



Analysis of Governor Shapiro’s 2023-24 Executive Budget on Education

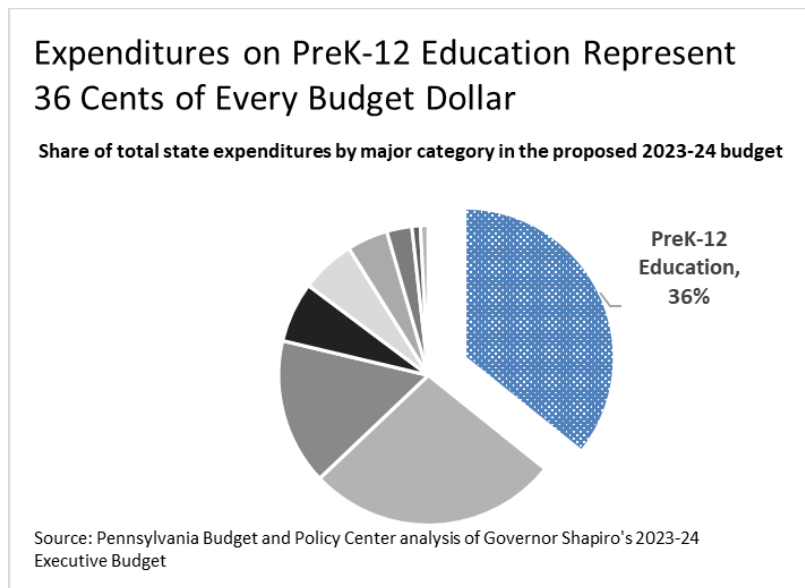
By Diana Polson, Stephen Herzenberg, and Marc Stier¹

April 2023

Summary

In his first executive budget released on March 7, 2023, Governor Shapiro proposed a \$44.4 billion General Fund budget. This budget proposal comes on the heels of a critical court decision by President Judge Renee Cohn Jubelirer of the Commonwealth Court, who ruled that Pennsylvania’s system for funding public education is unconstitutional. PreK-12 education funding makes up a large part of our General Fund spending, representing \$0.36 of every General Fund budget dollar proposed to be spent next year. Given the centrality of education funding in our Commonwealth, this ruling could, and should, significantly impact the Commonwealth budget moving forward as the Governor and the Legislature wrestle with how best to make our public education system “thorough and efficient,” and to fund education equitably and adequately.²

Figure 1



¹ Diana Polson wrote this brief with the following exceptions: Stephen Herzenberg wrote the section on career and technical education and edited the brief; Marc Stier updated our analysis of how the adequacy gap varies based on race, ethnicity, and poverty and produced the charts on the adequacy gap. Erica Freeman also edited the brief.

² William Penn School District et al. v. Pennsylvania Department of Education, “Memorandum Opinion by President Judge Cohn Jubelirer,” February 7, 2023, <https://www.elc-pa.org/wp-content/uploads/2023/02/Memorandum-Opinion-Filed-2.pdf>.

In his budget address, Governor Shapiro acknowledged the ruling as “a call to action,” challenging lawmakers to work with him to “come up with a better system, one that passes constitutional muster” and does “right by our kids.”³ While the Governor makes strides towards addressing many of the school funding issues Pennsylvania faces, his executive budget on education, as is, falls short of what is needed this year to rise to this historic challenge. The Governor proposes

- a 7.8% increase (\$567 million) in basic education funding (BEF), which is only slightly above the (6%) rate of inflation in the last 12 months.⁴
- no new allocation of Level Up funding, which is the only effective mechanism we currently have to increase funding to the school districts with the greatest need, consistent with the spirit of the Commonwealth Court decision.
- an increase of 7.8% in special education funding with a proposal to tie this funding to the overall inflation rate in the future, which is insufficient because the costs of special education tend to rise faster than inflation. Moreover, this proposal does not redress the fact that the state share of special education costs has decreased over time—from 32% in 2008–09 to just 22% in 2019–20. This decline puts additional financial strain on school districts to cover special education costs, especially burdening (again) the districts with low levels of income and property wealth.
- a career and technical education budget that has some innovative components, including to expand CTE programs in high-demand careers and boost connections between schools and industry. The core CTE subsidy, however—the additional funding districts receive based on student enrollment in CTE—does not increase. This state subsidy will remain less than 10% of total spending on career-related training in Pennsylvania schools, which is the major obstacle to districts encouraging enrollment in CTE above the current paltry level that is one-third of enrollment levels in surrounding states.
- new mental health investments—\$100 million—for schools via a new line item called the School-Based Mental Health Supports Block Grant that would meaningfully address the mental health crisis among our students.
- a \$2,500 tax credit for new teachers to address the teacher shortage; universal free breakfast for K-12 students (\$38.5 million); and funds for remediating environmental hazards in schools (\$100 million this year, \$500 million over 5 years).
- no charter school reform in this year’s budget—such reform would make our funding system fairer while also saving the Commonwealth hundreds of millions of dollars.

It is now up to the Legislature to build on Governor Shapiro’s funding proposals and begin to address the historic inequity recognized by the Commonwealth Court. Education advocates have put forward a [proposal](#)⁵ that includes \$300 million in Level Up funding and should be a guide for the Legislature as it seeks to enact a budget that would be a substantial downpayment on the \$4.6 billion public schools

³ Governor Josh Shapiro, “Governor Shapiro’s First Budget Address,” March 7, 2023,

<https://www.governor.pa.gov/wp-content/uploads/2023/03/ACTUAL-FINAL-2023-Budget-Address.pdf>.

⁴Bureau of Labor Statistics, U.S. Department of Labor, “News Release: Consumer Price Index – February 2023,” March 14, 2023, <https://www.bls.gov/news.release/pdf/cpi.pdf>.

⁵ PA Schools Work, *The Roadmap to Adequate and Equitable Funding for PA Public Schools: 2023 Priorities and Recommendations of the PA Schools Work Campaign*, https://paschoolswork.org/wp-content/uploads/PASW_roadmap_JAN_2023.pdf.

need in state funding to adequately and equitably meet the needs of all students across the Commonwealth.⁶

Below, we take a deeper look at Governor Shapiro’s proposal for education funding in Pennsylvania.

PreK-12 Education

Governor Shapiro proposes to increase preK-12 education spending by 5.7% for a total budget of \$15.9 billion.

