House Education Committee
Informational Meeting
Future Ready PA Index and Student Outcomes
February 2, 2026, at 9:30am, 140MC

9:30am Call to Order
Committee Member Introductions
Opening Remarks- Chairman Schweyer

9:40am Panel 1- Department Perspective

Ms. Amy Lena, Deputy Secretary of Elementary and Secondary Education
Pennsylvania Department of Education

Mr. Brian Campbell, Director of the Bureau of Curriculum
Pennsylvania Department of Education

10:10am Panel 2- School Perspective

Dr. Sherri Smith, Executive Director
Pennsylvania Association of School Administrators

10:40am Panel 3- Advocate Perspective

Attorney Dan Urevick-Ackelsberg, Senior Attorney
Public Interest Law Center

Dr. Brooks Bowden, Associate Professor and Director
Graduate School of Education-Center for Benefit–Cost Studies of Education
University of Pennsylvania

Mr. Aaron Riggleman, Manager
Government Affairs
PA Chamber of Business and Industry

11:10am Closing Remarks/Adjournment

All times are approximate and include time for questions.
Live streamed at www.pahouse.com/live

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION

House Education Committee
Informational Hearing on the Future Ready PA Index and Student Outcomes
Amy Lena, Deputy Secretary of Elementary and Secondary Education
February 2, 2026

Executive Summary

The way we measure and report school success and student achievement in Pennsylvania has changed many times over many decades, most recently in 2018 as educators and state agencies across the country transitioned to new reporting requirements of the federal Every Student Succeeds Act (ESSA). During that transition, PDE representatives traveled throughout the state, engaging more than 1,000 stakeholders at 31 public meetings to solicit feedback on ways to improve school reporting. From those sessions arose a plan to create a more holistic measure of student and school achievement: The Future Ready PA Index.

The Index was designed to provide a more comprehensive look at how Pennsylvania schools are educating all students, while being accessible and useful to parents, policymakers, teachers, and school administrators.

The Index uses a "dashboard" approach to data visualization and measures schools in three main categories: the academic performance of students; if student progress is on track; and whether students graduate ready for college or to start a career. A color-coded system illustrates student and school progress in the three main categories.

The Index presents actual school performance for each individual indicator. There are presently 12 indicators, divided into the three reporting categories, displayed on the Index:

- **State Assessment Measures**
  - Percent Proficient/Advanced on PSSA/Keystone Exam
  - Meeting Annual Growth Expectations (PVAAS)
  - Percent Advanced on PSSA/Keystone Exam
- **On-Track Measures**
  - English Language Growth and Attainment
  - Regular Attendance
  - Grade 3 Reading/Grade 7 Mathematics Early Indicators
- **College and Career Measures**
  - High School Graduation Rate
  - Career Standards Benchmark
  - Percent Advanced on Industry Based Competency Assessments
  - Industry Based Learning
  - Rigorous Courses of Study
  - Post-Secondary Transitions

State Assessment measurements demonstrate student performance on the PSSA and Keystone Exam standardized tests and include results at the school-building level. This also

includes data from the Pennsylvania Value-Added Assessment System (PVAAS), which measures growth in test scores, and the percentage of proficient and advanced students from year to year or as an average over three years.

On-Track measurements show attendance, including chronic absenteeism, and indicate progress in reading, math, and English language proficiency.

College and Career-Ready measurements illustrate how well students are being prepared for post-secondary success by showing access to rigorous courses, such as Advanced Placement, and by identifying industry-based credentials earned by students. It also includes data on college enrollment, military enlistment, and workforce participation.

Screenshots of the Index using a fictional school appear at the end of this document.

Written Testimony

Guiding Principles

Assessments are a point-in-time snapshot of academic achievement—not a measure of success or failure within a school or student body. The factors that affect an individual's or a group of students' academic achievement are dynamic and innumerable, and often unrelated to school itself. To see the whole picture, we must take a more holistic view of growth and achievement (such as improved graduation rates, enhanced career readiness skills, and decreased chronic absenteeism) to accurately depict how Pennsylvania's students and schools are performing.

That philosophy informed how PDE developed the Future Ready PA Index and how we continue to improve upon it.

Pennsylvania is one of about a dozen states that chose to provide a profile approach to school reporting and accountability, which is a deliberate pivot from the previous approach. A single number, letter, grade, or star-rating can be misleading. Pennsylvania's former school report card, the School Performance Profile, was easily misinterpreted. The score was often converted to a percentage, even though it wasn't on a 1-100 scale, or assigned a letter grade, even though there was no correlation between levels of performance and percentiles in increments of ten.

Single summative rating systems provide limited transparency due to their reliance on the weighting and averaging of scores to combine them. A summative score may suggest or imply comparability when it does not exist, as it attempts to combine dissimilar measures. For example, which school should attain a better, singular summative score: a school performing at 90 percent in reading and 10 percent in math; or a school performing at 50 percent in each? Both would display a similar average value. However, it's obvious that these schools are facing different challenges. A profile dashboard approach, like the Index, empowers a viewer to understand the story behind the numbers.

The approach used in the Future Ready PA Index also gives Pennsylvania the ability to add, revise, or remove indicators without disrupting an overall aggregate formula. The U.S. Department of Education praised this flexibility, especially in the post-COVID era. Many states with a summative system were unable to produce reliable accountability scores when data sets were unavailable during the pandemic. Pennsylvania was not affected in this way. Also, while many other states have found that the weighting of certain academic indicators has led to the

over-identification of alternative and special education schools for School Improvement, this is not the case in Pennsylvania.

The Future Ready PA Index dashboard shows performance at each individual indicator level, without aggregating them into a single, summative score. This treats the accountability system as a tool for continuous improvement rather than a punitive labeling process. The Index maximizes transparency of performance on individual measures and keeps dissimilar measures distinct.

Indicators

Information displayed on the Index communicates school progress in clear, concise terms. Measurements of school success are less reliant on point-in-time standardized test scores and allow the community to determine the relevance of each indicator. There are 12 indicators, divided into three reporting categories, displayed on the Index:

- **State Assessment Measures**
  - Percent Proficient/Advanced on PSSA/Keystone Exam
  - Meeting Annual Growth Expectations (PVAAS)
  - Percent Advanced on PSSA/Keystone Exam
- **On-Track Measures**
  - English Language Growth and Attainment
  - Regular Attendance
  - Grade 3 Reading/Grade 7 Mathematics Early Indicators
- **College and Career Measures**
  - High School Graduation Rate
  - Career Standards Benchmark
  - Percent Advanced on Industry Based Competency Assessments
  - Industry Based Learning
  - Rigorous Courses of Study
  - Post-Secondary Transitions

Six of these indicators—Proficiency, Growth, English Language Attainment, Regular Attendance, Graduation Rate, and Career Readiness—are federally required by ESSA. These indicators determine a school's federal School Improvement rating. The remaining six indicators are informational only.

Regular Attendance and Career Readiness are Pennsylvania's ESSA School Quality Indicators.

The department believes these indicators are critical to post-secondary success. Neither is dependent on standardized test scores or local academic requirements, and they are more indicative of a school's locally designed internal support systems.

Regular Attendance is calculated at the student level, and it is measured by the percentage of students who are absent for more than 10 percent of school days for which they were enrolled across that academic year. Measuring student-level attendance is important, as positive, statistically significant relationships between student attendance and academic achievement have long been documented. Chronic absence can be addressed when school communities

work together to monitor the student attendance and implement solutions that address the underlying causes.

While attendance supports academic success, long-term student success also depends on early exposure to future career pathways. Pennsylvania is the first state in the nation to embed career exploration at the middle school level. In fact, last year Pennsylvania was ranked with the highest possible score for Middle School Career Exploration in a national study by American Student Assistance and Education Strategy Group. Pennsylvania's early focus reflects workforce realities: nearly two-thirds of jobs require education or training beyond high school but not necessarily a four-year degree. By introducing career exploration earlier, Pennsylvania is preparing students for all postsecondary pathways.

This emphasis is reflected in the Index via the K-12 Career Standards Benchmark, which is the only Career Standards Benchmark in the nation that is independent of any standardized test scores. The benchmark is not tied to math or reading assessments, graduation exams, or other academic performance indicators. Instead, it measures whether schools are providing students with structured opportunities to engage in career awareness, exploration, and preparation activities aligned to Pennsylvania's Career Education and Work standards. Students create a career portfolio containing 20 or more pieces of evidence to validate that a student's individualized career plan has been created and fully implemented. This design emphasizes career readiness as its own domain of student development and avoids conflating workforce preparation with academic achievement alone.

In creating a more well-rounded view of student achievement, the Future Ready PA Index provides a more accurate snapshot of how well schools are educating their students. The Index focuses on ensuring students graduate both college- and career-ready, as we recognize there is more than one pathway to success.

School Performance

School performance is displayed as the percentage of students who have achieved the indicator outcomes, and a school's percentage is compared to the statewide average performance and the statewide ESSA goal. Schools are not rated against the average, and the statewide average does not influence School Improvement ratings. Schools are identified for School Improvement based on their progress compared to the ESSA goals.

A dashboard icon is used to represent the school's performance on each scored indicator. Both the *color* and the *shape* of the icon convey meaning. This allows the display of multiple data points in a clear, concise visualization. The color of the icon shows the school's performance in relation to the ESSA goals:

BLUE - The school has met or exceeded the statewide 2033 ESSA goal.

GREEN - The school has not met the 2033 goal but has met or exceeded the yearly interim goal.

RED - The school has met neither the 2033 nor yearly interim goal.

Both BLUE and GREEN represent a positive outcome.

The shape of the icon shows the school's performance in relation to its performance on the same indicator the previous year:

UPWARD ARROW - Performance increased from the previous year.

CIRCULAR DOT - Performance is the same as the previous year.

DOWNWARD ARROW - Performance decreased from the previous year.

The local school community can decide its own priorities when interpreting the results of the Index. For instance, a school focusing on improvement and growth may view a GREEN UPWARD arrow more favorably than a BLUE DOWNWARD one. A school with high achievement in a particular indicator would likely feel the opposite.

The data can also assist local program planning and resource allocation. A school in a community rich with local industry may want to increase their career and technical education offerings in relation to the number of graduates they serve. Other schools may want to focus on academic offerings, such as Advanced Placement courses and International Baccalaureate programs.

In some cases, a school may not have data to display. An *IS* icon represents an insufficient sample. A population of fewer than 20 students eligible for any indictor is considered statistically unreliable. A population of fewer than nine students is masked for confidentiality. A 'Data Does Not Apply' N/A icon is displayed for a school for whom no data is available for the indicator based on school configuration. For example, the Graduation indicator would not be applicable to an elementary school. Conversely, the Early Literacy indicator would not be applicable to a high school.

Perhaps the most powerful feature of the Index is the ability to disaggregate the performance on scored indicators into several student groupings, including students with IEPs, economically disadvantaged students, non-English speakers, and the seven federally recognized subgroups. This analysis allows school leaders to dissect trend data and determine root causes of successes and failures that affect all student groupings equally.

All dashboard icons are clearly labeled and defined in legends prominently displayed on the Index pages. Data and reports can be downloaded into multiple formats, including spreadsheets, charts, graphs, and text files, to support school-level analysis, public reporting, and communication with constituents or local school boards. The "Fast Fact" pages provide demographic information and enrollment information in a clear, graphical format.

The Index also highlights supports available for gifted students, students experiencing homelessness, students in foster care, and students with family members in the military. In addition, the reader can access reporting related to school safety, graduation data, and federal and state funding audits.

