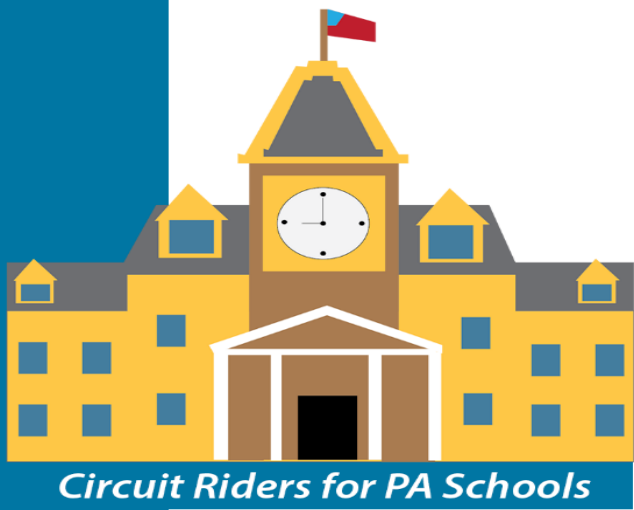


School Funding in Pennsylvania and What You Can Do to Change It

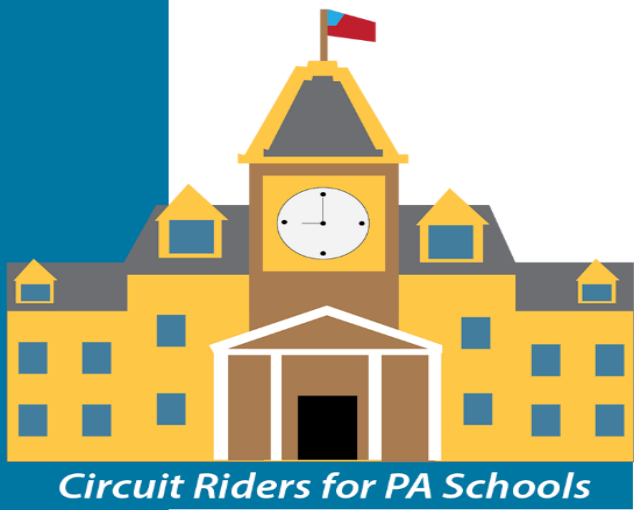
A Presentation to the Allegheny Intermediate Unit #3
Board of Directors
October 27, 2014

Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable



Pennsylvania School Funding

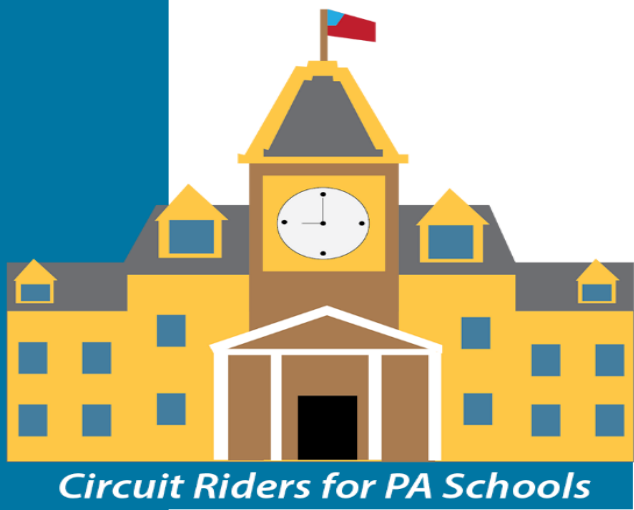
- Unfair to students
- Unfair to local taxpayers
- Limits Pennsylvania's economic future



Pennsylvania School Funding

- Inadequate
- Inequitable
- Unfair
- Unpredictable
- Unaccountable
- Unsustainable

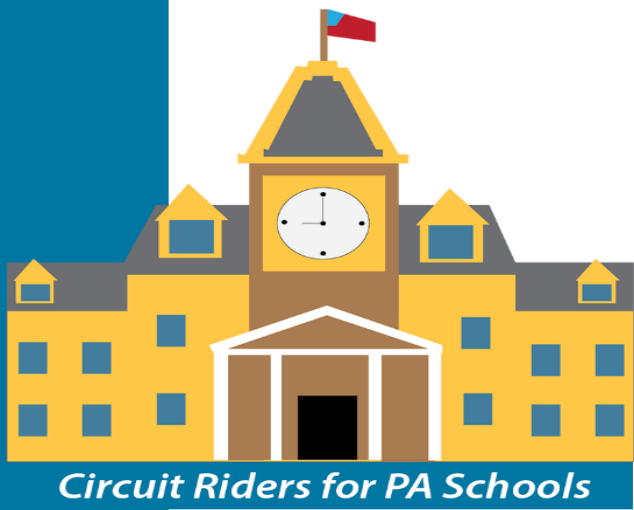
Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable



