

Pennsylvania Legislative Policy Hearing

May 27, 2015

Testimony Presented by

Donna Cooper

Executive Director, Public Citizens for Children and Youth

Thank you for the opportunity to testify before this esteemed committee. Today's hearing is taking place in the 153rd legislative district which overlaps with Upper Dublin and Abington School Districts. I have a good sense of this district from afar having grown up only a few miles from here in the Springfield School District. While the Spartans often beat the Ghosts in sports, Abington has always been a strong academic rival to Springfield in every way. So much so that both the First Lady and the President have addressed the students and now Ash Carter, a hometown boy is responsible for the defense of our nation.

The top leaders of this nation, including the President, the First Lady and the nation's head of national security traveled to Abington because it offers a world class education to its students. Ash Carter made that point very clear. In part the quality of Abington's education is due to the fact that residents of this community have both the will, and the wherewithal, to come up with 80 cents out of every dollar needed to cover the costs of this high quality education. That substantial local effort generates more than \$16,000 per student for capital costs, instruction, support services and the increasingly onerous pension contribution.

Only fifteen minutes from where we sit today is the Norristown School District. It's another proud district that is about the same size with 7500 students, (Abington has about 7600 students). Norristown's budget is comparable to Abington's at about \$130+ million, compared to Abington's \$140+ million. And in terms of total spending per student the districts are only a few hundred dollars apart. Like the residents of Abington, Norristown property owners are coming up with the lion's share of the District revenues, raising 73 cents of every dollar of their budget locally.

In many ways that's where the similarities end.

For instance, compared to Abington, Norristown's property values are weak. In large measure the property value weakness is driven by the elevated level of poverty in the city. Norristown also has a narrower tax base than Abington has, because so many properties are occupied by the county government and non-profit organizations.

Yet in spite of having a poverty rate six times greater than Abington, Norristown residents are paying 22.5 mills in equalized mills compared to the 18 mills rate in Abington. In raw numbers the millage rate

in Norristown for the current school year is 33.6 compared to 21.06 in Abington. That means that the property tax burden is higher in Norristown than it is in Abington.

Don't get me wrong, there may be many Abington residents struggling to pay their property tax bills, but on average Norristown is getting more out of its residents per household, when compared to income than Abington is collecting and it's getting more from residents who on average have much less.

I am not suggesting that Abington should collect more in local revenues for its schools. There is not much evidence to support that assertion. But these local tax rates offer ample evidence that our school funding system and its heavy reliance on property taxes places an intolerable burden on low income communities and poorer residents.

Not only is Norristown's property tax rate higher than Abington's tax rate, the share of children in poverty is much larger in Norristown. In Abington about two in ten students come from poor families. In absolute terms, the number of poor students attending the Abington School District has grown by nearly 30% since 2008. But, in Norristown more than 7 in ten come to school from families who are struggling to make ends meet and there too the number of children from poverty has jumped up since 2008. The dramatic share of low income students presents extraordinary challenges for the teachers and administrators. It's a challenge that unfortunately is not being met with the level of resources needed for academic success.

And there's a third stark difference between the two school districts, the number and share of children who attend school but don't have English as their first language. Clearly, educating new English Language Learners requires more time for teachers than educating students who come to school fluent in English. In Norristown more than 11% of the children have a first language that isn't English, in Abington, only 2% face this learning challenge.

Suffice to say that Norristown faces very significant barriers to generating the funds needed to provide a quality education to its students. And Norristown's student performance suffers as a result.

But keep in mind, the share of low income students is rising in Abington which means that to continue to do great work Abington is likely to also need more resources to continue to be a top performing school district.

Abington already ranks fourth in the county for the number of low income students. These students deserve a quality education but even a great district like Abington is going to have a hard time delivering a good education if our state funding system is not repaired.

If we zoom out to look at the entire county, we can see a dramatic case study in the disparities in our public education funding system.

Spending per student varies widely at the low end in Upper Perkiomen to the high end in Lower Merion which is spending 100% more than Upper Perk. In fact, Lower Merion is spending twice as much per student than Upper Moreland, North Penn, Spring Ford, Perkiomen and Souderton. It's spending almost 90% more than Methacton, Upper Dublin, Hatboro, Pottsgrove, Pottstown and our case study districts

of Norristown and Abington. It may not be realistic to assume that every district can invest as heavily in its students as Lower Merion can, but it's also not realistic to expect the kinds of results that Lower Merion achieves with significantly less resources and more dramatically disadvantaged children. But those are exactly the kind of results we need and of course, the results we all want for every child.

With respect to property tax rates, they vary widely as well in the county where the Colonial School District has an equalized mills rate that is 100% less than the rate in Cheltenham, Pottsgrove, or Jenkintown.

In fact, these local anomalies are normal.

Every state has counties and communities where the levels of poverty vary or the nationality of the families are very different or the property values are often wildly divergent.

School funding formulas are intended to smooth out these disparities. Unfortunately, Pennsylvania doesn't have a school funding formula and as a result, we have the embarrassing national distinction of having the greatest disparities among districts with respect to school district resources available to invest in the schooling our children. That doesn't just sound bad. It is bad.