The dashboard promotes transparency by displaying student group performance and progress toward state goals over time without comparing dissimilar measures. By presenting multiple indicators of success, the Future Ready PA Index provides a more comprehensive and accurate snapshot of how well schools are preparing students for life after graduation. The Index recognizes multiple pathways to success by valuing career awareness, industry-recognized credentials, and college readiness, ensuring students graduate both college and career ready.

Accountability

In accordance with the ESSA-mandated process of Annual Meaningful Differentiation, Pennsylvania identifies those schools that qualify for federal School Improvement designations in three categories:

- **Comprehensive School Improvement (CSI)**
  These are the lowest performing 5 percent of all Title I schools in Pennsylvania. Additionally, any school, Title I or not, with a combined 4- and 5-year graduation rate of 67 percent or less is identified for CSI. Schools identified for CSI must develop, submit, and implement a comprehensive school improvement plan. CSI status is re-evaluated every three years. Additional funding is provided to CSI-designated schools to build the school's capacity, support professional development, and develop and implement evidence-based interventions for school improvement. CSI schools also receive direct support from the state through an assigned School Improvement Facilitator who assists with plan development, implementation, and ongoing improvement efforts. CSI is the most intensive improvement designation.
- **Additional Targeted Support and Improvement (A-TSI)**
  Regardless of overall performance, any school in which student groups perform at or below CSI thresholds is identified for A-TSI. Schools identified for A-TSI must develop, submit, and implement a comprehensive school improvement plan focused specifically on the student group(s) that did not meet the targets. A-TSI schools receive assistance from their Intermediate Unit to support plan development and implementation paid by the State System of Support. This designation is re-evaluated every four years, and if a school does not show improvement in the 4-year cycle, it is designated as CSI to provide additional support to the school. These schools are specifically labeled A-CSI on the Future Ready PA Index to denote they are not one of the lowest 5 percent performing schools.
- **Targeted Support and Improvement (TSI)**
  This is a "warning list" for schools that fall short of the state-determined standards for individual student groups. TSI status is determined annually, and schools identified for TSI must develop, submit, and implement a school improvement plan focused specifically on the student group(s) that did not meet the targets.

Schools are identified for school improvement through a process drawing on multiple measures, over multiple years. No single indicator's performance in a single year can qualify a school for improvement. Schools exhibiting low student achievement *and* low student growth are defined as "low performing." Low-performing schools that exhibit challenges in graduation rate, regular attendance, career readiness, and/or English proficiency are identified for School Improvement. Additionally, ESSA mandates that *any* school, regardless of performance, with a graduation rate at or below 67 percent is identified for CSI. Schools identified for School Improvement are indicated with a banner in the heading of their Index page.

Since the 2020-21 school year:

- State assessment proficiency rates in math and science have increased modestly year over year. While we have not reached pre-pandemic thresholds, these gains are consistent with gains seen by other states.

- Keystone Literature scores remain consistent, but there has been a gradual, modest decline in Grade 3-8 PSSA Reading/English Language Arts. This is also consistent with national trends.
- Graduation rates have increased continually and *surpassed* pre-pandemic levels. These increases are ahead of national trends.
- English language growth and attainment increased for the second consecutive year.
- Career readiness remains stable above 91%.
- Regular attendance increased for two consecutive years in Pennsylvania, while decreasing nationally since 2023.

Conclusion

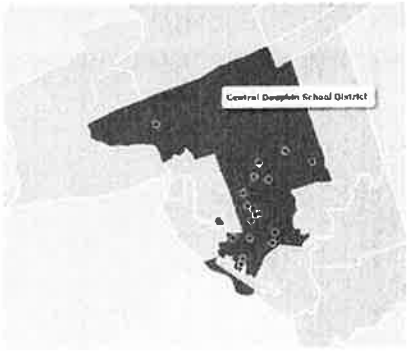
The Future Ready PA Index provides an opportunity for individual communities to determine school success in ways that reflect local priorities and values, while maintaining strong statewide accountability. The dashboard maximizes transparency by clearly reporting performance across multiple measures, making areas of strength and opportunities for improvement readily apparent. By encompassing a broad set of indicators, the Index avoids overreliance on standardized testing, reducing weight of test results by as much as 20 percent in a school's overall evaluation. This balanced approach preserves high expectations and transparency while allowing educators to focus on instruction, student growth, and workforce readiness aligned with the needs of their students and communities. The Index is truly unique among accountability systems, providing comprehensive measures that value schools' efforts to support all students in learning, growing, and succeeding, both in the classroom and beyond.

Examples from FutureReadyPA.org

School Selection by Geographic Location

Pennsylvania Department of Education

School Selection by County



Pennsylvania Department of Education

List of Schools within School District

School	Grades
Central Dauphin East MS	6, 7, 8
Central Dauphin East SHS	9, 10, 11, 12
Central Dauphin MS	6, 7, 8
Central Dauphin SHS	9, 10, 11, 12
Chambers Hill El Sch	KSH, 1, 2, 3, 4, 5

1-5 of 19 1 2 3 »

Pennsylvania Department of Education

Accountability Reporting: School-wide Snapshot

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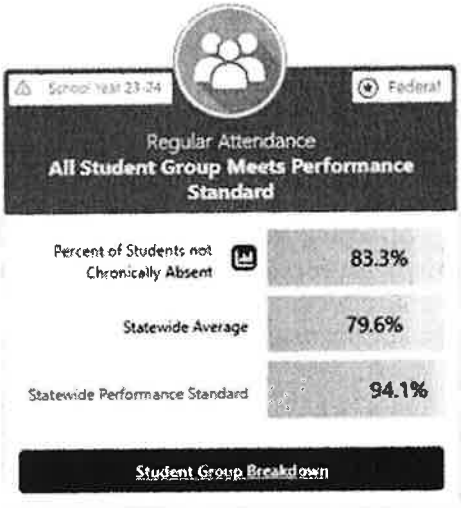
Accountability Reporting: All Student Performance

Regular Attendance ⓘ



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Accountability Reporting: Student Group Breakdown

Economically Disadvantaged
English Learners
Students with Disabilities
Racial/Ethnic Groups

- Asian
- Black
- Hispanic
- Multi Racial
- Native American/Alaskan Native
- Native Hawaiian or other Pacific Islander
- White

- Combined Ethnicity

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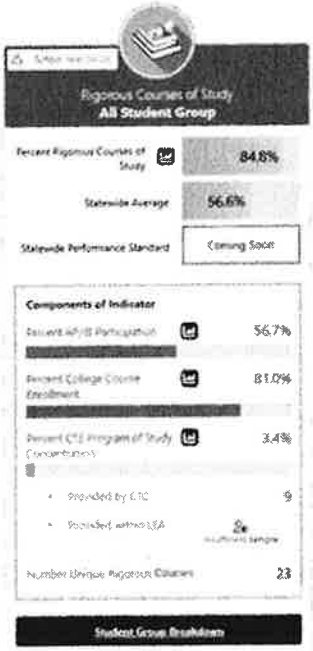
Accountability Reporting: College/Career Readiness Indicator



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Fast Facts: Demographics

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Pennsylvania Association of School Administrators

Pennsylvania Association of School Administrators

Testimony to the House Education Committee

Monday, February 2, 2026

Future Ready PA Index

Sherri Smith

Executive Director, PASA

Good morning Chairman Schweyer, Chairman Cutler, and members of the House Education Committee. My name is Dr. Sherri Smith, and I serve as the Executive Director of the Pennsylvania Association of School Administrators (PASA). Thank you for hosting this informational hearing on the Future Ready PA Index and Student Outcomes and inviting PASA to speak on behalf of more than 1,000 PASA members- including more than 600 sitting school superintendents, assistant superintendents and executive directors.

Recap on Future Ready PA Index

In November 2018, The Pennsylvania Department of Education launched the Future Ready PA Index (FRPAI) dashboard in response to Federal ESSA requirements. The FRPAI was designed to provide a more comprehensive approach to accountability, acknowledging that students, and the schools that serve them, are more than a single set of standardized test scores.

The FRPAI measures student academic performance in two ways: overall achievement and academic growth in the core subject areas of Reading/Language Arts, Mathematics, and Science. It also includes additional indicators such as regular attendance, graduation rates, English learner progress toward proficiency, and career readiness measures, as well as an effort to incorporate local early indicators of success such as 3rd grade reading and 7th grade mathematics.

The Department faced a challenging task in developing the FRPAI: creating a broader picture of school performance while still operating within strict federal ESSA guidelines. In some cases, those requirements have limited Pennsylvania's ability to implement measures that are more aligned with current instructional practice and common sense.

For example, the continued requirement for 8th grade students to take the 8th grade PSSA mathematics assessment—even when enrolled in advanced Algebra and taking the Algebra Keystone Exam—lacks solid educational reasoning. Many of these students will perform well on the Algebra Keystone but may score poorly on the 8th grade PSSA because they have not studied those grade-level concepts for over a year. Additionally, the current method for measuring regular attendance—chronic absenteeism—is often misunderstood due to federal calculation requirements. Chronically absent students include those who are absent regardless of whether the absences are excused or unexcused.

It is also important to note that regular attendance and graduation rates are lagging indicators. One full school year separates the reporting period from the publication of school and student group data. This year's reported data reflects the 2023–2024 school year.

2024-2025 School Year Results

The 2024-2025 school year marked a major transition for Pennsylvania, with a statewide move toward all-online PSSA and Keystone testing, aiming for full implementation in this school year's testing.

The state's shift from paper-based tests to online testing produced benefits, including a reduction of approximately 30 minutes of testing time for teachers and students, and an estimated $6.5 million in cost savings for the state.

However, taking an assessment online is significantly different from paper testing in how schools must schedule and prepare, and in how students experience the assessment and perform. Research shows that transitions from paper to online assessments can result in a dip in student performance—particularly during the first year of implementation. This is especially true in English Language Arts, where factors such as technology unfamiliarity, screen fatigue, and slower reading speeds on screens can affect outcomes. These challenges may disproportionately impact students with disabilities, English learners, and students from low-income backgrounds.

Pennsylvania Key Overall 2024-25 Results:

- **Math Proficiency:** PSSA scores increased from 40.2% to 41.7%.
- **ELA Proficiency:** PSSA scores decreased from 53.9% to 49.9%.
- **Keystone Exams:** Algebra proficiency improved to 44.3%, while Literature (62.1%) and Biology (49.4%) scores saw slight decreases.
- **Graduation Rate:** Increased to 88.0%, marking the third consecutive year of growth.
- **Attendance:** Regular attendance increased for the second year in a row to 79.6%.

Results on these assessments vary greatly between districts and/or schools. Determining actual growth for each school comes from examining year-to-year trends within individual schools and districts.

Adequacy Funding and Student Performance

A key question many of us are eager to answer is: What is the impact of state adequacy funding on student performance?

Adequacy-designated schools received their first installment of adequacy funding in the 2024–2025 school year, making the 2025 testing cycle the first year reflecting results after that initial payment.

Empirical research—including work conducted by the U.S. Department of Education—suggests that implementing comprehensive school improvement models and meaningful reforms typically requires three

to five years for full institutionalization. With that short timeframe in mind, it is still useful to look at early indicators of impact.

Identification of High-Impact Districts – Strongest Evidence of Adequacy Funding Effectiveness

The following analysis identifies Pennsylvania school districts that received at least **$100,000** in adequacy funds in 2024–2025 and demonstrated improvement on state assessments in both:

- **Achievement (proficiency rates)**, and
- **Growth (PVAAS measures)**

Improving both metrics indicates that districts are not only increasing the number of students reaching proficiency but also accelerating learning for students across performance levels.