Pennsylvania School Funding

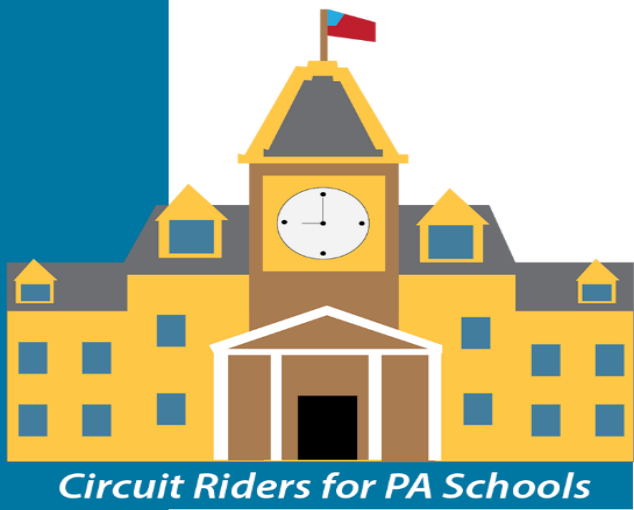
- PA has not used a consistently applied basic education funding formula since 1993-94*.

*Except 3-year period (2008-11) following the Costing-Out Study



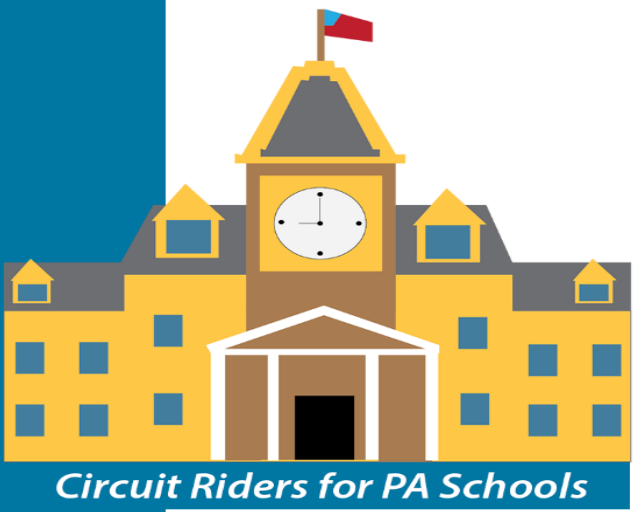
Pennsylvania School Funding

- PA is one of only 3 states without a consistently applied school funding formula.
- States without a Funding Formula:
 - Pennsylvania
 - North Carolina
 - Delaware

