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"An investment in knowledge pays the best interest."

- Benjamin Franklin

Honorable members of the commission, good morning. My name is Carey Harris; I am the executive director of A+ Schools.

About A+ Schools

We are an independent advocate for equitable and excellent public education in Pittsburgh. Our vision is public schools where 100% of our students graduate and at least 80% pursue post-secondary education or job training; where achievement is high and race is no longer a factor in predicting student success. For us an equitable system employs four strategies: great teachers in every classroom; resources distributed by student need; opportunities that ignite student passion for learning – like art, music, world languages, career and technical education, and advanced courses; and differentiated supports that enable every student to succeed such as guidance counseling, after school tutoring, special and gifted education, and positive behavioral support. For more than 11 years, we've been working in Pittsburgh – engaging parents, students, community members in working for excellent public schools. We conduct research and policy analysis and mobilize the community when the need and the opportunity for change meet. We are proud to claim a list of nearly 50,000 followers with more than 1,000 of them as volunteers. We reach tens of thousands annually with our publications, thousands through events and meetings, and we work with hundreds of parents and students on a daily basis to make improvements at the school level.

It's the opportunity to make real, lasting change for Pennsylvania's students that brings us all here today. Thank you for the work that you do every day for our Commonwealth and for our students through this commission. Yours is a daunting task.

Why We Need a Formula

That we have a school funding problem in Pennsylvania is a well-established fact. The problem is two-fold: we don't invest enough State resources in our young people and therefore are overly reliant on local districts to raise resources from, in many cases, modest tax bases; and we have no

transparent method for deciding how to invest in our students across the Commonwealth. In fact, Pennsylvania is one of only three states in the country that doesn't have a basic education funding formula (Education Law Center, 2013). The underinvestment in our schools, especially in our neediest schools, is a failure to meet the most important promise one generation makes to the next, the promise of a great public education.

Public education is meant to be our great equalizer – the best and most impactful poverty-fighting public investment we make. Yet, too often, the way our Commonwealth funds our public schools exacerbates inequities rather than ameliorates them. A recent study gave Pennsylvania the dubious distinction of having the third widest funding gap between rich and poor districts of any state in the country (Ushomirsky, 2015). Our poor districts spend a third less than our wealthier ones. Moreover, the share of education costs carried by local real estate taxes has steadily increased over time to 43% compared to a national average of 28% (Cowell, 2014). That we have no formula for the distribution of the largest part of the State's budget is a contributor to inequities and is shocking to most tax payers. The lack of a formula undermines public confidence in government by sowing doubt that our schools can make a difference and that our government can be a good steward of public dollars.

Formula Principals

Your challenge to recommend a fair funding formula to meet the State's constitutional obligation to provide for an efficient and thorough public education for the Commonwealth's students is a daunting one. As a founding member of the Campaign for Fair Education Funding, I urge you to build your formula with four important principals in mind:

- **Accuracy** - The new system must be based on real costs necessary to meet state academic standards.
- **Stability** - The new system must be transparent, sustainable, equitable, and long-range – and supported with sufficient, stable, and broad-based resources.
- **Shared Responsibility** - The new system must operate based on shared fiscal responsibility among the local community, the state, individuals, and commercial taxpayers, recognizing the differing levels of local funding available and the relationship between adequate financial support and student outcomes.
- **Accountability** - The new system must include strong accountability standards to ensure that schools invest efficiently and effectively to boost student achievement and help ensure post-secondary success.

Like the Campaign for Fair Education Funding, we believe these principals are best met with a formula that accounts for student characteristics by accurately counting all students and determining a base cost of educating each student to the State standards (which we have supported). The formula should account for student needs by including weights for characteristics

known to increase costs such as poverty, homelessness, and English language learner status. And finally the formula should factor in unique district characteristics that drive costs – such as geography and charter school obligations, and the ability to generate local revenue to support educational costs.

We recognize the challenge of developing a formula that addresses these priorities while also addressing the unique needs of 500 school districts. Our commitment to local control means that we have to solve state level challenges very creatively. But this is work worth doing as it is the single biggest investment our State makes in our future generations. We must get this right. Or as Teddy Roosevelt once said, “In any moment of decision, the best thing you can do is the right thing, the next best thing is the wrong thing and the worst thing you can do is nothing.”

For the formula to work for Pittsburgh it will need to address all of the components advocated for by the Campaign for Fair Education Funding while also addressing some of our unique challenges.

Unique Characteristics of Pittsburgh

Student Need

Pittsburgh Public Schools (“PPS” or “the District”) is Pennsylvania’s second largest school district, serving approximately 24,000 students (in K-12), **77% of whom are living in poverty** (A+ Schools, 2014) and **56% of whom are dealing with life stressors that require them to utilize the services of the Allegheny County Department of Human Services** (Allegheny County Department of Human Services, 2015), including approximately 10% of whom are homeless.

For our Pittsburgh students – an excellent public education is the single largest source of opportunity for a brighter future. Realizing this opportunity is an economic and moral imperative, requiring significantly higher investments than what is required for less needy students. We encourage the commission to use weights for student characteristics including poverty, homelessness and English language learner status.

