

**Testimony of  
Joan L. Benso, President and CEO  
Pennsylvania Partnerships for Children  
Basic Education Funding Commission  
December 10, 2014**

Good morning Chairman Browne, Chairman Vereb and members of the Basic Education Funding Commission. I am Joan Benso, President and CEO of Pennsylvania Partnerships for Children (PPC), a statewide, non-partisan, independent child advocacy organization committed to improving the education, health and well-being of children in the commonwealth. PPC's vision is to make Pennsylvania one of the top 10 states in the nation to be a child and to raise a child.

Thank you for the opportunity to testify today on the critically important topic of creating and implementing a fair basic education funding formula. Pennsylvania is in dire need of a predictable, sustained means of funding our schools – one that distributes resources in a way that helps ensure all children, regardless of where they live or what public school they attend, can benefit from a high-quality public education.

To do this, the commonwealth needs a fair basic education funding formula that:

- Provides adequate resources to school districts to help ensure all students achieve Pennsylvania's academic standards;
- Fairly distributes resources based on the needs of our students;
- Acknowledges cost differences among school districts;
- Addresses community wealth and tax effort; and
- Includes accountability measures to ensure that funds are being effectively used, including ensuring that an appropriate portion of funds received through student weights get to the school buildings that those individual students attend.

**Using Reliable Information to Drive Base Cost and Student Weight Values**

The process Pennsylvania and other states have used to determine state spending on public education varies. Unfortunately, our history has been to drive out new funds more often than not based on what we can sell politically rather than what it actually costs to educate students to standards. Our goal should be to set a base spending amount and create values for specific student weights using reliable and transparent research evidence. This commission has heard from a number of researchers who are expert in this type cost analysis methodology.

As you know, these methods fall into two categories – input-oriented and outcome-oriented analysis. The input-oriented approach identifies the essential elements (such as staffing, materials, supplies, equipment, physical space, etc.) necessary to provide education services to ensure students achieve a desired goal – such as having all students achieve to state academic standards.

The outcome-oriented analyses start with measured student outcomes, of institutions or specific programs and services. Outcome-oriented analyses explore either the aggregate spending on those programs and services yielding specific outcomes, or explore in greater depth the allocation of spending on specific inputs.

Bruce Baker from Rutgers University and Jesse Levin from the American Institute of Research (AIR) caution that both of these approaches have strengths and weaknesses. They contend both should be used together to help ensure reliability and validity to determine a base amount and

specific weights for identified populations of students that need additional resources to be successful.

If we had the luxury of time, PPC would urge that Pennsylvania conduct a combined input-outcome study and validate results to set both base student cost and weight values. In light of the time crunch this commission is under and the mandate by the electorate that played out in the gubernatorial election, we would urge another approach. One option might be to contract with experts such as Bruce Baker from Rutgers and Jesse Levin from AIR to help the commission develop base cost and student weight values. Alternately, we could look at Pennsylvania instructional costs compared to student performance across similar district types. This modeling would require careful consideration to outliers in performance, district size and spending. Another approach could be to look at the top ten NAEP performing states and consider their spending with consideration given to regional price differences and student demographics. A NAEP analysis of this type could also be used to validate a study of Pennsylvania district spending and performance.

### **Use Accurate Student Counts to Drive Funding**

We need to use an accurate count of student enrollment, including charter school enrollment. For most of the last two decades, Pennsylvania has failed to drive a large share of state education spending out to districts based on accurate student counts. You likely have the same experience I do when talking with someone who is unfamiliar with how we fund our schools - they simply can't believe we don't accurately count the kids.

So how can we move to using accurate student counts without unintentionally harming school districts that have lost enrollment and, more appropriately, supporting those districts that have experienced increased enrollment? PPC recommends the commonwealth use a 5-year weighted average of Average Daily Membership (ADM), giving the highest weight to the most recent year. For example, we might weight the most recent year's ADM at 0.5, weight the ADM from two years ago at 0.25, the ADM from three years ago at 0.15, and so forth. Using this weighted approach to ADM would appropriately accommodate districts who have experienced growth in enrollment while providing districts with declining enrollments ample to time to adjust to their changing circumstances.

