

GOVERNOR'S PROPOSED PA EDUCATION BUDGET FOR 2012-2013

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The Education Policy and Leadership Center

□ EPLC Mission

The Mission of EPLC is to encourage and support the development and implementation of effective state-level education policies in order to improve student learning in grades P-12, increase the effective operation of schools, and enhance educational opportunities for citizens of all ages.

□ EPLC Strategies

- **Strategy #1 - Information**

Link relevant and reliable research and other information to state-level education policymakers and others and provide assistance with policy analysis and policy development.

- **Strategy #2 – Leadership**

Develop awareness and capacity among policymakers, educators, parents and community leaders to serve as advocates and champions for significant education policy issues.

- **Strategy #3 – Public Advocacy**

Promote a public climate that expects and holds policymakers accountable to advocate, adopt and implement effective policies that advance significant education goals.

□ Framework for State Education Policy

Governance

Standards

Assessments

Consequence

Educational Capacity

Finances

Alignment

□ PUBLIC K-12 SPENDING

CURRENT EXPENDITURES PER STUDENT - 2007-08

2008-09

1991-92

Amount Rank

Amount Rank

Per Pupil Amounts for Current Spending

US	\$10,499	---	\$5,001	---
PA	\$12,512	10th	\$6,050	6th

Source: US Census Bureau – June 2011

□ PUBLIC K-12 SPENDING

CURRENT EXPENDITURES PER STUDENT – 2008-09

Compared to contiguous states, spending in Pennsylvania was below average and ranked 4th in a group of seven states, exceeding Ohio, West Virginia and Delaware, but trailing, Maryland, New Jersey and New York.

Source: US Census Bureau – June 2011

SO WHAT'S THE PROBLEM?

□ INCREASING EXPECTATIONS and CONSEQUENCES for STUDENT ACHIEVEMENT

- **State Academic Standards Adopted**
- **NCLB (All proficient by 2014)**
- **State Requirement to Show Proficiency for Graduation beginning in 2004**
- **Implications for Higher Ed/Employment**
- **Governor's Commission on College and Career Success Recommendations**
- **Future State Graduation Requirements**
- **Globalization and "Flat World"**

**GOAL OF 50% STATE
SHARE ABANDONED (1983)**

**STATEWIDE ED FUNDING
FORMULA ABANDONED
(1991)**

□ SPECIAL EDUCATION FUNDING

- **State paid 100% excess cost until 1991**
- **New formula as of 1991-92**
- **Assumes 1% and 15% incidence rates**
- **No consideration of district costs or wealth**
- **In 2005-06, more than \$1 billion of school district expenditures non-reimbursed**

□ CHARTER SCHOOLS

- * **Approved by district or state appeal board**
 - **No limit on number in state**
 - **Cost borne by local districts**
 - **Law assumes some savings to districts**
 - **But, more than \$750 million annual cost to districts**
- **Since 2002-03, state reimbursed districts up to 30%, but was eliminated in 2011-2012**

□ OTHER COST DRIVERS

Retirement Costs
Health Care Costs
Construction

□ STATE/LOCAL SHARES

for Elementary/Secondary Public Education Revenue

	<u>State Share</u>		<u>Local Share</u>	
	<u>PA</u>	<u>National</u>	<u>PA</u>	<u>National</u>
2008-09	38.7%	(46.7)	54.2%	(43.8)
2007-08	35.8%	(48.3)	56.8%	(43.7)
2006-07	36.2%	(47.6)	56.5%	(43.9)
2005-06	<u>35.0%</u>	(46.6)	<u>57.1%</u>	(44.4)
2004-05	35.6%	(47.0)	56.2%	(43.9)
2003-04	35.9%	(47.1)	56.1%	(43.9)
2002-03	36.7%	(49.0)	55.8%	(42.7)
2001-02	37.4%	(49.4)	55.3%	(42.8)
2000-01	37.3%	(49.9)	56.3%	(43.0)
1999-00	37.9%	(49.8)	55.8%	(43.1)
1998-99	38.3%	(49.5)	55.8%	(43.6)
1997-98	38.7%	(49.0)	55.5%	(44.4)
1996-97	39.2%	(48.8)	55.4%	(44.8)
1995-96	39.8%	(48.1)	54.8%	(45.5)
1994-95	40.0%	(47.5)	54.8%	(46.0)
1993-94	40.1%	(45.9)	54.5%	(47.6)
1992-93	39.9%	(46.4)	54.2%	(47.0)
1991-92	41.0%	(47.3)	53.3%	(46.2)

EPLC - 2012
Source: US Census Bureau – June 2011

☐ STATE/LOCAL SHARES

for Elementary/Secondary Public Education Revenue in 2008-2009

	State Share %	Local Share %
• Pennsylvania	35.8	54.2
• National	46.7	43.8
• Delaware	62.6	30.9
• Maryland	44.4	51.4
• New Jersey	40.5	55.5
• New York	46.3	48.0
• Ohio	46.2	46.9
• West Virginia	57.9	30.6

Only Florida, Illinois, Nebraska, Rhode Island, and South Dakota have lower state shares than Pennsylvania.

