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HOUSE DEMOCRATIC POLICY COMMITTEE

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House of Representatives
COMMONWEALTH OF PENNSYLVANIA

HOUSE DEMOCRATIC POLICY COMMITTEE HEARING

Topic: Fair Education Funding

The Spackman Center – Coatesville, PA

August 12, 2019

AGENDA

- 1:00 p.m. Welcome and Opening Remarks
- 1:10 p.m. Panel One:
- Joe Mollure, Property Tax Payer
 - Amelia Mills, Property Tax Payer
 - Richard Felice, Property Tax Payer
- 1:25 p.m. *Questions & Answers*
- 1:40 p.m. Panel Two:
- Dr. Cathy Taschner, Superintendent, Coatesville Area School District
 - Pam Brown, President, PSEA Southeastern Region
 - Henry Assetto, School Board Director, Coatesville Area School District
- 2:00 p.m. *Questions & Answers*
- 2:20 p.m. Panel Three:
- Tomea Sippio-Smith, K12 Policy Director, Public Citizens for Children and Youth
 - Reynelle Brown Staley, Policy Director, Education Law Center
- 2:40 p.m. *Questions & Answers*
- 3:00 p.m. Closing Remarks

Dr. Pamela Brown
President – PSEA Southeastern Region
House Democratic Policy Committee – Fair Education Funding
August 12, 2019

Good afternoon, Chairman Sturla, Representative Williams, and members of the House Democratic Policy Committee. My name is Dr. Pamela Brown, and I am an Instructional Support Teacher at Hopewell Elementary in the Oxford Area School District. I also have the distinct honor of serving as President of the PSEA Southeastern Region, which encompasses Chester, Delaware and Philadelphia counties. Thank you for the invitation to present testimony on the issue of fair education funding.

Under the leadership of Governor Tom Wolf, Pennsylvania is once again putting public education funding first during budget deliberations. On behalf of our members in the Southeastern Region, I'd like to thank you all for your continued commitment to public education and for the investments you recently approved for the current fiscal year.

Even with the important work you and your colleagues have been doing, school districts are facing increasing pressure to do more to support students, while more administrators report increasing financial stress in meeting student needs. This reality is compounded by the expanding teacher shortage. Consider the facts:

- Special education and charter school tuition costs are rising at rates higher than the Act 1 index.¹
- And the state is not doing enough to address the increasing costs. The Education Law Center reported that from 2008 to 2016, school districts' special education costs increased by \$1.54 billion, yet state funding only increased by \$72 million.²
- Expanding special education needs for students are compounded by the teacher shortage. Pennsylvania is licensing fewer new teachers annually – in fact, the number has dropped by 67 percent between 2009 and 2016. In my building, we've had to re-post openings multiple times due to a lack of candidates who apply and who hold the necessary certifications. PDE is also issuing more emergency permits to fill positions in special education. Over just three years, the number of emergency permits for special education increased by over 100% to 784 statewide.³ Beyond filling vacancies, this lack of certified teachers is further affecting school districts in terms of substitutes. For me, and many of my colleagues, it is all too common to cover a classroom for which there is no substitute.

¹ PASBO/PASA School District Budget Report. June 2019. <https://www.pasbo.org/2019-spring-budget-report>

² Education Law Center. "Shortchanging Children with Disabilities: State Underfunding of Special Education in Pennsylvania." October 2018. <https://www.elc-pa.org/wp-content/uploads/2018/10/Special-Education-Report-Online.pdf>

³ Pennsylvania Department of Education. 2019. <https://www.education.pa.gov/Data-and-Statistics/Pages/Act82.aspx>

I may be pulled from my regular duties to teach any core or special subject- math, music, language arts, physical education, etc.- or to provide special instruction in a life skills classroom. The substitute shortage is across the board, in all subject areas and throughout the state, and it worsens each year. The lack of certified educators and substitutes creates a revolving door in the classroom, and it is simply not conducive to learning or fair to our students.