Figure 2

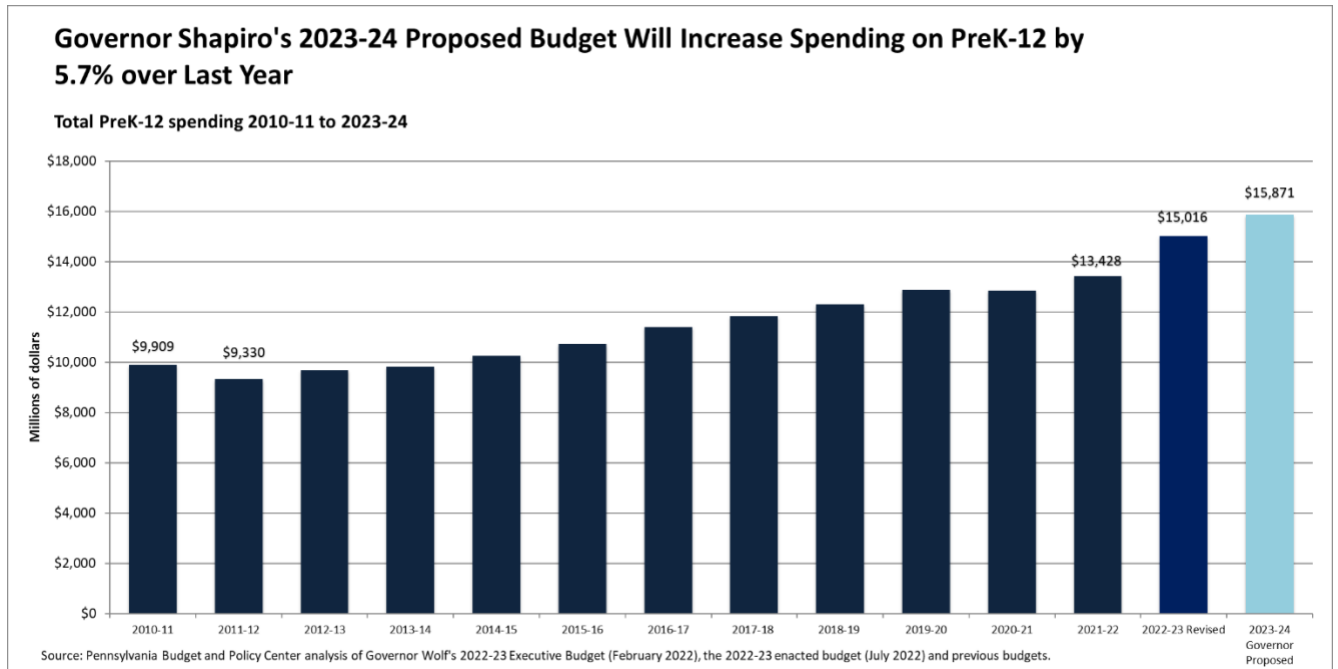
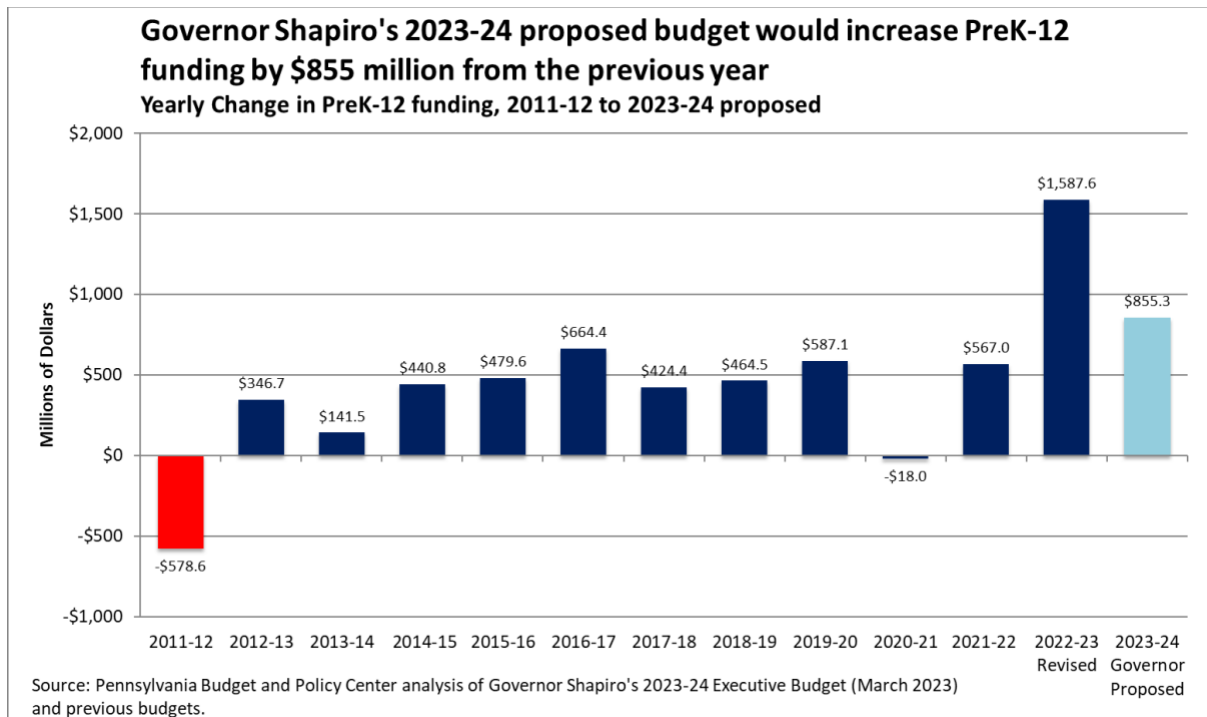


Figure 3 shows the yearly change in preK-12 funding going back to the large education cuts made under then Governor Corbett in 2011–12. The increase Governor Shapiro is proposing (\$855 million) exceeds that in most other years in the previous decade. But this year’s proposal is only about half of last year’s (2022–23) \$1.6 million increase. PreK-12 funding is also only increasing 5.7% overall.

⁶ Fletcher McClellan and Kory Trout, “The trial is done. What’s next for school funding in Pennsylvania?” *Pennsylvania Capital-Star*, March 15, 2022, <https://www.penncapital-star.com/commentary/the-trial-is-done-whats-next-for-school-funding-in-pennsylvania-opinion/#:~:text=A%20Penn%20State%20professor%20testified%20that%20%244.6%20billion,%E2%80%9Cthorough%20and%20efficient%E2%80%9D%20requirement%20while%20respecting%20local%20control.>

Figure 3



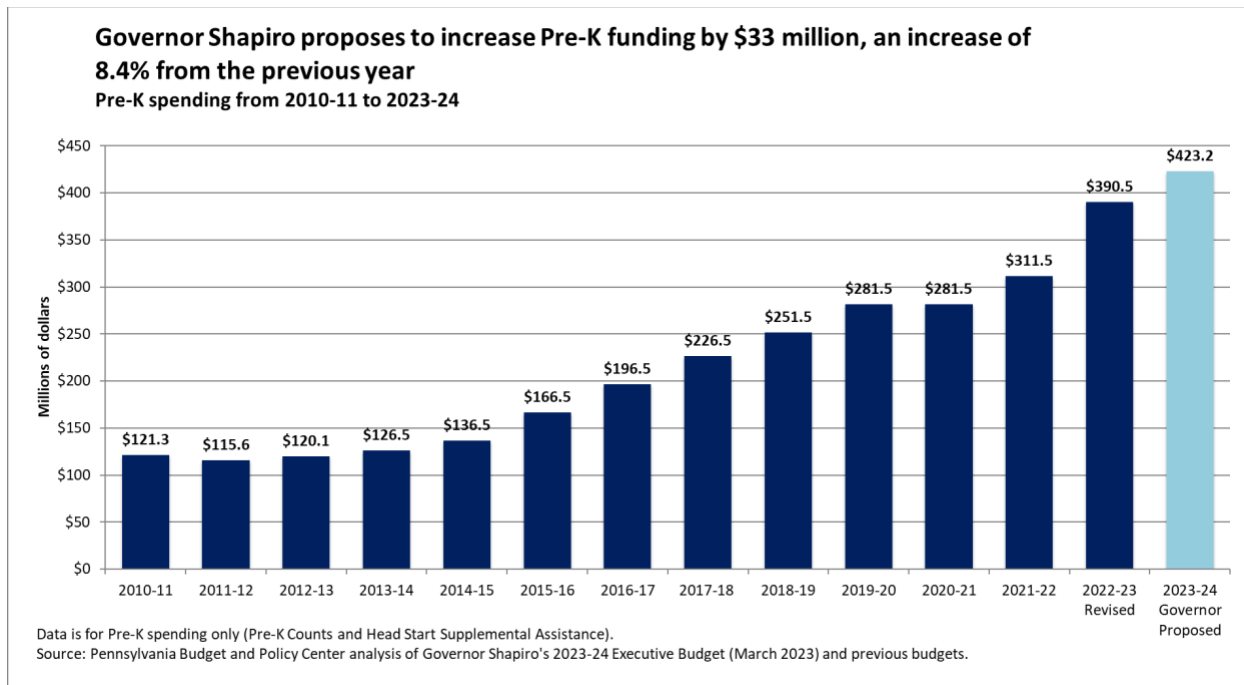
Early Childhood Education

Quality pre-K programs come with proven results: increased school performance for kids in kindergarten through grade 12; increased social and emotional growth; reduced need for special education and remedial learning; higher high school graduation and college enrollment rates; increased earnings; long-term taxpayer savings; and reduced crime.⁷ The list of short-term and long-term benefits goes on and on.

Governor Shapiro proposes \$32.7 million in additional pre-K funding: \$30 million for Pre-K Counts and \$2.7 million for the Head Start Supplemental Assistance Program. This proposal would be an 8.4% increase in pre-K funding from last year. In Governor Wolf's last year in office, the Legislature increased pre-K funding by 25%.

⁷ Pennsylvania Partnership for Children, "The Case for Pre-K in PA: Smart Investment in Kids, Communities and the Commonwealth," January 2016, https://www.prekforpa.org/wp-content/uploads/2016/01/Case_for_Pre-k_inPA.pdf; Pre-K for PA, "The Case for Pre-K," https://www.prekforpa.org/case_for_pre-k/.

