

Performance-Based Budget

DEPARTMENT OF EDUCATION



Commonwealth of Pennsylvania
Independent Fiscal Office
January 2022

Independent Fiscal Office
Rachel Carson State Office Building
400 Market Street
Harrisburg, PA 17105

717-230-8293 | contact@ifo.state.pa.us | www.ifo.state.pa.us



Staff Acknowledgements

Kathleen Hall, Modeling and Development Analyst II
Karen Maynard, Budget Analyst III
Robyn Toth, Revenue Analyst I
Joseph Shockey, Revenue Analyst II

Staff Contact: rtoth@ifo.state.pa.us

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INDEPENDENT FISCAL OFFICE

January 19, 2022

The Honorable Members of the Pennsylvania Performance-Based Budget Board:

Act 48 of 2017 specifies that the Independent Fiscal Office (IFO) shall "review agency performance-based budget information and develop an agency performance-based budget plan for agencies subject to a performance-based budget review." This review "shall be completed in a timely manner and submitted by the IFO to the board for review."

This report contains the review for the Department of Education. All performance-based budget (PBB) reviews submitted to the Board contain the following content for each activity or service provided by the agency:

- a brief description of the activity, relevant goals and outcomes;
- a breakdown of agency expenditures;
- the number of full-time equivalent positions dedicated to the activity;
- select currently available metrics and descriptive statistics;
- any proposed metrics that the review recommends; and
- observations that should allow agencies to more effectively attain their stated goals and objectives.

The IFO submits this review for consideration by the PBB Board. The agency received a draft version of this review and was invited to submit a formal response. If submitted, the response appears in the Appendix to this review. The IFO would like to thank the agency staff that provided considerable input to this review.

Sincerely,

A handwritten signature in blue ink that reads "Matthew J. Knittel".

Dr. Matthew J. Knittel
Director

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Background on Performance-Based Budgeting

Act 48 of 2017 is known as the Performance-Based Budgeting and Tax Credit Efficiency Act. The act requires the Independent Fiscal Office (IFO) to develop performance-based budget (PBB) plans for all agencies under the Governor’s jurisdiction once every five years based on a schedule agreed to by the Secretary of the Budget and the Director of the IFO. The act directs the IFO to evaluate and develop performance measures for each agency program or line item appropriation. As determined by the IFO to be applicable, the measures shall include the following: outcome-based measures, efficiency measures, activity cost analysis, ratio measures, measures of status improvement of recipient populations, economic outcomes or performance benchmarks against similar state programs or similar programs of other states or jurisdictions.

The act requires the IFO to submit plans to the PBB Board for review and approval. The PBB Board reviews plans at a public hearing at which agency heads or their representative must attend to offer additional explanations if requested. The PBB Board has 45 days after submission to approve or disapprove plans.

A performance-based budget differs from a traditional budget in several key respects. The main differences are summarized by this table:

Criteria	Traditional Budget	Performance Budget
Organizational Structure	Line Items or Programs	Agency Activities
Funds Used	Appropriated Amounts	Actual Expenditures
Employees	Authorized Complement	Actual Filled Complement
Needs Assessment	Incremental, Use Prior Year	Prospective, Outcome-Based

The plans track funds based on agency activities because they can be more readily linked to measures that track progress towards goals, objectives and ultimate outcomes. Activities are the specific services an agency provides to a defined service population in order to achieve desired outcomes. Activity measures can take various forms: inputs (funding levels, number of employees), outputs (workloads), efficiency (cost ratios, time to complete tasks), outcomes (effectiveness), benchmark comparisons to other states and descriptive statistics. The final category includes a broad range of metrics that provide insights into the work performed by an agency and the services provided. Those metrics supply background, context and support for other metrics, and they may not be readily linked to efficiency or outcome measures. The inclusion of such measures supports the broader purpose of the PBB plans: to facilitate a more informed discussion regarding agency operations and how they impact state residents.

Note: Unless otherwise noted, performance metrics used in this report were supplied by the agency under review. Those data appear as submitted by the agency and the IFO has not reviewed them for accuracy. For certain years, data are not available (e.g., due to a lag in reporting). In those cases, "--" denotes missing data. All data related to expenditures and employees are from the state accounting system and have been verified by the IFO and confirmed by the agency.

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Department of Education Overview

Mission Statement

The mission of the Pennsylvania Department of Education (PDE) is to ensure that every learner has access to a world-class education system that academically prepares children and adults to succeed as productive citizens. Further, the department seeks to establish a culture that is committed to improving opportunities throughout the Commonwealth by ensuring that technical support, resources, and optimal learning environments are available for all students, whether children or adults.

Services Provided

For this report, the services provided by the department are classified into ten general activities.

Department of Education: Activities and Primary Services Provided	
Activity	Primary Service
1 K-12 Education.....	Administer subsidies to local education agencies
2 Special Education.....	Monitor special education to improve performance
3 Child Development and Early Learning.....	Ensure high quality early learning
4 Postsecondary and Higher Education.....	Authorize and administer funds for postsec. education
5 Career and Technical Education.....	Evaluate and approve CTE programs
6 Teacher Certification and Prof. Develop.....	Approve preparation programs and certify educators
7 Curriculum and Assessments.....	Provide resources for curriculum and assessments
8 Public Libraries and the State Library.....	Advise and fund services to increase library access
9 Student Support Services.....	Oversee funding for student support services
10 Administration.....	Provide organizational leadership and support

Department Resources

PDE Average Weekly FTE Positions by Activity						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
K-12 Education	36	37	37	39	43	40
Special Education	56	54	56	55	56	57
Child Development and Early Learning	15	14	15	15	14	14
Postsecondary and Higher Education	48	43	42	45	43	42
Career and Technical Education	26	22	20	20	23	23
Teacher Certification and Professional Dev.	34	31	32	28	27	25
Curriculum and Assessments	28	28	23	25	25	24
Public Libraries and the State Library	32	30	30	34	32	30
Student Support Services	100	107	105	109	120	132
Administration	<u>106</u>	<u>88</u>	<u>90</u>	<u>95</u>	<u>82</u>	<u>79</u>
Total	480	453	449	465	464	465

Note: FTE stands for Full-Time Equivalent.

PDE Expenditures by Fiscal Year

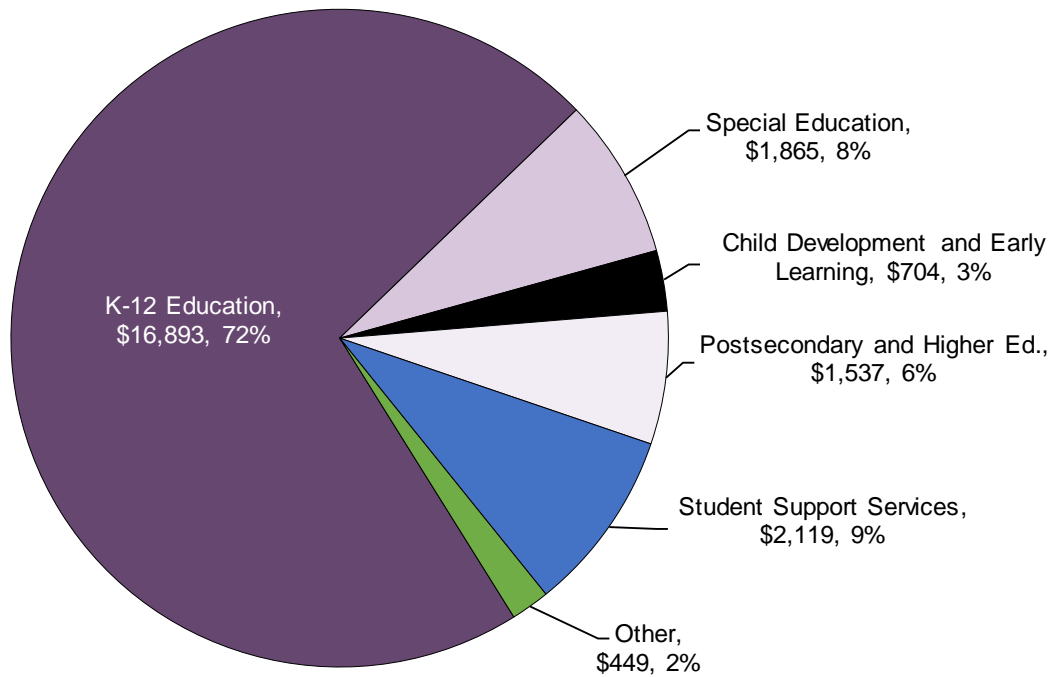
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Activity						
K-12 Education	\$9,953.1	\$10,344.5	\$10,696.2	\$10,973.8	\$11,557.0	\$16,892.8
Special Education	1,638.8	1,688.8	1,701.5	1,765.1	1,801.0	1,864.9
Child Development and Early Learning	501.7	539.7	579.0	666.6	667.4	704.3
Postsecondary and Higher Ed.	1,352.2	1,271.8	1,324.1	1,356.6	1,343.4	1,537.2
Career and Technical Education	150.8	155.8	168.5	201.5	210.8	226.3
Teacher Certification and Professional Dev.	10.0	9.5	9.8	7.6	7.8	8.8
Curriculum and Assessments	74.9	70.3	70.3	59.5	70.1	55.5
Public Libraries and the State Library	71.1	70.3	69.0	78.1	75.2	84.5
Student Support Services	1,582.0	1,643.4	1,676.2	1,741.5	1,577.4	2,119.0
Administration	<u>41.2</u>	<u>46.3</u>	<u>60.0</u>	<u>46.7</u>	<u>46.4</u>	<u>73.6</u>
Total	15,375.9	15,840.4	16,354.6	16,897.1	17,356.3	23,567.0
Expenditures by Object						
Personnel Services	\$54.9	\$52.7	\$51.8	\$54.2	\$54.8	\$57.6
Operational Expenses	134.7	126.6	123.5	121.5	128.4	219.1
Fixed Assets Expense	1.5	0.0	0.0	0.0	0.0	0.1
Grants	14,701.9	15,174.0	15,667.7	16,167.6	16,655.6	22,775.6
Non-SAP Agency Expense	475.8	483.0	501.9	545.5	510.0	513.8
Other ¹	<u>7.2</u>	<u>4.1</u>	<u>9.8</u>	<u>8.3</u>	<u>7.6</u>	<u>0.8</u>
Total	15,375.9	15,840.4	16,354.6	16,897.1	17,356.3	23,567.0
Expenditures by Fund						
General Fund (State) ²	\$12,716.6	\$13,125.9	\$13,534.0	\$14,115.4	\$14,077.5	\$14,962.9
General Fund (Augmentations)	4.4	4.6	4.3	6.0	5.7	6.2
General Fund (Federal)	1,963.9	2,029.5	2,125.2	2,080.3	2,583.3	7,901.7
Motor License Fund	0.3	0.4	0.3	0.3	0.3	1.1
Keystone Recreation Park & Cons. Fund	20.7	18.6	21.6	24.5	17.7	21.5
Property Tax Relief Fund	620.1	611.0	619.5	620.5	621.0	621.3
Community College Capital Fund	49.5	50.2	49.5	49.9	50.7	52.1
Gov. Casey Mem. Organ & Tissue Fund	<u>0.3</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>	<u>0.2</u>
Total	15,375.9	15,840.4	16,354.6	16,897.1	17,356.3	23,567.0
Personnel Cost/FTE (\$ thousands)	\$114.3	\$116.3	\$115.2	\$116.6	\$118.0	\$123.8

Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.

1 Other may include non-expense and/or miscellaneous expense transfer expenditures.

2 Does not include the General Fund transfer to the Community College Capital fund to avoid double counting. In FY 21-22, the transfer is \$52.1 million.

Expenditures by Activity (FY 2021-22 Budget)



Note: Expenditures are in dollar millions.

Appropriations	K-12	Special Ed.	Student Supp. Servs.	Post. & Higher Ed.	Child Dev. and Early Learning	Other	Total
General Fund - State¹	\$10,046	\$1,417	\$1,136	\$1,387	\$648	\$329	\$14,963
Basic Education Funding	7,067	--	--	--	--	--	7,067
Special Education	--	1,237	--	--	--	--	1,237
School Employees' Retirement	2,543	--	137	--	--	55	2,734
Pupil Transportation	--	--	597	--	--	--	597
Early Intervention	--	--	--	--	337	--	337
All Other	437	180	402	1,387	312	274	2,991
General Fund - Federal	6,225	446	982	81	56	111	7,902
Food and Nutrition-Local	--	--	796	--	--	--	796
ESEA-Title I-Local	865	--	9	--	--	1	875
Individuals w/ Disab. Ed-Local	--	432	--	--	38	--	470
COVID Funds	5,153	--	1	50	--	49	5,253
All Other	207	14	176	31	19	62	508
Property Tax Relief Fund	621	--	--	--	--	--	621
Other Funds	--	1	1	70	--	9	81
Total	16,893	1,865	2,119	1,537	704	449	23,567

Note: Expenditures are in dollar millions.

¹ Does not include the General Fund transfer to the Community College Capital fund to avoid double counting. In FY 21-22, the transfer is \$52.1 million.

Performance-Based Budget Plan: Key Metrics and Observations

This report includes numerous performance metrics, but certain metrics are critical to the overall operation of the agency. Key agency metrics that policymakers should monitor are displayed in the table. A brief explanation of key metric trends appears on the next page.

Key Metrics to Monitor						
	16-17	17-18	18-19	19-20	20-21	21-22
<u>K-12 Education</u>						
Student Enrollment (000s, as of October 1)						
School district enrollment	1,579	1,571	1,569	1,567	1,516	--
Brick & mortar charter enrollment	101	103	106	108	108	--
Cyber charter enrollment	33	35	37	38	61	--
Non-public school enrollment	222	217	217	208	198	--
Student Outcomes						
% Proficient or advanced in ¹						
Math	45.9%	45.5%	43.9%	--	--	--
Language arts	62.7%	63.0%	62.3%	--	--	--
Science	63.3%	64.3%	64.5%	--	--	--
4-year cohort graduation rate	86.6%	85.9%	86.5%	87.4%	--	--
<u>Special Education</u>						
Graduation rate (regular diploma, by FFY)	73.4%	72.7%	71.6%	76.3%	--	--
Post-School Outcomes w/in 1 year of high school:						
Employed or enrolled in higher education, postsecondary education or training program	76.9%	75.3%	77.6%	--	--	--
<u>Child Development and Early Learning</u>						
Enrollment (000s)						
Pre-K Early Intervention	54.4	56.0	57.9	60.0	57.5	60.0
Pre-K Counts	17.9	20.7	25.1	23.3	20.0	21.7
Head Start Supplemental Assistance Program (HSSAP)	5.7	5.7	7.2	7.2	5.5	4.3
<u>Postsecondary and Higher Education</u>						
Statewide Outcomes						
% Age 25 to 64 that hold a postsecondary degree or industry recognized credential	46%	50%	51%	--	--	--
% HS grads earning degree within 6 yrs of grad	--	--	--	43%	43%	--
Graduate within 150% normal time²						
Community Colleges	16%	18%	19%	20%	--	--
PASSHE	58%	59%	59%	58%	--	--
State Related Universities	65%	66%	71%	73%	--	--
<u>Teacher Certification and Professional Development</u>						
Teachers (includes full-time and part-time, 000s)	121.2	120.7	122.1	123.0	123.5	--
Instructional I certs issued	6,459	7,970	7,629	6,937	--	--
Type 01 emergency permits (teacher vacancy)	1,111	1,568	2,178	2,726	--	--
Notes:						
1 Performance data reported to the federal government for ESSA (Every Student Succeeds Act) Report Card.						
2 Data from the Integrated Postsecondary Education Data System (IPEDS).						

For SY 2020-21, statewide school enrollment recorded a much larger decline than prior years. From SY 2016-17 to SY 2019-20, total school enrollment contracted by roughly 5,000 students per annum, primarily driven by an overall reduction in the school-age population. However, school enrollments in SY 2020-21 declined by 38,000 (-2.0%) over SY 2019-20. Recent U.S. Census population data suggest that roughly 30,000 of that decline was attributable to factors other than the change in population.

SY 2019-20 school assessments were cancelled after schools suspended in-person instruction in response to COVID-19. As a result, the most recent student performance data available are from SY 2018-19 and SY 2020-21 assessment data will not be available until Spring 2022. Nearly \$8.0 billion in federal relief funds have been allocated to Pennsylvania since March 2020 to respond to educational challenges created by the pandemic. PDE has developed a state plan to guide the use of American Rescue Plan Elementary and Secondary School Emergency Relief funds in support of education recovery that requires local education agencies to measure impacts and report outcomes disaggregated by student group at the school and district level. *See pages 9 to 16 for more details.*

In SY 2018-19, Pennsylvania recorded the 2nd highest graduation rate for special education students in the U.S., behind Minnesota. Statewide, 76% of special education students graduated with a regular high school diploma in SY 2019-20; however, the rate varied significantly by school district, ranging from a low of 25% to 100% for several rural, town and suburban districts. PDE continues to develop survey strategies to measure post-school outcomes for special education students to ensure survey responses are representative of the demographics of former students. In SY 2018-19, 78% of sampled individuals were either enrolled in higher education, competitively employed or enrolled in some other post-secondary education or training program. *See pages 17 to 21 for more details.*

FY 2021-22 child development and early learning program enrollments remain below pre-pandemic levels. The number of children enrolled in Pre-K Early Intervention totaled 57,500 in FY 2020-21 (4.1% decline from FY 2019-20) and is budgeted at 60,000 for FY 2021-22. The number of funded slots exceeded enrollments for Pre-K Counts and the Head Start Supplemental Assistance Program in FY 2020-21 as child enrollments declined during the pandemic. This trend continues in FY 2021-22 as enrollments in both programs remain below pre-pandemic levels. *See pages 23 to 26 for more details.*

The administration established a statewide goal that 60% of Pennsylvania residents age 25 to 64 hold a postsecondary degree or industry recognized credential by 2025, with a focus on closing attainment gaps for underrepresented groups. By 2019, 51% of Pennsylvanians had a post-secondary degree or industry-recognized credential. Although disparities by race and ethnicity decreased since 2010, the share of population age 25 to 64 with an associate degree or higher ranged from 24% for Hispanic residents to 65% for Asian/Pacific Islander residents in 2019. *See pages 27 to 31 for more details.*

Postsecondary access, affordability and student success represent key outcomes related to state support for postsecondary and higher education. In FY 2019-20, average in-state tuition and fees ranged as low as \$9,200 for community colleges to between \$17,400 and \$25,500 for PASSHE and state-related universities. Compared to other states, Pennsylvania ranked 45th in the share of education revenue per student from state and local appropriations and 49th in overall state support for higher education on a per capita basis. Graduation rates at 4-year postsecondary institutions in Pennsylvania (69%) exceeded the national rate (59%), but graduation rates at 2-year postsecondary institutions (23%) fell short of the overall U.S. rate (31%). *See pages 27 to 31 for more details.*

The COVID-19 pandemic exacerbated teacher shortages in Pennsylvania. In SY 2020-21, Pennsylvania employed more than 123,450 classroom teachers. From SY 2016-17 to SY 2019-20, the agency issued more than 7,200 Instructional 1 certifications to new teachers on average each year. Over this time period, the number of Type 01 emergency permits (issued to address teacher vacancies) increased by 145% from 1,111 to 2,726. The largest number of emergency permits were issued for teachers for grades Pre-K to 8 and for special education teachers (all grades), but significant shortages exist for English, math and social studies teachers for grades 7 to 12 as well as English as a Second Language (ESL) and Spanish teachers (all grades). *See pages 37 to 40 for more details.*

Activity 1: K-12 Education

The department provides guidance and administers the state and federal education subsidies to 677 local education agencies (LEAs) across Pennsylvania. This includes 500 school districts, 163 charter schools and 14 cyber charter schools. PDE also provides guidance for nonpublic school services. For school year (SY) 2020-21, approximately 1.52 million students attended school districts (decline of 3.2% from prior year), 108,000 students attended brick and mortar charter schools (-0.1%) and 61,000 students attended cyber charter schools (+59.1%). An additional 198,000 Pennsylvania students attended non-public schools.

In FY 2020-21, the department distributed nearly \$6.8 billion in Basic Education Funding to Pennsylvania school districts (36.8% of total K-12 expenditures) and \$2.5 billion in support of teacher and administrator retirements (54.7% of total pension obligations). These funds provide for student instruction and support services as well as noninstructional operations and facilities improvements, acquisitions and construction.

COVID-19 created educational challenges for students across Pennsylvania. In response, nearly \$8.0 billion in federal relief funds have been allocated to Pennsylvania since March 2020. This relief includes American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER) funds that provide \$5.0 billion in federal funding for Pennsylvania schools to support education recovery, at least \$4.5 billion of which will flow to school districts and charter schools across the Commonwealth.

The primary goals and outcomes of this activity are as follows:

- Ensure all students have access to a high-quality education, regardless of geographic location.
- Increase the share of K-12 students that demonstrate academic proficiency and are on track for postsecondary or career success upon exiting.

Resources for K-12 Education

	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$3.9	\$3.8	\$3.8	\$4.2	\$4.4	\$4.5
Operational Expenses	6.6	5.7	3.5	6.9	13.1	45.0
Grants	9,935.4	10,331.4	10,686.8	10,957.7	11,533.5	16,843.3
Other ¹	<u>7.2</u>	<u>3.5</u>	<u>2.1</u>	<u>5.0</u>	<u>6.0</u>	<u>0.0</u>
Total	9,953.1	10,344.5	10,696.2	10,973.8	11,557.0	16,892.8
Expenditures by Fund						
General Fund (State)	\$8,635.9	\$9,004.7	\$9,283.8	\$9,569.7	\$9,695.0	\$10,046.3
General Fund (Federal)	697.1	728.9	792.9	783.6	1,241.0	6,225.2
Property Tax Relief Fund	<u>620.1</u>	<u>611.0</u>	<u>619.5</u>	<u>620.5</u>	<u>621.0</u>	<u>621.3</u>
Total	9,953.1	10,344.5	10,696.2	10,973.8	11,557.0	16,892.8
Average Weekly FTE Positions	36	37	37	39	43	40
Personnel Cost/FTE (\$ thousands)	\$108.6	\$101.6	\$104.9	\$107.7	\$102.3	\$113.1

Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.

