

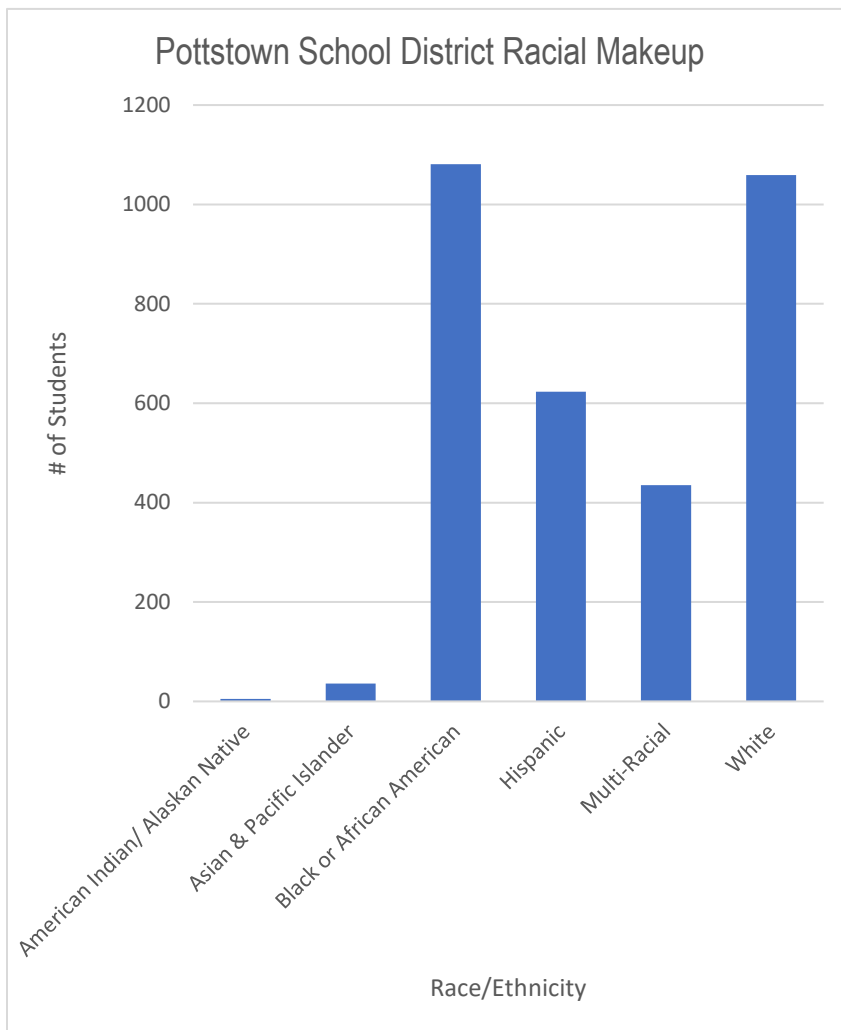
FAIR FUNDING CASE STUDY

POTTSTOWN SCHOOL DISTRICT

Montgomery County, Pennsylvania

Pottstown School District is a small district in northern Montgomery County, (the 2nd wealthiest county in the state), bordering Chester County and in close proximity to Berks County. The District has approximately 3,500 students located within a borough of **5.5 square miles**. Because of extreme gerrymandering, this small 5.5-square-mile Borough is divided in half and is represented by **two** state representatives, one Republican and one Democrat, which in this divided political world, means that the students are not being represented as fairly as they should. By the State's own formula, Pottstown School District is **underfunded per student by \$3,986.00** totaling a funding inequity of **\$13,479,134.00 per year¹**.