Figure 4



There are more than 29,600 children, aged 3 and 4, in Pre-K Counts programs across the state, which make quality pre-K programs free to eligible families. The increase of \$30 million would increase state reimbursement for providers in Pre-K Counts. State reimbursement for full-time slots would rise from \$10,000 to \$11,000 and from \$5,000 to \$5,500 for part-time slots. These increased subsidies would help increase early childhood education teachers' pay and address the increasing costs providers face.⁸ The pandemic exacerbated a staffing crisis in early childhood education, where pay remains low. A recent study in Pennsylvania found that 85% of providers face staffing shortages.⁹

There is no funding included for increasing the number of slots for pre-K. Currently, 57% of eligible children in Pennsylvania do not have access to high-quality, publicly funded pre-K.¹⁰

⁸ Governor Josh Shapiro, *Executive Budget 2023–24*, March 7, 2023, A1-5, <https://www.budget.pa.gov/Publications%20and%20Reports/CommonwealthBudget/Documents/2023-24%20Budget%20Documents/Budget%20Book%202023-24%20WEB.pdf>.

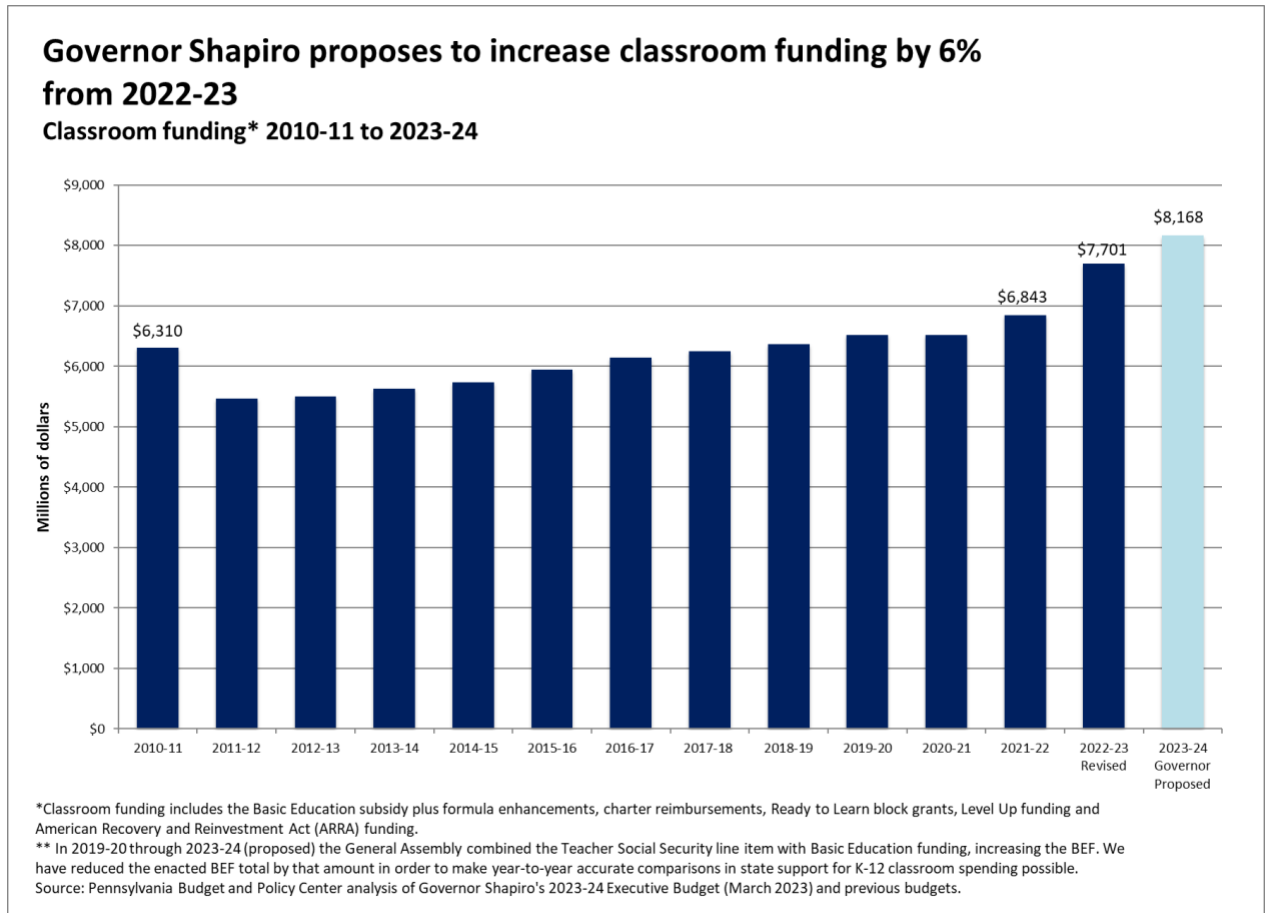
⁹ John L. Micek, "Ahead of Shapiro's budget, poll stresses funding for early child care," *Pennsylvania Capital-Star*, March 2, 2023, <https://www.penncapital-star.com/education/ahead-of-shapiros-budget-poll-stresses-funding-for-early-child-care-thursday-morning-coffee/#:~:text=Eighty-five%20percent%20of%20provider%20respondents%20to%20the%20poll,one%20classroom%20in%20response%20to%20the%20staffing%20gap.>

¹⁰ Of the 282,228 children, aged 3 and 4, living in Pennsylvania, 153,210 are eligible; 87,288 eligible children do not have access to high quality, publicly funded pre-K in Pennsylvania. Data from Pre-K for PA.

K-12 Education

While above we showed figures that include the *total* preK-12 education funding over time, we'd also like to look specifically at what we call classroom funding,¹¹ or the funding that goes directly to the classroom. Classroom funding excludes line items like pensions and transportation. Governor Shapiro's first budget proposes an increase of 6% in classroom funding.

Figure 5

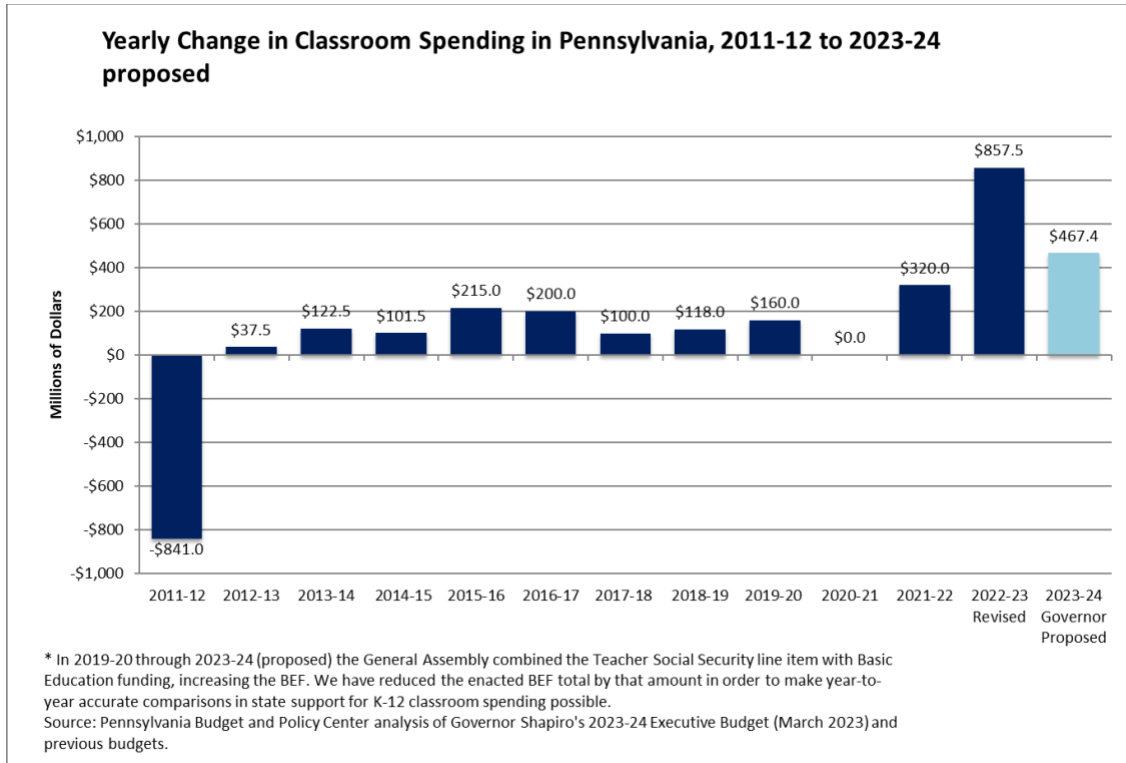


Below, figure 6 shows the yearly change in classroom spending starting with 2011–12. Governor Shapiro is proposing an increase of \$467 million.¹²

¹¹ Classroom funding includes basic education funding (plus formula enhancements), school improvement grants, PA accountability block grant, hybrid learning, charter reimbursements, Ready to Learn block grants, and American Recovery and Reinvestment Act (ARRA) funding. (Many of these items had funding in the past 13 years but no longer do.) Level Up funding has been included since its inception in 2021–22. This year's mental health block grant and the recent safety and security line item are not included, although students would surely benefit from these investments.

