

Support Equity First
Kelly@LewisStrategic.com

DATE: November 13, 2023

TO: Rep. Mike Sturla & Sen. Kristin Phillips Hill, Co-Chairs of the 2023 Basic Education Funding Commission

FROM: Kelly Lewis, Esquire

RE: Written Testimony for Basic Education Funding Commission

Members of the 2023 Basic Education Funding Commission, thank you for the opportunity to present written testimony in support of full funding through the 2016 Basic Education Funding Formula law.

I am a former member of the Pennsylvania House of Representatives from the 189th legislative district that represented Monroe and Pike Counties. I've stayed an active advocate for fair school funding.

In 2016, after the adoption of the Basic Education Funding Formula law, a group of us formed Support Equity First, www.supportequityfirst.org, to encourage the Governor and General Assembly to enact state budgets that would fully fund the enacted Basic Education funding formula law.

- We supported implementing the recommendations of the Basic Education Funding Commission Report issued on June 18, 2015.
- We supported state budgets that would proportionally only fund the 180 school districts that were not receiving their baseline amounts under the 2016 Basic Education Funding law, until all 500 districts were receiving their baseline amounts.
- We supported a state budget that would identify the 320 school districts benefiting from hold harmless, and either freeze their Basic Education funding amount, or only give those districts cost-of-living adjustments, until all 500 school districts were receiving their baseline amounts.
- We urged the General Assembly to form a K-12 Cost Savings Commission to immediately implement cost-savings measures long-used by other states. We were and remain highly confident that there are billions of dollars of savings to be achieved.
- In 2001, Senator Jim Rhoades and I worked together to implement caps on School District General Fund balances in the FY 2001-2002 state budget. These caps are still in place. To get around the caps, most school districts transferred excess reserves into Special Revenue Funds and Construction Funds. We urged and continue to urge the Governor and General Assembly to implement reasonable caps to prevent excess reserves held by school districts.

In June 2015, the bi-partisan Basic Education Funding Commission unanimously issued its Commission Report with 6 recommendations.

1. School Consolidation. Because the school funding issue was/is so difficult to fix, school consolidation and incentives for school consolidation were considered good strategies to fix Pennsylvania's school funding crisis. School consolidations are still a good strategy to fix funding inequities. School consolidation can occur without closing high schools or terminating the high school sports teams or other favored programs.

2. The elimination of the hold harmless provision in Basic Education funding. Interestingly, the Report states “The Commission recognizes eliminating the hold harmless clause would have a significant negative impact.” The Report further states “eliminating the hold-harmless clause... would result in 320 school districts receiving approximately \$1 Billion less in basic education funding than the previous year.” While discussing the impacts to these 320 districts potentially receiving less, surprisingly the Report fails to describe the significant negative impacts experienced by the other 180 districts, that in many cases were far below their “baseline amounts” in Basic Education funding for decades! For the last 8 years, the “Hold Harmless Coalition” has successfully thwarted any attempt to fix Basic Education funding fairness. Now, 8-years later, the school districts not receiving their baseline amount under the 2016 Basic Education funding formula law remain impacted, some severely!
 1. Over the past 8-years we’ve supported legislation referenced in the 2016 Commission Report to use proportional funding to the schools not receiving their baseline amounts from the Basic Education Funding formula law to get all 500 districts to their baseline amounts.
 2. Instead, all state budgets since the adoption of the 2016 Basic Education Funding law have funded all 500 school districts, so nothing has essentially changed. The 320 school districts benefiting from hold harmless still benefit, and most of the 180 districts not receiving their baseline amounts still don’t get their baseline funding amount.
 3. We have opposed the implementation of the Level Up supplement for the following reasons:
 1. The Level Up supplement is contrary to Pennsylvania law and contradicts the adopted 2016 Basic Education funding formula law.
 2. We fear the Level Up supplement will erase the 8-years of underfunding to the 180 districts not receiving their baseline amounts. In other words, by walking away from the 2016 Basic Education Funding formula law, 320 school districts that received 8-years of overfunding, and 180 school districts that were underfunded for 8-years, and all of the accumulated amounts will be forgotten. These are real figures, with real impacts. In 2022, we calculated the accumulated underfunding figure to be \$7.2 Billion dollars. Simply put, 320 school districts received an additional \$7.2 Billion in Basic Education funding even though the Commission Report clearly indicated they were benefiting from hold harmless and receiving more baseline Basic Education funding.
 3. We believe the Basic Education funding formula law is one that must be followed. We don’t believe the General Assembly can simply decide not to fully fund it. We don’t believe the General Assembly can ignore the Basic Education Funding formula law and continue to use hold harmless to overfund 320 school districts and underfund 180 school districts. We don’t believe the General Assembly can pass supplements like Level Up that are contrary to the Basic Education funding formula law.
 4. The Level Up supplement purposely ignores many school districts that remain underfunded under the Basic Education funding formula law, some in excess of \$10 million dollars per year. Left uncorrected, these “gap” school districts may never receive fair funding even though the 2016 Basic Education funding formula law clearly indicated they were underfunded and not receiving their baseline amount.
 5. We hope the 2023 Basic Education Funding Commission will recognize the \$7.2 Billion in underfunding that occurred over the past 8-years, recommend a Fund be established that recognizes this amount, and recommends a funding mechanism that works to pay it back proportionally to the 180 underfunded districts over a short number of years.

