

EDUCATION VOTERS of PA

Pennsylvania School Funding and Advocacy 101



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Money Makes a Difference...

Money pays for:

- *Smaller classes*
- *Recruiting and retaining the best teachers*
- *Providing students with more options*
- *Safe and healthy learning environments*

Results:

*Higher test scores, higher graduation rates,
higher wages as an adult*



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How should schools be funded?

Just three things:

- 1. Ensure students can meet standards*
- 2. Ensure funding is adequate*
- 3. Ensure distribution is equitable*



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Student Standards

We know how much learning we expect – that has been defined through state standards.



The Future Ready PA Index is a collection of school progress measures related to school and student success. The Index includes a range of assessment, on-track, and readiness indicators, to more accurately report student learning, growth, and success in the classroom and beyond.

Future Ready PA Index contains the most recent data available in the 2017-2018 school year.

Find a School



But Pennsylvania does not base funding on the resources students need to meet these standards.



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How should schools be funded?

Adequacy

Schools need the resources – the funding – to pay for the programs for every child to be able to learn what we expect them to learn.



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Adequacy

EDUCATION

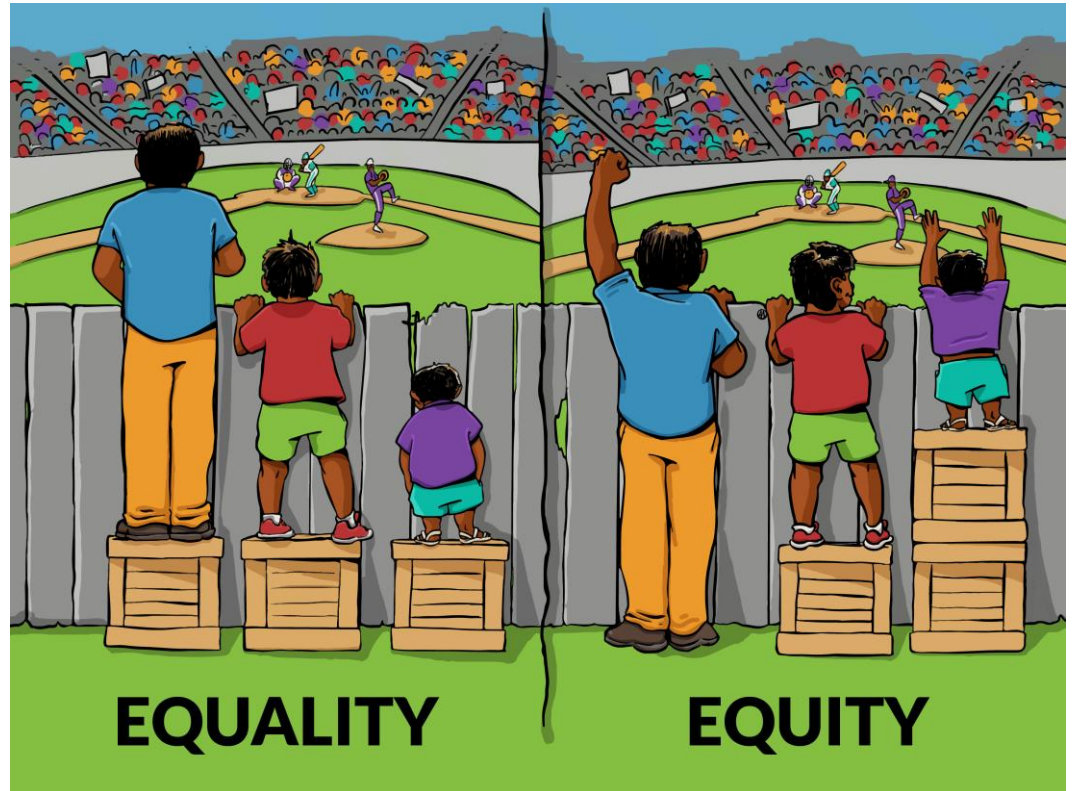
Pa. schools need an additional \$4.6 billion to close education gaps, new analysis finds

by Cynthia Fernandez of Spotlight PA and Maddie Hanna of The Philadelphia Inquirer | Oct. 27, 2020



