

RYAN A. BIZZARRO, CHAIRMAN

116 MAIN CAPITOL BUILDING
P.O. BOX 202003
HARRISBURG, PA 17120-2003
(717) 772-2297



HOUSE MAJORITY POLICY COMMITTEE

PAHOUSE.COM/POLICY
POLICY@PAHOUSE.NET
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HOUSE OF REPRESENTATIVES
COMMONWEALTH *of* PENNSYLVANIA

House Democratic Policy Committee Hearing
Basic Education Funding

Tuesday, March 5, 2024 | 10:00 a.m.
Representative Danielle Friel Otten

OPENING REMARKS

10:00 a.m. Rep. Danielle Friel Otten, D-Chester

PANEL ONE

10:05 a.m. Dr. Pamela Brown, Southeastern Region President
Pennsylvania State Education Association

Laura Johnson, Board Member
Pottstown School District

Q & A with Legislators

PANEL TWO

10:40 a.m. Susan Spicka, Executive Director
Education Voters of Pennsylvania

Donna Cooper, Executive Director
Children First PA

Q & A with Legislators

PANEL THREE

11:15 a.m. Dan Urevick-Ackelsberg, Senior Attorney
Public Interest Law Center

Q & A with Legislators



**Testimony of the
Pennsylvania State Education Association (PSEA)**

**Public Hearing Regarding
Proposed FY 24-25 state budget**

**Presented to the
House Democratic Policy Committee
March 5, 2024**

By

**Dr. Pamela Brown
PSEA Southeastern Region President
Instructional Support Teacher
Hopewell Elementary School**

Good morning, Chairman Bizzarro, Rep. Friel Otten, and members of the House Democratic Policy Committee. My name is Dr. Pamela Brown, and I am an Instructional Support teacher for grades 5 and 6 at Hopewell Elementary School in the Oxford Area School District. I also have the honor of serving as President of the Pennsylvania State Education Association (PSEA) Southeastern Region, which is comprised of Chester, Delaware, and Philadelphia counties. Thank you for inviting PSEA to present testimony today regarding Governor Shapiro’s proposed FY 24-25 state budget, and concurrently the recommendations made by the Basic Education Funding Commission (BEFC or Commission) in early January.

Student Teacher Stipend

Before I discuss the Governor’s historic budget proposal designed to bring Pennsylvania’s school funding system into constitutional compliance, I want to first express my gratitude to Rep. Friel Otten for her work and leadership in addressing the educator shortage – specifically in the creation of a student teacher stipend program. It was almost exactly one year ago that, during a simple conversation over dinner, we discussed our shared commitment to student teachers. Subsequent efforts resulted in the introduction of House Bill 1331 – the Educator Pipeline Support Grant Program – which was also included in Act 33 of 2023 (the omnibus School Code bill).

The traditional 12 weeks of student teaching, which is required before a candidate can earn their teaching certificate, is an unpaid clinical field experience. For both traditional and non-traditional students (including individuals who are interested in pursuing teaching as a second career), a lack of income for three months is often not feasible, especially for those living independently and/or lacking family support. This costly, but crucial, requirement is a dropping-off point for too many future educators. And for many aspiring educators who do persevere, their options for an internship location are often limited - requiring them to travel great distances from their home or university to complete their clinical field experiences.

These realities of the student-teaching requirement do not reflect the current economic conditions of our society, and they certainly don’t consider the need to support adults with families who might want to transition to education as a second career.

The Educator Pipeline Support Grant program will provide:

- A \$10,000 stipend for student teachers.
- An additional \$5,000 for student teachers who choose to do their field experience in a high-vacancy school district.
- A \$2,500 stipend for cooperating teachers who provide supervision and counsel to student teachers.

Currently, the Pennsylvania Higher Education Assistance Agency (PHEAA) is [preparing for the rollout](#) of this new student teacher support program. PSEA anticipates that in early April the application to receive a stipend will be made available for prospective educators who are scheduled to have a student teacher experience in either the fall of 2024 or spring of 2025. The Pennsylvania Department of Education (PDE) projects that there will be 1,400 student teachers in the fall and 3,600 in the spring. To be eligible for the stipend, a prospective teacher must comply with various requirements, including making a commitment to teach in a Pennsylvania public or nonpublic school for three years.

The FY 23-24 state budget committed \$10 million for the program. Based on PDE's projections, PHEAA will not be able to fund all student teacher stipend requests this fall. Governor Shapiro recognized the value of the student teacher stipend as a strategy to combat the educator shortage crisis and has proposed an additional \$15 million for FY 24-25. And while we are grateful for this recognition and increased commitment to the program, I would be remiss if I didn't highlight that \$25 million is far below projections of the amount needed to fully fund every student teacher experience next year and on an annual basis thereafter.

PSEA Estimates for Educator Pipeline Program:

- Fall 2024 Student Teacher Need - \$14 million
- Fall 2024 Cooperating Teacher Need - \$3.5 million
- Spring 2025 Student Teacher Need - \$36 million
- Spring 2025 Cooperating Teacher Need - \$9 million
- **Minimum Total Budget Need - \$62.5 million**

***Note – this estimate does not include a projected cost for the \$5,000 incentive bonus for student teachers who choose to do their field experience in a high-vacancy school. If policymakers assume 1,000 student teachers choose to do their student teacher experience in a high-vacancy school, this will add an additional \$5 million to the program estimate.*

Pennsylvania has made notable progress over the last twelve months to confront a key barrier to becoming a teacher. But we must finish the job. PSEA urges lawmakers to not only support the Governor's proposal, but to increase funding for the student teacher stipend by an additional \$50 million. A *total* investment of \$75 million for this critically important program in the final FY 24-25 budget must be a priority. A \$75 million investment is also consistent with the recommendation of the Commission. With billions of dollars in our Rainy Day Fund, the commonwealth can clearly afford an additional \$50 million in FY 24-25 for the Educator Pipeline program. No single student teacher should be excluded from receiving a stipend due to lack of funds.

Basic Education Funding

In August 2019, I testified before this very committee regarding fair education funding. I discussed how the Commonwealth needed to increase the amount of new money available to schools and distribute those dollars via the basic education funding formula. Additionally, I counseled policymakers to set aside the idea of driving the entire basic education subsidy through the formula, and explained how such a proposal would have negative consequences, such as costing Coatesville 18 percent of its basic education funding.

Today, I feel like this is a full circle moment. Since 2020-21, the General Assembly invested \$1.6 billion in basic education. I know that all of you played a large part in making that happen, and I thank you. But that's not all. In 2023, the Commonwealth Court ruled that Pennsylvania's school funding system is unconstitutional and in January of this year, the Commission recommended a seven-year plan to bring our state funding system into constitutional compliance. Governor Shapiro made good on his promise to respond to the Court's ruling by including the Commission's year-one funding allocation in his proposed FY 24-25 state budget. These are all very positive steps for students, schools, and educators.

There are two aspects of the Commission report and Governor Shapiro's basic education budget proposal that I'd like to comment on:

Predictability and Stability – Predictable and stable base funding is important for school administrators when they consider long-term investments like starting new programs and hiring new staff. The Commission proposes to improve the BEF formula by reducing volatility in formula shares without sacrificing the formula's dynamic ability to respond to student needs and unique district conditions. Greater predictability and stability are accomplished by using a three-year average in the poverty count, poverty concentration metric, median household income index, and local effort capacity index. Additionally, the base year is reset to FY 23-24. Updating the base year creates balance between consistent, predictable funding and the more dynamic funding allocated through the formula. And because the base would include ten years of formula driven dollars, it is more equitable, too.

Adequacy Targets – The Court's ruling highlighted specific "inputs" that are essential to afford students the opportunity to meet State-determined "outcomes" - with funding as the foundational input for all other inputs.¹ *Districts cannot hire more teachers, remodel buildings, purchase new school curricula, or offer better technology and classroom supplies without the money to pay for them.* Therefore, the question isn't *whether* more funding is needed, but *how much*. PSEA and other stakeholders believe the Court's ruling requires policymakers to develop and implement a statewide funding plan, so districts also can plan for increased investments and how they should use such

¹ William Penn School District, et al. v. Pa. Department of Education, et al., 294 A.3d 537, 909 (Pa. Cmwlth. 2023)

funding to address those court-identified inputs. PSEA was pleased to see that the Commission proposed a seven-year plan that included the calculation of adequacy targets.

According to the Commission’s methodology, 387 school districts have an adequacy gap totaling \$5.1 billion, while 113 are spending at or above their adequacy target (\$13,704 per weighted student). In PSEA’s Southeast Region, there are 14 districts with an adequacy gap including William Penn, Upper Darby, Southeast Delco, Chester Upland, Avon Grove, Coatesville, Oxford Area, Philadelphia, and several others. This region also includes 14 school districts without an adequacy gap. Additionally, there are 18 school districts in this region identified as high tax effort, which would receive a share of a \$951 million tax equity supplement under the BEFC proposal. All school districts would realize increased state funding through the proposed \$200 million added to the basic education funding formula.

