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Testimony

Tuesday, September 12, 2023

Good morning, I am Lynn Fuini-Hetten, Superintendent of Salisbury Township School District. While I have been superintendent since 2021, I began working in the District as a middle school teacher in the mid-90s.

Salisbury Township School District is a small suburban school district of approximately 1550 students bordering Allentown and Bethlehem. We are currently operating three school buildings and an administration building.

The 2023 Basic Education Funding Commission (BEFC), established by the General Assembly, now has the task of not only reviewing the distribution of funding via the Fair Funding Formula, but also tasked with identifying **how much each district needs** in order for the state to meet its constitutional obligation 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.” Certainly, this is no easy task, and the commission has significant work ahead of it.

A little more about Salisbury...

The 2023-2024 budget is \$43,837,056

\$33,501,911 is generated from local sources and represents 76.4% of the overall budget (22% higher than the state average according to 2021 census data)

\$9,185,086 is generated from state sources and represents 21.0% of the overall budget (16% lower than the state average according to 2021 census data)

\$1,150,059 is generated from federal sources and represents 2.6% of our overall budget (6% lower than the state average)

Buckets of money for different purposes for districts (i.e. special education, transportation, facilities repair/upgrades, compensating for tax exempt properties, etc.) creates a better model for equitably funding schools and students while providing taxpayer equity too.

There are several areas I would like to highlight.

- **Transportation** – Salisbury Township School District is required by law to provide transportation to over 35 non-public and charter schools even though we have only 3

school buildings within an 11 mile catchment area. **Total cost to transport non-public and charter school students is estimated at \$706,830 for the 2023-24 budget.** We need your support to eliminate the current 10 mile radius of required busing or fully fund this mandate. **To put that number in context, we could hire 7 more teachers or bring back what we have had to eliminate in the past few years - a librarian, middle school language, and other elective programs. Or I could hire a math support and reading support teacher for our middle school. These are teachers in front of students, money spent in the most impactful way.**

- **Special Education** – Federal and state reimbursements are dwindling while special education costs increase. 25% of Salisbury’s population is identified as special education. The state average is 18.6%. We are seeing students enrolling with multiple needs/more significant needs than what we’ve seen in the past. In the last few years, our small district opened 2 elementary autistic support classrooms and a middle school transitional learning support classroom. The current 23-24 school year budget requires more than 20% of our expenditures to focus on students with special needs. **We need your support to fully fund special education.**
- **Charter school tuition** – While the state has eliminated its contribution to fund charter schools, the burden is only increasing for the local tax payer. The Salisbury Township School District is required to pay tuition to charter and cyber charter schools of about \$18,000 per student regular education and \$39,000 for special education. The budgeted **cost to the Salisbury Taxpayers for 2023-24 is \$3,286,252. We need you to support the proposal to cap tuition for cyber schools that don't have a brick and mortar building.**, implement a tiered system of tuition for special education students, and to implement a financial monitoring system for cyber charter schools.
- As an 11 square mile district with limited space for development and several large non-profit organizations as landholders, our inability to increase our tax revenue to meet our needs is crippling. Approximately 25% of our property is tax exempt. This is extremely inequitable across districts, and the state offers no compensation for the tax exempt entities. Instead, it's revenue that everyone else - mainly our local tax payers - has to make up for. Although we do have a Payment in Lieu of Taxes agreement, we still have millions of dollars in lost revenue.

Years of underfunding numerous state mandates have impacted Salisbury Township School District. In the absence of PlanCon funding and in the presence of mandated cost increases for special education, charter school tuition, transportation, etc, the District has been unable to afford necessary facility upgrades. Additionally, in 2020, we consolidated elementary

schools due to facility, maintenance, and financial issues - resulting in community conflict over the closure of our beloved elementary school.

We have raised taxes 11/12 past years, most recently to the Act 1 index. This year we raised taxes to the max Act 1 index - 4.1%. That brought additional local revenue of approximately \$1.2 million.

The inability to raise more money through local taxes, state and federal revenue, have left us in a position where we are forced to cut staffing and programs and do only the bare bones improvements on our facilities. Our facilities are aging and in need of improvements which we are unable to fund through our general fund without making significant reductions elsewhere. Many of our classrooms have the same furniture, carpet, and even paint/wall coverings they had when I started in the district as a teacher in the mid 90s. We currently have a critical infrastructure list of approximately \$10 million of projects which need to be completed. These don't even include improving our aging spaces to make them a welcoming and pleasing learning environment.

The BEFC must identify the steps needed for ensuring our public schools will, in the very near future, give every child the public education they are entitled to in the facilities they deserve without leaving the burden to local taxpayers. You need to fully fund special education, reduce charter school tuition, eliminate transportation outside district boundaries, and consider within the formula exceptions for non-profit, not tax-paying entities.

The bottom line: the BEFC's task is to develop a plan to ensure that public education is adequately and equitably funded in the Commonwealth of Pennsylvania, in accordance with the decision in the school funding lawsuit decision and the state constitution.

STSD's tax base growth is flat/declining compared to other surrounding districts in our Lehigh Valley. Salisbury Township will not see significant new housing developments, shopping centers, warehouses or other development like our larger Lehigh County neighbors. The current assortment of houses, apartment buildings, retail and non-profits will remain the same for years to come.

Over time Salisbury's tax base growth declined and then leveled out, while our neighboring district's tax base grows steadily. Last week, the District received over 20 assessment appeals which may result in an even lower tax base. Because of this, Salisbury's ability to grow our revenue even with Act 1 max tax increases isn't enough to cover expenses that grow faster than the Act 1 index (charter school tuition, special education). Additionally, we need to be able to provide competitive salary and benefits to our professional and support staff in order to recruit and retain employees in this challenging time of teacher shortages.

This funding structure is not equitable. *Knowing that we have the greatest percentage of tax exempt properties in Lehigh County and that our tax base is flat, how is this sustainable?*

We have already made sacrifices in staff and programs, and we are still struggling to maintain our facilities.

- Closed beloved elementary school and consolidated students into our other buildings
- 1 Librarian
- 1 music teacher (for elementary instrument instruction during the school day)
- Reallocated resources to special education
- Increase in class sizes in some areas/grade levels
- World language at the middle school level
- Ability to run additional sections of co-taught and AP courses - guaranteeing we are offering the best experience possible for all of our students
- Outsourced food service
- Outsourced transportation
- Cut electives at middle and high school levels
- Restructured administrative positions (combined technology & transportation), eliminated Director of Teaching & Learning
- Reduced support staff

We have already restructured operational costs at every opportunity and cannot reduce spending for mandated services such as special education (25% of our students qualify for special education services). All that is left is cutting programs that directly reduce opportunities for our students.

Facility needs and upgrades need to be addressed through PlanCon and facility funding and not the Basic Education Formula. Buckets of money for different purposes for districts (i.e. special education, transportation, facilities repair/upgrades, compensating for tax exempt properties, etc.) creates a better model for equitably funding schools and students while providing taxpayer equity too.