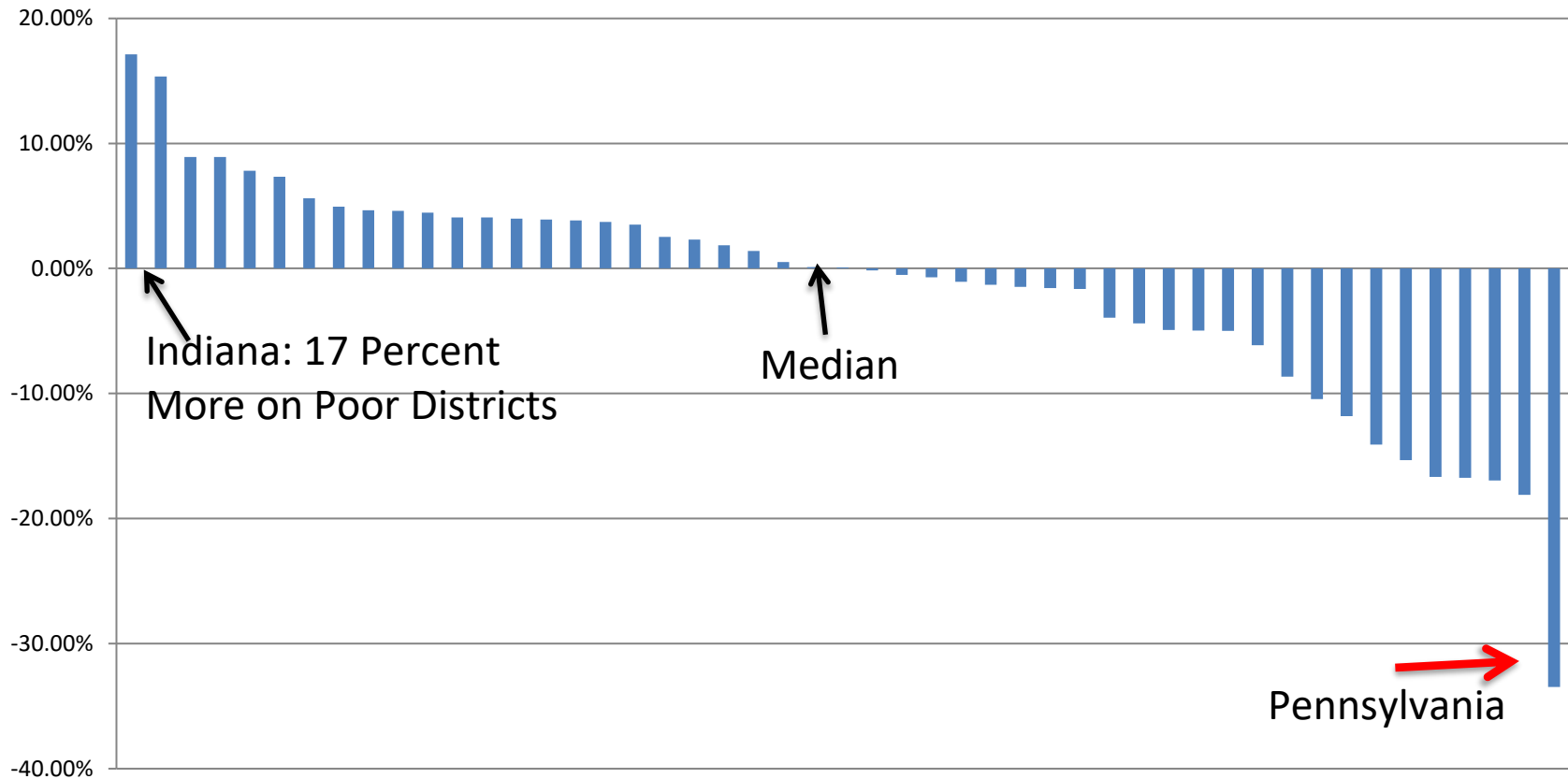
Equity

The money must be distributed in a rational and fair way, to address student and district needs, such as poverty, tax base, English language learners, small district size, etc.



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More State and Local Spending in Rich Districts vs. Poor Districts



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How PA Schools are Funded

Each year, your school district develops a budget based on the funding that is available from three sources:

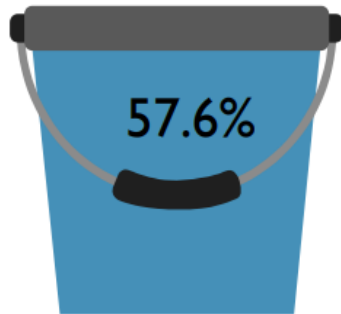
- **Federal:** Small percentage and focused on poverty, special education, training and nutrition.
- **State:** Basic education, special education, transportation and other funding.
- **Local:** Primarily property taxes with other small, local taxes.



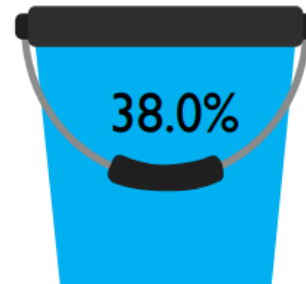
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How PA Schools are Funded

