



Good Schools PENNSYLVANIA

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State Education Budget Update

Governor, General Assembly keep school funding and accountability reform on track

A bad economy, coupled with the availability of \$2.6 billion in federal stimulus funds to support public education in Pennsylvania, presented unique challenges to advancing Pennsylvania's school funding and accountability goals.

But in the end, support for a rational system of education finance prevailed as the Governor and General Assembly finally agreed to a 2009-10 state budget that maintains the adequacy formula adopted in 2008, provides new resources for local improvements to basic education programs, and keeps the state on track toward the long-term objective of an equitable system of education finance.

In the final agreement, approved on October 9, \$654 million in federal

stimulus dollars earmarked for education were used to both replace some state education dollars (\$354 million), and to provide a net increase of \$300 million in basic education funding to school districts above levels

based on community wealth, tax effort, and other variables.

Other important areas of the education budget - including special education, early childhood education, and accountability block grants - were

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appropriated in the 2008-09 state budget. Schools are also slated to receive about \$715 million in additional Title I, Title IID and IDEA funds from the federal government.

Importantly, the 2009-10 education budget continues to use the funding formula and accountability system that was established in law in 2008. This formula establishes an adequacy target for each school district that is based on the number of students enrolled and the costs of preparing them to meet the state's academic standards. The formula then strives to close the "adequacy gap" by distributing basic education funding

held to the same funding level as last year, while a few programs that serve struggling students – such as the Education Assistance tutoring program - received cuts.

The prolonged budget delay made it difficult for school districts to make efficient and effective decisions on behalf of students and taxpayers. Still, Pennsylvania is one of the few states in the nation to use education stimulus resources for new investments in educational improvements. Many other states have used significant portions of stimulus funding to "back fill" for cuts in
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Special Education Funding and Accountability Reform

When Pennsylvania's new school funding formula was enacted in July 2008, it lacked a critical piece – inclusion of the costs of special education.

Over the past year, Good Schools Pennsylvania worked with a coalition of more than 40 disability rights organizations – including the Education Law Center, The Arc of Pennsylvania, and the Disability Rights Network – to remedy this oversight.

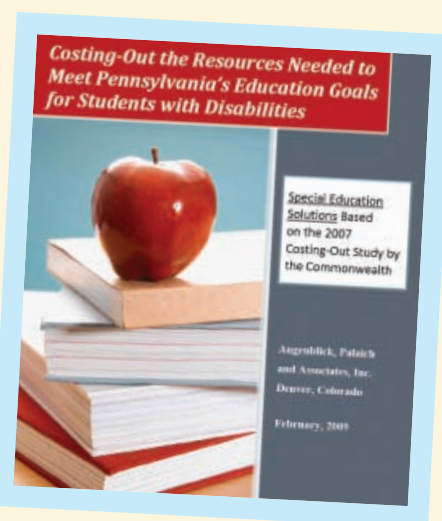
In response to the coalition's advocacy, in April, state Reps. Michael Sturla (D-Lancaster) and Barbara McIlvaine-Smith (D-Chester) introduced House Bill 704. A companion bill, SB 940, was introduced in June by state Sen. Andrew Dinniman (D-Chester).

This costing-out study assessed the financial means necessary to meet the needs of special education students.

The disability groups testified at a May 2009 hearing of the House Education Committee about the educational needs of special education students. Good Schools Pennsylvania added to the testimony by asserting that effective funding of special education costs is as important to providing fiscal stability to communities as it is in ensuring that all students have the resources and opportunities they need to prepare for college, career and beyond.

The reform proposal gained strong support, with 65 co-sponsors of the House bill and 11 co-sponsors of the Senate bill. On July 1, 2009, the measure passed the House Education Committee by a resounding 22-3 vote.

For more information and the latest updates on special education funding reform, contact Good Schools Pennsylvania at info@goodschoolspa.org or visit www.reformspecialeducation.org.



