



**TESTIMONY OF THE
PENNSYLVANIA SCHOOL BOARDS ASSOCIATION**

**BEFORE THE SENATE EDUCATION COMMITTEE
NOVEMBER 28, 2023**

**ANDREW CHRIST
PSBA SENIOR DIRECTOR OF EDUCATION POLICY**

Chairman Argall, Chairwoman Williams, and members of the Senate Education committee, thank you for inviting the Pennsylvania School Boards Association (PSBA) to testify today on behalf of the 5,000 local public school leaders we represent. My name is Andrew Christ and I am the Senior Director of Education Policy for the Pennsylvania School Board Association.

Simply put, mandates tell public schools what they are required to do, how they must do it and ultimately, dictate how much they will spend to get it done. Mandates come from federal and state laws, regulations, and other types of guidance from agencies such as the Pennsylvania Department of Education (PDE). When considered separately, many mandates can be viewed as implementing important policy objectives or as genuine efforts to enhance the quality of education, student achievement, safety and wellness, accountability, transparency, and the efficient expenditure of taxpayer money. However, when viewed as a collective whole, mandates create unwieldy and burdensome requirements, force money away from classrooms, result in higher property taxes, and negatively impact local decision-making because they either dictate in considerable detail the actions to be taken or severely limit available options.

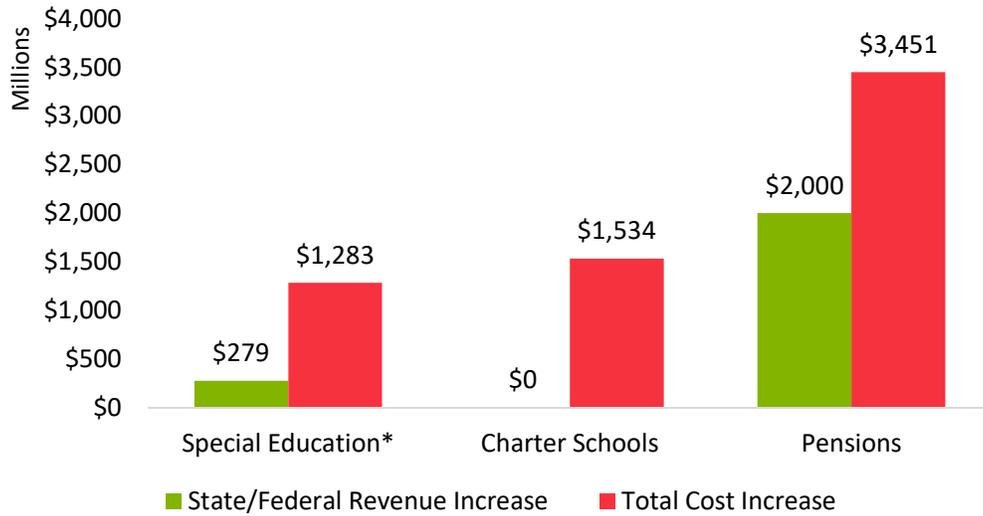
Although the state imposes many mandates, the state only occasionally contributes toward the cost of implementation. Those contributions typically do not keep pace with escalating costs and in some cases state funding has completely disappeared, leaving local school districts, and their taxpayers, to assume the burden of an ever-increasing share of the costs required to comply with mandates.

For example, between 2009-10 and 2021-22, school districts experienced a 75% increase in special education expenses (both instructional and support service costs). However, during that same time, state and federal funding for special education only increased 10%, leaving school districts with limited options to pay the balance. In 2009-10, state and federal special education revenue accounted for 38% of all special education spending, but by 2021-22, state and federal special education revenue only accounted for 24% of all special education spending.

To be clear, PSBA is not advocating that the mandates related to special education be repealed or reduced in any way. We use special education as an example because the data is so clear in illustrating the impact of underfunded mandates. We also want to be clear in stating that most of the mandates for special education come from the federal government, yet Congress has consistently failed to live up to its responsibility to “fully fund” the obligations of the Individuals with Disabilities Education Act.