PSEA believes this funding methodology is reasonable and appropriately responds to the Commonwealth Court ruling. All districts would benefit from improving funding stability and predictability, as well as from distributing \$200 million per year in new funding through the formula for seven years. Those who question the Commission’s recommendation along with Governor Shapiro’s proposed budget should recall the Court determined that - because of disparities – “students attending low-wealth districts are being deprived of equal protection of law.”² To rectify this unfairness, we must determine which districts are low-wealth and inadequately and/or inequitably funded. And as you can see in the map on page 8 of my testimony, the districts identified there as low wealth largely align with the districts identified as needing substantial adequacy investments.

Additional Considerations

Accountability/Guardrails for New Funding

PSEA would offer three recommendations to further improve the basic education funding proposal as FY 24-25 budget deliberations begin. First, when the state commits billions more to close adequacy gaps for districts, it is reasonable to seek greater accountability for how those funds are invested. PSEA members want to ensure this additional funding is invested in evidence-based programs and strategies connected to the inputs identified by the Court and tailored to meet the needs of their students. And PSEA’s members want to be consulted by administrators on how districts should invest significant new dollars specifically in their buildings.

Educators and researchers concur there are evidence-based strategies and programs proven to improve educational outcomes for students. Pennsylvania should ensure districts are utilizing these strategies, provided by certified and well-trained professionals, and made available to ALL students who need them. Evidence-based strategies and programs include, for example, pre-kindergarten; full-day kindergarten; a sufficient number of reading and math specialists who can intervene and provide

² Id. at 965.

one-on-one supports to students who are struggling; continuous resources and programs supporting students' emotional and social well-being; early literacy curriculum and educator training based on the science of reading; after-school programs; tutoring; small group instruction, more personalized learning, and smaller class sizes; experienced teachers providing instruction in the subject area for which they are certified; social and emotional support services delivered via certified school social workers, psychologists, counselors, and nurses at ratios that reflect best practice; and many more.³

Educator Shortage

One of the unavoidable issues that school officials will inevitably confront when implementing any evidence-based strategy – including those identified by the Commission's Minority Report – is its interconnectedness with the educator shortage. There is a limit to how much new curriculum, textbooks, data systems, and/or professional development can accomplish. *Without an adequate supply of well-trained, qualified educators and staff, Pennsylvania cannot ensure a constitutional system of public education.*

During the period 2012 through 2023, there has been a 75 percent decline in the number of Instructional I certificates issued to in-state graduates. During that same period, there has been a 424 percent increase in the number of emergency permits issued. This crisis has impacts across the Commonwealth – but most acutely in our low-wealth and poorest districts. The Commonwealth is not producing enough teachers, mental health professionals, or paraprofessionals to meet demand.

And while it is challenging to hire teachers in the current environment, schools are finding it nearly impossible to hire support staff. These individuals are essential for supporting the whole child in their learning – doing everything from transporting them safely to and from school, providing additional supports in the classroom, maintaining their schools and facilities, and making sure they have a healthy breakfast and lunch.

Consider that a teacher's aide in a special needs classroom, for example, faces some of the most difficult work imaginable. Their jobs are physical and demanding, require enormous compassion, and often involve students with severe physical and intellectual disabilities. They are often times punched, kicked, or bitten. The Commonwealth cannot say that it values our support professionals and the important work they do in supporting students while districts pay them poverty wages.

³ Id. at 598-602.

Starting Teacher Salaries – PSEA Southeastern Region 2022-23 School Year

SCHOOL DISTRICT	COUNTY	REGION	CONTRACT YEAR	STARTING SALARY
Coatesville Area	CHESTER	SE	2021-22	47,000
Upper Darby	DELAWARE	SE	2022-23	47,472
Chester-Upland	DELAWARE	SE	2022-23	48,400
Philadelphia City	PHILADELPHIA	SE	2022-23	48,490
Ridley	DELAWARE	SE	2022-23	48,822
Avon Grove	CHESTER	SE	2021-22	48,985
Marple Newtown	DELAWARE	SE	2022-23	49,500
William Penn	DELAWARE	SE	2022-23	49,674
Southeast Delco	DELAWARE	SE	2022-23	49,968
Chichester	DELAWARE	SE	2022-23	50,427
Garnet Valley	DELAWARE	SE	2022-23	50,549
Phoenixville Area	CHESTER	SE	2022-23	50,944
Oxford Area	CHESTER	SE	2022-23	51,058
Unionville-Chadds Ford	CHESTER	SE	2022-23	51,155
Kennett Consolidated	CHESTER	SE	2022-23	51,234
Interboro	DELAWARE	SE	2022-23	51,242
West Chester Area	CHESTER	SE	2022-23	51,670
Owen J. Roberts	CHESTER	SE	2022-23	52,000
Radnor Twp.	DELAWARE	SE	2022-23	52,450
Wallingford-Swarthmore	DELAWARE	SE	2022-23	52,500
Penn Delco	DELAWARE	SE	2022-23	53,013
Springfield	DELAWARE	SE	2022-23	53,348
Octorara Area	CHESTER	SE	2022-23	54,416
Downingtown Area	CHESTER	SE	2021-22	54,846
Rose Tree Media	DELAWARE	SE	2022-23	54,900
Haverford Twp	DELAWARE	SE	2022-23	54,981
Tredyffrin-Easttown	CHESTER	SE	2022-23	55,542
Great Vally	CHESTER	SE	2022-23	59,285

Compiled by PSEA Research – June 2023.

One of the reasons it is difficult to recruit teachers is due to low wages. Compensation is a critical factor in people’s evaluation of the profession. School districts should be required to invest new state funding in raising the minimum educator salary to \$60,000 and the wages of support professionals to no less than \$20 per hour or a living wage. Strategies like increasing class-size or making support professionals’ jobs part-time, so districts don’t have to pay benefits, are part of the reason people don’t want to work in public education. It’s time to invest in the educator workforce, because that’s how we have more academic programs, happier school employees, and ultimately a better system for our students.

Charter School Tuition

Finally, as the state increases basic education funding and districts spend more to close adequacy gaps, districts’ charter tuition payments to brick-and-mortar charter schools and cyber charter schools will correspondingly increase. School districts’ charter tuition payments are based on their expenditures. Therefore, increasing basic education funding will contribute to the endless cycle of

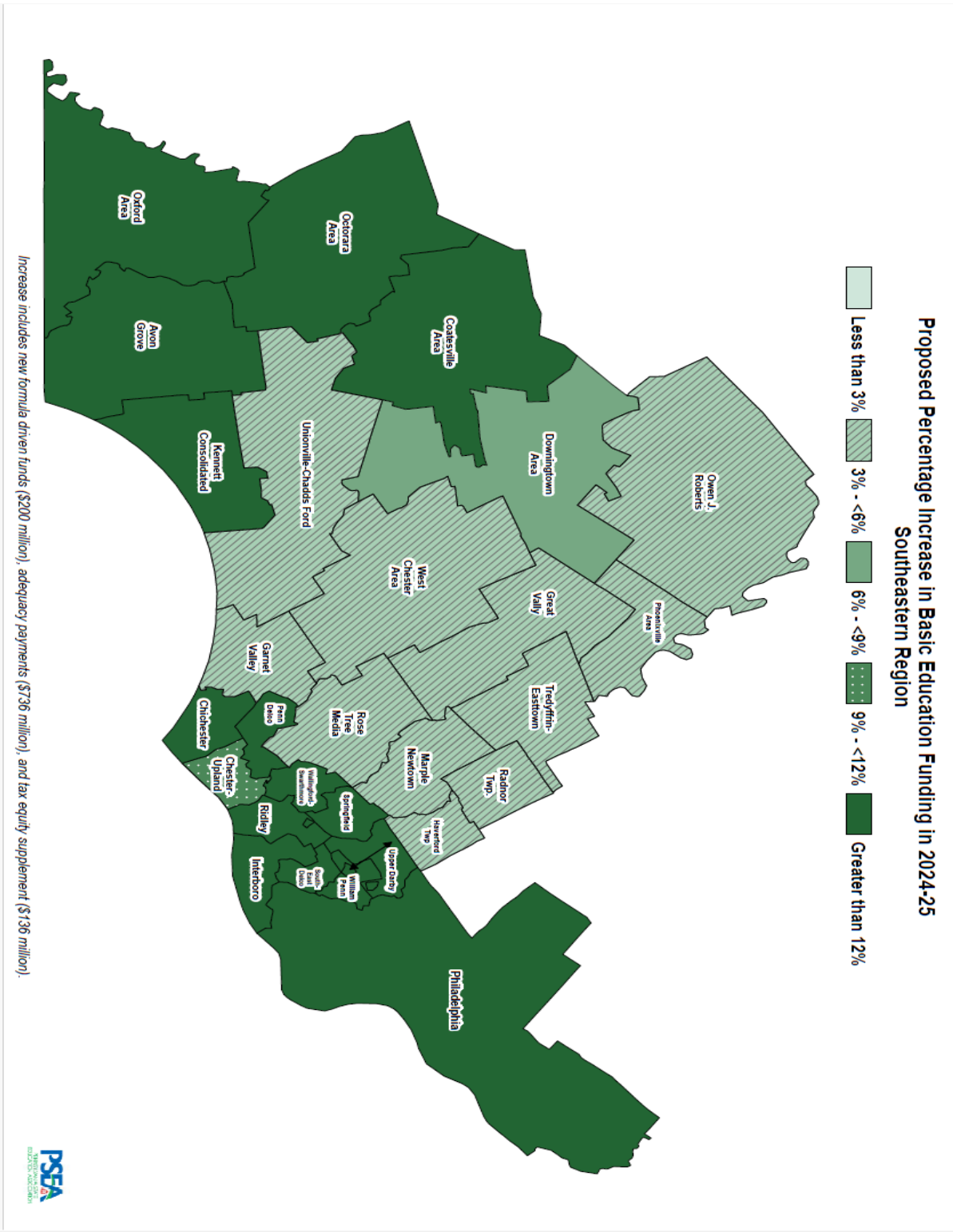
school districts simply acting as pass-through entities for state funding to charter and cyber charter schools.