¹² The BEF appropriation includes Social Security reimbursement payments. When you subtract that amount, there is a \$792 million increase from last year to this year in BEF funding. If you subtract the \$225 million in Level Up funding that is no longer allocated this year, the total change from last year is \$567 million. There is also a decrease in Ready to Learn block grants of \$100 million, resulting in a proposed total classroom funding increase of \$467 million from 2022–23 to 2023–24.

Figure 6



Funding Inequities Exposed in the Education Funding Lawsuit

Pennsylvania’s constitution states that the General Assembly is required to “provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth.” Judge Cohn Jubelirer of the PA Commonwealth Court ruled in favor of the plaintiffs early this year (2023) in the case William Penn School District et al. v. Pennsylvania Department of Education et al., ruling that the state has failed to provide a “thorough and efficient” system of public education.

The court order highlighted that the Education Clause (Article III, Section 14) of the Pennsylvania Constitution requires that “**every** student receives a **meaningful opportunity** to succeed academically, socially, and civically, which requires that **all** students have access to a comprehensive, effective, and contemporary system of public education” but that all Pennsylvania students do not have access to such a system.¹³ The court also found that, regarding Article III, Section 32 of the Pennsylvania Constitution, the state is not providing a system of public education that “does not discriminate against students based on the level of income and value of taxable property in their school districts.”¹⁴ Instead, students who live in school districts with low incomes and low property values are deprived of the same opportunities and resources and are therefore deprived of equal protection under the law compared to students in districts with high incomes and property values. The court calls on the “Legislature, Executive

¹³ William Penn School District et. al v. Pennsylvania Department of Education, “Memorandum Opinion by President Judge Cohn Jubelirer,” February 7, 2023, <https://www.elc-pa.org/wp-content/uploads/2023/02/Memorandum-Opinion-Filed-2.pdf>.

¹⁴ Ibid.

Branch and educators, to make the constitutional promise a reality in the Commonwealth.”¹⁵ The Public Interest Law Center shows that the state would need to invest an additional \$4.6 billion in school funding to educate all of our students adequately.¹⁶

In figure 7 below, we show the problem identified in the school funding lawsuit clearly. We divide Pennsylvania’s 500 school districts into four groups (each with nearly equal numbers of students) by the share of students living in poverty. The bar on the left, the 1st quartile, includes school districts with the highest share of students in poverty. The bar on the right, the 4th quartile, includes school districts with the lowest share of students in poverty. Here, we measure for each quartile, the per-student state funding gap that exists to adequately fund our schools—what is referred to as the *adequacy gap*.¹⁷ As you can see, high-poverty school districts have the largest funding gap—\$3,542 per student. The funding gap decreases as poverty levels decrease. It’s important to note, however, that on average, even low-poverty school districts in the Commonwealth have a funding gap of \$854 per student. Only 14% of our state’s school districts are adequately funded.¹⁸

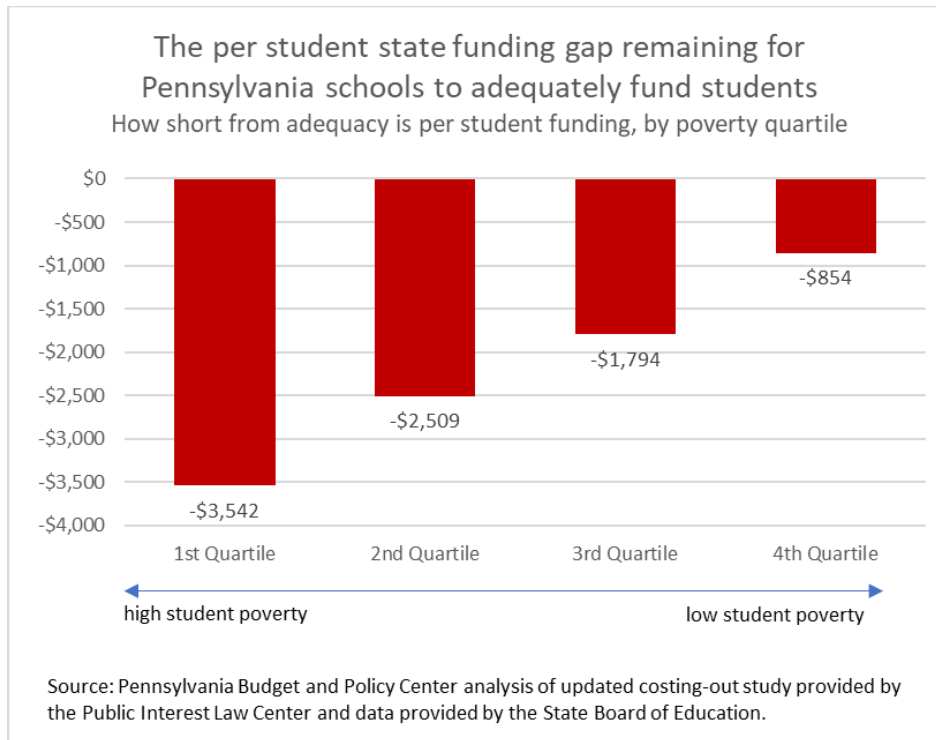
¹⁵ Ibid; The Public Interest Law Center, “School Funding Lawsuit,” <https://pubintlaw.org/cases-and-projects/pennsylvanias-school-funding-system-declared-unconstitutional-in-historic-victory-for-students/>.

¹⁶ Maddie Hanna, Kristen A. Graham, and Gillian McGoldrick, “Landmark Pa. school funding case decided: The state’s system is unconstitutional,” *Philadelphia Inquirer*, February 7, 2023, <https://www.inquirer.com/news/school-funding-lawsuit-pennsylvania-result-20230207.html#:~:text=An%20analysis%20presented%20at%20trial%20by%20a%20Penn,figure%20challenged%20by%20lawyers%20for%20Republicans%20during%20trial.>

¹⁷ In 2008, PA state law set a benchmark for calculating the resources schools need to reach state academic standards—i.e., what constitutes an “adequate” level of funding. This target for adequate funding was developed in a bipartisan way. The target is weighted to take into account student need just like the Basic Education Funding (BEF) does. The adequacy numbers we use in this paper were updated in October 2022 and use detailed 2020–21 spending data by school district. Statewide, state and school districts need to invest an additional \$4.6 billion to adequately educate our children. For more information see the summary of Matthew Kelly’s (Penn State College of Education) updated expert analysis at <https://www.fundourschoolspa.org/expert-reports> and the overview of adequacy, including a map showing the gap by school district at <https://www.fundourschoolspa.org/findyourdistrict>.

¹⁸ Marc Stier, *Alternative Approaches to Making a Down Payment on Education Equity*, Pennsylvania Budget and Policy Center, March 22, 2023, <https://krc-pbpc.org/wp-content/uploads/Comparing-Education-Proposals.pdf>.

