in new funds through a smart formula that brings up the bottom so that the districts that are struggling the most and the students who need the most help can succeed at much higher levels than they can today.

Student Factors Contained in Campaign for Fair Education Funding Proposed Formula	Campaign's Proposal
Weight for children living in concentrated poverty*	.75
Weight for children living in moderate poverty	.25
Weight for English Language Learners	.50
Weight for small ELL population (under 40 pupils)	.75
Weight for number of homeless children or children in foster care	.25

*This weight may be updated to further address racial disparities.

Formula Components and Definitions:

Poverty— We heavily weight poverty because research shows that the actual additional cost of educating low-income children is between two and two-and-a-half times the cost of educating non-poor children.¹ Children who live in impoverished families have lower cognitive and academic performance and more behavior problems than children who are not exposed to poverty, due in part to a lack of stimulating environments and experiences among low-income families.² Because the concentration of disadvantaged students in a district increases the cost of poverty, we give the highest weight to districts with levels of poverty at or below 100% of Federal Poverty Income Guidelines.³ Recognizing that serving students in poverty is resource-intensive in all contexts, we give a modest weight to districts where poverty is between 101% and 185% of FPIG. In calculating the poverty weight, we considered the average weight used by the top 11 performing states on the 2011 8th grade reading NAEP, which is 0.6.⁴ We also considered a weight estimated by Duncombe and Yinger (2004) of 1.0⁵ as well as the option of assigning a lower weight of .36 to students who qualify for free or reduced-price lunch and an additional .64 to students at 100% or lower of the federal poverty line to bring the weight to the full 1.0 for those students. We also considered the weight estimated by Baker and Levin (2014) of 1.49.⁶

English Language Learners— We give a weight to English language learners because these students require extra support to meet their substantial challenges at all grade levels. They must learn to speak, read, and write English as they master content in all subject areas, including English language arts, math, science, and social studies. The achievement gap between ELLs and non-ELL peers is large and growing. There is evidence that the per student cost of ELL programs is higher for districts where there are fewer ELL students, and our formula reflects that fact by having a higher weight for districts with fewer than 40 ELL students. In calculating our ELL weight, we considered the average of all states that weight ELL, which is 0.59.⁷ We also considered the median weight recommended by the Costing-Out Study, 1.96.⁸ Additionally, we considered the weight recommended by Baker and Levin (2014) of 0.6.⁹

Students Experiencing Homelessness— We give additional weight to homeless students because they, like ELL and poor students, lag behind their peers in significant ways—evidenced by their markedly lower scores on standardized tests than their peers across Pennsylvania.¹⁰ This achievement gap is related to issues such as frequent school transfer, lack of quiet, safe places to do homework, lack of school supplies, and stress caused by the chaos of housing instability.¹¹



THE CAMPAIGN FOR FAIR EDUCATION FUNDING

Because every child deserves a chance to succeed.

Students in Foster Care— We give additional weight to students in foster care as they experience lower academic achievement, lower standardized test scores, higher rates of grade repetition, and higher dropout rates than their peers who are not in foster care.¹² Due to circumstances outside their control, young children in foster care are more likely to have developmental delays including cognitive, language, motor, and socialization skills.¹³ Physical and emotional abuse, sexual abuse, neglect and exposure to violence also cause trauma and undermine learning.¹⁴

¹ See e.g., Andrew Reschovsky and Jennifer Imazeki, "The Development of School Finance Formulas to Guarantee the Provision of Adequate Education to Low-Income Students," *Developments in School Finance 1997*, National Center for Education Statistics, 1997; William Duncombe, *Estimating the Cost of an Adequate Education In New York*, Center For Policy Research Working Paper, Syracuse University, 2002.

² NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT EARLY CHILD CARE RESEARCH NETWORK. 2005. Duration and developmental timing of poverty and children's cognitive and social development from birth through third grade. *Child Dev.* 76: 795–810.

³ See e.g., Palardy, Gregory. "Differential School Effects among Low, Middle, and High Social Class Composition Schools: A Multiple Group, Multilevel Latent Growth Curve Analysis", *School Effectiveness and School Improvement*, vol. 19, no. 1, March 2008, p. 21-49. This study examines differential school effects between low, middle, and high social class composition public schools. It finds that student learning in low SES schools is far more sensitive to school factors than in middle and high SES schools. Even after controlling for extensive student background characteristics and school inputs, students attending low SES school continue to learn at significantly lower rates.