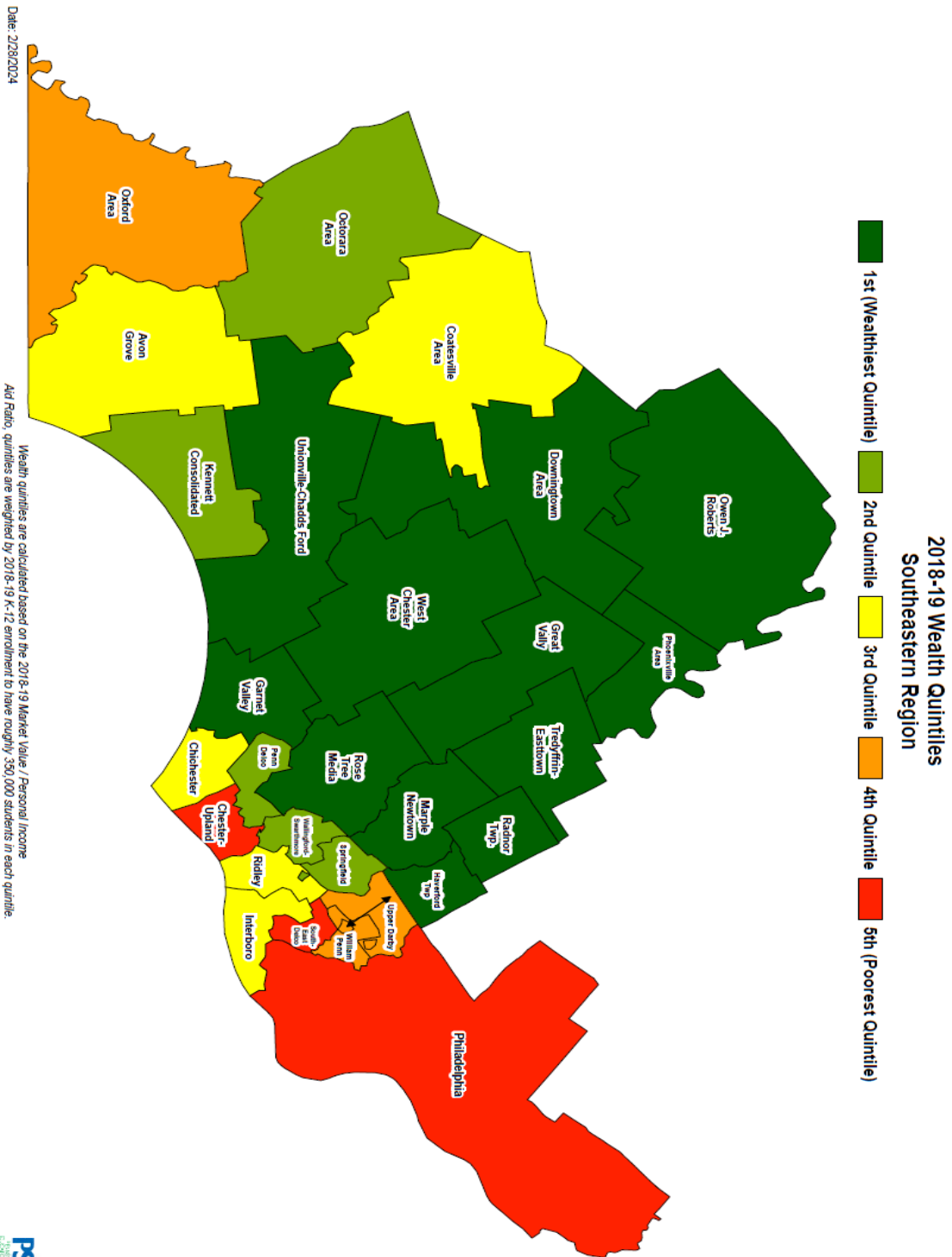
That won't solve the problem.

Therefore, part of the budget deliberation process should resolve how to prevent new adequacy payments from driving astronomical increases in charter tuition. The Commission's Majority Report identified three possible strategies, including: reinstating charter school reimbursement funding; establishing a standard cyber charter rate; and amending the PDE-363 (the form used to calculate charter school tuition payments). PSEA looks forward to being part of those discussions to determine the best way forward. PSEA has members in both charter and cyber charter schools. We also have members in Chester-Upland School District, whose budget has been steadily and increasingly consumed by charter school tuition over the last twenty years. I believe we can find a way forward that respects all public schools but acknowledges and prevents profiteering by the charter system.

Conclusion

The journey to greater school funding equity and adequacy has been difficult, but as a teacher providing instructional support every day in classrooms, I can tell you that every single one of these fights that you as elected officials take on is worth it -- no matter how long it takes. Thank you for your steadfast support of your public schools. I'll be happy to answer any questions.





Testimony from Laura Johnson
Board Treasurer, Pottstown School District
Co-Founder, Pennsylvanians for Fair Funding
March 5, 2024

Chairman Bizzarro, Representative Friel-Otten, and Members of the Policy Committee:

I'd like to share what the Basic Education Funding Commission's majority report means in the context of a local school district. Specifically, I will offer my perspective as a Pottstown parent and school board member; but I am very cognizant that part of the reason it's important to share Pottstown's story is because we see this same story over and over again across Pennsylvania.

Pottstown is one of Pennsylvania's 500 school districts. It is a 5.5 square mile borough and school district- the boundaries are identical. We have over 23,000 residents, and approximately 3,400 of them are our students. We are a racially diverse community, and the majority of our students are black, hispanic, or two or more races. We also have high levels of poverty. 75% of our students are from low income households. Our median household income in the community as a whole is \$50,331- less than half of our Montgomery County median of \$107,441. ^{1 2}

Formerly, Pottstown was a major hub of Bethlehem Steel and other businesses that together created a robust local economy with good paying jobs. Now we are one of many post-industrial towns in Pennsylvania that is still impacted by major economic setbacks that resulted from those industries disappearing.

Because Pennsylvania has relied so heavily on property taxes to fund local school districts, we have suffered major educational setbacks as well. Just as our household incomes are far less than the communities around us, it is a similar story with property values - with the median home sale in Pottstown currently at \$231,000, while the county's median sale is \$428,000.³

I hope I've painted a picture of the local wealth disparities a school district like Pottstown deals with. While our neighboring school districts might have great ability to raise revenue from residential and commercial properties, a town with less wealth has far less capacity.

However, even though our properties raise fewer tax dollars, that doesn't mean our students suddenly need fewer education dollars. In fact, the opposite is true. We know that students who come

¹ [Demographics | Pottstown, PA - Official Website](#)

² [U.S. Census Bureau QuickFacts: Montgomery County, Pennsylvania](#)

³ [Montgomery County, PA 2024 Housing Market | realtor.com®](#)

from low income homes actually need more education funding than their wealthier peers in order to have any hope of adequate educational opportunities. So at a school district level, in absence of equitable state funding, and in order to provide for our students, we have been forced to keep raising local taxes, putting an ever tighter squeeze on our tax payers.

It is essentially a downward spiral. We have greater need and less wealth, so we must raise taxes more; and by taxing more, we lower the economic viability of our town, further decreasing property values and increasing the need to raise taxes again, year after year. To put a point on it, Pottstown's school taxes got so high that we ended up with the 4th highest tax burden in the Commonwealth.⁴

That is the local economic context we find ourselves in. It is important to understand that students don't get an education in a vacuum. They are members of a community. And the health of that community, including its economic health, impacts our students and their families. It affects the resources that are available to them in their neighborhood, it affects the jobs available to their parents, it affects the ability of their families to build wealth through homeownership. And yes, it has a tremendous impact on the education and support available to them through their schools.

Because our schools have struggled for decades to provide for our students, there have been numerous program cuts. A few examples: We had to cut music and foreign language in our middle school years ago; funding for field trips disappeared; we could offer just 6 or 7 AP classes while the districts around us could offer 2, 3, 4 times that number; our curriculum budget stayed flat for 15 straight years; our teachers made less than any other district in the county. We were simply unable to invest in these areas.