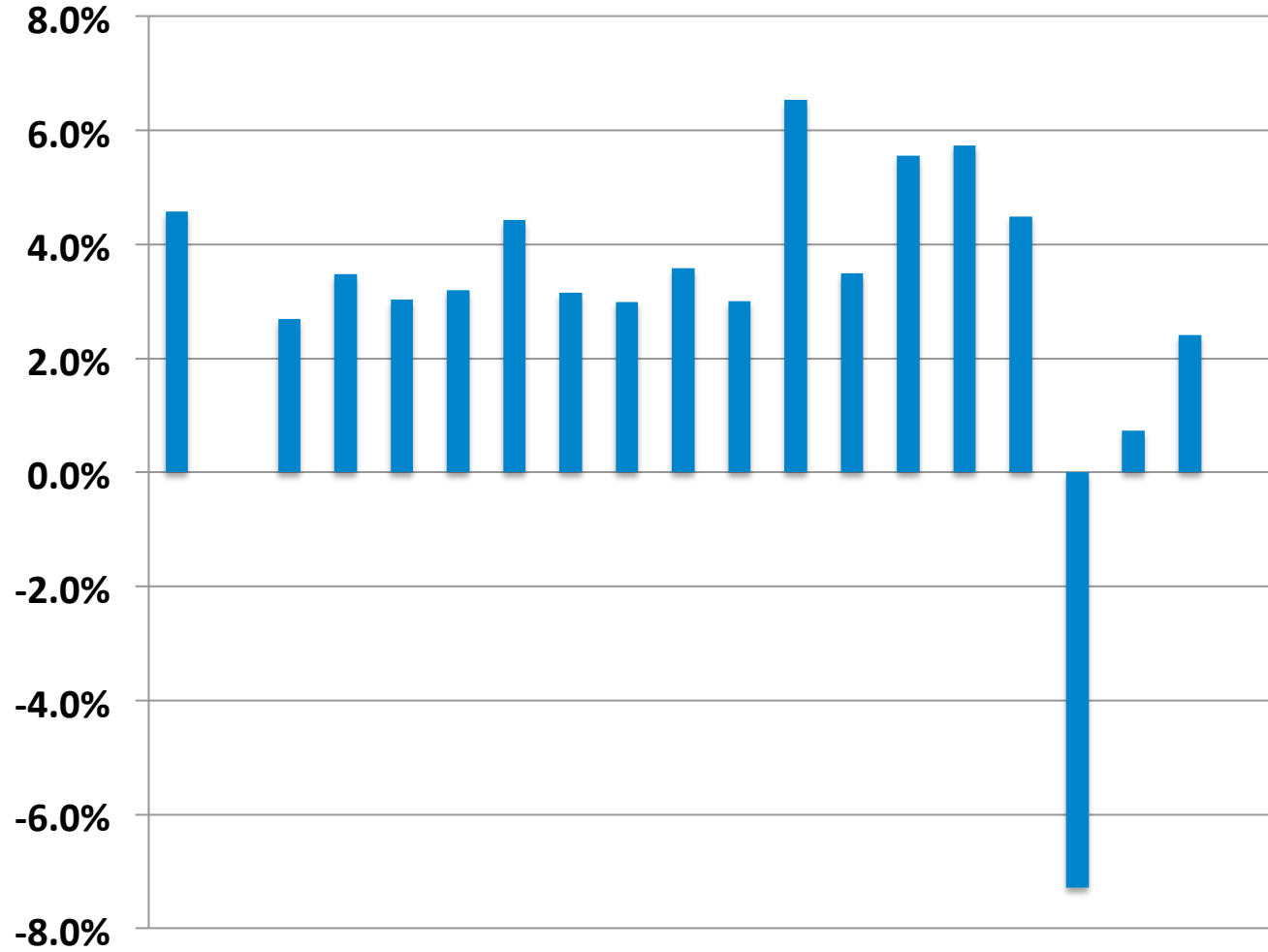


Pennsylvania School Funding

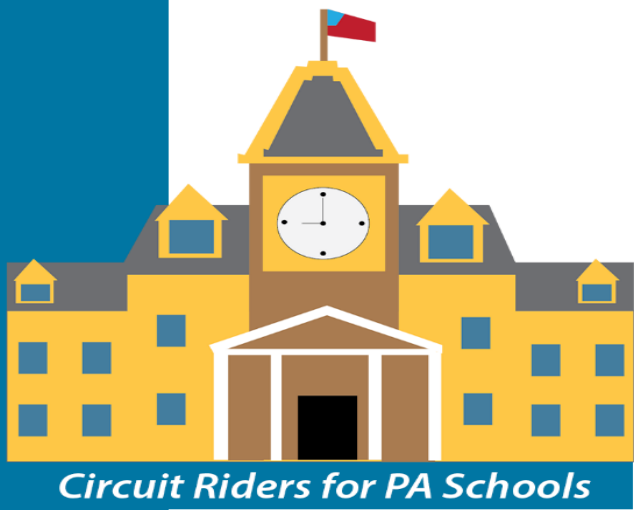
- Each year, through the annual budget process, the General Assembly determines both the amount and method (formula) for the distribution of Basic Education Funding.



Basic Education Funding Year-to-Year Change 1994 to 2014

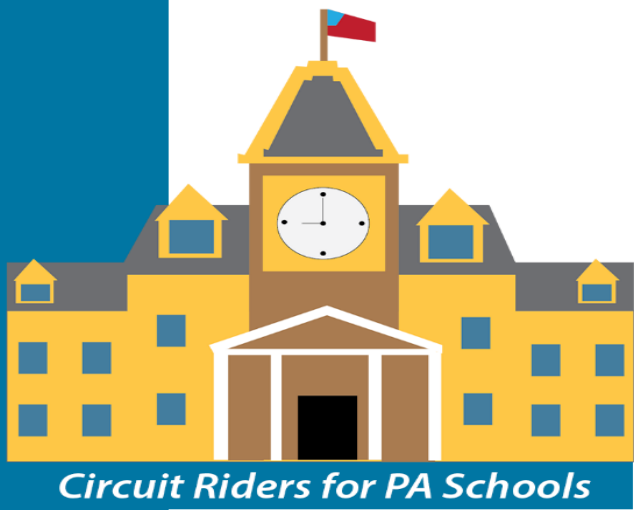


Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable



Pennsylvania School Funding

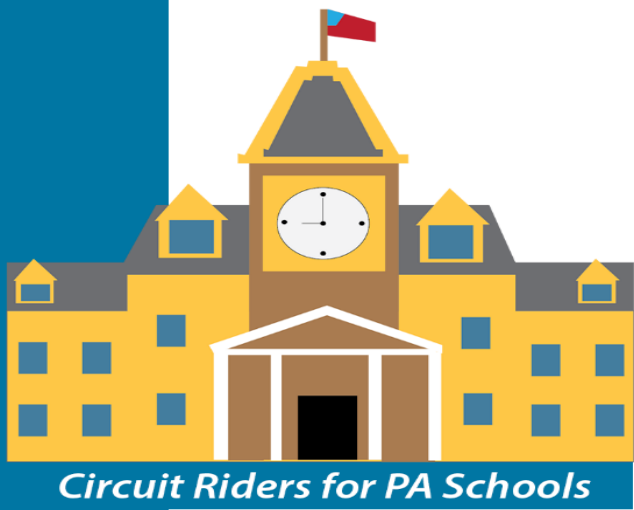
- Each year, through the annual state budget process, the distribution criteria are changed.
- Over the past 20 years, 30 different factors have been used in one year or another to distribute Basic Education Funding.



