



Written Testimony
Basic Education Funding Commission
September 28, 2023

Good morning Chair Sturla, Chair Phillips-Hill, and members of the Basic Education Funding Commission.

I am Sherri Smith, Executive Director of the Pennsylvania Association of School Administrators. Thank you for hosting this hearing and inviting PASA to speak on behalf of more than 950 members including 456 who are sitting superintendents and executive directors. No issue is more important than the future of our young people and the educational opportunities that we provide for them across the Commonwealth.

The purpose of this Commission is to revamp a school funding system that provides for both adequate and equitable school funding and delivers on the need to provide all students a thorough and efficient education regardless of their zip code.

Pennsylvania's 500 school districts are all characteristically unique. Developing an equitable funding program that controls these variances is highly complex and creates many challenges to effectively address equity in funding of our schools, and ultimately provide for the equity of opportunities for all our students. However, it is critical in the work of this Commission that we accomplish this goal.

Because of these complexities and to ensure equity is achieved, having multiple funding sources is recommended. To try and encompass all the metrics needed to ensure equity under one set bucket of dollars, such as the Basic Education Formula, would be unmanageable and create other unintended inequities if attempted to do so. Funding allocations for special education programs and services, major facility renovation and maintenance projects, and transportation should all be provided separate from the Basic Education Formula.

There is a critical need to address the increasing costs of special education through the Special Education Formula. Special Education is one of the fastest growing cost drivers to school districts due to continued increase in number of students who require special education services, the number of specialized services they need, the costly legal fees incurred from Pennsylvania's Special Education Due Process Procedures, and the supply and demand needs of staffing special education classrooms and services. Between IDEA federal funding and SEF state funding, districts are only receiving 25% of

the funds needed to address their overall special education costs. That means districts are redirecting more and more BEF dollars to address the costs specific to special education. This, in turn, creates tighter budgets that would be used to provide needed opportunities for students served in other programs and classrooms, causing another concern for ensuring equitable opportunities for all students. Funneling significantly increased funding through the Special Education Formula is highly recommended to assist in resolving equity in our schools.

Another funding bucket that needs to be reinstated is one for school facility renovations and upgrades. The environment that students are educated in is critical to their emotional and physical wellbeing. Walk through a newly built and renovated school building and feel the positive power and energy among the students and staff. Walk into a building with dim lighting, cracks in the walls, no air conditioning or reliable heating system, along with that distinct odor that comes from an old building. Then compare and measure the difference in the energy and power for learning in the building. Some of our schools are in such disrepair that it is not reasonable to think that it is a safe space for our students, much less conducive to learning. If you want equity for our students, without a doubt, we need to put money into ensuring all our students have the benefit of a safe, healthy, and inviting learning environment.

When our school leaders are asked what is most important to them in education funding, they are most concerned with the predictability and sustainability in the funds. They want to know that the state provided funds are fair to everyone and benefit all students in all school districts. It is also critical that the funding formulas are based on known reliable and verifiable data and formula components. School leaders need an understandable formula that allows them to estimate the future impact of local decisions.

PASA strongly supports the continued use of the Basic Education Funding Formula to distribute new basic education funds going forward. PASA believes the formula, combined with an increased state investment, provides the best pathway forward to correct the disparities in funding among school districts. The BEF formula directs money to school districts based on objective factors, such as student enrollment, the needs of students enrolled in district schools, population sparsity, school district wealth and capacity to raise local revenues. However, a review of the metrics in the formula is recommended to provide our school districts greater predictability of funding by smoothing out some of the high and low variances in payments from year-to-year. PASA encourages the Commission to reference back to PASBO's testimony on their recommendations, such as adjustments to the poverty percentages by using multiple years of data. We also question the need to increase the impact of the sparsity/size adjustment that provides for a slight adjustment in ADMs for PA's schools with the largest geographical area and are sparsely populated (small rural schools). Students in these schools are often remiss from receiving the varied opportunities that students in larger school districts receive. Even the digital infrastructure and connectivity are a challenge for these communities. A factor to be reviewed and considered.

Maintaining the stable base of BEF subsidy is necessary to not create other unintended consequences and inequities in funding. This base represents 75% of the BEF funding schools currently receive and reflects the total BEF subsidy schools received in 2014-15 formula. This base is important to maintain the stability of funding for schools and should not be rolled into the newer more dynamic formula. Instead, it is recommended that the Commission targets additional funding of those schools found to be unfunded in the BEF base funding to correct the inequities. A concept similar to that of Level-up funding, but to be inclusive of all schools underfunded, not just the bottom 100.

It is important that any state increases in BEF funds directly benefit the students who attend these schools, and not flow back out to fund other mandated costs. The biggest cost drivers for flow through of dollars goes to the increasing costs of the PSERs retirement system and the funding of charter schools. By example, the state increased district funding over a 10-year period (2010-11 and 2020-21) by \$2.8 billion dollars, however PSERs increases (\$3.5 billion) and charter tuition cost increases (\$1.8 billion) – a combined cost of \$5.3 billion - put districts 2.5 billion in the red, and in a difficult situation to either increase local taxes or cut district programs for students. How do we control the costs of these mandates so that the state increased funding actually benefits the students who attend these schools? These concerns are a critical part of resolving the funding of schools and for equitable opportunities for our students.

Beyond providing for additional funding and controlling mandated costs that take needed dollars from the instruction of our students, PASA offers a few other considerations for improving funding inequities and ultimately opportunities to students:

- There is a growing trend both at the state level and federal level to provide funds to schools through a grant application process. This trend creates many additional hours of school staff time to complete and comply with each of the grants' requirements (all with different rules and online application systems). In some cases, the districts must hire additional staff to manage the number and types of grants. It also causes inequity in the types of schools that have the personnel and knowledge to effectively apply for the dollars, creating an outcome that many of our most challenged districts are not able to apply or do not receive the funds. Pooling these dollars into a process as is used for the annual Ready to Learn grants would create greater opportunity and efficiency for schools to obtain the funds and ultimately, more effectively and efficiently, provide the programs mandated to support the students. The State would also be able to receive data on how each district implemented their programs and outcomes through such a system.
- Additional collaborative work among schools is encouraged to provide additional opportunities for students. With the use of modern-day technologies, sharing instructional staff and classes across districts will assist in personalizing instruction for students (such as AP classes, etc).

In closing, the question we need to ask ourselves first is “what are the needs and the specific targets we must provide for all the schools in the Commonwealth to ensure equitable opportunities for all

students?” Once we know what the programmatic targets are, then determining the needed funding to address and achieve the targets becomes more manageable in both concept and delivery.

This is our opportunity to correct the inequities our students experience based on the location of their schools. It is critical that we succeed in our intended goal to provide for an equitable funding system. PASA looks forward to continuing the work with this Commission on solutions to ensure all our students, no matter their zip code, have the education and opportunities for a successful and fulfilling life.