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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, sustainment of high-quality school administrators and a statewide collegial network.

Contact us at:
2608 Market Place
Harrisburg, PA 17110
www.pasa-net.org
717-540-4448
Email: pasa@pasa-net.org

Dr. John Bell
PASA President

Dr. Jay Burkhart
PASA President Elect

Dr. Thomas Lesniewski
PASA Treasurer

Dr. Shane Hotchkiss
Legislative Chair

Dr. Mark DiRocco
Executive Director



To avoid a funding cliff in 2024, public school districts need a substantial increase in subsidies to keep up with escalating mandated costs.

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2021-2022 Education Budget

At this time last year, a budget was passed that level funded public education for the 2020-21 school fiscal year. Most school leaders were grateful for the level funding, as there was concern that cuts may have to be made in education and other areas of state government to balance the budget in the midst of the pandemic and struggling economy. The level funding helped to financially stabilize school districts in the current year during a time of great uncertainty.

Unfortunately, school districts did not see a reprieve in the rising cost of ongoing mandated programs and expenses such as special education, retirement contributions, and charter school tuition. Additionally, the contractual obligations for professional staff, support staff, transportation and food service continued to increase for many districts, creating the need for more local revenues to balance school district budgets.

This past year, it is estimated that school districts paid an additional \$475 million in charter school cost as a result of more families choosing charter schools due to the pandemic. Cyber charter school tuition increases alone were about \$350 million. While we can debate the reason why approximately 30,000 students left traditional school districts for cyber charter schools, it was an increased cost that put a significant strain on district budgets. We don't know how many of these students will return to traditional public schools next year, causing districts to estimate conservatively as to how many students will be enrolled this fall to be sure they have the resources needed to educate all students.

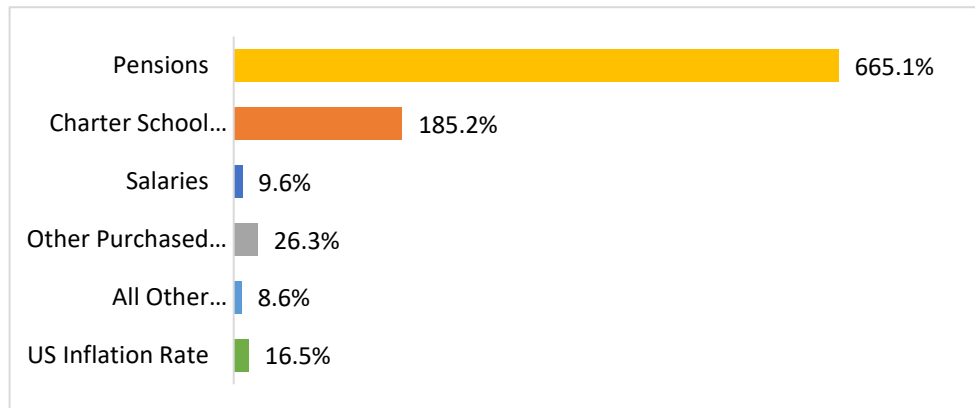
Pennsylvania school districts experienced a \$665 million increase this year in mandated costs. They will be faced with an estimated mandated cost increase of \$485 million next school year, resulting in a two-year increase of about \$1.15 billion. Consequently, local district operating budgets will be strained for the second straight year, which will most likely cause local property taxes to increase.

Federal stimulus dollars will not be of help to districts with these costs as the funds are to be used for pandemic-related matters. District leaders have been advised by federal and state authorities **not** to use stimulus dollars for long-term recurring expenses.

Federal Funds Will Not Help Districts Offset Mandated Expenses

Federal funds will assist districts with a large, one-time infusion of cash to assist with COVID-19 related expenses dating back to March 2020. While this is a significant amount of money coming to our traditional public schools and charter schools, it would be financial mistake to apply any of this money to ongoing mandated expenses such as PSERS retirement contributions, charter school tuition, staff salaries and benefits, and special education services, as these expenses will continue to increase and be with school districts long after the federal dollars are gone. The chart below illustrates how pension and charter school increases have dramatically escalated over the past decade in comparison to other school district expenses.

Growth in District Expenses from 2008-09 to 2018-2019



These stimulus packages will not be enough to overcome long-term student needs for special education services and mental health services. The demand for these services will continue to grow over the years, and more professional staff will be needed to address the escalating demand for these services. Student learning gaps may take years to close. At the very time more permanent personnel will be needed to assist struggling students with long-term academic and mental health services, funds will be lacking to hire these positions.

Hiring additional counselors, social workers, nurses and psychologists in our schools is a necessity. Unfortunately, there are few resources available for these positions even with the infusion of federal funds because they are not short-term positions that only need to be funded for a few years. Students lost contact with their teachers and caring adults in their schools when learning remotely due to the pandemic, and child abuse reports fell over 60% this past year. School personnel have noted that a mental health crisis was prominent in our schools prior to the pandemic, and the impact of the last year has shifted this to a critical need in its own right. Students will need increased mental health and counseling services for many years into the future, and schools will need to increase professional staffing to meet this need.

Level funding or insufficient increases in state funding in the 2021-22 state budget will force some combination of higher property taxes, local district program cuts, or personnel cuts in school districts at a time when that would be most detrimental for students and communities. PASA encourages our state leaders to pass an education budget that increases the state share of public school funding that will keep pace with mandated expenses and the rising academic and emotional needs of students.