Pennsylvania School Funding

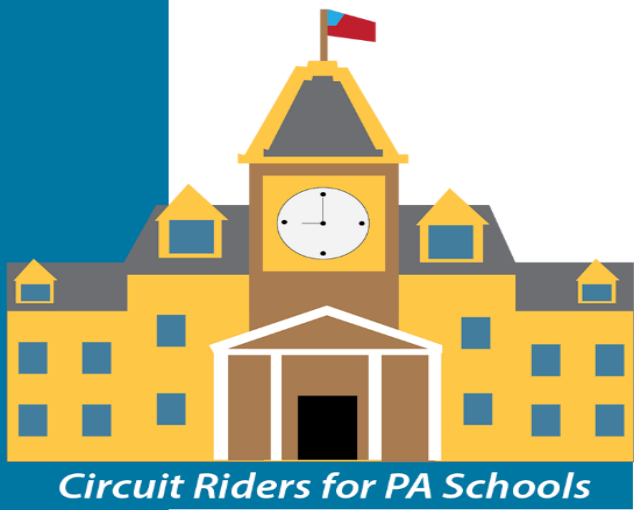
2013-14 State Budget

- 21 school districts
- Represented by 37 lawmakers, 33 of whom held leadership positions
- Special language written in fiscal code to provide each district a share of \$30 million in additional Basic Education Funds



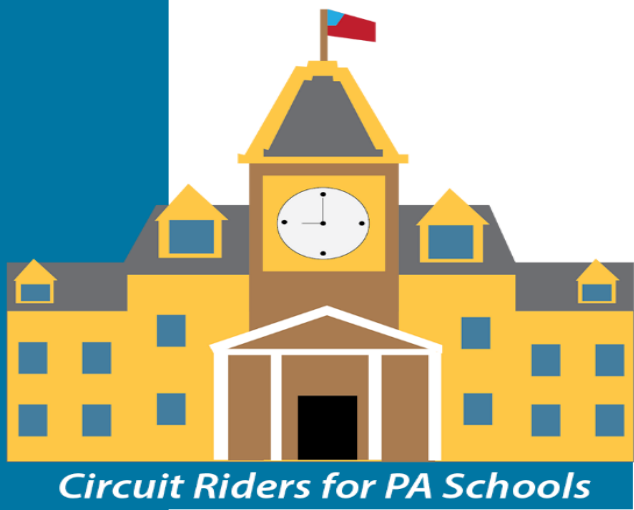
Pennsylvania School Funding

- At **34.5 percent**, PA is 43rd of the 50 states in the state share of total cost of its PK-12 schools (2010-11)
- Neighboring States:
 - Maryland 41.0%
 - Ohio 43.2%
 - New York 40.1%
 - New Jersey 37.3%
 - Delaware 58.6%
 - West Virginia 55.8%



Basic Education Funding Commission

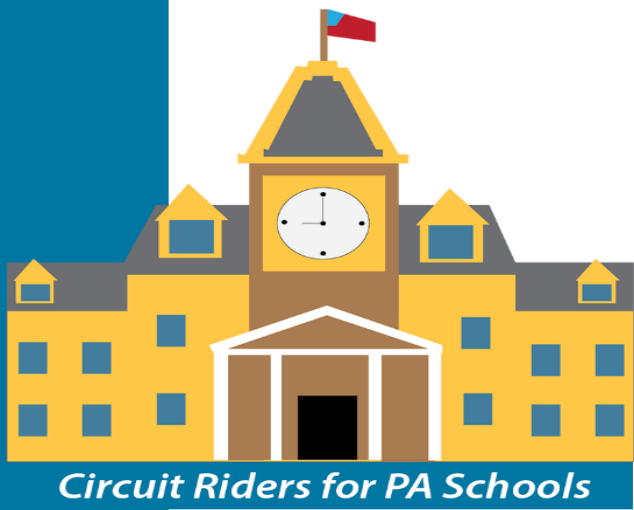
- Legislative commission authorized by Act 51 of 2014
- Made up of 12 legislators and 3 administration officials
- Charged to review and make recommendations on the development of a new BEF formula and identify the factors to be used to determine the distribution of BEF among school districts
- Consider the impact of eliminating hold harmless
- Conducting hearings throughout the state
- Commission must issue a report and recommendations by June 10, 2015



Some Basic Education Funding Factors

Factors to Consider:

- MV/PI aid ratio (averaged over 3 years)
- Equalized millage rates (averaged over 3 years)
- Geographic price differences
- Exceptionally high enrollment growth
- Exceptionally high local support
- High level of students in poverty (measured by FRL)
- Students with limited English proficiency
- Scarce or dense populations relative to district size
- Other relevant factors