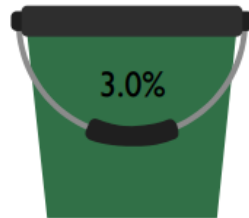
FOUR SOURCES OF SCHOOL DISTRICT REVENUE



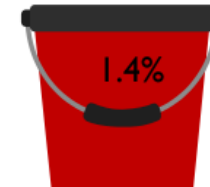
Local Revenue



State Revenue



Federal Revenue

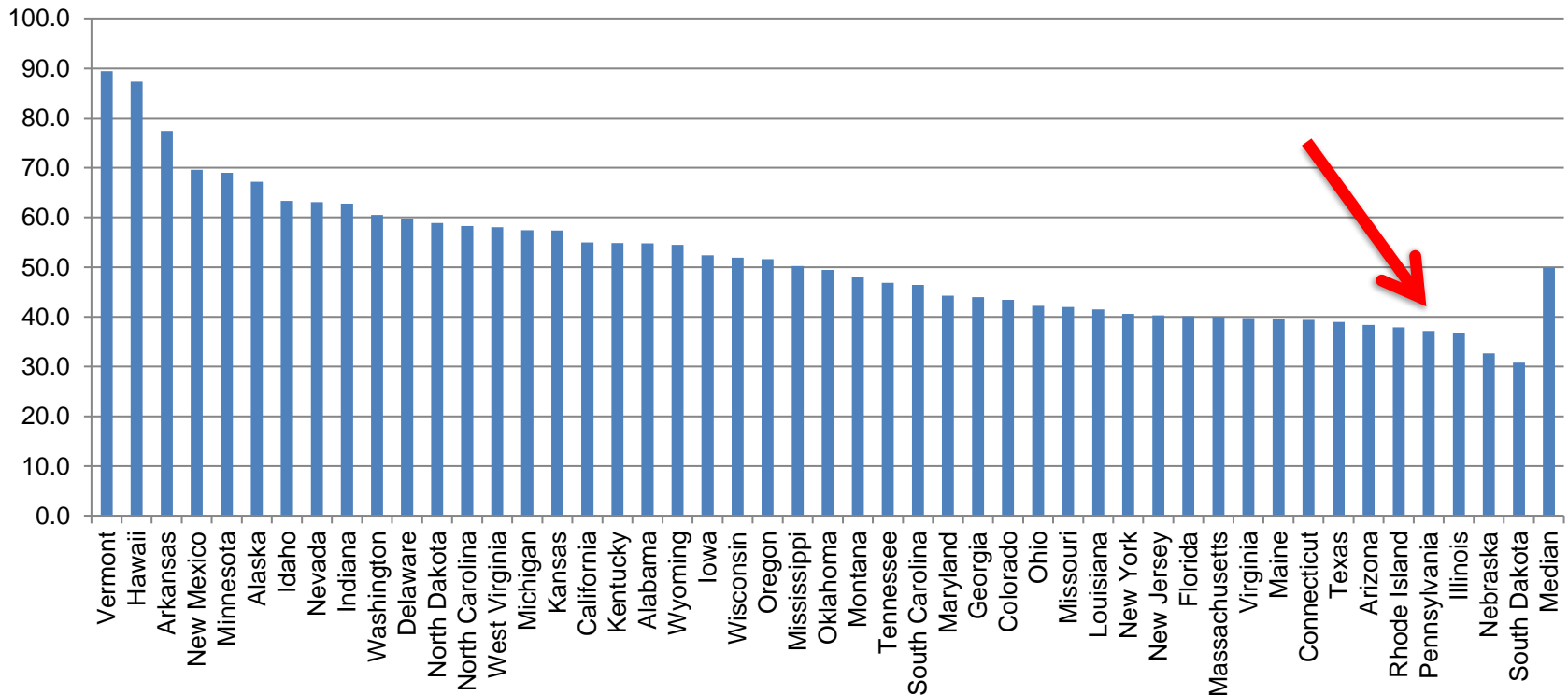


Other Revenue



PA Ranks 44th in State Share of Funding

Percent of a State's Contribution to Education



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What does PA's system mean?

- Districts with wealthy property tax bases can raise a lot of money to fund their schools, often with relatively low property tax rates.
- Communities that can least afford to support their schools are asked to do much more than their neighbors.
- Students who live in underfunded districts do not have the same opportunities as their peers in wealthy districts.



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Basic Education Funding (BEF) Formula

Basic Education Funding (BEF) Formula

Adopted in 2016 with strong bipartisan support

1. Counts students
 2. Add weights for student factors—ELL, poverty, acute poverty, concentrated poverty, charter enrollment
 3. Adjust for district factors— sparsity, median household income, local tax effort
 4. Distributes NEW BEF through the formula, providing each district their share of the pot based on these factors.
-
-

(In)Equity

Most state funding is not distributed based on student need.

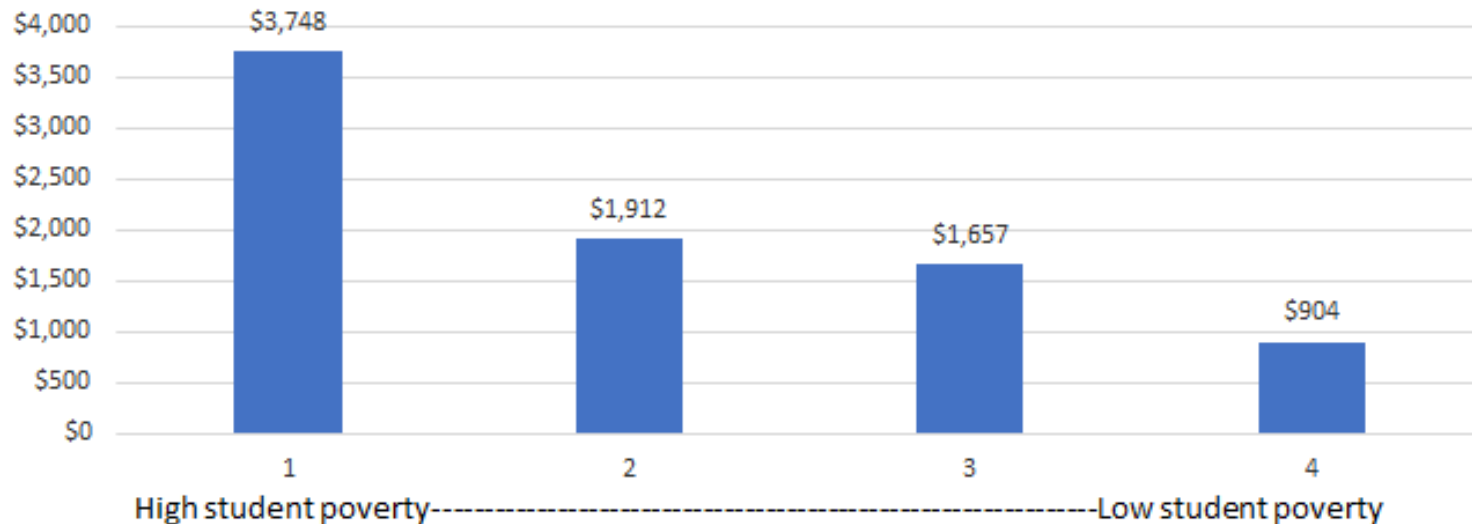
Just 11% of state Basic Education Funding flows through the formula that was adopted in 2016 and takes into account student need and district factors.

The rest (\$5.5 billion) is based on student enrollment in 1992.

Funding Gaps

The Gap Remaining Between Per Student Funding in 2019-20 and Guaranteeing that ALL Pennsylvania Schools Have What They Need to Properly Education Their Students

How short of adequacy is per student funding based on calculations by the Public Interest Law