The racial makeup of Pottstown School District is as follows, showing the racial bias of the funding process²:



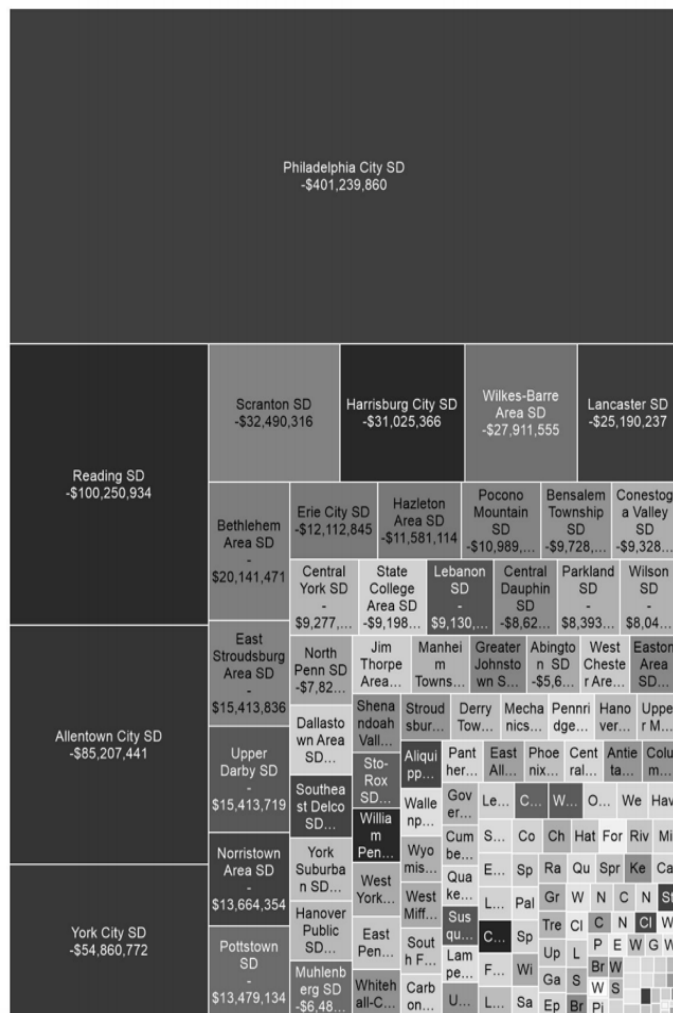
| | | |
|------------------------------------|-------|--------|
| American Indian/ Alaskan Native | 5 | 0.15% |
| Asian & Pacific Islander | 36 | 1.12% |
| Black or African American | 1,081 | 33.37% |
| Hispanic | 623 | 19.22% |
| Multi-Racial | 435 | 13.43% |
| White | 1,059 | 32.70% |

Funding Inequity in Pennsylvania School Districts

The following graph shows the inequity of funding from the state of Pennsylvania in regard to the racial makeup of each district. The whiter the district, the more likely it is to receive more than its fair share of state funding. The more diverse the district, the more likely it is to receive less than its fair share of state funding.

2019-20 Inequity per District Color by Racial Makeup

Less than Fair Share



More than Fair Share



More Students of Color

Fewer Students of Color

Graph courtesy of POWER Interfaith **Data Source:** Pennsylvania Department of Education, 2019