- Rural and small urban school districts, like Coatesville, are finding it harder and harder to attract and retain teachers. Starting salaries in 216 public school entities are below \$45,000. For many educators, that means obtaining a second or third job just to take care of their own families, which increases the potential for burnout and the unfortunate decision to leave the profession. Further, compensation disparities between districts create higher turnover and less consistency for the students being served.
- All of us in the education community are increasingly focused on school safety. Last year, school entities submitted grant applications to make safety improvements. The requests totaled \$315 million, yet there was only \$40 million available.
- Just last week, the Attorney General released the annual report from the new Safe2Say Something tip line. In just six months, Safe2Say received 23,000 tips, most of which were students struggling with mental health issues.⁴ Students need caring adults in their lives, and often they find support in a teacher, a school counselor, a school nurse, or an education support professional they trust. We are not doing enough to provide students with the mental health supports they clearly need. In my position, I am frequently involved in a support role during oversight for students with severe mental and emotional needs that overwhelm the school staff's time and focus, leaving little personnel and time to attend to students with important, but less overt, mental health issues.

To provide students with greater support, Pennsylvania must dramatically increase its commitment to basic and special education, as well as school safety grants. Unfortunately, some people still question whether we're on the right path – particularly in the case of the basic education funding formula. I will address that concern directly.

First, PSEA supports the Basic Education Funding Commission formula and how it has been implemented since FY 2015-16. Secondly, we believe the Legislature should turn its focus toward driving larger increases through that formula. Third, while we understand the concerns of many advocates who would rather see the formula extended to the entire basic education subsidy and the elimination of the “base year,” PSEA would strenuously oppose such an approach.

On the surface, applying the formula to the entire basic education subsidy sounds like a good solution – a simple solution. But, again, consider the facts:

⁴ PA Attorney General's Office. Safe2Say Something Annual Report. August 2019.
http://www.senatorhughes.com/wp-content/uploads/2019/08/S2SS_AnnualReportFINAL.pdf

