

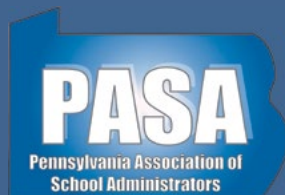


# *CONTINUED CUTS:*

The

# **PASA-PASBO Report**

on School District Budgets



Pennsylvania Association of School Administrators &  
Pennsylvania Association of School Business Officials

**January 2015**

# ACKNOWLEDGMENTS

**The Pennsylvania Association of School Administrators (PASA)** and **Pennsylvania Association of School Business Officials (PASBO)** want to thank the **William Penn Foundation** for its generous support of this research project. The opinions expressed in this report are those of the authors, and do not necessarily reflect the views of the William Penn Foundation.

We also wish to acknowledge the contributions of **Jay D. Badams** (Superintendent) and **Richard D’Andrea** (Business Administrator) of the Erie City School District; **Pedro Rivera** (Superintendent) and **Matthew Przywara** (Chief Financial Officer) of the School District of Lancaster; and **Laura E. Cowburn** (Assistant to the Superintendent for Business Services) of the Columbia Borough School District—all of whom provided careful reviews of draft versions of the survey instrument. **Carol L. Powell** (Columbia Borough) and **James Estep** and **Sean Daubert** (Mifflin County) were indispensable resources in researching and writing the report case studies.

Thanks also to our colleagues and partners at the **Pennsylvania Association of Rural and Small**

**Schools**, the **Pennsylvania League of Urban Schools**, and the **Pennsylvania Association of Intermediate Units** for help in securing a strong, statewide sample. A special thanks to **Brian Barnhart** at the Lancaster-Lebanon Intermediate Unit, **Jeffrey Brown** at the Riverview Intermediate Unit, **Linda Hippert** at the Allegheny Intermediate Unit, and **Wayde Killmeyer** at the Midwestern Intermediate Unit.

We wish to acknowledge our non-profit research partner, **Research for Action**, for contributions to survey design and administration, and for managing the quantitative analyses of the survey results. At PASBO, **Jeff Ammerman**, Director of Technical Assistance, and **Hannah Barrick**, Director of Advocacy, also contributed to the survey design and final production of this report.

Finally, this report would not have been possible without the detailed responses provided by hundreds of superintendents, school business officials and other school district administrators in every corner of Pennsylvania. To our members: thank you for lending your time—the one resource more limited than funding—to this important project.

JIM BUCKHEIT & JAY HIMES  
*Harrisburg, January 2015*

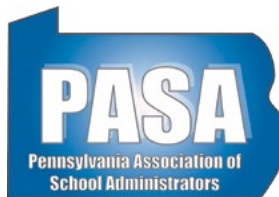
**A Note about Sources:** Unless otherwise indicated, sources are drawn from the PASA-PASBO survey and the spring 2014 PASA-PASBO report.

# ***CONTINUED CUTS: The PASA-PASBO Report on School District Budgets***

---

Pennsylvania Association of School Administrators &  
Pennsylvania Association of School Business Officials

**January 2015**



Copyright © 2015 PASA & PASBO

---

# TABLE OF CONTENTS

---

<b>I</b>	<b>Introduction:</b> Unprecedented Challenges.....	5
<b>II</b>	<b>Mandated Costs:</b> Under Pressure.....	7
	<i>Health Care</i> .....	7
	<i>Special Education</i> .....	8
	<i>Charter Schools</i> .....	8
<b>III</b>	<b>School Finance:</b> Shifting Burdens.....	9
	<i>Columbia Borough Case Study</i> .....	11
<b>IV</b>	<b>Staffing:</b> Missing Persons .....	12
	<i>Mifflin County Case Study</i> .....	14
<b>V</b>	<b>Academic Programs, Class Sizes, and Extra-Curriculars:</b>	
	Lost Opportunities.....	15
	<i>Academic Programs</i> .....	15
	<i>Class Size</i> .....	17
	<i>Extra-Curricular Activities</i> .....	18
<b>VI</b>	<b>Other Services:</b> Delayed Progress .....	19
	<i>School Construction</i> .....	19
	<i>Purchased Services</i> .....	19
	<i>Transportation</i> .....	19
<b>VII</b>	<b>Conclusion:</b> Pennsylvania’s Future .....	20
<b>VIII</b>	<b>Technical Appendix:</b> Fall Survey Methodology.....	21
	<i>Methodology</i> .....	21
	<i>Survey Description</i> .....	21
	<i>Survey Testing</i> .....	21
	<i>Survey Administration</i> .....	21
	<i>Sample</i> .....	22
	<i>Reporting Outcomes Using Both Spring and Fall Surveys</i> .....	23
	<i>Use of Pennsylvania Department of Education (PDE) Data</i> .....	23



# INTRODUCTION

Unprecedented Challenges

---

Debates concerning Pennsylvania public school funding are nothing new. Governors, legislators and education leaders have been experimenting with various approaches to raising revenue, distributing aid and strengthening “common schools” since the 1830s.

What is unique about the current debate is that it is playing out against the backdrop of long-term demographic, economic and political trends which, together, present enormous challenges for the Commonwealth.

As evidenced by one of the nation’s weakest job growth rates, Pennsylvania has never fully recovered from the 2008 financial crisis. As a result, the state faces gaping annual budget deficits at the very point that massive pension obligations and other increased mandated costs are coming due. State policymakers have responded with cuts to the main basic education subsidy and key categorical programs. But the nearly three-decade absence of a stable school funding formula means that these cuts have rolled out in unpredictable ways—and without respect to criteria such as student enrollments, poverty rates and local tax effort.

These facts have forced local school boards in the vast majority of districts to increase property taxes. Unfortunately, even these additional revenues are no match for externally-driven costs such as special education and payments to charter schools. The state’s inability to pass comprehensive reforms in these and other areas compounds the pressure and uncertainty.

Finally, the evolution of two decades of standards-based education reform means that teachers and students face greater personal accountability for performing at high levels against increasingly rigorous academic targets. As an example, districts statewide are working to manage the simultaneous implementation of new academic standards, a system of test-based graduation requirements and multi-faceted teacher and principal evaluation procedures.