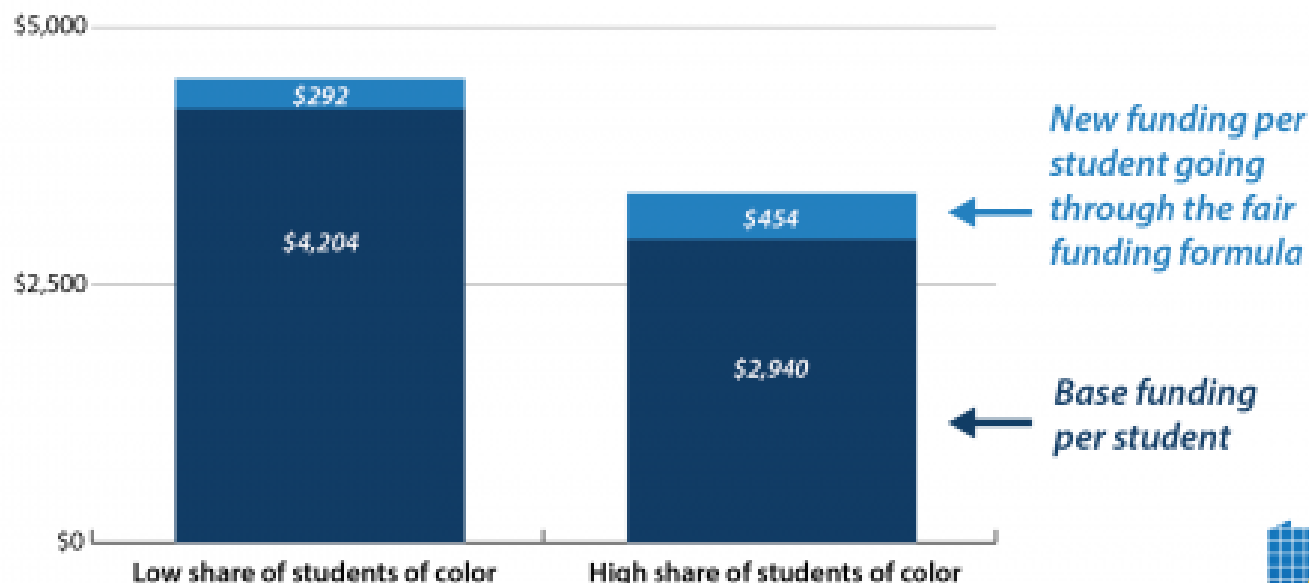


Note: The states 500 school districts are broken down into four groups of 125 school districts based on the percent of people living below the poverty line. The districts with the highest percentage of poverty are in the 1st quartile and the districts with lowest percentage of poverty are in the 4th quartile. The per student adequacy gap listed for each quartile above is a weighted average within each quartile of the Public Interest Law Center's estimate of state adequacy.

Source: Pennsylvania Budget and Policy Center based on data provided by the Public Interest Law Center

Funding Gaps

BECAUSE ONLY NEW MONEY GOES THROUGH THE FAIR FUNDING FORMULA, PA'S CURRENT METHOD OF PUBLIC SCHOOL FUNDING STILL LEAVES SCHOOLS WITH HIGHER SHARES OF STUDENTS OF COLOR BEHIND



Per Student Funding by Percent Share of Students of Color, Base Funding and New Funding

We need MORE funding

Some say the state should just distribute its funds more fairly—100% through the BEF formula.

Unfortunately, that wouldn't solve the problem. The shortfalls are too great; the pie is simply too small.

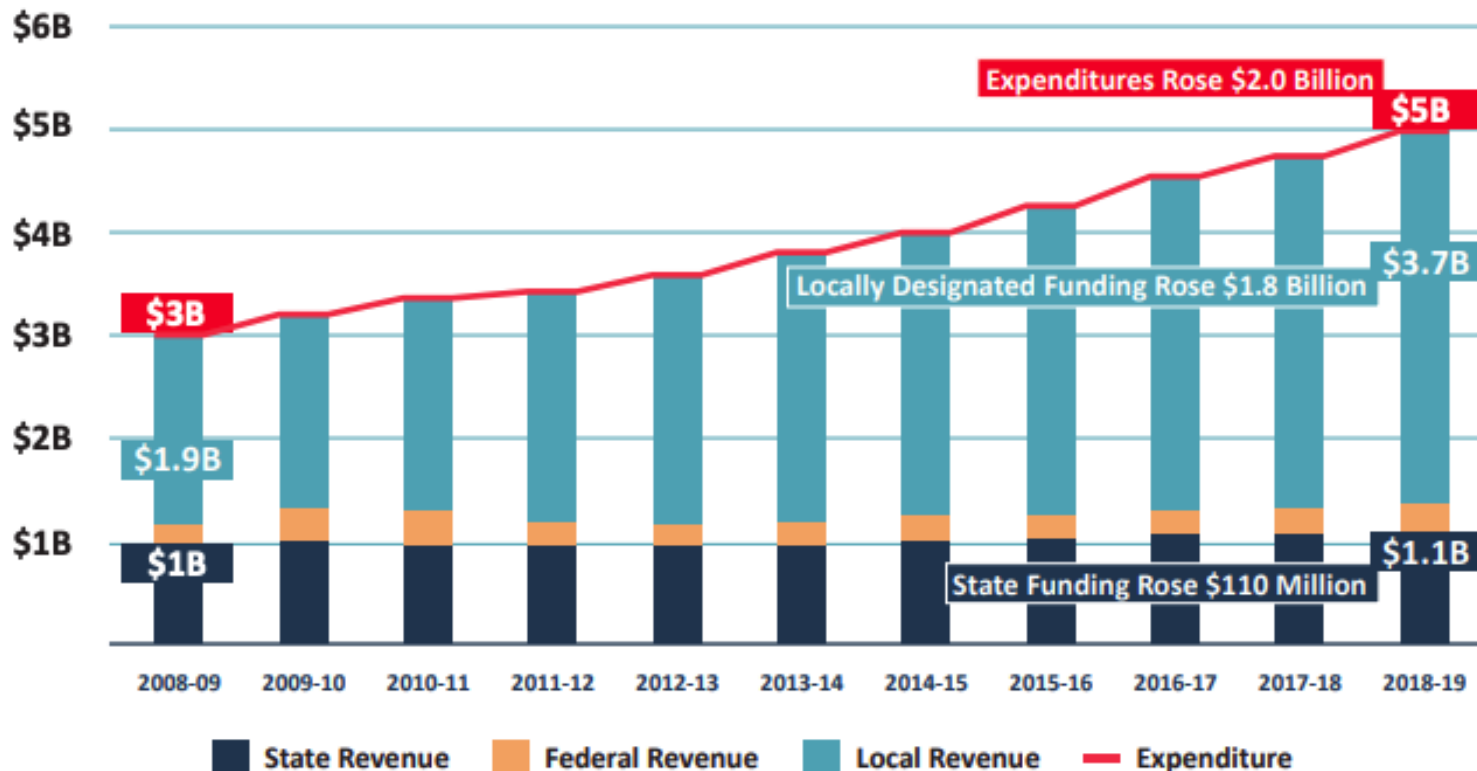
Schools with the fewest resources need additional funding--NOW.



