



**Testimony of David W. Patti  
President & CEO, Pennsylvania Business Council  
Before Pennsylvania Senate Education Committee  
May 13, 2015**

Good morning. I appreciate the opportunity to address the Committee today on behalf of the more than 60 CEOs and senior executives who make up the Policy Roundtable of the Pennsylvania Business Council.

The Pennsylvania Business Council envisions a Commonwealth in which residents enjoy a very high quality of life in sustainable communities, where those who are seeking employment find high quality jobs with good compensation, and where those who invest their capital and hard work can grow firms that flourish and are profitable. The PBC Policy Roundtable, like its national counterpart in Washington, is a forum in which senior executives meet on a peer-to-peer basis to formulate public policy proposals to the most pressing issues of competitiveness. PBC produces an online tool to guide state policymakers and inform the public by gathering and reporting 55 factors that drive the creation of private sector jobs and grow Gross State Product (GSP). Education metrics feature prominently among the statistics we track. You can find that work at <http://pascorecard.com>.

PBC believes strengthening Pennsylvania's education, and career and post-secondary readiness are essential steps to make Pennsylvania more competitive and more able to retain and attract family sustaining employment opportunities.

The strength of Pennsylvania's economy begins with the strength of its public basic education.

In many forums over the past year, the topic of education funding has been discussed and analyzed in detail. PBC believes that education funding must be adequate, fair, and predictable. But we also believe very strongly that there must be accountability for school funding.

Adequacy demands accountability. Accountability requires adequacy.

PBC's ***Pennsylvania Scorecard*** shows that in recent years, the Commonwealth's students are becoming more proficient in educational fundamentals such as language arts and mathematics as measured by the National Assessment of Educational Progress (NAEP). Our high school graduation rates are improving, and more Pennsylvanians are attaining bachelor degrees.

This is great news. But there is a cautionary tale as well: a report released last fall by the American Institute of Research, Educational Equity, Adequacy, and Equal Opportunity in the Commonwealth: An Evaluation of Pennsylvania's School Finance System<sup>1</sup> affirms that proficiency is improving among Pennsylvania students. But, warns the report, proficiency is not even across our 500 school districts or even within school districts across buildings. Moreover, while proficiency is generally rising, proficiency is not rising at an even rate for all school or for all sub-populations.

Using the Commonwealth's recently implemented School Performance Profiles (SPP) we can exam these issues at a micro level. We find that in the lowest performing 5% of schools – 147 schools – only 30.1% of the students are reading and performing math at grade level. The graduation rate for students in these schools is just 56.0% – and I think we have to ask ourselves if that high school diploma really indicates that these students are career and post-secondary ready. I say that because just 1.0% of seniors from these schools are judged “college ready” by their SAT and ACT scores.

There are more than 90,000 students in these 147 schools. More than 90,000! And 90% of these students are from racial minorities.

These are embarrassing and heartrending statistics. We are failing these students. We are failing their families. We are failing their communities.

The bottom 5% of schools are spread across 17 Pennsylvania counties. This is not a city problem, or a regional problem; it is a state problem:

- Allegheny– 10 schools
- Berks – 4 schools
- Blair – 1 school
- Dauphin – 7 schools
- Delaware – 7 schools
- Erie – 3 schools
- Fayette – 1 school
- Huntingdon – 1 school
- Lancaster – 1 school
- Lebanon – 2 schools
- Luzerne – 1 school
- Mercer – 1 school
- Northampton – 2 schools
- Philadelphia – 95 schools
- Statewide charter schools – 4 schools
- Westmoreland – 1 school
- York – 4 schools

Some will make the case these statistics are a reflection of funding. We spent nearly \$1.3 billion in these schools last year. Many of these schools performed poorly a decade ago. Many of these schools performed poorly when federal stimulus funds pushed state spending higher.

Twenty-eight (28) of the 32 lowest-performing Philadelphia schools on the 2004-2005 PSSA exams were again rated in the lowest performance category this year. Many of the lowest performing 5% of schools on this year's SPP were performing no better in 2010, at the height of the spending.

In 2004-2005, 25% of students attending the schools statewide that are today in the bottom 1% on the SPP, were on grade level in reading and math. Total statewide instructional expense grew 32% from 2004-2005 to 2014-2015; the Basic Education Fund grew 27% in that time. And now only 24% of students are on grade level.

It takes more than money to improve education. It takes transformational change to improve chronically underperforming schools.