¹ Other may include fixed asset, non-expense or miscellaneous expense transfer expenditures.

Performance Measures for K-12 Education

	16-17	17-18	18-19	19-20	20-21	21-22
Student Enrollment (000s)¹						
School district enrollment	1,579	1,571	1,569	1,567	1,516	--
Brick & mortar charter enrollment	101	103	106	108	108	--
Cyber charter enrollment	33	35	37	38	61	--
Non-public school enrollment	222	217	217	208	198	--
Student Spending (\$000s)						
Average expenditure per student ²						
School district ³	\$15.4	\$15.9	\$16.5	\$16.7	--	--
Brick & mortar charter school	\$13.3	\$13.5	\$14.5	\$15.0	--	--
Cyber charter school	\$12.7	\$13.1	\$13.2	\$14.2	--	--
School Finance						
% K-12 education funded by state sources ⁴	36.8%	38.0%	37.5%	36.8%	--	--
% Funds dist. using Fair Funding Formula ⁵	6.0%	7.6%	8.8%	11.2%	11.2%	13.7%
Districts in financial watch status ⁶	7	7	5	6	6	5
Districts in financial recovery ⁶	4	4	6	6	6	7
Student Outcomes						
% Proficient or advanced in ⁷						
Math	45.9%	45.5%	43.9%	--	--	--
Language arts	62.7%	63.0%	62.3%	--	--	--
Science	63.3%	64.3%	64.5%	--	--	--
4-year cohort graduation rate	86.6%	85.9%	86.5%	87.4%	--	--
Student to teacher ratio ⁸	14.1	14.2	14.0	13.9	13.7	--
COVID-19 Impact						
% Students remote or hybrid learning ⁹	--	--	--	--	88%	--
% Students attending school in-person ⁹	--	--	--	--	12%	--
Chronic Absenteeism ⁶	--Recommended measure--					

Notes:

1 Enrollment numbers as of October 1 of each school year.

See <https://www.education.pa.gov/DataAndReporting/Enrollment/Pages/PublicSchEnrReports.aspx>.

2 Average expenditure per student are current expenditures divided by average daily membership (ADM).

See [https://www.education.pa.gov/Teachers - Administrators/School Finances/Finances/AFR Data Summary/Pages/AFR-Data-Summary-Level.aspx](https://www.education.pa.gov/Teachers-Administrators/SchoolFinances/Finances/AFRDataSummary/Pages/AFR-Data-Summary-Level.aspx) and [https://www.education.pa.gov/Teachers - Administrators/School Finances/Finances/FinancialDataElements/Pages/default.aspx](https://www.education.pa.gov/Teachers-Administrators/SchoolFinances/Finances/FinancialDataElements/Pages/default.aspx).

3 School district data exclude charter school payments and ADM. The following expenditures are unique to school districts: nonpublic school-related, adult education programs, community/junior college programs, prekindergarten programs, tax assessment/collection, and transportation to/from school. School districts provide the following services to charter schools: transportation to/from school, compulsory attendance (truancy) if the charter school notifies the school district.

4 See [https://www.education.pa.gov/Teachers - Administrators/School Finances/Finances/AFR Data Summary/Pages/AFR-Data-Summary-Level.aspx](https://www.education.pa.gov/Teachers-Administrators/SchoolFinances/Finances/AFRDataSummary/Pages/AFR-Data-Summary-Level.aspx) and [https://www.education.pa.gov/Teachers - Administrators/School Finances/Finances/AFR Data Summary/Pages/AFR-Data-Detailed-.aspx](https://www.education.pa.gov/Teachers-Administrators/SchoolFinances/Finances/AFRDataSummary/Pages/AFR-Data-Detailed-.aspx).

5 See [https://www.education.pa.gov/Teachers - Administrators/School Finances/Finances/Historical Files/Pages/default.aspx](https://www.education.pa.gov/Teachers-Administrators/SchoolFinances/Finances/HistoricalFiles/Pages/default.aspx) and [https://www.education.pa.gov/Teachers - Administrators/School Finances/Education Budget/Pages/default.aspx](https://www.education.pa.gov/Teachers-Administrators/SchoolFinances/EducationBudget/Pages/default.aspx).

6 See Notes on Measures.

7 Performance data reported to the federal government for ESSA (Every Student Succeeds Act) Report Card.

8 Calculated by the IFO.

9 Snapshot as of October 2020. See [https://www.education.pa.gov/Schools/safeschools/emergencyplanning/ COVID-19/CARESAct/March2021/Pages/StateDataandReporting.aspx](https://www.education.pa.gov/Schools/safeschools/emergencyplanning/COVID-19/CARESAct/March2021/Pages/StateDataandReporting.aspx) (November 30, 2021).

Notes on Measures

- The Financial Recovery Act (includes Act 141 of 2012 and subsequent legislation) provides for a system to identify and support school districts that experience financial stress. These school districts are first classified as a financial watch school district. A financial recovery school district is a district with an average daily membership (ADM) greater than 7,500 students and receives an advance in the basic education subsidy at any time or a smaller district that receives the advance and is subject to a declaration of financial distress. The Secretary may also consider criteria designated under 22 Pa. Code Chapter 18 (related to financial recovery) to determine (1) whether a school district is in financial recovery status and if so, (2) whether the district shall be deemed a moderate or severe financial recovery school district. A district must work with PDE to develop and implement a financial recovery plan.
- PDE's state plan to guide the use of ARP ESSER funds to respond to the COVID-19 pandemic emphasizes several priorities that affect K-12 educational outcomes, including (1) safely maximizing in-person instruction time, (2) addressing the academic impacts of lost instructional time through evidence-based summer learning and comprehensive afterschool programs and (3) reducing chronic absenteeism associated with at-risk student groups. Across all strategies, the plan seeks to advance equity and access to instruction, especially for student groups disproportionately impacted by the COVID-19 pandemic. The state plan outlines reporting requirements for LEAs to measure impacts and outcomes associated with ARP ESSER funding disaggregated by student group at the school and district level.

Compare Performance Metrics to Set Goals and Targets

During the PBB Board hearing on March 9, 2022, the board requested that the report be amended and resubmitted to "indicate the goals or targets set forth in PDE's federally approved Every Student Succeeds Act state plan." The table on the next two pages provides the requested information.

Pennsylvania Performance to ESSA Goals and Interim Targets

	Actual 2018-19	Interim Target	2030 Goal
ELA Proficiency			
All Students	62.2%	64.6%	81.1%
2 or More Races	57.1	58.4	77.1
American Indian or Alaska Native	56.5	58.7	77.4
Asian	79.9	79.7	89.6
Black or African American	36.1	40.9	68.4
Economically Disadvantaged	45.9	48.3	72.5
English Learners	32.1	18.5	55.9
Hawaiian Native or Other Pacific Islander	63.9	72.4	85.6
Hispanic	42.0	44.6	69.9
Students w/ Disabilities	26.8	31.1	63.0
White	70.9	71.8	85.0
Math Proficiency			
All Students	45.2%	47.6%	71.8%
2 or More Races	38.1	40.2	67.7
American Indian or Alaska Native	36.2	40.0	67.5
Asian	72.0	70.8	84.0
Black or African American	17.8	23.5	58.7
Economically Disadvantaged	28.1	31.5	63.4
English Learners	22.7	16.3	54.8
Hawaiian Native or Other Pacific Islander	48.7	54.0	74.9
Hispanic	24.4	28.7	61.7
Students w/ Disabilities	17.9	23.6	58.8
White	54.1	54.3	75.2
Science Proficiency			
All Students	66.0%	67.6%	83.0%
2 or More Races	62.1	63.1	79.6
American Indian or Alaska Native	60.1	62.0	79.6
Asian	82.4	79.6	88.4
Black or African American	36.8	40.4	67.9
Economically Disadvantaged	51.0	52.3	74.3
English Learners	34.3	22.9	58.1
Hawaiian Native or Other Pacific Islander	67.1	71.3	84.5
Hispanic	45.3	46.6	70.8
Students w/ Disabilities	33.8	38.7	67.3
White	74.9	75.2	86.2
4 Year Cohort Graduation Rate (SY 17-18 data)			
All Students	85.9%	85.9%	92.4%
2 or More Races	78.6	78.2	88.2
American Indian or Alaska Native	78.6	78.0	88.1
Asian	92.5	91.4	95.3
Black or African American	72.1	73.9	85.9
Economically Disadvantaged	77.9	77.8	88.0
English Learners	65.8	65.5	81.3
Hawaiian Native or Other Pacific Islander	90.3	91.4	95.3
Hispanic	73.7	71.9	84.8
Students w/ Disabilities	70.2	73.7	85.8
White	90.5	90.1	94.7

Pennsylvania Performance to ESSA Goals and Interim Targets (cont.)

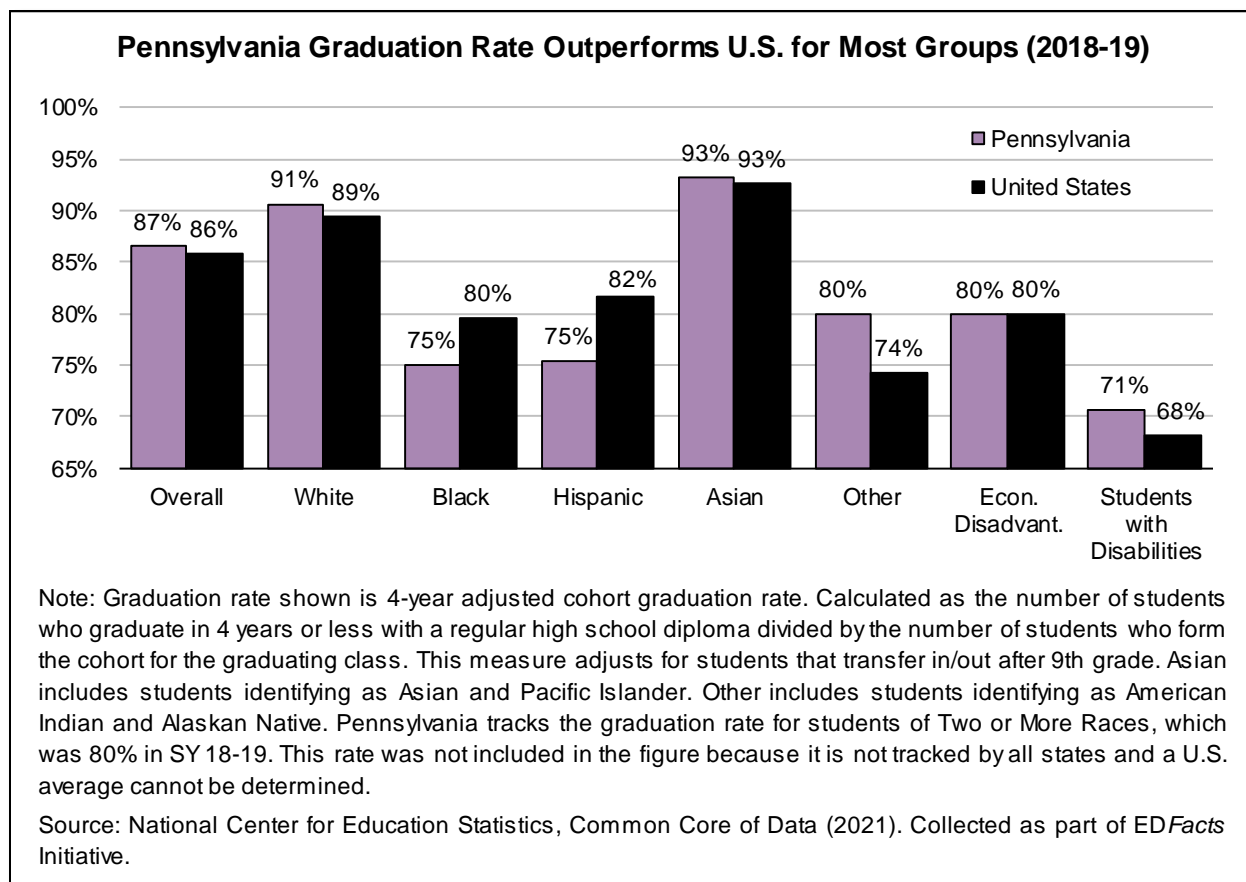
	Actual 2018-19	Interim Target	2030 Goal
5 Year Cohort Graduation Rate (SY 17-18 data)			
All Students	88.5%	88.1%	93.5%
2 or More Races	82.6	82.3	90.4
American Indian or Alaska Native	79.5	85.0	91.9
Asian	94.0	92.7	96.1
Black or African American	77.9	78.3	88.2
Economically Disadvantaged	83.2	81.3	89.9
English Learners	72.0	71.7	84.7
Hawaiian Native or Other Pacific Islander	91.5	86.1	96.4
Hispanic	77.8	76.2	87.1
Students w/ Disabilities	76.5	77.6	87.9
White	92.2	91.4	95.3
English Language Growth and Attainment¹			
All Students	30.8%	45.2%	70.3%
2 or More Races	28.6	45.2	70.3
American Indian or Alaska Native	*	45.2	70.3
Asian	38.3	45.2	70.3
Black or African American	29.4	42.5	68.9
Economically Disadvantaged	29.8	44.5	69.9
English Learners	31.0	45.2	70.3
Hawaiian Native or Other Pacific Islander	*	43.2	69.3
Hispanic	27.5	41.8	68.4
Students w/ Disabilities	20.1	31.7	63.0
White	41.5	45.2	70.3
Regular Attendance (Chronic Absenteeism Measure)²			
All Students	84.8%	*	80.9%
2 or More Races	82.1	*	80.9
American Indian or Alaska Native	73.9	*	80.9
Asian	94.0	*	80.9
Black or African American	73.5	*	80.9
Economically Disadvantaged	77.5	*	80.9
English Learners	80.7	*	80.9
Hawaiian Native or Other Pacific Islander	70.1	*	80.9
Hispanic	78.8	*	80.9
Students w/ Disabilities	77.2	*	80.9
White	87.9	*	80.9
Career Standards Benchmark²			
All Students	89.7%	*	93.0%
2 or More Races	87.8	*	93.0
American Indian or Alaska Native	72.2	*	93.0
Asian	91.4	*	93.0
Black or African American	77.6	*	93.0
Economically Disadvantaged	86.8	*	93.0
English Learners	81.4	*	93.0
Hawaiian Native or Other Pacific Islander	91.7	*	93.0
Hispanic	85.5	*	93.0
Students w/ Disabilities	85.4	*	93.0
White	92.9	*	93.0

1 EL Growth and Attainment did not have the Native American or Hawaiian student groups.

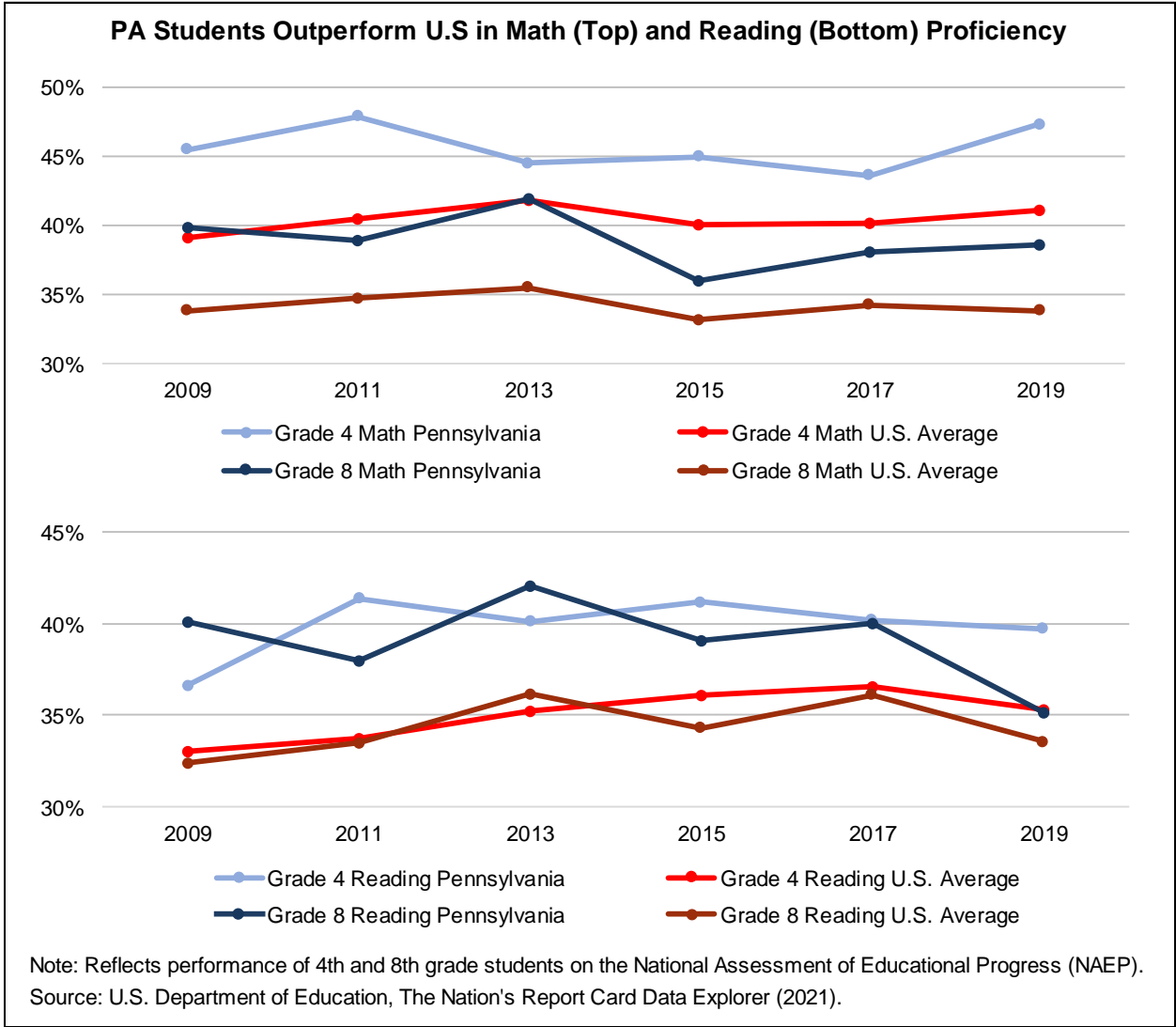
2 Regular Attendance and Career Standards Benchmark do not have interim targets or goals in the ESSA plan. They only have performance standards that are consistent across all groups and years.

Source: Pennsylvania Department of Education.

State Benchmarks



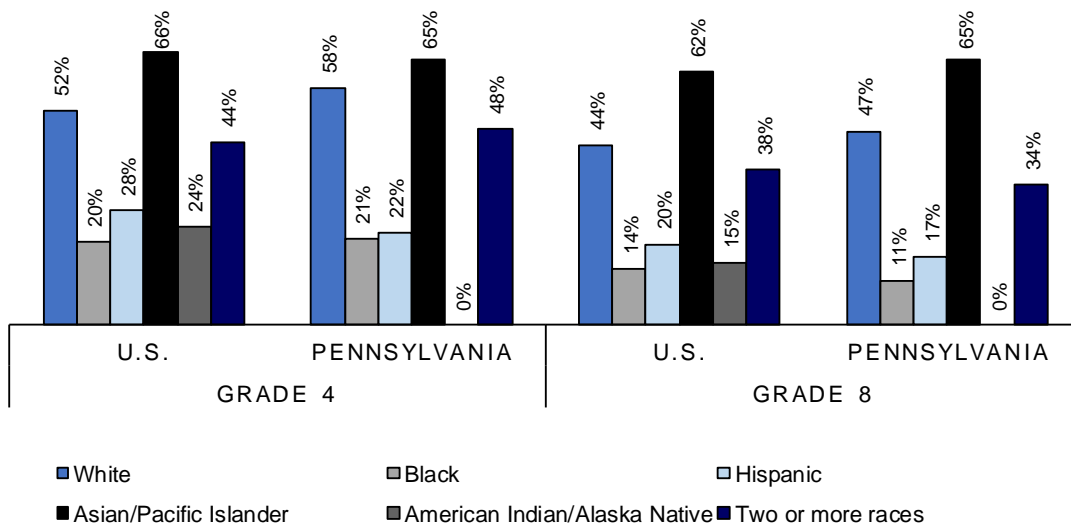
Graduation rates are a key metric of student performance and progress toward postsecondary success. In SY 2018-19, the Pennsylvania 4-year cohort graduation rate was 87%, which was above the national average of 86%. Pennsylvania's graduation rate exceeded the national average across demographic groups, with the exception of Black and Hispanic students. In SY 2018-19, the 4-year cohort graduation rate for Black students was 75% in Pennsylvania and 80% for the U.S. For Hispanic students, the graduation rate was 75% in Pennsylvania and 82% for the U.S. Pennsylvania reported a higher graduation rate for students with disabilities (71%) than the U.S. average (68%).



The National Assessment of Educational Progress is the largest nationally representative and continuing assessment of 4th and 8th grade students administered by the National Center for Education Statistics (NCES). It allows comparisons of student progress and performance over time and across states. Reading and math are the only subjects for which representative samples are collected every two years. Over the past decade, Pennsylvania students have consistently outperformed the national average for the share of students proficient or above in reading and math.

During the PBB Board hearing on March 9, 2022, the board requested that the report be amended and resubmitted to “include the national and statewide math and reading scores in the 2019 National Assessment of Educational Progress for grades 4 and 8 by the student groups for race/ethnicity and National School Lunch Program eligibility.” The three figures on the next two pages provide the requested information.

