



pennsylvania
DEPARTMENT OF EDUCATION

Testimony

presented to the

House Appropriations Committee

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2021-22 Appropriations Hearing Testimony

Chairman Saylor, Chairman Bradford, Chairman Sonney, Chairman Longietti, and distinguished members of the House Appropriations Committee, thank you for the opportunity to join you today to discuss Governor Tom Wolf's 2021-22 Budget Proposal for the Pennsylvania Department of Education (PDE).

2020 was a year unlike any other in recent memory. The COVID-19 pandemic presented Pennsylvania, as with the rest of the world, with unprecedented challenges. Despite these challenges, PDE's mission remains the same: to ensure that every learner has access to a world-class education system that academically prepares children and adults to succeed as productive citizens.

The 2021-22 proposed budget is an opportunity to continue that mission. The proposed budget prioritizes equity, fairness, and accountability. It fully and fairly funds schools for the first time in history; levels the playing field between charter schools and traditional public schools by proposing real, meaningful reform that will only serve to benefit students and future leaders; reforms the Education Investment Tax Credit program to ensure fewer dollars can be kept for administrative purposes, redirecting millions back to low-income students in need of scholarships; invests in our workforce; and carries forward recommendations from the Keystone Economic Development and Workforce Command Center that will enable better access to higher education.

During the past six years, Governor Wolf has worked with the General Assembly to secure an additional \$1.4 billion in funding for pre-k through college, including nearly \$800 million for basic education, \$140 million for special education, and \$40 million for career and technical education. The innovative PAsmart program introduced new STEM and computer science programs into hundreds of schools across Pennsylvania, helping to advance the state to fifth in the nation for the number of STEM graduates.

Governor Wolf has sought to bridge the gap between the classroom and employment by supporting career and technical education and building a new registered apprenticeship program. Throughout his administration, the number of career and technical education students earning industry-recognized credentials has increased by 34.2 percent, while the number of registered apprentices has risen to over 17,000.

The 2021-22 proposed budget builds on successful education and workforce development programs, further extending high-quality education to more Pennsylvanians.

Continuing Fair and Equitable Investments in Education

While the \$1.4 billion investment in new resources for Pennsylvania's public education system over the past six years has been integral in our efforts to ensure every commonwealth student is college, career, and community ready, there is still much more work to be done. That is why the 2021-22 proposed budget more than doubles this investment over the last six years. The new investments for classroom funding include:

- **\$1.35 billion increase in Basic Education Funding.** This investment directs all existing state-level basic education funding through the bipartisan Fair Funding Formula and includes an adjustment so that no school district is negatively impacted. An additional \$200 million investment in basic education funding is proposed to allow all districts to continue to invest in student achievement. This investment enables all school districts to have the basic resources they need to provide a high-quality education for Pennsylvania students. Without directing this funding through the Fair Funding Formula, many school districts will continue to be underfunded, perpetuating their reliance on increasing property taxes.
- **\$200 million increase in Special Education Funding.** This investment ensures school districts have the basic resources they need to provide high-quality special education services to students with disabilities and special needs.

Increasing Funding for High-Quality Early Childhood Education

Children who participate in high-quality pre-k programs perform better in school, are more likely to graduate, and earn more throughout their lives compared to peers without access to early learning programs. The 2021-22 budget proposes \$25 million for Pre-K Counts and \$5 million for the Head Start Supplemental Program. This new funding will allow 3,271 additional children to enroll in the state's high-quality early learning programs. Over Governor Wolf's term, the commonwealth has doubled its investment in early child education, but more children need this once-in-a-lifetime opportunity to enter kindergarten ready to grow and thrive.

Increasing Access to Early Intervention Services

Early Intervention (EI) ensures that children birth to age five with developmental delays or disabilities that put them at risk of substantial delay have the best chance for healthy development. EI provides children with a range of developmental and social-emotional services, including speech and language, occupational and physical therapies, and social work services. Families also receive the coaching and support they need to further the gains their children make in therapy at home. EI serves children from all income levels and in every county across the state. The 2021-22 budget includes \$11 million for 2,000 additional slots for children age 3 to 5.

Attracting and Retaining the Best Teachers for Our Children

In the past 10 years, Pennsylvania has experienced a growing teacher shortage and shrinking pipeline of new teachers, especially in rural and urban districts, and hard-to-fill areas like special education, English language instruction, and STEM. One factor driving this trend is financial pressure due to low teacher salaries, as well as job requirements for college and advanced degrees.

Providing competitive wages is essential to attracting and retaining qualified education professionals. Pennsylvania arbitrarily sets minimum compensation for Pennsylvania teachers and other education professionals, including counselors and school nurses, at a 1980s-level of \$18,500 per year. This salary assumes a 40-hour workweek, even though most educators spend

many hours out of the classroom preparing lesson plans and reviewing student assignments. The current statutory minimum salary fails our education professionals, students, and families. Increasing the minimum salary to \$45,000 per year will better align with competitive salaries and the cost of living, while ensuring the commonwealth can attract the highest quality talent to educate and support Pennsylvania's children.

Comprehensive Charter School Law Reform

Pennsylvania's Charter School Law, passed in 1997, established public charter schools with the intent to support innovation in partnership with the traditional public education system and offer families greater flexibility when it comes to their children's education. Since then, some charters have strayed from this original purpose by engaging in questionable operational practices and exhibiting poor academic performance. Additionally, charter schools are a major uncontrolled cost-driver for local school districts, resulting in higher property taxes across the state.