**The January update of the annual PASA-PASBO survey on school district budgets provides new detail on how the state’s education community is responding to these challenges.** Our results reflect the largest sample ever recorded in the four-year history of this survey, with 321 school districts, or 64 percent of the statewide total, providing responses (see Figure 1). **Together, these districts educate more than 1.1 million Pennsylvania public school students, 70 percent of the statewide total.**

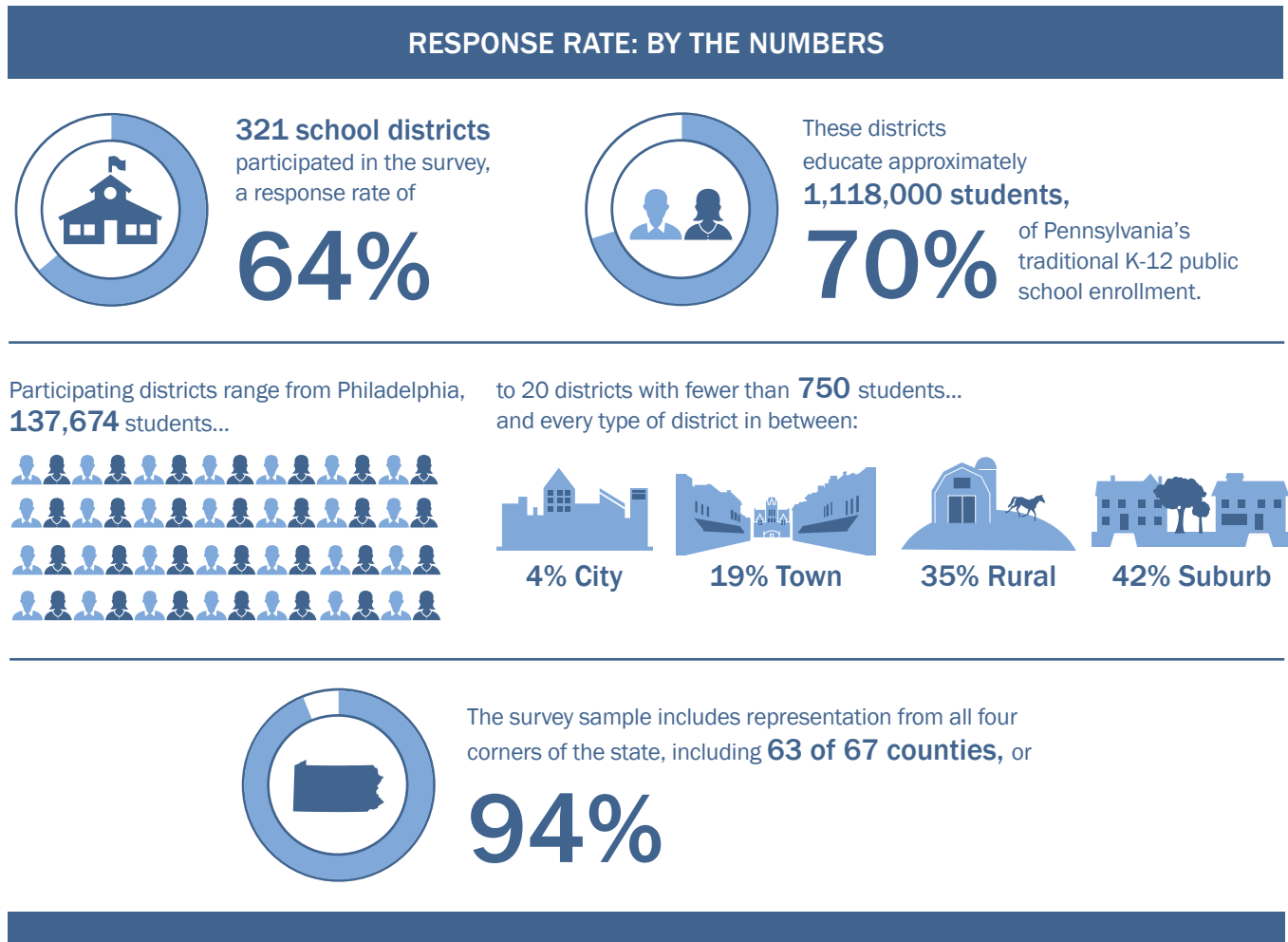
The purpose of this report is two-fold.

First, we seek to update the data from our **spring 2014 survey**, which was conducted prior to enactment of the state’s fiscal year 2014-2015 budget. On this count, our main finding was a bleak one: overwhelmingly, projected cuts, reductions, and tax hikes were implemented in final spending plans.

Second, we pose additional questions, and look ahead to 2015-2016, to provide the most comprehensive accounting possible of what the immediate future holds for Pennsylvania’s public schools. The answer? **Ninety-nine percent of respondents anticipate fiscal year 2015-2016 will bring more of the same or worsening fiscal conditions.**

The fourth-annual PASA-PASBO report includes statistics on mandated costs, local property tax increases and staff and programmatic reductions. For the first time, we also include district case studies to provide a more complete picture of the hardships in specific communities across our state. Our analysis shows that districts in every corner of the Commonwealth are implementing policies that reduce student opportunity and success. With every additional month, week and day of inaction, these consequences grow deeper—and the burdens on districts and taxpayers intensify.

Figure 1. Summary of survey sample





# MANDATED COSTS

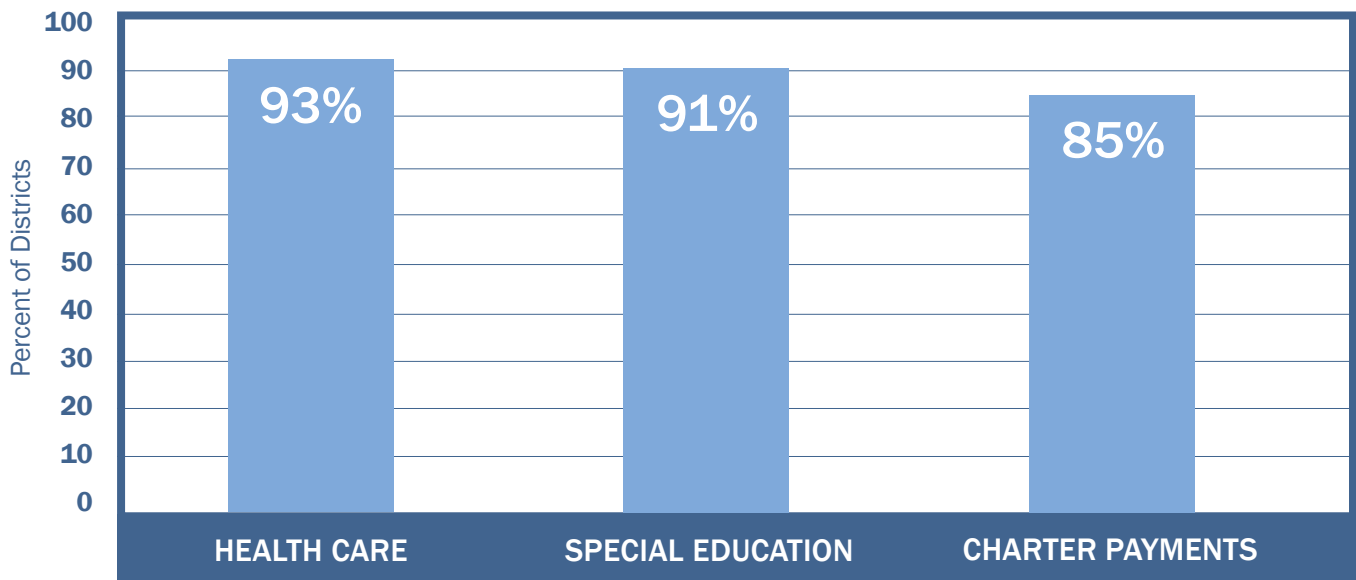
Under Pressure

As in our June 2014 report, we begin by identifying the significant, externally imposed costs that would present challenges for districts even if state funding was adequate, equitable and predictable. Foremost on this list is the pension crisis buffeting every school district in the state: 100 percent of spring survey respondents anticipated increased pension costs for the 2014-2015 school year, as required employer contributions rose by approximately \$800 million.<sup>1</sup>

For this report, we highlight other mandated costs that fall outside the control of school districts: **health care expenses, special education services and charter schools**. In our survey, districts were asked to report on: a) increases in each of these areas since the 2010-2011 fiscal year; and b) the specific rate of increase, if any, over the past year (2013-2014 to 2014-2015).