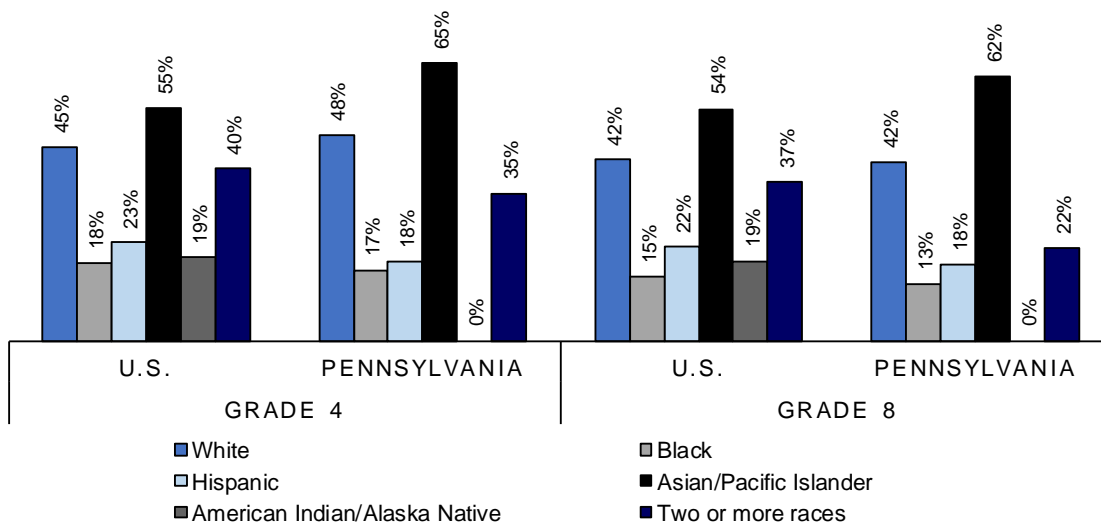
Percent at or Above Proficient in Math by Race/Ethnicity



Note: Reporting standards not met in Pennsylvania for American Indian/Alaska Native Category.

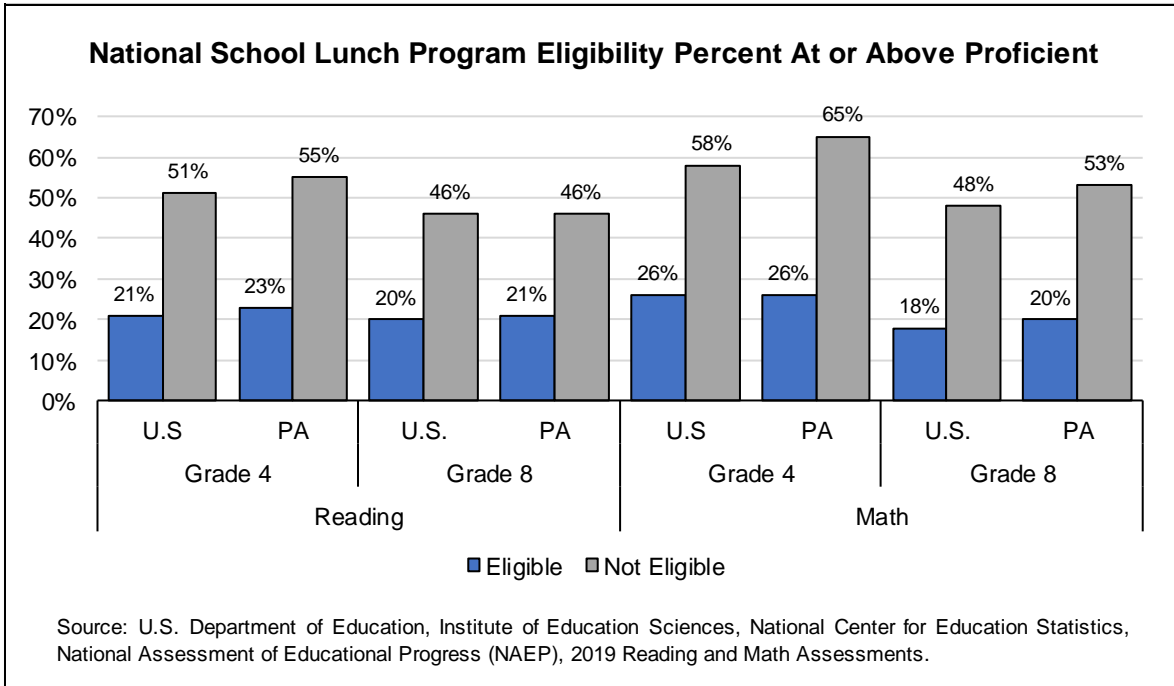
Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2019 Math Assessment.

Percent at or Above Proficient in Reading by Race/Ethnicity

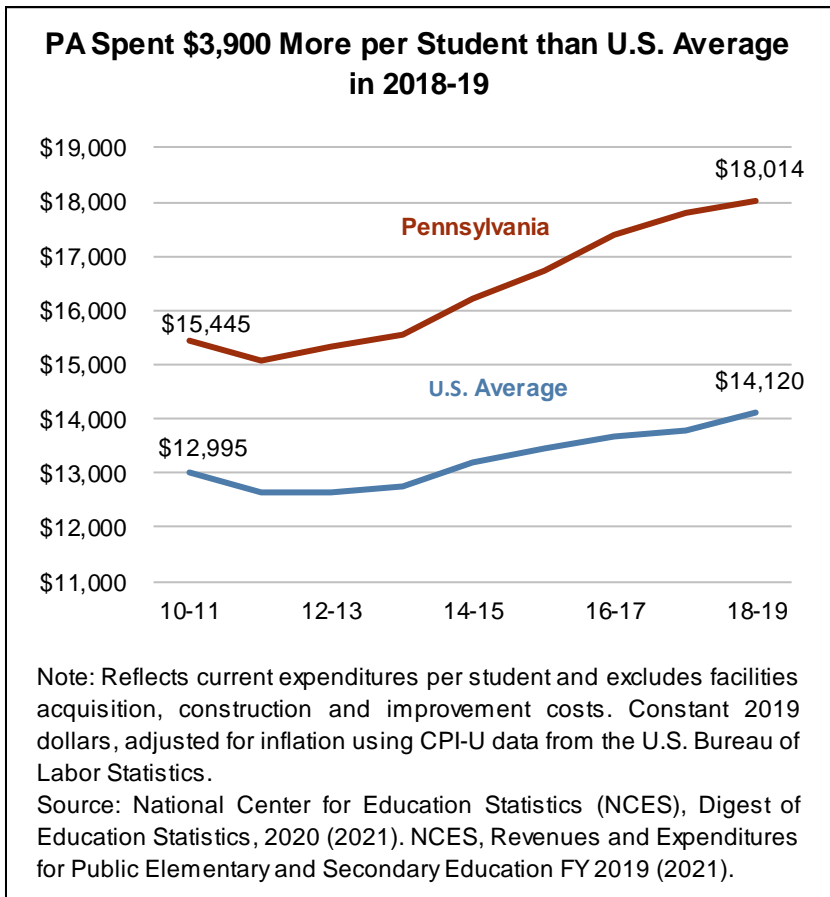


Note: Reporting standards not met in Pennsylvania for American Indian/Alaska Native Category.

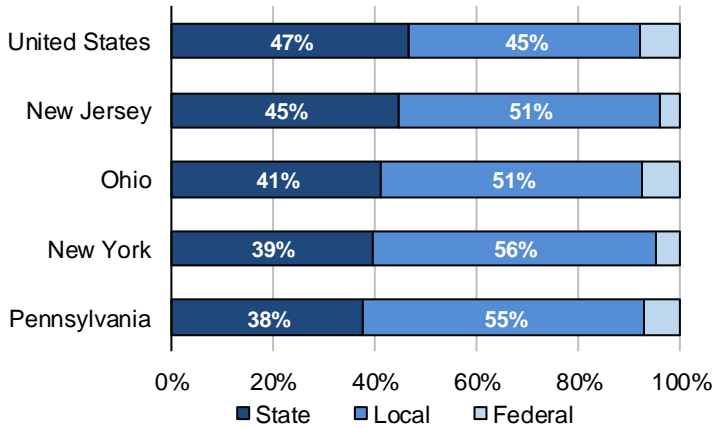
Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2019 Reading Assessment.



For FY 2018-19, Pennsylvania spent an average of \$18,000 per student (preliminary) and ranked 9th highest in current expenditures per student across all states. Spending per student was \$3,900 higher than the U.S. average of \$14,100. Controlling for different regional price levels, state spending was \$4,070 higher than the U.S. average and also ranked 9th highest across states. Ranks for certain border states were as follows: New York (ranked 1st), New Jersey (4th), Maryland (15th) and Ohio (17th). Since FY 2010-11, real Pennsylvania per student expenditures grew at an average rate of 1.7% per annum, while real U.S. per student expenditures grew by 0.9% per annum. (Note: these averages are not directly comparable to average spending in the resource table for this activity because additional expenditures are included.)



PA Sources a Larger Share of Public School Revenues from Localities than U.S. Average and Select States



Note: Reflects SY 18-19 revenue sources.
 Source: NCES, Revenues and Expenditures for Public Elementary and Secondary Education: FY 2019 (2021).

Public education is primarily funded by state and local revenues, and the remainder sourced from the federal government. In FY 2018-19, 38% of Pennsylvania revenues for public education were sourced from the state, while 55% were from local sources. At the national level, 47% of revenues were state sourced in FY 2018-19, compared to 45% local. Pennsylvania ranks 43rd in the nation for the state share of public education funding, but this funding mix is similar to peer states including New York (39% state, 56% local) and Ohio (41% state, 51% local).

During the PBB Board hearing on March 9, 2022, the board requested that the report be amended and re-

submitted to “add an analysis or cite research that compares Pennsylvania to the average state in terms of the combined state and local funding available to high poverty districts versus low poverty districts.” For this purpose, the IFO requested that PDE provide references to relevant studies. PDE provided the IFO with three studies to satisfy this request, and two brief summaries follow.¹

Urban Institute 2022:² This analysis used SY 2018-19 data to determine states’ overall education funding progressivity. The study calculated the per-student funding of students living in poverty versus those not living in poverty and calculated a ratio of the two for each state. A ratio that exceeds 1.0 indicates that, on average, students living in poverty attend districts that receive more funding per student than districts where students not living in poverty attend. Of 49 states reviewed (excluded Hawaii), values ranged from 1.17 in South Dakota (ranked 1st in terms of funding progressivity) to 0.96 in Connecticut (ranked 49th). The analysis calculated Pennsylvania’s funding progressivity ratio at 0.97 (regressive) compared to the U.S. average of 1.01.

Education Law Center (ELC) 2021 (re-released in January 2022):³ This report used data from the 2019 U.S. Census Bureau’s Annual Survey of School System Finances to grade/rank states based on three metrics: (1) funding level or the cost-adjusted, per-pupil revenue from state and local sources, (2) funding distribution or the extent to which additional funds are distributed to school districts with high levels of student poverty and (3) funding effort or the funding allocated to support PK-12 public education as a

¹ PDE identified an earlier version of the Urban Institute analysis published in 2017. The 2022 analysis includes more recent data and a revised methodology. In prior versions, revenues were presented as reported to the U.S. Department of Education without any adjustments. In the current version, revenue streams were adjusted to account for payments to charter and other schools. PDE referred IFO to a third study: “*Funding Gaps 2015, Too Many States Still Spend Less on Educating Students Who Need the Most.*” The Education Trust (March 2015). Given that this study used data over 10 years old (2010 to 2012), it is not summarized for the purposes of this report.

² Urban Institute. “*Which Students Receive a Greater Share of School Funding?*” April 2022.

³ ELC. “*2021 Making the Grade How Fair is School Funding in your State?*” January 2022.

share of the state's Gross Domestic Product (GDP). The ELC report gave Pennsylvania an A grade for funding level (ranked 6th highest state, including Washington D.C.) and funding effort (ranked 7th) and an F for funding distribution (ranked 41st). It is noted that ELC advocates for education spending across states.⁴

⁴ The ELC Mission Statement notes that the Center "has become one of the most effective advocates for equal educational opportunity and education justice in the United States."

Substate metrics

Select Characteristics and Performance Outcomes by Public School Setting 2018-19				
	Total Public	School Districts	Brick & Mortar Charter	Cyber Charter
Enrollment ¹	1,711,944	1,568,685	105,904	37,355
Average Expenditure per ADM ^{1,2}	\$16,284	\$16,477	\$14,521	\$13,184
White ³	64.8%	67.7%	22.6%	63.4%
Black ³	14.8%	12.2%	51.3%	17.9%
Hispanic ³	12.1%	11.6%	19.2%	11.5%
Asian/Pacific Islander ³	4.0%	4.1%	3.1%	1.4%
American Indian ³	0.1%	0.1%	0.0%	0.3%
Multiracial ³	4.2%	4.2%	3.8%	5.6%
Special Education	17.3%	17.1%	18.1%	22.8%
Economically Disadvantaged ⁴	45.8%	44.4%	67.9%	47.0%
% Proficient or Advanced ⁵				
Mathematics	42.3%	48.3%	25.6%	20.7%
Language Arts	60.3%	65.4%	45.9%	42.7%
Science	64.8%	70.5%	49.0%	38.9%
4-Year Cohort Graduation Rate ⁶	86.8%	88.4%	84.5%	54.6%

Note: SY 18-19 is most recently available performance data. Used SY 18-19 enrollment, demographic and average expenditure data to align with performance data.

1 Enrollment and expenditure data exclude comprehensive and occupational career and technical education, intermediate units and state juvenile corrections institutions as PDE did not provide performance data for these students. School district data exclude charter school payments and ADM. The following expenditures are unique to school districts: nonpublic school-related, adult education programs, community/junior college programs, prekindergarten programs, tax assessment/collection, and transportation to/from school. School districts provide the following services to charter schools: transportation to/from school, compulsory attendance (truancy) if the charter school notifies the school district.

2 ADM is average daily membership and accounts for fluctuations in school populations over the course of the school year. Total Public Average Expenditure per ADM is based on a weighted average using enrollment and calculated by IFO. See <https://www.education.pa.gov/Teachers - Administrators/School Finances/Finances/AFR Data Summary/Pages/AFR-Data-Summary-Level.aspx> and <https://www.education.pa.gov/Teachers - Administrators/School Finances/Finances/FinancialDataElements/Pages/default.aspx>.

3 See <https://www.education.pa.gov/DataAndReporting/Enrollment/Pages/PublicSchEnrReports.aspx>.

4 It is at the discretion of the district to determine if a student is economically disadvantaged or comes from a low-income family. Poverty data sources used by the districts include TANF cases, census poor, Medicaid, children living in institutions due to neglect or delinquency, those supported in foster homes or eligible for free/reduced price lunch.

5 Performance data reflects percent of students scoring proficient or advanced on SY 18-19 PSSA, PASA, and Keystone exams. Percentages based on results reported from 499 school districts, 165 brick and mortar charter schools and 14 cyber charter schools.

6 The 4-year cohort graduation rate is the number of students who graduate in 4 years with a regular high school diploma divided by the number of students who form the cohort for the graduating class. This measure adjusts for students that transfer in/out after 9th grade. Rate based on results reported from 495 school districts, 67 brick and mortar charter schools and 14 cyber charter schools.

Source: Pennsylvania Department of Education.

In SY 2018-19, 89% of public-school students attended school in a district setting, 6% attended a brick-and-mortar charter school and 2% attended a cyber charter school. The remaining 3% of students attended a career and technical school, an intermediate unit or a state juvenile corrections institution. The characteristics of students and performance outcomes vary across school settings.

While the demographic and socioeconomic characteristics of students attending school districts and cyber charter schools are similar, larger shares of the student population of brick and mortar charter schools are Black and Hispanic and are economically disadvantaged. For example, in SY 2018-19 approximately 24% of students attending school districts in Pennsylvania were Black or Hispanic, compared to 29% in cyber charter schools and 71% of students in brick and mortar charter schools. Approximately 44% of students attending school districts were classified as economically disadvantaged compared to 47% of students attending cyber charter schools and 68% of students attending brick and mortar charter schools.

Performance outcomes varied significantly across the three school settings. Brick and mortar charter schools had a similar graduation rate to school districts, 84% and 88%, respectively. Cyber charter schools lagged with a graduation rate of 55% in SY 2018-19. Additionally, school districts had a higher share of students scoring proficient or advanced on standardized math, science and reading tests compared to charter school students.

Average Expenditure per Average Daily Membership (ADM)

During the PBB Board hearing on March 9, 2022, the board requested that the report be amended and resubmitted to “expand upon the average expenditure per average daily membership analysis in the table ... [titled “Select Characteristics and Performance Outcomes by Public School Setting 2018-19”] by adding charts showing current expenditures per weighted student count (as defined by the legislature in Section 2502.53(c)(2)(ii)(A) of Act 14 of 1949) by quartiles based upon median household income and students of color as a share of enrollment.” This table provides the requested information.

School District Quartiles by Median Household Income and Students of Color			
Quartiles	Current Expenditures (\$ millions)¹	Weighted-Student ADM²	Current Expenditures/ Weighted-Student ADM
Based on median household income³			
1st	\$8,771	764,678	\$11,470
2nd	3,528	271,603	12,989
3rd	6,082	430,497	14,128
4th	<u>10,009</u>	<u>618,148</u>	<u>16,193</u>
Total	28,390	2,084,926	13,617
Based on share of district-enrolled students of color⁴			
1st	\$14,134	1,086,145	\$13,013
2nd	7,445	496,172	15,005
3rd	4,301	310,543	13,849
4th	<u>2,510</u>	<u>192,066</u>	<u>13,070</u>
Total	28,390	2,084,926	13,617

Notes:

1 Current expenditures are the FY19-20 current expenditures minus tuition from patrons revenue.

2 Weighted-Student ADM is the weighted ADM calculated by PDE for the distribution of the Basic Education Funding for FY 21-22 (uses student counts from FY 17-18 through FY 19-20).

3 Quartiles based on the 2019 American Community Survey (5-Year) median household income. The 1st quartile contains the districts with the lowest median household income.

4 The share of district-enrolled students of color is the share of district-enrolled students that are not White as of FY 2018-19. The 1st quartile contains the districts with the largest share of district-enrolled students of color.

Source: PDE Website. Education Budget Basic Education Funding. 2021-22 Estimated Basic Education Funding. See <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Education%20Budget/Pages/default.aspx>. Calculations by IFO.

Comparison of School District Per Student Expenditures to Standardized Test Scores

The figure on the next page is a graphical representation of the current expenditures per student compared to the share of standardized tests (i.e., PSSA, Keystone and PASA) scored as proficient or above by school district locale designation (i.e., rural, urban, suburban and town) in SY 2018-19.^{5,6} Each dot represents one school district. Blue dots indicate a district in the first quartile (smallest share of students with low income) based on the share of students from families with low income, and red dots indicate a district in the fourth quartile (largest share of students with low income). Gray dots are districts in the second and third quartiles based on the share of students from families with low-income.

The black axis within each chart designates the weighted average of current expenditures per student and average share of standardized tests scored as proficient or above within each locale designation. Rural, suburban and urban school districts have roughly the same average current expenditures per student ranging from an average of \$16,200 for urban districts to \$16,560 for suburban districts.⁷ Town districts had a lower average of \$15,049. In terms of standardized tests scored as proficient or above, rural (57%), suburban (62%) and town (58%) school districts had similar averages, while urban districts had a much lower average (34%).

The cross section of FY 2018-19 data across all school districts reveals that districts that spent the same amount had different student outcomes as measured by standardized test scores. Districts with relatively fewer students from families with low income represented by blue dots tend to have a greater share of standardized tests scored at proficient or above compared to districts with poorer students represented by red dots. This pattern is illustrated by the cluster of blue dots in the upper two quadrants and the cluster of red dots in the lower two quadrants of each graph.

These general observations relate to the specific year and cannot be used to make inferences regarding the impact of changes in spending over time or outcomes in other years. For that purpose, researchers would use a panel or longitudinal dataset that includes per pupil spending and various economic, demographic, programmatic and outcome measures over time across all Pennsylvania school districts.

During the PBB Board hearing on March 9, 2022, the board requested that the report be amended and resubmitted to “provide an overview of the findings on this topic in academic literature.” For this purpose, the IFO requested that PDE provide references to relevant studies or articles that used Pennsylvania data. PDE provided the IFO with two studies to satisfy this request. The first study was not published in an academic journal but is included because it was provided by PDE. This second study was the only academic study identified that used data specific to Pennsylvania. It is unclear if the findings still hold because the study used data from SY 2000-01 to SY 2008-09.

⁵ The school district locale designations are from the National Center for Education Statistics (NCES) Common Core of Data, Local Education Agency Universe Survey, urban-centric locale designation. SY 18-19 was used because standardized tests were canceled in SY 19-20 due to COVID-19.

⁶ During the PBB Board hearing on March 9, 2022, the board requested that the report be amended and resubmitted to “... provide the underlying data for the dot plots [within Activity 1] ... in a table format.” Due to the overall size of these tables, the data are provided in an Excel file on the IFO website. <http://www.ifo.state.pa.us//Resources/Documents/DotPlotData.xlsx>.

⁷ Current expenditures are total expenditures minus costs for (1) facilities acquisition, construction and improvement services, (2) other expenditures and financing uses and (3) tuition payments to other school districts, charter schools and nonpublic schools.