Four additional recommendations were made by the 2015 Commission.

3. School Crossing Guard Reimbursement. Presently the state subsidizes bus transportation for suburban and rural districts but doesn’t subsidize the expenses for walking students, to wit: crossing guards. The Report recommends balancing this funding.

4. Homeless and Foster Care students present additional funding impacts. The Report recommends homeless and foster care students be studied and possibly incorporated into school funding formula laws.
5. Trauma. The Report recommends student trauma be studied and possibly incorporated into school funding formula laws.
6. Transiency. The Report recommends student transiency be studied and possibly incorporated into school funding formula laws.

We absolutely supported and applauded the adoption of the 2016 Basic Education funding formula law. But by not providing special allocations to the school districts that are not receiving their baseline amounts, a very bad situation is now 8 years worse.

We are concerned 2023 political expediency will tweak the 2016 Basic Education Funding formula law, resulting in dozens of school districts that were underfunded according to the 2016 Basic Education funding formula law getting blocked from receiving fair funding for the past 8 years, and going forward.

We are concerned the accumulated underfunding, over \$7.2 Billion for the past 8 years, will be ignored and forgotten.

We hope the 2023 Basic Education Funding Commission will recognize the \$7.2 Billion in underfunding that occurred over the past 8-years, recommend a Fund be established that recognizes this amount, and recommends a funding mechanism that works to pay it back proportionally to the 180 underfunded districts over a short of number of years.

Going forward, we don't believe the 2016 Basic Education Funding formula needs to be greatly adjusted, if at all.

Going forward, any adopted Basic Education Funding formula law should be fully funded, and if it is considered too draconian to immediately reduce funding to the "320" hold harmless districts, at a minimum the hold harmless districts should have their Basic Education amounts frozen or only receive a cost-of-living adjustment, until all 500 school districts receive their baseline amounts.

Thank you.

Kelly Lewis, Esquire

Former House member, 189th Legislative District

Support Equity First
Shelly@supportequityfirst.org

DATE: November 13, 2023

TO: Rep. Mike Sturla & Sen. Kristin Phillips Hill, Co-Chairs of the 2023 Basic Education Funding Commission

FROM: Shelly Echeverria, Managing Director, Support Equity first

RE: Written Testimony for Basic Education Funding Commission

Members of the Commission, thank you for the opportunity to present written testimony in support of full funding through the Basic Education Funding Formula laws.

In 2016 a group formed Support Equity First, www.supportequityfirst.org to encourage the Governor and General Assembly to enact state budgets that would fully fund the Basic Education funding formula laws. In 2018 I joined the effort.

- We supported implementing the recommendations of the Basic Education Funding Commission Report issued on June 18, 2015.
- We supported state budgets that would proportionally only fund the 180 school districts that were not receiving their baseline amounts under the 2016 Basic Education Funding law, until all 500 districts were receiving their baseline amounts.
- We supported state budget that would identify the 320 school districts benefiting from hold harmless, and either freeze their Basic Education funding amount, or only give them cost-of-living adjustments, until all 500 school districts were receiving their baseline amounts.
- We urged the General Assembly to form a K-12 Cost Savings Commission to immediately implement cost-savings measures long-used by other states. We were and remain highly confident, there are billions of dollars of savings to be achieved.
- In 2001, Senator Jim Rhoades and Representative Kelly Lewis worked together to implement caps on School District General Fund balances in the FY 2001-2002 state budget. These caps are still in place. To get around the caps, most school districts transferred excess reserves into Special Revenue Funds and Construction Funds. We urged and continue to urge the Governor and General Assembly to implement reasonable caps to prevent excess reserves held by school districts.

