

Testimony
Mr. Michael J. Calla, Superintendent

January 29, 2015

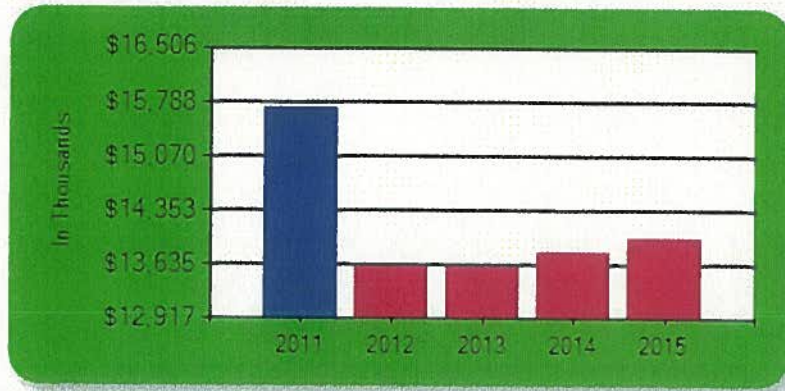
Good Morning. I would like to thank the members of the Basic Education Funding Commission, and in particular our District 7 Representative, Mark Longiotti, for providing me with this opportunity to address you with regard to funding issues facing school districts across the Commonwealth. I am Michael Calla, Superintendent of the Sharon City School District where I have proudly served our children and their families for the past twenty seven years. In addition to my public school service, I have also worked within the Pennsylvania parochial school system for an additional eight years. During my time with Sharon City I have served as an assistant principal, principal, Supervisor of Curriculum and Instruction, Acting Superintendent and currently as Superintendent of Schools.

The perspective that I hope to provide you with today may be different from that which you have heard in other testimony in that my district relies heavily on State and Federal funding sources (66% state/federal vs. 34% local) to maintain basic operations and to provide high quality educational opportunities for our students. From the "Sharon perspective" the flaws in the current funding system deal more specifically with consistency and equity rather than pure dollars and cents. Through my comments I hope to address three areas of concern which include: 1) The need to eliminate the overall funding disparities between districts, 2) the need to provide predictable funding levels from year-to-year and 3) the necessity to provide for sustainability to allow districts to maintain their high quality academic programming.

It is my hope that today's testimony will provide you with a better understanding of our concerns with regard to each of these areas.

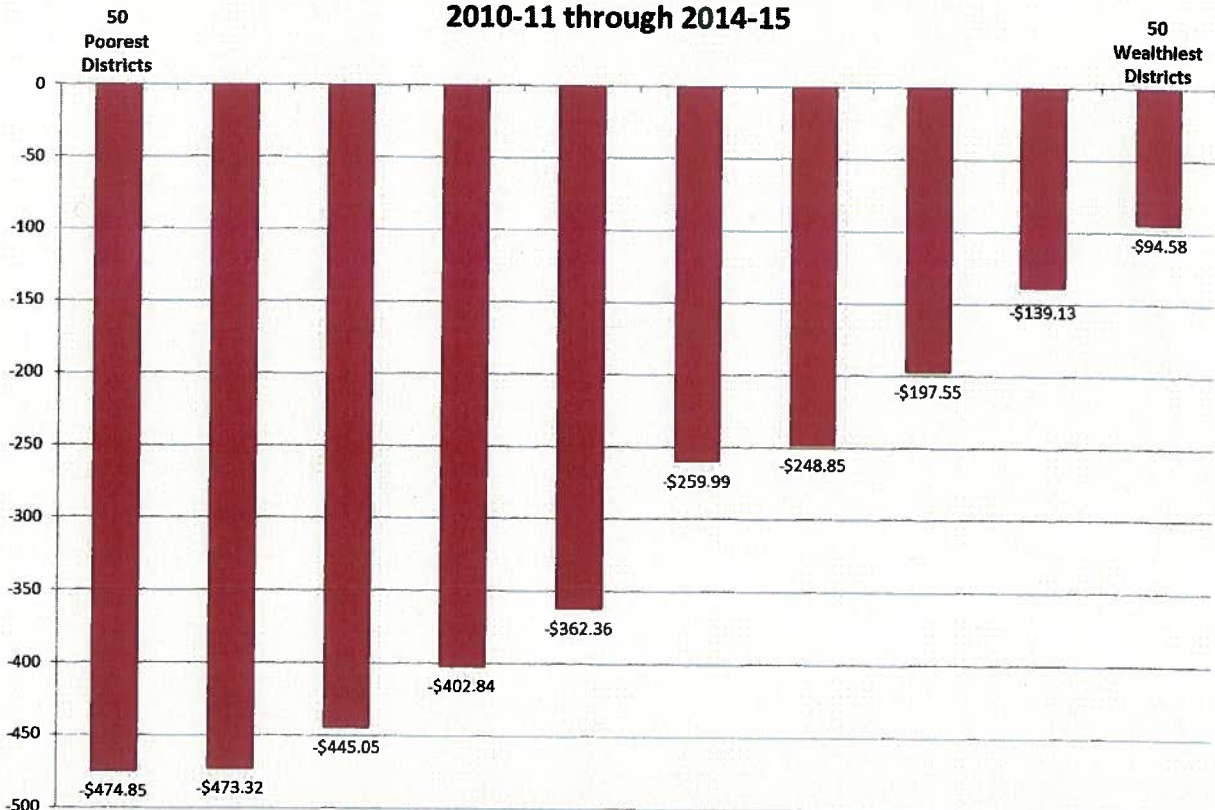
First let me tell you about the Sharon City School District. Our district is classified as an urban center located in a rural county. With approximately 2,100 students we are currently the largest district within Mercer County. As a district we are also very compact with all of our students residing within the City of Sharon's 4 square mile boundary. Real Estate values in the City range from homes that sell for \$5,000 to those that sell for \$500,000 with the median assessed value of \$13,050 (per the Homestead Property Exclusion Certified Report of Median Value). Many formerly single family dwellings have been converted into rental properties which tend to be used by multiple families. Our student population is also very diverse with over 12 races and ethnicities represented. Most importantly is the fact that Sharon consistently ranks in the bottom 5% of the poorest school districts across the Commonwealth. U. S. Census data from 2010 indicates that 29% of our children live in poverty with over 90% of our school children in two of the district's four buildings receiving free lunches.