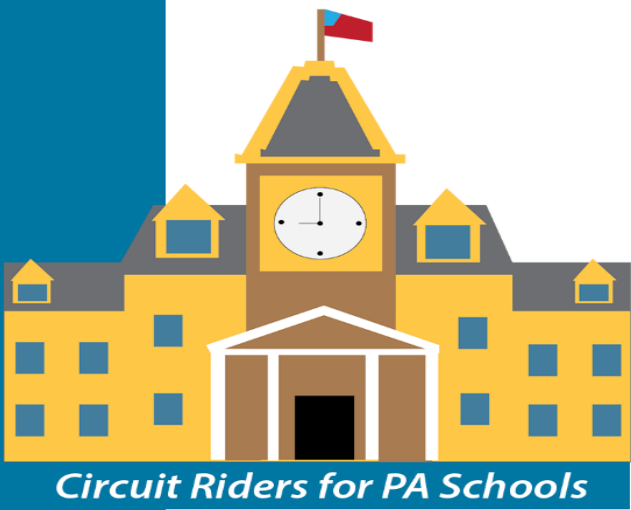


Campaign for Fair Education Funding

- Made up of a group of 40+ diverse organizations from across the Commonwealth
- Working towards the common goal of ensuring Pennsylvania adopts a sustainable, predictable, adequate, and equitable funding formula by 2016



Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable

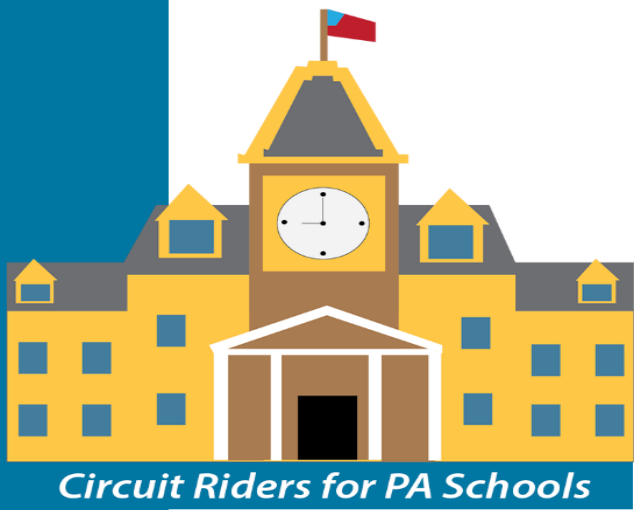


Campaign for Fair Education Funding

A+ Schools
Action United
AFL-CIO of PA
Allies for Children
American Federation of Teachers-PA (AFT-PA)
Building One PA
Congregations United for Neighborhood Action (CUNA)
Cross-City
Education Law Center
Education Matters in the Cumberland Valley
Education Policy and Leadership Center
Education Voters-PA
Greater Philadelphia Chamber of Commerce
Keystone State Education Coalition
Lutheran Advocacy Ministries
NAACP of PA
PA Association of Elementary and Secondary School Principals (PAESSP)
PA Association of School Business Officials (PASBO)
PA Association of School Administrators (PASA)
PA Association of Rural and Small Schools (PARSS)
PA Association of Intermediate Units (PAIU)

PA Budget and Policy Center
PA Business Council
PA Chamber of Business and Industry
PA Coalition of Public Charter Schools
PA Council of Churches
PA Immigration and Citizenship Coalition (PICC)
PA Interfaith Impact Network (PINN)
PA League of Urban Schools (PLUS)
PA Municipal League
PA Partnerships for Children
PA PTA
PA School Boards Association (PSBA)
PA State Education Association (PSEA)
PennCan
Philadelphia Federation of Teachers (PFT)
PA School Librarians Association
Philadelphia AFL-CIO
Philadelphia School Partnership
POWER (Philadelphians Organized to Witness, Empower and Rebuild)
Public Citizens for Children and Youth (PCCY)
Public Interest Law Center of Philadelphia (PILCOP)
Research for Action
Urban League of Philadelphia

Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable



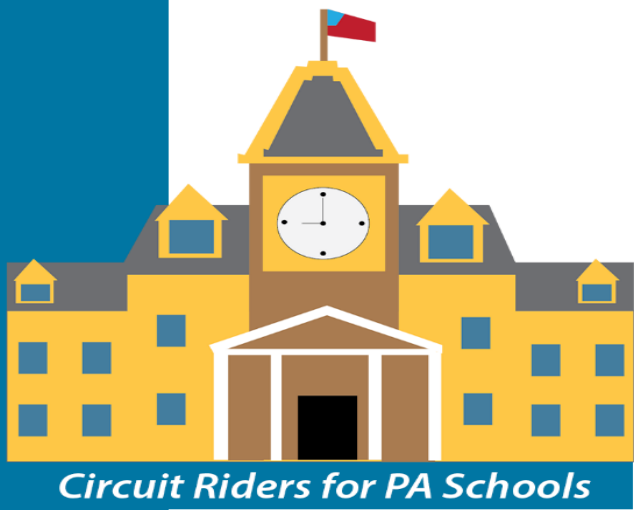
Campaign for Fair Education Funding

Accuracy is important

The new system must be based on real costs necessary to meet state academic standards and must use accurate, reliable, verifiable, and current school and community data that addresses factors including poverty, English proficiency, school enrollment, and other objective measures that impact those costs.



Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable



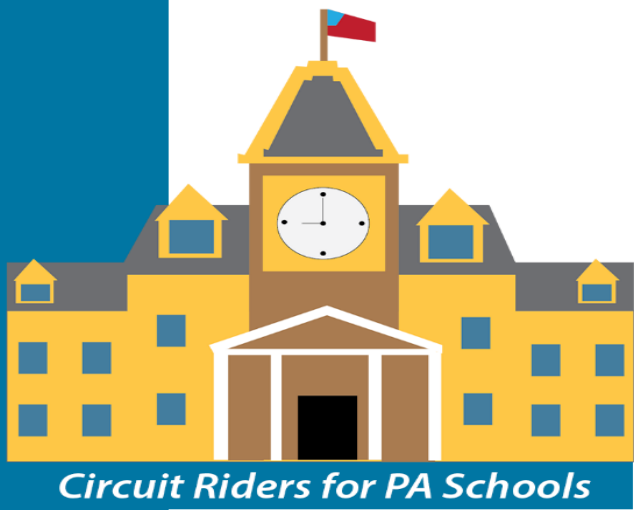
Campaign for Fair Education Funding

Students and schools need stability

The new system must be transparent, sustainable, equitable, and long-range — and supported with sufficient, stable, and broad-based resources. A new basic education funding system is the foundation for educating all children, including children with special needs who will require additional resources through the special education allocation.



Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable



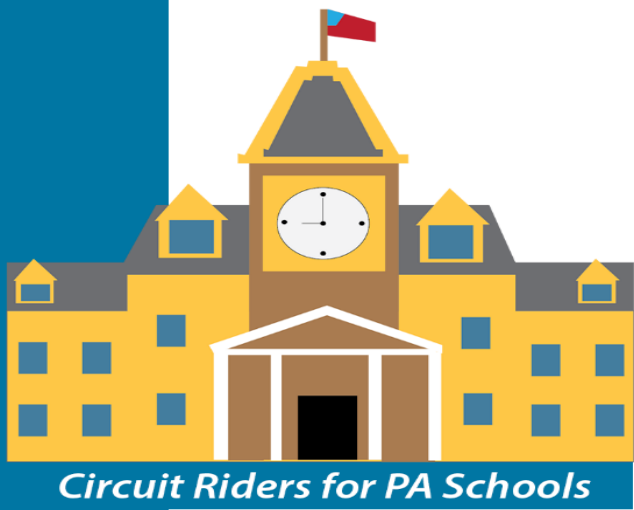
Campaign for Fair Education Funding

Responsibility is shared

The new system must operate based on shared fiscal responsibility among the local community, the state, individuals, and commercial taxpayers, recognizing the differing levels of local funding available and the relationship between adequate financial support and student outcomes.



Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable



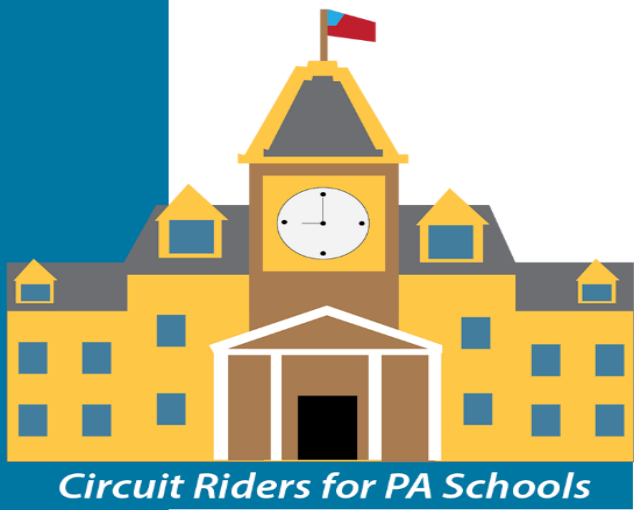
Campaign for Fair Education Funding

Accountability is required

The new system must include strong accountability standards to ensure that schools invest efficiently and effectively to boost student achievement and help ensure post-secondary success. These standards also should allow and/or encourage schools to pursue and sustain operational cost-saving and cost-sharing options that are consistent with ongoing efforts to foster student achievement and success.



Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable

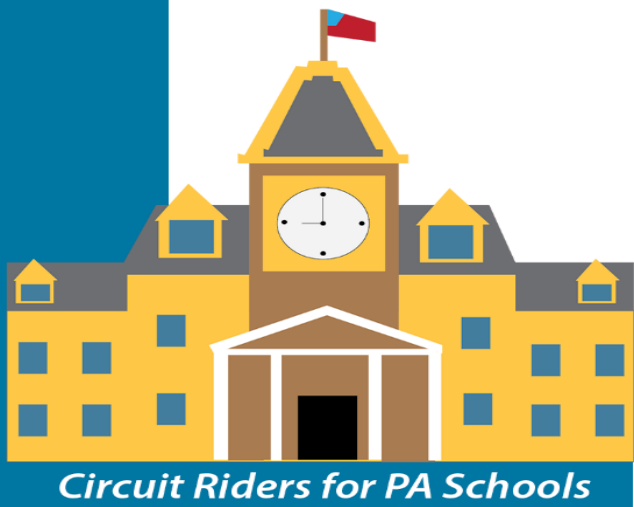


Campaign for Fair Education Funding

- Build grassroots support across PA for a fair funding formula
- Work with and serve as a resource to the Basic Education Funding Commission as they develop a new funding formula
- Work with the General Assembly to ensure a fair basic education funding formula is implemented in 2016