⁴ See attached chart "Poverty Weights of Top 11 States on NAEP 8th Grade Reading, 2011."

⁵ Duncombe, William D. and Yinger, John. "How Much More Does a Disadvantaged Student Cost?" Page 18. *Syracuse University Center for Policy Research*, 2004. <http://surface.syr.edu/cgi/viewcontent.cgi?article=1102&context=cpr>

⁶ Baker, Bruce and Levin, Jesse. "Educational Equity, Adequacy, and Equal Opportunity in the Commonwealth: An Evaluation of Pennsylvania's School Finance System." Page 22. *American Institutes for Research*, October 2014.

<http://www.air.org/sites/default/files/downloads/report/AIR-EEAEO%20in%20the%20Commonwealth%20-%20Full%20Report%2010-09-14.pdf>

⁷ See attached chart "ELL Weights of Other States, 2011."

⁸ "Costing Out the Resources Needed to Meet Pennsylvania's Public Education Goals." Augenblick, Palaich, and Associates, Inc. December 2007.

⁹ Baker, Bruce and Levin, Jesse. "Educational Equity, Adequacy, and Equal Opportunity in the Commonwealth: An Evaluation of Pennsylvania's School Finance System." Page 22. *American Institutes for Research*, October 2014.

<http://www.air.org/sites/default/files/downloads/report/AIR-EEAEO%20in%20the%20Commonwealth%20-%20Full%20Report%2010-09-14.pdf>

¹⁰ National Center on Family Homelessness (2009), *America's Youngest Outcasts: State Report Card on Child Homelessness*, 3. http://www.homelesschildrenamerica.org/state_reports.php?state=PA

¹¹ National Coalition for the Homeless. (2007, August). NCH Fact Sheet #10. Retrieved 10/16/2007, from Education of Homeless Children and Youth: <http://www.nationalhomeless.org/publications/facts/education.pdf>; Julianelle, P. F., & Foscarinis, M. (2003). Responding to the School Mobility of Children and Youth Experiencing homelessness: The McKinney-Vento Act and Beyond. *The Journal of Negro Education*, Vol. 72(1), p. 39-54; Fowler-Finn, T. (2001). Student Stability vs. Mobility. *The School Administrator*, August 2001.

¹² National Working Group on Foster Care and Education, *Fostering Success in Education: National Factsheet on the Educational Outcomes of Children in Foster Care* (January 2014), <http://fostercareandeducation.org/> (under "Research and Statistics"). The full report, *Supporting the Needs of Students Involved with the Child Welfare and Juvenile Justice System in the School District of Philadelphia* is available at http://policylab.chop.edu/sites/default/files/pdf/publications/PolicyLab_Report_Supporting_Students_Involved_with_Child_Welfare_June_2014.pdf.

¹³ Culp RE, Heide J, Richardson MT. Maltreated children's developmental scores: treatment vs. non treatment. *Child Abuse Negl.* 1987; 11(1): 29-34.

¹⁴ Center on the Developing Child at Harvard University. (2007). A science-based framework for early childhood policy: Using evidence to improve outcomes in learning, behavior, and health for vulnerable children. Retrieved from http://developingchild.harvard.edu/index.php/resources/reports_and_working_papers/policy_framework/