The Board of Education and our administrative team have worked diligently during the past five years to address the fiscal challenges caused by the general economic downturn and the loss of funding caused by the Commonwealth's own budget deficit. As a district, Sharon saw a nearly \$2,000,000 decrease in funding from school year 2010-2011 to 2014-2015 as indicated in the chart below (PSEA.org)



While average school funding cuts hit the poorest districts the hardest (see chart below) Sharon's per pupil cuts exceeded even the average of the 50 poorest district at \$817 per pupil! (PSEA.org)

Average School Funding Cuts Per Student 2010-11 through 2014-15



This decrease has caused the district to reduce professional staffing levels, increase class size across the board, eliminate replacement of dated technology and textbooks, reduce support for the arts, athletics

and extra-curricular programs and eliminate many elective courses. As an example of the impact such cuts entail the district was forced to eliminate its certified physical education staff in the elementary buildings at a time when student wellness and childhood obesity is a growing concern. At the same time we can clearly document that our test scores began to slide as a result of the reduced staffing and are now at five year lows.

While funding was reduced, fixed costs continued to climb. Double digit increases in the PSERS contribution rate, a 10% average in annual health care costs (this in addition to the fees imposed as part of the Affordable Care Act); mandated (and unfunded) initiatives such as the implementation of the PIMS/TIMS systems all continue to impact the district's fiscal health.

As you can see, current funding practices impact the poorest districts the hardest which leads to greater hardships for our residents. As an example, a single mill of property taxes in Sharon raises just under \$90,000 in income for the district. That same mill in a neighboring district provides over \$300,000. Thus, to support the same level of programming and quality the Sharon taxpayer must provide 3.3 mills of new taxes while their neighbors, literally across the street in some cases, pay only 1 additional mil. Thus, while our cost increases and mandates are very similar to those of our neighbors, our ability to raise funds is not and disparity is created. The current costing structure creates this disparity in funding and leads to inequity in the quality of resources, class sizes and facilities that students have access to, based only on their zip code. In addition, the disparity of cost for students attending charter and cyber charter schools creates fiscal distress. While our per student cost is \$7,781, the per student cost at a neighboring brick and mortar charter is \$6,372 yet we are assessed at a tuition rate of \$7,886 (2012-13 SPP Fiscal Data). In addition, the cost for special needs students attending the charter programs nearly doubles that amount. The inequality is even greater for cyber programs that do not have the facility charges seen by the brick and mortar facilities yet receive the same tuition rates. For the Sharon City School District the Charter/Cyber Charter cost for the 2013-2014 school-year alone amounted to over \$1.8 million dollars for fewer than 190 students enrolled.

The unpredictable nature of the funding process is also a concern to our district. As mentioned earlier, in the one year period from the 2010-2011 to 2011-2012 school years the funding for our district decreased nearly \$2,000,000. No matter what your political view may be regarding the reason for the decrease, to the district and our to our constituents it was a loss of \$2,000,000. Drastic cuts had to be made in programs that had been implemented to improve student academic progress, were designed to provide 21st century resources and to provide support to our poorest students. It is my opinion that the education of our children should not be a political pawn to be played; rather the Commonwealth needs to develop a structured funding formula which ensures reasonable and reliable funding from district-to-district and from year-to-year. This formula should also consider the number and type of mandates being implemented and include language that will ensure that new mandates (i.e. PIMS, Common Core) be accompanied by costing-out studies and should not be imposed on a school district without comparable remuneration.

The ultimate concern must be that whatever the funding plan, it must provide for the sustainability of high quality educational programming for every student across the Commonwealth. A recent Columbia

University study on poverty clearly indicates that poverty is the single most important factor in a child's academic success or failure. While a structured school funding formula will not resolve the issue of poverty, ensuring that each child receives the same level of high quality, educational programming will begin to break the cycle that so many of our families are currently caught in. By way of example, as mentioned above, 29% of Sharon's children live in poverty, not coincidentally, the District faces an annual rate of transience in two of our buildings of over 33% with the others averaging 26%. This means that on average, one in every three children who begin the year in our schools are not there at the end. More amazing is that those seats are consistently filled with new students, children from homes where poverty drives decisions like living arrangements, pre-school and day-care quality and the academic support they provide for their children. The district (and our wonderful staff and community) must provide food, clothing, educational resources and in some cases the only warm and safe place the children have. For a large percentage of our families when food and shelter are their priority, supporting their child's educational needs fades to a distant third. The level of poverty a community, and thus its schools, experiences must be a strong consideration in any funding formula debate.

Sustainability cannot be created with one-time appropriations and block grants that look good, and generate good press, (i.e. Science It's Elementary, Classrooms for the Future) but which evaporate just as quickly, leaving a district to decide whether to raise taxes to continue them or cut them. Since the implementation of Act 1, raising taxes to continue these programs has become nearly impossible and therefore most are eliminated despite the fact that they show great success in improving student achievement. Sustainable funding must come from a fair, consistent and long-range budget plan and funding formulas that take into account the needs of the children in each of our communities.

I would like to thank you for your dedication to this very important task and for the opportunity to speak to you today.