Ramifications of Underfunding

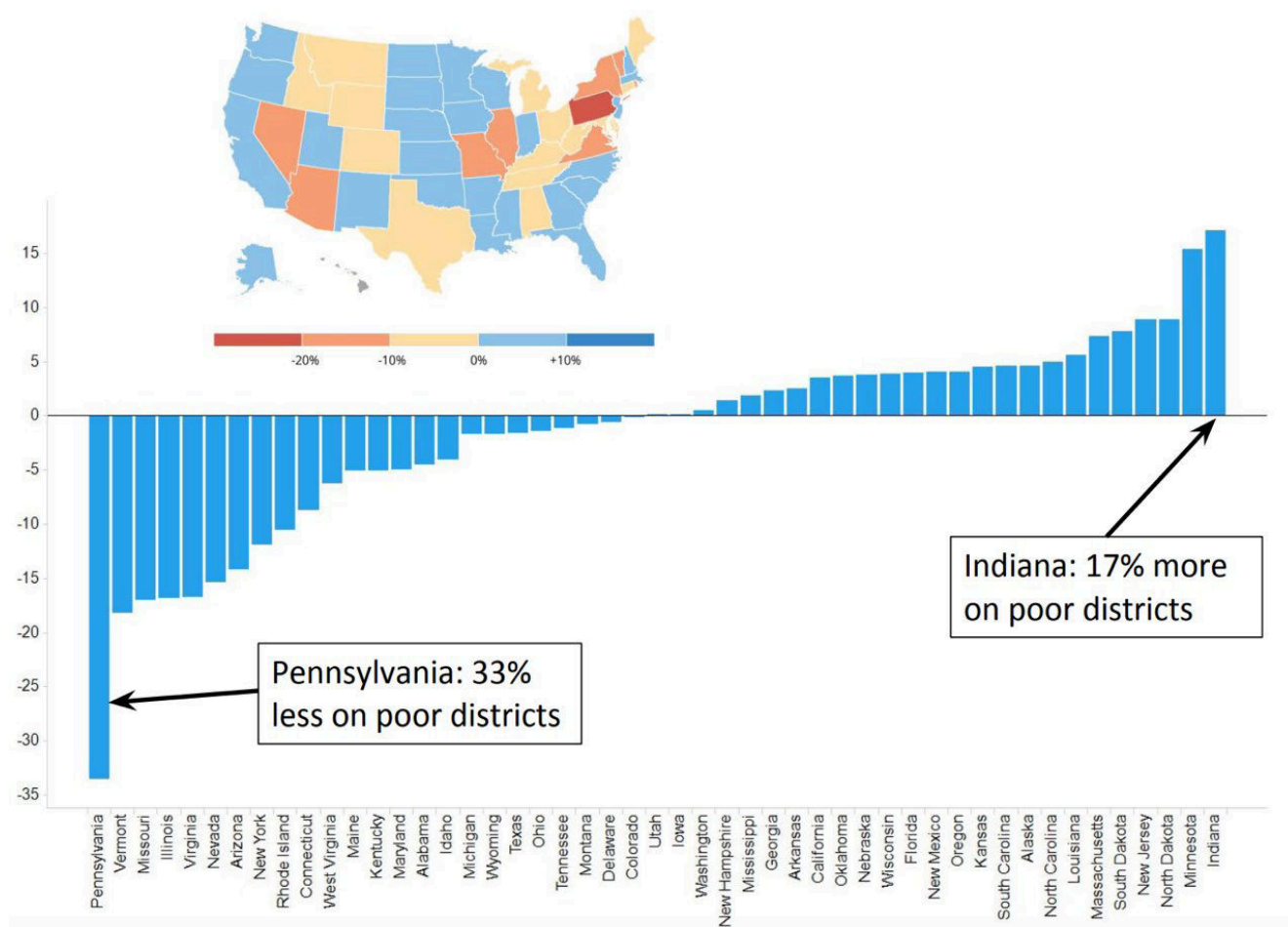
This extreme underfunding has made cuts in the programming of Pottstown School District such as:

- **No Elementary School Counselors**
- **No Middle School Foreign Language Classes**
- **No Middle School Music Classes**
- **No intramural after school activities (athletic and non-athletic)**
- **No budget for school district sponsored field trips**
- **No budget for sending staff members to professional development seminars and conferences**
- **The Curriculum Budget for new educational materials has remained static for a decade**
- **Transportation is limited to 5th grade students only**
- **Only 6 Advanced Placement (AP) courses are offered at Pottstown High School**
- **Nurses and Librarians are shared between elementary schools, only 2.5 days at each school**
- **Limited number of sports teams for males and females, and coaching positions are limited due to lack of funds**
- **Facilities and equipment are out of date for academics (Ex. chemistry and physics labs, business and technology classes,) and sports**
- **Pottstown has the lowest paid teachers and administrators in Montgomery County**

Pottstown School District has **at least 70% of its students living in poverty**, meaning the Free and Reduced Lunch threshold has exceeded the Federal Government percentage of 65% which is the designated percentage giving Pottstown School District the distinction of allowing **all students** free breakfast and lunch in the District. Pottstown School District also has 150 homeless students.