In June 2015, the bi-partisan Basic Education Funding Commission unanimously issued its Commission Report, with 6 recommendations.

1. School Consolidation. Because the school funding issue was/is so difficult to fix, school consolidation and incentives for school consolidation were considered good strategies to fix Pennsylvania's school funding crisis. School consolidations are still a good strategy to fix funding inequities. School consolidation can occur without closing high schools or terminating the high school sports teams or other favored programs.

2. The elimination of the hold harmless provision in Basic Education funding. Interestingly, the Report states, “The Commission recognizes eliminating the hold harmless clause would have a significant negative impact.” The Report further states, “eliminating the hold-harmless clause... would result in 320 school districts receiving approximately \$1 Billion less in basis education funding than the previous year.” While discussing the impacts to these 320 “over” funded districts receiving less, surprisingly the Report fails to describe the significant negative impacts experienced by the other 180 districts, that in many cases have been receiving far below their baseline amounts in Basic Education funding for decades! Now, 8-years later, the school districts not receiving their baseline amount under the 2016 Basic Education funding formula law remain impacted, some severely!
 - a. Over the past 8-years we’ve supported legislation referenced in the 2016 Commission Report to use proportional funding to the schools not receiving their baseline amounts from the Basic Education Funding formula law to get all 500 districts to their baseline amounts.
 - b. Instead, all state budgets since the adoption of the 2016 Basic Education Funding law have funded all 500 school districts, so nothing has really changed. The 320 school districts benefiting from hold harmless still benefit, and the 180 district not receiving their baseline amounts still don’t.
 - c. We have opposed the implementation of the Level Up supplement for the following reasons:
 - i. The Level Up supplement is contrary to Pennsylvania law and contradicts the adopted 2016 Basic Education funding formula law.
 - ii. We fear the Level Up supplement will erase the 8-years of underfunding to the 180 districts not receiving their baseline amounts. In other words, by walking away from the 2016 Basic Education Funding formula law, 320 school districts that received 8-years of overfunding, and 180 school districts that were underfunded for 8-years, and all of the accumulated amounts will be forgotten, even though they are real figures, with real impacts. In 2022, we calculated the accumulated underfunding figure to be \$7.2 Billion dollars. Simply put, 320 school districts received an additional \$7.2 Billion in Basic Education funding even though the Commission Report clearly indicated they were benefiting from hold harmless and receiving more baseline Basic Education funding, then the Basic Education formula law dictated.
 - iii. We believe the Basic Education funding formula law is a law that must be followed. We don’t believe the General Assembly can simply decide not to fully fund it. We don’t believe the General Assembly can ignore the Basic Education Funding formula law and continue to use hold harmless to overfund 320 school districts and underfund 180 school districts. We don’t believe the General Assembly can pass supplements like Level Up that are contrary to the Basic Education funding formula law.
 - iv. The Level Up supplement purposely ignores many school districts that remain underfunded under the Basic Education funding formula law, some in excess of \$10 million dollars per year. Left uncorrected, these “gap” school districts may not ever receive fair funding even though the 2016 Basic Education funding formula law clearly indicated they were underfunded and not receiving their baseline amount.
 - v. We hope the 2023 Basic Education Funding Commission will recognize the \$7.2 Billion in underfunding over the past 8-years and establish a Fund that recognizes this amount and establishes a funding mechanism that works to pay it back proportionally to the 180 underfunded districts over a short of number of years.

Four (4) additional recommendations were made.

3. School Crossing Guard Reimbursement . Presently the state subsidizes bus transportation for suburban and rural districts but doesn't subsidize the expenses for walking students, to wit: crossing guards. The Report recommends balancing this funding.
4. Homeless and Foster Care students present additional funding impacts. The Report recommends homeless and foster care students be studied and possibly incorporated into school funding formula laws.
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Going forward, any adopted Basic Education Funding formula law should be fully funded, and if it is considered too draconian to immediately reduce funding to the 320 hold harmless districts, at a minimum the hold harmless districts should have their Basic Education amounts frozen or only receive a cost-of-living adjustment, until all 500 school districts receive their baseline amounts.

Thank you.

Shelly Echeverria

Managing Director, Equity First