AIE Per Student for Top 20% of School Districts, PSSA Reading, 2011-12

Rank	School District	% Prof/Adv	AIE	WADM	AIE/WADM
1	TREDYFFRIN-EASTTOWN SD	93.8	\$78,873,165.24	7,476.920	10,548.884
2	MT LEBANON SD	93.4	\$57,985,888.14	6,073.939	9,546.669
3	SOUTH FAYETTE TOWNSHIP SD	93.4	\$21,522,174.22	2,874.961	7,486.075
4	UNIONVILLE-CHADDS FORD SD	93.4	\$47,014,388.20	4,814.760	9,764.638
5	HAMPTON TOWNSHIP SD	93.1	\$28,423,213.72	3,634.627	7,820.118
6	UPPER SAINT CLAIR SD	93.0	\$41,996,101.95	4,808.169	8,734.323
7	GARNET VALLEY SD	92.8	\$57,568,375.93	5,470.303	10,523.800
8	RADNOR TOWNSHIP SD	91.8	\$52,723,189.61	4,156.964	12,683.100
9	CENTRAL BUCKS SD	91.6	\$172,298,931.19	23,376.654	7,370.556
10	PETERS TOWNSHIP SD	91.5	\$36,498,825.89	5,091.100	7,169.143
11	ROSE TREE MEDIA SD	91.4	\$52,725,661.86	4,449.685	11,849.302
12	LOWER MERION SD	91.3	\$136,981,804.74	8,484.227	16,145.467
13	NORTH ALLEGHENY SD	91.2	\$89,959,936.19	9,556.443	9,413.538
14	WALLINGFORD-SWARTHMORE SD	91.2	\$45,743,317.75	4,031.866	11,345.446
15	GREAT VALLEY SD	90.8	\$52,650,293.51	4,713.516	11,170.068
16	COLONIAL SD	90.5	\$69,090,130.89	5,585.603	12,369.324
17	PERKIOMEN VALLEY SD	90.2	\$62,296,808.36	6,865.162	9,074.339
18	FOX CHAPEL AREA SD	90.1	\$58,278,932.47	5,185.418	11,239.004
19	WEST CHESTER AREA SD	90.0	\$134,878,068.94	14,424.050	9,350.915
20	QUAKER VALLEY SD	89.8	\$26,018,376.90	2,233.763	11,647.779
21	FAIRVIEW SD	89.8	\$14,538,029.66	1,909.676	7,612.825
22	PINE-RICHLAND SD	89.7	\$42,846,702.37	5,383.469	7,958.939
23	DOWNINGTOWN AREA SD	89.7	\$115,606,543.73	14,240.299	8,118.267
24	YORK SUBURBAN SD	89.7	\$34,332,154.64	3,439.046	9,983.046
25	UPPER DUBLIN SD	89.2	\$53,849,745.63	5,043.531	10,676.993
26	SENECA VALLEY SD	89.2	\$63,936,774.94	8,524.039	7,500.760
27	WISSAHICKON SD	89.1	\$61,837,446.32	5,261.620	11,752.549
28	HAVERFORD TOWNSHIP SD	88.8	\$62,891,822.96	6,499.288	9,676.725
29	WEST JEFFERSON HILLS SD	88.7	\$24,780,841.55	3,253.763	7,616.056
30	PENN-TRAFFORD SD	88.6	\$33,269,136.92	4,963.632	6,702.579
31	NEW HOPE-SOLEBURY SD	88.3	\$24,384,986.68	1,884.331	12,940.925
32	MARS AREA SD	88.2	\$25,460,047.42	3,728.658	6,828.207
33	FRANKLIN REGIONAL SD	88.1	\$33,078,119.35	4,475.449	7,391.017
34	JENKINTOWN SD	87.8	\$10,117,517.65	739.671	13,678.402
35	BETHEL PARK SD	87.7	\$48,297,389.44	5,423.028	8,905.982
36	LAMPETER-STRASBURG SD	87.6	\$29,588,271.76	3,673.383	8,054.775
37	SOUDERTON AREA SD	87.6	\$73,644,951.68	7,862.474	9,366.639
38	SPRINGFIELD SD	87.5	\$42,463,857.86	4,348.191	9,765.868
39	HATBORO-HORSHAM SD	87.5	\$58,882,437.66	5,805.498	10,142.530
40	DELAWARE VALLEY SD	87.5	\$47,467,189.38	6,157.849	7,708.404
41	LOWER MORELAND TOWNSHIP SD	87.4	\$27,680,161.45	2,543.470	10,882.834
42	COUNCIL ROCK SD	87.2	\$143,993,991.27	13,657.978	10,542.848
43	SPRING-FORD AREA SD	87.0	\$83,577,201.13	9,014.249	9,271.677
44	WEST ALLEGHENY SD	86.8	\$33,645,755.02	3,804.942	8,842.646
45	CANON-MCMILLAN SD	86.7	\$39,324,747.08	5,702.846	6,895.635