Difference in PA's State and Local Funding between High- & Low-Poverty Districts

Pennsylvania ranks at the very bottom of all 50 states in regards to state and local funding between high and low poverty school districts. This places children attending a fiscally challenged school district in educational jeopardy. The following graph shows how poorly Pennsylvania ranks in providing extra dollars to the poorest school districts.

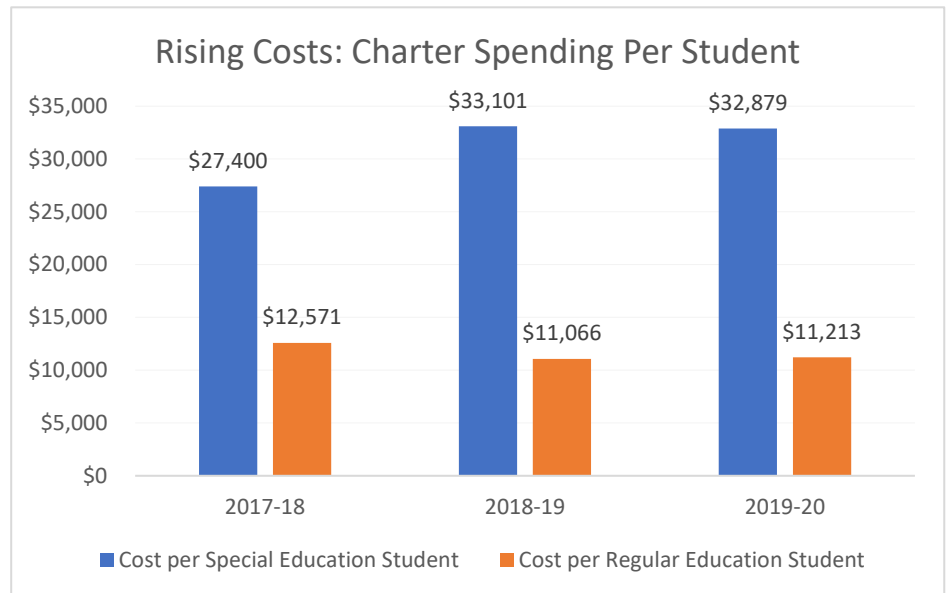


Graphs courtesy of The Washington Post and Huffington Post. **Data Source:** National Center for Education Statistics

The Impact of Charter Schools

Unlike private schools, charter schools are for-profit businesses and operate through **taxpayer money**—siphoning off education funds raised through local property taxes away from our neighborhoods’ public schools. Both cyber and brick and mortar charter schools operate using this model at greater expense than public schools and typically provide inferior education.

The District paid tuition for **185 charter school students** in the 2019-20 academic year, which takes additional money away from the budget of Pottstown School District. The tuition this district pays to charter schools is based on an average developed by the state that unfairly inflates tuition costs.



District Charter Student Count & Average Cost Per Student 2017-2020

| Category | 2017-2018 | 2018-2019 | 2019-2020 |
|--|--------------|-------------|-------------|
| Brick & Mortar Regular Ed. Students | 32 | 39 | 42 |
| Brick & Mortar Special Ed. Students | 7 | 8 | 8 |
| Total Brick & Mortar Students | 39 | 47 | 50 |
| Cyber Regular Ed. Students | 121 | 110 | 100 |
| Cyber Special Ed. Students | 35 | 38 | 35 |
| Total Cyber Students | 156 | 148 | 135 |
| Total Charter Students | 195 | 195 | 185 |
| Regular Ed. Spending per Student | \$12,571.42 | \$11,066.30 | \$11,212.56 |
| Special Ed. Spending per Student | \$ 27,399.52 | \$33,100.86 | \$32,878.91 |

Charter School Costs: An Unsustainable Trend

The skyrocketing cost of charter schools is especially pronounced when it comes to special education spending. The annual increase in charter school costs far outpaces the increases in Pennsylvania state revenue designated to pay for special education.