Figure 7

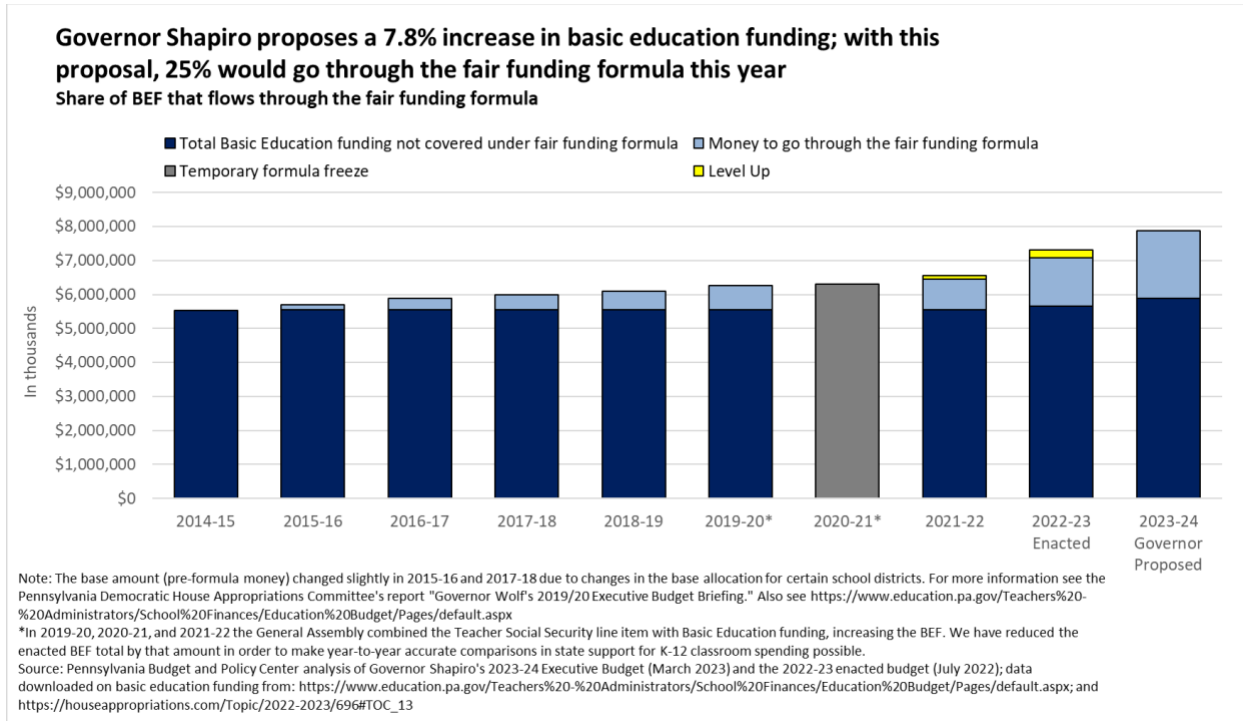


The Fair Funding Formula and Level Up

Pennsylvania has attempted to solve its school funding problem but, as we show above, the problem still remains. To address existing funding inequities in Pennsylvania’s schools, the Legislature in 2015–16 enacted a new method of distributing state aid to school districts known as the “Fair Funding Formula.” The method requires all new basic education funding since 2014–15 to go through a formula that takes into account each district’s distinct needs, including the number of students, the number of children living in poverty, the number of English-language learners, the overall wealth and income of district residents, and the “tax effort” made by each district—that is the share of local resources spent on education. Under what is called the “hold-harmless” rule, however, only increases in Basic Education Funding that began in 2015–16 go through the formula, while the rest of BEF is distributed as it was as of 2014–15.

Figure 8, below, shows basic education funding from 2014–15 until today, including the amount of basic education funding (BEF) that is going through the Fair Funding Formula (in light blue). BEF funding has historic inequities baked into it, but with every increase in basic education funding since 2014–15, more money goes through the Fair Funding Formula. This year Governor Shapiro is proposing a 7.8% increase in basic education funding (\$567 million), which would result in a total of 25% of basic education funding now going through the Fair Funding Formula.

Figure 8

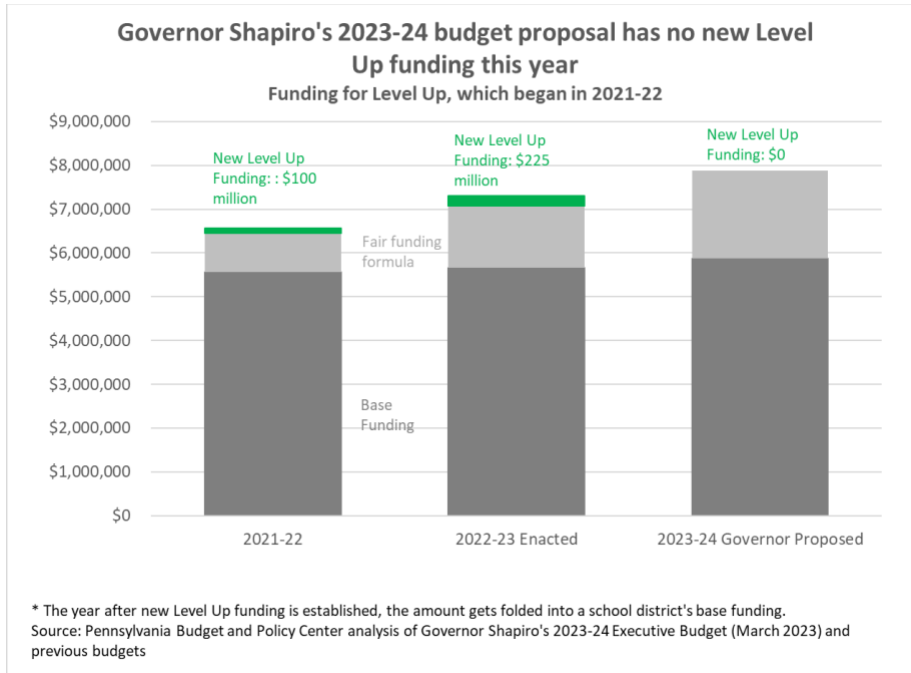


In 2021–22, with bipartisan support, the Legislature funded a new mechanism called Level Up to combat historic school funding inequities. The Level Up concept is simple and sensible: target a portion of new state education funding to the districts with the greatest need and guarantee that it will be recurring. This new distribution mechanism provides funding to the 100 Pennsylvania school districts furthest from the funding level adequate for the students of the districts to meet state achievement standards. In 2021–22, \$100 million of new funding was distributed through Level Up. An additional \$225 million is being funneled through this funding mechanism this year. Each year’s Level Up funding becomes part of a school district’s base funding for the following years.¹⁹ As figure 9 shows, Governor Shapiro, in his 2023–24 Executive Budget, allocated **no new Level Up funding** to school districts. Level Up is not a comprehensive solution to the school funding problem and one must be devised in the next few years. But in the meantime, Level Up is the only mechanism we have to deal with the worst inequities in school funding. The Pennsylvania Budget and Policy Center and other education advocates have called on the General Assembly to distribute another \$300 million through Level Up this year.²⁰

¹⁹ See Section 2502.55 of the Public-School Code, which establishes the Level Up Supplement and how it is allocated. In 2502.55(3) it states, “Payments made under this section shall be deemed to be part of the school district’s allocation amount under section 2502.53 (b)(1) for the 2022–2023 school year and each school year thereafter.”
<https://www.legis.state.pa.us/cfdocs/Legis/LI/uconsCheck.cfm?txtType=HTM&yr=2022&sessInd=0&smthLwInd=0&act=55>.

²⁰ Keystone Research Center and PA Budget and Policy Center, “Level Up: Funding to Combat Historic Education Inequities Should be Included in the 2023–24 Budget,” https://krc-pbpc.org/wp-content/uploads/PBPC_LevelUp_March2023.pdf.

