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Safely Reopening Schools 2020-21

PASBO Testimony to the House Education Committee

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Chairmen Sonney, Roebuck and members of the House Education Committee, thank you for giving me opportunity to testify on safe school reopening in Pennsylvania and needed policy changes.

My name is Shawn Sampson, and I am the business manager at Titusville Area School District in Crawford, Warren and Venango Counties.

The current pandemic and its underlying economic impact is creating chaos for school operational planning among a myriad of federal, state and local rules, regulations and guidance.

On top of this, there is real uncertainty in school finance from both sides of the general ledger. For both revenues and expenditures, there are some significant pieces of our budgets that are or will be experiencing unprecedented uncertainty.

All of this uncertainty is making the reopening discussions and planning that much more complex. Like every district across the commonwealth, we've spent all summer working with parents, staff and the community to define the procedures for reopening the school year safely—and as we do this, the situation continues to evolve and our plans constantly have to adapt.

As districts are preparing for the 2020-21 school year to begin, there are some common concerns. First, many districts are concerned about the potential liability of returning to in-person instruction. With so many iterations of guidance and the inability to provide a one-size-fits-all approach to defining how to reopen schools, it's unclear the extent of the precautions and mitigation strategies that need to be in place to limit the risk of liability should a student or staff member acquire COVID-19 at school.

For example, is it appropriate to have 30 students on the bus if they are wearing masks and only siblings sit together? What if it is not feasible to provide six feet of distance between desks in every classroom? Is 5.5 feet sufficient? These are the questions that every school district and LEA is grappling with right now, and with no answers and no protection, the risk of liability—even when we are doing everything feasible to mitigate the risk—is very real.

Second, many school districts have needed to purchase additional technology for students, as well as PPE, such as masks, gowns and gloves, and disinfectant, hand sanitizer and other cleaning supplies. In addition to the cost of these items—which federal stimulus funds have helped to cover—there have

been challenges across the state in obtaining some of these important items due to delays in the supply chain. LEAs will continue to struggle with that issue as we head into the fall.

Additionally, many districts—including Titusville—continue to face challenges when it comes to internet access for all of our students. The lack of uniform access to students adds complexity to our already difficult planning processes. Additionally, some districts are concerned about whether they will be permitted to bring students into facilities—in a safe and socially distant manner—to access the internet if the state or the county goes back into the red and does not allow in-person instruction.

The continuing uncertainty of the 2020-21 school year and the evolving nature of the situation means that districts and other LEAs face many other challenges to routine operations as well, and I encourage this committee to consider assisting us in addressing some of these by providing some needed flexibility for this school year.

Specifically, Act 13 of 2020, passed last April, provided school districts with one option for overcoming potential constraints in existing laws by providing flexibility through a waiver process.

A school district could apply to PDE for a waiver from provisions of the Public School Code, regulations or standards that don't make sense in our new COVID-19 reality. This program allowed for a surgical process to meet the needs of each individual district and community.

Unfortunately, under Act 13, this mandate waiver program only applied to the 2019-20 school year. By simply extending the provision to the 2020-21 school year, school districts could seek flexibility in reopening school and continue to adjust and evolve their operations as necessary as year continues.

One specific area where this flexibility would be vital is with respect to staffing. Schools that are opening in-person are anticipating staffing challenges if and when employees become sick. With social distancing measures in place, school staff will be stretched thin, and with minimal available substitutes (and questions about the viability of bringing in outside individuals that may have been working in multiple schools), school leaders must be able to make a decision each school day to cover unexpected staffing shortages. These decisions may require shifting professional and support personnel to staff each classroom, and flexibility may be needed to manage some of the potential certification misalignment that may come from these temporary assignments.

Another area of needed flexibility is with respect to school bus evacuation drills, severe weather, fire and other drills. Given the fact that some districts are operating remotely and that those operating in-person are working diligently to mitigate the spread of COVID-19, flexibility on these drills—in the frequency and process—would be helpful. Schools can't conduct severe weather drills as they normally would and still effectively adhere to social distancing guidance. We recognize these drills are critical—however—it is just as critical that we adhere to our Health and Safety Plans to keep students and staff safe from the spread of COVID-19.