While increased costs in health care, special education, and charter schools are not as ubiquitous as pension spikes, they are widespread and impacting districts of every size and type. **For all three areas, at least 85 percent of respondent districts indicated increased costs since 2010-2011.** See **Figure 2**. Additional detail for each area follows.

**Figure 2. Percentage of respondent districts with increased mandated costs: 2010-2011 to 2014-2015**



## Health Care

In the last five fiscal years, 93 percent of respondent districts have faced increased health care costs at least once. Looking specifically at increases from 2013-2014 to the current fiscal year, 81 percent of respondent districts reported higher costs, with a median increase of six percent.

<sup>1</sup> <http://www.pers.state.pa.us/content/publications/financial/cafr/cafr14/2014%20Fin%20CAFR.pdf>  
<http://www.pers.state.pa.us/content/pfr/resources/contributions.pdf>

*“The biggest challenges are the increased PSERS rate, the elimination of the charter school subsidy and the calculation of the special education subsidy.”* - Small, suburban school district

## Special Education

Ninety-one percent of respondent districts reported increased special education costs at least once since 2010-2011. And while the state’s 2014-2015 education budget included an additional \$20 million for special education (the first increase in special education funding in six years), these resources were not enough to offset rising mandated costs at the district level. Seventy-eight percent of respondent districts reported increased special education expenditures in 2014-2015, with a median increase of seven percent over 2013-2014.

## Charter Schools

Payments to one or more of 162 brick-and-mortar and 14 cyber charter schools are a third area in which an overwhelming majority of respondent districts (85 percent) reported increased costs in at least one of the last five fiscal years. Looking specifically at the 2014-2015 fiscal year, 56 percent of respondent districts reported increased payments to charters, with a median 11 percent rise. This is consistent with charter school sector growth in recent years; an analysis by PASBO found an average 57 percent increase in charter school-related expenditures over three years, between 2009-2010 and 2012-2013.<sup>2</sup> A key factor in these rising costs is the loss of state charter school reimbursement funds, which helped districts meet fixed obligations that remain when an individual student departs.

*“Multiple year tax rate increases have been virtually dollar for dollar for charter and pension increases... salaries have actually declined.”* - Mid-sized, rural school district

---

<sup>2</sup> <http://basiceducationfundingcommission.pasenategop.com/files/2014/11/mccullough.pdf>



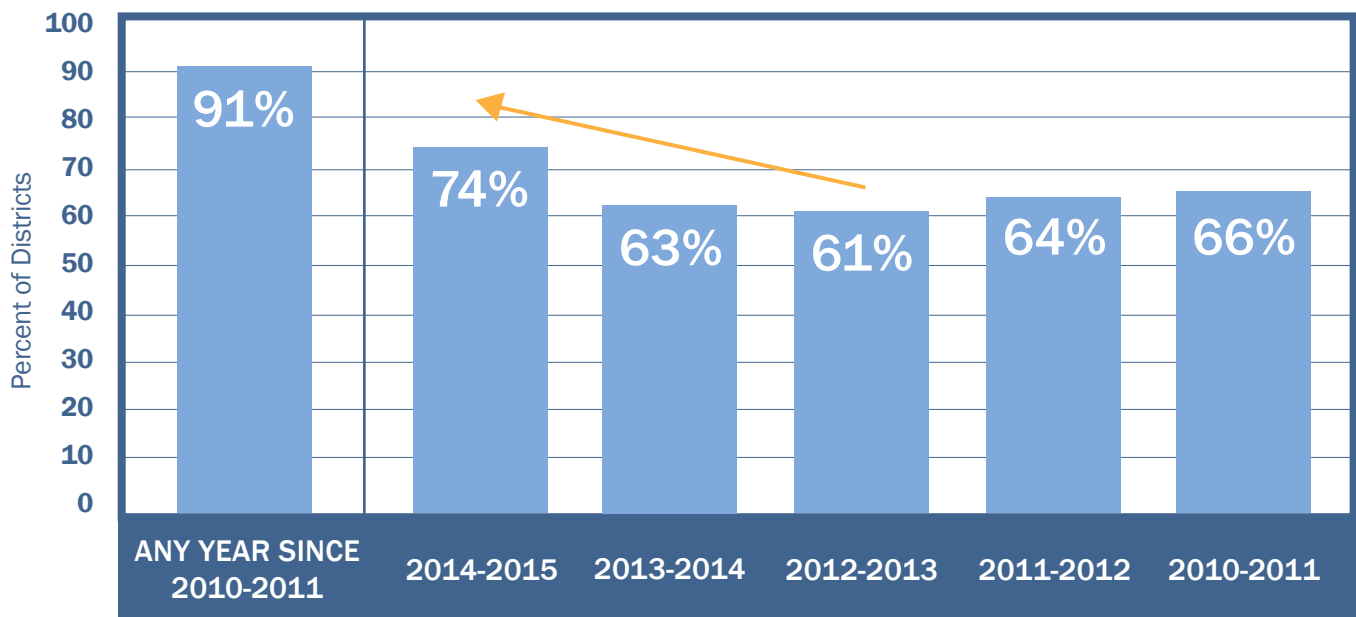


State education funding has been no match for these rising costs and the broader economic and structural pressures facing schools. State support for education dropped in 2009-2010, and further still in 2010-2011, in the immediate aftermath of the financial crisis. While total state education funding has limped back to 2008-2009 levels, a significant portion of recent increases is earmarked for PSERS contributions.

To compensate, local funding—largely in the form of property tax increases—has increased 16 percent since 2008-2009: **these increases amount to more than \$1.6 billion in additional local funding for schools among respondent districts.**<sup>3</sup>

**Figure 3** shows the percentage of respondent districts that reported property taxes in each of the last five fiscal years. **Ninety-one percent of respondent districts have raised taxes at least once over this span**, and in every fiscal year, more than 60 percent of respondent districts raised property taxes. Notably, there has been a steady, three-year uptick in the frequency of tax increases since 2012-2013.

