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## OF RURAL AND SMALL SCHOOLS

A Statement Regarding Proposed Senate Bill 1  
Presented on February 16, 2011 to  
The Pennsylvania Senate Education Committee

By  
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Thank you for taking time from your busy committee schedule to accept testimony on the proposed Opportunity Scholarship and Educational Improvement Tax Credit Act. While you will receive testimony on a wide variety of issues relating to this proposal, The Pennsylvania Association of Rural and Small Schools (PARSS) wants to address the extent to which inequity is buried in the provisions of this proposed legislation..

First, please examine the magnitude of the impending fiscal impact the bill brings upon the taxpayers of the State. If enacted, provisions for the 3rd year of the plan would allow all public and non-public school students, whose families meet the eligibility criteria, expressed in the proposal, to accept opportunity grants. By means of bona fide numbers drawn from current PDE documents, the following is then true:

- There are 307, 349 non-public students in the State including 22,371 home schooled.
- Of the 307,349, about 40% or 122,800 attend PA State approved private schools, leaving 184,549 (60%) enrolled in other non-public schools.
- Approximately 107,612 of the 307,349 non-public school children would be eligible for vouchers.
- We also know that 521,484 of the 1,754,479 public school students in all districts would be eligible for vouchers.
- The sum of all students eligible for vouchers is approximately 629,056. According to the proposed plan, funding for these opportunity grants will either be through State budget appropriations or by deductions from school districts' basic subsidies.
- The price tags for opportunity grants as defined in the proposal range from around 2 thousand dollars to upwards of 11 thousand dollars with an average in the 7 thousand dollar range. Using 7,000 dollars per grant, would represent a current unfunded liability against the State and or local school districts of approximately \$4,403,392,000.

Now, of course, no one wants to talk about the TOTAL unfunded liability this bill would represent. Sponsors of the bill have said the first year costs may be around 50 million and the second year maybe 100 million. If those numbers turn out to be accurate, that would mean the expected participation rate for eligible students in the selected 144 schools in the first year would be only about 10%. If the prediction is based on researched facts, it truly begs the question, "Why put forth a plan for all eligible participants when the expected utilization rate allows for only one out of ten taking part in the proposed benefit"? Where is the equity in such a plan?

Second, irrespective of the final amount of dollars this plan will need for its operation, any dollars that are taken from the current level of state appropriations for public school basic education subsidy means every school district that does not have a significant amount of pupil participation in the program loses money to support something that, realistically, provides little or no benefit to the residents of its community. For example, Cameron, Sullivan, and Pike counties, have no non-public schools and the possibility of having eligible parents from districts in those counties send their children to another public school might mean traveling 25 to 35 miles away. Those eligible parents in these cases virtually have no option but to stay where they are. There is no equal opportunity to exercise the rights granted to them in SB 1. Where is the equity in this proposal for them?

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Third, most rural schools across two thirds of this State have much lower property wealth and personal income than the suburban districts, and the State subsidy system recognizes that difference in its funding mechanism which uses an aid ratio format. Poorer district are, in theory, to be provided more State dollars on a percentage basis to educate their children. And so, when examining the dollars supplied by the state to public school districts, we see numbers like those in column 4 of the chart below.

School District	Classification	County	State Share of cost per student
Purchase Line	Rural	Indiana	\$11,277
Union	Rural	Clarion	\$10,974
Otto Eldred	Rural	McKean	\$10,511
York Suburban	Suburban	York	\$1,962
Trediffrin Easttown	Suburban	Chester	\$2067
Pine Richland	Suburban	Allegheny	\$2,234

The proposed law says, for each eligible child who wants to go to a non-public school, “The amount of the opportunity scholarship shall equal 100% of the Commonwealth's share of the resident school district's total revenue per average daily membership”. Further, as specified in SB 1, after the first year, “the amount of Commonwealth basic education funding paid by the department to the resident school district shall be reduced by an amount equal to the Commonwealth's share of the school district's total revenue per average daily membership.”

Simply stated, that means for every student from an eligible family who elects to take a voucher to another school, the district in which he or she resides loses the amount of its state support toward the cost of educating that child. Looking at the six districts in the chart above, it is clear that the loses in State revenue are widely disparate. If ten eligible students from York Suburban School District elect to use their vouchers, that district will experience a reduction of \$19,620 in its State subsidy while, if ten eligible students from Purchase Line School district use their vouchers that district will experience a deduction of \$112,770. Where is the equity for the poorer district?

Fourth, if the bill is written to provide opportunity grants to financially strapped families, why should a low income family living in York Suburban, Trediffrin-Easttown, or Pine Richland receive 5 times less in voucher money for a child than other low income families living in Purchase Line, Union, or Otto Eldred school districts? Are the tuition rates being charged by other schools 5 times greater in Purchase Line, Union, or Otto Eldred school districts than those of other schools in York Suburban, Trediffrin-Easttown, or Pine Richland? Where is the equity here?

And finally, there are those who argue that even if the deductions are disparate and inequitable, each district gets to keep its per pupil share of local tax dollars that are available to them to spend on the education of the students who have not left the district. In the case of the two districts cited above, here's how that would work. Purchase Line has total local revenues of \$3,805,910, which when divided by its total average daily membership, equals \$3,488/student. York Suburban has \$36,587,500, which when divided by its pupil population, is \$12,381 per ADM. After examining the faulty logic of the argument first presented, it is again clear that there is still no equity even in the availability of “left over” local dollars.

In summary, it must be apparent to all, from the unambiguous examples above, that Senate Bill 1 is fundamentally and grossly unfair to both those who would pay for its cost, and to intended recipients of the grants. It does not, in any equitable fashion, meet its own goal of providing “A program of financial assistance to enhance educational choice in this Commonwealth, as one element of the Commonwealth's plan for the funding of diverse educational opportunities for the citizens of this Commonwealth.” (Section 2501.1-B, Subsection 12.)