

Budget & Policy Update

February 2021



EDUCATION VOTERS
of Pennsylvania

EVPA Current Priorities: Updates

- Governor's Budget Proposal Including BEF and Special Ed
 - Higher Education Funding, including Nellie Bly Scholarships & RHDF
 - Charter School Reforms
 - Anticipated Legislative Response
 - Our Next Steps
-

Goals

Overall Goals:

- Share what we know about the budget
 - Discuss advocacy activity
 - Make plans to build support for this historic funding proposal
-

PA's School Funding Problem



**Ranked 45th for State
Education Funding.
PA Can Do Better!**

State funding is **inadequate**. A low state share means over reliance on local wealth (property taxes) to fund schools.

According to a bipartisan analysis reviewing the state's education funding system, 277 Pennsylvania districts need more than \$2,000 more per student to adequately support their students' learning needs, totaling a need of \$4.6 billion statewide to adequately educate our children.

Low-wealth communities that need the most and try the hardest (have some of the highest property tax rates in the commonwealth), get the least. They are so far behind that funding must be accelerated to these districts.

The state legislature can fix the inequality and deprivation that we see in PA. It is their constitutional obligation to do so.

The General Assembly has the funding to GO BIG!!



KEYSTONE RESEARCH CENTER
AND
PA BUDGET AND POLICY CENTER

About Us Issues Research & Publications Media & News Take

PA is Flush with Cash and It's Time to Use It

Projected State Surplus by the End of June 2022 in Billions

Budget surplus projected in June 2021*	\$2.5
Projected additional revenues	\$2.2
Rainy Day Fund	\$2.6
Remaining American Rescue Plan funds	\$2.7
Reduction in expenditures due to FMAP extension through June	\$1.8
TOTAL	\$11.8

- Pennsylvania's revenue for FY 2021/22 is coming in greater than expected.
- Pennsylvania currently has higher-than-normal reserves.
- American Rescue Plan funds, as well as other federal relief, provides much-needed funds to address our current crisis.
- Federal support in the form of the expanded Federal Medicaid Assistance Percentage (FMAP) provided Pennsylvania with savings.

- Source: [Pennsylvania Budget and Policy Center](#)

Governor's Budget Proposal: K-12 Funding



A historic proposed increase in K-12 funding

\$1.25 billion increase through the Basic Education Funding formula to all 500 school districts

\$300 million Level Up supplement allocated through the BEF formula to the 100 poorest school districts

\$200 million special education increase

\$5 million career and technical education increase

\$20 million for PA Smart

[Click HERE for spreadsheets with proposed allocations for each school district.](#)

Higher Education Funding

A strong commitment to making public higher education more affordable and accessible for students and their families

\$200 million in scholarships for full-time students in Pennsylvania's state-owned, public Pennsylvania System of Higher Education System (PASSHE) and community colleges. (\$88 million from the Race Horse Development Fund, remainder from ARP funding)

\$75 million increase for PASSHE universities

\$150 million in one-time ARP funding for PASSHE that was committed when six universities consolidated



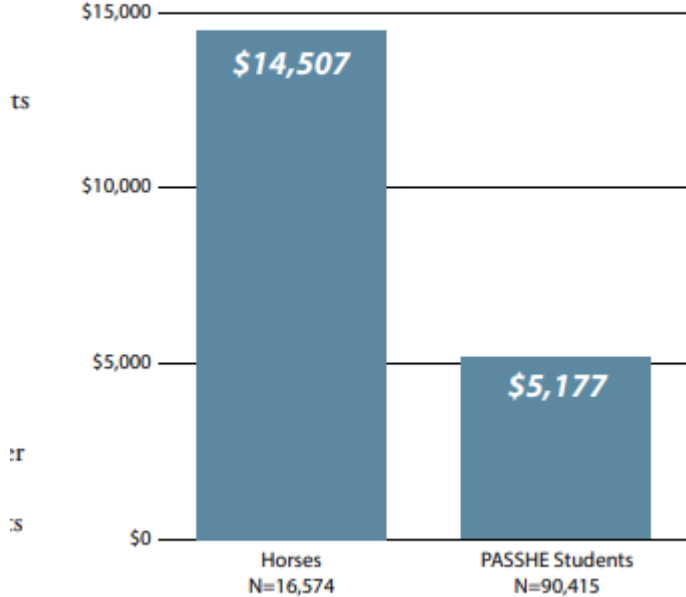
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**Thank you, Governor Wolf,
for supporting scholarships for PA State
System and Community College students**

Is time for PA to fund kids over horse racing.

