

# Budget & Policy Update

March 2023



**EDUCATION VOTERS**  
of Pennsylvania

# Our Mission

Our mission is to ensure elected officials adopt and implement a pro-public education agenda.

To that end, we advocate for sound education policy and build and mobilize the public will to ensure that support for quality public education and an opportunity to learn for all children is a top priority for key decision makers.

# Our Work

The screenshot shows a white page with a yellow header bar. On the left, there's a circular logo with a play button icon inside a yellow circle, followed by the text "EDUCATION VOTERS of Pennsylvania". To the right is a grayscale illustration of the US Capitol dome. Below the illustration, the words "ADVOCACY TRAINING" are written in a small, bold, sans-serif font. The main content area has a light gray background. It contains three paragraphs of text and two call-to-action buttons at the bottom.

Welcome! We are excited to introduce you to the Education Voters of PA training series! These modules give parents and advocates an opportunity to develop a deeper understanding of education policy and advocacy issues and gain skills and confidence in the work you do supporting public education.

Each module consists of a video, handouts, activities and a mini quiz to check for understanding and certify your completion of the course. Most should take less than ½ hour to complete and you can work at your own pace.

Once you have completed the set of courses within each module, we will send you a certificate. And if you complete all of the modules we will mail you a gift from Ed Voters.

[Register HERE!](#) In order to participate in these trainings, [you will need to register \(if you haven't yet done so\)](#). Visit our [help page](#) if you need assistance on getting a google account to use Classroom.

- Ed Voters is Pennsylvania's only statewide public education policy and advocacy organization.
- We educate individuals, organizations, and our statewide network about issues impacting public education.
- We train advocates through Zoom and in-person meetings and with our online training series and create opportunities for advocates to engage decision makers.
- We create fact sheets and write research briefs to support advocacy efforts.

# Our Work

## Become a School Board Monitor!

- ✓ Check your school board meeting agendas each month.
- ✓ Report if a questionable policy is up for consideration.
- ✓ Monitor school board meetings (virtually or in person) to learn more about your school board members and their priorities.



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We support advocates in the fight against extremists at the school board level.

- School board monitoring program.
- We convene a parent/advocates meeting and table meeting of organizations monthly that is focused on building power locally and statewide to defeat extremism and support welcoming and inclusive schools.

# Goals

## Overall Goals:

- Share the landscape of the budget
  - Share what we know about the budget
  - Discuss advocacy activity
  - Make plans to build support for the funding students need
-

# The Governor's education funding proposal for 2023-2024

- The context
  - Governor's K-12 Budget Proposal
    - BEF and special education
    - School safety
    - School food service
    - CTE, ECE
  - Higher education funding
  - Anticipated legislative response
  - Our next steps
-

# Mandated Costs

A **\$3.7 BILLION**  
gap filled by local  
taxpayers.

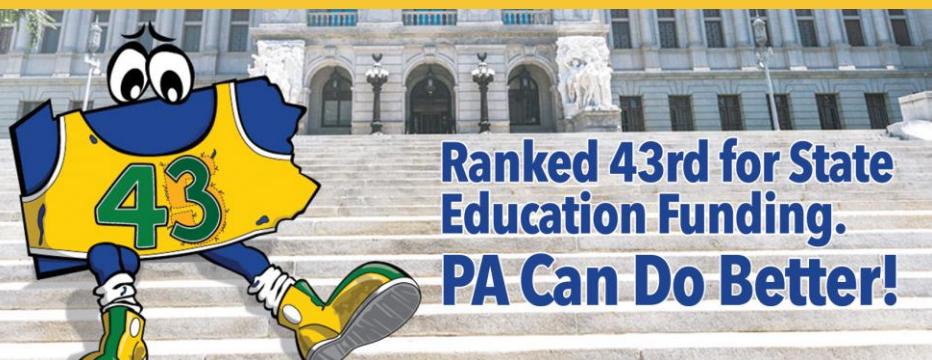
According to the Pennsylvania Association of State Business Officials (PASBO) and the Pennsylvania Association of School Administrators (PASA), in the last decade,

- . mandated costs grew to \$6.5 billion,
- . state funding grew by only \$2.8 billion,
- . leaving a funding gap of \$3.7 billion.

The burden for filling that gap then falls on local taxpayers, who in many parts of the state are already overtaxed because of years of underfunding from the state.

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# PA's School Funding Problem



**Ranked 43rd 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.

The state's total spending on k-12 education is over \$4 billion short of providing an adequate education to all students, by the state's own standard of adequacy.