Long-time advocate, attorney John McKelligott joins board

A long-time resident of Lansdowne, Delaware County, John McKelligott, a lawyer and former school board president, joined Good Schools Pennsylvania's board of directors. He joins an accomplished panel of professionals who help the organization to develop policy and advocacy efforts to improve schools and communities throughout Pennsylvania.

In addition to a distinguished career as a civil litigation lawyer, for 12 years Mr. McKelligott was an elected member of the Board of School Directors of the William Penn School District, serving for more than half of his tenure as president. Under his leadership, the school district implemented a comprehensive, district-wide curriculum and improved test

scores, achieving Adequate Yearly Progress in one of the years following the initiation of the new curriculum.

In addition, Mr. McKelligott was the Republican candidate for State Senate in the 8th District in 2002, and although he wasn't successful in that election, Mr. McKelligott has remained actively involved in schools and other regional equity issues including the Southeastern Pennsylvania First Suburbs Project, where he serves as a member of the project's steering committee. In 2007, Mr. McKelligott was invited to participate in the Oxford University Public Policy Roundtable on Public Education and presented a paper entitled "Breaking the Logjam: Changing the Culture in a Low Performing School District."

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state appropriations and thus maintained only flat funding levels.

Additionally, consensus was developed throughout the past year in how Pennsylvania funds and supports special education, and the General Assembly will have the opportunity to adopt badly needed special education reform legislation - House Bill 704 and Senate Bill 940 - later this year.

Good Schools Pennsylvania looks forward to better economic times, when the state will be able to resume using state dollars to meet the adequacy targets that were established by the 2008 funding formula.

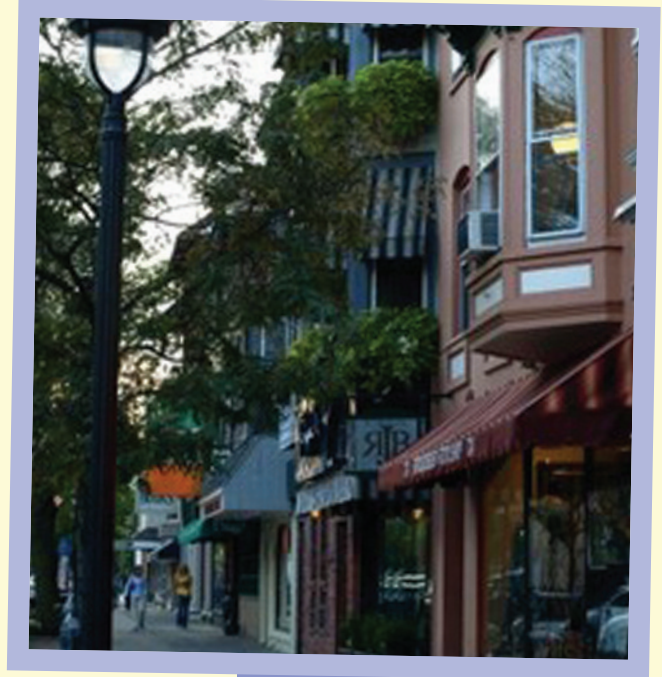
Until then, public education remains inadequately funded by the state for hundreds of thousands of Pennsylvania's most disadvantaged children. As a result, many of our older communities are over-taxed to support public education, which perpetuates a cycle of disinvestment by homeowners and businesses. These ongoing challenges weaken our economy and the long-term sustainability of our communities and must remain a priority for Governor Rendell, the General Assembly and those who seek to become Pennsylvania's next governor.

A New Equation for School Reform: Effective Schools = Successful Communities

We all know that public education is vital to the success of our students, but how the state's mechanism of education finance either supports or undermines communities is a way of examining the issue through a new lens, and it's one that's coming quickly into focus.

The role of education finance in sustaining the health and vitality of Pennsylvania's third-class cities was the topic of a **joint hearing of the House Education, Appropriations and Urban Affairs Committees** in Bethlehem on May 2.

“Effective education funding is a key to short-term and long-term economic development in Pennsylvania.”