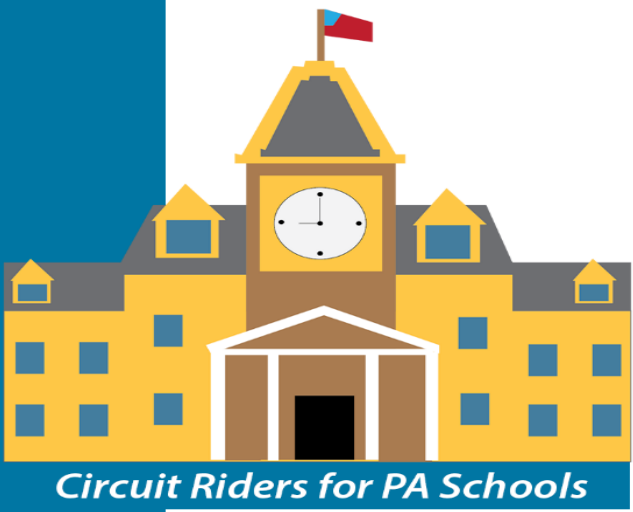


Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable

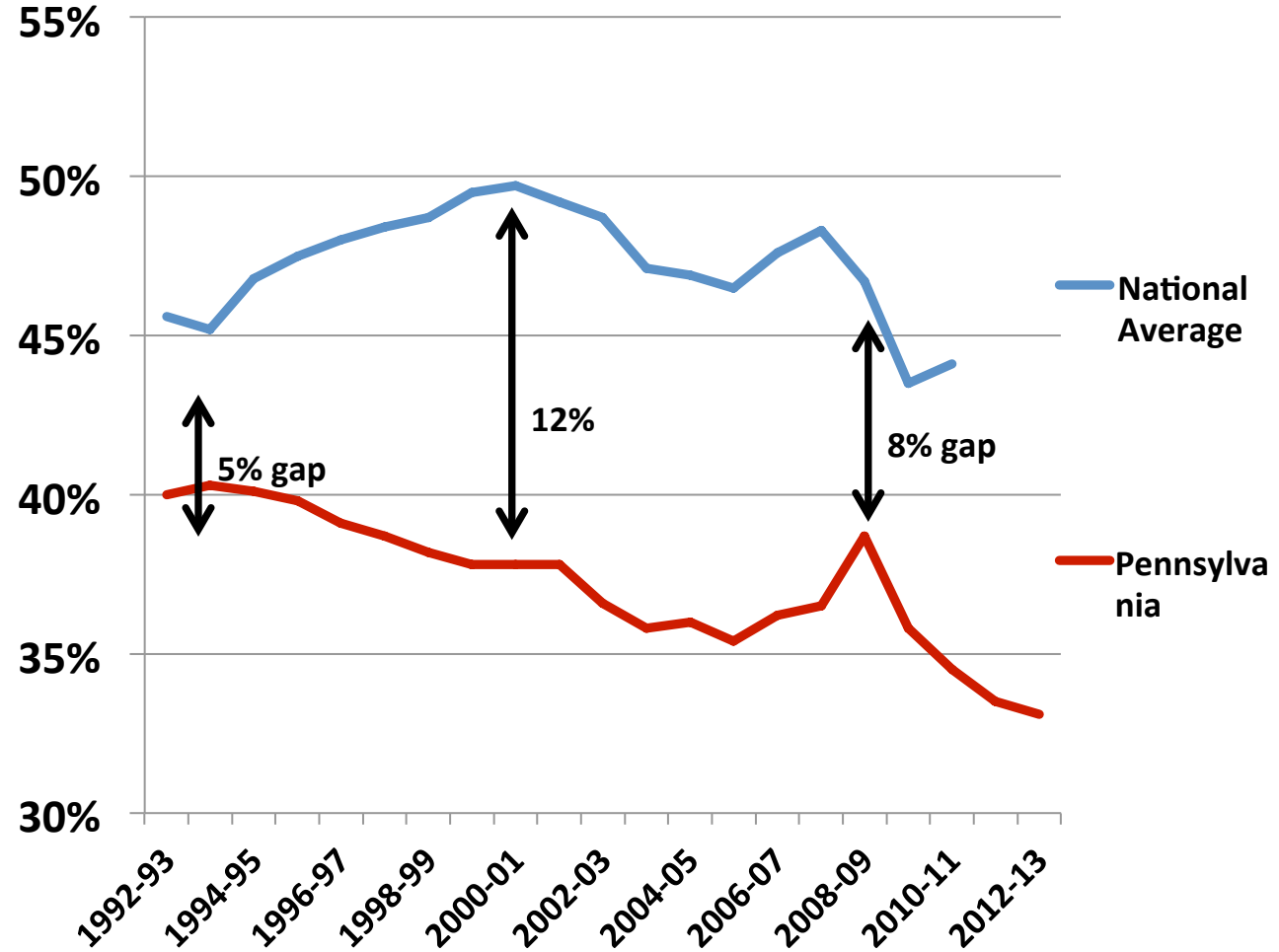


What does the future hold?

