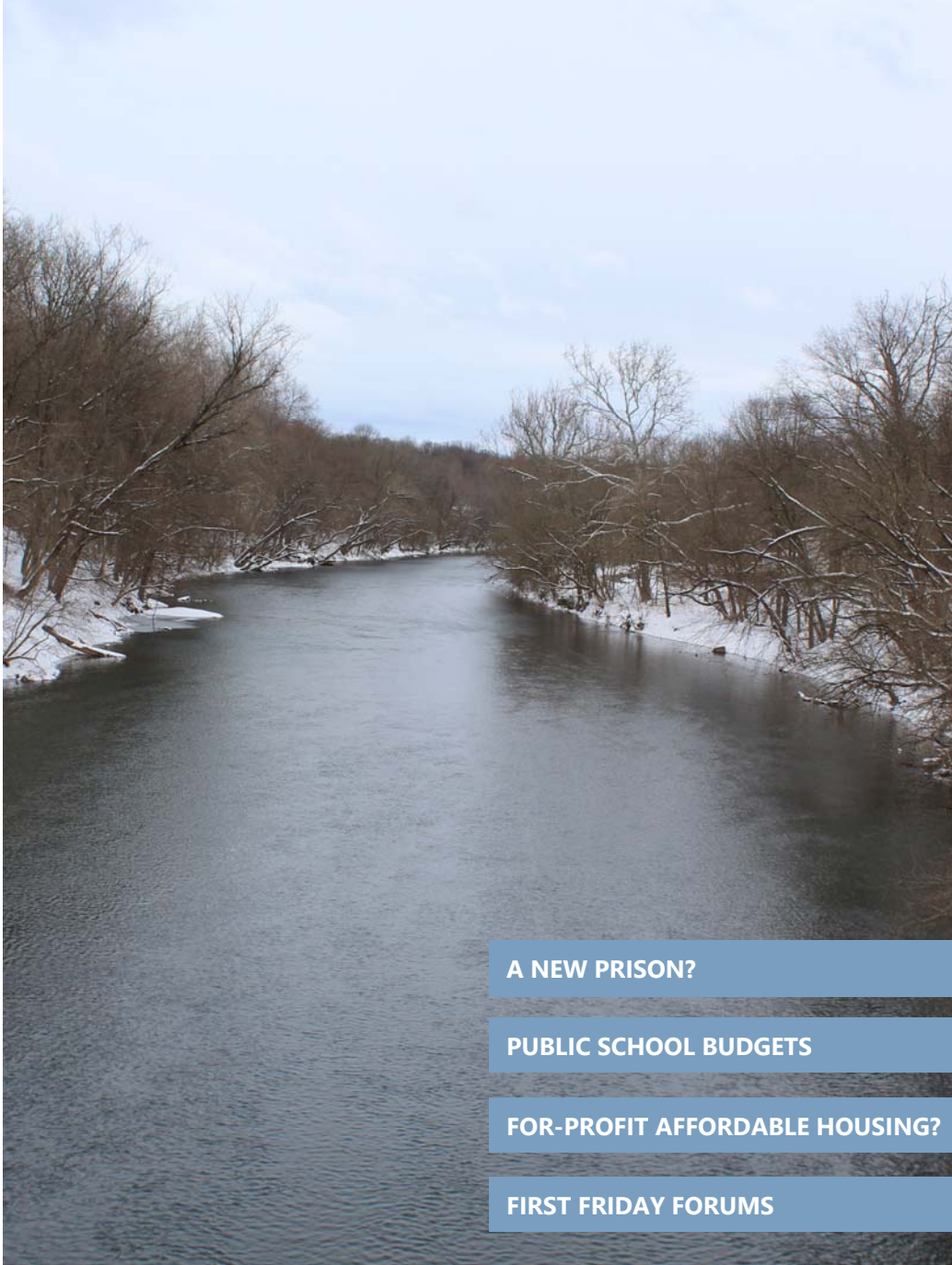


Winter 2021

Hourglass Quarterly



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PUBLIC SCHOOL BUDGETS

COVID-19 Makes an Impact

COVID-19's impact on public school district's budgets has been varied and unequal according to a new report from the Pennsylvania Association of School Business Officials. Throughout the state, school districts' budgets have been effected differently depending on their location, the assessed value of property in their borders, and the increases in costs needed to continue to provide educational instruction remotely.

The "School District Budget Report: The COVID Impact" report released in January 2021, included survey responses from public schools throughout the state. According to this survey, one of the largest impacts of the pandemic on school budgets has been the immense staffing challenges. 90% of respondents reported that it was very difficult to maintain professional staffing levels and almost 85% indicated that it was difficult to find substitute teachers. Part of this challenge lies with the need for increased staffing to manage parallel hybrid learning programs, where part of the class is in-person and part of the class is remote. Addi-



tionally, because of social-distance requirements, student to teacher ratios had to be adjusted, requiring additional staff. Additional challenges facing school districts include managing contracts with transportation companies and school lunch vendors.

Cyber charter schools continue to be a drain on public school resources. Before the pandemic, public schools were losing students to cyber charter schools and being forced to pay high costs for those students' tuition. COVID-19 has exacerbated this issue with more than 20,000 students leaving public schools to attend a cyber charter school since the beginning of the pandemic. This massive cyber charter school tuition increase is wreaking havoc on school district budgets for 2020-2021. Since the start of the 2019-2020 school year, public schools have seen their cyber charter school tuition obligations increase by approximately \$475 million for a total cost of over \$2.5 billion annually.

This increase in cyber charter tuition payments is even more concerning when compared to what it costs school districts to provide the same virtual education. A 2018 study by the Pennsylvania Association of School Administrators found that in 2017-2018



"cyber charter tuition rates paid by local school districts range from a low of \$7,598 to a high of \$18,544." The report continues, "The vast majority of local school districts offering cyber learning options are spending \$5,000 or less annually to educate students through a local online learning option."

In response to the pandemic and this flock to cyber charter schools, many school districts have either created their own cyber charter programs, expanded on existing cyber offerings, or partnered with the local intermediate unit to provide remote education.

While significant financial aid from the federal government has kept school districts afloat, there is a strong understanding that this aid is temporary. According to the report, "The pandemic didn't create the underlying education funding crisis in Pennsylvania; it simply exposed the extent of the funding disparity that exists across 500 unique districts and their communities. While federal funds will provide a welcome and needed temporary relief for school districts into 2021-2022, there is no way out of the permanent cycle of school district and taxpayer stress unless federal funds are replaced, pandemic disparities are

remedied, public education is reimagined and there is a fundamental change in the way the state funds education. With no action, however, it's a race to the bottom, with the reincarnation of higher property taxes, cuts in personnel and reductions in educational programs."



Striking a balance between the needs of students, staff, teachers, parents, and taxpayers is tricky to manage for public schools without the impact of the pandemic. COVID-19 has served to underline the existing inequalities in Pennsylvania's educational system. Schools cannot solely rely on Federal and State aid to make it through this pandemic. In Lancaster County, schools will continue to need to reexamine their funding structures and work to avoid raising property taxes on property owners already struggling financially.

"School District Budget Report: The COVID Impact", Pennsylvania Association of School Business Officials. January 2021.