The Public Interest Law Center 2016:⁸ This study uses the Pennsylvania Basic Education Funding Commission count of weighted students and determines that the SY 2013-14 median current actual instructional expense per weighted student in all districts was \$7,805 and \$8,826 for “successful” districts. The study’s definition of a successful district is a district that was in the top half of districts in PSSA proficiency in all three subject tests (English language arts, mathematics and science). The study found that more successful districts generally spent more per weighted student than a typical district. It is noted that the Center advocates for education spending in the Philadelphia metro region.⁹

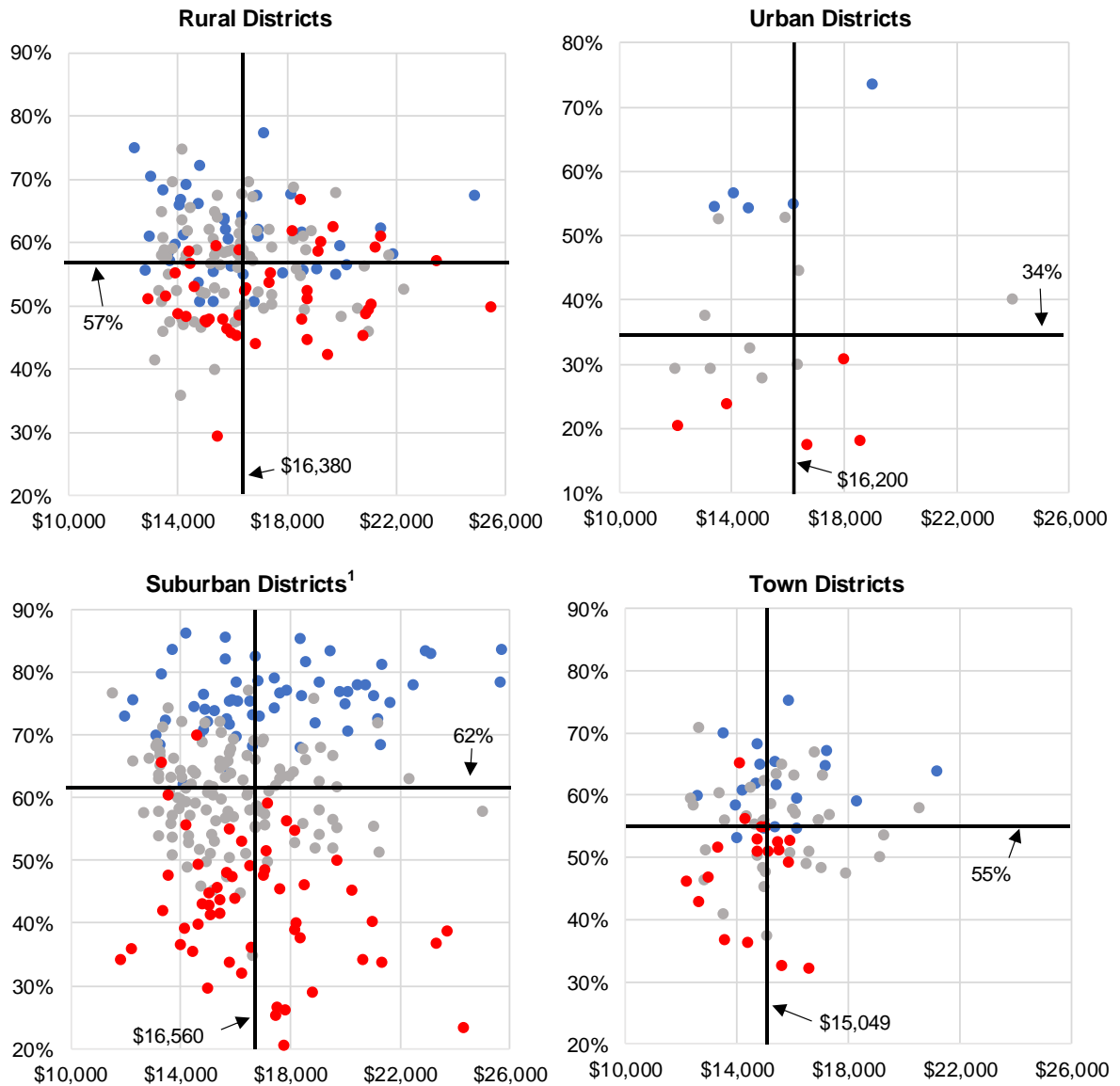
Eastern Economic Journal 2013:¹⁰ Using data spanning SY 2000-01 to SY 2008-09 across 500 school districts, the author found a positive and statistically significant relationship between a district’s rate of increase in spending on regular instruction and the percentage by which its students “passing rate” improves on the PSSA tests. The relationship was most pronounced for student cohorts who took the tests initially as 5th graders and later as 8th graders but was evident as well for 8th to 11th grade cohorts.

⁸ Churchill, Michael. “PA Basic Education Funding Commission Formula Means Districts Need at Least \$3.2 Billion More in State Funding.” The Public Interest Law Center. May 2016.

⁹ The Center notes the following at their website: “The Public Interest Law Center uses high-impact legal strategies to advance the civil, social, and economic rights of communities in the Philadelphia region facing discrimination, inequality, and poverty. We use litigation, community education, advocacy, and organizing to secure access to fundamental resources and services.”

¹⁰ Flaherty, Sean. “Does Money Matter in Pennsylvania? School District Spending and Student Proficiency Since No Child Left Behind.” Eastern Economic Journal, 2013, 39 (pp.145-171).

Relationship of Spending/Student (x-axis) & Income to Test Scores (y-axis) (FY 2018-19)



Notes: Current expenditure are total expenditures minus (1) facilities acquisition, construction and improvement services (AFR 4000 expenses); (2) other expenditures and financing uses (AFR 5000 expenses) and (3) tuition payments to other school districts, charter schools and nonpublic schools. The share of test scored as proficient or above is the total percentage of all PSSA, Keystone and PASA (i.e., all standardized tests) examinations completed in the school year and scored as proficient or above. The share of low-income represents the share of district students from low-income households. The blue dots are districts with a lower share of low-income students, and the red dots are districts with a higher share of low-income students. Black axes represent the weighted average of school district current expenditures/student and average share of standardized tests that were scored as proficient or above.

1 There were five suburban school districts that fall outside of this figure and are excluded. These five dots would all be red and placed at the following coordinates: (\$31,860, 14%), (\$13,882, 14%), (\$22,594, 15%), (\$16,724, 16%) and (\$36,916, 28%). Four would appear in the southeast quadrant of the graph and one would appear in the southwest quadrant.

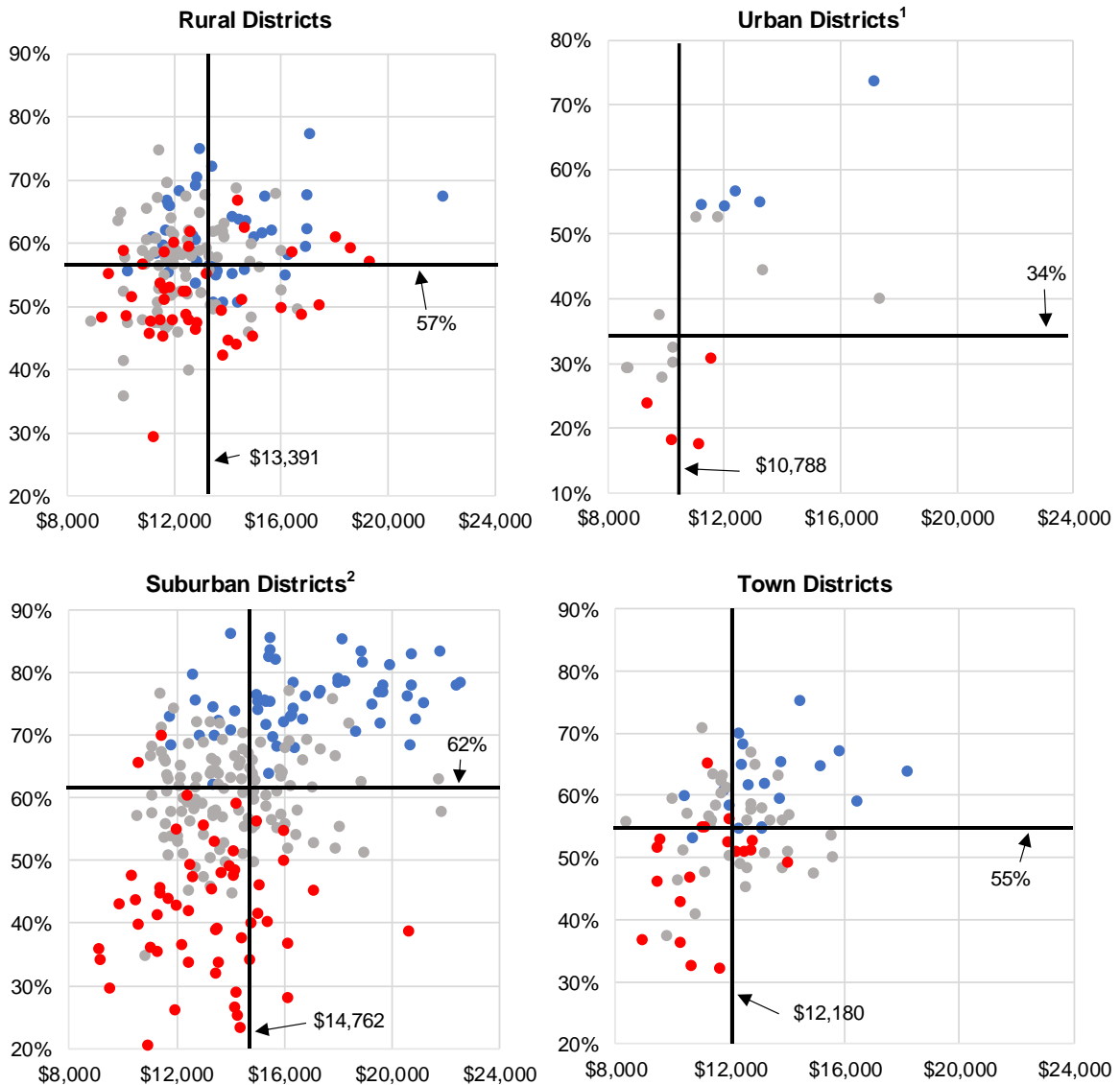
Source: Current expenditures per student and share of students from low-income households from PDE website. Share of tests scored as proficient or above provided by PDE. Calculations by IFO. The data in this figure are published to the IFO website and include citations for specific PDE files.

Alternative Dot Plot

During the PBB Board hearing on March 9, 2022, the board requested that the report be amended and submitted to discuss an alternative to the dot plot shown on the previous page using current expenditures per weighted student count as defined by the legislature in Section 2502.53(c)(2)(ii)(A) of Act 14 of 1949, sometimes referred to as the weighted student count within the Fair Funding Formula. This method adds additional weights for school-aged child poverty, English Language Learner (ELL) students and charter school students. (See next page.) This alternative yields similar results to the original dot plot with the following caveats:

- (1) Because the denominator of current expenditures per weighted student (alternative) is much higher than current expenditures per student (original), the cost per weighted student is shifted downward for most districts. The shift is more dramatic for districts with high poverty and a large number of ELL and charter school students.
- (2) The original dot plot uses students educated in traditional school districts (as opposed to charter schools) and so current expenditures were adjusted to exclude tuition paid by school districts for students to attend charter schools, other school districts and nonpublic schools. The alternative dot plot uses all students that districts are financially responsible to educate and so current expenditures were adjusted to exclude tuition revenue provided by other school districts and individuals to educate students from outside the school district. In both dot plots, test scores only include tests taken by students enrolled in the district, not in other schools (i.e., charter schools, other districts, etc.). Therefore, the alternative view compares expenditures per weighted student for all students the district has financial responsibility to educate to standardized test scores of only students educated within the school district.

Relationship of Spending/Weighted ADM (x-axis) & Income to Test Scores (y-axis) (FY 18-19)



Key

● 1st Quartile of % Low-Income ● 2nd & 3rd Quartile of % Low-Income ● 4th Quartile of % Low-Income

Notes: Current expenditures are total expenditures minus (1) facilities acquisition, construction and improvement services (AFR 4000 expenses); (2) other expenditures and financing uses (AFR 5000 expenses) and (3) revenue from tuition from patrons. Number of students used in current expenditures/student is the weighted adjusted average daily membership (ADM) used in the Fair Funding Formula part of the SY 18-19 Basic Education distribution. The share of test scored as proficient or above is the total percentage of all PSSA, Keystone and PASA (i.e., all standardized tests) examinations completed by full-academic year students and scored as proficient or above. The share of low-income represents the share of district students from low-income households. The blue dots are districts with a lower share of low-income students, and the red dots are districts with a higher share of low-income students. Black axes represent the weighted average of school district current expenditures/student and average share of standardized tests that were scored as proficient or above.

1 There was one urban school district that fell outside of this figure with coordinates of (\$7,603, 20%).

2 There was one suburban school district that fell outside of this figure with coordinates of (\$26,720, 84%).

Source: Current expenditures per weighted adjusted ADM and share of students from low-income households from PDE website. Share of tests scored as proficient or above provided by PDE. Calculations by IFO. The data in this figure are published to the IFO website and include citations for specific PDE files.

Basic Education Funding Distribution

During the PBB Board hearing on March 9, 2022, the board requested that the report be amended and resubmitted to “add a substate metric analyzing, by quartiles based upon poverty level, students of color as a share of enrollment, and local tax effort, how the basic education funding distribution would shift on a per pupil basis if 100% of the funds were distributed using the fair funding formula.” The table below provides the requested information.

School District Quartiles Based on Poverty, Students of Color and Local Effort Index						
Quartiles	Estimated FY 21-22 BEF Distribution			FY 21-22 If BEF Had Been Distributed Completely Through Fair Funding Formula		
	Amount (\$ millions)	Amt/3-Yr Avg. Adj. ADM ¹	Amt/ Weighted ADM ²	Amount (\$ millions)	Amt/3-Yr Avg. Adj. ADM ¹	Amt/ Weighted ADM ²
Share of district poverty for residents age 6 to 17³						
1st	\$3,398	\$6,020	\$4,233	\$3,788	\$6,711	\$4,718
2nd	1,167	3,968	3,327	980	3,330	2,792
3rd	1,048	3,094	2,727	900	2,657	2,342
4th	<u>941</u>	<u>1,853</u>	<u>1,722</u>	<u>887</u>	<u>1,746</u>	<u>1,623</u>
Total	6,555	3,843	3,144	6,555	3,843	3,144
Share of district-enrolled students of color⁴						
1st	\$3,442	\$4,147	\$3,162	\$4,279	\$5,156	\$3,931
2nd	1,080	2,436	2,190	1,053	2,376	2,137
3rd	1,097	4,005	3,534	700	2,555	2,255
4th	<u>936</u>	<u>5,907</u>	<u>4,855</u>	<u>522</u>	<u>3,297</u>	<u>2,710</u>
Total	6,555	3,843	3,144	6,555	3,843	3,144
Local effort index⁵						
1st	\$2,767	\$3,788	\$2,930	\$3,634	\$4,975	\$3,848
2nd	1,310	3,289	2,820	1,311	3,292	2,822
3rd	1,193	3,274	2,873	914	2,510	2,202
4th	<u>1,285</u>	<u>6,047</u>	<u>4,926</u>	<u>696</u>	<u>3,273</u>	<u>2,666</u>
Total	6,555	3,843	3,144	6,555	3,843	3,144

Notes: BEF stands for the Basic Education Funding (excludes state funds for school social security payments).

1 The three-year average adjusted ADM is the adjusted ADM for FY 17-18 through FY 19-20.

2 The weighted ADM is the weighted ADM calculated by PDE for the distribution of the BEF.

3 Quartiles based on the 2019 American Community Survey (5-Year) share of residents age 6 to 17 living under the poverty level. The 1st quartile contains the districts with the largest share of residents age 6 to 17 living under the poverty level.

4 The share of district-enrolled students of color is the share of district-enrolled students that are not White as of FY 2018-19. The 1st quartile contains the districts with the largest share of district-enrolled students of color.

5 Quartiles based on the Local Effort Index calculated by PDE, which is an index to measure the overall local revenue collected by the school district per median household income. The 1st quartile contains the districts with the highest local effort index, meaning that they contribute the highest share of their overall household income to the district compared to the statewide median.

Source: PDE Website. Education Budget Basic Education Funding. 2021-22 Estimated Basic Education Funding. See <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Education%20Budget/Pages/default.aspx>. Calculations by IFO.

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Activity 2: Special Education

The Bureau of Special Education (BSE) works collaboratively with educators, schools, agencies and other stakeholders across Pennsylvania to ensure students have access to quality and meaningful education supports, services and opportunities. The bureau monitors all school districts and charter schools in the state to ensure compliance with federal and state special education regulations and improve performance outcomes for students with disabilities. The BSE also oversees implementation of the federal Individuals with Disabilities Education Act (IDEA). The federal act establishes a free and appropriate public education for all students with disabilities, in the least restrictive environment, and was last reauthorized in 2004. The department provides technical assistance and training through the Pennsylvania Training and Technical Assistance Network. During SY 2020-21, approximately 308,000 special education students attended school districts, 21,000 students attended brick and mortar charter schools and 13,000 students attended cyber charter schools.

The primary goals of this activity are to (1) ensure students with disabilities receive a free and appropriate public education and (2) have improved outcomes in the U.S. Department of Education Office of Special Education Programs Indicators (e.g., graduation rates, participation rates, statewide assessments, educational environment).

Resources for Special Education						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$7.5	\$7.0	\$7.4	\$7.4	\$8.1	\$8.2
Operational Expenses	9.8	9.1	5.9	5.5	5.8	15.0
Grants	1,621.6	1,672.7	1,683.0	1,749.5	1,785.9	1,841.7
Other ¹	<u>0.0</u>	<u>0.0</u>	<u>5.2</u>	<u>2.6</u>	<u>1.2</u>	<u>0.0</u>
Total	1,638.8	1,688.8	1,701.5	1,765.1	1,801.0	1,864.9
Expenditures by Fund						
General Fund (State)	\$1,240.3	\$1,275.5	\$1,304.5	\$1,352.5	\$1,364.3	\$1,417.2
General Fund (Augmentations)	1.3	0.9	0.9	0.9	1.3	1.4
General Fund (Federal)	<u>397.2</u>	<u>412.4</u>	<u>396.1</u>	<u>411.7</u>	<u>435.4</u>	<u>446.3</u>
Total	1,638.8	1,688.8	1,701.5	1,765.1	1,801.0	1,864.9
Average Weekly FTE Positions	56	54	56	55	56	57
Personnel Cost/FTE (\$ thousands)	\$133.0	\$129.4	\$133.2	\$133.5	\$143.2	\$143.9
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
1 Other may include fixed asset, non-expense or miscellaneous expense transfer expenditures.						

Performance Measures for Special Education

	16-17	17-18	18-19	19-20	20-21	21-22
Student Enrollment¹						
School district enrollment (000s)	283	291	298	308	308	--
Brick & mortar charter enrollment (000s)	17	18	19	20	21	--
Cyber charter enrollment (000s)	7	8	9	9	13	--
Student Outcomes						
% SE students inside regular class 80% or more	62.4%	62.0%	61.5%	61.5%	62.1%	--
% Proficient or advanced in: ²						
Math	18.7%	19.2%	18.0%	--	--	--
Reading	26.7%	27.8%	27.0%	--	--	--
Science	31.9%	33.0%	34.9%	--	--	--
Graduation rate (regular diploma) ^{2,3}	73.4%	72.7%	71.6%	76.3%	--	--
Post-School Outcomes w/in 1 year of leaving high school:²						
Enrolled in higher education	33.1%	29.5%	27.6%	--	--	--
Above measure or competitively employed	70.7%	69.1%	71.7%	--	--	--
Above measure or enrolled in a some other postsecondary education or training program	76.9%	75.3%	77.6%	--	--	--

Notes:

1 Enrollment data is based on December 1 student counts.

2 See Notes on Measures.

3 Data by federal fiscal year.

Notes on Measures

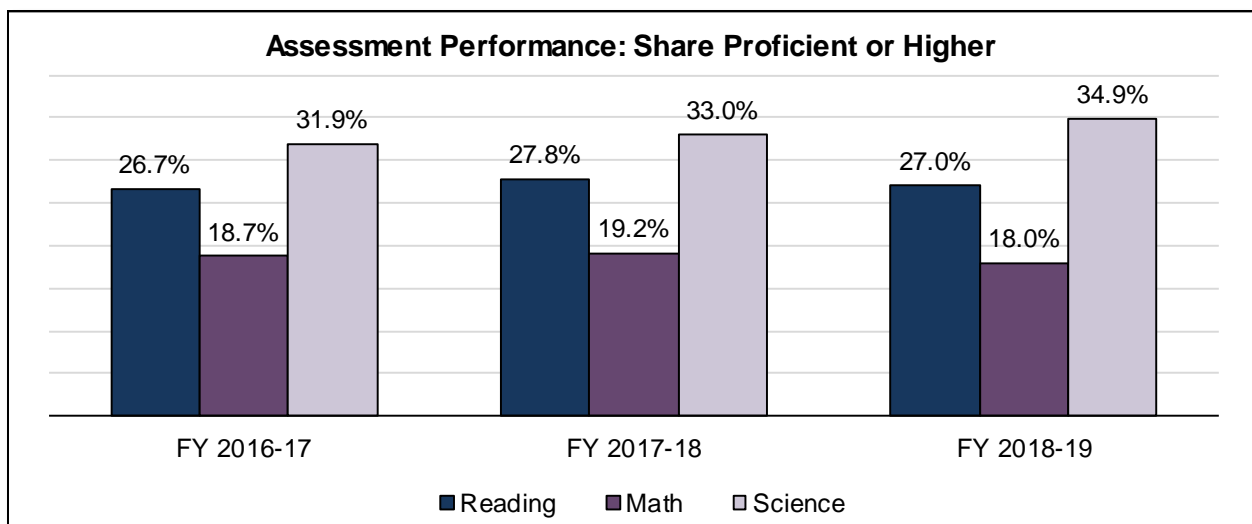
- The percent proficient or higher in math, reading or science score metric is the ratio of the number of students with IEPs scoring at or above proficient against grade level and alternate academic achievement standards over the total number of students with IEPs who received a valid score and for whom a proficiency level was assigned on the PSSA, PASA and Keystone exams in grades 4, 8 and 11.
- The special education graduation rate is the number of students with an individual education plan (IEP) (age 14 through 21) who exited special education because they graduated with a regular diploma divided by the number of students (age 14 through 21) with an IEP who exited special education. This calculation includes student exits related to transfers to regular education or other school environments.
- Post-school outcome data are based on sampling of youth who had IEPs and are no longer in secondary school. The three post-school outcome measures are cumulative. That is, 77.6% of sampled individuals in FY 2018-19 were either enrolled in higher education, competitively employed or enrolled in some other postsecondary education or training program. The Bureau of Special Education is developing various strategies to ensure the response data are representative of the demographics of former students.