**Figure 3. Percentage of respondent districts reporting property tax increases: 2010-2011 to 2014-2015**



<sup>3</sup> PA Department of Education: AFR Data: Summary-Level, (2008-09), [http://www.portal.state.pa.us/portal/server.pt/community/summaries\\_of\\_annual\\_financial\\_report\\_data/7673/afr\\_excel\\_data\\_files/509047](http://www.portal.state.pa.us/portal/server.pt/community/summaries_of_annual_financial_report_data/7673/afr_excel_data_files/509047)

*“Our fund balance has declined by approximately 40 to 45% since 2010-2011. The tax rate cannot keep up with the increases.” - Small, suburban school district*

The burden of local funding increases fell most heavily on Pennsylvania’s poor communities. For example, when survey respondents were sorted into quartiles, the most and second-most impoverished districts reported increasing local education spending by 11 percent and 17 percent, respectively since 2008-2009—roughly two to three times the increases these districts received from the state. This stands in stark contrast to the situation in the least impoverished districts, where the percentage increase in state funding actually outpaced the growth in local revenues.<sup>4</sup> This disproportionate impact on high-poverty communities is discussed in the first of two case studies. (See opposite page.)

---

<sup>4</sup> PA Department of Education: AFR Data: Summary-Level, (2008-09), [http://www.portal.state.pa.us/portal/server.pt/community/summaries\\_of\\_annual\\_financial\\_report\\_data/7673/afr\\_excel\\_data\\_files/509047](http://www.portal.state.pa.us/portal/server.pt/community/summaries_of_annual_financial_report_data/7673/afr_excel_data_files/509047)

## Columbia Borough Case Study

Few school districts struggle as mightily as tiny Columbia Borough when it comes to summoning sufficient local resources for its public schools. But it's not for lack of trying.

With two-thirds of its students eligible for free and reduced lunch, Columbia has some of Lancaster County's most entrenched poverty. It also has the area's highest school taxes. From fiscal year 2008-2009 through the 2013-2014 fiscal year, Columbia's approximately 10,400 residents contributed an additional \$2 million to the borough's schools. Local property taxes have far outpaced all other revenue sources, with tax hikes in three of the past four years.

These increases are a hardship for the entire community, even members of the local school board. A June 2014 *Lancaster New Era* series on Columbia's school funding crisis reported that one board member has been forced to auction family heirlooms just to meet her \$6,500 tax bill.<sup>5</sup> "We're trying to do the best we can, give the kids good lunches and take care of them," explained Sara Linkous.

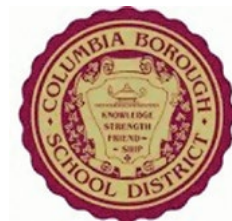
Decisions like this create tremendous worry for Laura Cowburn, Columbia Borough's veteran business manager and board secretary. "We have made every conceivable cut and reduction," said Cowburn. "This is an amazing community with hard-working people, but we can't do the things we need to do for our kids because of a deeply unfair school funding system," she added.

District superintendent Carol L. Powell agreed: "We have a limited tax base to begin with, yet the current system forces us to tax more frequently, and at higher amounts, than our neighbors. It's a vicious cycle that perpetuates inequity and adds greater challenges to meeting the needs of our students."

Next year's budget will be Laura Cowburn's last; the Board accepted her retirement as of May 1, 2015. Staring down additional staff cuts and further reductions in academic programs considered basics in nearby districts, Cowburn rests her hopes in reform from Harrisburg. "We have done all we can locally to fix problems that are the state's creation. This simply can't go on."

*"It's a vicious cycle that perpetuates inequity and adds greater challenges to meeting the needs of our students."*

- CAROL L. POWELL  
District Superintendent



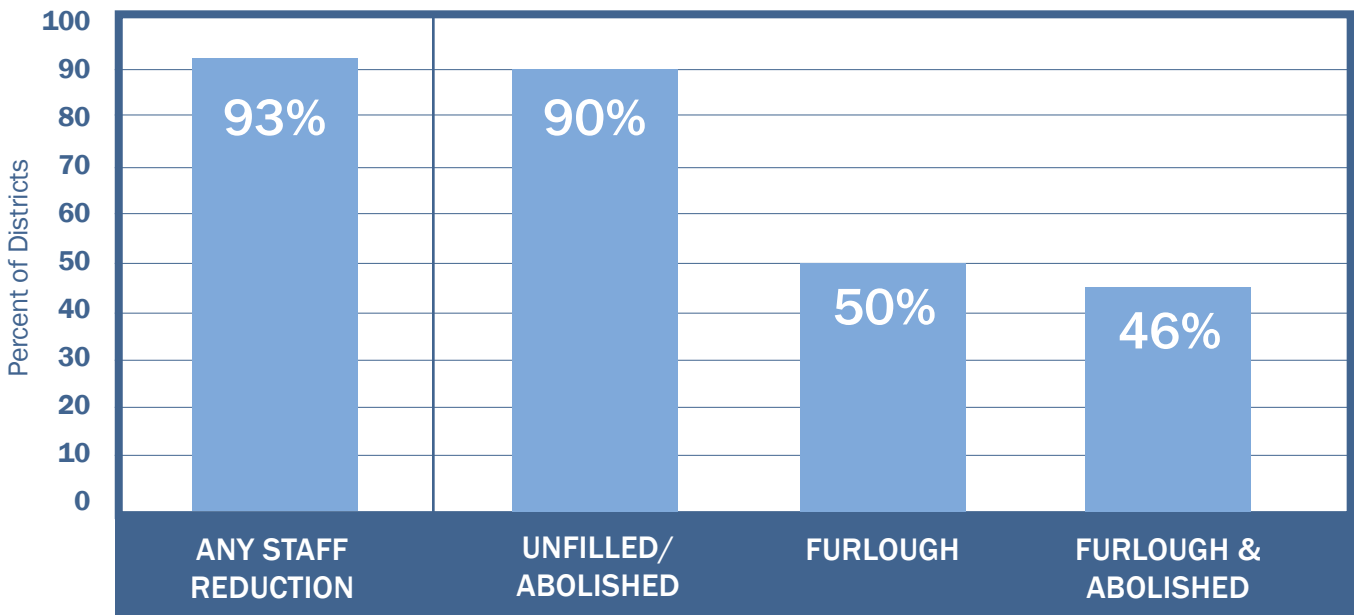
**Raising local property taxes is one obvious consequence of the state's education funding crisis. Deep cuts are another. In the next section of our analysis, we report on staff, program and other cuts from our respondent districts.**

<sup>5</sup> "Failing in Slow Motion: High taxes hurting homeowners and economy in Columbia", *Lancaster Newspapers*, June 29, 2014.

Pennsylvania’s education workforce looks very different today than it did just a few years ago.

**Figure 4** shows the percentage of responding districts indicating staff reductions over the past five fiscal years. Consistent with our spring report, an overwhelming majority of respondent school districts (93 percent) reported staff reductions since 2010-2011. In terms of type of reduction, 90 percent of district left positions vacant, 50 percent made furloughs, and 46 percent took both of these actions. An especially troubling finding is that districts made these difficult decisions again and again: More than 85 percent of respondent districts reported furloughs or vacancies on multiple occasions since the 2010-2011 fiscal year.