Out of **257 districts** receiving $100.000 or more in adequacy payments:

- **79 districts (30.7%)** improved both **Math achievement and Math growth**
- **9 districts (3.5%)** improved both **ELA achievement and ELA growth**
- **82 districts (31.9%)** improved both metrics in at least **one** subject
- **6 districts (2.3%)** improved both metrics in **both** subjects

Additionally, two district success stories highlighting student performance increases through new program implementation are included in **Addendum A and Addendum B** of this testimony.

Ongoing Challenges Impacting Student Performance

Pennsylvania schools continue to address multiple factors that influence student outcomes, including:

- **Continued truancy and absenteeism:** Improving consistent student attendance remains a major challenge across many districts.
- **Increased early learning needs:** More students are entering kindergarten with significant needs and limited school readiness, often due to a lack of executive functioning skills.
- **Shortages of certified teachers:** While schools appreciate the contributions of emergency-permitted educators, many lack the training and experience needed to consistently strengthen academic performance and appropriately address student needs.
- **Student motivation on state assessments:** Students are often more focused on local assessments and high-stakes measures such as SAT and ACT exams and may not view PSSA or Keystone tests as meaningful.
- **Parent/guardian opt-outs:** Opt-outs directly affect school performance results. Once a school falls below the 95% participation rate, each additional non-tested student must be counted as non-proficient.

Future Considerations for Accountability

As schools lean into establishing more effective and innovative instructional practices and structures to meet the needs of today's students, there is a growing disconnect between classroom practice and the current state assessment and accountability system. Too often, the current state accountability measures

misrepresents the work being done in our schools - the quality, the complexity, and the outcomes that matter most to families, communities, and state leaders.

Is it time to ask: **Are we measuring the right metrics?**

Are our assessments clearly aligned to our instructional practices and the skills students need for success?

Our measures of accountability should provide meaningful, relevant data to determine student competency and align with what we believe is most important for students and school communities.

Questions to Consider:

- Curriculum focus changes do not always align with current PSSA and Keystone assessments. This will become even more evident with the structured literacy mandates past this last year. Should the 3rd grade state assessment align more directly with end of 3rd grade structured literacy expectations?
- As career and workforce learning opportunities expand, high school students focus on graduation pathways rather than standardized tests. What are the best measures of school opportunity and student success as students transition beyond high school?
- Local assessments may be better indicators of student achievement than state tests. Time preparing for state assessments can distract from daily instruction.
- Movement to competency-based instruction is becoming more common to better meet individual student needs. State assessments should evolve to align with these new improved practices and timelines.

We appreciate the House Education Committee providing PASA the opportunity to share our perspectives on meaningful student and school accountability measures. We welcome continued collaboration and discussion to strengthen student achievement and long-term success across the Commonwealth.

PA School Success Stories:

Addendum A (Butler Area School District)

Addendum B (Oxford Area School District)

Addendum A

Butler Area School District: Adequacy Funding in Action

Over the past several years, Butler Area School District has intentionally used adequacy funding to expand programs and services designed to ensure that every student has a viable pathway to graduation. These investments have focused on students who are most at risk of disengagement, those who are credit deficient, experiencing barriers to attendance, or struggling to see a clear future beyond school.

One of the most impactful uses of adequacy funding has been the expansion of alternative and merit-based pathways to graduation, most notably through the district's Merit Learning Program. Launched in the summer of 2023, this program replaces traditional coursework with experiential, standards-aligned learning opportunities delivered through a formal partnership with the Scouts. The program operates during the school day at a Scout camp, providing students with a structured, supportive learning environment outside of the traditional classroom setting. Instruction is grounded in scouting merit badges and other scouting curriculum, which are intentionally cross walked to Pennsylvania academic standards. Through this approach, students earn academic credit by demonstrating proficiency rather than seat time, helping them reengage with learning in meaningful, relevant, and motivating ways. Adequacy dollars supported staffing, transportation, instructional coordination, and the partnerships required to deliver this nontraditional instructional model.

In addition to alternative pathways, adequacy funding has allowed the district to strengthen student support systems: including counseling, relationship-based interventions, and personalized planning, to help students set realistic goals, identify multiple pathways to success, and persist through challenges. This work has been grounded in the science of hope, emphasizing student agency, connection, and clear next steps for learners who may have previously felt disconnected from school.

The outcomes of these investments are clear and measurable. Over the past two years, Butler Area School District has experienced two consecutive, significant increases in its graduation rate, a 4.5% increase followed by a 5.2% increase, bringing the district's overall graduation rate to 92.2%. These gains align directly with key Future Ready PA Index indicators, including graduation rate, attendance, and student engagement. Students participating in the Merit Learning Program have demonstrated improved attendance, increased credit attainment, and stronger engagement with learning, contributing to the district's overall improvement on these measures.

Beyond the numbers, adequacy funding has helped foster a district culture where students believe their future can be better than today because they have the support and tools to make it so. Educators, counselors, and community partners, including the Scouts, are working together to remove barriers, build relationships, and ensure that no student is defined by past struggles. The district's growth on Future Ready PA Index measures reflects not only programmatic innovation, but a sustained commitment to equity, opportunity, and hope all made possible through adequacy funding.

Addendum B

Oxford Area School District

David A. Woods, Ed.D.
Superintendent

Brian Cooney
Business Administrator

Margaret Billings-Jones, Ed.D.
Assistant Superintendent

Kids First, Progress and Unity

January 2026

My name is Dr. David A. Woods, Superintendent of the Oxford Area School District. I appreciate your commitment to ensuring that every child in Pennsylvania—regardless of ZIP code—has access to a high-quality education that prepares them for success in college, career, and life. Link to OASD Future Ready Index: -

https://futurereadypa.org/District/FastFacts?id=227102243067136052231101130190239223045252207009

The Oxford Area School District serves a diverse and rapidly changing community in southern Chester County. Our students are hardworking, resilient, and full of potential. But like many districts across the Commonwealth, we face structural funding challenges that limit our ability to fully meet the academic needs of our learners. Adequacy funding represents not just a financial investment, but a moral commitment to leveling the playing field for students who deserve the same opportunities as their peers in more affluent districts.

Today, I want to highlight how Adequacy funds will directly strengthen academic outcomes in Oxford and accelerate our progress on Pennsylvania's Future Ready Index.

1. Strengthening Core Instruction and Closing Achievement Gaps

Adequacy funding allows us to invest in evidence-based instructional materials, targeted interventions, and expanded learning time. These investments directly support the academic indicators measured in the Future Ready Index, including proficiency and growth in English Language Arts, mathematics, and science.

With additional resources, we can:

- Expand high-dosage tutoring for students who are below grade level via MTSS
- Reduce class sizes in early grades, where foundational skills are formed

- Provide updated, standards-aligned curriculum materials across all subjects
- Strengthen professional development so teachers can deliver high-impact instruction

These are not luxuries—they are the basic conditions required for students to thrive academically.

See Example 1

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2. Supporting English Learners and Multilingual Families

Oxford has one of the fastest-growing English Learner populations in the region. Adequacy funding enables us to hire additional ESL teachers, bilingual support staff, and family liaisons. This directly improves our Future Ready Index performance in academic growth, attendance, and English language proficiency.

When we invest in language development, we invest in student confidence, engagement, and long-term success.

See Example 2

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3. Expanding Career Pathways and College Readiness

The Future Ready Index emphasizes career exploration, industry credentials, and advanced coursework. Adequacy funding will allow Oxford to:

- Increase access to AP, dual-enrollment, and TCHS (CTE) programs
- Strengthen partnerships with local employers and technical schools
- Provide transportation and fee support so all students can participate

These opportunities prepare students for high-demand fields and help Pennsylvania build a stronger workforce.

See Example 3

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4. Improving School Climate, Attendance, and Student Well-Being *See Example 4*

Academic success is inseparable from student well-being. Adequacy funding supports mental-health staff, attendance teams, and social-emotional learning programs that help students stay engaged and on track. These investments directly improve Future Ready Index indicators such as attendance, graduation rates, and postsecondary readiness.

Oxford Area School District is committed to accountability, transparency, and measurable results. Adequacy funding is not simply a request for more—it is a strategic investment in programs and supports that we know will move the needle for our students and for Pennsylvania's Future Ready goals.

Our students are ready to rise. With your continued partnership and the equitable funding they deserve, we can ensure that every child in Oxford can reach their full potential and contribute meaningfully to the future of our Commonwealth.

Thank you for your time and for your dedication to Pennsylvania's children.

Respectfully,

Dr. David A. Woods

Superintendent

Oxford Area School District

Ex. 1

Nottingham Elementary Gr. 3 and 4

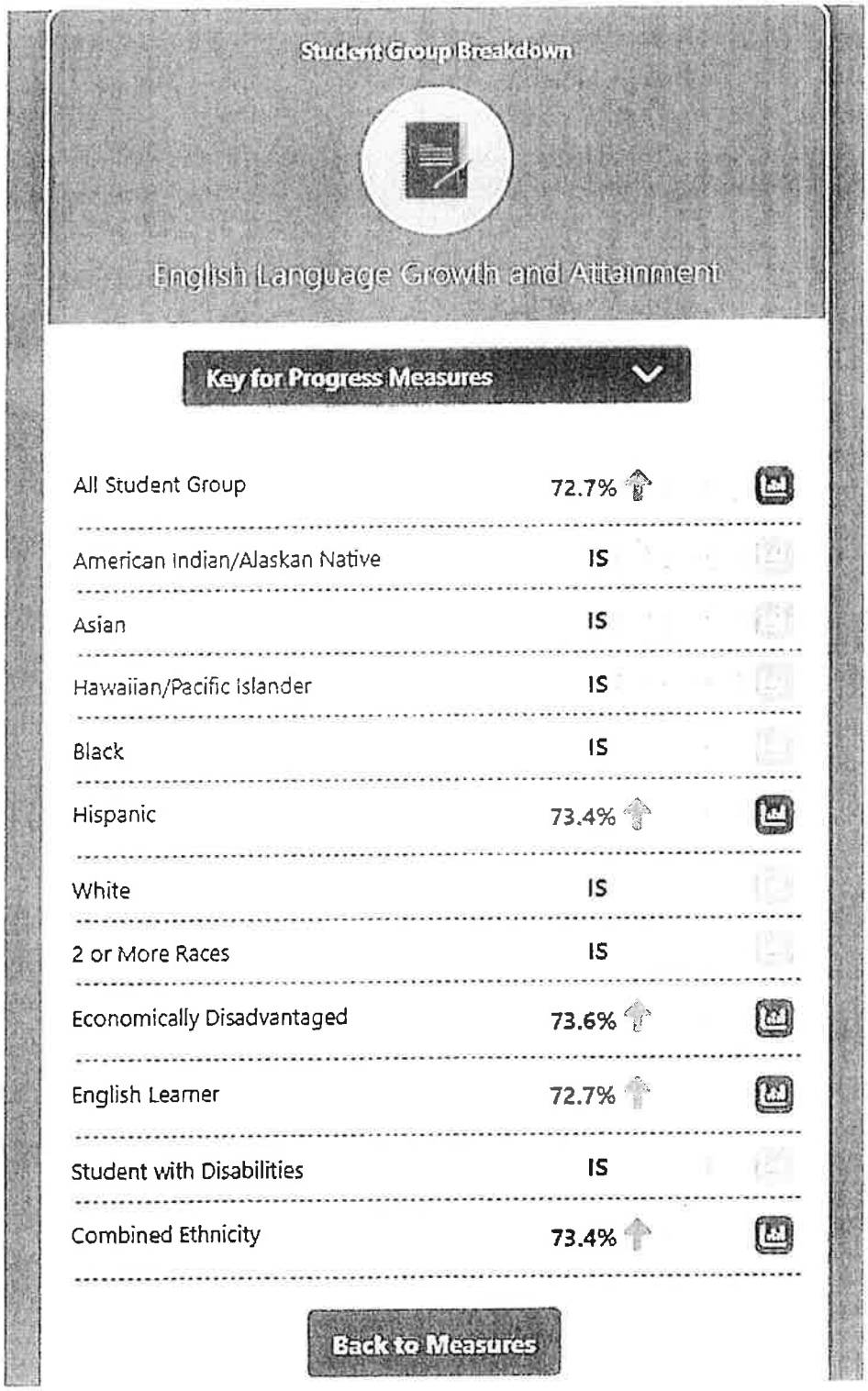
Ex. 2

Elk Ridge Elementary Gr. 1 and 2

English Language Growth and Attainment

Percent English Language Growth and Attainment	72.7%
Statewide Average	32.4%
Statewide 2033 Goal	70.3%