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Special Education Funding

In Pennsylvania, State Funding for Students with Disabilities Flatlined as Special Education Expenditures Grew by \$2 Billion Over a Decade



Data analysis by Research for Action based on Annual Financial Reports from the Pennsylvania Department of Education. Accessed from <https://bit.ly/36c1JdP>

The \$2.8 B Charter School Hole in the Bucket



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Outdated Charter School Tuition Calculations

School district pay tuition for each student enrolled in a charter school.

The state formula mandates tuition rates based on district costs minus funding for services charters do not provide (e.g., transportation) and funding charters already receive directly (e.g., federal funding).

Tuition rates are same for brick-and-mortar and cyber charters and are NOT based on charters' actual costs.



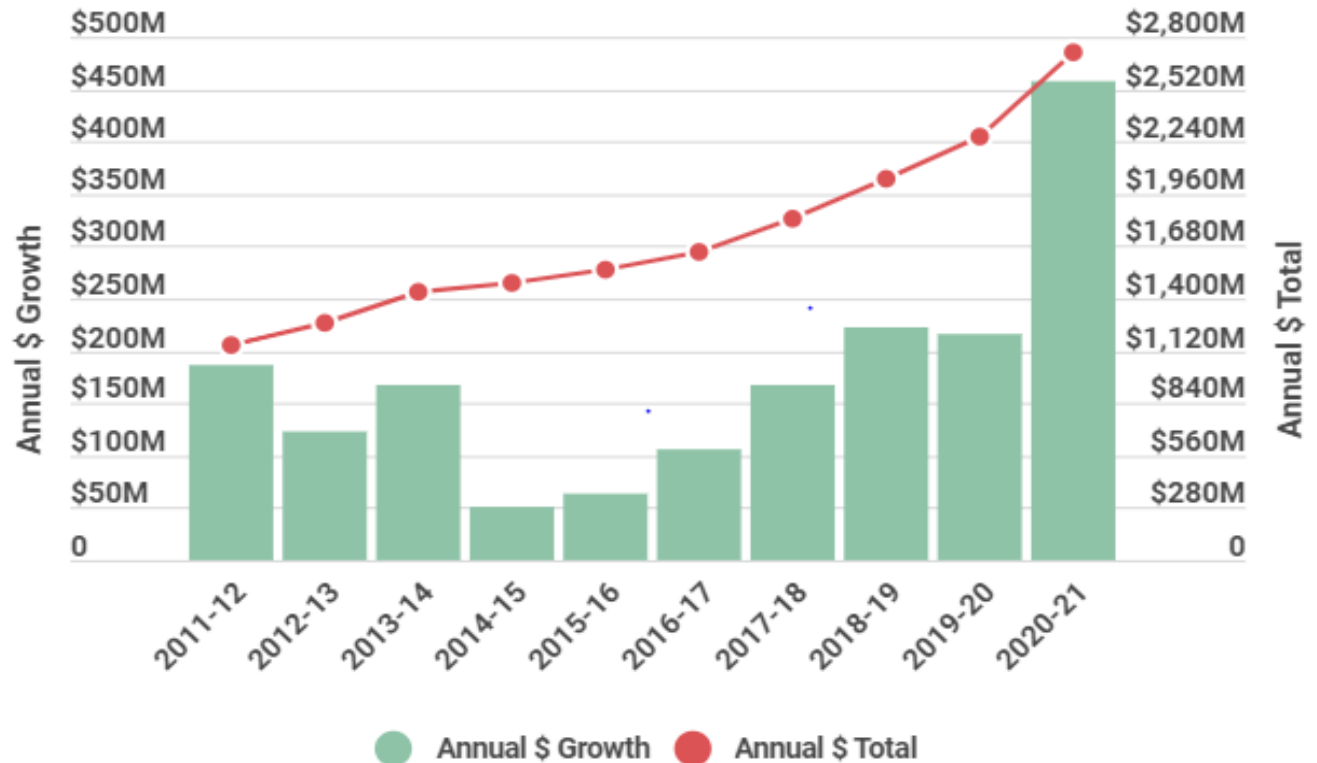
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Charter Costs = Increased Property Taxes

From 2013-2014 to 2018-2019, the average school district spent 44 cents of every new dollar raised in property taxes to pay for increased charter school tuition costs.

Source: PASBO Blog, 10-30-2020.

Figure 5 : Historical and Estimated Annual Charter School Tuition Growth and Total Costs



Source: School District GFB, AFR and PIMS Enrollment Data and PASBO Modeled Projections



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[School District Budget Report: The COVID Effect. January 2021.](#)

Special Education Funding: An Invitation to Game the System

Charters are **overpaid** for the cost of educating students who require fewer services and **underpaid** for the cost of students who need more services.



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ACTUAL COST FOR STUDENT A:

\$15,000

Payment to Charter:

\$27,000



ACTUAL COST FOR STUDENT B:

\$35,000

Payment to Charter:

\$27,000

#FixSpecialEdFunding



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A Flawed Charter School Special Ed Funding Formula



Average Daily Membership = 4853

Special Education Students = 965

Percentage of Special Ed Students = 19.88%

Total Special Ed Spending = \$14,217,761

COST PER SPECIAL ED DISTRICT STUDENT

ACTUAL AVERAGE AMOUNT SPENT

$\$14,217,761 \div 965 \text{ Students}$

= \$14,733 Per Student

- VS -

TUITION PER SPECIAL ED CHARTER STUDENT

USING 16% CURRENT LAW CALCULATION

$\$14,217,761 \div 776.5 \text{ Students}$

= \$18,310 Per Student

Deer Run School District paid **\$3,577 MORE** in special education funding per charter school student than it spends on students who remain in district schools.