Low-wealth communities that need the most and try the hardest (they have some of the highest property tax rates in the commonwealth), have the fewest resources to meet their students' needs. 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.**

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In a historic victory for students, on February 7, 2023, Commonwealth Court ruled that Pennsylvania's **current school funding system is unconstitutional**.

The Commonwealth Court ruling recognized that education is a fundamental right guaranteed by the Pennsylvania Constitution to all children and that students in low-wealth districts are currently denied that right because their districts cannot raise sufficient local resources.

The court also recognized that our schools require additional state funding to meet our constitution's mandate—a comprehensive, effective, and contemporary public education system that gives every child a meaningful opportunity to succeed academically, socially, and civically.

The judge issued a clear directive: "All witnesses agree that every child can learn. It is now the obligation of the Legislature, Executive Branch, and educators, to make the constitutional promise a reality in this Commonwealth."

# PA Schools Work Roadmap to Adequate and Equitable Funding for PA Public Schools

[Click HERE](#) for the full roadmap.

## OVERVIEW OF PA SCHOOLS WORK RECOMMENDED INVESTMENTS

	2023-24 Ask (Increase)	4-Year Ask
BEF/Level Up	\$1B (\$700m via BEF/\$300m via Level Up)	\$4B*
Special Education	\$236.5M	\$1.1B
Charter Reforms Savings	\$373M (\$174M in school district SPED spending + \$199M in District payments to charters)	
CTE	\$214M	TBD with reform of the career pathway system
Facilities	\$1B released over two years	TBD with reform of the processes and formulas

\*This is an estimate that will need to be updated based on an updated adequacy calculation. It does not take into account the most recent investments from Gov. Wolf, which would reduce the total. A revised costing out analysis would factor in those revenues and also have to take into account the increased costs associated with meeting new state education standards and the mandated increases in district pension payments since 2020.

# PA is flush with cash.

**Table 1**

**Projected Accumulated State Surplus by the End of June 2023 in Billions**

	<b>Estimate</b>
1) Budget surplus projected in June 2022	\$5.27
2) Additional revenues from July through December 2022 on top of original 2022-23 estimate	\$0.50
3) Additional revenues expected over original projections for rest of FY 2022-23	\$1.03
4) Remaining American Rescue Plan funds	\$0.00
5) Reduction in expenditures due to FMAP* expected extension between January and March 2023	\$0.62
6) Other savings related to the Department of Human Services	\$0.69
<b>TOTAL</b>	<b>\$8.11</b>
7) Rainy Day Fund	\$5.01
<b>TOTAL, including Rainy Day Fund</b>	<b>\$13.12</b>

\*FMAP is Federal Medicaid Assistance Percentage--due to the pandemic the federal government has been providing an additional 6.2% to states on many eligible Medicaid costs. The extended FMAP was in the original budget for half of 2022/23 (and is reflected in the estimate in line item #1). FMAP has been extended for the first quarter of 2023, adding additional funds (shown in line item #5 above).

Source: 1) From data provided by the PA Senate Democratic Appropriations Committee. 2) PA Department of Revenue estimated 2022-23 fiscal year revenues would be \$43.579 billion. Actuals through December 2022 show revenue is greater than expected by \$503 million. Calculated from PA Department of Revenue Monthly Revenue reports,

<https://www.revenue.pa.gov/News%20and%20Statistics/ReportsStats/MRR/Pages/default.aspx>. 3) This is the difference between the original and mid-year update minus additional revenues from July through December 2022 (row 2). Data from IFO: [http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/2023\\_Mid\\_Year\\_Update.pdf](http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/2023_Mid_Year_Update.pdf). 4) House Democratic Appropriations Committee report: <https://www.houseappropriations.com/Topic/BudgetYears/720>. Final ARP funds (\$2.16 billion) are planning to be used in 2022/23. 5 and 6) From data provided by the PA Senate Democratic Appropriations Committee. Info on the FMAP extension: <https://ccf.georgetown.edu/2022/12/20/congress-proposes-to-end-medicaid-continuous-enrollment-protection-in-early-2023/#:~:text=In%20the%20first%20quarter%20of%202023%2C%20states%20will,increase%20in%20the%20Federal%20Medical%20Assistance%20Percentage%20%28FMAP%29>. 7) From data provided by the PA Senate Democratic Appropriations Committee.

