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Testimony of Deborah Gordon Klehr
House Democratic Policy Committee
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Thank you for the opportunity to testify today on the need for adequate and equitable education funding. I am the Executive Director of the [Education Law Center](#), a statewide nonprofit legal advocacy organization that works to ensure all children in Pennsylvania have access to quality public education, with a focus on underserved students—students of color, students in poverty, multilingual learners, students in the foster care or juvenile justice system, LGBTQ youth, students experiencing homelessness, and students at the intersection of these identities. We are a proud member of PA Schools Work, a coalition of organizations from across Pennsylvania representing teachers and other educators; urban, suburban and rural communities; and parents and other community members working together to advocate for PA public schools, their students, and the communities they serve.

I'm grateful you are holding today's hearing and for the opportunity to share our vision for a successful education funding system. To serve all children our system must achieve both adequacy and equity. Simply put we must *both* grow the pie and distribute the funds to the school districts and students with the greatest need.

All children across the Commonwealth are entitled to a quality education regardless of the wealth of their community, race, or ZIP code.

But in Pennsylvania, not every child receives the basic resources they need. In Pennsylvania, we have created a school funding system where the students who need the most get the least, because of where they live.

Our school funding system severely shortchanges students in low-wealth school districts across the state and this disproportionately impacts our Black and Brown students: 50% of PA's Black students and 40% of Latinx students attend schools in our lowest quintile wealth districts.

And this isn't a few schools falling through the cracks; 86% of our students attend schools which are underfunded. It is most schools—rural, urban, suburban, all across Pennsylvania.

The inequity and deprivation in schools is driven by the low share of funding coming from the state. PA currently ranks 45th in state contribution to education – contributing 38%, whereas the national median is 47%. This means that local wealth determines whether or not students get what they need: from the quality, training, and experience level of teachers; to the number of counselors, nurses, librarians, and reading specialists; to computers and STEM labs; art and music; smaller class sizes, and extra help for students who need it.

Black and Latinx students are concentrated in PA's low-wealth schools, and they are being shortchanged. They get dramatically fewer resources and educational opportunities because of where they live and have less access to rigorous coursework. The absence of opportunity results in lower graduation rates and fewer students entering and remaining in college to earn their college degrees.

[Ensuring that all of Pennsylvania's children have equal access to a quality public education.](#)

Generations of Black and Brown students have attended underfunded schools and been deprived of educational opportunities, narrowing and limiting their futures.

This two-tiered system of the haves and have-nots is unacceptable for our children and for our state.

COVID-19 has laid bare the vast inequities that have long plagued the Commonwealth, in large part due to how the state funds public education. Differences in levels of school funding resulted in stark disparities in how districts were able to respond and support students when COVID-19 first closed school buildings in March 2020 and how districts are able to open this school year.

Overnight COVID-19 placed new demands on school districts to build new systems for educating students, and this hit poorer districts hardest. There were schools in low-wealth districts that had relied on sharing a single cart of 30 computers for an entire 9th grade of students, where a swift transition to remote learning was delayed, and those students paid a price for pre-existing deficiencies in access to technology. The return to in-person learning was almost impossible last year in school districts with older buildings, antiquated ventilation systems, and larger class sizes. The result: wide disparities in learning. In September 2020, 72% of Black students and 61% of Hispanic students in PA attended school in all-virtual environments compared to 24% of white students in the state. By June of 2021, Pennsylvania ranked second highest in the nation in racial disparities between full time in-person learning and virtual learning.

Over the years, the Commonwealth has acknowledged such inequities but not taken the steps needed to meet the goals of adequate and equitable school funding. There have been movements in the right direction in the past -- the 2007 Costing Out Study, the adoption and implementation of adequacy targets in state law through Act 114 of 2006, and adoption of a new funding formula in 2016 that targeted funding based on the needs of students. The path to a fully funded system is there, and we would like to work with you to get on that path to adequately and equitably fund our schools so that all our children have the resources they need to be college and career ready.

The legislature must be committed to the goals of both adequacy and equity through robust, predictable long-term funding to meet the needs of students based on concrete adequacy targets. The legislature needs to both grow the pie — adequacy, and distribute it in a fair way — equity. Without an adequate state contribution, there aren't enough resources in low-wealth districts to achieve equity across the state.

We can start with identifying the resource needs, building on the 2007 Costing Out study which identified adequacy targets. One analysis — which updated that study — concluded that we have a funding gap of at least \$4.6 billion and that fully 428 of the 500 school districts have an adequacy gap — with 277 districts having a significant gap of \$2,000 per student or more.

And the \$4.6 billion is a conservative estimate. Since the original Costing Out Study, the Commonwealth has adopted more rigorous standards for students.