It has not been lost on our students that they haven't been afforded the same opportunities as their peers in districts right next door. And make no mistake- it has not only been their academic development that has been harmed. Their social and emotional health has been impacted by the message that their education, their futures, don't matter as much as their wealthier and whiter neighbors. They see, when they visit other schools for events, that their peers have school facilities and technology and programs that are out of reach for Pottstown kids. It is heartbreaking to have students ask you why this is, and question whether they are less deserving than students in other districts.

So this is why Pottstown has been so loud when it comes to fair funding- because our students have been harmed through lack of state education dollars, and because our families and community have been harmed as well.

We got to this point because elected leaders didn't have the collective courage to address these inequities. We have known for years that Pennsylvania had the widest school funding gaps in the

⁴ [AFR Data Summary-Level \(pa.gov\)](#)

nation, with poor districts having a third less to spend on students than wealthy districts⁵. But it is only very recently that lawmakers have taken any meaningful steps to begin closing these gaps.

And those steps in the right direction have already made a difference. Basic education funding has increased by about \$3.5 million over the past 3 years for Pottstown, and additionally we, like other districts, received pandemic funds which allowed for investments in curriculum and other one time expenses.

I believe it would be worthwhile to share the positive impact that that increase has already had on our students.

Over the last several years, our leadership team in Pottstown has been specific about the fact that there are 4 distinct areas that increased education funding would support: Facilities, Personnel, Programs, and Tax Relief.

We have followed through on investment in each of these areas, including some overdue maintenance and minor updates on our buildings, a modest increase in teacher and staff pay, and 4 year pause in tax increases, with a small tax credit back to our property owners last year, bringing us down to the 8th highest tax burden in the Commonwealth.⁶

The other area of investment has been that of programming.

We were recently able to invest in a program called Foundations for our early elementary students. This highly effective program has been around for years, but as our curriculum budget was flat, it was completely cost prohibitive. Long story short, it has been game changing for our young students. One of our veteran teachers told us that she has never in all her teaching years seen students learn to read this fast. And the data bears it out, with students who were starting the school year well below grade level actually catching up.

We were also able to purchase a program called Edmentum, which assists our middle and high school learners by helping them target the specific math and reading skills they need to work on. This program is another that has been available in wealthier, suburban schools for years. Our high school principal recently shared about how this was something that had been used for years in his previous, suburban, district, and that if anything, his former students saw it as a chore. When we introduced it in Pottstown he took the time to go class to class and explain to the students why this program was valuable and how it could help them. He was so glad to find that the students embraced the opportunity, genuinely grateful for tools that could give them some of the targeted practice they needed.

⁵ [Pa. schools are the nation's most inequitable. The new governor wants to fix that. - The Washington Post](#)

⁶ [AFR Data Summary-Level \(pa.gov\)](#)

We have also been able to add some co-curricular programming- including volleyball, girls wrestling, and bowling. These aren't just opportunities to learn a new sport, they are opportunities for students to make connections and find a sense of belonging, as well as develop character and leadership skills. One parent spoke to me about how her son had struggled to find 'his thing' through middle and high school- until we started a bowling team and it just fit for him.

Programs like these, as well as our ability to hire some more staff at all levels, have helped to turn the tide for many of our students. We have been able to foster more connection and engagement, and see attendance grow by 7% in our elementary schools, 10% in our middle school, and 17% percent in our high school. We have even seen our graduation rate increase- moving above the 80% mark last year for the first time in many years.

The progress with this additional funding has been encouraging. I also know however, that decades of disinvestment in communities like Pottstown isn't undone by a couple years of modest increase. That is why the Basic Education Funding Commission's majority report matters so much. It takes a comprehensive look at the resources our students need and directs education funding toward those needs. It also addresses the reality that the underfunding of our schools has harmed whole communities and directs tax equity funding toward mitigating those undue burdens, helping struggling districts stop that downward economic spiral and begin to recover.

We clearly have more work to do and it will take resolve and courage to do it. But if we do, I'm confident we will continue to see progress in the education of our students and in the wellbeing of our communities.



Testimony of Education Voters of Pennsylvania Pennsylvania House Democratic Policy Committee

**Submitted by Susan Spicka, Executive Director
March 5, 2024**

Hello and thank you very much for inviting me to testify today.

Education Voters of Pennsylvania, founded in 2007, is the commonwealth's only statewide nonpartisan, nonprofit public school policy and advocacy organization. We engage parents, stakeholders, and community members in every corner of the commonwealth with public events, research, social and print media, and advocacy training. Ed Voters educates and trains supporters, creates opportunities for action, and works to build statewide support for a truly equitable public education for all Pennsylvania students.

In his budget address, Governor Shapiro said, "It's ridiculous that here in Pennsylvania two women can get married on a Sunday and fired from their job on a Monday, just because they're in love."

What Governor Shapiro left out is that the children of this couple could get kicked out of their private school on Tuesday. And that tax dollars are used to support this discrimination.

Discrimination is a feature, not a bug, of school voucher programs. Pennsylvania's Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) school voucher programs direct \$470 million tax dollars into private and religious schools that can, and do, explicitly discriminate against students for just about any reason they choose.

The words "private school" evoke an image of ivy-covered college prep schools. And Pennsylvania certainly has plenty of these, especially in Philadelphia, the collar counties, and other urban and suburban areas.

Today I would like to provide you with a window into a different kind of private school that vouchers fund in Pennsylvania. These are religious schools, which in many regions of the state, are often the only option for families other than their local public schools.

And I want to make it very clear that there is no way for lawmakers to pick and choose to fund only one type of private school with tax dollars. Voucher dollars support all private and religious schools in the commonwealth.

School vouchers are historically deeply rooted in segregation. Today they are deeply woven into the MAGA and M4L agenda. Vouchers fund bigotry and advance the agenda of Christian nationalists to undermine public education and our democracy.

[A report Ed Voters wrote last year](#) documents that voucher schools can and do expel students who become pregnant or refuse to attend Christian pregnancy counseling, as evidenced by this policy from the Archbishop Wood High School in Warminster, which states,

“The school principal will attempt to handle each matter in a spirit of Christian compassion and forgiveness, but when public scandal, the student’s refusal or failure to participate in counseling or other circumstance warrants, the school principal may dismiss or take other appropriate action.”

Voucher schools expel students who have had an abortion as we see in this policy from the Harrisburg Diocese, which states,

“In keeping with the Church’s laws and teachings concerning human life, any student who promotes, procures, actively assists, or performs an abortion shall be dismissed unless the Principal, after examining all aspects of the case, in consultation with the Secretary for Education, determines that there are mitigating circumstances.”

Voucher schools can and do refuse to admit students who have disabilities. Take, for example, the Al Aqsa Academy in Philadelphia, which has this statement on its website:

“The Academy is not equipped for teaching students that might need special education or might have behavior problems. Students in need of special care are referred by parents or school personnel to the local public school district.”

Voucher schools can and do refuse to admit students based on their religion. For example the Linville Hill Christian School in Lancaster County requires on its application for admission that *“One or both parents are born again Christians.”*

Voucher schools can and do expel students for being LGBTQ+ or simply for being supportive of people in the LGBTQ+ community, as we see in this policy from a school in Lancaster County.

“Thus, DAYSPRING CHRISTIAN ACADEMY retains the right to refuse enrollment to or to expel any student who engages in sexual immorality, including any student who professes to be homosexual/bisexual/transgender or is a practicing homosexual/bisexual/transgender, as well as any student who condones, supports, or otherwise promotes such practices (Leviticus 20:13, Romans 1:27).”

The Dayspring Christian Academy, which has received \$3.4 million in voucher funding through EITC/OSTC since 2014, is bringing in Tucker Carlson as the keynote speaker for their annual fundraiser on April 20th. This is the same Tucker Carlson who openly defends authoritarianism and recently said, [“Leadership requires killing people, sorry.”](#)

This fundraiser is an event that has been historically attended by students.

This leads us to the issue of what religious voucher schools teach students.

In Pennsylvania, religious schools do not have to be accredited or abide by meaningful curriculum standards.

In a forthcoming report, the Keystone Research Center does a deep dive into the curricula that is taught in voucher schools in the commonwealth. The report finds that some religious schools have curricula similar to public schools. But a significant number teach creationism as science and present the Bible as literal truth in history and other subjects.

One example is the 148 Pennsylvania schools in the Association of Christian Schools International (ACSI) (a SO that received about \$9 million in OSTC and EITC dollars in 2022-23). ACSI describes its schools as having “the highest belief in biblical accuracy in scientific and historical matters.”

Examples of the publishers used in religious voucher schools in Pennsylvania include Bob Jones University Press, A Beka Book, and Accelerated Christian Education (ACE). These publishing houses were founded in the 1970s by fundamentalist Baptist curriculum providers who rejected the concept of secular education. Below are teachings from current books being used in Pennsylvania’s religious voucher schools.