Student Group Breakdown


Student Group Breakdown
English Language Growth and Attainment
Key for Progress Measures
All Student Group 72.7%
American Indian/Alaskan Native IS
Asian IS
Hawaiian/Pacific Islander IS
Black IS
Hispanic 73.4%
White IS
2 or More Races IS
Economically Disadvantaged 73.6%
English Learner 72.7%
Student with Disabilities IS
Combined Ethnicity 73.4%
Back to Measures

Ex. 3

Oxford Area High School

Career Standards Benchmark ⓘ

Percent Career Standards Benchmark ⓘ	97.8%
Statewide Average	91.5%
Statewide Performance Standard	98.0%

Student Group Breakdown

Percent Graduation 4-Year Cohort	92.0%
Statewide Average	88.0%
Statewide 2033 Goal	92.4%

Student Group Breakdown

Percent Graduation 5-Year Cohort	95.4%
Statewide Average	90.5%

Student Group Breakdown

Percent Industry-Based Learning [redacted]

Statewide Average [redacted]

Statewide Performance Standard 30.7%

Components of Indicator

Percent Scoring Competent or Advanced on NOCTI/NIMS [redacted]	22.9%
Percent Earned Industry-Recognized Credential [redacted]	39.3%
Percent Completed Work-Based Learning Experience [redacted]	43.6%

Student Group Breakdown

Percent Advanced [redacted]

Statewide Average 6.8%

Student Group Breakdown

School Year 24-25

Rigorous Courses of Study
All Student Group

Percent Rigorous Courses of Study	62.9%
Statewide Average	56.6%
Statewide Performance Standard	Coming Soon

Components of Indicator

Percent AP/IB Participation	32.1%
Percent College Course Enrollment	23.9%
Percent CTE Program of Study Concentration	20.4%
• Provided by CTC	53
• Provided within LEA	Insufficient Sample
Number Unique Rigorous Courses	30

Student Group Breakdown

Ex. 4

Nottingham Elementary Gr. 3 and 4

Regular Attendance ⓘ

Percent of Students not Chronically Absent	90.7%
Statewide Average	79.6%
Statewide Performance Standard	94.1%

Student Group Breakdown

Elk Ridge Elementary Gr. 1 and 2

Regular Attendance ⓘ

Percent of Students not Chronically Absent	91.6%
Statewide Average	79.6%
Statewide Performance Standard	94.1%

Student Group Breakdown

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Testimony of Dan Urevick-Ackelsberg
Senior Attorney, Public Interest Law Center
House Education Committee
February 2, 2026

Chair Schweyer, Chair Cutler, and Members,

It has been my honor, and the honor of my colleagues and co-counsel at the Public Interest Law Center, the Education Law Center-PA, and O'Melveny & Myers to represent the school districts, organizations, and families that brought Pennsylvania's school funding litigation. In my testimony I offer guidance on where we started, how far we have to go, and how we can measure success for the types of school districts that Commonwealth Court found to be unconstitutionally underfunded.

I. Commonwealth Court determined school funding is not adequate and required a plan to fix it

Three years ago, Commonwealth Court set about determining whether the state officials were "investing enough, particularly in the lower-wealth school districts across the Commonwealth and, as a result, were not meeting their constitutional duties." Op. 1.

Lest there be any doubt, the Court made plain that the case was, at its core, about adequate funding. Adequate funding was literally the first element of the system that the Court determined it must measure, holding that "in order to evaluate [the system's] constitutionality" it needed to evaluate the system's inputs, and made plain that "**[t]he most obvious input is funding**, and the resources provided to students are also inputs, such as courses and curricula, staff, facilities, and instrumentalities of learning." Op. at 676.

The Court then measured that standard against hundreds of findings about specific deficiencies that resulted from Pennsylvania's underfunding, and held the result to be unconstitutional:

> The evidence demonstrates that **low-wealth districts like Petitioner Districts**, which struggle to raise enough revenue through local taxes to cover the greater needs of their students, **lack the inputs that are essential elements of a thorough and efficient system of public education – adequate funding**; courses, curricula, and other programs that prepare students to be college and career ready; sufficient, qualified, and effective staff; safe and adequate facilities; and modern, quality instrumentalities of learning. Op. 705.

The Court made plain what needed to come next, providing the Governor and General Assembly "the first opportunity, in conjunction with Petitioners, to devise a plan to address the constitutional deficiencies identified" by the Court. Op. 776. And it was clear that meant the General Assembly needed to fulfill its obligation "to provide **all** students in **every** district throughout Pennsylvania, not just Petitioners, with an adequately funded education, *i.e.*, a 'thorough and efficient' one." Op. 608.

II. Wide bipartisan majorities started that plan in 2024, but have years to go

The next step was for the General Assembly to operationalize the Court's command. Accordingly, in 2024, overwhelming majorities in the General Assembly responded to the Court's decision, enacting SB 700. That law uses Pennsylvania's standards and formulas to determine the amount needed for each district to have the same resources and opportunities as Pennsylvania's successful schools.

The first step in fixing a problem is identifying it. In doing so, the General Assembly acknowledged that Pennsylvania schools were underfunded annually by $4.8 billion. I think that number was too low – but this body, along with the Governor should be commended in coming together and identifying a problem that many of you did not create, but which you have the responsibility to fix.

The next step in fixing a problem, however, is fixing it. And while the efforts of the last two years are meaningful and real, the Commonwealth remains far from that goal, funding only 2/9^{ths} of that shortfall thus far, leaving $3.8 billion left to go.

This is far too slow; a child in Kindergarten when the process started will be in high school before the job is done. But the real improvements made to the system thus far make clear why it is so important to finish this job, and do so faster than our current timeline.

III. Measuring the success the formula has had thus far

Remember what the Court said were the elements missing from the system: adequate funding, and then the things that funding pays for: courses, curricula, and other programs that prepare students to be college and career ready; sufficient, qualified, and effective staff; safe and adequate facilities; and modern, quality instrumentalities of learning.

The best way to look at the success of your remedy thus far is to therefore examine what the most underfunded districts have been able to do with that funding. And what those results show is that at a time when historic federal funds have gone away, school districts are growing or maintaining the programs that we know work. These are not luxuries, these are the basics; the constitutional minimum.

A. Shenandoah Valley

Start with the Shenandoah Valley School District in Schuylkill County. Three out of every four students in the district are economically disadvantaged, while one out of every five

is classified as an English learner, and one out of six has a disability. The district has used increased funding to hire ESL teachers, and full-time bilingual paraeducators—each a graduate of the district—to provide in-class support at the elementary level, particularly in K-2, where those students are concentrated. This body has been focused recently on early literacy, and that is where the district is focused, too, trying to meet its youngest students' instructional and language-acquisition needs.

Moreover, the district reinstated elementary art instruction after it had been eliminated during the terrible cuts of 2012-13, ensuring that all K-6 students have access to arts education. It has maintained STEM programming at the elementary level. And through a social worker it has helped address barriers to learning by supporting students' social, emotional, and mental health needs, strengthening home–school connections, and connecting families with community resources. This is what works, and this is what is required.

B. Wilkes Barre Area

Continue with the Wilkes Barre Area School District in Luzerne County, where four out of five students are economically disadvantaged, one out of five has a disability, and one out of six is an English learner. That district is surging academic interventions to students. It has a learning academy for middle school students and for one of its elementary schools, where certified teachers serve as both academic coaches for classroom teachers and interventionists for students. Those educators help identify where students are struggling, design lesson plans for them, and then jump in to take on the small group instruction that is vital for bringing students up to speed. The district has also brought on other teachers to lower class sizes, and devoted additional resources to hiring counselors. This is what works, and this is what is required.

C. Panther Valley

Panther Valley is another growing district, located in Carbon County, where three out of every four students is economically disadvantaged and one out of four has a disability. Panther Valley recognized that students needed both academic and emotional support, and has used increased funding to accomplish those goals. It has hired a science teacher for its elementary school, a guidance counselor for junior high students, and a social worker to help students overcome barriers to learning. All told, the district is providing stronger mental health support, more individualized guidance during the middle school years, and engaging hands-on science learning at an early age. These needed resources help support student well-being while creating a positive school environment where students can succeed. This is what works, and this is what is required.

IV. The long road ahead

Two things can be true. One, the funding sent to schools over the past two years has been meaningful, and put to good use. But two, by any calculation, school districts

remain billions of dollars underfunded. In non-inflation adjusted dollars, the state has filled about $1 billion of the $4.8 billion gap it has identified. Districts, meanwhile, are facing both rising costs from inflation and the loss of Covid-era relief funds that allowed them to make student-centered investments.

What does this mean in practice?

In Shenandoah Valley, the district is drawing down fund balance to pay for some of its investments; a practice that is not sustainable. And they have student needs for mental health support that they cannot meet, just as they have the need for academic interventions that they cannot provide.

In Wilkes Barre, just one elementary school is receiving that intervention model I discussed. But the district does not have one elementary school, it has five.

In Panther Valley, the district does not have enough educators, and the district still cannot come close to matching salaries of its neighbors. As a result, teachers continue to leave for other schools in the same county, leaving less experienced teachers, more turnover, and less learning, for the very students that need experience and stability.

And none of this covers what has largely remained untouched by this body: school facilities.

In other words, I know the legislature has focused extensively on education the last two years. Those efforts are real and they have made a difference. But think about this from the perspective of a student: his or her school still remains badly underfunded, still closer to the beginning of this journey than the end.

V. Conclusion

School leaders and families alike know what works: hardworking, well-supported educators, in safe, modern schools, with the basics, working hand-in-hand with families to ensure Pennsylvania's children become productive, engaged citizens. You have started the journey to bring schools there. Now it is time to accelerate us to that journey's end.

I welcome any questions.

Penn GSE | Center for Benefit-Cost Studies of Education

GRADUATE SCHOOL OF EDUCATION
UNIVERSITY of PENNSYLVANIA

Testimony Before the House Education Committee

Informational Meeting
Monday, February 02, 2026

Chair Schweyer and members of the Committee, thank you for the opportunity to testify today.

My name is Brooks Bowden. I am an Associate Professor at the University of Pennsylvania's Graduate School of Education. I serve as the Director of the Center for Benefit-Cost Studies of Education, which builds on over five decades of research on efficiency and resource allocation in education. My work focuses on evaluating the efficiency of education policies and interventions aimed at supporting human capital development. The goal of my work is to inform the allocation of public resources with rigorous evidence on the effects and costs of successful approaches at strengthening educational and lifelong outcomes.