Figure 9

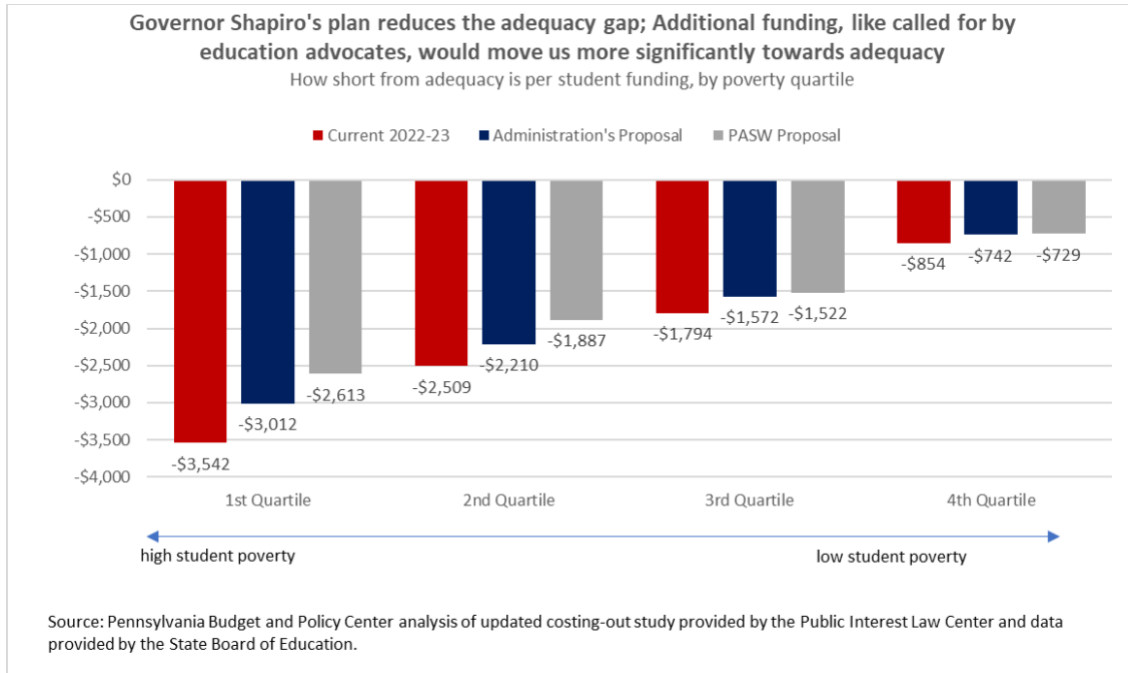


Below, in figure 10, we analyze how Governor Shapiro’s proposal would impact the adequacy gap by poverty, race, and ethnicity quartiles. Let’s look first at school districts divided into quartiles by share of students living in poverty. The red bars mirror figure 7 above—that is the adequacy gap as it stands with current levels of funding. The dark blue bars represent the adequacy gap by poverty quartile if Governor Shapiro’s plan is adopted as is (\$567 million in additional basic education funding). You can see the additional BEF funding going through the Fair Funding Formula will reduce the adequacy funding gap for all quartiles of school districts—high poverty, low poverty, and those in between.

But, given the recent court order directing Pennsylvania to address its inadequate and inequitable school system, more can, and should, be done in the 2023–24 budget year, especially given the \$13 billion surplus the state is projected to see this year.²¹ Pennsylvania Schools Work—a coalition of education advocates, including the Pennsylvania Budget and Policy Center—has called on the Governor and the Legislature to enact a budget that includes a \$700 million increase for Basic Education Funding and \$300 million in Level Up funding that would go to the 100 least-funded schools in the Commonwealth. We modeled this proposal, which is shown below as the grey bars in figure 10. As you can see, implementing this proposal would lessen the disparities and shrink the gap significantly in districts with higher shares of students in poverty. This would signal real progress towards the court-ordered mandate to fix our school funding problem.

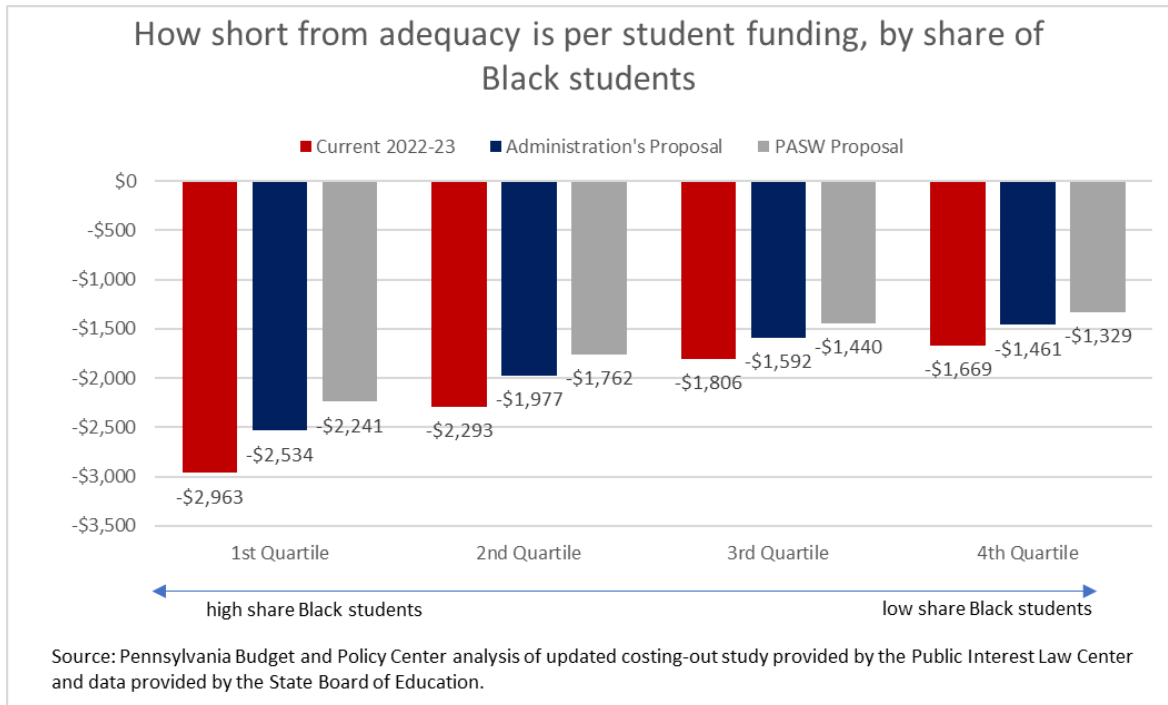
²¹ Marc Stier and Diana Polson, *Pennsylvania Budget Outlook: Short-Term and Long-Term*, PA Budget and Policy Center, February 14, 2023, <https://krc-pbpc.org/wp-content/uploads/budget-outlook.pdf>.

Figure 10



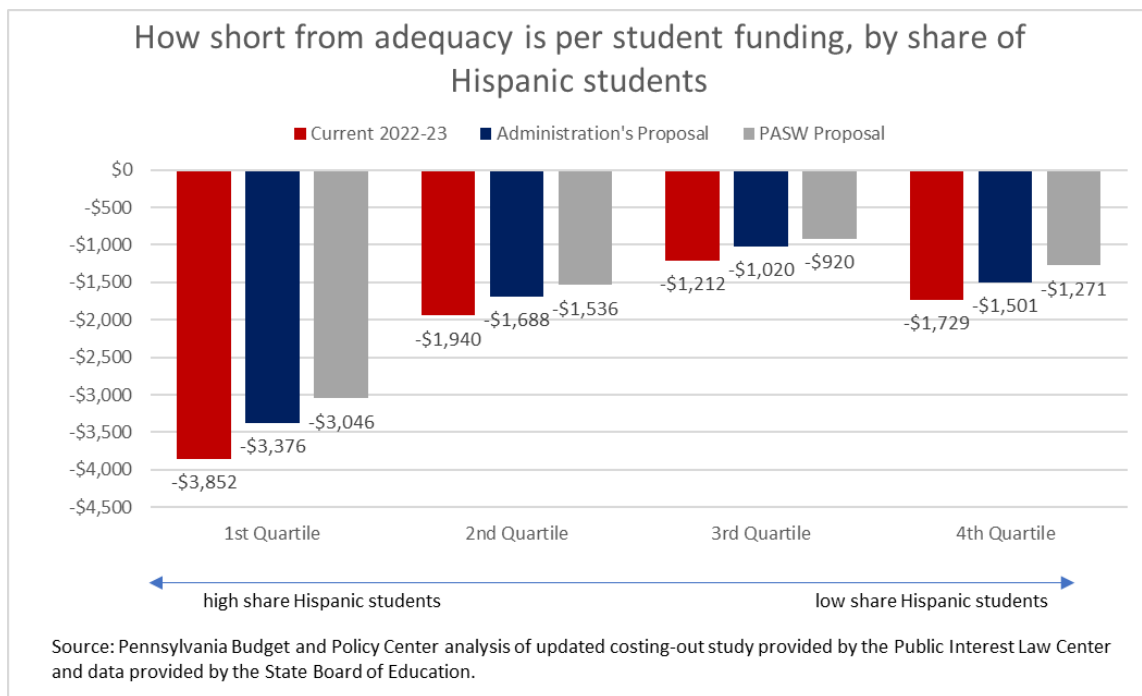
Below, figure 11 shows the same information but organized by quartile based on the share of Black students in school districts. You can see the difference Governor Shapiro’s proposed education funding would make in racial disparities. As proposed by PA Schools Work, more funding would get us closer to adequacy.

