



Norristown Area School District
State Funding Challenges
October 2019

OVERVIEW:

- ✓ The state of education funding in Pennsylvania: **UNFAIR & INADEQUATE**
- ✓ Pennsylvania has been identified as having the most unfair education funding system in America, one that relies too heavily on local property taxes, thus ensuring that the distribution of education resources is determined more by zip code than by demonstrated student need.
- ✓ Pennsylvania has the widest gap between wealthy and poor school districts of any state in the country.
- ✓ On average, states across the country cover 45% of public school funding costs; the Commonwealth of Pennsylvania contributed 24% to NASD’s total costs during the 2018-19 school year.

BASIC EDUCATION FUNDING

- ✓ Basic Education funding is the largest state funding source for Pennsylvania public school districts.
- ✓ NASD received approximately \$12.9 million in Basic Education funding in the 2018-19 school year.
- ✓ A fair funding formula was adopted in 2016 for the distribution of Basic Education funding; this formula addressed many of the equity and adequacy issues that had existed for decades. But, only a small portion of the Basic Education funding is distributed using this formula.



- ✓ **It is estimated that, if all Basic Education dollars were distributed based on the new adopted formula, NASD would receive an additional \$13.6 million annually.**
- ✓ Pennsylvania’s poorest school districts are shortchanged each year as a result of Harrisburg’s refusal to distribute 100% of the Basic Education funding through its’ own funding formula.

SPECIAL EDUCATION FUNDING

- ✓ Public schools are **mandated** by federal and state law, regulation and court decisions to meet the educational needs of **all** children. Schools must ensure that each student with a disability receives a Free Appropriate Public Education (FAPE) and that a system of procedural safeguards is in place.
- ✓ Both the federal and state governments provide funding to help offset the costs of implementing these mandates. **However, these funds only cover a small portion of the costs associated with complying with these mandates.**

- ✓ In Pennsylvania, the mechanism to distribute state Special Education funding has also recently been updated to include a tiered funding formula that was designed to direct funding to public school districts based on student needs.
- ✓ However, the amount of funding available from the Commonwealth has remained inadequate, even after the implementation of the formula. Additionally, the amount of funding available has not been increasing at the same pace as expenses; ever widening the gap between spending and funding for our special needs students.

✓ In NASD:

	2015-16	2018-19
Special Education Expenses	\$26,708,000	\$ 28,756,000
Special Education Funding From PA	\$ 4,353,000	\$ 4,634,000
Gap Between Spending & State Revenue	\$ 22,355,000	\$ 24,122,000

- NASD mandated spending increased by 9% from 2015-16 through 2018-19.
- But, state funding only increased by 6.4% during this same period.
- And, the funding gap increased from \$22.3 million to \$24.1 million.
- Our local community is forced to fund most of this gap through property taxes!



- ✓ Pennsylvania’s Special Education Funding Commission is reconvening this fall to revisit the effectiveness of the new funding formula, but this Commission has no authority to increase the amount of funding being distributed for Special Education.
- ✓ **Pennsylvania public school districts are required to comply with hundreds of additional mandates; most of which are unfunded or underfunded. The full and timely funding of all state imposed mandates should be a priority for our legislators.**

CHARTER SCHOOL FUNDING

- ✓ Pennsylvania’s current law allows charter schools to be exempt from many of the educational mandates that public school districts are required to comply with.
- ✓ School districts make payments to charter schools for each resident student who attends a charter school. **Under the current state funding formula, the basis of calculating the tuition payments has no basis in what it actually costs to educate a child in the charter school.** The formula bears no relationship to the actual instructional costs incurred by the charter schools.
- ✓ And, public school districts pay a charter school the same rate for each special needs child, based on the flawed formula, regardless of student differences in educational need, cost or services provided. This means a school district pays the same amount to a charter school in tuition for a child needing speech therapy once a week as it does for a child needing a full-time support aide, personal care and health services, special instructional materials, furniture and equipment or specialized buses for transportation services.
- ✓ For the 2018-19 school year, NASD paid nearly \$9.5 million in charter school tuition based on the following tuition rates established by the flawed formula in Pa’s charter school law:



- Regular Education students: \$ 12,720/year
- Special Education students: \$ 33,024/year
- **These tuition rates are the same for students attending cyber charter schools.**
- In many cases, NASD paid \$ 33,024 in annual tuition to charter schools even though this exceeded the costs of services provided to students.
 - **Charter schools are permitted to keep the excess funding under current law.**
- **The current charter school funding system imposes hardships on our taxpayers.**

- ✓ Charter schools are privately managed by boards of trustees that vary in number and may set their own rules of operation. **As well, they often contract with for-profit companies to operate their schools.** These for-profit companies, education management organizations (EMOs), operate, provide curriculum and courses, and offer other services to charter schools. They are not subject to the transparency and accountability measures required of school districts and other local governments, despite being paid with taxpayer money.
- ✓ Meaningful charter school reform is needed; reform that is good for students and fair to Pennsylvania taxpayers.

CONCLUSION

- ✓ Every child, regardless of zip code, has a right to an excellent public education.
- ✓ Investing in public education excellence is the path to thriving communities, a stable economy, and successful students.
- ✓ Pennsylvania must pay its fair share for public schools with increased investments and a decreased reliance on property taxes to support local districts.

CONTACT OUR ELECTED OFFICIALS TO ADVOCATE FOR ADEQUATE AND EQUITABLE FUNDING FOR OUR SCHOOLS:

- ✓ Representatives:
 - Representative Matthew Bradford (D) - 610-270-1150
 - Representative Tim Briggs (D) - 610-768-3135
 - Representative Joe Webster (D) - 484-200-8264
- ✓ Senators:
 - Senator Daylin Leach (D) - 610-768-4200
 - Senator Kate Muth (D) - 610-792-2137

RESOURCES:

- ✓ Campaign for Fair Education Funding
 - <https://www.pubintl.org/cases-and-projects/campaign-for-fair-education-funding/Asddsd>

- ✓ Education Law Center
 - <https://www.elc-pa.org/>

- ✓ PA Schools Work
 - www.paschoolswork.org

- ✓ Pennsylvania Department of Education
 - www.education.pa.gov

- ✓ Pennsylvania School Boards Association
 - www.psba.org

- ✓ Public Citizens for Children & Youth
 - <https://www.pccy.org>

- ✓ Temple University Center on Regional Politics. A Tale of Haves and Have-Nots; The Financial Future of Pennsylvania School Districts
 - <https://sites.temple.edu/corparchives/files/2019/08/Haves-and-Have-Nots-2019-web.pdf>