

NEWS RELEASE

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**Regional and Statewide Organizations Urge Support
for Education Funding**

(HARRISBURG) Eighteen regional and statewide organizations have endorsed a joint statement with recommendations to Governor Rendell and the General Assembly about education funding in the 2004-05 state budget.

The Joint Statement is endorsed by the following organizations:

The Education Policy and Leadership Center
Center for Greater Philadelphia
Good Schools Pennsylvania
League of Women Voters of Pennsylvania
Lutheran Advocacy Ministry in Pennsylvania
Mon Valley Education Consortium
Pennsylvania Association of Rural and Small Schools
Pennsylvania Association of School Administrators
Pennsylvania Association of School Business Officials
Pennsylvania Council of Churches
Pennsylvania Federation of Teachers
Pennsylvania Partnerships for Children
Pennsylvania PTA
Pennsylvania School Boards Association
Pennsylvania School Reform Network
Pennsylvania State Education Association
Philadelphia Citizens for Children and Youth
Philadelphia Education Fund

**Joint Statement Concerning State Education Funding
for 2004-2005
February 26, 2004**

Today, the House Appropriations Committee will discuss with representatives of the Pennsylvania Department of Education the Governor's proposals for education funding for 2004-05. Next week, the Senate Appropriations Committee will conduct a similar hearing. As the debate about education funding for the next fiscal year begins in earnest, we join together to offer several observations and recommendations.

First, we want to express our appreciation to Governor Rendell for his leadership in proposing significant public education funding initiatives last year for the 2003-04 state budget. We also want to express appreciation to those members of the General Assembly who supported the education funding increases accomplished in the 2003-04 state budget, especially those who also cast votes to provide the increased revenues necessary to settle the budget debate with the education funding increases included.

As we look toward the debate about education funding for fiscal year 2005, it is important now to assess the condition of state education funding in the Commonwealth. Pennsylvania remains one of the lowest ranking states in the country when state share of K-12 education costs is measured. Also, the state appropriation for K-12 public education measured as state dollars per student falls several hundred dollars below the national average, and thousands of dollars per student below some neighboring states.

This low level of state support for K-12 public education means that an exceptionally large share of K-12 costs is left to be borne by local taxpayers. Consequently, Pennsylvania is overly dependent upon property taxes to support public schools, to an extent far greater than the national average. In other words, low state support for school districts results in higher property taxes.

Furthermore, this system of relatively low state funding for public schools and the subsequent relatively high dependency on local property taxes means that funding available to support the education of children in 501 different school districts depends a lot on the wealth of each of the districts. This results in great disparities among the 501 school districts, disparities so great that Education Week again in 2004 gives Pennsylvania a D-grade for equity and a ranking of 48th among the states.

In addition, although there are promises for state funding for pre-school programs to be included in the FY2005 state budget, it is fact that at this moment Pennsylvania remains one of only nine states in the country that has not appropriated state funds to support pre-school programs.

As the budget debate for fiscal year 2005 moves forward, we urge the General Assembly and Governor Rendell to consider the following recommendations:

1. **The General Assembly should appropriate at least \$15 million for Supplemental Head Start grants during the next fiscal year and should appropriate at least \$34 million for tutoring.**

We applaud the commitment that has been made by the Governor and the General Assembly to support this initial level of funding. These proposed appropriations represent modest but important dedicated investments in programs that can affect the academic performance of students.

2. **The General Assembly should appropriate at least \$250 million for the Accountability Block Grant Program.**

This level of funding honors the \$175 million commitment made by the Governor and General Assembly in December for this new initiative, and expands that commitment within the anticipated revenues to be realized by the Commonwealth during the next fiscal year. The new initiatives available through this appropriation will support instructional programs that assist students to achieve the academic proficiencies expected by the No Child Left Behind Act and Pennsylvania's academic standards.

If school districts are to be encouraged to undertake the program initiatives suggested by the Accountability Block Grant Program, it also is crucial that the Governor and General Assembly express their intent to maintain this additional

funding to help financially sustain these initiatives in the future. Otherwise, school officials and local taxpayers understandably will fear that districts will be left holding the financial "bag" for such initiatives that might be eventually abandoned by the state.

- 3. The General Assembly should appropriate at a minimum the Governor's proposal for a modest increase in the line item for basic education subsidy totaling 2.5% or \$105.2 million.**

In fact, this modest increase in state support for school districts largely will be consumed by the state-mandated increase in school district payments to the School Employees Retirement System. The increase in payments will amount to more than \$65 million in the next fiscal year.