Good schools and competitive tax rates are important to revitalizing downtowns.

“How the state funds public education is not only critical to the success of students, but it is also critical to the success of smaller cities that are often dealing with declining tax bases and are struggling financially,” said Rep. John Yudichak (D-Luzerne). “If we improve our schools in our third class cities, they will be in a better position to attract new residents, which in turn would help to strengthen them economically.” Good Schools Pennsylvania testified at the hearing, along with other education, business and smart growth proponents.

The link between education finance and strong communities was further examined in June at the **annual convention of the Pennsylvania League of Cities and Municipalities**, when Good Schools Pennsylvania shared a panel with Harrisburg Mayor Stephen Reed. Discussion explored how disproportionately high property tax rates to sustain schools and municipal services drives abandonment by homeowners and businesses.

An April segment of “**Radio Times**,” broadcast on public radio station WHYH, featured Good Schools Pennsylvania board member John McKelligott. He discussed how his community, Lansdowne, has been impacted by struggling schools, declining infrastructure and unbalanced housing policies. John was joined by Paul Scully, executive director of the New Jersey Regional Equity Coalition, in describing how coalitions like the Southeast Pennsylvania First Suburbs Project are organizing community leaders across municipal and school district boundaries to implement policies that would aid in revitalizing them. You can still listen to the interview: www.whyy.org/podcast/042009_100630.mp3.

The **Scranton Times Tribune** — one of the largest newspapers in Pennsylvania — adopted a similar position in May. It editorialized that a state system of financing public education that is overly dependent on local property taxes not only creates disparities among school districts and students, but also harms municipalities that depend on the tax revenue to pay for important services and then must compete with education to meet all of the community's needs.

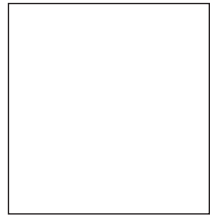
The last line of the editorial sums it up: “Effective education funding is a key to short-term and long-term economic development in Pennsylvania.”



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School Reform Advocates Ensure Accountability

When Pennsylvania's new school funding formula was adopted last year, school reform advocates seized the opportunity to take the next logical step: Follow the money, or in this case, follow the "PACT" plan.

The Pennsylvania Accountability to Commonwealth Taxpayers (PACT) is, in essence, a pact stipulating that as the state strives to meet the funding "adequacy targets" for each school district, a significant portion of new state funding must be used by school districts on strategies that are widely recognized as having the greatest impact on student achievement.

Good Schools Pennsylvania worked with community leaders in multiple school districts last year to investigate how schools were using the money. The work was compiled into a report, Community Account, and a Powerpoint presentation that was shared at a **May 31 hearing of the House Education Committee**. Joining Good Schools Pennsylvania in testifying were Jean Brown, first vice president of the Easton NAACP; Jan Pearce, school board president of the Norristown Area School District; Marissa Harris, advocacy director for the Lutheran Advocacy Ministries of Pennsylvania; and Rev. David Braneky, pastor of the Lansdowne Baptist Church, among others. To see reports from the hearing, visit our website at www.goodschoolspa.org.

On June 2, Good Schools Pennsylvania expanded upon our accountability work when we joined with the Education Law Center in convening more than 100 community leaders in Harrisburg for an **Opportunities to Learn Summit** that engaged participants in sharing strategies for improving schools. Discussion focused on topics including teacher quality, adequate state funding, curriculum and learning tools, student supports and legal tools to improve public education.

Attendees at the summit also heard from a distinguished panel of educators and professionals working in the field that included Pennsylvania Secretary of Policy Donna Cooper, NAACP Policy Advocacy specialist Dr. Don Clarke, Associate Professor of Philosophy at Millersville University Dr. Melvin Allen, and Paul Weckstein, director of the Center for Law and Education in Washington, D.C., among others.

At the end of the day, leaders came away from the summit with new ideas and strategies for working toward a more effective system of public education for students, schools and communities in Pennsylvania.



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