### **Student Weights**

Students who live in poverty, are English Language Learners (ELL) and/or experience homelessness bring additional learning challenging to our schools. These children often enter school behind their peers and need additional instruction to ensure their success. PPC recommends the commonwealth initially incorporate three weights to address the particular factors of poverty, English language learners and homeless students. We only propose these three specific populations at this time because there is current, reliable data to accurately count them.

While the work of this commission is focused on K-12 education, I would be remiss if I didn't note that our state could take important steps to level the playing field for school entry by dramatically increasing our state investment in high-quality early learning programs such as pre-kindergarten. Additionally, extensive literature details that investments in high-quality early learning such as pre-kindergarten reduces special education, remediation and retention costs. Yet only 1 in 6 of our three- and four- years olds has access to publicly funding pre-kindergarten and

only 30 percent of children have the opportunity to attend high-quality pre-k programs even if they parents can afford to pay tuition. Our neighboring states of Maryland, New Jersey, New York, Ohio and West Virginia all make high-quality pre-k available to a great percentage of their preschool age children than Pennsylvania. Oklahoma is widely recognized for its high-quality universal pre-k program for four-year olds funded through its school funding formula. We would not recommend that approach in Pennsylvania as we make excellent use of the private provider community to make high-quality early learning programs available to children. But we would urge this commission to make note of the critical importance of this investment to ensure school readiness.

We also urge the commission to consider how to collect reliable data for use across all 500 school districts that considers other high-need student groups such as students adjudicated delinquent or dependent. For example, the typical child who is adjudicated dependent and lives in foster care misses 45 days of school each year and may experience multiple school changes. The commission heard from my colleague, Dr. David Rubin from the CHOP Policy Lab, on this topic and we strongly concur with his thinking. While some school districts collect data on delinquent or dependent students, none are required to do so. Additionally, we would urge exploration of the migrant education resources to determine if they are adequate to meet this transient population's needs. Lastly, we would suggest that an analysis be done to further explore student performance by race. Our very early review of this data indicates some troubling information concerning the performance of African-American and Latino children's performance that may not simply co-exist with poverty or ELL. There is emergent thinking in our state and around the nation that we may have an expectation gap for some children based on race and ethnicity. An outcome study would help us better understand this achievement gap.

### Poverty

There is a strong connection between education success and student poverty. A poverty weight must be a component of a fair education funding formula to reflect the additional education costs associated with educating low-income students and providing adequate resources to close this achievement gap. Across the country, 37 states provide weights in their education funding formulas for low-income and/or at-risk students. Pennsylvania used a poverty weight in the 2008-09 and 2009-10 formulas of 0.43. This year's budget distributed the new Ready to Learn Block Grant funds with a poverty weight of 0.25. Far too often, we land on values based on the amount of the appropriation we have to distribute rather than the cost of educating a child in poverty.

While the value of the weight is important, so is the data we use to determine how many children live in poverty. There are a variety of data sets that can be used to identify low-income students for the poverty weight. Currently, the most widely used indicator across the county is student participation in the Federal Free and Reduced Lunch (FRL) program. This is the measure we used in Pennsylvania before this fiscal year. However, recent changes to the federal program which impact the way some districts will now report FRL participation make this measure unreliable moving forward. Another option is the economically disadvantaged data that PDE used for the Ready to Learn Block Grant. While we applaud the department for developing this measure, we have concerns with reliability. This data is self-reported by districts, which can make it prone to error, or in the worst case could be manipulated to over-count kids. We found anomalies when we reviewed the data early last year and, while it improved before use, we don't think it is the most reliable option. PPC recommends the commonwealth use the 5-year Census

American Community Survey (ACS) data for children ages 5-17, with a breakpoint of 185 percent of the Federal Poverty Income Guideline (currently \$44,122 for a family of four). The ACS data cut at 185 percent of poverty aligns with the income guidelines for the FRL program.

The concentration of poverty in a school district also has significant impact on outcomes. For nearly 40 years, researchers have demonstrated a statistical relationship between student achievement and a community's socio-economic status. Districts with high concentrations of poverty have additional education needs and require additional resources to meet these needs.