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Who said it?

“During the last few years, we’ve created a complete business ecosystem at The Waterfront. This strategic purchase was the natural next step as we continue to expand our operations.”

- A. A casino operator
- B. A real estate developer
- C. A manager of a sports arena
- D. A cyber charter school CEO



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Cyber Charter School Funding

Answer:

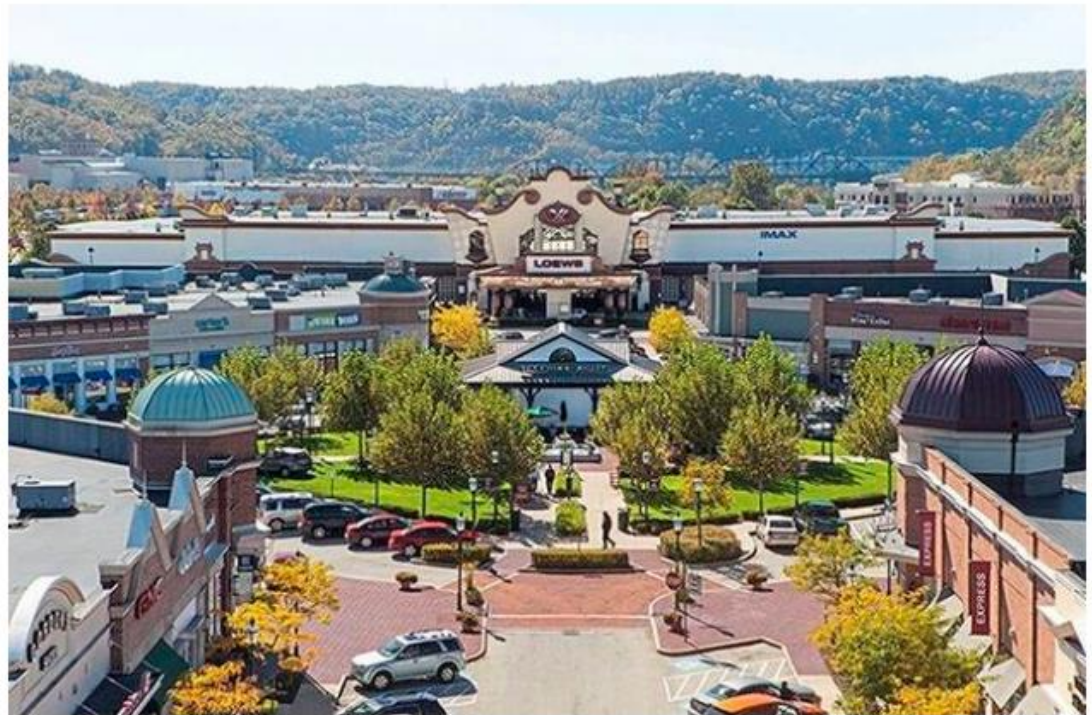
D. A cyber charter school CEO

Thomas Longenecker,
president and CEO of
Commonwealth
Charter Academy

Commonwealth Charter Academy purchases former Macy's space at Waterfront



PAUL GUGGENHEIMER | Wednesday, February 3, 2021 1:58 p.m.



COURTESY OF ERIN HOGAN/ WORDWRIT



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Proposed charter funding reforms

Funding Reforms to more closely match tuition with actual costs

- Cyber charter regular education flat rate of \$9500/student
- Application of the special education funding formula to all charter schools
- \$229 million in savings for school districts

Other Reforms

- Statewide performance standards for charters
- Moratorium on new cyber charters
- Ensuring charter operators are held to financial and ethical standards
- Greater financial oversight

Spreadsheet of savings for each district

Source: Pennsylvania Department of Education



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How much?

How much did a single charter school spend on efforts to recruit students during a three-month period in 2018?

- A. \$10,000
- B. \$100,000
- C. \$500,000
- D. \$850,000



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Cyber Charter School Funding

Answer:

D. \$850,000

MEDIA PLAN

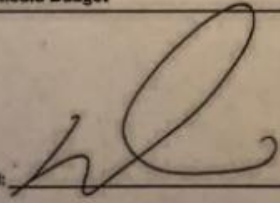
Client: Commonwealth Charter Academy (CCA)

Project: Fall Enrollment

Flight Dates: September 1 – November 30, 2018

CCA has read and agrees to the following:

