



pennsylvania
DEPARTMENT OF EDUCATION

Testimony

presented to the

House Appropriations Committee

by **Pedro A. Rivera, Secretary of Education**

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2020-21 Appropriations Hearing Testimony

Chairman Saylor, Chairman Bradford, Chairman Sonney, Chairman Roebuck, and distinguished members of the House Appropriations Committee, thank you for the opportunity to discuss Governor Tom Wolf's 2020-21 Budget Proposal for the Pennsylvania Department of Education (PDE).

PDE's mission is to ensure that every learner has access to a world-class education system that academically prepares children and adults to succeed as productive citizens.

Governor Wolf's 2020-21 Proposed Budget furthers this mission and promotes collaboration among stakeholders to coordinate education, workforce, and human services to aid families, students, and employers in moving the commonwealth forward. Pennsylvania's economic prosperity depends on a well-educated and highly trained workforce. Investments in education over the last five years have made Pennsylvania a leader in science and technology education and expanded hands-on training for career and technical education for thousands of our students. But we hear employers when they tell us that businesses cannot find skilled workers to fill vacancies. We understand that too many workers are caught in low-wage jobs without the required training to advance. The Governor's budget proposal outlines a strategy for tackling these challenges and strengthening our state's workforce, communities, and economy.

The Governor's budget proposal prioritizes education by building on successful education and workforce development programs, further extending high-quality education to more Pennsylvanians; promoting fairness, equity, and quality in our public education system; and making college more affordable.

During the past five years, Governor Wolf has secured an additional \$1.4 billion in funding for pre-k through college, including nearly \$800 million for basic education, \$140 million for special education, and \$40 million for career and technical education.

Governor Wolf has sought to bridge the gap between the classroom and the workforce by supporting career and technical education and expanding registered apprenticeship to new industries, occupations, and under-represented populations. Under Governor Wolf, the number of career and technical education students earning industry-recognized credentials has increased by 34 percent, while the number of registered apprentices has also risen. The Governor's PAsmart initiative addresses the need for a STEM-trained workforce. The overwhelming majority of STEM jobs in Pennsylvania—91 percent—will require some form of postsecondary credentials.¹ PAsmart has brought new STEM and computer science programs into hundreds of schools across Pennsylvania, helping advance Pennsylvania to second in the country for the number of nationally

¹ Carnevale, Anthony P., Nicole Smith, and Jeff Strohl. *Help Wanted: Projections of Jobs and Education Requirements through 2018*. Washington, D.C.: Georgetown University Center on Education and the Workforce (2010).

recognized regional STEM ecosystems, and helping place the commonwealth among the top ten states in the nation for the number of science and engineering graduates.²

The Governor's proposal for the 2020-21 Budget builds on his successful education and workforce development programs, further extending high-quality education to more Pennsylvanians.

Early Education

The research is clear: children who participate in high-quality pre-k programs perform better in school, are more likely to graduate, and have higher lifetime earnings compared to peers without access to early learning programs. In 2019, Governor Wolf secured a \$30 million increase for early education, creating approximately 2,200 new slots in Pennsylvania Pre-K Counts (PKC) and 419 new slots in the Head Start Supplemental Assistance Program (HSSAP).

In the past five years, the commonwealth has doubled its investment in early childhood education, but more children need this once-in-a-lifetime opportunity to enter kindergarten ready to grow and thrive. PKC and HSSAP funding has increased by \$145 million, more than doubling, to serve approximately 13,500 additional children. The 2020-21 Proposed Budget includes a \$25 million increase for PKC and an additional \$5 million for HSSAP.

Increasing Access to Early Intervention Services

He also secured an increase of \$15 million for preschool Early Intervention services. Early Intervention (EI) ensures that children, from birth to age five, with developmental delays or other established factors that put them at risk, have the best chance for healthy development. EI provides children with a range of developmental and social-emotional services, including speech and language, occupational and physical therapies, and social work services. Families also receive the coaching and support they need to further the gains their children make in therapy. Early Intervention serves children from all income levels and in every county. While the number of children 0 to 3 served through EI has increased by more than 29 percent in the last five years, administrative funds have been held level. The 2020-21 Budget includes a \$2.5 million investment to increase county administrative allocations and \$11 million increase to fund 2,000 additional slots for children age 3 to 5.

Universal, Full-Day Kindergarten for All Students

Children in high-quality full-day kindergarten programs, including low-income and disadvantaged students, often have better long-term educational outcomes, are more likely to develop positive social behaviors, and have greater access to nutritional breakfast and lunch. Currently 121,000 Pennsylvania children are enrolled in kindergarten—99,000, or 82 percent of them, in full-day programs.