## Governor Shapiro's K-12 Funding Proposal

**\$567  
MILLION**  
**for Basic Education  
Funding in 2023-24  
Proposed PA Budget**



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**A Basic Education Funding  
(BEF) increase that allows  
districts to tread water.**

This is a 7.8% increase in funding over last year. It keeps pace with inflation.

All BEF funding will be allocated to all 500 districts through the Basic Education Funding Formula.

[Click HERE for a spreadsheet of proposed basic and special education funding allocations for each school district.](#)

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# Governor Shapiro's Budget Proposal: K-12 Funding



## No New Level Up Funding

There was no new funding for Level Up, a supplement that accelerates funding state's 100 poorest school districts, in the governor's 2023–24 proposed budget.

Level Up has earned strong bipartisan support during the past two legislative sessions. This supplement helps to close the funding gaps that hurt our most vulnerable students and are at the heart of Pennsylvania's unconstitutional school funding system.

The 100 Level Up districts educate a majority of the state's Black and Latino student, who are left behind by this decision.

District that received Level Up supplements in previous budget years have this funding added to their base.

## Governor Shapiro's K-12 Funding Proposal

**\$103.8  
MILLION**

**for Special Education  
Funding in 2023-24  
Proposed PA Budget**



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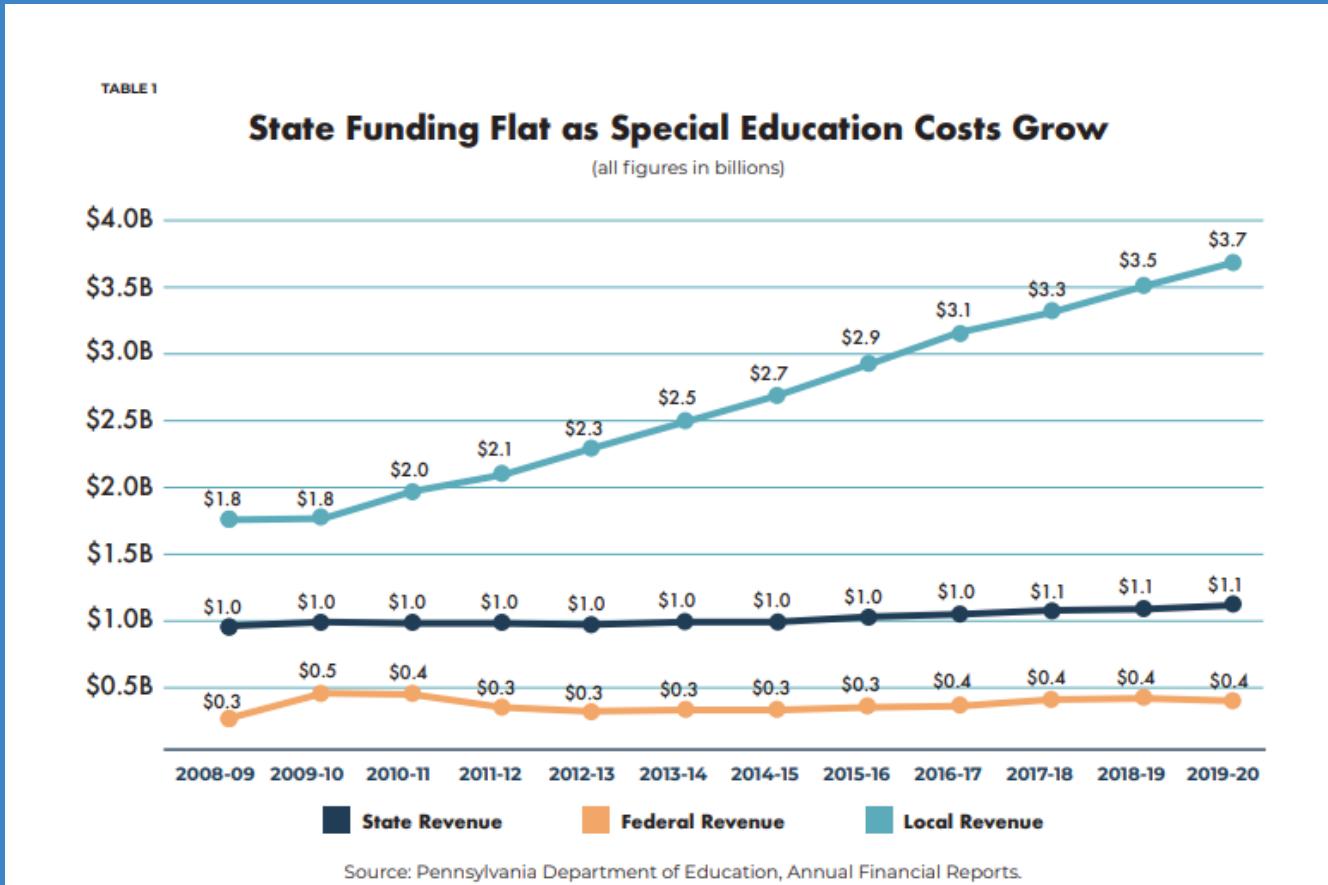
**Special Education funding proposal  
continues to push the cost of providing  
services for students with disabilities on  
to local taxpayers.**