46	CAMP HILL SD	86.5	\$12,201,961.03	1,444.334	8,448.157
47	STATE COLLEGE AREA SD	86.4	\$81,829,996.76	8,377.220	9,768.157
48	WILSON SD	86.3	\$21,420,455.93	6,946.700	3,083.544
49	DERRY TOWNSHIP SD	86.2	\$35,044,127.13	4,245.781	8,253.871
50	SOUTHERN LEHIGH SD	86.0	\$35,678,931.74	3,697.840	9,648.587
51	MONTOURSVILLE AREA SD	86.0	\$17,295,609.42	2,343.980	7,378.736
52	METHACTON SD	86.0	\$62,086,831.66	6,052.740	10,257.641
53	LEWISBURG AREA SD	86.0	\$19,877,684.01	2,246.029	8,850.146
54	AVON GROVE SD	85.8	\$54,150,183.54	6,917.518	7,827.979
55	NORTH PENN SD	85.8	\$141,119,105.98	14,577.788	9,680.420
56	PENNRIDGE SD	85.6	\$75,428,367.24	8,864.450	8,509.086
57	AVONWORTH SD	85.5	\$15,523,380.21	1,768.309	8,778.658
58	WYOMISSING AREA SD	85.5	\$20,867,313.69	2,265.368	9,211.445
59	PENNS VALLEY AREA SD	85.5	\$13,720,488.95	1,756.537	7,811.102
60	MARPLE NEWTOWN SD	85.5	\$44,705,580.87	4,012.325	11,142.064
61	PENNSBURY SD	85.3	\$141,748,184.71	12,861.689	11,020.962
62	DALLAS SD	85.3	\$21,552,784.61	3,248.852	6,633.969
63	ABINGTON HEIGHTS SD	85.3	\$29,680,265.66	3,948.399	7,517.038
64	OWEN J ROBERTS SD	85.2	\$56,485,752.37	5,980.286	9,445.326
65	NESHANNOCK TOWNSHIP SD	85.2	\$11,216,731.38	1,566.652	7,159.683
66	WESTMONT HILLTOP SD	84.9	\$14,001,326.49	1,975.869	7,086.161
67	PARKLAND SD	84.9	\$96,434,172.85	10,935.975	8,818.068
68	WINDBER AREA SD	84.9	\$9,819,358.01	1,503.615	6,530.500
69	MONTGOMERY AREA SD	84.8	\$8,078,693.61	1,003.944	8,046.956
70	MOON AREA SD	84.7	\$37,316,664.09	4,373.883	8,531.701
71	MONTOUR SD	84.7	\$38,607,883.16	3,564.171	10,832.220
72	HEMPFIELD SD	84.7	\$67,993,630.81	8,079.481	8,415.594
73	DALLASTOWN AREA SD	84.7	\$64,133,159.58	7,322.918	8,757.869
74	CUMBERLAND VALLEY SD	84.6	\$65,194,853.35	9,203.919	7,083.380
75	KISKI AREA SD	84.6	\$31,161,117.96	4,762.074	6,543.602
76	CAMBRIA HEIGHTS SD	84.5	\$12,207,808.88	1,748.780	6,980.757
77	NORWIN SD	84.5	\$39,933,758.06	6,075.982	6,572.396
78	NORTH HILLS SD	84.4	\$45,264,718.21	5,090.841	8,891.403
79	PALMYRA AREA SD	84.4	\$24,193,503.60	3,798.993	6,368.399
80	SPRINGFIELD TOWNSHIP SD	84.4	\$29,864,035.47	2,555.075	11,688.125
81	PLUM BOROUGH SD	84.3	\$36,131,512.35	4,874.215	7,412.786
82	CRESTWOOD SD	84.2	\$21,702,583.34	3,605.612	6,019.112
83	ABINGTON SD	84.1	\$88,033,789.70	8,815.349	9,986.421
84	MECHANICSBURG AREA SD	84.0	\$34,742,602.69	4,398.997	7,897.846
85	BEAVER AREA SD	83.8	\$16,226,846.15	2,449.576	6,624.349
86	PALISADES SD	83.7	\$25,142,522.89	2,204.429	11,405.458
87	NORTH EAST SD	83.6	\$13,626,454.20	2,024.762	6,729.904
88	SAUCON VALLEY SD	83.6	\$28,570,560.56	2,776.709	10,289.361
89	QUAKERTOWN COMMUNITY SD	83.5	\$64,762,137.61	6,369.550	10,167.459
90	NORTH POCONO SD	83.5	\$29,113,827.79	3,722.358	7,821.340
91	HARBOR CREEK SD	83.3	\$17,015,031.99	2,452.257	6,938.519
92	PENN-DELCO SD	83.3	\$32,442,121.88	4,010.413	8,089.472
93	EAST PENN SD	83.3	\$76,186,333.14	9,544.281	7,982.407
94	GREENWOOD SD	83.2	\$7,142,813.88	967.144	7,385.471