² According to 2017 data compiled by the National Science Foundation data: PA is 9th in the nation for the number of Science & Engineering Bachelor degrees conferred per 1,000 individuals 18-24.
<https://nces.nsf.gov/indicators/states/indicator/se-bachelors-degrees-per-1000-18-24-year-olds/table>. The three states ranked immediately higher than PA (which is ranked 9th) are our neighbors NY (8th), MD (7th), and WV (6th).

The Governor is proposing the expansion of universal, full-day kindergarten for all Pennsylvania students enrolled in public schools statewide, including the 22,000 who are currently enrolled in half-day programs but would benefit from full-day. This initiative will support working parents by reducing childcare expenses and will better support the continuum of education services by prioritizing the expansion of high-quality child development services.

Elementary and Secondary Education

Over the past five years, Governor Wolf has worked with the General Assembly to invest \$1.4 billion in new resources for Pennsylvania's public education system. The 2020-21 Budget invests \$179 million to build on this progress and ensure every Pennsylvania student is college, career, and community ready. These investments include a \$100 million increase in Basic Education Funding and a \$25 million increase in Special Education Funding Formula.

Teachers are essential to our education system and are in increasingly short supply. Since 2010, the number of undergraduate education majors in Pennsylvania has declined by 40 percent, and the number of newly certified teachers is down 71 percent.³ Competitive wages are essential to attracting and retaining qualified education professionals in Pennsylvania, which is why Governor Wolf is again calling for an increase to the minimum starting salary for educators. Pennsylvania capriciously sets minimum compensation for Pennsylvania teachers and other education professionals, including counselors and school nurses, at a 1980s-level of \$18,500 per year, or \$8.90 per hour. This current statutory minimum salary fails teachers, students, and families. The 2020-21 Budget proposes to increase the minimum salary to \$45,000 per year to better align with competitive salaries and the cost of living, and to ensure Pennsylvania can attract the highest quality talent to educate our children.

Comprehensive Charter School Law Reform

Pennsylvania's Charter School Law, passed in 1997, established public charter schools with greater flexibility to support innovation in partnership with the public education system. Since then, some charters have strayed from this original purpose and engage in questionable operational practices and exhibit poor academic performance. Additionally, charters are a major uncontrolled cost-driver for local school districts, which results in higher property taxes across the state.

The 2020-21 Budget proposes comprehensive Charter School Law reform that will save school districts an estimated \$280 million per year. These resources can be reinvested into students and educators, including funding full-day kindergarten and meeting minimum teacher salary requirements. This package of policy and budget initiatives promotes innovation and quality in the charter sector while ensuring charter schools are accountable for their academic performance and operations. The Charter School Law must be reformed to:

- **Apply the Special Education Formula to All Charter Schools:** Currently, school districts receive funding for special education students through a tiered Special Education Funding Formula, with funding increasing along with a student's level of need. Special

³ PA Department of Education, Teacher Information Management System (TIMS)

education tuition payments to charters, however, assume that all school districts have a special education population of 16 percent, and ignore the actual level of need in a charter school setting. The Governor's Budget applies the bipartisan Special Education Funding Formula that is already applied to school districts to charters to better align special education funding with actual costs of providing services to special education students—a step that will save school districts an estimated \$147 million annually. Special education funding will more closely reflect the needs of students, rather than the legal category of schools.

- **Establishing a Statewide Cyber Charter Tuition Rate:** Currently, Pennsylvania school districts pay cyber charter schools tuition rates that vary between \$7,700 and \$21,400 per student, per year—an irrational approach given that most cyber programs are large-scale and nationally-sourced. The Governor's Budget establishes a single, statewide regular education cyber charter tuition rate of \$9,500 per student per year that will better align tuition with the actual costs of providing an online education. This reform will save school districts an estimated \$133 million annually.
- **Improving the Redirection Process:** Currently, the process to settle funding disputes between school districts and charter schools is inefficient and ineffective. This budget proposal provides clarification on the redirection process, including the basis for reported expenditures and the deductions included in the tuition rate calculation, to increase fairness, accountability, and transparency.