As other states have done, Pennsylvania must not only recognize the needs of students living in poverty, and multilingual learners, but commit to providing adequate resources to their schools. Addressing both adequacy and equity remains the benchmark for a thorough and efficient school funding system that meets the needs of all students.

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To achieve adequacy will require the state to make a significant multi-year funding commitment — with recurring annual increases. This will create predictability — enabling school districts to plan.

Some people will say that \$4.6 billion in new funding is unattainable, but that number represents about 16% of school district current expenditures. It is achievable over multiple years and will reap benefits for generations to come.

We know that this level of investment will work — as evidenced by the successful performance and postsecondary outcomes of students in Pennsylvania’s highest wealth and highest spending districts — including students living in poverty in well-funded districts.

But the problem will not be solved unless we address deeply entrenched inequities where the children who need the most receive the least. We must commit to equitably distribute funds to the school districts and students that need the greatest resources to succeed.

Years of over reliance on local wealth has created gross disparities— Pennsylvania spends an average of \$4,800 less per pupil on students in poor districts than on students in rich districts and this gap continues to widen.

While we support the current Fair Funding formula — using weights related to student and district demographic factors and evidence about the higher needs of low income and low-wealth districts — we know that a formula is only as good as the dollars sent through it. We need significantly more new dollars allocated to basic education funding. At the rate the legislature has allocated new dollars, it will take many decades or more for the most underfunded districts to reach adequate funding. The adoption of the Level Up supplement to accelerate dollars through the formula to the districts that are the farthest behind, is an important but small step to incrementally move in the direction of equity. More investments are needed.

In his budget address this year, Governor Wolf proposed \$1.1 billion in new funding driven out through the formula, a bold plan that would infuse critical new dollars into many underfunded districts. But even if the plan is implemented next year, a funding gap of more than \$3 billion per year would remain. Our students need the state to step up to support them in a real and sustained way. There’s no one-year fix to this problem.

The state has funding in its rainy day fund, and there’s adequate funding in our state coffers to make significant progress towards fixing the problem. We should not delay.

While the districts did receive federal dollars through COVID relief funds, clearly this isn’t a systemic solution. It’s temporary, one-time funding to respond to the deep educational needs created by the COVID-19 pandemic. Districts have been cautioned by the Legislature that these funds should be appropriately expended “for one-time purposes that can be aligned with the one-time federal dollars,” which limits the ways that districts can responsibly spend the money or risk falling off a fiscal cliff when the federal funds are depleted, as occurred in 2011 with the ARRA funding. The federal investment, while necessary and welcome in this crisis, does not fix the long-term problems that come from Pennsylvania’s failure to create a system of public school funding that prepares all our students for success; to graduate college- and career-ready; to participate meaningfully in a competitive economy and fully in democracy as a critical thinker regardless of ZIP code, poverty level, or race.

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Districts do not have what they need to support the students they serve. And so our students do not have what they need. And, the growth in mandated costs, totaling almost a billion dollars in the last two years, has consumed most new state basic education dollars.

The need to reform cyber charter and charter special education funding has never been greater, for financial reasons, but most importantly, for the students.

Cyber charter academic performance is abysmal. State lawmakers have repeatedly said, throughout the pandemic, that there is no substitute for in-person learning. We agree.

The charter school special education funding system does not provide sufficient resources for students with significant disabilities, while overpaying for lower-cost services. The evidence is clear that charters are not a real choice for students with significant needs.

Finally, any discussion of fair funding must include special education. Each year schools are identifying and serving more students while our lawmakers provide new annual funding that might have been appropriate for 2001 but ignores the realities of 2021.

Between 2009 and 2019, Pennsylvania increased [state special education funding](#) by \$110 million, or about 11%. Yet during that time, total special education costs to local school districts increased by \$2 billion – or 66%. This growing reliance on local funding to provide needed services for students with disabilities is unsustainable.

In the last decade, local districts have taken on more and more financial responsibility to cover increased costs as Pennsylvania's share of special education funding declined:

- Between 2008–09 and 2018-19, local districts' share of special education costs grew from 62% to 73%.
- In the same period, the share of costs covered by state special education funding fell from 32% to 22%.
- This year's \$50 million increase in special education funding was as large as any in recent history, but not enough to reverse the decline in the state share, because special education costs are growing annually by 5 times that amount. And we had a year where state funding levels were frozen.

The Legislature needs to increase the state share of special education funding.

Over the course of time, the demands of the workplace have changed the definition of what it means to graduate and thrive in life. We must educate Pennsylvania's students to meet the demands of today. They must have the resources and educational opportunities they need in our schools to learn -- a rigorous school curriculum, quality teachers, sufficient staffing to master reading and math, and access to job skills and technology. Our children are counting on you. We, as adults, cannot let them down.

Thank you.