Dr. Mark Tucker, President & CEO of the National Center on Education and the Economy, appeared in Harrisburg last week at a symposium sponsored by the Temple University Center on Regional Politics and the University Consortium to Improve Public School Finance and Promote Economic Growth. Dr. Tucker summarized his analysis of the superior characteristics of education systems in countries that have surpassed the United States in Programme for International Student Assessment (PISA) exam scores:

“More investment in ‘hard to educate’ than ‘easy to educate;’  
Strong support for young children; and  
Strong, coherent instructional systems.”

In many ways, these three factors are at the root of Senate Bill 6.

The Educational Opportunity and Accountability Act would create a strong, coherent instructional system—the Achievement School District, or ASD – for the school buildings with the lowest academic performance as measured by the SPP.

Dealing with poorly performing elementary schools – coupled with Pennsylvania’s outstanding early childhood and pre-K initiatives – the ASD would intervene in the education of young children in those critical early years that set the pattern for later learning.

Some 90% of the students in the lowest performing 5% of schools live in poverty. By focusing attention, and concentrating resources, strengthening management, and empowering teachers in ASD schools we would have the tools to serve the “hard to educate.”

Tucker explained to his Harrisburg audience the US spends more per pupil than the higher PISA performing nations. In fact, the only characteristic he says the US shares with those nations is the use of internationally benchmarked, high academic standards with proficiency monitored through aligned assessments. The ASD would be required to ensure proficiency to the level required by the Pennsylvania Core Standards demonstrating that proficiency on the same Keystone Exams taken by all students.

Louisiana undertook an initiative such as this when it was forced to deal with the devastation of Hurricane Katrina. The results in the New Orleans School District have been astonishingly good.

In 2010, Massachusetts passed legislation that provided the Office of District and School Turnaround in the Massachusetts Department of Elementary and Secondary Education with the authority to take over schools and districts. Turnaround strategies include mandate relief; conversion to public charter schools; reallocation of funding; and staff reorganizations and improvements. They did not create a separate statewide accountability district as SB 6 would do. My counterpart at the Massachusetts Business Roundtable and his allies at the Massachusetts Business Alliance for Education report great results in just a few years.

The Executive Director of the Alliance sent me an email saying, “What has made the most difference in turning around schools, is the management authority given to principals over school staff and schedules; and given to school districts over replacing principals. When good leaders use the flexibility wisely there have been positive results for the kids in that school. The challenge is retaining that authority as schools improve and extending that authority to all schools.”

Tennessee enacted legislation to create an Achievement School District in its state in 2010. Educators and policymakers understood that early adoption of higher academic standards with aligned assessments would mean extra effort would be needed to help students in the lowest performing schools. Serving a student population that is 96% black and 94% low-income, the Tennessee ASD saw faster performance growth than the state average in reading and math. Again, my counterpart reports The Tennessee Business Roundtable endorsed the concept in 2010 and is very enthusiastic about the success. He recommends the legislation.

Just recently, the Georgia state legislature passed legislation very similar to SB 6 and sent it to the desk of Governor Nathan Deal who signed it. It requires a constitutional amendment and will go to the people of Georgia as a ballot question. That legislation had the strong backing of the Georgia State Chamber of Commerce for reasons very much akin to PBC's support: educational accountability is necessary for competitiveness.

I don't wish to pretend that I know the absolute best way to build the ASD. I can say that four elements of the bill struck me as important:

1. The shared political responsibility for the ASD inherent in the appointing powers of the Governor and Legislative leaders. Accountability must apply to policymakers as well. It's incumbent on them to appoint ASD Board members who can overcome partisanship and regional rancor.
2. The legislation protects the rights of incumbent teachers but also provides a framework in which the most dedicated and talented educators can thrive; finding new purpose, new energy and much needed support to do that which they love – teach – and do it well.
3. The ability to “crash the system” and waive mandates as long as we are not abridging constitutional rights or violating federal law. School administrators across the Commonwealth ask for this now. I hope that we will learn from decisions made by the ASD and eliminate cumbersome and counter-productive mandates for all schools.
4. The real key to success, however, and the most important function of the Board, is the selection of the ASD Executive Director. In this person will rest the responsibility to the needs of students in low performing schools and make the decisions that will provide the best possible education and chance for success to those students. The Executive Director and her/his staff will have to do expert assessments of each ASD school before implementing the tactics required by the legislation. They will have to choose the tactics or combination of tactics that are most appropriate to each situation. And they will have to have the wisdom and courage to create new, innovative tactics.

This concludes my testimony. I am happy to take your questions. Thank you.

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<sup>1</sup> Baker, Bruce and Jesse Levin. Educational Equity, Adequacy, and Equal Opportunity in the Commonwealth: An Evaluation of Pennsylvania's School Finance System. San Mateo, CA: American Institutes for Research, October 2014.