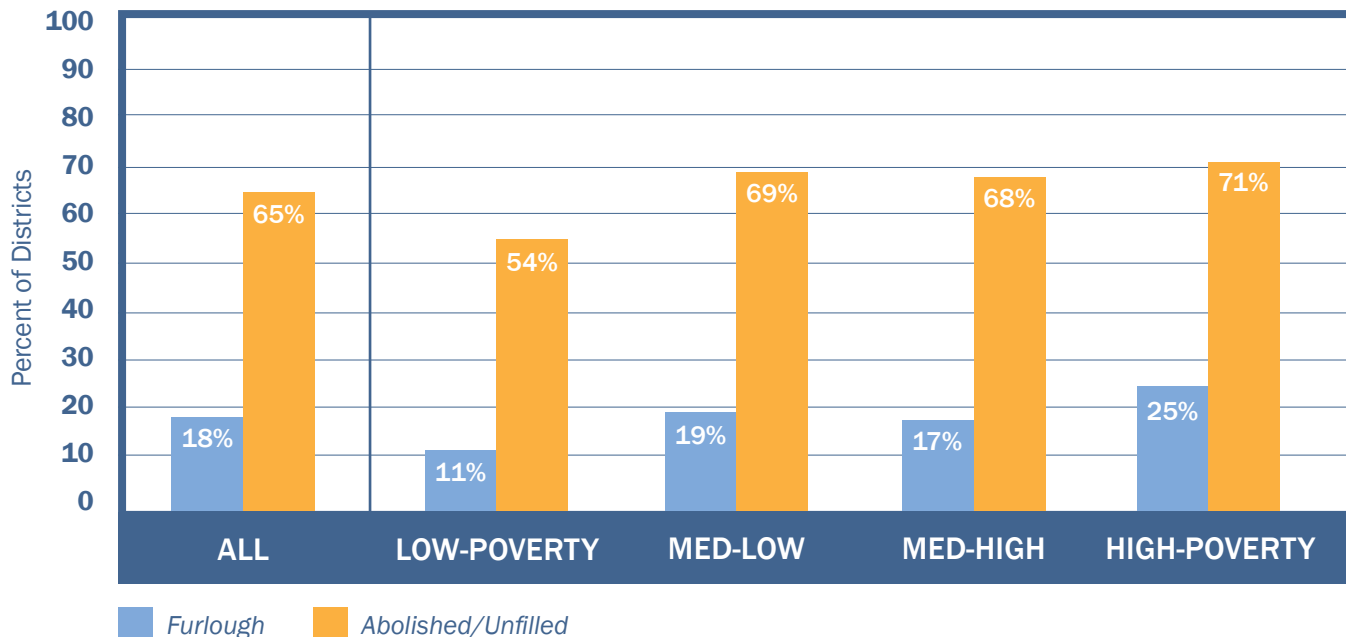
Figure 4. Percentage of respondent districts with at least one round of staff reductions: 2010-2011 to 2014-2015



*“Furloughs and positions that have been left unfilled have seriously compromised the quality of the educational programming we are able to offer.” - Small, urban school district*

Looking specifically at 2014-2015, significant numbers of districts in every poverty quartile—the wealthiest to the poorest—reported “staff reductions.” The fact that significant staff reductions continue five years after the end of the recession, and in a year with a three percent state increase in total school funding, is notable.<sup>6</sup> See Figure 5.

Figure 5. Percent of districts with staff reductions in 2014-2015 by poverty quartile



Every available data point highlights the scale of these cuts in human terms. The U.S. Bureau of Labor Statistics documents the loss of more than 23,000 education jobs in Pennsylvania through the end of 2012.<sup>7</sup> According to the Pennsylvania Department of Education, nearly 11,000 professional positions were lost in just three years (2010-2011 to 2013-2014).<sup>8</sup> And our most recent survey results show that the highest-poverty districts in our sample alone reported a loss of more than 3,200 classroom teachers.

Districts are also increasingly outsourcing positions in an attempt to control for pension and health care-related costs. Over 20 percent of the districts in our sample (63 districts) reported outsourcing employees during 2014-2015—nearly twice the number that outsourced during the 2013-2014 fiscal year. Last year alone, more than 2,800 employees in respondent districts were impacted by outsourcing.

“Since 2010, 90% of retired teachers have not been replaced.” - Small, rural school district

<sup>6</sup> Pennsylvania Department of Education 2014-15 Enacted Education Budget

<sup>7</sup> U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

<sup>8</sup> PDE: 2010-2011 Professional Personnel Summary and 2013-2014 Professional Personnel Summary, [http://www.pde.state.pa.us/portal/server.pt/community/professional\\_and\\_support\\_personnel/7429](http://www.pde.state.pa.us/portal/server.pt/community/professional_and_support_personnel/7429)



## Mifflin County Case Study

While districts of every type, and in every corner of the Commonwealth, have been forced to make staff reductions, rural 5,201-student Mifflin County School District has been hit especially hard.

As of the current school year, the district has 50 fewer instructional staff—an 11 percent reduction in its complement—from 2010-2011. These staff cuts far outpace the small drop in student enrollment during the same period. An example: staff cuts have increased class size by seven to 10 students per room, even when considering the student population loss. In the 2011-12 fiscal year alone, more than 70 classroom teacher positions were lost.

“We furloughed dozens of staff, eliminated countless programs, and shuttered six school buildings,” said Superintendent James Estep. “And we’ve done all these things while asking local taxpayers to increase their contributions to the schools by nearly 30 percent—triple the increase from what we’ve received from the state,” he continued.

Approaching the 2015-2016 school year, Estep and his board will contemplate additional painful cuts. “We want the best for our kids,” said Sean Daubert, CFO. “Unfortunately, the decisions we’re forced to make are keeping us from that. We have made national news for the depth of our cuts—what sort of message does that send?”

*“We furloughed dozens of staff, eliminated countless programs, and shuttered six school buildings..”*

- SEAN DAUBERT  
Chief Financial Officer





# ACADEMIC PROGRAMS, CLASS SIZES AND EXTRA CURRICULARS

Lost Opportunities

Staff reductions go hand in hand with cuts to proven academic programs and instructional supports like tutoring and extended day opportunities. In a very real sense, these cuts mean that students are being asked to do more with less as the state transitions to new and more demanding academic standards. The impact of these decisions is becoming clear with a three-year, across-the-board slide in student test scores.<sup>9</sup>

*“Reduction of support staff, tutors, reading specialists, summer programs, etc. have had a major impact on our scores.” - Large, suburban school district*

## Academic Programs

We focus first on academic programs that occur within the regular school day, including music and theater, visual arts, foreign language and early childhood classes. An important caveat: Even our detailed analysis understates the depth of academic program cuts and reductions. Substantial reductions were made in the immediate aftermath of the financial crisis and in the early years of the recession; this report documents program reductions only since 2010. In addition, districts were asked to indicate cuts at the “program” or category level (e.g., “music/theater programs”) to ensure that reporting was as consistent as possible. A district could have made multiple cuts within a single program—such as marching band and chorus. For both of these reasons, the number of eliminations and reductions should be treated as a floor, not a ceiling.