From 2008-09 to 2019-20, total special education expenditures grew by \$2.2 billion while total state funding has grown by only \$156 million.

State funds have covered only one out of every 14 dollars in increased expenditures over this period.

# Staggering state neglect of special education funding continues.

Source: [Education Law Center](#),  
[Fixing the Special Education Funding Gap](#), May 2022



# Mental Health for K-12 schools

Creates a \$100 million school-based mental health supports block grant (distribution unknown).

**This is a new structure for existing funds;** the \$100 million set aside within the Ready to Learn Block Grant for school safety mental health grants is discontinued.

Mental health funding totals \$59/student.

Maintains the \$100 million Transfer to the School Safety and Security Fund for physical safety grants.

# School Environmental Repairs

\*New\* \$100 million state appropriation for school environmental repairs and improvements

The budget materials call these matching grants; further proposed distribution details are unknown.

There has been no state school facility funding for new projects since the PlanCon moratorium in 2016.

Five-year commitment for this funding.

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# School Food Services Initiative

A proposed **\$38.5 million increase** would annualize Gov. Wolf's 2022/23 universal free breakfast initiative and expand free lunch to students previously only eligible for reduced price lunches (estimated 22,000 students)

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# Career and Technical Education

\$17.3 million, or 16 percent, increase in Career and Technical Education (CTE) programming.

\$3.3 million, or 60 percent, more for equipment grants.

\$3 million to cover enrollment growth and \$4 million to increase the subsidy rate.

\$5 million to develop additional CTE programs statewide.

\$2 million for an initiative to bring more trade and industry professionals into the classroom.

# Early Childhood Education

\$10.4 million increase for early intervention (3% increase).

\$30 million increase for Pre-K Counts, or (10%), increase for. The entirety of this increase would be used to raise the state-funded, full-time rate from \$10,000 per seat to \$11,000 for the 29,661 existing Pre-K Counts funded seats.

\$2.7 million increase for Head Start supplemental (3% increase) to cover rising costs of the program.

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# Charter Policy

A missed opportunity to save at least \$374 million and reduce pressure on property taxes by aligning charter tuition payments with their actual costs.

**No proposed reforms for charter school funding.**

**Cyber charter will continue to be overpaid** and siphon excess property tax dollars into expensive advertising campaigns and private pockets.

All charters will continue to receive special education tuition based on a flaws calculation in the law and will be allowed to spend excess special education funding from districts on anything they choose—bus wraps, billboards, lavish CEO salaries, and more.

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# 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

Commonwealth  
Charter Academy  
**\$3,236,000**

3 Months of  
Advertising

PA Public  
School District



**2** librarians  
**2** school nurses  
**2** counselors  
**4** reading specialists  
**24** classroom teachers



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"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



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# Higher Education Funding

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

STUDENT BORROWER  
PROTECTION CENTER

A 2% increase for higher ed

The Pennsylvania State System of Higher Education (PASSHE) -- \$11.0 million increase  
Community colleges--\$5.1 million  
Thaddeus Stevens College of Technology  
\$389,000.

For the four state-related universities -- Lincoln University, Temple University, the University of Pittsburgh and Penn State University--federal dollars are treated as part of the base funding, so the overall increase for these schools is 2 percent.

# Higher Education Funding

**Better luck  
next year.**



Horse breeders win over PA students.



No scholarships to help make higher education more affordable or to support students in high-demand fields, including teaching.

Wealthy racehorse breeders and owners continue to receive a \$240 million/year subsidy from the state. Since 2004, they have received more than \$3.5 billion tax money, mostly in the form of cash prizes for winning horses and breeder awards and stakes fund cash.

# Expansion of the Property Tax Rent Rebate Program

The Property Tax/Rent Rebate Program currently provides property tax relief in the form of rebates to eligible Pennsylvania seniors, widows and widowers, and individuals with disabilities.