95	SOUTHERN YORK CO SD	83.2	\$31,154,993.96	3,837.225	8,119.147
96	SHENANGO AREA SD	83.1	\$11,463,745.15	1,486.363	7,712.615
97	WAYNE HIGHLANDS SD	83.1	\$29,063,047.46	3,550.826	8,184.870
98	OLEY VALLEY SD	83.0	\$19,079,497.15	2,141.546	8,909.217
99	KEYSTONE OAKS SD	82.8	\$22,049,331.51	2,393.844	9,210.847
100	FREEPORT AREA SD	82.8	\$16,786,862.56	2,365.737	7,095.828
101	PENN CAMBRIA SD	82.8	\$13,939,211.10	2,037.024	6,842.929

Average

8,875.930

ELL Weights of Other States, 2011

State	Weight/Funding Policy	Weight Used for Calculation	Base Cost per Pupil
Alabama	Based on prior year ESL allocations		
Alaska	block funded		
Arizona	0.115	0.115	
Arkansas	\$293 per pupil	0.049	6,023
California	\$50,000,000 total - grades 4-8 only		
Connecticut	none (funds available, limited to schools w/ 20 or more students w/ same non-English dominant lang)		
Florida	1.147	1.147	
Georgia	2.5337	2.5337	
Hawaii	0.2373	0.2373	
Idaho	\$290 per pupil (\$5.29 mil statewide for limited english proficient students)		
Illinois	Reimbursable		
Indiana	N/A (Complexity Index includes LEP factor)		
Iowa	0.22	0.22	
Kansas	.395 per pupil	0.395	
Kentucky	0.96	0.96	
Louisiana	\$20,000 per foreign lang teacher		
Maine	1.525-1.7	1.6125	
Maryland	99% of per pupil amount established in the Foundation Program	0.99	
Massachusetts	\$590-\$2,153 per pupil (extra increment of foundation budget dollars for limited english pupils)		
Michigan	\$2,800,000 total; funds are distributed on a per LEP student		
Minnesota	\$700 per pupil (.135) Add'l \$250 (.184)/pupil - LEP > or =11.5% Pro rata reduction (earlier) - LEP <11.5% For districts w/ less than 20 LEP, funding is based on 20 students	0.16	5,174
Missouri	.6 (if a district's ELL > state threshold)	0.6	
Nebraska	N/A (adjustment for limited English proficiency students)		
New Hampshire	\$675 per pupil	0.196	3,450
New Jersey	.5; for LEP & low-income, .125	0.5	
New Mexico	0.5	0.5	
New York	1.25 mil for bilingual education grant (see Need Index for ELL)		
North Carolina	eligible LEAs/charters must have > or =20 students ELL or > or =2.5% of the ADM. Funding provided for < or =10.6% of ADM		

North Dakota	N/A		
Oklahoma	0.25	0.25	
Oregon	0.5	0.5	
Rhode Island	\$31,700,000 total; distribution is based on a district's proportion of limited English Proficiency students		
Tennessee	funding is generated in the Instructional Component of the Basic Education Program		
Texas	0.1	0.1	
Utah			
Vermont	0.2	0.2	
Washington	\$885.91 per pupil; based on headcounts of pupils served		
West Virginia	Grant varies (LEP; LEP & low-income)		
Wisconsin	bilingual/bicultural education aid is funded as categorical aid		
Average	0.59		

Instructional Expenses Per Student for Top 11 States on NAEP 8th Grade Reading, 2011