Act 16 of 2000 requires PDE to annually compile information on the number of students eligible under the Individuals with Disabilities Education Act and the expenditures related to each student. School districts and charter schools are required to count the number of students per cost category based on actual district expenses per pupil. The table displays the count per cost category for students with disabilities enrolled in public schools, charter

	School Year			
	2016-17	2017-18	2018-19	2019-20
Category 1				
Public School	90.2%	90.2%	89.9%	90.0%
Charter School	93.5%	94.7%	92.0%	91.1%
Cyber Charter	96.6%	96.4%	96.4%	96.9%
Category 2-4				
Public School	9.8%	9.8%	10.1%	10.0%
Charter School	6.5%	5.3%	8.0%	8.9%
Cyber Charter	3.4%	3.6%	3.6%	3.1%

schools and cyber charter schools. Overall, the majority of special education students have expenditures under \$26,718 (Category 1). Approximately 10% of school district students receiving special education services are in the higher cost categories (Category 2 through 4). Charter schools recorded an increase in the share of students in the higher expenditure category from 6.5% during SY 2016-17 to 8.9% during SY 2019-20. Cyber charter school enrollment by cost category remained consistent over the four-year reporting period, with roughly 97% of special education students costs below \$26,718, and 3% in the higher cost category.

In SY 2018-19, 27% of special education students received a proficient score or higher in reading, 18% in math and 35% in science. The science assessment results increased slightly over the prior year (1.9 percentage points), reading assessment results were essentially flat while the math results fell 1.2 percentage points from the prior year.



State Benchmarks

Pennsylvania's share of special education students receiving education inside a regular classroom 80% or more of the day was 61.5% (ranked 37th), compared to the national average of 64.0% in SY 2018-19. Individual state results for this federal measure ranged from 43.9% in Hawaii to 83.6% in Alabama.

Special Education Students In Regular Classroom 80%+ per Day (SY 2018-19)					
Rank	State	%	Rank	State	%
1	Alabama	83.6%	46	Illinois	52.8%
2	Nebraska	78.2%	47	Montana	51.1%
3	Vermont	77.9%	48	New Mexico	48.9%
4	Colorado	75.5%	49	New Jersey	45.1%
5	Indiana	75.3%	50	Hawaii	43.9%
37	Pennsylvania	61.5%		United States	64.0%

Notes:
 Data are for special education students age 6 to 21. Wisconsin excluded due to data issues.
 Source: U.S. Department of Education, IDEA Section 618 Data Products.

Pennsylvania's share of exiting special education students graduating with a regular high school diploma was 71.6% (ranked 2nd in the nation), compared to the national average of 47.1% in SY 2018-19. Minnesota had the highest rate (74.6%) while Ohio had the lowest rate (27.7%).

Special Education Students Graduating w/ Regular High School Diploma (SY 2018-19)					
Rank	State	%	Rank	State	%
1	Minnesota	74.6%	46	District of Columbia	29.3%
2	Pennsylvania	71.6%	47	Wyoming	28.9%
3	Indiana	67.5%	48	South Carolina	28.5%
4	Wisconsin	63.0%	49	South Dakota	27.9%
5	Oklahoma	62.4%	50	Ohio	27.7%
				United States	47.1%

Notes:
 Louisiana not included due to data availability.
 Source: U.S. Department of Education, IDEA Section 618 Data Products.

County Benchmarks

The table below displays the top and bottom school districts based on special education graduation rates by locale designation (i.e., city, suburb, town and rural) in SY 2019-20. Pennsylvania's 4-year cohort graduation rate for special education students was 73.2%. The top five school districts in the suburb and rural groups all had 100% graduation rates. The bottom five school districts in the rural category had lower graduation rates than the other three groups.

4-Year Cohort Graduation Rate (SY 2019-20)			
City			
Top Five	%	Bottom Five	%
Williamsport Area SD	83.9%	Greater Johnstown SD	57.5%
State College Area SD	80.6%	York City SD	54.7%
Chambersburg Area SD	75.7%	Lebanon SD	52.9%
Scranton SD	75.6%	Erie City SD	51.4%
Bethlehem Area SD	72.3%	Reading SD	49.1%
Suburb			
Top Five	%	Bottom Five	%
Cornell SD	100.0%	Southeast Delco SD	54.9%
Quaker Valley SD	100.0%	Pottstown SD	52.9%
Ferndale Area SD	100.0%	Manheim Central SD	51.2%
Central Columbia SD	100.0%	Antietam SD	50.0%
Forest City Regional SD	100.0%	Steelton-Highspire SD	37.5%
Jenkintown SD	100.0%		
Town			
Top Five	%	Bottom Five	%
Union Area SD	100.0%	Blacklick Valley SD	58.3%
Brockway Area SD	100.0%	Shamokin Area SD	56.8%
Spring Cove SD	100.0%	Curwensville Area SD	55.6%
Somerset Area SD	96.0%	Selinsgrove Area SD	47.8%
Mount Union Area SD	94.4%	Sayre Area SD	47.4%
Rural			
Top Five	%	Bottom Five	%
Southeastern Greene SD	100.0%	Moniteau SD	46.7%
Laurel SD	100.0%	Brownsville Area SD	42.9%
Jamestown Area SD	100.0%	Donegal SD	36.4%
Chestnut Ridge SD	100.0%	Forbes Road SD	33.3%
Shanksville-Stonycreek SD	100.0%	West Greene SD	25.0%

Source: Pennsylvania Department of Education and National Center for Educational Statistics.

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Activity 3: Child Development and Early Learning

The Child Development and Early Learning activity ensures high quality early learning for Pennsylvania’s youngest learners and facilitates their short-term and long-term academic and social success. This activity includes the following; (1) Preschool Early Intervention, (2) Pennsylvania Pre-K Counts, (3) Head Start Supplemental Assistance Program (HSSAP) and (4) Pennsylvania’s Kindergarten Entry Inventory (PA KEI).

Preschool Early Intervention includes supports and services designed to meet the developmental needs of children age three through five with disabilities or delays in at least one area of development (e.g., physical, cognitive, communication, social/emotional, adaptive/self-help) to minimize the effects of the disability or delay and improve the child’s developmental outcomes. The Pennsylvania Pre-K Counts is a state grant program that provides pre-kindergarten services to children ages three and four who are at risk of school failure due to income, language, or special needs. HSSAP provides state funds to existing Head Start grantees to increase the number of low-income, Head-Start eligible children they serve and/or to expand the length of the Head Start day or year for children.

The primary goals or outcomes of these programs are as follows:

- Ensure that children ages three to school age, who are eligible for early intervention, are supported to make meaningful educational progress in their least restrictive early learning environments.
- Help reduce educational disparities by providing quality prekindergarten for income eligible children age three and four who lack opportunities or reside in environments that place them at risk for school failure.
- Expand Head Start prekindergarten services by increasing the number of eligible children served and/or to expand the length of the Head Start day or year.
- Provide scientifically valid information to kindergarten teachers on how individual children are functioning on standards-based competencies as they enter kindergarten.

Resources for Child Development and Early Learning						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$1.7	\$1.6	\$1.8	\$1.8	\$1.6	\$1.7
Operational Expenses	4.1	4.1	2.6	2.6	2.2	2.3
Grants	<u>495.9</u>	<u>534.1</u>	<u>574.7</u>	<u>662.2</u>	<u>663.5</u>	<u>700.3</u>
Total	501.7	539.7	579.0	666.6	667.4	704.3
Expenditures by Fund						
General Fund (State)	\$453.3	\$491.0	\$528.2	\$614.5	\$598.9	\$648.2
General Fund (Federal)	<u>48.4</u>	<u>48.7</u>	<u>50.8</u>	<u>52.1</u>	<u>68.5</u>	<u>56.1</u>
Total	501.7	539.7	579.0	666.6	667.4	704.3
Average Weekly FTE Positions	15	14	15	15	14	14
Personnel Cost/FTE (\$ thousands)	\$114.4	\$115.3	\$118.1	\$120.5	\$115.5	\$121.4

Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.

Performance Measures for Child Development and Early Learning

	16-17	17-18	18-19	19-20	20-21	21-22
Pre-K Early Intervention						
Children enrolled (000s)	54.4	56.0	57.9	60.0	57.5	60.0
Children receiving timely initial evaluation	98%	97%	95%	94%	--	--
Eligible children with IEP by 3rd birthday	99%	98%	90%	93%	--	--
% Improved skills upon exit:						
Acquisition & use of knowledge/skills	86%	87%	87%	88%	--	--
Positive social emotional skills	84%	84%	84%	86%	--	--
Use of behaviors to meet needs	84%	84%	84%	86%	--	--
Pre-K Counts¹						
Funded slots (000s)	18.2	21.0	23.1	25.3	25.2	27.1
Students enrolled (000s)	17.9	20.7	25.1	23.3	20.0	21.7
Annual Program Review Instrument Scores:						
% Programs in full compliance	95%	94%	95%	96%	98%	--
Head Start Supplemental Assistance Program (HSSAP)¹						
Funded slots (000s)	5.7	5.5	6.1	6.5	6.5	6.8
Students enrolled (000s)	5.7	5.7	7.2	7.2	5.5	4.3
Annual Program Review Instrument Scores:						
% Programs in full compliance	66%	89%	88%	93%	90%	--
PA Kindergarten Entry Inventory (PA KEI)¹						
Participating schools ²	77	74	47	43	17	27
Students being evaluated (000s) ²	--	18.7	19.4	16.8	9.7	10.5

Notes:

1 See Notes on Measures.

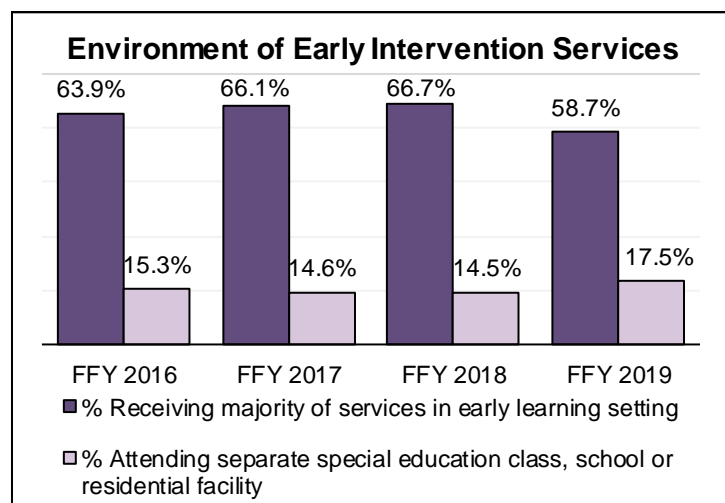
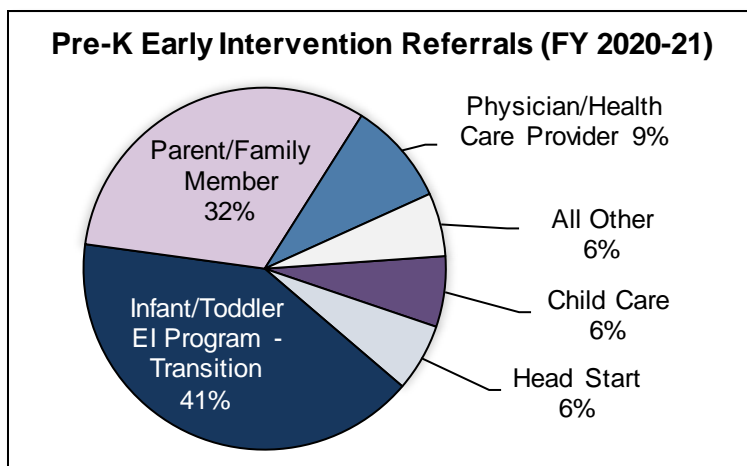
2 Data shown on a school year basis. SY 21-22 data are preliminary.

Notes on Measures

- The number of children served in Pre-K Counts and HSSAP may exceed the number of funded slots due to turnover of children.
- Lead agencies and partners will have a minimum of one formal compliance review conducted annually by a Preschool Program Specialist. The annual Program Review Instrument (PRI) includes a review of regulations and policies for compliance. Scores on the most recent PRI are used during competitive and continuation grant cycles to determine levels of compliance for current grantees.
- PA KEI is an optional tool that offers kindergarten teachers an instructional strategy for understanding and tracking a student's proficiency at kindergarten entry. The PA KEI includes 30 standards-based indicators and provides a comprehensive profile that includes the domains of social and emotional development, English language arts, mathematics, approaches to learning, and health, wellness and physical development.

Preschool Early Intervention

In SY 2020-21, approximately 57,500 children participated in the preschool early intervention program. Enrollment rates decreased by 0.4% per annum over the prior two years. Most children are referred to this program by the infant/toddler early intervention program (41%) administered by Pennsylvania Department of Human Services (DHS) or by a parent or family member (32%). The number of children receiving services decreased because fewer children attended early learning education programs during the pandemic. The number of referrals also declined as visits to other referral sources were delayed.



In federal fiscal year (FFY) 2019, 58.7% of children age three to five with IEPs received services in a regular early learning setting, a decline from 66.7% in the prior year. Beginning in FFY 2019, students with disabilities who are five years of age and attend kindergarten in LEAs are included in the school age child count rather than the preschool child count. Children can also receive special education and related services at home or another location not included in any other category.

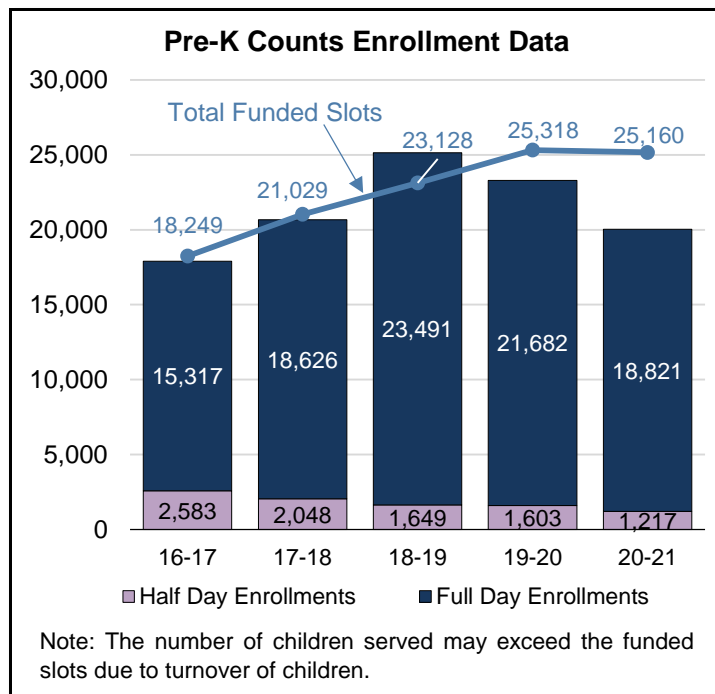
In SY 2019-20, Pennsylvania had the second highest number of children enrolled in preschool early intervention compared to border states and exceeded the national enrollment rate as a share of children under age five. The share of children enrolled in Pre-K Early Intervention ranged from 2.9% in New Jersey to 6.6% in New York.

Children Enrolled in Pre-K Early Intervention

State	Total # Enrolled	Share Under 5
New York	75,084	6.6%
Delaware	3,263	6.0%
West Virginia	5,142	5.4%
Pennsylvania	30,533	4.3%
Maryland	15,526	4.3%
Ohio	27,487	4.0%
New Jersey	14,851	2.9%
U.S. Total	716,382	3.6%

Source: U.S. Department of Education. Enrollment numbers are based on 12/1/19 student count.

Pennsylvania Pre-K Counts



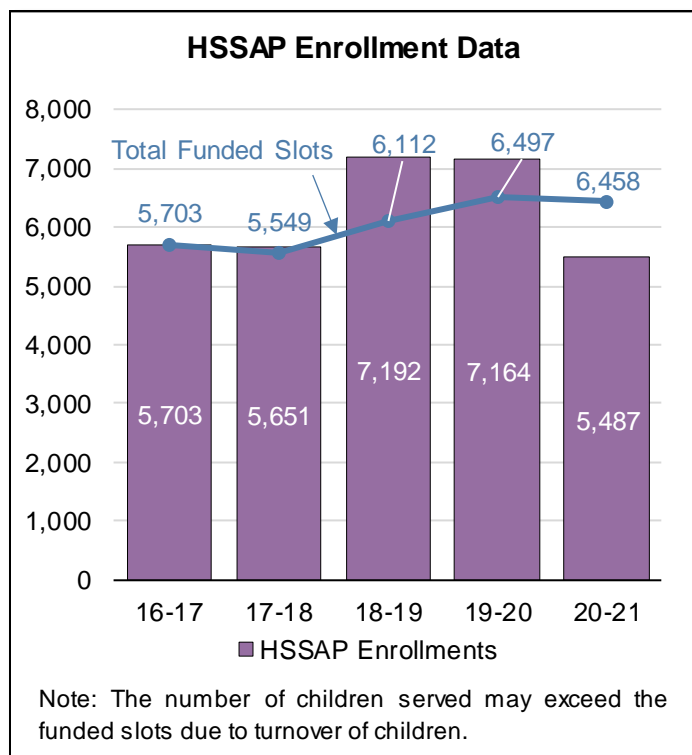
In SY 2020-21, there were 25,160 funded slots and 20,038 children enrolled in Pre-K Counts. Since SY 2018-19, enrollment declined 7.4% in 2019-20 and another 14% in 2020-21. Programs were closed from March 2020 through June 2020 due to the COVID-19 pandemic but supported families if possible (meals, remote learning). Programs used hybrid, in-person and remote learning models for SY 2020-21, but remained under enrolled due to COVID-19.

In SY 2018-19, 223 agencies received state Pre-K Counts grant funding to serve children across Pennsylvania. The majority of Pre-K Counts services are offered through Keystone STARS 3 and 4 child care centers (41%) and Head Start

programs (32%). Other providers include school districts (23%) and private licensed nursery schools (4%).

Head Start Supplemental Assistance

In SY 2020-21, 39 lead agencies received state grant funding to provide services in various counties across Pennsylvania. The number of slots awarded to applicants is based on the county's unmet need and the amount of funding available. The total number of funded slots approached 6,500 in SY 2020-21, a 14% increase from SY 2016-17. However, the number of children enrolled dipped to 5,500 in SY 2020-21, filling 85% of funded slots. HSSAP programs were closed from March 2020 through June 2020 due to the COVID-19 pandemic but still supported families if possible (meals, remote learning). Programs used hybrid, in-person and remote learning models for SY 2020-21, but remained under enrolled due to COVID-19.



Activity 4: Postsecondary and Higher Education

The department is the state authorization agency for postsecondary education and administers funds for Pennsylvania's 15 public community colleges (116,500 students enrolled in Fall 2020), 14 public four-year universities that comprise the Pennsylvania State System of Higher Education (PASSHE) (93,600 students), four state-related universities (166,500 students), Rural Regional College (70 students) and adult education programs (14,800 students). This activity funds other degree granting-institutions such as the Thaddeus Stevens College of Technology, Pennsylvania College of Technology and the Institute for Law Enforcement Education. Additionally, this activity funds the Community Education Councils, non-profit organizations which bring higher education opportunities to rural or educationally underserved communities. The department also administers the It's On PA Grant Program to support the statewide campaign to end sexual assault on campuses.

The Commonwealth addresses postsecondary access, affordability and success through institutional support and direct student aid. This activity includes state support provided to public education institutions but does not address the role of direct student aid provided through PHEAA.

The primary goals and outcomes of this activity are as follows:

- To promote access, affordability and performance in higher education and to expand opportunity for students aligned with employer needs.
- By 2025, 60% of the population age 25 to 64 holds a postsecondary degree or industry recognized credential, with a focus on closing attainment gaps for underrepresented groups.
- Consistent with the federal Workforce Innovation and Opportunity Act (WIOA), provide adult education programs that result in improved wage and employment outcomes.

Resources for Postsecondary and Higher Education						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$5.4	\$4.9	\$5.4	\$5.5	\$5.3	\$5.4
Operational Expenses	1.6	1.8	1.9	1.9	1.7	1.8
Grants	869.3	781.9	814.7	803.5	826.1	1,015.9
Non-SAP Agency Expense	<u>475.8</u>	<u>483.0</u>	<u>501.9</u>	<u>545.5</u>	<u>510.0</u>	<u>513.8</u>
Total¹	1,352.2	1,271.8	1,324.2	1,356.6	1,343.4	1,537.2
Expenditures by Fund						
General Fund (State)	\$1,263.6	\$1,184.2	\$1,235.1	\$1,236.4	\$1,230.5	\$1,386.6
General Fund (Augmentations)	0.0	0.0	0.1	0.1	0.3	0.3
General Fund (Federal)	20.8	21.7	20.4	50.9	48.1	80.6
Keystone Rec. Park & Conservation	18.3	15.6	19.1	19.3	13.8	17.6
Community College Capital Fund	<u>49.5</u>	<u>50.3</u>	<u>49.5</u>	<u>49.9</u>	<u>50.7</u>	<u>52.1</u>
Total	1,352.2	1,271.8	1,324.2	1,356.6	1,343.4	1,537.2
Average Weekly FTE Positions	48	43	42	45	43	42
Personnel Cost/FTE (\$ thousands)	\$112.3	\$112.4	\$127.1	\$122.6	\$123.1	\$128.6
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
¹ Total may include fixed asset, non-expense or miscellaneous expense transfer expenditures.						