This modest increase in state funding leaves little new state help for districts to cover the normal increases in costs associated with payroll, building operations, and educational materials. It ignores the huge increases school districts are experiencing, like most other employers, for health benefits for employees. Likewise, it ignores the costs experienced by school districts to implement the requirements of the federal No Child Left Behind Act and related state-mandated regulations.

- 4. The General Assembly should appropriate at a minimum the Governor's proposal for a modest increase in the line item for special education totaling 2.5% or \$22.6 million.**

Since 1991, the state has shifted to school districts the responsibility for almost one billion dollars per year for special education costs, a responsibility that grows significantly each year, and disproportionately since the state increase in funding almost annually results in a declining share of special education costs paid by state funds.

We want to remind the members of the General Assembly that, until recently, it was typical in almost every year for the education funding levels proposed by the governor, both Republicans and Democrats, to be considered the starting point for budget negotiations. Almost inevitably, the General Assembly provided the leadership to increase the funding levels above those initially suggested by the governor.

- 5. The General Assembly should provide the leadership for additional education funding for the FY2005 Budget, above the levels proposed by the Governor, especially if the revenue projections for the Commonwealth for the remainder of this fiscal year and for FY2005 improve beyond what is forecast by the Governor's February 3 budget message.**

Additional funding should be prioritized for the three line items pertaining to basic subsidy, special education, and the Accountability Block Grants.

Every school district will incur additional expenses to implement the requirements of

the No Child Left Behind Act (NCLB) and related state regulations. Many states are acting to determine the costs associated with the implementation of NCLB and the additional investments likely to be incurred to accomplish the student proficiency objectives of the law. Currently, Pennsylvania has made no apparent effort to calculate these costs for the state's 501 school districts. These are additional costs that should be considered as the General Assembly determines its obligations for K-12 funding next year and in future years.

6. **The General Assembly should adopt a joint resolution directing the Legislative Budget and Finance Committee to conduct a study to determine the administrative costs to school districts and PDE associated with the implementation of NCLB as well as the annual level of school district spending per student that typically will be required to accomplish the student proficiency goals established by NCLB and state regulations pertaining to academic standards and assessments.**

It appears possible that the General Assembly will be asked to consider the adoption of new statutory language that would require school districts, under certain conditions, to obtain voter approval for increases in a district budget or its taxes. Such a referendum proposal ignores the impact of inadequate state funding for school districts and perpetuates the inequitable status quo. Such a proposal also threatens the adequacy of educational opportunities for students in many school districts at the very time federal and state policymakers are demanding resources be invested to enable every child to accomplish rigorous academic proficiencies.

If state policy will continue to require school districts to enable every student to accomplish the rigorous academic proficiencies expected by state standards and assessments, and if state policy is going to encourage districts to invest more in pre-school activities, full-day kindergarten programs, smaller K-3 class size, professional development for staff, and interventions for struggling students, it is not reasonable to suggest that every district will maintain spending and taxes within an artificial limit suggested by an index figure that lawmakers might choose to reference in law, but which ignores serious existing problems of educational resource inequity and inadequacy.

7. **The General Assembly and Governor Rendell should oppose any suggestion to establish a referendum requirement for school district budgets or taxes.**

There are several criteria that will help all of us determine whether the 2004-05 education budget represents progress.

8. **As the General Assembly and the Governor work to establish a budget for state support for public education during the 2004-05 fiscal year, the Governor, members of the General Assembly, and all who observe this process should apply the following criteria concerning the education funding budget:**

- Will the level of state funding in 2004-05 result in an increase in the share of K-12 education costs funded by the state?
- Will the level of state funding in 2004-05 reduce the dependency of school districts on real property taxes to fund public education in Pennsylvania?

- Will the distribution of state funding in 2004-05 to schools districts reduce the financial resources gap that exists between the richer and poorer school districts in the Commonwealth?
- Will the distribution of state funding in 2004-05 prioritize or otherwise target educational programs and practices that are more likely to improve student achievement?
- Will the level and distribution of state funding for education in 2004-05 move Pennsylvania measurably closer to the point where all schools in all districts will have the financial resources adequate to implement the provisions and accomplish the objectives of the federal No Child Left Behind Act and related state statutes and regulations?
- Will the 2004-05 state budget for education and any related statutory changes move Pennsylvania closer to adopting and implementing a state education funding system that is based on sound principles including equity, adequacy and predictability?

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