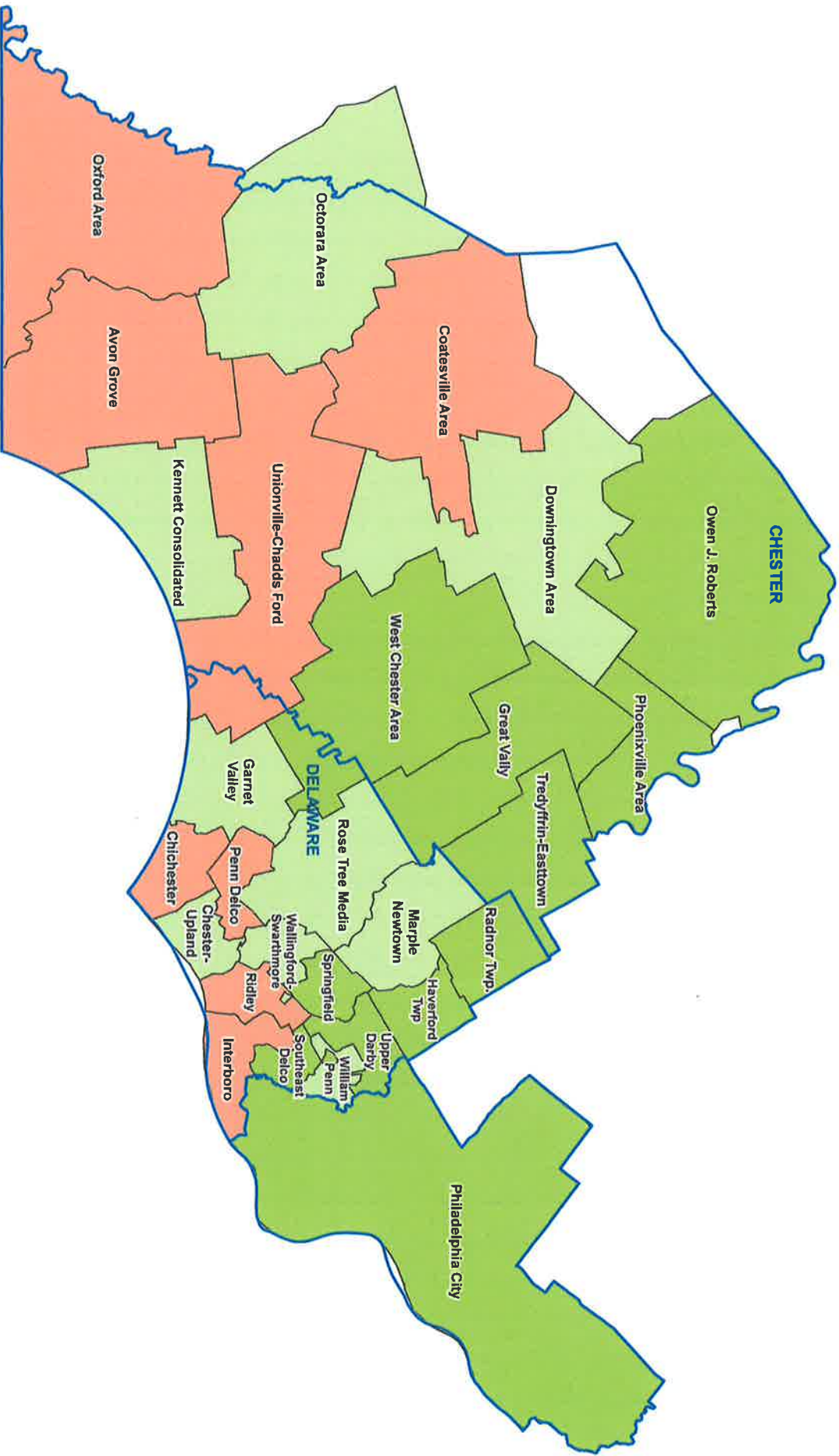
- **Full implementation creates winners and losers.** If the formula were applied to the entire basic education subsidy in 2019-20, 146 school districts would realize funding increases and 354 school districts would see their state funding cut. Here in Chester County, Avon Grove School District’s state funding, the district where I live, would be cut by \$5.6 million or 36%. Coatesville Area School District would lose \$4.5 million or 18% of state funding. On the other hand a district like Owen J. Roberts would see a 35% increase in its state funding and West Chester would realize a 58% increase. Using Chester County as the example, eight school districts are “winners” and four school districts are “losers.” And understand that those cuts would mean that we’d also be choosing winners and losers among student populations. Does anybody here think districts like Avon Grove or Coatesville, or any school district for that matter, need or deserve less state aid? I don’t, and neither does PSEA. PSEA believes all schools are underfunded and all schools and students deserve more.
- **All school districts need stability and a financial foundation for providing opportunities to all students.** For decades, Pennsylvania lacked a rational and predictable formula for distributing basic education funding. Part of the reason why inequities exist across school districts is because we didn’t consistently or properly account for important factors like poverty and local tax effort. Additionally, districts were “held harmless” against reductions in funding even if pupil counts declined. However, one benefit “hold harmless” offered was vitally important stability in financial planning for all 500 school districts. Another benefit of “hold harmless” was that it provided a solid foundation from which adequate funding levels could be attained with smaller increases. The application of the formula to new money above the base year (FY 2014-15) is a compromise between the need for “hold harmless” provisions and applying the formula’s distributional shares to all basic education funding. It is literally the middle ground to provide all school districts stability – while ensuring that as Pennsylvania increases basic education funding, that funding is distributed equitably via the formula.

A formula, though, is only as good as the amount of money invested in it. Pennsylvania could have the greatest formula ever created, but if there isn’t enough money for it, we will never resolve distribution issues that pit school districts against each other in seeking greater basic education funding from the Commonwealth. Addressing equity issues is crucial, but addressing equity issues by themselves is not enough. School funding advocates need to turn our attention toward a greater state investment in basic education. The Basic Education Funding Commission’s approach to implementing the formula is the right one because it is the best way to secure increased funding from the General Assembly for the foreseeable future. But it is not the only way. Let’s not forget that we have a special education funding formula and a school safety grant program that can be used to help solve some of the problems I identified earlier.