Performance Measures for Postsecondary and Higher Education

	16-17	17-18	18-19	19-20	20-21	21-22
Statewide Outcomes						
% Age 25 to 64 that hold a postsecondary degree or industry recognized credential ¹	46%	50%	51%	--	--	--
% Enrolled in postsec. edu. w/in 16 mo. of grad ²	63%	62%	61%	57%	--	--
% HS grads earning degree within 6 yrs of grad ²	--	--	--	43%	43%	--
Community Colleges						
Fall headcount enrollment (000s) ^{3,4}	124.8	121.6	119.5	116.5	104.1	--
Average in-state tuition and fees (\$000s) ³	\$8.0	\$8.1	\$8.1	\$9.2	--	--
% Revenues from state appropriation	20%	20%	21%	21%	--	--
% Transfer to 4-year degree	22%	22%	22%	20%	--	--
Graduate within 150% normal time ³	16%	18%	19%	20%	--	--
% Pop. within 50 miles of a community college	--	--	--	94%	--	--
PASSHE						
Fall headcount enrollment (000s) ^{3,4}	104.8	102.3	98.1	95.5	93.6	--
Average in-state tuition and fees (\$000s) ³	\$18.3	\$18.6	\$19.4	\$19.4	--	--
% Revenues from state appropriation	20%	20%	21%	21%	--	--
Graduate within 150% normal time ³	58%	59%	59%	58%	--	--
System Redesign ^{4,5}						
Annual investment (\$ millions)	--	--	\$0.2	\$1.5	\$7.3	\$3.9
Annual cost savings (\$ millions)	--	--	--	--	\$8.1	\$7.4
State-Related Universities						
Fall headcount enrollment (000s) ^{3,4}	169.8	170.1	168.1	170.5	166.5	--
Graduate within 150% normal time ³	65%	66%	71%	73%	--	--
Average in-state tuition and fees (\$000s) ³						
Penn State	\$25.3	\$24.7	\$24.7	\$25.5	--	--
Temple	\$22.9	\$23.2	\$23.0	\$23.3	--	--
Lincoln	\$16.7	\$13.7	\$17.0	\$17.4	--	--
Pittsburgh	\$22.1	\$23.1	\$21.9	\$21.5	--	--
% Unrestricted revenues from state appropriation ⁶						
Penn State	7.1%	6.6%	7.1%	7.3%	--	--
Temple	8.4%	7.1%	6.4%	5.4%	--	--
Lincoln	26.3%	25.1%	23.7%	23.7%	--	--
Pittsburgh	6.6%	7.1%	7.4%	7.8%	--	--
Adult Education						
Participants (000s)	21.0	21.0	17.2	14.8	10.5	--
% Achieving measurable skill gain ⁴	46%	44%	44%	29%	33%	--
% Attaining high school diploma or equivalent	86%	44%	44%	29%	33%	--
% Employed 4th quarter after program exit	--	50%	51%	52%	47%	--
% increased involvement in children's edu.	74%	68%	47%	35%	50%	--
Median quarterly earnings in Q2 after program ⁴	--	\$4,285	\$4,775	\$5,121	\$5,421	--

Notes: FTE is full time equivalent students.

1 Data from the Lumina Foundation.

2 Data from the National Student Clearinghouse.

3 IFO calculation based on data from the Integrated Postsecondary Education Data System (IPEDS).

4 See Notes on Measures.

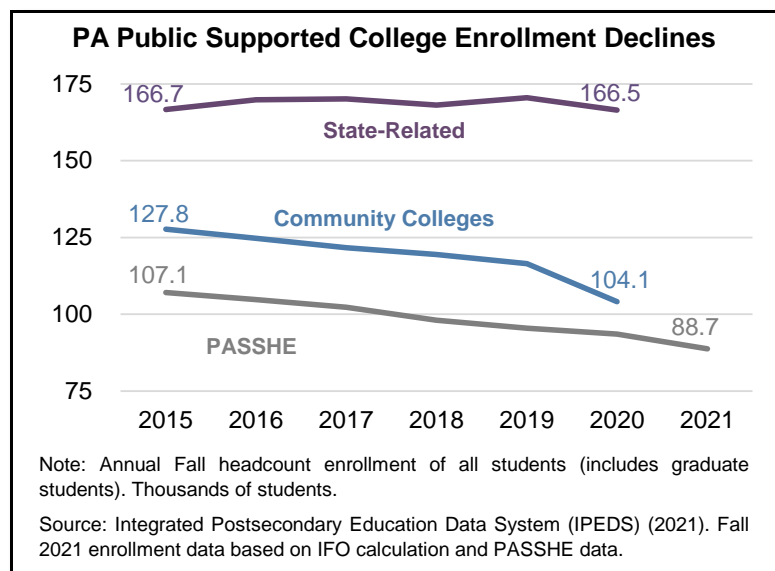
5 FY 21-22 is FYTD as of January 2022. Data provided by PASSHE.

6 Excludes hospital unrestricted revenue. IFO calculation based on IPEDS data.

Notes on Measures

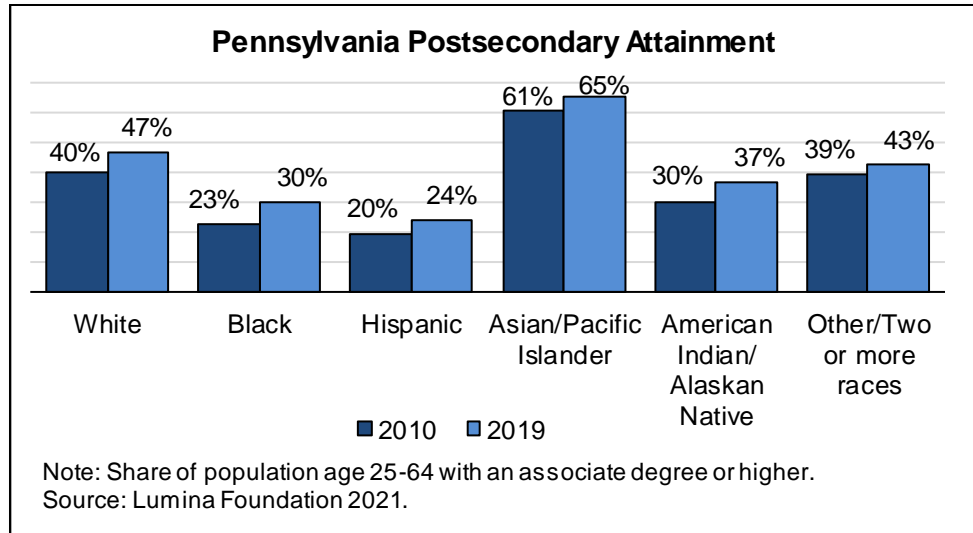
- PDE is the statewide coordinating agency for postsecondary education in the Commonwealth. All public colleges and universities, community colleges, State System universities, and state-related universities set their own institutional policies, including tuition and fees.
- Act 24 of 2011 prohibits PDE from collecting student-level data, including enrollment and completion data from postsecondary institutions, unless mandated by state or federal law. This prevents PDE from developing the type of robust longitudinal student data system used in other states to collect student data from kindergarten through college graduation and participation in the workforce. For example, the Kentucky Longitudinal Data System (KLDS) integrates education and workforce data from the Departments of Education, Labor, and postsecondary and higher education organizations to collect and link data to evaluate outcomes related to state education and workforce development efforts.
- Since 2018, PASSHE has been working on a system redesign to transform the State System’s education and business models to expand educational opportunities and improve educational outcomes for all students in a financially sustainable manner. The project includes plans to promote cross-institutional delivery of academic programs, online degree completion, career-specific competencies for workforce readiness and financial aid and affordability. In the final phase, the System Redesign consolidates the operations of six universities into two larger accredited institutions. Key performance indicators for the System Redesign include annualized student FTE enrollment and graduation rates for all students, with a particular focus on closing the gap for students from underrepresented minorities, as well as the associated annual investment and cost savings. In FY 2021-22, PASSHE received one-time federal funding of \$50 million to support the System Redesign.
- In conjunction with the U.S. Department of Education, PDE establishes performance targets for key outcome measures defined in the federal Workforce Innovation and Opportunity Act (WIOA). These outcomes measures focus on participant employment rates and median wages after program exit as well as measurable skill gains.

Student enrollment in the state-related universities remained steady between 2015 and 2020. Student enrollment in Pennsylvania community colleges declined 4% annually and at PASSHE universities 3% annually during the same time-period. Preliminary fall enrollment data for PASSHE indicate a decline of 3% for 2021.

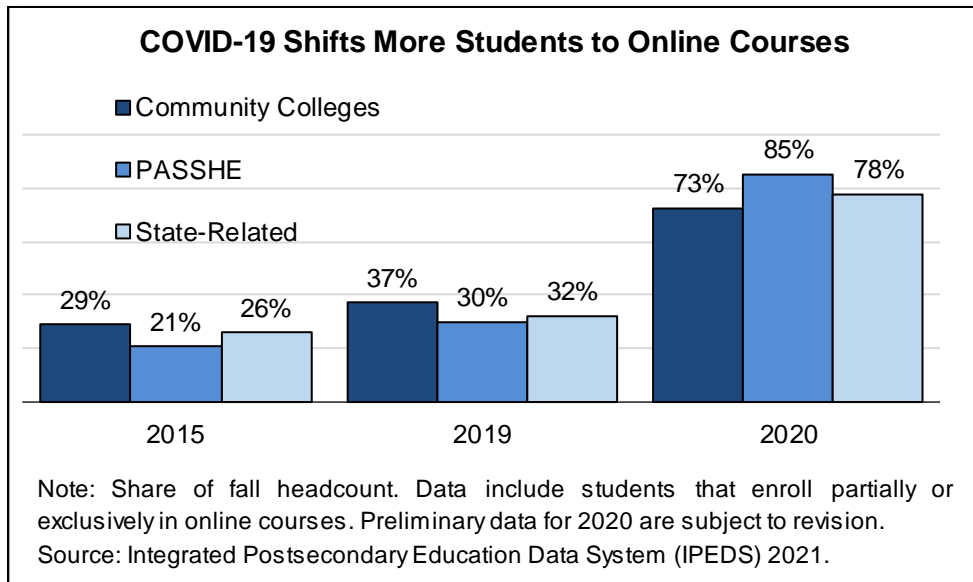


Pennsylvania has a statewide goal for postsecondary attainment (degree or industry-recognized credential) of 60% of adults age 25 to 64 by 2025. In 2019, 51% of Pennsylvanians had a post-secondary degree or industry-recognized credential, an increase from 39% in 2010.

Statewide, 44% of the population age 25 to 64 has attained an associate degree or higher. The share of population varies by race and ethnicity and in 2019 it ranged from 24% for Hispanic residents to 65% for Asian/Pacific Islander residents. Short-term credentials are excluded from the figure as those data are not disaggregated by race or ethnicity.



Student enrollments in online courses increased significantly for all postsecondary institutions in 2020. The



share of students that enrolled exclusively in online courses increased from 9% of total enrollment in 2015 to 40% in 2020. Students that enroll in some, but not all online courses comprised 16% of total enrollments in 2015, which increased to 38% in 2020.

State Benchmarks

State and National Higher Education Statistics			
	PA	PA Rank	U.S.
% Pop. age 25-64 with an Associate's degree or higher	39%	24	39%
Graduation rate within 150% of normal time at:			
2-year postsecondary institution (2017)	23%	41	31%
4-year postsecondary institution (2014)	69%	8	59%
Total education revenue per FTE	\$16,088	24	\$15,276
% Net tuition revenue ¹	66%	44	44%
% Education appropriations ²	34%	45	57%
Higher education support per capita	\$147	49	\$318
Higher education support per \$1,000 of personal income	\$2.50	49	\$5.60

Note: FTE is full-time equivalent student. Adjusted to constant dollar figures using Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA) to make comparable across states.

1 Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.

2 Education appropriations are a measure of state and local support available for public higher education operating expenses, excluding appropriations for research, hospitals, and medical education.

Source: State Higher Education Executive Officers Association (SHEEO), 2020 State Higher Education Finance (SHEF) report (2021) and State Effort and Capacity to Fund Higher Education, FY 2018-19 (2021). U.S. Census Bureau. American Community Survey, 1-Year Estimates. Various Years.

Graduation rates at 4-year postsecondary institutions in Pennsylvania (69%) exceeded the national rate (59%), but graduation rates at 2-year postsecondary institutions (23%) fell short of the U.S. rate (31%). Compared to other states, Pennsylvania ranked 45th in the share of education revenue per student from state and local appropriations and 49th in overall state support for higher education on a per capita basis.

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Activity 5: Career and Technical Education

The Bureau of Career and Technical Education evaluates and approves secondary and postsecondary career and technical education (CTE) programs across the state's school districts and career and technical education centers (CTCs). During SY 2019-20, 68,100 students (typically in grades 10 to 12) participated in 1,433 approved secondary CTE programs offered in 84 Career and Technical Centers and 140 public schools. An additional 73,100 postsecondary students participated in 1,087 approved postsecondary CTE programs offered at 28 postsecondary institutions, including all 14 community colleges, in Pennsylvania.

In FY 2020-21, expenditures for CTE programs totaled \$210.8 million. Approximately \$40 million of those expenditures were funded through the federal Perkins grant. PDE administers this grant and reports key "indicators of performance" to the federal government. These indicators track the performance outcomes of students that are CTE concentrators.

The primary goals and outcomes of this activity are as follows:

- Increase academic and technical achievement, graduation rates and program completion of students enrolled in secondary/postsecondary CTE and achievement of industry recognized credentials.
- Prepare students for gainful employment, military service, or postsecondary education through a combination of classes and hands-on learning experiences.

Resources for Career and Technical Education						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$3.1	\$2.5	\$2.4	\$2.4	\$2.6	\$2.7
Operational Expenses	1.1	1.9	2.6	2.4	5.5	12.0
Grants	<u>146.7</u>	<u>151.3</u>	<u>163.4</u>	<u>196.7</u>	<u>202.7</u>	<u>211.5</u>
Total¹	150.8	155.8	168.5	201.5	210.8	226.2
Expenditures by Fund						
General Fund (State)	\$110.4	\$116.2	\$128.6	\$157.8	\$160.1	\$172.6
General Fund (Federal)	<u>40.4</u>	<u>39.6</u>	<u>39.9</u>	<u>43.6</u>	<u>50.7</u>	<u>53.6</u>
Total	150.8	155.8	168.5	201.5	210.8	226.2
Average Weekly FTE Positions	26	22	20	20	23	23
Personnel Cost/FTE (\$ thousands)	\$119.8	\$118.1	\$122.3	\$120.9	\$116.0	\$119.5
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
1 Total may include small fixed asset, non-expense or miscellaneous expense transfer expenditures.						

Performance Measures for Career and Technical Education

	16-17	17-18	18-19	19-20	20-21	21-22
Secondary CTE						
Total state expenditures (\$ millions)	\$50.8	\$51.1	\$63.6	\$69.2	\$68.9	--
Students enrolled (000s)	67.3	67.2	67.2	68.1	65.5	--
Average state expenditures per student	\$754	\$760	\$946	\$1,017	--	--
% 12th graders industry-based learning ¹	83%	85%	86%	77%	81%	--
% CTE students concentrators ¹	51%	50%	49%	52%	54%	--
Secondary Concentrators Outcomes						
4-year cohort graduation rate	99%	99%	95%	93%	96%	--
% Earning a diploma, GED, or credential	99%	99%	--	--	--	--
Attendance rate	93%	--	--	93%	--	--
% Academically proficient						
Reading ²	62%	55%	53%	--	--	--
Math ²	52%	49%	44%	--	--	--
Science		--Recommended measure--				
% Attained postsecondary credential ³		--Recommended measure--				
% Post-program placement ^{1,3}	92%	93%	92%	89%	--	--
Postsecondary CTE						
Total state expenditures (\$ millions)	\$5.1	\$5.1	\$4.9	\$4.8	\$4.3	--
Students enrolled (000s)	72.5	70.6	73.2	73.1	63.8	--
Average expenditures per student	\$70	\$72	\$67	\$65	--	--
% CTE students concentrators ¹	74%	74%	80%	79%	81%	
Postsecondary Concentrators Outcomes						
Postsecondary CTE programs	1,168	1,123	1,112	1,087	982	--
% Earned recognized postsec. credential	85%	86%	87%	82%	82%	--
% Post program placement ¹	93%	93%	92%	91%	--	--
Adult CTE¹						
Enrolled (000s)	13.6	14.0	11.5	10.3	9.5	--
% Receiving credentials	73%	76%	71%	67%	74%	--
Licensed Practical Nurse Program						
Enrolled (000s)	3.9	3.9	3.8	3.7	2.8	--
% Receiving credentials	37%	38%	39%	41%	51%	--

Notes:

1 See Notes on Measures.

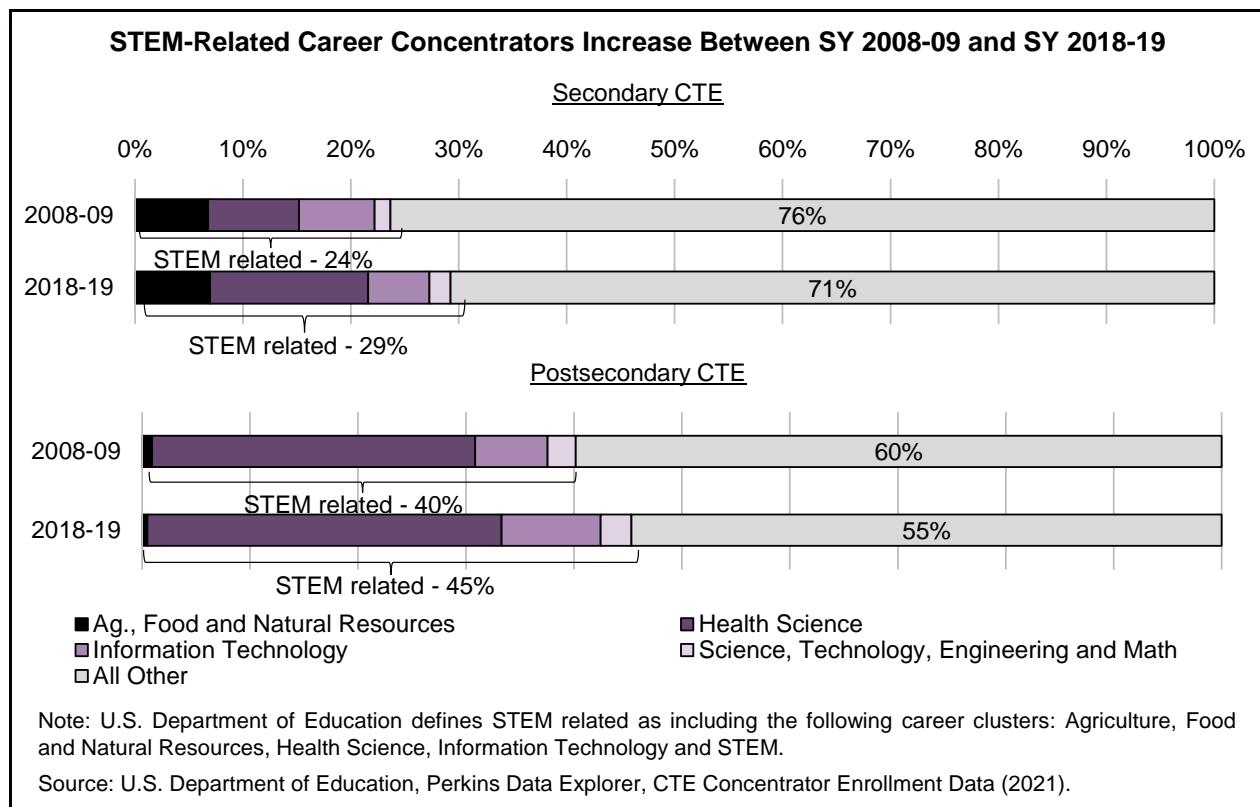
2 Percent exiting scoring proficient or above on Keystone Algebra/Literature test.

3 Perkins V (July 31, 2018) modified the core indicators of performance to include this metric. PDE transitioned to Perkins V indicators during FY 18-19, though some data are not available due to COVID-19.

Notes on Measures

- Industry-based learning is the share of 12th graders that demonstrate at least one of the following: (1) scored competent or advanced on industry standards-based competency assessments (National Occupational Competency Testing Institute (NOCTI) or National Institute for Metalworking Skills (NIMS)), (2) earned at least one industry-recognized credential or (3) completed a work-based learning experience.
- Under Perkins IV (effective through FY 2017-18 in performance measures table), a CTE concentrator is a student that completed 50% or more of technical instruction hours required for approved programs. Under Perkins V (effective FY 2018-19), a CTE concentrator is a student who completes 480 course hours. It is likely that more students will qualify as CTE concentrators under the Perkins V definition.
- Post-program placement is the share of CTE concentrators who, in the second quarter after exiting from education, are in postsecondary education, advanced training, military service, or employment.
- Adult CTE are certification programs for adults to provide training to participate in the skilled workforce, which take place in a CTC or school district setting.

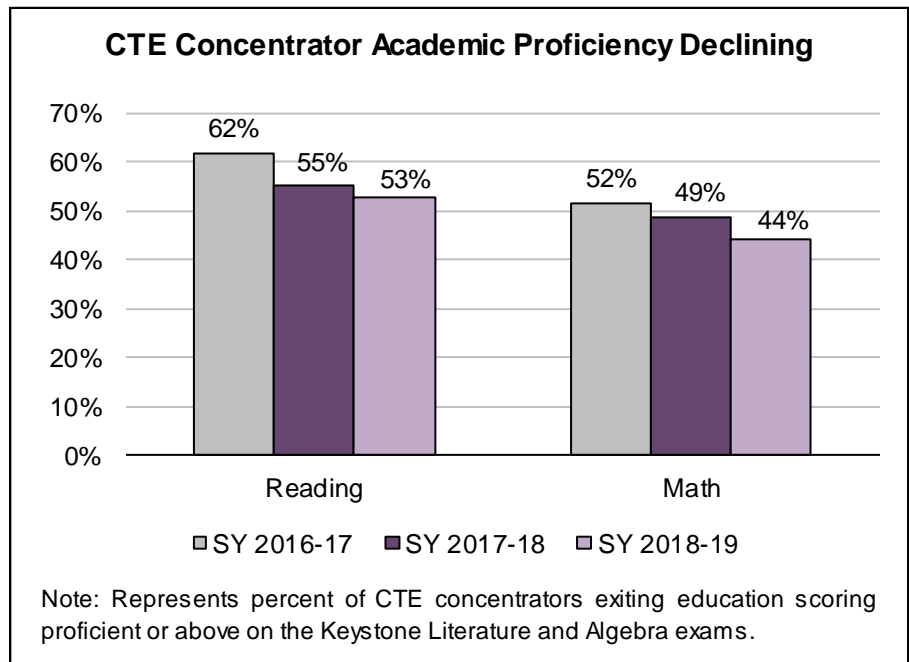
State Benchmarks



An outcome of CTE is gainful employment in high-wage industries such as Science, Technology, Engineering and Mathematics (STEM) or STEM-related industries. Between SY 2008-09 and SY 2018-19, the share of students concentrating in STEM-related CTE programs of study increased by five percentage points for both secondary and postsecondary CTE programs. This was largely driven by an increased share of students

concentrating in health sciences. The share of secondary CTE students concentrating in health sciences grew from 8% in SY 2008-09 to 15% in SY 2018-19. The share of postsecondary CTE students concentrating in health sciences increased from 30% to 33% during the same period.