- Environmentalism is presented as a religion in conflict with Christianity. Climate change is dismissed as either not scientific or not necessarily caused by human activity. There are references to positive effects of climate change such as opening up the Arctic for oil exploration.¹
- History textbooks are grounded in a literal reading of the Bible as a timeline of human history, identifying races and nations by their biblical role. Africans are described as descending from Noah’s son Ham. The narrative of the “curse of Ham” historically used to provide biblical justification for slavery and segregation, is still present in both A Beka and BJU Press textbooks.²
- The hardships of slavery are downplayed. Slavery and the treatment of Native Americans were supposedly mitigated by their conversion to Christianity.
- Capitalism is promoted as biblically mandated. Recessions and economic problems are portrayed as the result of government interference, labor unions, taxes, and regulating agencies, including the FDA and EPA.³

And the list goes on and on in the report.

We know from [study after study from other states](#) that vouchers have a catastrophically negative impact on student academic achievement.

We know that vouchers fund bigotry and discrimination.

¹ *Earth Science*, 5th ed. (Greenville, SC: BJU Press, 2018), 7.

² *World History*, 5th ed. (Greenville, SC; BJU Press, 2019), 16-18. and *World History and Cultures in Christian Perspective*, 3rd ed. (Pensacola, FL: A Beka Book, 2010), 2-7.

³ A Beka’s *Economics: Work & Prosperity in Christian Perspective*, closes with a narrative titled “Killing the Goose that Lays the Golden Eggs” about an imaginary company destroyed by taxes, labor unions, OSHA, and nondiscrimination laws.

We know that vouchers strengthen Christian nationalism and weaken democracy.

Private school voucher programs that give tax dollars directly to families, such as the PASS or ESA programs that have been proposed in Harrisburg, are very dangerous.

Limited voucher programs such as these can be expanded with the stroke of a pen in the future to strip out accountability and include universal eligibility, exploding costs for taxpayers, gutting funding for public schools, and creating endless opportunities for waste, fraud, and abuse. We only need to look at what is happening in [Ohio](#), [Arizona](#), [Florida](#), [Iowa](#), and other states to understand what we will eventually face in Pennsylvania if a new voucher program such as the proposed PASS or ESA voucher program is enacted.

And the pressure from school privatization organizations on lawmakers to expand an existing voucher program that gives money directly to families will be exponentially stronger than the current pressure you are experiencing to implement one in the first place.

We are deeply grateful that House Democrats have been the firewall that has protected the Commonwealth from the implementation of a new school voucher program.

We most strongly urge you to stand your ground on this issue and continue to reject any new voucher proposal in these budget negotiations and to instead ensure that every new dollar invested in education in the 2024-2025 state budget will be invested public schools that will educate every student who walks through their doors using academic standards set by the state.

I would also like to address the issue of funding for cyber charter schools. Governor Shapiro's proposal to enact a flat rate of \$8000 for regular education tuition to cyber charter schools would be a game changer for school districts. Based on districts' 2021-2022 expenditures, this would save districts more than \$260 million.

Moving forward, a flat rate for regular education cyber charter students would help control cyber charter school costs. Without a flat rate, a substantial portion of any new state funding that districts receive will simply pass through to cyber charters, increasing their bloat and waste and severely diminishing the value of the investment that the commonwealth would be making into increasing resources for students in our local schools.

We hope you will strongly support the \$8000/student flat rate in this budget and urge you to continue to pursuing funding reforms that will better align special education tuition rates with the cyber charters' actual costs of services for students with disabilities.

The \$8000/student flat rate will not affect cyber charters' ability to educate students. Cyber charter schools are awash in excess funding from school districts and the evidence is in plain sight. Cybers will be able to easily absorb a reduction in tuition, especially since they will be able to continue reaping a huge profit from the special education tuition they receive.

[In a report from June 2023](#), Children First documented that Pennsylvania's cyber charters are sitting on a surplus of \$250 million—a quarter of a billion dollars! The report found that the surplus is large and growing and uncapped and unregulated, which has led to staggeringly excessive reserves at many schools.

[Commonwealth Charter Academy's 990 from 2022](#) form shows that CCA had revenue of \$397 million, expenses of \$274 million and a net income of \$122 million. In addition, a lookback at their previous 990 forms shows that CCA's net assets have grown from \$30 million in 2018 to more than \$305 million in 2022.

And CCA is building a real estate empire in every corner of the commonwealth at warp speed using our property taxes and to my knowledge, no one in Harrisburg has a handle on this. For example, a [building that is under construction in Shippensburg](#), which will have more than 100 parking spaces, is owned by Perini Services, Inc., which is in Lauderdale by the Sea, Florida.

How many hundreds of millions of property tax dollars has CCA spent on buildings like this one that are owned by out-of-state corporations? We simply do not know because no entity in Harrisburg—not the legislature; not the Department of Education, which authorizes the cybers; and not the Auditor General's office—is ensuring any meaningful transparency or accountability for more than \$1 billion that school districts pay cyber charters using primarily property taxes that they collect from their local communities.

We deeply appreciate House Democrats' strong support of the funding and accountability reforms for cyber charter schools in House Bill 1422 and most strongly urge you to make the \$8000/regular education cyber charter student flat tuition rate a priority in budget negotiations this year. We also urge you to continue in your efforts to ensure accountability and transparency for the more than \$1 billion that cyber charter schools spend each year.

Thank you again for inviting this testimony.

Susan Spicka
Executive Director, Education Voters of PA



Children First

Testimony Presented By

Donna Cooper, Executive Director

To the

Pennsylvania House Democratic Policy Committee

March 5, 2024

Regarding the Basic Education Funding Commission

990 Spring Garden Street
Suite 600
Philadelphia, PA 19123

Office 215-563-5848
Fax 215-563-9442
Email info@childrenfirstpa.org

Web: childrenfirstpa.org
Social: [childrenfirstpa](#)

I commend the members of the Pennsylvania Democratic House Policy Committee for devoting copious time to gather testimony regarding the deliberations, findings, and implications of the Basic Education Funding Commission which completed its mandated periodic review of the education funding formula earlier this year.

As this Committee knows, that the Commission's work commenced after Pennsylvania Commonwealth Court Justice Renée Cohn Jubelirer found a year ago the state's system of funding unconstitutional on the grounds that students of color and those in low-wealth school districts were afforded a demonstrably inferior education compared to their counterparts in whiter and more well-resourced school districts. While today you are gathered in a partisan caucus of all Democrats, it is heartening to point out that the groundbreaking judicial decision was authored by a judge who is a lifelong Republican, elected to the bench in 2011 and now serves as the President judge the court. Jubelirer is a conservative jurist, not known for a history of activism and, in fact, has served on key committees for George Mason University Law School, one of the more conservative legal training institutions in the nation. These facts tell us a great deal about the jurist and explain why she so assiduously relied on the original intent and letter of the law to formulate the decision that ended with the following statement:

The Court was asked to interpret the Education Clause and what it means to "provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth." Upon consideration of the plain language of the Education Clause, "as understood by the people when they voted on its adoption," the Court concludes it requires that every student receive a meaningful opportunity to succeed academically, socially, and civically, which requires that all students have access to a comprehensive, effective, and contemporary system of public education. Not only is this interpretation consistent with the Education Clause's plain language, it is also in accord with the Education Clause's history and with how other jurisdictions have interpreted similarly-worded education clauses...

the Court concludes Petitioners satisfied their burden of establishing the Education Clause was clearly, palpably, and plainly violated because of a failure to provide all students with access to a comprehensive, effective, and contemporary system of public education that will give them a meaningful opportunity to succeed academically, socially, and civically.

As members of this Committee know, every defendant found the proceedings and conclusion so persuasive that none have filed an appeal. The legal matter is solved. Pennsylvania parents, students, and citizens expected the Basic Education Funding Commission to be the venue to create consensus behind a proposal to end the legislatively enabled violation of the constitutional rights of our citizens. In spite of the Republican roots of the court's decision, Republican members of the Commission failed to advance any specific methods of resolving this unconstitutional situation and also refused to amend or back proposals by the Democrats serving the majority. However, the minority did articulate in its final report that, "when the General Assembly takes up the issue of adequacy, in our view, any additional funding that districts would receive to address adequacy gaps must include an accountability component to ensure those districts invest in programs that focus on high-quality academics for students, especially those students who are economically disadvantaged and historically underperforming."

In line with this statement, both the Minority and Majority reports include a well-founded list of twenty-eight proven educational interventions that, when implemented with sufficient resources, good training and program fidelity, will boost student performance. I urge the members of this Committee to recognize that both parties agree about ways to help more students achieve at higher levels, which is a starting point for building bipartisan support behind the Majority report's concrete and well-reasoned approach to boosting state funding for public schools over seven years and close the resource gaps found to exist and to have significant deleterious impact on students across the state.

For instance, some Republican lawmakers are proposing that the state require school districts to flunk third grade students who are not reading at grade level, under the banner of ending “social promotion.” In fact, every lawmaker should be concerned that third grade achievement is a marker of school/life achievement and 40% of the state’s students can’t reach the marker.