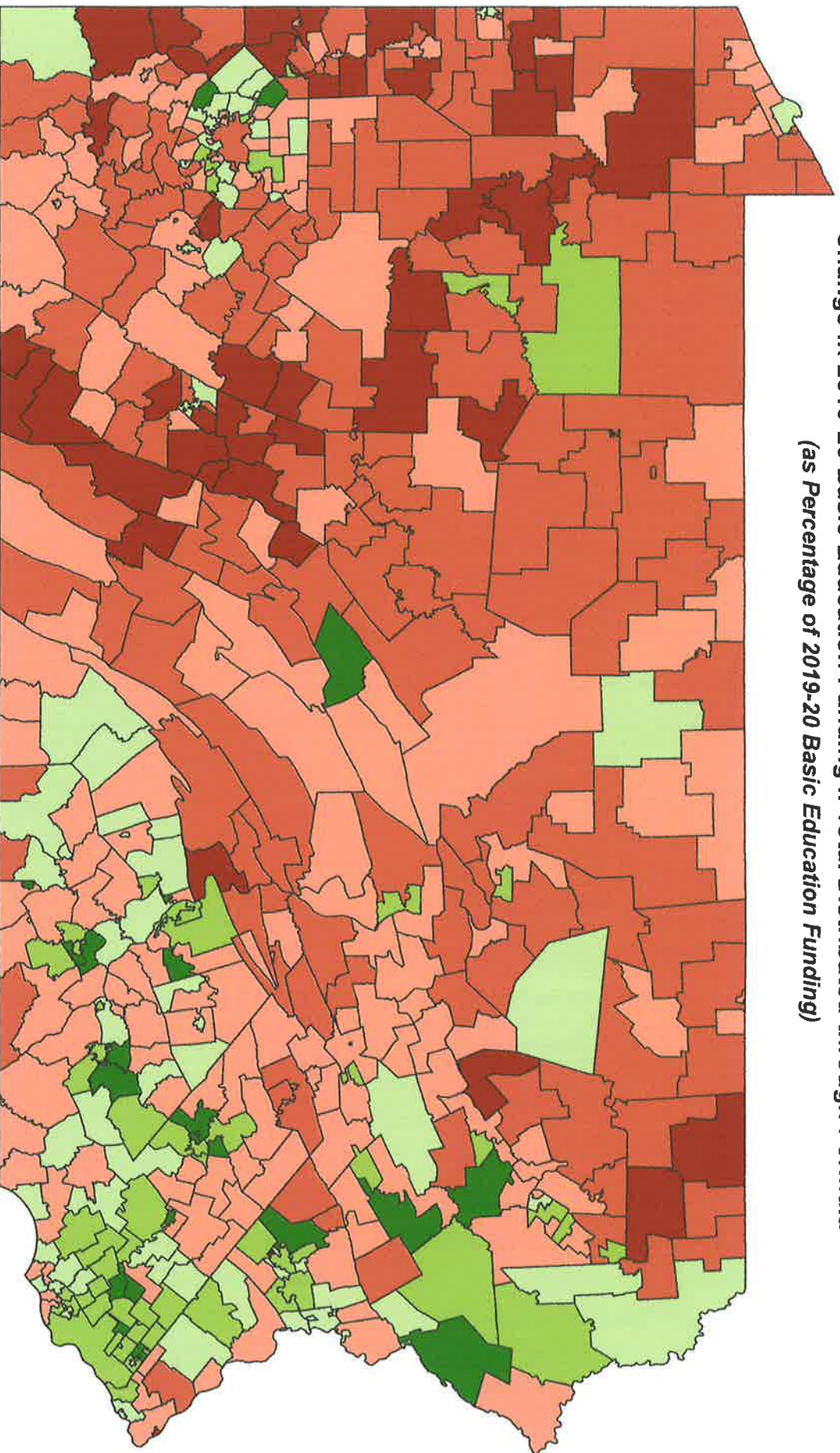
I urge all policymakers to work together and avoid pitting school districts against each other. We have community, stakeholder and bipartisan political support for the basic education funding formula for the first time in three decades. All school districts need a greater investment from the state. We should stay focused and work the problem together. Thank you.