A goal of secondary CTE is that students not only gain industry-recognized credentials, but also develop academic proficiency in core subjects including reading, math and science. The figure to the right represents the percent of CTE concentrators that exit education scoring proficient or above on the Keystone Literature and Algebra exams. The share of students exiting education scoring proficient or above in reading declined from 62% in SY



2016-17 to 53% in SY 2018-19. The share of students exiting education scoring proficient or above in math declined from 52% in SY 2016-17 to 44% in SY 2018-19. For context, the share of the general student population scoring proficient or above on the Keystone exams in reading was 72% in SY 2018-19 and the share scoring proficient or above in math was 63% in SY 2018-19.

Activity 6: Teacher Certification & Professional Development

The Bureau of School Leadership and Teacher Quality approves educator preparation programs, evaluates and certifies educators and professional staff in accordance with state and federal guidelines, and provides continuing education and professional development for Pennsylvania teachers and administrators.

In SY 2020-21, Pennsylvania employed 151,858 K-12 professional staff, including 123,461 classroom teachers and 7,976 administrators. There were 3,261 approved teacher certification programs across 119 colleges and alternative providers statewide. The number of educators increased relative to the statewide public-school student population over the period covered by the report, but there continues to be a growing shortage of educators appropriately certified by subject area available to educate Pennsylvania students. From SY 2016-17 to SY 2019-20, the number of Type 01 emergency permits (issued to address teacher vacancies) increased by 145% from 1,111 to 2,726. This indicates that school districts are struggling to find qualified teachers to fill vacant positions and must apply for a waiver from PDE.

The primary goals and outcomes of this activity are as follows:

- Ensure that Pennsylvania educators are appropriately certified by subject area and meet continuing professional education requirements to maintain the staffing of Pennsylvania schools.
- Promote and increase opportunities to recruit, retain and ensure a diverse, talented and supported workforce of professional educators and administrators.
- Provide access to high-quality, appropriately certified teachers in public schools to facilitate progress towards Pennsylvania's academic standards.

Resources for Teacher Certification and Professional Development						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$2.5	\$2.1	\$3.0	\$3.1	\$3.1	\$3.4
Operational Expenses	4.3	3.9	4.6	2.4	2.4	4.9
Grants	2.5	3.5	2.2	2.1	2.3	0.5
Other ¹	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	10.0	9.5	9.8	7.6	7.8	8.8
Expenditures by Fund						
General Fund (State)	\$8.8	\$7.2	\$8.1	\$6.7	\$6.9	\$7.4
General Fund (Federal)	<u>1.3</u>	<u>2.3</u>	<u>1.7</u>	<u>0.9</u>	<u>0.9</u>	<u>1.4</u>
Total²	10.0	9.5	9.8	7.6	7.8	8.8
Average Weekly FTE Positions	34	31	32	28	27	25
Personnel Cost/FTE (\$ thousands)	\$72.7	\$67.8	\$93.7	\$111.2	\$115.0	\$136.0
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
1 Other may include fixed asset, non-expense or miscellaneous expense transfer expenditures.						
2 Total may include small augmentation and other special fund expenditures.						

Performance Measures for Teacher Certification and Professional Development

	16-17	17-18	18-19	19-20	20-21	21-22
Teachers ¹	121,156	120,681	122,058	122,995	123,461	--
Statewide student to teacher ratio ²	14.1	14.2	14.0	13.9	13.7	--
Administrators ¹	7,279	7,417	7,555	8,014	7,976	--
Statewide teacher to administrator ratio ^{1,2}	16.6	16.3	16.2	15.3	15.5	
Teacher Pipeline						
Teacher preparation program completers	6,201	5,821	5,720	5,725	--	--
Instructional I certs issued ³	6,459	7,970	7,629	6,937	--	--
% In-state program	68%	73%	72%	74%		
% Teachers <30 years of age	14.0%	13.2%	13.1%	13.1%	12.6%	--
% Teachers >60 years of age	4.8%	4.8%	4.7%	4.6%	4.3%	--
Teacher Shortages						
Number of emergency permits issued ³	18,216	19,596	21,517	18,457	--	--
Type 01 (teacher vacancy) ³	1,111	1,568	2,178	2,726	--	--
SDs Teacher Shortage Areas ⁴	0	0	33	45	85	--
Teacher Salary and Experience						
Average teacher salary	\$67,535	\$66,265	\$67,535	\$68,930	\$71,479	--
Average teacher level of education ⁵	4.56	4.60	4.56	4.57	4.58	--
Average total years of service	13.9	13.5	13.9	14.1	14.5	--
% Scoring proficient+ on Educator Effectiveness Rating System						-- Recommended measure --

1 Includes both full-time and part-time staff.

2 Calculated by the IFO. Student to teacher ratio reflects total public school student enrollment divided by number of full- and part-time classroom teachers as of October 1 of each year.

3 See Notes on Measures.

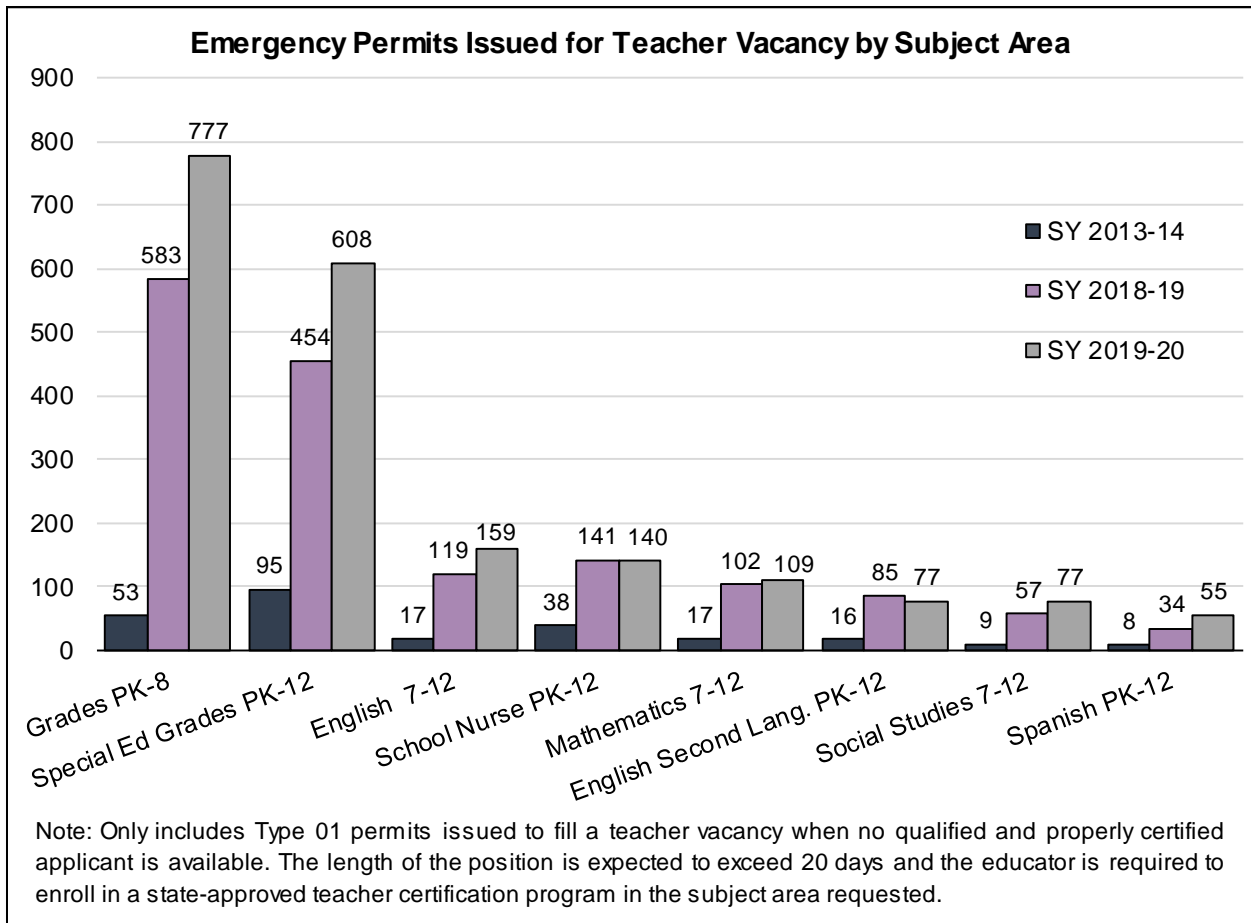
4 As reported to the U.S. Department of Education (2021).

5 For this measure, 4 = Bachelor's Degree, 5 = Master's Degree, 6 = Doctorate.

Notes on Measures

- An instructional certification is issued by PDE and required to teach at a public K-12 school in Pennsylvania. Instructional I certificates are temporary/provisional certificates valid for up to 6 years, after which they must be converted to a permanent level II certificate to remain valid. The percentage received from in-state programs are educators certified at an in-state institute of higher education.
- An emergency permit is issued by PDE upon the request of an employing local education agency (LEA). The candidate for an emergency permit must have earned a bachelor's degree from a state-approved college or university and meet all other eligibility requirements. There are five types of emergency permits ranging from long-term and day-to-day substitutes, foreign candidates and

furloughed employees. Type 01 emergency permits are used to fill a teacher vacancy when no qualified and properly certified applicants are available, and the length of the position is expected to exceed 20 days. A condition of the Type 01 permit is the candidate must enroll in a state-approved educator certification program in the subject area requested.

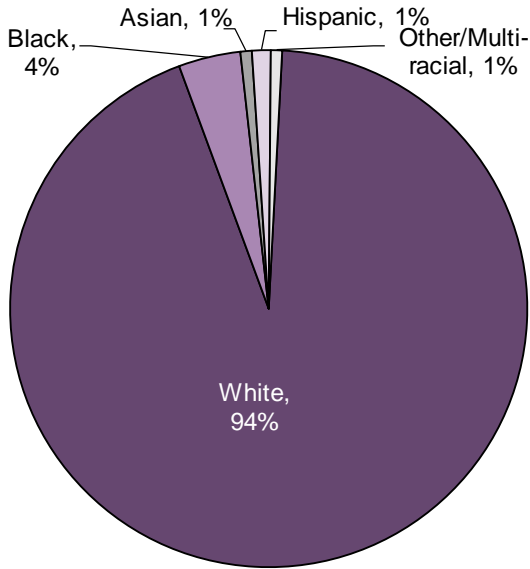


The figure above details the top eight subject areas requiring Type 01 emergency permits in SY 2013-14, SY 2018-19 and SY 2019-20. In SY 2019-20, the department issued 546 more Type 01 permits than the prior school year, 154 of those permits were issued for special education teachers in Pre-K through Grade 12 and 194 were issued for educators in Pre-K through Grade 8. The COVID-19 pandemic exacerbated the shortage of appropriately certified educators statewide making it even more difficult to fill public school vacancies in select subject areas.

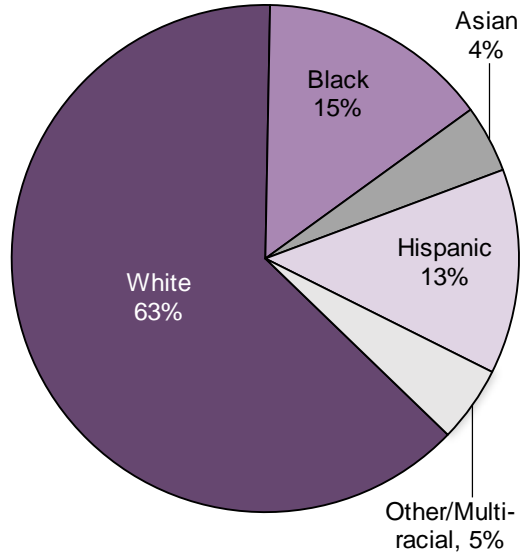
In its most recently approved Consolidated State Plan (May 2019), PDE addresses the disparity between the diversity of Pennsylvania students and their educators. The plan places a focus on increasing recruitment and retention efforts to improve the diversity of educators employed in the Commonwealth. In SY 2020-21, 94% of Pennsylvania educators were White, compared with 63% of students. The share of White teachers was 31 percentage points greater than the share of White students in SY 2020-21. This differential has increased since SY 2016-17, when 95% of teachers were White, compared to 67% of students (plus 28 percentage points). This suggests that Pennsylvania’s student population is becoming more diverse at a faster rate than the Pennsylvania educator workforce. In SY 2020-21, 37% of students identified as Black, Asian, Hispanic, or some race other than White, compared with 6% of teachers.

Pennsylvania Educator Workforce Less Diverse than Student Population

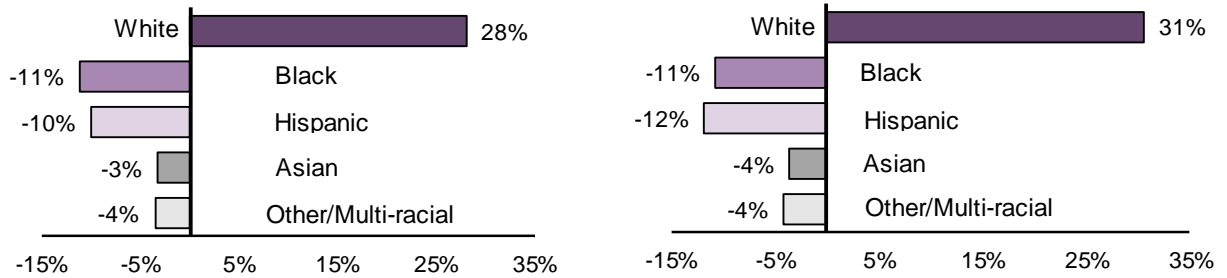
Pennsylvania Teachers SY 2020-21



Pennsylvania Students SY 2020-21



Differential Between Pennsylvania Teacher Diversity and Student Diversity
SY 2016-17 **SY 2020-21**



Note: Teacher and student demographic data reflect a snapshot as of October 1 of each year. All races reflect non-Hispanic populations, for example White reflects persons that are White, non-Hispanic.

Source: Pennsylvania Department of Education.

Activity 7: Curriculum and Assessments

The department provides guidance materials and resources to educators regarding curriculum, instruction, assessment, and regulations adopted by the Pennsylvania State Board of Education. This activity includes (1) test administration, scoring, reporting and test development for Pennsylvania assessments, (2) classroom diagnostic tools and curriculum, (3) secondary educational occupational skills testing and other Title 22, Chapter 4 requirements, (4) Future Ready PA Index and (5) test security and forensics reporting.

The Pennsylvania state assessment system includes the administration and reporting of assessment results. The assessment system includes the Pennsylvania System of School Assessment (PSSA), the Pennsylvania Alternate System of Assessment (PASA), the Pennsylvania Accountability System (PAS), the Pennsylvania Value-Added Assessment System (PVAAS), the Keystone Exams (end-of-course), Classroom Diagnostic Tools (CDT) and the National Assessment of Educational Progress (NAEP).

Students take the English, Language Arts and Math portions of the PSSA in grades 3 through 8. The Science portion of the PSSA is given to students in grades 4 and 8. Keystone exams assess proficiency in Algebra I, Literature and Biology and are administered no later than grade 11. The Keystone exams were created to replace the grade 11 PSSA and serves as one component of the statewide high school graduation requirement that takes effect with the graduating class of 2023. The PASA was developed to meet the needs of students with the most significant cognitive disabilities who are not able to participate in general assessments even with accommodations. Like the PSSA exams, the purpose of the PASA is to provide information to LEAs and other educational service providers that will aid in improving student instruction.

The primary goals of this activity are to ensure students receive (1) meaningful classroom instruction and (2) accurate assessments to measure success of education programs and identify gaps in student progress.

Resources for Curriculum and Assessments						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$4.9	\$4.8	\$3.6	\$3.7	\$2.9	\$3.0
Operational Expenses	58.1	54.7	53.0	44.2	45.4	49.2
Grants	11.7	10.9	13.8	11.8	21.8	3.3
Other ¹	<u>0.2</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.2</u>	<u>0.0</u>	<u>0.0</u>
Total¹	74.9	70.3	70.3	59.5	70.1	55.5
Expenditures by Fund						
General Fund (State)	\$53.6	\$48.7	\$50.5	\$40.9	\$39.4	\$38.1
General Fund (Federal)	<u>19.9</u>	<u>20.1</u>	<u>19.3</u>	<u>18.1</u>	<u>30.3</u>	<u>16.1</u>
Total²	74.9	70.3	70.3	59.5	70.1	55.5
Average Weekly FTE Positions	28	28	23	25	25	24
Personnel Cost/FTE (\$ thousands)	\$173.1	\$173.0	\$153.0	\$146.0	\$117.9	\$125.0
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
1 Other may include fixed asset, non-expense or miscellaneous expense transfer expenditures.						
2 Total may include small augmentation and other special fund expenditures.						

Performance Measures for Curriculum and Assessments

	16-17	17-18	18-19	19-20	20-21	21-22
Participation Rates¹						
All Students						
Math	96.9%	96.9%	97.2%	--	--	--
Reading/English Language Arts	96.8%	96.9%	97.1%	--	--	--
Science	96.0%	96.0%	96.5%	--	--	--
Students with Disabilities						
Math	94.0%	93.7%	94.2%	--	--	--
Reading/English Language Arts	93.9%	93.7%	94.1%	--	--	--
Science	92.6%	92.3%	92.8%	--	--	--
Schools By Designation³						
Comprehensive Support and Improvement (CSI)	--	--	--	99	99	--
Additional Targeted Support and Improvement (A-TSI)	--	--	--	196	196	--
Targeted Support and Improvement (TSI)	--	--	--	310	310	--
Assessment days required (minimum)	5	4	4	4	4	--
Assessment cost/pupil (state portion)	\$43.89	\$43.89	\$43.89	\$43.89	\$43.89	--

Notes:

1 Participation data reflect a blended participation rate based on PSSA, PASA, and Keystone exams. Assessments were canceled for spring and summer assessment windows for SY 19-20 school year.

2 In SY 20-21 the testing window was extended and the 95% participation rate was waived.

3 PDE received a waiver of its federal accountability requirements so any results for SY 20-21 will not be used for designating schools for comprehensive, targeted, or additional targeted support and improvement. Data not available prior to SY 19-20.

Notes on Measures

- Federal legislation (ESSA) mandates at least 95% of the school population participate in the state assessments. Beginning in SY 2017-18, if a school is below the 95% participation rate, non-test takers are designated as non-proficient and are included in the participation rate calculation. The statewide student assessments were suspended for SY 2019-20 due to mandatory school closures related to the COVID-19 pandemic.
- ESSA requires each state to develop a plan to identify schools for support and improvement. Pennsylvania designates schools for improvement targets based on school-level and student group performance. Comprehensive Support and Improvement (CSI) designated schools are facing the most significant challenges in academic achievement, student growth, and other areas.¹¹ Additional Targeted Support and Improvement (A-TSI) designated schools are performing at or below the bottom 5% (CSI) schools by one or more student groups.¹² Targeted Support and Improvement designations function as an early warning system for at-risk student groups and as a signal to schools that may be at future risk for more intensive accountability cycles, such as CSI and A-TSI.

¹¹ These schools include at least the lowest performing 5% of a state's Title I schools, as well as any high school with an adjusted cohort graduation rate of 67% or less. Title I is a federally funded program to provide financial assistance to LEAs to improve educational opportunities for educationally deprived children. Schools with large concentrations of low-income students receive supplemental funds to assist in meeting educational goals.

¹² A-TSI schools that receive Title I funds and do not meet state-defined targets over a four-year period may be subject to CSI requirements.

Activity 8: Public Libraries and the State Library

The Bureau of Library Development provides advisory services and financial grants and subsidies to increase access to library services, promote professional development and collaboration and provide shared services like POWER Library. The activity serves more than 600 public library facilities in Pennsylvania, as well as library staff in cooperative organizations that support libraries, state agencies, schools, colleges, museums, corporations, and private organizations throughout Pennsylvania.

The State Library of Pennsylvania collects and preserves the stories of Pennsylvania and supports the research needs of all branches of state government. As a statewide resource center and law library, the State Library provides residents with Pennsylvania and U.S. government documents, print materials, digitized collections, online reference services and other resources. It also connects government employees, libraries, and residents to information and resources. Programs and services are supported through the Commonwealth of Pennsylvania and the U.S. Institute of Museums and Libraries Services Grants to States program.

The primary goal of public libraries is to ensure Pennsylvanians have access to libraries, library space, information, and resource sharing. The primary goal of the State Library is to preserve, collect and share information for Pennsylvania, including the government document repository and digital resources.

Resources for Public Libraries and the State Library						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$3.5	\$3.3	\$3.4	\$3.9	\$3.7	\$3.9
Operational Expenses	2.6	2.3	2.2	2.3	1.8	3.4
Grants	<u>65.1</u>	<u>64.7</u>	<u>63.4</u>	<u>72.0</u>	<u>69.7</u>	<u>77.2</u>
Total	71.1	70.3	69.0	78.1	75.2	84.5
Expenditures by Fund						
General Fund (State)	\$61.8	\$61.1	\$61.6	\$66.7	\$66.4	\$67.2
General Fund (Federal)	6.8	6.1	4.7	6.1	4.7	13.3
Keystone Rec. Park & Conservation	<u>2.5</u>	<u>3.0</u>	<u>2.5</u>	<u>5.2</u>	<u>3.9</u>	<u>3.9</u>
Total¹	71.1	70.3	69.0	78.1	75.2	84.5
Average Weekly FTE Positions	32	30	30	34	32	30
Personnel Cost/FTE (\$ thousands)	\$110.5	\$110.4	\$113.4	\$114.9	\$115.5	\$130.0

Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.
¹ Total may include small augmentation and other special fund expenditures.