Figure 11



The figure below shows how far we are from adequacy in quartiles organized by share of Hispanic students. For more information, see our paper [here](#).

Figure 12



Career and Technical Education (CTE)

Pennsylvania’s career-related education system has great potential but is fragmented and underfunded. Only 6.4% of our state’s public school high school students are engaged in substantial career and technical education programs. Our enrollment lags that of surrounding states, where the average enrollment in CTE programs hovers around 19%. West Virginia and Delaware each have more than 30% of their students enrolled in CTE programs.²²

Governor Shapiro’s campaign plan when he ran for governor centered workforce development efforts and included a goal of “drastically increasing career and technical education.”²³ CTE programs arm

²² Donna Cooper and Stephen Herzenberg, *Meeting the Demand for New Workers—Investing in Career Related Learning for High School Students*, Children First, Keystone Research Center/PA Budget and Policy Center, and PA Schools Work, March 2023, <https://krc-pbpc.org/wp-content/uploads/CF-KRC-PaSW-CTE-Final-3-3-23-with-Cover.pdf>.

²³ Shapiro for Governor website, “Josh Shapiro Releases New Plan to Expand Pennsylvania’s Workforce, Address Labor Shortages, & Invest in Pennsylvania Workers,” press release, April 21, 2022, https://joshshapiro.org/news/pennsylvanians-are-hearing-about-josh-shapiros-plan-to-cut-taxes-and-lower-costs-all-across-the-commonwealth-2/?link_id=5&can_id=654f9c650a72c77b122c7b0d269de0af&source=email-advisory-2pm-tomorrow-pa-budget-and-policy-center-to-hold-press-briefing-breaking-down-gov-shapiros-first-budget-proposal-2&email_referrer=email_1838558&email_subject=release-governor-shapiros-first-budget-right-priorities-but-inadequate-funding.

students with marketable skills and credentials so they are ready to succeed in career or in college—and to enter the workforce if they choose—right after high school, including via apprenticeship .²⁴

The Governor’s proposed investments include more than \$12 million for three programs that directly support Career and Technical Education (CTE) in schools:

- \$3.3 million in new funding to ensure educational facilities and schools with Career and Technical Education programs can purchase and upgrade technology and equipment.
- \$4 million for career and technical centers to support employment and expand program offerings in high-demand areas of health care, STEM, energy, and infrastructure trades. This is especially important given the huge influx of federal infrastructure and climate money coming to Pennsylvania over the next ten years, as well as the staffing shortages in health care.
- \$5 million in secondary career and technical education for increasing computer science and STEM programs statewide.

It also includes \$8.5 million for two programs that would strengthen CTE’s connections to industry, increasing students’ career prospects and meeting industry skill needs.

- \$2 million to establish a state-level “industry in the school” program that would allow for industry professionals to teach and build interest among students in the classroom.
- \$3.5 million for a new PA Schools to Work program, which supports workforce development partnerships between schools and employers, organizations, and associations that would create robust training and career pathways.

Governor Shapiro further proposes to invest \$3 million in a new “Foundations in Industry” program to cover a portion of the in-classroom instruction for registered apprenticeships and pre-apprenticeships. Co-investment by government in classroom education that complements private investment in on-the-job learning is the approach that other countries use to scale apprenticeship to many times the level in the United States.

The Governor’s CTE and apprenticeship/pre-apprenticeship proposals point toward some of the systemic reforms of adult workforce development and high-school CTE that Keystone Research Center has proposed.²⁵ The Governor’s proposal, however, does not include an increase in the core subsidy for CTE. The current and paltry state subsidy of 8.5% of CTE costs is the major bottleneck to more Pennsylvania students enrolling in career-related learning.²⁶ This subsidy makes school districts reluctant to encourage more students to enroll in CTE. For that reason, it is insufficient to move Pennsylvania’s enrollment in CTE up from its current level of one-third of the average in our surrounding

²⁴ Governor Josh Shapiro, *Executive Budget 2023–24*, March 7, 2023, E15-11 and A1-8, <https://www.budget.pa.gov/Publications%20and%20Reports/CommonwealthBudget/Documents/2023-24%20Budget%20Documents/Budget%20Book%202023-24%20WEB.pdf>.

²⁵ Stephen Herzenberg, “Shapiro Budget Proposes Intriguing Investments in a PA Learning and Career Infrastructure,” KRC/PBPC Blog, March 17, 2023, https://krc-pbpc.org/research_publication/shapiro-budget-proposes-intriguing-investments-in-a-pa-learning-and-career-infrastructure/.

²⁶ See more here: <https://krc-pbpc.org/wp-content/uploads/CF-KRC-PaSW-CTE-Final-3-3-23-with-Cover.pdf>.

states²⁷ or to increase Governor Shapiro’s own goal of drastically increasing CTE opportunities. Given strong, bipartisan support for CTE, the Legislature has an opportunity to enhance Governor Shapiro’s strategic investments in industry-aligned education and training with a substantial bump in the state CTE subsidy.

Special Education

State and federal law mandate that school districts cover the costs of special education for students who need it. The need for special education services has grown, as have costs, but state funding has not kept up, putting enormous strain on local school districts to cover the costs. In 2008–09, Pennsylvania paid 32% of school districts’ special education costs, but by 2019–20 this state share dropped to just 22%.²⁸ To cover these growing costs, school districts need to either raise property taxes or cut other programs that are not mandatory.

Governor Shapiro proposes an additional \$103.8 million investment, a 7.8% increase, in special education. The Governor also proposes to tie special education funding to the overall level of inflation in the future.²⁹ Since special education costs—and K-12 education costs more generally—tend to increase faster than the overall price level, tying special education funding increases to inflation would likely further decrease the state share of this funding over time.³⁰

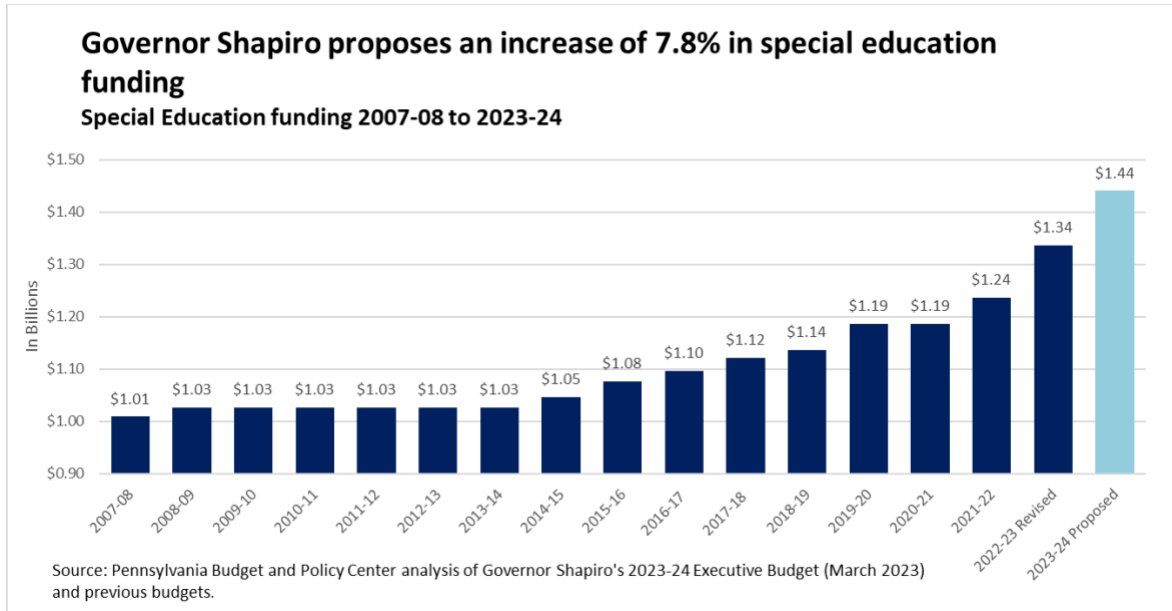
²⁷ While CTE receives a proposed \$14 million increase in the budget (Governor Josh Shapiro, *Executive Budget 2023-24*, March 7, 2023, E15-3 and E 15-11, <https://www.budget.pa.gov/Publications%20and%20Reports/CommonwealthBudget/Documents/2023-24%20Budget%20Documents/Budget%20Book%202023-24%20WEB.pdf>), and CTE equipment another \$3.33 million, these increases do not appear in the CTE subsidy. Consistent with this interpretation, the “Total SCTES [State Career and Technical Education Subsidy]” in Excel sheets showing funding by CTC and school district total \$80.3 million for both current 2022–23 and for projected 2023–24 funding. These Excel sheets can be downloaded from the bottom of the following web page: <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Education%20Budget/Pages/Secondary-Career-and-Technical-Education-Subsidy.aspx>.