While the state has made historic investments in public education over the last few years, which we are extremely grateful for, they pale in comparison to increases in mandated costs for pensions, charter school tuition, and special education. These three mandated costs alone have been the primary cause for increases in education spending over the last decade. Combined, those costs have increased by more than \$6.2 billion while state revenue intended to help pay those costs has only increased by more than \$2.2 billion. That leaves schools with a nearly \$4 billion mandated cost gap to fill.

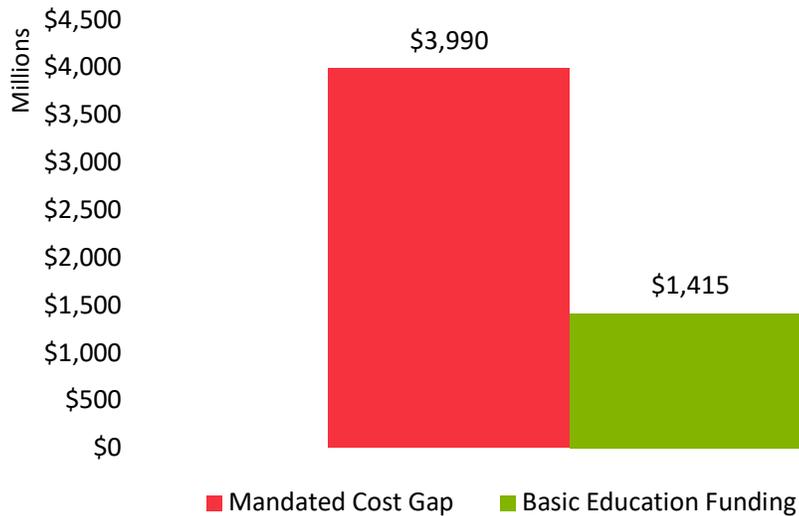
Manadated Cost Increases vs State Revenue Increases 2011-12 to 2021-22



* Does not include pension and charter tuition costs attributable to special education

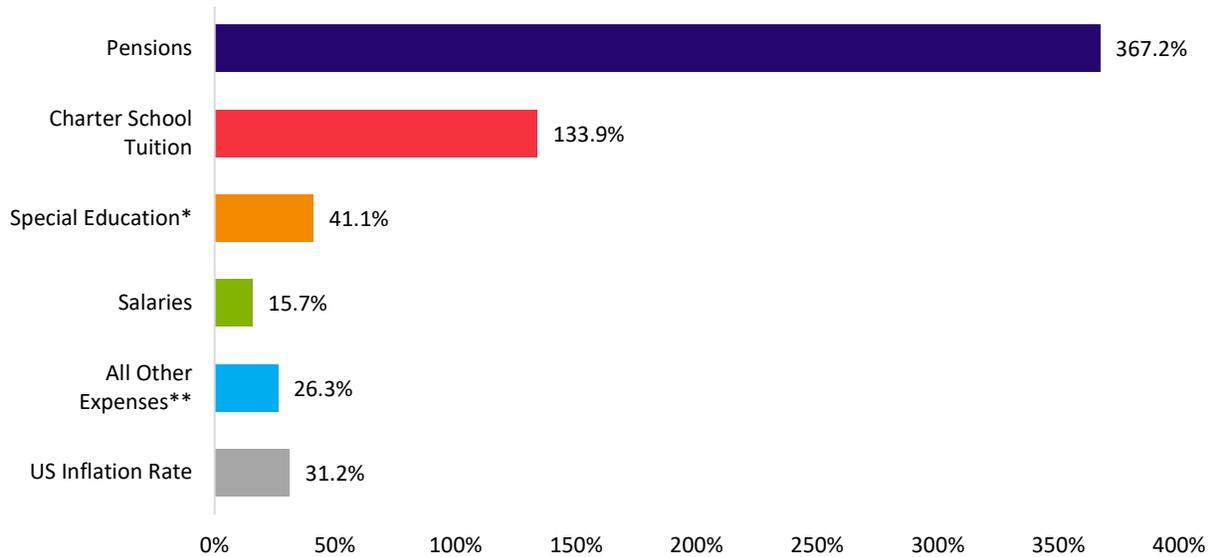
Even if public schools used every single dollar of Basic Education Funding increase to help pay those costs, we would still see a mandated cost gap of more than \$2.5 billion.