Attached to my testimony you will see some data that demonstrates the dramatic differences in student achievement across Pennsylvania districts with higher concentrations of poverty. For example, 86 percent of students are proficient in 3<sup>rd</sup> grade reading when attending Pennsylvania districts with fewer than 25 percent of children in poverty, but only 52 percent of students are proficient in 3<sup>rd</sup> grade reading if they attend a district with 50 percent or more of their students in poverty. The same is true for math - 86 percent of students are proficient in 8<sup>th</sup> grade mathematics in districts with fewer than 25 percent of students in poverty, but only 53 percent are proficient in 8<sup>th</sup> grade mathematics when they attend a district with 50 percent or more students living in poverty.

Local examples also demonstrate this correlation. Consider the following:

- Within Lancaster County, 86 percent of 3rd graders are proficient in reading in Hempfield and Warwick school districts, where less than 1 in 4 children are in poverty, but fewer than 62 percent of 3rd graders are proficient in reading within Lancaster City and Columbia Borough school districts, where almost 2 in 3 children are in poverty.
- Within Montgomery County, almost 93 percent of 3rd graders are proficient in reading in both Perkiomen Valley and Upper Dublin school districts, where fewer than 10 percent of resident children live in poverty. In all, 86 percent of Perkiomen Valley 6th graders and 93 percent of Upper Dublin 6th graders are proficient in math, and 93 percent of Perkiomen Valley 8th graders and almost 96 percent of Upper Dublin 8th graders are proficient in reading. Yet in the Pottstown School District, (where 54 percent of resident children live in poverty), only 50 percent of 6th graders are proficient in math and less than 60 percent of 8th graders are proficient in reading.
- Within Lehigh County, 89 percent of 8th graders are proficient in reading in Parkland and Salisbury Township school districts, where less than 1 in 6 children live in poverty. In Allentown City School District, where more than 4 in 5 resident children are in poverty, only 52 percent of 8<sup>th</sup> graders are proficient in reading.

### English Language Learners (ELL)

According to the Pennsylvania Department of Education, there are nearly 50,000 ELL (or Limited English Proficient) students in Pennsylvania that speak nearly 230 different languages. Providing ELL education services and supports to help students learn English and be successful requires additional resources for school districts. In fact, 42 states include student weights for ELL students.

Pennsylvania has applied varying values to the weight for ELL students. Past formulas used ELL weights from 1.48 to 2.43 depending on the size of the district (small districts had a higher ELL student weight than larger districts). The Ready to Learn Block Grant includes an ELL weight of

0.15. Clearly, they cannot both be a true reflection of what it takes to meet student needs, so we again recommend some deeper and more informed analysis to determine real cost.

It's also important to remember that the ELL weight doesn't apply for the student's full academic career. Once a student attains English proficiency, as measured annually on state assessments, the ELL weight is no longer applicable.

### Other Special Populations

We would urge the commission to also consider a weight for homeless students. Homeless students have increased school absences and remediation needs that go beyond other poor students. In 2011-12, more than 18,230 students in Pennsylvania were homeless.

School districts are required to collect this information in their annual reports to PDE and reliable data is available for use statewide.

### District Factors

A new school funding formula needs to consider not only student characteristics, but district characteristics including population sparsity, local wealth and local tax effort.

Population sparseness is a better measure to reflect the unique needs of rural school districts than the small district size measure we used in the past. We urge the commission to take the same approach as the recently enacted special education formula.

Pennsylvania has used aid ratio as a measure of district wealth and we concur with those that have suggested there may be a better measure of community wealth.