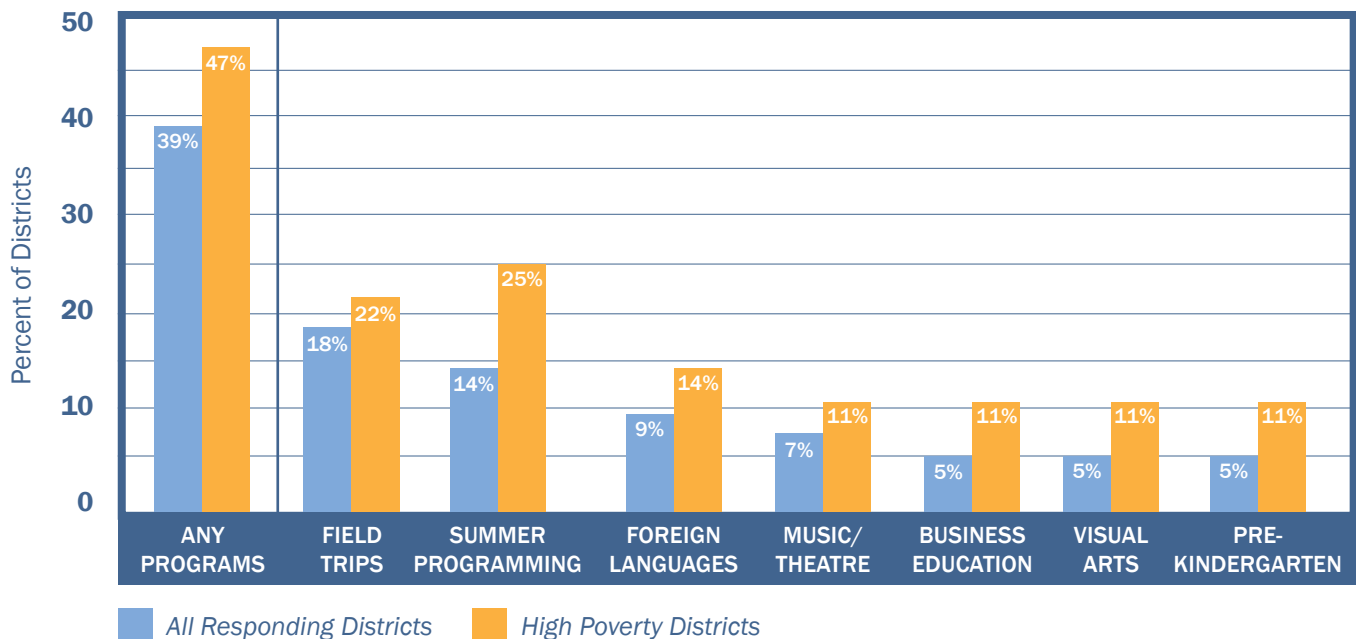
Our analysis finds that districts in every corner of Pennsylvania are making sharp reductions to academic programs. Nearly three-quarters of districts—74 percent—reported at least one academic program cut or reduction since the 2010-2011 fiscal year.

<sup>9</sup>Eleanor Chute, “Pennsylvania student scores declined with reduced funding, test results show,” *Pittsburg Post-Gazette*, (2014), <http://www.post-gazette.com/news/education/2014/11/21/State-student-scores-declined-with-reduced-funding-test-results-show/stories/201411240030>.

Many districts report making these difficult decisions on a routine basis, and nearly 40 percent of respondents made cuts in 2014-2015 despite the slight boost in state education spending.

**Figure 6** details the most frequently impacted areas for 2014-2015 school year. Here, the disproportionate impact for high-poverty communities becomes clear. The most common cut among high-poverty districts was summer programming, an enormous loss considering the significant research base showing the value of out-of-school academic opportunities in closing achievement gaps.<sup>10</sup> At least 10 percent of high-poverty respondent districts made cuts in other key areas such as field trips, foreign languages, visual arts, business education, music/theater and pre-kindergarten. Additional cuts were reported in physical education, career and technical education, dual enrollment, Advanced Placement/International Baccalaureate courses, special education, kindergarten, and programs for under-credited/over-aged students.

**Figure 6. Percentage of districts reducing academic programs, and by category, 2014-2015**



In terms of total program eliminations and reductions, **at least 223 categories of programs were affected in the 2014-15 school year alone.**

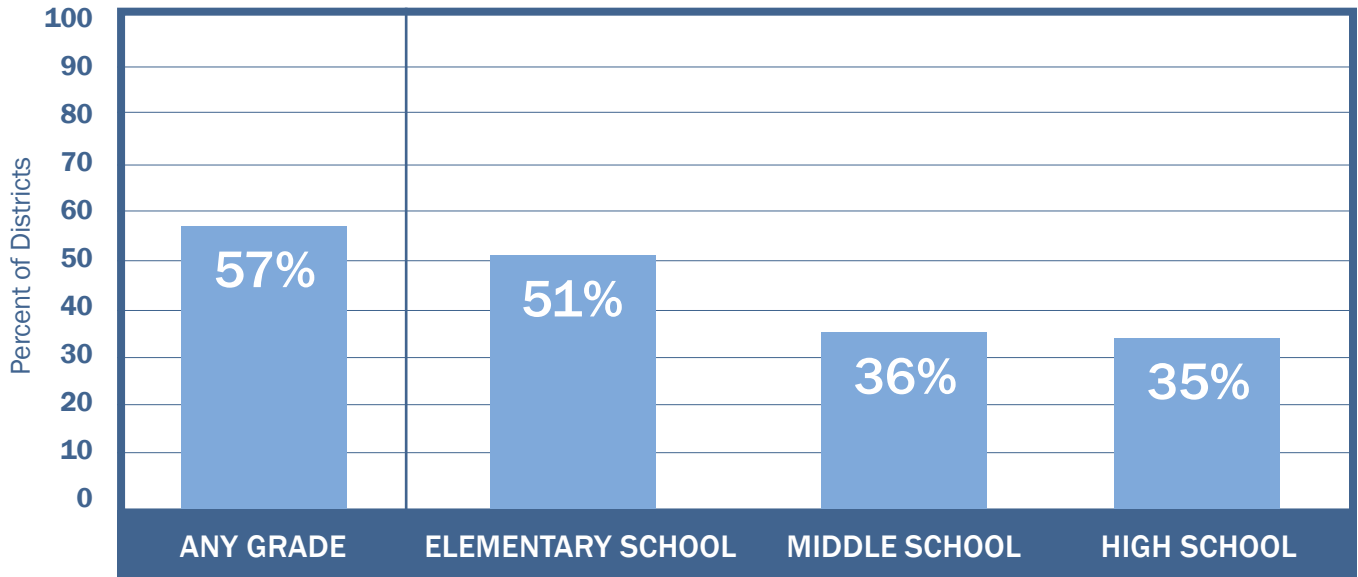
<sup>10</sup>Alexander, K.L., Entwistle, D.R., Olson, L.S., (2007). Lasting consequences of the summer learning gap. *American Sociological Review*. Vol. 72 (April: 167-180). Retrieved from: <http://asr.sagepub.com/content/72/2/167.abstract>



## Class Size

Districts have also made substantial increases in class sizes in response to budgetary pressures. A significant majority of respondents from our surveys reported at least one round of class size increases since 2010-2011. **Figure 7** shows the grade levels impacted by these decisions.