Introduction: The Benefits of Adequacy

I am honored to provide this testimony on behalf of my colleagues and co-authors to share implications from our 2024 report *The Benefits of Adequacy*, which examined the economic and educational implications of Pennsylvania's Basic Education Funding Commission (BEFC) adequacy proposal. In that work, we illustrated the significant economic benefits to society of increasing educational attainment. Most prominently, increasing high school graduation benefits society by about half a million dollars per additional graduate. These benefits increase as some of those graduates go on to advance their skills through associates and bachelors programs. Importantly, evidence shows that as educational quality increases, these returns to education grow. Thus, making investing in human capital paramount for the future of the Commonwealth's economy.

My testimony summarizes the evidence available on the effects of adequacy funding reforms. Those studies also provide insight into how long it takes to produce results, indicating the importance of sustained funding increases to realize the full outcomes and economic benefits for students and communities across Pennsylvania.

My references to the BEFC proposal speak to the timeframe of my research. While ultimately the adequacy formula implemented less than the BEFC's recommended amount, all the research principles and findings remain true.

My written testimony provides greater detail than my oral remarks. My testimony and remarks are not intended to reflect the University of Pennsylvania. Any errors are solely my own.

Background: The Adequacy Challenge in Pennsylvania

In 2023, the Pennsylvania Commonwealth Court ruled that the Commonwealth's school funding system failed to meet the constitutional requirement to provide a "thorough and efficient" education. The court found that the state's heavy reliance on local property taxes has produced significant and long-standing funding disparities between districts. The Basic Education Funding

Commission and resulting budgetary outlays have begun to address this issue, with additional years of funding increases on the horizon.

Existing Evidence: How We Know Adequacy Funding Works

The strongest way to predict the effects of adequacy funding in Pennsylvania is to examine outcomes in other states that have enacted similar reforms. Since 1990, at least 26 states have implemented court-ordered or legislatively mandated school finance reforms aimed at addressing adequacy.[1]

Over the past two decades, advances in research design have allowed scholars to rigorously estimate the causal effects of these reforms. Across this body of research, the findings are consistent: increased K–12 funding tied to adequacy reforms leads to improvements in staffing, student achievement, educational attainment, and long-term economic outcomes.[1, 2, 3]

Gradual Increases in Funding, Gradual Increases in Student Outcomes

Adequacy reform research also consistently finds that as funding increases student outcomes improve over time. States tend to increase their K-12 funding levels gradually, peaking nine years post-reform on average.[1] The effects on student outcomes emerge even more gradually. Test score effects remain small and difficult to detect until year seven post-reform on average. Scores then continue to grow annually until leveling-off around year 15, at which point the increases are substantial.[1] Similarly, clear effects of funding increases on high school graduation do not emerge until years five to seven post-reform, then continue to grow through year 15.[1, 2]

These patterns highlight two key points about the process through which adequacy reforms benefit students. First, states maximized gains when they fully phased-in and then sustained funding increases. Second, student gains accumulated across the K-12 years and were greatest for cohorts that began their schooling after states reached peak funding levels.

These points underscore the importance of sustained investment. Pennsylvania is at the beginning of this process, and the best available evidence based on other states' experiences suggests that a full phase-in of the adequacy funds, sustained over time, is necessary to produce the student outcome improvements that the plan aims to achieve.

Our analysis of Pennsylvania's adequacy proposal is grounded in this national evidence and applies it conservatively using Pennsylvania-specific data.

Strengthening School Capacity Comes First

Underfunded districts in Pennsylvania educate higher shares of students from low-income households while operating with fewer staff, lower salaries, and higher student-to-staff ratios.

These conditions limit schools' ability to provide consistent, high-quality instruction and student support.

Our analysis found that full implementation of the BEFC adequacy proposal would allow approximately 82 percent of underfunded districts to reach parity with adequately funded districts in student-teacher and student-counselor ratios. It would also enable roughly 42 percent of underfunded districts to reach parity in average teacher salaries. In practical terms, this funding could support the hiring of more than 18,000 teachers and 400 counselors statewide and raise average teacher salaries in underfunded districts by more than $7,000.

These changes are not peripheral—they are foundational and necessary components to improving educational quality and student outcomes.

Student Outcomes Improve with Sustained Exposure

Improvements in student outcomes depend on students' exposure to higher quality schooling over time. For this reason, the effects of adequacy funding are not instantaneous.

Our estimates show that for students entering high school in 2024, increased funding would lead to approximately 900 additional high school graduates statewide. For students entering kindergarten in 2024—who would experience improved school quality throughout their K–12 years—the estimated increase rises to roughly 3,800 additional graduates and nearly 3,900 additional college enrollees. These gains represent increases of more than four percentage points in both graduation and college enrollment rates in underfunded districts.

The pattern is clear: outcomes grow as cohorts experience more years of adequately funded schooling. This reflects the cumulative nature of how education investments work.

Economic Returns to Adequacy Funding

Our analysis examined whether the expected benefits of adequacy funding exceed the proposed adequacy funding increases. Using a widely applied economic benefit-cost model populated with Pennsylvania-specific data, we compared projected increases in high school graduation, college enrollment, and earnings to the cumulative funding increases.

We found that for every student cohort examined, the estimated economic benefits exceed the costs. Even under conservative assumptions—focusing on less than one-third of students and excluding many broader spillover effects—the returns are positive. These benefits accrue not only to individuals, but to the Commonwealth through higher earnings, a more skilled workforce, increased productivity, and reduced public expenditures over time.

Conclusion

Pennsylvania has made important investments toward addressing adequacy gaps. Continuing to invest in human capital through school funding allows the Commonwealth to realize both the educational and economic benefits that adequacy funding is designed to deliver.

The returns to public education are large and meaningful. Investing in schools improves teacher quality by attracting and retaining talent through competitive pay and adequate staffing levels. It improves educational access through kindergarten and effective early learning opportunities that are sustained over the life span through improved school quality. It improves student engagement, learning, and progress, reducing the rate at which students disconnect from schools. Taking this a step further, as additional students graduate from high school and college, the economy is strengthened through a more highly skilled labor force, reduced criminal activity, reduced reliance on social safety net services, and increased health.

Thank you for the opportunity to share this research with the Committee.

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CBCSE Report

The Benefits of Adequacy

Estimating the Economic Impacts of Pennsylvania's Basic Education Funding Commission Proposal

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June 2024

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Table of Contents

1 Introduction

Pennsylvania's Commonwealth Court ruled in 2023 that the state must reform its K-12 education funding system. The current system relies heavily on local taxes to fund schools, creating wide funding gaps between low- and high-wealth districts. The resource constraints limit low-wealth districts' ability to adequately prepare their students for postsecondary success.

The Basic Education Funding Commission (BEFC), comprised of legislative and executive branch members, has recommended that the state provide an additional $5.1 billion in funding to 371 districts to address their inadequate funding.[i] In this report, we analyze the BEFC adequacy proposal to estimate the economic implications of the proposal on important aspects of education and the economy: school staffing, student outcomes, and long-term economic benefits for Pennsylvania.

We ground our estimates in rigorous causal research on the impact of state K-12 finance reforms on student outcomes and the associated long-term economic benefits. This research, along with Pennsylvania state data, allow us to quantify the impact of the BEFC's proposed adequacy funding on student educational attainment and earnings and the associated economic benefits for students and the state as a whole.

We focus our analysis on increases to high school graduation, human capital among high school graduates, and postsecondary enrollment. This is a conservative approach because it assumes that the effects of improving school quality would only be for those students who would not enroll in college under current circumstances. We make this choice to ensure that this investment is evaluated against high standards and because the research on state K-12 funding reforms finds consistent causal impacts for this population. Thus, our analysis is based on less than one-third of the population of students in the state following current educational attainment rates. Given the expansive benefits of school quality to human capital, this work should be interpreted as a portion of the expected benefits to the state.

Nonetheless, our analysis indicates that the BEFC adequacy proposal would generate societal economic benefits that exceed the investment from less than one-third of the student population alone. In the following sections, we first provide a brief overview of the current gaps between adequately funded and underfunded Pennsylvania school districts. We then analyze the potential impact of the funding on district staffing levels and salaries. In the final two sections we estimate the impact of funding on Pennsylvania student outcomes and the associated economic benefits for students and the state in a benefit-cost or "return on investment" analysis of the BEFC proposal.

[i] Note that House Bill 2370, the current legislative proposal to implement adequacy funding, would increase funds for 367 districts by an amount that is less than one percentage point lower than the BEFC proposal. We focus on the BEFC proposal, and results discussed throughout the report are substantively equivalent under HB 2370.

2 Current District Funding and Staffing Gaps

The BEFC analysis found that 74% of Pennsylvania school districts have inadequate state funding levels.[i] Table 1 compares these districts to adequately funded districts. It also breaks out the 100 most underfunded districts, which make up the bottom 20% of districts in terms of state funding adequacy.

Table 1: Comparison of Adequately Funded and Underfunded School Districts

Measure	Adequately Funded	Under-funded	100 Most Under-funded
Low-income students	36.7%	51.3%	62.0%
Total revenue per student	$25,156	$20,919	$20,222
Total revenue per need-weighted student	$21,859	$17,202	$15,862
Current expenditures per need-weighted student	$19,391	$15,088	$13,422
Teacher salary	$78,621	$67,991	$65,216
Principal salary	$120,497	$106,036	$102,692
Counselor salary	$80,674	$70,624	$68,029
Students per teacher	12.8	13.8	14.4
Need-weighted students per teacher	14.5	16.6	18.4
Students per counselor	311	372	404
Need-weighted students per counselor	354	451	519

Source: Pennsylvania Department of Education, 2022-23. See data sources spreadsheet for detail and technical appendix section 1 for complete variable descriptions.

Compared to adequately funded districts, underfunded districts have more low-income students, lower staff salaries, and higher student-to-staff ratios. Average total revenue per need-weighted student is $4,600 lower in these districts.[ii] The disparities are particularly stark for the 100 most underfunded districts, where total revenue per need-weighted student is $6,000 lower than in adequately funded districts.

[ii] We use the basic education funding formula need-weighted student count, which weights for student need factors like poverty and English learner status. See technical appendix section 1.1 for details.

3 K-12 Workforce Expansion and Staffing Gap Closure

3.1 Evidence on the Impact of Increased Staff Expenditures

The most important resources in schools are the adults educating and supporting students. A large body of research indicates that the quality and supply of teachers are the most impactful school factors that influence student academic achievement.[2,3] Principals, counselors, and other support staff also have causal impacts on student outcomes.[4–6] School districts spend the majority of their budgets on staff, so districts will likely spend the bulk of their adequacy funding on staff, a wise use of funds as research suggests it will pay dividends in improved student outcomes.[7]

Districts and students would benefit from increased staff expenditures through two primary channels: lower student-staff ratios and higher staff salaries. Lower student-staff ratios means smaller class sizes and more individual attention for students. It represents further staffing possibilities as well. For example, it could reflect districts hiring teachers who specialize in CTE, STEM, or arts to expand curricular offerings, or reading and math specialists to support instruction.

Salary increases would improve underfunded districts' ability to compete for talented teachers, principals, and other staff. Research finds that increasing teacher salaries enables districts to compete with both nearby affluent districts and other higher-paying industries to attract and retain high-quality teachers, which in turn improves student achievement.[8,9] To the extent that increased salaries reduce attrition, a portion of that expenditure will be returned to districts through savings on teacher hiring costs. The current teacher shortage makes attracting teachers critical, and raising salaries could be a key strategy to combat the issue in Pennsylvania.

A recent report from Lapp and Shaw-Amoah (2023) finds substantial gaps in staffing levels and salaries between underfunded and adequately funded districts in Pennsylvania.[10] They find that underfunded districts would need to hire more than 11,000 teachers and 1,600 support staff to close staffing gaps and spend an additional $2.6 billion to close salary gaps. We build on these findings to estimate the potential impact of the BEFC adequacy proposal in closing these gaps.