Postsecondary Education

To support Pennsylvania's workforce and economic needs, the state must strengthen its commitment to increasing the number of Pennsylvania students who complete a high-quality postsecondary degree or credential. In 2018, the State Board of Education established a goal for 60 percent of working-age Pennsylvanians to have a postsecondary degree or credential by 2025, with a focus on closing attainment gaps for historically underrepresented populations. To achieve this goal—and sustain Pennsylvania's economy for future generations—the commonwealth must find ways to make higher education more affordable to students and families, and to incentivize people to learn, work, and stay in Pennsylvania.

The largest barrier to achieving this goal is the cost of higher education. The cost of attending a state public institution in Pennsylvania is one of the highest in the nation, as is the amount of loan debt held by our students, which disproportionately hurts students from low-income families and individuals who are the first in their family to pursue a postsecondary education. A critical resource for Pennsylvania students is the Pennsylvania Higher Education Assistance Agency (PHEAA). In 2019, Pennsylvania college students graduated with an average student debt load of \$37,000, one of the highest levels in the nation. In comparison, recipients of the Pennsylvania State Grant through the Pennsylvania Higher Education Assistance Agency (PHEAA) graduated with an average student debt load of \$28,000, demonstrating the state grant is an important tool to make college more affordable and reduce student loan debt. The 2020-21 Budget proposes \$30 million

in new state funding, matched by \$30 million from PHEAA, for a total investment of \$60 million in the Pennsylvania State Grant Program. This new investment will allow PHEAA to increase the maximum state grant award to an estimated \$4,700 a year.

When Pennsylvania students graduate with overwhelming debt, they wait to get married, start a family, buy a home, and save for retirement. The 2020-21 Budget proposes a novel way to help low-income students enjoy the kind of social mobility we associate with a successful and equitable society, by making higher education more accessible and affordable. This innovative solution is the Nellie Bly Scholarship Program, a need-based scholarship program for students enrolled in the 14 universities in the State System of Higher Education (PASSHE) to cover tuition and fees. To qualify, eligible students must enroll full-time in an undergraduate degree program at a PASSHE university and qualify for federal need-based financial aid, such as the Pell Grant or Federal Subsidized Loan. Students must agree to live in Pennsylvania for the same number of years for which they received the award (not to exceed six years). The tuition assistance converts to a loan if the student moves out of the commonwealth during the commitment period and can be deferred while the student pursues further education. This innovative, last-dollar-in program will provide financial relief to more than 25,000 students each year. The Nellie Bly Scholarship Program will support on-time graduation and student retention and get students into the workforce faster—and with less debt.

Finally, the Pennsylvania State System of Higher Education is transforming itself in response to the challenges facing public higher education in Pennsylvania and across the nation. PASSHE's System Redesign will position it to sustainably drive economic development and advance social mobility across the commonwealth by leveraging university strengths, transforming governance and leadership, and prioritizing student success. The 2020-21 Budget proposes \$12.9 million to support the System Redesign, build out a shared IT infrastructure, and put systems in place for PASSHE universities to serve students more efficiently and effectively.

Libraries

The Governor's 2020-21 Proposed Budget sustains Pennsylvania's investment in the public library subsidy at \$59.4 million—the primary state funding source for local libraries.

Pennsylvania libraries are community centers providing opportunities for learning 21st Century skills and literacies, connecting people to the world of information and ideas, and creating spaces for innovation and community dialogue. Serving as a primary provider of broadband access, especially in low-income and rural communities, public libraries are central to efforts to promote connectedness, innovation, and career readiness. The statewide network includes 604 state-aided community-based public library locations that serve approximately 58 million people annually (in-person and virtually.) The public library system includes 5.3 million library card holders. Last year, nearly 320,000 children participated in library summer learning programs.

In addition to serving as an important partner to early learning programs, and improving literacy and academic success, more than 290 public libraries provide STEM-related learning experiences and Maker Spaces, or collaborative learning spaces for STEM-related projects. More than 70 percent of Pennsylvania's public libraries provide resources and supports to job seekers, including

career navigation, research, and other services. Nearly a third offer digital equipment, including loaner laptops and mobile hotspots. These programs supplement other community-based resources to link individuals seeking employment with the resources and information they need, including co-locating with several PA CareerLinks®.

Conclusion

With the Governor's 2020-21 Proposed Budget, the Department continues to focus on serving students and learners of all ages. The Governor's Budget addresses workforce development across agencies and sectors, ensures an emphasis on the needs of early learners, improves postsecondary access and affordability, and continues efforts to address the need for equitable and predictable school funding.

In the year ahead, I look forward to working with you to continue to achieve great things on behalf of the commonwealth's students, educators, families, and communities. Thank you for your commitment to making education a shared priority. I will be happy to address any questions.