Special Education Charter Increases 2017-2020

| | 2017-18 | 2018-19 | 2019-20 |
|--------------------------|-------------|-------------|-------------|
| Annual Charter | \$2,247,022 | \$2,777,060 | \$3,238,353 |
| Annual % Increase | 19% | 24% | 17% |

State Special Education Revenue 2017-2020

| | 2017-18 | 2018-19 | 2019-20 |
|---------------------------|-------------|-------------|-------------|
| Annual Revenue | \$2,178,878 | \$2,232,204 | \$2,394,064 |
| Revenue % Increase | 3% | 2.4% | 7.2% |
| Annual Funding Gap | \$68,144 | \$544,856 | \$844,289 |

Charter School tuition spending in Pennsylvania is increasing at an unsustainable rate. Across the state, cyber charter schools divert more than \$1 billion per year in taxpayer funds away from public schools but are among the lowest performing schools in the Commonwealth.

Needs of Special Education Students

Pottstown School District has a very high rate of special education students, which further encumbers educational spending capabilities for the District as a whole. Because of the high rate of special education costs, the amount left to educate regular education students in Pottstown is only **\$11,212.56 per regular education student** in comparison with Lower Merion, in the same county, spending **\$21,116.00 per regular education student**.

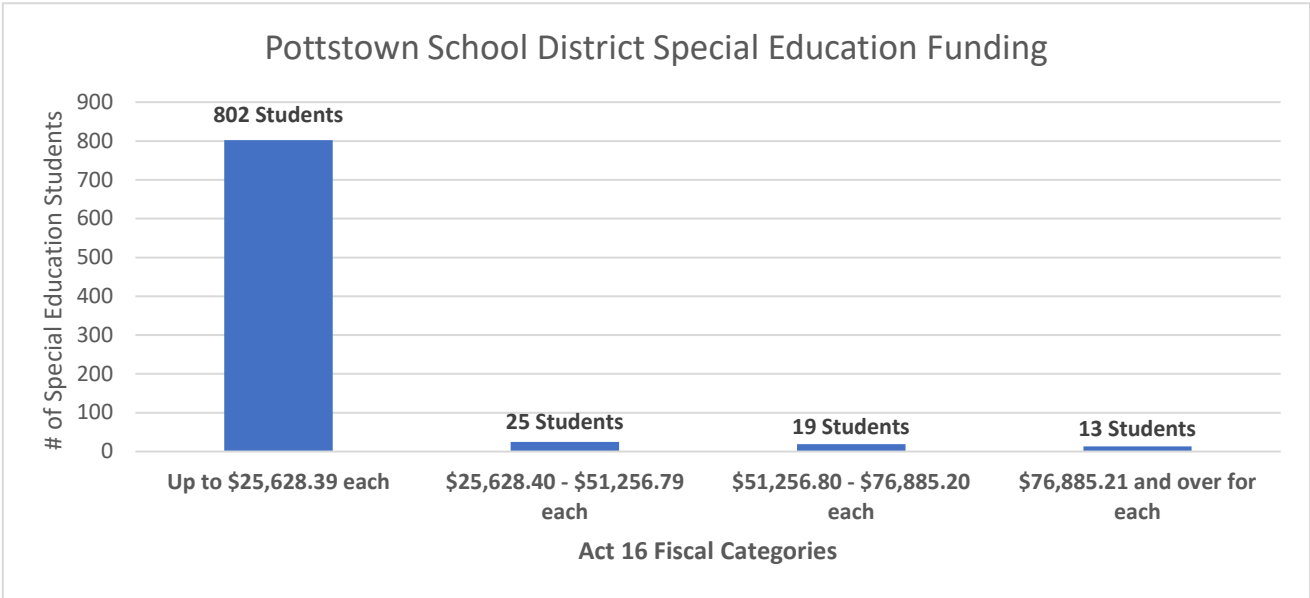
| Examples of Disabilities that Special Education Includes: |
|--|
| Communication Disabilities: <i>Speech issues, Deafness, Blindness</i> |
| Behavior and Emotional Issues: <i>Anxiety disorder, bipolar disorder, eating disorder (anorexia, bulimia, binge eating), obsessive-compulsive disorder, angry and defiant behaviors, agitation, Attention Deficit Hyperactivity Disorder (ADHD).</i> |
| Autism: <i>Trouble with social interaction, limited communication, restricted interests, repetitive behavior. Symptoms can be mild, moderate, severe, and profound.</i> |
| Learning Disabilities in Reading, Writing and Math: <i>Lack of comprehension, problems with speech sounds, difficulty in learning letters and words (decoding). Difficulty in remembering basic facts, slow to perform calculations, poor sense of numbers and estimation, weak mental arithmetic skills, incomplete understanding of the language of math.</i> |
| Residential Settings (24-hour Group Home/Special School): <i>Medically fragile with profound multiple disabilities. Life skills for students who are profoundly intellectually and physically challenged</i> |
| Mobility and Physical Disabilities: <i>Cerebral Palsy, Multiple Sclerosis, Epilepsy, amputations (i.e. paraplegic, quadriplegic), Spina Bifida, spinal cord injuries, Arthritis.</i> |
| Down Syndrome: <i>Distinct facial appearance, intellectual disability, developmental delays, difficulty thinking and understanding. Symptoms can be mild, moderate, severe, and profound.</i> |