Mandated Cost Gap vs BEF Increase 2011-12 to 2021-22



When we compare increases in mandated costs to all other types of school district expenditures, we see clearly that districts are doing an excellent job controlling the costs that they can control. Aside from increases in pensions, charter school tuition, and special education, districts have kept increases in other types of spending below the rate of inflation.

Growth in Expenses 2011-12 to 2021-22

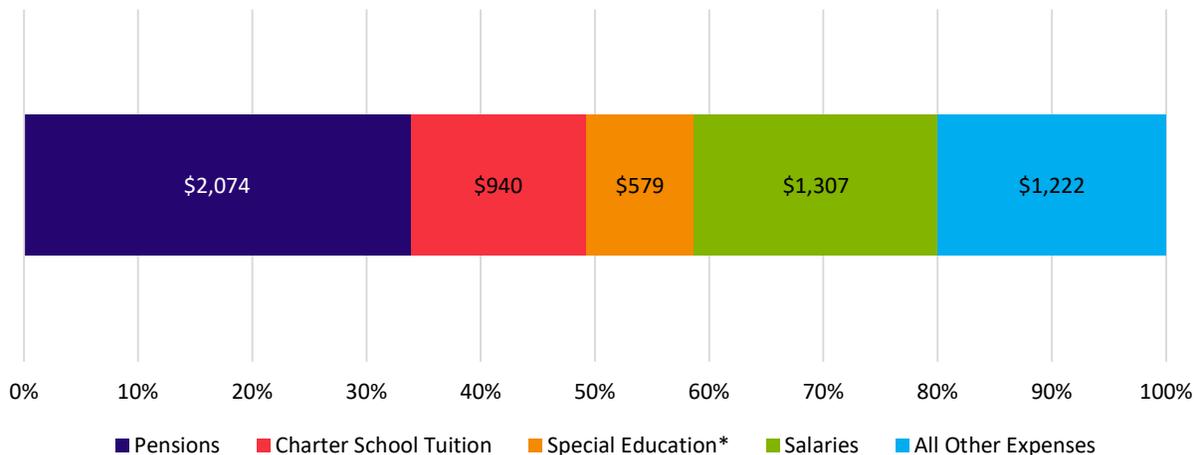


* Does not include pension, charter school, and salary costs attributable to special education

** These exclude fund transfers and debt service payments

When we look at increases in spending from a per-student perspective we see that mandated cost increases for pensions, charter school tuition, and special education account for nearly 60% of the roughly \$6,000 increase in expenses per student that has occurred over the last decade.

Per Student Expense Increase Breakdown 2011-12 to 2021-22



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Unfunded and underfunded mandates force school districts to pay the costs associated with compliance out of local funding or to make other difficult choices. Specifically, school district options to pay for unfunded and underfunded mandates include, but are not limited to:

- Raising local taxes (such as property taxes).
- Cutting spending or adjusting operations in other areas, which can include, but are not limited to the following:
 - Increasing class sizes
 - Cutting staff positions
 - Eliminating or reducing programs and course or extracurricular offerings
 - Foregoing curriculum updates
 - Reducing professional development opportunities for staff
 - Postponing building maintenance or technology upgrades
 - Reducing the amount of books/supplies the school provides students and staff
- Using reserve funds.