Change in 2019-20 Basic Education Funding if Total Distributed through Formula (as Percentage of 2019-20 Basic Education Funding) Chester, Delaware, & Philadelphia Counties

PSEA Research Division
RM
Date: 8/6/2019



Change in 2019-20 Basic Education Funding if Total Distributed through Formula (as Percentage of 2019-20 Basic Education Funding)



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FAIR EDUCATION FUNDING FOR PUBLIC SCHOOLS
House Democratic Policy Committee Meeting

August 12, 2019

In 2016, Pennsylvania devised a way to fund the schools in a fair and equitable way. In a bi-partisan, bi-cameral almost unanimous decision, legislators across the aisle passed the fair funding formula – a way to fix a broken system that left half the students in the state in schools without enough money to provide students with the resources they need. That’s over 785,000 students.

The formula has not done what it was devised to do. Why? It has not been fully funded. If it had been, there would be no fair funding lawsuit and there would be no need for this hearing today.

Pennsylvania has the widest gap between wealthy and poor school districts in the country.

That means school districts with more resources can provide students with counselors, experienced teachers, smaller class sizes, competitive courses, up-to-date technology and tutors. While we know that poor children, English language learners, and children with disabilities cost more to educate, many of our most vulnerable students live in school districts that cannot give them access to these much needed services.

Like all states, Pennsylvania’s schools are funded with federal, state and local dollars. But the Commonwealth is at the bottom of the list when it comes to how much it contributes to education. This. Is. Not. Fair. 147 districts should not be subsidizing the rest of the state’s education, while the students in those districts are increasingly struggling.

The cost of education in the state has steadily risen, while the state's investment in education has not kept pace. School districts that have homes with higher property values and a strong business base can compensate for the state's failure to keep up with the rising costs of educating students. Under resourced districts cannot.

Right here in Coatesville, as instructional costs went up by 14% to almost \$15 million dollars, state contributions went down 4% – a loss of more than \$1 million dollars. Special education costs rose by almost \$13 million dollars – that's a 49% increase. While the state contributed 7% more - or only \$330,000 to fill the gap. During that same time, charter payments ballooned by 85% - or more than \$15.5 million dollars. That's the equivalent of 263 teachers!

To be clear, this is not just a Coatesville problem. In Pottstown, instructional costs went up by 22%, but state contribution only increased by 1%. Charter school expenses swelled by 70%. Similarly, in Lancaster, the cost to teach students went up by 22%, but state funding lagged behind at 14% and charter payments rose by 49%. Statewide, across school districts, pension costs rose a shocking 418%.

Only five other states rely more heavily on local rather than state revenue to support schools. And when the state does not adequately fund schools to offset those rising costs, taxpayers pick up the slack. The districts that have the greatest shortfalls are often home to taxpayers for whom the burden is most heavy. Taxes go up year after year. And that's not enough to cover the costs of mandates. If the state contributed more, the tax burden on residents in these hard-hit communities would go down.

There is a solution. Better education funding at the state level. Adequately funding schools takes a significant burden off local taxpayers and gives students access to tools to be prepared to enter the workforce with strong skills.

The research is clear - when students have access to better resources, they perform better in school. The idea that spending money on students is throwing good money after bad is false!

When states have invested in students, particularly poor ones, "math, reading, science and social studies test scores for 4th and 8th grade students" went way up. In fact, right here in Pennsylvania, between 2003 and 2010, when the state increased the money it sent to district, districts receiving the largest increases boasted the biggest gains in test scores.

Let's be clear. More money for students is an investment in Pennsylvania's workforce. Through 2024, it is estimated that more than half of Pennsylvania's 6.2 million available jobs will be "skilled jobs." Yet, without an adequate education, many of the state's students will not have the skill set to do these jobs. Temple University's Center for Regional Politics estimates that educational student performance gaps cost Pennsylvania's existing labor force a projected \$1 billion to \$3 billion in lost earnings or \$1 billion to \$2 billion in diminished GDP *annually*.