Gifted Education Students

In addition to providing for students with disabilities, each school district’s special education budget also funds resources to help gifted students meet their full potential. These resources include teachers for gifted-student programs in elementary, middle, and high schools; specialized curricula; Advanced Placement courses; and other accelerated learning and academic enrichment opportunities.

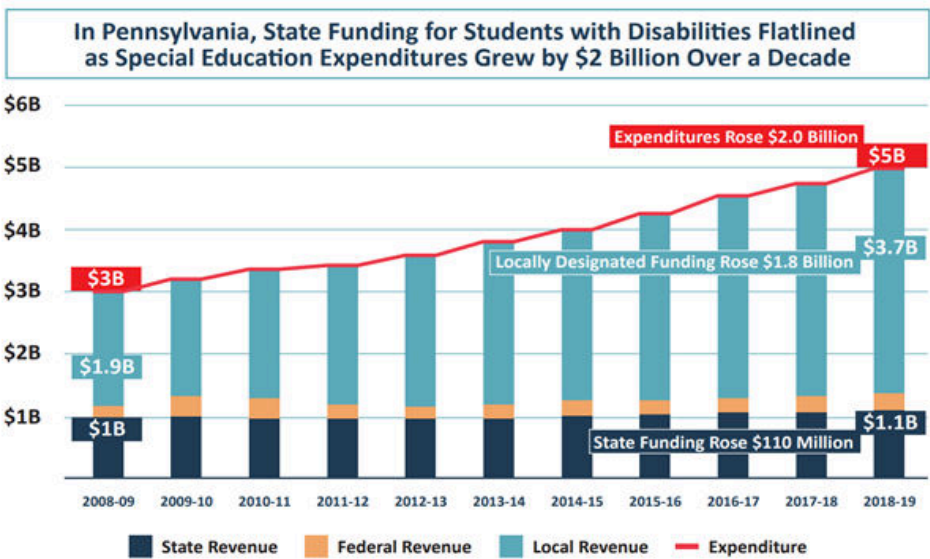
Funding Special Education

Pottstown has 720 special education students each and every day, but a total of 859 over the course of the year because of the transient nature of the student body and their families. During the 2019-20 school year, Pottstown had 859 special education students broken into the following Act 16 fiscal categories (PDE category), depending on the disabilities of each student, and the cost of their education²:



The highest cost special education students with disabilities can cost anywhere from 2 to 10 times more than a typical special education student. The highest cost special education student tuition in Pottstown School District is more than \$200,000 per year.