State	Instructional Expenses	Enrollment	Instructional Expenses per Student
Massachusetts	\$8,867,542,275	955,563	\$9,279.91
New Jersey	\$14,209,003,743	1,364,495	\$10,413.38
Connecticut	\$5,768,873,427	560,546	\$10,291.53
Vermont	\$876,069,820	90,218.60	\$9,710.52
Montana	\$909,036,416	141,693	\$6,415.54
New Hampshire	\$1,712,140,556	188,912.58	\$9,063.14
Colorado	\$4,250,693,214	843,316	\$5,040.45
Maryland	\$7,424,152,708	852,211	\$8,711.64
Maine	\$1,442,329,463	188,131	\$7,666.62
Minnesota	\$5,888,593,644	818,748.15	\$7,192.19
Wyoming	\$826,891,064	88,165	\$9,378.90
Average			\$8,469.44

Poverty Weights of Top 11 States on NAEP 8th Grade Reading, 2011

State	Poverty Weight	weight used for calculation
Massachusetts	\$2,561 to \$3,167 per low-income pupil	
New Jersey	.47 - low-income < 20% gradually increases until max... .57 - low-income > or = 60%	0.52
Connecticut	none	
Vermont	0.25 (based on Food Stamps)	0.25
Montana	none	
New Hampshire	.13 (\$431) - F&RL <12% .25 (\$863) - F&RL 12%-23.99% .5 (\$1725) - F&RL 36%-47.99% .75 (\$2588) - F&RL > or =48%	0.4075
Colorado	none	
Maryland	0.97 (based on F&RL)	0.97
Maine	1.15 (based on F&RL)	1.15
Minnesota	variable weighting 0.0-0.6 depending on concentration of F&RL eligible pupils in the building. Applies only to compensatory revenue calculation.	0.3
Wyoming	none	
Average	0.6	

Charter and Cyber Charter Reform-

- One of the increasing budget items in our school districts is rising charter school costs.
- The Charter School Law was created in 1997 but no significant changes have been made to the law in the past 18 years. The intent of that law was to provide for greater innovation and increased opportunities for students. However, the data does not reflect that the charter schools are doing better than our Montgomery County schools.
- In most districts in Montgomery County, the majority of the students enrolled in charter schools are enrolled in cyber charter schools. A review of the school performance profile scores of each of these cyber schools demonstrates that our Montgomery County students are attending cyber schools with scores that are lower than the sending school district's scores. However, the dollars leave our districts to support students to attend schools that cannot meet our standards.
- In Souderton we do have a brick and mortar charter school.

SCSC	- 171 students = \$2.025M
Cyber School	- 97 students = <u>\$1.315M</u>
	Total = \$3.34 M

Regular Ed students - \$10,003 and Special Ed students \$24,974

- Charter school funding formula reform is needed to ensure that school districts and taxpayers are not overpaying for charter school services.
- The Charter School Law requires payments to be made without regard to program costs at the charter or cyber charter school. The current

funding/reimbursement mechanism under the law takes total school expenditures and only subtracts out some costs that are unrelated to the charter and cyber charter schools.

- However, if other costs increase such as instructional, personnel, health care, insurance and other operating expenses, there is a corresponding increase in the payment to the charter school.
- The superintendents and board members recognize that online or distance learning is a viable form of education. However, the formula for funding cyber charter schools in particular does not reflect the actual costs of cyber education. Rather, each of the 21 school districts represented here today has a different cost for the same cyber charter schools.
- Special education identification also increases the cost of the charter schools. We have found that many students enrolled in charter school immediately become identified as needing special education services although no indication of such need existed while enrolled in our schools.
- In addition to the funding concerns, accountability and transparency requirements for charter schools are also significant factors to ensure that valuable tax dollars are being spent efficiently and effectively. The same process and transparency rules of our traditional public schools should be applied to the charter schools. Our meetings are open to the public, we post our information on our websites and are responsive to the communities we serve. However, the burden of determining information regarding students attending cyber charter schools falls on our districts. The burden is on our districts to track the mobility of the students during the course of the school year.
- We recognize that charter schools are public schools under the law. As such, they should reflect the standards set for all Pennsylvania students, teachers and administrators.