**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

Higher Education Funding (con't)

A strong commitment to making
public higher education more
affordable and accessible for
students and their families

Community Colleges and Capital Fund – \$14.9 million

Penn State University – \$12.1 million

Pennsylvania College of Technology – \$1.3 million

Transfer to Agricultural College Land Scrip Fund – \$2.7 million

University of Pittsburgh (including Rural Education Outreach) – \$7.7 million

Temple University – \$7.9 million

Lincoln University – \$758,000

Thaddeus Stevens College of Technology – \$935,000

Charter Policy

Matching tuition payments with actual costs.

Increasing financial and academic accountability.

Funding Reforms

- Cyber charter regular education flat rate of \$9800/student
- Application of the special education funding formula to all charter schools
- \$363 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
-

Commonwealth Charter Academy purchases former Macy's space at Waterfront



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

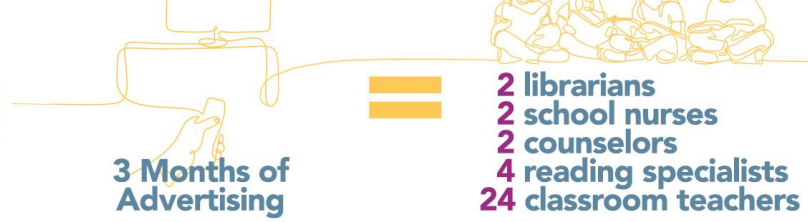


COURTESY OF ERIN HOGAN/ WORDWRIT

The Waterfront in Homestead

Commonwealth Charter Academy
\$3,236,000

PA Public School District



"There is a straight line from charter tuition overpayments to increased local property taxes. It is long past time for the PA Legislature to pass charter reform."

- Lawrence Feinberg
Director, Keystone Center for Charter Change



Vouchers

Increased financial and academic accountability.

EITC/OSTC school voucher programs

The Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs allow businesses to divert \$190 million/year in tax payments away from the state Treasury and into organizations that provide scholarships to students attending private and religious schools. Under current law there is virtually no financial or academic accountability.

The Wolf proposal:

- Reduces funding scholarship organizations are allowed to keep from 20% to 5%. This will increase scholarship money available to students by \$41 million.
 - Requires scholarship organizations to report more information about the families that receive this funding.
-

Next steps

"State lawmakers need to get on board with this budget and approve it without any cuts."

- Susan Spicka
Executive Director, Education Voters of PA



[Click HERE to sign up](#)

How you can help get the budget across the finish line.

- Host an Ed Voters' virtual house party and help build our base of advocates.
- Submit a letter to the editor in support of Gov. Wolf's budget. We can help!!
- Ask your school board to pass a resolution in support of the school funding lawsuit.
- Share action pages/social media posts calling for charter reform and support of the Nellie Bly scholarship fund.
- Sign up for more information about **hosting a vigil** for the school funding lawsuit.
- Let us know that you'll be willing to meet with your state lawmakers later in the spring.

Advocacy Priorities & Action Steps March-June

Stay tuned to Ed Voters' emails.

We will follow the budget hearings in Harrisburg and see what is gaining traction, what is not.

Keep in touch with your state lawmakers. Plan to meet with them (virtually) in April, May or June. Ed Voters can help.

We expect to see new school voucher legislation and will need to defend against that.

Resources

- Charter school savings fact sheets for all 500 school districts – updated soon!
 - Weekly Talking Points Memo from PA Schools Work campaign
 - Forthcoming report on EITC/OSTC programs
-

Q&A Feedback & Input

What is most important to you?

What do you need to effectively advocate?

Need something?
Contact us!

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Thank you!!