**Figure 7. Percent of districts with at least one class size increase since 2010**



*“Class sizes of 30+ in grades K-8 are now common with a population of high-poverty students.” - Small, city school district*

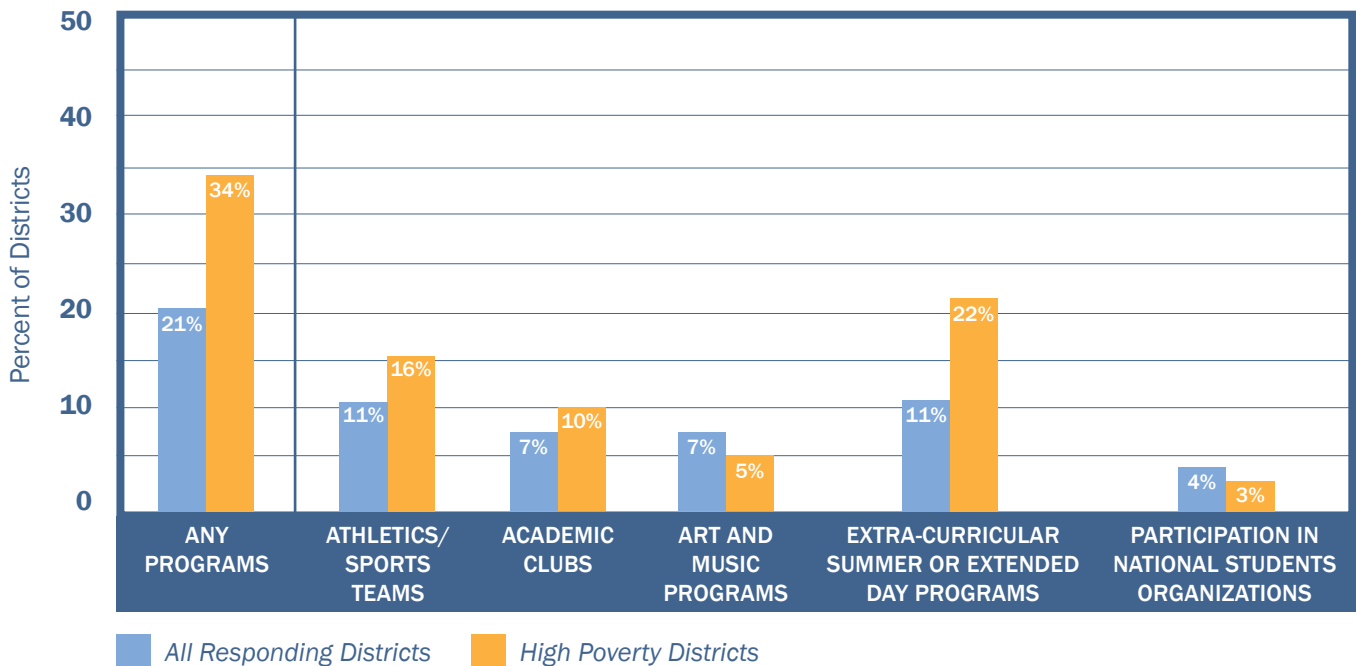
Looking specifically at 2014-2015, roughly one-third of respondents—more than 100 school districts—reported an increase in class size in one or more grade spans. As we saw in the results of our spring survey, class size increases were most common at the elementary level—a deeply concerning finding given research that demonstrates strong academic benefits from small class size in the early grades, especially for vulnerable students.

## Extra-Curricular Activities

Beyond the traditional school day, districts continue to implement significant cuts and reductions to extra-curricular programs. Participation and other fees to sustain specific activities are also on the rise, a step that shifts additional burdens onto families and students. This portion of our analysis concerns athletic programs, academic clubs, national student organizations, band and orchestra, and extended-day offerings—again, categories of programs. The number of individual affected programs within these categories (e.g., the field hockey team, stage crew, drama club) would be far higher.

More than half (53 percent) of respondent districts reported cuts or reductions to at least one area of extra-curricular activities since 2010-2011. **Figure 8** details the actions taken during the 2014-2015 school year. Looking at types of extra-curricular activities, athletics and summer or extended day programs, were cut most frequently. Nearly one-quarter (22%) of high-poverty school districts cut summer or extended day programs this fiscal year.

**Figure 8. Percentage of districts reducing extracurricular programs, 2014-2015**





## OTHER SERVICES

Delayed Progress

Districts have also experienced hardships on the operational side—reductions in transportation services, delaying major purchases and taking on additional burdens associated with school construction while waiting for long-promised state reimbursement. Again, impacts were reported in districts of all sizes and types, and in all corners of the state.

*“We closed one elementary school and the district office. We have reduced textbook, supply and building maintenance spending.”* - Mid-sized, rural school district

### School Construction

Concerning the state’s 2012 to 2014 moratorium on planned construction, one-third of respondent districts reported that they were financially impacted by or delayed/cancelled construction projects as a result of the moratorium. High-poverty communities were most likely to be impacted by the moratorium.

We also asked respondents to estimate the dollar amount of construction reimbursement (PlanCON) that was immediately due to the district at the time of survey completion. On average, respondent districts estimated nearly \$787,000 in money owed from the state for previously-approved projects; the average is even higher—roughly \$1,515,000—for the high-poverty districts in our sample. **At one point, the total amount due for all of these districts was over \$55,000,000. As context, this withholding was more than five times the amount of the state’s increase for school building construction and renovation for the 2014-2015 fiscal year.**

### Purchased Services

Nearly half of respondent districts (46 percent) reported delaying or cancelling at least one major purchase or service during the 2014-2015 fiscal year. For instance, more than one quarter of districts (27 percent) reported that they either delayed or cancelled a technology purchase during fiscal year 2014-2015, and 24 percent of districts delayed or cancelled purchase of textbooks or other curriculum materials. Twenty-one percent of districts reported reduced professional development programs, a key statistic given the ongoing implementation of new academic standards and assessments.

### Transportation

Districts were asked to report on changes to transportation services, including cancelling and/or combining routes, shrinking bus fleets, and reducing or eliminating after-school and activity bus runs. Over the past fiscal year, 37 percent of respondent school districts reported at least one such change, with curtailment of routes or bus stops the most common response (21 percent).



## CONCLUSION | Pennsylvania's Future

---

The public schools that educate 1.7 million Pennsylvania students are very different places than they were just a few years ago. Reduced educational opportunities. Fewer teachers, librarians and nurses. And steady erosion on student achievement. These are the unmistakable findings from this year's PASA-PASBO surveys. They are signals of a state that is seeing economic opportunity slip away.