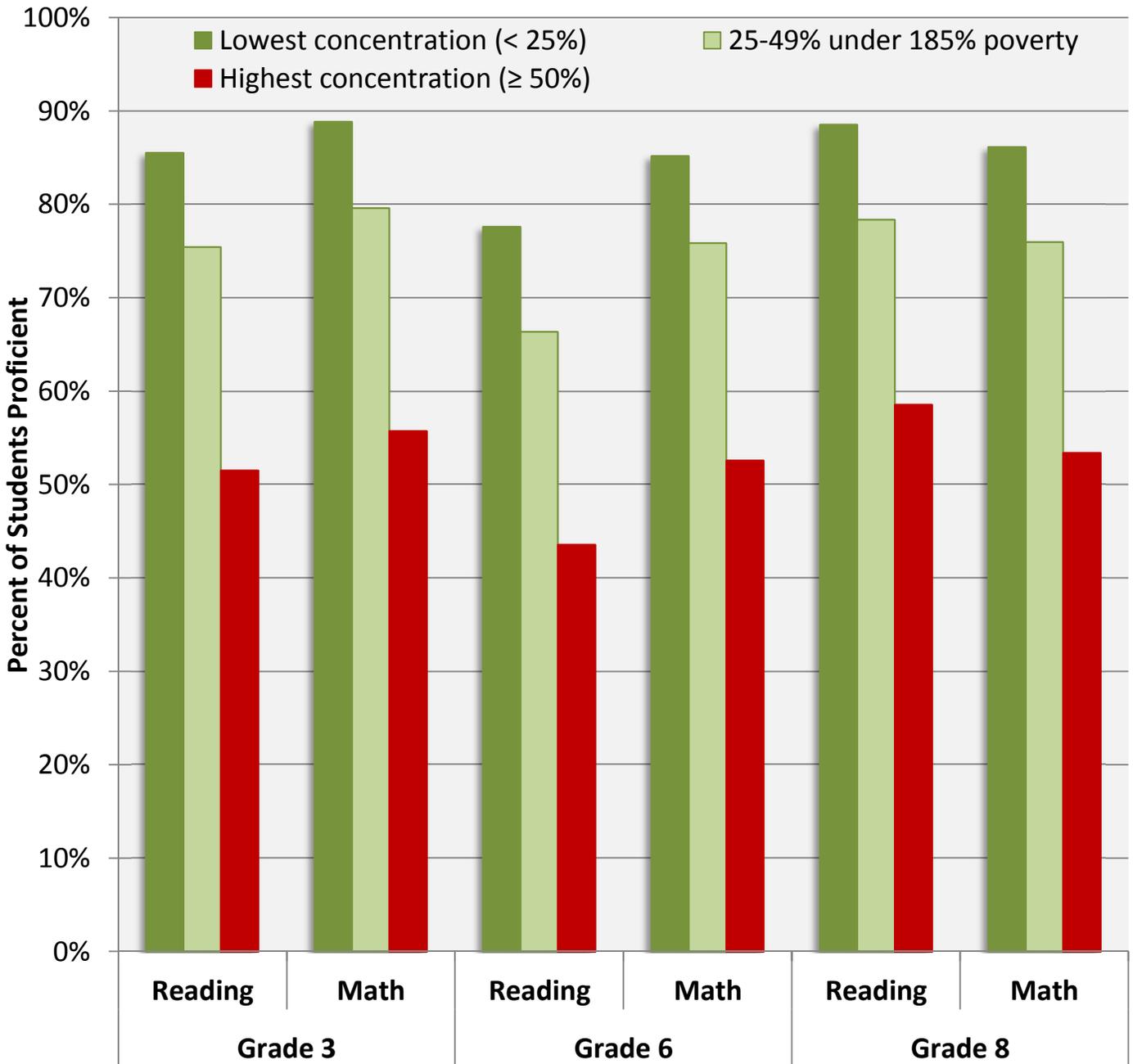
A formula must be coupled with an equal commitment to implement a multi-year funding plan to both close the adequacy gap and reduce disparity among districts through the implementation period. However, PPC recommends that the individual school district 2014-15 BEF appropriation be funding floor for every school.

Additionally, PPC would recommend that we add a measure of fiscal accountability that will allow us to be confident that a substantial amount of any funding received from a student weight is used in the district that the child being weighted attends. We would suggest this be developed in partnership with school officials so that it doesn't create unnecessary burden, but this must be included to ensure the state's resources meet the children in most need.

This commission was created in part because of a collective acknowledgement that the way Pennsylvania funds its public schools is broken. We have a funding system that isn't driven by student needs and lacks predictability and reasonable accountability. We have a prime opportunity to fix what is broken, level the playing field and make sure every student - regardless of what public school he or she attends - has an equal opportunity for a high-quality education that helps pave the way for a productive adulthood. My organization is appreciative of your hard work and looks forward to continuing to be a part of this incredibly important public policy discussion.

Thank you for the opportunity to testify today and for your commitment to Pennsylvania's school students.

## Student Proficiency by School District Poverty Concentration (under 185% poverty)



Source: Pennsylvania Department of Education; U.S. Census Bureau, 5-year American Community Survey