²⁸ Education Law Center – Pennsylvania, *Fixing the Special Education Funding Gap*, May 2022, https://www.elc-pa.org/wp-content/uploads/2022/05/Special_Ed_Report_PASWEDU_Law_Center_2022-5-24.pdf.

²⁹ Governor Josh Shapiro, *Executive Budget 2023-24*, March 7, 2023, A1-6, <https://www.budget.pa.gov/Publications%20and%20Reports/CommonwealthBudget/Documents/2023-24%20Budget%20Documents/Budget%20Book%202023-24%20WEB.pdf>.

³⁰ Between 1978 and 2022, inflation of elementary and high school tuition and fees rose 3.84 faster than the overall price level—by 1540% instead of 413% (estimated based on elementary and high school tuition and fees price index data extracted at https://data.bls.gov/timeseries/CUUR0000SEEB02?output_view=data and CPI-U-RS data extracted at <https://www.bls.gov/cpi/research-series/r-cpi-u-rs-home.htm>). While this index is based on the cost of private school tuition and fees (since public education is free), it still indicates—dramatically—that you can’t use the overall price level as a proxy for the increase in the costs of special or other K-12 education.

Figure 13



Tax Credits for New Teachers and Teacher Professional Development

Pennsylvania faces a school staffing crisis. In the last decade, the number of teacher certificates issued in Pennsylvania have fallen dramatically, reaching fell from 20,000 to 6,100 last year.³¹ To incentivize Pennsylvanians to get their teaching certificate, Governor Shapiro has proposed a \$2,500 tax credit for new teachers for three years after earning their teaching certificate. (The same tax credit applies to nurses and police.)

Governor Shapiro also proposes an additional \$2 billion investment in teacher professional development through local education agencies. This training would support teachers in creating new curriculum that would align with changing educational standards and supports students.³²

Teachers generally make 20% less than other college-educated workers.³³ Budgets proposed by Governor Wolf requested an increase in the minimum teacher salaries to \$45,000, as they are still set statewide at a measly \$18,500. However, these proposals were continually rebuffed by an unsupportive legislature.

³¹ Chris Hoffman, "Governor Josh Shapiro wants to take steps to address teacher shortage," *CBS Pittsburgh*, March 21, 2023, <https://www.msn.com/en-us/news/us/governor-josh-shapiro-wants-to-take-steps-to-address-teacher-shortage/ar-AA18USKC>.

³² Governor Josh Shapiro, *Executive Budget 2023–24*, March 7, 2023, A1-9, <https://www.budget.pa.gov/Publications%20and%20Reports/CommonwealthBudget/Documents/2023-24%20Budget%20Documents/Budget%20Book%202023-24%20WEB.pdf>.

³³ Juliana Kaplan, "In 2019, public school teachers were paid nearly 20% less than other college-educated workers," *Business Insider*, September 17, 2020, <https://www.businessinsider.com/public-school-teachers-paid-20-less-than-peers-in-2019-2020-9#:~:text=A%20report%20from%20the%20Economic%20Policy%20Institute%20found,numbers%20are%20from%20pre-coronavirus%20%E2%80%94%20and%20therefore%20pre-recession.>

New calls by teachers' unions ask for the minimum to be raised to \$60,000.³⁴ Governor Shapiro did not propose increasing the minimum salary for teachers for the 2023–24 budget year.

Mental Health for Students and Staff

The pandemic took a toll on many people's mental health, which has been especially felt in schools over the last few years. Governor Shapiro has made increasing support for mental health a pillar of his budget this year, proposing a new line item—\$100 million to fund the School-Based Mental Health Supports Block Grant—to boost mental health support for both students and school staff. The budget describes this funding as “a flexible funding stream” to address students' various mental health needs. Each school district would receive \$100,000 as a base grant; charter school entities would receive \$70,000. This funding would help build a trained pipeline of mental health professionals in the school setting and ensure more students and staff have access to quality mental health care. Grants could be used for hiring / maintaining mental health staff (social workers, school counselors and psychologists), contracting services to community or non-profit groups, and/or providing telemedicine mental health services. Grants could also support internships for those pursuing state certifications in the field, which would help to build a pipeline of school mental health staff.³⁵

Universal Free School Breakfast

Governor Shapiro has proposed to continue a pandemic-era policy that made the free school breakfast program universal. Federal pandemic guidelines made free breakfast and lunch at school available to every student in public schools without having to apply for the program. These federal programs, however, ended in 2022. The Governor has proposed to spend \$38.5 million to continue the free breakfast program, available to all students.

Remediating Environmental Hazards in Schools

Our state's school infrastructure is aging, and there are a number of hazards that must be addressed in order for our kids to learn in a safe environment. Hazards include, but are not limited to, lead paint, asbestos, mold, polychlorinated biphenyls in school materials, lead in drinking water, radon, crumbling walls and structures.³⁶ One recent study found that out of 65 districts statewide, seven-tenths have lead in their drinking water; one-third reported high levels of radon in their schools; two-thirds had mold in their buildings; and half reported “lead in dust and paint exceedances.”³⁷ Making our public school buildings safe for our kids is so important, but will take significant funding. The Governor is proposing

³⁴ Alejandro A. Alvarez, “Teachers should make at least \$60K annually, education official tells Pa. Senate committee,” *Philadelphia Inquirer*, March 1, 2023, <https://www.inquirer.com/news/pennsylvania-teachers-salary-minimum-shortage-20230301.html>.

³⁵ Governor Josh Shapiro, *Executive Budget 2023-24*, March 7, 2023, A1-13, <https://www.budget.pa.gov/Publications%20and%20Reports/CommonwealthBudget/Documents/2023-24%20Budget%20Documents/Budget%20Book%202023-24%20WEB.pdf>.

³⁶ Kara Holsopple, “The everyday environmental hazards lurking in PA's schools,” *The Allegheny Front*, May 13, 2016, <https://www.alleghenyfront.org/the-everyday-environmental-hazards-lurking-in-pas-schools/>.

³⁷ John L. Micek, “Report: Aging Pa. schools ‘uniquely vulnerable’ to environmental health hazards,” *Pennsylvania Capital-Star*, August 18, 2021, <https://www.penncapital-star.com/commentary/report-aging-pa-schools-uniquely-vulnerable-to-environmental-health-hazards-wednesday-morning-coffee/>.

\$100 million for school environmental repairs and improvement via a new line item in the budget. He vows to make this a 5-year program with the \$100 million to be allocated annually for that time period.³⁸

Charter School Reform Not in the Budget

For several years, Governor Wolf proposed charter school reform, including changes to the way Special Education funding is calculated for charter schools and the establishment of a statewide cyber charter tuition rate.³⁹ Despite years of proposals, these changes have never been implemented, and Governor Shapiro proposes neither of these changes in the 2023–24 executive budget.

³⁸ Maddie Hanna, “What you need to know about education funding proposed in Gov. Shapiro’s budget,” *Philadelphia Inquirer*, March 7, 2023, <https://www.inquirer.com/news/school-funding-education-pennsylvania-budget-shapiro-2023-20230307.html>.

³⁹ Diana Polson and Marc Stier, *Flush with Cash: Will Pennsylvania Invest in Our Kids’ Future? Analysis of Governor Wolf’s 2022-23 Education Budget Proposal*, Pennsylvania Budget and Policy Center, <https://krc-pbpc.org/wp-content/uploads/Education-section-of-budget-5-10-22.pdf>; Maddie Hanna, “Wolf revives push to change charter school funding,” *Philadelphia Inquirer*, February 26, 2021, <https://www.inquirer.com/education/gov-wolf-cyber-charter-schools-funding-pennsylvania-20210226.html>.