A Staggering Story of State Neglect

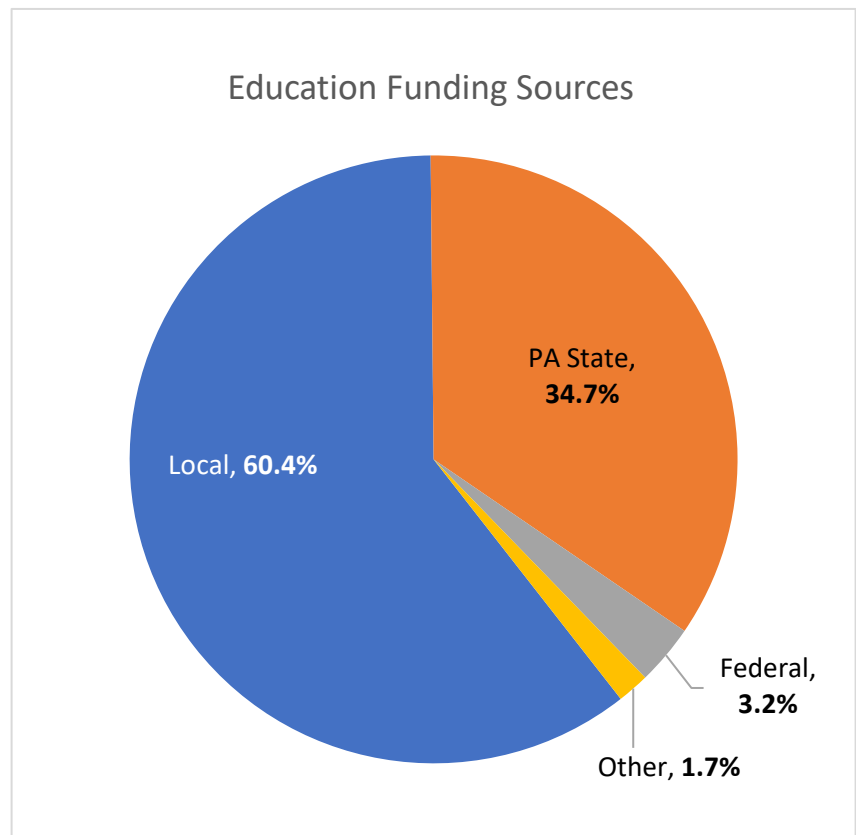


Funding from state and federal sources has not kept pace with the increase in mandatory costs. Image Courtesy of Public Citizens for Children and Youth.

Shifting the Funding Burden

The inequities in state funding pass along the burden of funding school districts to local residents, often through higher property taxes.

This system leaves poorer communities no choice but to raise new taxes on residents who are the least prepared to pay more in order to provide adequate educational opportunities for our children.³



Pottstown is a small, post-industrial town whose large businesses, (Bethlehem Steel, Mrs. Smith's Pie Company, Firestone, Occidental Chemical) have left the town, taking with them good paying jobs, and security for its residents. There are 64 churches in the town, The Hill School, a private college preparatory school which occupies many acres of property, Montgomery County Community College, and a non-profit hospital. None of these entities pay property taxes; therefore, with the depletion of business and non-taxable property, the Pottstown School District is in deep financial trouble, especially with the lack of financial support from the state. The district, students, and faculty, need and deserve an equitable funding model to be totally implemented, not with just **new monies**, but with **all monies**.

¹Pennsylvania Department of Education.

²Pottstown School District Special Education Department; School District Technology and Data Department.

³Pennsylvania Department of Education, 2019; Courtesy of POWER Interfaith

For further information, contact Dr. Myra Forrest, Education Advocate, Pottstown Area Health & Wellness Foundation (MForrest@PottstownFoundation.org).