I'm here today to share 5 tools that can get Pennsylvania's education funding back on track. We are asking you to adopt a package that funds Pennsylvania's school fairly and equitably.

1. Fully fund the basic education formula. By significantly increasing the amount of money that runs through the fair funding formula, especially to struggling districts, you enable more schools to provide their students with resources *and* tourniquet the taxpayers burden of rising taxes.
2. Keep investing in special education. The \$50 million boost this year will help so many students. With greater investments in special education funding, you are supporting differently-abled students, so that they can gain skills or advance their skills to strengthen their communities' workforce.
3. Capitalize on the need for CTE. When you increase funding for career and technical programs, you offer more students options to pursue fast-growing careers and fill positions across the state that support state infrastructure.
4. Boost the districts that are most underfunded. Underfunded districts have the biggest skills gaps to fill. It is estimated that Pennsylvania's economy would gain between \$3 and \$5 billion dollars every year.
5. Use that additional revenue to provide substantive tax relief to communities across the state. The legislature can pass a budget that delivers immediate funding to struggling districts and as part of the package pass a bill that lifts the burden off of taxpayers like Mr. Mollure, Ms. Mills and Mr. Felice.

Legislators, the power to fairly fund education in Pennsylvania lies with you. When you invest in education at the state level, *you* are supporting Pennsylvania's economic growth and steadying its future as one of the economic powerhouses of the country. Pennsylvania's economic future is in your hands. We implore you to invest wisely.

**Testimony of the Education Law Center
PA House Democratic Policy Committee Hearing on Fair Education Funding**

August 12, 2019

On behalf of the parents, students, and community members with whom we work, thank you for the opportunity to speak today. My name is Reynelle Brown Staley, and I serve as Policy Director for the Education Law Center – PA (ELC), a statewide education advocacy organization. ELC works to ensure that all of Pennsylvania’s children have access to quality public education. And because money matters in education, that means we fight for fair and adequate school funding. In the courts, we and the Public Interest Law Center are challenging the Legislature’s failure to adequately fund schools and unconstitutional funding disparities that discriminate against students in low-wealth districts. And in legislative fora like this, we fight for urgent legislative action to address the adequacies and inequities of state education funding.

It is no secret that poor, largely Black and Brown communities are being hurt by our current school funding system. For years, students and families in communities like Coatesville, Philadelphia, Reading, and others have been speaking about the crumbling facilities, the inadequate resources, and the resulting poor performance of their schools. Research like our [Money Matters](#) report has shown that rather than directing resources to communities with the greatest need, the state sends proportionally more money to wealthier and whiter school districts. Close to 90% of Basic Education Funding is based not on objective measures of educational need as reflected in the Fair Funding Formula. The Formula reflects the reality that students in poverty and students who are English learners have additional needs and that districts need additional resources when students attend charter schools or communities have limited capacity to raise funds through local taxes. Yet instead of following this type of rational distribution most state education resources are allocated based on past funding decisions that never centered student needs or the interests of historically underserved communities. These are significant issues that must be addressed.

But it’s important to recognize that the Formula alone won’t solve Pennsylvania’s education funding challenges. The Formula is without a doubt a significant legislative accomplishment that moves us towards greater equity in school funding. But for all its successes, the Formula doesn’t ensure that school districts get the amount of funding they need to educate the children they serve. In fact, it was never intended to - as Rep. Oberlander stated during the first hearing of the Basic Education Funding Commission that developed the Formula, the “Commission’s charge [was] not to set a so-called adequacy level of funding.”¹ The Formula merely determines how to divide whatever amount the legislature decides to appropriate in any given year. And the amount

that the legislature is currently appropriating for Basic Education Funding – both the money flowing through the formula and the money distributed outside it – is simply inadequate.

Since the adoption of the Formula, school districts – including those that have benefited the most from the Formula’s enactment – have actually seen money flow out of their classrooms, not into them.¹ For sure, some districts would have had more funding at their disposal if all state funds were distributed through the Formula. In fact, Coatesville would get \$4.5 million more in funding next year – the equivalent of the cost of its entire vocational education program – if the formula were the sole means of distributing Basic Education Funding. But at roughly \$500 per student, even an additional \$4.5 million wouldn’t be enough to address the countless ways that chronic underfunding impacts Coatesville students and schools.