Of course, flunking poorly performing third grade students in underfunded schools is not the answer because those schools start out without the resources needed to help struggling readers and they are the very districts with most of the students who’s third grade reading skills are the weakest.

Instead, to boost the share of students on grade level, marry the proposal to close the school funding adequacy gap with a clear expectation that some of new funds be deployed toward the structured literacy measured designed in a bipartisan manner by Reps Flemming and Ortity in House Bill 998. In fact, the legislature should be clear that new funds can and must make the twenty-eight proven practices that both Democrats and Republicans agree on available to students as districts get closer and closer to their adequacy targets. It makes much more sense to do that first and then evaluate the impact on reading before the state adopts strategies proven to have no impact on boosting third grade reading scores like mandatory flunking standards. Turning to the detailed funding proposal to cure the constitutional infringement of the current approach to school funding, a summary impact of the Majority proposal provides an illuminating understanding of how flawed the current system is and how critical it is that the four elements of this plan be coupled with the codification of a seven-year commitment to fulfill the plan. To start with, the new proposal, structured to meet constitutional muster will impact 416 of the state’s 500 school districts. The structure of the proposal exposes the fact that our current funding system is failing 87% of the state’s students.

How do we know that? Because to figure out how to give every student educational opportunity, the Commission identified model districts where students are succeeding, and established an educational adequacy benchmark for how much funding is required to enable the same level of success achieved in these model districts.

I want to be clear right now about why we are urging a seven-year commitment. When the Commission modeled these adequacy benchmarks, they came up with a large sum of \$5.4 billion across all school districts and divided it into seven years. That means that the funds proposed for SY24-25 are one-seventh of the amount needed to close ensure that all students have what they need to be successful.

With that data in mind, it was also essential to set a tax equity marker for the appropriate local tax effort. That means that, where property values are weakest in the state, if a district is taxing itself in a disproportionately burdensome way to get to or maintain the adequacy funding benchmark, more state funds would be allocated to reduce the heavy local tax burden.

The adequacy funding benchmark is set at \$13,704 per student and the local tax effort marker was set at 66% of the statewide median. Both well-reasoned factors that were once built into the school funding formula would produce better quality schools in the 83% of the school districts across the state where the district is spending below the adequacy benchmark or taxing itself higher than the tax equity marker, or both.

Further, the Commission recommended that where student population has declined and, as a result their state funds would otherwise be reduced, if those districts were also not yet at the adequacy target, their current level of state funds would be preserved and built into their base in perpetuity. That means that declining, or what we call hold harmless districts, were given a head start in the multi-year plan of getting every school district to adequacy funding and tax equity. That's a huge relief and boon to those 315 districts.

Meanwhile every district will also benefit from the plan's proposed increases in Basic and Special Education Funding and the long overdue cyber charter school tuition reforms that will save districts nearly \$200 million.

In sum the proposal offers four strategies that, when codified with a seven-year roll-out, establish a sturdy table supporting a constitutionally sound education funding system.

1. Revised base to give declining districts a head start on meeting adequacy targets and receiving tax equity – 315 districts.
2. Additional funds in the BEF, SEF, and cyber tuition savings – 500 districts.
3. State funds to get districts to the adequacy funding benchmark of \$13,070 – 247 districts.
4. State funds to provide tax equity funding based on the 66% median marker – 45 districts.

To ensure that every district can count on reaching adequacy and equity, it is imperative that the final plan be codified with a seven-year roll out so that parents, students, and taxpayers have predictability and are assured that the legislature is clear in its commitment to meet its constitutional obligation. Without codifying language, the hold harmless schools will be afforded more of a state infusion toward their adequacy funding benchmark than stable and growing districts.

Here in Chester County, there are 12 school districts that all benefit in different ways from this proposal: five districts receive an adequacy supplement, seven receive a tax equity supplement, and four benefit from the advantage given to declining districts earning a head start towards adequacy. In total, this plan brings \$2.6 million to Chester County schools in the 2024-25 school year. To look even closer, Representative Bizarro's school districts offer two great case studies for how the proposed school funding proposal benefits districts. In the case of Millcreek, the district will benefit from three of the four elements of the proposal.

The Millcreek School District is a shrinking district. Its student population declined by 14% in just the last ten years. As a result, the district has benefited from the hold harmless funding that protects school districts from losing state funds when they lose students. If the state were to deduct funds associated with declining enrollment, Millcreek would receive \$360,000 less in state aid. Fortunately for Millcreek, because it is not yet reaching the spending target set by the successful schools, the proposed education funding plan, embeds that \$360,000 into the base state funding for the district for the upcoming school year and every thereafter. It is reasonable to consider this is a \$360,000 head start on state funds toward their adequacy funding benchmark since stable and growing districts do not benefit from this element of the formula.

Add to that new certainty about their base calculation of state aid, Millcreek is currently spending \$ \$2,740 less per student than what is needed to hit the target of successful schools. So, for this year and the next six years, the plan proposes increasing the state funds to help the district get to that target by \$1.9 million this year and subsequent increases over the next six years, bringing the sum of new state funds to \$13 million.

Millcreek would also benefit from a third strategy that reaches all 500 districts, with an increase of almost \$600,000 in the combination of the proposed increases to the Basic Education and Special Education allocations and the district would benefit by saving \$524,000 that it currently pays to very troubled cyber charter industry schools.

It does not benefit from the tax equity supplement.

Fairview looks quite different. It's a growing district with about 200 more students enrolled compared to ten years ago. As a result, it doesn't get funds in the first element of the strategy of updating the base. However, since the district is more behind with respect to adequacy (or about \$2,433 per student behind where it should be), state funding would grow by more than \$640,000 next year.

And Fairview has a relatively high local tax effort, so unlike Millcreek, it will benefit – albeit very modestly – from the small allocation of tax equity payment. Add to that payment, though, the increases in Basic and Special Education and the cyber savings which in sum add \$210,000 in new state funding and savings in the next school year. From the three of four strategies that benefit Fairview the district will receive more than \$865,000 in new state aid this year. And that will grow to \$4.5 million over seven years if the legislature ensures the seven-year rollout of funds in legislation.

At the end of seven years, Rep Bizarro, with that language codified in state law, you can be proud of delivering at least \$460 more per student to both districts, or nearly \$10,000 more for every classroom in both districts.

Attached to this testimony is an exhibit which shows each Representative how their districts fare under the seven-year school funding plan. I urge you to keep in mind that each of the four elements, connected by language that codifies the seven years, gives every school district in the state something to point to that will help their students. All the elements and the seven-year commitment go together or the table that was built to be the method for you to meet your constitutional obligation to provide a thorough and efficient system of public education will collapse.

Overall District Totals									
School District	Hold Harmless Avoidance	Total State Share of Adequacy Gap	Total Tax Equity Gap	2024-25 Adequacy Supplement	2024-25 Tax Equity Supplement	2024-25 BEF Student-Weighted Formula Distribution Increase	2024-25 SEF Student-Weighted Formula Distribution Increase	Cyber Reform Savings	Total 2024-25 Increases and Savings
Fairview	-\$680,365	\$4,500,109	\$8,667	\$642,873	\$1,238	\$126,031	\$32,618	\$62,349	\$865,109
Millcreek Township	\$361,406	\$13,823,243	\$0	\$1,974,749	\$0	\$437,309	\$164,224	\$524,833	\$3,101,115
Totals		\$18,323,352	\$8,667	\$2,617,622	\$1,238	\$563,340	\$196,842	\$587,181	\$3,966,223

Erie City **-\$19,220,792** \$107,255,158 \$0 \$15,322,165 \$0 \$3,423,653 \$644,360 \$837,943 \$20,228,121

School District	Fairview SD	Millcreek Township SD	Totals
Hold Harmless Avoidance	-\$680,365	\$361,406	
Total State Share of Adequacy Gap	\$4,500,109	\$13,823,243	\$18,323,352
Total Tax Equity Gap	\$8,667	\$0	\$8,667
2024-25 Adequacy Supplement	\$642,873	\$1,974,749	\$2,617,622
2024-25 Tax Equity Supplement	\$1,238	\$0	\$1,238
2024-25 BEF Student-Weighted Formula Distribution Increase	\$126,031	\$437,309	\$563,340
2024-25 SEF Student-Weighted Formula Distribution Increase	\$32,618	\$164,224	\$196,842
Cyber Reform Savings	\$62,349	\$524,833	\$587,181
Total 2024-25 Increases and Savings	\$865,109	\$3,101,115	\$3,966,223