It means the very districts that need to spend more on their students to enable them to succeed simply don't have the funds to do so.

But resources are essential to putting proven research practices that are known to boost student achievement in place. For instance, decades of research shows that pre-k and full day kindergarten are key ingredients in helping children from poverty grow up as productive and well-off adults. In Norristown, at least 7 out of every ten children need that kind of smart start. But the District can't afford to make those early years of learning available.

It means also that the students who excel have more limited access to challenging courses. Abington High School, which is about the same size as Norristown High boasts 42 AP courses compared to Norristown's 12 courses.

Our state criterion for district and student academic success is at an all-time high. But there is no school funding formula to augment local effort in poorer communities and we are at a four year low in state spending for education.

That simply needs to change.

On June 10th the Legislative- created Basic Education Funding Commission is required to release a report that outlines the elements of a new school funding formula.

For that report to be considered credible, it must at a minimum propose a formula that does the following:

- Ensure the formula provides multipliers on the level of state aid that recognize the impact deep and traditional poverty as well as the concentration of low income students, have in a school

district. More than 40 states give districts extra funds to meet the needs of poor students. Specifically, seven of the top ten performing states give their districts more funding to meet the needs of low income students.

- Ensure the formula provides multipliers for the share of students who are English Language Learners. Thirty eight states include extra funding for these students with the average extra payment weighted as 50% of the base cost of education.
- Ensure the formula provides a multiplier for the number of students who are homeless or in the foster care system. Oregon stands out as a state that makes these extra funds available to districts.

The documents that accompany this testimony detail the research about why more resources matter. Those documents cite the research that explains why districts with children living at 100% or less of the federal poverty level are likely to cost twice as much to educate than the average student in a district. Students who are from families living just above the federal poverty level, but are still very poor, are likely to require about 75% more than the typical middle class child requires to educate. These are children who are likely to be from homes living on \$10,000 to \$20,000 for a family of three.

There is strong evidence that schools with a high concentration of poverty also have a significantly difficult time helping students meet state standards. It seems that at a poverty concentration of more than 20-30%, the school hits a negative tipping point that requires more resources for success. These schools need more staff, more support and more leadership. That's why a new state funding formula must also provide a multiplier that gives extra resources to school districts with a substantial share of students in poverty.

Of course, districts must be given help in educating children who have a first language that isn't English and are still struggling to learn English. State formulas vary with respect to how much they offer to help defray these instructional costs. New Jersey sends about 50% more per student for every ELL learner and we should do the same.

In addition to giving districts the resources to meet the needs of students, state school funding formulas are intended to equalize the burden of school funding with the state absorbing costs in districts where the tax capacity is low or where the tax burden is high. The capacity and level of taxation are essential elements that the Commission's formula proposal must address if it's to be credible and work.

We've seen ample evidence in the House of Representatives that citizens have pushed their representatives to support higher statewide taxes to help offset school property taxes. What we also learned from the deliberations of the Basic Education Commission is that there is little disagreement that poor children and those who don't speak English as their first language cost more to educate.

But we have yet to hear if the state is going to step up to the plate and reduce the local tax burden by putting sufficient funds into our districts, especially those that are cash strapped by local tax capacity and overburdened with low income students. You have to think about this problem this way. For the average students, not those who need extra help, Pennsylvania is spending about \$1,000 less per student than the states that are outperforming the Commonwealth on national assessments. Our

lower income students typically have a much larger expenditure gap. Pennsylvania is a strong performer, but not strong enough. And even our strength is fraying. A recent analysis by the Rand Corporation found that among the top states, Pennsylvania has some of the widest gaps between students who are minority and typically economic disadvantaged and those who are white or more middle class.

We are leaving far too many children behind. And it's not some else's or some other district's problem. This achievement gap, which is primarily due to our absence of a reasonable school funding system, is costing the state, according to Rand \$1-3 billion in earning power of our workers and 2-7% in our state GDP.

The current state approach to school funding is holding back every community in this state and stunting the economic growth of the Commonwealth.

That's why it will not be good enough for the Commission to put out a formula that proposes an increased level of state funding for poor students or the others I've described as needing more investment. Nor will we remedy our school funding problem if the Commission releases a proposal that recognizes local tax capacity and tax effort. Those factors will only matter if there are sufficient funds put on the table to enable the lowest spending districts to close that \$1,000- \$4,000 per student gap that is dragging down our student outcomes.

In 2006, the legislature's own research found that gap to be about \$3.2 billion. Some progress was made in meeting that funding mark, but for the last four years, the level of funds for instruction has been slashed so much so that compared to 2008, little progress has been made.

That means for the Commission's recommendations to really matter it must propose a formula that ensures every district has sufficient funds to boost the quality of education in our districts, close our achievement gaps, relieve tax payers of the rising local tax burden of good schools and set our state on the path of prosperity.

We cannot do this with a one-time shot in the arm of \$400 million. But we can start to make some real progress by committing ourselves to, over the next four years, putting at least \$2 billion in new funds through a smart formula that brings up the bottom so that the districts that are struggling the most and the students who need the most help can succeed at much higher levels than they can today.