3.2 Methods: Staffing Impacts[iii]

We estimate the potential impact of the BEFC adequacy proposal on underfunded districts' staffing levels and salaries using a parity framework. Our goal is to estimate if the BEFC proposal would allow underfunded districts to close the staffing gaps with adequately funded districts in the areas of student-staff ratios and salaries.

[iii] See the technical appendix section 2 for complete method details.

We limit our analysis to traditional school districts due to inherent challenges in estimating funding increases for individual charter schools. We therefore remove the estimated portion of each district's funds that will go to charter schools. We also assume that 20% of district funds will be used on non-staffing expenditures.[iv]

We model how districts may use the BEFC adequacy funds whereby districts pursue the goal of reaching parity with adequately funded districts on the following three measures, sequentially: 1) student-teacher ratio, 2) student-counselor ratio, and 3) teacher salary. This scenario provides a useful framework for demonstrating the potential for underfunded districts to close staffing gaps with adequately funded districts. The three parity target measures are the averages across all adequately funded districts, as presented in the table in the prior section.

We first calculate the number of additional teachers and counselors that would need to be hired in each underfunded district to reach parity. We also identify the teacher salary increases required to reach parity with the adequately funded district average. Then we calculate the cost of reaching parity on each of the three measures. Finally, we add benefits to salaries and use these full staff compensation figures in our cost calculations.

If districts cannot afford full parity during one of these steps, we assume they would use their remaining funds to come as close to parity as possible on the given measure.

For districts with funds remaining after reaching parity on all three measures, we calculate the number of additional teachers they could hire at the parity salary. Districts could spend this money in any number of ways, of course, but hiring additional teachers is a straightforward way to concretely demonstrate the potential for using the remaining funds.

A caveat is that districts will increase salaries over time due to inflation. However, the adequacy funds are specifically intended to close gaps as they currently exist. Current state proposals would continue basic education funding increases alongside the adequacy funding to address inflationary cost increases. Local revenue will rise with inflation as well. Therefore, we do not incorporate inflation into the current analysis. However, in the technical appendix section 7.1, we provide results of the analysis with inflation incorporated, which can be considered an extreme minimum bound of expected staffing impact.

[iv] Research indicates that districts typically spend 50-60% of funding increases on instructional staff, 20-30% on support staff, and the remainder on capital expenditures. Current proposals limit the allowable uses of adequacy funds to non-capital expenditures, so the assumed 20% set-aside would cover administrative hiring costs and any other non-staffing expenditure. See technical appendix section 2.1 for a more detailed discussion.

3.3 Results

Table 2 shows the results of the analysis. We find that 82% of underfunded districts could reach parity with adequately funded districts on student-teacher and student-counselor ratios and 42% would have enough funds remaining to reach teacher salary parity.

Table 2: Underfunded Districts That Reach Parity With Adequately Funded Districts and Corresponding Staffing Impact

Measure	Outcome
Teacher and Counselor Ratio Parity Reached	82%
Teacher Salary Parity Reached	42%
Teachers Hired	18,063
Counselors Hired	415
Average Teacher Salary Increase	$7,389

If districts hire additional teachers with all remaining funds, roughly 18,000 teachers and 400 counselors would be hired. Even in the extremely conservative inflation-adjusted version, we find a total staff increase of more than 10,000; see technical appendix section 7.1 for details. Charter schools will hire staff as well, making these figures underestimates of the total potential jobs created.

The average teacher salary increase in this scenario would be about $7,400, or about $9,600 among districts that could afford to make any salary increase.

This approach presents just one framework for the use of funds. We could have prioritized salary increases, for instance, and seen many more districts achieve salary parity. In reality, each district will have their own unique set of needs that dictate their spending priorities. Nonetheless, this analysis demonstrates the potential for the BEFC adequacy funds to create parity in staffing levels and salaries among Pennsylvania districts and in turn create thousands of additional jobs in the K-12 sector.

An important consideration is the current teacher hiring challenges facing districts. Districts will not necessarily be able to simply hire as many teachers as they want. While recent data indicate that the pandemic-era acute teacher shortage has reversed, Pennsylvania and the nation as a whole face an ongoing challenge of declining numbers of teachers entering the profession.[11–14] These are serious issues, but they are outside of the scope of the current analysis. The purpose here is to demonstrate the hiring potential that the adequacy funds would enable. The salary increases that the funds enable would also likely help with teacher hiring challenges.[8,15]

4 Student Outcome Estimates

4.1 Causal Effects of State K-12 Funding Reforms

The best way to predict the BEFC adequacy proposal's effects on student outcomes is to look at the outcomes in other states that have enacted similar K-12 funding adequacy reforms. At least 26 states have enacted such reforms since 1990, the beginning of the "adequacy era" of state K-12 finance.[16]

Advances in causal inference methods over the past two decades have enabled researchers to estimate the causal effects of funding increases driven by these state funding reforms (SFRs) and other forms of funding increases. Researchers analyzed the effects on test scores and educational attainment, and studies have found effects on other outcomes such as adult income and even crime.[7,17,18] A recent survey of this research by Handel and Hanushek (2023) shows that all 18 studies examining the impact of funding on educational attainment find positive effects, and 14 reach statistical significance.[19] Similarly, 14 of the 16 studies examining funding impacts on student test scores find positive effects, with nine reaching statistical significance.

SFR studies typically use a difference-in-differences (DD) design. The core of this approach is to compare the change in outcomes in a state before and after enacting an SFR, to the outcome change in states that do not enact SFRs over the same time period. In equation form, the design is:

$$\begin{aligned} effect \; = (&SFR\ state_{post\text{-}SFR\ years} - SFR\ state_{pre\text{-}SFR\ years}) - \\ &(non\text{-}SFR\ states_{post\text{-}SFR\ years} - non\text{-}SFR\ states_{pre\text{-}SFR\ years}) \end{aligned}$$

These comparisons are averaged across all states that enact SFRs to produce the final effect estimate.

The key causal assumption is that the non-SFR states are valid comparison states. That is, the changes in outcomes post-SFR would have been the same in the SFR and non-SFR states had there been no SFR enacted. While this cannot be tested, researchers can show that the year-to-year changes in outcomes *before* the SFR enactment were roughly the same. Indeed, this demonstration of "parallel pre-trends" is a prerequisite for a valid DD study.

A feature that makes the court-ordered SFR research particularly strong is that the timing of the court decisions is quasi-random. In other words, logistical features of states' legal systems that are unrelated to funding or outcomes result in decisions being handed down at somewhat arbitrary times. Combined with parallel pre-trends, this makes a strong case that the court-ordered SFRs are indeed the cause of the observed difference in outcome changes.

4.2 State Funding Reform Studies Used in Current Analysis

We narrow our focus to educational attainment and adult incomes for the current analysis because we can rigorously quantify economic benefits for these outcomes. Two studies have estimated the nationwide effects of adequacy SFRs on these outcomes. We conduct analyses using both sets of estimates. For simplicity, we present results using the more conservative study, Rothstein and Schanzenbach (2022) in this report.[17] We present alternative results from Candelaria and Shores (2019) in the technical appendix section 7.2.[20]

Rothstein and Schanzenbach (2022) estimate the effect of adequacy SFRs on high school graduation, college enrollment, and adult incomes. The SFRs drove average increases of $912 per student (2013 dollars). For each year of exposure to the increase, high school graduation increased by 0.20 percentage points and college enrollment increased by 0.14 percentage points. They also examined the adult earnings differences among students at different education levels. The earnings gain for high school graduates compared to dropouts increased by 3 percentage points post-SFR, and it grew by another 0.67 percentage points for each additional year spent in K-12 post-SFR.

Two potential mechanisms may explain this earnings effect. First, receiving a stronger education likely increased students' human capital development and thus improved their labor market performance. Second, the stronger local education systems may have improved communities' ability to attract business investment, creating better regional job opportunities.

We use all effect estimates outlined above in our analysis. We limit attainment predictions to high school graduation and college enrollment, as the evidence for these two outcomes is clear and consistent.

4.3 Methods: Student Outcome Effect Estimates[v]

We multiply the effect estimates outlined above by each district's per-student BEFC adequacy funding to estimate the plan's effects on the three outcomes. We assume a seven-year phase in of the funding increases in accordance with current proposals.

Effects will vary year-to-year based on the following factors: 1) the increase in funding per student, 2) the number of years a student spends in K-12 post-reform, and 3) inflation. We therefore estimate unique effects for each graduating cohort in each district over the next 20 years by multiplying a) the effect per dollar increase, b) the average inflation-adjusted BEFC increase, and c) the number of K-12 years students are exposed to the increase.

$$\textit{district-cohort effect} = \textit{effect per \$} \times \textit{avg \$ increase} \times \textit{years exposed}$$

[v] See the technical appendix section 3 for complete method details.

The result is a percentage point increase in outcomes for each district-cohort. We then multiply the estimated high school graduation and college enrollment increases by districts' graduating cohort size to estimate the number of additional high school graduates and college enrollees. We use PDE projections of future cohort sizes to account for projected enrollment declines.

We impose a 10 percentage point cap on the maximum high school graduation rate increase in any district-cohort. Capping individual district effects is a conservative approach; it is a blunt instrument that prevents overestimation but tolerates underestimation at the district level. While this approach can potentially result in underestimating the aggregate statewide effects, we err on the side of caution, preferring conservative estimates. See the technical appendix sections 3.4 and 5 for an in-depth discussion and analysis of this cap.

4.4 Results

Table 3 presents the estimated effects for three selected cohorts: students who will enter high school, middle school, and kindergarten next school year. The effects grow with each successive cohort because funding increases and the number of K-12 years students are exposed to these increases grow. The cohort that enters high school next school year would see roughly 900 additional students graduate from high school due to the funding increase. For the cohort that enters kindergarten next year, the estimated increase grows to 3,800, a 4.5 percentage point overall increase in the graduation rate in underfunded districts. The estimated increase in college enrollees grows from 700 for those entering high school next year to 3,850 for those entering kindergarten. It grows faster than high school graduation due to the cap we place on graduation rate increases. Finally, lifetime earnings for those whose highest education level is high school increase by a predicted 4% for those entering high school next year and 12% for those entering kindergarten next year.

Table 3: Estimated Changes in Outcomes for Selected Student Cohorts in Underfunded Districts in the 2024-25 School Year

	Entering High School	Entering Middle School	Entering Kinder-garten
Funding Inputs			
Total students in cohort	93,709	90,663	85,031
Average annual funding increase per student	$1,656	$2,664	$3,650
Years exposed to funding increases	4	7	13
High School Graduation Increase			
High school graduate increase	924	2,303	3,800
HS graduation percentage point increase	1.0	2.5	4.5
New 4-year cohort graduation rate	87.1%	88.9%	91.1%
College Enrollment Increase			
College enrollee increase	711	1,807	3,859
College enrollment percentage point increase	0.8	2.0	4.5
Earnings Increase, HS Highest Education Level			
Earnings advantage increase for HS grads vs dropouts	7.5%	14.7%	24.6%
Lifetime earnings increase, HS highest education	3.6%	7.0%	11.7%

The analysis underscores that sustained investment yields greater effects. The estimated effects grow as graduating cohorts spend more of their K-12 years exposed to the funding increases. Both SFR studies we examine demonstrate this phenomenon empirically; see the technical appendix section 5.3 for a detailed discussion.

