



Testimony by Phil Goldsmith  
On behalf of Public Citizens for Children and Youth  
May 17<sup>th</sup>, 2013

My name is Phil Goldsmith. I am a member of the board of Public Citizens for Children and Youth (PCCY).

Thank you Councilwoman Sanchez for giving us the opportunity to testify at today's important hearing on measures to help fund the education and future of more than 150,000 Philadelphia children.

And thank you Councilwoman for taking up the leadership mantle in fighting for the future of Philadelphia. For without a well-funded, well-managed system of public education that encompasses all of our children, there is not a very bright future for our City.

Once again we arrive at this late date to debate and try to find and finalize solutions to fund our school children's future. The financial problem facing the school district, while perhaps more severe than in the past is not new.

The warning signs of a financial distress were clear three years ago when the district engaged in unwieldy, unchecked spending including relying on one-time stimulus money that was scheduled to come to an end and it was clear political changes were coming to Harrisburg.

Yet, not until several members of the current School Reform Commission assumed office were significant and severe actions taken on the expense side to deal with the obvious reality of the day.

We find ourselves in this situation today not only because we were tardy, if not negligent, in taking care of a problem that was obvious to all, but also because we have limited the pot of potential revenues to help pay for educating the young people of Philadelphia and other essential services.

We have a very liberal ten-year tax abatement policy; many other cities, which have also experienced new real estate growth, have a less generous policy;

We have created a class of office buildings where its occupants are tax protected as if they lived in the Cayman Islands, where partners of law firms with huge compensation packages pay nothing in local taxes while their secretaries and other salaried employees must.

We have allowed a culture of tax dereliction to develop over decades, costing our city and school district millions upon millions of dollars.

And we have not exercised the forceful leadership other cities have in reaching out to its tax-exempt institutions to offer a helping hand.

Instead, we seem to go back to the same well each year, which is our middle class homeowners who pay their taxes on time and also the business community by trying to squeeze more juice from the lemon.

Last year nineteen percent more juice was extracted from that lemon in terms of the Use and Occupancy tax. Given the dire need for additional funds, it is understandable why more is being requested.

There are additional sources that should also be considered in addition to your proposal or else we will continue to drive middle-class residents and businesses out of the city.

One of those solutions was announced earlier this week when Mayor Nutter pledged to the schools an additional \$28 from its new tax collection efforts. Hopefully, that is only a down payment that our school children can expect as the administration ramps up its revenue collection.

Let's also modify the tax abatement system. It has been accomplished much of its mission. It's now time to modify the finite ten-year schedule to a more modest one.

And let's aggressively ask our tax-exempt institutions to contribute payments in lieu of taxes to help educate our children.

Using Boston and Pittsburgh as guides I believe we could easily raise 20 million dollars, from the many prestigious institutions.

With a rich abundance of great tax-exempt institutions we receive less than \$1 million a year in PILOTs. Boston University, by itself, contributes almost \$5 million a year to its city under a program spearheaded under the strong leadership of Mayor Tom Mannino.

Go to [http://www.cityofboston.gov/assessing/pilot\\_contributions.asp](http://www.cityofboston.gov/assessing/pilot_contributions.asp)

We also urge the business community to play a strong advocacy role in Harrisburg with the General Assembly and the Governor in getting permission for Philadelphia to increase its revenues from so-called sin taxes on liquor and cigarettes.

Frankly, it's in the business community's best interest to seek more substantial state educational funding to improve the school system not only because it is the future source of its human capital but to avoid the yearly demand for increases in local business taxes.

Last week I went to my grandsons' exclusive private school on the Main Line for grandparents' day. Their music class was filled with state of the art musical instruments for the 18 children in the class. The art class was filled with quality supplies and had a full-time art teacher. The library was stocked with an abundance of books, computers and a librarian.

Down the road, a little closer to Philadelphia, my daughter teaches at a suburban public school. It too is equipped with state of the art computers, art and music supplies, an indoor swimming pool, a modern theater auditorium and wonderful athletic fields.

Less than a mile to the east as you pass over the invisible boundary we call City Avenue into Philadelphia is Overbrook High School, where my wife went many years ago. Today it is a so-called inner city school starving for resources in a district on the fiscal ropes.

I don't begrudge the people who can pay the high tuition to send their children to private school.

And I think it's wonderful that people of great wealth are now contributing money for their favorite school reform projects, like charter schools though we need a change in the funding mechanism so not all the public funds are taken from the financially strapped home school districts.

But I disagree with those who want to characterize this debate over how to best to serve our children as a fight between those who want to change the status quo and those who desperately cling to it.

I don't know of any advocate for public education who favors the status quo of large classrooms, a vanishing breed of art and music teachers and librarians and nurses, of outdated, crumbling school buildings and broken playground equipment. And PCCY has indicated its support for educational improvements in the teachers' contract.

But even if we add significantly more charter schools, Renaissance schools, even vouchers, we will still have 50,000-100,000 students untouched by the new agenda, left stuck in the status quo we all want to change.

Education is like a three-legged stool. We have our magnet and special admission schools, our charter schools and our traditional neighborhood schools. A three-legged stool cannot be balanced with only two good legs just like a democratic society cannot maintain its stability by ignoring a large segment of its population.

When Hurricane Katrina came ashore in New Orleans and people took to their rooftops yelling for help, the President of the United States didn't visit but at least he did a fly over. Today, we don't even get a fly over from the state's governor when our children's schools are drowning in red ink.

What a far cry from a dozen years ago when we were in meshed in a similar financial turmoil and a Republican Governor and a Democratic Mayor sat down—yes after much name calling, posturing and protests—to hammer out a deal for our school children.

There is no one easy answer to fixing urban public education. But there is a wrong answer and I fear we are marching down that path.

It is called triage.

That was a term derived from the way French doctors treated the wounded during World War 1. Medical personnel were instructed to first take those who were likely to live, regardless of care; then, take those for whom immediate care might make a difference and lastly, leave on the battlefield the others likely to die.

In starving our traditional public schools, we are abandoning our kids on the battlefield of public education.

Can we be a thriving city, already burdened by a high poverty rate, by ignoring tens of thousands of our children by abandoning them on the fallow grounds of a neglected school system?

The answer, I think we can all agree on, is clearly no.

Thank you Councilwoman for fighting for our children.