Ever since the Commonwealth Court's ruling regarding the unconstitutional nature of the current system of funding public education, there has been a lot of work and discussions this session on what the future of education will look like in our state. PSBA believes that mandate relief is an integral part of the conversation because it presents the opportunity to provide additional resources for public education without appropriating more funds.

In conclusion, we wanted to provide several recommendations for mandate relief as those discussions occur.

First, state legislation imposing new mandates on school entities should include state funding or a state-provided solution to implement the mandate which would reduce the burden of the mandate.

Second, creation of a legislative commission to periodically and systematically review the cumulative effect of mandates on public schools and make recommendations for mandate relief, including sunseting mandates that do not enhance administrative or academic operations.

Third, enact legislation requiring the General Assembly to assess, prior to enacting new mandates, the likely cost impact of those new mandates on taxpayers and/or school districts similar to the fiscal notes prepared for legislation requiring the expenditure of state dollars.

Fourth, consider reinstating a mandate waiver program similar to the one that operated in the state from 2000 to 2010. This program allowed school entities to apply for waivers to certain state mandates if the school could demonstrate that the waiver would improve its instructional program or allow it to operate in a more effective, efficient, or economical manner. School leaders should be afforded the opportunity to seek innovative solutions to both educational and operational challenges by seeking a waiver from state mandates.

Finally, there are a number of mandates which school districts would like to see repealed or flexibility provided in complying with the mandate. Here are just a few examples:

- The most commonly requested waiver during the previously expired mandate waiver program was in school construction. Either to raise the dollar threshold for public bidding, which at that time was \$10,000 and for waivers of the Separations Act requirement to bid projects out to a minimum of four prime contracts (e.g., general, plumbing, heating, electrical, etc.) and award a contract to the successful bidder for each prime.
- Current state law from 1976 dictates that the only permissible means for a school district to provide public notice of upcoming district action was to publish a notice in a printed newspaper. Times have certainly changed in the 47 years since. Providing school districts with flexibility in providing public notices would not only save districts millions of dollars but allow districts to more effectively and efficiently reach their constituents.
- Reduce the requirements for school districts to transport nonpublic and charter school transportation outside of district boundaries. Currently, school districts are required to transport students to any nonpublic or charter school located within its boundaries and within 10 miles of its borders, including nonpublic schools located in other states. This mandate comes with significant extra costs to the districts with nearby nonpublic and charter schools and further taxes an already stressed transportation provider shortage being felt around the state.
- During budget negotiations in 2018, a provision was added to an omnibus School Code bill which requires school districts to go through drawn out and unnecessary processes to contract with a third-party vendor. As staffing and budgetary limitations impact more school district, school leaders need to have the ability to seek the financial savings and efficiencies that would come from utilizing third party contractors without going through unnecessary steps intended to prevent districts from doing so.
- Enact Right-to-Know law reforms which allow school districts to recoup some of the costs associated with complying with requests made for a commercial purpose. Currently, Pennsylvania taxpayers are footing the bill for businesses and other private ventures to collect inventory or marketing information which they use to generate revenues because the law does not allow districts to charge any fees associated with responding to record requests made for purely commercial purposes.
- Eliminate the requirement for school districts to pay a tax collection fee to the county tax claim bureau when districts utilize a third party to collect delinquent real estate taxes. If a third party is used, the school district is still required to pay a fee or commission to the county tax claim bureau for the taxes collected by the third-party tax collector even though the county bureau did none of the work.
- Enact meaningful charter school funding reform that more accurately reflects the lower costs of providing a cyber education and that recognizes the different needs of students in need of special education.

Mandates are, and always will be, a necessary component of the public education system. But when mandates become outdated, obstacles to providing an efficient and high-quality educational program, or drains on school district resources, school officials and policymakers have an obligation to work together to provide relief. PSBA and our members stand willing to have those discussions and help identify solutions for providing mandate relief.