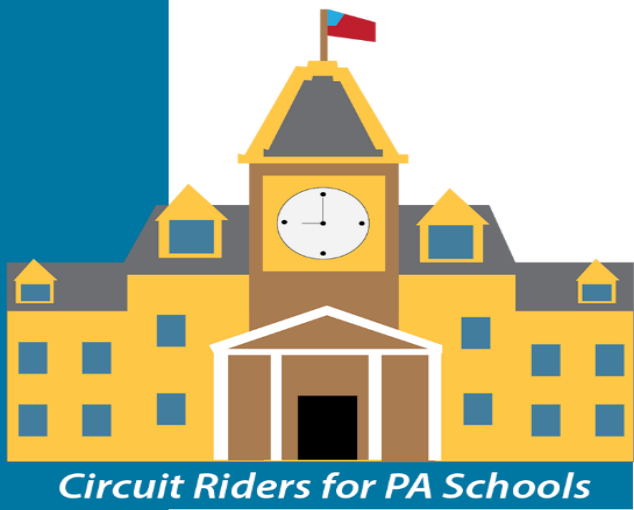
- Under existing conditions and fiscal policies almost 50% of PA districts will be without sufficient revenues to cover mandatory and necessary costs in 2017-18.
- While some annual improvements over time will lower annual PSERS increases, the reductions will be largely counterbalanced by rising charter school and health care costs.
- Basic education funding increases alone cannot resolve fiscal shortfalls. A structural change in the PA school finance system is needed.
- There continues to be new unfunded mandates and programs that deplete local and state funds.



State Share of PK-12 Education Funding PA & National Average



Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable



Pennsylvania School Funding

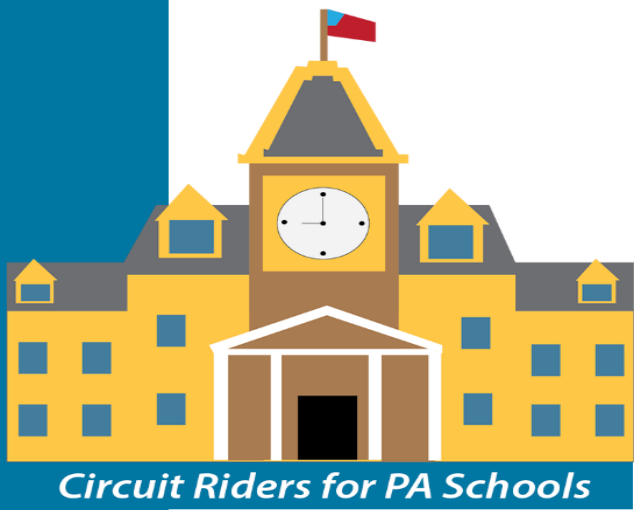
Wide Funding Disparities
2012-13

Lowest Resourced SD - \$9,803 per student

Highest Resourced SD - \$26,808 per student

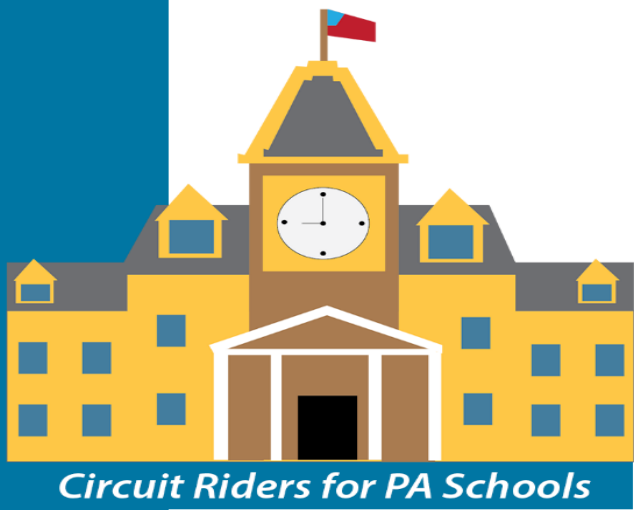
Difference \$17,005 per student

Average Elementary class of 25 students = \$425,125 difference



Pennsylvania School Funding

- It doesn't have to be this way...
- Other states have addressed similar problems and adopted and implemented sustainable solutions.
- They include:
 - Maryland – Thornton Commission
 - Wyoming – School Funding Lawsuit
 - North Dakota – Governor's Commission



Join the Campaign!

- Make a commitment to help shape a new funding system for Pennsylvania schools.
- Schools need an equitable, adequate, fair, predictable, and accountable state funding formula

<http://fairfundingpa.org>



Working for a new basic education funding formula that is sustainable, predictable, adequate and equitable