

Overbrook School for the Blind
6333 Malvern Avenue
Philadelphia, PA 19151
(215) 877-0313
www.obs.org
Gerald Kitzhoffer, Director
Founded - 1832

Pennsylvania School for the Deaf
100 West School House Lane
Philadelphia, PA 19144
(215) 951-4700
www.psd.org
Larry S. Taub, Headmaster
Founded - 1820



The Pennsylvania
Chartered Schools
For Deaf and Blind
Children

Western Pennsylvania School for Blind Children
201 North Bellefield Avenue
Pittsburgh, PA 15213
(412) 621-0100
www.wpsbc.org
Todd S. Reeves, Executive Director and
Superintendent
Founded - 1887

Western Pennsylvania School for the Deaf
300 E. Swissvale Avenue
Pittsburgh, PA 15218
Donald E. Rhoten, Superintendent
(412) 371-7000
www.wpsd.org
Founded - 1860

PSERS TESTIMONY

**TESTIMONY SUBMITTED TO A
JOINT HEARING OF THE
HOUSE REPUBLICAN POLICY COMMITTEE
AND THEN
SENATE REPUBLICAN POLICY COMMITTEE
ON PSERS
MARCH 25, 2010**

On behalf of Pennsylvania's four state-chartered schools for deaf and blind children, I am submitting this testimony to alert you to the significant burden that is thrust upon us by the impending deficit in PSERS funding.

Our schools are the Western Pennsylvania School for the Deaf and the Western Pennsylvania School for Blind Children in Pittsburgh and the Pennsylvania School for the Deaf and the Overbrook School for the Blind in Philadelphia. Together our schools educate about 800 students from over 200 state school districts who are so disabled by blindness and/or deafness and other conditions such as autism that they can not be taught in the regular school district class rooms.

The faculties and staffs of our schools are all members of PSERS. In addition to the staff paying the employee contribution rate of 7.5%, our schools pay 50% of the employer contribution rate. Our schools are totally dependent on state funding, although the state does subsequently recover up to 40% of our total funding from the school districts. The state's share (60%) is made as a line item in each state budget. Our increase is determined by a formula found in Act 70 of 2004. While we get 125% of the increase in the Special Education line item for the prior fiscal year, since Special Education received no increase last year, our schools will be flat-lined in the 2010-2011 school year. The prospect of no increase for 2010-11 causes our schools great distress. Our distress is intensified by the PSERS burden we are about to face.

The employer contribution for our schools in the 2009-2010 school year is \$1,080,000 and this is projected to increase to \$7,593,000 in the 2014-2015 school year. That is an increase of \$6,513,000 or 603%. Attached is a schedule showing the cost impact on each of our schools.

The not-so-subtle differences between our Chartered Schools and a typical school district (from a funding perspective) include the following:

- Our Chartered Schools have no taxing authority and can not turn to local residents to support the schools.
- The Commonwealth subsidizes the “employer” contribution to the PSERS plan based on an income aid ratio. Because our Chartered Schools have no geographic area over which demographics could be used to calculate an income aid ratio, our schools have always contributed at the maximum rate. As such, while the average school district pays 46% of the employer rate, our Chartered Schools pay 50%.
- Our Chartered Schools are not eligible to participate in many funding streams available to school districts. As a case in point, our Chartered Schools did not receive any funding under the recent American Recovery and Reinvestment Act funding.
- While a private school in Pennsylvania may charge parents for the education of their children, our Chartered Schools are prohibited by law from charging parents. (School Code of 1949 at 24 PS 13-1376.1 (d))

As shown above our Chartered Schools literally have no place else to turn, other than the Commonwealth.

Donald Rhoten

Western Pennsylvania School for the Deaf

Attachment

CHARTERED SCHOOLS
SUMMARY OF IMPENDING PSERS RATE INCREASES

| | <u>Overbrook</u> | <u>PSD</u> | <u>WPSBC</u> | <u>WPSD</u> | <u>Total</u> | |
|---------------------------|------------------|------------|--------------|-------------|--------------|---------------------------------------|
| 2009-10 Base year cost | 290,983 | 186,420 | 308,310 | 294,505 | 1,080,218 | |
| | | | | | | Amount of inc. <u>over base yr</u> |
| 2010-11 | 500,393 | 320,580 | 530,190 | 506,451 | 1,857,614 | 777,396 |
| 2011-12 | 645,275 | 413,400 | 683,700 | 653,087 | 2,395,462 | 1,315,244 |
| 2012-13 | 1,778,768 | 1,139,580 | 1,884,690 | 1,800,303 | 6,603,341 | 5,523,123 |
| 2013-14 | 1,954,088 | 1,251,900 | 2,070,450 | 1,977,745 | 7,254,183 | 6,173,965 |
| 2014-15 | 2,045,400 | 1,310,400 | 2,167,200 | 2,070,163 | 7,593,163 | 6,512,945 |