District 3

Overall District Totals									
School District	Hold Harmless Avoidance	Total State Share of Adequacy Gap	Total Tax Equity Gap	2024-25 Adequacy Supplement	2024-25 Tax Equity Supplement	2024-25 BEF Student-Weighted Formula Distribution Increase	2024-25 SEF Student-Weighted Formula Distribution Increase	Cyber Reform Savings	Total 2024-25 Increases and Savings
Baldwin-Whitehall	-\$2,274,188	\$24,338,989	\$5,789,180	\$3,476,998	\$827,026	\$392,663	\$160,206	\$164,336	\$5,021,229
McKeesport Area	-\$6,427,458	\$24,920,691	\$1,795,663	\$3,560,099	\$256,523	\$1,085,848	\$245,146	\$391,784	\$5,539,400
Pittsburgh	\$85,693,693	\$0	\$0	\$0	\$0	\$2,337,857	\$189,149	\$13,301,968	\$15,828,974
South Allegheny	\$4,346,012	\$7,038,912	\$932,911	\$1,005,559	\$133,273	\$190,847	\$109,709	\$157,781	\$1,597,169
West Mifflin Area	-\$3,273,469	\$4,492,418	\$10,782,268	\$641,774	\$1,540,324	\$373,097	\$146,825	\$360,428	\$3,062,448
Totals		\$60,791,010	\$19,300,022	\$8,684,430	\$2,757,146	\$4,380,312	\$851,035	\$14,376,298	\$31,049,221

School District	Baldwin-Whitehall SD	McKeesport Area SD	Pittsburgh SD	South Allegheny SD	West Mifflin Area SD	Totals
Hold Harmless Avoidance	-\$2,274,188	-\$6,427,458	\$85,693,693	\$4,346,012	-\$3,273,469	
Total State Share of Adequacy Gap	\$24,338,989	\$24,920,691	\$0	\$7,038,912	\$4,492,418	\$60,791,010
Total Tax Equity Gap	\$5,789,180	\$1,795,663	\$0	\$932,911	\$10,782,268	\$19,300,022
2024-25 Adequacy Supplement	\$3,476,998	\$3,560,099	\$0	\$1,005,559	\$641,774	\$8,684,430
2024-25 Tax Equity Supplement	\$827,026	\$256,523	\$0	\$133,273	\$1,540,324	\$2,757,146
2024-25 BEF Student-Weighted Formula Distribution Increase	\$392,663	\$1,085,848	\$2,337,857	\$190,847	\$373,097	\$4,380,312
2024-25 SEF Student-Weighted Formula Distribution Increase	\$160,206	\$245,146	\$189,149	\$109,709	\$146,825	\$851,035
Cyber Reform Savings	\$164,336	\$391,784	\$13,301,968	\$157,781	\$360,428	\$14,376,298
Total 2024-25 Increases and Savings	\$5,021,229	\$5,539,400	\$15,828,974	\$1,597,169	\$3,062,448	\$31,049,221



District 38

Overall District Totals									
School District	Hold Harmless Avoidance	Total State Share of Adequacy Gap	Total Tax Equity Gap	2024-25 Adequacy Supplement	2024-25 Tax Equity Supplement	2024-25 BEF Student-Weighted Formula Distribution Increase	2024-25 SEF Student-Weighted Formula Distribution Increase	Cyber Reform Savings	Total 2024-25 Increases and Savings
Great Valley	-\$3,080,748	\$0	\$0	\$0	\$0	\$180,884	\$20,676	\$736,775	\$938,335
Phoenixville Area	-\$3,383,887	\$0	\$87,476	\$0	\$12,497	\$257,730	\$11,734	\$396,024	\$677,985
Tredyffrin-Easttown	-\$3,166,812	\$0	\$0	\$0	\$0	\$216,061	\$39,347	\$237,262	\$492,670
Totals		\$0	\$87,476	\$0	\$12,497	\$654,675	\$71,757	\$1,370,062	\$2,108,991

School District	Great Valley SD	Phoenixville Area SD	Tredyffrin-Easttown SD	Totals
Hold Harmless Avoidance	-\$3,080,748	-\$3,383,887	-\$3,166,812	
Total State Share of Adequacy Gap	\$0	\$0	\$0	\$0
Total Tax Equity Gap	\$0	\$87,476	\$0	\$87,476
2024-25 Adequacy Supplement	\$0	\$0	\$0	\$0
2024-25 Tax Equity Supplement	\$0	\$12,497	\$0	\$12,497
2024-25 BEF Student-Weighted Formula Distribution Increase	\$180,884	\$257,730	\$216,061	\$654,675
2024-25 SEF Student-Weighted Formula Distribution Increase	\$20,676	\$11,734	\$39,347	\$71,757
Cyber Reform Savings	\$736,775	\$396,024	\$237,262	\$1,370,062
Total 2024-25 Increases and Savings	\$938,335	\$677,985	\$492,670	\$2,108,991



District 157

Overall District Totals									
School District	Hold Harmless Avoidance	Total State Share of Adequacy Gap	Total Tax Equity Gap	2024-25 Adequacy Supplement	2024-25 Tax Equity Supplement	2024-25 BEF Student-Weighted Formula Distribution Increase	2024-25 SEF Student-Weighted Formula Distribution Increase	Cyber Reform Savings	Total 2024-25 Increases and Savings
Philadelphia City	-\$22,703,496	\$1,418,543,038	\$0	\$202,649,005	\$0	\$38,329,793	\$5,021,739	\$37,965,560	\$283,966,097
Totals		\$1,418,543,038	\$0	\$202,649,005	\$0	\$38,329,793	\$5,021,739	\$37,965,560	\$283,966,097

School District	Philadelphia City SD	Totals
Hold Harmless Avoidance	-\$22,703,496	
Total State Share of Adequacy Gap	\$1,418,543,038	\$1,418,543,038
Total Tax Equity Gap	\$0	\$0
2024-25 Adequacy Supplement	\$202,649,005	\$202,649,005
2024-25 Tax Equity Supplement	\$0	\$0
2024-25 BEF Student-Weighted Formula Distribution Increase	\$38,329,793	\$38,329,793
2024-25 SEF Student-Weighted Formula Distribution Increase	\$5,021,739	\$5,021,739
Cyber Reform Savings	\$37,965,560	\$37,965,560
Total 2024-25 Increases and Savings	\$283,966,097	\$283,966,097



District 175

Overall District Totals									
School District	Hold Harmless Avoidance	Total State Share of Adequacy Gap	Total Tax Equity Gap	2024-25 Adequacy Supplement	2024-25 Tax Equity Supplement	2024-25 BEF Student-Weighted Formula Distribution Increase	2024-25 SEF Student-Weighted Formula Distribution Increase	Cyber Reform Savings	Total 2024-25 Increases and Savings
Philadelphia City	-\$22,703,496	\$1,418,543,038	\$0	\$202,649,005	\$0	\$38,329,793	\$5,021,739	\$37,965,560	\$283,966,097
Totals		\$1,418,543,038	\$0	\$202,649,005	\$0	\$38,329,793	\$5,021,739	\$37,965,560	\$283,966,097

School District	Philadelphia City SD	Totals
Hold Harmless Avoidance	-\$22,703,496	
Total State Share of Adequacy Gap	\$1,418,543,038	\$1,418,543,038
Total Tax Equity Gap	\$0	\$0
2024-25 Adequacy Supplement	\$202,649,005	\$202,649,005
2024-25 Tax Equity Supplement	\$0	\$0
2024-25 BEF Student-Weighted Formula Distribution Increase	\$38,329,793	\$38,329,793
2024-25 SEF Student-Weighted Formula Distribution Increase	\$5,021,739	\$5,021,739
Cyber Reform Savings	\$37,965,560	\$37,965,560
Total 2024-25 Increases and Savings	\$283,966,097	\$283,966,097



District 197



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Philadelphia, PA 19102

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**Testimony of Dan Urevick-Ackelsberg
Senior Attorney, Public Interest Law Center
March 5, 2024**

Chairman Bizzarro, Representative Friel Otten, and Members of the Policy Committee:

Along with my colleagues at the Public Interest Law Center, as well as co-counsel at the Education Law Center-PA and O'Melveny, it was my honor to represent the school districts, organizations, and families that brought Pennsylvania's school funding litigation.

That decision established that the Pennsylvania Constitution "requires that every student receive a meaningful opportunity to succeed academically, socially, and civically, which requires that all students have access to a comprehensive, effective, and contemporary system of public education."¹ And the decision confirmed that the way we fund our schools fails this standard; that the Commonwealth's elected leaders have "not fulfilled their obligations to all children under the Education Clause in violation of the rights of Petitioners."² To say it again: the Court's judgment found the Commonwealth has failed its obligation to children.

The decision was not appealed, which means that "the Executive and Legislative branches of government and administrative agencies with expertise in the field of education, [have] the first opportunity, in conjunction with Petitioners, to devise a plan to address the constitutional deficiencies identified."³ And the "plan devised by Respondents at the Court's direction will have to provide all students in every district throughout Pennsylvania, not just Petitioners, with an adequately funded education."⁴

In response to the Court's decision, the Governor, along with the Basic Education Funding Commission, has set out a seven-year plan to bring the school funding system into compliance. Over the long term, the proposal would mean dramatically improved

¹ *William Penn Sch. Dist. v. Pennsylvania Dep't of Educ.*, 587 M.D. 2014 (Feb. 7, 2023), Slip. Opinion ("Op.") at 773-74.