It is important to note that policy impacts are sensitive to contextual factors. The actual realized effects will depend on other future state policies, economic trends, and a range of additional factors that are currently unknowable. The most direct example in our analysis is the assumption that the state will sustain the adequacy investment indefinitely. The assumed inflation rate is another example. Predictive analyses are inherently limited by these unknowable future contextual factors. That said, we root our predictions in the best available evidence, the average realized effects across all other states. Doing so captures the influence of all contextual factors in other states and smooths across them to provide the strongest indicator of the effects we can expect.

5 Economic Benefit-Cost Analysis

5.1 Overview of Economic Benefit-Cost Model

Decades of research document substantial benefits of increased educational attainment for individuals and society on a range of outcomes.[21,22] Economists have developed rigorous models that quantify these benefits in dollar values. To estimate the economic benefits of the adequacy proposal, we use a widely applied model that estimates the accrual of benefits over the life course of individuals who increase their human capital.[23] While the greatest benefits accrue to the individuals themselves, taxpayers and other members of society broadly benefit as well.

The model identifies the following benefits of increased educational attainment: improved individual earnings, health, economic productivity, and reduced crime and government dependency. All of these outcomes have strong research bases demonstrating their causal relationship with educational attainment.[24] Better health reduces government spending on health care, and it also reduces the social burden associated with poor health, such as caring for chronically ill family members. Similarly, less crime reduces government spending on criminal justice and corrections, and it also reduces the social burden of crime, borne primarily by crime victims. Economic productivity gains occur because a more educated populace drives greater business investment, and workers and community members learn from one another, creating educational spillovers.[25]

The modeling approach is to identify the "educational gradient" of these outcomes, or the change in the outcomes when an individual moves to the next highest level of education. We focus on the three education levels of less than high school, high school graduate, and some college, as these are the levels for which we estimate effects of the adequacy funding proposal.

The model was recently populated with Pennsylvania-specific data and up-to-date social science research by Belfield (2020, 2021) and submitted as expert reports in the adequacy trial.[24,26] The reports provide the following three figures that we use in the current analysis: a) the earnings benefits of graduating high school, b) the total benefits of graduating high school, and c) the total benefits of attending some college. Again, these benefits are defined as the result of moving up a single education level.

5.2 Methods: Economic Benefit-Cost Estimates[vi]

We estimate societal economic benefits by multiplying the estimated number of additional high school graduates and college enrollees by their associated PA-specific economic benefits. The societal benefits associated with moving from high school dropout

[vi] See the technical appendix section 4 for complete method details.

to graduate are roughly $520,000 per student in the baseline year.[vii] The benefits associated with moving from graduating high school to attending some college are roughly $155,000.

We also factor in the benefit of increased earnings for those with a high school diploma as their highest education level. We take a conservative approach, focusing purely on the earnings increase and ignoring potential spillovers such as reduced government dependence. We first estimate the percentage of each district's cohort that will graduate high school but not attend college. We do so using educational attainment data from the US Census American Community Survey. The average across districts is 26% and ranges from 22% to 28%. We multiply this estimated percentage by district's cohort size to obtain the estimated number of students who will graduate high school and not attend college in each district.

We then multiply the earnings advantage associated with high school graduation by its estimated adequacy funding-driven increase. The earnings advantage is slightly less than $350,000 in year one post-reform, and we adjust for future inflation. Finally, we multiply this estimated increase in earnings by the estimated number of students who will graduate high school and not attend college to obtain the total economic benefit associated with this earnings increase.

We must make the following adjustments to accurately account for these three benefit sources working in tandem. We add the earnings increase for high school graduates to the high school graduation benefits, and we subtract this earnings figure from the college enrollment benefits. We also subtract the new college enrollees from the estimated number of students whose highest education level is high school.

Finally, we aggregate the district-specific benefits to obtain the estimated total statewide societal economic benefits associated with the three outcomes.

Once we have determined the benefits, we calculate the cost to compare. Costs are spread across 13 cohorts each school year, so we must compute the cumulative amount of funds spent on a given cohort across their K-12 career. To do so, we multiply a) the average annual per-student funding increase that a cohort experienced, b) the number of K-12 years they are exposed to the increases, and c) the number of students in the cohort. We can then examine whether the benefits exceed this cost.

5.3 Results

Table 4 presents the results of the benefit-cost calculations. For simplicity, we present the estimates for three selected cohorts of students: those who will enter high school, middle school, and kindergarten next school year.

[vii] We adjust the benefits figures provided in Belfield (2020, 2021) for inflation. See technical appendix section 4.1 for inflation adjustment methodology.

We stress that these are the estimated benefits from a relatively small portion of the overall population that will generate societal benefits. These benefits are derived from less than one-third of each cohort in underfunded districts who would not eventually attend at least some college under current circumstances. This is a conservative approach, as it assumes that the effects of improving school quality would only be for those students who do not enroll in college. Given the expansive benefits of school quality to human capital, this should be interpreted as a portion of the expected benefits to the state.

Table 4: Costs and Societal Economic Benefits for Selected Student Cohorts in Underfunded Districts in the 2024-25 School Year

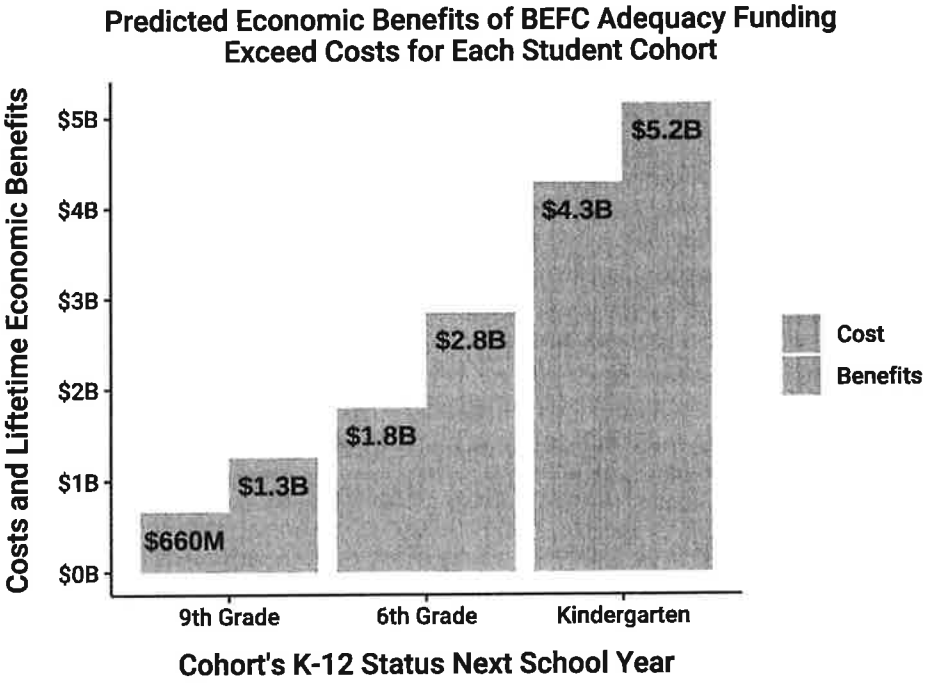
	Entering High School	Entering Middle School	Entering Kindergarten
Cost			
Total students in cohort	93,709	90,663	85,031
Avg annual funding increase per student	$1,656	$2,664	$3,650
Years exposed to funding increases	4	7	13
Total cost for the cohort	**$657M**	**$1.796B**	**$4.277B**
Societal Benefits Across Students' Lifetimes			
HS graduation	$572,471	$637,081	$784,516
HS graduate increase	924	2,303	3,800
College enrollment	$138,415	$121,399	$100,621
College enrollee increase	711	1,807	3,859
Lifetime earnings, HS highest ed level	$26,497	$53,124	$98,010
Total students, HS highest ed level	23,582	21,702	18,182
Total Benefits of BEFC Adequacy Funding			
Total societal benefits	**$1.252B**	**$2.839B**	**$5.151B**
Benefits surplus (benefits – cost)	**$595M**	**$1.043B**	**$875M**

Notes:
(a) High school graduation benefits include the earnings increase for those whose highest education level is high school, which contributes to the large growth over time. College enrollment benefits have the earnings increase for high school graduates subtracted from them, which causes the decrease over time.
(b) The benefits surplus is smaller for the cohort entering kindergarten than those entering middle school primarily because of the cap we place on high school graduation rate increases. This is a mechanical feature of our model and should not be interpreted as a substantive decline in return on investment for younger cohorts.
(c) The total cost for the kindergarten cohort is $4.3 billion because the full adequacy investment would not be reached for seven years. So, the full cumulative $5.1 billion investment would first be experienced by the cohort entering kindergarten in seven years, conceptually speaking.

We find that the estimated benefits exceed the costs for every cohort from this small portion of the student population alone. Students entering ninth grade in the upcoming school year would experience an increased investment of $650 million across their four years of high school. Based on the life course benefits model, these students would yield benefits of $1.25 billion, nearly double the investment. Students entering kindergarten next year would experience nearly the full adequacy investment by the time they graduate, a cumulative $4.3 billion. The model estimates that these funds would yield $5.15 billion in societal economic benefits across the lifetimes of these students, roughly $875 million more than the investment.

We present results for the rest of the 20 student cohorts analyzed in the technical appendix section 7.2. Benefits exceed costs for all cohorts. Figure 1 visually depicts benefits compared to costs for the three selected cohorts presented in Table 4.

Figure 1



6 Conclusion

Our analysis indicates that, from an economic perspective, the BEFC adequacy proposal is a wise investment that would yield quantifiable benefits to Pennsylvania's students, economy and society that exceed the funding increase. Enhancements to the K-12 workforce would improve the quality of education while expanding the state economy. The stronger education system would increase students' human capital development and educational attainment. These educational improvements will translate to societal economic benefits that exceed the costs. The full benefits will likely be far greater.

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The Benefits of Adequacy: Estimating the Economic Impacts of Pennsylvania's Basic Education Funding Commission Proposal

Policy Brief
June 2024

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Upcoming Policy Decision in Pennsylvania
Pennsylvania's State Basic Education Funding Commission (BEFC) recommended that the state provide an additional $5.1 billion in K-12 funding to 371 school districts to address inadequate funding.

This brief summarizes our findings from a benefit-cost or "return on investment" analysis of the BEFC proposal. We examined the economic implications for the proposal on important aspects of education and the economy: school staffing, student outcomes, and long-term economic benefits for Pennsylvania. Please see the report and technical appendix for further details.

We find that the benefits of increasing school quality exceed the costs of increasing school funding.

Improved Student Outcomes
We use existing literature of the causal effects of state K-12 adequacy reforms to predict the impacts of the BEFC proposal in Pennsylvania. We use data for current high school completion rates to predict changes in high school graduation, increased human capital among high school graduates, and increased postsecondary enrollment. We note that this is a conservative approach because it assumes that the effects of improving school quality would only be realized for about 1/3 of students. The BEFC proposes a phased approach to increasing funding and school quality. Our estimation accounts for each cohort or class of students over the next 20 years.

Children entering kindergarten in September 2024
experience increased quality over all grade levels.

