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# PASA POINTS

The Pennsylvania Association of School Administrators

## About PASA

The Pennsylvania Association of School Administrators (PASA) is an organization that is instrumental in developing successful school leadership through advocacy, support, sustenance of high-quality school administrators and a statewide collegial network.

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The Governor's proposed budget focuses on sustaining public education and reducing the inequities of the funding system.

### PASA's Comments on the Governor's Budget Proposal

We recognize that the Governor's budget address is the first step in a long process, and we look forward to working with both the Governor and the members of the General Assembly to pass a timely budget that will ensure high-quality public education to all students across the Commonwealth.

We are pleased to see the Governor continue his strong support for public education and applaud his recommendation to significantly increase basic subsidy funding to our schools. This investment is a response to the systemic inequity of the public school funding system across the Commonwealth, not a response to acute COVID-19 funding related issues.

We appreciate the increase in Special Education Funding, as this is one of the most rapidly increasing mandated expenses in school districts each year. Special education services are critically important to special needs students and are mandated by state and federal law. School districts have disproportionately funded most of the cost of these important services for decades.

We support the proposed changes to the charter school laws as recommended by the Governor. A fair and fact-based tuition rate for cyber charter schools must be established to reflect the actual financial resources needed to operate these schools. The current rates of tuition are highly inflated and needlessly take precious resources from public school districts.

The proposed change in tuition for special education students attending charter schools will better reflect the actual cost to educate special needs students based on their IEP. The current flat rate does not reflect the services needed to provide educational programming to the students.

Finally, the reconciliation process for disputed tuition invoices between charter schools and school districts must be changed to provide an opportunity for the school district to be heard before money is withheld from the district by PDE and sent to the charter school. Currently, there is no due process procedure for school districts.

We look forward to working with state policymakers on these critical funding decisions for public education.

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## **Unraveling the Inequities of the Education Funding System**

The long-standing issue of inequity in the Pennsylvania School Funding System has been problematic for years. From 1992 to 2016 Pennsylvania lacked an official public school funding system. Yearly Basic Education Funding (BEF) was based upon what a district received the previous year with some additional dollars added, usually on a percentage basis. This process did not consider changes in overall student enrollment, resulting in districts with declining enrollment receiving the same amount of money as they did the previous year. This has been referred to as “hold harmless.” Districts experiencing increasing enrollment were not given the additional funds needed to educate their expanding population. Consequently, inequities began to appear, resulting in many local districts relying on local property taxes to make up the difference.

The inequities have become exacerbated over the years as changes in district demographics presented new challenges to educate the student population. Many districts have experienced an increase in the number of students living in poverty as measured by the annual free and reduced lunch count, increases in students identified for special education services, increases in English Language Learners, and other factors that create additional costs to educate children. Some districts that have experienced a decline in student enrollment have seen their overall expenses increase due to significant increases in these categories of student population, along with other mandated costs such as charter school tuition and PSERS.

Fortunately, the General Assembly worked to develop the Fair Funding Formula that was implemented in 2016. This formula considers the many variables described in the preceding paragraph to disburse funds to districts based on actual need. Since its implementation, new BEF dollars allocated since 2016 have been run through the formula, providing districts with a more equitable distribution of funds. However, only about 11% of BEF funds are currently running through the formula, leaving huge gaps in appropriate funding for many districts. These gaps in funding are often found in school districts with the highest levels of poverty and students of color. Something needs to be done to correct this situation.

PASA has held the position that the inequity in our funding system must be addressed without harming any school district. Many of our small, rural districts could lose significant amounts of funding if all the BEF dollars are run through the formula. PASA has supported efforts to develop an approach that will allow for greater equity in school funding without taking the current level of funding from any district. We do not want to see some districts lose while other districts gain. At the same time, we strongly support a more equitable distribution of school funding.

The Governor’s Budget Proposal provides an approach to reset BEF and establish a more equitable base for public school funding in the future without reducing funds to any school district. We understand that there may be other approaches to resolve this complex issue but believe this is a good starting point for the conversation.

The inequity of our state education funding system can no longer be overlooked. The pandemic has shed a glaring spotlight on the disparity between the educational programs and resources available in school districts. While some districts were quickly able to pivot to online learning, other districts simply did not have the technology or finances to teach all their students remotely. It is unconscionable that such disparity exists in our state. Our children deserve better.

This issue needs to be addressed and a permanent resolution found that will ensure all of Pennsylvania’s children have the availability to receive a quality public education no matter where they live or what public school they attend.