Coatesville isn’t alone in needing significantly more money – more money than the formula itself would provide. Underfunding is a chronic issue for school districts across Pennsylvania, and it has real consequences for students. Students are being educated in schools with crumbling facilities, like in Wilkes-Barre where students have to watch out for falling debris² and Philadelphia where lead paint and asbestos have received widespread media attention.³ Students are being educated in schools where textbooks⁴ and equipment⁵ are older than they are. In communities across the state, our schools need more teaching staff, librarians, guidance counselors, principals, assistant principals, and curriculum specialists. Students go without enrichments (like art and music), remedial classes, special education services, after-school programs, Advanced Placement classes, and SAT preparation courses.

As one superintendent said, “We are criticized for the performance of our students on state assessment scores. Yet it is the state funding system which prevents us from providing basic resources that our educators know our students need.”⁶

Simply put, our neediest districts have not had, and do not have, adequate funding to meet student needs. A drastic boost in state dollars is sorely needed. State funding for classroom expenses – BEF, Ready to Learn Grants, and Special Education – aren’t even keeping up with inflation. Unreimbursed pension costs are rising faster than these state increases in these line items. And even with property tax increases year after year, local communities simply can’t generate the funds needed to make up for the state shortfall.

In the words of one superintendent, “we repeatedly have to make choices based on what we can afford during a particular year, rather than on what our students need.”⁷ That is unacceptable. Another has stated, “I believe our students have normalized their deprivation. That should not continue.”⁸ It is unconscionable that year after year, we allow students in districts across the state to accept inadequate resources and an inferior education and think that this is normal. The General Assembly has the power and the duty to make sure that students receive the high-quality education they deserve. I urge you to exercise that power by dedicating significantly more money to Basic Education in the 2020-21 budget and putting that money through the Fair Funding Formula in a way that accelerates funding to the neediest districts. Thank you.

¹ Decl. of Mark Andrew Price in Support of Petitioners' Opp'n to Respondent Scarnati's Mootness Application at 8, William Penn Sch. Dist. v. Pa. Dep't of Educ. (Pa. Comm. Ct. 2019) (No. 587 MD 2014).

² Decl. of Brian Costello in Support of Petitioners' Opp'n to Respondent Scarnati's Mootness Application at 4, William Penn Sch. Dist. v. Pa. Dep't of Educ. (Pa. Comm. Ct. 2019) (No. 587 MD 2014).

³ Barbara Laker, Wendy Ruderman, and Dylan Purcell, Danger: Learn at Your Own Risk, PHIL. INQUIRER, May 3, 2018, <https://www.inquirer.com/news/inq/lead-paint-poison-children-asbestos-mold-schools-philadelphia-toxic-city-20180503.html>

⁴ Decl. of Jane Ann Harbert in Support of Petitioners' Opp'n to Respondent Scarnati's Mootness Application at 3-4, William Penn Sch. Dist. v. Pa. Dep't of Educ. (Pa. Comm. Ct. 2019) (No. 587 MD 2014).

⁵ Decl. of Damaris Rau in Support of Petitioners' Opp'n to Respondent Scarnati's Mootness Application at 3-4, William Penn Sch. Dist. v. Pa. Dep't of Educ. (Pa. Comm. Ct. 2019) (No. 587 MD 2014).

⁶ Decl. of Dennis Kergick in Support of Petitioners' Opp'n to Respondent Scarnati's Mootness Application at 5, William Penn Sch. Dist. v. Pa. Dep't of Educ. (Pa. Comm. Ct. 2019) (No. 587 MD 2014).

⁷ *Id.* at 2.

⁸ Decl. of Jane Ann Harbert in Support of Petitioners' Opp'n to Respondent Scarnati's Mootness Application at 3-4, William Penn Sch. Dist. v. Pa. Dep't of Educ. (Pa. Comm. Ct. 2019) (No. 587 MD 2014).