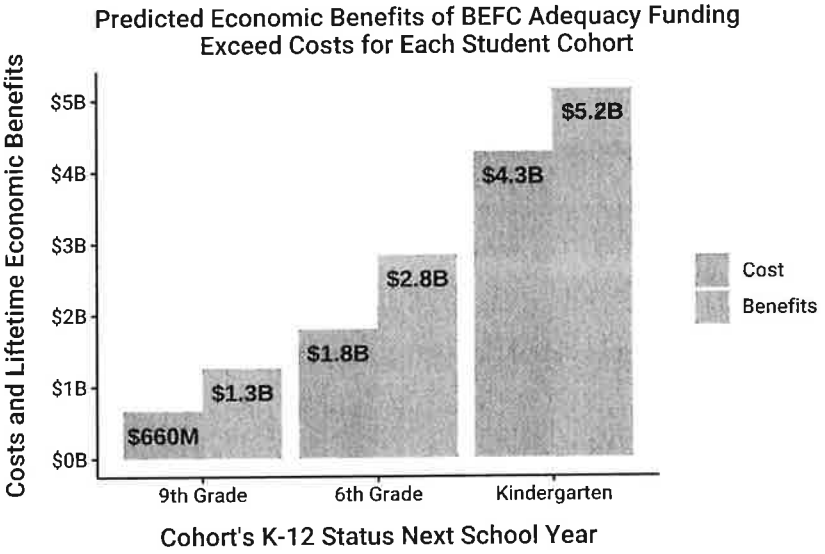
High school graduation +4.47 ppts.
+ 3,800 high school graduates

College enrollment +4.54 ppts.
+3,860 college enrollees

Penn GSE
Graduate School of Education
University of Pennsylvania
Center for Benefit-Cost Studies of Education

Increased Earnings and Societal Benefits

We use a rigorous and widely applied benefit-cost analysis model to estimate the societal benefits of increased educational attainment, populated with Pennsylvania-specific data. We include the earnings gain for students whose highest education level is high school and account for inflation and projected enrollment. The figure below shows these benefits and costs considering increasing funding over time and increasing years of exposure to improved school quality for each incoming cohort.



The benefits of improving school quality exceed the costs for every cohort.

Improved Parity in School Staffing

We explore the potential for additional state funds to close staffing gaps between underfunded and adequately funded districts and create K-12 sector jobs, which has implications for the economy in the short-term. This landmark investment in Pennsylvania could improve school quality and strengthen the workforce.

- 82% of underfunded districts could reach parity with adequately funded districts on student-teacher and student-counselor ratios
- More than +18,000 school staff
- Teacher salaries could be raised by more than $7,000 in underfunded districts

The results indicate that this is a wise economic investment that would yield benefits to Pennsylvania's students, economy, & society.

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PAChamber™
of Business and Industry

Testimony

Submitted on behalf of the
Pennsylvania Chamber of Business and Industry

Before the:
House Education Committee

Presented by:
Aaron Riggleman
Manager, Government Affairs

Majority Caucus Room
Harrisburg, PA
February 2nd, 2026

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Chairman Schweyer, Chairman Cutler, and honorable members of the House Education Committee, my name is Aaron Riggleman, and I am the Manager of Government Affairs for the Pennsylvania Chamber of Business and Industry. The PA Chamber is the largest, broad-based business advocacy association in Pennsylvania. We represent employers of all sizes, across all industry sectors throughout the Commonwealth.

Pennsylvania employers have a significant stake in our Commonwealth's education system. Today's students are tomorrow's business leaders, entrepreneurs, innovators, and skilled workforce. A strong, effective education system is critical for our economy to thrive. Employers also have a financial stake in our education system. In 2021, the Independent Fiscal Office reported that total property taxes (including school and municipal) paid by businesses in Pennsylvania totaled $13.2 billion and accounted for 36 percent of the total business tax burden in Pennsylvania[1]. As major investors in our education system, businesses care deeply about our schools and support policies that help Pennsylvania's children succeed and lead to a vibrant economy. Achieving these goals requires the participation of, and enhanced coordination among, stakeholders, including public schools, which must continue to review and improve the manner in which students are educated and prepared for the workforce, higher education, or whichever path they choose.

Pennsylvania's 21st-century economy increasingly requires individuals entering or participating in the workforce to obtain specific skills, training, and, at a minimum, fundamental education, much of which is provided through our public school system. Businesses know how

[1] http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/SD_Prop_Tax_Update_Aug_2022.pdf

important it is that our education system produces students equipped with a wide array of employable skills. The PA Chamber supports a robust education system where success is measurable through rigorous standards and schools are empowered to hold themselves accountable for outcomes.

Pennsylvania's Current Position

Funding is, of course, an important part of the discussion. The Legislature has made historic investments in public schools, with a nearly 60 percent increase in total K-12 spending over the last decade. Evaluating per-pupil funding specifically from the state, Pennsylvania ranks 21st in the nation, about 10 percent above the national average. When considering all sources of spending, including federal and local, Pennsylvania jumps to the 9th highest per-pupil spending in the nation, or 27 percent above the national average[2]. Additionally, according to the National Education Association, Pennsylvania has the 10th highest starting teacher salary in the country and the 6th highest top salary for teachers with a bachelor's degree[3].

Unfortunately, these relatively robust investments do not appear to correlate with student outcomes when considered in the aggregate. For example, the National Assessment of Educational Progress reports Pennsylvania students as roughly average in math and reading proficiency, with little progress—and in some cases regression—in the last five years[4]. Additionally, Pennsylvania ranks worse than 27 states in average SAT scores[5]. As we begin a

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[2] https://educationdata.org/public-education-spending-statistics
[3] https://www.nea.org/resource-library/educator-pay-and-student-spending-how-does-your-state-rank/teacher#:~:text=The%20national%20average%20public%20school,592)%20at%20the%20low%20end
[4] https://nces.ed.gov/nationsreportcard/state/
[5] https://worldpopulationreview.com/state-rankings/sat-scores-by-state

conversation today about student outcomes, I would be remiss if I didn't point out that without measurable metrics like those cited above, we wouldn't be able to compare our school success to our other states. It's for this reason; I thank you for the opportunity to testify today on behalf of Pennsylvania's business community regarding the state's education system and how we can ensure our education system is one based on outcomes that are measurable year over year.

Need for Outcomes Based Accountability

While Pennsylvania invests more and more year over year in K-12 education, it is clear that increased funding alone is not the sole determinant of student outcomes. To maximize the return on this investment, we must first ensure that resources are being used effectively to drive measurable progress in student achievement. Accountability is not an option but an imperative, both for current spending and any conversations of increasing spending with a focus on aligning funding with outcomes that prepare students for success in both higher education and the workforce. Without clear metrics and transparency, additional funding risks perpetuating inadequacies rather than addressing the root causes of underperformance.

An important part of understanding, in real time, student progress and the return on taxpayers' investment is through testing student knowledge. The age-old ritual of school tests has perhaps never been as unpopular as it seems to be today. Yet school tests – particularly standard assessments that allow comparisons among students in different schools, districts and regions – are a necessary tool for tracking growth and ensuring students are obtaining a baseline knowledge. While student preparedness cannot be adequately assessed solely through standardized tests, and the subjects on which they focus, they serve as a minimum foundation

upon which other skills and academic proficiencies are built. The PA Chamber supports standardized assessments, such as the PSSAs and Keystone Exams, which should be viewed as a floor for student knowledge attainment and one of many tools for measuring opportunity gaps within our education system.

Standardized tests, of course, only represent one outcomes-based measurement tool that can be used to evaluate the success or lack thereof of our school system. The Future Ready PA Index, a topic of this hearing, is a prime example of the kinds of tools that provide policymakers and advocates a transparent and accessible view of student outcomes. Policymakers should avoid narrowing the tools available to evaluate student progress by eliminating assessments in favor of a dashboard (such as the Future Ready PA Index) or vice versa but rather look for ways to expand the metrics we can use to evaluate our public education system. When making decisions, having more data points is always beneficial, as it provides a clearer, more comprehensive picture to inform effective and well-rounded policies.

Data based student achievement metrics equip us with the tools to evaluate whether investments in education are translating into real improvements, such as higher proficiency rates, better graduation outcomes, and stronger workforce readiness. By setting clear expectations for performance, Pennsylvania can identify what schools are finding success and which are not, allowing lawmakers to identify and help address schools and educators who have shown an inability to achieve positive student outcomes.

What Employers Need

The ability of Pennsylvania's business community and economy to succeed depend in large part on the effectiveness of our K-12 education system. When measuring student success, policymakers should consider what skills and abilities Pennsylvania employers are looking for? Employers in Pennsylvania are seeking a workforce equipped with a blend of academic, technical and basic social and behavioral skills to meet the demands of our evolving economy. While proficiency in core subjects such as mathematics and reading remain foundational, employers increasingly emphasize the importance of skills that go beyond math and reading. These skills are essential for navigating a quickly changing job market that require skills that are transmissible between specific jobs.

Soft skills such as the ability to work with colleagues, problem solving, critical thinking, and time management are also highly valued by employers. Businesses across the Commonwealth report that these attributes are often as important as academic achievement in determining an employee's success. Additionally, employers place great emphasis on employability skills such as punctuality, responsibility, and professionalism. These skills may seem basic, but they are critical for success in the workplace.

How We Equip Students with These Skills

Our public school system plays an important role in helping to instill these values in our students both during the normal cadence of the school day, but also by thinking of creative opportunities to diversify the academic offerings and experiences for all students. Schools can play a key role in fostering these attributes by incorporating project-based learning, real-world problem-solving, and opportunities for students to engage in partnerships with employers.

Youth employment also provides invaluable opportunities for students to build the skills that will be necessary to eventually transition successfully into the workforce. By working part-time jobs during high school, students gain hands-on experience that hone the very skills that employers demand in any career. These jobs are often the first opportunities for young people to learn how to collaborate with coworkers and follow instructions, to be punctual and professional. Early exposure to the work environment helps our young citizens develop a strong work ethic and adaptability, preparing them for future employment. When paired with academic learning, teen employment bridges the gap between school and career preparation, equipping students with the experience and skills that employers value highly in entry-level candidates. We hope lawmakers will pursue a legislative agenda that encourages youth employment and the retention and creation of the jobs for which these young Pennsylvanians are qualified.

Lastly, career and technical exposure in K-12 education is essential for preparing students to meet the demands of the modern workforce. By introducing students to career pathways early, schools can help them discover their interests, develop marketable skills, and better understand opportunities in fields like healthcare, manufacturing, and the skilled trades. Partnerships with local employers that provide demonstrations or site visits offer students a tangible understanding of workplace expectations and career opportunities. Providing this exposure early in K-12 allows students to make informed decisions about post-secondary education or entering the workforce directly, helping to reduce skills gaps and position Pennsylvania's economy for long-term growth.

Preparing Students for Tech Advancement

As Pennsylvania works to attract and retain large-scale investments in emerging technologies, including artificial intelligence, advanced computing, and data centers, the strength of our talent pipeline is increasingly a deciding factor. These investments bring high-quality jobs, long-term tax base growth, and significant secondary economic benefits only if employers are confident that Pennsylvania can supply a workforce with the foundational skills required to support them. While not every student will work directly in AI or at a data center, these industries depend on workers with strong math and literacy skills, problem-solving ability, and adaptability, skills that must be developed early and measured consistently. An education system focused on outcomes, transparency, and real-world readiness sends a clear signal to employers that Pennsylvania is serious about competing for the jobs and investments shaping the next generation of our economy.

Increasingly, employers and site selectors are using education and workforce data, including graduation rates, math proficiency, credential attainment, and postsecondary alignment, as part of their investment decisions. States that can clearly demonstrate student outcomes and workforce readiness have a competitive advantage, while states that cannot risk being passed over regardless of how much they spend.

Conclusion

I thank this committee again for the opportunity to testify today and recognizing employers as key stakeholders in our education system. Lawmakers have the opportunity to elevate Pennsylvania's status as a national leader and educational trend-setter, where policymakers and educators focus more on student outcomes, rather than financial inputs.

Where rigorous standards and a system of accountability help Pennsylvania children live up to their potential. Where students and families are empowered to choose the educational path that best suits their unique needs. And where our business community and state economy flourish with an ever-expanding pool of home-grown talent Thank you again and I am happy to answer any questions.