Source: US Census Bureau – June 2011

1% in PA in 2007-2008 = approximately \$250 million

\$2.72 billion increase needed in 2008-09 to get PA to national average

☐ PUBLIC K-12 REVENUE PER \$1,000 PERSONAL INCOME

Source: US Census Bureau 2011

	<u>2008-09</u>		<u>1991-92</u>	
	<u>Amount</u>	<u>Rank</u>	<u>Amount</u>	<u>Rank</u>
US - Total	\$47.74	---	\$48.87	---
PA - Total	\$50.15	16th	\$49.98	27 th
	(07-08 - 52.06 - 14 th)			
US Local	\$20.91	---	\$23.25	---
PA Local-	\$27.18	8th	\$27.24	13 th
	(07-08 - 29.59 - 3 rd)			
US State	\$22.31	---	\$22.43	---
PA State-	\$19.41	36th	\$20.25	36 th
	(07-08 - 18.62 - 39 th)			

Differences to 100% come from federal sources.

□ STATE FUNDING APPROPRIATED PER STUDENT

Source: US Census Bureau June 2011

	2007-08		1997-98		1991-92	
	State \$ per pupil	Rank	State \$ per pupil	Rank	State \$ per pupil	Rank
US	5,725	---	3,473	---	2,661	---
PA	5,814	21	3,186	32	2,775	18
DE	8,967	6	5,311	4	4,137	4
MD	6,752	13	3,026	34	2,516	22
NJ	7,653	9	4,196	8	4,060	5
NY	9,555	5	3,855	16	3,290	9
OH	5,914	20	2,999	35	2,228	33
WV	6,363	18	4,485	6	3,603	6

□ RESULT: 2008-09 BURDEN ON LOCAL PROPERTY TAXES

	<u>Total K-12 State-wide Revenues</u>	<u>Local K-12 Property Taxes</u>	<u>% from Prop Taxes</u>
US	\$590,947,579	\$168,767,677	28.55%
PA	\$25,473,158	\$ 11,014,689	43.23%

in 000's

Source: US Census Bureau – 2011

14.68% Difference = \$3.739 billion/year

□ RESULT: INEQUITY FOR STUDENTS ACROSS PA

Great Inequity for Students Among 500 Districts

In 2008-09, current spending per pupil in Pennsylvania school districts ranged
from \$8,237 (Dunmore) to \$21,128 (Lower Merion)

This means, in an average classroom of 25 students, a
gap of \$322,000 per classroom per year.

**Inequitable and Inadequate Resources in a NCLB and Standards-Based Environment with
Equal Expectations for All Students**

□ RESULT: INEQUITY FOR TAXPAYERS ACROSS PA

**Great Discrepancies in Local Effort
and Resultant Burden on Local
Taxpayers**

□ RESULT: INADEQUATE EDUCATIONAL RESOURCES IN MANY DISTRICTS

- **Qualified Teachers**
- **Class Size**
- **Early Ed/Kindergarten Programs**
- **Curriculum**
- **Books, Computers and Materials**
- **Labs, Foreign Languages, Honors/AP Courses**
- **Facilities not conducive to learning**

□ ADEQUATE FOR WHAT?

***The Expectations for Student Performance
Established by PA's Academic Standards***

***The Expectations of No Child Left Behind
Law and Related Policies***

□ 2007 COSTING-OUT STUDY

- **Mandated by General Assembly in 2006**
- **Commissioned by State Board of Education**
- **Conducted Augenblick & Palaisch**
- **Reported in November 2007**
- **Cost of all students accomplishing proficiency in all areas of standards**
- **Considered special ed, poverty, ELL, regional costs**
- **Identified district-by-district a total spending gap of \$4.6 billion**

□ ACKNOWLEDGE

SOME PROGRESS in 2003-2007

- **State Funding for Pre-School started**
- **Basic Subsidy line item increased**
- **Attention to “Foundation” funding**
- **Accountability Block Grants initiated**
- **School districts reimbursed 27% for charter school payments**
- **Increasing attention to adequacy issues and calls for costing-out study**

□ BASIC SUBSIDY PROGRESS 2007-2010

- **Successful completion of the Pennsylvania Costing-Out Study in November 2007.**
- **Major School Funding Proposal made by Governor Rendell in February 2008.**
- **\$275 million Basic Subsidy increase and new formula and statutory language enacted in July 2008.**
- **2009-10 and 2010-2011 State Budgets Continued Implementation of 6-Year Reform Plan with Basic Subsidy increases of \$300 million and \$250 million.**

□ NEW BASIC FORMULA IN 2008-2009

- **Linked to Costing-Out Study**
- **But did not include Special Ed**
- **Planned to increase State Funding by \$2.6 billion over 6 years**
- **Would get state share to 44% in 6 years**
- **Student focused - focused on closing adequacy gaps**
- **Would change budgeting “culture” to one of what is owed the districts and students.**