The Costs of More Options for Children and Families

PPS enjoys 70% market share of school aged children in the City (Pittsburgh Public Schools, 2013). This is a remarkable statistic for an urban district. The percentage of students in private and parochial schools has remained relatively constant over the past twenty years; the percentage of families choosing charter schools has increased to about 10%. What these statistics mask is the fact that **60% of households with children are making a choice about where to send their kids to school** (only 40% are attending their assigned public school). Pittsburgh Public Schools’ robust choice program captures 31% of school aged children and serve as the primary choice option for African American families (66% chose within the district). These choice options are important not only because they are widely used, but also because magnet and charter schools are twice as likely

to be closing the opportunity gap in reading and three times as likely to be closing the gap in math (A+ Schools, 2014).

Choice costs money, though, both in terms of transportation and instructional costs. And PPS' transportation costs are high - \$37.2 million or \$1,500 per child (Pittsburgh Public Schools, 2015). We transport nearly 60% of school aged children to their school of choice (weather district, charter, private or parochial). The significant cost of transportation related to school choice, while not part of the Basic Education Formula, is an overall part of the cost of educational delivery and must be considered when looking at Pittsburgh's overall costs and ability to shoulder more local responsibility.

Large, but Sparse

Although Pittsburgh is the second largest district in Pennsylvania, it is not even among the top 10 most densely populated districts. This is counterintuitive, but it's important. The topography of our City, segregation, and population decline have each contributed to our modest density. Regardless of the reasons, the size and sparsity for an urban district has costs. Not only does this increase transportation costs mentioned earlier, it also makes achieving economies of scale much more difficult because we are educating students spread out over a larger geographic area which leads to running a larger number of smaller schools compared to more densely populated urban districts. The combination of size and sparsity must be considered in determining what is fair funding for Pittsburgh.

Enrollment Decline, Stranded Costs

Strong market share notwithstanding, PPS dramatic enrollment decline is another factor that must be considered in determining a fair funding formula. The City of Pittsburgh and the school district have weathered decades of population decline. Although the decline has stabilized and the City's population has begun to grow, the birth rate is lower meaning we have fewer children being born and raised in the City (Pittsburgh Public Schools, 2013). While we work to reverse this trend through a strong development agenda promoted by Mayor Peduto and City Council and the amazing gift of the Pittsburgh Promise, the fact remains that the District had infrastructure to educate three times as many students than we currently have now. This infrastructure - buildings, programs, and people is costly.

The District has tackled this problem over the past ten years with painful 'right sizing' efforts that have included closing more than 30 schools, reducing the workforce by hundreds of positions, and increasing class sizes. You don't need me to tell you how hard that kind of tough decision making is. It makes school boards and superintendents very vulnerable politically. It disrupts already fragile families and communities, and it leaves a pervasive sense of loss among the citizenry. Painful as it has been, PPS and the City of Pittsburgh are in a much better financial position today than either was ten years ago. That PPS has done all this while also implementing a reform agenda

is nothing short of remarkable. That the District has done this with reasonable leadership stability – is also remarkable. However, the District has more tough decisions to make.

Ability to Pay

In determining how best to share responsibility for funding our schools, the State's funding formula will need to determine the State's share of basic education costs. We need to find an accurate way of calculating the relative wealth and taxing ability of school districts. The Campaign for Fair Education is recommending that the aid ratio, while imperfect, be used until a better method can be determined. The Campaign also recommends the use of the local tax effort measure to determine how much districts are availing of the resources available to us locally. Pittsburgh presents some unique challenges that make this calculation very important. Pittsburghers are already comparatively generous to our public school system, with local taxes (both wage and real estate taxes) accounting for 45% of the District's revenue (Pittsburgh Public Schools, 2015).

In Pittsburgh we recognize that the fate of our City and our schools is intimately woven together. Both the District and City have weathered significant financial challenges stemming from economic shifts and population decline. By the State's own definition, the City of Pittsburgh is considered financially distressed under Act 82. Both have made many difficult choices, both are better off today than they were ten years ago. Still, financial strain is both a real and present issue for both taxing bodies. Therefore, the State's basic education funding formula must consider that the District's taxing ability is intimately linked to the City's and that neither can operate in isolation. We can't have a funding formula that relies on Pittsburgh to increase its local share without considering the City's needs for revenue and financial stability.

Accountability

As Pittsburgh Public Schools' "watch dog" organization, we are advocates for a transparent and accountable public school system. We mobilize the community to observe and evaluate the school board and we publish regular reports on school progress, district finances and policies and school level practices with recommendations for improvements. We have been staunch supporters of the newly designed teacher evaluation system here in Pittsburgh as a way to grow teacher practice. We have supported the Pennsylvania Core Standards, reforms to State teacher furlough policy, and other state and local accountability measures aimed at improving schools in Pittsburgh and across the Commonwealth. We will support reasonable accountability measures to make sure additional investments in the public education contribute to student success. Accountability without resources is unsustainable, however. In the most practical sense requiring districts and schools to perform to high standards costs money. It requires great teachers and principals, and the ability to provide support to students to reach standards. Without sufficient resources to reach standards, the will to meet them wanes.

Conclusion

As you craft a fair basic education funding formula for Pennsylvania's students, I urge you to make sure that it includes a calculation of the base cost of educating students to the State's standards and that it drives significantly more State investment to schools – especially districts serving Pennsylvania's neediest students. There is no doubt that our public education system is drastically underfunded in many parts of the Commonwealth – rural, urban, and former industrial towns all along the rivers in Western Pennsylvania and elsewhere. Further, the formula should do no harm to districts with adequate resources.

We believe it is possible for Pennsylvania to be known as a State whose public schools have high standards, great teaching, and give all students – regardless of race or background – an opportunity for an excellent education.

Thank you for your consideration.

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