The 2021-22 budget proposes comprehensive Charter School Law reform that will save school districts across the commonwealth an estimated \$229 million per year. These resources can be reinvested into students and educators, including meeting minimum teacher salary requirements. This package of policy and budget initiatives promotes innovation and choice in the charter sector while ensuring charter schools are providing a high-quality education, are held accountable for their academic performance and financial management, and are meeting the same standards Pennsylvanians expect from traditional public schools.

The proposed budget includes:

- **Applying the Special Education Formula to All Charter Schools:** Currently, school districts receive funding for special education students through a three-tiered Special Education Funding formula, with funding increasing as the student's need for special education services increases. Special education tuition payments to charters, however, are calculated based on the outdated assumption that all school districts have a special education population of 16 percent, regardless of the level of services a student's Individualized Education Plan outlines. The Governor's budget applies the tiered Special Education Funding formula to all charters to better align Special Education Funding with actual costs of providing services to special education students. This was a recommendation from the bipartisan Special Education Funding Commission and will save school districts an estimated \$99 million annually.
- **Establishing a Statewide Cyber Charter Tuition Rate:** Currently, cyber charter schools in Pennsylvania charge school districts between \$9,170 and \$22,300 per student per year. For comparison, the typical tuition rates an Intermediate Unit charges to provide a comparable online education is around \$5,400 per student per year. The Governor's budget establishes a statewide cyber tuition rate of \$9,500 per student per year and will better align tuition with the actual costs of providing an online education. This reform will save school districts an estimated \$130 million annually.

- **Improving the Redirection Process:** Currently, if a school district does not pay the tuition for the students in its district who attend a charter school or there is a dispute between a school district and a charter on tuition payments, the charter school may petition the Department of Education to reconcile the dispute through the redirection process. This budget proposal provides clarification on the redirection process, including the basis for reported expenditures and the deductions included in the tuition rate calculation, to increase fairness, accountability, and transparency.

Supporting School Choice, While Creating Transparency in Education Tax Credit Programs

The Education Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) are popular programs. The 2021-22 budget lowers the maximum administrative set-aside from 20 percent to 5 percent for scholarship organizations participating in the EITC and OSTC, allowing up to an additional \$36 million in scholarships for students without an increase in any taxpayer aid. Scholarship organizations will be required to report more information on the students and families that receive scholarships and their educational outcomes, assuring taxpayers that their tax dollars are directed to students with the greatest need and that participating students receive a high-quality education.

The Nellie Bly Scholarship Program for PA State System of Higher Education (PASSHE) Students

To support Pennsylvania's workforce and economic needs, the state must strengthen its commitment to increasing the number of Pennsylvania students who complete a high-quality postsecondary degree or credential. The State Board of Education established a goal for 60 percent of working-age Pennsylvanians to have a postsecondary degree or credential by 2025, with a focus on closing attainment gaps for historically unrepresented populations. The commonwealth must also find ways to incentivize people to learn, work, and stay in Pennsylvania, and make higher education more affordable to students and families.

The 2021-22 budget proposes repurposing \$199 million from the Pennsylvania Race Horse Development Trust Fund to support the Nellie Bly Scholarship Program. The program will provide financial assistance to targeted full-time students enrolled in the PASSHE system. We hope this scholarship inspires the next generation of teachers and healthcare workers our state so desperately needs. In exchange, the students must agree to stay in Pennsylvania after graduation for the same number of years for which they receive the benefit. This needs-based tuition will help to fill the gap between the student's financial aid and other financial assistance to cover the tuition, fees, and a portion of the real costs of college, including campus housing, books, supplies, and other expenses. The tuition converts to a loan if the student moves out of the commonwealth during the commitment period and can be deferred while the student pursues further education.

The program will align with the PASSHE Board of Governors accountability framework and student success goals for PASSHE universities. This proposal will help reach the state's

credential attainment goal, make higher education more affordable, support on-time graduation and student retention, promote social mobility into the middle class for low-income students, and get students into the workforce with less student loan debt.

Breaking Down Barriers to Employment by Supporting Students and Veterans

The public-private Keystone Economic Development and Workforce Command Center identified five key barriers to employment for employees and employers: transportation, child care, training, licensure, and re-entry from institutional settings. Enacting the recommendations of the Keystone Economic Development and Workforce Command Center will provide opportunities for our younger generations while ensuring seamless transitions for our active-duty servicemen and women to civilian employment. The Commonwealth of Pennsylvania, through the Pennsylvania Higher Education Assistance Agency, will maximize Pell Grant awards and federal financial aid to make certificates, credentials, and college degrees more affordable. These grants can be stacked with other state grants and financial aid. The commonwealth will continue to build on federal efforts to simplify the FAFSA form.

Fixing Toxic School Buildings

The Redevelopment Assistance Capital Program (RACP) is a commonwealth grant program for the acquisition and construction of regional economic, cultural, civic, recreational, and historic improvement projects. The Governor proposes an expansion of RACP-eligible projects by \$1 billion in the Capital Budget Itemization Act to include grant availability for lead and asbestos remediation projects, with the inclusion of schools as eligible grantees.

Conclusion

With the Governor's 2021-22 budget proposal, the Department continues to focus on serving students and learners of all ages. The Governor's budget addresses workforce development across agencies and sectors, ensures an emphasis on the needs of early learners, improves postsecondary access and affordability, and continues efforts to address the need for equitable and predictable school funding. These things have always been important but are now more important than ever given the additional challenges brought on by COVID-19.

In the year ahead, I look forward to continuing to work with the General Assembly to serve the commonwealth's students, educators, families, and communities. Thank you for your commitment to making education a shared priority. I will be happy to address any questions.