This proposal increases the income caps for homeowners and renters from \$35,000 and \$15,000, respectively, to \$45,000 for both.

It also increases the maximum rebate from \$650 to \$1000.

This will allow an additional 173,000 individuals to become eligible for the program and increase assistance to the 398,000 individuals that already qualify for the program.

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No new voucher proposal or proposed increases or decreases for PA's existing \$340 million/year EITC/OSTC tax credit voucher program.

Yet.

We will remain vigilant and monitor voucher legislation that is introduced.

We are not out of the woods.

Read our report on PA's EITC/OSTC school vouchers [HERE](#).

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# Advocacy Priorities & Action Steps

## March-June

We need an education funding budget that meets the moment.

We have a \$5 billion rainy day fund.

We have a \$7.8 billion budget surplus.

We have a court ruling declaring the current system unconstitutional and directing the executive and legislative branches of government to work together and act now to fix the system.

**Our job is to keep up the pressure on Harrisburg to increase funding for our public schools.**

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# Next steps



Lawmakers need to hear from their constituents.

**Top action:** Set up a meeting with your state senator and representative in their district office. These can often be via Zoom if travel is tricky.

**Next best:** Send them an email or letter in the mail introducing yourself and sharing your point of view on the budget.

We will have talking points for you in the next week or so.

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# Next steps

EDUCATION

## Centre County leaders, community members call for action after PA school funding ruling

BY CDT STAFF REPORTS  
UPDATED FEBRUARY 25, 2023 8:18 PM

[Twitter](#) [Facebook](#) [Email](#) [Print](#)



Bellefonte Area School District board member Donna Smith addresses the crowd on Saturday, Feb. 25, 2023, gathered for rally to celebrate the recent fair funding court ruling. Photo provided

Host a press event to support the lawsuit decision.

We need to raise awareness of this decision in our communities.

Lawmakers need to understand that their constituents expect them to support a constitutional school funding system.

We can support you in every way—we will mail you signs, help with press, and anything else you need.

Visit [www.ThoroughandEfficient.org](http://www.ThoroughandEfficient.org) for additional information

# Next steps

Education advocates are taking to the halls of the Capitol on **Wednesday, April 26<sup>th</sup>**

We need your voices on social media to let Harrisburg know **#WeWorkforFunding!**

**JOIN US IN HARRISBURG!**

RETWEET OUR POSTS & PHOTOS OR WRITE YOUR OWN!

INSTAGRAM.COM/PASCHOOLSWORK   FACEBOOK.COM/PASCHOOLSWORK   TWITTER.COM/PASCHOOLSWORK

REMEMBER TO USE **#WEWORKFORFUNDING**

Join advocates in Harrisburg on Wednesday, April 26<sup>th</sup> for the PA Schools Work Advocacy Day!

Meet with your state lawmakers.

Participate in a press conference at 11:00 am.

Network with other advocates from around the state.

# Advocacy Priorities & Action Steps

## March-June

Encourage your networks to sign up for Ed Voters' emails [HERE](#) so that we can continue to engage new people in this work.

Engage on social media to amplify the message.

Ed Voters [Facebook](#), [Twitter](#)

PA Schools Work [Facebook](#), [Twitter](#)

We will follow the budget hearings and keep everyone apprised of what is happening in Harrisburg and how you can most effectively engage to support the school funding students need and deserve.

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# A note about extremists

## COMMENTARY

### Extremists undermine faith in our schools. We owe it to our kids, community to speak up | Opinion

Gather your facts, gather your friends, and make your voice heard at your local school board

 CAPITAL-STAR GUEST CONTRIBUTOR

APRIL 7, 2022 8:30 AM



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By Susan Spicka

For many of us, our local school districts are places that we appreciate, value, and depend on. We

We expect to see the PA Senate move a book ban bill.

At the local level, we expect to see more attacks on vulnerable students and policies that stifle speech.

Ed Voters is working with a statewide table of organizations to support families/advocates in this work.

Email Susan Spicka to get connected with this network.

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# Q&A Feedback & Input

What is most important to you?

What do you need to effectively advocate?

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Need something?  
Contact us!

[sspicka@educationvoterspa.org](mailto:sspicka@educationvoterspa.org)  
[katja@educationvoterspa.org](mailto:katja@educationvoterspa.org)  
[sandra@educationvoterspa.org](mailto:sandra@educationvoterspa.org)

Thank you!!