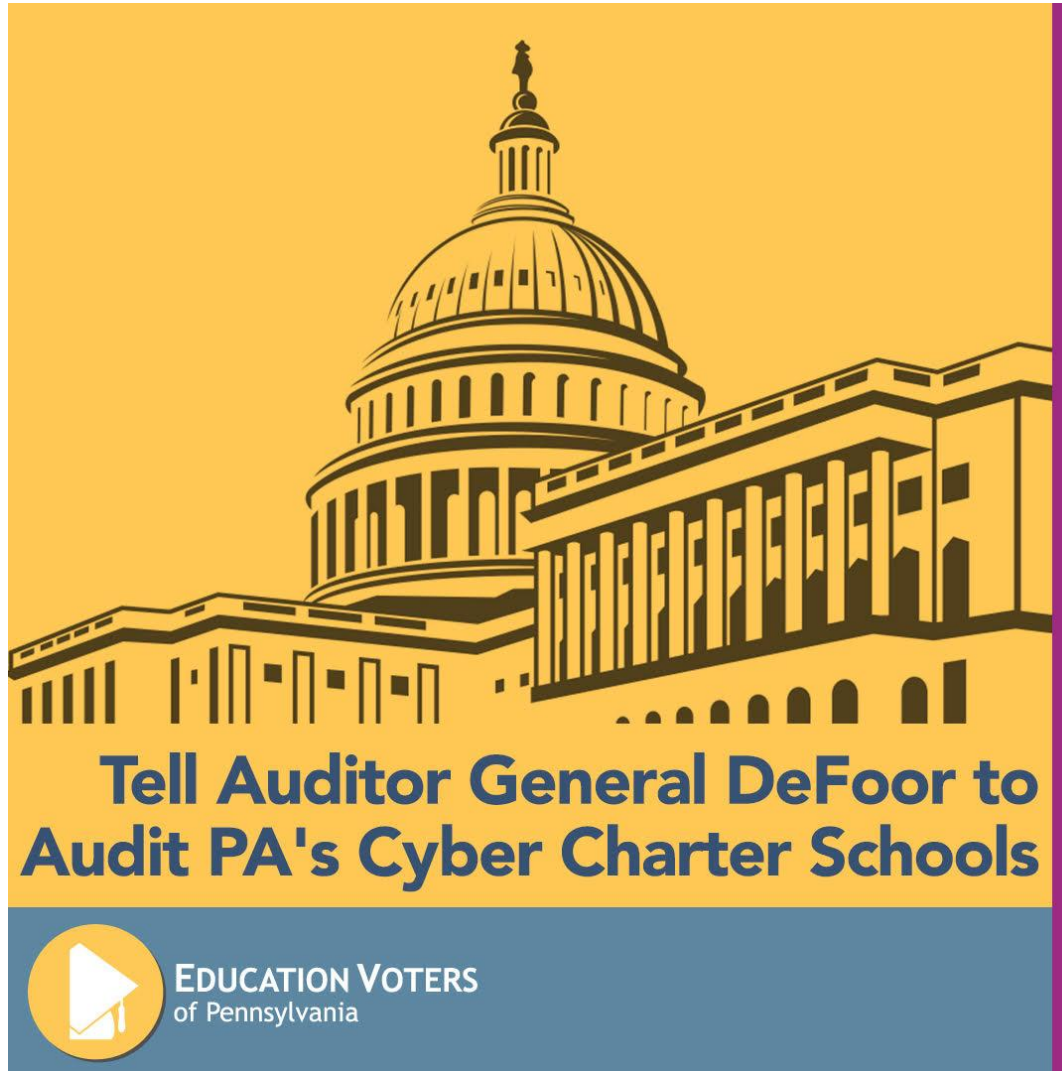
Budget	Total
Television including sponsorships	\$170,000
Radio	\$93,500
Print (June, July, August)	\$10,200
Digital: Google and Facebook	\$448,800
Media Fee	\$127,500
TOTAL	\$850,000
TOTAL Paid Media Budget	\$850,000

Client approval:  Date: 8-8-18



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Audit Cyber Charters



What happen when state funding falls short?

School boards have two choices when state and federal funding are not enough to pay for the programs, teachers, and services students need.



Raise local property taxes.

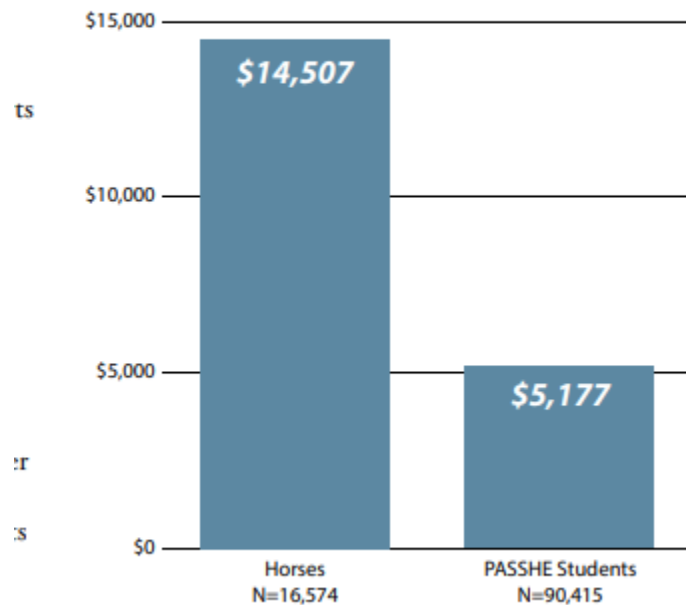
Cut teachers, programs, and services for students.



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Higher Education

State Subsidy
2018



Source: Pennsylvania Gaming Control Board Pari-mutuel Benchmark Reports

\$39,302
is the average
STUDENT
DEBT for a PA
graduate

STUDENT BORROWER
PROTECTION CENTER



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Higher Education—Nelly Bly Scholarships

\$199 million in scholarships for full-time students in Pennsylvania's state-owned, public Pennsylvania System of Higher Education System (PASSHE), with priority for student in the fields of education and nursing.

Students would receive annual scholarships, depending on their family income.

Funding will be redirected away from cash prizes given to race horse owners through the Race Horse Development Fund to this scholarship program.

Visit www.kidsoverhorseracing.org to learn more about the Race Horse Development Fund.