Another important area of consideration and future discussion for this committee is the area of student transportation. With the variety of reopening plans across the commonwealth and the operational challenges surrounding the need to social distance in the classroom and on school buses, the transportation programs during the 2020-21 school year will be anything but normal in most districts. As a result, the existing transportation funding formula is a poor fit for the current reality, and we would suggest that a temporary formula be put into place to provide subsidy based on this year's transportation, which will not be paid to districts until the 2021-22 fiscal year. PASBO is working on

some options to address this challenge, and we will be happy to work with the Committee on this issue as we go into early 2021.

In addition to the challenges impacting school districts and other LEAs in the very immediate future, we are anticipating some additional financial challenges as the school year progresses.

As school districts are planning—and re-planning—their 2020-21 reopening, there is some anticipation that the number of cyber charter school enrollment will increase, potentially substantially in some districts. The reasons behind this potential shift vary. In some cases, parents may not be interested in in-person instruction due to COVID-19 concerns, in other cases parents may be unfamiliar with the district's online options or how they differ from the online programming provided last spring. School districts across the commonwealth are working hard to educate parents about the full time online district or IU programs available for students for 2020-21.

Despite these efforts, however, it is certainly possible that a sizeable number of school district, brick and mortar charter school and nonpublic school students may decide to transition to a cyber charter school this fall.

The financial implications of this increase in enrollment could be significant for school districts, since students transferring to a cyber charter school will create additional, unbudgeted costs for districts.

A doubling of cyber charter enrollment, or approximately 35,000 additional students statewide, could potentially add more than \$600 million to school districts' budgets in 2020-21 on top of the anticipated \$153 million increase in charter school tuition expected from 2020-21 tuition rate increases, which are unaffected by COVID-19.

While it is too soon to fully understand the extent of the shift to cyber charter schools, the \$600 million estimate may prove to be conservative, and while the impact will be different in every school district, the reality is that any increase in this area will stretch school district budgets to the breaking point in many areas—and that breaking point could come prior to the end of the calendar year in some cases.

These potential cyber charter school tuition increases are likely to exacerbate the precarious financial situation in school districts. Last April, PASBO released projections for the potential economic impact of the pandemic on school districts' local revenue, and in early July, the Independent Fiscal Office (IFO) conducted a similar analysis of local revenue impact for counties, municipalities and school districts.

The IFO's analysis, which looks just at property taxes, earned income taxes and delinquent tax revenue, projects a loss to local tax collections between \$450 to \$500 million for school districts in 2020-21. Additionally, PASBO expects a potential loss of realty transfer tax revenue and declining investment income between \$260 to \$290 million for this fiscal year. As a result, our best case scenario projects a local revenue loss of at least \$700 to \$800 million.

Unfortunately, it's not likely that this financial uncertainty will subside for 2021-22, and as we know more about how property tax collections and earned income tax collections are performing, we'll have a better sense on the challenges that may be ahead for next year.

We do know that local revenue will continue to be impacted by COVID-19, as assessment appeals related to the pandemic will not begin to hit until next fiscal year—the extent of which is unknown. All of this will happen as federal funds go away, as state revenue is unlikely to increase and as mandated costs—particularly charter school tuition and special education costs—will continue to increase. On top

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of this, we're concerned about the Property Tax Relief Fund for 2021-22, and the implications for school districts and taxpayers if the basic level of taxpayer relief cannot be provided to homeowners.

Despite this, overall, we want to be optimistic about this situation and the many hurdles in front of us. While we acknowledge that it's sometimes hard to see the forest for the trees when dealing with such a complex, unprecedented and evolving situation every day, we will get through this. We are hopeful that this will provide an opportunity to change public education—making it stronger, more adaptable and more innovative—for the future. But, to get there, we have very long and difficult road ahead of us. For now, our priority is the health and safety of our students and staff and the provision of an excellent education to all of our students despite the chaos happening in the world. We look forward to working with this committee and with the entire legislature both in the short and long term as we continue to tackle the many issues that have arisen and that will arise as a result of COVID-19.

Thank you for your time, and I am happy to try to answer any questions you may have.