



**Testimony to the House Appropriations and Education Committees'
Education Tour 2023**

October 24, 2023

Good Afternoon, Chairman Harris, Representative Ecker, Chairman Schweyer, Representative Staats and all of the members of the Appropriations and Education Committees.

Thank you for the opportunity to provide testimony today.

I am Michael Herbstman, Chief Financial Officer for the School District of Philadelphia.

Last month, our superintendent, Dr. Tony Watlington, testified before the state's Basic Education Funding Commission about the impact of Pennsylvania's inadequate and inequitable school funding.

I want to echo his comments here and share our District's vision for what adequately funded schools look like.

As the Commonwealth Court ruled earlier this year, Pennsylvania's public school funding system has inadequately and inequitably funded low-wealth

school districts for decades. The funding system systematically harmed the very districts that need the most resources to support student populations – those districts who serve students with the greatest needs.

This is true across Pennsylvania, and is certainly true here, in Philadelphia, where we are continually forced to parse insufficient resources, resources which cannot meet the varying needs of our students and staff.

When schools are adequately funded, they can attract and retain highly qualified teachers, provide up-to-date resources and materials, and offer a wide range of extracurricular activities. All of these elements are essential to creating an environment where students can thrive academically.

First, I would like to provide you with information on the School District. We are the eighth largest school district in the nation and far and away the largest district in the Commonwealth of Pennsylvania. We are a community working together with parents, families, volunteers and community members to support the limitless potential of students attending our schools.

We are proud of the progress we have made over time. In fact, last school year, under Dr. Watlington's leadership, we improved student attendance and teacher attendance and reduced the number of students who dropped out of school.

In recent years, the District has also stabilized our finances and made targeted investments. Since 2017, we have regained local control of the District and our Moody's Investor Services bond rating has been upgraded to investment grade for the first time since 1977. And, last spring, the District's ratings outlooks were upgraded from stable to positive by both Moody's and Fitch Ratings, Inc. With new funding from the Commonwealth of Pennsylvania and the City of Philadelphia, we invested in our students and schools.

We've also invested in our buildings by modernizing classrooms, upgrading technology for students and staff, making much-needed repairs and remediating environmental hazards. In May, the Board of Education approved a 6-year Capital Improvement Plan that includes investing almost \$2.5 billion to improve our learning environments, including the construction of five new school buildings and nearly \$350 million in major renovations. And just last week, we were able to acquire \$343 million in bond funding – in line with our regular borrowing cycle – to support this work.

At every Board of Education meeting, we hear from the public about the pressing need to invest in our staff, school facilities, and instructional resources. We know and agree - investing in these areas has been shown to increase the academic success and the well-being of our students and staff.

Last year, Dr. Watlington conducted 90 “Listening and Learning” sessions across the City of Philadelphia and issued a survey that engaged a total of nearly 3,000 community stakeholders. Through this, Dr. Watlington had the opportunity to engage with students, families, educators, school leaders, central office and school-based staff, faith-based leaders, business leaders, philanthropic and non-profit organizations, and advocacy and community groups.

Following the listening and learning sessions, Dr. Watlington assembled a transition team that harnessed the collective power of more than 100 members of the Philadelphia community, including local and national K-12 education experts. Specifically, the team was composed of students, parents, teachers, principals, district leaders, union leaders, national educational leaders, city leaders, business leaders, non-profit leaders, and grassroots leaders. These members brought their local knowledge, experiences, and expertise to review quantitative and qualitative information, educational research, and best practices to develop recommendations to shape the district’s future priorities.

The third phase of the transition process focused on the development of the strategic plan. More than 200 members of the District community participated in three groups that contributed to the development of the School District’s five-year strategic plan, *Accelerate Philly*.

Accelerate Philly draws on the themes that emerged from the Listening and Learning Tour, the recommendations from the Transition Team Report, and the personal experiences of the individuals who participated in the strategic planning process. Through that collaboration, the strategic plan identifies five priority areas and 62 strategic actions. The priorities areas are:

- Priority Area 1: Improve safety and well-being (physical, social-emotional, and environmental);
- Priority Area 2: Partner with families and community;
- Priority Area 3: Accelerate academic achievement;
- Priority Area 4: Recruit and retain diverse and highly effective educators; and
- Priority Area 5: Deliver efficient, high-quality, cost-effective operations.

I have submitted the full *Accelerate Philly* strategic plan as an additional document for the record.

I would like to highlight Priority Area 5: Deliver efficient, high-quality, cost-effective operations.

To achieve our goals as a District and to drive progress toward accelerated student achievement, we must have productive and equitable operations supported by high-functioning systems, clear prioritization, and strong accountability. It is essential that we cultivate a high-performing, collaborative, and results-oriented culture that supports school leadership

teams as the unit of change. When budgeting, staffing, feedback cycles, and data systems are efficient, transparent, and aligned, all other aspects of the District can excel.

One of the strategic actions in this area is to *extend the operating budget development timeline and evidence-based budgeting practices to improve collaboration and transparency*. As part of this process, we will have opportunities to engage with our state elected leaders in advance of releasing a proposed budget each spring.

At the District, we are striving to achieve the Board of Education's Goals and Guardrails, as we aspire to become the fastest improving large, urban school district in the country. We know exactly how to accomplish this under our strategic plan *Accelerate Philly*. However, we need adequate funding and resources for implementation.

According to Penn State professor Matthew Kelly's latest report, adequate state funding for Philadelphia would mean an additional \$7,955 per student. This funding would enable our students to have the same opportunities for a high-quality education as their peers across the Commonwealth.

With the additional funding, as a district, we would be positioned to shift the conversation from how to invest limited resources to how we accelerate academic achievement by focusing on robust academic programming that takes place in 21st-century learning environments.

Our children deserve an educational landscape where every student can reach their full potential and contribute to the prosperity and growth of their community and the Commonwealth.

I thank you for the opportunity to testify today.