² *Id.* at Order ¶ 2.

³ *Id.* at 776.

⁴ *Id.* at 608.

conditions for our children, as students are provided the professionals and programs that can change the trajectory of their lives.⁵

This year's appropriation would be a critical first step on the path to compliance. That said, the budget proposal you are considering only works because it is a downpayment, not a solution in isolation. This single-year appropriation should not obscure the broader task in front of you all: to enact a plan that charts out a year-by-year plan for full constitutional compliance. The time for single year budget fights must end.

I. A decision that sets out guideposts for a methodology

To understand the main components of the seven year adequacy and equity funding one also must take into account the foundations of the Court's opinion. These include:

- "[E]very child can learn, regardless of individual circumstances, with the right resources."⁶ This basic tenet was one "[a]ll witnesses agree[d]" to at trial.⁷
- Pennsylvania is overly reliant upon local taxpayers, with low-wealth communities trying harder to raise funds for their schools relative to their means than high-wealth communities.⁸
- When examining the appropriateness of funding, one must examine the relative need of the student body of the district.⁹
- As a result of the funding system's failures, many districts "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."¹⁰
- In examining the constitutionality of the education system, one must consider how Pennsylvania students are actually faring.¹¹ And there are widely unacceptable

⁵ The plan is not without faults—for example, seven years is a long time to wait for compliance, the facilities funding is too small, and Pre-K funding is basically nonexistent.

⁶ *William Penn Sch. Dist.*, Slip Op. at 717-18.

⁷ *Id.* at 778.

⁸ *Id.* at 677.

⁹ *Id.* at 421, ¶ 1880.

¹⁰ *Id.* at 705.

¹¹ *Id.* at 707.

results on Pennsylvania’s own outcome measures—including the PSSA’s, Keystones, and graduation rates—which are indicative of a systemic failure.¹²

- There is a cause and effect between that lack of resources and those outcomes: That “a funding system that is heavily dependent on local tax revenue,” which “does not adequately take into account student needs,” deprives students “access to the educational resources needed to prepare them to succeed academically, socially, or civically.”¹³

II. The adequacy calculation

The proposal for adequacy fits hand-in-glove with the decision itself. It is a Pennsylvania model for success, based upon Pennsylvania’s assessments and graduation rates, Pennsylvania’s account of student need, and Pennsylvania’s actual spending data. These are the steps in the calculation:

1. **Use Pennsylvania’s performance standards to ascertain which districts are meeting state targets on PSSA’s/Keystones and High School Graduation.** Pennsylvania sets targets for student performance on assessments and high school graduation, which the Commonwealth has said are achievable so long as additional resources are provided to students.¹⁴ The adequacy formula uses the 75 districts that are meeting those goals as models.
2. **Use Pennsylvania’s school funding formulas to calculate each district’s need (weighted student counts).** Pennsylvania has already done the work of calculating student need, through the fair funding formula and special education funding formula. This adequacy formula uses those weights—poverty, English learner status, charter student stranded costs, and student disability status—as a district’s measure of need, calculating a weighted student count for each district. The only important change is that the calculation pairs actual in-school poverty data already used for federal and state reporting with Census data to better identify district-level poverty.¹⁵
3. **Determine what those successful Pennsylvania schools spend per weighted student.** The formula next calculates what those model districts are actually spending to achieve their results, relative to their needs. Here spending is defined as “current expenditures,” or what a district is spending on line 1000 (instruction, i.e., teachers), line 2000 (support, i.e., counselors and principals), and line 3000 (non-

¹² *Id.* at 707-29.

¹³ *Id.* at 769.

¹⁴ *Id.* at 58, ¶ 231.

¹⁵ For special education weights, the calculation uses weights from the Special Education Funding Commission.

instruction, i.e., sports and extracurriculars) from district financial documents. It does not include lines 4000 or 5000 (facilities). And then it divides a district's spending by its need (the weighted student count from step two), resulting in a spending per weighted student measure for each district.

4. **Eliminate high-spending outliers and take the median district.** The formula then eliminates the highest-spending districts, including Lower Merion, New Hope, and Radnor, while leaving in the lowest spending districts. Then it uses the median spending of the remaining model districts: \$13,704 per weighted student.
5. **Apply the successful schools' adequate spending level as a target for all school districts.** With all this in hand, funding targets for each district are straightforward: multiplying \$13,704 against each district's unique needs (that district's individual weighted student count from step two). A district's shortfall is its target minus what it is actually spending. Collectively, this results in an aggregate state shortfall of \$5.4 billion. 387 districts have a shortfall, with a median shortfall of \$2,950 per student among them.
6. **Determine the state share of funding.** The final piece of the calculation is to determine what portion comes from the state. Given the core of the problem—a system overly reliant on local wealth—the formula requires the Commonwealth itself to raise the vast majority of needed funds. It does so by assuming, but not requiring, that each district will make an effort of at least the 33rd percentile of local effort. The end result is that the state share of the \$5.4 billion shortfall is \$5.1 billion, or 94%. Every district at the 33rd percentile or above would have their entire shortfall covered.

\$5.1 billion in state funding would mean transformation for hundreds of communities across Pennsylvania, from Upper Darby and William Penn and Coatesville in the southeast, to every single district in Erie County in the northwest. It would mean more teachers, counselors, and tutors, updated curriculum, and up-to-date technology. It would allow school districts to implement the strategies that we all know work.

III. The tax equity calculation

The Governor's proposal has one additional major source of funding: tax equity funding. This funding sounds complex but is rather straightforward. The formula identifies those districts making a local effort at or above the 66th percentile, examines the amount those districts are raising, and then allocates them funds that would effectively allow them to lower their taxes back down to the 66th percentile, with a wealth limitation for those districts with particularly high capacity.

This funding cannot be considered outside of the context of the broader adequacy calculation. And the first order of business for you all must be to set a path to adequate

funding. However, if paired with a guarantee of adequate funding, it makes sense. As the Court noted, the Commonwealth’s lowest wealth districts actually make the highest tax efforts in the state. As a result, while still underfunded, districts like Pottstown and Coatesville are closer today to adequate funding than other Commonwealth districts, solely as a function of those communities taxing at far higher rates than most of the Commonwealth. This tax funding would undo some of that inequity, assisting those communities that have long been trying the hardest to fund their schools.

All told, there are 169 districts which qualify for \$956 million in tax equity funding, including Pottstown and Coatesville, again spread over seven years.¹⁶

IV. Three different local districts

Downingtown, Coatesville, and Pottstown present an apt demonstration of how these calculations work in practice. Among the three, Downingtown spends the most relative to its need, and has only a small shortfall. It accomplishes this with an effort just below the state median. It therefore is eligible for \$4.6 million dollars to reach adequacy over seven years. (Downingtown may still have needs; the calculation is a conservative one, which does not include things like facilities funding.)

Pottstown and Coatesville, on the other hand, have wide adequacy gaps, despite being two of the highest effort districts in the state. Accordingly, those districts are eligible for significant amounts of both adequacy and tax equity funding.

	Current Expenditures Per Weighted Student (goal: \$13,704)	Local Effort Percentile	Adequacy Gap	Tax Equity Supplement with Capacity Factor	First Year Adequacy Supplement
Pottstown SD	\$12,100	99	\$8,723,205	\$13,780,182	\$3,214,770
Coatesville Area SD	\$10,919	94	\$43,253,084	\$31,710,707	\$10,709,113
Downingtown Area SD	\$13,437	47	\$4,578,200	\$0	\$654,029

V. Other considerations in the Governor’s budget proposal

The adequacy and tax equity calculations are not the only ways school districts benefit from the Governor’s education proposal. For example, hundreds of districts benefit from the continued practice of hold harmless—which has effectively given some districts a head start towards adequacy. All districts receive savings from the Governor’s cyber

¹⁶ All this has limits: Even if the districts used their tax equity funding as a one-for-one to reduce taxes, they would still have a higher local effort rate than Downingtown at the conclusion of the seven year process.

charter reform proposal. And every district will receive an increase in basic education funding. Some examples include:

School District	County	2024-25 Adequacy Funding	2024-25 Tax Equity Funding	Hold Harmless Avoidance	2024-25 Cyber Savings	2024-25 BEF
Greater Nanticoke Area SD	Luzerne	\$3,669,954	\$0	\$0	\$73,430	\$402,417
South Fayette Township SD	Allegheny	\$266	\$2,419,399	\$0	\$185,942	\$240,087
Montrose Area SD	Susquehanna	\$0	\$0	\$4,055,964	\$674,537	\$112,780
Wayne Highlands SD	Wayne	\$0	\$0	\$0	\$1,323,553	\$338,171
Panther Valley SD	Carbon	\$2,537,172	\$564,959	\$0	\$131,418	\$458,255

VI. Conclusion

The task of bringing our public education system into compliance requires all of us to articulate a clear vision for the future. We cannot let another generation of children pass by before getting this right. Instead, we need to make a downpayment this year, and enact year-by-year legislation to end this injustice once and for all.