Alongside the facts and figures in this year's report, the district case studies show that local communities have responded to Pennsylvania's school funding crisis as best they can, using the limited tools at their disposal. From the decision in Mifflin County to shutter a half-dozen school buildings to efforts in Columbia Borough to generate revenue in a community that has already sacrificed mightily, local education leaders have made—and continue to make—hard choices.

It hasn't been nearly enough. In fact, further delay on the part of Harrisburg could imperil even the most basic education programs in hundreds of districts statewide. A recent quantitative analysis presented at the **University of Pittsburgh's Institute of Politics** and **Temple University's Center for Regional Politics** showed that basic assumptions around revenues and expenditures would find 50 percent of Pennsylvania districts without the funds needed to meet mandatory costs by fiscal year 2017-2018.

It is time to change course.

With a new year, a new legislative session, and a new administration, let's commit to securing the adequate, predictable and research-based school funding system that our Commonwealth so desperately needs. PASA and PASBO and our members stand ready to support you in this work.

## METHODOLOGY

The 56-question survey that informed this analysis represents the most comprehensive effort to account for school district financial conditions, outside of required state and federal reporting, since the start of the recession.<sup>11</sup>

The survey was released on September 16, 2014, to 962 administrators and chief financial officers in 499 school districts based on membership lists provided by both PASA and PASBO. Significant efforts were made to achieve a high, representative and geographically-balanced response.

When the survey was closed on October 14, 2014, the response rate reflected submissions from 321 school districts, or 64.3 percent of the statewide total. This includes representation from every corner of the state, including 63 of 67 counties (94 percent). Together, these districts educate approximately 1,118,000 students, or 70 percent of the Commonwealth's traditional K-12 public school enrollment. Participating districts range from the largest district in the state (Philadelphia with 137,674 students) to 20 districts with fewer than 750 students, and every type of district in between.

### Survey Description

The fall survey was composed of 56 questions concerning school district finance, staffing and programmatic conditions. Data collected goes well beyond that collected in mandated federal and state reports. This effort follows a spring survey that asked for data from previous years (2010-2011 through 2013-2014), as well as projections for the 2014-2015 school year based on budgetary assumptions. As such, the fall survey was a shorter version of the spring survey.

### Survey Testing

Prior to dissemination of an online survey to Pennsylvania school district superintendents and business administrators (based on membership lists maintained by PASA and PASBO), the instrument was piloted by staff at Research for Action and with current and former school district administrators to ensure clarity.

### Survey Administration

The survey went live on September 16, 2014. Weekly reminders were sent to those who had not completed the survey. The survey was closed on October 30, 2014.

<sup>11</sup> While Pennsylvania Department of Education financial data elements, such as Annual Financial Reports, have been utilized to provide important statewide context, these reports are currently only available through the 2012-13 fiscal year, necessitating reports directly from school districts.

## Sample

The fall survey was sent to superintendents and business managers in 499 Pennsylvania school districts based on membership lists maintained by both PASA and PASBO.<sup>12</sup> The superintendent and business manager in the same district filled out a single survey. In the table below, we compare the districts that responded to the fall survey to the entire state. As seen below, the demographics of the responding districts are very similar to those of the entire state.

**Table A1. Comparison of demographic data for districts responding to the fall PASA-PASBO survey and all districts in Pennsylvania, 2012-13<sup>13</sup>**

	FALL SURVEY RESPONDING DISTRICTS (N=321)	ALL PENNSYLVANIA DISTRICTS (N=499)	DIFFERENCE
Total enrollment	1,117,986	1,605,292	-487,306
Average Percent White	85.6%	84.5%	1.1%
Average Percent Special Education	14.5%	14.7%	-0.2%
Average Percent ELL	1.2%	1.2%	0.0%
Average Percent Free and Reduced Priced Lunch 2012-13	37.8%	40.2%	-2.4%
Percent of Districts in Highest Poverty Quartile	21.3%	24.9%	-3.6%
Average Total Revenue	\$57,304,672	\$52,113,656	\$5,191,016
Urbanicity (Percentage of Districts in Sample)			
City	3.7%	3.4%	0.3%
Rural	35.2%	35.1%	0.1%
Suburb	41.7%	41.5%	0.3%
Town	19.3%	20.0%	-0.7%

**Note:** Numbers for enrollment, ethnicity, special education, English Language Learners, free- and reduced priced lunch, poverty level and total revenue are most recent publicly available data from the PDE website.

**Note:** Bryn Athyn School District contracts-out educational services. Source: <http://www.brynathynschooldistrict.org/>

<sup>12</sup> Specifically, the same survey was sent to 499 superintendents and 463 business managers (some small school districts do not have business managers).

<sup>13</sup> With 285 districts responding, the response rate for the spring survey was 57 percent.

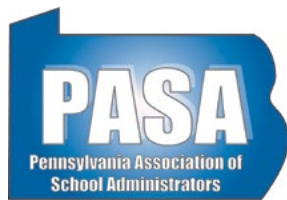


## Reporting Outcomes Using Both Spring and Fall Surveys

Three hundred twenty-one (321) districts responded to the fall survey, representing 64 percent of all districts in the state. This is an increase of seven percent in the response rate over that of the spring survey. As spring survey respondents had already provided data on previous fiscal years, fall survey respondents that had completed the spring survey were not required to answer many of the same questions a second time. Specifically, these respondents were routed around survey questions pertaining to changes in academic and extra-curricular programs between 2010-2011 and 2013-2014; they were only asked to provide 2014-2015 information. However, even for districts that had completed the spring survey, some questions regarding 2013-2014 district finances (i.e., pertaining to expenses and outsourcing) were asked of all fall survey respondents to ensure changes between 2013-2014 and 2014-2015 could be calculated.

## Use of Pennsylvania Department of Education Data

Department data were used to calculate changes over time for certain analyses presented. Specifically, the change in revenue between 2008-2009 and 2014-2015 was calculated using 2008-2009 PDE data and 2014-2015 survey data. Additionally, the change in staffing between 2010-2011 and 2014-2015 was calculated using 2010-2011 PDE data and 2014-2015 survey data. In each of these cases, calculations were based on district level changes and then aggregated to describe changes overall.



For additional copies or electronic versions of this report, please contact **PASA** at **(717) 540-4448** or **pasa@pasa-net.org** or **PASBO** at **(717) 540-9551** or **pasbo@pasbo.org**.

The **Pennsylvania Association of School Administrators (PASA)** is an organization that is instrumental in developing successful school leadership through advocacy, professional development, support, sustainment of high quality school administrators and a statewide collegial network. Our mission is to develop, support and serve Pennsylvania school leaders.

The **Pennsylvania Association of School Business Officials (PASBO)** is a statewide association, 3,000 members strong. We are devoted to providing members with education, training, professional development and timely access to legislative and policy news. Our mission is to create great schools by developing outstanding school leaders and providing responsive school business solutions.