□ ACCOUNTABILITY

- **Districts receiving basic ed increase in 2008-09 through 2010-2011 above Act 1 inflation index were required to spend portion above index on “proven school improvement strategies”**
- **Districts identified as Warning, Improvement or Corrective Action & districts with a school identified for improvement or Corrective Action were required to have PDE approval for use of resources above inflation index**

□ 2009-10 Education Budget

- **First time cut in state funding for Basic Ed Subsidy (\$354 million)**
- **But... \$300 million net increase for Basic Ed Subsidy to school districts**
- **Cuts to other education and education-related line items**
- **Use of \$654 million federal stimulus funds for Basic Ed Subsidy**

□ 2010-11 Education Budget

- **Initially, \$250 million increase in state funding for Basic Ed Subsidy.**
- **With numerous cuts to other education and education-related line items.**
- **With continued use of \$654 million federal stimulus funds for Basic Ed Subsidy.**
- **But... Rendell cut \$50 million in August 2010.**
- **And... Corbett cut \$337 million January 2011, but replaced with \$387 million federal funds.**
- **Dependency on federal \$ grows to \$1.04 billion.**

□ Federal Stimulus Funds for Education 2009 and 2010

- **Special Education**
- **Title I**
- **Stabilization Fund**
- **EdJobs Funds**

□ 2011-12 Basic Education Budget

- **State Funding for School Districts cut by nearly \$900 million.**
- **Includes \$150 million cut to Accountability Block Grants and elimination of \$225 million Reimbursement to Districts for Part of Charter School Costs**
- **No increase for special education or career-technical education**
- **More limits on local tax increases.**
- **Consequences for students.**

□ LOOKING AHEAD TO 2012-13 BUDGET

- **More than \$900 million cut to school districts in 2011-12**
- **“No Tax Increase” Pledge**
- **Revenue shortfall so far this year of about \$500 million**
- **School districts facing increase in school employee pension payments of more than \$300 million**
- **Budget Message on February 7**

□ Governor Corbett's 2012-13 Basic Education Budget

- **Districts lose \$100 million Accountability Block Grant.**
- **No increase for special education.**
- **1.8% increase for career-technical ed.**
- **No increase in basic subsidy.**
- **Student Achievement Education Block Grant ultimately shifts future increased costs/responsibility to school districts.**
- **Local Tax collections down during recession.**
- **Districts already using reserves.**
- **Another \$300 million increase in school employee retirement system payments.**

□ Governor Corbett's 2012-13 Early Education Budget

- **Pre-K Counts reduced 5% to \$83,620,000.**
- **Head Start Supplemental cut 5% to \$35,414,000.**
- **Early Intervention (PDE) increased by 4.1% to \$206,173,000.**
- **Impact of elimination of Accountability Grants to districts?**

□ Governor Corbett's 2012-13 Higher Education Budget

- **Community Colleges cut 3.8%.**
- **State-Related Universities cut 30%.**
- **SSHE Universities cut 20%.**
- **IAG's for Privates cut by 30%.**
- **PHEAA Grants cut 5% to \$361,888,000.**
- **PA already has some of the highest tuition rates for public higher ed and among the lowest state funding rates for higher ed**

□ State Support for Higher Education – 2011-2012

Per \$1000 of Person Income:

National - \$ 6.17

Pennsylvania - \$3.39 – Ranked 46th

(Behind NH, CO, MA, VT)

(DE \$5.67; MD \$5.39; NJ \$4.28; NY \$4.78; OH \$4.63; WV \$8.65)

Per Capita:

National - \$233.03

Pennsylvania - \$143.36 – Ranked 46th

(Behind only NH, AZ, CO, VT)

(DE \$235; MD \$274; NJ \$226; NY \$239; OH \$174; WV \$289)

□ Governor Corbett's 2012-13 Education-Related Budget

- **Adult and Family Literacy cut 5% to \$11,675,000.**
- **State Library cut 5.5% to \$1,946,000.**
- **Public Library Subsidy cut 5% to \$50,832,000.**
- **Library Access cut 5%.**
- **Museum Assistance Grants remain at \$0.**
- **Grants to Arts Organization level funded at \$8,179,000.**

□ Impacts

- **On Equal Opportunities?**
- **On an Educated Citizenry?**
- **On an Educated Workforce?**
- **On the well-being of communities and the Commonwealth?**

Take Action !

- **Contact your legislators**
- **Show value of recent funding increases in P-12**
- **Show the effect of cuts on programs and services for students, property taxes, tuition**
- **Join PEAN advocacy team in your area**
- **Join regional and statewide coalitions**
- **www.paschoolfunding.org**
- **www.eplc.org**

□ PA Education Advocacy Network

- **Statewide Network of Advocacy Teams.**
- **Registered voters in Legislative Districts.**
- **Build relationship with Lawmakers and Staff.**
- **“Education” includes *Early Ed, K-12, Career Ed, Special Ed, Post-Secondary Ed, Arts, Museums, Libraries, Literacy.***
- **More information and sign-up at:
<http://www.eplc.org/advocacy/network.html>**

*Pennsylvania
School Funding Campaign*

Successful Schools...

Successful Children...

Successful Communities

www.paschoolfunding.org

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