Performance Measures for Public Libraries and State Library

	2016	2017	2018	2019	2020	2021
Public Libraries						
Total service population as % of PA population ¹	97.1%	97.0%	96.9%	97.0%	97.4%	--
Public libraries (outlets)	644	648	645	643	636	625
Annual # of library visits (000s)	42,470	41,051	39,433	39,165	16,264	30,000
Wireless sessions (per capita) ^{1,2}	--	--	0.78	0.79	--	--
POWER Library online references offered (000s) ^{1,3}	400	404	859	1,490	1,650	1,683
Recorded or braille items obtained through Library Services for Visually Impaired & Disabled (000s) ³	1,222	1,297	1,224	1,634	1,500	1,500
State Library						
Items accessed ¹	6,622	3,378	4,200	2,182	314	500
Digital items accessed ¹	185,137	212,453	158,510	190,140	249,664	311,908
Library cards issued ¹	759	813	572	599	4,384	1,775

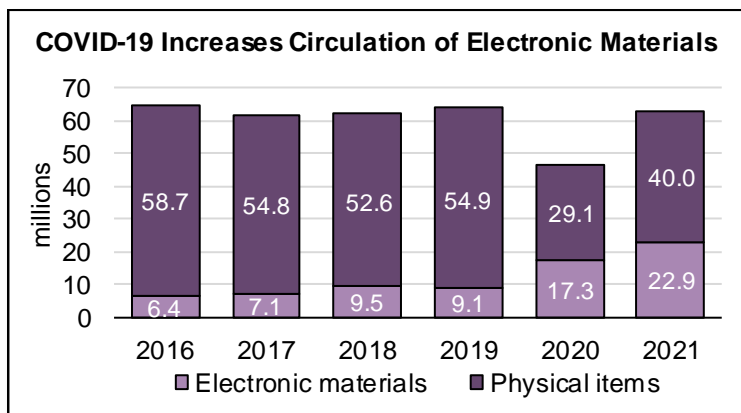
Notes:

- 1 See Notes on Measures.
- 2 Usage shown for public libraries only.
- 3 Data shown on a fiscal year basis.

Notes on Measures

- Service area populations are assigned for public library entities that receive state aid and are self-reported by the library.
- POWER Library online reference data are items examined through public library access.
- The number of digital items accessed includes Pennsylvania photos and documents accessed from State Library owned items and the number of sessions or items accessed through online subscription-based resources.

Between calendar year (CY) 2016 and CY 2019 the average number of materials circulated was approximately 63 million in Pennsylvania public libraries. Physical items accounted for roughly 87% of circulation while electronic materials comprised the rest (13%). In CY 2020, total circulation dropped 27% from the prior year but the share of electronic materials increased to 37% of the total. The shift to digital materials is projected to continue in CY 2021 as libraries expend CARES funding on additional electronic materials and more users adapt to digital material borrowing. The State Library of Pennsylvania also saw a shift toward digital usage. The number of digital items accessed increased 31% in CY 2020 compared to CY 2019 and is expected to continue in CY 2021. The large increase in library cards issued was due to an increased need for offsite program access (virtually) caused by the COVID-19 pandemic.



Activity 9: Student Support Services

Student Support Services covers a wide range of activities that provide physical support for PreK-12 students and educators through PlanCon, Pupil Transportation and Food and Nutrition. The activity also provides social and emotional support through state funding for school security and safety, the 21st Century Community Learning Centers (21st CCLC) and the Migrant Education Program (PA-MEP). In SY 2019-20, 54,291 students were enrolled in the 21st CCLC Program and 4,824 students in the PA-MEP Program.

PlanCon (Planning and Construction Workbook) is a school construction reimbursement program that assists school districts to reduce long-term capital debt. Act 70 of 2019 established an alternative to PlanCon known as the Maintenance Program. Funds will be awarded on a semi-annual basis for projects that do not rise to the size and scope of what is required for traditional PlanCon. The Building Condition Assessment is part of the new PlanCon program. It is an optional activity but offers additional financial incentives for participating districts. PDE plans to track the number of schools that complete a building condition assessment and the number and types of projects completed through the maintenance program.

Resources for Student Support Services						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$13.8	\$14.0	\$12.8	\$13.9	\$14.1	\$15.0
Operational Expenses	42.9	39.0	36.6	37.6	36.4	64.1
Grants	1,524.9	1,590.0	1,624.5	1,689.7	1,527.0	2,039.9
Other ¹	<u>0.4</u>	<u>0.4</u>	<u>2.3</u>	<u>0.4</u>	<u>0.0</u>	<u>0.0</u>
Total	1,582.0	1,643.4	1,676.2	1,741.5	1,577.4	2,119.0
Expenditures by Fund						
General Fund (State)	\$854.3	\$895.0	\$880.7	\$1,034.5	\$880.8	\$1,135.8
Pupil Transportation	549.0	549.1	549.1	700.0	544.7	597.4
Food Service	28.4	28.4	30.1	24.1	14.1	30.0
PlanCon	7.0	26.8	8.3	9.3	8.9	201.3
School Safety	4.7	9.9	6.1	6.0	10.2	12.1
Other General Fund (State)	265.2	280.8	287.1	295.1	302.9	295.0
General Fund (Augmentations)	0.0	0.0	0.9	0.9	0.9	1.0
General Fund (Federal)	727.7	748.4	794.6	706.1	695.7	982.2
Food Service	655.8	680.7	705.2	619.2	615.9	815.6
21st Century Com. Learning Ctrs.	39.8	41.0	46.7	57.1	50.8	93.3
Other General Fund (Federal)	<u>32.1</u>	<u>26.7</u>	<u>42.7</u>	<u>29.8</u>	<u>29.0</u>	<u>73.3</u>
Total	1,582.0	1,643.4	1,676.2	1,741.5	1,577.4	2,119.0
Average Weekly FTE Positions	100	107	105	109	120	132
Personnel Cost/FTE (\$ thousands)	\$138.7	\$130.9	\$122.2	\$127.5	\$117.3	\$113.6

Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.
 1 Other may include fixed asset, non-expense or miscellaneous expense transfer expenditures.

Pupil Transportation

PDE collects transportation-related data from Pennsylvania school districts, intermediate units and career and technology centers that provide pupil transportation. A total of 1.5 million students were transported to public and nonpublic schools in SY 2019-20, a 1.3% decline from SY 2016-17. Most students were transported to public schools (92%) and a small share were transported to nonpublic schools (8%).

Performance Measures for Student Support Services						
	16-17	17-18	18-19	19-20	20-21	21-22
Pupil Transportation						
LEA owned vehicles	5,486	4,721	4,721	4,596	--	--
Contracted vehicles	25,340	25,699	25,926	25,839	--	--
Pupils transported to public schools (000s)	1,382	1,389	1,389	1,380	--	--
Pupils transported to nonpublic schools (000s)	138	132	129	120	--	--
Transportation expenditures per ADM (Statewide)	841	867	907	844	--	--
% Transportation costs funded by state subsidy	41%	41%	41%	44%	--	--

Food Services

The department provides funding to schools, child and adult care centers and summer programs to provide meals to students through various federally-funded, state-administered programs, including the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, and Summer Food Service Program. In SY 2019-20, 54% of students that had access to the National School Lunch Program were eligible for free or reduced lunches. Children from families (1) with income at or below 130% of the poverty level, (2) receiving Temporary Assistance for Needy Families or (3) receiving food stamps are eligible for free lunches. Children in families whose income is between 130% and 185% of the federal poverty level are eligible for reduced price lunches. The U.S. Department of Agriculture extended certain school lunch flexibilities that allow schools to provide free meals to all students through SY 2021-22.

Performance Measures for Student Support Services						
	16-17	17-18	18-19	19-20	20-21	21-22
Food Services						
Meals served (000s) ¹						
School Lunch Program ²	169,206	167,735	167,706	118,099	--	--
School Breakfast Program	65,554	67,330	69,770	51,018	--	--
Summer Food Service Program	5,070	4,665	4,637	15,958	--	--
Seamless Summer Program	613	660	639	38,518	--	--
Child and Adult Day Care Program	66,861	67,287	67,140	44,207	--	--
National School Lunch Program Data ²					--	--
Total student enrollment (000s)	1,751	1,749	1,743	1,744	--	--
% free	3.1%	3.0%	2.9%	2.7%	--	--
% reduced	48.3%	50.0%	51.0%	51.6%	--	--

Notes: National School Lunch Program based on school year. All other programs run on a federal program year.
¹ Meal counts in 19-20 were impacted by the COVID-19 pandemic.
² National School Lunch Program data are unavailable for SY 20-21 due to the COVID-19 pandemic.

Safe Schools

The Office of Safe Schools coordinates school safety and security programs, collects annual school violence statistics, coordinates antiviolence efforts, and develops policies and strategies to combat school violence. The office provides technical assistance, professional development programs, and security-related activities to support school safety through crisis intervention, school police training, violence prevention, social/emotional wellness and safety. The Office of Safe Schools also partners with the Pennsylvania Commission on Crime and Delinquency and the legislative body to provide school safety and security grants aimed at making it possible for schools, both private and public, to create safe buildings for students, staff and visitors.

In SY 2020-21, approximately 72,000 students were referred to Pennsylvania’s Student Assistance Program. The program identifies issues such as alcohol, tobacco, other drugs and mental health that pose a barrier to a student’s success. Of the students referred to the program, 28% achieved or exceeded program goals.

Performance Measures for Student Support Services						
	16-17	17-18	18-19	19-20	20-21	21-22
Safe School Offices						
Incidents (excluding academic and code of conduct)	53,344	60,267	70,245	53,293	14,208	--
% Incidents involving law enforcement ¹	26%	26%	23%	21%	28%	--
% Incidents resulting in arrests ¹	8%	7%	7%	6%	7%	--
% SDs w/ school security personnel	57%	58%	61%	66%	59%	--
% SDs w/ school resource officer	22%	22%	24%	26%	21%	--
Student Assistance Program:						
Referrals	73,394	79,775	90,627	81,504	71,871	--
% Met or exceeded identified goal	--	--	--	42%	28%	--
% SDs w/ established threat assessment teams ²	-- Recommended measure --					
Notes:						
1 Calculated by the IFO. Excludes academic and code of conduct incidents.						
2 See Notes on Measures.						

Notes on Measures

- Act 18 of 2019 amended the Public School Code of 1949 by adding Article XIII-E, Threat Assessment. The Act requires the establishment of threat assessment teams for all school entities in Pennsylvania and tasks the School Safety and Security Committee (SSSC) to research, develop and provide free threat assessment guidelines, training, and informational materials, as well as model procedures and guidelines for school entities.

21st Century Community Learning Centers

The 21st Century Community Learning Centers (21st CCLC) Program provides funding for community learning centers to provide academic, artistic, and cultural enhancement activities for students and their families, particularly students who attend high-poverty and low-performing schools, when school is not in session. The primary goal of these centers is to assist students attending high-poverty and low-performing schools meet state and local standards in core academic subjects. Centers must also offer participants a broad range of activities that can complement their regular academic programs and may offer literacy and other educational services to their families.

Performance Measures for Student Support Services

	16-17	17-18	18-19	19-20	20-21	21-22
21st Century Community Learners						
Students enrolled	37,793	43,794	44,374	54,291	--	--
% Participating w/ improved growth in:						
Reading/English state assessments ¹	22%	23%	22%	--	--	--
Math state assessments ¹	13%	14%	20%	--	--	--
% Participating (of students needing to improve) w/ teacher-reported improvements in:						
Homework completion and class participation	50%	52%	49%	57%	--	--
Student behavior	37%	41%	40%	45%	--	--

Note:

¹ No testing data available in SY 19-20 due to the COVID-19 school closures.

Activity 10: Administration

The Administration Activity provides the executive and organizational leadership functions within the department. It also includes the services related to policy development and administration, legislative services, legal services, communications and office administrative functions, financial management services, contracting and procurement, building services and other core support services. The department is in the process of converting all manual and automated calculations into one central information system. The department's goal is to automate all subsidy calculations by FY 2022-23. Currently the department still calculates one subsidy manually, the payments to Intermediate Units for transportation of special education students (Pupil Transportation appropriation).

Resources for Administration						
	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$8.7	\$8.7	\$8.2	\$8.4	\$9.0	\$9.8
Operational Expenses	3.6	4.1	10.7	15.7	14.1	21.4
Grants	<u>28.9</u>	<u>33.5</u>	<u>41.1</u>	<u>22.4</u>	<u>23.2</u>	<u>42.0</u>
Total¹	41.2	46.3	60.0	46.7	46.4	73.6
Expenditures by Fund						
General Fund (State)	\$34.6	\$42.3	\$52.8	\$35.6	\$35.2	\$43.4
General Fund (Augmentations)	2.1	2.6	2.3	3.9	3.1	3.4
General Fund (Federal)	<u>4.6</u>	<u>1.4</u>	<u>5.0</u>	<u>7.1</u>	<u>8.1</u>	<u>26.9</u>
Total²	41.2	46.3	60.0	46.7	46.4	73.6
Average Weekly FTE Positions	106	88	90	95	82	79
Personnel Cost/FTE (\$ thousands)	\$81.8	\$99.4	\$90.9	\$88.1	\$110.2	\$124.4
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
1 Total may include small fixed asset, non-expense or miscellaneous expense transfer expenditures.						
2 Total may include small other special fund expenditures.						

Performance Measures for Administration

	16-17	17-18	18-19	19-20	20-21	21-22
Personnel						
Agency FTE ¹	480	453	449	465	464	465
Staff turnover rate ²	10%	9%	9%	8%	10%	4%
Office-based positions ^{3,4}	488	485	464	477	450	427
Full-time telework positions ^{3,4}	--	--	--	--	--	--
Home-headquartered positions ³	15	17	20	22	27	30
Information Technology						
IT costs (\$ millions) ⁴	\$10.1	\$9.1	\$14.7	\$13.9	\$13.7	\$17.8
IT cost per agency FTE ⁵	\$21,116	\$20,004	\$32,630	\$29,944	\$29,568	\$38,618
Overtime						
Overtime costs (\$000s)	\$0.9	\$4.1	\$7.8	\$9.0	\$6.0	\$100.0
Overtime cost per agency FTE ⁵	\$2	\$9	\$17	\$19	\$13	\$217
Human Resources						
HR costs (\$000s) ⁴	\$460.1	\$351.0	\$470.2	\$498.9	\$548.1	\$600.0
HR cost per agency FTE ⁵	\$959	\$774	\$1,047	\$1,073	\$1,182	\$1,300
Facilities						
Facility costs (\$000s)	\$179.8	\$142.8	\$258.4	\$895.2	\$922.1	\$1,258.6
Facility space (thousands sq. ft.)	170.1	170.1	170.1	167.1	167.1	167.1
Facility cost per square foot ⁵	\$1.1	\$0.8	\$1.5	\$5.4	\$5.5	\$7.5

Notes:

- 1 Average weekly filled FTE.
- 2 FY 21-22 rate estimated based on quarter 1 data.
- 3 Measure includes filled and vacant positions as of December 31.
- 4 See Notes on Measures.
- 5 Calculations by the IFO.

Notes on Measures

- In FY 2017-18, executive agency human resources (HR) and information technology (IT) complement were consolidated under the Office of Administration (OA). During this transitional year, executive agencies continued to pay the personnel costs associated with the HR and IT complement transferred to OA. Beginning in FY 2018-19, agencies are billed for these services as well as for a portion of the HR and IT enterprise budget previously appropriated to the OA.
- Management Directive 505.36 issued in April 2021 defines classifications of workers eligible to telework: (1) full-time telework work remotely each day of their workweek, (2) part-time telework have regularly-scheduled days working remotely and in an office and (3) ad hoc telework work remotely only in case of weather emergency or other qualified occurrences. Office-based positions include non-telework, part-time telework and ad hoc telework positions.

Appendix

Performance-Based Budgeting and Tax Credit Review Schedule

Performance-Based Budgets						
Year						
1	Corrections	Board of Probation and Parole	PA Commission on Crime & Delinquency	Juvenile Court Judges' Commission	Banking and Securities	General Services
2	Economic & Community Development	Human Services – Part 1	Health	Environmental Protection	PA Emergency Management Agency	State
3	PennDOT	Human Services – Part 2	State Police	Military & Veterans Affairs		
4	Education	Human Services – Part 3	Aging	PA Historical & Museum Commission	Agriculture	Labor and Industry
5	Drug and Alcohol Programs	Insurance	Revenue	Executive Offices	Environmental Hearing Board	Conservation and Natural Resources
Tax Credits						
Year						
1	Film Production	New Jobs	Historic Preservation Incentive			
2	Research and Development	Keystone Innovation Zones	Mobile Telecom and Broadband	Organ and Bone Marrow		
3	Neighborhood Assistance	Resource Enhancement and Protection (REAP)	Entertainment Economic Enhancement Program	Video Game Production	Keystone Special Development Zones	
4	Educational Tax Credits	Coal Refuse and Reclamation	Mixed-Use Development	Brewers'		
5	Resource Manufacturing	Manufacturing and Investment	Waterfront Development	Rural Jobs and Investment		

Agency Response



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION

January 12, 2022

Dr. Matthew J. Knittel, Director
The Independent Fiscal Office
Rachel Carson State Office
400 Market Street
Harrisburg, PA 17105

Dear Dr. Knittel:

Thank you for the opportunity to provide input and data to create the Independent Fiscal Office's (IFO) Performance Based Budget (PBB) report for the Pennsylvania Department of Education (PDE). We appreciate the efforts of your staff in coordinating this effort as well as the PDE staff who provided the data and information needed to create this report.

The department's mission is to ensure that every learner has access to a world-class education system that academically prepares children and adults to succeed as productive citizens. Each day, our department works to create conditions to ensure that Pennsylvania learners will be prepared for meaningful engagement in postsecondary education, in workforce training, in career pathways, and as responsible, involved citizens.

We accomplish that mission through four strategic goals as follows:

- To collect, preserve, and connect state government, libraries, and Pennsylvania residents with the information and resources needed for education, enrichment, and advancement;
- To prepare all students to graduate high school college-ready and career-ready and to be engaged citizens of the commonwealth;
- To promote access, affordability, and performance in higher education through strategies to expand opportunity for students and align with employer needs, and to support the commonwealth's public institutions of higher education in achieving these goals; and
- To provide Pennsylvanians with accurate, useful, timely and cost-effective services that support meaningful programs for preparing lifelong learners to become productive citizens.

Underpinning these goals are the following guiding principles and values from Pennsylvania's Every Student Succeeds Act Consolidated State Plan: advancing equity and success for all students throughout the pre-K through 12 and postsecondary continuum; maintaining local control and flexibility; investing in evidence-based strategies; and promoting transparency and

meaningful engagement. To this end, PDE has worked hard to establish a culture that is committed to improving opportunities throughout the commonwealth by ensuring that adequate support services, resources, and optimal learning environments are available for all students, whether children or adults, and that education providers have the technical supports and guidance they need.

The department is wholly committed to its mission and strategic goals. As education systems vary from state to state, it's important to recognize the scope of PDE's authority and enforcement power over the Commonwealth's elementary, secondary, and higher education environments. Pennsylvania is a local control state, in which school boards are charged with making independent and autonomous decisions about the operations of K-12 schools in their communities. Public colleges and universities are overseen by Boards of Trustees. In this type of education ecosystem, collaboration with education partners and stakeholders is critical to achieving the goals and the performance measures identified in the IFO report.

Unfortunately, the COVID-19 pandemic has significantly impacted our agency's key metrics, including the department's ability to collect assessment data due to the cancellation or postponement of state assessments such as the PSSA and Keystone Tests. Flexibilities and funding granted by the General Assembly (i.e., educator certification extensions provided by Act 13 of 2020, funding for accelerated learning, etc.) and the U.S. Department of Education (i.e., assessment waivers for the 2020-21 school year, the Elementary and Secondary Emergency Relief Assistance funding, etc.) have helped to reduce some strain to the department and schools and provided opportunities for progress, but it is unclear how long it will take for performance metrics to reflect those efforts. Until the education landscape and economy stabilize, accurate estimates and projections for data elements, such as enrollment, may be challenging.

When reviewing the findings and performance metrics in this report, it also is important to be aware that education data is self-reported by school entities to PDE and is not in real-time. School data typically lags by one or two years. This is partly due to the commonwealth not having a universal student information system. In Pennsylvania, each educational entity selects its own system for collecting and managing student records, and then reports that data to PDE based on federal and state requirements. The largest data collection for K-12 schools occurs at the end of each school year. It then takes at least six months for the department to verify the data and work with schools to correct incongruencies.

PDE faces similar data challenges in the postsecondary sector. Only postsecondary institutions that receive federal funding under the Carl D. Perkins Career and Technical Education Act of 2006 are required by state law to submit data to PDE. For this reason, PDE relies on two external data sources – National Student Clearinghouse (NSC) and the National Center for Education Statistics Integrated Postsecondary Education Data System (IPEDS) – for the postsecondary performance measures related to postsecondary enrollment and success. These sources also are not in real-time and typically lag by two fiscal years.

Despite these obstacles and the ongoing pandemic, the Department and our education and library system continue to innovate, collaborate, and meet the needs of all learners across the commonwealth.

- Since the 2020-21 school year, PDE has regularly provided technical assistance and guidance for schools in reflecting on their successes and challenges in providing instruction while managing the COVID-19 pandemic through the *Roadmap for Educational Leaders*.
- To assist local education agencies (LEAs) in gaining early and important insights into the impact of COVID-19 on student learning, PDE implemented a system through which LEAS can voluntarily submit local assessment data and receive analytics similar to traditional Pennsylvania growth reports normed to Pennsylvania performance levels.
- Schools now have access to a list of evidence-based interventions through the PDE Evidence Resource Center (ERC)—a customized website designed by Pennsylvania educators and the nation’s foremost education scholars. The ERC identifies strategies backed by research that schools can use to address learning loss, offer summer learning and enrichment, and more.
- A new Future Ready Comprehensive Planning Portal (FRCPP) serves as a consistent planning framework and collection tool that LEAs and schools can use to develop cohesive long-term goals and action plans, monitor yearly progress, and provide transparency in communication with school personnel, state officials, parents and caregivers, and community members.

Thank you again for providing us with an opportunity to collaborate with the IFO on this report. The department is committed to collecting the data needed to understand and measure the performance of the commonwealth’s education system and using data-informed decision-making to inform policies and better serve Pennsylvania students, families, educators, libraries, and education communities. We look forward to the continued engagement in this process.

Sincerely,



Noe Ortega, Ph.D.
Secretary of Education