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Higher Education—Nelly Bly Scholarships



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PA's School Funding Lawsuit

*William Penn SD et al. v. Pa. Dept. of
Education et al*

- **Filed:** November 2014
- **Court:** Pennsylvania Commonwealth Court
- **Count I:** “The General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth.”
 - Article III, Section 14, Constitution of the Commonwealth of Pennsylvania
- **Count II:** Equal Protection

EDUCATION
LAW CENTER

THE
PUBLIC
INTEREST
LAW CENTER



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PA's School Funding Lawsuit

The Petitioners

William Penn SD

Panther Valley SD

Greater Johnstown SD

Shenandoah Valley SD

School District of Lancaster

Wilkes-Barre Area SD

The NAACP PA State Conference

The PA Association of Rural and Small Schools

**Parents from Philadelphia, William Penn, Greater Johnstown,
and Wilkes-Barre**



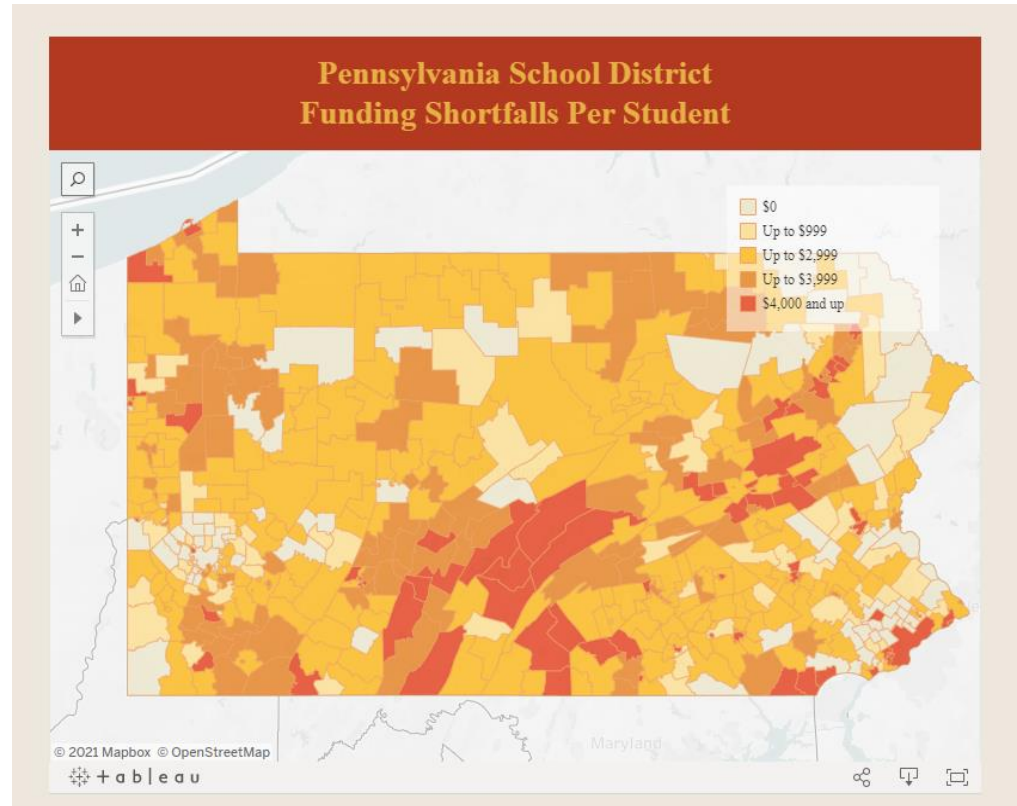
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PA's School Funding Lawsuit

They are asking the court
to:

- Declare that the current system of funding our schools is unconstitutional
- Order the legislature to cease using an inadequate funding scheme
- Order the legislature to create and maintain a funding system that will enable all students to meet state academic standards

www.FundOurSchoolsPA.org



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Important Dates



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Two Avenues for Advocacy

School Board.

February-April—School boards hold meetings on budget priorities, potential tax increases/program changes/cuts.

May—School boards approve a preliminary budget.

June--School boards pass a final budget.

State Legislature

February--Governor proposes his budget.

March-April--Legislators begin debate through budget hearings in March and April.

May-June--Legislators and the governor negotiate.

June 30th is the deadline for a balanced state budget.



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KEY DATES!!

February-April—Attend school board meetings, especially budget discussions. Plan to submit public comment if necessary.

May-June—Continue to tune into to school board meetings, plan to advocate with state lawmakers for the funding our schools need.

Starting now-June —Set up a virtual meeting with your state senator and/or state representative



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Advocacy with state lawmakers



- Your state senator and representative determine how much **state funding** your public schools will receive.
- They vote on **education policies** that support or harm public schools, such as school vouchers, charter school laws, and state testing requirements.
- They care deeply about public perception & need to know parents are watching how they vote on issues related to public education.

Get to know your lawmakers

- **Google “Find Your Lawmaker PA”**
- **Introduce yourself to your state lawmakers**—send a post card, write a letter, or send an email— tell them you support public education and share a story about your school. Ask for a response to learn about their positions.
- **Sign up for email newsletters from your state lawmakers and follow them on social media.**
- **Put their local office numbers in your cell phone** and plan to contact them at least once each month.



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Set up & prepare for a virtual meeting

- Find a friend or up to three.
- Call the lawmaker's district office to schedule a time.
- Most meetings will last ½ hour.
- Lawmakers are generally in their home districts on Thursday and Fridays.
- Get together before the meeting to divide up topics with members of your group—know who will say what before you go to the meeting.



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At the meeting

- Introduce yourself and explain to them where you are from and why you are there.
- Use compelling personal stories and data where appropriate.
- If their votes or actions don't reflect your positions, tell them why not.
- Stay focused on your issues and make your “ask”—what you want them to do.
- Do not be argumentative or get heated. You want to be a resource, not an adversary.
- Thank them for the visit.



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After the meeting

- Provide a simple and clear “leave behind.”
- Leave your contact information and ask the lawmaker or staff to update you on developments.
- Send a thank you note and a recap of what you discussed and who was at the meeting.
- Plan to stay engaged and email or call your state lawmaker as budget season progresses.



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What you can do today!

Spread the word. Invite your network to join the Ed Voters' email list. We follow what is happening in Harrisburg so you don't have to!

Visit www.educationvoterspa.org

Follow organizations that are building a movement for the public schools our children deserve on Facebook and Twitter.

- Education Law Center-PA
- Public Interest Law Center
- Education Voters of PA
- PA Schools Work



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Thank you!

Contact

Susan Spicka

sspicka@educationvoterspa.org



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